



Capital Markets Update

- Value creation through improvement and growth

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Grieg Seafood ASA

17 November 2020



Our objectives remain

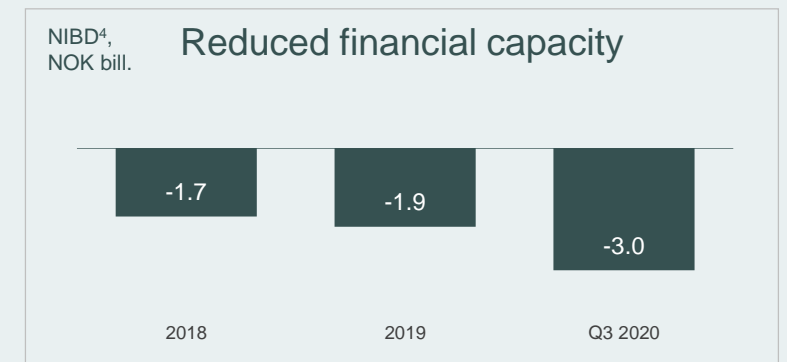
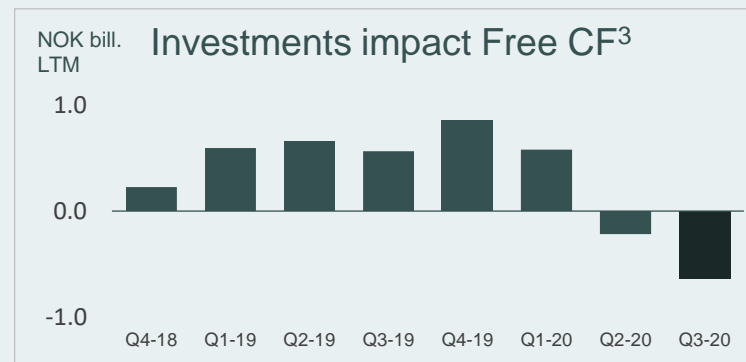
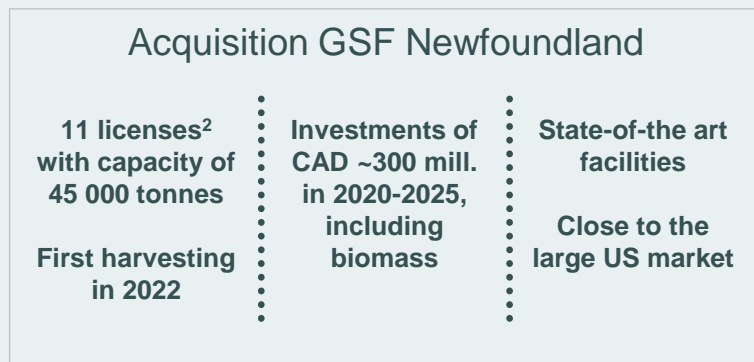
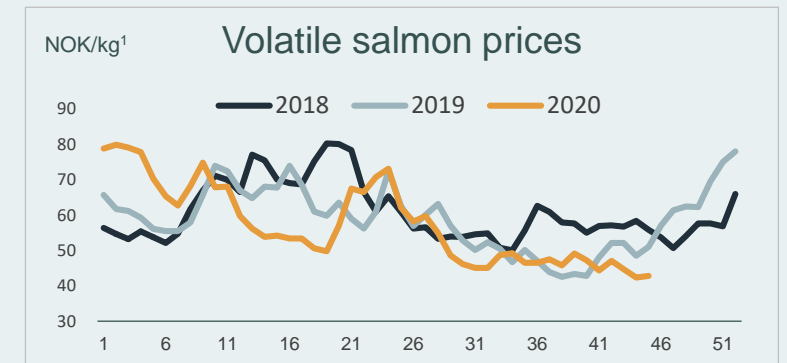
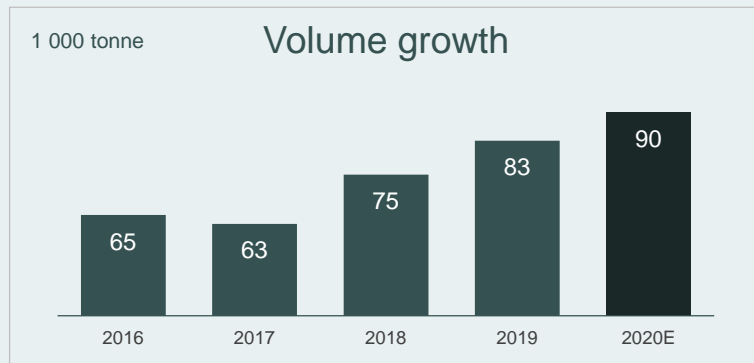
Production
growth

Cost
improvement

Value chain
repositioning

Sustainability

2020 developments

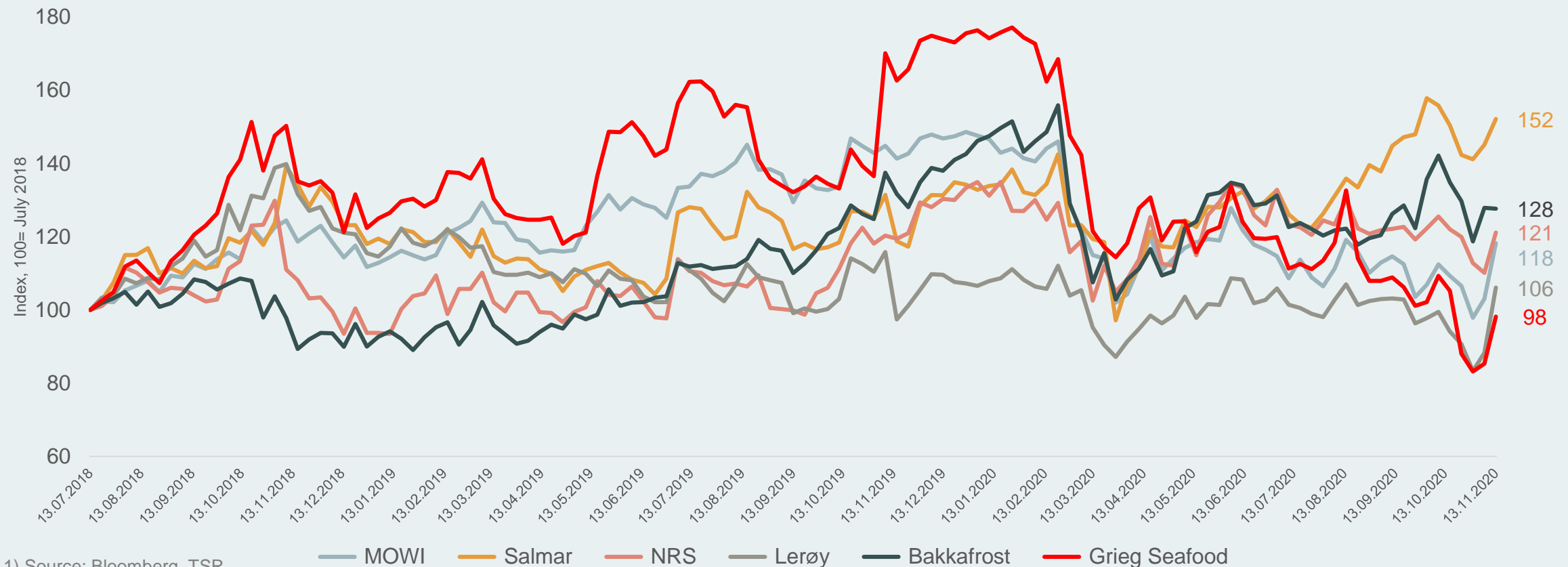


1) Source: Fishpool 2) 8 approved licenses and 3 in application 3) Free CF: Net CF from operating activities + Net CF from investment activities

4) Net interest-bearing liabilities according to covenants

Poor value development this year

Total shareholder return since mid-2018¹



1) Source: Bloomberg, TSR

Grieg Seafood - The way forward

Our priorities

- Significantly improve profitability
- Business streamlining, project execution and improved efficiency
- Secure financial capacity
- Sustainability at the core of our business
- Create shareholder value

Our measures

- Divest Shetland assets
- Cost improvement initiatives continues
- Project execution excellence
- Smolt infrastructure development
- Improved fish health and welfare
- Preventative farming practices
- Value chain repositioning

Our targets

- Harvesting 100 000¹ tonnes in 2022 and 130 000¹ tonnes in 2025 through organic growth
- Average farming cost end-2022 below NOK 40/kg in Norway and below CAD 7/kg in BC
- Provide attractive dividends over time
- Maintain sufficient financial capacity

1) Excluding Shetland assets

Sustainability at the core of our business

Our pillars



PROFIT & INNOVATION

- Seafood demand
- Economic productivity
- Profitable growth



HEALTHY OCEANS

- Fish health and welfare
- Sea lice control
- Escape control
- Limiting local emissions
- Interaction with wild life



SUSTAINABLE FOOD

- Safe and healthy food
- Sustainable feed ingredients
- Reducing carbon emissions
- Climate risk
- Waste management



PEOPLE

- Human rights and ethics
- Embracing diversity
- Creating attractive jobs
- Keeping our employees safe
- Anti-corruption



LOCAL COMMUNITIES

- Local value creation and local purchasing
- Respect for Indigenous rights
- Dialogue and engagement



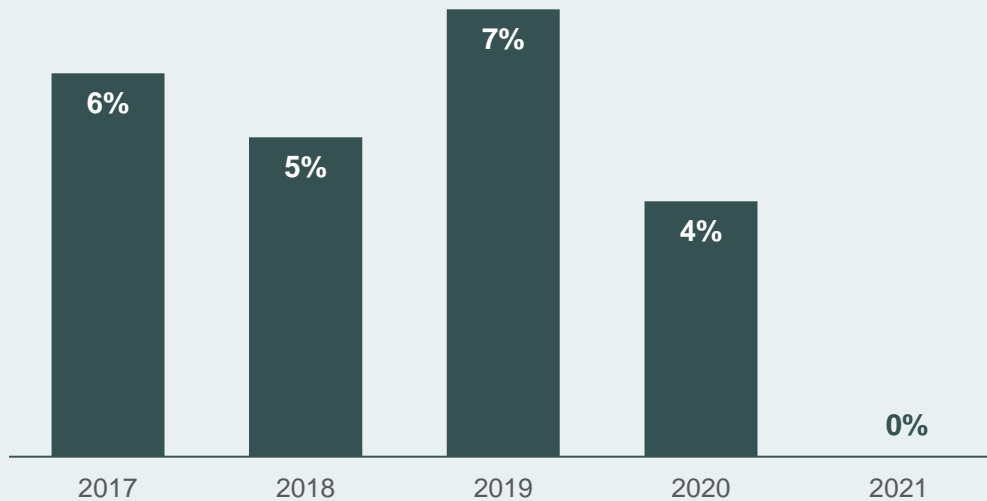
Topics

SDG Alignment

Drop in 2021 Chilean volumes will curb global supply growth

Expected zero global supply growth in 2021

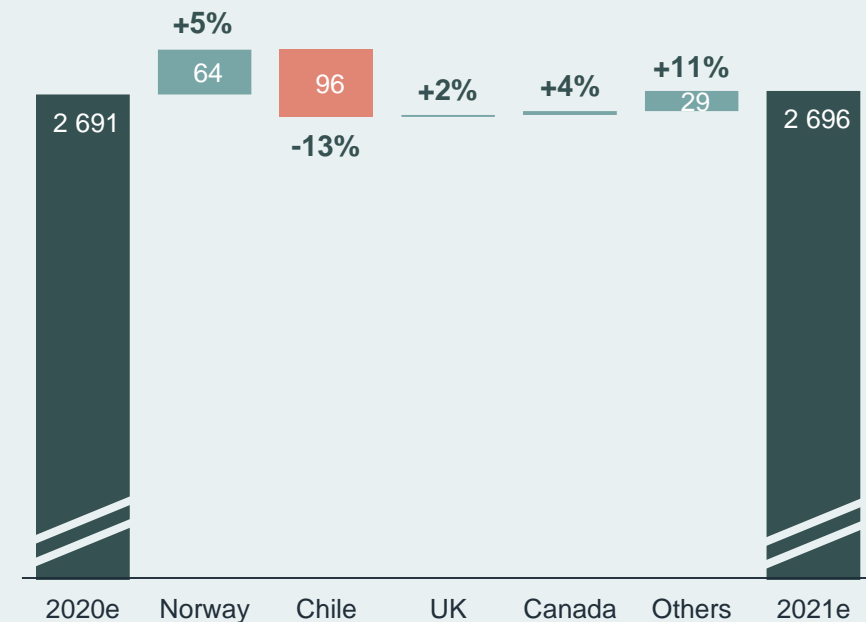
Farmed Atlantic salmon



Source: Kontali Analyse AS

Expected volume change by country

1 000 tonnes Farmed Atlantic salmon, WFE



Priorities and actions for lifting profitability



Value creation through improvement and growth

1

Improvements and efficiency

- Improved operations to increase volumes to 88 000¹ tonnes from 75 000¹ tonnes by limited use of capital
- Cost reductions
- Sales- and price optimizations
- Assuming maintenance investments of around NOK 2-3 per kg HOG

2

Growth investments

- Further lift volumes to 130 000¹ tonnes by 2025 with growth investments
- Total growth investments² 2021-25: NOK 2.6 billion

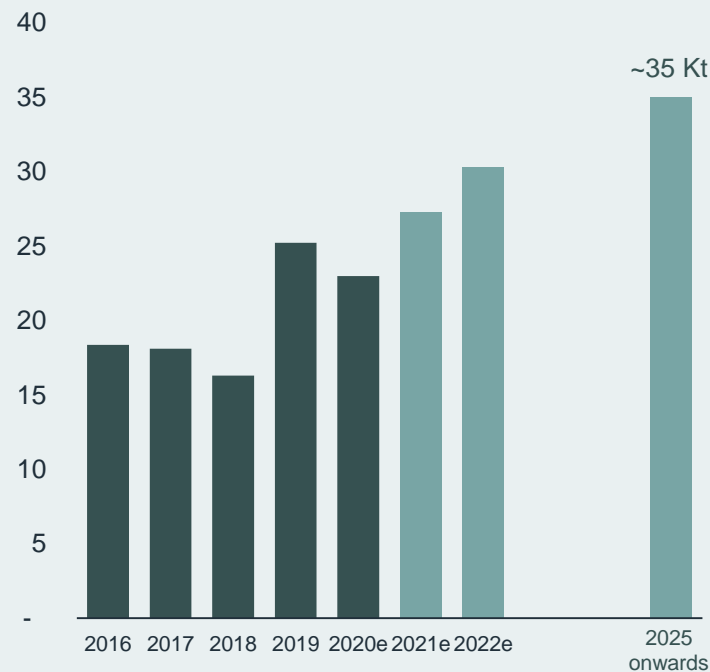
1) Excluding Shetland assets 2) Excluding change in working capital/biomass

GSF Rogaland

- Average smolt weight YTD above 400 grams
- Reduced time in sea has had a significant impact on the prevalence of PD
- Improved operations to lift 2020 volumes by 20-25% by 2022
- Cost YTD 2020: NOK 42/kg

Harvesting goals

1 000 tonnes



Improvement- and growth initiatives

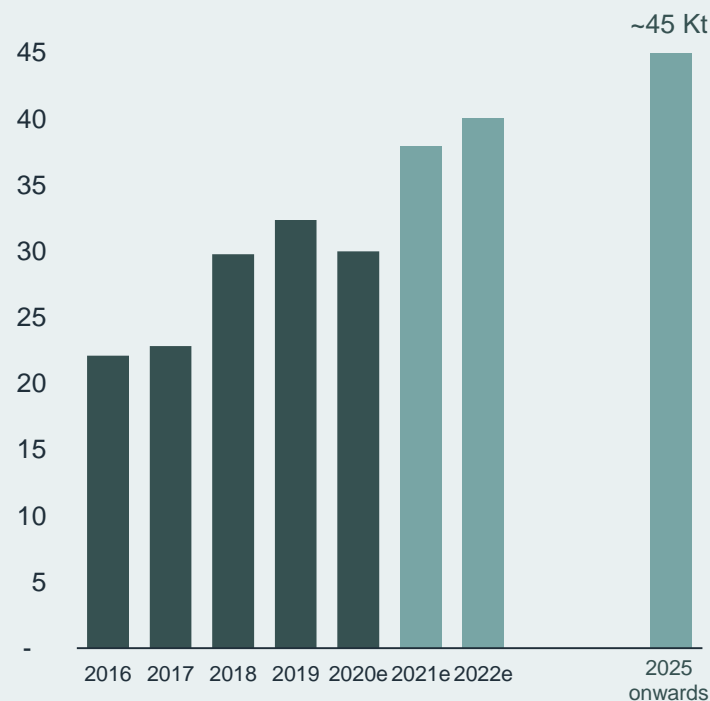
- Add 3 000 tonnes of post smolt capacity by 2025
- Shorter production cycle resulting in improved biology and higher utilization of MAB
- Centralized feeding and digitalization improve feeding and growth
- Cost target: below NOK 40/kg

GSF Finnmark

- Winter ulcers and ISA with negative impact on harvest and cost in 2020
- Significant growth potential on existing MAB
- Improved operations to lift 2020 volumes by 20-25% by 2022
- Cost YTD 2020: NOK 44/kg

Harvesting goals

1 000 tonnes



Improvement- and growth initiatives

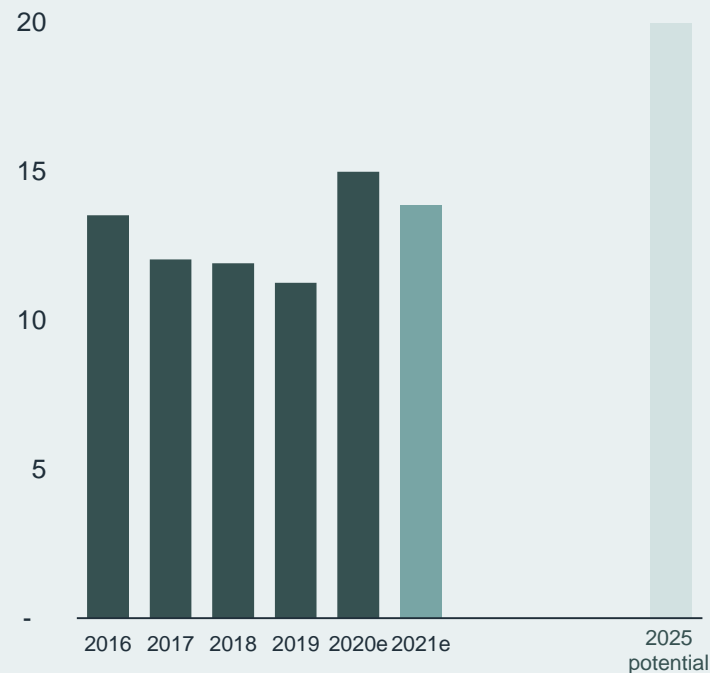
- Add 4 000 tonnes of post smolt capacity by 2025
- Improved utilization of MAB:
 - 3-4 new sites before 2025
 - Post smolt implementation
- Increased smolt weight expected to reduce the prevalence of winter ulcers and ISA
- Cost target: below NOK 40/kg

GSF Shetland

- Initiated process to divest the Shetland assets
- Continuing with necessary measures to lift profitability
- Cost YTD 2020: GBP 5.0/kg (excluding Isle of Skye)

Harvesting potential

1 000 tonnes



Improvement- and growth initiatives

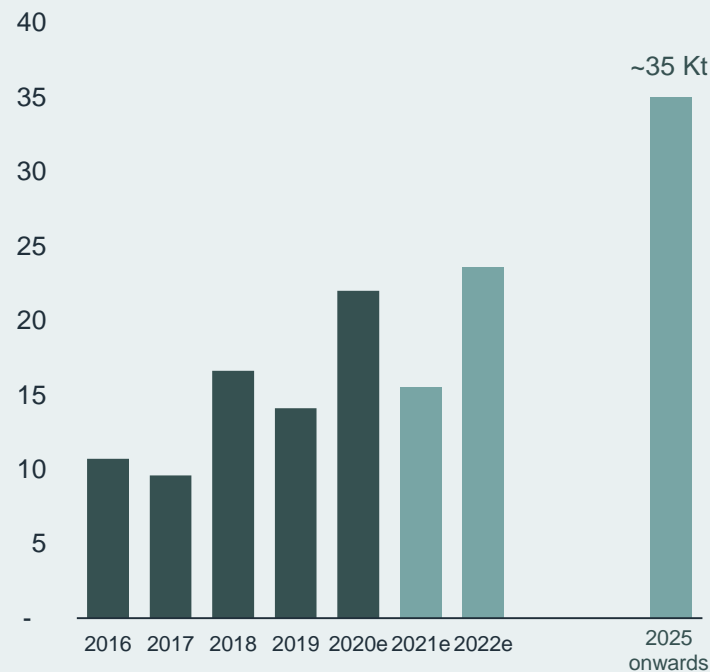
- Move towards treatment with lice skirts and freshwater to improve fish welfare and survival
- Digital operations central will improve feeding rates and biological control
- Cease operations on Skye will improve utilization of resources on Shetland farms

GSF British Columbia

- All-time-high harvest volume expected in 2020
- Improved feeding and growth under challenging environmental conditions
- Increased survival
- Improved operations to lift 2020 volumes by 5-10% by 2022
- Cost YTD 2020: CAD 7.9/kg

Harvesting goals

1 000 tonnes



Improvement- and growth initiatives

- Increased smolt capacity for larger smolt
- Develop site structure with new and larger farms
- Production cycle structured for steady supply and utilization of local resources
- Cost target: below CAD 7/kg



GSF Newfoundland - a key growth driver the next decade

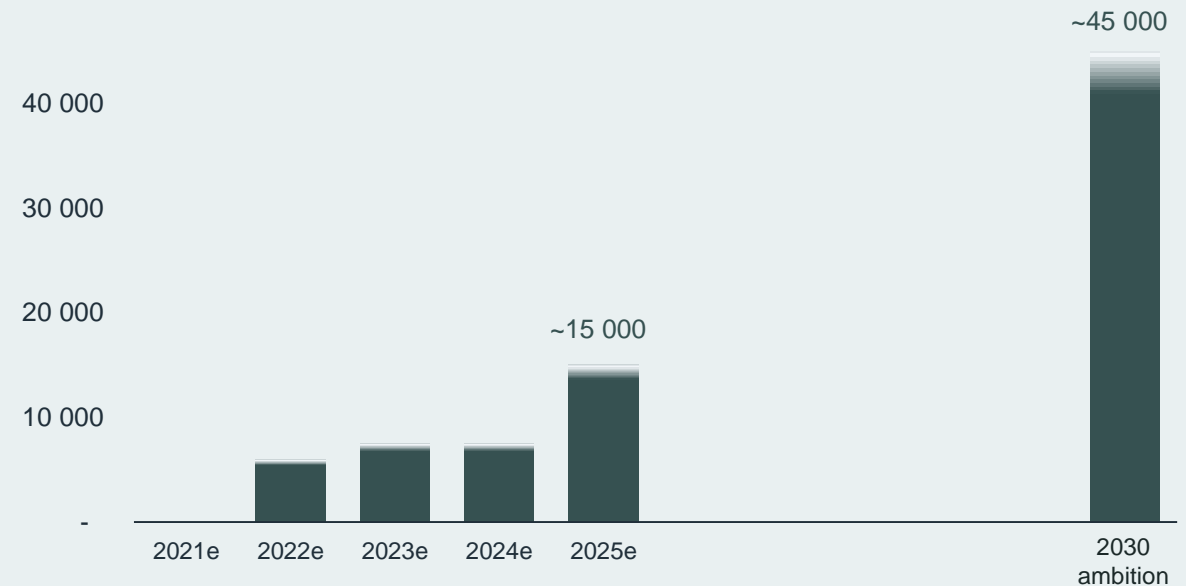
GSF Newfoundland - large potential and proximity to the US

- Greenfield project with exclusivity for salmon farming in the Placentia Bay area, comprises licenses for 11 sea sites¹
- The project includes a high-end RAS facility under construction
- Modern facilities and equipment well-suited for the local conditions
- Proximity to the large and fast-growing US market
- First fish is already growing in the freshwater facility and first harvest is planned for 2022

1) 8 approved licenses and 3 in application

Our development ambition towards 45 000 tonnes

Harvesting volumes, tonnes



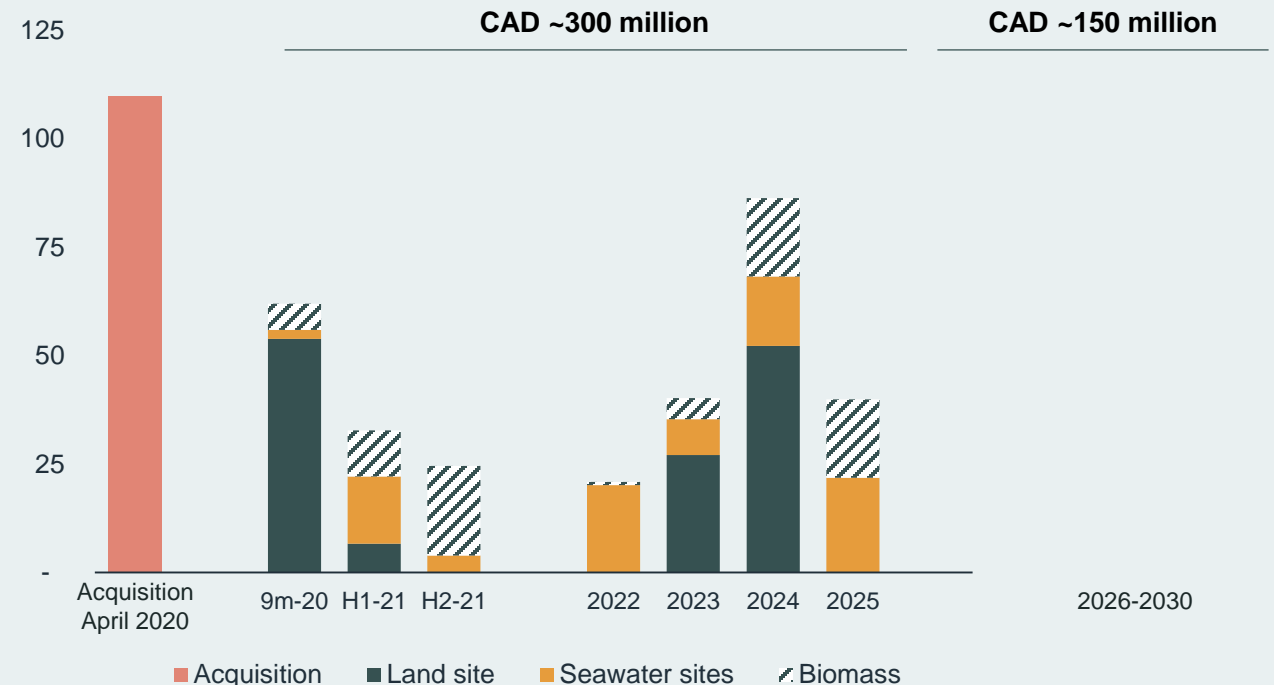
GSF Newfoundland project plan

- The RAS facility is dimensioned to serve all future post smolt modules
- Investment in post smolt facilities is planned in 2023/2024
- Total project investment of NOK ~90/kg at full production capacity¹
- Operational cost target per kg at level with Norway

1) Full production capacity of 45 000 tonnes. The outlined investment per kg includes acquisition cost and biomass, but not milestones

Planned investment profile

CAD million, tentative



Systematic approach on improvements and innovations

Team with focus on implementing cross-company best practice

Scope

- Fish health and welfare
- Sustainable feed
- Climate, circular economy and footprint
- R&D
- Technology
- RAS
- Product quality/food safety
- Production efficiency and sustainable growth

Goals

- Increase survival and quality
- Reduce cost
- Be attractive partner for customers
- Reduce carbon footprint
- Reduce ESG risks and utilize opportunities in production and value chain
- ASC certification, 100% by 2023
- Sustainable feed ingredients

From 2021 - own sales organization to support growth and downstream strategy



Financials

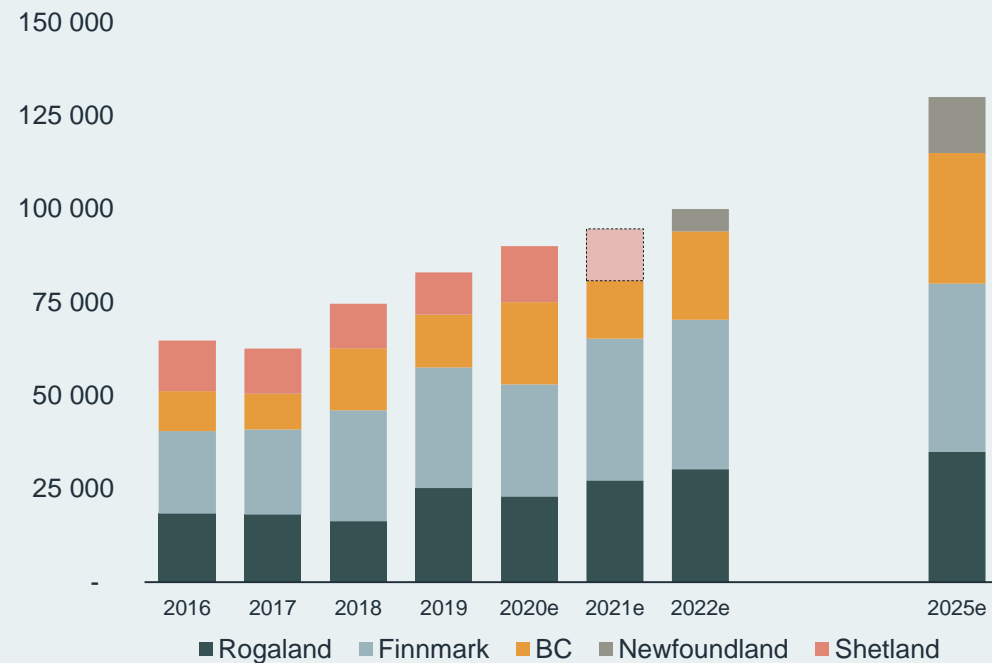
Atle Harald Sandtorv, CFO



Improved operational performance is key

Increasing harvesting volumes¹

Tonnes

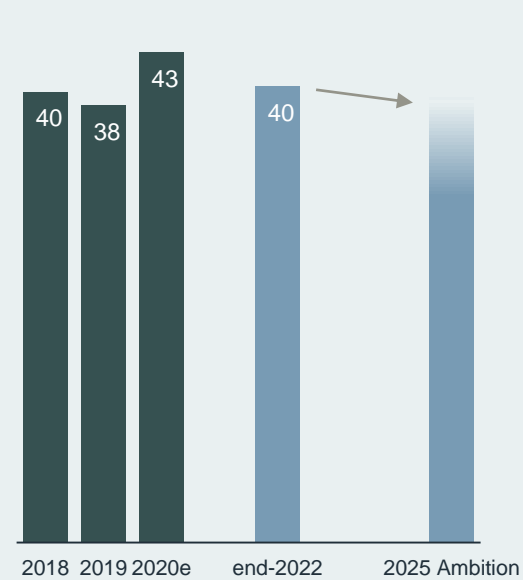


1) Shetland assets assumed divested in H2 2021.

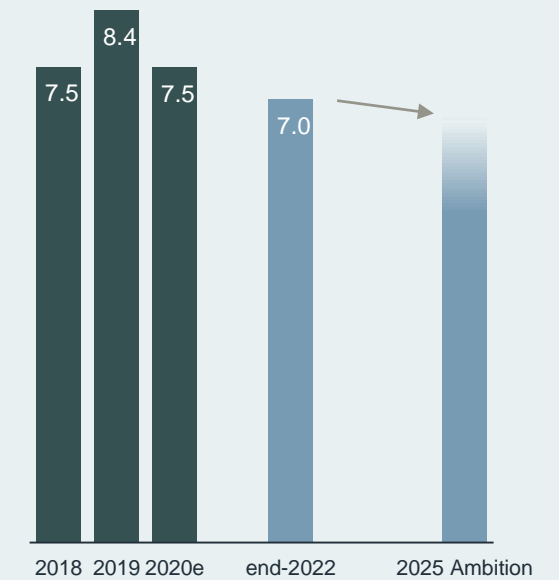
Large potential volume increase after 2025, especially from Canada. See separate cost/kg ambitions for Newfoundland

Production efficiency and reduced cost/kg¹

Norway, NOK/kg



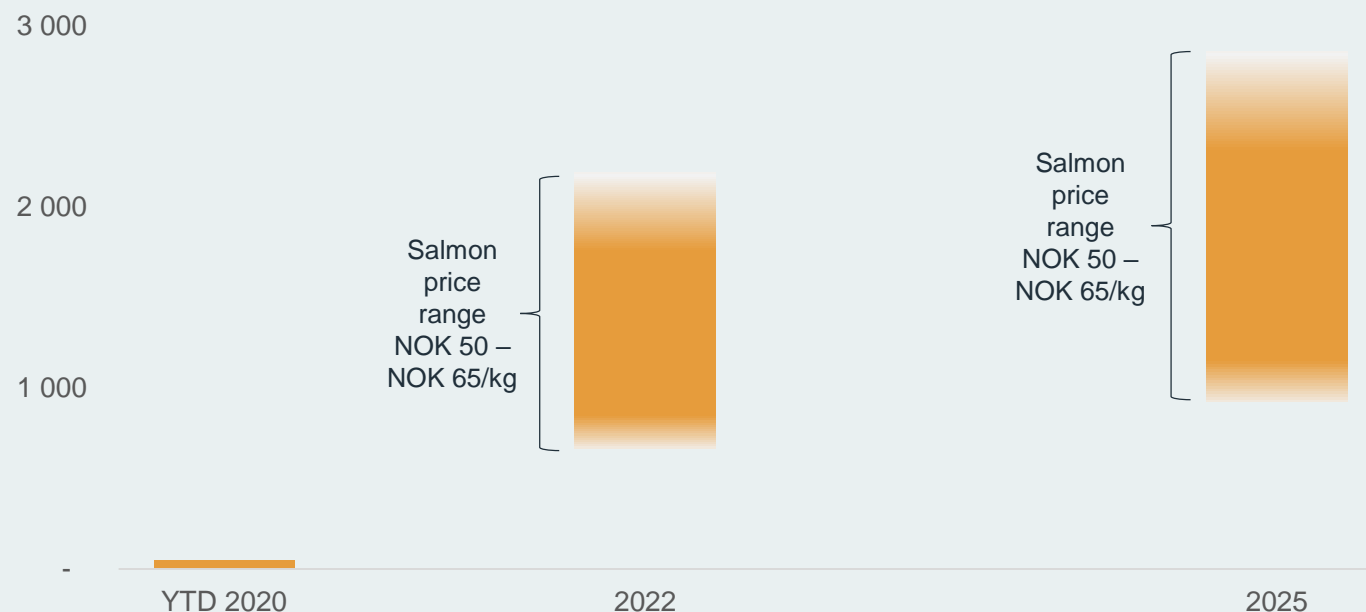
British Columbia, CAD/kg



Earnings increase from volume growth and cost efficiency

EBIT¹ illustration

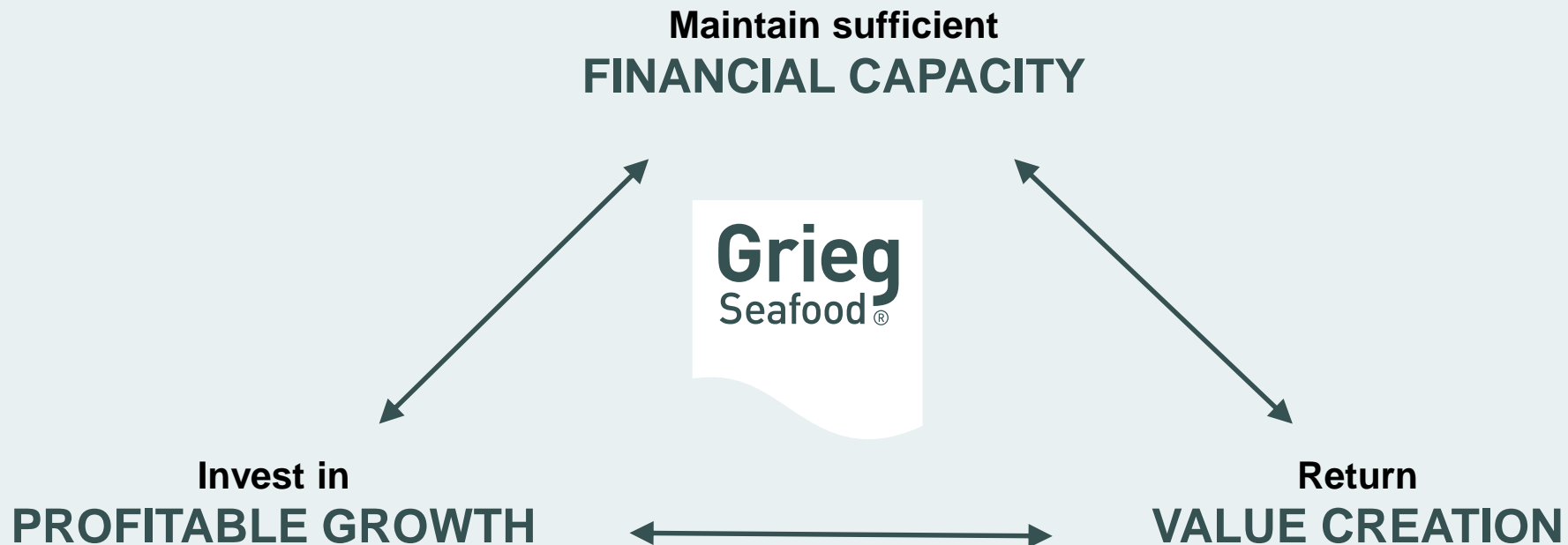
NOK million



- Operational focus to lift profitability
- Main drivers for increased earnings are volume, production cost and price
- Clear plans to improve the two former
- Approximate price effects on EBIT shown as low- and high-price scenario

1) EBIT before fair value adjustment of biological assets. Shetland assets assumed divested in H2 2021.

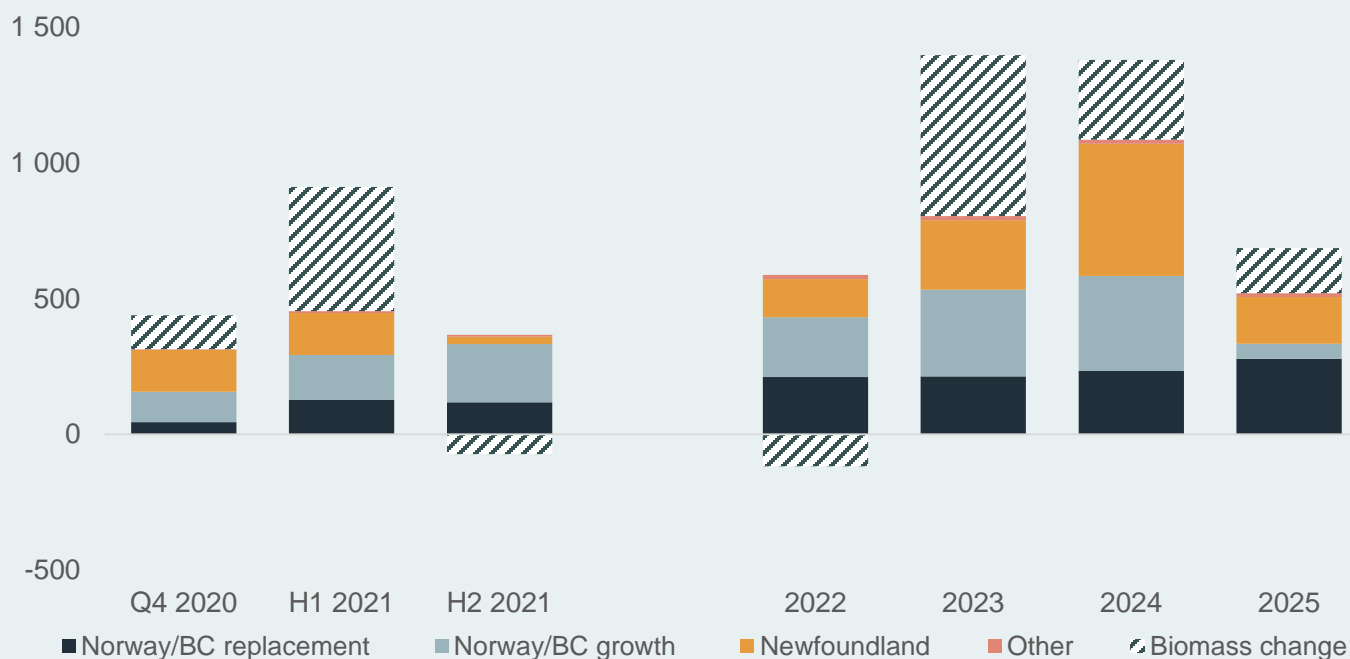
Balancing our main financial priorities



Investing in profitable growth

Current investment schedule

NOK million

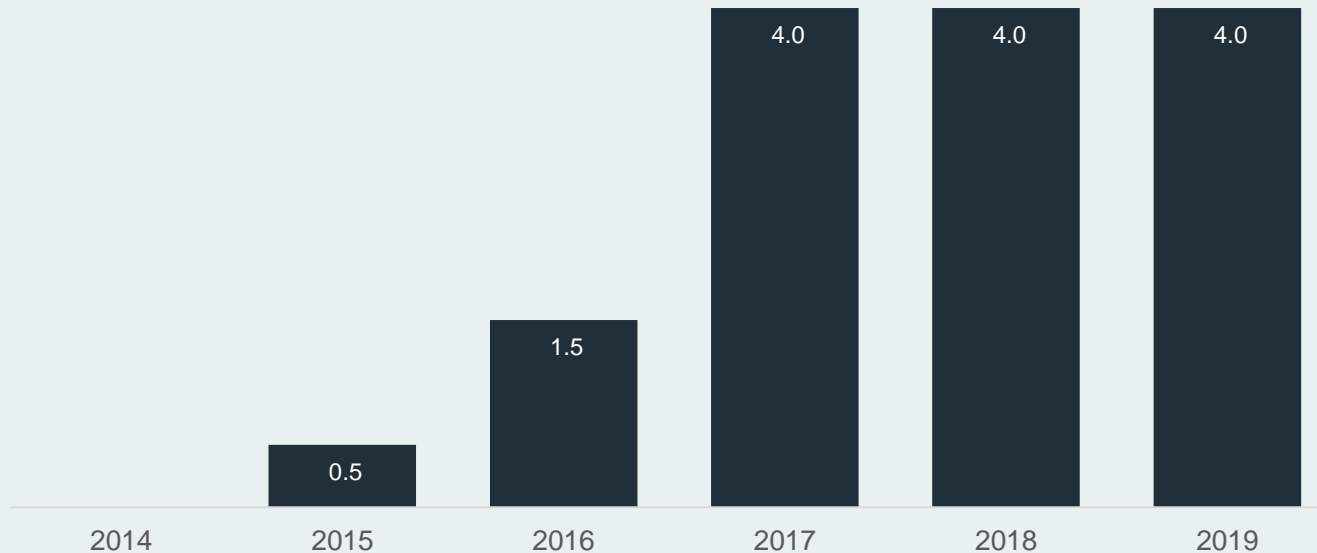


- Total investments next five years to reach 130 000 tonnes in 2025 in the order of NOK 5 billion, including biomass
- Targeting partnerships for post smolt supply¹

1) In Rogaland, GSF owns 1/3 of Tytlandsvik Aqua AS, and through a partnership the company secures increased and improved access to post-smolt. GSF plans to implement similar partnerships in Norway. Cost of post smolt sourcing from partnerships are included in EBIT

Return value creation to shareholders

Dividend paid per share NOK

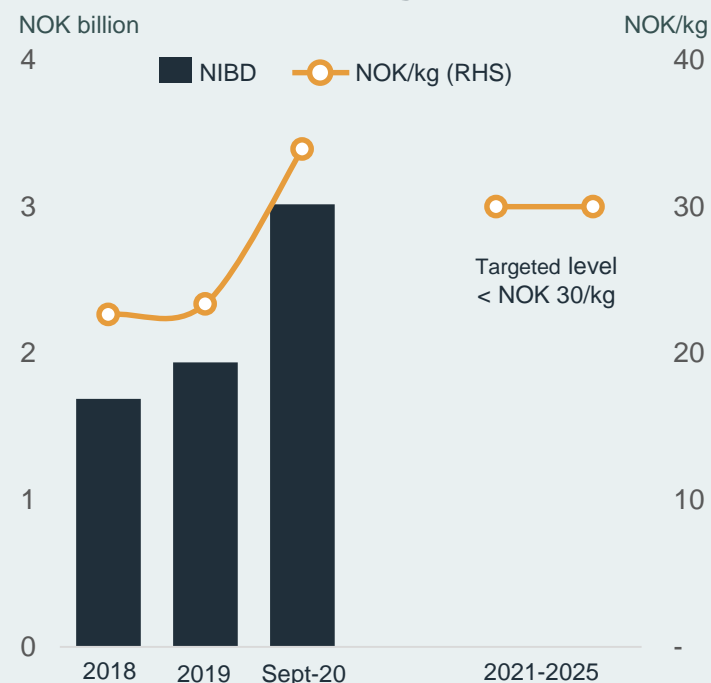


- We aim to provide a competitive dividend payout over time
- The dividend level each year depends on e.g. price achievement for salmon, earnings and growth investments
- Dividend payout goal¹ of 30-40%

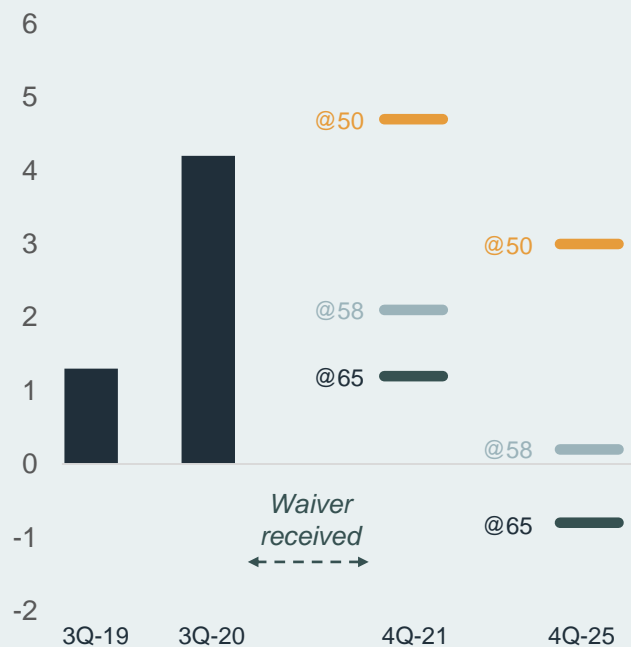
1) Of the net profit after tax, before fair value adjustments on biological assets

Maintain sufficient financial capacity

Net Interest-bearing debt (NIBD)



NIBD / EBITDA (12m) illustration¹



- Targets
 - Debt level of < NOK 30/kg
 - NIBD/EBITDA < 4.5
- Solid projected cash generation in the medium- to high-price scenarios
- Even in the low-price scenario, we are sufficiently financed after growth investments
- Large dividend potential

1) Main assumptions: Shetland assets assumed divested in H2 2021 (undisclosed cash amount assumption); Production, Cost per kg and Capex as indicated in this presentation; Salmon price: Q4-20 NOK 48/kg, Q1-21 NOK 55 and three price scenarios thereafter of NOK 50, 58 and 65 per kg. Dividends are excluded from the calculation for illustrative purposes

The current financial situation

Position and actions

- Performed financial stress tests indicates that we may breach with covenants outlined in the loan agreements
 - Granted amendment to the covenants through the third quarter 2021
- Actions to safeguard liquidity in 2020
 - Issued unsecured Green bond of NOK 1.0 billion at favorable terms
 - The construction of the first post-smolt unit in Newfoundland is deferred to 2023
- Capital flexibility
 - Cost
 - Partnerships for post-smolt supply
 - Growth investments
 - Dividends

Three short-term potential sources of capital

- 1 Divestment process of Shetland assets initiated. Extending bridge loan to after divestment
- 2 Dialog with GIEK on financing of the Newfoundland project
- 3 Following the successful issue of Green bond in June, the company intends to actively utilize the bond market

Concluding remarks

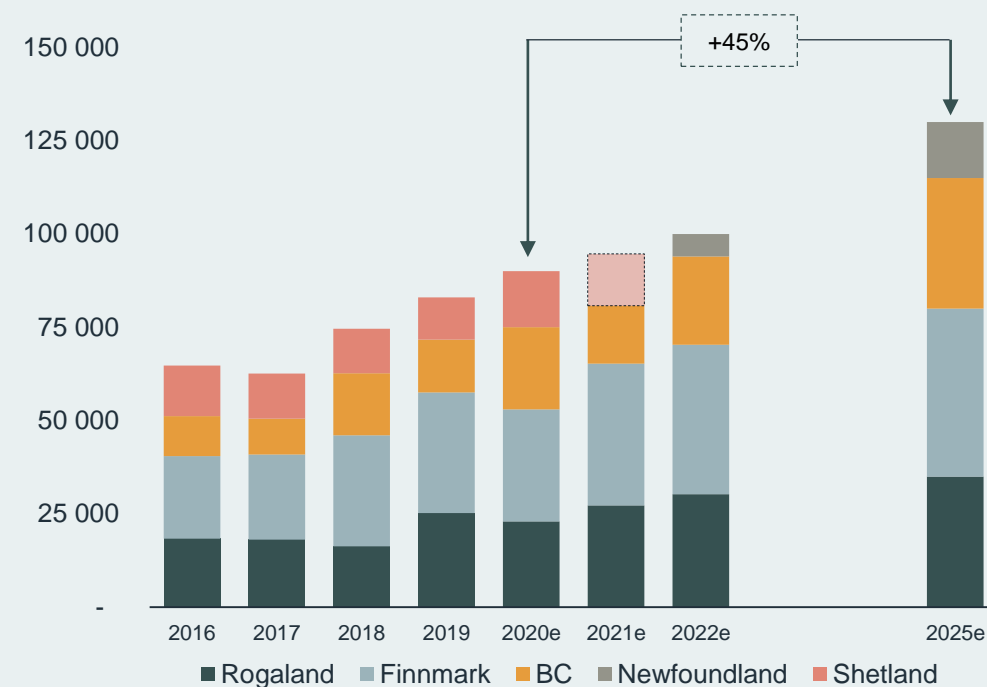
Andreas Kvame, CEO



Our goals

- Focus on Norway and Canada. Divest Shetland assets
- Targeting 45% volume growth 2020 - 2025
- Targeting average farming cost below NOK 40/kg in Norway and below CAD 7/kg in BC
- Provide attractive dividends over time
- Maintain sufficient financial capacity

Continue to increase harvesting volumes





Our priorities

**IMPROVE
PROFITABILITY**

**STREAMLINE
AND EXECUTE
GROWTH**

**SECURE
FINANCIAL
CAPACITY**

**SUSTAINABILITY
AT THE CORE OF
OUR BUSINESS**

**CREATE
SHAREHOLDER
VALUE**

Q&A