



Q2 REPORT

2023

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HIGHLIGHTS

We are on a journey of sustainable growth. We are dedicated to improve our operational performance, fish welfare and survival, reduce our impact, increase profitability and create long-term value for all stakeholders. This is how we farm the ocean for a better future.

Group highlights

- Harvest volume of 22 645 tonnes (23 672 tonnes)
- Operational EBIT in the quarter of NOK 547 million (NOK 986 million), with operational EBIT/kg of NOK 24.2 (41.6)
- Salmon market remains strong, supporting earnings
- Biological control improved as a result of mitigating actions taken, supporting good growth going forward
- Newfoundland developing according to plan
- 85% of the harvested volume in the quarter ASC certified
- Expect harvest of 10 500 tonnes in Q3 2023, prioritizing biomass growth
- Target harvest volume of 78 000 tonnes for the full year 2023

CEO comment

Second quarter 2023 was yet another good quarter for the salmon farming industry, with continued strong demand in all main markets and segments. With only marginal increases to global supply, market prices were high, contributing to high revenues for Grieg Seafood.

Challenging biological conditions seen in previous quarters were still present in the second quarter, particularly in the Finnmark region. However, a broad range of mitigating actions to thoroughly address the issues, particularly ISA and Spiro in our Norwegian operations, were completed in Q2 and we have started to see positive results. Improved biological control, combined with the transfer of increasingly larger smolt and reduced production time in the ocean, provide the basis for improved fish welfare and performance as well as stronger growth in the coming quarters.

While we are still working to understand the implications of the resource tax in Norway, we see opportunities in Canada. Our Newfoundland greenfield project is developing according to plan, with the first harvest expected in Q4 2023. In British Columbia, we support the Governments efforts to transition the industry into better practices, and we continue a constructive dialogue, focusing on sustainable solutions.

I want to sincerely thank all of my dedicated and hardworking colleagues in both farming and sales for their efforts and achievements throughout the quarter. Together, we continue our journey of improvements and sustainable growth.



ANDREAS KVAME
CEO Grieg Seafood ASA

Regional highlights

Rogaland Norway

- Harvest volume of 11 536 tonnes (5 014)
- Operational EBIT/kg of NOK 36.7 (48.9)
- Record high quarter results driven by high prices and optimal timing of harvest
- 12 months survival rate stable at 90%
- Farming cost of NOK 58.2/kg, stable from Q1, somewhat impacted by ISA-related harvesting and write-downs
- 70% of harvested volume ASC certified
- ISA vaccination program for all smolt going forward
- Average weight of smolt transferred to sea above 740 grams, in line with post-smolt strategy

Finnmark Norway

- Harvest volume of 5 573 tonnes (9 843)
- Operational EBIT/kg of NOK 25.4 (53.0)
- Improved biological control throughout first half of the year - foundation for improved growth going forward
- Spiro mitigation measures in place, reducing risk significantly
- Low superior share, negative contribution from contracts and low average harvest weight impacted price achievement
- Farming cost of NOK 61.2/kg, reduced from Q1, still impacted by Spiro. Expect further reduction towards year end
- 100% of harvested volume ASC certified
- Increase in smolt transfer to rebuild biomass according to plan

British Columbia Canada

- Harvest volume of 5 537 tonnes (8 815)
- Operational EBIT/kg of NOK -2.5 (30.9)
- Price achievement supported by good superior share
- Farming cost of CAD 11.3/kg impacted by low harvest volume and seasonal biological challenges
- 100% of harvested volume ASC certified
- Continuous operational improvement through persistent testing and implementation of new routines and practices
- Constructive dialogue with Canadian government on "transition" into better farming practices

Newfoundland Canada

- Operational EBIT of NOK -8 million
- Good seawater production with high survival, driven by favorable biological conditions and high quality smolt
- Releasing ~2.5 million smolt in 2023
- Biomass at sea of 4 200 tonnes, with average weight of 1.5 kg. Average weight of the 2022 fish at sea of 2.1 kg
- Well equipped to handle variable weather conditions
- Initiated ground works for expansion of the post-smolt facility, with estimated capex of CAD 14 million
- Harvesting commencing in Q4 2023, targeting 5 000 tonnes

Key figures

KEY FIGURES	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Operational				
Harvest volume (tonnes GWT)	22 645	23 672	38 003	40 588
Sales revenue/kg (NOK) ⁽¹⁾	91.2	92.5	90.6	85.0
Group farming cost/kg (NOK) ⁽¹⁾	66.9	48.6	64.7	46.5
Other costs incl. ownership and headquarter costs/kg (NOK) ⁽¹⁾	0.1	2.3	1.3	3.1
Operational EBIT/kg (NOK) ⁽¹⁾	24.2	41.6	24.5	35.5
Financial				
Sales revenues (NOK million)	2 372	2 351	3 918	3 815
Operational EBITDA (NOK million) ⁽¹⁾	686	1 094	1 193	1 643
Operational EBIT (NOK million) ⁽¹⁾	547	986	933	1 439
EBIT (Earnings before interest and taxes, NOK million)	-96	747	428	1 609
Profit before tax (NOK million)	-4	864	569	1 743
Cash flow from operations (NOK million)	709	868	808	1 203
Capital structure				
NIBD excl. the effects of IFRS 16 (NOK million) ^{(1), (2)}	1 661	1 482	1 661	1 482
NIBD/harvest volume (NOK) ^{(1), (3)}	20.2	17.5	20.2	17.5
Equity % ⁽¹⁾	44%	50%	44%	50%
Equity % excl. the effects of IFRS 16 ⁽¹⁾	47%	52%	47%	52%
Gross investments (NOK million) ^{(1), (4)}	192	168	469	291
Profitability				
ROCE ⁽¹⁾	26%	52%	23 %	39 %
Dividend per share (NOK)	4.5	3.0	4.5	3.0
Earnings per share (NOK)	-5.0	6.0	-1.2	12.2
Total market value (NOK million, Euronext)	7 612	15 871	7 612	15 871

¹ See Alternative Performance Measures for definitions.

² NIBD excl. the effects of IFRS 16.

³ NIBD/harvest: NIBD excl. IFRS 16 divided by last twelve months harvest volume.

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

Guiding and expectations

Farming operations

Rogaland Norway

- Good biological production so far in the quarter
- Expect harvest of 4 500 tonnes in Q3 2023, skewed towards the end of the quarter
- Expect some impact on price achievement and cost from ISA due to lower average harvest weight
- Harvest target for 2023 reduced from 29 000 to 27 000 tonnes due to early harvest of ISA fish

Finnmark Norway

- Good biological production so far in the quarter
- Target no harvest in Q3 2023, prioritizing biomass growth
- Full year 2023 harvest target of 26 000 tonnes remains

British Columbia Canada

- Good biological production so far in Q3 2023
- Expect harvest of 6 000 tonnes in Q3 2023, skewed to the beginning of the quarter
- Cost level impacted by historical biological events
- 2023 harvest target of 20 000 tonnes remains

Newfoundland Canada

- Good biological production so far in Q3 2023
- Increased operational cost in Q3 2023 due to ramp up of seawater operations including vessels
- Harvesting commencing in Q4 2023, targeting 5 000 tonnes

Over the last years, we have been able to reduce the farming costs through operational improvement initiatives. In 2022, industry costs rose across the board, and feed prices increased by approximately 40% in Norway and close to 20% in BC. Although we continue to see a slight increase in some feed raw materials prices, we do not expect increases as seen last year. During the second quarter, we completed the installment of a robust UV filter at our smolt facility in Finnmark to protect our fish against Spiro, and we completed the expansion of our ISA vaccination program to cover Rogaland in addition to Finnmark. General cost inflation in both 2022 and 2023, as well as previous biological events such as Spiro and ISA will impact the farming cost until the generation of impacted fish is harvested. However, risk is significantly reduced for new generations.

While the underlying biology is improving, we have launched an improvement program in 2023 to review all aspects of our operations and identify areas where we can improve profitability and reduce costs. We also expect our post-smolt strategy to reduce operational expenditures and reduce costs related to mortality, disease outbreaks, sea lice treatments and fish handling. In BC, we have had good results with digital monitoring and measures to mitigate the effects of harmful algae blooms, where mortality related to algae blooms has been reduced from 3.4% in 2019 to 1.15% in 2022.

EXPECTED HARVEST (TONNES GWT)	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEWFOUNDLAND	GROUP TOTAL
Q1 2023 (actuals)	7 500	7 860	—	—	15 400
Q2 2023 (actuals)	11 540	5 570	5 540	—	22 700
Q3 2023	4 500	—	6 000	—	10 500
Q4 2023	3 500	12 600	8 500	5 000	29 600
Total 2023	27 000	26 000	20 000	5 000	78 000

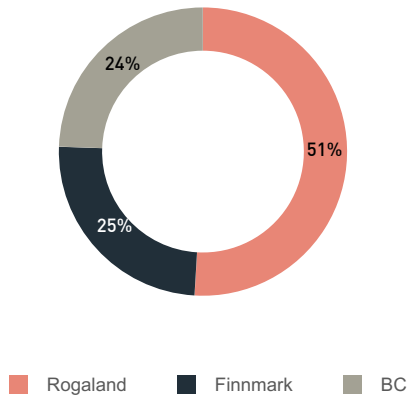
Sales & Market

We expect a good market as a result of limited global supply growth of Atlantic salmon in combination with the outlook for continued high demand both in retail and the HoReCa market. However, an increase in supply is expected to drive prices downwards compared to the first half of 2023, with current Fishpool forward price for Q3 2023 of NOK 79 per kg. Our estimated contract share for Q3 2023 is 42%, high due to the low harvest volume in Norway, and totaling 15% for the full year 2023.

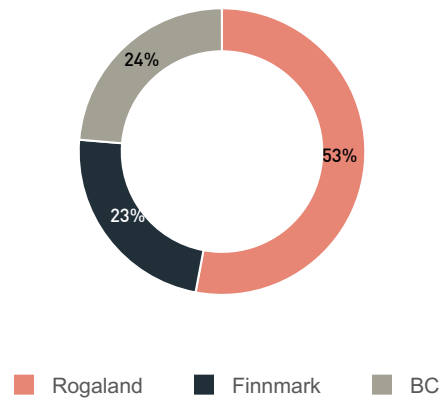
Capex

Maintenance investments are estimated at NOK 300 million in 2023. Growth investments in 2023 are estimated to approximately NOK 480 million, whereof NOK 412 million is allocated to Newfoundland and NOK 70 million to the freshwater facility in Finnmark to mitigate challenges related to the parasite Spiro. Other growth investments are under review as the Group is assessing how the resource tax scheme passed in the Norwegian Parliament on 31 May 2023 will impact the Group's strategy and plan. In BC, the Government of Canada is currently conducting a transition process, with the aim of outlining a path to an improved salmon farming industry in the region. Growth investments in BC will be evaluated in light of the outcome.

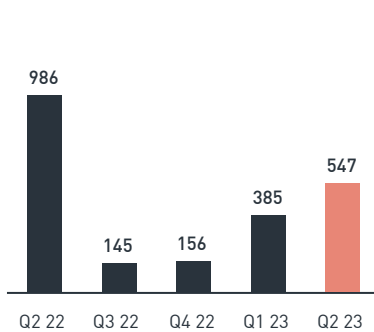
HARVEST VOLUME
Q2 2023



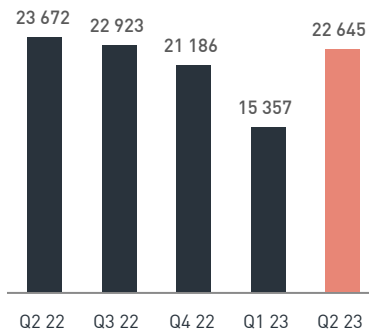
SALES REVENUES
Q2 2023



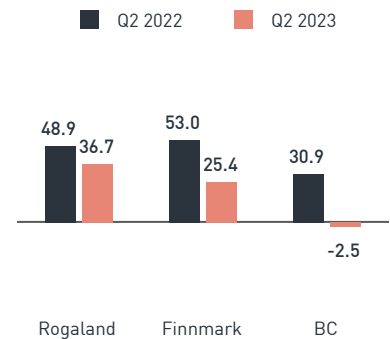
OPERATIONAL EBIT
(NOK MILLION)



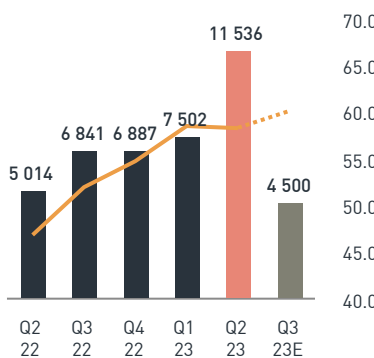
HARVEST VOLUME
(TONNES GWT)



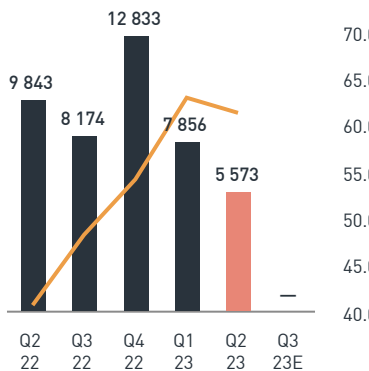
OPERATIONAL EBIT/KG PER REGION
(NOK)



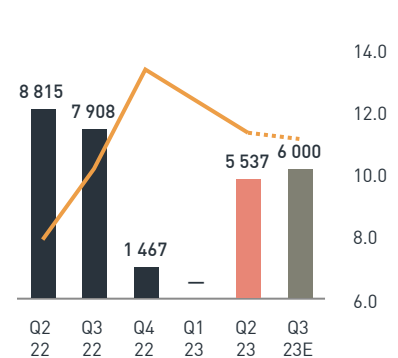
HARVEST VOLUME & FARMING COST/KG (NOK)
ROGALAND



HARVEST VOLUME & FARMING COST/KG (NOK)
FINNMARK



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



The graphs show the guided harvest volume for Q3 2023, while the dotted cost lines indicate direction of farming cost (the total cost of producing and harvesting our fish) per kg for the coming quarter. There was no harvest and related farming cost in BC in Q1 2023 and there will be no harvest in Finnmark in Q3 2023. See page 7 for comment on cost development.

Our scoreboard

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

	ASPECT	TARGET	STATUS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
PROFIT & INNOVATION	Return on capital employed ¹⁾	12% p.a.	●	26%	18%	8%	7%	52%
	Harvest volume (tonnes GWT)	82 000 tonnes in 2023	◆	22 645	15 357	21 186	22 923	23 672
	Farming cost per kg	Cost leader in our operating regions						
	Rogaland (NOK)		◆	58.2	58.4	54.6	51.8	46.7
	Finnmark (NOK)		◆	61.2	62.8	54.1	48.1	40.6
	British Columbia (CAD)		◆	11.3	n/a	13.3	10.1	7.9
HEALTHY OCEAN	ASC certifications ²⁾	All sites (41) by 2023	◆	33	30	29	33	31
	Survival rate sea (GSI standard)	93% by 2023						
	Rogaland		◆	90%	91%	92%	93%	93%
	Finnmark		◆	88%	88%	91%	92%	94%
	British Columbia		◆	90%	92%	91%	90%	92%
	Antibiotics g/tonne ³⁾	No use of antibiotics						
	Rogaland		●	0.0	0.0	0.0	0.0	0.0
	Finnmark		●	0.0	0.0	0.4	0.0	13.0
	British Columbia		◆	0.1	0.1	20.2	56.6	35.5
	Newfoundland		●	0.0	0.0	0.0	0.0	0.0
	Sea lice treatments g/tonne ^{3/4)}	Minimize use of pharmaceutical treatments						
	Rogaland		●	0.0	0.0	0.0	0.0	0.0
	Finnmark		●	0.0	0.0	1.9	0.7	0.0
	British Columbia		●	0.0	0.0	0.0	0.8	0.0
	Newfoundland		●	0.0	0.0	0.0	0.0	0.0
Escape incidents (# of fish)	Zero escape incidents	■	1 (1)	0	0	1 (2 878)	0	
SUSTAINABLE FOOD	High quality product	93% superior share						
	Rogaland		■	76%	73%	91%	94%	82%
	Finnmark		■	59%	52%	85%	94%	84%
	British Columbia		◆	91%	n/a	86%	86%	86%
PEOPLE	Absence rate	Below 4.5%						
	Rogaland		●	4.5%	5.9%	5.1%	4.8%	7.6%
	Finnmark		◆	7.3%	10.6%	10.2%	8.0%	8.5%
	British Columbia		●	2.3%	4.3%	5.0%	6.9%	7.1%
	Newfoundland		●	1.0%	1.8%	1.1%	1.4%	1.2%
LOCAL COMMUNITIES	Support our local communities	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' scoreboards.

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. Our materiality assessment forms the foundation of our pillars. The pillars help us steer towards long-term value creation for investors, customers, employees and local communities. Find an overview of our pillars, targets and Group policies [here](#).

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



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

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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



TOMORROW'S SUSTAINABLE GLOBAL FOOD SYSTEM

- Healthy and nutritious food for nine 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

Our 2026 business strategy targets three key strategic objectives for continued business development. The development and application of increasingly sustainable farming practices underpins all areas of the strategy.



Towards 2026, we aim to achieve production growth, cost improvements and to reposition the company in the value chain. Sustainability is the foundation of all areas of the strategy. Read more about our 2026 business strategy [here](#).

Due to the recently passed resource rent tax scheme on aquaculture in Norway, we are reviewing new growth investments while we assess how the tax will impact the Group's 2026 strategy.



PART 02

PROGRESS



Group financial review

We aim to provide our shareholders with a competitive return on capital invested, with a ROCE target of 12%. With initiatives to reduce our environmental impact and improve fish welfare, we aim to increase harvest rates and reduce production costs.

Profit

Figures for Q2 2022 in brackets

The Group harvested 22 645 tonnes in Q2 2023, down 4% compared to 23 672 tonnes in Q2 2022, and up 47% compared to 15 357 tonnes in Q1 2023. British Columbia commenced harvesting in the quarter after prioritizing growth of biomass in Q1 2023, largely explaining the change in harvest volume of the Group in Q2 2023 compared to the first quarter of 2023. Grieg Seafood's largest operations are in the regions of Rogaland and Finnmark in Norway. In total, Rogaland and Finnmark contributed to 76% (63%) of the Group's harvest volume and 76% (64%) of the Group's sales revenue from farming regions, while British Columbia contributed to the remainder.

The Group's price achievement for the quarter was NOK 91.2 per kg (NOK 92.5 per kg), up NOK 1.5 per kg compared to NOK 89.7 per kg in Q1 2023. In total, Rogaland and Finnmark had a price achievement of NOK 92.1 per kg (NOK 94.3 per kg) in Q2 2023, up NOK 2.4 per kg compared to NOK 89.7 per kg in Q1 2023. The price achievement in Norway was equivalent to a sales revenue of NOK 1 576 million (NOK 1 401 million), up 14% compared to NOK 1 377 million in Q1 2023. On aggregate, 11% (12%) of our volume in Norway was sold on contracts in Q2 2023, compared to 13% in Q1 2023, impacting our price achievement negatively. In addition, the strong market price in the quarter was dampened in both Rogaland and Finnmark by lower average harvest weight and superior share. British Columbia achieved a price achievement of NOK 88.3 per kg (NOK 89.6 per kg) in Q2 2023. The price achievement for the quarter in British Columbia was supported by a superior share increasing to 91%, up from 86% in Q2 2022. In total, British Columbia had sales revenues in the quarter amounting to NOK 489 million, 38% lower than NOK 790 million in Q2 2022. The lower sales revenue in the quarter compared to Q2 2022 was primarily due to a 37% lower harvest volume.

The Group's farming cost for the quarter was NOK 66.9 per kg (NOK 48.6 per kg), up NOK 5.4 per kg compared to NOK 61.5 per kg in Q1 2023. Our Norwegian regions contributed 67% (55%) of the Group's farming cost, impacting EBIT by a farming cost of NOK 59.1 per kg (NOK 42.7 per kg) in the quarter, down NOK 1.5 per kg compared to NOK 60.6 per kg in Q1 2023. The Group farming cost was, as in Q1 2023, adversely impacted by higher production costs from the generations harvested in Norway. The increase in cost, which in Q2 2023 was up NOK 18.3 per kg for the Group compared to Q2 2022, was primarily due to increased feed prices during 2022. Due to the long production cycle for Atlantic salmon, the expensed farming cost through the income statement at the point of harvest reflects all costs for all past periods, such as feed cost and biological impacts (if not previously expensed as abnormal mortality). The farming cost was also impacted by biological challenges, in particularly harvesting and write-downs related to *Infectious Salmon Anemia* (ISA) in Rogaland and *Spironucleus salmonicida* (Spiro) in Finnmark.

The share of profit from associated companies included in operational EBIT ended at NOK -3 million for Q2 2023 (NOK -1 million), down NOK -8 million from NOK 4 million in Q1 2023.

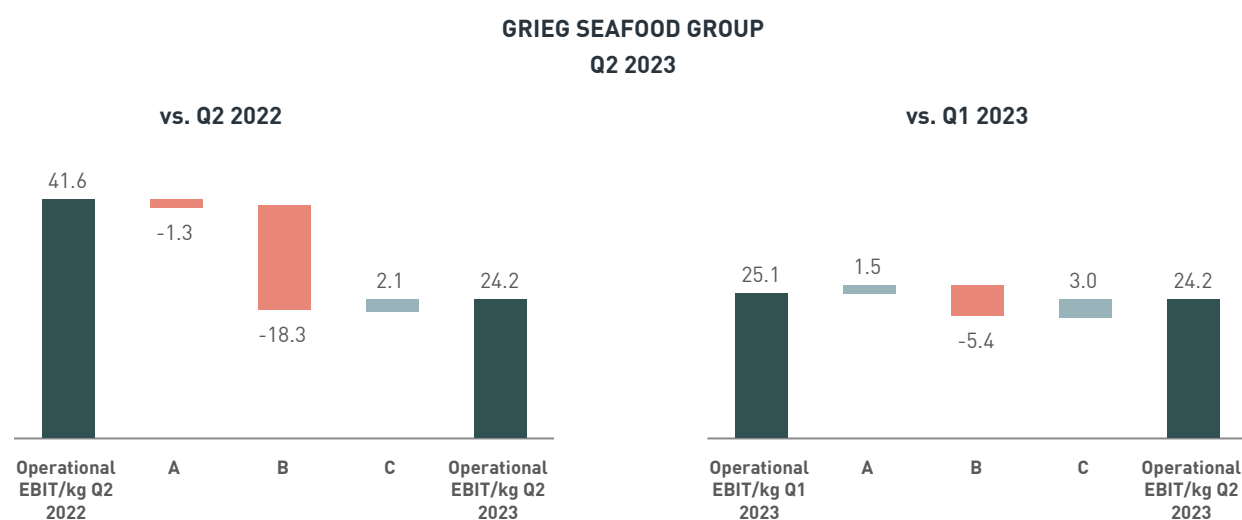
The Group's operational EBIT was NOK 547 million (NOK 986 million) for the quarter, up 42% compared to NOK 385 million in Q1 2023. Operational EBIT/kg for the quarter was NOK 24.2 per kg (NOK 41.6 per kg) in Q2 2023, down NOK 0.9 per kg compared to NOK 25.1 per kg in Q1 2023. Our Norwegian regions contributed with an operational EBIT of NOK 33.0 per kg (NOK 51.6 per kg) in Q2 2023, up NOK 4.0 per kg compared to NOK 29.0 per kg in Q1 2023. The Group realized a ROCE of 26% in the quarter, well above our target of 12%.

The difference between operational EBIT and the EBIT financial statement line item presented in the income statement for Q2 2023 relates to production fee on Norwegian harvest volume, fair value adjustments of the biological assets of the Group, write-down of tangible and intangible non-current assets and decommissioning costs. A reconciliation of operational EBIT with the EBIT presented in the income statement is included in Note 3. In addition, the reconciliation items are commented on below.

OPERATIONAL EBIT PER REGION (NOK MILLION)	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Rogaland	422.9	245.0	710.9	568.0
Finnmark	141.5	521.8	299.4	651.1
British Columbia	-13.9	272.8	-26.7	344.6
Newfoundland	-8.4	-36.6	-36.0	-61.3
Elimination/Others	5.3	-17.1	-14.8	-63.5
Grieg Seafood Group	547.3	985.8	932.8	1 438.9

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.

Production fee, calculated as NOK 0.56 per kg (NOK 0.41 per kg) salmon harvested by our Norwegian regions, came to NOK 10 million for the quarter (NOK 6 million), up from NOK 9 million in Q1 2023.

Fair value adjustments of biological assets amounted to NOK -632 million (NOK -77 million) in the quarter, compared to NOK 148 million in Q1 2023. The fair value adjustments of biological assets comprise of the fair value estimate on the biological assets at sea, in addition to fair value adjustment of financial and physical contracts. See Note 4 for more information.

During the quarter, Grieg Seafood has finished the clean-up and site decommissioning activities in the shísháhl (Sechelt) farming area of British Columbia. In addition to the estimated costs recorded in Q3 and Q4 2022 of NOK 24 million, decommissioning costs of NOK 3 million have been expensed in Q2 2023, and following the finalization of the project, NOK 0.1 million in write-down of fixed assets has been reversed.

EBIT (Earnings before interests and taxes) came to NOK -96 million for the quarter (NOK 747 million), compared to NOK 525 million in Q1 2023.

Net financial items ended at NOK 92 million (NOK 117 million) for the quarter, compared to NOK 48 million in Q1 2023. Net financial items for Q2 2023, as well as in the comparable periods, were positively impacted by foreign exchange rate fluctuations during the period which offset the quarter's debt service cost.

The pre-tax loss for the quarter totaled NOK 4 million (profit of NOK 864 million), compared to a profit of NOK 573 million in Q1 2023. Tax expense for the period was estimated to NOK 558 million (tax expense of NOK 185 million), compared to a tax expense of NOK 146 million in Q1 2023. The tax expense for Q2 2023 includes an implementation effect of introducing the Norwegian resource rent tax scheme. For more information on the resource rent tax scheme on aquaculture farming in Norway, see Note 5. The Group's total loss after tax for the quarter ended at NOK 563 million (profit of NOK 679 million), compared to a profit of NOK 427 million in Q1 2023.

Cash flow

Figures for Q2 2022 in brackets

Cash flow from operating activities during the quarter amounted to NOK 709 million (NOK 868 million), up NOK 609 million compared to NOK 99 million in Q1 2023. The operational EBITDA in Q2 2023 ended at NOK 686 million (NOK 1 094 million), up NOK 178 million compared to NOK 507 million in Q1 2023. See Note 3 for more information on operational EBITDA. The change in cash flow from operating activities compared to Q1 2023 was primarily due to the higher operational EBITDA in Q2 2023 as well as differences in working capital movements and other timing differences for the quarter. Compared to Q2 2022, the difference in net cash from operating activities are primarily due to the net impact of a NOK 409 million lower operational EBITDA in Q2 2023, and a net positive cash flow impact from working capital items and other adjustments.

Net cash flow from investing activities was NOK -35 million (NOK -127 million) during the quarter, compared to NOK -274 million in Q1 2023. In Q1 2023, the Group withdrew NOK 150 million from investments in money market funds, which largely explains the higher net cash flow from investing activities in the quarter compared to the comparable periods. The investment in property, plant and equipment in the quarter was still impacted by the resource rent tax, as the Group has put on hold all new growth investments in Norway while assessing how the resource tax scheme will impact the Group's strategy and investment plans (see Note 2 for further information).

Compared to Q1 2023, our investments in tangible and intangible assets were NOK 90 million lower in Q2 2023 (NOK 57 million higher than in Q2 2022), while investments in associates and other investment activities were NOK 3 million lower in Q2 2023 compared with the preceding quarter, which together primarily explain the difference compared to Q1 2023. Our gross investments for the quarter were NOK 192 million (NOK 168 million), compared to NOK 276 million in Q1 2023.

The investments in Q2 2023 were similar in nature as in the preceding quarter, focusing on seawater locations in Newfoundland, and maintenance and replacement of equipment in Rogaland, Finnmark and British Columbia. In addition we have installed water treatment equipment at our freshwater facility in Finnmark, as a response to the challenges we have had with the parasite *Spironucleus salmonicida* (Spiro). We have also provided a loan of NOK 5 million to Nordnorsk Smolt AS (in total NOK 13 million YTD 2023), which is included in cash flow from investing activities.

Net cash flow from financing activities in Q2 2023 was NOK -122 million (NOK -461 million), up NOK 113 million from NOK -235 million in Q1 2023. In Q2 2023, the net cash flow from financing activities was primarily lease payments and net interest and other financial items, as we have had no scheduled loan installments nor repurchased any bonds in our Green Bond loan during the quarter. The difference in net cash flow from financing activities in Q2 2023 compared to Q1 2023 is primarily due to the repurchase of NOK 31 million in bonds in the Green Bond loan in Q1 2023, as well as loan installment on both the NOK and EUR term loan facilities of the syndicated loan with banks, totalling NOK 67 million. In addition, the Group repurchased bonds for NOK 27 million in December 2022, of which NOK 2 million was settled at 31 December 2022, and the remaining NOK 25 million in Q1 2023. The difference in net cash flow from financing activity in the quarter compared to Q2 2022 is primarily due to the dividend distribution of NOK 337 million in Q2 2022 (equivalent to NOK 3 per share). Compared to Q2 2022, payment of dividend is a timing difference in cash distribution to shareholders when comparing quarter-over-quarter with last year, as the Group paid dividends in 2023 in early July 2023 of NOK 504

million, equivalent to NOK 4.5 per share, in line with the Board's recommendation to the Annual General Meeting as communicated in the Annual Report of 2022.



See Alternative Performance Measures for definition of gross investment.

Net change in cash and cash equivalents was positive by NOK 553 million (positive by NOK 280 million) for the second quarter of 2023, up NOK 962 million from NOK -410 million in Q1 2023. Cash and cash equivalents as at the end of Q2 2023 was NOK 802 million (NOK 1 993 million), up from NOK 243 million in Q1 2023. As at the end of Q2 2023, the Group had undrawn credit facilities of NOK 1 700 million (NOK 1 700 million), which was unchanged since Q1 2023. The investment in money market funds made in late 2022, of approximately NOK 1 000 million, is the primary cause of changes in cash compared to Q2 2022. At quarter-end Q2 2023, the investment in money market funds was NOK 882 million (NOK 0 million), compared to NOK 1 013 million in Q1 2023, bringing the sum of cash and cash equivalents, investment in money market funds and undrawn liquidity to NOK 3 384 million (NOK 3 693 million), compared to NOK 2 966 million at the end of Q1 2023.

Financial position and liquidity

Figures for Q2 2022 in brackets

At 30 June 2023, the book value of the Group's assets was NOK 13 632 million (NOK 13 645 million), up by NOK 410 million from NOK 13 222 million at the end of Q1 2023 and NOK 12 875 million as at 31 December 2022. The increase in the Group's balance sheet compared to Q1 2023, as well as compared to year-end 2022, was significantly impacted by the foreign exchange rate between NOK and CAD, and thus the translation of local figures in British Columbia and Newfoundland to NOK. The exchange rate stood at 8.1193 at 30 June 2023 (7.7084), compared to 7.7316 as at 31 March 2023 and 7.2810 as at 31 December 2022.

The Group's goodwill, intangible assets and tangible assets including right-of-use assets totaled NOK 7 075 million (NOK 6 241 million) as at 30 June 2023, up NOK 557 million compared to NOK 6 518 million as at 31 March 2023, and NOK 6 205 million as at 31 December 2022. Compared relative to total assets, these assets equaled 52% (46%) of the balance sheet as at 30 June 2023, compared to 49% as at 31 March 2023, and 48% as at 31 December 2022. Biological assets measured at cost totaled NOK 3 065 million (NOK 2 715 million) as at 30 June 2023, down NOK 66 million compared to NOK 3 132 million as at 31 March 2023, and NOK 2 896 million as at 31 December 2022. Compared relative to total assets, biological assets at cost equaled 22% (20%) of the balance sheet as at 30 June 2023, compared to 24% at 31 March 2023 and 22% as at 31 December 2022.

Our cash balance at the end of the quarter was NOK 802 million (NOK 1 993 million), up NOK 559 million compared to NOK 243 million as at 31 March 2023 and NOK 643 million as at 31 December 2022. The investment in money market funds in late 2022 is the primary cause of changes in cash compared to Q2 2022 (see the cash flow section above). Current assets (excl. fair value adjustment of biological assets) over current liabilities measured 2.1 (3.4) as at 30 June 2023, compared to 3.3 as at 31 March 2023 and 2.8 as at 31 December 2022.

Total equity as at 30 June 2023 was NOK 6 059 million (NOK 6 838 million), down NOK 968 million compared to NOK 7 027 million as at 31 March 2023, and NOK 6 486 million as at 31 December 2022. The equity ratio as at 30 June 2023 was 44% (50%) compared to 53% as at 31 March 2023, and 50% as at 31 December 2022.

The Group's debt structure comprises sustainability-linked loans with a NOK 750 million term loan (outstanding NOK 688 million), an EUR 75 million term loan (outstanding EUR 69 million), a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility (see Note 6 for more information). Both the revolving credit facility and the overdraft facility were unutilized as at quarter-end Q2 2023. In addition, we have a Green Bond issue of NOK 1 393 million, which matures in 2025. As at 30 June 2023, net interest-bearing liabilities (NIBD) incl. the effects of IFRS 16 were NOK 2 396 million (NOK 2 022 million), down NOK 136 million from NOK 2 532 million as at 31 March 2023, and NOK 2 223 million as at 31 December 2022. The change in NIBD compared to quarter-end Q1 2023 was primarily due to net cash inflow from operating- and investing activities during the quarter, in addition to drawdown on IFRS 16 lease liabilities related to wellboat and workboat charters in Norway and Canada. At the end of the quarter, NIBD excl. the effect of IFRS 16 totaled NOK 1 661 million (NOK 1 482 million), down NOK 409 million from NOK 2 070 million in Q1 2023, and from NOK 1 739 million as at 31 December 2022. NIBD incl. the effect of IFRS 16 relative to total assets measured 18% (15%) as at 30 June 2023, compared to 19% as at 31 March 2023 and 17% as at 31 December 2022. NIBD excl. the effect of IFRS 16 divided by last twelve months rolling harvest volume (tonnes GWT) equaled 20.2 (17.5) compared to 24.9 as at 31 March 2023 and 20.5 as at 31 December 2022.

The Group was in compliance with its financial covenant as at 30 June 2023 (see Note 6). As at 30 June 2023, the equity-ratio according to covenant was 47% (52%) compared to 55% as at 31 March 2023 and 52% as at 31 December 2022. As at quarter-end Q2 2023, 70% (75%) of our gross interest-bearing liabilities (Note 6) were either green or sustainability linked (of which NOK 1 393 million Green Bond), down from 75% as at 31 March 2023 (which was unchanged since 31 December 2022).

Our ambition is to create shareholder value and deliver competitive returns relative to comparable investment alternatives. The Group's dividend policy is that the dividend should, over time, average 30-40% of the Group's net profit after tax before fair value adjustments of biological assets (limited to 50% by Green Bond agreement). In June 2023, the General Meeting of Grieg Seafood ASA approved a dividend distribution of NOK 4.5 per share, which was according to the Board of Directors proposal as communicated in the Annual Report of 2022. The dividend was paid in July 2023 (after the balance sheet date of Q2 2023), and is as such recorded as a current liability to shareholders in the Grieg Seafood Group's Statement of Financial Position. In comparison, in 2022, the Group distributed a dividend of NOK 3.0 per share to shareholders, which was paid to shareholders in June 2022, as such no dividend liability to shareholders was present as at 30 June 2022.

Summary of the first half year of 2023

(figures for first half year of 2022 in brackets)

The Group harvested 38 003 tonnes GWT in the first half of 2023 (40 588 tonnes GWT). Our Norwegian regions contributed to 85% (73%) of the harvest volume, while British Columbia represented 15% (27%). British Columbia did not harvest in the first quarter of 2023 as biomass growth was prioritized. Total sales revenue totaled NOK 3 918 million (NOK 3 815 million) in the period, while the sales revenue from our farming regions totaled NOK 3 442 million (NOK 3 450 million), see Note 3. The Group's price achievement YTD was NOK 90.6 per kg (NOK 85.0 per kg) on aggregate for our farming regions. By comparison, the average NQSALMON NOK/kg price for the first half of 2023 was NOK 105.1 per kg (NOK 92.6 per kg). The price achievement was negatively impacted by contracts for some of our Norwegian volume, in addition to production grade harvest volume. The increase in sales revenue for the Group is mainly due to strong market prices experienced throughout the first half of the year.

The Group's farming cost for 2023 ended at NOK 64.7 per kg (NOK 46.5 per kg). In total, our Norwegian farming regions contributed to 79% (67%) of the farming cost, an increase of NOK 17.6 per kg from NOK 42.3 per kg in 2022 to NOK 59.9 per kg in 2023. British Columbia had, on a 49% lower harvest volume year-on-year, a farming cost of CAD 11.6 per kg, up CAD 3.7 per kg compared to CAD 7.9 per kg in 2022. The underlying cost has been stable, however increasing due to inflation pressure on key input to production, including feed, as well as a lower harvest volume in the first half of 2023 compared to the first half of 2022. In Rogaland, our farming cost has been elevated due to ISA-related harvesting and write-downs in both Q1 2023 and Q2 2023, while the cost in Finnmark has been elevated due to impact from the parasite *Spironucleus salmonicida* (Spiro). In total, cost recognized as abnormal mortality in the income statement was NOK 73 million (NOK 18 million) in the first half of the year.

The share of profit from associated companies included in operational EBIT ended at NOK 1 million for 2023 (NOK 1 million).

Operational EBIT in 2023 ended at NOK 933 million (NOK 1 439 million), equivalent to an EBIT of NOK 24.5 per kg (NOK 35.5 per kg). The difference between operational EBIT and the EBIT financial statement line item presented in the income statement for 2023 relates to production fee on the Norwegian harvest volume, fair value adjustments of the biological assets of the Group, impairment on tangible and intangible non-current assets, and decommissioning costs.

Production fee, calculated as NOK 0.56 per kg (NOK 0.41 per kg) salmon harvested by our Norwegian regions, came to NOK 18 million (NOK 12 million) for the first half of the year.

Fair value adjustments of biological assets amounted to NOK -484 million (NOK 337 million). The fair value adjustments of biological assets comprise of the fair value estimate on the biological assets at sea, in addition to fair value adjustment of financial and physical contracts. See Note 4 for more information.

During the first half of the year, Grieg Seafood has finished the clean-up and site decommissioning activities in the shísháth (Sechelt) farming area of British Columbia. In addition to the estimated cost recorded in Q3 2022 and Q4 2022 of NOK 24 million, NOK 3 million in decommissioning costs have been expensed in the first half of 2023. Finally, following the finalization of the project, NOK 0.1 million in write-down of fixed assets have been reversed.

EBIT (Earnings before interests and taxes) ended at NOK 428 million (NOK 1 609 million).

Net financial items came to NOK 140 million (NOK 134 million), positively impacted by foreign exchange rates. Profit before tax was NOK 569 million (NOK 1 743 million). Tax for the period was estimated to a tax expense of NOK 704 million (tax expense of NOK 372 million). The tax expense for the first half of 2023 includes an implementation effect of introducing the Norwegian resource rent tax scheme. For more information on the resource rent tax scheme on aquaculture farming in Norway, see Note 5. The net profit for the period for the Group ended at NOK -136 million (NOK 1 371 million).

The net cash flow from operating activities for 2023 was NOK 808 million (NOK 1 203 million). The reduction in net cash from operational activities is primarily due to a higher cost level in our farming regions, resulting in a lower operational EBITDA in the first half of 2023 compared to the first half of 2022.

For the first half of 2023, the net cash flow from investing activities totaled NOK -309 million (NOK -254 million), of which investments in non-current tangible and intangible assets totaled NOK 461 million (NOK 245 million). In addition, investments of NOK 13 million (NOK 16 million) have been made in associated companies. At the end of 2022, we invested approximately NOK 1 000 million of cash surplus in money market funds, of which NOK 150 million has been withdrawn during the first half of 2023.

The net cash flow from financing activities for the first half of 2023 was NOK -357 million (NOK 106 million). In 2022, a dividend of NOK 337 million (NOK 3.0 per share) was paid. In June 2023, the General Meeting of Grieg Seafood ASA approved a dividend distribution of NOK 4.5 per share, which was according to the Board of Directors proposal as communicated in the Annual Report of 2022. The dividend was paid in July 2023 (after the balance sheet date of Q2 2023), and is as such a timing difference comparing year-over-year YTD Q2 2023. Furthermore, our syndicated debt was refinanced in the first half of 2022, significantly impacting the cash flow changes from financing during the period. Finally, our debt service costs have increased in 2023 compared to 2022 due to the rising interest rates in the market.

As our revolving credit facility and overdraft were undrawn at 30 June 2023, a total of NOK 1 700 million was available for utilization by the Group. The net change in cash and cash equivalents for the first half of 2023 was NOK 143 million (NOK 1 055 million), and as at 30 June 2023, the Group had a cash balance of NOK 802 million, which was down NOK 1 191 million compared to NOK 1 993 million as at 30 June 2022, and up NOK 159 million from NOK 643 million as at 31 December 2022. In addition, the investment in money market funds was NOK 882 million (NOK 0 million) as at the end of Q2 2023, down from NOK 1 023 million as at 31 March 2023 and down from NOK 1 013 million as at 31 December 2022.

Sales and market development

Grieg Seafood supplied close to 4% of the global volume of Atlantic salmon harvested in Q2 2023. As part of our strategy, we will reposition Grieg Seafood in the value chain and become an innovative partner for our customers. By focusing on sustainable farming practices and good fish health and welfare, we can provide the healthy, tasty, and high-quality product that our customers and consumers demand.

Sales and market updates

Grieg Seafood is on an exciting journey of growth where we are building a stronger presence in the market. With our fully integrated global sales organization, we aim to optimize biological performance and market timing through close collaboration between farming and sales, thereby securing good price achievement. Our downstream strategy is based on strategic partnerships, value added processing and brand cultivation. While our sale currently consists mainly of fresh, head-on gutted salmon, we aim to establish processing partners close to key markets and customers in the EU and the USA, targeting 20-30% share of our volume for Value Added Processing (VAP) by 2026. We currently process with partners both in Norway and Europe. We have established a presence of our own VAP products in the European, Asian and the US markets. In 2023, we aim for a VAP share of 8-12% of harvested volume. We will continue to evaluate external opportunities to strengthen our processing capacity. Increasing our VAP share is also an important part of reducing our CO2 emissions. We also aim to develop B2B brands going forward. Today, we have the successful Skuna Bay brand in the USA.

Our farming operations in Rogaland, Finnmark and BC are certified according to BAP or GLOBALG.A.P. Both these standards for management systems are tailored to address farming operations within the aquaculture industry. Our sales and market organization is chain-of-custody certified according to ASC and/or GlobalG.A.P. and our internal processing plants are certified according to FSSC 22000, a Global Food Safety Initiative (GFSI) recognized standard. While GFSI does not provide food safety certification, it recognizes a number of certification programs that meet the GFSI benchmarking requirements. GFSI-recognized certification is a mark of the highest standards in food safety, allowing food businesses that hold these recognized certificates to access all corners of the global market. External processing partners in BC hold the GFSI-recognized BAP certification for their operations, while our future external partners in NL and Norway either hold equivalent certificates or are on a path to GFSI-recognized certification. Processing partners in BC hold equivalent certification for their operations. Read more about our certifications and their current status [here](#).

Products originating from our processing plants have been handled according to our Food Safety Management System ensuring compliance with principles and requirements for HACCP- and food hygiene programs in food production. We have not had any product recalls related to serious food safety incidents for the last ten years, nor did we have any in Q2 2023. We are not banned from any markets, and we are closely monitoring the development and trends within the area of food safety. Read more about product safety and traceability [here](#).

Market development

GLOBAL SUPPLY AND DEMAND

The global harvest of Atlantic salmon for the quarter increased by approximately 1% compared to Q2 2022, according to Kontali. While Norway, Chile and UK increased their harvesting volume compared to the same period last year, Canada had a decrease in volume. Salmon of Norwegian origin contributed to 50% of the total harvest in the quarter. The export of fresh salmon (GWT) from Norway for the quarter was up 5% compared to Q2 2022, with the main export markets being Europe of 75%, Asia 18% and North America 7% (source: Norwegian Seafood Council).

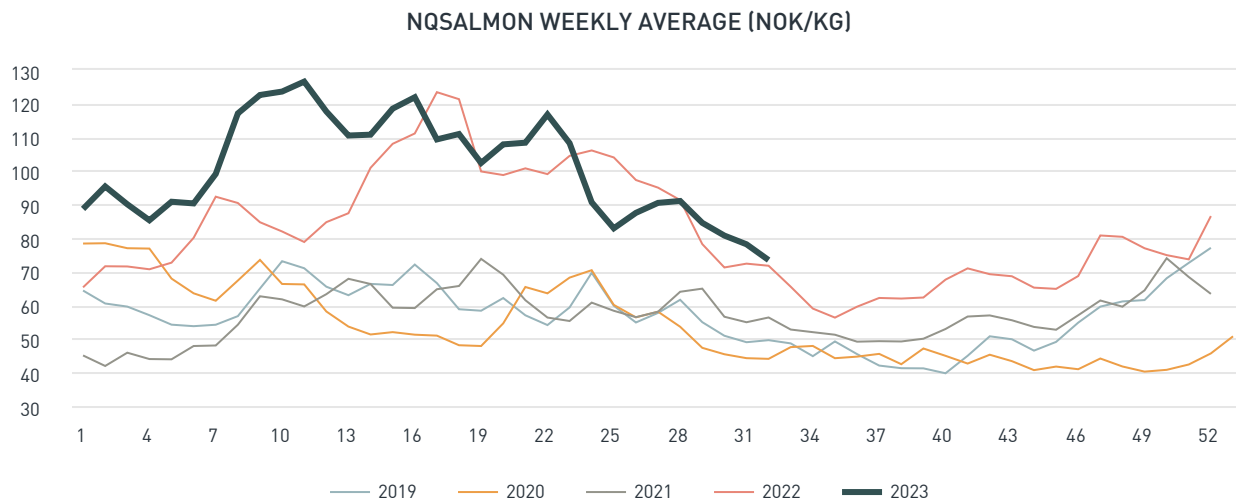
Market demand of farmed salmon both in the retail and HoReCa sector has continued strong also this quarter. Supply to Europe decreased by approximately 2% compared to Q2 2022, and supply to the USA also decreased by 2%. The demand in the Asian market increased by approximately 6% compared to Q2 2022. Supply to Russia increased from 6 700 tonnes in Q2 2022 to 11 300 tonnes in Q2 2023.

The average salmon spot price for Norwegian salmon (NQSALMON, weekly average) for Q2 2023 was NOK 105.8 per kg, up by NOK 0.1 per kg compared to Q2 2022, and up by NOK 1.4 per kg compared to Q1 2023. Prices were driven by scarce supply of larger fish, with large deviations across different harvest weights. Prices started above NOK 110 in the beginning of the quarter and climbed to a peak around NOK 121.9 per kg, with some fluctuations during the quarter, and ending the quarter in the high eighties. The decrease is in line with expectations and seasonality, driven by high volume. The average salmon spot price in the US market (Urner Barry Seattle) was NOK 88.2 per kg in Q2 2023, down by NOK 2.7 per kg compared to Q2 2022. The prices in the US market were impacted by high volumes of wild catch.

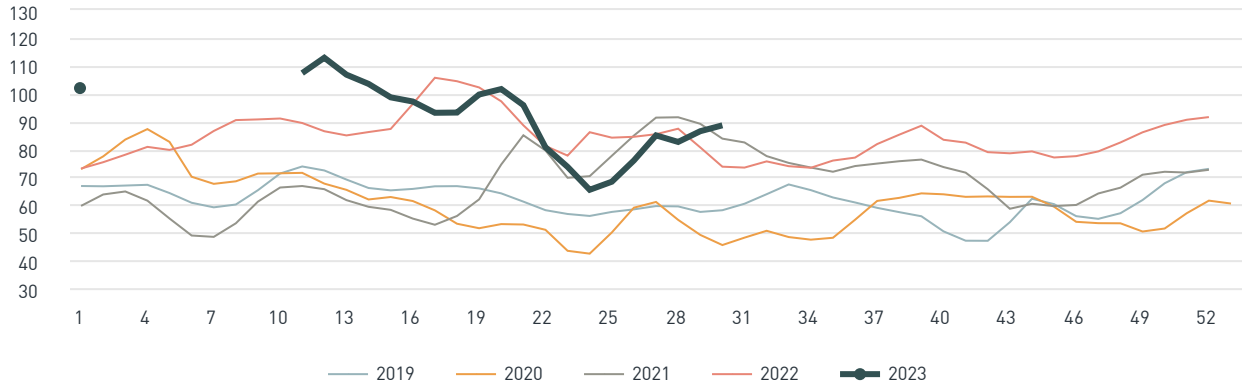
OUR MARKETS

Grieg Seafood contributed with close to 4% of the global supply of Atlantic salmon in the quarter. Our main export markets from Norway were Europe (82% of our volume), Asia (14%) and North America (4%). During the quarter, 3% of our supply of Norwegian origin was sold as value added products, while 2% of our harvested salmon in BC was processed and sold as value added products. Approximately 35% of our salmon from BC was sold in Canada, while 62% was sold to the USA and 3% to Asia. 85% of our harvested volume in the quarter was ASC certified. We experienced good demand for ASC-certified salmon in the European market.

We target a contract share of 20-50% of our harvested volume. During the second quarter of 2023, the share of contracts was 11% in Norway.



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

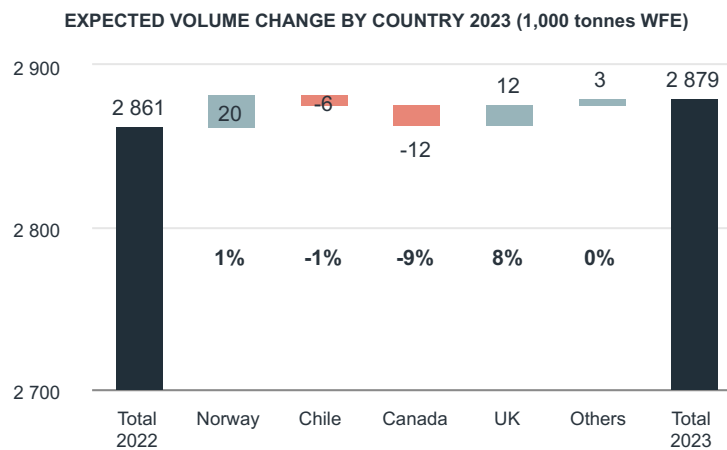


The Urner Barry Farm Raised Salmon Seattle West Coast, Fresh, Wholefish shown above is a weekly average of all weight classes (4-6 lb, 6-8 lb, 8-10 lb, 10-12 lb, 12-14 lb, 14-16 lb, 16-18 lb) in USD/lb, converted into NOK/kg using the weekly average of Norges Bank's daily exchange rate.

There are no registered UB entries for Farm Raised Salmon, Fresh Wholefish Seattle in week 2-10 due to limited availability of UB salmon prices.

Market expectations

The global harvest of Atlantic salmon in 2023 is expected to increase by 1% compared to 2022, to a total of 2 878 500 tonnes, according to Kontali. The global harvest in the second half of the year is estimated to account for approximately 55% of the total harvest volume in 2023. Norwegian salmon farmers are expected to harvest approximately 20 000 tonnes more in 2023 than in 2022, with the majority of the volume in the second half. UK is expected to increase harvest by approximately 12 000 tonnes. Chile is expected to decrease harvest for 2023 by approximately 6 000 tonnes while Canada is expected to decrease harvest by approximately 12 000 tonnes.



With an expected overall limited growth in 2023, combined with an outlook for continuing strong demand fueled by an increased focus on healthy food and sustainably produced proteins, we currently believe in strong market prices for the remainder of 2023. However, current inflation reducing household purchasing power might impact demand from both the HoReCa (hotels, restaurants and catering) and retail segment. This, in combination with the expected seasonal increase in supply for the next months will most likely drive prices downwards. The current Fish Pool forward price reflects this, with a price level of around NOK 79 per kg for Q3 2023, and NOK 80 per kg for the remainder of 2023.

We target a contract share of 20-50% of our Norwegian volume. Estimated contract share for Q3 2023 is 42% and 15% for the full year 2023, of our Norwegian harvest volume. The contract market has been somewhat subdued due to the uncertainty related to the resource rent tax on salmon in Norway.

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 (MAB) 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.

11 536

TONNES GWT HARVESTED

36.7

OPERATIONAL EBIT/KG (NOK)

Operational results

Harvest volume in Rogaland was 11 536 tonnes in Q2 2023, up 130% compared to Q2 2022. Sales revenues for the quarter amounted to NOK 1 093.8 million, an increase of 128% compared to Q2 2022, which is mainly driven by the higher harvest volume. The Nasdaq average spot price was NOK 105.8 per kg in Q2 2023, compared to NOK 105.7 per kg in Q2 2022. Our realized price in Q2 2023 was NOK 94.8 per kg, compared to NOK 95.6 per kg in Q2 2022. The price achievement in the quarter was supported by optimal timing of harvest in the beginning of the quarter with higher spot prices, offset by a superior share of 76%, negative contribution from contracts and reduced average harvest weight compared to Q2 2022.

The freshwater production during the quarter was good. We transferred 2.5 million smolt to sea this quarter, with an average weight above 740 grams, in line with our post-smolt strategy.

The seawater production was good during the quarter, however with some challenges related to *Infectious Salmon Anemia* (ISA). Early harvesting was performed at one site to reduce risk related to ISA. At quarter end, ISA was detected on another site that will be harvested during Q3 2023. The 12-month rolling survival rate came down only slightly from 91% in Q1 2023 to 90% in Q2 2023. We are working systematically to improve fish health and welfare, with a greater focus on the freshwater phase to ensure a robust smolt and with a preventive and targeted approach to diseases. We have also initiated a vaccination program against ISA for all smolt release to sea, and completed additional measures at our smolt facilities, which we expect to reduce risk related to ISA significantly going forward. Shortening the time our salmon spend at sea by transferring larger and more robust smolt to our sea farms will also provide improved biological control

compared to smolt of standard weight. The result is a higher survival rate, a lower feed conversion rate and a significant reduction in the number of sea lice treatments. Due to the use of post-smolt and cleaner fish, including wrasse, we have managed to minimize both medical and mechanical sea lice treatments. 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 58.2 per kg in Q2 2023, up from NOK 46.7 per kg in Q2 2022 and slightly down from NOK 58.4 per kg in Q1 2023. The increased cost compared to Q2 2022 was mainly related to inflation in feed prices and other input factors, in addition to ISA-related harvesting and write-downs. The cost of reduced survival (cost recognized as abnormal mortality in the income statement) came to NOK 35.9 million in Q2 2023 (NOK 3.1 per kg), compared to NOK 0.3 million in Q2 2022 (NOK 0.1 per kg).

Operational EBIT per kg ended at NOK 36.7 for the quarter, compared to NOK 48.9 in Q2 2022 and NOK 38.4 in Q1 2023.

Employee well-being is highly prioritized in our operations. The absence rate was reduced to 4.5%, compared to previous quarters. This is due to a strong focus and awareness on absence amongst all employees. We are monitoring and following up on long-term absence in accordance with procedure and guidelines.

Operational priorities towards 2026

We expect to harvest 27 000 tonnes in 2023, with an ambition to increase harvest to 35 000-40 000 tonnes in 2026 by improving the utilization of our seawater capacity. The key to achieving this, is to reduce production time in the sea, which we expect to result in improved biological performance and a higher utilization of each site's maximum allowable biomass (MAB). Larger smolt will significantly reduce seawater production time, making the fish less exposed to sea lice and other biological challenges, which means less sea lice treatments and more feeding days that will improve growth in sea. Post-smolt in combination with preventive sea lice measures can reduce production time at sea from an average of 18 months to 12 months. Our results so far demonstrate stable production of post-smolt up to 1 kg. In 2022, more than 50% of fish harvested were from post-smolt. We aim to increase this share to above 90% by 2026.

Another tool that will improve biology and drive growth, is our Precision Farming strategy. Read more about Precision Farming [here](#).

We are well-positioned with land-based production, and aim to add at least 5 250 tonnes by increasing our post-smolt capacity. Our current freshwater facilities at Trosnavåg and Hognaland have a production capacity of 1 200 tonnes smolt. We also have a 33% shareholding in Tytlandsvik Aqua with a current smolt production capacity of 4 500 tonnes (where Grieg Seafood Rogaland is entitled to 50% of the smolt). Tytlandsvik has planned an expansion of 1 500 tonnes, increasing the post-smolt share from Tytlandsvik to 3 000 tonnes. In addition, we use two closed-containment facilities in sea, FishGLOBE, to produce post-smolt. These facilities have a total capacity of 900 tonnes. Further, we have a 44% shareholding in Årdal Aqua, a land-based facility with the same design as Tytlandsvik Aqua. Årdal Aqua is expected to produce 4 500 tonnes of post smolt annually, with potential to raise fish to harvestable size on land. Construction commenced in August 2022 and is developing according to plan. We have several projects to expand post-smolt production under planning. However, no new investment decisions for projects impacted by the Norwegian resource tax (adopted by Parliament 31 May 2023) will be taken until we have assessed how the tax will impact the company's strategy and investment plan. A large part of our planned capital expenditures in 2022 and 2023 has been affected by the resource tax proposal, in addition to a joint venture aimed at developing a FishGLOBE for grow-out salmon, based on development licenses. In Q2 2023, we did not have any strategic investments in Rogaland, but spent NOK 27 million in maintenance investments. YTD 2023 we have spent a total of NOK 41 million in maintenance investments.

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. At the end Q2 2023, five of 11 sites were ASC certified, while 70% of our volume harvested in Q2 was ASC certified.

Scoreboard & key performance figures Rogaland

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

PILLAR	KPI & TARGET	STATUS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
PROFIT & INNOVATION	Harvest volume (tonnes GWT)						
	29 000 tonnes in 2023	◆	11 536	7 502	6 887	6 841	5 014
	Operational EBIT per kg (NOK)						
	n/a		36.7	38.4	13.8	13.4	48.9
HEALTHY OCEAN	Farming cost per kg (NOK)						
	Cost leader	◆	58.2	58.4	54.6	51.8	46.7
	ASC certification (# of sites)						
	All sites (11 eligible) by 2023	◆	5	5	5	3	1
HEALTHY OCEAN	Survival rate at sea						
	93% by 2023	◆	90%	91%	92%	93%	93%
	Cost of reduced survival (NOK million)						
	n/a		35.9	6.2	15.9	11.1	0.3
	Use of antibiotics (g per tonne LWE) *						
	No use of antibiotics	●	0.0	0.0	0.0	0.0	0.0
	Use of hydrogen peroxide (kg per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
	Sea lice treatments - in feed (g per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
Sea lice treatments - in bath (g per tonne LWE) *							
Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0	
HEALTHY OCEAN	Escape incidents (# of fish)						
	Zero escape incidents	●	0	0	0	0	0
SUSTAINABLE FOOD	High quality product						
	93% superior share	■	76%	73%	91%	94%	82%
PEOPLE	Absence rate						
	Below 4.5%	●	4.5%	5.9%	5.1%	4.8%	7.6%
	Lost time incident rate						
**	n/a		13	33	16	0	37

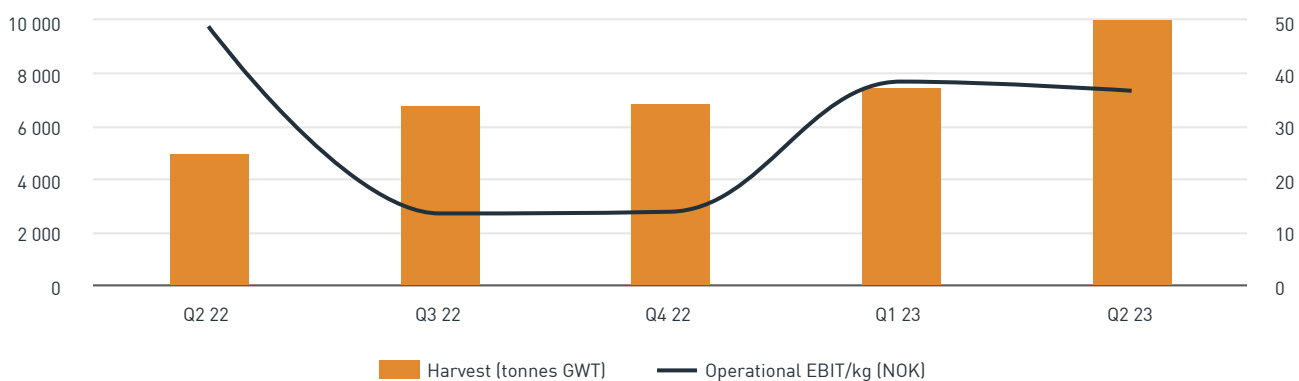
* Amount of active pharmaceutical ingredients (APIs) used (in gr and kg) per tonne of fish produced (LWE).

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

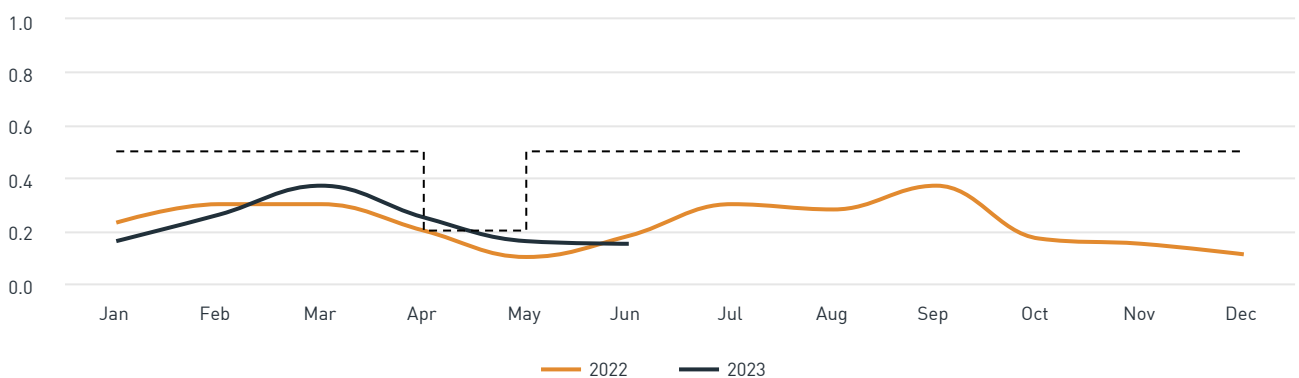
n/a: No set target or data similar to quarter end. ASC certification is disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

NOK MILLION	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Harvest volume (tonnes GWT)	11 536	5 014	19 038	14 659
Sales revenues from sale of Atlantic salmon	1 093.8	479.2	1 819.8	1 206.3
Operational EBITDA	452.5	270.2	763.2	616.8
Operational EBIT	422.9	245.0	710.9	568.0
Sales revenue/kg (NOK)	94.8	95.6	95.6	82.3
Farming cost/kg (NOK)	58.2	46.7	58.2	43.5
Operational EBIT/kg (NOK)	36.7	48.9	37.3	38.7

HARVEST AND OPERATIONAL EBIT/KG



SEA LICE LEVELS



Our sites in Rogaland are located in Norwegian production area 2 (PO2), which has a yellow light under Norway's "traffic light" system ("yellow - moderate sea lice density", the current level of production capacity will be maintained). 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 (2.0 on broodstock licenses), or 0.2 during April and May when the wild salmon smolt migrate from the rivers and pass the fjords. 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 (MAB) of 27 000 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.

5 573

TONNES GWT HARVESTED

25.4

OPERATIONAL EBIT/KG (NOK)

Operational results

Grieg Seafood Finnmark harvested 5 573 tonnes in Q2 2023, a decrease of 43% compared to Q2 2022. Sales revenues for the quarter amounted to NOK 482.5 million, down 48% compared to Q2 2022 mainly due to lower harvest volume. The Nasdaq average spot price in Q2 2023 was NOK 105.8 per kg, compared to NOK 105.7 per kg in Q2 2022. Our price achievement came to NOK 86.6 per kg in Q2 2023 compared to NOK 93.6 per kg in Q2 2022. The strong market price was suppressed by a decrease in superior share from 84% in Q2 2022 to 59% this quarter, in addition to negative contribution from contracts and lower average harvest weight.

Production at our freshwater facility in Adamselv was good during the quarter. We continue to perform regular testing for *Spironucleus salmonicid* (Spiro), which was detected in fish from Adamselv in 2022. The source of the parasite is believed to be the water intake to our freshwater facility. We have not had any new detections of Spiro at the freshwater facility during the first half of 2023. Water treatment equipment have been installed and disinfection measures are being implemented to significantly reduce future risks of Spiro entering the freshwater facility. We also collaborate with research institutions to close knowledge gaps related to Spiro. We transferred 3.5 million smolt to sea this quarter, with an average weight above 200 grams.

Seawater production improved during the quarter. Spiro is still affecting the production to some extent, but the situation has improved since Q1 2023. There has been some culling of fish with sickness signs to protect fish welfare. The majority of the fish have no signs of sickness, but the parasite has impacted our 12-month survival rate, which came to 88% as of Q2 2023 compared to 94% in Q2 2022. The survival rate was stable from last quarter. Measures have been taken with

successful outcomes on some of the impacted pens, resulting in reduced levels of mortality, improved fish welfare and stable biology.

Historically, Finnmark is a region with lower seawater temperatures which, combined with low interconnectivity between farming sites, helps to keep sea lice levels low. We use targeted preventive methods, such as sea lice skirts and cleaner fish, to ensure that the sea lice level remains low on all farms. Despite the natural advantages and our preventive measures, we have experienced an increase in sea lice pressure since the summer of 2022 which has impacted the cost. The sea lice level was stable during the quarter, however we did perform sea lice treatments.

The farming cost came to NOK 61.2 per kg in Q2 2023, up from NOK 40.6 in Q2 2022 and down from NOK 62.8 per kg in Q1 2023. The increase compared to Q2 2022 is mainly related to inflationary pressure on feed and other input factors in addition to the write-down of the biomass related to Spiro, while the reduction compared to Q1 2023 mainly relates to lower write-down of biomass. The cost of reduced survival (cost recognized as abnormal mortality in the income statement) was NOK 16.2 million in Q2 2023 (NOK 2.9 per kg), compared to NOK 12.4 million in Q2 2022 (NOK 1.3 per kg).

Operational EBIT per kg came to NOK 25.4 for the quarter, compared to NOK 53.0 in Q2 2022 and NOK 20.1 in Q1 2023.

Employee well-being continues to be highly prioritized. The absence rate for Q2 2023 was 7.3%, above our 4.5% target, but lower than previous quarters. This can be credited to a robust emphasis and awareness regarding employee absences. We are monitoring and following up on long-term absence in accordance with procedure and guidelines.

Operational priorities towards 2026

Grieg Seafood Finnmark expects to harvest 26 000 tonnes in 2023, with an ambition to increase harvest to 40 000-45 000 tonnes in 2026 by improving the utilization of our seawater capacity. The key to achieving this is to optimize our existing site structure, obtaining new sites and reducing production time at sea, which we expect to result in improved biological performance and a higher utilization of each site's MAB. We currently farm smolt at our own facility in Adamselv and will also produce smolt at Nordnorsk Smolt, in which we have a 50% shareholding. We are targeting a capacity increase of 3 000 tonnes of post-smolt at Adamselv, with the smolt weighing on average up to 500 grams. Construction was planned to start in 2022, however the investment has been put on hold due to the uncertainty related to resource tax regime in Norway. Larger smolt will significantly reduce seawater production time, avoiding two winters at sea, while also providing increased flexibility in timing their 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, sea lice and other biological challenges. Flexibility is a requirement to achieve better utilization of our capacity, and we are also continuously looking for opportunities to secure access to new locations.

In Q2 2023, we spent NOK 29 million in growth investments, mainly related to the UV water treatment system at our freshwater facility in Adamselv, in addition to NOK 23 million in maintenance investments. YTD in 2023, we spent NOK 46 million in growth investments and a total of NOK 54 million in maintenance investments.

As in all our regions, Grieg Seafood Finnmark focuses on improving fish welfare, achieving a high survival rate and working towards sustainable production. In Q2 2023, one site was excluded as ASC eligible and certified as it was followed after completing its first production cycle. This means that 17 out of 18 eligible sites were ASC certified at the end of Q2 2023. 100% of our volume harvested in Q2 was ASC certified.

Scoreboard & key performance figures Finnmark

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

PILLAR	KPI & TARGET	STATUS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
PROFIT & INNOVATION	Harvest volume (tonnes GWT)						
	28 000 tonnes in 2023	◆	5 573	7 856	12 833	8 174	9 843
	Operational EBIT per kg (NOK)						
	n/a		25.4	20.1	12.5	14.0	53.0
HEALTHY OCEAN	Farming cost per kg (NOK)						
	Cost leader	◆	61.2	62.8	54.1	48.1	40.6
	ASC certification (# of sites)						
	All sites (18 eligible) by 2023	◆	17	18	17	18	18
HEALTHY OCEAN	Survival rate at sea						
	93% by 2023	◆	88%	88%	91%	92%	94%
	Cost of reduced survival (NOK million)						
	n/a		16.2	56.3	72.0	10.9	12.4
	Use of antibiotics (g per tonne LWE) *						
	No use of antibiotics	●	0.0	0.0	0.4	0.0	13.0
	Use of hydrogen peroxide (kg per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.1	0.0	24.2	0.0	0.0
	Sea lice treatments - in feed (g per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.1	0.1	0.0
Sea lice treatments - in bath (g per tonne LWE) *							
Minimize use of pharmaceutical treatments	●	0.0	0.0	1.9	0.6	0.0	
HEALTHY OCEAN	Escape incidents (# of fish)						
	Zero escape incidents	●	0	0	0	1 [2 878]	0
SUSTAINABLE FOOD	High quality product						
	93% superior share	■	59%	52%	85%	94%	84%
PEOPLE	Absence rate						
	Below 4.5%	◆	7.3%	10.6%	10.2%	8.0%	8.5%
	Lost time incident rate						
**	n/a	3	19	10	20	10	

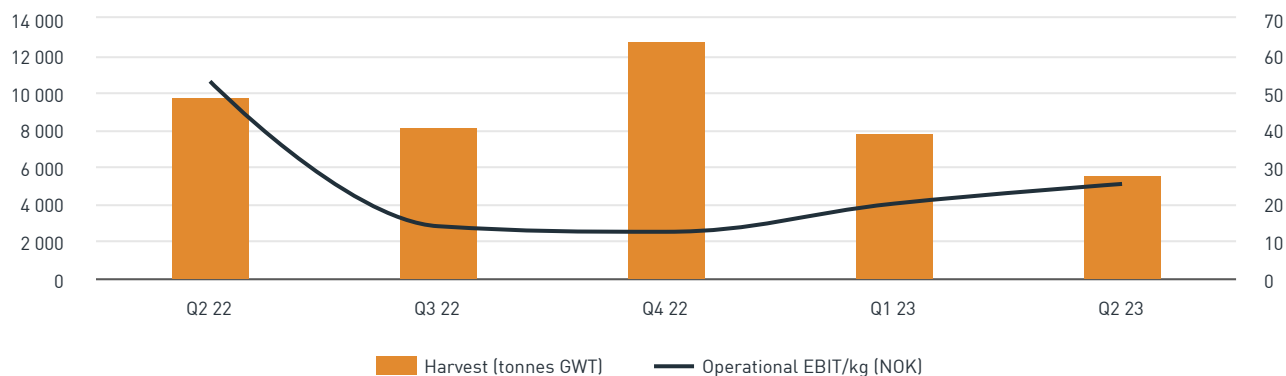
* Amount of active pharmaceutical ingredients (APIs) used (in gr and kg) per tonne of fish produced (LWE).

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

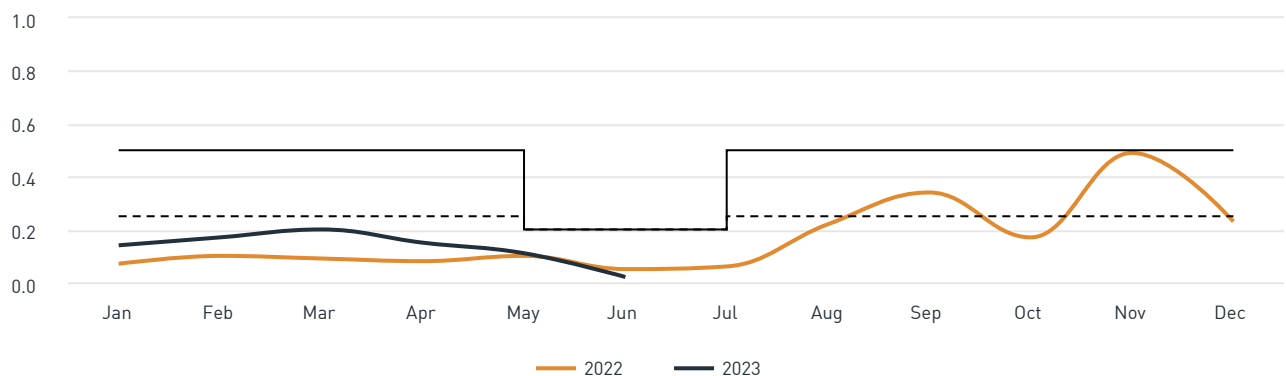
n/a: No set target or data similar to quarter end. ASC certification is disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

NOK MILLION	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Harvest volume (tonnes GWT)	5 573	9 843	13 429	15 018
Sales revenues from sale of Atlantic salmon	482.5	921.4	1 133.8	1 267.0
Operational EBITDA	181.1	557.9	378.7	723.5
Operational EBIT	141.5	521.8	299.4	651.1
Sales revenue/kg (NOK)	86.6	93.6	84.4	84.4
Farming cost/kg (NOK)	61.2	40.6	62.1	41.0
Operational EBIT/kg (NOK)	25.4	53.0	22.3	43.4

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 shall 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, 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's operations includes land-based production of smolt, broodstock and seawater production. We process our BC salmon externally.

5 537

TONNES GWT HARVESTED

-2.5

OPERATIONAL EBIT/KG (NOK)

Operational results

Harvest volume in Q2 2023 was 5 537 tonnes, 37% below Q2 2022. Harvesting volumes vary significantly every other year 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 biological performance.

Sales revenues for the quarter was NOK 488.7 million, a decrease of 38% compared to Q2 2022, impacted by the lower harvested volume. Our realized price for the quarter came to NOK 88.3 per kg, compared to NOK 89.6 per kg in Q2 2022. The average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was NOK 88.2 per kg in Q2 2023 compared to NOK 90.8 per kg in Q2 2022. The price achievement for the quarter was supported by a superior share increasing to 91%, up from 86% in Q2 2022.

The seawater performance has been impacted by seasonal challenges including sea lice treatments and events of low dissolved oxygen. The 12-month rolling survival rate came to 90% at the end of Q2 2023, down from 92% last quarter.

During the quarter, we have used antibiotics to treat for Yellow mouth to safeguard the welfare of the fish. The amount of antibiotics used was stable from last quarter and significantly down from last years. Our use of antibiotics has historically been too high, and we are pursuing non-therapeutic means to manage diseases, such as vaccines and an adapted diet. Infrastructure, such as the barrier system, might also aid in reducing disease transmission.

BC has low sea lice levels during the important out migration 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 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 system have shown potential to improve sea lice control significantly. When additional measures are needed, we carry out the type of treatment most appropriate to the biological situation. We aim to reduce the use of medical sea lice treatments through a combination of a barrier system between the farmed salmon and the environment and use of the latest mechanical sea lice removal tool.

Unfortunately, we had an incident in the quarter where one broodfish was lost to the ocean during a transfer from the pen to the broodstock transport vessel. The fish was not recaptured. Immediate corrective action was taken to improve our procedures to prevent this type of incident from happening again.

The farming cost increased from CAD 7.9 per kg (NOK 58.7) in Q2 2022 to CAD 11.3 per kg (NOK 90.8) in Q2 2023. The increase is mainly related to inflationary pressure on feed and other input factors in addition to the low harvest volume, reduced survival and harvesting from sites with challenges related to sea lice and low oxygen events. These challenges also impacted cost recognized as abnormal mortality in the income statement, which came to NOK 62.4 million in Q2 2023 (NOK 11.3 per kg, or CAD 1.4 per kg), compared to NOK 6.5 million in Q2 2022 (NOK 0.7/CAD 0.1 per kg).

Operational EBIT per kg for the quarter came to NOK -2.5, compared to NOK 30.9 in Q2 2022.

Employee well-being is our priority. The absence rate of 2.3% was below our 4.5% target. The absence rate has decreased over the last quarters. We always monitor developments according to our guidelines for absence from work.

Operational priorities towards 2026

Grieg Seafood BC expects to harvest 20 000 tonnes in 2023. We aim to increase the volume harvested to 30 000-35 000 tonnes in 2026 by both developing current sites to utilize more of our seawater capacity and developing new sites. Key initiatives to achieve our objective include the implementation of barrier systems to provide better biological control and higher survival rates. As part of the ongoing process of site restructuring, we seek to develop sites that are well suited for salmon farming, and phase out older and smaller sites with more challenging biological conditions.

Access to high-quality smolt is also key to ensuring sustainable production growth. Last year, we completed the expansion of our Gold River smolt facility, with smolt capacity increasing from 500 to 800 tonnes. Further expansion of our post-smolt capacity is under consideration. Another key priority to increase survival rates 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. However, mortality related to algae blooms has been reduced the last years due to our successful efforts in the field of algae mitigation, digital monitoring and aeration systems. Algae movements and oxygen levels are continuously monitored and analyzed using high-grade real-time in-pen sensors, and machine learning with predictive environmental software. We have installed aeration systems to enable feeding also during challenging situations, which increases the survival during these periods. In combination with HAB and oxygen monitoring tools, we are trailing barrier systems which will allow us to keep the barriers down year-round and to maintain oxygen levels. In Q2 2023, we spent NOK 6 million in growth investments, related to barrier systems, in addition to NOK 46 million in maintenance investments. YTD 2023 we have spent a total of NOK 8 million in growth investments and NOK 60 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. Upon the successful completion of a multi-site audit in Q2 2023, all our eleven eligible sites achieved certification. As a result, we now hold the only ASC Salmon Standard multi-site certificate in the world. 100% of our volume harvested in Q2 was ASC certified.

The United Nations Declarations on the Rights of Indigenous Peoples (UNDRIP), giving Indigenous peoples rights in their own traditional territory, is under implementation in BC. This is a process of reconciliation between the government, businesses and First Nations. The majority of our production in BC is operated under agreements with First Nations and we are pursuing agreements with others. These relationships are very important to us. *The Truth & Reconciliation Commission: Call to Action #92* provides us with guidance on our role in the reconciliation process. We are striving to

operate 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 traditional open net-pen salmon farming and into better and more sustainable practices in British Columbia, in order to reduce interactions with wild salmon. [Grieg Seafood welcomes the transition process and the transition framework published](#). In June 2022, the Canadian Department of Fisheries and Oceans renewed all farming licenses for two years to allow for the development of the plan. In July 2023, The Honourable Diane Lebouthillier was appointed new federal Minister of Fisheries, Oceans and the Canadian Coast Guard. Grieg Seafood BC welcomes the new Minister and looks forward to be working with her and her Department, as well as to continue to work collaboratively with our First Nation partners, government and local communities on innovation and modernization towards a sensible transition plan.

Scoreboard & key performance figures British Columbia

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

PILLAR	KPI & TARGET	STATUS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
PROFIT & INNOVATION	Harvest volume (tonnes GWT)						
	20 000 tonnes in 2023	n/a	5 537	0	1 467	7 908	8 815
	Operational EBIT per kg (NOK)						
		n/a	-2.5	n/a	-22.9	-5.1	30.9
PROFIT & INNOVATION	Farming cost per kg (CAD)						
	Cost leader	n/a	11.3	n/a	13.3	10.1	7.9
	ASC certification (# of sites)***						
	All sites (11 eligible) by 2023	●	11	7	7	12	12
HEALTHY OCEAN	Survival rate at sea						
	93% by 2023	◆	90%	92%	91%	90%	92%
	Cost of reduced survival (NOK million)						
		n/a	62.4	13.1	10.7	73.3	6.5
HEALTHY OCEAN	Use of antibiotics (g per tonne LWE) *						
	No use of antibiotics	◆	0.1	0.1	20.2	56.6	35.5
	Use of hydrogen peroxide (kg per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	24.4	0.0	0.0
HEALTHY OCEAN	Sea lice treatments - in feed (g per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.8	0.0
	Sea lice treatments - in bath (g per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
HEALTHY OCEAN	Escape incidents (# of fish)						
	Zero escape incidents	■	1 (1)	0	0	0	0
	High quality product						
	93% superior share	n/a	91%	n/a	86%	86%	86%
SUSTAINABLE FOOD	Absence rate						
	Below 4.5%	●	2.3%	4.3%	5.0%	6.9%	7.1%
	Lost time incident rate						
	**	n/a	0	0	14	0	24

* 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.

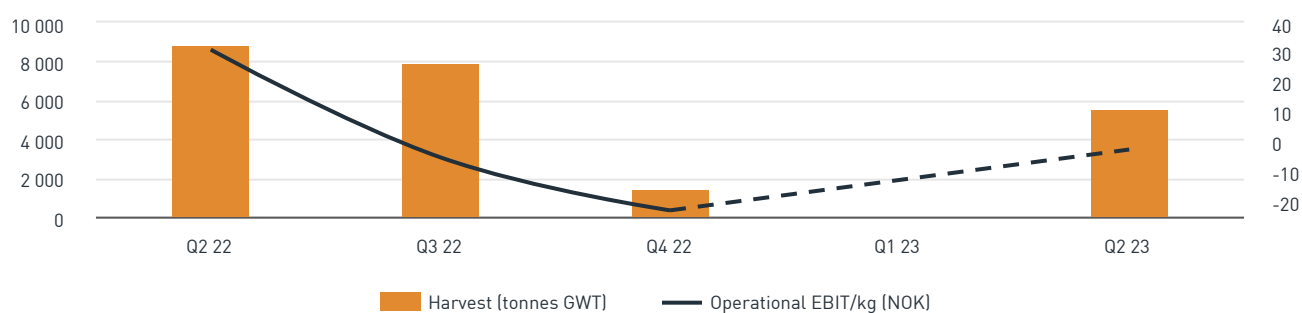
n/a: No set target or data similar to quarter end. ASC certification is disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

***As part of discontinuing our farming operations in the Sechelt area, we pulled the ASC certification from five of the empty and inactive sites at the end of 2022. In addition, we had one more active site in 2022.

NOK MILLION	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Harvest volume (tonnes GWT)	5 537	8 815	5 537	10 911
Sales revenues from sale of Atlantic salmon	488.7	789.9	488.7	976.2
Operational EBITDA	21.6	303.2	41.0	401.7
Operational EBIT	-13.9	272.8	-26.7	344.6
Sales revenue/kg (NOK)	88.3	89.6	88.3	89.5
Farming cost/kg (CAD)	11.3	7.9	11.6	7.9
Farming cost/kg (NOK)	90.8	58.7	93.1	57.9
Operational EBIT/kg (NOK)	-2.5	30.9	-4.8	31.6

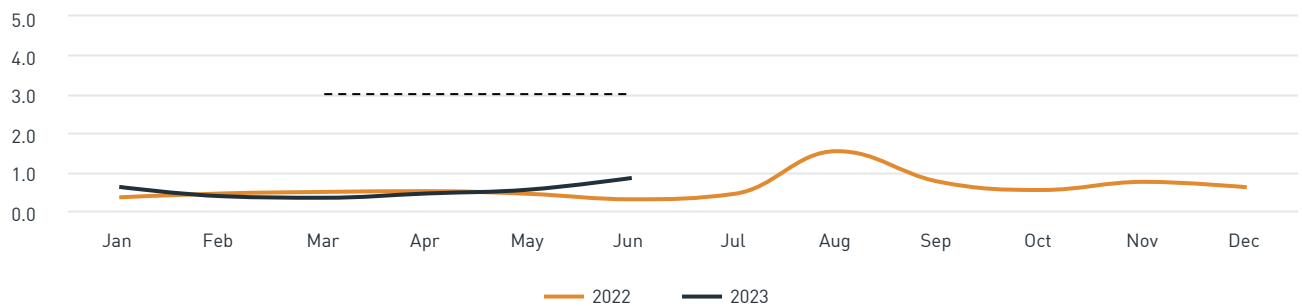
There was no harvest in BC in Q1 2023.

HARVEST AND OPERATIONAL EBIT/KG



There was no harvest in BC in Q1 2023.

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 fish farming rights 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

Freshwater production has been good this quarter, and our fish are growing well. During the quarter we have successfully transferred one million smolt to sea with an average weight of 160 grams.

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. The salmon is of European broodstock, and we apply best practices from sterile production across the globe, tailored to ensure we optimize the growth and health of our sterile all-female salmon production. We have a year-round supply of high-quality eggs, and we optimize the conditions during the freshwater phase, the times of the year when the fish are transferred to the sea, and the feed composition. Sterile triploid salmon perform well in cold environments and do not mature. So far, our fish have performed well biologically, with high survival and growth at sea, and we have not experienced sea lice issues. At the end of Q2 2023, we had approximately 4 200 tonnes biomass at sea with an average weight of 1.5 kg. The average weight of the fish transferred to sea in 2022 was 2.1 kg. We are still in an early phase and will expand the project gradually and in line with biological developments. Harvesting is expected to commence towards the end of 2023.

Operational EBIT for Q2 2023 totaled NOK -8.4 million. A larger share of the operational cost has been allocated to the biomass compared to previous periods, as we stocked fish to a new site this quarter. The operational cost allocated directly to the income statement for Q3 2023 will increase due to ramp up of the seawater operations.

We remain committed to developing our operations in Newfoundland and Labrador gradually and responsibly and to meeting all regulatory requirements from the local provincial and federal authorities. We are well prepared in terms of equipment, employees and knowledge of biological conditions, and we will adjust our operations according to the experience we gain from 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.

Employee well-being is our priority. The absence rate of 1.0% was well below our 4.5% target. We always monitor developments according to our guidelines for absence from work.

Priorities towards 2026

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 will significantly strengthen our US market exposure and open us to synergies with our existing operations as we should be able to provide a more stable supply to the US market year-round.

Our RAS facility currently consists of a hatchery, nursery and a smolt unit with a capacity of 600 tonnes. We have commenced the first phase construction, which comprises the foundation and ground work, of the new post-smolt building. This investment is estimated to approximately CAD 14 million.

In Q2 2023, we spent NOK 61 million in investments mainly in seawater locations, including equipment for digital monitoring. YTD 2023 we have spent a total of NOK 260 million in investments. We currently have 14 seawater licenses, each with an allowance of one million fish at first stocking, increasing to two million fish in subsequent stockings. In 2023, we expect to harvest 5 000 tonnes of salmon, increasing to 15 000 tonnes by 2026, which is possible with our current set up. We have also been identified as the successful proponent of 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 will secure future flexibility. These areas will provide a long-term annual harvest potential of up to 65 000 tonnes.

Scoreboard & key performance figures Newfoundland

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

PILLAR	KPI & TARGET	STATUS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
PROFIT & INNOVATION	Operational EBIT (NOK million)						
		n/a	-8.4	-27.6	-29.4	-24.1	-36.6
HEALTHY OCEAN	Cost of reduced survival (NOK million)						
		n/a	0.0	0.0	0.1	0.0	0.0
	Use of antibiotics (g per tonne LWE) *						
	No use of antibiotics	●	0.0	0.0	0.0	0.0	0.0
	Use of hydrogen peroxide (kg per tonne LWE) * / **						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
	Sea lice treatments - in feed (g per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
	Sea lice treatments - in bath (g per tonne LWE) *						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
Escape incidents (# of fish)							
Zero escape incidents	●	0	0	0	0	0	
PEOPLE	Absence rate						
	Below 4.5%	●	1.0%	1.8%	1.1%	1.4%	1.2%
	Lost time incident rate						
**	n/a	15	21	0	0	0	

* 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.

NOK MILLION	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Operational EBITDA	22.9	-22.8	20.3	-42.5
Operational EBIT	-8.4	-36.6	-36.0	-61.3

Board's approval

Related parties' transactions

There has not been any related parties' transactions during Q2 2023 outside ordinary course of business. See Note 9 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 2023, 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 second 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.

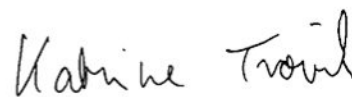
THE BOARD OF DIRECTORS AND CEO BERGEN, 25 AUGUST 2023



PER GRIEG JR.
CHAIR



TORE HOLAND
VICE CHAIR



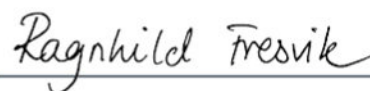
KATRINE TROVIK
BOARD MEMBER



MARIANNE RIBE
BOARD MEMBER



NICOLAI HAFELD GRIEG
BOARD MEMBER



RAGNHILD JANBU FRESVIK
BOARD MEMBER



ANDREAS KVAME
CEO

RESULTS



Financial statements

INCOME STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Sales revenues	3	2 372 444	2 350 780	3 918 202	3 815 338
Other income	3	15 035	10 303	39 910	19 231
Share of profit from associates	8	-3 335	-773	1 004	931
Raw materials and consumables used		-953 582	-535 876	-1 368 788	-887 371
Salaries and personnel expenses		-141 820	-166 309	-340 540	-348 029
Other operating expenses		-603 059	-563 632	-1 056 903	-957 479
Depreciation property, plant and equipment		-132 825	-105 460	-249 317	-198 634
Amortization licenses and other intangible assets		-5 512	-3 208	-10 784	-5 037
Write-down of tangible and intangible non-current assets		136	—	136	—
Production fee		-9 581	-6 016	-18 182	-11 966
Fair value adjustment of biological assets	4	-631 762	-77 491	-483 810	336 936
Litigation and legal claims		—	-155 000	—	-155 000
Decommissioning costs		-2 515	—	-2 515	—
EBIT (Earnings before interest and taxes)		-96 375	747 318	428 412	1 608 919
Net financial items	7	91 878	116 950	140 242	133 676
Profit before tax		-4 497	864 267	568 654	1 742 596
Estimated taxation	5	-558 285	-184 987	-704 216	-371 561
Net profit for the period		-562 781	679 281	-135 562	1 371 034
Profit or loss for the period attributable to					
Owners of Grieg Seafood ASA		-562 781	679 281	-135 562	1 371 034
Dividend declared per share (NOK)		4.5	3.0	4.5	3.0
Earnings per share attributable to equity holders of Grieg Seafood ASA (NOK)					
Earnings per share		-5.0	6.0	-1.2	12.2

COMPREHENSIVE INCOME STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Net profit for the period		-562 781	679 281	-135 562	1 371 034
Net other comprehensive income to be reclassified to profit/ loss in subsequent periods					
Currency effect on investment in subsidiaries		76 655	186 097	165 569	197 347
Currency effect on loans to subsidiaries		28 188	52 355	60 949	55 867
Tax effect		-6 201	-11 518	-13 409	-12 291
Other comprehensive income for the period, net of tax		98 641	226 934	213 109	240 923
Total comprehensive income for the period		-464 140	906 215	77 546	1 611 957
Allocated to					
Owners of Grieg Seafood ASA		-464 140	906 215	77 546	1 611 957

STATEMENT OF FINANCIAL POSITION

GRIEG SEAFOOD GROUP NOK 1 000	Note	30.06.2023	30.06.2022	31.12.2022
ASSETS				
Deferred tax assets	5	—	22 600	—
Goodwill		767 359	729 977	691 094
Licenses incl. warranty licenses		1 547 669	1 634 511	1 463 710
Other intangible assets incl. exclusivity agreement		14 357	38 347	14 689
Property, plant and equipment incl. right-of-use assets		4 745 845	3 838 157	4 035 590
Indemnification assets		40 000	40 000	40 000
Investments in associates	8	217 628	113 206	216 624
Other non-current receivables		31 180	102 866	17 935
Total non-current assets		7 364 038	6 519 663	6 479 642
Inventories		211 154	214 346	240 172
Biological assets excl. the fair value adjustment	4	3 065 318	2 714 954	2 896 209
Fair value adjustment of biological assets	4	652 169	1 581 644	1 149 591
Trade receivables		320 606	370 333	259 137
Other current receivables, derivatives and financial instruments		334 812	251 191	195 047
Investments in money market funds	6	882 056	—	1 012 848
Cash and cash equivalents	6	802 154	1 992 842	642 719
Total current assets		6 268 268	7 125 309	6 395 723
Total assets		13 632 306	13 644 973	12 875 365
EQUITY AND LIABILITIES				
Share capital		453 788	453 788	453 788
Treasury shares		-5 685	-4 532	-5 407
Contingent consideration		701 535	701 535	701 535
Retained earnings and other equity		4 909 496	5 687 526	5 335 792
Total equity		6 059 135	6 838 317	6 485 708
Deferred tax liabilities	5	1 298 801	1 524 565	1 041 101
Share based payments		—	12 361	6 756
Borrowings and lease liabilities	6	3 661 451	3 642 955	3 492 459
Total non-current liabilities		4 960 252	5 179 881	4 540 316
Current portion of borrowings and lease liabilities	6	419 514	344 762	368 878
Trade payables		632 502	622 803	717 498
Tax payable	5	779 662	88 296	353 191
Dividend		504 120	—	—
Other current liabilities, derivatives and financial instruments		277 122	570 914	409 774
Total current liabilities		2 612 920	1 626 775	1 849 341
Total liabilities		7 573 171	6 806 656	6 389 657
Total equity and liabilities		13 632 306	13 644 973	12 875 365

CHANGES IN EQUITY

GRIEG SEAFOOD GROUP (NOK 1 000)	Share capital	Treasury shares*	Contingent cons.**	Other equity	Total
Equity at 01.01.2022	453 788	-4 532	701 535	4 412 511	5 563 302
Profit for YTD 2022	—	—	—	1 371 034	1 371 034
Other comprehensive income YTD 2022	—	—	—	240 923	240 923
Total comprehensive income YTD 2022	—	—	—	1 611 957	1 611 957
Dividend	—	—	—	-336 942	-336 942
Transactions with owners [in their capacity as owners] YTD 2022	—	—	—	-336 942	-336 942
Total change in equity YTD 2022	—	—	—	1 275 015	1 275 015
Equity at 30.06.2022	453 788	-4 532	701 535	5 687 526	6 838 317
Equity at 01.01.2023	453 788	-5 407	701 535	5 335 792	6 485 708
Profit for YTD 2023	—	—	—	-135 562	-135 562
Other comprehensive income YTD 2023	—	—	—	213 109	213 109
Total comprehensive income YTD 2023	—	—	—	77 546	77 546
Sale of treasury shares to employees	—	3	—	-3	—
Purchase of treasury shares	—	-280	—	280	—
Dividend	—	—	—	-504 120	-504 120
Transactions with owners [in their capacity as owners] YTD 2023	—	-277	—	-503 843	-504 120
Total change in equity YTD 2023	—	-277	—	-426 296	-426 574
Equity at 30.06.2023	453 788	-5 685	701 535	4 909 496	6 059 135

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

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

CASH FLOW STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	Note	Q2 2023	Q2 2022	YTD 2023	YTD 2022
EBIT (Earnings before interest and taxes)		-96 375	747 318	428 412	1 608 919
Depreciation, amortization and write-down		138 201	108 668	259 966	203 671
Gain/loss on sale of property, plant and equipment		-2 600	1 734	-475	-1 560
Share of profit from associates	8	3 335	773	-1 004	-931
Fair value adjustment of biological assets	4	631 762	77 491	483 810	-336 936
Change inventory excl. fair value, trade payables and rec.		37 929	-338 983	-418 458	-507 082
Other adjustments		680	272 329	131 887	241 252
Taxes paid		-4 183	-1 630	-76 102	-4 329
Net cash flow from operating activities		708 749	867 700	808 037	1 203 004
Proceeds from sale of non-cur. tangible and intangible assets		—	1 845	275	6 950
Payments on purchase of non-cur. tangible and intangible assets		-185 229	-128 622	-460 749	-244 633
Government grant		5 610	—	14 641	—
Investment in money market funds		150 000	—	150 000	—
Investment in associates and other invest.	8	-5 000	—	-12 700	-15 950
Net cash flow from investing activities		-34 619	-126 777	-308 532	-253 634
Revolving credit facility (net draw-down/repayment)		—	—	—	-440 000
Proceeds of long-term int. bearing debt		—	—	—	1 463 979
Repayment long-term int. bearing debt		-585	-29 089	-125 811	-436 567
Repayment lease liabilities		-72 681	-55 762	-136 413	-101 629
Net interest and other financial items	7	-48 273	-38 827	-88 748	-42 806
Purchase of treasury shares		—	—	-5 540	—
Paid dividends		—	-336 942	—	-336 942
Net cash flow from financing activities		-121 540	-460 620	-356 512	106 034
Net change in cash and cash equivalents		552 590	280 303	142 993	1 055 404
Cash and cash equivalents - opening balance		242 878	1 707 682	642 719	928 342
Currency translation of cash and cash equivalents		6 686	4 857	16 442	9 095
Cash and cash equivalents - closing balance		802 154	1 992 842	802 154	1 992 842

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 2023 has been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations approved by the EU, including IAS 34. This report does not include all information required in a complete annual report and it should therefore be read in conjunction with the Group's latest annual report (2022).

The financial report for the second quarter and first half of 2023 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.

The estimate for the Norwegian resource rent tax is an estimate that, as of the this report's date, represents an estimate concerned with significant judgements. See further information on resource rent tax in Note 2 and Note 5.

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, changes in salmon prices, compliance risk, the risk of accidents, and the risk of politically motivated trade barriers. The recently substantially enacted resource rent tax on salmon farming in Norway is deemed a high political risk for our operations. The Group's internal controls and risk exposure are subject to continuous monitoring and improvement, and efforts to reduce risk in different areas have a high priority. Management has established a framework for managing and eliminating most of the risks that could prevent the Group from attaining its goals. See the Group's risk overview [here](#). A summary of some of these risks, in the context on the short- and medium term as from Q2 2023, 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 3 065 million (22% 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, we focus 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. Our 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.

In Finnmark, we have had no new incidents of the parasite *Spirionucleus salmonicida* (Spiro) in our freshwater facility. Water treatment equipment have been installed and disinfection measures are being implemented to reduce future risks of Spiro entering the freshwater facility.

Seawater production was good in all regions this quarter, however with some biological challenges. In Rogaland, early harvesting was performed to reduce risk related to *Infectious Salmon Anemia* (ISA) at one site. At quarter end, ISA was detected on another site that will be harvested during Q3 2023. The early harvest is expected to reduce the 2023 harvest volume from 29 000 to 27 000 tonnes. We have initiated a vaccination program of our smolt against ISA, and expect

reduced impact from ISA going forward. In Finnmark, Spiro is still impacting the production to some extent, but the situation continues to improve. In Q1 2023, Finnmark's harvest target was reduced from 28 000 tonnes to 26 000 tonnes due to advance harvesting and challenging growth conditions related to Spiro. In BC, high sea lice pressure and low oxygen events have been the main challenges the last quarter. Due to our successful efforts in the field of aeration systems and barrier system, we have been able to reduce mortality during such events over the last years. The seawater production in Newfoundland has been stable, and our fish have performed well biologically, with high survival and growth.

The feed industry is characterized by large global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils, which are the main ingredients in fish feed. Access to terrestrial feed ingredients is stable, while access to marine feed ingredients continue to be limited. We expect, on aggregate for the Group, an increase in feed prices the next quarters.

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

MARKET RISK

The global harvest volume of Atlantic salmon in 2023 is expected to increase by only 1% compared to 2022. With an expected overall limited growth in 2023, combined with an outlook for continuing strong demand fueled by an increased focus on healthy food and sustainably produced proteins, we currently believe in strong market prices for the remainder of 2023. However, current inflation reducing household purchasing power might impact demand from both the HoReCa (hotels, restaurants and catering) and retail segment. This, in combination with the increase of supply for the next months will most likely drive prices downwards. The average spot salmon price for Norwegian salmon (NQSALMON, weekly average) for Q2 2023 was NOK 105.8 per kg, and peaked around NOK 122 per kg at the end of the quarter. The current Fish Pool forward price for the remainder of 2023 is around NOK 80 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 in Norway, Europe 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 2023 is 42% and 15% also for the full year 2023. The contract market has been somewhat subdued due to uncertainty related to the resource rent tax on salmon in Norway. 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. Three class-actions were filed in Canada (none has been certified as a class-action). Grieg Seafood is not aware of any anti-competitive behavior within the Group, neither in the EU nor in Canada. Grieg Seafood rejects that there is any basis for the claims and considers the complaints to be entirely unsubstantiated.

NOK 3.0 million was spent on legal fees related to the investigations and the lawsuits during the quarter. The cost has been included as ownership cost, see Note 3.

POLITICAL RISK

Norway

On 31 May 2023, the Norwegian Parliament passed the suggested resource rent tax scheme on aquaculture in Norway, with a tax rate of 25%, effective from 1 January 2023. Since the first official proposal dated 28 September 2022, the details of the resource rent tax scheme had been subject to several changes, until the final version was passed in the Norwegian

Parliament and incorporated into Norwegian tax law. The tax applies to commercial marine-phase salmon aquaculture activity in Norway and the resource rent tax is an additional taxation on aquaculture, as the operations are subject to corporate taxation of 22%, bringing the total marginal tax rate to 47%.

The Group is currently assessing how the resource rent tax will impact the Group's investments, plans and strategy. Grieg Seafood farms Atlantic salmon in both Norway and Canada, and the Norwegian resource rent tax will not affect the tax load of the Group's operations in British Columbia and Newfoundland, as they are subject to Canadian tax legislation. However, the resource rent tax may divert more of the Group's investments to Canada. Overall, salmon farming in Norway may lose competitiveness compared to aquaculture in other countries. With new technologies being developed, where there is no reliance on a coastline with naturally tempered water, aquaculture investors may find it more attractive to invest and develop the industry in places with lower tax levels.

See further information provided in Note 5.

Canada

In British Columbia (BC), licenses are renewed by the federal Department of Fisheries and Oceans (DFO) on a regular basis, with different length. In June 2022, all licenses were renewed for two years. The Canadian Government has launched a new strategy for salmon farming in BC, to transition the sector from traditional open-net pen practices into an improved industry (it does not specify what the industry should transition to). Stakeholders, including industry and First Nations, are participating in the process. Grieg Seafood supports the transition and continues to work collaboratively with our First Nation partners, government and local communities on innovation and modernization towards a sensible transition plan.

In addition, farm tenures in BC are renewed by the province on a regular basis. From 2022, farm tenures that are not accepted by the First Nation that is the rights-holder of the territory where the farm is located will not be renewed. Grieg Seafood supports the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) into BC regulations, and we are engaging in the ongoing process of reconciliation between the government, First Nations and industries.

FINANCIAL RISK

Financing risk

The Group operates within an industry characterized by high volatility, which entails financial risk. The Group's business and plans are capital intensive. To the extent that sufficient cash is not generated from operations in the long term, additional funding needs to be raised to pursue the Group's growth strategy and finance capital expenditures. Adequate sources of capital funding might not be available when needed or may only be available on unfavorable terms. Financial and contractual hedging is a matter of constant consideration, in combination with operational measures. Management draws up rolling liquidity forecasts, extending over five years. These forecasts are based on conservative assumptions for salmon prices and form the basis for calculating liquidity requirements. This forecast also forms the basis for the Group's financing needs. Available financing could be impacted by the Norwegian resource rent tax regime, as - all else equal - less cash will be available to service debt, finance investments and provide a return on investment for shareholders.

As at 30 June 2023, the Group had a solid financial foundation. See Note 6 for more information.

Liquidity risk

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 (44% at 30 June 2023), to be well positioned to meet financial and operational challenges. The Group utilizes factoring agreements to finance its trade receivables in Norway.

Currency risk

The Group is primarily impacted by currency exposure, primarily to CAD, USD and EUR.

Part of the long-term intercompany loans to subsidiaries in the Group are in the local currency and are regarded as net investments, as there are no set plans for their repayment. The currency effect of these net investments is included in the Group's consolidated statement of other comprehensive income (OCI). In addition, the sales organization hedges foreign currency risk expose if required. 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. 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.

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 sold only 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 play 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.

We have mapped our climate-related risks, which are reported in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have also prepared a climate-related scenario analysis, assessing the impact of transitional risks and physical risks. These risks and opportunities are included in the risk assessment as part of the Group's regular forecast process. Overall, we 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. The Group's TCFD report, including the climate-related scenario analysis, is available [here](#).

Grieg Seafood is a Member of the 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. TNFD will publish its final framework in September 2023, along with a draft of additional guidelines for the aquaculture sector. For further information, visit the [TNFD's website](#).

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, 33 of 40 sites were ASC certified. 85% of our volume harvested in the quarter was ASC certified. Grieg Seafood acknowledges that there are still challenges to overcome and believes that preventive farming is key to reducing the Group's impact on both the climate and nature. Several of the Group's ongoing initiatives target climate and nature-related challenges, such as shortening the time the 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.

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 are reported per producer. Geographically, management assesses the results of production in Rogaland – Norway, Finnmark – Norway, British Columbia – Canada, and Newfoundland – Canada. Group management evaluates the results from the segments based on Operational EBIT.

The method by which Operational EBIT is calculated excludes the effect of non-recurring costs, such as restructuring costs, legal costs on acquisition and impairment of goodwill and intangible assets, when impairment is attributable to an isolated event which is not expected to recur. Costs or gains which relate to prior years and not to the current operation of Grieg Seafood, are not included as Operational EBIT, as such costs are not considered meaningful for the comparability of the Group's results from one period to another. See Alternative Performance Measures for more information.

RECONCILIATION OF EBIT IN THE INCOME STATEMENT WITH OPERATIONAL EBITDA AND OPERATIONAL EBIT IN THE SEGMENT INFORMATION	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Sales revenues	2 372 444	2 350 780	3 918 202	3 815 338
Other income	15 035	10 303	39 910	19 231
Share of profit from associates (operational)	-3 335	-773	1 004	931
Raw materials and consumables used	-953 582	-535 876	-1 368 788	-887 371
Salaries and personnel expenses	-141 820	-166 309	-340 540	-348 029
Other operating expenses	-603 059	-563 632	-1 056 903	-957 479
Operational EBITDA	685 684	1 094 493	1 192 885	1 642 621
Depreciation property, plant and equipment	-132 825	-105 460	-249 317	-198 634
Amortization licenses and other intangible assets	-5 512	-3 208	-10 784	-5 037
Operational EBIT	547 348	985 825	932 783	1 438 949
Production fee	-9 581	-6 016	-18 182	-11 966
Fair value adjustment of biological assets	-631 762	-77 491	-483 810	336 936
Write-down of non-current assets (non-operational)	136	—	136	—
Litigation and legal claims	—	-155 000	—	-155 000
Decommissioning costs	-2 515	—	-2 515	—
EBIT (Earnings before interest and taxes)	-96 375	747 318	428 412	1 608 919

Q2 2023 SEGMENTS (NOK 1 000)	FARMING NORWAY		FARMING CANADA		ELIM./ OTHER	GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW- FOUNDLAND		
Sales revenues	1 093 756	482 504	488 664	—	307 520	2 372 444
Other income	22 945	16 319	—	-83	-24 146	15 035
Operational EBITDA	452 465	181 142	21 629	22 928	7 520	685 684
Operational EBIT	422 860	141 502	-13 914	-8 371	5 272	547 348
Harvest volume tonnes GWT	11 536	5 573	5 537	—	—	22 645
Sales revenue/kg	94.8	86.6	88.3	n/a	n/a	91.2
Farming cost/kg	58.2	61.2	90.8	n/a	n/a	66.9
Other costs incl. ownership and headquarter costs/kg	—	—	—	n/a	n/a	0.1
Operational EBIT/kg	36.7	25.4	-2.5	n/a	n/a	24.2
Operational EBITDA %	41%	38%	4%	0%	2%	29%
Operational EBIT %	39%	29%	-3%	0%	2%	23%

The ownership cost includes legal fees related to the EU commission investigation of NOK 3.0 million in Q2 2023.

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	n/a	n/a	92.5
Farming cost/kg	46.7	40.6	58.7	n/a	n/a	48.6
Other costs incl. ownership and headquarter costs/kg	—	—	—	n/a	n/a	2.3
Operational EBIT/kg	48.9	53.0	30.9	n/a	n/a	41.6
Operational EBITDA %	56%	61%	38%	0%	-9%	47%
Operational EBIT %	51%	57%	35%	0%	-11%	42%

Sales revenue on regional level comprises revenue from the sale of Atlantic salmon including gains/loss on contracts. Other income at regional level includes the sale of byproducts (such as ensilage), as well as income from the sale of smolt, fry and roe. At the Group level, such income is reclassified to sales revenue in the "Elim/Other" column in the Group's segment information. On regional level, other income also includes rental income and income from overcapacity of operational assets. Gains/losses from the sale of fixed assets and other equipment, are included in the line "other income" in the segment information. Profit and loss from associated companies that are closely related to the Group's operations and included in the Group's value chain, for example when the relevant associates operate in the same position in the value chain as the Group, are included in the Group's operational EBITDA and Operational EBIT. Otherwise, the profit from associates is excluded and presented as share of profit from associates (non-operational) in the Group's segment information. The elim/other items comprise, in addition to intercompany eliminations and the effect of share-based payments, the profit/loss from activities conducted by the parent company or other Group companies not geared to production.

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 comprise all cost directly related to production and harvest of salmon, divided by the related harvest volume. On regional level, farming costs equal the operational costs. Other income are included in the farming cost metric, 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 for the Group. 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 2023 SEGMENTS (NOK 1 000)	FARMING NORWAY		FARMING CANADA		ELIM./ OTHER	GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW- FOUNDLAND		
	Sales revenues	1 819 767	1 133 786	488 664		
Other income	53 465	21 527	1 448	-83	-36 447	39 910
Operational EBITDA	763 232	378 726	40 982	20 284	-10 340	1 192 885
Operational EBIT	710 895	299 353	-26 720	-35 961	-14 784	932 783
Harvest volume tonnes GWT	19 038	13 429	5 537	—	—	38 003
Sales revenue/kg	95.6	84.4	88.3	n/a	n/a	90.6
Farming cost/kg	58.2	62.1	93.1	n/a	n/a	64.7
Other costs incl. ownership and headquarter costs/kg	—	—	—	n/a	n/a	1.3
Operational EBIT/kg	37.3	22.3	-4.8	n/a	n/a	24.5
Operational EBITDA %	42%	33%	8%	0%	-2%	30%
Operational EBIT %	39%	26%	-5%	0%	-3%	24%

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		
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	n/a	n/a	85.0
Farming cost/kg	43.5	41.0	57.9	n/a	n/a	46.5
Other costs incl. ownership and headquarter costs/kg	—	—	—	n/a	n/a	3.1
Operational EBIT/kg	38.7	43.4	31.6	n/a	n/a	35.5
Operational EBITDA %	51%	57%	41%	0%	-16%	43%
Operational EBIT %	47%	51%	35%	0%	-17%	38%

NOTE 4 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 4.00 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 costs 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.

See our Annual Report 2022 for further information on the accounting assumptions applied on the fair value estimates of biological asset.

DISCOUNT RATE PER REGION	Q2 2023	Q2 2022	FY 2022
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%	3.5 %	3.5%

BIOLOGICAL ASSETS	TONNES*				NOK 1 000			
	Q2 2023	YTD 2023	Q2 2022	YTD 2022	Q2 2023	YTD 2023	Q2 2022	YTD 2022
Biological assets beginning of period	49 639	50 614	59 176	59 121	4 464 818	4 045 800	4 115 375	3 449 408
Currency translation	n/a	n/a	n/a	n/a	76 959	145 734	99 321	97 024
Increases due to production	19 195	35 873	20 334	39 919	1 231 731	2 227 427	950 366	1 787 331
Decrease due to sales/ harvesting/mortality	-26 029	-43 682	-27 571	-47 100	-1 374 920	-2 204 052	-1 005 160	-1 648 331
Fair value adjustment beginning of period	n/a	n/a	n/a	n/a	-1 333 271	-1 149 591	-1 444 949	-970 480
Fair value adjustment period end	n/a	n/a	n/a	n/a	652 169	652 169	1 581 644	1 581 644
Biological assets period end	42 806	42 806	51 939	51 939	3 717 486	3 717 486	4 296 598	4 296 598

*Round weight

BIOLOGICAL ASSETS AT 30.06.2023	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	26 277	782	284 736	—	284 736
Biological assets with round weight < 4.60 kg	25 145	42 023	2 780 582	652 169	3 432 751
Biological assets with round weight > 4.60 kg	—	—	—	—	—
Total	51 422	42 805	3 065 318	652 169	3 717 486

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	273 535
Total	52 651	51 939	2 714 954	1 581 644	4 296 598

SPECIFICATION OF THE FAIR VALUE ADJUSTMENT, INCOME STATEMENT (NOK 1 000)	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Change in fair value adjustment of biological assets	-700 116	82 609	-533 054	554 508
Change in physical delivery contracts related to fair value adjustments of biological assets	827	-12 966	1 592	-16 698
Change in fair value of financial derivatives from salmon (Fish Pool contracts)	67 527	-147 134	47 652	-200 874
Total recognized fair value adjustment of biological assets	-631 762	-77 491	-483 810	336 936

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. The fair value adjustment of financial derivatives from salmon are recognized in the balance sheet as derivatives and other financial instruments (current assets or current liabilities depending on the market value of the instrument). Financial derivatives are calculated at market value.

NOTE 5 RESOURCE RENT TAX

On 31 May 2023, the Norwegian Parliament passed the resource rent tax scheme on aquaculture in Norway. This new resource rent tax scheme was implemented retrospectively with effect from 1 January 2023. The tax scheme applies to net profits from commercial sea-phase salmon aquaculture activity in Norway and is an additional layer of taxation on aquaculture, on top of ordinary corporate income taxation of 22%, bringing the total marginal tax rate for the in-scope aquaculture activity to 47%.

Grieg Seafood farms Atlantic salmon in both Norway and Canada. The Norwegian resource rent tax will not affect the tax load of the Group's operations in British Columbia and Newfoundland, as they are subject to Canadian tax legislation only.

Accounting estimate for the Norwegian resource rent tax

Since the first official proposal dated 28 September 2022, the details of the resource rent tax scheme had been subject to several changes, until the final version was passed in the Norwegian Parliament and incorporated into Norwegian tax law. As such, the Group emphasize that the recorded resource rent tax expense recognized in the income statement is an accounting estimate made based on information available as at the date of this Q2 2023 report. The resource rent tax for the full year 2023 will be addressed in the year-end 2023 financial statements, when the detailed tax calculation for the respective Group entities will be carried out.

Tax expenses and the implementation effect due to the introduction of the Norwegian resource rent tax

As of 30 June 2023, the tax expense solely includes the implementation effect due to the introduction of the Norwegian resource rent tax scheme. Thus, the tax expense does not include an estimate of the resource rent tax for the period 1 January - 30 June 2023. The Group is looking forward to further clarifications from the Norwegian Ministry of Finance, and is conducting additional transfer pricing analysis work, to reliably estimate the split of the total Norwegian taxable profits between in-scope and out-of-scope activity with respect to the Norwegian resource rent tax. The Norwegian farming regions of Grieg Seafood have historically been integrated single entities concerning the farming and harvest of salmon; one for Grieg Seafood Rogaland and one for Grieg Seafood Finnmark. A challenge related to the recent introduction of the resource rent tax scheme is to identify and benchmark the different activities of the farming regions, as this is necessary to be able to accurately calculate the correct resource rent tax for the profit and loss of YTD 2023. The work related to this process is ongoing. Due to this, the Group has as at 30 June 2023 not included a tax estimate for the YTD 2023 activity subject to resource rent tax in the Group's income statement.

The introduction of the resource rent tax gives rise to an implementation accounting effect as at 1 January 2023 due to the increase in marginal tax rate from 22% to 47% for the part of the Group's profits that is in-scope of the Norwegian resource rent tax. The effect is calculated as 25% of the temporary differences between financial accounting and tax balance sheet values of the Norwegian biomass (basis for deferred tax) as at 1 January 2023.

The tax balance sheet value that is recorded for tax purposes is close to the fair market value of the biomass as at 1 January 2023. Due to recent public discussions (in media, etc.) on the deductibility of such tax basis in the Norwegian resource rent tax scheme, the Group has, purely for quarterly financial accounting reporting purposes, nevertheless chosen to calculate the accounting implementation effect based on the accounting premise that the Group has zero tax balance sheet value for the biomass as at 1 January 2023. This accounting premise is limited to the Group's quarterly financial reporting and has no bearing on tax positions taken by the Group. Therefore, in Q2 2023, an implementation tax expense effect of NOK 558 million has been recognized in the Group's estimate taxation line item in the income statement.

IMPLEMENTATION EFFECT OF THE NORWEGIAN RESOURCE RENT TAX (NOK 1 000)	Q2 2023	YTD 2023
Basis for deferred tax liabilities as at 01.01.2023 in-scope of the Norwegian resource rent tax	2 233 181	2 233 181
Impact of changing the marginal tax rate from 22% to 47% (25%)	558 295	558 295

Tax payable

In connection with the introduction of the Norwegian resource rent tax, Grieg Seafood has reclassified NOK 493 million of the tax calculated for 31 December 2022 from deferred tax liabilities to tax payables.

Production fee

From 1 July 2023, the production fee per kg of farmed Atlantic salmon in Norway will be NOK 0.90/kg. Furthermore, as of 1 January 2023, the production fee is no longer deductible for the purpose of calculating ordinary corporate income tax in Norway. The fee is, however, deductible for the purpose of calculating the Norwegian resource rent tax payable.

NOTE 6 NET INTEREST-BEARING LIABILITIES

The syndicated financing from secured lenders of Grieg Seafood consists of an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. The Group's debt structure comprises sustainability-linked loans with a NOK 750 million term loan (outstanding NOK 688 million), an EUR 75 million term loan (outstanding EUR 69 million), 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 outstanding amount is NOK 1 393 million. 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 2023. At 30 June 2023, the Group had an equity ratio of 44%, while the equity ratio according to financial covenant was 47% (52%), compared to 55% at 31 March 2023.

NET INTEREST-BEARING LIABILITIES (NOK 1 000)	30.06.2023	30.06.2022	31.12.2022
Bond loan	1 392 500	1 470 000	1 423 500
Non-current borrowings incl. syndicate term loan and revolving facility	1 471 374	1 503 577	1 440 362
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	528 423	406 440	335 452
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	289 667	292 349	318 198
Total non-current interest-bearing liabilities*	3 681 964	3 672 366	3 517 512
Current portion of borrowings incl. overdraft	139 345	134 377	141 968
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	206 161	133 527	148 494
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	74 008	76 857	78 416
Total current interest-bearing liabilities*	419 514	344 762	368 878
Gross interest-bearing liabilities*	4 101 478	4 017 128	3 886 390
Loans to associates	-21 457	-2 262	-8 300
Investments in money market funds	-882 056	—	-1 012 848
Cash and cash equivalents	-802 154	-1 992 842	-642 719
Net interest-bearing liabilities incl. IFRS 16	2 395 811	2 022 024	2 222 522
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	-734 584	-539 968	-483 946
Net interest-bearing liabilities excl. IFRS 16	1 661 227	1 482 056	1 738 576

* 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 7 NET FINANCIAL ITEMS

NET FINANCIAL ITEMS (NOK 1 000)	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Changes in fair value from hedging instruments	12 700	7 273	8 547	23 992
Net financial interest	-48 523	-35 221	-89 211	-65 760
Net currency gain (losses)	121 566	146 668	206 968	152 749
Net other financial income (expenses)*	6 136	-1 771	13 938	22 695
Net financial items	91 878	116 950	140 242	133 676

*Incl. gains and losses from investments in money market funds.

NOTE 8 INVESTMENT IN ASSOCIATED COMPANIES

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

ASSOCIATES CLASSIFIED AS OPERATIONS	EQUITY INTEREST	EQUITY INTEREST	BOOK VALUE	SHARE OF PROFIT FROM ASSOCIATES	OTHER CHANGES IN THE PERIOD	BOOK VALUE
	01.01.2023	30.06.2023	01.01.2023	YTD 2023	YTD 2023	30.06.2023
Nordnorsk Smolt AS	50.00%	50.00%	39 053	-3 486	—	35 566
Tytlandsvik Aqua AS	33.33%	33.33%	55 951	4 064	—	60 015
Årdal Aqua AS	44.44%	44.44%	114 047	426	—	114 473
NextSeafood AS	50.00%	50.00%	7 574	—	—	7 574
Total associates classified as operations			216 624	1 004	—	217 628

The Group owns, through Grieg Seafood Finnmark AS, 50% of Nordnorsk Smolt AS together with SalMar ASA (50%). At 30 June 2023, Grieg Seafood Finnmark AS has an outstanding long-term loan to Nordnorsk Smolt AS of NOK 15.5 million (NOK 2.3 million at 31 December 2022). The loan to Nordnorsk Smolt AS 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. A redesign of the facility has been completed and Nordnorsk Smolt AS has commenced operations in Q3 2023.

The Group owns, through Grieg Seafood Rogaland AS, 33.33% of 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 AS's share of the volume is 50%.

The Group owns, through Grieg Seafood Rogaland AS, 44.44% of Årdal Aqua AS together with Vest Havbruk AS and Omfar AS. Grieg Seafood Rogaland AS has provided an interest-bearing loan of NOK 6 million to Årdal Aqua. The construction of the land-based farming and post-smolt facility of Årdal Aqua AS is progressing according to plan. Production is expected to commence in 2024, with a capacity of 4 500 tonnes of post smolt and an additional 1 500 tonnes production capacity flexible between post-smolt and harvest size production. The project has further expansion options up to a total production of 15 000 tonnes per year.

The Group owns, through Grieg Seafood Rogaland AS, 50.00% of NextSeafood AS. NextSeafood AS 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. Grieg Seafood Rogaland AS has provided a long-term interest-free loan to FishGLOBE AS of NOK 8.6 million.

Following the resource rent tax in Norway, and the uncertainty concerning the details of the legislation (see Note 2), Grieg Seafood has put all new investments on hold, including the development of FishGLOBE V6, as the Group are assessing how the resource rent tax will impact the Group's strategy and plans going forward.

NOTE 9 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 2022.

SHARES RELATED TO THE BOARD MEMBERS AND MANAGEMENT AT 30.06.2023	NO. OF SHARES (Direct and indirect ownership)	SHARE-HOLDING (Direct and indirect ownership)
Board of directors		
Per Grieg Jr. ¹	57 926 127	51.06%
Nicolai Hafeld Grieg ¹	56 914 355	50.17%
Tore Holand	2 000	0.00%
Marianne Ødegaard Ribe	—	0.00%
Katrine Trovik	—	0.00%
Ragnhild Janbu Fresvik	—	0.00%
Group management		
Andreas Kvame (Chief Executive Officer)	40 513	0.04%
Atle Harald Sandtorv (Chief Financial Officer)	25 556	0.02%
Alexander Knudsen (Chief Operating Officer Farming Norway)	23 513	0.02%
Grant Cumming (Chief Operating Officer Farming Canada)	9 857	0.01%
Erik Holvik (Chief Commercial Officer)	8 831	0.01%
Knut Utheim (Chief Technology Officer)	24 855	0.02%
Kathleen O. Mathisen (Chief Human Resource Officer)	15 074	0.01%
Kristina Furnes (Chief Communications Officer)	4 711	0.00%

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

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

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 10 SHARE CAPITAL AND SHAREHOLDERS

As at 30 June 2023, 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
Total	4.00	453 788	113 447 042
Holding of treasury shares	4.00	-5 685	-1 421 127
Total excl. treasury shares	4.00	448 103	112 025 915

Treasury shares

In 2011, Grieg Seafood ASA 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. In December 2022 and January 2023 Grieg Seafood ASA repurchased 385 000 shares at a weighted average price of NOK 77.76 per share. As at 30 June 2023, the Company has 1 421 127 treasury shares.

THE 20 LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA AT 30.06.2023	NO. OF SHARES	SHARE- HOLDING
Grieg Aqua AS	56 914 355	50.17%
OM Holding AS	5 160 982	4.55%
Folketrygdfondet	2 933 925	2.59%
Clearstream Banking S.A. (Nominee)	2 765 163	2.44%
Ystholmen Felles AS	1 923 197	1.70%
Euroclear Bank S.A./N.V. (Nominee)	1 445 587	1.27%
Grieg Seafood ASA	1 421 127	1.25%
State Street Bank and Trust Comp (Nominee)	1 356 329	1.20%
State Street Bank and Trust Comp (Nominee)	1 213 933	1.07%
JPMorgan Chase Bank, N.A., London (Nominee)	1 138 737	1.00%
Frøy Kapital AS	1 116 323	0.98%
J.P. Morgan SE (Nominee)	1 031 789	0.91%
Kvasshøgdi AS	996 772	0.88%
BNP Paribas (Nominee)	977 222	0.86%
J.P. Morgan SE (Nominee)	857 537	0.76%
Pictet & Cie (Europe) S.A. (Nominee)	800 545	0.71%
JPMorgan Chase Bank, N.A., London (Nominee)	787 589	0.69%
State Street Bank and Trust Comp (Nominee)	772 989	0.68%
Six Sis AG (Nominee)	707 273	0.62%
DZ Privatbank S.A. (Nominee)	689 053	0.61%
Total 20 largest shareholders	85 010 427	74.93%
Total others	28 436 615	25.07%
Total number of shares	113 447 042	100.00%

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 2023 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 2022 for more information on the APMs used by Grieg Seafood.

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
Operational EBIT and operational EBIT/kg (GWT)	<p>Operational EBIT is calculated by adding production fee and fair value adjustment of biological assets, in addition to isolated non-operational events, such as costs (incl. impairment) of closing down sites, legal claims- and litigation costs and other non-operational items to the financial statement line item EBIT (Earnings before interests and taxes) of the income statement.</p> <p>Operational EBIT is reported in the Group's segment reporting (see Note 3), where a reconciliation with EBIT of the income statement is included.</p> <p>The operational EBIT/kg (GWT), or operational EBIT/kg, metric is the operational EBIT divided by harvested volume in kg gutted weight equivalent. The metric is calculated per farming region, for Norway and Canada, and for the Group as a whole. Operational EBIT/kg equals sales revenue/kg subtracted by farming cost/kg and other costs incl. headquarter costs/kg. The metric is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information.</p> <p>Operational EBIT (and operational EBIT/kg) is defined by Grieg Seafood. The APM could therefore deviate, or otherwise not being directly comparable with, similar measures provided by other companies, as the calculation of operational EBIT and/or operating EBIT/kg could be different.</p>	<p>Operational EBIT and operational EBIT/kg is used by management, analyst, investors and is generally considered the industry-measure for profitability and is used to assess our performance. Operational EBIT has been defined by Grieg Seafood and exclude items as described. We exclude these items from our operational EBIT as we believe that these items impact the usefulness and comparability of our operational- and financial performance from one period to the other, as these items have a non-operational or non-recurring nature. Operational EBIT provides a more informative result as it does not consider country-specific taxation on harvest and do not include expected future (unrealized) gains or losses on fish not yet sold. In addition, isolated events not expected to reoccur, such as litigation and legal claim costs that arise from prior years as well as costs (incl. impairment) and phasing out seawater sites, are not considered relevant for the current operation of the Group, are not useful information when analyzing the current operation of Grieg Seafood.</p> <p>Profit from associated companies that are closely related to the Group's operations and included in the Group's value chain, for when the relevant associated company operate in the same position in the value chain as the Group, are included in the Group's Operational EBIT. Otherwise, such share of profit is excluded from the operational EBIT of the Group.</p> <p>Operational EBIT/kg is a relative metric which ensures comparability between our farming regions and across time. The metric captures operational profitability for the Group and each farming region.</p>
Operational EBIT%	<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>
Operational EBITDA	<p>Operational EBITDA is calculated by adding depreciation (and write-down) of property, plant and equipment, and amortization of licenses and intangible assets to operational EBIT. Operational EBITDA is reported in the Group's segment reporting (see Note 3), where a reconciliation with EBIT of the income statement is included.</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>
Operational EBITDA%	<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>

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
ROCE	Return on capital employed (ROCE) is calculated by comparing operational EBIT incl. production fee to capital employed. Capital employed is calculated on annual and quarterly bases, both as a quarter-to-date figure and a year-to-date figure. The quarter-to-date figure is annualized. Capital employed is defined as total equity excl. the equity component of the fair value adjustment of biological assets, plus net interest-bearing liabilities according to the NIBD calculation method 1, as described in the NIBD section of this APM disclosure. Capital employed for the reporting period is calculated as the average of the opening and closing balances.	As the salmon farming industry is a capital-intensive line of business, ROCE is an important metric to measure the Group's profitability relative to the investments made. ROCE is used by management to measure the return on capital employed. ROCE is not impacted by capital structure, that is whether the financing is through equity or debt. The fair value adjustment of biological assets is excluded from the calculation, both in operational EBIT and as part of capital employed, as this reflect estimated future gains or losses on fish not yet sold and this is not considered useful information by the Group when assessing whether invested capital yields competitive return.
Equity ratio	Equity ratio is calculated in two ways: (i) Equity according to the Statement of Financial Position divided by total equity and liabilities according to the Statement of Financial Position, (ii) Equity according to loan agreements is calculated by dividing equity by total equity and liabilities, ex. the impact of IFRS 16. The metric is reported as a key figure of the Group.	Equity ratio captures the financial solidity of the Group. Furthermore, the equity-ratio according to calculation method 2 above is a covenant requirement for the Group. Equity-ratio is, together with NIBD and NIBD/harvest, useful to assess the financial robustness and -flexibility of the capital structure of the Group.
NIBD	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 2022. The metric is reported as a key figure of the Group, and also reported in Note 6 of the quarterly report. Information relevant for reconciling gross interest-bearing liabilities to the balance sheet is available in Note 6, and reconciliation between gross- and net interest-bearing liabilities is also available in the same Note. The Group deducts investments in money market funds from gross interest-bearing liabilities in the NIBD calculation as from Q4 2022.	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.
NIBD/Harvest	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 2022. 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.
Gross investment	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.
Sales revenue/kg (GWT)	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. 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. Group sales revenue from farming operations equals the sum of the sales revenue from farming operations per farming region according to the segment information. Sales revenue/kg is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information.	Sales revenue from farming operation is calculated as the directly attributable revenue from sale of Atlantic salmon, and is in line with our segment reporting. For the Group, sales revenue is adjusted for income from sale of bi-products (smolt, fry, roe, ensilage) as such income are assessed as considered as cost reduction activities for our farming operation. 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.

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
Farming cost/kg (GWT)	<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>	<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.</p>
Other costs incl. ownership and headquarter costs/kg (GWT)	<p>The Other costs incl. ownership and headquarter 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.</p>	<p>Other costs incl. headquarter 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 cost 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.</p>



About Grieg Seafood

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

Our farms are in Rogaland and Finnmark in Norway, as well as in 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.

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Atle Harald Sandtorv

Chief Financial Officer

Alexander Knudsen

Chief Operating Officer Farming Norway

Grant Cumming

Chief Operating Officer Farming Canada

Erik Holvik

Chief Commercial Officer

Knut Utheim

Chief Technology Officer

Kathleen O. Mathisen

Chief Human Resource Officer

Kristina Furnes

Chief Communications Officer

Financial calendar

Q3 2023

14 November 2023

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