



# Q3 REPORT 2023

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# Contents

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<b>PART 01</b>	Group highlights	3
<b>Highlights</b>	CEO comment	4
	Regional highlights	5
	Key figures	6
	Guiding and expectations	8
	Our scoreboard	10
	Our approach to sustainable business	11
	Business strategy	12

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<b>PART 02</b>	Group financial review	14
<b>Progress</b>	Sales and market development	19
	Rogaland	22
	Finnmark	26
	British Columbia	30
	Newfoundland	35
	Board's approval	38

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<b>PART 03</b>	Financial statements	40
<b>Results</b>	Selected notes	45
	Alternative performance measures	60
	About Grieg Seafood	63

# 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.

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## Group highlights

- Harvest volume of 12 245 tonnes (22 923 tonnes)
- Operational EBIT in the quarter of NOK -86 million (NOK 145 million), with operational EBIT/kg of NOK -7.0 (6.3)
- Biological on-off events have impacted production and results. Action taken to reduce biological risks
- Low harvest volume in the quarter to focus on rebuilding biomass
- Milestone reached in Newfoundland, where we in October conducted our very first harvest
- 78% of the harvested volume in the quarter ASC certified
- Expect harvest of 25 800 tonnes in Q4 2023
- Target harvest volume of 76 000 tonnes for the full year 2023, increasing to 85 000 tonnes in 2024

# CEO comment

During the third quarter, Grieg Seafood's main priority was to let the fish grow and build biomass. As a result, harvest volumes were low, causing increased costs per kilo. The operational performance was impacted by a mixture of different biological challenges, including Spiro in Finnmark, harvesting at low weights due to previous ISA outbreaks in Rogaland and seasonal biological issues in British Columbia. Unfortunately, these events reduced our price achievement and earnings.

I am not satisfied with the results. We are turning every stone in the regions to get back on track. Mitigating measures have been implemented, such as vaccination programs against ISA and winter ulcers as well as a UV filter to prevent Spiro from entering our smolt facility. Due to the long production cycle of the salmon, it takes some time before we see the effect of the measures. I am encouraged that the underlying biology in Rogaland is good. In Finnmark, the generation of fish transferred to the ocean during 2023 has not been impacted by Spiro and is performing well.

The development in Newfoundland was the high point of the quarter, with commenced first harvest in October. Biological control has been strong, with high survival, good fish health and welfare, good growth, good product quality and no sea lice issues. We look forward to taking the next steps in Newfoundland.

In addition to short-term measures to improve biology, Grieg Seafood are also taking steps towards our ambitions of sustainable growth in the medium to long term. We are investing NOK 1.1 billion in a 3 000 tonnes post-smolt expansion in Finnmark, to advance biological control, fish health and welfare and sustainability. In Canada, we see huge opportunities for sustainable salmon farming in close proximity to the growing North American market. We aim to realize the Canadian potential. However, developing the Canadian operations require substantial investments at a time when the resource tax and overall inflation require greater capital discipline. As such, we are seeking long-term partners to invest with us, allowing us to develop our business in Canada at pace.

While it has been a tough quarter, a lot of good work has been done to get back in shape. I want to thank all of my hard-working colleagues for their efforts.



**ANDREAS KVAME**  
CEO Grieg Seafood ASA

# Regional highlights

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## Rogaland Norway

- Harvest volume of 4 783 tonnes (6 841)
- Operational EBIT/kg of NOK 0.7 (13.4)
- Price achievement supported by a superior share of 91%, offset by unfavorable timing of harvest and low average weight due to early harvest
- Underlying production good, with 12 months survival rate at 93%
- Farming cost of NOK 65.8/kg impacted by low harvest volume and ISA-related harvesting
- 44% of harvested volume ASC certified
- ISA vaccination program for all smolt
- YTD average weight of smolt released of 500 grams

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## Finmark Norway

- Harvest volume of 1 354 tonnes (8 174)
- Operational EBIT/kg of NOK -27.1 (14.0)
- Unplanned early harvest of fish affected by Spiro to maintain fish welfare
- Price achievement impacted by low superior share and low harvest weight
- Farming cost of NOK 83.8/kg impacted by low harvest volume at lower weight
- 100% of harvested volume ASC certified
- Average weight of smolt released of 210 grams
- Increase in smolt transfer to rebuild biomass developing according to plan. The new generation of smolt is in good health and performs well

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## British Columbia Canada

- Harvest volume of 6 108 tonnes (7 908)
- Operational EBIT/kg of NOK -3.2 (-5.1)
- Price achievement supported by superior share of 91% and favorable timing of harvest
- Stable survival rate despite seasonal biological challenges
- Continuous operational improvement through persistent testing and implementation of new routines and practices
- Farming cost of CAD 10.9/kg impacted by historical biological events
- 100% of harvested volume ASC certified
- Constructive dialogue with Canadian government on "transition" into better farming practices

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## Newfoundland Canada

- Operational EBIT of NOK -21 million
- Continued good seawater production with 12 months survival rate of 96%, driven by favorable biological conditions and high quality smolt
- Released 2.5 million smolt in 2023
- Biomass at sea of 9 300 tonnes, with average weight of 2 kg. Average weight of the 2022 fish at sea of 4.1 kg
- Ground works for expansion of the post-smolt facility according to plan
- Fantastic milestone reached in October with the very first harvest

# Key figures

KEY FIGURES	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Operational</b>				
Harvest volume (tonnes GWT)	12 245	22 923	50 248	63 511
Sales revenue/kg (NOK) <sup>(1)</sup>	73.1	66.6	86.3	78.4
Group farming cost/kg (NOK) <sup>(1)</sup>	77.5	59.4	67.8	51.1
Other costs incl. ownership and headquarter costs/kg (NOK) <sup>(1)</sup>	2.7	0.9	1.7	2.3
Operational EBIT/kg (NOK) <sup>(1)</sup>	-7.0	6.3	16.9	24.9
<b>Financial</b>				
Sales revenues (NOK million)	1 164	1 709	5 082	5 524
Operational EBITDA (NOK million) <sup>(1)</sup>	57	266	1 249	1 909
Operational EBIT (NOK million) <sup>(1)</sup>	-86	145	847	1 584
EBIT (Earnings before interest and taxes, NOK million)	68	-394	496	1 215
Profit before tax (NOK million)	-27	-402	542	1 340
Cash flow from operations (NOK million)	-380	507	428	1 710
<b>Capital structure</b>				
NIBD excl. the effects of IFRS 16 (NOK million) <sup>(1), (2)</sup>	2 812	1 253	2 812	1 253
NIBD/harvest volume (NOK) <sup>(1), (3)</sup>	39.4	14.4	39.4	14.4
Equity % <sup>(1)</sup>	47%	49%	47%	49%
Equity % excl. the effects of IFRS 16 <sup>(1)</sup>	50%	51%	50%	51%
Gross investments (NOK million) <sup>(1), (4)</sup>	210	196	678	487
<b>Profitability</b>				
ROCE <sup>(1)</sup>	-4%	7%	13 %	28 %
Dividend per share (NOK)	4.5	0.0	4.5	3.0
Earnings per share (NOK)	1.3	-2.5	0.1	9.7
Total market value (NOK million, Euronext)	8 872	8 350	8 872	8 350

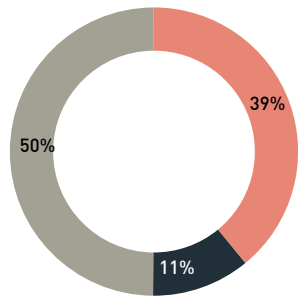
<sup>1</sup> See Alternative Performance Measures for definitions.

<sup>2</sup> NIBD excl. the effects of IFRS 16.

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

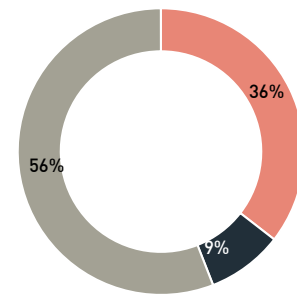
<sup>4</sup> Incl. financial lease (according to IFRS in force prior to 1 January 2019) investments.

**HARVEST VOLUME**  
Q3 2023



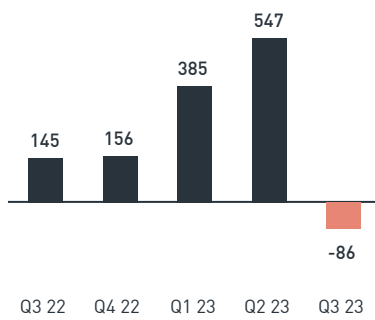
■ Rogaland ■ Finnmark ■ BC

**SALES REVENUES**  
Q3 2023

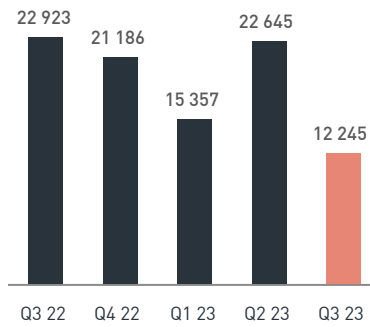


■ Rogaland ■ Finnmark ■ BC

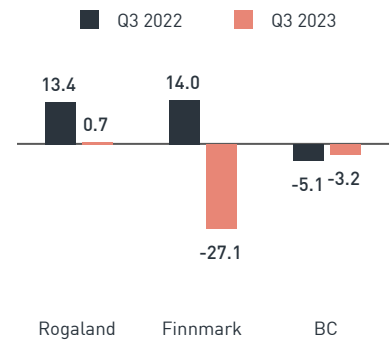
**OPERATIONAL EBIT**  
(NOK MILLION)



**HARVEST VOLUME**  
(TONNES GWT)



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



# Guiding and expectations

## Farming operations

### Rogaland Norway

- Good seawater production so far in the quarter
- Expect harvest of 2 200 tonnes in Q4 2023, skewed towards the beginning of the quarter
- Q4 farming cost stable due to low harvest volume
- Harvest estimate for 2023 reduced from 27 000 to 26 000 tonnes due to early harvest in Q3

### Finnmark Norway

- Good seawater production so far in the quarter
- Expect harvest of 12 200 tonnes in Q4 2023, evenly distributed throughout the quarter
- Spiro continues to impact farming cost until the generation is completely harvested by Q2 2024. No detections of Spiro on the new generation
- Full year 2023 harvest estimate lifted from 26 000 to 27 000 tonnes due to early harvest

### British Columbia Canada

- Good seawater production so far in Q4 2023
- Expect harvest of 6 400 tonnes in Q4 2023, evenly distributed throughout the quarter
- Farming cost in Q4 remains high
- 2023 harvest estimate of 20 000 reduced to 18 000 tonnes due to reduced growth

### Newfoundland Canada

- Good seawater production so far in Q4 2023
- Harvesting commenced in October, targeting 5 000 tonnes in Q4 2023, skewed towards the end of the quarter
- High cost as we are still in a development phase, with low capacity utilization

Over the last years until 2022, 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 have continued to see an increase in some feed raw materials prices, we do not expect increases as seen last year. During the summer, 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 and Finnmark. 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 and further down to 0.3% so far this year. General cost inflation in both 2022 and 2023, as well as previous biological events such as Spiro will impact the farming cost until the generation of impacted fish is harvested. However, the mentioned biological 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 costs related to mortality, disease outbreaks, sea lice treatments and fish handling.

## Sales & Market

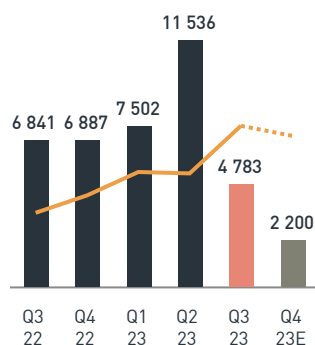
We currently see sustained strong market for the remainder of 2023 as a result of limited growth in combination with an outlook for continuing strong demand fueled by an increased focus on healthy food and sustainably produced proteins. The current Fish Pool forward price reflects this, with a price around NOK 83 per kg for Q4 2023. Our estimated contract share for Q4 2023 is 15%, with a total of 15% for the full year 2023.

## Capex

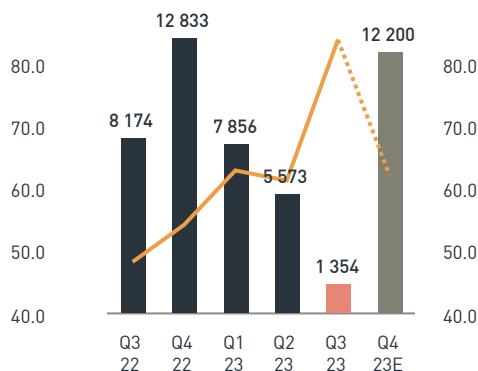
Maintenance investments are estimated at NOK 400 million in 2023. Growth investments in 2023 are estimated to approximately NOK 600 million, whereof NOK 400 million is allocated to Newfoundland, NOK 70 million to the freshwater facility in Finnmark to mitigate challenges related to the parasite Spiro and NOK 130 million in start-up cost of the post-smolt expansion in Finnmark.



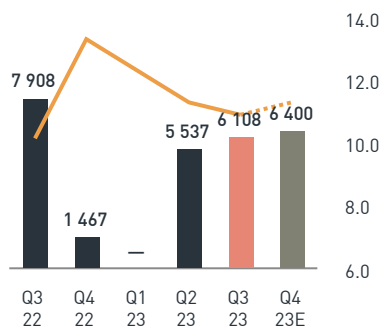
HARVEST VOLUME & FARMING COST/KG (NOK)  
ROGALAND



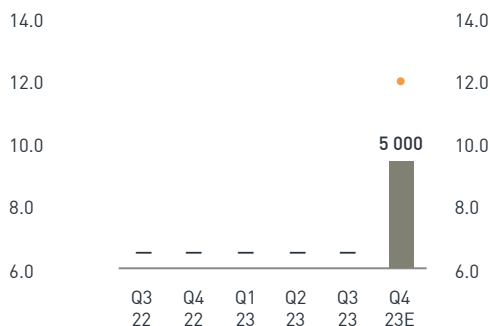
HARVEST VOLUME & FARMING COST/KG (NOK)  
FINNMARK



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



HARVEST VOLUME & FARMING COST/KG (CAD)  
NEWFOUNDLAND



The graphs show the guided harvest volume for Q4 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 British Columbia in Q1 2023. Newfoundland, in addition to the farming cost, has cost allocated directly to the income statement. See also page 8 for comment on cost development.

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 (actuals)	4 780	1 350	6 110	—	12 200
Q4 2023	2 200	12 200	6 400	5 000	25 800
<b>Total 2023</b>	<b>26 000</b>	<b>27 000</b>	<b>18 000</b>	<b>5 000</b>	<b>76 000</b>
<b>Total 2024</b>	<b>28 000</b>	<b>34 000</b>	<b>15 000</b>	<b>8 000</b>	<b>85 000</b>

Reduced harvest estimate in British Columbia in 2024 vs 2023, as 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.

# Our scoreboard

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

	ASPECT	TARGET	STATUS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
PROFIT & INNOVATION	<b>Return on capital employed <sup>1)</sup></b>	12% p.a.	■	-4%	26%	18%	8%	7%
	<b>Harvest volume (tonnes GWT)</b>	82 000 tonnes in 2023	◆	12 245	22 645	15 357	21 186	22 923
	<b>Farming cost per kg</b>	Cost leader in our operating regions						
	Rogaland (NOK)		■	65.8	58.2	58.4	54.6	51.8
	Finnmark (NOK)		■	83.8	61.2	62.8	54.1	48.1
	British Columbia (CAD)		◆	10.9	11.3	n/a	13.3	10.1
HEALTHY OCEAN	<b>ASC certifications <sup>2)</sup></b>	All sites (40) by 2023	◆	33	33	30	29	33
	<b>Survival rate sea (GSI standard)</b>	93% by 2023						
	Rogaland		●	93%	90%	91%	92%	93%
	Finnmark		◆	91%	88%	88%	91%	92%
	British Columbia		◆	90%	90%	92%	91%	90%
	Newfoundland		●	96%	n/a	n/a	n/a	n/a
	<b>Antibiotics g/tonne <sup>3)</sup></b>	No use of antibiotics						
	Rogaland		●	0.0	0.0	0.0	0.0	0.0
	Finnmark		●	0.0	0.0	0.0	0.4	0.0
	British Columbia		◆	0.2	0.1	0.1	20.2	56.6
	Newfoundland		●	0.0	0.0	0.0	0.0	0.0
	<b>Sea lice treatments g/tonne <sup>3/4)</sup></b>	Minimize use of pharmaceutical treatments						
	Rogaland		●	0.0	0.0	0.0	0.0	0.0
	Finnmark		●	0.0	0.0	0.0	1.9	0.7
	British Columbia		●	0.0	0.0	0.0	0.0	0.8
Newfoundland		●	0.0	0.0	0.0	0.0	0.0	
<b>Escape incidents (# of fish)</b>	Zero escape incidents	●	0	1 (1)	0	0	1 (2 878)	
SUSTAINABLE FOOD	<b>High quality product</b>	93% superior share						
	Rogaland		◆	91%	76%	73%	91%	94%
	Finnmark		■	50%	59%	52%	85%	94%
	British Columbia		◆	91%	91%	n/a	86%	86%
PEOPLE	<b>Absence rate</b>	Below 4.5%						
	Rogaland		●	3.1%	4.5%	5.9%	5.1%	4.8%
	Finnmark		◆	5.6%	7.3%	10.6%	10.2%	8.0%
	British Columbia		●	2.4%	2.3%	4.3%	5.0%	6.9%
	Newfoundland		●	1.2%	1.0%	1.8%	1.1%	1.4%
LOCAL COMMUNITIES	<b>Support our local communities</b>	Collaborate and contribute to local community	●	Yes	Yes	Yes	Yes	Yes

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

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

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

4) Excl. hydrogen peroxide. For data on hydrogen peroxide, see the regions' 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](#).

# Business strategy

Our 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.



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 business strategy [here](#).



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 Q3 2022 in brackets

The Group harvested 12 245 tonnes in Q3 2023, down 47% compared to 22 923 tonnes in Q3 2022, and down 46% compared to 22 645 tonnes in Q2 2023. Grieg Seafood's largest operations are in the regions of Rogaland and Finnmark in Norway. Finnmark did not plan to harvest salmon in Q3 to prioritize biomass growth. However, we performed earlier harvest to maintain fish welfare related to *Spironucleus Salmonicida* (Spiro). The harvest in Finnmark negatively impacted our operational EBIT in the quarter. In total, Rogaland and Finnmark contributed to 50% (66%) of the Group's harvest volume and 44% (63%) 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 73.1 per kg (NOK 66.6 per kg), down NOK 18.0 per kg compared to NOK 91.2 per kg in Q2 2023. In total, Rogaland and Finnmark had a price achievement of NOK 64.3 per kg (NOK 63.6 per kg) in Q3 2023, down NOK 27.8 per kg compared to NOK 92.1 per kg in Q2 2023. The price achievement in Norway was equivalent to a sales revenue of NOK 395 million (NOK 954 million), down 75% compared to NOK 1 576 million in Q2 2023. On aggregate, 34% (35%) of our volume in Norway was sold on contracts in Q3 2023, compared to 11% in Q2 2023, impacting our price achievement negatively. British Columbia achieved a price achievement of NOK 82.0 per kg (NOK 72.4 per kg) in Q3 2023. The price achievement for the quarter in British Columbia was supported by a superior share increasing to 91%, up from 86% in Q3 2022. In total, British Columbia had sales revenues in the quarter amounting to NOK 501 million, 13% lower than NOK 573 million in Q3 2022. The lower sales revenue in the quarter compared to Q3 2022 was primarily due to a 23% lower harvest volume.

The Group's farming cost for the quarter was NOK 77.5 per kg (NOK 59.4 per kg), up NOK 10.6 per kg compared to NOK 66.9 per kg in Q2 2023. Our Norwegian regions contributed 45% (55%) of the Group's farming cost, impacting EBIT by a farming cost of NOK 69.8 per kg (NOK 49.8 per kg) in the quarter, up NOK 10.6 per kg compared to NOK 59.1 per kg in Q2 2023. The Group farming cost was, as in Q2 2023, adversely impacted by higher production costs from the generations harvested in Norway, and in particular the low harvest volume from Finnmark due to early harvest related to Spiro. In addition, the harvest volume for British Columbia was relatively higher in the quarter compared to prior quarters, lifting the Group's farming cost due to the higher cost level in the region compared to our Norwegian regions. The increase in cost, which in Q3 2023 was up NOK 18.1 per kg for the Group compared to Q3 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 share of profit from associated companies included in operational EBIT ended at NOK -3 million for Q3 2023 (NOK 1 million), in line with NOK -3 million in Q2 2023.

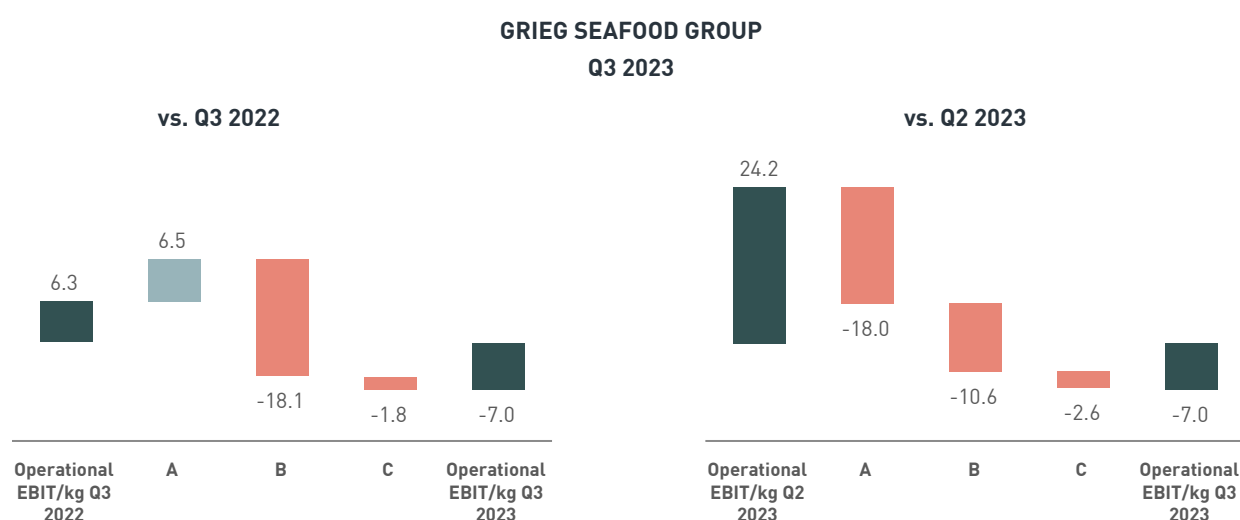
The Group's operational EBIT was NOK -86 million (NOK 145 million) for the quarter, down 116% compared to NOK 547 million in Q2 2023. Operational EBIT/kg for the quarter was NOK -7.0 per kg (NOK 6.3 per kg) in Q3 2023, down NOK 31.2 per kg compared to NOK 24.2 per kg in Q2 2023. Our Norwegian regions contributed with an operational EBIT of NOK -5.5 per kg (NOK 13.7 per kg) in Q3 2023, down NOK 38.5 per kg compared to NOK 33.0 per kg in Q2 2023. The Group realized a ROCE of -4% in the quarter (annualized) vs the target of 12%.

The difference between operational EBIT and the EBIT financial statement line item presented in the income statement for Q3 2023 relates to production fee on Norwegian harvest volume, fair value adjustments of the biological assets of the Group, and litigation and legal 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)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Rogaland	3.1	91.9	714.0	659.9
Finnmark	-36.7	114.5	262.6	765.6
British Columbia	-19.5	-40.6	-46.3	304.0
Newfoundland	-21.2	-24.1	-57.2	-85.3
Elimination/Others	-11.7	2.9	-26.5	-60.6
<b>Grieg Seafood Group</b>	<b>-86.1</b>	<b>144.6</b>	<b>846.7</b>	<b>1 583.5</b>

Source: Note 3

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



A = Sales revenue/kg | B = Farming cost/kg | C = Other costs incl. ownership and headquarter costs/kg  
The operational EBIT-bridge is calculated using solely figures from Note 3.

Production fee, calculated on salmon harvested by our Norwegian regions, came to NOK 4 million for the quarter (NOK 6 million), down from NOK 10 million in Q2 2023.

Fair value adjustments of biological assets amounted to NOK 137 million (NOK -442 million) in the quarter, compared to NOK -632 million in Q2 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.

In the quarter, the remaining accrual estimated as at year-end 2022 related to litigation and legal claims have been reversed in connection to settlement in Q3 2023, which explain the net positive line item contribution litigation and legal claims had on EBIT in the quarter.

EBIT (Earnings before interests and taxes) came to NOK 68 million for the quarter (NOK -394 million), compared to NOK -96 million in Q2 2023.

Net financial items ended at NOK -95 million (NOK -9 million) for the quarter, compared to NOK 92 million in Q2 2023. Net financial items for Q3 2023 were negatively impacted by foreign exchange rate fluctuations during the period.

The pre-tax loss for the quarter totaled NOK 27 million (loss of NOK -402 million), compared to a loss of NOK -4 million in Q2 2023. Tax income for the period was estimated to NOK 175 million (tax income of NOK 123 million), compared to a tax expense of NOK 558 million in Q2 2023. The tax expense for Q3 2023 includes NOK 249 million in net resource rent tax income. For more information on the resource rent tax scheme on aquaculture farming in Norway, see Note 5. The Group's total profit after tax for the quarter ended at NOK 148 million (loss of NOK 279 million), compared to a loss of NOK 563 million in Q2 2023.

## Cash flow

*Figures for Q3 2022 in brackets*

Cash flow from operating activities during the quarter amounted to NOK -380 million (NOK 507 million), down NOK 1 088 million compared to NOK 709 million in Q2 2023. The operational EBITDA in Q3 2023 ended at NOK 57 million (NOK 266 million), down NOK 629 million compared to NOK 686 million in Q2 2023. See Note 3 for more information on operational EBITDA. The change in cash flow from operating activities compared to both Q2 2023 and Q3 2022 was primarily due to the low harvested volume and the net biomass build-up in the quarter compared to prior periods.

Net cash flow from investing activities was NOK 561 million (NOK -160 million) during the quarter, compared to NOK -35 million in Q2 2023. In the quarter, the Group withdrew NOK 705 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.

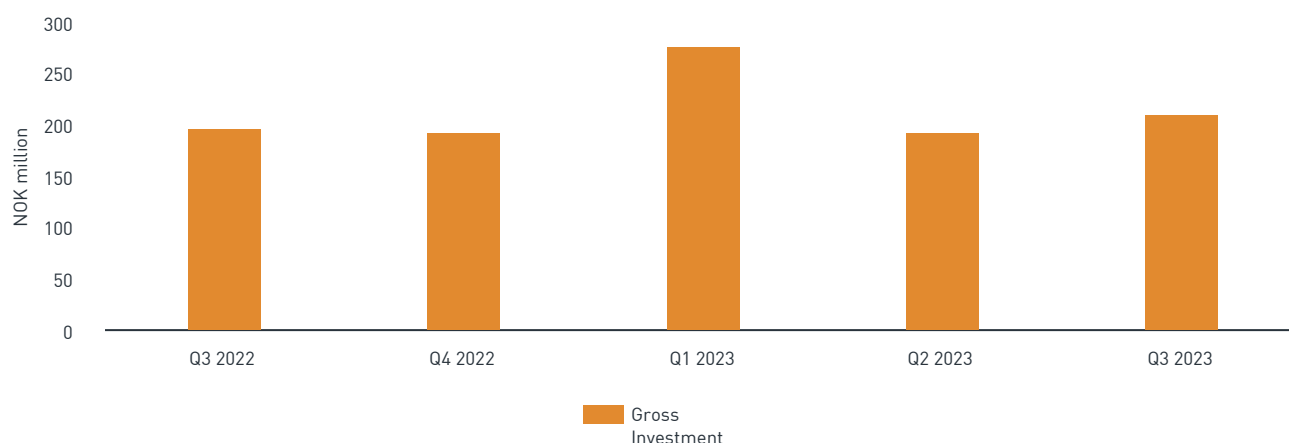
Compared to Q2 2023, our investments in tangible and intangible assets were NOK 40 million lower in Q3 2023 (NOK 15 million higher than in Q3 2022), while investments in associates and other investment activities were NOK 5 million higher in Q3 2023 compared to the preceding quarter, which together primarily explain the difference from Q2 2023. Our gross investments for the quarter were NOK 210 million (NOK 196 million), compared to NOK 192 million in Q2 2023.

The investments in Q3 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 finalized and commissioned the water treatment equipment at our freshwater facility in Finnmark, as a response to the challenges we have had with the parasite *Spironucleus salmonicida* (Spiro). Furthermore, a loan of NOK 10 million to Nordnorsk Smolt AS (in total NOK 23 million YTD 2023) is included in cash flow from investing activities.

Net cash flow from financing activities in Q3 2023 was NOK -694 million (NOK -183 million), down NOK 572 million from NOK -122 million in Q2 2023. In Q3 2023, the Group paid a dividend of NOK 504 million to shareholders, which primarily explain the difference in net cash flow from financing activities in the quarter compared to the same period last year. The Group has biannual installments scheduled for its syndicated debt in Q1 and Q3, which, together with the dividend, primarily explain the difference in net cash flow from financing activities with Q2 2023.



## INVESTMENT LEVEL



See Alternative Performance Measures for definition of gross investment.

Net change in cash and cash equivalents was negative by NOK 512 million (positive by NOK 164 million) for the third quarter of 2023, down NOK 1 065 million from NOK 553 million in Q2 2023. Cash and cash equivalents as at the end of Q3 2023 was NOK 286 million (NOK 2 175 million), down from NOK 802 million in Q2 2023. As at the end of Q3 2023, the Group had undrawn credit facilities of NOK 1 700 million (NOK 1 700 million), which was unchanged since Q2 2023. The investment in money market funds made in late 2022 of approximately NOK 1 000 million, is the primary cause of change in cash compared to Q3 2022. At quarter-end Q3 2023, the investment in money market funds was NOK 186 million (NOK 0 million), compared to NOK 882 million in Q2 2023, bringing the sum of cash, investment in money market funds and undrawn liquidity to NOK 2 172 million (NOK 3 875 million), compared to NOK 3 384 million at the end of Q2 2023.

## Financial position and liquidity

Figures for Q3 2022 in brackets

At 30 September 2023, the book value of the Group's assets was NOK 13 076 million (NOK 13 390 million), down by NOK 557 million from NOK 13 632 million at the end of Q2 2023 and NOK 12 875 million as at 31 December 2022.

The Group's goodwill, intangible assets and tangible assets including right-of-use assets totaled NOK 7 090 million (NOK 6 339 million) as at 30 September 2023, up NOK 15 million compared to NOK 7 075 million as at 30 June 2023, and NOK 6 205 million as at 31 December 2022. Compared relative to total assets, these assets equaled 54% (47%) of the balance sheet as at 30 September 2023, compared to 52% as at 30 June 2023, and 48% as at 31 December 2022. Biological assets measured at cost totaled NOK 3 729 million (NOK 2 794 million) as at 30 September 2023, up NOK 664 million compared to NOK 3 065 million as at 30 June 2023, and NOK 2 896 million as at 31 December 2022. Compared relative to total assets, biological assets at cost equaled 29% (21%) of the balance sheet as at 30 September 2023, compared to 22% at 30 June 2023 and 22% as at 31 December 2022.

Our cash balance at the end of the quarter was NOK 286 million (NOK 2 175 million), down NOK 516 million compared to NOK 802 million as at 30 June 2023 and NOK 643 million as at 31 December 2022. The investment in money market funds in late 2022 is the primary cause of change in cash compared to Q3 2022 (see the cash flow section above). Current assets (excl. fair value adjustment of biological assets) over current liabilities measured 2.2 (3.2) as at 30 September 2023, compared to 2.1 as at 30 June 2023 and 2.8 as at 31 December 2022.

Total equity as at 30 September 2023 was NOK 6 161 million (NOK 6 607 million), up NOK 101 million compared to NOK 6 059 million as at 30 June 2023, and NOK 6 486 million as at 31 December 2022. The equity ratio as at 30 September 2023 was 47% (49%) compared to 44% as at 30 June 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 656 million), an EUR 75 million term loan (outstanding EUR 66 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 Q3 2023. In addition, we have a Green Bond issue of NOK 1 393 million, which matures in 2025. As at 30 September 2023, net interest-bearing liabilities (NIBD) incl. the effects of IFRS 16 were NOK 3 564 million (NOK 1 794 million), up NOK 1 168 million from NOK 2 396 million as at 30 June 2023, and NOK 2 223 million as at 31 December 2022. The change in NIBD compared to quarter-end Q2 2023 was primarily due to the cyclical effect Q3 has on our price achievement and our low quarterly harvest volume, which was further leveraged by net biomass build-up and a dividend pay-out of approximately NOK 500 million. At the end of the quarter, NIBD excl. the effect of IFRS 16 totaled NOK 2 812 million (NOK 1 253 million), up NOK 1 151 million from NOK 1 661 million in Q2 2023, and from NOK 1 739 million as at 31 December 2022. NIBD incl. the effect of IFRS 16 relative to total assets measured 27% (13%) as at 30 September 2023, compared to 18% as at 30 June 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 39.4 (14.4) compared to 20.2 as at 30 June 2023 and 20.5 as at 31 December 2022.

The Group was in compliance with its financial covenant as at 30 September 2023 (see Note 6). As at 30 September 2023, the equity-ratio according to covenant was 50% (51%) compared to 47% as at 30 June 2023 and 52% as at 31 December 2022. As at quarter-end Q3 2023, 69% (74%) of our gross interest-bearing liabilities (Note 6) were either green or sustainability linked (of which NOK 1 393 million Green Bond), down from 70% as at 30 June 2023 and 75% as per 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. 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.

# Sales and market development

Grieg Seafood supplied close to 2% of the global volume of Atlantic salmon harvested in Q3 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. In 2023, we aim for a VAP share of 8-12%. We currently process with partners both in Norway, Europe and Canada and we have an increasing supply of our own VAP products in the European, Asian and the US markets. We strengthened processing capacity through partnership during the third quarter and will continue to evaluate further external opportunities. 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 external partners in Newfoundland and Norway either hold equivalent certificates or are on a path to GFSI-recognized certification. 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 Q3 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 decreased by approximately 3% compared to Q3 2022, according to Kontali. While Norway, Chile and UK increased their harvesting volume compared to the same period last year, Canada and all other salmon farming producing countries had a decrease in volume. Salmon of Norwegian origin contributed to 54% of the total harvest in the quarter. The export of fresh salmon (GWT) from Norway for the quarter was up 1%

compared to Q3 2022, with the main export markets being Europe of 77%, Asia 16% and North America 7% (source: Norwegian Seafood Council).

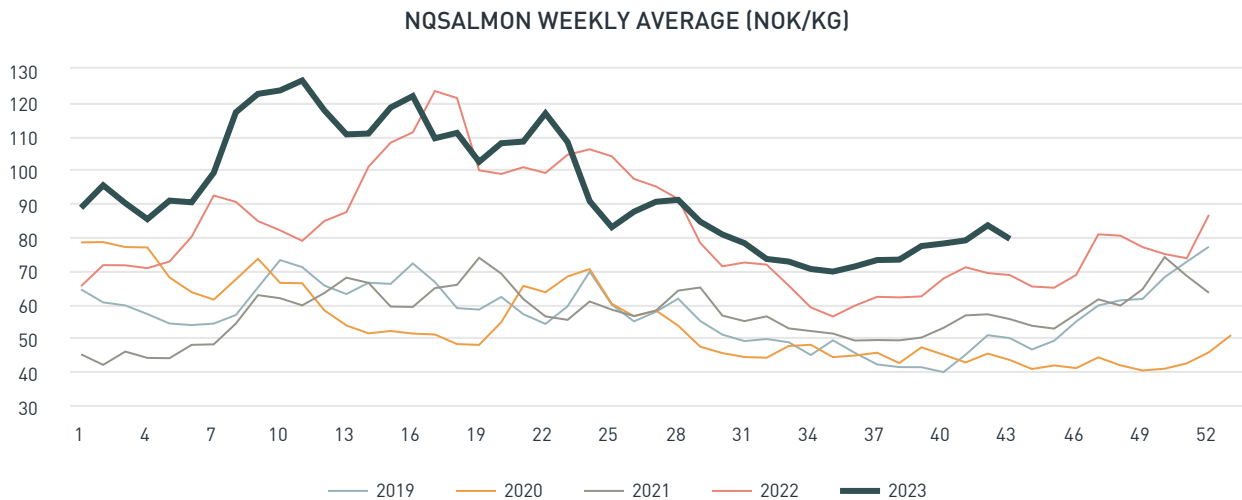
Market demand of farmed salmon both in the retail and HoReCa sector has continued strong also this quarter. The NASDAQ Salmon Index (NQSALMON) for Q3 2023 is up 11% compared to Q3 2022. This is driven by the demand in the US market, which increased by 1% in Q3 2023 compared to Q3 2022, while the demand in Asian markets remained stable. Meanwhile, supply to Europe decreased by approximately 5% compared to Q3 2022.

The average salmon spot price for Norwegian salmon (NQSALMON, weekly average) for Q3 2023 was NOK 77.4 per kg, up by NOK 7.7 per kg compared to Q3 2022, and down by NOK 28.4 per kg compared to Q2 2023. Prices decreased due to strong global seasonal supply growth of 21% compared to Q2 2023. Prices started around NOK 90 in the beginning of the quarter, trended down to the high sixties and ended the quarter in the high seventies. The decrease is in line with seasonal expectations and forecasts of harvest. The average salmon spot price in the US market (Urner Barry Seattle) was NOK 84.9 per kg in Q3 2023, up by NOK 5.6 per kg compared to Q3 2022. The prices in the US market were also to some extent impacted by high volumes of wild catch.

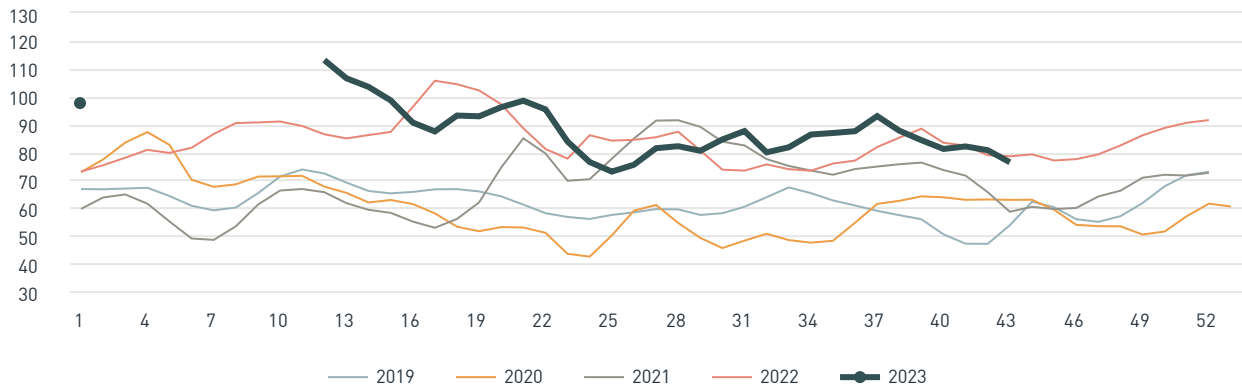
### OUR MARKETS

Grieg Seafood contributed with close to 2% of the global supply of Atlantic salmon in the quarter. Our main export markets from Norway were Europe (81% of our volume), Asia (16%) and North America (3%). During the quarter, 9% of our supply of Norwegian origin was sold as value added products, a high share impacted by the low harvest volumes in the quarter. 7% of our harvested salmon in BC was processed and sold as value added products in Q3 2023. Approximately 35% of our salmon from BC was sold in Canada, while 62% was sold to the USA and 3% to Asia. 78% 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 third quarter of 2023, the share of contracts was 34% in Norway.



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

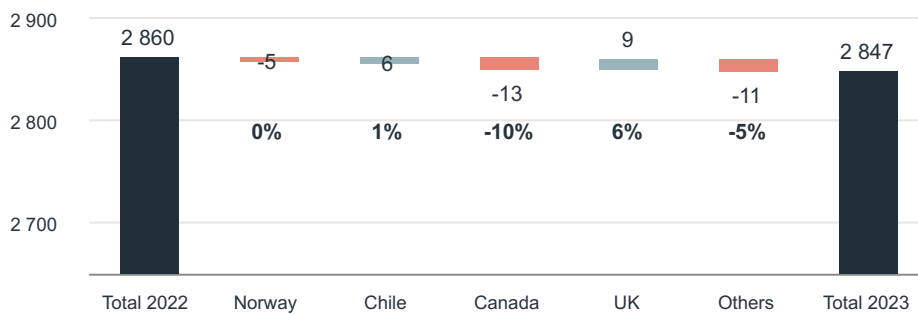


The Urner Barry Farm Raised Salmon Seattle West Coast, Fresh, Wholefish shown above is a weekly average of all weight classes (4-6 lb, 6-8 lb, 8-10 lb, 10-12 lb, 12-14 lb, 14-16 lb, 16-18 lb) in USD/lb, converted into NOK/kg using the weekly average of Norges Bank's daily exchange rate. There are no 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 be slightly reduced compared to 2022, to a total of 2 847 000 tonnes, according to Kontali. Norwegian salmon farmers are expected to harvest approximately 5 000 tonnes less in 2023 than in 2022, while UK is expected to increase harvest by approximately 9 000 tonnes. Chile is expected to increase harvest for 2023 by approximately 6 000 tonnes while Canada is expected to decrease harvest by approximately 13 000 tonnes. The fourth quarter of 2023 is expected to see an increase in harvest volume of approximately 4% compared to Q4 2022.

**EXPECTED VOLUME CHANGE BY COUNTRY 2023/2024 (1 000 tonnes WFE)**



With expectations of no growth in global harvest in 2023, combined with an outlook for continuing strong demand fueled by an increased focus on healthy food and sustainably produced proteins, we currently expect sustained strong market for the remainder of 2023 as well as for 2024. The current Fish Pool forward price reflects this, with a price around NOK 83 per kg for Q4 2023, and NOK 96 per kg for 2024.

We target a contract share of 20-50% of our Norwegian volume. Estimated contract share for Q4 2023 is 15% and also 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.

4 783

TONNES GWT HARVESTED

0.7

OPERATIONAL EBIT/KG (NOK)

### Operational results

Harvest volume in Rogaland was 4 783 tonnes in Q3 2023, down 30% compared to Q3 2022. Sales revenues for the quarter amounted to NOK 317.9 million, a decrease of 29% compared to Q3 2022, which is mainly driven by the lower harvest volume. The Nasdaq average spot price was NOK 77.4 per kg in Q3 2023, compared to NOK 69.7 per kg in Q3 2022. Our realized price in Q3 2023 was NOK 66.5 per kg, compared to NOK 65.3 per kg in Q3 2022. The price achievement in the quarter was supported by a superior share of 91%, offset by low harvest volume in the beginning of the quarter with higher spot prices in addition to reduced average harvest weight compared to Q3 2022 due to early harvest.

The freshwater production during the quarter was good. Our smolt transfer is according to plan, with a year to date stocking of close to six million smolt with an average weight of close to 500 grams.

The underlying seawater production was good during the quarter, however we experienced reduced survival at some sites due a combination of high seawater temperatures, algae and gill disease. At quarter end, there were no sites with Infectious Salmon Anemia (ISA). The 12-month rolling survival rate improved from 90% in Q2 2023 to 93% in Q3 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 also provide improved biological control and less impact by diseases compared to

smolt of standard weight. The result is a higher survival rate and a lower feed conversion rate. Due to the use of post-smolt and cleaner fish, including wrasse, we have managed to reduce the number of sea lice treatments, and 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 65.8 per kg in Q3 2023, up from NOK 51.8 per kg in Q3 2022 and NOK 58.2 per kg in Q2 2023. The increased cost compared to Q3 2022 was mainly related to inflation in feed prices and other input factors and reduced survival, while the increase compared to Q2 2023 mainly relates to low harvest volume and ISA-related harvesting. The cost of reduced survival (cost recognized as abnormal mortality in the income statement) came to NOK 11.2 million in Q3 2023 (NOK 2.3 per kg), compared to NOK 11.1 million in Q3 2022 (NOK 1.6 per kg).

Operational EBIT per kg ended at NOK 0.7 for the quarter, compared to NOK 13.4 in Q3 2022 and NOK 36.7 in Q2 2023.

Employee well-being is highly prioritized in our operations. The absence rate was reduced compared to previous quarters and came to 3.1%. 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

We expect to harvest 26 000 tonnes in 2023, with an ambition to increase harvest to 35 000-40 000 tonnes 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% in 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 5 000 tonnes by increasing our post-smolt capacity. Our current freshwater facilities at Trosnavåg and Hognaland have a production capacity of 1 200 tonnes smolt. We also have a 33% shareholding in Tytlandsvik Aqua with a current smolt production capacity of 6 000 tonnes (where Grieg Seafood Rogaland is entitled to 50% of the smolt). Tytlandsvik has planned an expansion of 3 000 tonnes, increasing our post-smolt share from Tytlandsvik to 4 500 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 at least 4 500 tonnes of post smolt annually from 2026. The Norwegian resource tax (adopted by Parliament 31 May 2023) has disrupted our investment plan, including further projects to expand post-smolt production. We have not had any strategic investments in Rogaland so far this year, however we spent NOK 18 million in maintenance investments in Q3 2023 and a total of NOK 59 million in maintenance investments YTD 2023.

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 eligible sites in Rogaland according to ASC. At the end of Q3 2023, five of 11 eligible sites were ASC certified, while 44% of our volume harvested in Q3 2023 was ASC certified.

## Scoreboard & key performance figures Rogaland

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

PILLAR	KPI & TARGET	STATUS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
PROFIT & INNOVATION	<b>Harvest volume (tonnes GWT)</b>						
	29 000 tonnes in 2023	◆	4 783	11 536	7 502	6 887	6 841
	<b>Operational EBIT per kg (NOK)</b>						
	n/a		0.7	36.7	38.4	13.8	13.4
HEALTHY OCEAN	<b>Farming cost per kg (NOK)</b>						
	Cost leader	■	65.8	58.2	58.4	54.6	51.8
	<b>ASC certification (# of sites)</b>						
	All sites (11 eligible) by 2023	◆	5	5	5	5	3
HEALTHY OCEAN	<b>Survival rate at sea</b>						
	93% by 2023	●	93%	90%	91%	92%	93%
	<b>Cost of reduced survival (NOK million)</b>						
	n/a		11.2	35.9	6.2	15.9	11.1
	<b>Use of antibiotics (g per tonne LWE) *</b>						
	No use of antibiotics	●	0.0	0.0	0.0	0.0	0.0
	<b>Use of hydrogen peroxide (kg per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
	<b>Sea lice treatments - in feed (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
<b>Sea lice treatments - in bath (g per tonne LWE) *</b>							
Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0	
HEALTHY OCEAN	<b>Escape incidents (# of fish)</b>						
	Zero escape incidents	●	0	0	0	0	0
SUSTAINABLE FOOD	<b>High quality product</b>						
	93% superior share	◆	91%	76%	73%	91%	94%
PEOPLE	<b>Absence rate</b>						
	Below 4.5%	●	3.1%	4.5%	5.9%	5.1%	4.8%
	<b>Lost time incident rate</b>						
**	n/a		17	13	33	16	0

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

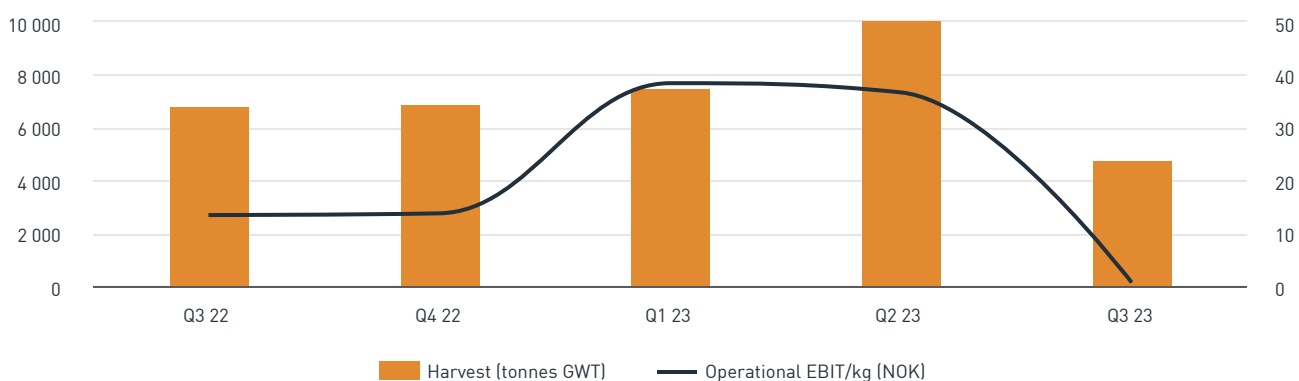
\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.

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

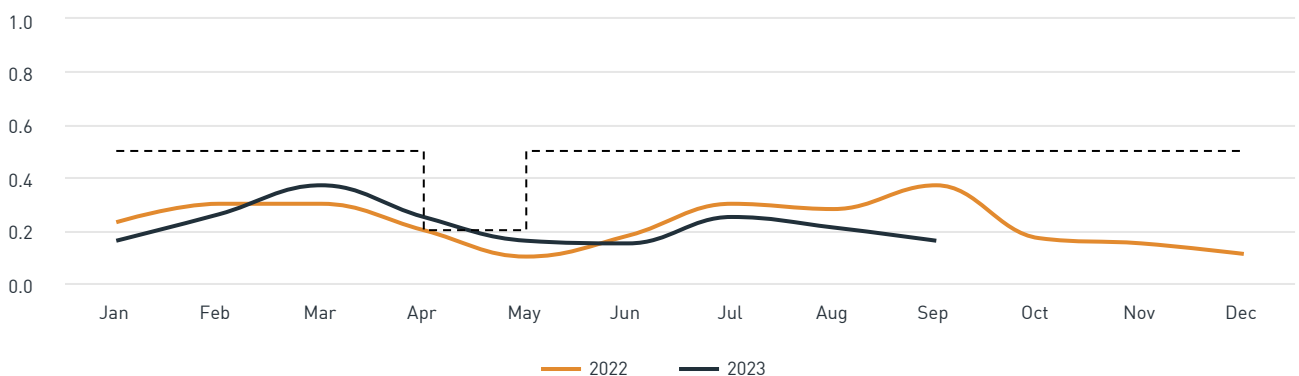


NOK MILLION	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Harvest volume (tonnes GWT)	4 783	6 841	23 821	21 500
Sales revenues from sale of Atlantic salmon	317.9	446.5	2 137.7	1 652.8
Operational EBIT	3.1	91.9	714.0	659.9
Sales revenue/kg (NOK)	66.5	65.3	89.7	76.9
Farming cost/kg (NOK)	65.8	51.8	59.8	46.2
Operational EBIT/kg (NOK)	0.7	13.4	30.0	30.7

## 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.

1 354

TONNES GWT HARVESTED

-27.1

OPERATIONAL EBIT/KG (NOK)

### . Operational results

Grieg Seafood Finnmark harvested 1 354 tonnes in Q3 2023, a decrease of 83% compared to Q3 2022. We did not plan to harvest during Q3, however we prioritized earlier harvest to maintain fish welfare related to *Spironucleus Salmonicida* (Spiro). Sales revenues for the quarter amounted to NOK 76.8 million, down 85% compared to Q3 2022 mainly due to low harvest volume and low price achievement. The Nasdaq average spot price in Q3 2023 was NOK 77.4 per kg, compared to NOK 69.7 per kg in Q3 2022. Our price achievement came to NOK 56.7 per kg in Q3 2023 compared to NOK 62.1 per kg in Q3 2022. The price achievement was significantly impacted by a superior share of 50% compared to 94% in Q3 2022, in addition to low average harvest weight and harvest late in the quarter with lower seasonal spot prices.

Production at our freshwater facility in Adamselv was good during the quarter. We continue to perform regular testing for Spiro, which was detected in fish from Adamselv in 2022. The source of the parasite is believed to be the water intake to the facility. Water treatment equipment have been installed and disinfection measures have been 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 have not had any new detections of Spiro at the freshwater facility in 2023. The new generation of smolt transferred to sea in 2023 is in good health and is performing well. So far this year, we have transferred seven million smolt to sea, with an average weight above 210 grams.

Seawater production was good during the summer, however become somewhat challenging towards the end of the quarter with increasing impact from Spiro for the fish generation that was already infected. To protect fish welfare, fish with sickness sign has been culled. This has affected the biomass growth. Nevertheless, the situation has improved since Q1 2023, and the majority of the fish have no signs of sickness. The parasite has impacted our 12-month survival rate,

which came to 91% as of Q3 2023 compared to 92% in Q3 2022. The survival rate improved slightly from previous quarter, due to good survival rates of the new generation. We anticipate Spiro to have an impact on the production and the survival rates until the generation is completely harvested by Q2 2024.

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, 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. This quarter, we managed to keep the sea lice level low and stable, as a result of being able to perform non-medical sea lice treatments at an early stage.

The farming cost came to NOK 83.8 per kg in Q3 2023, up from NOK 48.1 in Q3 2022 and NOK 61.2 per kg in Q2 2023. The increase compared to Q3 2022 is mainly related to the unplanned and low harvest volume, in addition to inflationary pressure on feed and other input factors, while the increase compared to Q2 2023 mainly relates to low harvest volume at lower weights. Low harvest volume is especially driving the harvest cost per kg as the harvest cost has a large share of fixed elements and hence is not volume-driven. The cost of reduced survival (cost recognized as abnormal mortality in the income statement) was NOK 9.9 million in Q3 2023 (NOK 7.3 per kg), compared to NOK 10.9 million in Q3 2022 (NOK 1.3 per kg).

Operational EBIT per kg came to NOK -27.1 for the quarter, compared to NOK 14.0 in Q3 2022 and NOK 25.4 in Q2 2023.

Employee well-being continues to be highly prioritized. The absence rate for Q3 2023 was 5.6%, 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

Grieg Seafood Finnmark expects to harvest 27 000 tonnes in 2023, with an ambition to increase harvest to 40 000-45 000 tonnes 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 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. 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 Q3 2023, we spent NOK 33 million in growth investments, mainly related to the UV water treatment system at our freshwater facility in Adamselv, in addition to NOK 82 million in maintenance investments. YTD in 2023, we spent NOK 79 million in growth investments and a total of NOK 136 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. Last quarter, one site was excluded as ASC eligible/certified as it was followed after completing its first production cycle, and at the end of Q3 2023 17 out of 18 eligible sites were ASC certified. 100% of our volume harvested this quarter was ASC certified.

## Scoreboard & key performance figures Finnmark

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

PILLAR	KPI & TARGET	STATUS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
PROFIT & INNOVATION	<b>Harvest volume (tonnes GWT)</b>						
	28 000 tonnes in 2023	◆	1 354	5 573	7 856	12 833	8 174
	<b>Operational EBIT per kg (NOK)</b>						
	n/a		-27.1	25.4	20.1	12.5	14.0
HEALTHY OCEAN	<b>Farming cost per kg (NOK)</b>						
	Cost leader	■	83.8	61.2	62.8	54.1	48.1
	<b>ASC certification (# of sites)</b>						
	All sites (18 eligible) by 2023	◆	17	17	18	17	18
SUSTAINABLE FOOD	<b>Survival rate at sea</b>						
	93% by 2023	◆	91%	88%	88%	91%	92%
	<b>Cost of reduced survival (NOK million)</b>						
	n/a		9.9	16.2	56.3	72.0	10.9
	<b>Use of antibiotics (g per tonne LWE) *</b>						
	No use of antibiotics	●	0.0	0.0	0.0	0.4	0.0
	<b>Use of hydrogen peroxide (kg per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.1	0.0	24.2	0.0
	<b>Sea lice treatments - in feed (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.1	0.1
<b>Sea lice treatments - in bath (g per tonne LWE) *</b>							
Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	1.9	0.6	
PEOPLE	<b>Escape incidents (# of fish)</b>						
	Zero escape incidents	●	0	0	0	0	1 (2 878)
SUSTAINABLE FOOD	<b>High quality product</b>						
	93% superior share	■	50%	59%	52%	85%	94%
PEOPLE	<b>Absence rate</b>						
	Below 4.5%	◆	5.6%	7.3%	10.6%	10.2%	8.0%
	<b>Lost time incident rate</b>						
**	n/a	11	3	19	10	20	

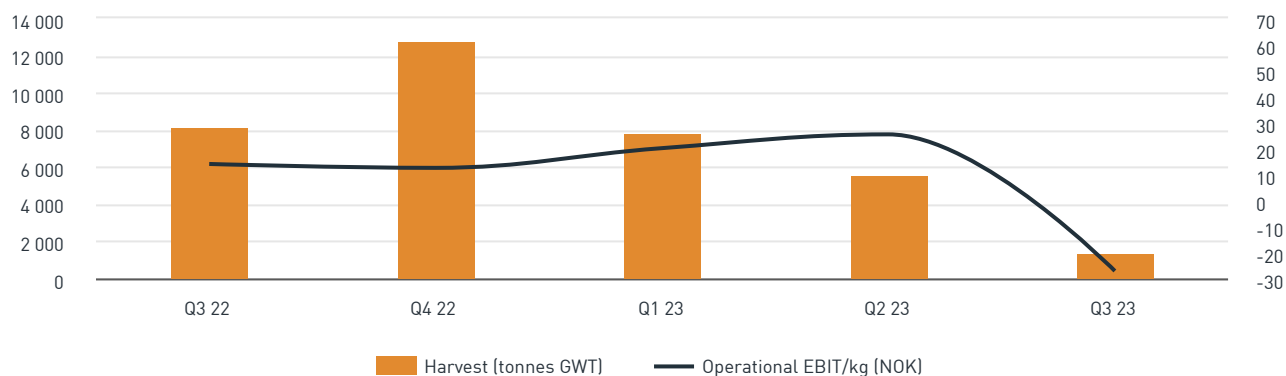
\* Amount of active pharmaceutical ingredients (APIs) used (in gr and kg) per tonne of fish produced (LWE).

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

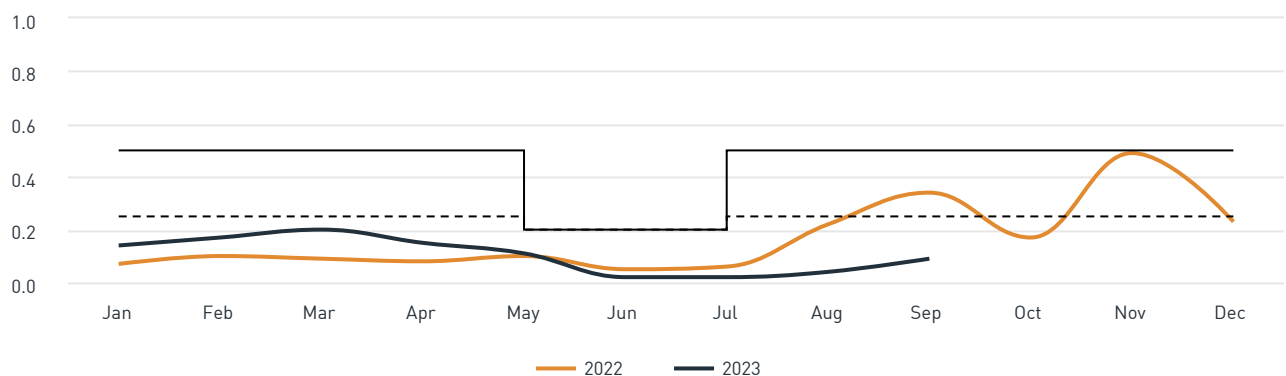
n/a: No set target or data similar to quarter end. ASC certification is disclosed per reporting date. Survival rate is defined as the last twelve months rolling survival, and thus not calculated year-to-date.

NOK MILLION	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Harvest volume (tonnes GWT)	1 354	8 174	14 783	23 192
Sales revenues from sale of Atlantic salmon	76.8	507.9	1 210.6	1 774.9
Operational EBIT	-36.7	114.5	262.6	765.6
Sales revenue/kg (NOK)	56.7	62.1	81.9	76.5
Farming cost/kg (NOK)	83.8	48.1	64.1	43.5
Operational EBIT/kg (NOK)	-27.1	14.0	17.8	33.0

## 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.

6 108

TONNES GWT HARVESTED

-3.2

OPERATIONAL EBIT/KG (NOK)

### Operational results

Harvest volume in Q3 2023 was 6 108 tonnes, 23% below Q3 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 500.8 million, a decrease of 13% compared to Q3 2022, impacted by the lower harvested volume. Our realized price for the quarter came to NOK 82.0 per kg, compared to NOK 72.4 per kg in Q3 2022. The average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was NOK 84.9 per kg in Q3 2023 compared to NOK 79.3 per kg in Q3 2022. The price achievement for the quarter was supported by a superior share increasing to 91%, up from 86% in Q3 2022 and favorable timing of harvest.

The freshwater production has experienced reduced survival due to technical issues and lower quality roe. This has impacted the number of smolt transferred to sea this year.

The seawater performance has been impacted by seasonal challenges including high sea lice pressure necessitating treatments and events of low dissolved oxygen, however the situation improved towards the end of the quarter. The 12-month rolling survival rate came to 90% at the end of Q3 2023, stable from previous 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 increased slightly from last quarter, however is 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.

The farming cost came to CAD 10.9 per kg (NOK 85.2) in Q3 2023, up from CAD 10.1 per kg (NOK 77.5) in Q3 2022 and down from CAD 11.3 per kg per kg (NOK 90.8) in Q2 2023. The increase from last year is mainly related to inflationary pressure on feed and other input factors. Reduced survival in freshwater as well as sea lice treatments and low oxygen events impacted cost recognized as abnormal mortality in the income statement, which came to NOK 41.1 million in Q3 2023 (NOK 6.7 per kg, or CAD 0.9 per kg), but improved from NOK 73.3 million in Q3 2022 (NOK 9.3/CAD 1.2 per kg).

Operational EBIT per kg for the quarter came to NOK -3.2, compared to NOK -5.1 in Q3 2022.

Employee well-being is a priority. The absence rate of 2.4% this quarter was well below our 4.5% target. The absence rate has decreased compared to Q3 2022. We always monitor developments according to our guidelines for absence from work.

## Operational priorities

Grieg Seafood BC expects to harvest 18 000 tonnes in 2023. Our ambition is to increase the volume harvested to 30 000-35 000 tonnes 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. 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. 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 also using the CoolFlow barrier systems on some sites, which we expect to contribute to improved oxygen levels and a reduction in sea lice treatments. In Q3 2023, we spent NOK 13 million in growth investments, mainly related to barrier systems, in addition to NOK 16 million in maintenance investments. YTD 2023 we have spent a total of NOK 21 million in growth investments and NOK 76 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. All eleven of our eligible sites in BC holds ASC certification, ensuring that 100% of our volume harvested in Q3 2023 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. All 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. We have established contact with The Honourable Diane Lebovillier, who was appointed new federal Minister of Fisheries, Oceans and the Canadian Coast Guard, in July 2023. Grieg Seafood BC looks forward to a constructive dialogue 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	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
PROFIT & INNOVATION	<b>Harvest volume (tonnes GWT)</b>						
	18 000 tonnes in 2023	◆	6 108	5 537	0	1 467	7 908
	<b>Operational EBIT per kg (NOK)</b>						
	n/a		-3.2	-2.5	n/a	-22.9	-5.1
PROFIT & INNOVATION	<b>Farming cost per kg (CAD)</b>						
	Cost leader	◆	10.9	11.3	n/a	13.3	10.1
	<b>ASC certification (# of sites)***</b>						
	All sites (11 eligible) by 2023	●	11	11	7	7	12
HEALTHY OCEAN	<b>Survival rate at sea</b>						
	93% by 2023	◆	90%	90%	92%	91%	90%
	<b>Cost of reduced survival (NOK million)</b>						
	n/a		41.1	62.4	13.1	10.7	73.3
HEALTHY OCEAN	<b>Use of antibiotics (g per tonne LWE) *</b>						
	No use of antibiotics	◆	0.2	0.1	0.1	20.2	56.6
	<b>Use of hydrogen peroxide (kg per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	24.4	0.0
HEALTHY OCEAN	<b>Sea lice treatments - in feed (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.8
	<b>Sea lice treatments - in bath (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
HEALTHY OCEAN	<b>Escape incidents (# of fish)</b>						
	Zero escape incidents	●	0	1 (1)	0	0	0
	<b>High quality product</b>						
	93% superior share	◆	91%	91%	n/a	86%	86%
SUSTAINABLE FOOD	<b>Absence rate</b>						
	Below 4.5%	●	2.4%	2.3%	4.3%	5.0%	6.9%
	<b>Lost time incident rate</b>						
	**	n/a	15	0	0	14	0

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

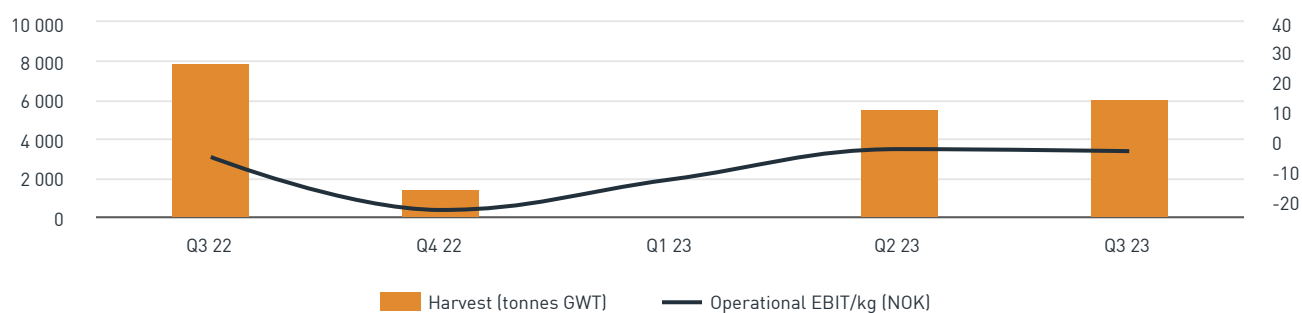
\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.

n/a: No set target or data similar to quarter end. ASC certification 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.

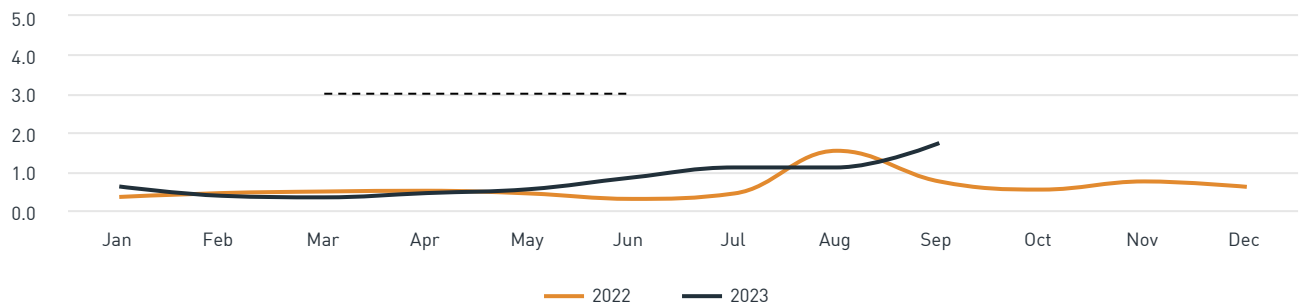
NOK MILLION	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Harvest volume (tonnes GWT)	6 108	7 908	11 644	18 819
Sales revenues from sale of Atlantic salmon	500.8	572.6	989.5	1 548.8
Operational EBIT	-19.5	-40.6	-46.3	304.0
Sales revenue/kg (NOK)	82.0	72.4	85.0	82.3
Farming cost/kg (CAD)	10.9	10.1	11.2	8.8
Farming cost/kg (NOK)	85.2	77.5	88.9	66.1
Operational EBIT/kg (NOK)	-3.2	-5.1	-4.0	16.2

## 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 we have successfully completed the transfer of our second generation of fish to sea. During the quarter we completed our smolt transfer to sea this year, which totals 2.5 million smolt with an average weight of 140 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. Our fish have performed well biologically, with a 12 month rolling survival rate of 96% and good growth at sea, and we have not experienced sea lice issues. At the end of Q3 2023, we had approximately 9 300 tonnes biomass at sea with an average weight of 2.0 kg. The average weight of the fish transferred to sea in 2022 was 4.1 kg at the end of the quarter. We are still in an early phase and will expand the project gradually and in line with biological developments. We started harvesting in October, with excellent results. Harvesting of the first generation will continue until Q1 2024.

Operational EBIT for Q3 2023 totaled NOK -21.2 million. A larger share of the operational cost has been allocated to the biomass compared to previous periods, as we stocked fish to new seawater sites this season. As from Q4, when harvest has begun, we start to report farming cost. However, parts of our operational cost will still be allocated directly to the income statement as we are still in a development phase.

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 a priority. The absence rate of 1.2% was well below our 4.5% target. We always monitor developments according to our guidelines for absence from work.

## Priorities

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 Q3 2023, we spent NOK 45 million in investments mainly in seawater locations, including equipment for digital monitoring. YTD 2023 we have spent a total of NOK 305 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. Five of our sites are stocked with fish. We expect to harvest 5 000 tonnes of salmon this year, with the ambition to increase to 15 000 tonnes in 2026.

## Scoreboard & key performance figures Newfoundland

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

PILLAR	KPI & TARGET	STATUS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
PROFIT & INNOVATION	<b>Operational EBIT (NOK million)</b>						
		n/a	-21.2	-8.4	-27.6	-29.4	-24.1
HEALTHY OCEAN	<b>Survival rate at sea</b>						
	93% by 2023	●	96%	n/a	n/a	n/a	n/a
	<b>Cost of reduced survival (NOK million)</b>						
		n/a	0.0	0.0	0.0	0.1	0.0
	<b>Use of antibiotics (g per tonne LWE) *</b>						
	No use of antibiotics	●	0.0	0.0	0.0	0.0	0.0
	<b>Use of hydrogen peroxide (kg per tonne LWE) * / **</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
	<b>Sea lice treatments - in feed (g per tonne LWE) *</b>						
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0
	<b>Sea lice treatments - in bath (g per tonne LWE) *</b>						
Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0	
<b>Escape incidents (# of fish)</b>							
Zero escape incidents	●	0	0	0	0	0	
PEOPLE	<b>Absence rate</b>						
	Below 4.5%	●	1.2%	1.0%	1.8%	1.1%	1.4%
	<b>Lost time incident rate</b>						
**	n/a	0	15	21	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	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Operational EBIT	-21.2	-24.1	-57.2	-85.3

# Board's approval

## Related parties' transactions

There has not been any related parties' transactions during Q3 2023 outside ordinary course of business. See Note 9 for more information on related parties and related parties transactions.

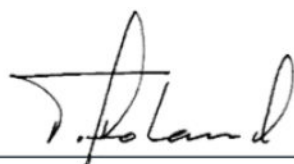
## Events after the balance sheet date

30 October 2023, Grieg Seafood reached an important milestone when we commenced harvesting of first generation of salmon in Newfoundland. The first generation of fish in Placentia Bay in Newfoundland has been farmed with good fish health and welfare. Deep pens, no need for treatments of any form as well as transfer of best practices from similar conditions in other Grieg Seafood regions have contributed to good fish health and welfare throughout the production cycle. Grieg Seafood will continue to develop its farming region in Newfoundland gradually and responsibly.

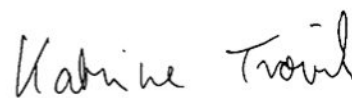
### THE BOARD OF DIRECTORS AND CEO BERGEN, 14 NOVEMBER 2023



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	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Sales revenues	3	1 163 696	1 708 764	5 081 897	5 524 102
Other income	3	-398	12 040	39 513	31 271
Share of profit from associates	8	-3 389	23 682	-2 385	24 613
Raw materials and consumables used		-383 162	-760 076	-1 751 951	-1 647 447
Salaries and personnel expenses		-193 705	-162 647	-534 245	-510 676
Other operating expenses		-526 441	-532 790	-1 583 344	-1 490 268
Depreciation property, plant and equipment		-137 259	-115 675	-386 577	-314 309
Amortization licenses and other intangible assets		-5 423	-6 174	-16 208	-11 211
Write-down of tangible and intangible non-current assets		—	-92 833	136	-92 833
Production fee		-3 891	-6 081	-22 072	-18 047
Fair value adjustment of biological assets	4	137 347	-442 175	-346 463	-105 240
Litigation and legal claims		20 427	—	20 427	-155 000
Decommissioning costs		—	-19 552	-2 515	-19 552
<b>EBIT (Earnings before interest and taxes)</b>		<b>67 802</b>	<b>-393 517</b>	<b>496 214</b>	<b>1 215 402</b>
<b>Net financial items</b>	7	<b>-94 886</b>	<b>-8 978</b>	<b>45 356</b>	<b>124 698</b>
<b>Profit before tax</b>		<b>-27 084</b>	<b>-402 495</b>	<b>541 570</b>	<b>1 340 101</b>
Estimated taxation	5	175 394	123 068	-528 823	-248 494
<b>Net profit for the period</b>		<b>148 309</b>	<b>-279 427</b>	<b>12 747</b>	<b>1 091 607</b>
<b>Profit or loss for the period attributable to</b>					
Owners of Grieg Seafood ASA		148 309	-279 427	12 747	1 091 607
<b>Dividend declared per share (NOK)</b>		<b>4.5</b>	<b>0.0</b>	<b>4.5</b>	<b>3.0</b>
<b>Earnings per share attributable to equity holders of Grieg Seafood ASA (NOK)</b>					
<b>Earnings per share</b>		<b>1.3</b>	<b>-2.5</b>	<b>0.1</b>	<b>9.7</b>



# COMPREHENSIVE INCOME STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	Q3 2023	Q3 2022	YTD 2023	YTD 2022
<b>Net profit for the period</b>		<b>148 309</b>	<b>-279 427</b>	<b>12 747</b>	<b>1 091 607</b>
<b>Net other comprehensive income to be reclassified to profit/ loss in subsequent periods</b>					
Currency effect on investment in subsidiaries		-35 026	37 129	130 542	234 476
Currency effect on loans to subsidiaries		-15 217	13 770	45 731	69 637
Tax effect		3 348	-3 029	-10 061	-15 320
<b>Other comprehensive income for the period, net of tax</b>		<b>-46 896</b>	<b>47 870</b>	<b>166 213</b>	<b>288 792</b>
<b>Total comprehensive income for the period</b>		<b>101 414</b>	<b>-231 557</b>	<b>178 960</b>	<b>1 380 399</b>
<b>Allocated to</b>					
<b>Owners of Grieg Seafood ASA</b>		<b>101 414</b>	<b>-231 557</b>	<b>178 960</b>	<b>1 380 399</b>

# STATEMENT OF FINANCIAL POSITION

GRIEG SEAFOOD GROUP NOK 1 000	Note	30.09.2023	30.09.2022	31.12.2022
<b>ASSETS</b>				
Deferred tax assets	5	—	37 824	—
Goodwill		748 318	747 208	691 094
Licenses incl. warranty licenses		1 519 909	1 584 410	1 463 710
Other intangible assets incl. exclusivity agreement		13 715	15 919	14 689
Property, plant and equipment incl. right-of-use assets		4 808 450	3 991 181	4 035 590
Indemnification assets		40 000	40 000	40 000
Investments in associates	8	214 239	136 888	216 624
Other non-current receivables		41 803	105 149	17 935
<b>Total non-current assets</b>		<b>7 386 434</b>	<b>6 658 579</b>	<b>6 479 642</b>
Inventories		201 568	233 671	240 172
Biological assets excl. the fair value adjustment	4	3 729 134	2 794 326	2 896 209
Fair value adjustment of biological assets	4	775 225	1 047 561	1 149 591
Trade receivables		202 536	178 284	259 137
Other current receivables, derivatives and financial instruments		309 314	302 930	195 047
Investments in money market funds	6	185 553	—	1 012 848
Cash and cash equivalents	6	286 004	2 174 503	642 719
<b>Total current assets</b>		<b>5 689 334</b>	<b>6 731 274</b>	<b>6 395 723</b>
<b>Total assets</b>		<b>13 075 768</b>	<b>13 389 853</b>	<b>12 875 365</b>
<b>EQUITY AND LIABILITIES</b>				
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		5 010 910	5 455 969	5 335 792
<b>Total equity</b>		<b>6 160 548</b>	<b>6 606 759</b>	<b>6 485 708</b>
Deferred tax liabilities	5	1 103 058	1 429 085	1 041 101
Share based payments		6 673	6 008	6 756
Borrowings and lease liabilities	6	3 606 222	3 575 042	3 492 459
<b>Total non-current liabilities</b>		<b>4 715 953</b>	<b>5 010 136</b>	<b>4 540 316</b>
Current portion of borrowings and lease liabilities	6	442 978	368 760	368 878
Trade payables		759 377	823 339	717 498
Tax payable	5	779 545	88 520	353 191
Other current liabilities, derivatives and financial instruments		217 366	492 339	409 774
<b>Total current liabilities</b>		<b>2 199 267</b>	<b>1 772 958</b>	<b>1 849 341</b>
<b>Total liabilities</b>		<b>6 915 220</b>	<b>6 783 093</b>	<b>6 389 657</b>
<b>Total equity and liabilities</b>		<b>13 075 768</b>	<b>13 389 853</b>	<b>12 875 365</b>

# CHANGES IN EQUITY

GRIEG SEAFOOD GROUP (NOK 1 000)	Share capital	Treasury shares*	Contingent cons.**	Other equity	Total
<b>Equity at 01.01.2022</b>	<b>453 788</b>	<b>-4 532</b>	<b>701 535</b>	<b>4 412 511</b>	<b>5 563 302</b>
Profit for YTD 2022	—	—	—	1 091 607	1 091 607
Other comprehensive income YTD 2022	—	—	—	288 792	288 792
<b>Total comprehensive income YTD 2022</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1 380 399</b>	<b>1 380 399</b>
Dividend	—	—	—	-336 942	-336 942
<b>Transactions with owners [in their capacity as owners] YTD 2022</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-336 942</b>	<b>-336 942</b>
Total change in equity YTD 2022	—	—	—	1 043 457	1 043 457
<b>Equity at 30.09.2022</b>	<b>453 788</b>	<b>-4 532</b>	<b>701 535</b>	<b>5 455 969</b>	<b>6 606 759</b>
<b>Equity at 01.01.2023</b>	<b>453 788</b>	<b>-5 407</b>	<b>701 535</b>	<b>5 335 792</b>	<b>6 485 708</b>
Profit for YTD 2023	—	—	—	12 747	12 747
Other comprehensive income YTD 2023	—	—	—	166 213	166 213
<b>Total comprehensive income YTD 2023</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>178 960</b>	<b>178 960</b>
Sale of treasury shares to employees	—	3	—	-3	—
Purchase of treasury shares	—	-280	—	280	—
Dividend	—	—	—	-504 120	-504 120
<b>Transactions with owners [in their capacity as owners] YTD 2023</b>	<b>—</b>	<b>-277</b>	<b>—</b>	<b>-503 843</b>	<b>-504 120</b>
Total change in equity YTD 2023	—	-277	—	-324 883	-325 160
<b>Equity at 30.09.2023</b>	<b>453 788</b>	<b>-5 685</b>	<b>701 535</b>	<b>5 010 910</b>	<b>6 160 548</b>

\*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	Q3 2023	Q3 2022	YTD 2023	YTD 2022
EBIT (Earnings before interest and taxes)		67 802	-393 517	496 214	1 215 402
Depreciation, amortization and write-down		142 683	214 682	402 649	418 353
Gain/loss on sale of property, plant and equipment		1 301	-70	826	-1 630
Share of profit from associates	8	3 389	-23 682	2 385	-24 613
Fair value adjustment of biological assets	4	-137 347	442 175	346 463	105 240
Change inventory excl. fair value, trade payables and rec.		-391 329	245 360	-809 787	-261 722
Other adjustments		-53 980	22 669	77 907	263 920
Taxes paid		-12 122	-639	-88 224	-4 968
<b>Net cash flow from operating activities</b>		<b>-379 604</b>	<b>506 978</b>	<b>428 433</b>	<b>1 709 981</b>
Proceeds from sale of non-cur. tangible and intangible assets		1 552	70	1 827	7 019
Payments on purchase of non-cur. tangible and intangible assets		-145 309	-160 337	-606 057	-404 971
Government grant		9 730	451	24 371	451
Investment in money market funds		705 000	—	855 000	—
Investment in associates and other invest.	8	-10 121	-28	-22 821	-15 978
<b>Net cash flow from investing activities</b>		<b>560 852</b>	<b>-159 845</b>	<b>252 320</b>	<b>-413 478</b>
Revolving credit facility (net draw-down/repayment)		—	—	—	-440 000
Proceeds of long-term int. bearing debt		—	—	—	1 463 423
Proceeds of short-term int. bearing debt		4 379	—	4 379	—
Repayment long-term int. bearing debt		-67 196	-84 548	-193 007	-520 559
Repayment lease liabilities		-72 336	-60 225	-208 749	-161 854
Net interest and other financial items	7	-54 442	-38 087	-143 189	-80 893
Purchase of treasury shares		—	—	-5 540	—
Paid dividends		-504 120	—	-504 120	-336 942
<b>Net cash flow from financing activities</b>		<b>-693 714</b>	<b>-182 860</b>	<b>-1 050 226</b>	<b>-76 826</b>
<b>Net change in cash and cash equivalents</b>		<b>-512 465</b>	<b>164 273</b>	<b>-369 473</b>	<b>1 219 677</b>
<b>Cash and cash equivalents - opening balance</b>		<b>802 154</b>	<b>1 992 842</b>	<b>642 719</b>	<b>928 342</b>
Currency translation of cash and cash equivalents		-3 684	17 388	12 758	26 483
<b>Cash and cash equivalents - closing balance</b>		<b>286 004</b>	<b>2 174 503</b>	<b>286 004</b>	<b>2 174 503</b>

# SELECTED NOTES

## NOTE 1 ACCOUNTING PRINCIPLES

Grieg Seafood ASA (the Group) comprises Grieg Seafood ASA and its subsidiaries, including the Group's share of associated companies. The financial report for the third quarter of 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 third quarter of 2023 is unaudited.

### Accounting estimates and judgements

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. Please refer to the Annual Report for 2022 for further information. New significant accounting judgements for 2023 are elaborated on below.

### The Norwegian resource rent tax scheme

A new Norwegian resource rent tax scheme was effective as from 1 January 2023, see Note 2 and Note 5. The resource rent tax scheme is applicable to the activities related to the commercial aquaculture licenses in Rogaland and Finnmark in Norway.

As the Group has aquaculture licenses both in- and out-of-scope of the resource rent tax scheme, the tax income and expenses related to the tax scheme has to be identified. The Group is conducting 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. To be able to calculate the resource rent tax in accordance with the chapter 19 of the Norwegian tax law, a number of analyses has to be performed related to transfer pricing according to the Norwegian tax law chapter 13 and the OECD guidelines for transfer pricing. A challenge related to the resource tax regime 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. This is a complex analysis, as the Group's Norwegian farming regions have historically been integrated value chains concerning the farming and harvest of salmon (one for Grieg Seafood Rogaland and one for Grieg Seafood Finnmark). As this is ongoing work, the current calculation of the Norwegian resource rent tax is an estimate that, as of this report's date, represents an estimate concerned with significant judgements.

Up until Q2 2023, the Group had not included an estimate for the YTD 2023 tax expense following the Norwegian resource tax scheme. As at 30 September 2023, an estimated tax expense for YTD 2023 has been recognized in Q3 2023. See more information in 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 Q3 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 3 729 million (29% 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.

The underlying biological production was good in all regions this quarter, however with some biological challenges. In Rogaland, we have harvested the fish at sites impacted by *Infectious Salmon Anemia* (ISA). All smolt going to sea are now being vaccinated against ISA, and we expect reduced impact from ISA going forward. In Finnmark in Q3, we experienced increased impact from the parasite *Spiro* for the fish in sea that was already infected. We have not have any new incidents of 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. The fish transferred to sea in 2023 is in good health and performs well. In BC, high sea lice pressure and low oxygen events have been the main challenges the last quarters. 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 - from 3.4% in 2019 to 0.3% so far this year. In Newfoundland, 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, continued high 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 of Atlantic salmon in 2023 is expected to be slightly reduced compared to 2022. With expectations of no growth in global harvest 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 sustained strong market for the remainder of 2023 as well as for 2024. The current Fish Pool forward price reflects this, with a price around NOK 83 per kg for Q4 2023, and NOK 96 per kg for 2024.

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 Q4 2023 is 15% 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. However, given that the costs of litigation in Canada can be substantial, coupled with the timeline for any litigation and required engagement of extensive internal resources, Grieg Seafood have agreed to a settlement offer from the plaintiffs and entered into a respective settlement agreement dated September 22, 2023. The settlement agreement is subject to approval by the Federal Court.

NOK 0.6 million was spent on legal fees related to the investigations and the lawsuits during the quarter. The cost has been included as ownership cost, see Note 3.

## POLITICAL RISK

### Norway

The Norwegian Parliament passed the suggested resource rent tax scheme on aquaculture in Norway 31 May 2023, 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 uncertainties related to the structure and impact of the resource rent tax has delayed the Group's investment and growth plans. 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 will 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 September 2023, the Group had a good financial foundation, with unutilized facilities in the aggregate of NOK 1 700 million. 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 (47% at 30 September 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. 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.



Grieg Seafood is a Member of the [Taskforce on Nature-related Financial Disclosures \(TNFD\)](#). TNFD has in September published a risk management and financial disclosure framework on nature-related risks to support organizations to report and act on both their impacts and dependencies on nature.

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, and 78% 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.

<b>RECONCILIATION OF EBIT IN THE INCOME STATEMENT WITH OPERATIONAL EBITDA AND OPERATIONAL EBIT IN THE SEGMENT INFORMATION</b>	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>YTD 2023</b>	<b>YTD 2022</b>
Sales revenues	1 163 696	1 708 764	5 081 897	5 524 102
Other income	-398	12 040	39 513	31 271
Share of profit from associates (operational)	-3 389	1 124	-2 385	2 054
Raw materials and consumables used	-383 162	-760 076	-1 751 951	-1 647 447
Salaries and personnel expenses	-193 705	-162 647	-534 245	-510 676
Other operating expenses	-526 441	-532 790	-1 583 344	-1 490 268
<b>Operational EBITDA</b>	<b>56 601</b>	<b>266 415</b>	<b>1 249 485</b>	<b>1 909 036</b>
Depreciation property, plant and equipment	-137 259	-115 675	-386 577	-314 309
Amortization licenses and other intangible assets	-5 423	-6 174	-16 208	-11 211
<b>Operational EBIT</b>	<b>-86 082</b>	<b>144 566</b>	<b>846 701</b>	<b>1 583 516</b>
Share of profit from associates (non-operational)	—	22 558	—	22 558
Production fee	-3 891	-6 081	-22 072	-18 047
Fair value adjustment of biological assets	137 347	-442 175	-346 463	-105 240
Write-down of non-current assets (non-operational)	—	-92 833	136	-92 833
Litigation and legal claims	20 427	—	20 427	-155 000
Decommissioning costs	—	-19 552	-2 515	-19 552
<b>EBIT (Earnings before interest and taxes)</b>	<b>67 802</b>	<b>-393 517</b>	<b>496 214</b>	<b>1 215 402</b>

Q3 2023 SEGMENTS (NOK 1 000)	FARMING NORWAY		FARMING CANADA		ELIM./ OTHER	GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW- FOUNDLAND		
Sales revenues	317 938	76 790	500 812	—	268 156	1 163 696
Other income	5 066	1 252	-1 264	—	-5 451	-398
Operational EBIT	3 127	-36 750	-19 541	-21 231	-11 687	-86 082
Harvest volume tonnes GWT	4 783	1 354	6 108	—	—	12 245
Sales revenue/kg	66.5	56.7	82.0	n/a	n/a	73.1
Farming cost/kg	65.8	83.8	85.2	n/a	n/a	77.5
Other costs incl. ownership and headquarter costs/kg	—	—	—	n/a	n/a	2.7
Operational EBIT/kg	0.7	-27.1	-3.2	n/a	n/a	-7.0
Operational EBITDA %	9%	5%	3%	0%	-4%	5%
Operational EBIT %	1%	-48%	-4%	0%	-4%	-7%

The ownership cost includes legal fees related to the EU commission investigation of NOK 0.6 million in Q3 2023.

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

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	2 137 705	1 210 576	989 476	—	744 140	5 081 897
Other income	58 531	22 778	184	-83	-41 898	39 513
Operational EBIT	714 022	262 603	-46 261	-57 192	-26 471	846 701
Harvest volume tonnes GWT	23 821	14 783	11 644	—	—	50 248
Sales revenue/kg	89.7	81.9	85.0	n/a	n/a	86.3
Farming cost/kg	59.8	64.1	88.9	n/a	n/a	67.8
Other costs incl. ownership and headquarter costs/kg	—	—	—	n/a	n/a	1.7
Operational EBIT/kg	30.0	17.8	-4.0	n/a	n/a	16.9
Operational EBITDA %	37%	32%	6%	0%	-3%	25%
Operational EBIT %	33%	22%	-5%	0%	-4%	17%

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

## 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 4.6 kg, which corresponds to 4.0 kg gutted weight. Fish with a live weight of 4.6 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	Q3 2023	Q3 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			
	Q3 2023	YTD 2023	Q3 2022	YTD 2022	Q3 2023	YTD 2023	Q3 2022	YTD 2022
<b>Biological assets beginning of period</b>	<b>42 806</b>	<b>50 614</b>	<b>51 939</b>	<b>59 121</b>	<b>3 717 486</b>	<b>4 045 800</b>	<b>4 296 598</b>	<b>3 449 412</b>
Currency translation	n/a	n/a	n/a	n/a	-39 485	106 248	17 958	103 457
Increases due to production	28 797	64 671	27 110	67 029	1 530 724	3 758 151	1 283 291	3 071 066
Decrease due to sales/ harvesting/mortality	-14 075	-57 756	-26 673	-73 774	-827 423	-3 031 475	-1 221 877	-2 859 130
Fair value adjustment beginning of period	n/a	n/a	n/a	n/a	-652 169	-1 149 591	-1 581 644	-970 480
Fair value adjustment period end	n/a	n/a	n/a	n/a	775 225	775 225	1 047 561	1 047 561
<b>Biological assets period end</b>	<b>57 528</b>	<b>57 528</b>	<b>52 376</b>	<b>52 376</b>	<b>4 504 359</b>	<b>4 504 359</b>	<b>3 841 886</b>	<b>3 841 886</b>

\*Round weight

BIOLOGICAL ASSETS AT 30.09.2023	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	21 061	787	246 520	—	246 520
Biological assets with round weight < 4.60 kg	27 803	48 467	3 112 370	697 164	3 809 534
Biological assets with round weight > 4.60 kg	1 631	8 275	370 244	78 061	448 305
<b>Total</b>	<b>50 495</b>	<b>57 528</b>	<b>3 729 134</b>	<b>775 225</b>	<b>4 504 359</b>

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

SPECIFICATION OF THE FAIR VALUE ADJUSTMENT, INCOME STATEMENT (NOK 1 000)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Change in fair value adjustment of biological assets	125 119	-537 458	-407 935	17 050
Change in physical delivery contracts related to fair value adjustments of biological assets	18	12 766	1 610	-3 932
Change in fair value of financial derivatives from salmon (Fish Pool contracts)	12 210	82 516	59 863	-118 358
<b>Total recognized fair value adjustment of biological assets</b>	<b>137 347</b>	<b>-442 175</b>	<b>-346 463</b>	<b>-105 240</b>

Provisions allocated to future physical delivery contracts that require fair value adjustments are recognized as other current liabilities in the balance sheet. The contracts are calculated based on the same forward prices used for fair value calculation of biological assets. 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. 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%. This new tax scheme was implemented retrospectively with effect from 1 January 2023. The Norwegian resource rent tax will not affect the tax load of the Group's operations in British Columbia and Newfoundland.

In December 2022, the Group carried out an internal reorganization, in which its commercial aquaculture licenses, together with the connected standing biomass of live fish in sea, were transferred from Grieg Seafood Rogaland AS and from Grieg Seafood Finnmark AS to Grieg Seafood Rogaland Sjø AS and Grieg Seafood Finnmark Sjø AS, which are also (indirectly) wholly owned by Grieg Seafood ASA. The biomass was transferred by way of a sales and purchase transaction at fair value, using tax discontinuity. Both companies that acquired biomass chose to capitalize the acquisition costs in 2022 for tax purposes (as opposed to expensing the acquisition costs), thereby carrying over these tax positions into 2023. The companies plan to deduct the capitalized costs both in the basis for the ordinary corporate income tax, as well as the basis for the new resource rent tax scheme, with tax effect for 2023. The Group is of the opinion that the companies are entitled under Norwegian tax law to deduct the capitalized biomass costs in 2023 for both ordinary corporate income tax purposes and in the basis for the new resource rent tax scheme. In forming its position, the Group has leaned on external expert analysis, which at the time of the Q2 2023 financial report had not yet been completed. On this basis, the Group has decided to reverse the implementation effect that was recorded in the Q2 2023 financial report. Furthermore, the Group has in Q3 2023 recorded the tax expense for the period 1 January 2023 to 30 September 2023.

The Group emphasizes that the tax expense included in the income statement is an accounting estimate made based on information available as at the date of this Q3 2023 financial report. The resource rent tax expense for the full year 2023 will be reassessed in the year-end 2023 financial statements, when the detailed tax calculation for the respective Group entities will be carried out.

A reconciliation of the tax expense recorded in the income statement and the tax expense under the resource rent tax scheme is provided below, separating ordinary corporate taxation incl. withholding tax, with the Norwegian resource rent tax scheme.

<b>TAX EXPENSE (NOK 1 000)</b>	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>YTD 2023</b>	<b>YTD 2022</b>
Ordinary corporate taxation incl. withholding tax	73 296	-123 068	219 217	248 494
Norwegian resource rent tax for the period 1 January - 30 September 2023	21 629	—	21 629	—
Tax effect of fair value of biological assets subject to Norwegian resource rent tax, including ordinary tax rate for the period 1 January - 30 September 2023	287 976	—	287 976	—
Norwegian resource rent tax - implementation effect as at 1 January 2023	-558 295	—	—	—
<b>Total tax expense in the income statement</b>	<b>-175 394</b>	<b>-123 068</b>	<b>528 823</b>	<b>248 494</b>

### Tax payable

In connection with the introduction of the Norwegian resource rent tax, Grieg Seafood has reclassified NOK 493 million of the tax calculated at 31 December 2022 for 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 is NOK 0.9/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 656 million), an EUR 75 million term loan (outstanding EUR 66 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 September 2023. At 30 September 2023, the Group had an equity ratio of 47%, while the equity ratio according to financial covenant was 50% (51%), compared to 47% at 30 June 2023.

<b>NET INTEREST-BEARING LIABILITIES (NOK 1 000)</b>	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>31.12.2022</b>
Bond loan	1 392 500	1 450 000	1 423 500
Non-current borrowings incl. syndicate term loan and revolving facility	1 368 103	1 459 245	1 440 362
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	535 444	386 820	335 452
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	328 506	306 349	318 198
<b>Total non-current interest-bearing liabilities*</b>	<b>3 624 552</b>	<b>3 602 414</b>	<b>3 517 512</b>
Current portion of borrowings incl. overdraft	147 265	136 025	141 968
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	216 819	154 414	148 494
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	78 894	78 321	78 416
<b>Total current interest-bearing liabilities*</b>	<b>442 978</b>	<b>368 760</b>	<b>368 878</b>
<b>Gross interest-bearing liabilities*</b>	<b>4 067 530</b>	<b>3 971 175</b>	<b>3 886 390</b>
Loans to associates	-31 970	-2 300	-8 300
Investments in money market funds	-185 553	—	-1 012 848
Cash and cash equivalents	-286 004	-2 174 503	-642 719
<b>Net interest-bearing liabilities incl. IFRS 16</b>	<b>3 564 002</b>	<b>1 794 372</b>	<b>2 222 522</b>
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	-752 263	-541 235	-483 946
<b>Net interest-bearing liabilities excl. IFRS 16</b>	<b>2 811 740</b>	<b>1 253 137</b>	<b>1 738 576</b>

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



## NOTE 7 NET FINANCIAL ITEMS

NET FINANCIAL ITEMS (NOK 1 000)	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Changes in fair value from hedging instruments	-5 708	3 211	2 839	27 203
Net financial interest	-54 537	-35 367	-143 748	-101 127
Net currency gain (losses)	-40 755	25 434	166 213	178 182
Net other financial income (expenses)*	6 113	-2 255	20 052	20 440
<b>Net financial items</b>	<b>-94 886</b>	<b>-8 978</b>	<b>45 356</b>	<b>124 698</b>

\*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	30.09.2023	01.01.2023	YTD 2023	YTD 2023	30.09.2023
Nordnorsk Smolt AS	50.00%	50.00%	39 053	-5 075	—	33 977
Tytlandsvik Aqua AS	33.33%	33.33%	55 951	2 344	—	58 295
Årdal Aqua AS	44.44%	44.44%	114 047	345	—	114 392
NextSeafood AS	50.00%	50.00%	7 574	—	—	7 574
<b>Total associates classified as operations</b>			<b>216 624</b>	<b>-2 385</b>	<b>—</b>	<b>214 239</b>

The Group owns, through Grieg Seafood Finnmark AS, 50% of Nordnorsk Smolt AS together with SalMar ASA (50%). At 30 September 2023, Grieg Seafood Finnmark AS has an outstanding long-term loan to Nordnorsk Smolt AS of NOK 22.5 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 earlier in the year 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 6 000 tonnes, of which Grieg Seafood Rogaland AS's share of the smolt-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, reaching a capacity of at least 4 500 tonnes of post smolt in 2026.

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, Grieg Seafood has put the development of FishGLOBE V6 on hold.

## 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.

<b>SHARES RELATED TO THE BOARD MEMBERS AND MANAGEMENT AT 30.09.2023</b>	<b>NO. OF SHARES (Direct and indirect ownership)</b>	<b>SHARE-HOLDING (Direct and indirect ownership)</b>
<b>Board of directors</b>		
Per Grieg Jr. <sup>1</sup>	57 926 127	51.06%
Nicolai Hafeld Grieg <sup>1</sup>	56 914 355	50.17%
Tore Holand	2 000	0.00%
Marianne Ødegaard Ribe	—	0.00%
Katrine Trovik	—	0.00%
Ragnhild Janbu Fresvik	—	0.00%
<b>Group management</b>		
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%
Nina Stangeland (Chief Strategy Officer)	—	0.00%
Kristina Furnes (Chief Communications Officer)	4 711	0.00%

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

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

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

## NOTE 10 SHARE CAPITAL AND SHAREHOLDERS

As at 30 September 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
<b>Total</b>	<b>4.00</b>	<b>453 788</b>	<b>113 447 042</b>
Holding of treasury shares	4.00	-5 685	-1 421 127
<b>Total excl. treasury shares</b>	<b>4.00</b>	<b>448 103</b>	<b>112 025 915</b>

### 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 September 2023, the Company has 1 421 127 treasury shares.

THE 20 LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA AT 30.09.2023	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)	2 626 398	2.32%
Ystholmen Felles AS	1 923 197	1.70%
State Street Bank and Trust Comp (Nominee)	1 494 357	1.32%
Grieg Seafood ASA	1 421 127	1.25%
State Street Bank and Trust Comp (Nominee)	1 320 942	1.16%
J.P. Morgan SE (Nominee)	1 311 040	1.16%
JPMorgan Chase Bank, N.A., London (Nominee)	1 150 550	1.01%
Frøy Kapital AS	1 116 323	0.98%
BNP Paribas (Nominee)	1 019 555	0.90%
Kvasshøgdi AS	996 772	0.88%
BNP Paribas (Nominee)	892 245	0.79%
State Street Bank and Trust Comp (Nominee)	851 351	0.75%
Pictet & Cie (Europe) S.A. (Nominee)	800 545	0.71%
Six Sis AG (Nominee)	786 716	0.69%
State Street Bank and Trust Comp (Nominee)	776 926	0.68%
DZ Privatbank S.A. (Nominee)	689 053	0.61%
J.P. Morgan SE (Nominee)	588 580	0.52%
<b>Total 20 largest shareholders</b>	<b>84 774 939</b>	<b>74.73%</b>
Total others	28 672 103	25.27%
<b>Total number of shares</b>	<b>113 447 042</b>	<b>100.00%</b>

# ALTERNATIVE PERFORMANCE MEASURES (APM)

We believe that our financial statements only partially reflect the underlying performance of our operations, and as such some of the financial information presented in the Q3 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
<b>Operational EBIT and operational EBIT/kg (GWT)</b>	<p>Operational EBIT is calculated by adding production fee and fair value adjustment of biological assets, in addition to isolated non-operational events, such as costs (incl. impairment) of closing down sites, legal claims- and litigation costs and other non-operational items to the financial statement line item EBIT (Earnings before interests and taxes) of the income statement.</p> <p>Operational EBIT is reported in the Group's segment reporting (see Note 3), where a reconciliation with EBIT of the income statement is included.</p> <p>The operational EBIT/kg (GWT), or operational EBIT/kg, metric is the operational EBIT divided by harvested volume in kg gutted weight equivalent. The metric is calculated per farming region, for Norway and Canada, and for the Group as a whole. Operational EBIT/kg equals sales revenue/kg subtracted by farming cost/kg and other costs incl. headquarter costs/kg. The metric is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information.</p> <p>Operational EBIT (and operational EBIT/kg) is defined by Grieg Seafood. The APM could therefore deviate, or otherwise not being directly comparable with, similar measures provided by other companies, as the calculation of operational EBIT and/or operating EBIT/kg could be different.</p>	<p>Operational EBIT and operational EBIT/kg is used by management, analyst, investors and is generally considered the industry-measure for profitability and is used to assess our performance. Operational EBIT has been defined by Grieg Seafood and exclude items as described. We exclude these items from our operational EBIT as we believe that these items impact the usefulness and comparability of our operational- and financial performance from one period to the other, as these items have a non-operational or non-recurring nature. Operational EBIT provides a more informative result as it does not consider country-specific taxation on harvest and do not include expected future (unrealized) gains or losses on fish not yet sold. In addition, isolated events not expected to reoccur, such as litigation and legal claim costs that arise from prior years as well as costs (incl. impairment) and phasing out seawater sites, are not considered relevant for the current operation of the Group, are not useful information when analyzing the current operation of Grieg Seafood.</p> <p>Profit from associated companies that are closely related to the Group's operations and included in the Group's value chain, for when the relevant associated company operate in the same position in the value chain as the Group, are included in the Group's Operational EBIT. Otherwise, such share of profit is excluded from the operational EBIT of the Group.</p> <p>Operational EBIT/kg is a relative metric which ensures comparability between our farming regions and across time. The metric captures operational profitability for the Group and each farming region.</p>
<b>Operational EBIT%</b>	<p>Operating EBIT% is calculated by dividing operational EBIT by sales revenue as reported in the segment reporting (see Note 3). Operating EBIT% is reported per region, in addition to Group level of Grieg Seafood.</p>	<p>Operating EBIT% is used by management to assess operational performance per region as well as for the Group.</p>
<b>Operational EBITDA</b>	<p>Operational EBITDA is calculated by adding depreciation (and write-down) of property, plant and equipment, and amortization of licenses and intangible assets to operational EBIT. Operational EBITDA is reported in the Group's segment reporting (see Note 3), where a reconciliation with EBIT of the income statement is included.</p>	<p>Operational EBITDA provides a more informative result, as it does not consider the items with non-operational and/or non-recurring nature as described for operational EBIT. Furthermore, it excludes the impact accounting estimates of depreciation and amortization has on our profitability.</p>
<b>Operational EBITDA%</b>	<p>Operating EBITDA% is calculated by dividing operational EBITDA by sales revenue as reported in the segment reporting (see Note 3). Operating EBITDA% is reported per region, in addition to Group level of Grieg Seafood.</p>	<p>Operating EBITDA% is used by management to assess operational performance per region as well as for the Group.</p>

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
<b>ROCE</b>	Return on capital employed (ROCE) is calculated by comparing operational EBIT incl. production fee to capital employed. Capital employed is calculated on annual and quarterly bases, both as a quarter-to-date figure and a year-to-date figure. The quarter-to-date figure is annualized. Capital employed is defined as total equity excl. the equity component of the fair value adjustment of biological assets, plus net interest-bearing liabilities according to the NIBD calculation method 1, as described in the NIBD section of this APM disclosure. Capital employed for the reporting period is calculated as the average of the opening and closing balances.	As the salmon farming industry is a capital-intensive line of business, ROCE is an important metric to measure the Group's profitability relative to the investments made. ROCE is used by management to measure the return on capital employed. ROCE is not impacted by capital structure, that is whether the financing is through equity or debt. The fair value adjustment of biological assets is excluded from the calculation, both in operational EBIT and as part of capital employed, as this reflect estimated future gains or losses on fish not yet sold and this is not considered useful information by the Group when assessing whether invested capital yields competitive return.
<b>Equity ratio</b>	Equity ratio is calculated in two ways: (i) Equity according to the Statement of Financial Position divided by total equity and liabilities according to the Statement of Financial Position, (ii) Equity according to loan agreements is calculated by dividing equity by total equity and liabilities, ex. the impact of IFRS 16. The metric is reported as a key figure of the Group.	Equity ratio captures the financial solidity of the Group. Furthermore, the equity-ratio according to calculation method 2 above is a covenant requirement for the Group. Equity-ratio is, together with NIBD and NIBD/harvest, useful to assess the financial robustness and -flexibility of the capital structure of the Group.
<b>NIBD</b>	Net interest-bearing debt (NIBD) comprises non-current and current debt to financial institutions and other interest-bearing liabilities, after deducting cash and cash equivalents. Amortized loan costs are not included in NIBD. NIBD is calculated in three ways as disclosed in the Annual Report of 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.
<b>NIBD/Harvest</b>	NIBD/harvest is calculated using NIBD according to methods 1-3 as described in the NIBD section of this APM disclosure. The applicable NIBD/harvest indicates which NIBD metric is used in the calculation. The NIBD/harvest is calculated in two ways as disclosed in the Annual Report of 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.
<b>Gross investment</b>	Gross investment is equal to the Group's capital expenditures (CAPEX) excluding the effect of IFRS 16 compared to the IFRS in force prior to 1 January 2019. Thus, the gross investment figure includes additions made on property, plant and equipment and intangible assets owned by the Group, together with long-term lease arrangements with credit institutions. The metric is reported as a key figure of the Group.	The Group's CAPEX monitoring shows that gross investments are in line with the CAPEX monitoring of the Group. The accounting impact of IFRS 16 (capitalized operational leases) is excluded from gross investments, as such leases are not treated as part of CAPEX.
<b>Sales revenue/kg (GWT)</b>	The sales revenue/kg (GWT) metric is calculated as sales revenue from farming operations divided by harvested volume in kg gutted weight equivalent. The metric is calculated per farming region, for Norway and Canada, and for the Group as a whole.  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
<b>Farming cost/kg (GWT)</b>	<p>The farming cost/kg (GWT) metric is the sum of all costs directly related to the production and harvest of salmon, divided by the related harvest volume in kg gutted weight equivalent (GWT). Thus, at the regional level, farming costs equal operational costs. Other income is included in the farming cost metric as cost-reduction activities. Therefore, farming cost can be calculated as, using the segment information, sales revenue from farming operations less operational EBIT, divided by harvest volume. The metric is calculated per farming region, for Norway and Canada, and for the Group as a whole.</p> <p>Group farming cost equals the sum of the regions' farming costs. Farming cost/kg is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information.</p>	<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>
<b>Other costs incl. ownership and headquarter costs/kg (GWT)</b>	<p>The Other costs incl. ownership and headquarters costs/kg (GWT) metric captures all costs and revenue not directly related to the production and harvesting of salmon. This includes costs deriving from activities conducted by the parent company and other Group companies not related to production, divided by the Group's harvest volume. In addition, until the first harvest in Newfoundland is carried out, net costs attributable to the Newfoundland region are included as other costs/kg. The metric is calculated for the Group, and is reported in the Group's segment information (see Note 3), and calculated using solely figures included in the segment information.</p>	<p>Other costs incl. headquarters costs/kg is a relative metric which ensures comparability when assessing the Group's cost level over time. The metric captures the costs of the Group which are not deemed directly attributable to farming operations. The net 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.

## GRIEG SEAFOOD ASA

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### Organization number

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## Board of Directors

**Per Grieg Jr.**  
Chair

**Tore Holand**  
Vice chair

**Katrine Trovik**  
Board member

**Marianne Ødegaard Ribe**  
Board member

**Nicolai Hafeld Grieg**  
Board member

**Ragnhild Janbu Fresvik**  
Board member

## Group Management

**Andreas Kvame**  
Chief Executive Officer

**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

**Nina Stangeland**  
Chief Strategy Officer

## Financial calendar

**Q4 2023**  
22 February 2024

**Annual Report 2023**  
22 March 2024

**Q1 2024**  
16 May 2024

**Q2 2024**  
22 August 2024

**Q3 2024**  
7 November 2024

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