

The logo for Grieg Seafood, featuring the word "Grieg" in a bold, sans-serif font above the word "Seafood" in a smaller, regular sans-serif font. A registered trademark symbol (®) is located to the right of "Seafood". The logo is contained within a white rectangular box with a wavy bottom edge.

**Grieg**  
Seafood®

The title "ANNUAL REPORT 2022" is centered on the page. "ANNUAL REPORT" is in a large, bold, white, all-caps sans-serif font. Below it, "2022" is in a slightly smaller, bold, white, all-caps sans-serif font. A thin white horizontal line is positioned just below the word "REPORT". The background is a scenic landscape with mountains and a lake, with the mountains and sky reflected in the water.

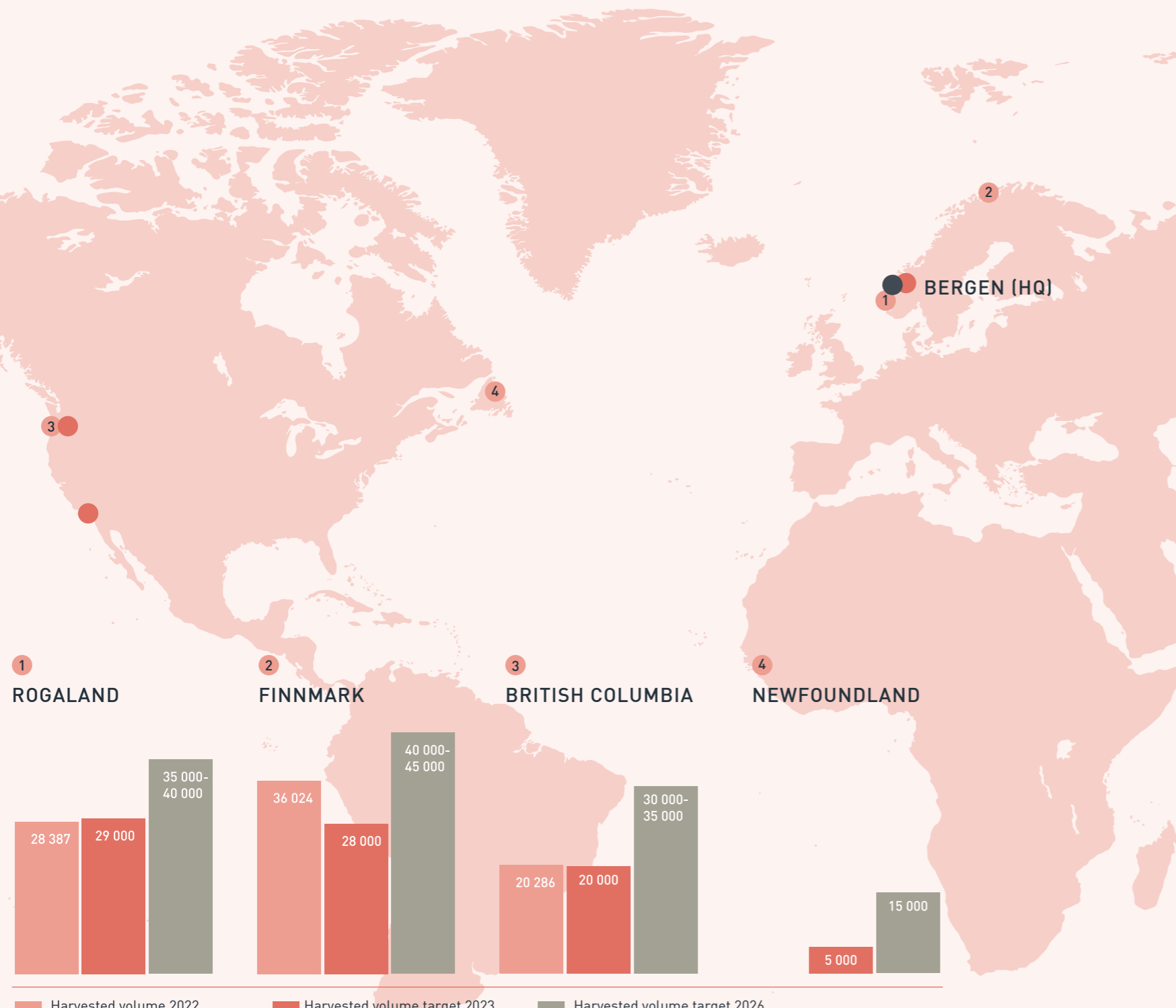
# ANNUAL REPORT

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## 2022

# OUR ORGANIZATION

- GRIEG SEAFOOD FARMING**  
 We farm Atlantic salmon (*Salmo salar*) in Rogaland and Finnmark in Norway, and in British Columbia and Newfoundland in Canada. We have hatcheries, sea farms and processing plants. Newfoundland is a greenfield project, where we transferred our first fish to sea in 2022.
- GRIEG SEAFOOD SALES**  
 We have our own integrated sales organization, with offices in Norway, Canada and the USA.



## OUR VISION ROOTED IN NATURE FARMING THE OCEAN FOR A BETTER FUTURE

### OUR VALUES OPEN

We are open with each other. We share knowledge and ideas, and learn from each other. We meet new perspectives with an open mind. We are always honest – also in difficult situations. Our managers have an open door and welcome suggestions for ways to improve.

We are open and transparent towards society. We proactively share honest information about our operations with the public, the authorities, and the media – even before they ask. We invite the community to our facilities, participate in the public debate, and engage in dialogue with other users of the fjords.

### AMBITIOUS

Every day, we endeavor to do our job in the best possible way. We never settle for the average. We walk the extra mile. We always strive to improve. We think big and set ambitious goals for everything we do. We are not afraid of making bold decisions, even if they are tough and push us out of our comfort zone.

We embrace change and innovation. We prioritize our commitments and carry them out. Our ambitious goals aim to make Grieg Seafood ever more profitable. Only then, we can develop the salmon farming industry further.

### CARING

We not only treat each other with respect, we care. We care about our people, and help them flourish and develop their talents. We foster a caring environment – even in difficult situations and when hard decisions must be made.

We care about our fish and the natural environment that is vital to the production of healthy salmon. We work constantly to maintain good biological control and reduce our impact on the environment. We will pass healthy fjords and salmon on to future generations.

We care about our communities. We recognize that the fjords belong to them, and we take their concerns seriously. We are a good neighbor. We create opportunities and lasting value for society.

For more information on the Group structure, refer to Note 1 in the Group Accounts.

# OUR VALUE CHAIN

## INPUT

### NATURAL CAPITAL

- Public natural resources: we lend sea areas for our sites and fresh water for our RAS facilities.
- Privately owned natural resources: Plant-based and marine feed ingredients, and salmon eggs.

### TECHNOLOGICAL CAPITAL

- Farming equipment and technology

### FINANCIAL CAPITAL









- Trust and investment from investors
- Access to capital

### HUMAN CAPITAL

- People (experience, ideas, passion)
- Culture
- Corporate governance

### POLITICAL/SOCIAL CAPITAL

- Our license to operate
- Trusted among our key stakeholders
- Favorable political conditions

BREEDING	FRESHWATER FARMING	POST-SMOLT	SEAWATER FARMING	HARVESTING	SALES AND DISTRIBUTION	VALUE ADDED PROCESSING	RETAIL / HORECA
 <p>In Rogaland, we have a broodstock operation where we breed for specific traits, such as strong health or resistance to sea lice and diseases.</p>	 <p>In all of our regions, we have land based RAS freshwater facilities, where the eggs are hatched and the salmon spend at least the first year.</p>	 <p>As part of our post-smolt strategy, we keep the salmon longer on land in all regions to shorten the time in seawater, reducing risk of biological challenges. In Rogaland, the average size of the smolt transferred to the sea in 2022 was 550 grams compared to 120 grams in 2015.</p>	 <p>The salmon live and grow in the sea until they reach a harvestable size of 4-5 kg.</p>	 <p>We have harvesting plants in Rogaland and Finnmark. We use a harvesting vessel in BC. In Newfoundland, we aim to establish cooperation with a local plant.</p>	 <p>We have our own global sales and market organization with local offices in the countries we farm salmon and in selected markets, to support growth and the downstream strategy.</p>	 <p>We have a small share of VAP in Norway and BC. We will form closer partnerships in the market and increase the value of our salmon through VAP.</p>	 <p>Our salmon is found in retail stores or on the menu at restaurants or hotels. Currently, we have the HoReCa brand Skuna Bay in Canada.</p>

## OUTCOME



**1 500 000**  
HEALTHY MEALS PER DAY\*

\*Based on our harvest volume in 2022, with 68% edible yield from live weight, and servings of 125 grams.

## OUR BRANDS

### SKUNA BAY

Skuna Bay is our high-end HoReCa brand for the US market. Skuna Bay fish is preferred by some of America's top chefs, and is regularly served at the James Beard Award. Read more here.

# OUR BUSINESS OPPORTUNITY

## AQUACULTURE IN A SUSTAINABLE GLOBAL FOOD SYSTEM

Food systems are responsible for 70% of the water extracted from nature, cause 60% of biodiversity loss, and generate up to a third of human greenhouse gas emissions. A complete transformation of our global food system is needed during the next decades. We must provide healthy food for a growing population using fewer resources and with a lower impact. If we do it right, food from the ocean can play an important role.

### THE CHALLENGES WE MUST SOLVE

- Ensuring co-existence with nature and other species
- Improving fish welfare
- Finding sustainable feed ingredients
- Cutting carbon emissions
- Recycle resources
- Promoting human rights

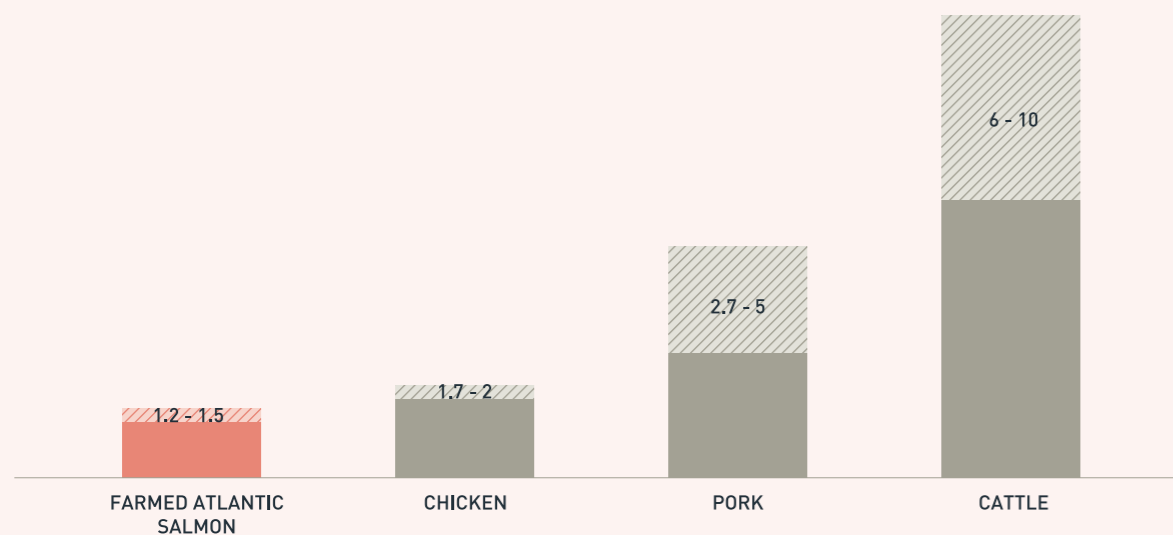
### TOMORROW'S SUSTAINABLE GLOBAL FOOD SYSTEM

- 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 has the potential to be an important part of the solution. 70% of the Earth is covered by ocean. Today, however, we obtain only about 2% of our food from the sea. While there are limits to the amount of wild fish that can be sustainably harvested, sustainable aquaculture can meet the increased demand for seafood in people's diets. With a low carbon footprint, low feed conversion ratio, low land and fresh water consumption, and a high edible yield, farmed salmon continues to be one of the most eco-efficient forms of animal protein. In addition, farmed salmon is a nutritious food with numerous proven health benefits. [Read more here.](#)

**FIGURE 1.1**  
FEED CONVERSION RATIO

Feed conversion ratio (FCR) measures the productivity of different protein production methods. A lower FCR represents a more efficient use of feed resources.



**FIGURE 1.2**  
EDIBLE YIELD

Edible yield measures how much of the animal is actually used for human consumption. Farmed Atlantic salmon has a high edible yield compared to other animal proteins.



**FIGURE 1.3**  
CARBON FOOTPRINT

Farmed salmon has a low carbon footprint compared to other animal proteins. Carbon footprint measures the total greenhouse gas emissions caused directly and indirectly by production of an item. Carbon footprint is measured as tonnes of carbon dioxide equivalent per tonne of edible protein.



Source: GSI

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# OUR FOUNDATION

Farming the ocean comes with a responsibility. We are dedicated to providing healthy seafood to people all over the world while reducing our footprint and improving fish welfare. People, partnerships, technologies and innovations will help us get there. This is our tiny way of making the world a better place.

# 01

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# HIGHLIGHTS 2022

## GROUP

- Highest ever volume harvested in our current farming regions, a total of 84 697 tonnes
- Record high Operational EBIT of NOK 1 739 million, with Operational EBIT/kg of NOK 20.5, driven by the harvested volume and an exceptionally strong salmon market
- Net profit after tax of NOK 1 154 million and earnings per share equal to NOK 10.3
- Good operational performance in our farming regions
- Sales operations achieved key milestones of establishing processing partners and presence of own VAP products, and sold 6% of our harvested volume as VAP
- Continued focus on certification for sustainable farming, a total of 29 of 40 eligible sites ASC certified, equivalent to 75% of budgeted net production
- Ranked second by the Collier FAIRR Protein Producer Index of the world's most-sustainable protein producers
- Received a Leadership (A-) score for our transparency and actions related to climate change risks from CDP, the gold standard of environmental reporting
- Recognized by CDP as a supplier engagement leader for raising the level of climate action across our value chain

## ROGALAND

- Highest ever harvested volume of 28 387 tonnes
- Operational EBIT/kg of NOK 26.6
- Good seawater production with a survival rate of 92%
- Average weight of smolt when transferred to the sea of 550 grams, in line with our post-smolt strategy
- No use of antibiotics due to efforts to ensure robust fish health and good results from vaccines
- 44% reduction in biomass receiving sea lice treatments from 2021, with more than 50% of the pens from which fish were harvested did not receive sea lice treatments due to a successful combination of preventive measures and our post-smolt strategy
- Total of five of 11 sites ASC certified (59% of budgeted net production)
- No escapes
- 66% of farms powered by renewable energy

## FINNMARK

- Highest ever harvested volume of 36 024 tonnes
- Operational EBIT/kg of NOK 25.7
- Good seawater production despite biological challenges, with a survival rate of 91%
- Total of 17 of 18 active sites ASC certified (90% of budgeted net production)
- 65% of farms powered by renewable energy

## BRITISH COLUMBIA

- Harvested volume of 20 286 tonnes
- Operational EBIT/kg of NOK 13.3
- Good seawater production with a stable survival rate of 91%
- Total of seven out of 11 eligible sites ASC certified (71% of budgeted net production)
- Reduced use of sea lice treatments due to a successful combination of preventive measures and mechanical treatments
- Respect the UN Declaration on the Rights of Indigenous Peoples (UNDRIP)

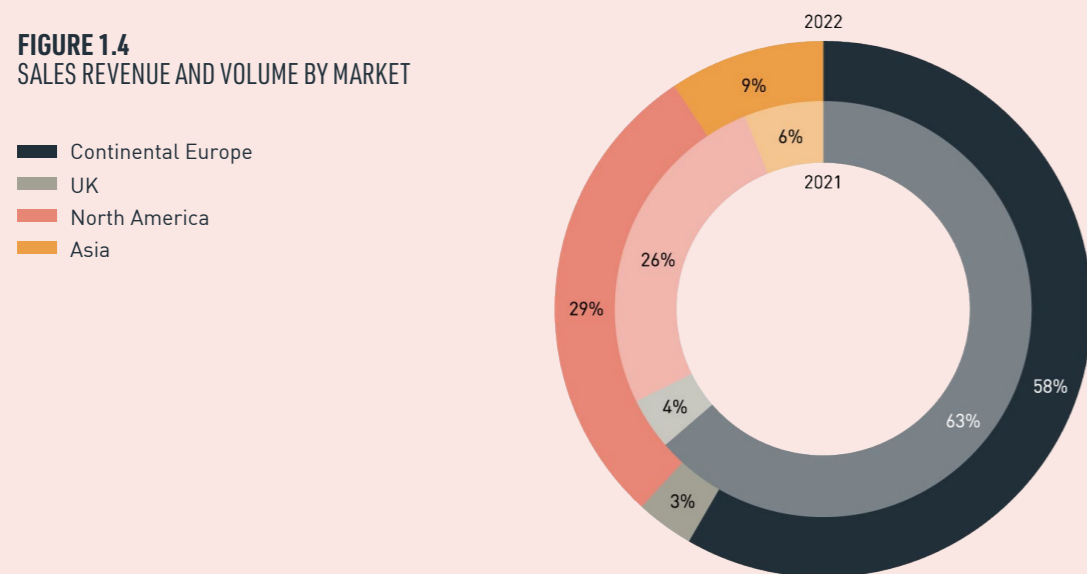
## NEWFOUND- LAND

- Successful first transfer of two million fish to the sea, year-end biomass of 2 600 tonnes
- Good seawater production, with high survival and no sea lice issues
- Harvesting expected to commence late 2023
- Operational EBIT of NOK -114.7 million
- Main priority is gradual development of the region to ensure biosecurity, fish health and profitability

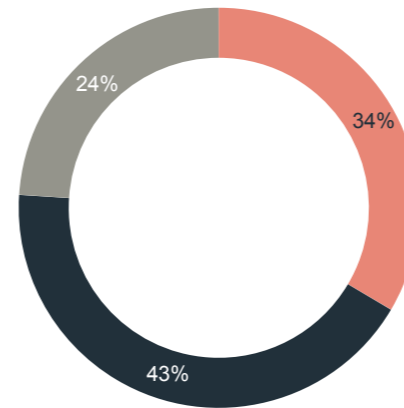
# KEY FINANCIAL FIGURES



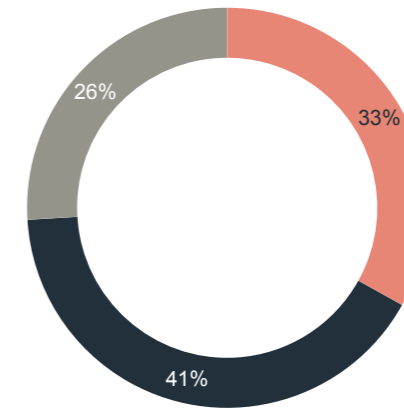
**FIGURE 1.4**  
SALES REVENUE AND VOLUME BY MARKET



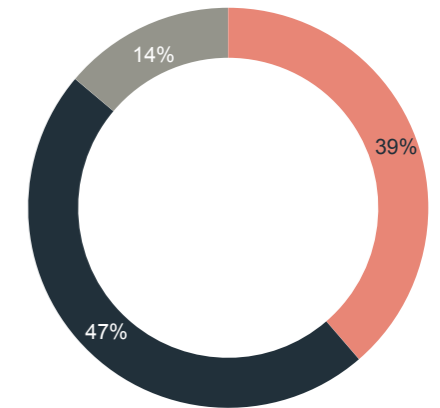
**FIGURE 1.5**  
HARVEST VOLUME 2022



**FIGURE 1.6**  
SALES REVENUE 2022



**FIGURE 1.7**  
OPERATIONAL EBIT 2022



■ Rogaland   
 ■ Finmark   
 ■ British Columbia

KEY FIGURES NOK MILLION	2022	2021 *	2020 *	2019 *	2018	2017	2016	2015	2014	2013
<b>Operational</b>										
Harvested volume (tonnes GWT)	84 697	75 601	71 142	71 700	74 623	62 598	64 727	65 398	64 736	58 061
Revenue/kg (NOK/kg) <sup>1</sup>	75.8	55.7	52.8	56.9	58.3	58.3	59.1	42.2	39.4	40.5
Farming cost (NOK/kg) <sup>1</sup>	52.7	47.2	47.0	40.5	43.1	43.4	39.7	37.7	35.2	34.0
Other costs incl. ownership and headquarters costs/kg (NOK) <sup>1</sup>	2.5	2.7	2.5	1.3	0.5	0.4	1.4	3.8	-1.1	0.5
Operational EBIT/kg <sup>1</sup>	20.5	5.9	3.3	15.0	14.7	14.5	18.0	0.7	5.3	6.0
<b>Financial</b>										
Sales revenues	7 164	4 599	4 384	4 756	7 500	7 017	6 545	4 609	4 100	2 404
Operational EBITDA <sup>1</sup>	2 191	818	602	1 384	1 334	1 106	1 342	261	484	484
Operational EBIT1	1 739	442	233	1 077	1 099	904	1 168	48	343	348
EBIT (Earnings before interests and taxes)	1 498	941	-57	822	1 355	813	1 683	81	219	616
Profit/loss for the year	1 154	604	-316	599	997	601	1 222	4	144	431
Cash flow from operations	1 562	601	412	1 193	820	709	953	367	157	317
<b>Capital structure</b>										
NIBD according to covenants requirement <sup>1</sup>	1 739	1 869	3 679	1 939	1 690	1 284	906	1 569	1 566	1 445
NIBD/Harvest (NOK) <sup>1,2</sup>	20.5	24.7	42.4	27.0	22.6	20.5	14.0	24.0	24.2	24.9
Equity %	50%	52%	41%	46%	48%	47%	47%	38%	42%	43%
Gross investments <sup>1,3</sup>	679	570	979	667	733	553	255	322	312	164
<b>Profitability</b>										
Return on Capital Employed (ROCE) <sup>1</sup>	23%	6%	3%	19%	22%	24%	33%	1%	10%	12%
Dividend per share (NOK)	3.0	0.0	0.0	4.0	4.0	4.0	1.5	0.5	0.0	0.0
Earnings per share (NOK)	10.3	10.7	-4.8	5.6	8.8	5.0	10.7	-0.1	1.3	3.9
Total market value (Oslo Stock Exchange)	8 917	9 427	9 643	15 666	11 423	8 068	9 123	3 462	3 182	2 736

\*Ex. Shetland. The Shetland assets was sold 15 December 2021. Figures up to and including 2018 include Shetland, while 2019 to 2021 do not include Shetland.

<sup>1</sup> See more information in the Alternative Performance Measures of this report.

<sup>2</sup> Net interest-bearing liabilities according to covenant divided by last 12 months harvested volume. For 2020, last 12 months harvest include Shetland (as Shetland was not sold as at 31 December 2020, and NIBD as 31 December 2020 was impacted by our Shetland operations).

<sup>3</sup> Incl. financial lease investments. (according to IFRS in force prior to 1 January 2019)



# OUR SUSTAINABILITY SCOREBOARD

The sustainability scoreboard is a set of some of the key performance indicators, where we track our performance.

The colors indicate

- Within target
- On track to meet our target
- Unsatisfactory result

PILLAR	KPI	TARGET	STATUS	2022	2021	2020	2019	2018
<b>PROFIT &amp; INNOVATION</b>	Return on capital employed <sup>1)</sup>	12% p.a.	●	23%	6%	3%	19%	22%
	Farming cost per kg	Cost leader in our operating regions						
	Rogaland (NOK)		●	48.2	44.6	42.1	35.9	40.3
	Finnmark (NOK)		●	47.3	43.7	44.1	37.7	35.6
	British Columbia (CAD)		●	9.1	8.8	8.0	8.3	7.4
	Harvest volume (tonnes GWT)	81 000 tonnes in 2022	●	84 697	75 601	71 142	71 700	62 699
<b>HEALTHY OCEAN</b>	ASC certification <sup>2)</sup>	All sites by 2023						
	Rogaland		●	5 (59%)	0	0	0	0
	Finnmark		●	17 (90%)	18 (100%)	15 (80%)	10	4
	British Columbia		●	7 (76%)	12 (69%)	11 (59%)	n/a	n/a
	Survival rate at sea <sup>3)</sup>	93% by 2022						
	Rogaland		●	92%	92%	90%	93%	92%
	Finnmark		●	91%	95%	92%	96%	96%
	British Columbia		●	91%	92%	90%	88%	88%
	Use of antibiotics (g per tonne LWE) <sup>4)</sup>	No use of antibiotics						
	Rogaland		●	0.0	0.0	0.0	0.0	0.0
	Finnmark		●	6.8	6.0	0.0	0.0	0.0
	British Columbia		●	34.8	41.7	62.3	87.0	151.3
	Newfoundland		●	0.0	0.0	0.0	n/a	n/a
	Sea lice treatments (g per tonne LWE) <sup>4)</sup>	Minimize use of pharmaceutical treatments						
	Rogaland		●	1.7	4.4	0.0	0.0	1.1
	Finnmark		●	0.8	0.5	1.0	0.3	0.8
	British Columbia		●	0.2	0.3	0.2	0.5	0.3
	Newfoundland		●	0.0	n/a	n/a	n/a	n/a
	Use of hydrogen peroxide (kg per tonne LWE) <sup>4)</sup>	Minimize use of pharmaceutical treatments						
	Rogaland		●	0.0	1.6	7.2	11.9	3.5
Finnmark		●	6.5	2.4	3.6	0.0	14.5	
British Columbia <sup>5)</sup>		●	12.8	35.7	46.6	6.0	5.8	
Newfoundland		●	0.0	n/a	n/a	n/a	n/a	
Escape incidents	Zero escape incidents							
Rogaland		●	0	0	0	0	0	
Finnmark		●	1 (2,878)	1 (4,352)	0	0	0	
British Columbia		●	0	2 (4)	0	0	0	
Newfoundland		●	0	n/a	n/a	n/a	n/a	
<b>SUSTAINABLE FOOD</b>	Carbon emission (kgCO2e per tonne GWT) <sup>4)</sup>	35% reduction (from 2018) in total emissions by 2030						
	Scope 1 + 2 location based		●	359	429	456	431	349
	Scope 3		●	4 120	4 843	5 720	6 359	6 655
	High quality product	93% superior share						
	Rogaland		●	77%	81%	85%	75%	74%
Finnmark		●	84%	82%	69%	86%	86%	
British Columbia		●	85%	87%	86%	86%	84%	
<b>PEOPLE</b>	Absence rate	Below 4.5%						
	Rogaland		●	5.6%	3.0%	3.0%	3.5%	4.7%
	Finnmark		●	9.7%	8.7%	5.5%	4.9%	5.4%
	British Columbia		●	6.4%	5.6%	6.8%	2.0%	1.8%
	Newfoundland		●	1.6%	1.3%	n/a	n/a	n/a
	Lost time incident rate	<sup>7)</sup>						
	Rogaland		●	25	42	9	15	24
	Finnmark		●	21	22	28	22	18
	British Columbia		●	9	6	36	35	38
	Newfoundland		●	0	5	n/a	n/a	n/a
Workplace culture	Above average score in Great Place to Work survey							
		●	85% (global)	85% (global)	84% (global)	79% (global)	89% (Norway)	
<b>LOCAL COMMUNITIES</b>	Support our local communities	Collaborate and contribute to local community	●	yes	yes	yes	yes	yes

Newfoundland has been excluded from some of the metrics that are not yet relevant due to first stocking to sea in 2022.

1) ROCE in 2019, 2020 and 2021 ex Shetland.

2) Number of sites certified and % of budgeted net production.

3) 12 months rolling survival rate calculated according to the GSI standards.

4) Amount of active pharmaceutical ingredients (APIs) used (gr/kg) per tonne of fish produced (LWE).

5) As of 01.01.2021, the Government of Canada - Department of Fisheries and Oceans Canada (DFO) changed the calculation formula for the API of hydrogen peroxide from Paramove 50 from 1 L (Paramove 50) \* 1.15 (density) \* 0.45 (concentration) = 1 kg H2O2 to 1 L (Paramove 50) \* 1.19 (density) \* 0.49 (concentration) = 1 kg H2O2, which corresponds to the method used in Norway. Previous years (2018 - 2020) have not been recalculated.

6) All previous years have been recalculated due to the divestment of our Shetland operations. See also GRI 102-48 and our chapter on carbon emissions.

7) LTIR figures are not scored since an LTIR target has not been defined in order to avoid under-reporting of incidents.



CEO LETTER

# DEAR SHAREHOLDER

2022 was a historic year for Grieg Seafood. In our 30 years, we have never achieved a higher Operational EBIT, seen a stronger market or harvested higher volumes in our existing farming regions. I want to sincerely thank all of my colleagues in farming, sales and support functions for their hard work and efforts throughout the year.

In recent years, Grieg Seafood has reached several of our strategic milestones, with the aim of re-shaping the company for future value creation. In 2020 and 2021, we repositioned Grieg Seafood to the geographies where we see the largest potential for sustainable growth: we sold our Shetland operations, and established a new production region in Newfoundland in Eastern Canada to complement our operations in Western Canada. In 2022, we transferred the first fish to sea farms in Newfoundland, and we plan to harvest the first fish during the autumn of 2023. From this year on, the move will allow us to serve the booming North American market with locally farmed salmon from both Canadian Coasts, without relying on expensive and carbon intensive air freight. Similarly, we are positioned as a reliable supplier to the strong European market from our Northern and Southern production regions in Norway.

Demand for salmon has soared since the Covid-19 pandemic ended, and the outlook seems bright, despite a more challenging economic situation in many countries. We see positive effects of having our own in-house sales organization, which enables production and sales to work in a more integrated fashion and increase the value created from our fish.

Biology remains challenging in our production regions. We are working on measures on many levels to improve biological control. We are particularly focusing on measures to improve fish health and welfare. We have also invested heavily in post-smolt and digital tools to enable more preventative farming practices. During 2022, our belief in "post-smolt" production, a technology that enable us to shorten the time our fish spend in the ocean, has been strengthened. We have come furthest with our post-smolt strategy in Rogaland, with post-smolt investments both on land and in closed-containment facilities in the ocean. Here, we clearly see that post-smolt increases survival, strengthens sea lice control and reduces the number of sea lice treatment needed in the ocean phase. In other words, this technology is improving both profitability and sustainability.

Our aim is to keep investing in innovation and new technologies to improve the industry and make it more profitable and sustainable, with a reduced footprint and greater fish welfare. In Norway, our ability to deliver on this goal at the pace we would like to see depends on how the suggested resource tax ends up. We hope the country's parliament will amend the proposal and ensure that we will still be able to develop the industry in local communities along the Norwegian coast also in the future. In BC, we have welcomed the "transition" of the salmon farming sector. In this process, the Government is working with the industry, First Nations and other stakeholders to improve the sector's performance, with a particular focus on reducing interactions with wild salmon.

We live in uncertain times, moving from one global crisis to another. Nobody can predict what the future holds. But I am confident that food from the ocean will play an increasingly important role, especially if the seafood industry keeps innovating and improving. And we have no intention of doing anything but that.



ANDREAS KVAME  
CEO

# OUR 2026 BUSINESS STRATEGY

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



Towards 2026, we aim to achieve production growth, cost improvements and to reposition the company in the value chain. Sustainability is the foundation of all three focus areas.

## STATUS AND ACTIONS TAKEN IN 2022

### 1 GLOBAL GROWTH

We aim for an annual harvest of 120 000-135 000 tonnes by 2026. Growth will mainly be driven by improved utilization of current operations, in addition to establishing Newfoundland as our new farming region. We will focus on post-smolt investments, target new licenses and seize opportunities within new technology. In some regions, there is also potential for continued improvement of site utilization. We also participate in new growth initiatives, M&As, joint ventures and greenfield projects, and seek cooperation with farmers in existing areas.

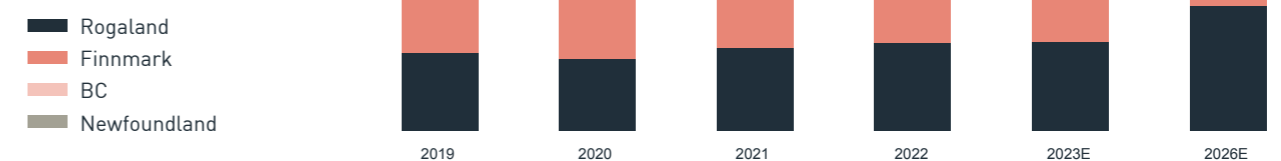
#### STATUS

- In 2022, we harvested 84 697 tonnes, the highest volume ever harvested in our current farming regions. This constitutes an increase of 9 100 tonnes, or 12%, compared to 2021. The increase in our Norwegian regions of 3 300 tonnes, or 5% compared to 2021, is a result of improved utilization of the sites' maximum allowable biomass (MAB). In BC, the harvested volume increased by 5 800 tonnes, or 40%, due to local production arrangements.
- We invested NOK 397 million in growth initiatives in 2022. More than 50% of the investments were related to the preparation and digitalization of seawater locations in Newfoundland. We also invested NOK 80 million in new seawater locations in Finnmark. Another key investment was the installation of barrier systems in BC. These allow us to protect the fish at sea during periods of challenging conditions, which we expect will increase survival rates going forward.
- We increased our investment by NOK 90 million from a 37% to 44% shareholding in Årdal Aqua, a land-based facility which is expected to produce 4 500 tonnes of post-smolt annually, with the potential to raise fish to harvestable size on land. Construction commenced in August 2022.
- Other major growth investments that we planned to initiate in Norway, such as a new post-smolt facility in Finnmark, were put on hold due to the proposed resource tax in the country. The final version of the proposal is expected to be adopted by the Norwegian parliament in 2023.

#### GOING FORWARD

- We expect further growth to come from increased utilization of our seawater licenses by moving more growth to land through our post-smolt program. We have come far with our post-smolt strategy in Rogaland, and aim to increase post-smolt capacity in Finnmark and BC as well.
- Better utilization of our seawater licenses, by improving biosecurity, fish health, welfare and survival rates, is also expected to secure on-growth and harvest volumes. Flexibility is a requirement to achieve better utilization of our capacity, and we are continuously looking for opportunities to secure access to new locations.
- Our Newfoundland region is expected to provide a harvest of 15 000 tonnes in 2026. We successfully transferred our first smolt to sea farms in 2022, and expect to harvest 5 000 tonnes towards the end of 2023.
- We have received four and a half development licenses for the offshore concept "Blue Farm" and two development licenses for a grow-out version of the closed containment facility FishGLOBE. The decision on whether to build these concepts depends on the final version of the new Norwegian resource tax.

FIGURE 1.8  
OUR GROWTH JOURNEY:  
HARVESTED TONNES GWT



Due to the local production arrangements and larger farms on the West Coast of Vancouver Island (where we harvested from in 2022), the harvested volume vary every other year, regardless of the underlying biology. Measures are being done to equalize harvest volumes in BC, including securing new locations.

## 2 COST IMPROVEMENT

To be cost competitive in the regions where we farm, we continuously focus on operational performance. Biological control through preventative measures and fish health and welfare is essential in securing increased survival and reduced production costs. We will also drive performance improvements through continuous research and development, as well as through the utilization of new technologies.

### STATUS

- In recent years, we have been able to reduce farming costs through operational improvement initiatives. In 2022, industry costs rose across the board, with feed prices, in particular, increasing by approximately 40% in Norway and close to 20% in BC. This impacted our farming cost (cost directly related to production and harvest of salmon) in all regions in 2022. When adjusting for general inflation only, and not taking into account the higher cost of feed, the increase in the farming cost is limited. In addition, biological events led to an increase in the cost of reduced survival of NOK 1.3/kg in Finnmark and CAD 0.4/kg compared to 2021. Adjusting for the change in abnormal mortality, the underlying farming costs in Finnmark and BC are reduced compared to 2022.

Farming cost/ kg	2021	2022	2022 inflation adjusted*	2022 adj for inflation* and abnormal mortality
Rogaland (NOK)	44.6	48.2	45.6	44.6
Finnmark (NOK)	43.7	47.3	44.7	42.2
BC (CAD)	8.8	9.1	8.6	8.1

\*Adjusted to 2021, based on the consumer price index for all goods and services, according to the Statistics Norway.

### GOING FORWARD

- General cost inflation and biological events in 2022 will increase our farming cost until the fish currently at sea are harvested. While the underlying biology is improving, we are launching an improvement program in 2023 to review all aspects of our operations and identify areas where we can improve profitability and reduce costs.
- While our post-smolt strategy increases investment expenditures and smolt costs, we expect it to reduce operational expenditures and reduce costs related to mortality, disease outbreaks, sea lice treatments and fish handling. Our farming experience and our data analyses indicate that less time in the sea reduces the risk of biological challenges such as sea lice, winter ulcers and ISA.
- In BC, we have had good results with digital monitoring and measures to mitigate the effects of harmful algae blooms, our main biological challenge in the region. The measures have contributed to a reduction in mortality related to algae blooms from 3.4% in 2019 to 1.15% in 2022. Additionally, we restructured our operations and closed down sites with historically higher farming cost per kg compared to other farms in the region. We expect this to contribute to reduced costs going forward.

## 3 VALUE CHAIN REPOSITIONING

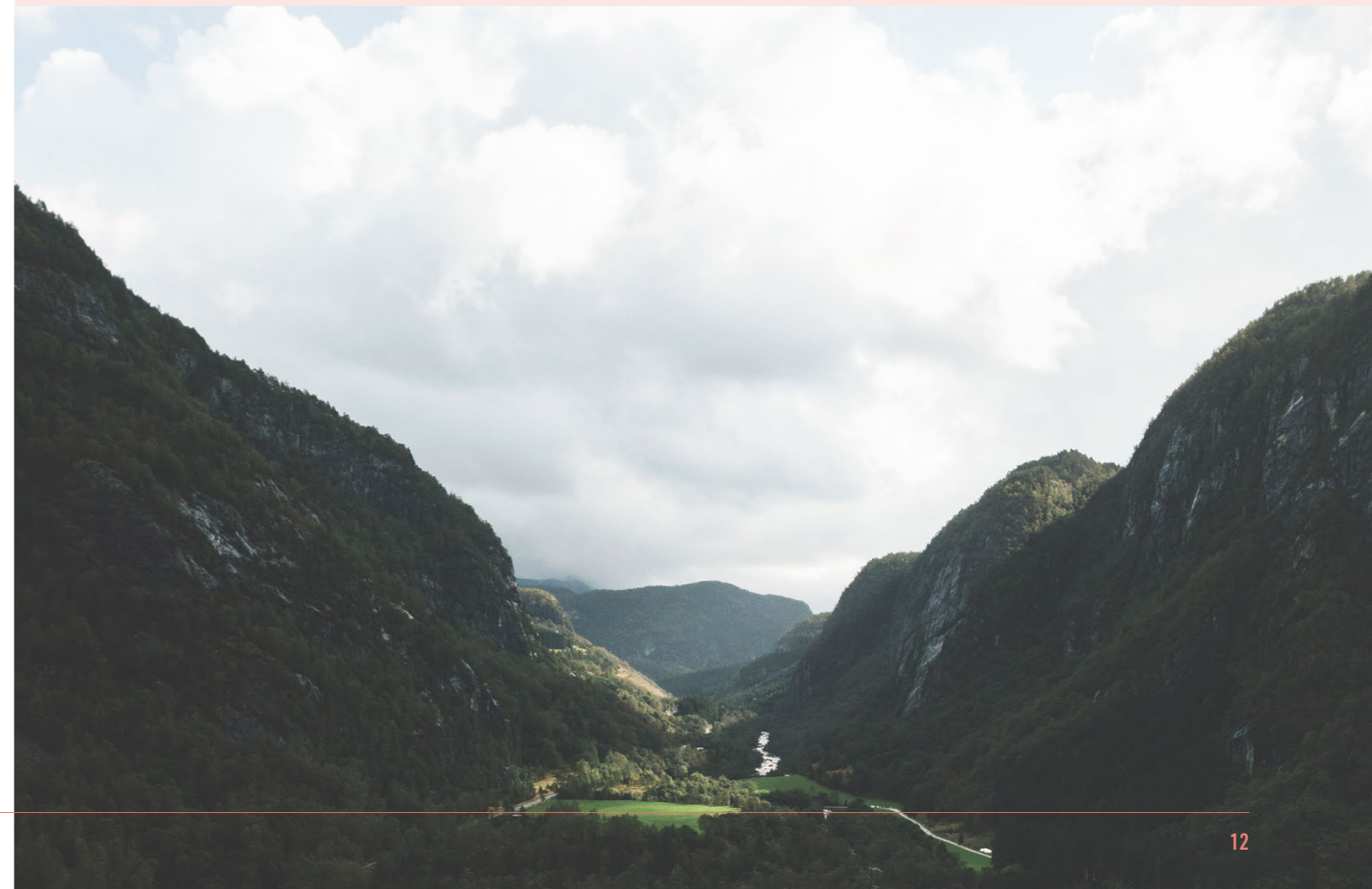
Our sales currently consist mainly of fresh, head-on gutted salmon. We aim to increase the value of our products through a stronger presence in the market, based on partnerships, category development and brand cultivation. Repositioning Grieg Seafood from a salmon raw material supplier to a strategic partner for selected customers is an important part of our value creation plan. Increasing our VAP share is also an important part of reducing our greenhouse gas emissions.

### STATUS

- Key milestones in 2022 were to establish processing partnerships in Norway and Europe, launch our VAP products in selected markets and boost our VAP share to 5-10% of harvested volume. We are in line with our targeted milestones, and have started processing salmon into fresh and frozen value added products with partners in Norway, as well as conducting processing trials in other countries in Europe. Furthermore, we have established the presence of our own VAP products in European, Asian and the US markets. 6% of our global harvested volume in 2022 was sold as VAP.
- We will continue to evaluate external opportunities to strengthen our processing capacity, such as long-term partnerships with third parties in Norway, North America and Europe, as well as the development of our existing internal processing infrastructure.

### GOING FORWARD

- 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 VAP by 2026. In 2023, we aim to increase our VAP share to 8-12% of harvested volume.
- We will continue to evaluate external opportunities to strengthen our processing capacity.
- We aim to develop B2B brands going forward. Currently, we have the successful Skuna Bay brand in the USA.





# OPERATIONAL FOCUS AREAS

To achieve sustainable growth and improve competitiveness, we focus on reducing the time fish spend at sea (post-smolt), improving fish welfare and providing data-driven decision support (“Precision Farming”) to our operations. Together, these focus areas strengthen our ocean farming.



## 1 LESS TIME AT SEA (POST-SMOLT)

During the first stages of their life, salmon are raised in onshore freshwater hatcheries. In traditional salmon farming, fish are transferred to the sea when they have undergone the smoltification process, making them physiologically ready for life in saltwater. With our post-smolt strategy, we keep the fish longer on land or in closed facilities in the sea, shortening the time that they spend growing in open sea-pens by several months. Less time at sea will improve biological control, fish welfare, survival and quality because each salmon is less exposed to biological risks like sea lice, seaborne diseases or other unfavorable ocean conditions such as harmful algae or sub-optimal oxygen levels. Less exposure to these risks will also allow us to improve sea lice control better utilize preventative methods and avoid expensive treatments. This will reduce our environmental impact as well as our production cost. Post-smolt also increases flexibility with regard to the transfer of smolt, allowing us to fallow sites for longer periods if necessary. The fish will be larger and more robust when entering the sea-growing phase, which we believe will increase health and welfare in and of itself.

Post-smolt transfer also allows for a more efficient production cycle. It takes less time to reach harvestable size in the sea, which frees up capacity at farms to grow more salmon within existing licenses. The result is a lower environmental footprint per fish, better fish health and welfare, lower costs, and increased annual harvests. Altogether, we expect post-smolt transfer to reduce operational expenditure in the sea-growing phase, improve profitability and competitiveness, and provide opportunities for sustainable production growth.

### ACHIEVEMENTS 2022

- In Rogaland, where we are pioneering our post-smolt strategy:
  - The average smolt transferred to the sea in 2022 weighed 550 grams compared to an average of 120 grams in 2015.
  - More than 50% of fish harvested were raised from post-smolt (fish weighing more than 200 grams when transferred to 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.
  - There are strong indications of improved biological control compared to standard smolt weight, with a significant reduction in sea lice treatments. Compared to 2021, we achieved a 44% reduction in biomass receiving sea lice treatments. More than 50% of the pens from which fish were harvested did not receive any sea lice treatment, up from 40% in 2021.

### GOING FORWARD

- We plan to boost post-smolt capacity in Rogaland by at least 5 250 tonnes. In Finnmark, we target an increase of 3 000 tonnes of post-smolt at our current freshwater facility in Adamselv. Investment decisions have been postponed from 2022 to 2023, and will depend on the final outcome of the resource rent tax proposed by the Norwegian government.
- Grieg Seafood Rogaland aims to increase the average smolt transfer weight to approximately 800 grams in 2025.
- In Newfoundland, we plan to start constructing a module in 2023, with a capacity of 1 400 tonnes post-smolt.

## 2 PREVENTION AND FISH WELFARE

We pursue a systematic, long-term approach to fish health and welfare. The key is investment in and further development of preventive measures against seaborne hazards, such as sea lice, harmful plankton, jellyfish, low oxygen levels, infectious diseases and low seawater temperatures.

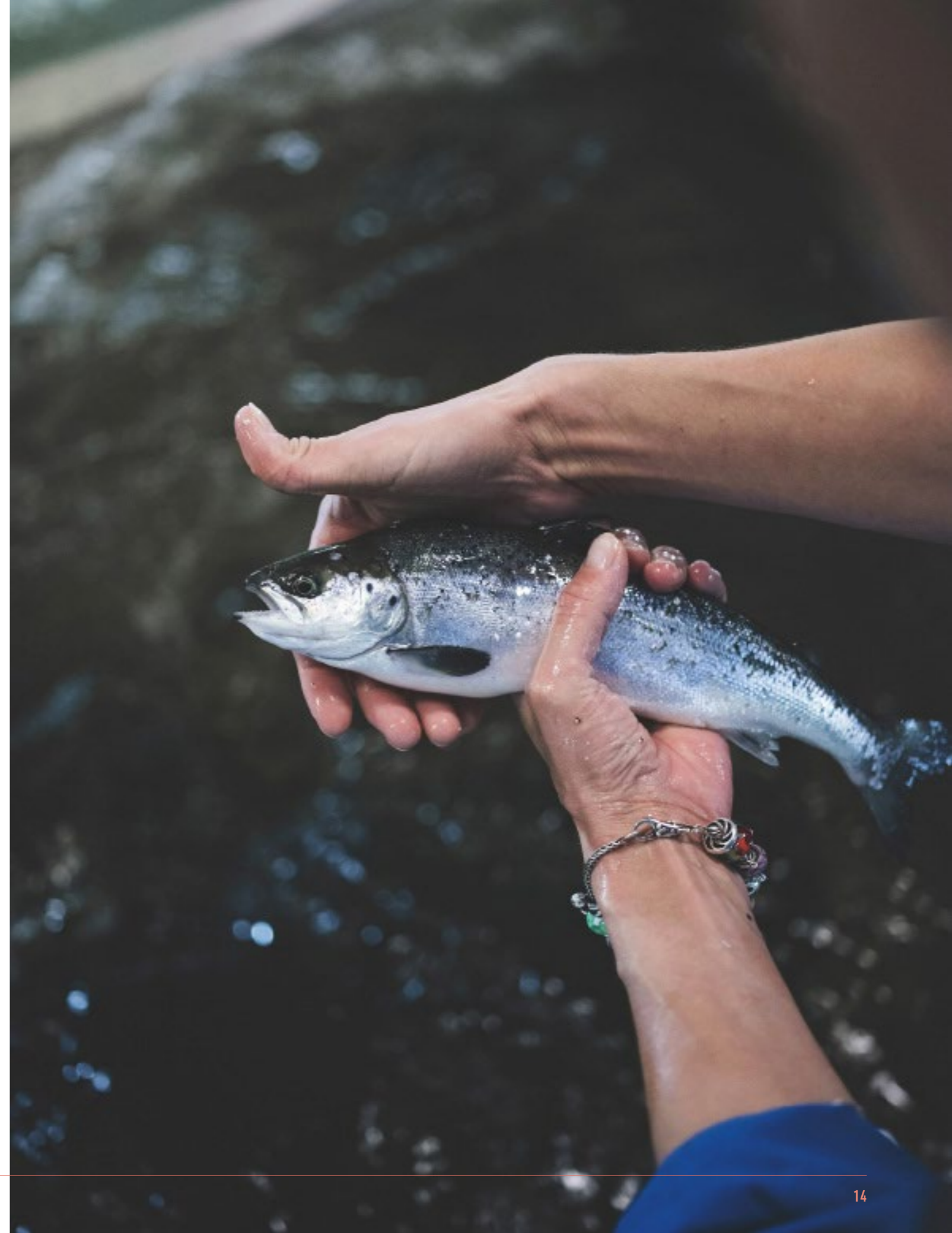
Prevention will reduce handling and stress for the fish. It will also reduce our environmental footprint by, for instance, reducing the number of treatments needed. Moreover, prevention instead of handling reduces production costs. The result is improved welfare, stronger growth, increased survival, high harvesting quality and lower costs.

### ACHIEVEMENTS 2022

- In BC, we have installed a combination of aeration/oxygen generation systems and retractable barriers to keep harmful algae outside and push clean and oxygenated water up to the fish during periods of harmful algae blooms or sub-optimal oxygen levels. The effect is increased survival and continued feeding and on-growth during challenging conditions, as well as better sea lice control. Mortality related to harmful algae blooms has been reduced from 3.4% in 2019 to 1.15% in 2022.
- In Rogaland, due to post-smolt and the use of cleaner fish as a preventive method to control sea lice, more than 50% of the pens of fish harvested did not receive any sea lice treatments in 2022.

### GOING FORWARD

- To mitigate the future impact of the parasite *Spironucleus salmonicida* (Spiro), which posed a challenge in Finnmark in 2022, we will invest NOK 70 million in UV treatment in 2023, to secure the water intake to our freshwater facility. We have also initiated a project with academia to investigate and learn more about the parasite.
- Some of our numerous ongoing initiatives to improve fish health and welfare throughout the production cycle include the selection of roe with specific qualities related to sea lice and diseases, feed customized for the various stages of the salmon's life cycle, and vaccinations targeting specific diseases:
  - We have enhanced our feed for use during the winter period, utilizing best available science, to strengthen health, welfare, robustness and quality. Examples of changes are increased levels of essential marine fat and a stronger vitamin mix.
  - Initiatives to optimize health, welfare and robustness of smolt and post-smolt by conducting data analysis on historical production data to provide decision-making support.
  - Efforts to mitigate the negative impact mechanical sea lice treatments may have on fish health and welfare. Mortality caused by such treatments has been reduced, and we are working to reduce it further.
  - We have developed our own fish welfare indicators, based on the Fishwell research project, to enable us to more systematically assess and improve fish welfare throughout our operations.





"Grieg Seafood Precision Farming" is our concept for digitalizing farming operations, where we apply advanced sensors, data analytics, artificial intelligence, and automation with the aim of supporting our farmers to take insight-based decisions before eventual negative impact occurs by utilizing prediction models based on data acquisition as early as possible in everyday operations. The aim is to work more preventatively, improve fish welfare, reduce our impact and improve our farming. We are gaining positive results by combining experience-based knowledge and data-based insight in our projects.

Big data analyses on previously unknown connections between the fish and the environment provide insights for strategic decision-making. The use of digital tools and dashboards, providing real-time data on various farming parameters to operational centers as well as to farmers, aims to improve tactical and operational decisions. They also allow us to benchmark on new parameters and learn better from best practice. We aim to be able to predict negative events early, enabling us to apply preventative measures and improve management decisions. The result is expected to be increased growth, reduced environmental impact, improved fish welfare, increased productivity and lower costs. Read more about Precision Farming [here](#).

### ACHIEVEMENTS 2022

- Our internal analysis team has continued with new data analyses to provide strategic and tactical decision-making support, aimed at mitigating biological challenges:
  - Analysis on contributing factors to Yellow mouth disease in BC, where we have developed prediction models and dashboard for visualization for potential outbreak of Yellow mouth. The project is a collaboration with the University of Alberta. The findings in the analysis have given input for optimizing the production cycle at exposed sites in BC.
  - Analysis of the drivers behind unexpected mortality on specific sites in Rogaland, by tracing the fish all the way back to the genetic providers. The results are to be further investigated.
  - Analyzed reasons for harvest deviations in Finnmark and Rogaland, gaining more insight in optimized transfer of fish throughout the production cycle.
  - Analysis to find markers in the data for where and why we experienced the outbreak of parasite *Spironucleus salmonicida* in Finnmark. Findings have initiated investment in risk mitigation initiatives in our freshwater facility.
- We have developed machine learning models that can forecast growth, mortality, and the likelihood of treatments and diseases like PD and ISA occurring in populations at sea, several days in advance.
- We have initiated a pilot project within democratization of data, that will enable production managers and biological planners to perform data analysis and gain databased insights including simple simulation capabilities.

### GOING FORWARD

- We are setting up a project to identify the eFCR, bFCR and growth rates for different smolt sizes looking at the whole production cycle (freshwater & seawater), including the optimal smolt size given location, time of input and cost.
- Increased focus on automatic and standardized data acquisition in the freshwater facilities will enable us to do performance analyses in our hatcheries as well as build early warning capabilities for potential negative trends on water quality parameters.
- We are setting up integrated operation centers in both Newfoundland and Finnmark as a continuation of our strategy to strengthen our seawater production by enforcing the utilization of digital capabilities in the group. Both centers will be built to the same design and with similar capabilities as we are running in Rogaland.



# SUSTAINABLE FOUNDATION

## OUR FIVE PILLARS AND MATERIAL TOPICS

Grieg Seafood's business is based on sustainable operations. 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. Our targets go beyond short-term profitability. Based on our materiality assessment, our five pillars show our commitment to sustainable and long-term value creation for all of our stakeholders. The topics listed under each pillar is identified as important to our organization and our stakeholders, and is covered by group policies. The topics in red represents the list of material topics reported in line with the GRI standards. Find a combined overview of our pillars, targets and Group policies here.

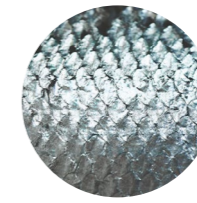
OUR PILLARS



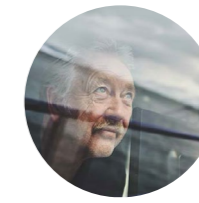
HEALTHY OCEAN



SUSTAINABLE FOOD



PROFIT & INNOVATION



PEOPLE



LOCAL COMMUNITIES

SDG ALIGNMENT



MATERIAL TOPICS

- Fish health & welfare
- Protecting wild salmon (escape and sea lice control)
- Protecting biodiversity & marine ecosystems (local emissions, medicine use, wildlife interaction)

- Safe and healthy food
- Sustainable feed ingredients
- Climate action
- Recycling and waste management
- Plastic pollution

- Profitable operations
- Our market
- Research, development and innovation
- Responsible business conduct
- Corporate governance

- Human rights
- Embracing diversity
- Creating attractive jobs
- Keeping our employees safe

- Local value creation
- Indigenous relationships
- Dialogue and engagement



## FINANCIAL IMPACT OF MATERIAL ESG TOPICS

All material areas, as well as many significant ones, are covered by Group Policies, to ensure a systematic improvement efforts across the Group. While managing many of these risks is an ethical responsibility, it also supports our financial performance directly or indirectly.

PILLAR	MATERIAL AREA	FINANCIAL IMPACT	TARGET	LINK TO MANAGEMENT APPROACH
Healthy ocean	Fish health and welfare	<b>Mainly direct financial impact:</b> Fish with good health and welfare grow well. Health and welfare is important to secure the highest possible harvest volume with the highest possible quality. Diseases and treatments on the other hand, are key cost drivers.	93% survival at sea by 2022  No use of antibiotics	Our impact and principles: fish health and welfare  Policy for fish health Policy for fish welfare Policy for use of antibiotics
	Protecting wild salmon - escape	<b>Mainly indirect financial impact:</b> Escaped fish may interbreed with wild salmon in some of our farming regions. Escape events increase risk of stricter regulations and reduce the social license to operate needed to achieve growth.	Zero escape incidents	Our impact and principles: co-existence with wild salmon  Policy for protecting biodiversity
	Protecting wild salmon - sea lice control	<b>Mainly direct financial impact:</b> Controlling sea lice through preventative methods is the most cost-efficient approach. Sea lice treatments are resource intensive and increase production cost.	Average adult female sea lice below 0.5 in Norway / Average motile sea lice below 3.0 in BC	Our impact and principles: co-existence with wild salmon, and co-existence with crustaceans  Policy for sea lice control
	Protecting biodiversity and marine ecosystems - local emission	<b>Mainly direct financial impact:</b> Good sites that restore easily during the following period between each production cycle are the most optimal for salmon production. They do not only have the lowest impact on the marine ecosystem, they also typically have the best fish health, welfare, growth and lowest cost.	All sites restored to regulatory accepted level between each generation of fish.  No use of copper in nets.	Our impact and principles: impact on nature  Policy for protecting biodiversity
	Protecting biodiversity and marine ecosystems - medicine use	See sea lice control above.	Minimize use of pharmaceutical treatments	Our impact and principles: co-existence with crustaceans  Policy for protecting biodiversity
	Protecting biodiversity and marine ecosystems - wild life interaction	<b>Mainly indirect financial impact:</b> Impacting wild life around our farms increases risk of stricter regulations, and reduce the social license to operate needed to achieve growth.	Zero dead marine animals. Number of dead birds in compliance with ASC.	Our impact and principles: co-existence with wild life  Policy for protecting biodiversity
	Sustainable food	<b>Mainly direct financial impact:</b> If our product does not meet health and safety expectations, we risk losing confidence with our customers, leading to loss of revenues.	All our operations certified according to a Global Food Safety Initiative  See more targets in the policy	Our impact and principles: Safe food  Policy for food safety

PILLAR	MATERIAL AREA	FINANCIAL IMPACT	TARGET	LINK TO MANAGEMENT APPROACH
Sustainable food	Sustainable feed ingredients	<b>Mainly indirect financial impact:</b> Fish feed comprises approximately 40% of the farming cost. Ensuring access to a broad basket of potential feed ingredients that are accepted by the consumer is important to keeping costs down. Working proactively to improve the sustainability of salmon feed and ensure that it meets the requirements of the future consumer is key to ensure access to various feed ingredients and the lowest possible feed cost in the short, medium and longer term.	All marine ingredients, palm oil and Brazilian soy protein concentrate certified. GHG emissions from feed reduced by 30% from 2018 to 2030. See more targets in the policy	Our impact and principles: sustainable feed ingredients, sustainable marine ingredients, zero deforestation  Policy for sustainable feed
	Climate action	<b>Direct financial impact:</b> Physical climate risks, such as increased water temperature in the ocean, may in the longer run cause financial impacts if they are not mitigated.  <b>Indirect financial impact:</b> Efforts to reduce carbon emissions reduce transitional climate risks, such as impacts of future carbon taxes or regulations	35% reduction of Scope 1, 2 and 3 by 2030	Our impact and principles: reducing carbon emissions  Policy for climate action  TCFD report
Profit & innovation	Responsible business conduct	<b>Mainly indirect financial impact:</b> Strong corporate governance is essential to achieve our objectives. Breaches and non-compliances can lead to fines and lawsuits, impacting revenues and costs.	No incidents of non-compliance	Code of Conduct Supplier Code of Conduct Policy for anti-money laundering Policy for anti-corruption
	Corporate governance			Governing policies including Principles of Corporate Governance
People	Human rights	<b>Mainly indirect financial impact:</b> Promoting respect for human rights in our operations and supply chain supports our social license to operate, our reputation and attractiveness in the market, all of which underpin growth and price achievement	100% completion of Code of Conduct program. Human Rights Due Diligence.	Our impact and principles: human rights  Policy for human rights
	Keeping our employees safe	<b>Mainly indirect financial impact:</b> A safe workplace with good conditions is a prerequisite for good performance.	Absence rate below 4.5%	Our impact and principles: health and safety Policy for diversity Policy for gender equity
Local communities	Local value creation	<b>Mainly indirect financial impact:</b> Contributing to the rural communities where we operate is key to our social license to operate, which underpins our growth ambitions and a prosperous industry.	Collaborate and contribute to local community	Rogaland Finnmark British Columbia Newfoundland
	Indigenous relationships	<b>Mainly indirect financial impact:</b> Respecting Indigenous people's rights in the relevant regions is also key to our social license to operate.		Our impact and principles: indigenous relationships

## THE 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 aligns with the various SDGs [here](#).

## R&D ACTIVITY

R&D is inherent to delivering on our strategy and targets, such as improvements in fish welfare, sustainability, cost control and product quality. Read about our efforts [here](#).

## GLOBAL SUSTAINABILITY INITIATIVES

Grieg Seafood has committed to several initiatives that set high standards for our farming operations and value chain. Initiatives range from ocean stewardship to the climate, deforestation, and human rights. Read more about these initiatives [here](#).

## PARTNERSHIPS AND COLLABORATION

Collaboration and partnerships with researchers, peers, companies in our value chain, NGOs or other relevant actors is highly valued by Grieg Seafood. Only through collaboration can we drive necessary change, and solve the challenges we have in our industry and in our global food system. Read more about our partnerships [here](#).



# OUR OPERATIONAL RESULTS

## 02

We aim to create shared value for shareholders, employees, local communities and customers alike.

### OPERATIONAL RESULTS FROM OUR FARMING AND SALES ACTIVITIES

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### RESULTS FROM SELECTED SUSTAINABILITY TOPICS

Sustainability topics that are material to our farming operations are incorporated into the section above. Selected topics with indirect impact are covered below.

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# PROFITABLE OPERATIONS

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.

## GROUP FINANCIAL RESULTS 2022

### PROFIT AND LOSS

The Group harvested 84 697 tonnes GWT of Atlantic salmon in 2022, an increase of 12% compared to 75 601 in 2021. Our Norwegian regions contributed 76% (81%) of the volume harvested, while British Columbia accounted for 24% (19%).

Total sales revenue for the year came to NOK 7 164 million, up NOK 2 565 million from NOK 4 599 million in 2021. Sales revenues from the Group's farming regions totaled NOK 6 418 million in 2022, up NOK 2 207 million from NOK 4 211 million in 2021 (see Note 8 to the Group Accounts). The difference between the total sales revenue for the Group and sales revenues from farming regions is attributable to Elim/Other effects (see Note 8 to the Group Accounts), which includes the gross uplift on sales revenue for the Group generated by the sales organization. The increase in overall sales revenue is due to a record-high volume harvested in Rogaland and Finnmark of 64 411 tonnes GWT in 2022 compared to 61 154 in 2021, a 40% higher volume harvested in British Columbia, and an exceptionally strong market. The Group's aggregate price realization for the year came to NOK 75.8 per kg (NOK 55.7 per kg). By comparison, the average NQSALMON NOK/kg price for 2022 was NOK 82.0 per kg (57.3). Price realization was negatively impacted by fixed-price contracts for some of our Norwegian volume, as well as the lower price achieved for production grade volumes.

The Group's farming cost for 2022 ended at NOK 52.7 per kg (NOK 47.2 per kg). Although the underlying cost level was good, costs have increased due to inflationary pressure on key production inputs, including feed. In Finnmark, costs increased towards the end of the year due to the parasite *Spironucleus salmonicida* ("Spiro"), which led to early harvesting and the culling of fish in certain pens. In total, our Norwegian farming regions contributed 69% (76%) of the farming cost, an increase of NOK 3.6 per kg in cost, from NOK 44.1 per kg in 2021 to NOK 47.7 per kg in 2022. Despite harvesting a 40% higher volume year-

on-year, British Columbia had a farming cost of CAD 9.1 per kg, up CAD 0.4 per kg compared to CAD 8.8 per kg in 2021. The cost was significantly impacted by reduced survival at the freshwater stage, where the total cost recognized as abnormal mortality in the income statement was CAD 0.6 per kg, compared to CAD 0.2 per kg last year.

Raw materials and consumables, which consist mainly of the Group's freshwater and seawater fish stocks, in addition to feed, ended at NOK 2 234 million, up NOK 495 million from the NOK 1 738 million recognized in 2021. Salaries and personnel expenses ended the year at NOK 696 million, an increase of NOK 118 million from NOK 577 million in 2021. The increase was partly driven by the farming regions, and partly by the synthetic option scheme to the management group and regional directors, as all members of Group management exercised options during the year. See the Group Accounts Note 17 for more information. Other operating expenses ended at NOK 2 087 million, up NOK 560 million compared to NOK 1 527 million in 2021.

Operational EBIT (see Alternative Performance Measures) in 2022 ended at a record NOK 1 739 million (NOK 442 million), equivalent to an Operational EBIT of NOK 20.5 per kg (NOK 5.9 per kg). The increase was driven by exceptional price realization in all farming regions. The ROCE for 2022 ended at 23%, compared to 6% in 2021.

EBIT (earnings before interests and taxes) came to NOK 1 498 million, up NOK 557 million compared to NOK 941 million in 2021.

For a more detailed review of the Group's financial performance in 2022, see the Board of Directors' report.

### LEARN MORE ON OUR WEBSITE

→ [Our share, shareholders and dividends](#)

**FIGURE 2.1**  
KEY FIGURES GRIEG SEAFOOD GROUP

NOK MILLION	2018	2019	2020	2021	2022
Sales revenues	7 500	4 756	4 384	4 599	7 164
Operational EBITDA	1 334	1 384	602	818	2 191
Operational EBIT	1 099	1 077	233	442	1 739
EBIT (Earnings before interests and taxes)	1 355	822	-57	941	1 498
Harvest volume (tonnes GWT)	74 623	71 700	71 142	75 601	84 697
Farming cost/kg (NOK)	43.1	40.5	47.0	47.2	52.7
Operational EBIT/ kg (NOK)	14.7	15.0	3.3	5.9	20.5
ROCE	22%	19%	3%	6%	23%

Shetland was sold 15 December 2021. The figures from 2019 to 2021 are ex. Shetland, as the assets was held for sale as from 2020 and presented as discontinued operations. 2018 figures have not been represented and include Shetland in its figures.

## DIRECT ECONOMIC VALUE GENERATED

Taxes are important sources of government revenue. They are central to the fiscal policy and macroeconomic stability of countries and are acknowledged by the United Nations to as playing a vital role in achieving its Sustainable Development Goals. Furthermore, they are a key mechanism by which organizations contribute to the economies of the countries in which they operate, i.e. Norway and Canada for Grieg Seafood. By reporting our taxes paid country-by-country, we indicate our scale of activity and the contribution we make through tax in these jurisdictions. Living up to our obligation to comply with tax legislation and our responsibility to meet our stakeholders expectations with respect to good tax practice is extremely important to us.

The information on the creation and distribution of economic value shall provide a basic indication of how we create wealth for our stakeholders. In addition, the components of the economic value generated and distributed sharpen Grieg Seafood's economic profile, permit a different interpretation of the economic figures and outline the overall economic value retained from the Group's ordinary operations during the year. In 2022, the economic value retained came to NOK 1 572 million, corresponding to an increase of about NOK 1 048 million compared to 2021.

**FIGURE 2.2**  
TOTAL TAXES (INCOME AND PROPERTY TAX) PAID IN 2022  
(NOK million)

Norway	92
Canada	4
<b>Total taxes paid</b>	<b>96</b>



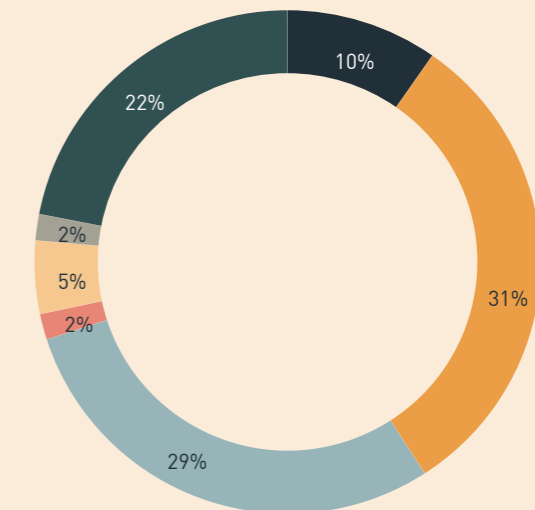
**FIGURE 2.3**  
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

NOK MILLION	2018	2019	2020	2021	2022
<b>Value generated</b>					
Revenues	7 500	4 756	4 384	4 599	7 164
<b>Total value generated</b>	<b>7 500</b>	<b>4 756</b>	<b>4 384</b>	<b>4 599</b>	<b>7 164</b>
<b>Value distributed</b>					
Salaries and personnel expenses	541	493	500	577	696
<b>Operating cost</b>					
Raw materials and consumables used	3 853	1 498	1 717	1 738	2 234
Other operating expenses	1 822	1 407	1 593	1 527	2 087
<b>Payments to providers of capital</b>					
Net interest and other financial items	64	64	133	200	118
Paid dividends	467	442	—	—	337
<b>Payments to government</b>					
Income taxes and production fee	148	128	205	31	120
<b>Total value distributed</b>	<b>6 895</b>	<b>4 033</b>	<b>4 148</b>	<b>4 075</b>	<b>5 592</b>
<b>Total value retained</b>	<b>605</b>	<b>723</b>	<b>237</b>	<b>524</b>	<b>1 572</b>

All figures compiled from the audited Group accounts.

**FIGURE 2.4**  
VALUE GENERATED IN 2022

- Salaries and personell expenses
- Raw materials and consumables used
- Other operating expenses
- Net interest and other financial items
- Estimated taxation
- Value retained



## CREATING SHAREHOLDER VALUE

Our ambition is to create shareholder value and deliver competitive returns relative to comparable investment alternatives. We engage with the investor community in an open, transparent and continuous dialogue. Building trust and awareness is critical to ensure that the information disclosed to the financial market, including current and potential investors, analysts and other stakeholders, provides the best possible basis for a correct valuation of Grieg Seafood.

Grieg Seafood was listed on the Oslo Stock Exchange/Euronext on 21 June 2007, under the ticker GSF. We have only one class of shares, and all shares carry the same rights. As of 31 December 2022, the Company had 112 095 231 shares outstanding, at a nominal value of NOK 4.00 per share (excluding treasury shares). Total ordinary shares as at 31 December 2022 was 113 447 042.

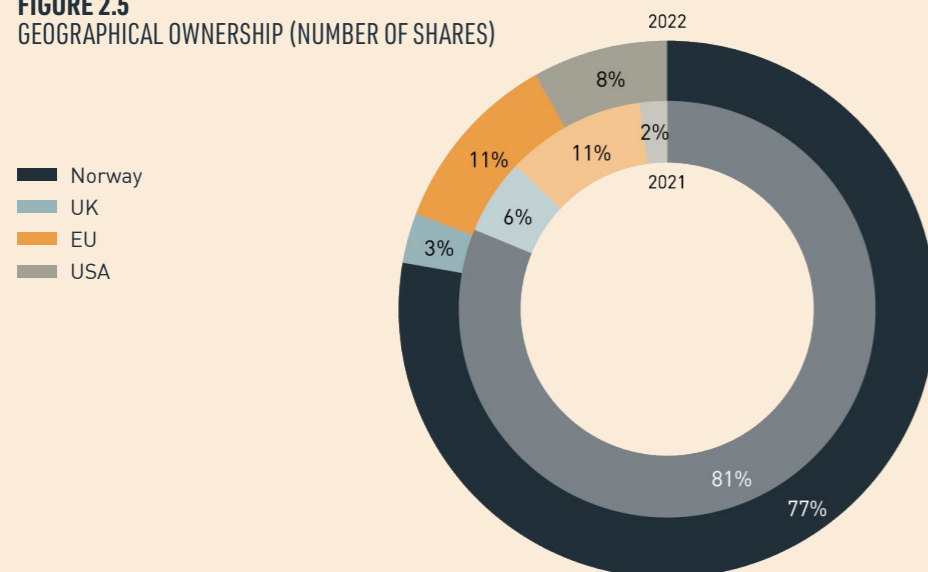
As of 31 December 2022, we had 10 590 shareholders, with our ten largest investors holding 66.7% of our shares, and the 20 largest investors holding 73.0%. The number of shareholders increased during the year, from 9 938 at year-end 2021. Norwegian-based shareholders own the majority of the Company's shares, with Per Grieg Jr. and the Grieg family

control 51.1% of the outstanding shares as of 31 December 2022. A further 4.5% was controlled by OM Holding AS and 2.6% by Folketrygdfondet (the Norwegian National Insurance Fund) at year-end 2022. Grieg Seafood ASA held a total of 1 351 811 treasury shares as of 31 December 2022. For a detailed breakdown of our 20 largest shareholders, please see Note 18 of the Group Accounts.

The Board of Directors maintains that, as an average over time, dividends should correspond to 30-40% of the Group's profit after tax, before fair value adjustment on biological assets (limited to 50 % by Green Bond agreement). At the same time, the Group's net interest-bearing debt per kg harvested salmon should remain below NOK 30, but can be exceeded in periods of growth investments. In 2022, the Group distributed a dividend of NOK 3.0 per share to shareholders, which correspond to 46% of the net profit for FY 2021, before fair value adjustment of biological assets. As at 31 December 2022, Grieg Seafood was in a solid financial position to execute strategic priorities and deliver a shareholder return. The Board recommends that a dividend of NOK 4.5 per share be distributed to shareholders.



**FIGURE 2.5**  
GEOGRAPHICAL OWNERSHIP (NUMBER OF SHARES)



**FIGURE 2.6**  
THE GRIEG SEAFOOD SHARE

KEY FIGURES GRIEG SEAFOOD SHARE	2018	2019	2020	2021	2022
Number of shares at year-end (incl. own shares)	111 662 000	111 662 000	113 447 042	113 447 042	113 447 042
Number of shares traded	116 144 510	72 001 397	99 831 798	85 769 401	86 797 490
Number of shareholders	5 124	4 968	12 436	9 938	10 590
Total value of shares traded per day (NOK million)	42.1	33.7	37.5	28.5	35.8
Average number of shares traded per day	466 444	289 162	396 158	340 355	343 073
Median number of shares traded per day	411 341	240 801	317 106	265 456	283 718
Total market value OSE (NOK 1 000)	11 423 023	15 666 178	9 642 999	9 427 449	8 916 938
Share price at year-end (NOK)	102.3	140.3	85.0	83.1	78.6
Average share price (NOK)	92.2	118.0	99.1	84.4	108.1
Lowest closing price (NOK)	66.2	96.8	66.3	73.2	63.0
Highest closing price (NOK)	131.9	146.8	144.9	95.6	154.0
Dividend per share	4.0	4.0	—	—	3.0



# GRIEG SEAFOOD

## ROGALAND

Grieg Seafood Rogaland 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.

28 387

TONNES GWT HARVESTED

26.6

OPERATIONAL EBIT/KG (NOK)

### OPERATIONAL RESULTS

A total of 28 387 tonnes was harvested in 2022, an increase of 6% compared to the 26 670 tonnes harvested in 2021. Sales revenues amounted to NOK 2 124 million in 2022, an increase of 48% compared to 2021 (NOK 1 431 million). The year-on-year increase was driven mainly by higher spot prices and a higher harvested volume. The Nasdaq spot price in 2022 averaged NOK 82.0 per kg, compared to NOK 57.3 per kg in 2021. However, the sale of 22% of our volume under fixed-price contracts, combined with quality downgrades, negatively impacted our price achievement in 2022, which came to NOK 74.8 per kg, compared to NOK 53.7 per kg in 2021. The share of superior quality fish decreased from 81% in 2021 to 77% in 2022, mainly due to occurrences of winter ulcers in the first half of the year.

Our freshwater production was good in 2022. We transferred more than seven million smolt to the sea in 2022, with an average weight of 550 grams, compared to 460 grams in 2021. The increase in the average weight of smolt is in line with our post-smolt strategy. The freshwater survival rate from our own facility was 93% in 2022, marginally down from 94% in 2021. Unfortunately, we had an outbreak of Infectious Salmon Anemia (ISA) at our land-based broodstock facility towards the end of the year, as a result of which we euthanized our broodstock at the start of 2023. This will not impact our future production and harvest volume target, as we have secured external deliveries of eggs. The financial impact is also limited due to our insurance coverage.

Overall, our seawater production performed well, despite some biological challenges during the second half of the year. High seawater temperatures and high sea lice levels led to reduced growth during the autumn. Due to proactive and preventative measures, production stabilized at year end. The 12-month rolling survival rate for 2022 remained at the same level as in 2021, at 92%. We are working systematically to improve fish health and welfare. This includes a greater focus on the

freshwater phase to ensure a robust smolt, a preventive and targeted approach to diseases and sea lice, the utilization of new digital technologies and shortening the time our salmon spend at sea. Transferring larger and more robust smolt to our sea farms provides improved biological control compared to smolt of standard weight. This includes a higher survival rate, a lower feed conversion rate and a significant reduction in the number of sea lice treatments. Due to the use of post-smolt and cleaner fish, including wrasse, we have managed to minimize both medical and mechanical sea lice treatments. In 2021, 40% of the pens from which fish were harvested did not receive any sea lice treatment, this increased to above 50% in 2022. This is a continuation of an ongoing trend, where the region has managed to minimize sea lice treatments (both medical and mechanical) in the season where wrasse are available (August–November). Due to efforts to ensure robust fish health and good results from vaccines, we have not used antibiotics in Rogaland for several years.

In addition to sea lice, the main biological challenges in Rogaland in 2022 were Pancreas Disease (PD), winter ulcers and Cardiomyopathy Syndrome (CMS). In addition to these biological challenges, some of our sites were affected by a winter storm at the start of the year. The cost of reduced survival (cost recognized as abnormal mortality in the income statement) came to NOK 33.6 million in 2022 (NOK 1.2 per kg), compared to NOK 30.8 million in 2021 (NOK 1.2 per kg). The farming cost (the total cost of producing and harvesting our fish) ended at NOK 48.2 per kg in 2022, up from NOK 44.6 per kg in 2021. The industry experienced a general rise in costs in 2022. This applies in particular to feed, whose price per kg has increased by almost 40% from 2021 to 2022, although electricity and fuel have also increased significantly. This impacted our farming cost towards the end of the year as we started to harvest fish impacted by the increases. However, due to improvements in underlying production, we managed to reduce the economic

feed conversion rate (eFCR, a measure of the feed utilization) from 1.43 in 2021 to 1.38 in 2022. Combined with the increased production and harvest volume, this had a positive impact on feed costs. The farming cost was additionally impacted by harvesting from PD-affected sites, which increased the cost of handling fish, including well boat costs.

Due to our continued focus on escape prevention, we did not have any escape incidents in 2022. We also strive to minimize our impact on local wildlife. In 2022, four birds got caught in our nets, compared to 13 last year. We continue our efforts to reduce our impact.

As part of our Climate Action Plan to reduce our carbon emissions by 35% in 2030, we are connecting our sea farms to the onshore power grid, thereby lowering our carbon emissions from diesel consumption. In Rogaland, 66% of our farms are powered by onshore electricity. Due to challenges in connecting the rest of the farms, we have ordered batteries which will enable diesel-electric power generation at three sites. The batteries will be installed in 2023. Read more about our work to reduce carbon emissions here.

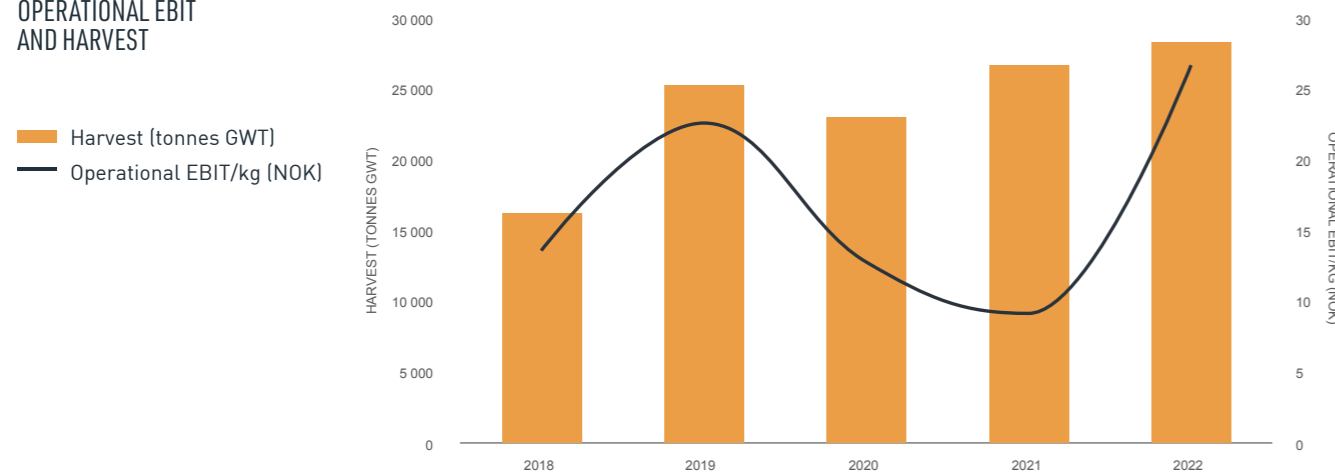
We are committed to maintaining a good working environment and keeping our employees safe. In 2022, the total absence rate for Rogaland was 5.6%, against a target of 4.5%. We monitor and follow up absence in accordance with our procedures and guidelines. Read more about how we work to secure our employees well-being and labor rights here.

Aquaculture Stewardship Council (ASC) certification is an important objective, as we believe it provides our customers and consumers with assurance that we are operating in a responsible manner and producing high-quality seafood certified to the highest social and environmental standards. We aim to certify all sites in Rogaland according to ASC. We started the certification and audit process at the start of 2022, and had five sites ASC-certified by the end of the year. This corresponds to 59% of budgeted net production for the year.

**FIGURE 2.7 RESULTS**

NOK MILLION	2018	2019	2020	2021	2022
Harvest (tonnes GWT)	16 293	25 217	23 043	26 670	28 387
Revenue (NOK million)	959.6	1 538.9	1 263.1	1 430.9	2 123.7
Operational EBIT (NOK million)	219.6	568.2	292.3	242.0	754.6
Operational EBIT / kg (NOK)	13.5	22.5	12.7	9.1	26.6
Farming cost / kg (NOK)	40.3	35.9	42.1	44.6	48.2

**FIGURE 2.8 OPERATIONAL EBIT AND HARVEST**



# SUSTAINABILITY SCOREBOARD

PILLAR	KPI	TARGET	STATUS	2022	2021	2020	2019	2018
PROFIT & INNOVATION	Harvest volume (tonnes GWT)	28 000 tonnes in 2022	●	28 387	26 670	23 043	25 217	16 293
	Operational EBIT per kg (NOK)			26.6	9.1	12.7	22.5	13.5
	Farming cost per kg (NOK)	Cost leader	●	48.2	44.6	42.1	35.9	40.3
HEALTHY OCEAN	ASC certification (# of sites)	All sites (11 eligible) by 2023	●	5	0	0	0	0
	Survival rate in freshwater			93%	94%	95%	93%	90%
	Survival rate in seawater	93% by 2022	●	92%	92%	90%	93%	92%
	Cost of reduced survival (NOK 1 000)			33 553	30 804	63 664	26 127	48 609
	Use of antibiotics (g per tonne LWE) *	No use of antibiotics	●	0.00	0.00	0.00	0.00	0.00
	Use of hydrogen peroxide (kg per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0.00	1.58	7.21	11.94	3.46
	Sea lice treatments - in feed (g per tonne LWE) *	Minimize use of pharmaceutical treatments	●	1.61	3.74	0.00	0.03	1.09
	Sea lice treatments - in bath (g per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0.05	0.63	0.02	0.00	0.00
	Escape incidents (# of fish)	Zero escape incidents	●	0	0	0	0	0
	Dead birds	Minimize impact on wildlife	●	4	13	20	2	24
Dead marine mammals	Minimize impact on wildlife	●	0	0	0	0	0	
SUSTAINABLE FOOD	Carbon emissions (kgCO <sub>2</sub> e per tonne GWT)	35% reduction (from 2018) in total emissions by 2030						
	Scope 1 + 2 location based		●	272	332	403	392	270
	Scope 3		●	5 289	5 676	7 641	8 200	9 131
	High quality product	93% superior share	●	77%	81%	85%	75%	74%
	Biological feed conversion ratio (bFCR)			1.24	1.26	1.22	1.17	1.33
	Economic feed conversion ratio (eFCR)			1.38	1.43	1.44	1.28	1.52
PEOPLE	Employees			175	162	165	157	145
	Absence rate	Below 4.5%	●	5.6%	3.0%	3.0%	3.5%	4.7%
	Lost time incident rate	**		25	42	9	15	24
	Turnover rate			11%	6%	n/a	n/a	n/a
LOCAL COMMUNITIES	Local procurement			52%	60%	64%	64%	n/a

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

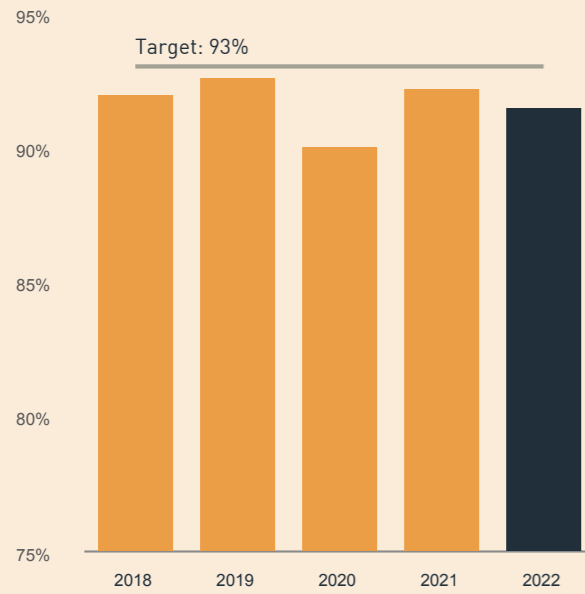
\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.

n/a: Data not available or applicable.

Please refer to Part 1 - Our pillars and material topics for a description of the general financial impact of each topic.



**FIGURE 2.9**  
SURVIVAL RATE AT SEA, ROLLING 12 MONTHS

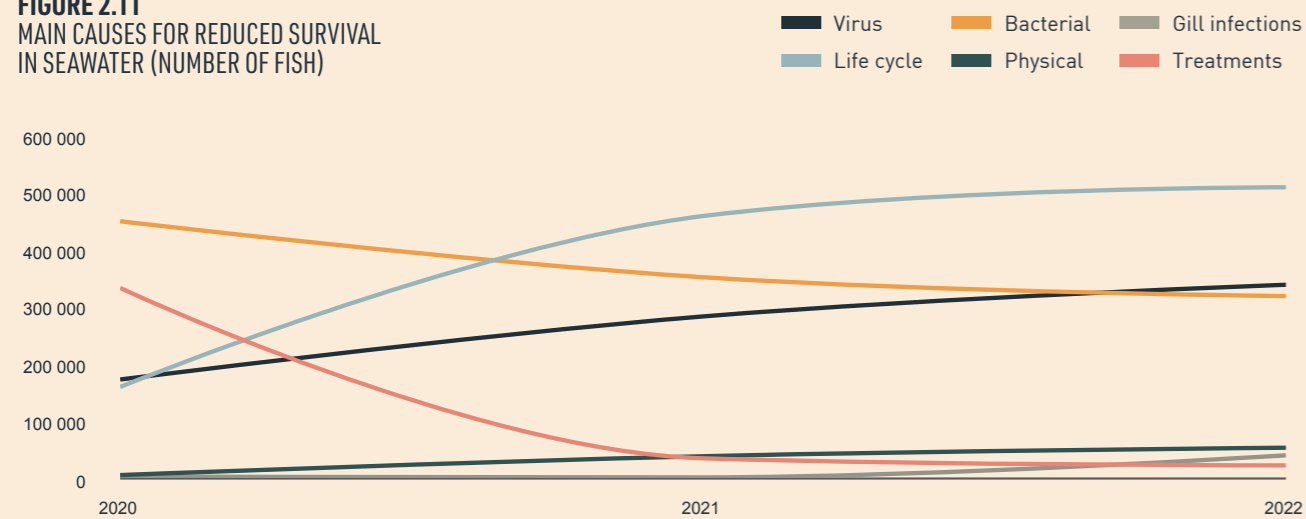


We have also set targets for survival rates in fresh water. In the wild, only a small percentage of fertilized eggs survive and become adults. That is our biological starting point. Over the years, research has allowed us to improve the quality of breeding process, the eggs and survival rates, but we still experience mortality especially in the very early phase. We work systematically at the various stages in the lifecycle to improve survival rates. These targets can be found in our fish health and fish welfare policies. The calculation of survival rate at sea corresponds to the GSI indicator "Fish Mortality" which is defined as "12 months rolling mortality = total # of mortalities in sea last 12 months / (closing # of fish in sea + total # of mortalities in last 12 months + total # of harvested fish in last 12 months + total # of culled fish in sea) x 100".

**FIGURE 2.10**  
MAIN CAUSES FOR REDUCED SURVIVAL IN SEAWATER IN 2022

MAIN CAUSE	NUMBER OF FISH	TONNES OF FISH
<b>Infectious</b>		
Virus	336 880	957
Bacterial	317 015	788
Gill infections	38 694	149
<b>Non-Infectious</b>		
Life cycle	507 327	1 323
Physical	51 943	99
Treatments	21 087	74
<b>Total</b>	<b>1 272 946</b>	<b>3 390</b>
<b>Abnormal seawater mortality write-down</b>	<b>281 895</b>	<b>848</b>
<b>%</b>	<b>22%</b>	<b>25%</b>

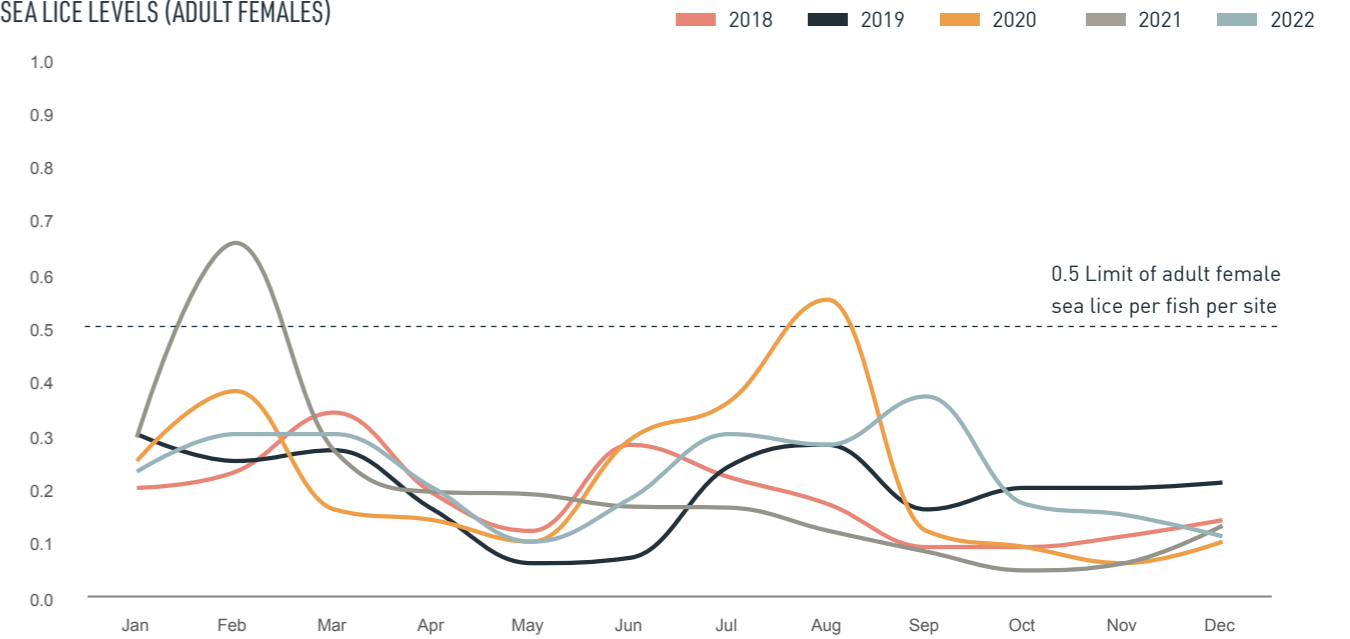
**FIGURE 2.11**  
MAIN CAUSES FOR REDUCED SURVIVAL IN SEAWATER (NUMBER OF FISH)



We perform a daily count and registration of dead fish. Laboratory analysis are undertaken to establish the main cause of mortality. Site-specific information about treatments and notifiable diseases are publicly available at [Barentswatch](#).

Virus include Pancreas Disease (PD) and Cardiomyopathy Syndrome (CMS). PD is a contagious virus and transmits between fish and between pens. It is controlled mainly by management and biosecurity measures. We have vaccinated our fish to provide additional protection, and we have experienced a reduced impact of PD on fish health. CMS typically increases mortality late in the production cycle, causing high economic impact. CMS is controlled mainly through good husbandry and management practices, and we experience a lower impact of CMS in 2022 than last year. Bacterial infections include winter ulcers. In addition to being a welfare issue, the disease can lead to increased mortality and reduced quality at harvest. Our fish are vaccinated against the disease, however, high challenge pressure and presence of other strains or bacteria can also cause skin ulcers. The other categories relate to transport (physical), sea lice treatments, while life cycle includes a variety of causes.

**FIGURE 2.12**  
SEA LICE LEVELS (ADULT FEMALES)



Our sites in Rogaland are located in Norwegian production area 2 (P02), 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). Sea lice counts are conducted by visual inspections, done by lifting a minimum of 20 salmon out of the water for each pen on a weekly or biweekly basis, depending on the seawater temperature. The number of sea lice on each fish is recorded in our systems, and this information is used to estimate the overall prevalence of sea lice in the population. The sea lice counts are calculated as the average number of adult female sea lice per month. Sea lice levels shall stay below the legal limit of 0.5 adult female per fish, or 0.2 during April and May when the wild salmon smolt migrate from the rivers and pass the fjords. On average, we did not exceed the sea lice limits in 2022. 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](#).



**FIGURE 2.13**  
USE OF COPPER

Copper-free antifouling solutions on nets	100%
-------------------------------------------	------

We did not use copper antifouling solutions in 2022.

**FIGURE 2.14**  
RESTORED ECOSYSTEMS UNDER FARMS

Remediated ecosystems under farms before a new generation of fish was transferred to the farms in 2022	100% of farms
--------------------------------------------------------------------------------------------------------	---------------

Restored to "very good" or "good" thresholds according to local regulations.

**FIGURE 2.15**  
RESULTS OF B-TEST

Year	Very good	Good	Poor	Very poor	Test not yet taken (new sites)
2022	75%	17%	8%	0%	0%
2021	83%	17%	0%	0%	0%
2020	83%	8%	8%	0%	0%

As in all other types of food production, our farming operations leave a footprint through local emissions. Such emissions may be excess feed, feces from the fish or copper from fish nets. This impact should never be irreversible. Read more about our impact on nature here. Between each generation of fish, we allow the ecological system to rest and restore itself. In Norway, all farms are required to conduct independent seabed tests (B-test) at peak biomass production/max load, and undertake regular independent tests in the area around the farms (C-test). Local regulations impose following periods after each generation to ensure the environment under and around the pen recover. The minimum following period is at least two months, and longer if seabed test results indicate that is needed. Only when a farm has reached the threshold of restoration, may we transfer a new generation of fish to the site. If following is not enough to improve seabed test results, additional measures, such as reducing production, is taken. In 2022, 92% of our sites received a very good or good score on seabed tests compared to 100% in 2021 (based on last B-test taken for each site that is part of our ongoing operations, either at peak biomass production/max load, or before restocking when the seabed has recovered). We have one site in Rogaland where the ecosystem takes longer to recover, and where we performed testing at peak biomass in 2020 and 2022. The site that received a poor score must fallow for longer.

According to the Risk Report of Norwegian Fish Farming by the Institute of Marine Research, the risk of impact from organic waste from fish farming is low and the environmental ecosystem condition is good in Rogaland (the salmon production area P02). Grieg Seafood has partnered with other salmon farming companies in Rogaland to commission an independent environmental monitoring program, to ensure that the combined organic emissions from all the farms do not significantly impact the fjords. The program monitors the water quality and possible eutrophication in the Ryfylke fjord system. The results after ten years of monitoring show that the fjord system's environmental condition is good.

**FIGURE 2.16**  
PROTECTING MARINE ECOSYSTEMS

Impact assessments performed	Operations in protected areas/areas of high biodiversity value	Red list species impacted
100% of farms	Two broodstock farms, total water surface area of 0.067km <sup>2</sup>	One specie (one bird)

We perform environmental and social impact assessment for all of our farms. The assessment also include presence of cauliflower corals. These assessments are also part of the ASC certification process, which includes criteria to minimize environmental impact and preserve biodiversity. Two broodstock sites in Rogaland are located in Suldalsfjorden, a "national salmon fjord" category created by the Norwegian Parliament to protect wild salmon. These seawater farms were present prior to the establishment of the category, and became subject to certain restrictions as a result. We do have sites in the proximity of land nature reserves, but we do not have any other sites in or adjacent to protected areas or areas of high biodiversity value (areas defined as Special Areas of Conservation (SAC), Marine Protected Areas (MPA), High Conservation Value Areas (HCVA) or Federal Marine Protected Areas). All site locations are available on our web site with GPS coordinates.

**FIGURE 2.17**  
IUCN RED LIST SPECIES

Regionally extinct	Critically endangered	Endangered	Vulnerable	Lower risk: conservation dependent	Data deficient
0	14	35	104	92	40

Our impact assessments also include identification of species listed in the IUCN Red List and Norway's national conservation list, Artsdatabanken, with habitats in areas where we operate. The International Union for Conservation of Nature (IUCN) 'Red List of Threatened Species' provides an inventory of the global conservation status of plant and animal species, and national conservation lists serve as authorities on the sensitivity of habitat in areas affected by our operations, and on the relative importance of these habitats from a management perspective. Our assessments have not identified that our activities pose a threat to any endangered plants or animal species. We keep track of red listed species impacted in areas affected by our operations as a part of the ASC-certification. In 2022, we had an incident with a black-backed gull, which according to Norway's national conservation list is critically endangered. The bird got tangled in the anti-bird net due to loose strings. We have changed our procedures to ensure we keep our nets tight to avoid similar incidents.

Each year we monitor beach areas in proximity to our active sites in Rogaland (the size of the beach areas varies and we do not keep track of this, only positioning in terms of coordinates). This is done to ensure that the algae and seagrass vegetation and other species is healthy, and not negatively impacted by our farming operations. Algae and seagrass can sequester carbon dioxide in its roots, and also provide nursery, refuge and foraging habitats for marine animals. In 2022, we conducted several assessments. The results showed no significant impact from our farming operations. We continue to monitor beach areas each year to keep track of changes and will implement protective measures if negative impact is detected.

## OPERATIONAL PRIORITIES TOWARDS 2026

We expect to harvest 29 000 tonnes in 2023, with an ambition to increase harvest to 35 000-40 000 in 2026 by improving the utilization of our seawater capacity. The key to achieving this, is to reduce production time in the sea, which we expect to result in improved biological performance and a higher utilization of each site's maximum allowable biomass (MAB). Read more about how larger smolt (post smolt) will significantly reduce seawater production time, reduce our impact and improve growth in sea in the operational focus area chapter in Part 1 of this report. In 2022, more than 50% of fish harvested were from post-smolt. We aim to increase this share to above 90% by 2026.

We are well-positioned with land-based production, and aim to add at least 5 250 tonnes by increasing our post-smolt capacity. Our current freshwater facilities at Trosnavåg and Hognaland have a production capacity of 1 200 tonnes smolt. We also have a 33% shareholding in Tytlandsvik Aqua, with a current smolt production capacity of 4 500 tonnes (where Grieg Seafood Rogaland is entitled to 50% of the smolt). Tytlandsvik has planned an expansion of 1500 tonnes, increasing our post smolt share from Tytlandsvik to 3 000 tonnes. In addition, we use two closed-containment facilities in sea, FishGLOBE, to produce post-smolt. These facilities have a total capacity of 900 tonnes. Further, we have invested NOK 90 million in a 44% shareholding in Årdal Aqua, a land-based facility with the same design as Tytlandsvik Aqua. Årdal Aqua is expected to produce 4 500 tonnes of post smolt annually, with potential to raise fish to harvestable size on land. Construction commenced in August 2022. We have several projects to expand post-smolt production under planning. However, no new investment decisions for projects impacted by the proposed Norwegian resource tax announced in September 2022 will be taken until the final version of the tax regime has been adopted by the Parliament. Grieg Seafood will then assess how the final proposal will impact the company's strategy and investment plan. A joint venture aimed at developing a FishGLOBE for grow-out salmon, based on development licenses, is also on hold. A large part of our planned capital expenditures in 2022 has been affected by the resource tax proposal. In addition to the investment in Årdal Aqua, we spent NOK 40 million in growth investments in 2022, mainly related to seawater locations. We spent a total of NOK 66 million in maintenance investments.

Another tool that will improve biology and drive growth, is our Precision Farming strategy. Read more about Precision Farming in our operational focus areas chapter in Part 1 of this report.

## LOCAL COMMUNITIES

We aim to be open and honest with local communities about our production methods, our successes, and our remaining challenges. We view it as our responsibility throughout all of our four farming regions to engage in constructive dialogue with all stakeholders and groups that are impacted by our activities. We create jobs and opportunities in the rural areas where we operate, and we use local suppliers as often as we can. We hire local apprentices and support aquaculture schools and training facilities. We sponsor sports and cultural activities, and we engage in monitoring and protection of the local environment. We also provide a grievance mechanism for local communities on our website. This enable us to identify and prevent potential negative impact on local communities, such as pollution of local environment and violations of human rights. In 2022, we did not identify any significant negative impact on local communities from our operations.

**NOK 890 million**

equal to 52% of total purchases, spent on goods and services purchased from local suppliers in the county of Rogaland.

**NOK 1.6 million**

donated to local services and infrastructure projects, all of which are pro bono. We support cultural events for children and young people, to make participation in cultural activities affordable for those with few financial resources. In Stavanger, for instance, we supported Children's Mablis, a family festival in the woods. We also support sports clubs in the municipalities where we have farms. Our aim is to contribute to the health and social life of local children and young people. We also support organizations that engage in beach cleaning.

**NOK 11.5 million**

in direct support from the Norwegian Aquaculture Fund to the municipalities where we operate, based on the production fee of NOK 0.405/kg (gutted weight).

Learn more about our relationships with our local community on our website,



# GRIEG SEAFOOD FINNMARK

Grieg Seafood Finnmark 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.

# 36 024

TONNES GWT HARVESTED

# 25.7

OPERATIONAL EBIT/KG (NOK)

## OPERATIONAL RESULTS

A total of 36 024 tonnes was harvested in 2022, an increase of 4% compared to the 34 484 tonnes harvested in 2021. Sales revenues amounted to NOK 2 629 million, an increase of 50% compared to NOK 1 756 million in 2021. The year-on-year increase is mainly related to higher spot prices and a higher harvested volume, in addition to a higher share of superior quality product compared to the year before. The Nasdaq average spot price in 2022 was NOK 82.0 per kg, compared to NOK 57.3 per kg in 2021. Our price achievement in 2022 was NOK 73.0 per kg (NOK 50.9 per kg in 2021). The price achieved was boosted by a somewhat higher average harvest weight compared to 2021, but depressed by the sale of 22% of our volume under fixed-price contracts, in addition to downgrades. However, the superior quality share increased from 82% in 2021 to 84% in 2022 due to lower impact from winter ulcers and no outbreak of ISA (Infectious Salmon Anemia).

Freshwater production at our own facility at Adamselv was good during the year. We transferred a total of 10.8 million smolt with an average weight of 180 grams to the sea in 2022. The freshwater survival rate decreased from 95% in 2021 to 90% in 2022 mainly due to technical incidents. There was no production at our jointly owned Nordnorsk Smolt, due to the ongoing redesign of the freshwater facility, which is scheduled for completion in second half of 2023.

Seawater production was somewhat challenging this year. Colder seawater temperatures in the first half of the year negatively impacted growth at sea farms, and we experienced issues with winter ulcers. In the second half of the year, high seawater temperatures increased sealice levels. Historically, Finnmark is a region with lower seawater temperatures which, combined with low interconnectivity between farming sites, helps to keep sea lice levels low. We use targeted preventive methods, such as sea lice skirts and cleaner fish (lump suckers), to ensure that the sea lice level remains low. Nevertheless, sea lice treatments were

carried out during the year to prevent any surge in numbers. A continued high sea lice level towards the end of the year necessitated several treatments, resulting in reduced feeding and growth.

In addition, the parasite, *Spironucleus salmonicida* ("Spiro") was detected in some fish in certain pens. This led to early harvesting and the culling of fish showing signs of ill health to protect fish welfare. The source of the parasite is believed to be the water intake to our freshwater facility at Adamselv. Water treatment and disinfection measures are being implemented to reduce future risks of Spiro entering the freshwater facility. We will also collaborate with research institutions to increase our knowledge relating to Spiro. We aim to limit the impact of this incident on the future harvestable volume by transferring more smolt to sea farms and by optimizing production at our sites. Spiro was the main reason for the reduction in our 12-month survival rate from 95% in 2021 to 91% in 2022. The cost of reduced survival (cost recognized as abnormal mortality in the income statement) came to NOK 100.6 million in 2022 (NOK 2.8 per kg), compared to NOK 53.1 million in 2021 (NOK 1.5 per kg). NOK 76.1 million (NOK 2.1 per kg) of the 2022 total relates to Spiro. This implies that costs related to abnormal mortality less the Spiro totaled NOK 24.5 million (NOK 0.7 per kg), which is an improvement compared to last year. The farming cost (the total cost of producing and harvesting our fish) ended at NOK 47.3 per kg in 2022, up from NOK 43.7 per kg in 2021. In addition to reduced survival and early harvest of fish impacted by Spiro, the farming cost was impacted by a general rise in cost. This applies in particular to feed, whose prices increased by close to 40%. This impacted our farming cost towards the end of the year as we started to harvest fish impacted by the increases. Additionally, reduced growth due to the biological challenges increased our economic feed conversion rate (eFCR, a measure of the feed utilization) from 1.34 in 2021 to 1.40 in 2022. Overall, we are working to improve

survival rates through both general and targeted health and welfare measures. Good results from vaccines and efforts to ensure robust fish health have eliminated the need of antibiotics for several years. However, we did use the antibiotic Florfenicol at the start of the year to safeguard the welfare of fish at selected pens impacted by sores.

We have a continuous focus on escape prevention, as we regard it as our responsibility to avoid interbreeding between our farmed salmon and local wild salmon should an escape occur. Unfortunately, we had an incident where a tear in a net pen led to the escape of fish. 2 878 fish has been reported as escaped, where of 19 were recaptured. We have changed our equipment and improved our procedures to prevent this type of incident from happening again. We are also working on measures to minimize our impact on local wildlife. Unfortunately, 20 birds got caught in our nets in 2022. We will continue our efforts to reduce this number.

As part of our Climate Action Plan to reduce our carbon emissions by 35% in 2030, we have connected our feed barges to the onshore power grid. In Finnmark, 65% of our farms are connected to the onshore grid. For sites that are not suitable for the provision of onshore power, we use diesel-electric batteries to reduce carbon emissions. In Finnmark, we have installed

batteries on six feed barges, and have three more on order with delivery in 2023. Read more about how we work to reduce our carbon emissions here.

We are committed to maintaining a good working environment and keeping our employees safe. In 2022, the total absence rate for Finnmark was 9.70%, against a target of 4.5%. We are monitoring and following up on absence in accordance with procedures and guidelines. Read more about how we work to secure our employees well-being and labor rights here.

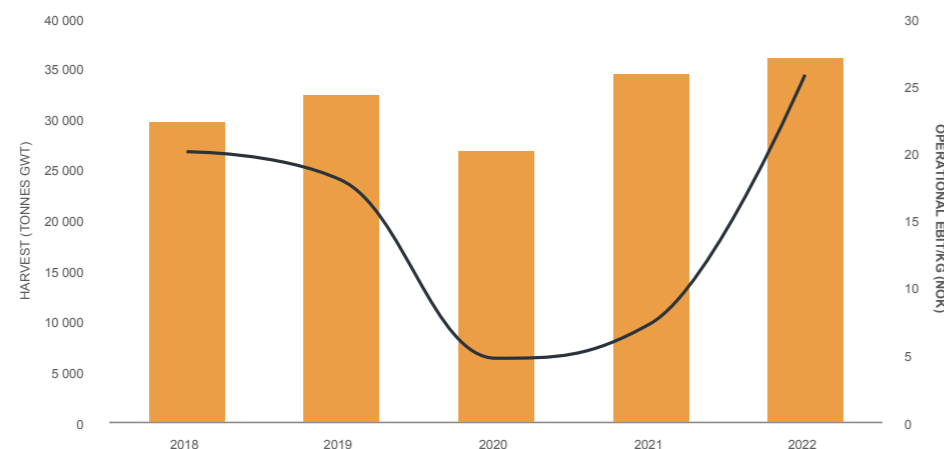
As in all our regions, Grieg Seafood Finnmark focuses on improving fish welfare, achieving a high survival rate and working towards sustainable production. As a result of our efforts in the area, all of our sites have been ASC certified. Due to a fish escape incident during the year, we have withdrawn our certification at one site. At year-end, 17 out of 18 eligible sites were ASC certified. This is equivalent to 90% of budgeted net production for the year. New sites must reach peak biomass to be considered for certification.

FIGURE 2.18 RESULTS

FINNMARK	2018	2019	2020	2021	2022
Harvest (tonnes GWT)	29 774	32 362	26 919	34 484	36 024
Revenue (NOK million)	1 671.3	1 815.3	1 313.5	1 756.3	2 629.2
Operational EBIT (NOK million)	594.9	580.2	127.4	250.5	926.1
Operational EBIT / kg (NOK)	20.0	17.9	4.7	7.3	25.7
Farming cost / kg (NOK)	35.6	37.7	44.1	43.7	47.3

FIGURE 2.19 OPERATIONAL EBIT AND HARVEST

Harvest (tonnes GWT)  
Operational EBIT/kg (NOK)



# SUSTAINABILITY SCOREBOARD

PILLAR	KPI	TARGET	STATUS	2022	2021	2020	2019	2018
PROFIT & INNOVATION	Harvest volume (tonnes GWT)	33 000 tonnes in 2022	●	36 024	34 484	26 919	32 362	29 774
	Operational EBIT per kg (NOK)			25.7	7.3	4.7	17.9	20.0
	Farming cost per kg (NOK)	Cost leader	●	47.3	43.7	44.1	37.7	35.6
HEALTHY OCEAN	ASC certification (# of sites)	All sites (18 eligible) by 2023	●	17	18	15	10	4
	Survival rate in freshwater			90%	95%	89%	87%	89%
	Survival rate at sea	93% by 2022	●	91%	95%	92%	96%	96%
	Cost of reduced survival (NOK 1 000)			100 567	53 133	37 495	15 055	624
	Use of antibiotics (g per tonne LWE) *	No use of antibiotics	●	6.77	5.98	0.00	0.00	0.00
	Use of hydrogen peroxide (kg per tonne LWE) *	Minimize use of pharmaceutical treatments	●	6.54	2.36	3.62	0.00	14.53
	Sea lice treatments - in feed (g per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0.07	0.14	0.14	0.10	0.08
	Sea lice treatments - in bath (g per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0.73	0.34	0.82	0.21	0.72
	Escape incidents (# of fish)	Zero escape incidents	●	1 (2 878)	1 (4 352)	0	0	0
	Dead birds	Minimize impact on wildlife	●	20	8	6	2	1
Dead marine mammals	Minimize impact on wildlife	●	0	0	0	0	0	
SUSTAINABLE FOOD	Carbon emissions (kgCO <sub>2</sub> e per tonne GWT)	35% reduction (from 2018) in total emissions by 2030						
	Scope 1 + 2 location based		●	151	166	182	169	254
	Scope 3		●	3 774	4 492	5 973	5 330	6 007
	High quality product	93% superior share	●	84%	82%	69%	86%	86%
	Biological feed conversion ratio (bFCR)			1.23	1.21	1.20	1.14	1.12
	Economic feed conversion ratio (eFCR)			1.40	1.34	1.35	1.21	1.17
PEOPLE	Employees			282	262	257	256	247
	Absence rate	Below 4.5%	●	9.7%	8.7%	5.5%	4.9%	5.4%
	Lost time incident rate	**		21	22	28	22	18
	Turnover rate			16%	8%	n/a	n/a	n/a
LOCAL COMMUNITIES	Local procurement			28%	45%	60%	66%	n/a

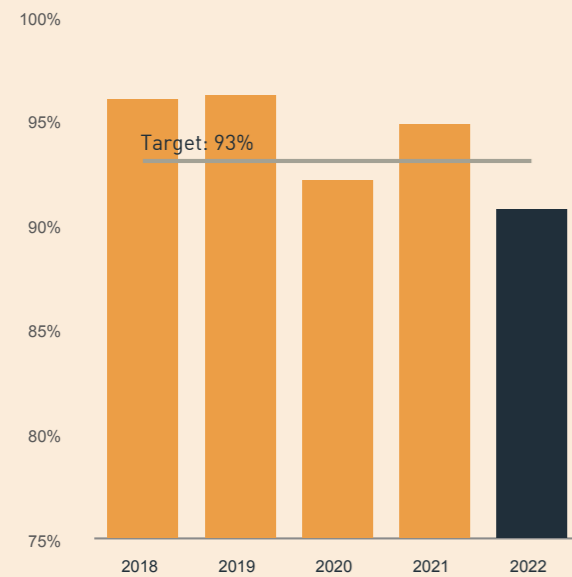
\* Amount of active pharmaceutical ingredients (APIs) used (in gr or kg) per tonne of fish produced (LWE).

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

n/a: Data not available.

Please refer to Part 1 - Our pillars and material topics for a description of the general financial impact of each topic.

**FIGURE 2.20**  
SURVIVAL RATE AT SEA, ROLLING 12 MONTHS

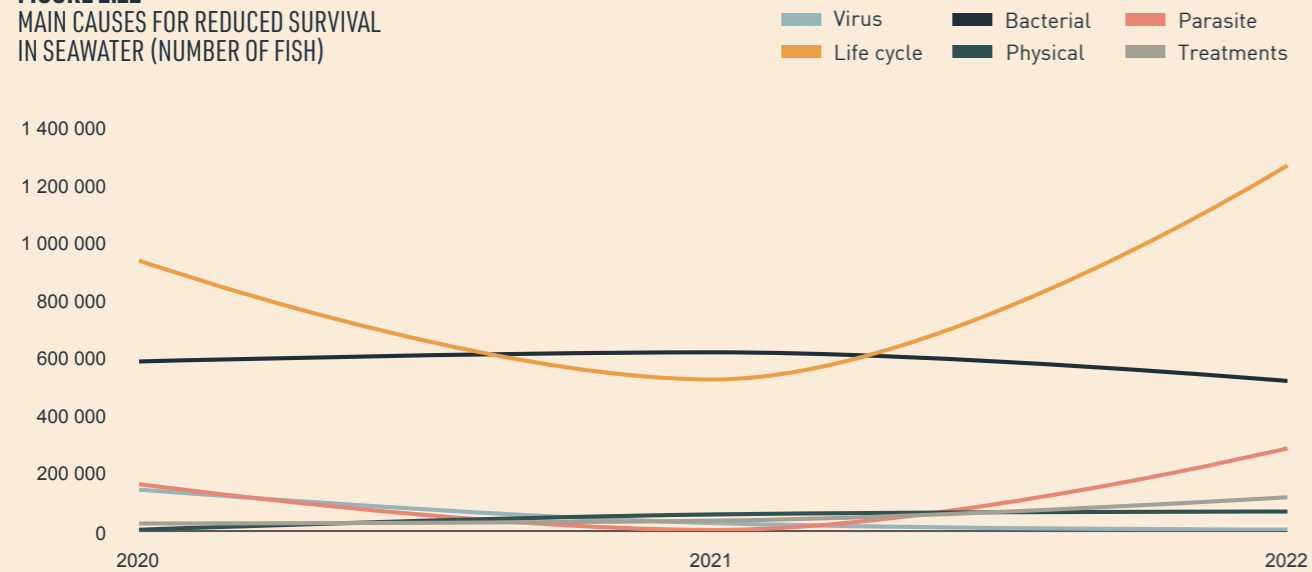


We have also set targets for survival rates in fresh water. In the wild, only a small percentage of fertilized eggs survive and become adults. That is our biological starting point. Over the years, research has allowed us to improve the quality of breeding process, the eggs and survival rates, but we still experience mortality especially in the very early phase. We work systematically at the various stages in the lifecycle to improve survival rates. These targets can be found in our fish health and fish welfare policies. The calculation of survival rate at sea corresponds to the GSI indicator "Fish Mortality" which is defined as "12 months rolling mortality = total # of mortalities in sea last 12 months / (closing # of fish in sea + total # of mortalities in last 12 months + total # of harvested fish in last 12 months + total # of culled fish in sea) x 100".

**FIGURE 2.21**  
MAIN CAUSES FOR REDUCED SURVIVAL IN SEAWATER IN 2022

MAIN CAUSE	NUMBER OF FISH	TONNES OF FISH
<b>Infectious</b>		
Bacterial	515 581	1 072
Parasite	282 613	198
Virus	1 370	1
<b>Non-Infectious</b>		
Life cycle	1 261 828	1 636
Treatments	113 303	282
Physical	63 795	148
<b>Total</b>	<b>2 238 490</b>	<b>3 337</b>
<b>Abnormal seawater mortality write-down</b>	<b>661 685</b>	<b>817</b>
<b>%</b>	<b>30%</b>	<b>24%</b>

**FIGURE 2.22**  
MAIN CAUSES FOR REDUCED SURVIVAL IN SEAWATER (NUMBER OF FISH)

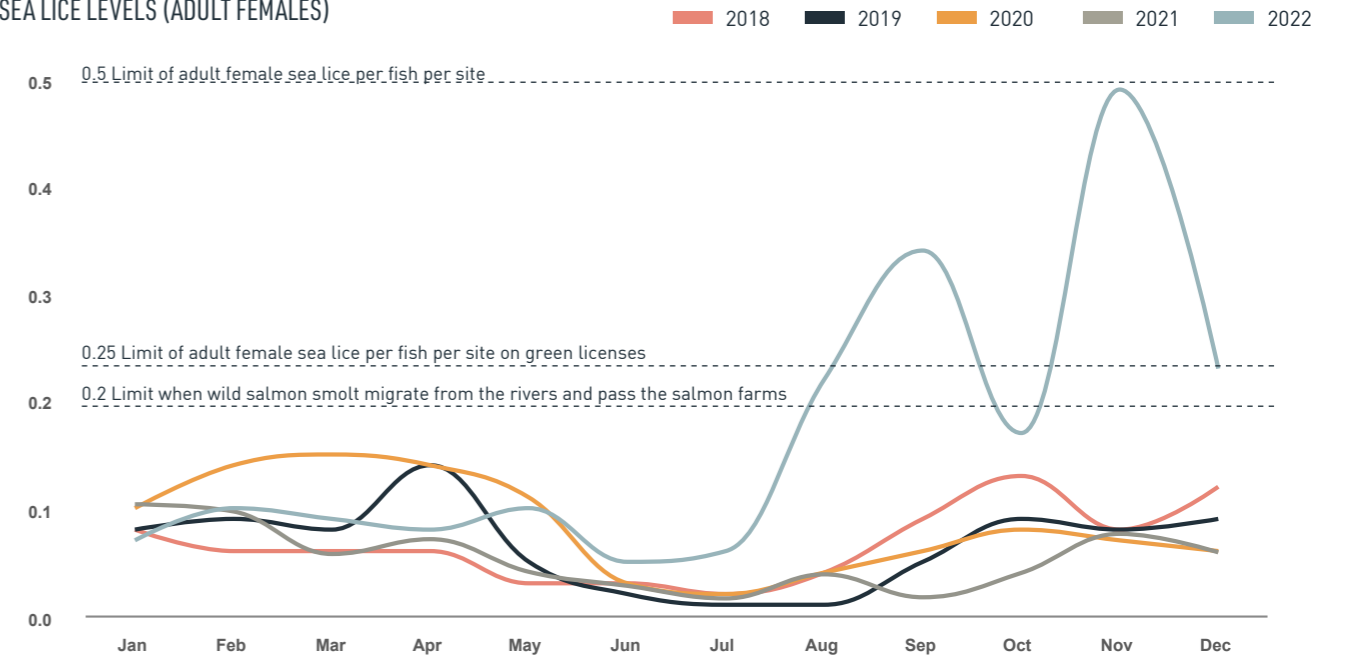


We perform a daily count and registration of dead fish. Laboratory analysis are undertaken to establish the main cause of mortality. Site-specific information about treatments and notifiable diseases are publicly available at Barentswatch.

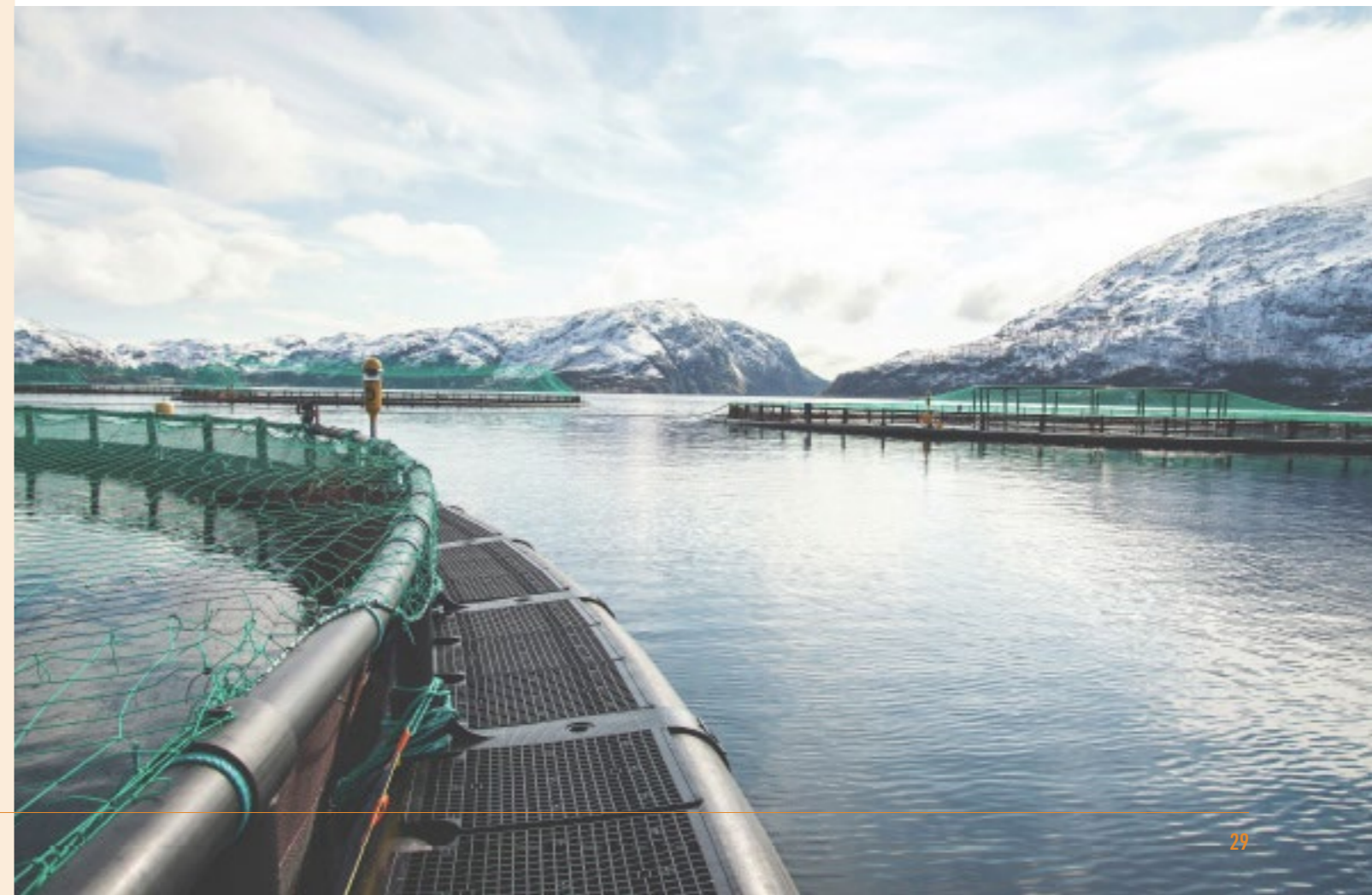
Bacterial infections include winter ulcers. In addition to being a welfare issue, the disease can lead to increased mortality and reduced quality at harvest. Our fish are vaccinated against the disease, however, high challenge pressure and presence of other strains or bacterias can also cause skin ulcers. We have used antibiotics during the year to treat our fish from winter ulcers. The parasite *Spironucleus salmonicida* ("Spiro") is a rare parasite that can lead to high mortality. The other categories relate to transport (physical), sea lice treatments, while life cycle includes a variety of causes.

Mortality figures does not include culling of fish. In 2022, we culled fish showing signs of ill health from the parasite Spiro, that was detected in some fish in certain pens. The culling of 1.1 million fish/992 tonnes is included in the total write down related to abnormal mortality, refer to Note 9.

**FIGURE 2.23**  
SEA LICE LEVELS (ADULT FEMALES)



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. Sea lice counts are conducted by visual inspections, done by lifting a minimum of 20 salmon out of the water for each pen on a weekly or biweekly basis, depending on the seawater temperature. The number of sea lice on each fish is recorded in our systems, and this information is used to estimate the overall prevalence of sea lice in the population. On average, we did not exceed the sea lice limits in 2022. 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.



**FIGURE 2.24**  
USE OF COPPER

Copper-free antifouling solutions on nets	100%
-------------------------------------------	------

Finnmark had one pen with copper antifouling solution as part of a research project in 2022.

**FIGURE 2.25**  
RESTORED ECOSYSTEMS UNDER FARMS

Remediated ecosystems under farms before a new generation of fish was transferred to the farms in 2022	100% of farms
--------------------------------------------------------------------------------------------------------	---------------

Restored to “very good” or “good” thresholds according to local regulations.

**FIGURE 2.26**  
RESULTS OF B-TEST

Year	Very good	Good	Poor	Very poor	Sites with hard seabed (do not get a score)	Test not yet taken (new sites)
2022	62%	33%	0%	5%	0%	0%
2021	43%	10%	19%	5%	14%	10%
2020	26%	26%	26%	0%	16%	5%

As in all other types of food production, our farming operations leave a footprint through local emissions. Such emissions may be excess feed, feces from the fish or copper from fish nets. This impact should never be irreversible. Read more about our impact on nature here. Between each generation of fish, we allow the ecological system to rest and restore itself. In Norway, all farms are required to conduct independent seabed tests (B-test) at peak biomass production/max load, and undertake regular independent tests in the area around the farms (C-test). Local regulations impose following periods after each generation to ensure the environment under and around the pen recover. The minimum following period is at least two months, and longer if seabed test results indicate that is needed. Only when a farm has reached the threshold of restoration, may we transfer a new generation of fish to the site. If following is not enough to improve seabed test results, additional measures, such as reducing production, is taken. 95% of our sites received a very good or good score on seabed tests in 2022, up from 53% in 2021 (based on last B-test taken for each site that is part of our ongoing operations, either at peak biomass production/max load, or before restocking when the seabed has recovered). Longer following periods are in place for sites with poor scores, and a new generation will not be stocked until the impact is reversed and the sites have met the regulated restoration thresholds. Access to new sites will also reduce the organic impact. In addition, we are conducting digital analyses of the marine conditions at sites to understand how the farms can hit the currents in the most optimal way, which reduces the organic impact. We are subsequently working with local authorities to adjust the farms accordingly.

According to the Risk Report on Norwegian Fish Farming by the Institute of Marine Research, the risk of impact from organic waste from fish farming in Finnmark (the salmon production area PO12) is low and the environmental ecosystem condition is good. An environmental study of the organic impact of fish farming in the Alta fjord, published in 2017, showed low impact on the fjord system.

**FIGURE 2.27**  
PROTECTING MARINE ECOSYSTEMS

Impact assessments performed	Operations in protected areas/areas of high biodiversity value	Red list species impacted
100% of farms	One harvest site, total area of 0.003 km <sup>2</sup> of the water surface	Three species (15 birds)

We perform environmental and social impact assessment for all of our farms. Such assessments are also part of the ASC certification process, which includes criteria to minimize environmental impact and preserve biodiversity. Our harvesting plant in Finnmark, where we have the fish ready to be harvested in one seawater pen, is located in Altafjorden, a “national salmon fjord” category created by the Norwegian Parliament to protect wild salmon. The harvesting plant was present prior to the establishment of the category, and became subject to certain restrictions as a result. We do have sites in the proximity of land nature reserves, but we do not have any other sites in or adjacent to protected areas or areas of high biodiversity value (areas defined as Special Areas of Conservation (SAC), Marine Protected Areas (MPA), High Conservation Value Areas (HCVA) or Federal Marine Protected Areas). All site locations are available on our web site with GPS coordinates.

**FIGURE 2.28**  
IUCN RED LIST SPECIES

Regionally extinct	Critically endangered	Endangered	Vulnerable	Lower risk: conservation dependent	Data deficient
0	14	35	104	92	40

Our impact assessments also include identification of species listed in the IUCN Red List and Norway’s national conservation list, Artsdatabanken, with habitats in areas where we operate. The International Union for Conservation of Nature (IUCN) ‘Red List of Threatened Species’ provides an inventory of the global conservation status of plant and animal species, and national conservation lists serve as authorities on the sensitivity of habitat in areas affected by our operations, and on the relative importance of these habitats from a management perspective. Our assessments have not identified that our activities pose a threat to any endangered plants or animal species. We keep track of red listed species impacted in areas affected by our operations as a part of the ASC certification. In 2022, three different species listed as endangered or vulnerable on the national conservation list and/or IUCN red list was impacted at our operations. The three species was made up of 15 birds, whereas one Black-legged Kittiwake and six European Herring Gull was found in the anti-bird net, and eight Mew Gulls was retrieved from the pen or the anti-bird net. As a result of the incidents the anti-bird net was carefully controlled and tightened to prevent occurring incidents.

As a part of our commitment to co-existence with wild salmon, the Alta river (total length of 47 km) and the Repparfjord river (total length of 100 km) in Finnmark are monitored in collaboration with the Norwegian Institute for Nature Research, the management of the Alta rivers, and the West Finnmark Hunting and Fishing Association. The objective is to investigate the impact of escaped farmed salmon from recreational fishing, and to evaluate the need for enhanced protective measures. In 2022, 453 shell samples was submitted from the Alta river, whereas only one sample (0.2%) was identified as escaped farmed salmon. In the Repparfjord river, two (0.2%) out of 854 shell samples submitted was identified as farmed salmon. Read more about these project here.

## OPERATIONAL PRIORITIES TOWARDS 2026

Grieg Seafood Finnmark expects to harvest 28 000 tonnes in 2023. However, we aim to increase the volume harvested to 40 000-45 000 tonnes in 2026 by improving the utilization of our seawater capacity. The key to achieving this is to optimize our existing site structure, obtaining new sites and reducing production time at sea, which we expect to result in improved biological performance and a higher utilization of each site’s maximum allowable biomass (MAB). We currently farm smolt at our own facility in Adamselv. Eventually, smolt will also be produced at Nordnorsk Smolt, in which we have a 50% shareholding. We are targeting a capacity increase of 3 000 tonnes of post-smolt at Adamselv, with the smolt weighing on average up to 500 grams. Construction was planned to start at the end of 2022, however the investment has been put on hold

due to the proposed resource tax regime in Norway. Larger smolt will significantly reduce seawater production time, avoiding two winters 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 2022, we spent NOK 70 million in growth investments related to new sea sites and upgrades of onshore facilities, in addition to NOK 157 million in maintenance investments.

## LOCAL COMMUNITIES

We aim to be open and honest with local communities about our production methods, our successes, and our remaining challenges. We view it as our responsibility throughout all of our four farming regions to engage in constructive dialogue with all stakeholders and groups that are impacted by our activities. We create jobs and opportunities in the rural areas where we operate, and we use local suppliers as often as we can. We hire local apprentices and support aquaculture schools and training facilities. We sponsor sports and cultural activities, and we engage in monitoring and protection of the local environment. We also provide a grievance mechanism for local communities on our website. This enable us to identify and prevent potential negative impact on local communities This enable us to identify and prevent potential negative impact on local communities, such as pollution of local environment and violations of human rights. In 2022, we did not identify any significant negative impact on local communities from our operations.

Finnmark has been home to the Sami people for millennia. We recognize that the Sami people have special rights, as acknowledged in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and take particular care to avoid infringing them. We are in a process to understand how we can advance the Same culture in Finnmark. We continue our close dialogue with the Sami people and we did not identify any violations of their rights caused by our operations in 2022.

**NOK 474 million**

equal to 28% of total purchases, spent on goods and services purchased from local suppliers in the county of Troms and Finnmark. The reduction from a 45% share in local purchases last year is due to change of feed supplier.

**NOK 2.3 million**

donated to local services and infrastructure projects, all of which are pro bono. We support the local culture center, Perleporten, which offers several social activities and events. Amongst other clubs, we support the local sports club Bossekopp and The Alta Music Association. Bossekopp is located in Alta, where we have our local administration office and our harvesting plant. The Alta Music Association is the organizer of FESTIVALTA, which is an local festival for experiencing classic music surrounded by northern winter nature. We also sponsored Finnmarksløpet – the longest dog sled race in Europe. The 1 200 km race starts in Alta, with the course going all the way to the Russian border and back again. Competitors must tackle challenging terrain and harsh winter conditions. Additionally, we supported the construction of a safe and robust Sherpa trail to Storfjellet in the center of Honningsvåg.

**NOK 14.5 million**

in direct support from the Norwegian Aquaculture Fund to the municipalities where we operate, based on the production fee of NOK 0.405/kg (gutted weight).

Learn more about our relationships with our local community on our website,



# GRIEG SEAFOOD

## BRITISH COLUMBIA

Grieg Seafood BC farms salmon on the east and west sides of Vancouver Island, and along the Sunshine Coast north of Vancouver. The company currently holds 21 farming licenses, including broodstock operations and land-based production of smolt. We process our BC salmon externally.

# 20 286

TONNES GWT HARVESTED

# 13.3

OPERATIONAL EBIT/KG  
(NOK)

### OPERATIONAL RESULTS

A total of 20 286 tonnes was harvested in 2022, 40% higher than in 2021 (14 448 tonnes). Harvesting volumes vary significantly every other year due to an imbalance in the number of farms and maximum allowable biomass (MAB) in the different production areas on the East and West Coast of Vancouver Island. As a consequence, the region's volume varies every other year, regardless of the underlying biological performance. Sales revenues for the year amounted to NOK 1 665 million, an increase of 63% compared to NOK 1 023 million in 2021. According to Urner Barry, the average spot price (farm-raised salmon Seattle West Coast, fresh, whole fish) was NOK 84.1 per kg in 2022, compared to NOK 68.5 per kg in 2021. Our price achievement was NOK 82.1 per kg in 2022, compared to NOK 70.8 per kg in 2021. The price achievement was boosted by higher spot prices, but depressed by a lower average harvest weight and share of superior quality. The share of superior quality ended at 85% in 2022, a reduction from 87% in 2021, which mainly relates to early maturation and the occurrence of winter ulcers at the start of 2022.

Freshwater production was stable during the year. We transferred a total of 4.8 million smolt, with an average weight of 110 grams, to the sea in 2022. The freshwater survival rate decreased from 85% in 2021 to 84% in 2022. We have taken steps to ensure a higher quality roe going forward.

Seawater production was stable in 2022. The 12-month survival rate decreased from 92% in 2021 to 91% in 2022. The survival rate was impacted by a higher number of events of low oxygen levels and algal blooms than in 2021. Despite prolonged periods of challenging environmental conditions, we managed to stabilize survival due to our barrier and CO2L flow system. Mortality related to algal blooms have been reduced the last years due to our efforts relating to algae mitigation, digital monitoring and aeration systems, and came to 1.15% in 2022.

We are constantly working to reduce the use of antibiotics. In 2022, the antibiotic Florfenicol was used to treat Yellowmouth,

Enteric Redmouth disease (ERM) and Salmonid Rickettsial Septicaemia (SRS) to safeguard the welfare of the fish. Our use of antibiotics is too high, and we are pursuing non-therapeutic means to manage diseases, such as vaccines and an adapted diet. Infrastructure, such as the barrier system, might also aid in reducing disease transmission. Our post-smolt strategy will enable us to have better control of the fishes' environment for a longer period. It will also make the fish more robust when they are transferred to the sea, and a shorter period at sea will reduce exposure to biological risks. This in turn will reduce the risk of disease outbreaks and the need for antibiotics. SRS has been a challenge in the shíshálh (Sechelt) farming area, and as we have harvested the last fish and are closing down the area, we do not expect treatment related to SRS going forward.

BC has low sea lice levels during the important outmigration period (when the juvenile and vulnerable wild salmon pass our farms on their way from the rivers to the ocean). However, the region is influenced by sea lice pressure each autumn, during the immigration period when the adult wild salmon pass our farms on their way back to the rivers to spawn. Sea lice are then transferred from the wild salmon to the farmed salmon, with risk of multiplication within the farms. In BC, unlike Norway, the wild salmon population greatly outnumbers the farmed salmon population. Our barrier systems have shown potential to improve sea lice control significantly. When additional measures are needed, we carry out the type of treatment most appropriate to the biological situation. During 2022, medicinal sea lice treatment with hydrogen peroxide and in-feed treatments were used to reduce and maintain a stable sea lice level. We aim to reduce the use of medicinal 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 cost of reduced survival (cost recognized as abnormal mortality in the income statement) was NOK 90.7 million in 2022 (NOK 4.5 or CAD 0.6 per kg), compared to NOK 17.6 million in 2021 (NOK 1.2 or CAD 0.2 per kg). The cost was significantly

impacted by lower quality roe, leading to reduced survival at the freshwater stage. The farming cost (the total cost of producing and harvesting our fish) increased from CAD 8.8 per kg (NOK 60.4) in 2021 to CAD 9.1 per kg (NOK 68.8) in 2022, due to the increased cost of reduced survival. Towards year-end, we harvested the last fish from the shíshálh (Sechelt) farming area, which has historically had a higher farming cost per kg compared to other farming areas, due to the small size of each farms. While we expect this to reduce our farming cost going forward, we see increases due to the general cost inflation in the industry. This applies in particular to feed, whose price has increased by close to 20%.

In BC, the wild salmon are Pacific salmon species which cannot interbreed with our Atlantic salmon. We did not have any escapes from our sea farms in 2022. We continue our efforts to minimize our impact on other local wildlife. In 2022, six birds got caught in our nets. We will continue striving to reduce our impact.

As part of our Climate Action Plan to reduce our carbon emissions by 35% in 2030, we exchanged our compressors with flow technology, reducing our compressor energy usage and thereby our diesel consumption. It is estimated that the

flowpressors will reduce annual carbon emissions by 11 000 tCO<sub>2</sub>e per year. Read more about how we are working to reduce our carbon emissions here.

We are committed to maintaining a good working environment and keeping our employees safe. In 2022, the total absence rate for BC was 6.43%, against a target of 4.5%. We are monitoring and following up on absence in accordance with procedures and guidelines. Read more about how we work to secure our employees well-being and labor rights here.

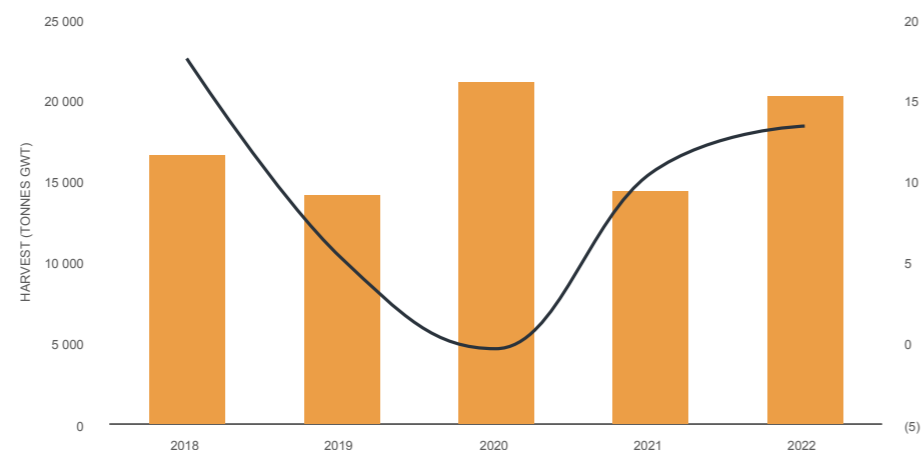
Obtaining ASC certification is an important signal that our salmon is a responsible choice, as ASC has strict requirements with respect to minimizing fish farms' impact on the environment and supporting local communities. As part of discontinuing our farming operations in the Sechelt area, we withdrew the ASC certification from five of the sites that were empty and inactive at year-end. We also have one more active site in 2022 than in 2021. At the end of 2022, a total of seven out of 11 eligible sites were ASC certified (corresponding to 71% of budgeted net production for the year). We expect to certify the remaining sites in 2023.

**FIGURE 2.29 RESULTS**

BRITISH COLUMBIA	2018	2019	2020	2021	2022
Harvest (tonnes GWT)	16 632	14 120	21 181	14 448	20 286
Revenue (NOK million)	1 075.3	861.4	1 178.9	1 023.5	1 665.1
Operational EBIT (NOK million)	290.9	73.3	-7.4	150.2	270.4
Operational EBIT / kg (NOK)	17.5	5.2	-0.4	10.4	13.3
Farming cost / kg (NOK)	50.0	55.3	56.0	60.4	68.8
Farming cost / kg (CAD)	7.4	8.3	8.0	8.8	9.1

**FIGURE 2.30 OPERATIONAL EBIT AND HARVEST**

Harvest (tonnes GWT)  
Operational EBIT/kg (NOK)



# SUSTAINABILITY SCOREBOARD

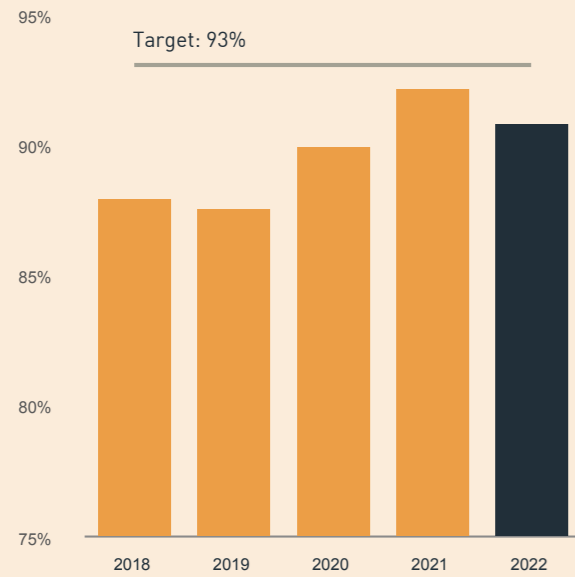
PILLAR	KPI	TARGET	STATUS	2022	2021	2020	2019	2018
PROFIT & INNOVATION	Harvest volume (tonnes GWT)	20 000 tonnes in 2022	●	20 286	14 448	21 181	14 120	16 632
	Operational EBIT / kg (NOK)			13.3	10.4	-0.4	5.2	17.5
	Farming cost per kg (CAD)	Cost leader	●	9.1	8.8	8.0	8.3	7.4
HEALTHY OCEAN	ASC certification (# of sites)	All sites (11 eligible) by 2023	●	7	12	11	n/a	n/a
	Survival rate in freshwater			84%	85%	78%	63%	83%
	Survival rate at sea	93% by 2022	●	91%	92%	90%	88%	88%
	Cost of reduced survival (NOK 1 000)			90 728	17 617	66 082	73 327	88 454
	Use of antibiotics (g per tonne LWE) *	No use of antibiotics	●	34.75	41.67	62.32	87.00	151.26
	Use of hydrogen peroxide (kg per tonne LWE) */**	Minimize use of pharmaceutical treatments	●	12.83	35.66	46.62	6.01	5.83
	Sea lice treatments - in feed (g per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0.17	0.30	0.22	0.52	0.32
	Sea lice treatments - in bath (g per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0.00	0.00	0.00	0.00	0.00
	Escape incidents (# of fish)	Zero escape incidents	●	0	2 (4)	0	0	0
	Dead birds	Minimize impact on wildlife	●	6	8	12	14	0
Dead marine mammals	Minimize impact on wildlife	●	0	1	1	0	0	
SUSTAINABLE FOOD	Carbon emissions (kgCO <sub>2</sub> e per tonne GWT)	35% reduction (from 2018) in total emissions by 2030						
	Scope 1 + 2 location based		●	741	1 091	769	1 101	597
	Scope 3		●	2 439	4 025	3 276	5 411	5 376
	High quality product	93% superior share	●	85%	87%	86%	86%	84%
	Biological feed conversion ratio (bFCR)			1.21	1.18	1.23	1.25	1.23
	Economic feed conversion ratio (eFCR)			1.38	1.27	1.43	1.41	1.54
PEOPLE	Employees			157	176	174	171	148
	Absence rate	Below 4.5%	●	6.4%	5.6%	6.8%	2.0%	1.8%
	Lost time incident rate	***		9	6	36	35	38
	Turnover rate			40%	30%	n/a	n/a	n/a
LOCAL COMMUNITIES	Local procurement			86%	84%	83%	83%	n/a

\* Amount of active pharmaceutical ingredients (APIs) used (in gr or kg) per tonne of fish produced (LWE).  
 \*\* As of 01.01.2021, the Government of Canada - Department of Fisheries and Oceans Canada (DFO) changed the calculation formula for the API of hydrogen peroxide from Paramove 50 from 1 L (Paramove 50) \* 1.15 (density) \* 0.45 (concentration) = 1 kg H<sub>2</sub>O<sub>2</sub> to 1 L (Paramove 50) \* 1.19 (density) \* 0.49 (concentration) = 1 kg H<sub>2</sub>O<sub>2</sub>, which corresponds to the method used in Norway. Previous years (2018 - 2020) have not been recalculated.  
 \*\*\* An LTIR target has not been defined in order to avoid under-reporting of incidents.  
 n/a: Data not available.

Please refer to Part 1 - Our pillars and material topics for a description of the general financial impact of each topic.



**FIGURE 2.31**  
SURVIVAL RATE AT SEA, ROLLING 12 MONTHS  
Orange line

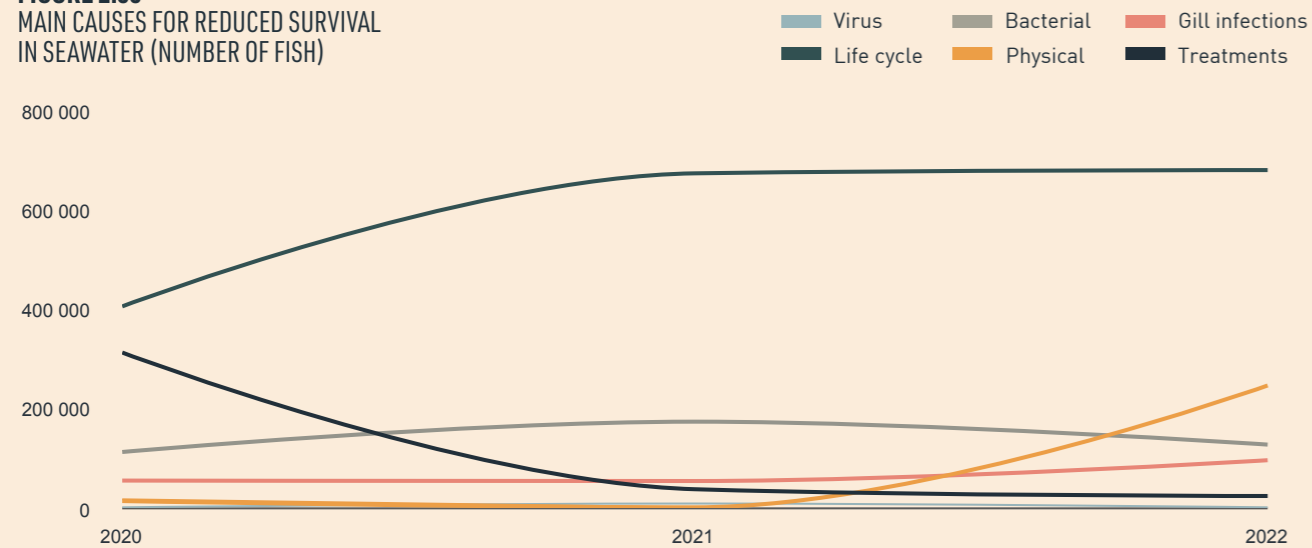


We have also set targets for survival rates in fresh water. In the wild, only a small percentage of fertilized eggs survive and become adults. That is our biological starting point. Over the years, research has allowed us to improve the quality of breeding process, the eggs and survival rates, but we still experience mortality especially in the very early phase. We work systematically at the various stages in the lifecycle to improve survival rates. These targets can be found in our fish health and fish welfare policies. The calculation of survival rate at sea corresponds to the GSI indicator "Fish Mortality" which is defined as "12 months rolling mortality = total # of mortalities in sea last 12 months / (closing # of fish in sea + total # of mortalities in last 12 months + total # of harvested fish in last 12 months + total # of culled fish in sea) x 100".

**FIGURE 2.32**  
MAIN CAUSES FOR REDUCED SURVIVAL IN SEAWATER IN 2022

MAIN CAUSE	NUMBER OF FISH	TONNES OF FISH
<b>Infectious</b>		
Gill infections	94 753	261
Bacterial	126 122	221
<b>Non-Infectious</b>		
Life cycle	678 113	1 358
Physical	245 043	484
Treatments	22 809	54
<b>Total</b>	<b>1 166 840</b>	<b>2 379</b>
<b>Abnormal seawater mortality write-down</b>	<b>335 762</b>	<b>751</b>
<b>%</b>	<b>29%</b>	<b>32%</b>

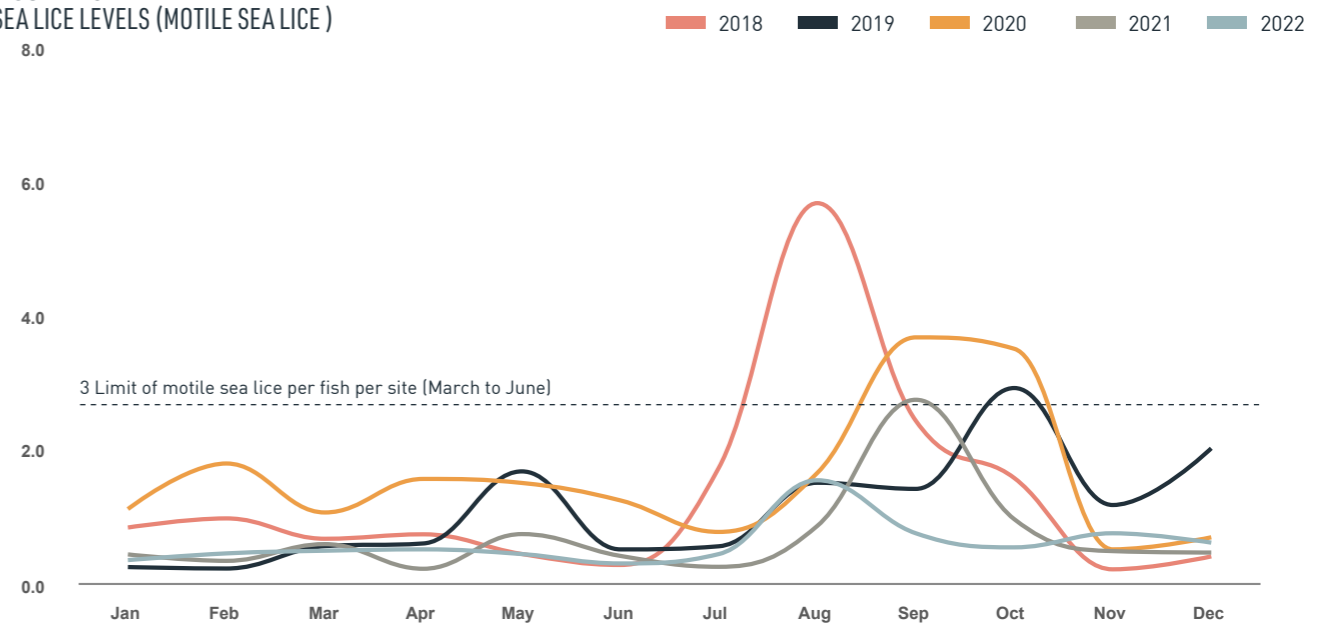
**FIGURE 2.33**  
MAIN CAUSES FOR REDUCED SURVIVAL IN SEAWATER (NUMBER OF FISH)



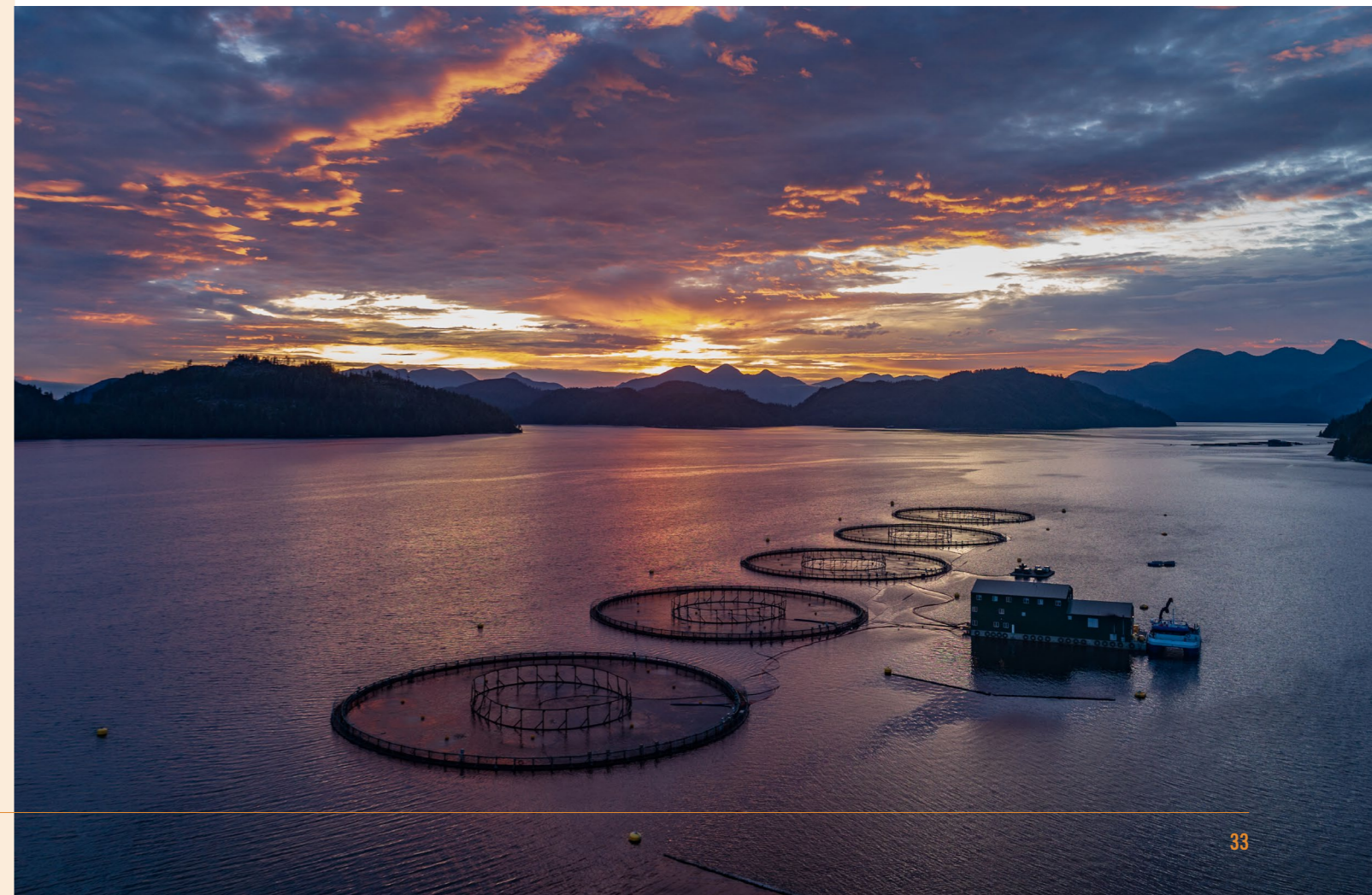
We perform a daily count and registration of dead fish. We undertake routine screening to determine the cause of mortality.

Gill infections are in most cases complex and multifactorial, and the primary cause is unknown. Gill infections is a welfare issue, as well as being an important cause of mortality. Bacterial include Yellowmouth and Salmonid Rickettsial Septicaemia (SRS). Yellowmouth typically occurs during the first few weeks after transfer to the sea, and is controlled through therapeutic treatments using antibiotics. SRS is controlled through good husbandry and management practices. The other categories relate to transport (physical), sea lice treatments, while life cycle includes a variety of causes.

**FIGURE 2.34**  
SEA LICE LEVELS (MOTILE SEA LICE)



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 during the out-migration period, recognized as a vulnerable time for wild salmon migrating out to sea. Sea lice counts are conducted by visual inspections, done by lifting a minimum of 20 salmon out of the water for three pens on a weekly basis. The number of sea lice on each fish is recorded in our systems, and this information is used to estimate the overall prevalence of sea lice in the population. On average, we did not exceed the sea lice limits in 2022.



**FIGURE 2.35**  
USE OF COPPER

Copper-free antifouling solutions on nets	100%
-------------------------------------------	------

We did not use copper antifouling solutions on our nets in BC in 2022.

**FIGURE 2.36**  
RESTORED ECOSYSTEMS UNDER FARMS

Remediated ecosystems under farms before a new generation of fish was transferred to the farms in 2022	100% of farms
--------------------------------------------------------------------------------------------------------	---------------

Threshold on hard bottom according to local regulations: Beggiatoa species, similar bacteria or marine worms does not cover 10% or more of any four segments of substrate. Threshold on soft bottom according to local regulations: Sulphide does not exceed 1 300 µM at 30 m and 700 µM at 125 m away from the cage edge along two transects.

**FIGURE 2.37**  
% OF SITES THAT ARE RESTORED

Substrate Type	Benthic exceedance thresholds at peak biomass or before re-stocking	Compliance 2022
Hard Bottom	Beggiatoa species, similar bacteria or marine worms does not cover 10% or more of any four segments of substrate.	100%
Soft bottom	Sulphide does not exceed 1 300 µM at 30 m and 700 µM at 125 m away from the cage edge along two transects.	100%
	Sulphide does not exceed 1 500 µM outside the Allowable Zone of Effect*	100%

\* ASC Salmon standard.

As in all other types of food production, our farming operations leave a footprint through local emissions. Such emissions may be excess feed, feces from the fish or copper from fish nets. This impact should never be irreversible. Read more about our impact on nature here. In BC, regulations require us to conduct benthic tests at peak biomass at each farm, and follow the farm after ended production cycle until the seabed of the site reaches the regulated threshold of remediation. The test must be accepted by the regulators and, since our farms are BAP certified farms, an independent third party.

The Aquaculture Activities Regulation, established under the Canadian Fisheries Act, sets exceedance limits for the benthic substrate monitoring according to the Monitoring Standard. The sites cannot be restocked if they exceed these limits.

**FIGURE 2.39**  
PROTECTING MARINE ECOSYSTEMS

Impact assessments performed	Operations in protected areas/areas of high biodiversity value	Red list species impacted
100% of farms	None	None

We perform environmental and social impact assessment for all of our farms. Such assessments are also part of the ASC certification process, which includes criteria to minimize environmental impact and preserve biodiversity. We do not have sites in the proximity of land nature reserves, nor do we have sites in or adjacent to protected areas or areas of high biodiversity value (areas defined as Special Areas of Conservation (SAC), Marine Protected Areas (MPA), High Conservation Value Areas (HCVA) or Federal Marine Protected Areas). All site locations are available on our web site with GPS coordinates.

**FIGURE 2.38**  
IUCN RED LIST SPECIES

Regionally extinct	Critically endangered	Endangered	Vulnerable	Lower risk: conservation dependent	Data deficient
0	5	10	11	14	29

Our impact assessments also include identification of species listed in the IUCN Red List and BC's national conservation list, Species at Risk Act (SARA), with habitats in areas where we operate. The International Union for Conservation of Nature (IUCN) 'Red List of Threatened Species' provides an inventory of the global conservation status of plant and animal species, and national conservation lists serve as authorities on the sensitivity of habitat in areas affected by our operations, and on the relative importance of these habitats from a management perspective. Our assessments have not identified that our activities pose a threat to any endangered plants or animal species. We keep track of red listed species impacted in areas affected by our operations as a part of the ASC-certification. No red list species was impacted in proximity of our operations in 2022.

As wild salmon is an important part of the indigenous culture, we embrace the responsibility of not causing harm and has engaged in several wild salmon enhancement projects in BC, including the Oyster River Enhancement Society and Nootka Sound Watershed Society. The Oyster River Enhancement Society works on habitat restoration projects for natural spawning, rearing and overwintering of salmonids in the Oyster river (length of 15 km). Red more about the project here. The Nootka Sound Watershed Society works to protect, restore and enhance pacific salmonids and their habitat in Nootka Sound, Esperanza Inlet (52.2 km<sup>2</sup>) through sustainable, science-based practices. Read more about the projects and their habitat status assessments here.

## OPERATIONAL PRIORITIES TOWARDS 2026

Grieg Seafood BC expects to harvest 20 000 tonnes in 2023. We aim to increase the volume harvested to 30 000-35 000 tonnes in 2026 both by 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. At the start of 2022, we completed the expansion of our Gold River smolt facility, with smolt capacity increasing from 500 tonnes to 800 tonnes. Further expansion of our post-smolt capacity is under consideration. As from 2022, we also have our own broodstock program, with the aim of becoming self-sufficient in high-quality eggs. Another key priority to increase survival and harvest volume, is the use of digital monitoring and prediction technology. Harmful Algae Blooms (HAB) and low-oxygen events represent significant biological risks in BC. However, mortality related to algae blooms has been reduced the last years due to our successful efforts in the field of algae mitigation, digital monitoring and aeration systems. Algae movements and oxygen levels are continuously monitored and analyzed using high-grade real-time in-pen sensors, and machine learning with predictive environmental software. We have installed aeration systems to enable feeding also during challenging situations, which increases survival during these periods. In combination with HAB and oxygen monitoring tools, we currently have barrier systems installed at three sites, which will allow us to keep the barriers down year-round and to maintain oxygen levels. Our capital expenditures in 2022 reflect our growth initiatives. We spent approximately NOK 74 million primarily on barrier systems and the expansion of Gold River, in addition to NOK 59 million in regular maintenance investments.

The United Nations Declarations on the Rights of Indigenous Peoples (UNDRIP), giving Indigenous peoples rights in their own traditional territory, is under implementation in BC. This is a process of reconciliation between the government, businesses and First Nations. The majority of our production

in BC is operated under agreements with First Nations. 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 working to get better at operating with respect for the culture of our First Nations partners in every way, to deepen our understanding and to provide shared opportunities. Read more about our journey of reconciliation in BC here.

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

## LOCAL COMMUNITIES

We aim to be open and honest with local communities about our production methods, our successes, and our remaining challenges. We view it as our responsibility throughout all of our four farming regions to engage in constructive dialogue with all stakeholders and groups that are impacted by our activities. We create jobs and opportunities in the rural areas where we operate, and we use local suppliers as often as we can. We hire local apprentices and support aquaculture schools and training facilities. We sponsor sports and cultural activities, and we engage in monitoring and protection of the local environment. We also provide a grievance mechanism for local communities on our website. This enable us to identify and prevent potential negative impact on local communities, such as pollution of local environment and violations of human rights. In 2022, we did not identify any significant negative impact on local communities from our operations.

We are active in the communities in which we live and work through our sponsorship and donation program. Contributions

include financial support, in-kind and employee knowledge sharing or participation. In 2022, we supported dozens of initiatives ranging from youth sports team funding to support for wild salmon restoration and enhancement. Throughout the year we have collected funds for local Food Banks, and during the holiday season we donated presents for children through the Campbell River Angel Tree Society and the John Howard Society's KidStart program.

In British Columbia, we farm in areas that belong to Indigenous peoples. These groups have special rights, as acknowledged in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and Grieg Seafood takes particular care to avoid infringing them. The vast majority of our production is covered by agreements with First Nations, and we are pursuing agreements with others. These agreements are a layer of regulation requiring compliance and the details of these agreements are unique to each Nation. They ensure transparency and Nation oversight to our operations while providing economic and social benefits to each community. We are continuously working to be in compliance with the agreements.

**NOK 1 091 million**  
equal to 86% of total purchases, spent on goods and services purchased from local suppliers in BC.

**NOK 0.6 million**  
donated to local services and infrastructure projects, all of which are pro bono. We supported dozens of initiatives ranging from youth sports team funding to support for wild salmon restoration and enhancement. Throughout the year we have collected funds for local Food Banks, and during the holiday season we donated presents for children through the Campbell River Angel Tree Society and the John Howard Society's KidStart program.

Learn more about our relationships with our local community [here](#), and our approach to the implementation of UNDRIP and our journey of reconciliation with Indigenous Peoples in British Columbia [here](#).





# GRIEG SEAFOOD 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

In 2022, we successfully completed the first transfer of smolt to sea farms in our Newfoundland region. Production at our Recirculating Aquaculture System (RAS) freshwater facility in Marystown Marine Industrial Park, in Placentia Bay, remained on track, with high survival rates. Two million smolt, with an average weight of 100 grams, were transferred to two sea farms in Placentia Bay during the spring and summer of 2022.

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 in our operations. 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. Triploid salmon perform well in cold environments and do not mature. So far, the fish have performed well biologically, with high survival and growth at sea, and we have not experienced sea lice issues. We have not detected any sea lice on our fish. At year-end, the average weight of the fish was 1.3 kg. We have not had any escape incidents or conflicts with wildlife, and our equipment withstood harsh weather and storms. We are still in an early phase and will expand the project gradually and in line with biological developments. Harvesting is expected to commence towards the end of 2023. We expect to transfer more smolt to the sea during late spring or summer of 2023.

We did not incur any costs related to reduced survival (cost recognized as abnormal mortality) in 2022. As we have not started harvesting, we do not have a farming cost in 2022. Most of our production cost is accounted as inventory, though, a portion is expensed directly to the income statement. EBIT for 2022 totaled NOK -114.7 million, compared to NOK -116.9 million in 2021. In 2022, we spent a total of NOK 210 million on our seawater locations, including equipment for digital monitoring.

As part of our Climate Action Plan to reduce our carbon emissions by 35% in 2030, we invested in diesel-electric power on two of our feed barges in Newfoundland. We aim to have battery packs on all the feed barges, which will reduce our carbon emissions from diesel consumption. Read more about how we work to reduce our carbon emissions [here](#).

We are committed to maintaining a good working environment and keeping our employees safe. In 2022, the total absence rate for Newfoundland was 1.59%, well below our target of 4.5%. We are monitoring and following up on absence in accordance with procedures and guidelines. Read more about how we work to secure our employees well-being and labor rights [here](#).

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 create jobs and value for our local communities.

**FIGURE 2.40**  
USE OF COPPER

Copper-free antifouling solutions on nets	100%
-------------------------------------------	------

We did not use copper antifouling solutions on our nets in Newfoundland in 2022.

**FIGURE 2.41**  
% OF SITES THAT ARE RESTORED

Substrate Type	Benthic exceedance thresholds at peak biomass or before re-stocking	Compliance 2022
Hard Bottom	Beggiatoa species or similar bacteria, marine worms or barren substrate does not cover 70% or more of the locations specified in the Monitoring Standard	Sampling not complete due to sites not at peak biomass
Soft bottom	The mean concentration of free sulfide as calculated at the locations specified in the Monitoring Standard does not exceed 3 000 µM	No primarily soft bottom sites active in 2022

As in all other types of food production, our farming operations leave a footprint through local emissions. Such emissions may be excess feed, feces from the fish or copper from fish nets. This impact should never be irreversible. Read more about our impact on nature here. No sediment or visual monitoring was required in 2022, in compliance with the Aquaculture Activities Regulations (AAR). Benthic monitoring will be completed in 2023 at a time close to peak feeding at each sea cage site that was active in 2022, in compliance with the Aquaculture Activities Regulations. The AAR states that sampling should be conducted during the period of actual or predicted maximum daily quantity of feed usage during the production cycle, which will occur in summer/fall 2023 for fish that were transferred to sea in 2022.

**FIGURE 2.42**  
PROTECTING MARINE ECOSYSTEMS

Impact assessments performed	Operations in protected areas/areas of high biodiversity value	Red list species impacted
100% of farms	Two farming sites, total area of 0.028km <sup>2</sup> of water surface	None

We perform environmental and social impact assessment for all of our farms. Such assessments are also part of the ASC certification process, which includes criteria to minimize environmental impact and preserve biodiversity. According to Department of Fisheries and Oceans (DFO), we have sites located in an area in Placentia Bay (~7800 km<sup>2</sup>), which is classified as a "Ecologically and Biologically Significant Area" (EBSA). In order to receive licenses in this area, Grieg Seafood Newfoundland conducted an Environmental Impact Statement (EIS) Assessment which was reviewed by DFO and other regulators. Approval to operate in this area has been granted based on the assessment by both federal and provincial regulators. Our sites are located away from Important bird areas and proposed leatherback sea turtle critical habitat identified within the EBSA.

**FIGURE 2.43**  
IUCN RED LIST SPECIES

Regionally extinct	Critically endangered	Endangered	Vulnerable	Lower risk: conservation dependent	Data deficient
0	3	4	6	5	10

Our impact assessments also include identification of species listed in the IUCN Red List and BC's national conservation list, Species at Risk Act (SARA), with habitats in areas where we operate. The International Union for Conservation of Nature (IUCN) 'Red List of Threatened Species' provides an inventory of the global conservation status of plant and animal species, and national conservation lists serve as authorities on the sensitivity of habitat in areas affected by our operations, and on the relative importance of these habitats from a management perspective. Our assessments have not identified that our activities pose a threat to any endangered plants or animal species. We keep track of red listed species impacted in areas affected by our operations as a part of the ASC-certification. No red list species was impacted in proximity of our operations in 2022.

Together with Provincial and Federal regulators, we have implemented monitoring procedures and protective measures as a part of our commitment to co-existence with wild salmon in Newfoundland. In late spring and summer 2022, we monitored upstream migration of adult, wild Atlantic salmon on the Come-by-Chance River (with a length of 5.15 km). This was the second year the Come-by-Chance River was monitored, but the first year with Atlantic salmon in sea at the Red Island site. In 2022, there were no acute or suspected chronic releases of farmed salmon from the Red Island and Butler Island sea cage sites.

# SUSTAINABILITY SCOREBOARD

PILLAR	KPI	TARGET	STATUS	2022	2021
PROFIT & INNOVATION	Operational EBIT (NOK million)			-114.7	-116.9
HEALTHY OCEAN	Survival rate in freshwater			85%	n/a
	Use of antibiotics (g per tonne LWE) *	No use of antibiotics	●	0	0
	Use of hydrogen peroxide (kg per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0	n/a
	Sea lice treatments - in feed (g per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0	n/a
	Sea lice treatments - in bath (g per tonne LWE) *	Minimize use of pharmaceutical treatments	●	0	n/a
	Escape incidents (# of fish)	Zero escape incidents	●	0	n/a
	Dead birds	Minimize impact on wildlife	●	0	n/a
	Dead marine mammals	Minimize impact on wildlife	●	0	n/a
	SUSTAINABLE FOOD	Carbon emissions (tCO <sub>2</sub> e)	35% reduction (from 2018) in total emissions by 2030		
Scope 1 + 2 location based			●	2 244	2 066
Scope 3			●	8 890	735
Biological feed conversion ratio (bFCR)				1.27	n/a
Economic feed conversion ratio (eFCR)				1.29	n/a
PEOPLE	Employees			104	69
	Absence rate	Below 4.5%	●	1.6%	1.3%
	Lost time incident rate	**		0	5
	Turnover rate			42%	83%
LOCAL COMMUNITIES	Local procurement			37%	44%

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

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

n/a: Data not available or not applicable as seawater production started mid-year 2022.

Please refer to Part 1 - Our pillars and material topics for a description of the general financial impact of each topic.



## PRIORITIES TOWARDS 2026

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

Our high-end state-of-the-art RAS facility has technology employing 100% recirculation of water with minimal impact on the surrounding environment. The facility currently consists of a hatchery, nursery and a smolt unit with a capacity of 600 tonnes. We aim to construct an additional 1 400 tonnes of post-smolt capacity, depending on a successful first winter at sea. We have further options to expand, and we will gradually develop our operations to ensure biosecurity, fish health and profitability.

We currently have 13 seawater licenses, each with an allowance of one million fish at first stocking, increasing to two million fish in subsequent stockings. In 2023, we expect to harvest 5 000 tonnes of salmon, increasing to 15 000 tonnes by 2026, which is possible with our current set up. We have also been awarded rights to develop the Bays West aquaculture area, with the potential to produce an additional 20 000 tonnes of salmon. With this possibility, we will have exclusive rights in two production areas, which will secure future flexibility. These areas will provide a long-term annual harvest potential of up to 65 000 tonnes.

## LOCAL COMMUNITIES

We aim to be open and honest with local communities about our production methods, our successes, and our remaining challenges. We view it as our responsibility throughout all of our four farming regions to engage in constructive dialogue with all stakeholders and groups that are impacted by our activities. We create jobs and opportunities in the rural areas where we operate, and we use local suppliers as often as we can. We hire local apprentices and support aquaculture schools and training facilities. We sponsor sports and cultural activities, and we engage in monitoring and protection of the local environment. We also provide a grievance mechanism for local communities on our website. This enable us to identify and prevent potential negative impact on local communities, such as pollution of local environment and violations of human rights. In 2022, we did not identify any significant negative impact on local communities from our operations.

**NOK 200 million**

equal to 37% of total purchases, spent on goods and services purchased from local suppliers in Newfoundland.

**NOK 0.4 million**

donated to local services and infrastructure projects, all of which are pro bono. We support the local YMCA, which has been part of life in Newfoundland and Labrador since 1854. It is a charity dedicated to strengthening the foundations of communities. They do this by nurturing the potential of children, teens, and young adults; promoting healthy living; and fostering social responsibility. YMCA offers programs of health and fitness, child care, employment enterprise and newcomer services. We also donated to the Burin Peninsula Health Care Foundation, a direct support of the local health care centers to improve the quality of care for patients and long term care residents. We have supported projects such as a garden gazebo for long-term care patients and getting 11 new mental health first aiders trained.

Learn more about our relationships with our local community on our website.

# OUR CERTIFICATIONS

To ensure that local communities, customers, and civil society can trust that we farm responsibly and to the highest standards, we certify our farms according to several recognized, third-party certifications.

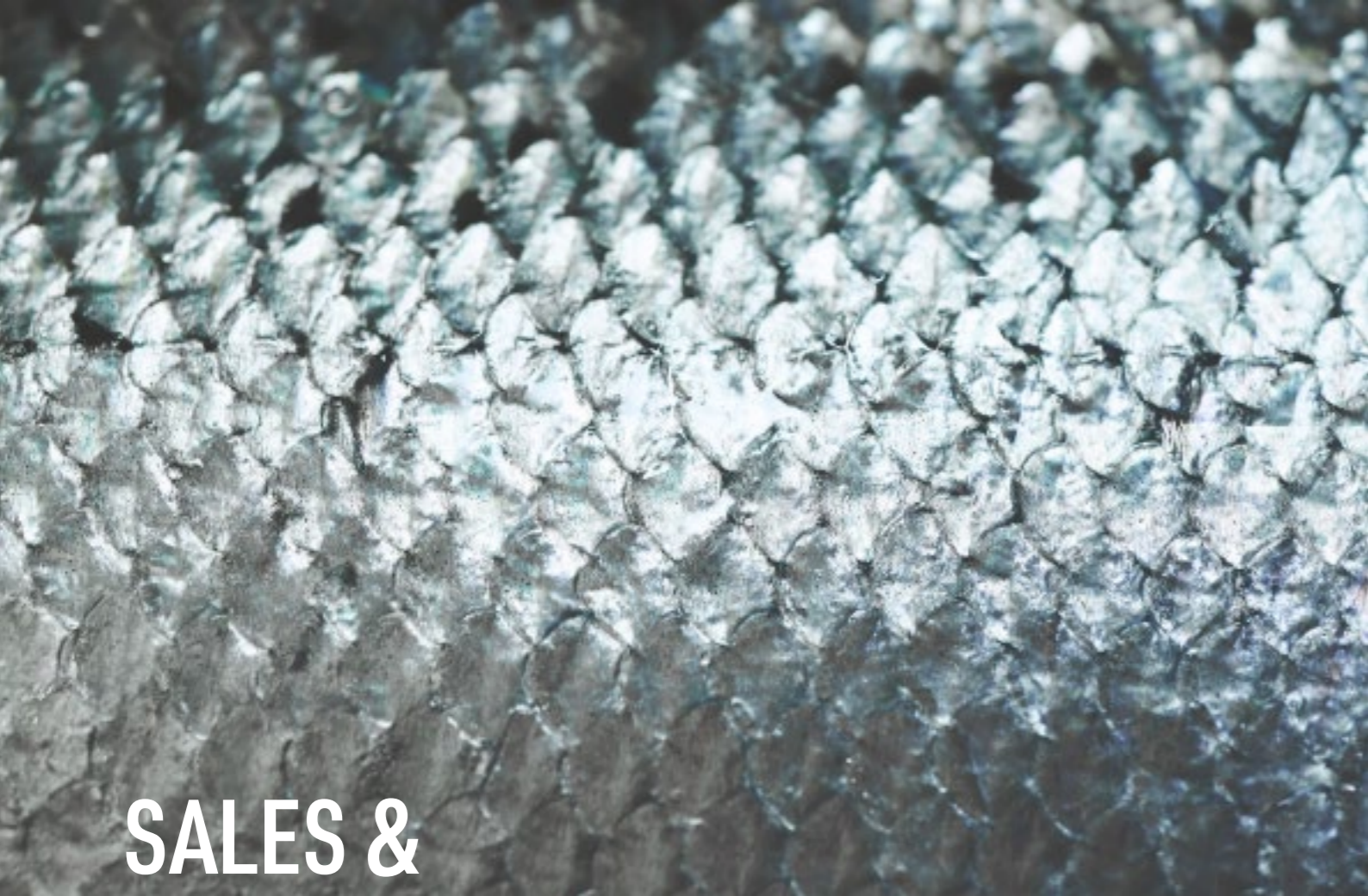
Our farming operations in Rogaland, Finnmark and BC are certified according to BAP or GLOBALG.A.P. Both these standards are recognized by the Global Food Safety Initiative (GFSI). Our sales and market organization is chain-of-custody certified according to ASC and GlobalG.A.P. In 2022 we started the process of obtaining FSSC 22000 certification for our processing plants in Rogaland and Finnmark. We expect both facilities to have the GFSI recognized certification in the Q1 2023. 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. Processing partners in BC hold equivalent certification for their operations. Read more about our certifications and their current status [here](#).

We experienced good demand for ASC-certified salmon in the European market and are selling ASC-certified volumes with a consistent market premium. Additionally, the FSSC 22000 certification in Norway will allow access to new European customers requiring processing plants to have GFSI-recognized certifications.

CERTIFICATE	DESCRIPTION	TARGET	STATUS 31.12.2022
ASC	<p>Aquaculture Stewardship Council (ASC) was founded in 2010 by the World Wide Fund for Nature (WWF) and the IDH Sustainable Trade Initiative to establish global standards for sustainable seafood production.</p> <p>The ASC label only appears on food from farms that have been independently assessed and certified as being environmentally and socially responsible. ASC-certified salmon farms minimize impacts on the local ecosystem to protect biodiversity. Farms are required to measure various water parameters and remain within set limits. Farms are required to adhere to rigorous requirements to minimize disease outbreaks, keep sea lice levels low and can only use certain medicines under very strict conditions. Use of wild fish as an ingredient for feed must be minimized and full traceability back to a responsibly managed source, preferably certified, must be ensured for both wild fish and soy. There are also strict social requirements.</p> <p>A Chain of Custody certification ensures that companies selling certified seafood have identification, segregation and traceability processes and procedures in place.</p>	<p>100% ASC certification (or compliance with ASC) for active and eligible sites by 2023. Newfoundland aims to certify when its seawater sites are eligible for certification.</p>	<p>75%* of our total budgeted net production volume is ASC-certified</p> <p>17 sites (90% of budgeted net production) in Finnmark, Seven sites (71% of budgeted net production) in BC, and Five sites (59% of budgeted net production) in Rogaland have received ASC certification.</p> <p>Our sales and market organizations in Norway and Canada are ASC Chain of Custody certified.</p>
GLOBALG.A.P	<p>Global Good Agricultural Practices (GLOBALG.A.P.) is a standard for both agriculture and aquaculture. The standard covers food safety, animal welfare, sustainability, employment and traceability.</p> <p>GlobalG.A.P. certification provides assurance that food has been grown using recognized levels of quality and safety. It also ensures that it has been produced sustainably in a way that respects the health, the environment and the welfare and safety of workers and animals.</p> <p>The Chain of Custody Standard ensures that the product is sourced from GLOBALG.A.P. certified farms.</p> <p>GlobalG.A.P is particularly important for customers in Europe.</p>	<p>100% of farms in Norway GlobalG.A.P. certified (certification not relevant for Canada)</p>	<p>100% of our farms (thus 100% of our production volume) in Norway are certified. Our farms in Rogaland have been certified since 2008, and farms in Finnmark since 2016.</p> <p>Our sales and market organization in Norway is GlobalG.A.P. Chain of Custody certified.</p>
BAP	<p>Best Aquaculture Practices (BAP) is an aquaculture standard that covers practices in all stages of the fish farming process.</p> <p>BAP certification helps to assure consumers that the seafood they buy is produced in a manner that is considerate of the animal's welfare, the environment, workforce and community, food safety and traceability.</p> <p>BAP is particularly important for customers in the United States.</p>	<p>100% of farms in BC BAP certified (certification not relevant for Norway).</p>	<p>100% of our farms (thus 100% of our production volume) in BC have been certified since 2011. Our Newfoundland region is under establishment and is not yet delivering to market.</p>
FSSC 22000	<p>FSSC 22000 is a certification scheme for Food Safety Management Systems that is aligned with the ISO Management System approach and the ISO Harmonized Structure.</p>	<p>100% of processing plants in Norway FSSC 22000 certified</p>	<p>The processing plant in Finnmark was certified in December 2022, while the Rogaland plant's certification audit is scheduled in Q1 2023.</p>

\*Sites and production volume not included in the ASC-certification-% calculation is not eligible for ASC-certification due to inactive production or first production cycle not yet completed.



# SALES & MARKET

Grieg Seafood is part of a global salmon market, supplying 3.3% of the global volume of Atlantic salmon harvested in 2022. As part of our new strategy, we will reposition Grieg Seafood in the value chain and become an innovative partner for selected customers.

## THE GLOBAL SALMON MARKET

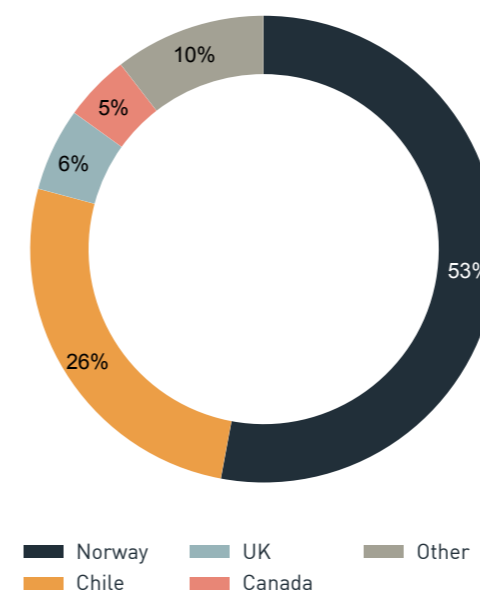
In 2022, the global volume of Atlantic salmon harvested decreased by approximately 1% compared to 2021, according to Kontali. A total of 2 578 500 tonnes GWT (gutted weight equivalent) was estimated to have been harvested globally in 2022, down from 2 606 580 tonnes in 2021. Chile contributed an increase in output of 29 880 tonnes, while most other salmon producing countries saw their output fall. The UK experienced a reduction of 29 880 tonnes, Norway a reduction of 14 850 tonnes and Canada a reduction of 9 450 tonnes (all figures in GWT).

Salmon exports from Norway fell by 2% in 2022 compared to 2021. The volume of fresh salmon exports decreased by 4%, while exports of fresh salmon filet increased by 6% compared to 2021. The main export markets for salmon from Norway were Europe, which accounted for 74% of the volume, while Asia accounted for 16% and North America 6% (source: Norwegian Seafood Council). The total volume supplied by Canada decreased by 7% in 2022 compared to 2021.

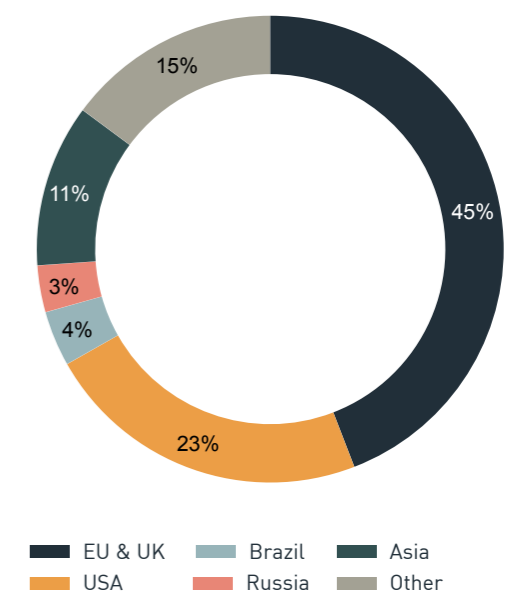
Demand for farmed salmon both in the retail and HoReCa sectors was strong in 2022. However, due to the limited supply of salmon, consumption decreased in most markets in 2022 compared to 2021. In contrast, consumption in the USA and China increased by 3% and 5%, respectively. Supply to Russia decreased by 43%, from 86 100 to 48 700 tonnes in 2022, due to the ongoing war against Ukraine.

The average spot price for Norwegian salmon (NQSALMON, weekly average) for 2022 varied significantly during the year, depending on supply to the market. The same trend was observed in the North American market. The spot market price stood at NOK 65.3 per kg at the beginning of the year. It increased to a peak above NOK 123 per kg towards the end of April, then fell to the mid-50s at the end of August, before bouncing back. The NQSALMON spot price closed the year at NOK 86.5 per kg. The 12-month average NQSALMON for 2022 came to NOK 82.0 per kg, compared to NOK 57.3 in 2021. Spot salmon prices in the US market started the year at NOK 73.0 per kg, peaked at around NOK 106 per kg and ended the year at NOK 91.5 per kg. The average price came to NOK 84.1 per kg, up by NOK 19 per kg compared to 2021.

**FIGURE 2.44**  
GLOBAL HARVEST OF ATLANTIC SALMON IN 2022



**FIGURE 2.45**  
GLOBAL CONSUMPTION OF ATLANTIC SALMON IN 2022



Source: Kontali Analyse AS



## OUR SALES & MARKET RESULTS

In 2022 we capitalized on the benefits of having a fully integrated global sales organization and reached our key milestones. We targeted 5-10% of our harvested volume for value added processing (VAP), to establish processing partnerships in Norway and Europe, as well as entry of our VAP products to selected markets. We started processing salmon into fresh and frozen value added products with partners in Norway and doing processing trails in other countries in Europe. Further we have established a presence of our own VAP products in Europe, Asian and the US markets. 6% of our global harvested volume in 2022 was sold as VAP. We aim to build on this development by optimizing biological performance and market timing through close collaboration between farming and sales, thereby securing good price achievement. The sales organization of Grieg Seafood operates as one coherent unit across the global salmon market, and we expect to leverage this for both our Norwegian and Canadian origins.

By a continued focus on sustainable farming practices and good fish health and welfare, we can provide the safe, healthy, tasty, and high-quality product that our customers and consumers demand. Through our food safety management system we ensure that our products are safe throughout harvest, processing and logistics on it's way to the market. We are transparent about our farming and production methods and communicate our standards and results to our customers. All our products are intended for human consumption. Read more about why our salmon are healthy and nutritious [here](#).

We have not had any product recalls for the last ten years, nor did we have any in 2022. No serious incidents of food safety non-conformities in regards to requirements in regulations or voluntary codes have been reported in 2022. Our product is not banned from any markets. To manage possibly product recalls and serious incidents related to food safety, regular training is performed. Read more about how we work with food safety on our web site.

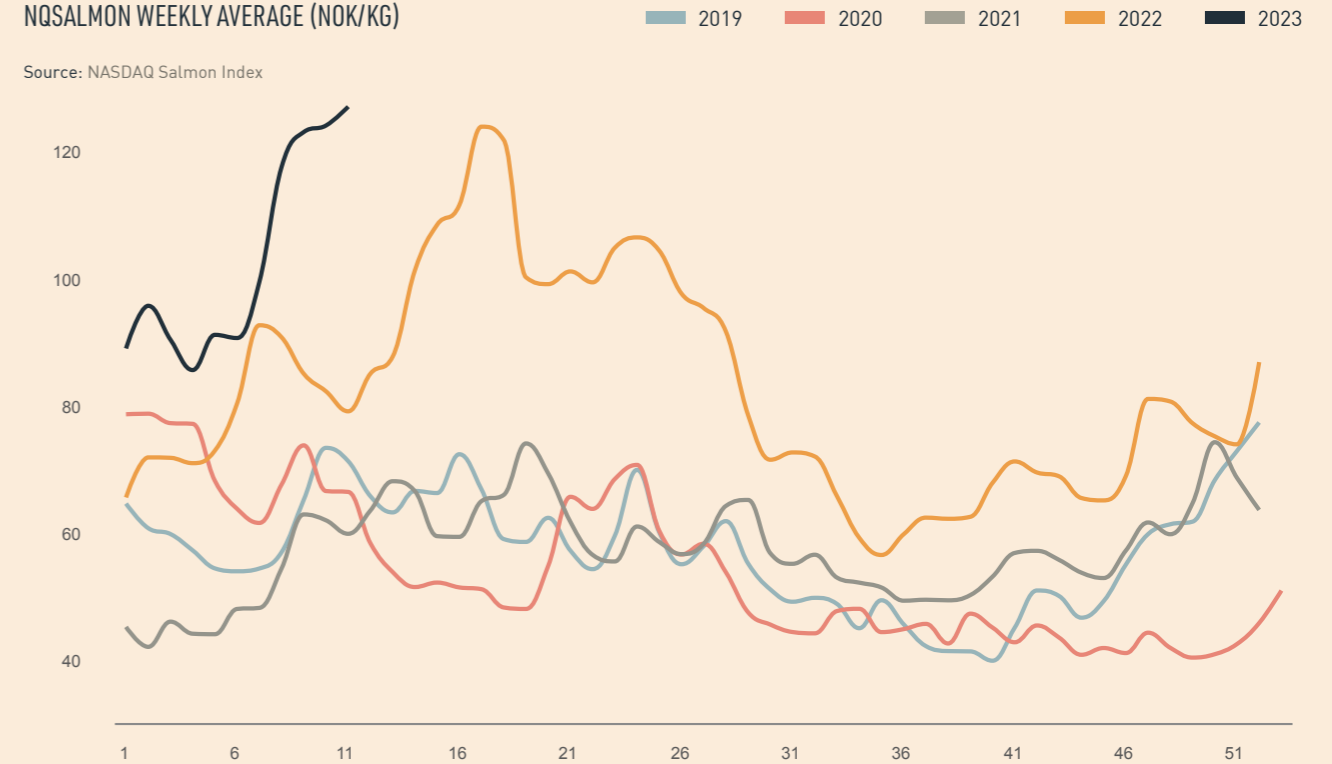
## OUR MARKETS

Grieg Seafood accounted for 3.3% of the global supply of Atlantic salmon in 2022. Sales consisted mainly of fresh, head-on gutted salmon. We increased our share of value-added products (VAP) from 4% in 2021 to 6% of our volume in 2022, in line with our strategy.

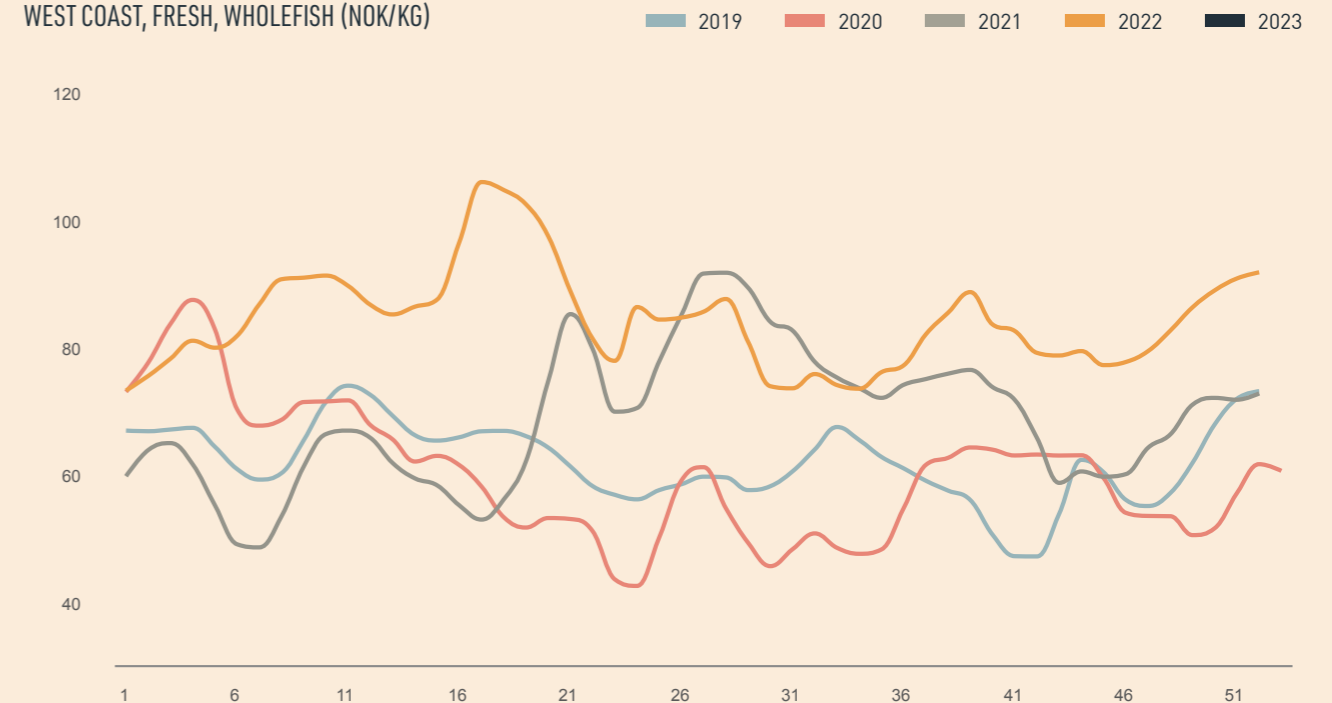
Continental Europe is by far our most important market, accounting for 63% (73%) of our harvested volume and contributing 58% of our sales revenue in 2022. North America is our second largest market, and accounted for 26% (21%) of our volume and 29% (27%) of our revenues in 2022. The market distribution of sales varies year on year, depending on the volumes harvested across our regions. The main change in our sales distribution was a decrease to Continental Europe from 65% in 2021 to 58% in 2022. This is primarily attributable to a growth in sales to the US market. We increased our harvested volume by 5% from our Norwegian farming operations in 2022, while we harvested 40% more in our BC region compared to 2021. In 2022, 17% of sales were to airborne markets, while the remainder was sold to European markets, with a strong focus on key markets in southern Europe. Our main export markets from Norway were Europe (82% of our volume), Asia (12%) and North America (6%). 3% of our volume of Norwegian origin was sold as value added products. Approximately 21% of our salmon from BC was sold in Canada, while 76% was sold to the USA and 3% to Asia. 9% of our harvested salmon was processed and sold as value added products, while the Skuna Bay brand made up approximately 5% of the volume. We did not have any sales to Russia or Belarus in 2022. See [here](#) for further details of sales revenues by markets and products.

Our sales revenues amounted to NOK 7 164 million, an increase of NOK 2 565 million or 55.8% from 2021. The increase in sales revenue is due to a combination of record-high harvest volume in our regions and an exceptionally strong market. Our harvested volume in 2022 was up 12% compared to 2021. The group's price achievement was NOK 75.8 per kg compared to NOK 55.7 per kg in 2021. By comparison, the average NQSALMON price for 2022 came to NOK 82.0 per kg compared to NOK 57.3 in 2021. The price realization was negatively impacted by contracts for some of our Norwegian volume, in addition to price achievement on production grade harvest volume. The total superior share came to 81% in 2021 compared to 82% in 2021. For more information on our harvested volume and sales performance, see the regional chapters in this report.

**FIGURE 2.46**  
NQSALMON WEEKLY AVERAGE (NOK/KG)



**FIGURE 2.47**  
URNER BARRY FARM RAISED SALMON SEATTLE WEST 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. Prices for 2023 are not yet available due to limited supply of salmon to the west coast of the USA.

## MARKET EXPECTATIONS AND OUR PRIORITIES TOWARDS 2026

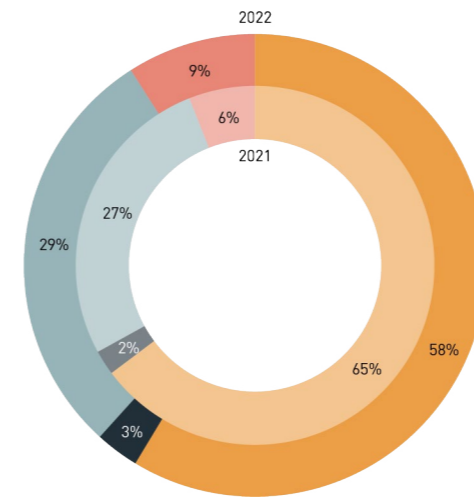
The global harvest of Atlantic salmon in 2023 is expected to increase by 2%, or 51 800 tonnes, compared to 2022, and come to 2 916 800 tonnes, according to Kontali (figures in whole fish equivalent, WFE). The current harvest estimates indicate a significant difference between supply volumes in the first and second half of 2023, the same pattern as in 2022. With negative supply growth in the first half of the year and overall limited growth in 2023, combined with an outlook for continuing strong demand fueled by an increased focus on healthy food and sustainably produced proteins, we currently (at the time of publishing this report) believe in sustained strong market prices in 2023. However, current inflation reducing household purchasing power might impact demand from both the HoReCa (hotels, restaurants and catering) and retail segment. The current Fishpool forward price for 2023 is around NOK 95 per kg, and the 2024 forward price is around NOK 87 per kg, reflecting an optimistic market outlook. We aim to sell 20-50% of our Norwegian volume under fixed-price contracts. The contract market in the second half of 2022 was impacted by the proposed resource rent tax on salmon in Norway, however we saw signs of improvement in the beginning of 2023. At year-end 2022, our estimated contract share for 2023 was 15%.

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 VAP by 2026. In 2023, we aim to increase the share of VAP volume to 8-12% of our harvested volume. We will also continue to evaluate opportunities to strengthen our processing capacity, such as long-term partnerships with third parties in Norway, North America and Europe, as well as development of existing internal processing infrastructure. We also aim to develop B2B brands going forward. Currently, we have the successful Skuna Bay brand in the USA.

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

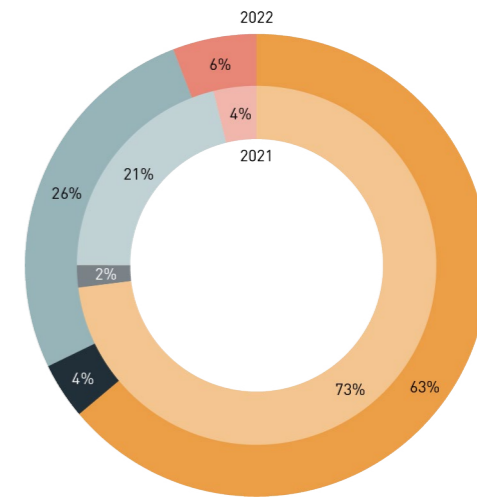
The global demand for Atlantic salmon has been increasing, supported by growing demand for healthy food and an expanding middle class in developing countries. Global fish consumption has doubled since 1998, and a further 80% increase is projected by 2050. The trend appears to have been bolstered by increased interest in healthy eating triggered during the Covid-19 pandemic. We expect salmon prices to remain strong the next years, driven by low supply growth and good demand.

**FIGURE 2.48**  
OUR MARKETS BY SALES REVENUES



Continental Europe    UK    North America    Asia

**FIGURE 2.49**  
OUR MARKETS BY HARVESTED VOLUME





# CLIMATE ACTION

While farmed salmon has a low carbon footprint compared to other animal proteins, our industry must do its part to achieve the goals set out in the Paris Agreement. New solutions must be developed to cut emissions in our operations and along our value chain.

## REDUCING CARBON EMISSIONS

According to the High-Level Panel for a Sustainable Ocean Economy (Ocean Panel), food production from the sea may be advantageous from a climate perspective, because the carbon footprint from production is low compared to terrestrial animal protein production (see Figure 1.3 in our Aquaculture in a sustainable global food system chapter). However, we recognize that we must do more to cut carbon emissions from our farming operations and supply chains. Direct carbon emissions from our production (Scope 1 & 2) account for 8% or 30 000 tCO<sub>2</sub>e of our total emissions. 92% or 346 000 tCO<sub>2</sub>e, of our emissions originate from our value chain (Scope 3), particularly those aspects linked to fish feed and the transportation of salmon to our markets.

Our climate action target is to reduce carbon emissions by 35% towards 2030, and by 100% in 2050, with 2018 as the baseline year. This reduction target is for Scope 1, 2 & 3. Our carbon emission reduction targets are classified as well-below 2°C global warming, and aligned with the Paris Agreement. Our emission targets have been approved by the Science Based Targets initiative (SBTi). More information can be found here.

### CLIMATE ACTION PLAN

During 2022, we have developed our climate action plan, which describes the measures and investments needed to reach our climate targets. This plan stresses the importance of both operational measures, that affect Scope 1 & 2, and supply chain measures in Scope 3. We need to reduce our operational fossil fuel consumption, purchase renewable electricity and set supplier requirements to be able to reduce our absolute emission level. We need to invest in the electrification of our sites and boats, commercialize the need for novel feed ingredients with lower emission factors and reduce our emissions from transportation.

We work actively to develop emission reduction initiatives, and to improve data quality and reporting from our operations and suppliers. Capturing the majority of emission data on an individual production site basis allows us to compare the energy intensity of each production site across all regions, and to develop strategic low-carbon transition plans for 2023 and beyond.

- In Rogaland and Finnmark, we are observing the benefits of using electricity from onshore and battery packs instead of diesel generators alone, to operate a growing number of production sites.
- Our preventative approach to sea lice control is expected to reduce our carbon footprint, as the use of large vessels for the application of delousing treatments also causes carbon emissions. In British Columbia, where sea lice challenges historically have been substantial, the new semi-closed containment systems contribute not only to solving biological challenges but also to reducing carbon emissions.
- We have tested out methods to chill the salmon after harvesting, which makes it possible to avoid ice in packaging and reduce the carbon footprint per kilo of packed salmon. We will invest in this equipment in the years to come.
- Before making any investments, we evaluate their potential carbon emissions and environmental impact.

Since we are growth-oriented, and are targeting higher production and harvest volumes, we cannot exclude an increase in our total emissions in the short run. Nevertheless, we will continue to work towards reducing both relative and total emissions, and to achieve our reduction targets. The divestment of our Shetland operations in 2021 and the acquisition of the Newfoundland operations in 2020, where we are using state-of-the-art technology and where we are located closer to the large US consumer market, are expected to contribute positively to those ambitions.

### LEARN MORE ON OUR WEBSITE

- [Our policy for climate action](#)
- [Reducing carbon emissions](#)

## GREENHOUSE GAS EMISSIONS

In 2022, our total greenhouse gas (GHG) emissions decreased by 5%, or close to 20 000 tCO<sub>2</sub>e, compared to 2021. The decrease is mainly attributable to a reduction in our emission factors from feed in Scope 3. Feed emissions decreased by 19%, or close to 53 000 tCO<sub>2</sub>e compared to the year before, which secured an overall reduction in our Scope 3 emissions, despite an increase in emissions from downstream transportation. The utilization of electricity from the power grid and battery packs has also helped to reduce emissions in Scope 1 and 2 by approximately 6%, or close to 2 000 tCO<sub>2</sub>e compared to 2021.

### SCOPE 1 & SCOPE 2 EMISSIONS

Our absolute Scope 1 and Scope 2 GHG emissions were reduced by 6%, or close to 2 000 tCO<sub>2</sub>e, in 2022 compared to 2021, while production increased by 12%. As a consequence, the emissions measured as kilograms of CO<sub>2</sub> equivalents per tonne harvested decreased by 16%. In Rogaland, total emissions decreased by 13% from 2021 to 2022, despite a 6% increase in the harvested volume. As a consequence, emissions per tonne decreased by 18%. In Finnmark, the harvested volume increased by 4%. Total emissions decreased by 5%, mainly due to the implementation of an operational incentive program linked to the use of fuel and electricity.

Well-boat services make up a substantial proportion of our emissions, and whether we decide to provide these services ourselves or outsource them to external service providers has a considerable influence on our Scope 1 emissions. In Rogaland and BC, well-boat emissions are included in Scope 1, while well-boat emissions in Finnmark are categorized as Scope 3 due to contractual considerations. Finnmark's Scope 3 emissions from well-boat activities in 2022 totaled 5 800 tCO<sub>2</sub>e.

In BC, total emissions decreased by 5%, despite an increase of 40% in the harvested volume. This caused relative emissions per tonne to decrease by 32%. Emissions are closely tied to seasonal environmental conditions, as there is an increase in aeration usage during the summer months. In 2022, the summer season arrived late in BC waters, which caused a reduction in diesel consumption related to aeration. Additionally, the RAS 34 facility was completed, enabling us to consolidate and run less equipment. Seawater production volume has limited correlation with emissions, as generators often run at a similar capacity regardless of the biomass. The volume harvested in BC varies significantly every other year. While these fluctuations affect total emissions only marginally, their primary impact is on relative emissions.

In Newfoundland, the first transfer of smolt to sea farms was successfully completed this summer. As a result, we expected an increase in Scope 1 emissions. However, production at the freshwater facility had been running on generators in 2021, and was completely connected to the power grid in 2022, keeping Scope 1 emissions stable. This corresponds to the increase

in Scope 2 emissions from 2021 to 2022. Seawater production resulted in a noticeable increase in Scope 3, due to the use of feed. As our operation continues to grow in Newfoundland, we are expecting an increase in emissions in the years to come.

### SCOPE 3 EMISSIONS

The two most substantial contributors to Scope 3 emissions are downstream transportation and fish feed. Downstream transportation accounts for 23% and fish feed for 61% of our total emissions (25% and 66% of our Scope 3 emissions, respectively). As shown in Figure 2.50, our total emissions decreased by approximately 20 000 tCO<sub>2</sub>e in 2022.

#### Downstream transportation

In total, the percentage of air transport increased by 49% in 2022. There are various reasons for this development. Most importantly, air transport opportunities were reduced significantly by Covid-19 in 2021. In addition, the choice of transport mode is influenced by logistical restrictions, harvest schedules, availability and demand for certain sizes and qualities of fish, and prices. Due to the increase in air freight in 2022, we increased our transport emissions by 29 000 tCO<sub>2</sub>e.

In general, downstream transportation is calculated as transport from the harvesting facility to the airport of departure to the destination country (capital) by air in tonne-kilometers (tkm). For all sales from our Canadian operations (mostly delivered to the North American market), transport was calculated to the state capital in order to achieve an acceptable degree of precision. Value-added processing and details of the exact transportation routes were not taken into consideration due to lack of data availability. With new technology, e.g. blockchain, we aim to increase the level of detail in tracking the path our salmon takes from the harvesting facility to the final consumer in the years to come. We are open to collaboration projects and participated in a sustainability reporting-related workshop together with our seafood logistics software provider in 2022.

#### Fish feed

Carbon emissions from fish feed are calculated on the basis of the amount of feed used and the carbon emission factor of the feed products used. Our carbon emissions from fish feed are highly dependent on the different raw materials used in the feed, as well as the life cycle assessments and methodology chosen by our feed suppliers. More information about the composition of our feed can be found in our chapter on feed ingredients. Fish feed carbon emission factors are calculated on the basis of life cycle assessments (LCAs) and appear to be variable over time and different between our suppliers. The reason for this is that data quality and transparency vary and increase in relation to the efforts made and resources allocated to those comprehensive analyses.

## OUR GREENHOUSE GAS ACCOUNTS

FIGURE 2.50  
GREENHOUSE GAS EMISSIONS SCOPE 1 + 2 + 3

REGION	Scope	TOTAL EMISSIONS (tCO <sub>2</sub> e)				RELATIVE EMISSIONS (kgCO <sub>2</sub> e / tonnes)			
		*Baseyear 2018	2020	2021	2022	*Baseyear 2018	2020	2021	2022
ROGALAND	Scope 1	3 939	8 875	8 519	7 433				
	Scope 2 location based	456	420	331	287				
	<b>Total (Scope 1 + 2)</b>	<b>4 395</b>	<b>9 295</b>	<b>8 850</b>	<b>7 720</b>	<b>270</b>	<b>403</b>	<b>332</b>	<b>272</b>
	<b>Scope 3</b>								
	Downstream transportation	58 454	67 529	40 567	54 409				
Fish feed	86 257	102 202	104 470	89 472					
Other**	4 065	6 330	6 350	6 248					
<b>Total (Scope 3)</b>	<b>148 776</b>	<b>176 061</b>	<b>151 387</b>	<b>150 129</b>	<b>9 131</b>	<b>7 641</b>	<b>5 676</b>	<b>5 289</b>	
<b>Total GHG emissions Rogaland</b>	<b>153 171</b>	<b>185 356</b>	<b>160 237</b>	<b>157 849</b>	<b>9 401</b>	<b>8 044</b>	<b>6 008</b>	<b>5 561</b>	
FINNMARK	Scope 1	7 134	4 123	5 122	4 948				
	Scope 2 location based	420	776	591	496				
	<b>Total (Scope 1 + 2)</b>	<b>7 554</b>	<b>4 899</b>	<b>5 713</b>	<b>5 444</b>	<b>254</b>	<b>182</b>	<b>166</b>	<b>151</b>
	<b>Scope 3</b>								
	Downstream transportation	52 971	19 489	13 963	21 739				
Fish feed	115 949	132 864	131 286	101 894					
Other**	9 921	8 432	9 645	12 323					
<b>Total (Scope 3)</b>	<b>178 841</b>	<b>160 785</b>	<b>154 894</b>	<b>135 956</b>	<b>6 007</b>	<b>5 973</b>	<b>4 492</b>	<b>3 774</b>	
<b>Total GHG emissions Finnmark</b>	<b>186 395</b>	<b>165 684</b>	<b>160 607</b>	<b>141 400</b>	<b>6 260</b>	<b>6 155</b>	<b>4 657</b>	<b>3 925</b>	
BRITISH COLUMBIA	Scope 1	9 143	15 609	15 129	14 509				
	Scope 2 location based****	783	673	629	513				
	<b>Total (Scope 1 + 2)</b>	<b>9 926</b>	<b>16 282</b>	<b>15 758</b>	<b>15 022</b>	<b>597</b>	<b>769</b>	<b>1 091</b>	<b>741</b>
	<b>Scope 3</b>								
	Downstream transportation***	45 602	19 296	4 884	12 097				
Fish feed	38 116	41 963	46 700	29 934					
Other***	5 695	8 120	6 563	7 454					
<b>Total (Scope 3)</b>	<b>89 413</b>	<b>69 379</b>	<b>58 147</b>	<b>49 485</b>	<b>5 376</b>	<b>3 276</b>	<b>4 025</b>	<b>2 439</b>	
<b>Total GHG emissions British Columbia</b>	<b>99 339</b>	<b>85 661</b>	<b>73 905</b>	<b>64 507</b>	<b>5 973</b>	<b>4 044</b>	<b>5 115</b>	<b>3 180</b>	
NEW-FOUNDLAND	Scope 1	n/a	1 847	1 637	1 572				
	Scope 2 location based	n/a	80	429	672				
	<b>Total (Scope 1 + 2)</b>	<b>n/a</b>	<b>1 927</b>	<b>2 066</b>	<b>2 244</b>	<b>n/a</b>	<b>91</b>	<b>143</b>	<b>111</b>
	<b>Scope 3</b>								
	Downstream transportation	n/a	n/a	n/a	n/a				
Fish feed	n/a	n/a	212	8 427					
Other	n/a	643	523	463					
<b>Total (Scope 3)</b>	<b>n/a</b>	<b>643</b>	<b>735</b>	<b>8 890</b>	<b>n/a</b>	<b>30</b>	<b>51</b>	<b>438</b>	
<b>Total GHG emissions Newfoundland</b>	<b>n/a</b>	<b>2 570</b>	<b>2 801</b>	<b>11 134</b>	<b>n/a</b>	<b>121</b>	<b>194</b>	<b>549</b>	
OTHER <sup>1</sup>	Scope 1	—	—	1	2				
	Scope 2 location based	33	26	14	12				
	<b>Total (Scope 1 + 2)</b>	<b>33</b>	<b>26</b>	<b>15</b>	<b>14</b>				
	<b>Scope 3</b>								
	Other	253	60	991	4 470				
<b>Total (Scope 3)</b>	<b>253</b>	<b>60</b>	<b>991</b>	<b>4 470</b>					
<b>Total GHG emissions Other</b>	<b>286</b>	<b>86</b>	<b>1 006</b>	<b>4 484</b>					
Scope 1 (tCO <sub>2</sub> e)	20 216	30 454	30 408	28 464					
Scope 2 location based (tCO <sub>2</sub> e)	1 692	1 975	1 994	1 980					
<b>Total Scope 1 + Scope 2 location based</b>	<b>21 908</b>	<b>32 429</b>	<b>32 402</b>	<b>30 444</b>	<b>349</b>	<b>456</b>	<b>429</b>	<b>359</b>	
<b>Scope 3</b>									
Downstream transportation	157 027	106 314	59 414	88 245					
Fish feed	240 322	277 029	282 668	229 727					
Other	19 934	23 585	24 072	30 958					
<b>Total (Scope 3)</b>	<b>417 283</b>	<b>406 928</b>	<b>366 154</b>	<b>348 930</b>	<b>6 655</b>	<b>5 720</b>	<b>4 843</b>	<b>4 120</b>	
<b>Total GHG emissions Group</b>	<b>439 191</b>	<b>439 357</b>	<b>398 556</b>	<b>379 374</b>	<b>7 005</b>	<b>6 176</b>	<b>5 272</b>	<b>4 479</b>	

<sup>1</sup> Grieg Seafood ASA (HQ) and our sales organizations in Norway and North America.

\*In 2022, improved data collection processes and calculation methods have enabled us to collect historic Scope 3 data to create comparable figures back to the baseline year. \*\*This year, we discovered some errors in the interpretation of the data related to waste in Norway, which explains the change in Other Scope 3 emissions reported in 2020 and 2021. The quantifiable change for Rogaland is calculated to a reduction of 1 263 tCO<sub>2</sub>e in 2020 and 3 914 tCO<sub>2</sub>e in 2021. In Finnmark, the change resulted in an increase of 63 tCO<sub>2</sub>e for 2020 and a reduction of 354 tCO<sub>2</sub>e in 2021. \*\*\*In BC, we have moved emissions from downstream transportation to upstream transportation, as we have previously reported third-party transportation services from inbound logistics in downstream transportation. This explains the reduction in previously reported downstream data and the increase in other Scope 3 emissions from BC in 2020 and 2021, which includes upstream transportation. The quantifiable change shows that 1 237 tCO<sub>2</sub>e was moved from downstream transportation to other in 2020 and 937 tCO<sub>2</sub>e was moved from downstream transportation to other in 2021. \*\*\*\*In BC, we received a credit note from our electricity supplier in January 2022, concerning consumption in BC in Q3 2021. Thus, the 2021 Scope 2 figures have decreased from last year's reported figures by 97 tCO<sub>2</sub>e.

Our feed-related emission factors decreased substantially from 2021 to 2022. There are two main reasons for this. In 2022, we have been able to acquire carbon emission data down to the specific feed product level, providing more accurate data on our actual carbon emission footprint from purchased feed. These improved calculative measures will make emission reductions visible across the industry. We have also required the data to be supplemented by a list of additional information, such as LCA database used, calculation methodology, data aggregation level and origin. In addition, changes in the use of raw materials and raw material suppliers have had an impact on the 2022 emissions.

### Towards the 2030 target

Our climate target is set in line with SBTi, which requires a baseline year as starting point. In 2022, we have a total reduction in Scope 1, 2 and 3 of 14% from our 2018 baseline year, which shows that we are moving towards a 35% reduction in 2030. Despite Scope 1 and 2 emissions increasing by 39% due to growth in operations, the 17% reduction in Scope 3 emission keeps us on track to reach our target.

### Scope 3 challenges

We strive to continuously improve our collection of Scope 3 emissions data. Some of the figures are only technical estimates of our actual emissions, calculated on the basis of science-based emission research. However, we deem the disclosure of our Scope 3 emissions to be an important step towards achieving awareness of those emissions and encouraging our suppliers to also conduct annual greenhouse gas accounting, even if data accuracy is an aspect we need to improve on. This will help us, our industry and all business sectors linked to our industry to improve in concert as we go forward.

### GHG REPORTING STANDARD

Our greenhouse gas emissions are reported in accordance with the Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol), using the operational approach. We report on all seven greenhouse gases covered by the Kyoto Protocol (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PCFs, SF<sub>6</sub>, NF<sub>3</sub>), which are converted to CO<sub>2</sub>e. 2018 is defined as our baseline year in accordance with SBTi guidance that companies should "choose the most recent year for which data is available as the base year". When structural changes, improved data collection methods or discovery of significant errors occur, the GHG Protocol supports recalculating the base year\*. However, it is important to note that certain changes do not require recalculation, for example, changes involving facilities that did not exist in the base year, out/in-sourcing of activities previously reported under a different scope, and organic growth or contraction.

\*Grieg Seafood Shetland was divested in 2021, and is excluded from the base year and all current years. Additionally, the sales organization, Ocean Quality, was divested in 2020 and is thus excluded from the base year. Whereas Grieg Seafood Newfoundland was acquired in 2020, but did not exist before the acquiring year. Hence, it is not included in the base year.

Scope 1 emissions are those that are directly emitted by Grieg Seafood's activities and include emissions from the combustion of fossil fuels for generators, heating and our own vehicles. Emissions are calculated based on the purchased quantities of commercial fuels. We also have a relatively small consumption of hydrofluorocarbons (HFC) for cooling, which are included in Scope 1. All Scope 1 emission factors used are from DEFRA (the UK's Department for Environment Food and Rural Affairs). Underlying data is collected from financial cost.

Scope 2 emissions are indirect emissions relating to third-party generation of the electricity we consume at our sites. Emissions are reported as location-based emissions in accordance with the GHG Protocol (market-based Scope 2 emissions can be found in the response field of GRI standard 305-2 in our GRI index). Location-based factors are from the International Energy Agency (IEA), using three-year rolling averages. For electricity consumed in Norway, we apply the Nordic mix, since this is the most representative emission factor for Norway. This is because Norway is almost self-sufficient when it comes to electricity, while the bulk of the electricity imported to Norway comes from Sweden and Denmark (nve.no). The Nordic mix is calculated as a weighted average of the Swedish, Norwegian, Finnish and Danish factors. Underlying data is collected from metered electricity consumption and invoices from electricity suppliers.

Scope 3 emissions are all other indirect emissions (not included in Scope 2) that occur in our value chain, including both upstream and downstream emissions. In 2021 we had the first year with comparable Scope 3 figures. However, in 2022 we managed to improve our data collection processes to the extent of calculating historic Scope 3 emission to achieve a comparable trend from the base year. We have mapped the emissions in our supply chain in a comprehensive analysis and identified the categories most relevant to Grieg Seafood. Upstream, we included (1) Purchased goods and services, (3) Fuel and energy-related activities (not included in Scope 1 or Scope 2), (4) Upstream transportation and distribution, (5) Waste generated in operations, and (6) Business travel. Downstream, we included (9) Downstream transportation and distribution, and (15) Investments. The categories correspond to the 15 Scope 3 categories defined by the GHG Protocol. Underlying data is collected from production data, financial cost or suppliers, or estimated based on production data.

**FIGURE 2.51**  
SCOPE 3 MAPPING PER REGION/UNIT

		Data collected		Scoped out		Data not available		
Category	Subcategory	Rogaland	Finnmark	BC	Newfoundland	ASA	Sales Norway	Sales NA
1	Purchased goods and services							
	Fish feed							
	Well-boat services							
	EPS boxes							
2	Capital goods							
	N/A							
3	Fuel and energy-related activities							
	Well-to-Tank (WTT)							
4	Upstream transportation and distribution*							
	Boat/truck transportation							
5	Waste generated in operations							
	Waste							
6	Business travel							
	Air travel							
	Employee mileage							
7	Employee commuting**							
	Public/private transportation							
8	Upstream leased assets							
	N/A							
9	Downstream transportation and distribution							
	Goods transportation							
10	Processing of sold products							
	N/A							
11	Use of sold products							
	N/A							
12	End-of-life treatment of sold products***							
	N/A							
13	Downstream leased assets							
	N/A							
14	Franchises							
	N/A							
15	Investments							
	Nordnorsk Smolt****							
	Tytlandsvik Aqua							

\* Upstream transportation and distribution was included in 2022.

\*\*We have estimated emissions related to employee commuting with the use of national statistics.

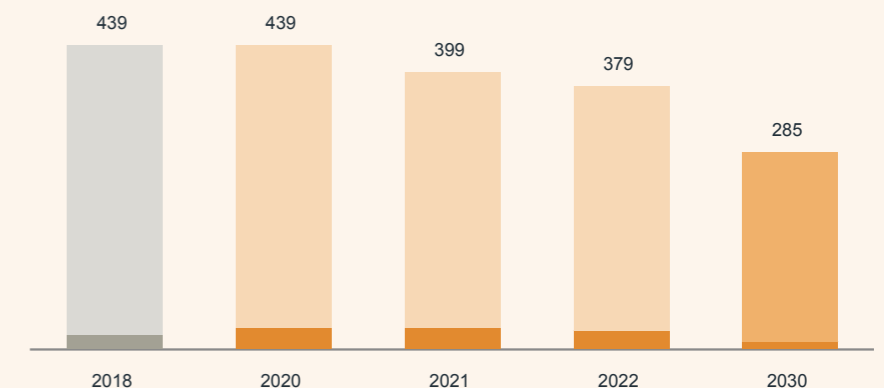
\*\*\* End-of-life treatment of sold products was excluded in 2022, as ensilage has been identified as waste generated in operations. Thus, moved to waste generated in operations.

\*\*\*\*Nordnorsk Smolt was scoped out in 2022, as there was no production this year.

**FIGURE 2.52**  
GREENHOUSE GAS EMISSIONS DEVELOPMENT FROM BASE YEAR (1000 tCO<sub>2</sub>e)

Scope 1 + 2 (tCO<sub>2</sub>e)  
Scope 3 (tCO<sub>2</sub>e)

The chart shows the last three years compared with the base year, and our development towards our 35% reduction target in 2030





# SUSTAINABLE FEED INGREDIENTS

We are conscious of the environmental and social risks that may be connected to feed ingredients and are committed to responsible sourcing. We are committed to reduce the impacts from our fish feed. As an industry, we also need to develop new feed ingredients in order to grow sustainably.

## TOWARDS MORE SUSTAINABLE FEED INGREDIENTS

Grieg Seafood has identified and mitigated the most material risks related to our feed ingredients, such as overfishing and deforestation. With a growing aquaculture sector, we need new marine and protein-based feed ingredients in order to reduce the environmental and social impact in the years to come.

### CERTIFICATIONS

To ensure that our ingredients do not contribute to overfishing and deforestation, we require recognized certification of our high-risk ingredients. Fish meal and fish oil from fisheries and Brazilian soy and palm oil are identified as high-risk ingredients. In 2022, all our marine ingredients (excluding trimmings) in feed were based on fisheries certified according to the Marine Stewardship Council (MSC) or MarineTrust (including FIPs). As a member of MarineTrust Governing Body Committee (GBC), we continuously work towards increasing the share of certified fisheries across the industry. All Brazilian soy protein concentrate was certified according to ProTerra or Round Table on Responsible Soy (segregated). The only region where we used a small amount of palm oil (0.02% of the raw material content) was in Newfoundland. The palm oil used was certified according to Round Table on Sustainable Palm Oil.

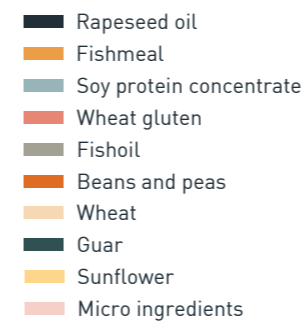
### TRACEABILITY

Feed traceability is a key concern in aquaculture, as it relies on depleted fish stocks or plant-based protein which is associated with natural ecosystem conversion. We are in close dialogue with our feed suppliers concerning the sourcing of raw material, and we expect continuous improvements in our feed supply chains with respect to environmental, social and governance (ESG) risks. We require information on each ingredient and raw material in the feed we buy, including the origin of all ingredients used as well as how they were produced. This covers the entire supply chain – from farm/boat to feed manufacturer. While we recognize that it will take time to provide the traceability needed in all supply chains, we require continuous improvements every year. In 2022, we improved our level of traceability on our high-risk ingredients. We were able to identify the vast majority of the species, origin and certification of forage fisheries used in our feed. Additionally, we managed to trace soy to national and regional level.

### LEARN MORE ON OUR WEBSITE

- [Supplier Code of Conduct](#)
- [Sustainable feed policy](#)
- [Our feed approach](#)

**FIGURE 2.53**  
FEED INGREDIENTS IN 2022



This illustrates the average raw material content in our feed used in Norway and Newfoundland. In BC, the content is somewhat different, as, in general, a larger proportion of vegetable protein is replaced by animal-byproducts. Palm oil constituted 0.02% of the raw material ingredients in the feed used in Newfoundland.

## ZERO DEFORESTATION

Our Brazilian soy protein concentrate vendors, CJ Selecta, Imcopa and Caramuru, were the first Brazilian soy traders to set a 2020 cut-off date for their entire soybean business in the Cerrado, and establish a robust MRV system. With this move, they have set a new benchmark for sustainable supply chains globally. We have engaged with these producers and applaud their leadership. Read more here.

We participated in the CDP Forest program for the third time in 2022. CDP Forest provides a framework of actions to measure and manage forest-related risks and opportunities, transparent reporting on progress, and commitment to work proactively for the restoration of forests and ecosystems. We scored A- on our work against deforestation related to soy and B related to palm oil. Additionally, Grieg Seafood was acknowledged as a supplier engagement leader by CDP in recognition of our efforts to measure and reduce climate risk within our supply chain. For more information, please visit CDP's website here.

## NOVEL FEED INGREDIENTS

The aquaculture industry is looking at developing novel feed ingredients to mitigate sustainability-linked risks such as deforestation and overfishing. We must ensure that a scale-up of ingredients does not repeat the mistakes of the past by contributing to new or unforeseen ESG risks. As a member of the Global Roundtable on Marine Ingredients and the Global Salmon Initiative Climate Taskforce, we take part in commercializing novel feed ingredients that are a good fit for a future sustainable food system. In 2021, we initiated a project to perform a holistic evaluation of ESG risks relating to salmon feed ingredients in order to increase transparency and traceability, to enable us to benchmark feed ingredients on material ESG aspects and have the ability to reduce risk and drive change throughout our supply chains. The project was adopted by GSI in 2022, where Grieg Seafood is a key member working for a common methodology of ESG-evaluation in the industry.

**FIGURE 2.54**  
TARGETS AND ACHIEVEMENTS 2022

Targets	Achievements 2022
All marine ingredients (excluding trimmings) used are based on fisheries certified according to MSC or MarineTrust (including FIPs)	Yes, in all regions for the full year
FFDRo below 2.52 (ASC requirement)	Yes, in all regions
FFDRm below 1.20 (ASC requirement)	Yes, in all regions. The level is below 1.0, making us a net producer of marine protein
All Brazilian soy protein concentrate certified according to ProTerra or segregated RTRS	Yes, in all regions using Brazilian soy protein concentrate
All Brazilian soy protein concentrate supplied by Brazilian vendors with a 2020 cut-off date + robust MRV system	Yes (in all regions using Brazilian soy protein concentrate). CJ Selecta, Caramuru and Imcopa are the Brazilian suppliers used
All palm oil used certified according to Round Table on Sustainable Palm Oil	Yes (in Newfoundland, the only region where we used a small amount of palm oil)

**FIGURE 2.55**  
VOLUME OF MARINE INGREDIENTS

Volume of marine ingredients (tonnes)	Forage fish 2021	Forage fish 2022	Trimmings 2021	Trimmings 2022
Fish meal	6 726	10 107	3 154	5 394
Fish oil	7 123	8 280	5 999	5 316

Trimmings also referred to as co-products, are viable cut-offs (e.g. entrails, fins, scales, heads, and tails) from fishing-processing activities commonly not used for other consumption. Trimmings are often ground and dried into fishmeal.

Marine feed ingredients should come from sustainable sources. An overview of marine raw materials in our feed, including species, country of origin and certification of each raw material, is available here.





# PEOPLE

Every single day, whether it is sunny, stormy or freezing cold, our fantastic employees are out there working hard in the hatcheries, on the farms or at the harvesting plants. Their passion and dedication drive Grieg Seafood forward.

## LEARN MORE ON OUR WEBSITE

- **Our policy and grievance mechanisms for human rights**
- **Human rights in our operations and value chain**
- **Our policy for diversity**
- **Our policy for gender equity**
- **Embracing diversity**
- **Health and safety principles**

## OUR COLLEAGUES

Grieg Seafood consists of people with different backgrounds, genders, experiences, expertise and age. We have talented employees range from teenage apprentices to people who will soon retire. We have people fresh from university, people with advanced degrees, people who have worked in the industry for multiple years, and people who have grown up with salmon and are experts in their field through dedication and experience. You can read more about our talented employees and their stories on our website.

### DIVERSITY

We consider diversity and equality one of the most important topics when it comes to living our culture. We are committed to being an equal opportunity employer. We aim to, and we have, a diverse workforce consisting of 828 employees representing 28 nationalities and with a gender balance of 240 women (30%) and 572 men (70%). A result of our work on gender balance and equality is a score of 73 on the SHE Index, which we have participated in since 2019 in order to be transparent about the gender balance.

In 2022, we had a special focus on the development of female leaders and potential leaders, through the international program FiftyFifty as well as other local initiatives. FiftyFifty is a think-tank and networking collaboration between different companies, inciting internal projects to take place. Our participants had a focus on diversity, covering topics such as bias, awareness training and what is acceptable in today's modern work life. Grieg Seafood is a safe place to work for all, and we believe work like this will only continue to highlight the Grieg Seafood values - Open, Ambitious and Caring.

With a continued strong focus on recruitment, we select and appoint the most suitable person for a position on the basis of their skills, qualifications and aptitudes, from aquaculture technicians to regional directors. A big part of our recruitment strategy is being an attractive employer and being visible where the next generation of aquaculture talent is coming from. In 2022, we opened our brand-new educational barge at Teistholmen, Rogaland, in cooperation with Strand High School, which offers a study program focusing on natural resources and biological production. Grieg Seafood will operate the barge, where students from Strand High School will have classes. We believe this is an investment in the future generations of the aquaculture industry.

We are committed to ensuring that all of our staff enjoy the same opportunities, rights, and respect, regardless of their background. To ensure fairness, strategies must often be available to compensate for historical and social disadvantages that prevent women and men from operating on a level playing field. Gender equity leads to gender equality, where there are equal rights, responsibilities, and opportunities for women and men. In addition to FiftyFifty, we therefore initiated a digital coaching program for our employees regardless of gender.

Under this scheme, they could receive one-on-one coaching from someone who spoke their native language over a period of six months. This was one of the initiatives we established post-covid to develop our employees, both professionally and personally.

### HEALTH AND SAFETY

In 2022, we once again conducted our now annual Great Place to Work survey, and we are happy to say we kept our certification. Not only does this confirm that our employees feel that Grieg Seafood is a great place to work, they also think it is a safe place to work. We have a zero accidents vision and are happy with the positive trend in 2022. All employees receive health and safety training when they join us, and are required to re-take the courses regularly. Employees have the possibility to actively participate in and contribute to the development of their workplace safety through their employee representative. External health services provide health checks and advice to employees. In some regions they are represented on our Health and Safety committees. We provide a health-plan for employees, ranging from dental and medical to counselling depending on the region, and we offer a variety of health programs to the employees (competitions, gym membership). We have a strong health and safety program to ensure our workers are protected and risks are minimized. We will never compromise on the health and safety of our employees. Through our Supplier Code of Conduct, we expect the same from our suppliers.

### HUMAN RIGHTS

We are committed to respecting fundamental rights in our operations, our value chain, and in the communities where we operate. In 2022, the Norwegian Transparency Act entered into force. Grieg Seafood will operate in compliance with the Norwegian Transparency Act and is committed to following the UN Guiding Principles on Business and Human Rights (UNGPs). As part of this, we began conducting a human rights assessment in 2022. We are currently in the phase of determining the probability and intensity of risk for all relevant rights and rights-holders. In this phase of the assessment, we recognize that there are sub-suppliers in the feed supply chain which pose a significant risk with respect to the use of child labor or young workers in the production of raw materials, and originate in high-risk geographies. A specific incident was tied to the extraction of guar beans in India. We are in the process of mapping possible incidents and measures will be taken when the assessment is final. The final assessment will be published on our website no later than 30 June 2023. Additionally, some areas in our supply chain entail a particularly high risk of breaching human rights through forced or compulsory labor. Labor rights in the transportation industry is one such area of concern, where several controversies have been related to the question of adequate working conditions for truck drivers (so-called "social dumping"). Most of our salmon is transported by truck to European or North American markets. There are some particular risks connected to this part of our supply chain, which we are aware of and are working to mitigate. More information about our initiatives will be published here.



## OUR RESULTS

SHE Index	THREE IMPORTANT FACTORS THAT PAVE THE WAY FOR WORKFORCE EQUALITY
01.	<b>Bold leadership</b> Top management have defined policies, strategies, goals and practices.
02.	<b>Transparency</b> A diverse leadership team that openly sets, shares and measures equality targets.
03.	<b>An empowering environment</b> One that trusts employees, respects individuals and offers equal opportunities.

We received a score of 73 points (High score) in the SHE Index for 2022. The average score across Norwegian companies was 72. We have reported on the SHE Index since 2019 in order to be transparent about the gender balance in our organization. The SHE Index is a voluntary measurement of how companies perform on gender balance, gender equality policies, diversity and inclusion. Our goal is to improve our gender balance and diversity to become a preferred employer. Change takes time, and we should pay more attention to the work being done to create greater diversity and inclusion. During 2022, Grieg Seafood has taken several steps to improve the gender balance. This includes appointing women to fill vacant management positions, drawing from both internal and external candidates, as well as appointing another female regional director. In 2022, 32% of our new hires were women. One of the tools we use for gender equity is performing annual evaluation of the salaries and benefits offered to our employees, by using the Kornferry methodology to benchmark our salaries.

**FIGURE 2.56**  
UNIONIZED EMPLOYEES (%) AT YEAR-END 2022

	Share
Rogaland	34%
Finnmark	43%
British Columbia	n/a
Newfoundland	n/a
ASA	n/a
Sales & Market	n/a

We accept and welcome labor union membership among employees. Grieg Seafood has established a good, collaborative relationship with our union representatives. This collaboration extends beyond periodic salary negotiation to a variety of internal improvement projects.

The numbers reflect membership of the United Federation of Trade Unions (Fellesforbundet) and The Norwegian Food and Allied Workers Union (NNN), the largest labor unions in our industry. Due to privacy and security laws, we do not have access to data on all types of memberships, such as associations of professionals and graduates. It is therefore presumed that the actual number of unionized employees is higher than depicted. We also accept and welcome collective bargaining, by union or employee representation. Any employee working in the same jobs as those covered by either of the above will receive the same working conditions and terms.

**FIGURE 2.57**  
CODE OF CONDUCT PROGRAM

92%

92% (744) of our 812 employees (ex contractors) have completed our Code of Conduct program, broken down by 138 (19%) permanent and 13 (2%) temporary employees from Rogaland, 233 (31%) permanent and 28 (4%) temporary employees from Finnmark, 91 (12%) permanent and 4 (1%) temporary employees from Newfoundland, 147 (20%) permanent and 2 (0.4%) temporary employees from BC. Lastly, 80 (11%) permanent and 8 (1%) temporary employees from HQ and Sales. Seven (100%) of our Group Executive Team have completed the Code of Conduct program, all from Norway. Two out of six members (33%) of the Board of Directors from Norway, has received communication and training about our Group policies.

Our Code of conduct program involves presentation and training on all of our principles. The Code of Conduct program is required to be completed every second year by all our employees

**FIGURE 2.60**  
HUMAN RIGHTS TRAINING

31%

In 2022, 253 employees (31%) were given human rights training. This includes, but is not limited to, our Code of Conduct.

**FIGURE 2.58**  
HARASSMENT INCIDENTS

5

A total of five harassment incidents were reported in 2022. Grieg Seafood has zero tolerance for misconduct in the workplace, and all reports of harassment are dealt with in accordance with established procedures. However, for reasons of privacy protection, we are unable to comment specifically on the reported incidents.

**FIGURE 2.61**  
NON-DISCRIMINATION TRAINING

49%

Overall, 49% of our 812 employees (ex contractors) have completed a non-discrimination training course. 36% of our employees completed the course in 2022. This does not include our Code of Conduct program, which also includes a non-discrimination section.

**FIGURE 2.59**  
WHISTLEBLOWER CASES

0

No cases was reported through our whistle blower channel in 2022.

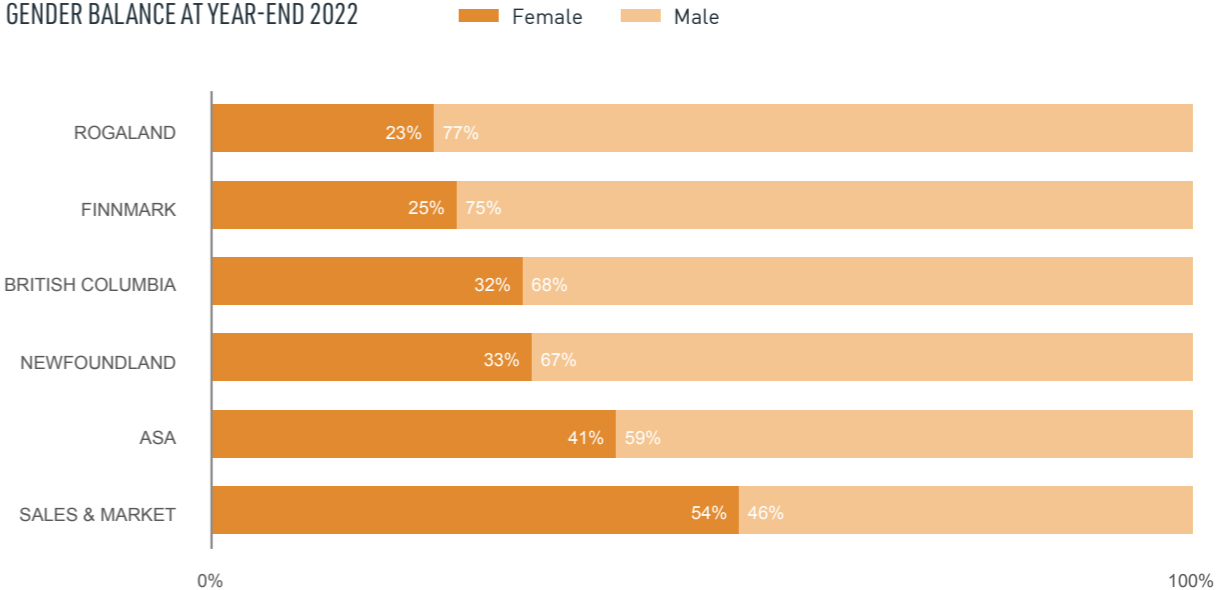
All employees have both the right and a responsibility to raise concerns. Such concerns should be reported immediately to line management, Group Management or the CHRO, or through our external whistleblower channel. All notifications through our external whistleblower channel are handled in a professional manner by EY. Depending on the content of the notification, it is logged either as an issue of information or as a whistleblower concern to be followed up. The CHRO receives a summary report from the operator of the whistleblower channel, and all reported incidents are reported to the CEO and Board of Directors. All reported incidents are investigated. Unless the whistleblower has chosen to remain anonymous, they will be kept adequately informed about the process and its outcome. We prohibit any retaliation against anyone for raising or helping to address a concern about violation of our policies.

Our Supplier Code of Conduct requires suppliers to provide a safe and healthy environment for their workers and contractors, and minimize workers' exposure to potential safety hazards. Furthermore, we expect our suppliers to adhere to all applicable laws and regulations. In 2022, we acquired an external whistleblower channel for our suppliers to report negative occupational health and safety impacts in business relationships.





**FIGURE 2.62**  
GENDER BALANCE AT YEAR-END 2022



At year-end 2022, the Grieg Seafood Group had 812 employees (240 women and 572 men), including full-time and temporary workers but excluding contractors. Hence, women make up 30% of the workforce, while 70% are men. Management and support functions at Grieg Seafood ASA and the Sales & Market teams have the highest proportion of female employees.

Employee data is registered in a dedicated HR database. Only HR personnel are allowed access to register employee data, which is reviewed regularly to ensure its continued quality. The data provided is collected from the HR database in head-count at the end of the reporting period.

**FIGURE 2.63**  
GREAT PLACE TO WORK

**85%**

Great Place to Work assesses and evaluates organizations and the practices that underpin workplace culture, based on the experience of employees. In 2022, we took part in the Great Place to Work survey for the fifth time in Norway, and for the fourth time globally. We are proud to announce that all our regions maintained the Great Place to Work certification in 2022. The Group achieved a total score of 85%, which is a continuance from 85% in 2021. The high score shows that Grieg Seafood is among the best companies to work for. 85% of our employees also confirmed that they feel a sense of pride when they look at what we have accomplish at Grieg Seafood. With a high participation rate, this certification is an enormous credit to the employees and their hard work and loyalty.

**FIGURE 2.64**  
APPRENTICESHIP PARTICIPATION AT YEAR-END

**33**

At year-end 2022, a total of 33 employees were participating in an apprenticeship: seven in Rogaland, 25 in Finnmark and one in Newfoundland. British Columbia did not have any apprentices in 2022.

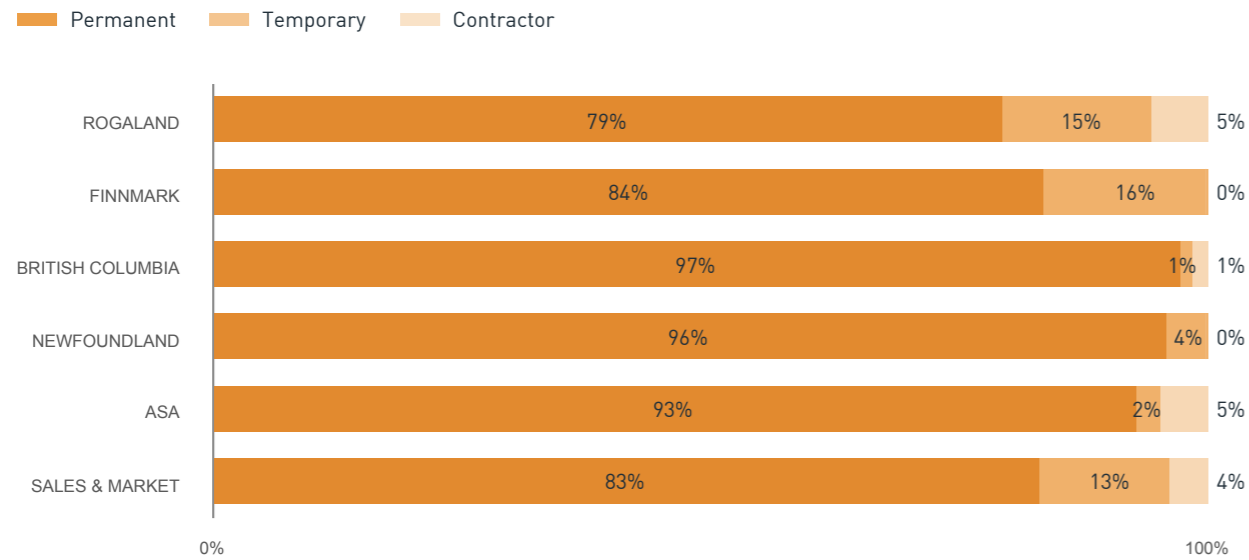
**FIGURE 2.65**  
APPRENTICESHIP ACHIEVEMENTS

**24**

In 2022, a total of 24 employees received their final certificate of apprenticeship: eight in Rogaland, 12 in Finnmark, and four in Newfoundland.

In cooperation with the North Island College and Fleming College, Grieg Seafood British Columbia has established the "Seawater Technician Advancement Program" (TAP). The program provides mandatory additional training for technicians, as well as further training for higher positions within aquaculture. The program has so far been a success.

**FIGURE 2.66**  
THE WORKFORCE AT YEAR-END



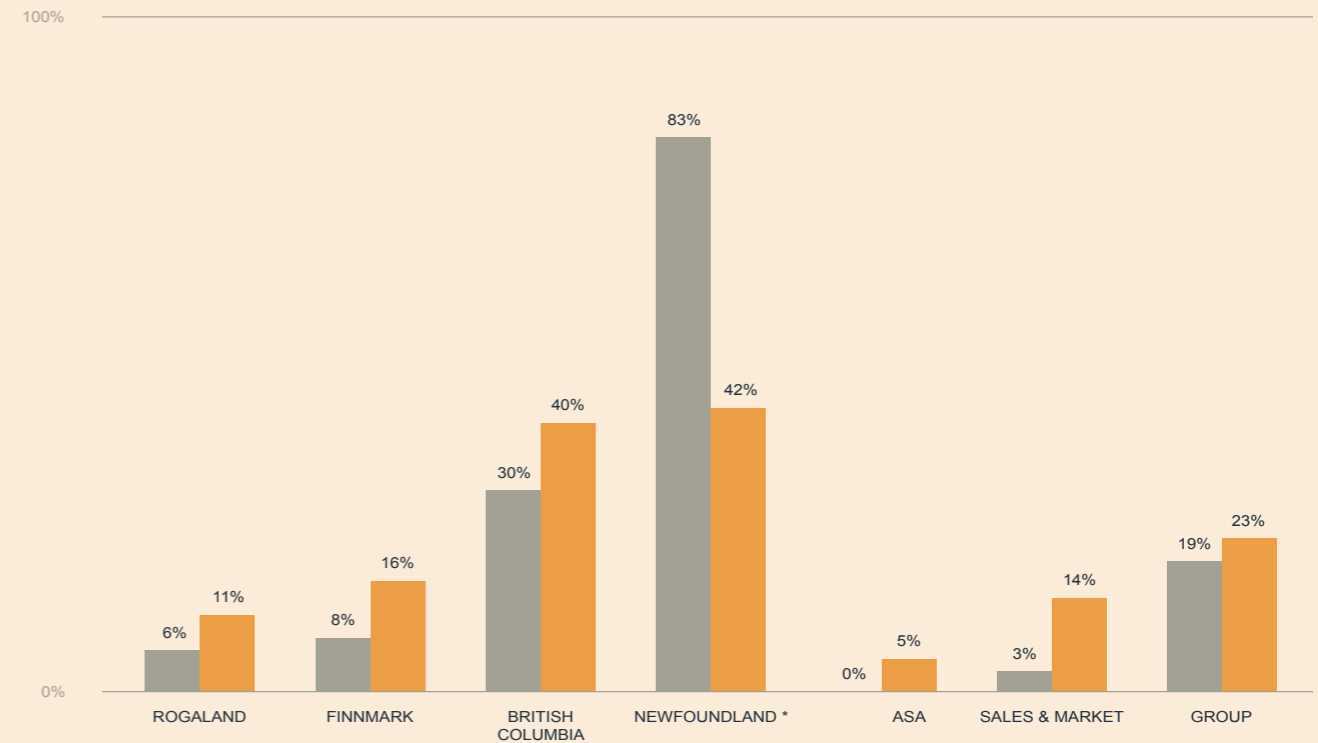
The compiled data is reported in head-count as of 31 December 2022. Overall, 87% (724 of 828) of our workers were permanent employees in 2022 (incl. contractors). We had some temporary employees, particularly seasonal workers in our processing facilities and apprentices at our farms. Most of our apprentices are offered a permanent position with us after their apprenticeship is over. Contractors are mainly used in Norway during peak periods of harvesting, or in office roles, providing regular services as needed (mostly IT-related work).

Employee data is registered in a dedicated HR database. Only HR personnel are allowed access to register employee data, which is reviewed regularly to ensure its continued quality.

**FIGURE 2.67**  
THE WORKFORCE AT YEAR-END

		Permanent		Temporary		Contractor		Total
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	
Rogaland	Female	25	4	7	4	3	0	43
	Male	106	12	11	6	5	2	142
Finnmark	Female	48	5	11	7	0	0	71
	Male	184	0	18	10	0	0	212
British Columbia	Female	47	2	1	0	1	0	51
	Male	105	1	1	0	1	0	108
Newfoundland	Female	34	0	0	0	0	0	34
	Male	64	2	3	1	0	0	70
ASA	Female	16	0	1	0	0	0	17
	Male	24	0	0	0	0	2	26
Sales & Market	Female	27	0	0	1	2	0	30
	Male	18	0	4	2	0	0	24
<b>Total</b>		<b>698</b>	<b>26</b>	<b>57</b>	<b>31</b>	<b>12</b>	<b>4</b>	<b>828</b>

**FIGURE 2.68**  
TURNOVER RATE



These figures are calculated based on the total number of permanent employees since it is only these employees who are meant to stay with the company permanently. Temporary employees and contractors have been excluded from these figures. As per GRI definition, employee turnover includes all employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

Turnover has increased in 2022 compared to 2021 due to a very competitive employee market. Grieg Seafood Newfoundland experienced a lower turnover in 2022 compared to 2021, but still high due to downsizing. We expect more stability in the future. The turnover in BC has been high, which has been common through all industries in this region, as it was challenging to attract candidates in a competitive market. We continue to support our good relationships with First Nations and local communities to help attract potential employees from the region. We also work closely with training institutions to offer employment to applicants that have chosen aquaculture as their desired career path. Through our commitment to supporting the Truth and Reconciliation process in Canada, employment priority goes to First Nations candidates who want to work in their traditional territories. Part of this turnover is due to our commitment to respecting the First Nations request to cease operations in the Sechtel production area.

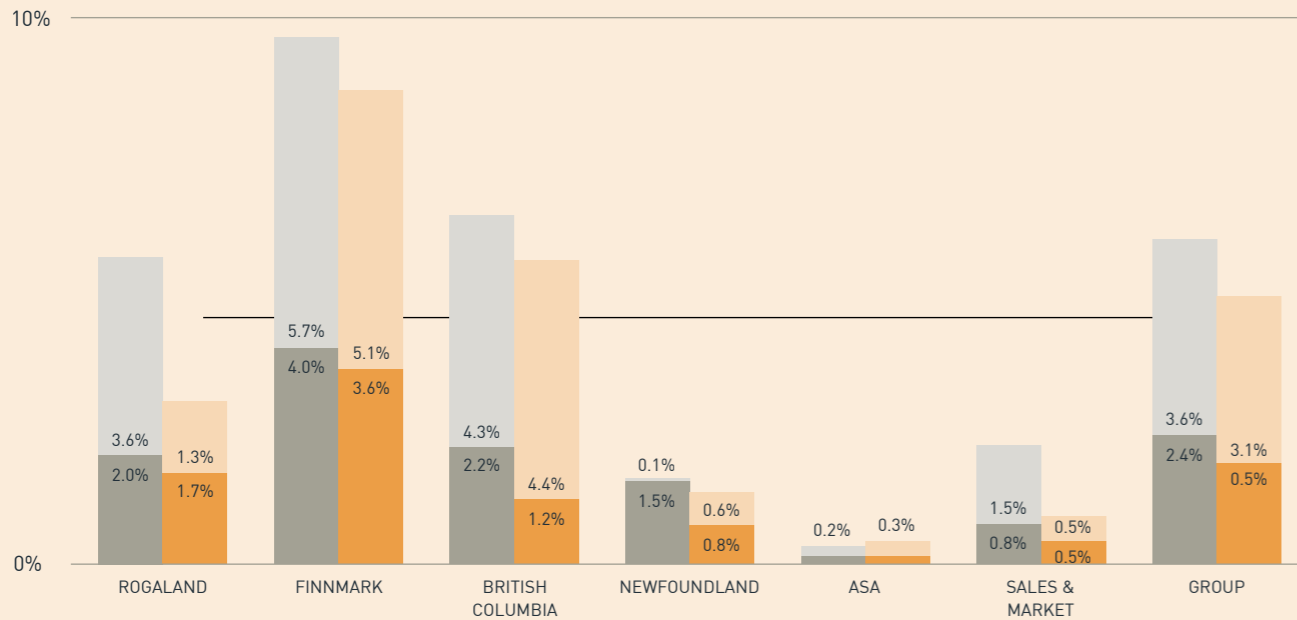
**FIGURE 2.69**  
FATALITIES

0

We had zero fatalities in 2022.



**FIGURE 2.70**  
ABSENCE RATE



In Rogaland, Sales & Market, Finnmark, British Columbia and Newfoundland, the absence rate has increased compared to the year before. The absence rate in Finnmark, British Columbia and Rogaland is above our target of 4.5%, mainly due to long-term illness. We continue to monitor the situation and implement actions to reduce the absence rate. In Finnmark, we have an ongoing process related to facilitating reduced work assignments and we are introducing training in absence follow-up for all employees. All initiatives in this area are implemented in consultation with employee representatives.

**FIGURE 2.71**  
SAFETY INDICATORS

	Hours worked (incl. overtime)	Total work-related injuries	Rate of work-related injuries**	High-consequence work-related injuries	Rate of High-consequence work-related injuries**
Rogaland	236 461	6	25	2	8
Finnmark	388 068	8	21	0	0
British Columbia	316 903	17	54	0	0
Newfoundland	195 856	2	10	0	0
ASA	68 305	0	0	0	0
Sales & Market *	85 706	0	0	0	0

\* Estimate based on number of employees and general annual working hours.

\*\*Rate of work-related injuries divided by the total number of hours worked (incl. overtime), multiplied by 1 000 000. Permanent and temporary employees are included in our incident data. Information on contractors is not currently available.

100% of our [828] employees are covered by health and safety systems, including contractors. We use occupational health and safety systems and standards in line with local regulations in each country. All of our health and safety procedures are internally audited and reviewed by management. As a part of our ASC, GAP and BAP certifications and ongoing certification processes all of our health and safety management procedures are certified by an external party. The administrative support department are not directly covered by an occupational health and safety management system, but are subject to occupational health services and represented by a staff-elected safety representative.

Health and safety incidents are registered in our systems and reviewed as part of our monthly HSE meetings. Our occupational health services provider helps to map and assess the risk of the work environment, including physical, organizational and psychosocial factors. Job risks in each department are formally evaluated and categorized using a risk matrix. Job hazard assessments are also carried out for non-routine jobs.

Injuries are caused mainly by being struck by objects, handling equipment, crushing, cuts, slips, and falls. Risk assessments show that high-consequence injuries derive from being struck by an object, crushing and cuts. High-consequence injuries in 2022 related to being struck by an object, falls and crushing. The injuries were assessed and reported to other sites to prevent similar accidents from happening.

All our staff have the right to stop any type of work or task if they feel unsafe or that they are not competent enough to carry out their duties. These routines are established in all our regions and all new employees are given the information about how these systems work and they can also report anonymously through their union representative, employee representative or our whistleblowing channel for major issues which is handled by an external partner EY. We have a "no reprisal" policy when it comes to reporting health and safety issues. This is described in our Code of Conduct.

Our improvement and preventative initiatives are based on thorough evaluation of all accidents and near misses that are reported in our deviation system and are designed to reduce risk and prevent the reoccurrence of unwanted incidents. Mitigating measures may, for example, include servicing machinery, ordering new equipment, training employees, or changes in procedures and instructions.

We always use required Personal Protective Equipment (PPE) to do our job as safely as possible, and our operations pose no known ill-health risks.

**FIGURE 2.72**  
H1-FACTOR/LTIR

	H1-factor/LTIR *					Absence rate				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Rogaland	24	15	9	42	25	4.7%	3.5%	3.1%	3.0%	5.6%
Finnmark	18	22	28	22	21	5.4%	4.9%	5.6%	8.7%	9.7%
British Columbia	38	35	36	6	9	1.8%	2.0%	6.8%	5.6%	6.4%
Newfoundland	n/a	n/a	n/a	5	0	n/a	n/a	n/a	1.3%	1.6%
ASA	0	0	0	0	0	0.1%	0.3%	1.1%	0.5%	0.4%
Sales & Market	0	0	0	0	0	0.6%	0.5%	0.0% **	0.9%	2.2%
Group	n/a	n/a	24	16	13	3.3% **	3.2% **	4.9% **	5.0%	6.0%

\* H1-factor/LTIR: number of lost-time injuries divided by the total number of hours worked (incl. overtime from and including 2022), multiplied by 1 000 000. Permanent and temporary employees are included in our incident data. Information on contractors is not currently available.

\*\* Including Shetland.

In Rogaland, the number of LTI incidents in 2022 was substantially lower than the year before, mainly due to the countermeasures taken and risk assessments conducted in 2021. In Grieg Seafood BC, we have been working for several years to improve our openness and reporting in order to create a more mature safety performance culture. We implemented the BrainSafe program as a pilot project in BC. The intention is to roll this out to all our regions based on its success. Our ultimate goal is that people feel safe, that we have an open reporting culture and that HSE always are at the top of our agenda. In our quarterly Business Reviews with our regions, we always start the meetings by going through the HSE statistics. We conduct audits and inspections, execute both safety action plans and safety observations, and, if possible, assess the quality of observations and how actions are closed. We also conduct safety training and safety meetings.

In order to avoid any under-reporting of incidents, no LTIR target has been defined.

# OUR FINANCIAL RESULTS

03

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## BOARD OF DIRECTORS

Our Board of Directors will provide leadership to the company and deliver shareholder value over the long term.

Find the presentation of our Board of Directors [here](#).

## GROUP EXECUTIVE MANAGEMENT TEAM

Our executive management team is responsible for overseeing the Group's day-to-day operations and working to realize our vision, values and targets.

Find the presentation of our management team [here](#).



# BOARD OF DIRECTORS' REPORT

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# MAIN ACHIEVEMENTS

- Highest ever volume harvested in our current farming regions, a total of 84 697 tonnes
- Record high Operational EBIT of NOK 1 739 million, with Operational EBIT/kg of NOK 20.5, driven by the harvested volume and an exceptionally strong salmon market
- Net profit after tax of NOK 1 154 million and earnings per share equal to NOK 10.3
- Good operational performance in our farming regions
- Sales operations achieved key milestones of establishing processing partners and presence of own VAP products, and sold 6% of our harvested volume as VAP
- Continued focus on certification for sustainable farming, a total of 29 of 40 eligible sites ASC certified, equivalent to 75% of budgeted net production
- Ranked second by the Collier FAIRR Protein Producer Index of the world's most-sustainable protein producers
- Received a Leadership (A-) score for our transparency and actions related to climate change risks from CDP, the gold standard of environmental reporting
- Recognized by CDP as a supplier engagement leader for raising the level of climate action across our value chain

## GRIG SEAFOOD'S VISION AND AMBITIONS

The Grieg Seafood Group is one of the world's leading salmon farmers. The Group has licenses for seawater farming and land-based smolt production in Finnmark and Rogaland in Norway, and British Columbia and Newfoundland in Canada.

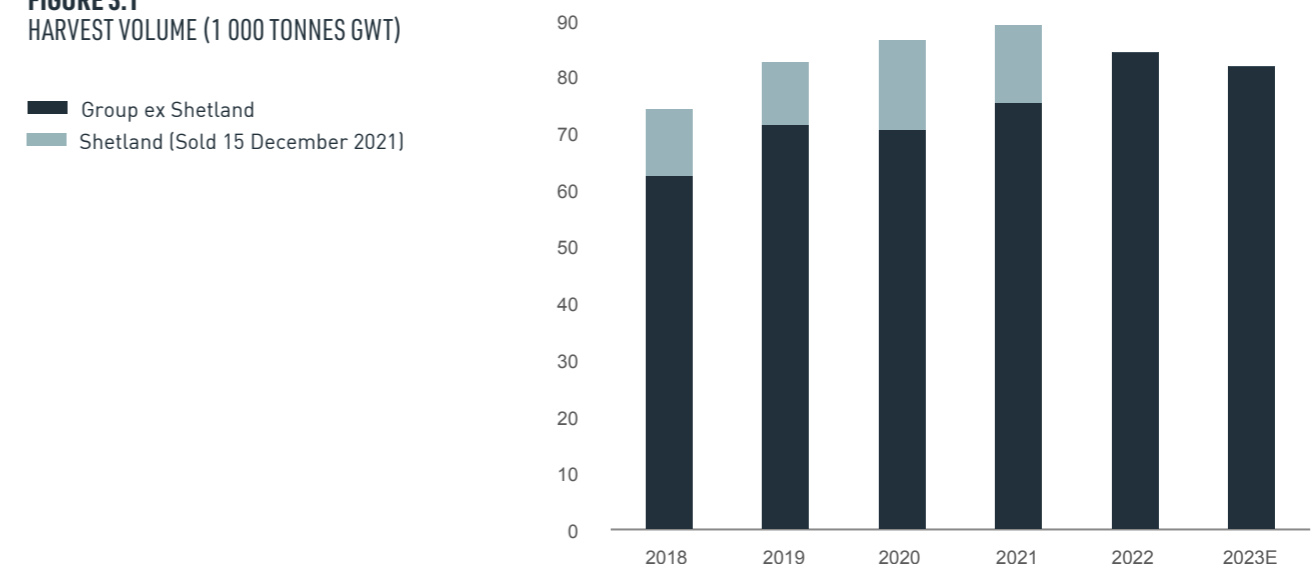
The Group's vision "Rooted in nature – farming the ocean for a better future", represents how the Group intends to make a difference and what it aims to accomplish. It also encompasses the foundation for the Group's operational development – a healthy ocean, sustainable food, profitable growth and innovation, good jobs for everyone, and local value creation. With its 2026 strategy, the Group aims to harvest 120 000-135 000 tonnes in 2026 at a competitive cost level, and to evolve from purely a commodity supplier to an innovation partner for selected customers. Sustainable farming practices are the foundation of Grieg Seafood's operations. Achieving the lowest possible environmental impact and the best possible fish welfare are both an ethical responsibility and a prerequisite for long-term profitability. To achieve sustainable growth and improve competitiveness, the Group focuses on reducing the time fish spend at sea, improving fish health and welfare, and providing digital decision-making support to its farmers.

## TARGETS AND ACHIEVEMENTS

Global growth, value chain repositioning and cost improvement are the key areas of the Group's strategy to 2026.

As part of the strategy, the Shetland operations were sold in 2021 to concentrate the Group's focus on the regions with the greatest potential for profitable growth - Norway and Canada. An important project for Grieg Seafood is the development of Grieg Seafood Newfoundland, where we transferred salmon to the sea for the first time in 2022. We expect to start harvesting towards the end of 2023. The Group originally estimated a harvest volume of 90 000 tonnes in 2022. The actual harvest volume was impacted by a combination of expedited harvest to capitalize on a strong market and reduced growth at sea due to biological challenges. The harvest came in at 84 697 tonnes GWT - a record-high volume for Rogaland, Finnmark and British Columbia as a whole, with both Rogaland and Finnmark delivering their highest ever annual harvested volume. The market demand for farmed salmon both in the retail and HoReCa sectors was exceptionally strong in 2022, providing Grieg Seafood tailwind as biological challenges and cost inflation put pressure on our farming cost. The Board is pleased with this year's performance, which is a result of the hard work, passion and dedication of our employees.

**FIGURE 3.1**  
HARVEST VOLUME (1 000 TONNES GWT)





The Group aims to be cost competitive. The industry experienced general cost inflation during 2022, including a sharp rise in feed prices, which drove up the farming cost in all regions. In addition, biological challenges put pressure on the farming cost, particularly in Finnmark, where the rarely occurring parasite *Spironucleus salmonicida* (Spiro) impacted both the survival rate and cost.

Biological control is the main cost driver and the primary operational focus area. The Group has implemented several cost improvement initiatives, in the area of research and development (R&D) and the utilization of new technologies, which, combined with a higher harvested volume, are expected to reduce or stabilize the farming cost.

Creating shareholder value is a prerequisite for company growth and survival, and Return on Capital Employed (ROCE) is the Group's ultimate financial performance indicator (see *Alternative Performance Measures* for definition). The ROCE for 2022 ended at 23%, compared to the ROCE target of 12% per year. This is mainly attributable to the exceptionally high salmon spot market prices during the year.

The sustainability scoreboard includes some of the key performance indicators (KPIs) for the Group. Sustainability and financial results go hand in hand. Good financial results

are needed to develop the Group's operations sustainably, and sustainable operations are needed to safeguard long-term financial results and performance, and create or maintain value for all stakeholders. That is why sustainable farming practices form the very foundation of all areas of Grieg Seafood's strategy. The Board was pleased to see that Grieg Seafood was rated 2nd on the Collier FAIRR Index, as one of the world's most-sustainable protein producers. Grieg Seafood also received the Leadership (A-) score from the CDP for its transparent reporting and actions related to climate change. The Group has climate reduction targets approved by the Science Based Target initiative (SBTi), with the aim of reducing carbon emissions by 35% by 2030 and 100% by 2050. In 2022, the Group decreased total emissions by 5% compared to the year before. The decrease is mainly attributable to a reduction in the emission factors from feed in Scope 3. Feed emissions decreased by 19% compared to the year before, which secured an overall reduction in the Scope 3 emissions, despite an increase in emissions from downstream transportation. The absolute Scope 1 greenhouse gas (direct emissions from company-owned and controlled resources) and Scope 2 (indirect emissions from the generation of purchased energy) emissions have been reduced by 6%, while production increased by 12%. Measured as kilograms of CO<sub>2</sub> equivalents per tonne harvested, emissions decreased by 16%. Scope 3 emissions (emissions that occur upstream and downstream in the value chain) accounted for 92% of total emissions in 2022.

Even though farmed Atlantic salmon already has a low carbon footprint, more work needs to be done to reduce the impact from the global food system. Grieg Seafood has been recognized by CDP as a supplier engagement leader for raising the level of climate action across the value chain, and will continue to work with its suppliers.

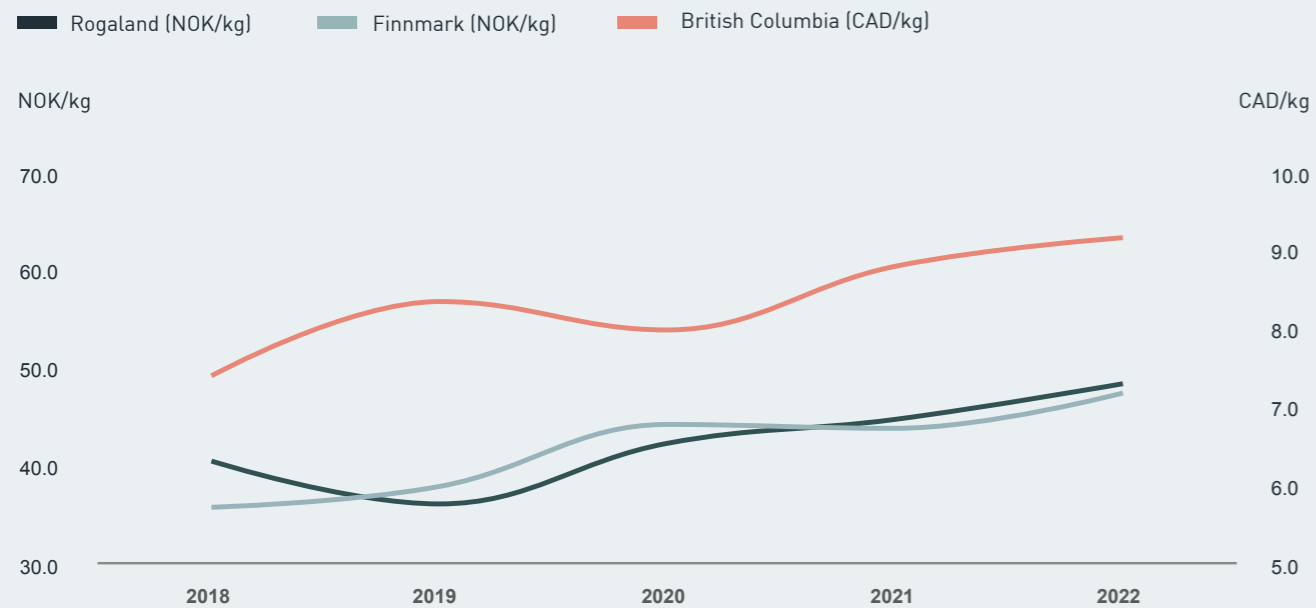
Salmon feed is the most important and cost-intensive input factor in salmon farming. The industry needs to develop new feed ingredients in order to grow sustainably. Grieg Seafood has identified and mitigated the most material risks related to feed ingredients, overfishing and deforestation. To ensure that feed ingredients does not contribute to overfishing and deforestation, Grieg Seafood requires recognized certification of its high-risk ingredients. Fish meal and fish oil from fisheries and Brazilian soy and palm oil are identified as high-risk ingredients. Grieg Seafood has been acknowledged by CDP Forest with an A-score for its work against deforestation related to soy and a B-score for its work related to palm oil.

Aquaculture Stewardship Council (ASC) certification is an important objective for the Group, as it provides the market with assurance of responsible operations and production of high-quality seafood certified to the highest social and environmental standards. As at year-end, 75% of the Group's budgeted net

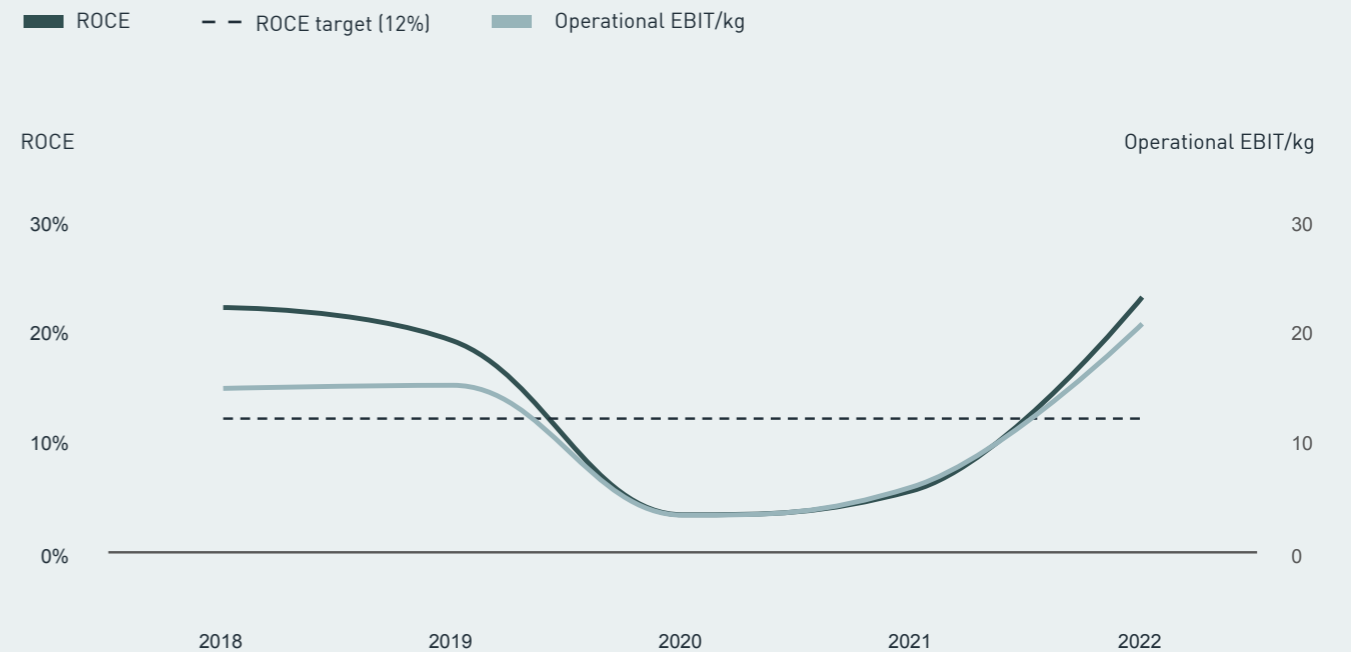
production for 2022 was ASC certified. The Group aims to certify more sites in 2023.

Production and harvest volumes depend on the number of smolt transferred to the sea, and how well that fish performs in terms of growth and survival. By effectively preventing and combating sea lice and health issues, and by understanding the salmon's behavior, the Group's farming regions have worked continuously to improve survival and growth rates. Grieg Seafood targeted a survival rate of 93% for 2022. As biological issues negatively impacted the survival rate in 2022, none of the regions reached this target. The survival rate in Rogaland was unchanged at 92%, while BC decreased from 92% to 91% due to incidents of low oxygen levels and algae blooms. In Finnmark, the parasite Spiro impacted survival, which decreased from 95% to 91% in 2022. To mitigate Spiro, Grieg Seafood will invest NOK 70 million in UV treatment facilities in 2023 to secure the water intake to the freshwater facility in Finnmark. Grieg Seafood has also initiated a project with academia to investigate and learn more about Spiro. In general, it is expected that the Group's post-smolt program will further improve fish health and welfare, as it provides better control of the fish's environment for a longer period of time. Post-smolt makes the fish more robust before they are transferred to the sea farms, and reduces their exposure to seaborne biological risks. Other initiatives to improve fish health and welfare include the selection of roe with specific qualities

**FIGURE 3.2**  
FARMING COST PER KG



**FIGURE 3.3**  
ROCE AND OPERATIONAL EBIT/KG



related to sea lice and diseases, feed customized for the various stages of the salmon's lifecycle, and vaccinations to immunize against specific diseases.

Grieg Seafood managed to reduce the overall use of medical sea lice treatments in 2022 due to its continued efforts to use targeted preventive methods, such as sea lice skirts and cleaner fish in Rogaland and Finnmark. Grieg Seafood BC uses a combination of a barrier system between the farmed salmon and the environment and use of the latest mechanical sea lice removal tool to keep sea lice levels down. The Group's use of antibiotics also decreased compared to 2021. Management aims to avoid use of antibiotics when possible. In Norway, effective vaccines have reduced the use of antibiotics. However, limited amounts have been used to secure the welfare of the fish when there are no other alternative treatments, which was the case in Finnmark and BC in 2022.

Diseases, winter ulcers and other biological issues can affect the quality of the salmon. A superior quality salmon gives a positive overall impression, with good meat quality and no external damage or faults, while downgraded salmon has external and/or internal faults or damage, and obtains a lower price in the market. The Group aims for 93% of its salmon to be graded as superior quality. As biological issues negatively impacted the quality of the fish harvested in 2022, none of the regions reached this target. The quality of the salmon in both Rogaland and BC

was impacted by occurrences of winter ulcers early in the year, while Finnmark had an improvement in quality share compared to 2021. The Group's post-smolt program, with reduced exposure to biological challenges in the sea, is expected to contribute to an increased superior share going forward.

Unfortunately, the Group reported one escape incident in 2022, in Finnmark. Management has taken steps to prevent similar incidents from happening again. In addition to ensuring that farms have high technical standards and that procedures are being followed, all employees regularly attend courses on escape prevention.

The Group does not compromise on occupational health and safety, and follows up accidents and absence rates. The Group had two high-consequence work-related injuries in Rogaland, which are being followed up in accordance with established procedures and guidelines. The Group targets an absence rate of below 4.5%. The target was reached only in Newfoundland in 2022. Management has routines in place to monitor and follow up absence. The Group conducted the global Great Place to Work survey also in 2022. The Board is proud to report that all regions received their Great Place to Work certification. The total score of 85% for the Group was very satisfactory, and in line with last year, proving that Grieg Seafood is among the best companies to work for.

Grieg Seafood operates in many rural communities, and is grateful for their permission to farm salmon in their inlets and fjords. The Group aims to create local jobs and opportunities, use local suppliers, and engage in and support various local projects and activities. Communities' social license to operate is essential for sustainable growth. In British Columbia, Grieg Seafood is farming in areas that belong to indigenous peoples, while Finnmark has been home to the Sami people for millennia. Grieg Seafood recognizes that these groups have special rights, as acknowledged in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and takes particular care to avoid infringing them.

## ROGALAND

Grieg Seafood Rogaland harvested a record-high volume of 28 387 tonnes in 2022, an increase of 6% compared to the 26 670 tonnes harvested in 2021. Sales revenues amounted to NOK 2 124 million, compared to NOK 1 431 million in 2021. The increase was mainly driven by the exceptionally strong market in 2022 in addition to a higher harvested volume compared to the previous year. In 2022, price achievement came to NOK 74.8 per kg, up NOK 21.2 per kg from NOK 53.7 per kg in 2021. The price achievement in 2022 was negatively impacted by the sale of 22% of the volume under fixed-price contracts, in addition to quality downgrades. The share of superior quality fish decreased from 81% in 2021 to 77% in 2022, mainly due to occurrences of winter ulcers in the first half of the year.

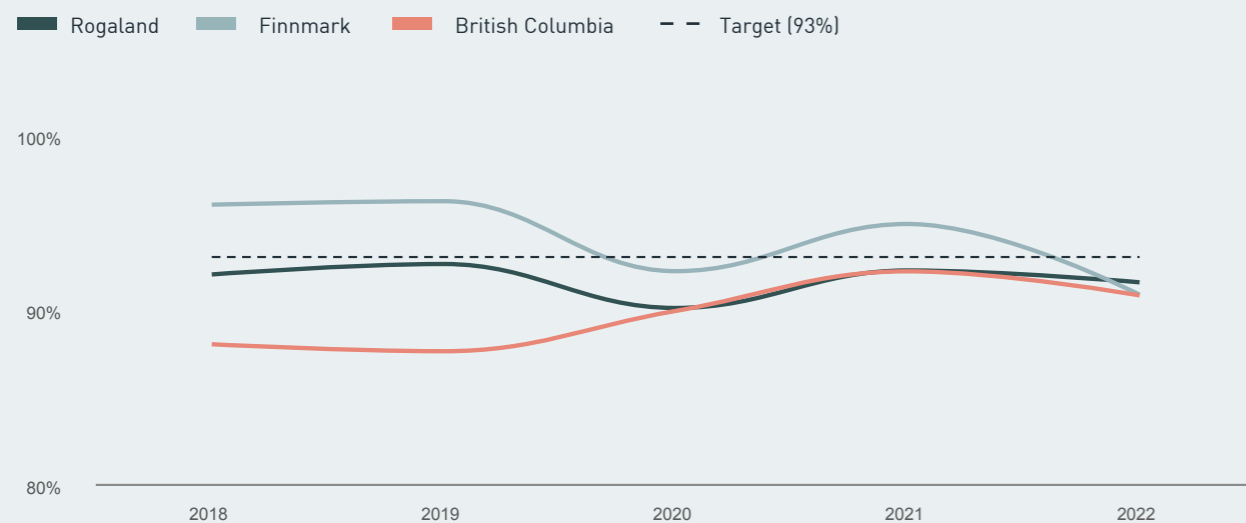
The freshwater production has been good in 2022. During the year, seven million smolt were transferred to the sea, with an average weight of 550 grams, in line with the post-smolt strategy. Overall, the seawater production performed well, despite some biological challenges during the second half of the year. High seawater temperatures and high sea lice pressure led to reduced growth during the autumn. Due to proactive and preventative measures, production stabilized at year-end. The 12-month rolling survival rate for 2022 remained at the same level as in 2021, at 92%.

## OPERATIONAL REVIEW

In general, both freshwater and seawater production through the year was good, however with some challenges to seawater production impacting the farming cost. For further details, see the separate regional chapters in Part 2 Profit & Innovation.

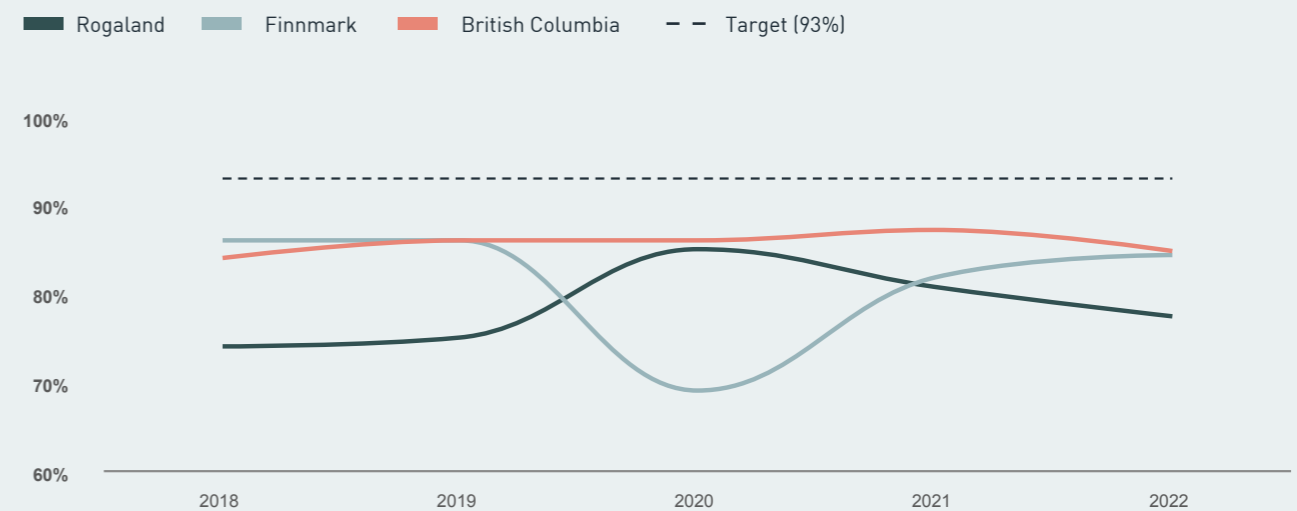
A summary for Rogaland, Finnmark, British Columbia, Newfoundland and the sales organization follows below.

**FIGURE 3.4**  
SURVIVAL RATE AT SEA



Survival rate calculated as a rolling twelve month survival rate. Newfoundland not reported as at 31 December 2022 as fish were transferred to the sea in mid-year.

**FIGURE 3.5**  
SUPERIOR SHARE OF SALMON

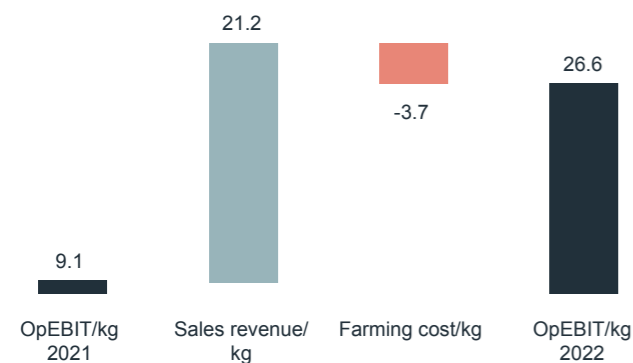


The farming cost ended at NOK 48.2 per kg in 2022, up NOK 3.7 per kg from NOK 44.6 per kg in 2021. The rise was due in particular to feed, whose price has increased by almost 40%, although electricity and fuel costs have also increased significantly.

Operational EBIT for the year ended at NOK 755 million, compared to NOK 242 million in 2021. This corresponds to NOK 26.6 per kg in 2022, up NOK 17.5 per kg from NOK 9.1 per kg in 2021.

Read more about Grieg Seafood Rogaland's operational priorities in the regional chapter in Part 2 Profit & Innovation.

**FIGURE 3.6**  
ROGALAND OPERATIONAL EBIT/KG YEAR-OVER-YEAR



Source: Group Accounts Note 8

### FINNMARK

Grieg Seafood Finnmark harvested a record-high volume of 36 024 tonnes in 2022, an increase of 4% compared to the 34 484 tonnes harvested in 2021. Sales revenues amounted to NOK 2 629 million, an increase of 50% compared to NOK 1 756 million in 2021. The increase was mainly driven by the exceptionally strong market in 2022 as well as a higher harvested volume. Finnmark also improved its superior share compared to the previous year, which impacted price achievement. Finnmark achieved an average price of NOK 73.0 per kg in 2022, up NOK 22.1 per kg from NOK 50.9 per kg in 2021. Price achievement was negatively impacted by the sale of 22% of the volume under fixed-price contracts, but positively impacted by somewhat higher average harvest weight compared to last year.

Freshwater production at Adamselv was good during the year. A total of 10.8 million smolt, with an average weight of 180 grams, were transferred to the sea in 2022. Seawater production was somewhat challenging this year. Colder seawater temperatures in the first half of the year negatively impacted growth at sea, in addition to issues with winter ulcers. In the second half of the year, high seawater temperatures increased sea-lice levels. In addition, the parasite, *Spiro* was detected in some fish in certain pens. This has led to early

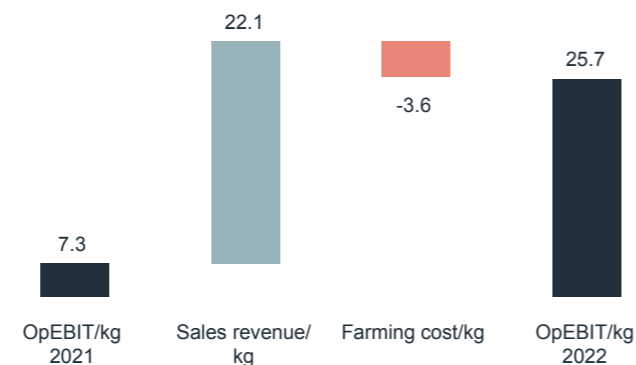
harvesting and the culling of fish showing signs of ill health to protect fish welfare. The source of the parasite is believed to be the water intake at the freshwater facility at Adamselv. Measures related to water treatment and disinfection are being implemented to reduce risk of *Spiro* entering the freshwater facility in future. *Spiro* has reduced our 12-month survival rate from 95% in 2021 to 91% in 2022.

The farming cost ended at NOK 47.3 per kg in 2022, up NOK 3.6 per kg from NOK 43.7 per kg in 2021. The industry experienced a general rise in costs in 2022. This applies in particular to feed, whose prices increased by almost 40%. Additionally, reduced growth due to the biological challenges increased the economic feed conversion rate (eFCR, a measure of the feed utilization) from 1.34 in 2021 to 1.40 in 2022.

Operational EBIT for 2022 ended at NOK 926 million, compared to NOK 251 million in 2021, which corresponds to NOK 25.7 per kg in 2021, up NOK 18.4 per kg from NOK 7.3 per kg in 2021.

Read more about Grieg Seafood Finnmark's operational priorities in the regional chapter in Part 2 Profit & Innovation.

**FIGURE 3.7**  
FINNMARK OPERATIONAL EBIT/KG YEAR-OVER-YEAR



Source: Group Accounts Note 8

### BRITISH COLUMBIA

Grieg Seafood British Columbia (BC) harvested 20 286 tonnes in 2022, 40% more than in 2021 (14 448 tonnes). Harvesting volumes vary significantly every other year in BC due to local production region arrangements and fewer farms on the West Coast of Vancouver Island compared to the East Coast. As a consequence, the region's volume varies every other year, regardless of the underlying biology.

Sales revenues for the year amounted to NOK 1 665 million, an increase of 63% compared to NOK 1 023 million in 2021. The strong market drove price achievement to NOK 82.1 per kg in 2022, up NOK 11.2 per kg compared to NOK 70.8 per kg in 2021. The improved price achievement was somewhat offset by a lower superior share, which ended at 85% in 2022, compared to

87% in 2021. The lower superior share mainly relates to early maturation and the occurrence of winter ulcers at the start of 2022.

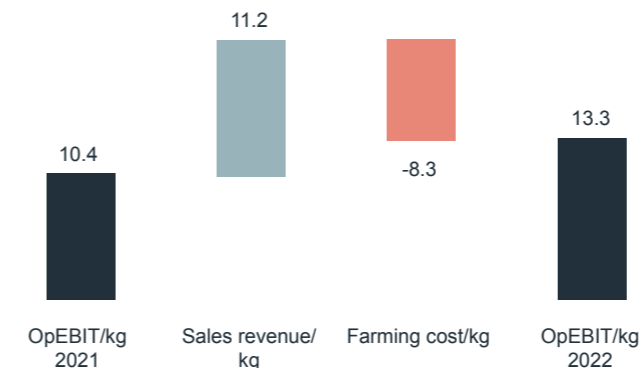
Freshwater production was stable during the year, however, roe quality impacted the number of smolt transferred to sea this year. Seawater production was stable in 2022. The 12-month survival rate decreased from 92% in 2021 to 91% in 2022. The survival rate was impacted by incidents of low oxygen levels and algae blooms. However, Grieg Seafood BC managed to stabilize survival in periods of challenging environmental conditions due to its barrier and CO2L flow systems.

The farming cost increased from CAD 8.8 per kg (NOK 60.4) in 2021 to CAD 9.1 per kg (NOK 68.8) in 2022, mainly due to the lower survival rate and costs recognized as abnormal mortality in the income statement. Towards year-end, the last fish from the shísháth (Sechelt) farming area was harvested. The area has historically had a higher farming cost per kg compared to other farming areas due to the farms' small size. Grieg Seafood is closing down this farming area, which is expected to reduce the farming cost going forward. However, cost increases due to the general cost inflation is impacting the industry. This relates in particular to feed, whose price has increased by almost 20%.

In 2022, operational EBIT ended at NOK 270 million for British Columbia, compared to NOK 150 million in 2021, which corresponds to NOK 13.3 per kg in 2022, up NOK 2.9 per kg from NOK 10.4 per kg in 2021.

Read more about Grieg Seafood British Columbia's operational priorities in the regional chapter in Part 2 Profit & Innovation.

**FIGURE 3.8**  
BRITISH COLUMBIA OPERATIONAL EBIT/KG YEAR-OVER-YEAR



Source: Group Accounts Note 8

### NEWFOUNDLAND

Grieg Seafood Newfoundland is a greenfield project acquired in 2020. 2022 saw the successful first transfer of smolt to sea farms in Grieg Seafood Newfoundland.

Production at the freshwater facility has been on track, with high survival rates. Two million smolt, with an average weight of 100 grams, were transferred to two sea farms during the spring/summer of 2022. The 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. So far, the fish have performed well biologically, with a high seawater survival rate and good growth, and the company has not experienced any sea lice issues. At year-end, the average weight of the fish was 1.3 kg. Newfoundland expects to harvest the first batch of fish in late 2023.

As Newfoundland has not yet started harvesting, most of the production cost has been accounted for as inventory (biological assets excluding fair value adjustment) in the balance sheet, although a portion has been expensed directly to the income statement. Operational EBIT for 2022 totaled NOK -114.7 million, compared to NOK -116.9 million in 2021.

Read more about Grieg Seafood Newfoundland in the regional chapter in Part 2 Profit & Innovation.

### SALES & MARKET

Grieg Seafood is on an exciting journey of growth, which involves building a stronger presence in the market. With a fully integrated global sales organization, the Group aims to optimize biological performance and market timing through close collaboration between farming and sales, thereby securing good price achievement. The downstream strategy is based on strategic partnerships, value added processing and brand cultivation. While sales currently consist mainly of fresh, head-on gutted salmon, the target is for Value Added Processing (VAP) to account for 20-30% share of the harvested volume by 2026. To this end, the Group aims to establish processing partners close to key markets and customers in the EU and the USA. Increasing the VAP share is also an important part of reducing CO2 emissions.

Today, the Group has the successful Skuna Bay brand in the USA, and aims to develop B2B brands going forward. Key milestones in 2022 were to establish processing partnerships in Norway and Europe, introduce VAP products to selected markets and reach 5-10% of harvested volume for VAP. Grieg Seafood is in line with the targeted milestones, and have started processing with partners in Norway and conducting processing trials in other countries in Europe. Furthermore, the Group has established its own VAP products in European, Asian and the US markets, and sold 6% of the harvested volume as VAP in 2022. The Group aims to increase the share of VAP volume to 8-12% of the harvested volume in 2023.

For more information on the sales organization and the markets, see the Sales & Market chapter in Part 2 Profit & Innovation.

## FINANCIAL PERFORMANCE

### GROUP FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

### PROFIT AND LOSS

#### Sales revenue and harvested volume

The Group harvested 84 697 tonnes GWT in 2022, an increase of 12% compared to 75 601 in 2021. The Norwegian regions contributed 76% (81%) of the harvested volume, while British Columbia contributed 24% (19%).

The Group's main product, fresh whole gutted Atlantic salmon, is traded largely as a commodity, and the prices achieved largely reflect a general market price. The prices achieved will, to some extent, deviate from the spot market price, based on quality, sales contracts and the ability to place the salmon effectively in the market. Price achievement is measured relative to the relevant observed market price or reference price. There are several reference prices for salmon. In Norway, Fish Pool provides historic price information, as well as future salmon derivative prices FCA Oslo as part of the NASDAQ Salmon Index (NQSALMON). In the USA, Urner Barry provides reference

prices for North American salmon in Seattle and Chilean salmon in Miami. Market prices are correlated across regions, but significant short-term variations between markets are not uncommon.

Market demand remained strong in 2022. Relative to 2021, it is estimated by Kontali Analyse that the global volume of Atlantic salmon harvested decreased by approximately 1%. However, due to a limited supply of salmon, consumption decreased in most markets in 2022 compared to 2021. The largest relative increases in consumption were found in the USA, up 3%, and China, up 5%, while the demand in EU & the UK was down by 1%.

The Group's price realization for the year was NOK 75.8 per kg (NOK 55.7 per kg) on aggregate for its farming regions. By comparison, the average NQSALMON NOK/kg price for 2022 was NOK 82.0 per kg (57.3). The Group's price realization was negatively impacted by contracts for some of the Group's Norwegian volume, in addition to price achievement on production grade harvest volume. The increase in sales revenue for the Group is mainly due to exceptionally high market prices, especially during the first half of the year, and higher harvest volume.

The sensitivity analysis below illustrates the impact changes in sales revenue/kg have on Operational EBIT/kg.

**FIGURE 3.9**  
SENSITIVITY ANALYSIS SALES REVENUE/KG

	Sales revenue/kg	opEBIT/kg impact
Actual for 2022	75.8	
+/- 2.5 %	77.7 / 73.9	1.9
+/- 5.0 %	79.6 / 72.0	3.8
+/- 7.5 %	81.5 / 70.1	5.7
+/- 10.0 %	83.4 / 68.2	7.6
+/- 12.5 %	85.2 / 66.3	9.5

The calculation is performed bottom-up, based on separate calculations for Rogaland, Finnmark and British Columbia, by analyzing incremental percentage changes in sales revenue, all other factors remaining unchanged. Newfoundland is not included in the sensitivity analysis as no fish had been harvested at year-end 2022.

Total sales revenue for the year came to NOK 7 164 million, up NOK 2 565 million from NOK 4 599 million in 2021. The sales revenue from the Group's farming regions totaled NOK 6 418 million in 2022, up NOK 2 207 million from NOK 4 211 million in 2021 (see Note 8 to the Group Accounts). The increase in sales revenue is due to a combination of record-high harvest volume in Rogaland and Finnmark in 2022 compared to 2021, 40% higher harvest volume in British Columbia, and an exceptionally strong market in 2022.

The difference between the total sales revenue for the Group of NOK 7 164 million and sales revenue from farming regions of NOK 6 418 million is attributable to the Elim/Other effect (see Note 8 to the Group Accounts), which includes the gross uplift on sales revenue for the Group generated by the sales organization.

The Group's primary market is Continental Europe. Sales to Continental Europe comprised 58% of sales revenue in 2022 (63% of volume sold), down from 65% of the sales revenue in 2021 (73% of volume sold). The USA and Canada, or North America, is the second largest market, and totaled 29% of sales revenue in 2022 (26% of volume sold), up from 27% of the sales revenue in 2021 (21% of volume sold). Sales to Asia accounted for 9% of the sales revenue in 2022 (6% of the volume), compared to 6% in 2021 (4% of volume). Even though salmon is regarded as a commodity, prices vary across geographical markets, with the (relatively) highest price/kg generated in Asia and North America.

Grieg Seafood did not have sales to Russia in 2022 or 2021. Sales to Ukraine accounted for 0% of Grieg Seafood's total revenue in 2022, compared to 1% in 2021.



### Farming cost

Costs directly related to the production and harvesting of salmon comprise the farming cost. The inputs needed to raise a live salmon from roe to harvestable size account for the bulk of the farming cost. In addition, costs related to harvesting and processing are included. Performance is tracked through the farming cost per kg of harvested salmon. Tracking the underlying drivers that influence the cost of salmon to be harvested in the future, such as survival, feeding and growth, is therefore vital. The regional Operational EBIT is calculated as sales revenue less the farming cost. See Note 8 to the Group Accounts and Alternative Performance Measures for more information.

Until harvest, the production cost of the salmon is capitalized to inventory and included in the line item 'biological assets' in the balance sheet. The production cycle for a salmon, from roe to harvest weight, is about three years, whereas the production cycle after smoltification is about 12-24 months. Working capital requirement is, per generation, generally progressive throughout the production cycle. Due to the long production cycle for Atlantic salmon with a harvest weight of about 4-5 kg, the expensed farming cost through the income statement at the point of harvest reflects all costs for all past periods (if not previously expensed as abnormal mortality).

Production cost capitalized to inventory (biological assets excluding fair value adjustment, see Note 9 of the Group Accounts) comprises feed as well as health, treatment and fish welfare-related expenses. In addition, the production cost capitalized to inventory includes salary, depreciation of fixed assets and administration costs that are allocated to production. Feed cost comprises the largest individual part of the production cost.

In recent years, the industry has faced challenges with respect to sea lice. This has caused an increase in costs directly related to treatments and increased investments in equipment and technologies. This development has had a noticeable impact on the relative allocation of cost factors, as well as the total cost level in the industry. In terms of cost per kg, however, the loss of harvested volumes has had a significantly larger impact than the direct cost increases. As production cost per kg has risen in recent years, the directly variable cost of feed has become a smaller part of the total incurred cost per kg produced salmon. At the same time, other costs, such as salaries, health costs and maintenance, have become a larger share of the total. Although the industry has seen feed prices increase by up to 40% during 2022, this has not been fully captured in the expensed farming cost in 2022 and will continue to impact farming cost in 2023.

The sensitivity analysis illustrates the impact changes in farming cost/kg have on the Operational EBIT/kg, expressed as percentage changes in the 2022 financials.

**FIGURE 3.10**  
SENSITIVITY ANALYSIS FARMING COST/KG

	Farming cost/kg	opEBIT/kg impact
Actual for 2022	52.7	
-/+ 2.5 %	51.4 / 54.1	1.3
-/+ 5.0 %	50.1 / 55.4	2.6
-/+ 7.5 %	48.8 / 56.7	4.0
-/+ 10.0 %	47.5 / 58.0	5.3
-/+ 12.5 %	46.1 / 59.3	6.6

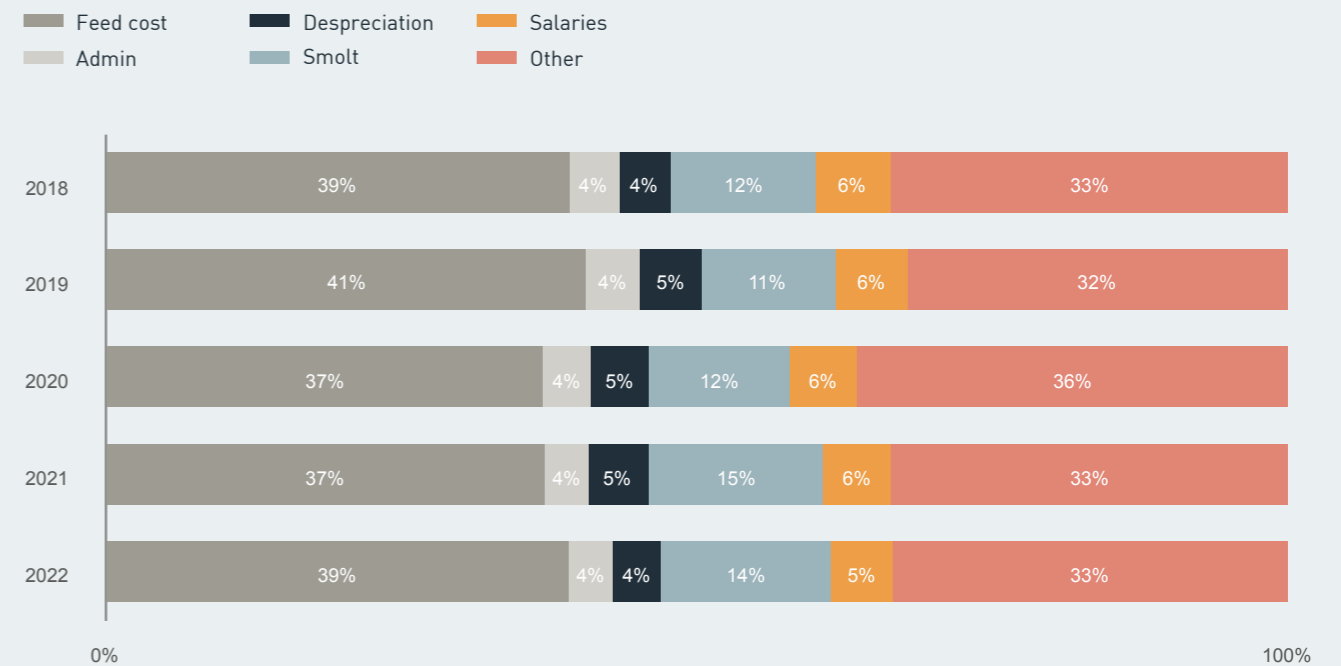
The calculation is performed bottom-up, based on separate calculations for Rogaland, Finnmark and British Columbia, by analyzing incremental percentage changes in farming cost, all other factors remaining unchanged. Newfoundland is not included in the sensitivity analysis as no fish had been harvested at year-end 2022.

In addition to purchase prices for inputs to production, profitability is also influenced by how quickly the salmon grow and how efficiently feed is converted into weight gain (feed conversion rate). Water temperatures, biological conditions, farming practices and fish survival are key drivers for salmon growth. Higher seawater temperatures increase growth, but also increase biological risks in the form of diseases, sea lice and algal blooms. This may in turn result in lost feeding days, lower growth and reduced survival. Through the introduction of improved sensor technology, use of advanced imaging analysis and other technologies, the Group is continuously improving the ability to make informed decisions about feeding and protective measures.

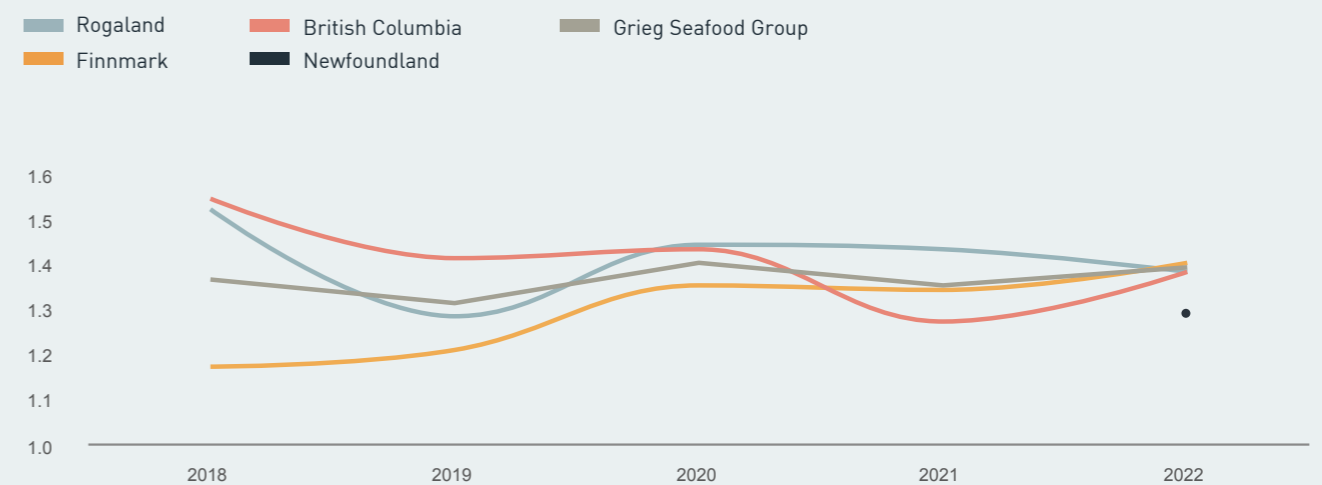
Strong and healthy fish, combined with high feed quality and good feeding practices, are the key to achieving a low production cost. Farming performance is measured through the economic feed conversion rate, or eFCR, and relative growth indices (achieved growth compared to own and feed supplier expectations). Feed accounted for 39% of the total cost per kg harvested fish in 2022, an increase from 37% in 2021, primarily due to increased feed prices. At the same time, the economic feed conversion rate (eFCR) increased from 1.35 in 2021 to 1.39 in 2022 for the Group. The eFCR measures how much fish feed is used to produce one kilogram of live salmon (net of mortality). The main difference between eFCR and bFCR (biological feed conversion rate) is that bFCR does not adjust the production figure for mortality.

Salmon growth, survival rates and the economic feed conversion rate (eFCR), are strongly linked to fish health, disease and sea lice. Treatments, fasting and reduced appetite negatively impact growth, reduce our harvested volumes and increase the cost per kg of harvested fish. In short, an efficient feed conversion is crucial to being cost competitive.

**FIGURE 3.11**  
FARMING COST



**FIGURE 3.12**  
ECONOMIC FEED CONVERSION RATE



**FIGURE 3.13**  
KEY FIGURES

	Harvest volume GWT tonnes		Operational EBIT/kg (NOK)		Operational EBIT (NOK million)	
	2022	2021	2022	2021	2022	2021
Rogaland	28 387	26 670	26.6	9.1	755	242
Finnmark	36 024	34 484	25.7	7.3	926	251
British Columbia	20 286	14 448	13.3	10.4	270	150
Newfoundland	—	—	—	—	-115	-117
Elim/Other	—	—	—	—	-97	-84
<b>Grieg Seafood Group</b>	<b>84 697</b>	<b>75 601</b>	<b>20.5</b>	<b>5.9</b>	<b>1 739</b>	<b>442</b>

Source: Group Accounts, Note 8

The Group's farming cost for 2022 ended at NOK 52.7 per kg (NOK 47.2 per kg). The underlying cost has been good, however increasing due to inflation pressure on key input to production, including feed. In Finnmark, the farming cost has increased towards the end of the year due to the parasite *Spironucleus salmonicida* (Spiro), which has led to early harvesting and the culling of fish showing signs of ill health to protect fish welfare. Finnmark had an increase in cost of reduced survival of NOK 1.3 per kg in 2022 compared to 2021. In total, the Norwegian farming regions contributed to 69% (76%) of the farming cost, an increase of NOK 3.6 per kg in cost, from NOK 44.1 per kg in 2021 to NOK 47.7 per kg in 2022. British Columbia had, despite a 40% higher harvest volume year-on-year, a farming cost of CAD 9.1 per kg, up CAD 0.4 per kg compared to CAD 8.8 per kg in 2021. Biological events led to an increase in cost of reduced survival of CAD 0.4/kg in BC compared to 2021.

The salmon farming industry might be volatile, due to both biological and market conditions. The sensitivity analysis of 2022 illustrates the impact changes in eFCR has on the Operational EBIT/kg, calculated as percentage changes on the 2022 financials.

**FIGURE 3.14**  
SENSITIVITY ANALYSIS ECONOMIC FEED CONVERSION RATIO (EFCR)

	eFCR	opEBIT/kg impact
Actual for 2022	1.39	
-/+ 2.5 %	1.36 / 1.43	0.5
-/+ 5.0 %	1.32 / 1.46	1.0
-/+ 7.5 %	1.29 / 1.50	1.6
-/+ 10.0 %	1.25 / 1.53	2.1
-/+ 12.5 %	1.22 / 1.57	2.6

The calculation is performed bottom-up based on separate calculations for Rogaland, Finnmark and British Columbia, by analyzing incremental percentage changes in eFCR, all other factors remaining unchanged. Newfoundland is not included in the sensitivity analysis as no fish has been harvested at year-end 2022.

#### Raw materials, salaries and other operating expenses

Raw materials and consumables, which consist mainly of the Group's freshwater and seawater fish stocks, in addition to feed, ended at NOK 2 234 million, up NOK 495 million compared to NOK 1 738 million in 2021. Salaries and personnel expenses ended the year at NOK 696 million, an increase of NOK 118 million from NOK 577 million in 2021. The increase was partly driven by the farming regions, and partly by the synthetic option scheme to the management group and regional directors, as all members of Group management exercised options during the year. See the Group Accounts Note 17 for more information. Other operating expenses ended at NOK 2 087 million, up NOK 560 million compared to NOK 1 527 million in 2021.

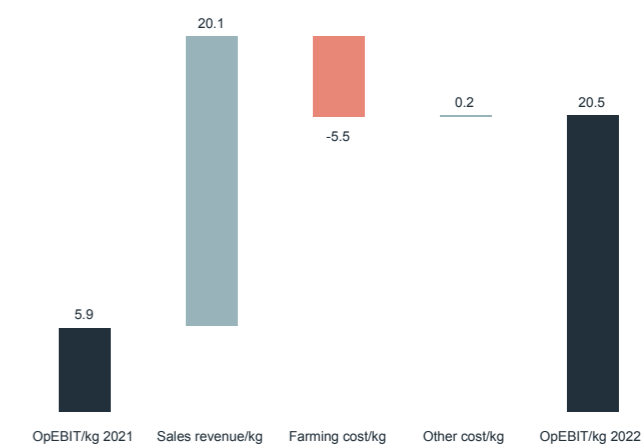
## EBIT

### Operational EBIT

Operational EBIT (see Note 8 to the Group Accounts and Alternative Performance Measures for more information) in 2022 ended at a record-high of NOK 1 739 million (NOK 442 million), equivalent to NOK 20.5 per kg (NOK 5.9 per kg). The increase was driven by exceptional price realization in all farming regions.

The difference between Operational EBIT and the EBIT line item presented in the income statement for 2022 relates to the non-operational share of profit from associates, the production fee on the volume harvested in Norway, fair value adjustment of the Group's biological assets, impairment of tangible and intangible non-current assets, litigation and legal claims, and decommissioning costs, as explained in the following.

**FIGURE 3.15**  
GRIEG SEAFOOD GROUP OPERATIONAL EBIT/KG YEAR-OVER-YEAR



Source: Group Accounts, Note 8.

#### Non-operational share of profit from associated companies, production fee and fair value adjustment of biological assets

The share of profit from associated companies included in Operational EBIT ended at NOK -1 million for 2022 (NOK -1 million), see Note 8 to the Group Accounts. The share of profit from associated companies not included in Operational EBIT for 2022 was NOK 23 million, which related to a gain resulting from dilution through a capital issue in Årdal Aqua. In total, the share of profit from associated companies included in the income statement for 2022 was NOK 21 million, up from NOK -1 million in 2021. The production fee, calculated as NOK 0.405 per kg salmon harvested by the Norwegian regions, came to NOK 26 million in 2022 (NOK 24 million), while the fair value adjustment of biological assets impacted the Group positively by NOK 83 million in 2022, down NOK 440 million from NOK 523 million in 2021.

**Write-down of non-current tangible and intangible assets, litigation and legal claims, and decommission costs**

At the end of the year, Norwegian aquaculture licenses were written down by NOK 47 million in the income statement (see Note 10 to the Group Accounts). During the year, Grieg Seafood decided to end production in the shíshálh (Sechelt) farming area of British Columbia, negatively impacting the income statement with a write down of licenses and relevant seawater assets of NOK 93 million, in addition to site clean-up costs estimated at NOK 24 million (NOK 0 million). Total write-down not included in Operational EBIT in 2022 was NOK 140 million (NOK 0 million). The site clean-up costs are included in the financial statement line item "Decommissioning costs" (see Note 10 and 28 of the Group Accounts for more information). In 2022, the Group recognized NOK 157 million (NOK 0 million) as litigation and legal claims costs related to lawsuits in North America. The costs are included in the financial statement line item "Litigation and legal costs" and thus not included in the Group's Operational EBIT (see Note 28 of the Group Accounts for more information).

**EBIT**

EBIT (Earnings before interests and taxes) ended at NOK 1 498 million in 2022, up NOK 557 million from NOK 941 million in 2021. A reconciliation between Operational EBIT and the

EBIT presented in the income statement is provided in Note 8 of the Group Accounts. The reconciliation items between Operational EBIT and EBIT presented in the income statement are commented on above, see "Non-operational share of profit from associated companies, production fee and fair value adjustment of biological assets" and "Write-down of non-current tangible and intangible assets, litigation and legal claims, and decommission costs".

**NET FINANCIAL ITEMS, TAXES AND NET PROFIT FOR THE YEAR**

**Net financial items**

Net financial items came to NOK -50 million in 2022, up NOK 37 million from NOK -87 million in 2021. Compared to 2021, the debt service cost in 2022 was lower than in 2021. This is primarily due to the refinanced loan facility in 2022 as well as the improved leverage ratio of Grieg Seafood following the sale of Shetland at the end of last year. However, the lower debt service cost was offset by differences in net currency gains/losses compared to 2021.

**Taxes and net profit for the year**

Profit before tax in 2022 totaled NOK 1 448 million, which is an increase of NOK 594 million from NOK 854 million in 2021. The tax expense for 2022 came to NOK 294 million, compared to a tax expense of NOK 249 million in 2021. Net profit from continued

operations in 2022 came to NOK 1 154 million, up NOK 549 million from NOK 604 million in 2021.

In 2021, Grieg Seafood sold its Shetland assets, thus no impact from discontinued operations was recognized for 2022. See Note 6 for further details. The net profit from discontinued operations in 2021 came to NOK 600 million, bringing the net profit for the year for 2021 to NOK 1 205 million.

**FINANCIAL POSITION**

As at 31 December 2022, the book value of the Group's assets totaled NOK 12 875 million, up NOK 2 161 million from NOK 10 714 million as at 31 December 2021. The increase in the Group's balance sheet compared to 2021 was primarily due to the refinanced syndicated debt in Q1 2022 and increased net working capital following the exceptionally strong market prices during the first half of the year.

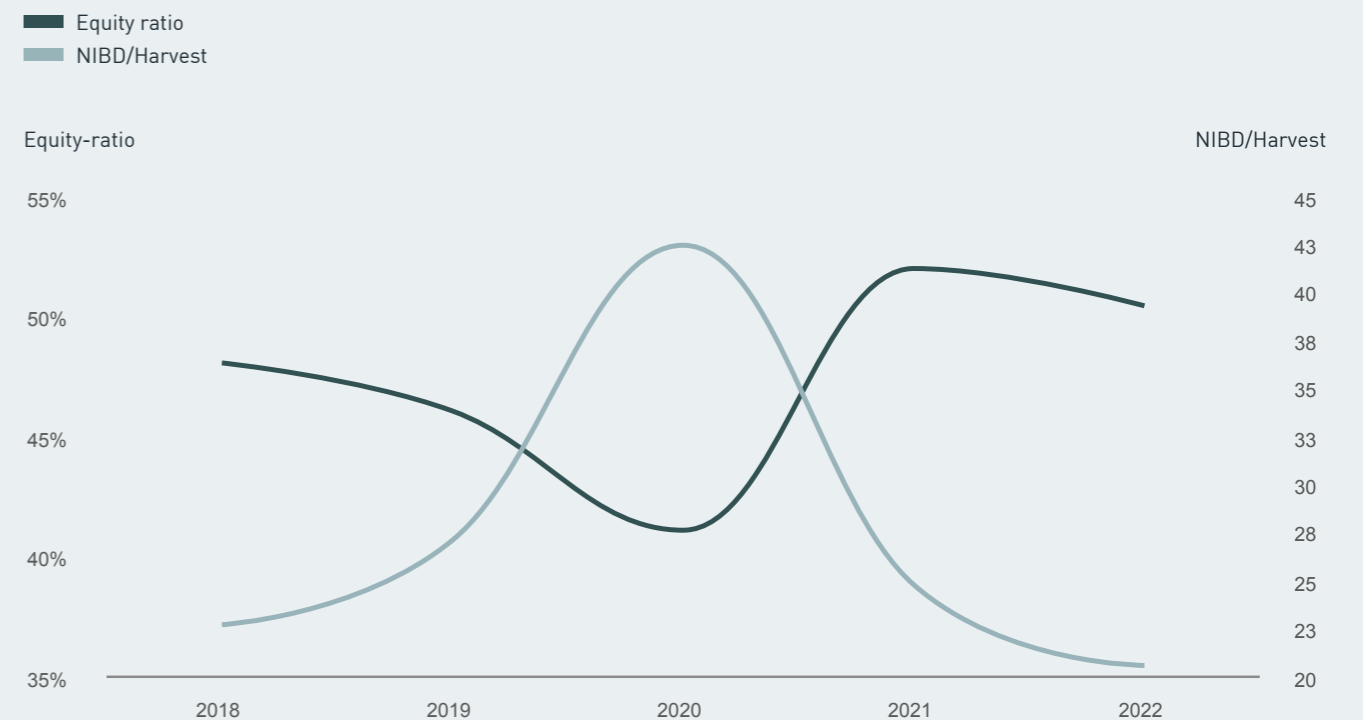
The Group's goodwill, licenses, other intangible assets, and property plant and equipment including right-of-use assets totaled NOK 6 205 million as at 31 December 2022, up NOK 569 million from NOK 5 636 million as at 31 December 2021. Measured relative to total assets, these assets contributed 48% of the balance sheet as at 31 December 2022, compared to 53% as at 31 December 2021.

Biological assets measured at cost totaled NOK 2 896 million as at 31 December 2022, up NOK 417 million from NOK 2 479 million as at 31 December 2021. Measured relative to total assets, the accumulated capitalized cost of inventory contributed 22% of the balance sheet as at 31 December 2022, compared to 23% as at 31 December 2021. Grieg Seafood's biological assets are primarily fish at sea, which represented 94% of the book value of biological assets, excluding fair value adjustment, as at 31 December 2022. The comparable figure for 31 December 2021 was 93%. By weight, biological assets totaled 50 614 tonnes at year-end 2022, down 8 507 tonnes from 59 121 tonnes at year-end 2021. Biological assets stocked at sea accounted for 99% of this amount at year-end 2022 (99% as at year-end 2021). The average live weight of the fish on aggregate (on land and at sea) was 1.1 kg as at 31 December 2022, compared to 1.0 kg at year-end 2021.

As at 31 December 2022, Grieg Seafood was in a solid financial position. The cash balance at the end of the year was NOK 643 million, down NOK 286 million from NOK 928 million as at 31 December 2021. In 2022, approximately NOK 1 000 million of surplus cash has been invested in money market funds, which largely explain the negative net cash flow of the year. Current assets (excluding fair value adjustment of biological assets) over current liabilities measured 2.8 as at 31 December 2022, compared to 3.5 as at 31 December 2021. The lower ratio is



**FIGURE 3.16**  
EQUITY RATIO AND NIBD/HARVEST



NIBD/Harvest calculated as NIBD according to covenant divided by last 12 months harvested volume.

due to installments on debt for the next twelve being higher than year-end 2021 and a higher tax payable at year-end 2022. Furthermore, the Group had undrawn credit facilities of NOK 1 700 million as at 31 December 2022, compared to NOK 885 million as at 31 December 2021. The change in undrawn liquidity is due to the refinanced syndicated debt in Q1 2022. Total equity as at 31 December 2022 came to NOK 6 486 million, up NOK 922 million from NOK 5 563 million as at 31 December 2021. The equity-ratio as at 31 December 2022 was 50% compared to 52% as at 31 December 2021.

The Group's debt structure comprises sustainability-linked loans with a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. As at 31 December 2022, net interest-bearing liabilities (NIBD) excluding the effect of IFRS 16 totaled NOK 1 739 million, down NOK 157 million from NOK 1 895 million as at 31 December 2021. NIBD including the effects of IFRS 16 was NOK 2 223 million, down NOK 68 million from NOK 2 291 million as at 31 December 2021, which equals 17% of the Group's assets as at 31 December 2022, compared to 21% as at 31 December 2021. Lastly, NIBD excluding the effect of IFRS 16 divided by the last twelve months' actual harvest volume (tonnes GWT) equalled NOK 20.5 per kg as at year-end 2022, compared to NOK 25.1 at year-end 2021, well below the long-term target of NOK 30 per kg.

The Group was in compliance with its financial covenants as at 31 December 2022. As at 31 December 2022, the equity ratio according to covenant was 52%, compared to 54% as at 31 December 2021. As at 31 December 2022, 75% of gross interest-bearing liabilities (See Note 12 to the Group Accounts) were green or sustainability-linked, compared to 47% as at 31 December 2021. The increase in the share of green and sustainability-linked financing is primarily due to the sustainability-linked facility of NOK 3 200 million, which was refinanced with secured lenders in Q1 2022.

Grieg Seafood aims to provide shareholders with a competitive return on invested capital through payment of dividends and share price increases. The Board of Directors maintains that, as an average over time, dividends should correspond to 30-40% of the Group's profit after tax, adjusted for the effect of the fair value of biological assets (limited to 50 % by Green Bond agreement). At the same time, the Group's net interest-bearing debt per kg harvested salmon should remain below NOK 30, but can be exceeded in periods of growth investments. As at 31 December 2022, Grieg Seafood was in a solid financial position to execute strategic priorities and deliver shareholder return. The Board recommends that a dividend of NOK 4.5 per share be distributed to shareholders in the first half of 2023.

## CASH FLOW

The net cash flow from operating activities for 2022 totaled NOK 1 562 million (NOK 601 million). The higher cash flow from operating activities is attributable to exceptional price achievement by all our farming regions in 2022.

For 2022, the net cash flow from investing activities totaled NOK -1 651 million (NOK -560 million), of which investments in non-current tangible and intangible assets totaled NOK 564 million (NOK 565 million). In addition, investments of NOK 112 million (NOK 15 million) have been made in associated companies. Finally, approximately NOK 1 000 million of surplus cash has been invested in money market funds in 2022.

The net cash flow from financing activities for 2022 was NOK -204 million (NOK -1 430 million). In 2022, a dividend of NOK 337 million (NOK 3.0 per share) was paid, in addition to shares being repurchased for NOK 30 million at the end of the year (of which 24 million were settled in cash before year-end). Furthermore, the Group has repurchased bonds worth NOK 77 million during the year, of which NOK 50 million had been settled in cash by year-end 2022, with the remaining NOK 25 million paid in January 2023. Finally, the Group's syndicated debt was refinanced in the first half of 2022, where the revolving credit facility and the outstanding EUR term loan under the previous finance arrangement was settled (in total, approximately NOK 865 million), offset by a drawdown of NOK and EUR term loans under the new facility arrangement of approximately NOK 1 463 million. As the revolving credit facility and overdraft were undrawn at 31 December 2022, a total of NOK 1 700 million was available for utilization by the Group.

The net change in cash and cash equivalents for the 2022 was NOK -292 million (NOK -1 389 million from continued operations), and as at 31 December 2022, the Group had a cash balance of NOK 643 million, down NOK 286 million from NOK 928 million as at 31 December 2021.

## GRIEG SEAFOOD ASA

### PROFIT FOR THE YEAR

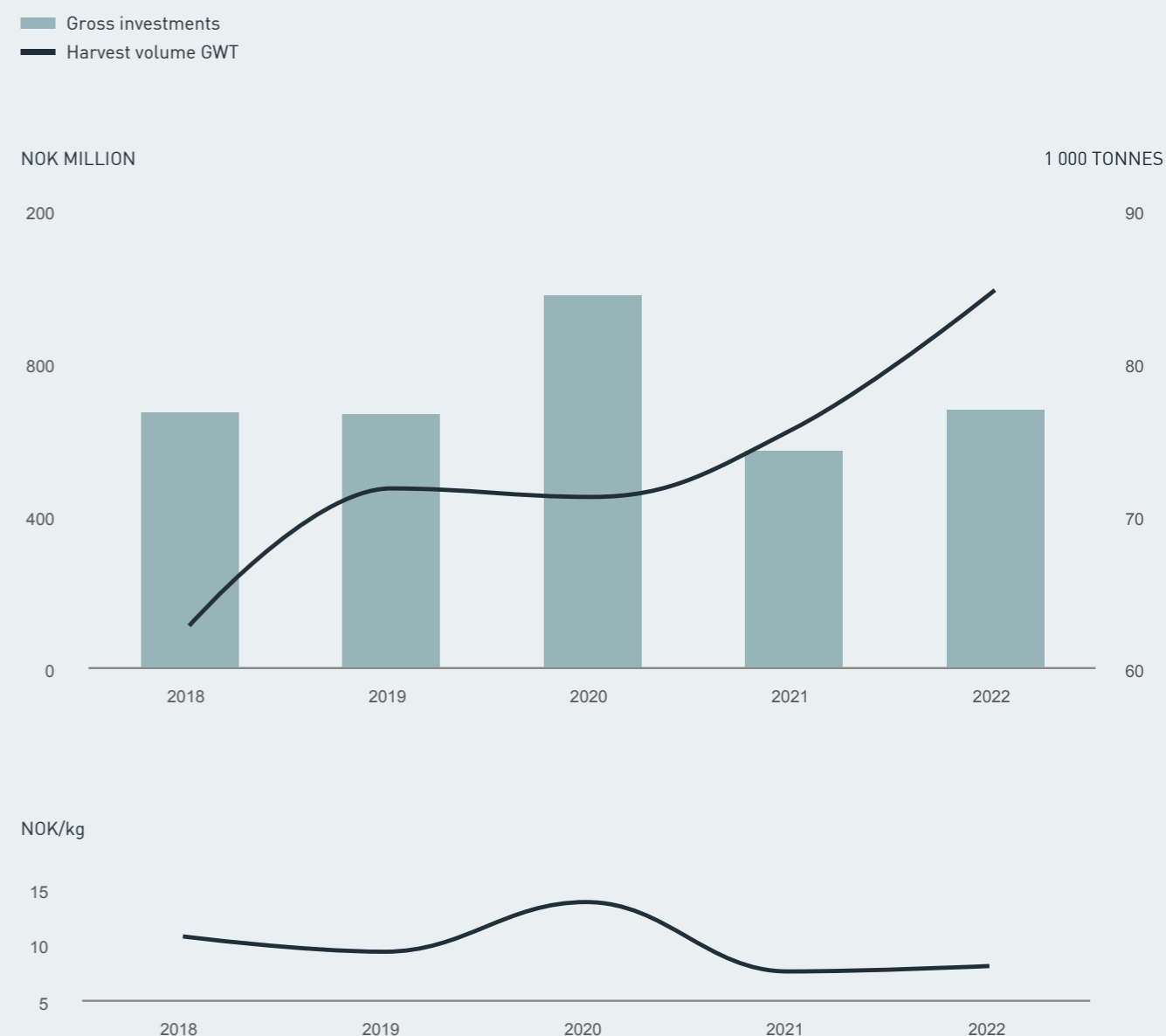
The parent company's financial statements have been prepared in accordance with Norwegian accounting principles (NGAAP).

Grieg Seafood ASA is the holding company of the farming and sales operations in the Grieg Seafood Group. In addition, the company is the employer of Group management as well as centralized functions of the Group.

Total operating income for the year ended at NOK 288 million in 2022, up NOK 190 million compared to NOK 98 million in 2021. The company's operating income has increased in 2022 compared to 2021 primarily due to the establishment of a royalty fee model within the Group in 2022, as well as adjustments made on the management fee model compared to 2021.

Salaries and personnel expenses totaled NOK 118 million in 2022, up NOK 47 million compared to NOK 72 million in 2021. The company has issued options to executive management and regional directors. The options' strike price is the stock market price on the date of issue, rising by 0.5% per month until the

**FIGURE 3.17**  
GROSS INVESTMENTS, HARVEST VOLUME TONNES GWT AND GROSS INVESTMENTS/KG



The cash payment of NOK 620 million made on the acquisition of Grieg Newfoundland is not included in the 2020 figure presented in the chart above. All figures in the chart above are exclusive of Shetland. The peak in 2020 (gross investments of NOK 13.8/kg) is largely attributable to capital investments in the freshwater facility in Newfoundland. The freshwater facility in Newfoundland was completed in 2021.



exercise date. The increase in personnel expenses is primarily due to costs from the synthetic option scheme, as all members of the management team exercised options during the year.

Depreciation and amortization of non-current tangible and intangible assets ended at NOK 7 million, in line with the year before.

Other operating expenses totaled NOK 200 million in 2022, up NOK 102 million from NOK 97 million. In 2022, the Group recognized litigation and legal claims costs related to lawsuits in North America under other operating expenses. The increase in other operating expenses for the year is primarily due to the settlement paid in North America, for which a portion of the settlement relates to Grieg Seafood ASA. See the Group Accounts Note 28 for more information.

The parent company recorded an operating loss of NOK 37 million in 2022, compared to a loss of NOK 77 million in 2021.

Net financial items ended at NOK 1 053 million in 2022, up NOK 487 million from 2021. The higher net financial items are due primarily to higher group contributions from subsidiaries in 2022 compared to 2021. Group contributions from subsidiaries are included in net financial items in the amount of NOK 995 million in 2022 (NOK 308 million in 2021). Interest expenses from external financing decreased in 2022. This is primarily due to the refinanced loan facility in 2022 as well as the improved leverage ratio of Grieg Seafood following the sale of Shetland at the end of 2021.

Profit before tax for Grieg Seafood ASA totaled NOK 1 016 million in 2022, up NOK 527 million from NOK 489 million in 2021. The tax expense in 2022 ended at NOK 222 million, compared to NOK 81 million in 2021, bringing net profit for the year to NOK 794 million, up NOK 387 million from NOK 407 million in 2021.

Total assets amounted to NOK 7 178 million at the end of 2022, up NOK 1 501 million from NOK 5 677 million the year before. The change in the book value of assets is primarily due to changes in current assets and working capital items, including receivables from subsidiaries. As Grieg Seafood ASA is the owner of the cash pool arrangement, net cash flow from the subsidiaries part in the group account impacts Grieg Seafood ASA's working capital through changes in cash and cash equivalents and short-term receivables/liabilities to subsidiaries.

The book value of investments in subsidiaries came to NOK 1 903 million, which is unchanged compared to the year before. Long-term loans to subsidiaries amounted to NOK 798 million, up NOK 11 million from NOK 787 million due to changes in foreign exchange rates. In 2022, a cash surplus, generated by the combination of the sale of Shetland in late 2021, the refinanced syndicated debt in early 2022 and the strong salmon market in 2022, has been invested in money market funds, which had a book value of NOK 1 013 million as at 31 December 2022.

Total equity at the end of 2022 stood at NOK 3 011 million, up NOK 267 million compared to NOK 2 744 million in 2021. During the year, a dividend of NOK 3.0 per share, or NOK 337 million in total, was distributed to shareholders. At year-end, Grieg Seafood ASA had an equity ratio of 42%, compared to 48% the year before. At the end of the year, Grieg Seafood was in compliance with its financial covenants. Grieg Seafood ASA's financial covenant is tied to the equity ratio (excl. the effect of IFRS 16) in the Grieg Seafood Group, which was 52% as at 31 December 2022 compared to 54% at the end of 2021.

The company has a syndicated sustainability-linked loan with secured lenders totaling NOK 3 200 million, which comprises a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. At the end of the year, NOK 1 700 million of the revolving credit facility and the overdraft facility was available for utilization. The total amount outstanding on the syndicated debt was NOK 1 474 million as at 31 December 2022 (excl. amortized loan costs). The company also has a green bond issue of NOK NOK 1 424 million (excl. amortized loan costs), which matures in June 2025.

Grieg Seafood ASA's net cash flow from operations in 2022 totaled NOK -39 million, compared to NOK 147 million in 2021. The difference in net cash flow from operations between 2022 and 2021 is due to higher income tax paid in 2022 compared to the year before and timing differences in net working capital.

Cash flow from investing activities came to NOK -575 million (NOK 1 611 million in 2021). The difference from 2021 to 2022 is primarily due to a cash surplus of approximately NOK 1 000 million being invested in money market funds in 2022.

Net cash flow from financing activities came to NOK 346 million, compared to NOK -1 149 million in 2021. The change in net cash flow from financing activities from 2021 to 2022 is primarily due to the refinanced syndicated debt in Q1 2022, where the revolving credit facility and the outstanding EUR term loan under the previous finance arrangement was settled (in total, approximately NOK 865 million), offset by a drawdown of NOK and EUR term loans under the new facility arrangement of approximately NOK 1 463 million. In addition, surplus cash has also been utilized to repurchase bonds. In total, approximately NOK 77 million of the green bond loan was repurchased in 2022, of which NOK 50 million had been settled in cash by year-end 2022, with the remaining NOK 25 million paid in January 2023. As a consequence of the improved leverage subsequent to the Shetland transaction at the end of 2021, the debt service costs in 2022 compared to 2021 were substantially lower. In 2022, a dividend of NOK 3 per share was paid to shareholders, equivalent to NOK 337 million in total. In December 2022, treasury shares worth NOK 30 million were repurchased, of which NOK 24 million was settled in cash by 31 December 2022, and the remainder settled in January 2023. Treasury shares are held by Grieg

Seafood ASA in order to facilitate the employees' share-based incentive scheme.

As at 31 December 2022, available cash totaled NOK 525 million, compared to NOK 793 million as at 31 December 2021.

## FINANCIAL RESULTS AND ALLOCATIONS – GRIEG SEAFOOD ASA

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 adjustment of biological assets (limited to 50% by Green Bond agreement). At the same time, the Group's net interest-bearing debt per kg harvested salmon should remain below NOK 30, although this may be exceeded in periods of growth investments. At year-end, the financial position of Grieg Seafood ASA was solid, and the Board proposes that a dividend of NOK 4.5 per share be distributed to shareholders.

The parent company, Grieg Seafood ASA, recorded a profit after tax of NOK 794 million for 2022, which the Board proposes that the Annual General Meeting allocate as follows:

**FIGURE 3.18**  
ALLOCATION OF PROFIT/LOSS FOR THE YEAR, GRIEG SEAFOOD ASA

	NOK million
Provision for dividends	504.1
Transfer to retained equity	290.0
<b>Total allocated</b>	<b>794.1</b>

## RISK AND RISK MANAGEMENT

The Group is exposed to risks in numerous areas, such as biological production, the effects of climate change, degradation of nature, compliance risk, the risk of accidents, changes in salmon prices, and the risk of politically motivated trade barriers. The 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 short and medium term, is included below.

The members of the Board of Directors and the CEO are covered by Directors and Officers (D&O) insurance. The insurance provides liability cover for members of the Board of Directors and the CEO with respect to claims arising from decisions or actions they may take on behalf of Grieg Seafood ASA.

## OPERATIONAL RISK

The greatest operational risk relates to biological developments within the Group's smolt and marine aquaculture operations. The book value of live fish at cost at year-end was NOK 4 046 million, of which the fair value adjustment was NOK 1 150 million. The book value of live fish at cost at year-end 2022 was NOK 2 896 million, or 22% of the balance sheet. Biological risks include oxygen depletion, diseases, viruses, bacteria, parasites, algae blooms, jelly fish and other contaminants. To reduce this risk, the Group focuses on improving fish health and welfare through several initiatives, including joint fallowing and area-based management, switching from pharmaceutical to mechanical delousing treatment methods, and use of sensor technology to reduce algae challenges. The Group's post-smolt strategy, where fish are grown to a larger size on land, thereby shortening the time they spend in open sea pens, is an important element of the effort to reduce biological risk.

Throughout the year, the underlying biology, and freshwater and seawater production, have been good in all regions. In BC, freshwater production has been somewhat challenging, with reduced survival due to egg quality issues. This has impacted the number of smolt transferred to the sea this year, and might impact volume to be harvested in 2024. The Group has taken steps to ensure a higher quality of roe going forward. Infectious Salmon Anemia (ISA) was detected in the broodstock facility in Rogaland, and in the beginning of 2023, the broodstock was euthanized. This will not have any impact on smolt production or harvested volume going forward, as Grieg Seafood Rogaland is able to secure roe in the market. In Rogaland, high seawater temperatures and high sea lice pressure led to reduced growth during the autumn of 2022. In Finnmark, colder seawater temperatures in the first half of the year adversely impacted growth in the sea. In the second half of the year, high seawater temperatures increased sea-lice pressure. Finnmark continues to see the impact of the parasite *Spironucleus salmonicida*, which was detected in some of the pens with fish at sea farms in Finnmark in late 2022. Although mortality rates have been low, fish showing indications of illness have been culled out of concern for their welfare. This has impacted, and will continue to impact, the farming cost in Finnmark. The source of the parasite is believed to have been found, and measures to reduce the risk of such an event happening again are being implemented. Both freshwater and seawater production in Newfoundland continue according to plan.

The aquaculture industry has experienced major issues with sea lice and algae in recent years. The Group collaborates actively with the authorities and other aquaculture players to implement measures and initiate activities to reduce biological risk. Some of the initiatives are joint fallowing and area-based management. The Group has initiated a digitalization process to facilitate operational improvements. The aim is to use sensor technology to reduce the algae challenges in BC in particular. The introduction of sensor technology to monitor algal blooms enables the type of algae to be determined at an early stage

and the appropriate feeding response selected. This is of vital importance as different types of algae have different effects on the salmon.

The industry has experienced general cost inflation in 2022. This applies in particular to feed, whose price has increased by close to 40% in Norway and close to 20% in BC in 2022 compared to 2021. The feed industry is characterized by large global suppliers operating under cost plus contracts. Feed prices are therefore directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils, which are the main ingredients in fish feed. Access to terrestrial feed ingredients has improved due to good crops, while access to marine feed ingredients continues to be limited. The key drivers for the increased feed prices are inflationary pressure on the prices of the raw materials used in the production of fish feed, such as soy, wheat, canola, sunflower, corn, and fish meal and fish oil. In addition, Grieg Seafood' feed cost over the year was affected by a fall in the value of the Norwegian Krone (NOK). The inflation pressure is driven by supply limitations due to ripple effects of the Covid-19 pandemic as well as disturbances seen in the feed value chain (production and logistics) due to the war in Ukraine.

The risk of cyberattacks is relevant for the Group. Cyberattacks may cause disruption to the ordinary course of operations, both within the Group and at third parties, as well as damage and/or incapacitate critical infrastructure necessary to operate the Group's freshwater and seawater sites. The outcome of a cyberattack may adversely impact fish welfare at affected sites, the Group's reputation and financial performance. Grieg Seafood are continuously working to strengthen our defense towards cyberattacks and other malicious attempt to disrupt our infrastructure. Cybersecurity is high on management's agenda, and is addressed through securing the digital systems and infrastructure (incl. monitoring and analysis of all network traffic in our infrastructure), as well as awareness and training, strengthening the focus on securing remote access for employees and vendors. Furthermore, we have procedures in place for incident handling and strategic crisis management should a cyber incident occur.

## MARKET RISK

The global volume of Atlantic salmon harvested in 2023 is expected to increase by only 2% compared to 2022. With limited supply growth, combined with an outlook for continuing strong demand fueled by an increased focus on healthy food and sustainably produced proteins, the Group believes in sustained strong market prices in 2023. However, the current rate of inflation that is reducing household purchasing power might impact demand from both the HoReCa and retail sectors. The current Fishpool forward price for 2023 is around NOK 95 per kg, and the 2024 forward price is around NOK 87 per kg, reflecting an optimistic market outlook.

The Group's has its own internal sales and market organization, including a value-added department. The Group has secured value-added processing capacity in both Norway and Canada to reduce the risk of low price achievement on production grade fish. Continental Europe is the Group's most important market, with North America as the second largest market. The Group does not sell salmon to Russia due to the ongoing war against Ukraine.

The Group targets a contract share of 20-50% for its Norwegian harvested volume. The estimated contract share for 2023 is 15%. The contract market has been impacted by the proposed resource rent tax on salmon farming in Norway, although there are signs of improvement going into 2023. The Group does not have contracts in BC.

## COMPLIANCE RISK

Grieg Seafood is committed to conducting its business ethically and with integrity. The Group performs risk assessments on its operations and value chain, and has implemented mitigating measures and controls to prevent corruption and money laundering activities. The Group did not experience any incidents of corruption or money laundering activities in 2022. The Group adheres to all relevant sanctions related to Russia and Belarus.

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. At date, no decision has been made by the European Commission. Grieg Seafood is not aware of any anti-competitive behavior within the Group, neither in Norway, nor the EU, or Canada. Grieg Seafood rejects that there is any basis for the claims and considers the complaints to be entirely unsubstantiated.

Grieg Seafood had also been sued by indirect purchasers in the USA. In 2022, a settlement offer from the indirect purchaser plaintiffs was accepted. In February 2023, the settlement was finally approved by the court of Southern District of Florida. The settlement does not involve any admission of liability or wrongdoing. Costs incurred and provisions for expected costs related to the lawsuits in North America have been expensed in 2022. See more information in Note 28 and Note 31 of the Group Accounts.

## POLITICAL RISK

### Norway

On 28 September 2022, the Norwegian government proposed the introduction of a resource tax on farming of salmon and trout in Norway with effect from 1 January 2023 and on 28 March 2023 the Norwegian government presented a bill providing further details to the tax regime in addition to modifications made to the proposal communicated 28 September 2022.

The proposed tax will apply to commercial marine-phase salmon and trout aquaculture activity. Based on the proposal as per 28 March 2023, the resource tax will have a rate of 35 % on profits generated by the marine-phase aquaculture activity, in addition to regular corporate taxes. Grieg Seafood farms Atlantic salmon in both Norway and Canada, and the proposed Norwegian resource rent tax will not directly impact the Group's operations in British Columbia and Newfoundland, as they are subject to Canadian tax legislation. The proposed resource rent tax will, however, directly impact the operations in Rogaland and Finnmark, as the taxation of the sea farm operations in those regions may increase from 22% to 57%, should the proposed resource tax be adopted in its current form.

The Group has put all new growth investments in Norway, worth a total of approximately NOK 2.3 billion, on hold until a final version of the tax regime has been adopted. Once the final version of the tax has been adopted, Grieg Seafood will assess how it will impact the company's strategy and plans. The proposed 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.

The proposal must be approved by the Norwegian parliament before it can be incorporated into Norwegian tax law. The Parliament is expected to discuss the proposal and enact the law before July 2023. Thus, the Parliament may still make changes to the proposal which has now been published. The tax will be implemented with retrospective effect as from 1 January 2023.

As the resource rent taxation is a proposal by the Norwegian government, and was not incorporated into Norwegian tax law as at 31 December 2022, there has been no impact on the Group's tax estimates recognized in the statement of financial position and income statement as at 31 December 2022.

### 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). The process was launched 29 June 2022, with the following objectives: Minimize or eliminate interactions between farmed and wild salmon, improve transparency on how the government assesses and responds to new scientific information, provide greater opportunities for collaborative planning and decision-making with First Nations partners and advance innovation and attracting investment to support the adoption of alternative production technologies in British Columbia. Stakeholders,

including industry and First Nations, are participating in the process, which is expected to be concluded during 2023. Grieg Seafood supports the transition and it aligns with the Group's technological investments to improve biological control, such as post-smolt and barrier systems. The possibility of introducing different types of licenses to advance improvements are discussed as a part of the transition strategy. It is expected that regular licenses will be incorporated into the strategy. Grieg Seafood is committed to working with the government and Indigenous communities to find a viable path forward.

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. In 2022, the Coalition of First Nations for Finfish Stewardship was launched, highlighting the positive role that the salmon farming industry can play as part of the reconciliation process. Grieg Seafood recognizes the First Nations as an additional level of government where we operate, and we are working to ensure that our production takes place under agreements with the rights-holders of the territories where it is located. The vast majority of Grieg Seafood's production are under long-term agreements with the First Nations in those areas, and we are pursuing agreements with more First Nations. See Note 4 of the Group Accounts for more information.

## FINANCIAL RISK

### Financing risk

The Group operates within an industry characterized by high volatility, which entails financial risk. The Group's business and future 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.

In September 2022, and updated in March 2023 (see the section for Political Risk), the Norwegian government proposed the introduction of a resource rent tax on the farming of salmon and trout in Norway at an effective tax rate of 35% with effect from 1 January 2023. Available financing could be impacted by the proposed Norwegian resource rent tax regime, as - all else equal - less cash will be available to service debt and provide a return on investment for shareholders.

The Group renegotiated its syndicated bank loan agreement in 2022, thereby securing the working capital needed to achieve the Group's growth targets. The Group's new debt structure comprises sustainability-linked loans, including a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. See Note 12 of the Group Accounts for more information. In addition, the Group has a senior unsecured green bond issue with an outstanding amount of NOK 1 424 million, which matures in June 2025.

As at 31 December 2022, the Group had NOK 2 223 million in net interest-bearing liabilities (NOK 1 739 million, excluding the effect of IFRS 16), and an equity ratio of 50% compared to 52% as at 31 December 2021. The equity-ratio according to the financial covenants was 52% compared to 54% as at 31 December 2021. See Note 12 of the Group Accounts for more information. Cash and cash equivalents at 31 December 2022 totaled NOK 643 million (NOK 928 million). In addition, NOK 1 013 million of surplus cash had been placed in money market funds with maturity of less than three months as at 31 December 2022. The Group had a solid financial foundation at year-end 2022.

#### Liquidity risk

The Group has invested substantial amounts during the last few years. This includes the acquisition of Grieg Newfoundland and the build-up of biological assets in all regions. The Group utilizes factoring agreements to finance its trade receivables in Norway. The trade financier purchases credit-insured trade receivables (maximum NOK 500 million of outstanding receivables) from the Norwegian sales organization, transferring significant (95%) risk and control to the credit insurer. The receivables purchased by the trade financier are derecognized from the Group's statement of financial position.

Monitoring of the Group's liquidity reserve is carried out at group level in collaboration with the operating companies. Management and the Board seek to maintain a high equity ratio (50% at 31 December 2022), to be well positioned to meet financial and operational challenges. The Group factors in the expected outcome of, as well as different scenarios for, the Norwegian resource rent tax proposed by the Norwegian government in the Group's liquidity projections and forecasts.

#### Currency risk

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

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).

#### Interest rate risk

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

#### Credit risk

Credit risk is managed at Group level. Credit risk arises from transactions involving derivatives and deposits in banks and financial institutions, transactions with customers, including trade receivables, and fixed contracts as well as loans to associates. The Group has procedures to ensure that products are 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 RISK

The effects of climate change, such as extreme weather events, fluctuating seawater temperatures and a decline in biodiversity, could have a significant financial impact in the coming decades. Knowledge of the possible financial consequences of global warming, biodiversity loss, or even ecosystem collapse, and the integration of climate risk and nature risk as a separate risk category, are an essential part of Grieg Seafood's risk management strategy. Grieg Seafood aims to increase its understanding of climate and nature-related risks, in order to find solutions to reduce adverse impacts.

The Group has mapped its climate-related risks, which is reported in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group has also prepared a climate-related scenario analysis, assessing the impact of transitional risks and physical risks. These risks and opportunities are included in the risk assessment as part of the Group's regular forecast process. Overall, the impacts of climate-related risks are expected to be moderate in the short term, with no quantifiable impact as per year-end 2022. However, these impacts could become more severe in the medium to long term. Any significant physical change is likely to interfere with the Group's current business model or damage facility infrastructure, both of which could be costly. Similarly, the transitional risks related to increased

climate-change regulation or significant changes in consumer preferences could affect the Group's bottom line and access to capital. On the other hand, Grieg Seafood is being uniquely placed to mitigate these risks and take advantage of climate-related opportunities. In 2022, the Group developed its Climate Action Plan, which describes the measures and investments needed to reach the climate targets (reducing carbon emissions by 35% towards 2030, and 100% in 2050, with 2018 as a baseline year). This plan stresses the importance of both operational measures that affect Scope 1 and 2, and supply chain measures in Scope 3. The Group needs to reduce operational fossil fuel consumption, purchase renewable electricity and set supplier requirements to be able to reduce its absolute emissions. The Group needs to invest in electrification of its sites and boats, choose fish feed that has a lower emission factor and reduce emissions from transportation. The largest direct source of emissions is from the fuel that powers the boats, use of well-boats, vehicles, and on-site electricity generators. Transitioning to equipment that will enable reduction in fossil fuel consumption will be done gradually through replacement investments, in addition to investments targeting growth. Before making any investments, the Group evaluates the potential carbon emissions and environmental impact of the investment. This is an integrated part of the Group's CapEx process. To get a full overview over how these climate-related risks and opportunities may evolve and affect the Group, likelihood and impact analyses under different emission pathways and time horizons have been developed and will be regularly revised. The Group's TCFD report, including the climate-related scenario analysis, is available [here](#).

The Group also acknowledges that biodiversity, diversity within and between species, and diversity of ecosystems, is declining globally faster than at any other time in human history. Nature and ecosystems provide the basic building blocks of the global economy, and biodiversity loss and ecosystem collapse will also affect the Group's operations, supply chains and markets. Grieg Seafood is a Member of the Taskforce on Nature-related Financial Disclosures (TNFD). TNFD aims to develop a risk management and financial disclosure framework on nature-related risks, and will support organizations to report and act on both their impacts and dependencies on nature. The finalized framework is earmarked for release in late 2023. For further information, visit the TNFD's [website](#).

The salmon farming industry is regulated to avoid impact on biodiversity and the marine environment. In addition, certifications like the Aquaculture Stewardship Council (ASC) help raise the bar above regulatory limits. As of year-end, 75% of the Group's budgeted net production 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.

The EU Taxonomy will enter into force as from 2023 in Norway. As at 31 December 2022, the economic activities characteristic of the seafood and aquaculture industries have not yet been classified by the EU and Grieg Seafood will report on the EU Taxonomy as from the Annual Report of 2023.

## CORPORATE SOCIAL RESPONSIBILITY

Grieg Seafood's vision "Rooted in nature – farming the ocean for a better future" demonstrates the Group's commitment to corporate responsibility by operating profitably and sustainably in a manner that conforms with fundamental ethical norms and respect for the individual, society and the environment. Sustainable operations underpin the Group's license to operate and its strategy. In a long-term perspective, there is no contradiction between clean seas, healthy fish and financial profit. It is the Group's task to make these aspects go hand in hand and contribute to a sustainable ocean economy. The targets go beyond short-term profitability. Read more about the Group's foundation, value chain and strategy in Part 1 of this Annual Report.

Grieg Seafood's sustainability strategy is built on material topics and the five pillars: Healthy Ocean, Sustainable Food, Profit & Innovation, People, and Local Communities. These pillars are founded on external expectations, based on dialogues with stakeholders, and the company's own goals and ambitions. The topics are covered by group policies. Find an overview of the pillars, targets and policies [here](#). The five pillars are aligned with topics assessed as material according to the GRI standards. The GRI Index is included in Part 4 of this Annual Report. The Group has also prepared an [overview of the material topics' financial impacts](#), please refer to Part 1 of this report.

The Group has a responsibility to protect biodiversity wherever it operates. The aim is to use farming methods that allow co-existence with other species, such as wild salmon, cod, shrimp, wild mammals and birds. The Group has targets to minimize its impact on biodiversity, and has adopted policies and operational procedures, as well as high technical standards on equipment, to reduce the risk of impact. Environmental impact assessments are performed prior to establishing new seawater sites as well as a part of the continuing ASC certification process. Please refer to the regional sections in Part 2 of this report for information relating to use of treatments and medicines, escape, wildlife interaction and local emissions.

Along with the rest of the industry, the Group needs to develop

new feed ingredients in order to grow sustainably. The Group does not produce its own fish feed, but set requirements for the feed suppliers to develop more sustainable feed. Input factors in fish feed, both marine ingredients and plant-based ingredients, should come from sustainable sources. Ingredients associated with a high risk (fish meal and fish oil from fisheries, Brazilian soy and palm oil) are certified by recognized certification schemes. The Group has also committed to a deforestation statement. Read more about the Group's work on sustainable feed ingredients in Part 2 of this report.

While farmed salmon has a low carbon footprint compared to other animal proteins, the industry must do more to contribute to the Paris Agreement's climate goals. New technologies must be developed to cut emissions in our own operations and value chain. The Group has a policy for climate action, and has set a Science Based Target for emission reduction. The Group undertakes climate accounting and performs a systematic assessment of its emissions, for Scope 1, 2 and 3. For more information on the Group's climate action plan and emission reductions, see the [climate action](#) section in Part 2 of this report.

The Group is grateful to the local communities for giving permission to farm salmon in their fjords and inlets. In return, the Group not only does what it can to safeguard local biodiversity and apply sustainable farming methods, but also aims to contribute to vibrant local communities in the rural areas in which it operates. See the end of each regional section for information on our contribution to local communities. Grieg Seafood has a responsibility to engage in constructive dialogue with all stakeholders and groups that are impacted by its activities. In British Columbia, Grieg Seafood is farming in areas that belong to indigenous peoples, while Finnmark has long been home to the Sami people. Grieg Seafood recognizes that these groups have special rights, as acknowledged in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and takes particular care to avoid infringing them.

## RESEARCH AND DEVELOPMENT AS PART OF ACHIEVING SUSTAINABLE GROWTH

The main objective of Grieg Seafood's R&D activities is to create value, ensure sustainability and promote innovation in the Group. The activities and priorities are anchored in the Group's strategy. A continuous process of identifying the most important issues to be addressed forms the basis for R&D activities.

The project portfolio covers most areas of Grieg Seafood's value chain. The majority of projects are related to fish health and welfare, environmental documentation and impact, nutrition and feeding, as well as novel and improved production methods both in the freshwater and the seawater phases of production. An internal R&D strategy provides guidance in the process of project prioritization and qualification to secure each project's relevance and industry value. Projects are aligned with the needs of the farming regions in order to ensure the relevance and potential applicability of the planned endeavors. Meeting with the farming

regions are regularly carried out to discuss R&D needs. Short descriptions of the ongoing projects are available in an internal project archive, and finalized projects and results are shared. The global functional team for R&D works continuously with the farming regions to facilitate the operational implementation of the R&D results.

## EMPLOYEES AND HUMAN RIGHTS

As an industry with global supply chains both upstream and downstream, Grieg Seafood has a responsibility to respect and promote human rights both at its own operations and in its value chains. The Group has a [Human Rights policy](#) and [Code of Conduct](#) in place, and adheres to various related global principles and practices. The Group also requires its suppliers to abide by its [Supplier Code of Conduct](#). In accordance with the Norwegian Transparency Act, the Group will publish a transparency statement based on the human rights assessment that was performed in 2022. The transparency statement will be available on [www.griegseafood.com](http://www.griegseafood.com) no later than 30 June 2023.

To reach goals and solve challenges, Grieg Seafood needs the best people, regardless of their gender, age, ethnicity, origin, or political, religious, or sexual persuasion. The Group embraces diversity and is committed to being an equal opportunity employer. This is reflected in the Group's [Gender Equity policy](#) and the [Diversity policy](#). At year-end 2022, the majority of the Group's employees, including managers, are men. The Group aims to have 40% female representation in management positions and in positions such as supervisors, site managers and other administrative positions, by 2026. At year-end 2022, the Group had 28% female representation in the Group executive team, while 50% of the regional directors were female. In total, 812 people were employed at the Group as at 31 December 2022, of whom 240 (30%) were women and 572 (70%) were men. Grieg Seafood annually monitors and reports on gender balance, pay gaps, women in management positions and key roles through the SHE Index. In the last SHE Index, published in March 2023, the Group received 73 points (High score), compared to an average score across Norwegian companies of 72. The Group conducts annual assessments of its pay structure to identify any pay gaps between men and women performing jobs of equal value. Non-administrative positions are covered by labor union agreements and there are no differences between women and men. The only differences that may occur are based on seniority, which is also regulated by union agreements. The Group uses the Korn Ferry methodology to benchmark salaries and benefits against the market. Salaries that are not on the median level are adjusted according to the benchmark – both for women and men. The Group's positions and pay structure are based on a matrix where all positions are given a score/number based on their responsibility, mandate and content. There is no gender-based discrimination in this matrix. Salaries are based on roles and responsibility, not on gender, cultural background or place of origin. The Group offers flexible working hours to office staff and seeks to ensure a good work-life balance throughout its operations. The goal is to attract the best skills, improve

workplace diversity and to be the preferred employer, regardless of industry. A good working environment creates attractive jobs, and the Group has established and lives by the values: Open, Ambitious and Caring. For the fifth time in Norway, and the fourth time globally, the Group participated in the Great Place to Work survey. The Board is proud to announce that all regions maintained the Great Place to Work certification in 2022.

The Group also works systematically to safeguard its employees' health, safety and working environment. The aim is to prevent work-related injuries, illness, accidents and fatalities. The Group expects nothing less from its supply chain. Human resources are managed locally in compliance with local rules and regulations, and in accordance with the Group's guidelines. The Group is working continuously to strengthen global routines and guidelines for human resources and health and safety throughout the Group, and actively seeks to reduce sick leave and the number of health and safety incidents. All such incidents are registered and reviewed as part of monthly HSE meetings. Read more about how the Group is committed to safeguarding its employees and the results of this work in the [People](#) section of this report.

To strengthen the corporate culture and encourage employee loyalty, Grieg Seafood continues to give its employees the opportunity to become company shareholders through the annual share-purchase program. Through this program, participants receive a 30% discount on the purchase price of shares. The maximum number of shares per employee in 2022 was 704. There is a lock-up period of 18 months for the shares. Primary insiders employed by Grieg Seafood ASA are also eligible under the share program.

The Group has guidelines for management remuneration, available [here](#) and the remuneration report for 2022 is available [here](#).

The Board wishes to thank all employees for their dedication, efforts and contributions in 2022.

## CORPORATE GOVERNANCE

Strong corporate governance is essential to achieving the Group's objectives and acting as a responsible organization. The Group's governance system includes its vision, core values, strategies, objectives, operational performance, impact on the economy, environment and people, and related risk, as well as compliance with laws and regulations. Grieg Seafood ASA seeks to comply, where applicable, with the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NUES). The Group follows NUES's latest recommendations and has updated its existing rules and defined values in accordance with changes to the Norwegian Code of Practice published in 2021. The company's corporate governance policies and practices are disclosed in the [Corporate Governance](#) section of this report.

Business integrity is essential for the Group, which has zero tolerance for fraud, corruption or other misconduct. In 2022, there were no reported incidents of corruption and no reported whistleblowing cases. The whistleblower channel, operated by EY, is available for the employees to report any unwanted behavior and breaches of the Group's Code of Conduct. The Group has established grievance mechanisms for external parties and local communities, available through the Group's regional websites. No incidents involving infringement of the rights of indigenous peoples were reported in 2022.

The company's reporting on corporate social responsibility is based on several standards, such as the Euronext guidance on ESG reporting, the OECD Guidelines for Multinational Enterprises and the Global Reporting Initiative (GRI). Grieg Seafood is also committed to the UN Global Compact, and has signed the Sustainable Ocean Principles. Corporate social responsibility reporting is integrated in this Annual Report.

The Board has assessed the Group's achievements in relation to the above-mentioned topics as part of the sustainability scoreboard, see "Targets and achievements" at the beginning of the Board of Director's report. Overall, the Board is satisfied with the Group's achievements and efforts in relation to corporate social responsibility and the management of the Group's impact on the economy, environment and people in 2022. The Group will continue working to reduce or minimize its impact on the environment, to have a positive social impact and maintain strong corporate governance.

## EVENTS AFTER THE REPORTING DATE

No significant events have taken place after the reporting date of 31 December 2022.

## OUTLOOK

### MARKET EXPECTATIONS AND POSSIBILITIES

For the past 25 years, literally all new fish volumes have come from aquaculture. Wild fishing has long had to cope with smaller catches, quotas and other regulatory restrictions. Since 1990, the volume of farmed fish has multiplied more than six-fold, with salmon making up less than 2.5% of the volume. In line with the ongoing global megatrends relating to health and sustainability, there has been growing interest in the health and potential environmental benefits of sustainable aquaculture. Currently, Europe is the largest and most mature market for Atlantic salmon, consuming more per capita than other continents. There are, however, countless ongoing initiatives to introduce salmon to a larger number of new consumers across the globe. An increase in consumption per capita in large markets and growing economies such as the USA, Brazil, China and India is expected to contribute to rising demand for Atlantic salmon over time.

According to Kontali, the global harvest of Atlantic salmon in 2023 is expected to increase by 2%, or 51 800 tonnes, compared to 2022, and come to 2 916 800 tonnes (figures in whole fish equivalent, WFE). With limited supply growth in 2023, combined with an outlook for continuing strong demand fueled by an increased focus on healthy food and sustainably produced proteins, the Group currently (at the time of publishing this report) believe in sustained strong market prices in 2023. However, current inflationary pressure, which is reducing household purchasing power, might impact demand from both the HoReCa (hotels, restaurants and catering) and retail sectors. The Board acknowledges that there is a natural and inherent uncertainty related to estimated future market demand, trends, growth, and outlook in general.

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. The Group already has a position in this market through its operations in British Columbia, with significant sales and market experience. Grieg Seafood Newfoundland expects to harvest its first fish in late 2023. With proximity to important markets on the US East Coast, the Newfoundland region significantly strengthens the Group's US market exposure and opens for synergies with existing operations, as the Group should be able to provide a more stable supply to the US market.

There is a consensus in the market that the existing coastal, open-pen aquaculture industry will achieve modest organic growth. This will primarily be driven by the opening of new sites and areas for sea farms, new and improved technologies and farming practices, and better cooperation both between industry players and with the public authorities. The industry needs stable regulatory conditions to be able to grow in a sustainable manner going forward. In Norway, the proposed resource rent tax has generated a lot of uncertainty, especially since the details concerning the taxation are still not clear and because the proposed tax level is high. As a consequence, the Group has put all new growth investments, worth a total of approximately NOK 2.3 billion, on hold until a final version of the tax regime has been adopted. The proposed tax may divert the investments to British Columbia and Newfoundland in 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.

## PRODUCTION

At the time of issuing this report, biological production is good in Rogaland, British Columbia and Newfoundland. Infectious Salmon Anemia (ISA) has been detected in one farm in Rogaland in March 2023. However, we do not expect that this will have a material impact on the production or the volume to be harvested in 2023. The biological situation at year-end in Finnmark was challenging, due to the parasite Spiro. This has continued into 2023. The Group's farming operations are running as normal, and salmon is being harvested according to plan. The emphasis is on continued optimization of production, focusing on fish health and welfare. For 2023, Grieg Seafood expects to harvest a total of 82 000 tonnes GWT. The industry experienced a general rise in costs in 2022. This applies in particular to feed. The production cycle for a salmon, from roe to harvestable weight, is about three years. The production cost of fish is capitalized to inventory. At the point of harvest, therefore, the expensed farming cost recognized in the income statement reflects all costs for all past periods. Because of this, not all of the cost inflation impact has been captured in the Operational EBIT for 2022. As a result, the farming cost for 2023 is expected to increase compared to 2022. The Group has initiated an improvement program aimed at optimizing production and reduce costs.

## FINANCIAL POSITION

As at 31 December 2022, Grieg Seafood was in a solid financial position, with NOK 643 million in cash and cash equivalents, as well as NOK 1 013 million of surplus cash invested in money market funds. In addition, the Group had NOK 1 700 million of undrawn credit facilities as at 31 December 2022.

## GOING CONCERN

The Board is of the opinion that the financial statements give a true and fair presentation of the Group's assets and liabilities, financial position and financial results. Based on the above presentation of the Group's results and financial position, and in accordance with the Norwegian Accounting Act, the Board confirms that the annual financial statements have been prepared on a going concern basis, and that the requirements for so doing have been met.

## STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

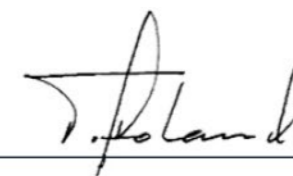
We hereby confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2022 have been prepared in accordance with applicable accounting standards and give a true and fair view of the Group and of the Group's assets, liabilities, financial position and overall results. We also confirm that the Board of Directors' Report gives a true and fair view of the development and performance of the business and the position of the company and the Group, as well as a description of the principal risks and uncertainties facing the company and the Group.

Bergen, 30 March 2023

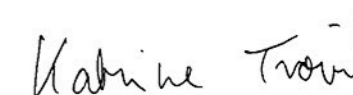
The Board of Directors of Grieg Seafood ASA



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



# CORPORATE GOVERNANCE

Grieg Seafood believes that strong corporate governance is an essential element in achieving our overall objectives and acting as a responsible organization. Our vision “Rooted in nature – farming the ocean for a better future” demonstrates our commitment to corporate responsibility by operating profitably and sustainably in a manner that conforms with fundamental ethical norms and respect for the individual, society and the environment.

## COMPONENTS OF CORPORATE GOVERNANCE

A sound corporate structure, with viable decision-making processes, a clear division of responsibility and authority, appropriate information and communication processes as well as remuneration and reward schemes, is key to Grieg Seafood being able to achieve its strategies and objectives. The main components of the Group’s corporate governance consist of objectives and directions, structure, organizational planning and management as well as learning and improvement. Together with the external context, these components underpin our ability to create value and achieve goals. Our operations are clearly connected with a multitude of external expectations. We therefore seek to maintain a regular dialogue with our stakeholders, as they are the basis for our social license to operate. Transparency and disclosure are vital in building trust, and engaging in a dialogue with our stakeholders enables us to better understand the role we play in local communities and in society as a whole.

## GOVERNANCE STRUCTURE

The shareholders are the owners of the company, and the General Meeting, which all shareholders are invited to attend, is the company’s highest decision-making body. The General Meeting provides instructions to the Nomination Committee, which safeguards shareholders’ interests by nominating board members. The Board of Directors has a supervisory role, overseeing the conduct and management of Grieg Seafood. The Board’s responsibilities to ensure good corporate governance include approving the vision, core values, strategies, objectives, plans, budgets and overall organization of the operations, monitoring operational performance and due diligence, and the company’s impact on the economy, environment and people, as well as related risks, and verifying compliance with laws and regulations.

The Board nominates board members to specific committees (Audit Committee and Remuneration Committee) to provide counsel and advice or to handle tasks on the Board’s agenda. The Audit Committee members have a particular responsibility for overseeing the integrated reporting process, the audit process, the company’s system of risk management, internal controls and compliance with laws and regulations. The role of the Remuneration Committee is to establish and maintain an appropriate rewards policy that attracts and motivates executives to achieve the long-term interests of shareholders.

The Board has delegated management of the Group’s overall operations and resources to the CEO. The CEO’s responsibilities include establishing a vision, core values, strategies, objectives, plans and budgets for the Group. The CEO is also responsible for establishing and approving group policies, and is accountable for the Group’s operational performance and its impacts on the economy, environment and people. In addition, the CEO is responsible for managing related risks and ensuring compliance with laws and regulations. The CEO acts as the main point of communication between the Board and the Group’s operations, and is the public face of the Group, responsible for stakeholder

engagement. The CEO is also responsible for establishing rules for handling conflict of interest.

The CEO delegates authority and responsibility to the group executive management team, from where responsibilities cascade throughout the Group. The executive management team, which consists of senior executives representing all aspects of our operations, is responsible for establishing operational plans and targets, allocating resources to its members’ specific functions and following-up their operational performance. In 2022, the executive team consisted of the Chief Financial Officer (CFO), the Chief Operational Officers (COO, responsible for our farming operations in Norway and Canada), the Chief Commercial Officer (CCO, responsible for our sales function), in addition to the supporting functions lead by Chief Technology Officer (CTO), the Chief Human Resource Officer (CHRO) and the Global Communication Manager. The executive management team is responsible for implementing group policies, monitoring their functions’ impacts on the economy, environment and people, managing related risks and securing compliance with laws and regulations. This also includes ensuring that our employees receive the proper training of policy commitments. The CEO and the group executive management team together engage with the Group’s stakeholders, which is key to be able to grasp emerging opportunities for our business, and at the same time to understand and mitigate economic, environmental and social risks. Results of stakeholder engagement is reported to the Board as part of risk management procedures and regular business updates in board meetings. See examples of stakeholder engagements in Part 4 of this report.

The CEO has delegated the establishment of group policies to the Sustainability Steering Committee, which prepares and updates them on the basis of a holistic assessment of economic and environmental, social and governance (ESG) issues (our materiality assessment). Relevant organizational functions and expertise take part in preparing the policies. Our policies are approved by the CEO while our Board of Directors monitors compliance with the policies. Policies are presented to the group management team and the regional management team, and are available to all employees through our internal risk management system. We have a special focus on our Code of Conduct, where our employees are required to complete a program every second year. In 2022, 92% of our employees completed the Code of Conduct program. Our policies are available to the public through our website. The group policies contain a set of targets and Key Performance Indicators (KPIs), of which most are included in the sustainability scoreboard in the company’s quarterly and annual reports as part of the material topic they relate to. As such, the Board, and in particular the Audit Committee, reviews and approves the Group’s performance with respect to material topics, including the management of its impact on the economy, environment and people. Combined with the quarterly risk assessment and the review of the quarterly and annual report, the Audit Committee and the Board are advancing their knowledge on sustainable development. Additionally, the Board has been presented the climate action plan in 2022.

## RESPONSIBLE BUSINESS CONDUCT

Our values and Code of Conduct underpin the way we conduct ourselves and our approach to responsible business behavior. Our Code of Conduct sets out the ethical principles and standards that must be upheld by each and every employee, and any agent that acts on our behalf, including our Board of Directors. Through our Supplier Code of Conduct, we demonstrate that we expect no less from our supply chain. A large share of our suppliers, in purchase value, have signed the Supplier Code of Conduct. Additionally, our Procurement policy provides global standards for how we source goods and services. Through our Human Rights policy, we recognize that we can contribute to the fulfillment of human rights. We have a responsibility to prevent, mitigate, and address adverse human rights impacts in our own operations, but we also use our leverage to promote respect for human rights in our value chain. Our approach to responsible business conduct including human rights is based on the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, the UN Convention Against Corruption, the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Convention on the Rights of the Child, the UN Convention on the Elimination of Discrimination against Women, the UN Declaration on the Rights of Indigenous Peoples, and the UN Global Compact.

Our policies sets out guidelines and precautionary principles to enable adoption of precautionary measures. We are committed to respecting fundamental human rights in our operations, our value chain, and in the communities where we operate. We use our influence to promote the fulfilment of human rights and always seek to avoid involvement, even indirectly, in their abuse. Please find the details of our commitment in the Human Rights policy on our website. We also aim to conduct proper due diligence when engaging with third parties. During 2022, we have developed our human rights due diligence, covering both our own operations and our supply chain, in line with the Norwegian Transparency Act. It will be made public in June 2023.

Our policies state that we do not permit or tolerate engagement in any form of corruption or money laundering activities. We also refrain from anti-competitive behavior, anti-trust and monopolistic practices, as this can severely affect consumer choice, pricing and other factors that are essential for efficient salmon markets. As part of our risk management process, we assess our operations for risks related to corruption and implement mitigating measures or controls to prevent corruption and money laundering activities. According to Transparency International/OECD, aquaculture is not assessed as an industry of high risk for corruption. Our risk assessments in 2022, which included all of our sales and farming operations, did not uncover any significant risks that required specific mitigation actions. None of the countries in which we operate were considered high-risk countries according to the Transparency International Corruption Perception Index. We did not experience any incidents of corruption or money laundering activities in 2022. We had no

corruption incidents that resulted in the termination or non-renewal of contracts with a business partner. We will continue to perform these risk assessments.

Our policy set out our mechanisms for grievance and remediation of negative impacts, as well as for seeking advice and raising concerns. We aim to have an open and transparent dialogue with all our stakeholders, and regularly invite stakeholders to our sites or meet with stakeholders. Our employees can raise any concerns about our business conduct, business relationships, or potential and actual negative impacts through our whistleblower channel. All reported incidents are investigated and reported to the CEO and Board of Directors. Employees can also raise concerns through their line manager or HR functions, through their labor unions. or relevant human rights tribunals. Complaints by local communities or other stakeholders can be raised through meetings or through the regional websites. In 2022, we did not receive any such concerns from our stakeholders, nor were any whistleblower cases reported, and as such, we have not provided any remediation. While our policies set out our commitments related to the environment and social impacts, we recognize that we can improve our grievance mechanisms and remediation processes.

## INVESTIGATIONS

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. At date, no decision has been made by the European Commission. Grieg Seafood is not aware of any anti-competitive behavior within the Group, neither in Norway, nor the EU, or Canada. Grieg Seafood rejects that there is any basis for the claims and considers the complaints to be entirely unsubstantiated.

Grieg Seafood had also been sued by indirect purchasers in the USA. In 2022, a settlement offer from the indirect purchaser plaintiffs was accepted. In February 2023, the settlement was finally approved by the court of Southern District of Florida. The settlement does not involve any admission of liability or wrongdoing. Costs incurred and provisions for expected costs related to the lawsuits in North America have been expensed in 2022. For more information, see Note 28 and Note 31 to the Financial Statements.

## COMPLIANCE

We aim to comply with all relevant laws and regulations in the regions in which we operate. Salmon farming is a highly regulated industry, and we are subject to strict standards for fish welfare, environmental impact, food production and production equipment. We must comply with operational requirements related to the use of medicines and chemicals, biomass levels, sea lice levels, stock density, water quality, etc. We report regularly to public authorities on, for instance, biomass levels, sea lice levels and disease outbreaks. We are also subject to regular inspections and audits by local, national and international stakeholder groups and authorities.



**FIGURE 3.19**  
NON-COMPLIANCE WITH LAWS AND REGULATIONS IN 2022

Area of non-compliance	Description	Fines (NOK)	Number of non-monetary sanctions	Dispute resolution mechanisms
Environmental	n/a	0	0	None
Social	n/a	0	0	None
Economic	n/a	0	0	None

In 2022, we did not receive any fines related to non-compliance, nor were any non-monetary sanctions imposed on us. Additionally, we did not have any significant instances of non-compliance (where significant is determined to be any instances, except charges related to delayed reporting to authorities).

# CORPORATE GOVERNANCE PRINCIPLES

Adopted by the Company's Board of Directors on 20 April 2007, and updated on 30 March 2023.

**FIGURE 3.20**  
GRIEG SEAFOOD'S COMPLIANCE WITH THE NORWEGIAN CODE OF PRACTICE FOR CORPORATE GOVERNANCE

Section of the Norwegian Code of Practice for Corporate Governance	Deviation from the Code of Practice
1. Statement of corporate governance	No deviation
2. Activities	No deviation
3. Share capital and dividends	No deviation
4. Equal treatment of shareholders and transactions with related parties	No deviation
5. Negotiability	No deviation
6. General Meeting	Two deviations, see below
7. Nomination Committee	Two deviations, see below
8. Corporate Assembly and Board of Directors - composition and independence	One deviation, see below
9. Work of the Board of Directors	No deviation
10. Risk management and internal control	No deviation
11. Directors' fees	No deviation
12. Remuneration of executive personnel	No deviation
13. Information and communication	No deviation
14. Company takeovers	No deviation
15. Auditor	No deviation

## 1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

### PRESENTATION OF CORPORATE GOVERNANCE

Responsibility for ensuring that the company has good corporate governance rests with the Board of Directors (the Board). The Board reviews the updates the Grieg Seafood Group's corporate governance policy, which is part of the Group's governing framework and forms the basis of this summary. Grieg Seafood's principles for corporate governance are based on standards such as the Norwegian Code of Practice for Corporate Governance as recommended by the Norwegian Corporate Governance Board (NUES), the Institute of Internal Auditors Norway's guidelines for governance, in addition to best practices from, for example, the Euronext guidance on ESG reporting, the OECD Guidelines for Multinational Enterprises and the Global Reporting Initiative (GRI).

The company abides by the latest Norwegian Code of Practice for Corporate Governance as recommended by the Norwegian Corporate Governance Board (NUES), published 14 of October 2021. The company has adopted the "follow or explain principle" with respect to the Code's application. This means that the company provides an explanation whenever it deviates from the Code of Practice.

Deviations from the Norwegian Code of Practice: None

## 2. BUSINESS

### GRIEG SEAFOOD ASA

The company's business is defined in Article 3 of its Articles of Association: "The object of the company is to engage in the production and sale of seafood and in naturally related activities, including investment in companies engaged in the production and sale of seafood and in other naturally related activities."

The company is established and registered in Norway, and is required to comply with Norwegian law, including laws and regulations pertaining to companies and securities.

### GRIEG SEAFOOD ASA'S VISION, TARGETS AND STRATEGY

In keeping with Grieg Seafood's vision "Rooted in nature - farming the ocean for a better future", we demonstrate our commitment to corporate social responsibility by operating profitably and sustainably in a manner that conforms to fundamental ethical norms and respect for the individual, society as a whole and the environment. Through its five pillars, Grieg Seafood is committed to creating sustainable and long-term value. Sustainability is fundamental to the industry and strongly impacts our financial performance. Our 2026 strategy comprises three key strategic objectives for continued business development: global growth, cost improvement and value chain repositioning. Increasingly sustainable farming practices underpin all areas of the strategy.

The Board is committed to sound corporate governance, and our governance structure helps enable the Board to fulfil its fiduciary duties to our shareholders and ensure our long-term success. The Board has established objectives, strategies and risk profiles for the company's defined business scope, in order to create value for its shareholders. The Board has an annual plan for its endeavors and follows a five-year cycle in its strategy work. This includes a review of risk areas and internal controls, as well as approving the strategy, objectives and risks relating to sustainable development.

The company aims to comply with all relevant laws and regulations, and with the Norwegian Code of Practice for Corporate Governance. This also applies to all companies controlled by the Group. To the extent possible, therefore, this statement of principle also applies to all companies within the Group. The company has its own Code of Conduct, which all employees and contract workers must abide by. The company also has its own Supplier Code of Conduct, which we expect all our suppliers to comply with.

### MANAGEMENT OF THE GROUP

Control and management of the Group is divided between the shareholders, represented by the General Meeting, the Board of Directors and the CEO, and is exercised in accordance with prevailing company legislation.

Deviations from the Norwegian Code of Practice: None



## 3. EQUITY AND DIVIDENDS

### EQUITY

At any given time, the Group shall have a level of equity and a capital structure that are appropriate to the Group's cyclical activities. The Board requires that, as a minimum, equity consistently complies with current loan covenants.

As at 31 December 2022, the company's consolidated equity totaled NOK 6 486 million, equivalent to 50% of total assets and a debt-to-equity ratio of 1.0. The Board of Directors considers the current capital structure to be satisfactory in relation to the company's objectives, strategy, and risk profile.

### DIVIDEND

The Group's objective is to give shareholders a competitive return on invested capital through dividend payments and appreciation in the value of the share, at a level at least equivalent to other companies with comparable risk.

Any future dividend will depend on the Group's future earnings, financial situation and cash flow. The Board believes that the dividend paid should keep pace with the Group's profit growth, while at the same time ensuring that equity remains at a healthy and optimal level. In addition, the Board must ensure that there are adequate financial resources to pave the way for future growth and investment, and meet its desire to minimize capital costs.

The Board has adopted a dividend policy whereby the average dividend, over a period of several years, should correspond to 30-40% of profit after tax before fair value adjustment of biological assets (limited to 50% by Green Bond agreement). Furthermore, although a net interest-bearing debt per harvested kg of up to NOK 30 is considered reasonable, it may be exceeded in periods of growth-related investments. Based on this, the size of the dividend could be adjusted within the margin set out above.

In 2022, the Group distributed a dividend of NOK 3.0 per share to shareholders, which corresponds to 46% of the net profit before fair value adjustment of biological assets for the 2021 fiscal year.

### BOARD AUTHORIZATIONS

The Board can ask the Annual General Meeting (AGM) to grant a general mandate to pay out dividends in the period until the next AGM. An explanation must be given for the Board's proposal. The dividend will be based on the Group's current policy. Dividends should be paid on the basis of the last financial statements approved within the scope of the Norwegian Public Limited Companies Act. Upon authorization being granted, the Board determines the date from which the shares are to be traded ex-dividend.

The Board has a general authorization to increase the company's share capital through share subscriptions for a total amount not exceeding NOK 45 378 817, divided into not more than 11 344 704 shares at the nominal value of NOK 4.00 each. The authorization covers merger decisions as provided for in Section 13-5 of the Norwegian Public Limited Companies Act. The Board is entitled to increase the share capital on several occasions and may itself determine the amount of the share capital increase in each case.

The Board has a general authorization to acquire the company's own (treasury) shares in accordance with the provisions of Chapter 9 of the Norwegian Public Limited Companies Act for an aggregate nominal amount not exceeding NOK 45 378 817. The company shall pay not less than NOK 4.00 per share and not more than NOK 180.00 per share when acquiring treasury shares. In December 2022, the company acquired 385 000 treasury shares, see Note 18 to the Group Accounts.

All the authorizations remain in effect until the next AGM, but not later than 30 June 2023. Going forward, the company will observe the Norwegian Code of Practice in respect of new proposals to authorize the Board to implement capital increases and acquire treasury shares.

**Deviations from the Norwegian Code of Practice: None**

## 4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

### SHARE CLASS

The company has one class of shares, and all shares carry the same rights. As at 31 December 2022, the company had 113 447 042 outstanding shares, including treasury shares.

### TREASURY SHARES

If the company trades in its own (treasury) shares, the Norwegian Code of Practice's provisions relating to the equal treatment of shareholders and transactions with related parties shall be observed.

As at 31 December 2022, the Company held 1 351 811 treasury shares.

### APPROVAL OF AGREEMENTS WITH SHAREHOLDERS AND OTHER RELATED PARTIES

All non-immaterial transactions between the company and a shareholder, board member, senior employee, or their related parties, shall be subject to valuation by an independent third party. If the consideration exceeds one-twentieth of the company's share capital, transactions of this kind shall be approved by a General Meeting of shareholders, in so far as this is required under Section 3-8 of the Norwegian Public Limited Companies Act. The company has adopted a policy for transactions with related parties/majority shareholders. There were no significant transactions with related parties in 2022. Day to day transactions with related parties have taken place under market conditions in accordance with arm's length principle, and are described in Note 25 to the Group Accounts.

### CAPITAL INCREASES

Should shareholders' preferential subscription right be waived, the Norwegian Code of Practice shall be observed. There were no capital increases in 2022.

**Deviations from the Norwegian Code of Practice: None**

## 5. SHARES AND NEGOTIABILITY

There are no limitations with regards to owning, trading or voting for the company's shares. All shares are freely negotiable to all parties.

**Deviations from the Norwegian Code of Practice: None**

## 6. GENERAL MEETINGS

The shareholders are the owners of the company, and the General Meeting is the company's highest decision-making body. All shareholders are invited to attend the Annual General Meeting (AGM). With respect to the timing and facilitation of General Meetings, the Board of Directors will do its best to ensure that as many shareholders as possible may attend and exercise their rights, thereby making the General Meeting an effective forum for the views of shareholders and the Board of Directors.

The company's AGM shall be held each year before the end of June. The Board will assess whether the meeting is to be conducted physically as well as via a digital meeting platform. The AGM shall consider and, if thought fit, adopt the annual financial statements, the integrated annual report and proposed dividend, and the annual report on remuneration of executive personnel. It shall also decide other matters which under current laws and regulations pertain to the AGM. Guidelines in accordance with the Norwegian Public Limited Liability Companies Act, Section 6-16a, and the regulations about guidelines and reporting for remuneration of executive personnel were adopted by the AGM in June 2021. Pursuant to Sections 6-16a and 6-16b of the Public Limited Liability Companies Act, the remuneration report must be approved by the AGM. The remuneration guidelines must be reviewed and approved every four years or earlier in the event of significant changes.

The Board may convene an Extraordinary General Meeting (EGM) at whatever time it deems necessary or when such a meeting is required under current laws or regulations. The company's auditor and any shareholder or group of shareholders representing more than 5% of the company's share capital may require the Board to convene an EGM.

The Board must give at least 21 days' notice that a General Meeting is to be held. During this period, the notice and documents pertaining to matters to be considered at the General Meeting shall be accessible on the company's website. The same applies to the Nomination Committee's recommendations. When documents are made available in this manner, the statutory requirements for distribution to shareholders do not apply. Nevertheless, a shareholder may ask to be sent physical documents concerning matters to be considered at the General Meeting.

The deadline to register for attendance at the General Meeting is set by the Board in the notice, normally five days prior to the meeting's scheduled date.

Shareholders can vote on each individual matter, including on each individual candidate nominated for election. Shareholders unable to attend may vote by proxy. An authorization form containing a vote option for each agenda item will be enclosed with the notice of meeting. Shareholders may also authorize the Board's chair or the CEO to vote on their behalf.

The Nomination Committee proposes candidates for election to the Board by the AGM.

The company will publish the minutes of General Meetings in accordance with the stock exchange regulations, in addition to making them available for inspection at the company's registered offices. The minutes of meetings are available [here](#).

The Board's chair and the CEO will attend the General Meeting. The Board's chair will normally chair the General Meeting. The Board of Directors will ensure that, if it so requests, the General Meeting is also able to appoint an independent chair. A member of the Nomination Committee will attend the General Meeting if they are likely to be needed or are available.

The Board shall not contact the company's shareholders outside the General Meeting in a manner which could be deemed to constitute preferential treatment or which could be in conflict with current laws or regulations.

In 2022, Grieg Seafood Group held its AGM on 9 June as a digital meeting.

**Deviations from the Norwegian Code of Practice:**

GSF Group deviates from the Code of Practice in two ways.

1. The AGM is not led by an independent chair, but by the Board's chair. This is in accordance with its Articles of Association. Given the matters considered by the AGM, an independent chair has not been considered necessary. In cases that involve related parties, the AGM is chaired by an independent board member.
2. Not all members of the Board or the Nomination Committee attend the AGM. The Board of Directors considers it sufficient that the Board's chair is present. Other board members and members of the Nomination Committee and Audit Committee attend as needed.

## 7. NOMINATION COMMITTEE

On 13 February 2009, the AGM approved a resolution to establish a Nomination Committee. This is described in Article 8 of the Articles of Association. At the same time, the AGM adopted instructions for the Nomination Committee. According to these instructions, the Nomination Committee should safeguard the interests of the shareholders by nominating board members according to principles set out in the Norwegian Code of Practice for Corporate Governance.

The present Nomination Committee was elected at the AGM on 9 June 2022.

Nomination Committee	Role	Considered independent	Served since	Term expires
Elisabeth Grieg	Chair	No	12.06.2018	AGM 2023
Yngve Myhre	Member	Yes	07.06.2017	AGM 2023
Marit Solberg	Member	Yes	02.06.2021	AGM 2023

The members of the Nomination Committee are elected for a term of one year. At least 2/3 of the Nomination Committee's members shall be independent of the Board, and may not be board members. The CEO cannot be a member of the Nomination Committee. The Nomination Committee shall have meetings with the directors, CEO and relevant shareholders. None of the members of the Nomination Committee are company executives.

The Nomination Committee's recommendations to the AGM must be submitted well ahead of time and accompany the notice of the AGM, no later than 21 days before the meeting. The Nomination Committee's recommendations must include information about each candidate's impartiality, competence, age, education and professional experience. Upon proposal for re-election, the recommendation should include additional information about how long the candidate has been a board member, as well as details of their attendance at board meetings.

All shareholders are entitled to submit proposals to the Nomination Committee for candidates to the Board of Directors and other appointments. Proposals must be submitted to the Nomination Committee no later than two months prior to the AGM.

Recommendations concerning candidates for the Nomination Committee itself should also include relevant information about the candidates.

**Deviations from the Norwegian Code of Practice:**

GSF Group deviates from the Norwegian Code of Practice in one way.

1. The Code of Practice recommends that all shareholders should be able to submit proposals to the Nomination Committee for candidates to the Board of Directors and other appointments in a simple and easy manner. Currently, shareholders must contact the Nomination Committee directly. The company will observe the Norwegian Code of Practice in respect of new proposals to facilitate that all shareholders can propose candidates to the Board and Nomination Committee.

## 8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

### BOARD MEMBERS

Pursuant to Article 6 of its Articles of Association, the company's Board of Directors comprises up to seven members, all elected by the General Meeting. Board members are chosen based on their competence and experience representing the company's need of expertise in various fields. At least 40% of the board members must be of each gender.

The Board's chair is elected by board members. The chair is not an executive in the company. In the event of a tied vote, the Board's chair has the casting vote. The CEO is appointed by the Board and has both a right and a duty to attend board meetings but is not a member of the Board. The CEO is only entitled to vote on board decisions if he or she is an elected member of the Board.

## ELECTION PERIOD

All board members are elected at the AGM, for a one-year term of office. Board members may be re-elected.

## INDEPENDENT BOARD MEMBERS

As at 31 December 2022, the Board of Directors consisted of the following non-executive members (whereof 50% men and women):

Name	Role	Considered independent	Served since	Term expires	2022 meeting attendance	% of shares in GSF per 31.12.2022
Per Grieg Jr.	Chair	No	20.05.2009	AGM 2023	100%	51.06% *
Tore Holand	Vice chair	Yes	12.06.2018	AGM 2023	100%	0.00%
Marianne Ødegaard Ribe	Board member	Yes	14.05.2020	AGM 2023	100%	0.00%
Katrine Trovik	Board member	Yes	14.05.2020	AGM 2023	100%	0.00%
Nicolai Hafeld Grieg	Board member	No	04.11.2021	AGM 2023	100%	1.87% **
Ragnhild Janbu Fresvik	Board member	No	09.06.2022	AGM 2023	46%	0.0%

\*Per Grieg Jr. and indirectly via the Grieg Group.

\*\* Indirectly through a private investment company Maneo Holding AS.

Ragnhild Janbu Fresvik is defined as not independent of Grieg Seafood ASA because she is employed by Grieg Maturitas AS, the largest shareholder of Grieg Seafood ASA via Grieg Aqua AS. Grieg Seafood ASA has three board members defined as not independent. The Board works on the basis that there may be cases where one or more of its members may be insiders. This is followed up by ensuring that this is clarified before the meeting is held. A board member or members who are not independent must refrain from participating in the relevant matter.

Board members' qualifications are wide-ranging, with the relevant competencies relevant to the impacts of the Grieg Seafood. Two of the members have extensive knowledge within salmon farming, having both served on boards and been employed in the industry for several years. Five board members have a finance background, whereof three have work within banking and financial institutions, and also innovation and marketing. One board member is currently engaged in the development of new business opportunities related to the energy transition within the maritime segment, where part of this knowledge can be applicable to Grieg Seafood's business. The average age of the elected board members is 56.

Board members are not included in share option programs as Board members are only elected for one year at a time while the share option program runs over a longer period.

The company's website provide information on board members' backgrounds, expertise as well as quarterly updated board members' shareholdings in the company.

### Deviations from the Norwegian Code of Practice:

GSF Group deviates from the Norwegian Code of Practice in one way.

1. The majority of the members elected to the board of directors by shareholders should be independent of the company's executive personnel and its main business connections. The Board of Grieg Seafood has 50% independent members.

## 9. THE WORK OF THE BOARD OF DIRECTORS

### DUTIES AND ANNUAL PLAN

The Norwegian Public Limited Liability Companies Act regulates the duties and workings of the Board of Directors. In addition, the Board has adopted supplementary rules of procedure covering the duties of the Board and the Group's CEO, the division of labor between the Board and the CEO, the annual plan for the Board, notices of board proceedings, administrative procedures, minutes, board committees, handling of conflicts of interests, transactions between the company and shareholders, and confidentiality.

The Board's main task is to safeguard the shareholders' interests. The Board has a supervisory role, overseeing the conduct and management of Grieg Seafood. The Board's responsibilities to ensure good corporate governance include approving the vision, core values, strategies, objectives, plan and budgets. It also includes approving the overall organization of the operations, including an efficient and value-creating management structure. The Board also monitors the Group's operational performance and financial position, and its impacts on the economy, environment and people, as well as related risks, and verifies compliance. The Board shall initiate any investigations it considers necessary to perform its duties, or investigations requested by one or more board members.

To ensure all matters are given unbiased and satisfactory consideration, members of the Board and executive management cannot consider matters in which they have a special and prominent interest. The Board jointly assess each board member's impartiality with respect to matters under consideration.

### INSTRUCTIONS

The Board has drawn up a set of instructions for its members and executive management, which contain a more detailed description of the Board's duties, procedural matters relating to board meetings, including attendance and schedule, separate entries in the board minutes, and duty of confidentiality.

The Board and the CEO have separate roles, and there is a clear division of responsibility between the two. The Board of directors has delegated the management of the Group's overall operation and resources to the CEO. The Board underlines that special care must be exercised in matters relating to financial reporting and the remuneration of the executive management team.

The instructions for the Board and executive management were last revised by the Board on 20 September 2017.

### CONFLICT OF INTEREST

Board members and the Group's executive management team shall inform the Board if they have any significant interest in a transaction to which the company is a party. Any such conflicts of interest must be registered by the administration and disclosed in the annual report. Please refer to Note 25 to the Group Accounts in the Annual Report 2022. The Group has adopted a policy that sets out Grieg Seafood's principles for interaction with the Group's majority shareholder, with the aim of ensuring equal treatment of all shareholders.

In matters of importance where the Board's chair is or has been actively involved, the Board's discussions shall be chaired by the vice chair.

### ANNUAL ASSESSMENT

Each year, the Board shall carry out an assessment of its work, including its performance in overseeing the conduct and management of the Company in the previous year. The assessment is based on the results of a questionnaire completed anonymously by each member of the Board and the executive management team. The latest assessment, completed in the autumn of 2022, did not uncover any need for changes to the composition of the Board or organizational practices.

## AUDIT COMMITTEE

The Board has set up a sub-committee, Audit Committee, comprising a minimum of two and a maximum of three members with relevant financial and operational background and experience, elected from among the Board's members, and has drawn up a mandate for its work. The mandate was last updated in 2021.

The Audit Committee has a particular responsibility for overseeing the integrated financial and sustainability reporting process, the audit process, the company's system of risk management, internal controls and compliance with laws and regulations. The Audit Committee reviews the Group's quarterly and annual reports before they are put to the full Board for final approval. In 2022, the Audit Committee held seven meetings, in accordance with its annual plan. The Audit Committee also carries out an annual assessment of its work, including its performance in overseeing the conduct, impact and management of all risk areas, as well as its own composition. The Group's external auditor participates in all Audit Committee meetings.

As at 31 December 2022, the Audit Committee consisted of one woman and one man:

Board's Audit Committee	Role	Considered independent	Served since	2022 meeting attendance
Katrine Trovik	Chair	Yes	14.05.2020	86%
Tore Holand	Member	Yes	13.06.2019	100%

## REMUNERATION COMMITTEE

The Remuneration Committee is governed by a separate set of instructions adopted by the Board of Directors. The members of the Remuneration Committee are appointed by and from among the members of the Board of Directors and shall be independent of the company's executive management. As at 31 December 2022, the Remuneration Committee consisted of one woman and one man:

Board's Remuneration Committee	Role	Considered independent	Served since
Per Grieg Jr.	Chair	No	13.06.2009
Marianne Ødegaard Ribe	Member	Yes	14.05.2020

The role of the Remuneration Committee is to have an appropriate reward policy that attracts and motivates executives to achieve the long-term interests of shareholders. The Remuneration Committee assists and facilitates the Board's decision-making in matters related to the remuneration of the executive management team. It also reviews recruitment policies, career planning and management development plans, and prepares matters relating to other material employment issues with respect to executive management. The Remuneration Committee monitors that remuneration is in line with guidelines approved by the AGM, and prepares a remuneration report which must be both audited by the company's auditor and approved by AGM.

The committee shall hold discussions with the CEO concerning his/her financial terms of employment. The committee shall submit a recommendation to the Board concerning all matters relating to the CEO's financial terms of employment.

The committee is also the advisory body for the CEO in relation to remuneration schemes which cover all employees to a significant extent, including the Group's bonus system and pension scheme. Matters of an unusual nature relating to personnel policy, or matters considered to entail an especially great or additional risk, should be put before the committee.

The Remuneration Committee reports and makes recommendations to the Board, but the Board retains responsibility for implementing such recommendations.

The composition of the committee is subject to assessment each year.

**Deviations from the Norwegian Code of Practice: None.**

## RISK MANAGEMENT AND INTERNAL CONTROL

Governance is intended to provide a means by which management and other employees can contribute to the achievement of the company's objectives, plan for sound internal control and risk management, support efficient and effective operations with the required level of monitoring and reporting, and establish effective independent control and assurance. Risk management is part of governance and involves identifying the types of risk exposure the company faces, measuring these potential risks, proposing means to hedge, insure or mitigate the risks, and estimating the impact of various risks and opportunities on the future earnings. Internal control represents a subset of the broader risk management activities.

Internal control comprises activities and procedures carried out to safeguard the Group's resources and those of its customers, and to realize its goals through appropriate operations. The achievement of these goals requires systematic strategy development and planning, identification of risk, choice of risk profile, as well as establishing and implementing control measures to verify that the goals are achieved. The Group's internal control system is designed to provide reasonable assurance that the Group's goals will be achieved. Such goals include targeted, efficient, and appropriate operations, reliable internal and external reporting, as well as compliance with laws and regulations, including internal policies and principles.

The Board has a responsibility to ensure that the Group has proper risk management and such internal control as is required by statute. The Audit Committee has been given a particular responsibility to monitor critical business risks and address the quality and effectiveness of relevant risk-reducing measures. Management performs a risk assessment quarterly, which is reviewed by the Audit Committee in connection with quarterly reporting. The Audit Committee informs the Board after each meeting.

Each year, the external auditor carries out a review of the Group's performance of internal control relevant for financial reporting. The auditor's review is submitted to the Audit Committee.

Grieg Seafood has established risk management principles based on the COSO Enterprise Risk Management (COSO ERM) framework, which is the most widely used risk management framework. Based on this, a described and quantified risk appetite and risk tolerance level have been established. Risk management processes are established at all relevant levels of the Group, including strategic and operational levels. Day-to-day implementation of risk management and risk assessment are a line management responsibility, with ultimate responsibility lying with the Board and executive management. Risks are attributed to risk owners according to the functional matrix of the organization. Risk owners decide, manage and accept risk exposure and identify and ensure implementation of adequate controls to close any risk gaps. The company follows the "three lines model" to implement roles responsible for risk management, internal control and assurance activities.

The Group categorizes its main risks as: strategic risk, operational risk, financial risk, compliance risk, political risk and climate and nature risk. Management conducts continuous assessments of acute risks and scenarios for possible outcomes. The Group's greatest risk relates to biological development during the production of smolt in freshwater facilities and production in open net pens in seawater. The Group works continuously and systematically to develop processes that safeguard animal welfare and reduce disease and mortality, and ensure that "best practices" are implemented at all levels. Control routines have been prepared for employee working conditions, as well as for escape prevention, animal welfare, pollution, water resources and food safety.

The Group is exposed to the following financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management plan focuses on the unpredictability of the capital markets and seeks to minimize any potentially negative effects on the Group's financial results. The Group uses financial derivatives to hedge against some risks. Risk management is undertaken at group level and involves identifying, evaluating and hedging financial risk in close cooperation with the Group's operational units. The Group has written principles for risk management related to foreign exchange and interest rate risk, price risk and the use of financial instruments. The Board has established procedures for reporting financial risk within the Group. At the start of each year, the Board adopts a budget for the year. Deviations from the budget are reported on a monthly basis. Forecasts are drawn up for the next five years and updated every month.

Every month, executive management reviews a set of Key Performance Indicators (KPIs) for the Group's farming and sales and marketing operations. Example of KPIs include the number of smolt transferred to the sea, freshwater and seawater production, production cost, feed factor, harvested volume, farming cost and Operational EBIT/kg. Analyses are made and measured against budget figures and forecasts, aligned with the overall strategy of the Group. The performance data is summarized in a report submitted to the Board.

Each quarter, the Group's executive management holds meetings with the managements of each region. The aim of such meetings is to follow up the results achieved in relation to the strategies and goals that have been set.

**Deviations from the Norwegian Code of Practice: None.**

## 11. REMUNERATION OF THE BOARD OF DIRECTORS

Proposals concerning the remuneration of the Board are submitted by the Nomination Committee. The guidelines approved by the AGM state that remuneration to board members shall be a fixed remuneration and not performance-related. Remuneration shall reflect the position's complexity, responsibility and time spent, with remuneration reflecting the levels at comparable companies. No board member has any special duties in relation to the company over and above those they have as a board member. No board members participate in any incentive or share-purchase programs.

Board remuneration is shown in the financial statements of both the parent company and the Group.

**Deviations from the Norwegian Code of Practice: None.**

## 12. REMUNERATION OF THE GROUP EXECUTIVE TEAM

The objective of the guidelines approved by the AGM for salary and other remuneration payable to executive employees within the Group is both to attract people with the required competence and retain key personnel. The guidelines shall create a wage culture which promotes the company's long-term interests, business strategy and financial strength. The guidelines should also motivate employees to work with a long-term perspective to achieve the company's goals.

The determination of salary and other remuneration payable to the Group's executive management team is based on the following guidelines:

- Ensuring that salaries and other remuneration are competitive and motivating for each executive.
- Linking salaries and other remuneration to, among other things, the company's value creation, the company's stakeholders and shareholders.
- Attracting, motivating and retaining an executive management team with qualifications that correspond to the company's size and complexity.
- Developing competence and creating continuity in management.
- Ensuring transparency and publishing management's remuneration in the company.

The principles used to determine salary and other forms of remuneration shall be simple and understandable to employees, shareholders and the public at large.

Salaries, other remuneration and important terms for the executive management team are evaluated by the CEO annually. Salary, other remuneration and key terms for the CEO are evaluated annually by the Remuneration Committee, which prepares a recommendation for the Board's decision on remuneration to the CEO. The committee shall hold discussions with the CEO about financial terms annually and, at the latest, by the end of June each year. The Remuneration Committee presents its evaluation to the Board, which makes the final decision.

The salary paid to the members of the Group's executive management team in 2022 consisted of a fixed and a variable element. A fixed basic salary is the main component of executive compensation and should be competitive, taking into consideration the industry and the individual's qualifications, and ensuring effective operations to achieve the company's strategic aims. The variable element depends on good financial results being achieved as well as company or personal goals and priorities, based on a pre-defined set of key performance indicators (KPIs). As an example, in 2022, one of the personal goals of members of the executive management team included establishing a climate action plan towards 2030.

General schemes for the allocation of variable benefits, including bonus schemes and option programs, are determined by the Board according to the guidelines approved of the AGM. Schemes which entail an allotment of shares, subscription rights, options and other forms of remuneration related to shares or the development of the company's share price, are determined by the AGM. Each year, the Board must report to AGM that remuneration to executive personnel complies with the guidelines. The Board's statement on management remuneration is a separate item on the AGM's agenda. The AGM votes separately on guidelines to the Board and on remuneration comprising the synthetic options program. The guidelines and the remuneration report will be published on the company's website.

The company's Board approved the allocation of cash options based on the AGM's resolution on the share and cash options program. The last approval granted by the AGM dates from 2 June 2021. Members of executive management are included in the synthetic options program, see Note 17 to the Group Accounts in the Annual Report. The option agreements have been entered into within the scope of the resolution adopted by the AGM. Minutes of this AGM can be accessed [here](#).

### OPTION PROGRAM

A synthetic option scheme has been established for executive management and regional directors. The Board wishes executive management and regional directors to become shareholders through the option program. The Board believes this is a decisive tool for realizing its ambitions and building the company, by allowing executive management and regional directors to take part in the company's dividends from growth and success.

### INCENTIVE PLAN

Grieg Seafood ASA has also established an incentive plan that applies to all employees. Its aim is to stimulate goal achievement, while promoting good risk management, preventing excessive risk taking and contributing to the avoidance of conflicts of interest. Annual goal achievement and pay-outs from the incentive plan are regulated by the Remuneration Committee. Taking into consideration the company's financial position, risks and costs, as well as its capital requirements and liquidity, the committee will decide if the payment of variable compensation under the incentive plan is acceptable. If so, the committee will submit a recommendation to the Board, which makes the final decision. If the company cannot achieve the financial results associated with the incentive plan, no bonus pay-out will be awarded. The bonus is a function of the number of fixed monthly salaries (maximum six month) and the individual's level within the organization."

General schemes for the allocation of variable benefits, including bonus schemes and option programs, are determined by the Board according to the guidelines approved of the AGM. Schemes which entail an allotment of shares, subscription rights, options and other forms of remuneration related to shares or the development of the company's share price, are determined by the AGM. Each year, the Board must report to AGM that remuneration to executive personnel complies with the guidelines. The Board's statement on management remuneration is a separate item on the AGM's agenda. The AGM votes separately on guidelines to the Board and on remuneration comprising the synthetic options program. The guidelines and the remuneration report will be published on the company's website.

### SHARE PURCHASE PROGRAM

The Company's share purchase program aims to stimulate co-ownership and a sense of common interest with the Company. The Board can decide annually that all employees, including executive management, shall be offered shares at a discount. All permanent employees who have been employed for at least six months at Grieg Seafood ASA or a wholly owned subsidiary are included in this program. Minor changes in qualifications to this program may be approved by the Remuneration Committee.

### SEVERANCE PAY

The CEO and the CFO are entitled to 12 months' severance pay after termination of the employment relationship by the company. The CEO is further entitled to full salary during sick leave lasting up to 12 months.

**Deviations from the Norwegian Code of Practice: None.**

## 13. INFORMATION AND COMMUNICATION

### FINANCIAL INFORMATION

The guidelines for reporting financial and other information to the stock market are defined within the framework established by securities and accounting legislation and the rules and regulations of the stock exchange. The company also complies with the Oslo Stock Exchange (Euronext) Code of Practice for IR, published on 1 March 2021.

The Group's investor relations policy clarifies roles and responsibilities related to financial reporting, and regulates contact with shareholders and the investor market. This policy is based upon the key principles of transparency and equal treatment of market participants to ensure they receive accurate, clear, relevant, complete and balanced information about performance and outlook. The IR policy is available on the company's website. The company shall at all times provide its shareholders, the Oslo Stock Exchange (Euronext), and other stakeholders (through the Oslo Stock Exchange information system) with timely information. The Board shall ensure that the company's quarterly reports give a correct and complete picture of the Group's financial and operational position, and whether the Group's operational and strategic objectives are being met.

In addition, the Board has adopted a separate policy on the disclosure of inside information, which sets forth the company's disclosure obligations and procedures.

The company shall be open and active with respect to investor relations, and shall hold regular presentations in connection with the announcement of its interim results. The company publishes all information on its own website and through stock exchange/press releases. Quarterly reports, annual reports and stock exchange/press releases are published on the company's website in accordance with the company's financial calendar. The presentation of each quarter's results is available as a webcast.

### SHAREHOLDER INFORMATION

The Board shall ensure that information is provided on matters of importance for shareholders and for the stock market's assessment of the company, its activities and results, and that such information is made publicly available without undue delay. Publication shall take place in a reliable and comprehensive manner, and by means of information channels which ensure that everyone has equal access to the information.

All information shall be provided in English. The company has procedures to ensure that this is done. The Board of Directors' communication with shareholders and other stakeholders is delegated to the Board's chair, or other appointed persons in specific cases. The Board's chair shall ensure that the shareholders' views are communicated to the entire Board.

**Deviations from the Norwegian Code of Practice: None.**

## 14. TAKEOVERS

### CHANGE OF CONTROL AND TAKEOVERS

The company has not established mechanisms which can prevent or avert takeover bids. Any such decision must be made by a General Meeting of shareholders and requires a majority of two-thirds of the votes cast and of the share capital represented. After a takeover bid has become known, the Board will not use its authority to prevent it without the approval of the General Meeting. If a takeover bid is received, management and the Board will ensure that all shareholders are treated equally. The Board will obtain a valuation from a competent independent party and advise the shareholders whether to accept or reject the bid. Shareholders will be advised of any difference of views among board members in the Board's statements on the takeover bid.

At its meeting on 13 October 2015, the Board adopted some core principles for how it will act in the event of any takeover bid. These core principles are in accordance with the Norwegian Code of Practice.

**Deviations from the Norwegian Code of Practice: None.**

## 15. AUDITOR

Through its Audit Committee, the Board seeks to collaborate fully and transparently with the Company's auditor. Each year, the Audit Committee obtains confirmation that the auditor meets the requirements of the Norwegian Auditing Act concerning the independence and objectivity of the external auditor.

The Board of Directors ensures that the auditor's auditing plan is submitted to the Audit Committee once a year. In particular, the Audit Committee considers whether the auditor is performing a satisfactory control function.

Both the company's management and the auditor comply with guidelines issued by the Financial Supervisory Authority of Norway concerning the extent to which the auditor may provide advisory services.

The Board invites the auditor to the meeting which address the annual financial statements. The auditor attends all meetings with the Audit Committee to consider quarterly reports and other relevant matters, and has at least one meeting a year to report on the Group's accounting principles, risk areas and internal control procedures. Moreover, each year the Board has a meeting with the auditor at which neither the CEO nor anyone else from company management is present.

The auditor's fee appears in the relevant note in the Annual Report, showing the breakdown of the fee between auditing and other services.

**Deviations from the Norwegian Code of Practice: None.**

Bergen, 30 March 2023  
Grieg Seafood ASA

# GRIEG SEAFOOD GROUP ACCOUNTS

## GROUP ACCOUNTS

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## INCOME STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	2022	2021
<b>CONTINUING OPERATIONS</b>			
Sales revenues	8	7 163 956	4 598 585
Other income	8	31 490	70 745
Other gains/losses	8	13 393	-6 752
Share of profit from associates	7	21 096	-1 486
Raw materials and consumables used	9	-2 233 655	-1 738 267
Salaries and personnel expenses	16/17	-695 577	-577 434
Other operating expenses	13/22/27	-2 087 310	-1 527 347
Depreciation property, plant and equipment and right-of-use assets	11/13	-434 641	-368 482
Amortization licenses and other intangible assets	10	-16 706	-7 192
Write-down of tangible and intangible non-current asset	10/11	-140 074	—
Production fee		-26 350	-24 463
Fair value adjustment of biological assets	3/9	83 412	523 036
Litigation and legal claims	28	-157 065	—
Decommissioning costs	28	-24 382	—
<b>EBIT (Earnings before interest and taxes)</b>		<b>1 497 586</b>	<b>940 944</b>
Financial income	26	121 609	125 233
Financial expenses	26	-171 553	-212 499
<b>Net financial items</b>		<b>-49 944</b>	<b>-87 266</b>
<b>Profit before tax from continuing operations</b>		<b>1 447 642</b>	<b>853 678</b>
Income tax expense	15	-293 863	-249 301
<b>Net profit for the year from continuing operations</b>		<b>1 153 779</b>	<b>604 377</b>
<b>DISCONTINUING OPERATIONS</b>			
<b>Net profit for the year from discontinued operations</b>	6	<b>—</b>	<b>600 291</b>
<b>CONTINUING AND DISCONTINUING OPERATIONS</b>			
<b>Net profit for the year</b>		<b>1 153 779</b>	<b>1 204 668</b>
<b>ALLOCATED TO</b>			
Controlling interests		1 153 779	1 204 668
<b>PROFIT AVAILABLE TO SHAREHOLDERS IN PARENT COMPANY</b>			
Earnings per share from continuing operations (NOK)	19	10.3	5.4
Diluted earnings per share from continuing operations (NOK)	19	10.3	5.4
Earnings per share - total (NOK)	19	10.3	10.7
Diluted earnings per share - total (NOK)	19	10.3	10.7

## COMPREHENSIVE INCOME STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	2022	2021
<b>Net profit for the year</b>		<b>1 153 779</b>	<b>1 204 668</b>
<b>NET OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT/LOSS IN SUBSEQUENT YEARS</b>			
Currency effect on investment in subsidiaries		109 335	42 112
Currency effect on loans to subsidiaries	3	24 792	32 222
Tax effect	3	-5 454	-7 089
Recycled accumulated OCI related to sale of Shetland	6	—	-105 848
Tax effect of recycled accumulated OCI related to sale of Shetland	6	—	22 709
<b>Total other comprehensive income for the year, net of tax</b>		<b>128 673</b>	<b>-15 894</b>
<b>Total comprehensive income for the year</b>		<b>1 282 452</b>	<b>1 188 774</b>
<b>ALLOCATED TO</b>			
Controlling interests		1 282 452	1 188 774



## STATEMENT OF FINANCIAL POSITION

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	31.12.2022	31.12.2021
<b>ASSETS</b>			
Deferred tax assets	15	—	59
Goodwill	10	691 094	660 071
Licenses incl. warranty licenses	10/12	1 463 710	1 536 319
Other intangible assets incl. exclusivity agreement	10/12	14 689	36 828
Property, plant and equipment incl. right-of-use assets	11/13	4 035 590	3 402 629
Indemnification assets		40 000	40 000
Investments in associates	7	216 624	104 675
Other non-current receivables	7/23	17 935	90 897
<b>Total non-current assets</b>		<b>6 479 642</b>	<b>5 871 477</b>
Inventories	9/12	240 172	128 299
Biological assets	9/12	4 045 800	3 449 412
Trade receivables	3/12/22	259 137	151 793
Other current receivables	24	157 060	147 332
Derivatives and other financial instruments	3/14	37 988	37 592
Investments in money market funds	21	1 012 848	—
Cash and cash equivalents	3/20	642 719	928 342
<b>Total current assets</b>		<b>6 395 723</b>	<b>4 842 771</b>
<b>Total assets</b>		<b>12 875 365</b>	<b>10 714 248</b>

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>			
Share capital	18	453 788	453 788
Treasury shares	18	-5 407	-4 532
Contingent consideration (acquisition of Grieg Newfoundland AS)		701 535	701 535
Other equity		197 180	68 205
Retained earnings		5 138 612	4 344 307
<b>Total equity</b>		<b>6 485 708</b>	<b>5 563 302</b>
Deferred tax liabilities	15	1 041 101	1 069 802
Share-based payments	17	6 756	11 115
Borrowings	12	2 838 809	2 381 000
Lease liabilities	12/13	653 650	577 797
<b>Total non-current liabilities</b>		<b>4 540 316</b>	<b>4 039 714</b>
Current portion of borrowings	12	141 968	54 475
Current portion of lease liabilities	12/13	226 910	178 032
Share-based payments	17	589	29
Trade payables	3	717 498	523 196
Tax payable	15	353 191	88 641
Public duties payable		55 963	32 088
Derivatives and other financial instruments	3/14	64 928	22 350
Other current liabilities	29	288 293	212 422
<b>Total current liabilities</b>		<b>1 849 341</b>	<b>1 111 232</b>
<b>Total liabilities</b>		<b>6 389 657</b>	<b>5 150 946</b>
<b>Total equity and liabilities</b>		<b>12 875 365</b>	<b>10 714 248</b>

BERGEN, 30 MARCH 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

## STATEMENT OF CHANGES IN EQUITY

GRIEG SEAFOOD GROUP NOK 1 000	SHARE CAPITAL	TREASURY SHARES <sup>1</sup>	CONTINGENT CONS. <sup>2</sup>	OTHER EQUITY <sup>3</sup>	RETAINED EQUITY	NON-CONTROLLING INTERESTS	TOTAL
Equity at 01.01.2021	453 788	-4 686	701 535	84 401	3 135 880	—	4 370 918
Profit for 2021	—	—	—	—	1 204 668	—	1 204 668
Other comprehensive income 2021	—	—	—	-16 197	303	—	-15 894
Total comprehensive income 2021	—	—	—	-16 197	1 204 971	—	1 188 774
Sale of treasury shares to employees <sup>1</sup>	—	154	—	—	3 456	—	3 610
Transactions with owners [in their capacity as owners] 2021	—	154	—	—	3 456	—	3 610
Total change in equity 2021	—	154	—	-16 197	1 208 427	—	1 192 384
Equity at 31.12.2021	453 788	-4 532	701 535	68 205	4 344 307	—	5 563 302
Equity at 01.01.2022	453 788	-4 532	701 535	68 205	4 344 307	—	5 563 302
Profit for 2022	—	—	—	—	1 153 779	—	1 153 779
Other comprehensive income 2022	—	—	—	128 976	-303	—	128 673
Total comprehensive income 2022	—	—	—	128 976	1 153 476	—	1 282 452
Sale of treasury shares to employees <sup>1</sup>	—	385	—	—	6 510	—	6 895
Purchase of treasury shares	—	-1 260	—	—	-28 739	—	-29 999
Dividend	—	—	—	—	-336 942	—	-336 942
Transactions with owners [in their capacity as owners] 2022	—	-875	—	—	-359 171	—	-360 046
Total change in equity 2022	—	-875	—	128 976	794 305	—	922 406
Equity at 31.12.2022	453 788	-5 407	701 535	197 180	5 138 612	—	6 485 708

<sup>1</sup> The recognized amount equals the nominal value of the parent company's holding of treasury shares.

<sup>2</sup> Contingent consideration related to the acquisition of Grieg Newfoundland AS.

<sup>3</sup> Other equity, reclassified through OCI.

SPECIFICATION OF RETAINED EQUITY NOK 1 000	EFFECT OF SHARE-BASED REMUNERATION	PURCHASE/ SALES OF TREASURY SHARES *	ACCUMULATED INCOME LESS ACCUMULATED DIVIDEND	TOTAL
Book value at 01.01.2021	1 094	-5 476	3 140 261	3 135 880
Changes in 2021	—	3 456	1 204 668	1 208 124
Changes in 2022	—	-22 229	816 839	794 610
Book value at 31.12.2022	1 094	-24 249	5 161 767	5 138 612

\* The amount classified under "purchase of treasury shares" equals the cost price in excess of nominal value. See also Note 2.

SPECIFICATION OF ACCUMULATED OTHER COMPREHENSIVE INCOME NOK 1 000	CHANGES IN FAIR VALUE OF EQUITY INSTRUMENTS	CURRENCY EFFECT ON LOANS TO SUBSIDIARIES	CURRENCY EFFECT ON INVESTMENT IN SUBSIDIARIES	TOTAL
Book value at 01.01.2021	-37	26 370	58 068	84 401
Changes in 2021	—	25 134	42 111	67 244
Recycle of accumulated OCI (sale of Shetland in 2021)*	—	-80 513	-2 626	-83 139
Changes in 2022	—	19 338	109 336	128 674
Book value at 31.12.2022	-37	-9 672	206 888	197 180

\*See Note 6 for more information.

## CASH FLOW STATEMENT

GRIEG SEAFOOD GROUP NOK 1000	NOTE	2022	2021
EBIT (Earnings before interest and taxes)		1 497 586	940 944
Depreciation, amortization and write-down of non-current assets	10/11	591 422	375 674
Gain/loss on sale of property, plant and equipment		-5 535	-88
Share of profit from associates	7	-21 096	1 486
Fair value adjustment of biological assets	9	-83 412	-523 036
Change in inventories and biological assets excl. fair value		-529 150	-330 555
Change in trade and other receivables		-117 071	13 327
Change in trade payables		194 302	-39 652
Change in other accruals		133 514	159 654
Change in non-current, cash-settled share option liability		-4 359	10 624
Taxes paid	15	-93 865	-6 895
<b>Net cash flow from operating activities - continued operations</b>		<b>1 562 336</b>	<b>601 484</b>
Proceeds from sale of property, plant and equipment		17 112	11 229
Payments on purchase of property, plant and equipment	11	-561 916	-561 041
Payments on purchase of intangible assets incl. licenses	10	-2 581	-3 833
Government grant		9 119	8 443
Investment in money market funds	21	-1 000 224	—
Investment in associates and other invest.		-112 212	-15 000
<b>Net cash flow from investing activities - continued operations</b>		<b>-1 650 702</b>	<b>-560 202</b>
Revolving credit facility (net draw-down/repayment)	12	-440 000	-556 222
Proceeds of long-term int. bearing debt	12	1 463 423	39 147
Repayment long-term int. bearing debt	12	-522 146	-527 652
Repayment lease liabilities	12/13	-225 468	-184 925
Interests paid	26	-140 002	-189 381
Other financial items	26	21 898	-11 021
Repurchase of own shares		-24 400	—
Paid dividends		-336 942	—
<b>Net cash flow from financing activities - continued operations</b>		<b>-203 637</b>	<b>-1 430 055</b>
Net change in cash and cash equivalents - continued operations		-292 003	-1 388 773
Net change in cash and cash equivalents - discontinued operations		—	2 040 350
<b>Net change in cash and cash equivalents - total</b>		<b>-292 003</b>	<b>651 577</b>
Cash and cash equivalents - 01.01.		928 342	275 427
Currency translation of cash and cash equivalents		6 380	1 339
Cash and cash equivalents - 31.12.	20	642 719	928 342

## NOTE 1 GENERAL INFORMATION

Grieg Seafood ASA is an integrated Norwegian seafood company engaged in farming of Atlantic salmon. The Group's integrated sales organization sell the farmed salmon from our regions to the market, primarily as fresh head-on gutted, but also processed through external processing partners. Grieg Seafood ASA is a public limited company registered in Norway. Its head office is located at C. Sundtsgt. 17/19, Bergen, Norway. The Company was listed on the Oslo Stock Exchange (Euronext) on 21 June 2007 and has operations in Norway and Canada. Until 15 December 2021, the Company also had operations in Shetland in the UK. The ultimate parent company of Grieg Seafood ASA is Grieg Maturitas AS, the parent company of Grieg Maturitas II AS, which in turn own 100 % of Grieg Aqua AS, which owns 50.17% of Grieg Seafood ASA.

The consolidated financial statements as per 31 December 2022 for the period 1 January to 31 December have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and were approved by the Board of Directors on 30 March 2023.

All amounts in these financial statements with note disclosures are stated in NOK thousand unless otherwise specified.

In the following, "Group" describes information relating to the Grieg Seafood Group, while "Company" refers to the parent company, Grieg Seafood ASA.

In November 2020, we announced that the Board of Grieg Seafood had decided to divest our investment and operations in Shetland, as we wished to focus on our operations in Norway and Canada going forward. Grieg Seafood ASA sold 100% of the shares in Grieg Seafood Hjaltland Ltd on 15 December 2021 to Scottish Sea Farms Ltd. In turn, Grieg Seafood Hjaltland Ltd owned 100 % of Grieg Seafood Shetland Ltd, which operated the Group's salmon farming (and as from 2021 related sales) operations. Grieg Seafood Shetland Ltd owned 100% of the (up until 15 December 2021) dormant company Isle of Skye Salmon Ltd. Grieg Seafood Hjaltland Ltd, together with Grieg Seafood Shetland Ltd and Isle of Skye Salmon Ltd, form the Shetland disposal group. The operations of the Grieg Seafood Hjaltland UK Ltd Group were, from Q4 2020 until their sale on 15 December 2021, classified as held for sale in the consolidated statement of financial position, and presented as discontinued operations in the consolidated income statement and consolidated cash flow statement of

Grieg Seafood. The Shetland disposal group includes the prior reporting segment of Shetland UK, in addition to the UK sales operations. The Shetland disposal group was deconsolidated from the Group as of 15 December 2021. The financial position of the Shetland disposal group is therefore not included in Grieg Seafood's consolidated statement of financial position at year-end 2021. The Group received a preliminary cash settlement in December 2021. However, settlement was not finalized until February 2023. For more information, see Note 6.

### Grieg Seafood Group comprised the following entities at 31 December 2022:

Grieg Seafood Sales Ltd (owned 100% by Grieg Seafood Norway AS) is domiciled in the UK. Grieg Seafood Sales Ltd was not part of the Shetland disposal group, and the entity has been dormant throughout 2021-2022. Grieg Seafood BC Ltd. (and its 100% owned subsidiary Grieg Seafood Sales North America Inc) is domiciled in British Columbia, Canada, while Grieg Seafood Newfoundland Ltd (incl. the subsidiaries Grieg Marine NL Ltd and Grieg NL Nurseries Ltd) is domiciled in Newfoundland, Canada. Grieg Seafood Premium Brands Inc (domiciled in the USA) is owned 100% by Grieg Seafood Sales North America Inc. Grieg Seafood Sales USA Inc (domiciled in the USA) is owned 100% by Grieg Seafood Norway AS.

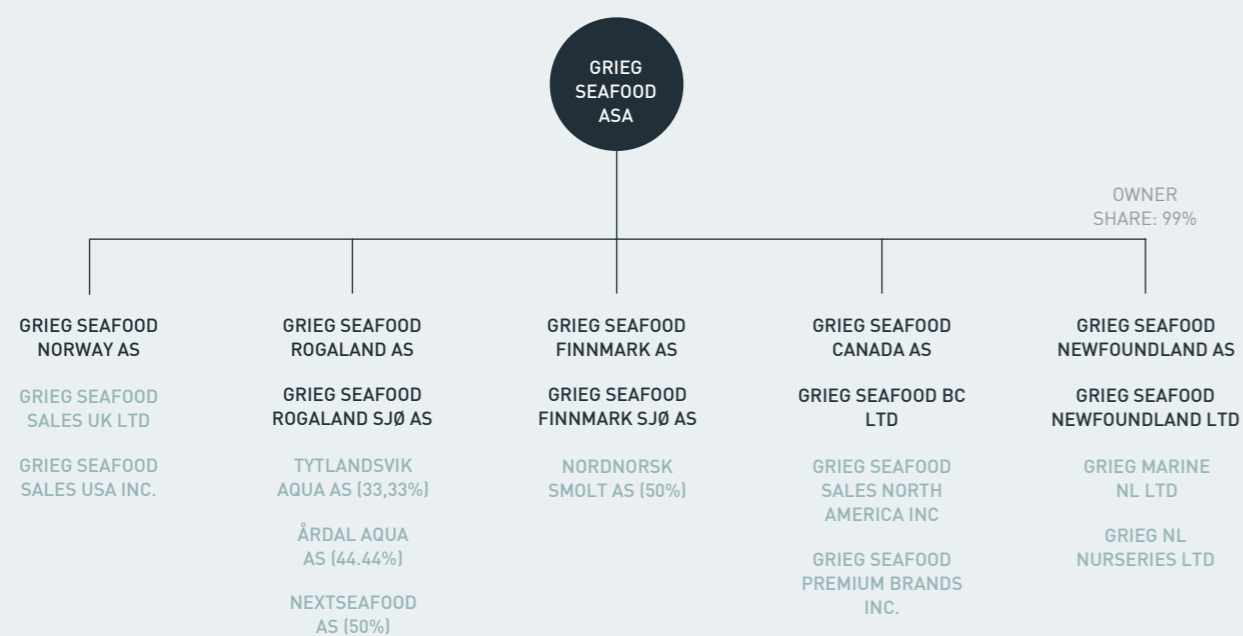
To be able to correctly calculate and report the proposed resource rent tax in Norway as from 2023 (see Note 15), Grieg Seafood has considered it necessary to reorganize the ownership of aquaculture licenses in Norway into separate commercial and non-commercial aquaculture licenses by legal entities. As such, Grieg Seafood Rogaland Sjø AS has been established as a subsidiary (100%) of Grieg Seafood Rogaland AS, and Grieg Seafood Finnmark Sjø AS as a subsidiary (100%) of Grieg Seafood Finnmark AS. The commercial aquaculture licenses in Norway are owned by Grieg Seafood Rogaland Sjø AS and Grieg Seafood Finnmark Sjø AS. These four entities are all domiciled in Norway.

The remaining subsidiaries are domiciled in Norway and owned by Grieg Seafood ASA.

Grieg Seafood Canada AS and Grieg Seafood Newfoundland AS are holding companies within the Group, and wholly own the production companies Grieg Seafood BC Ltd. (incl. subsidiaries) and Grieg Seafood Newfoundland Ltd (incl. subsidiaries), respectively.

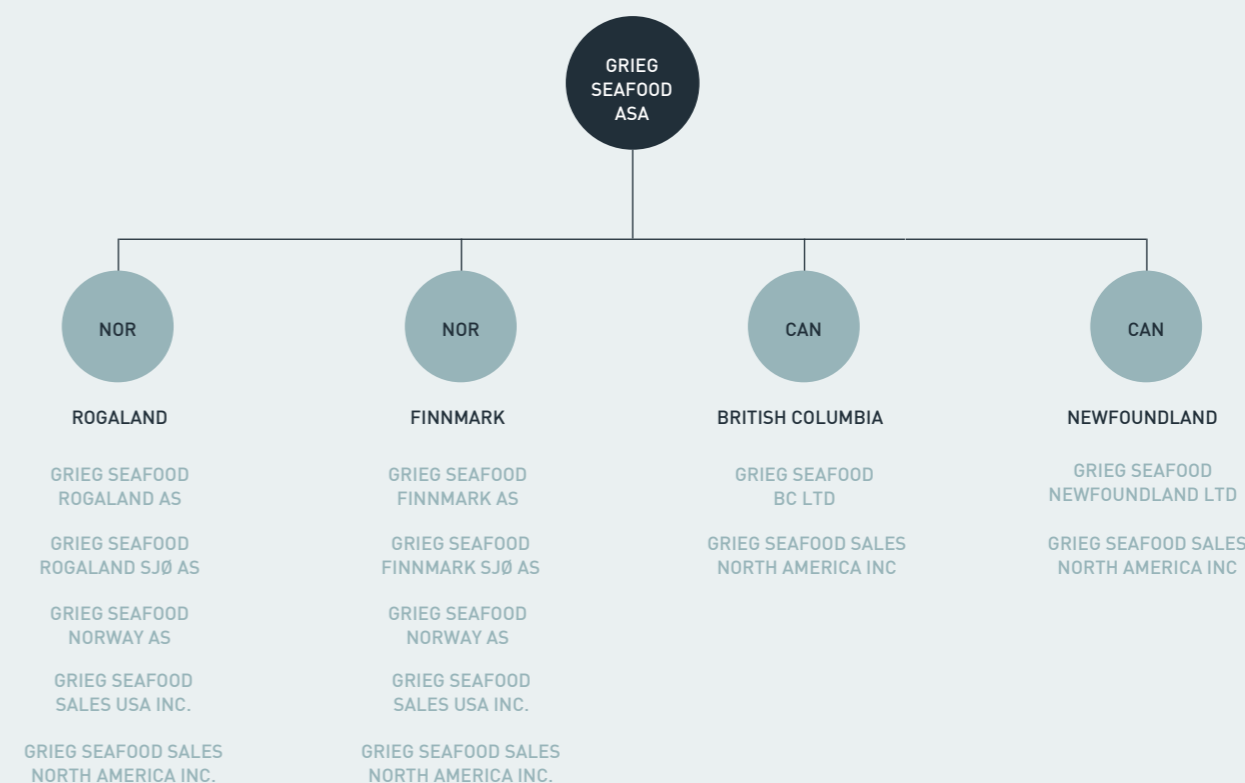
Grieg Seafood Rogaland AS has investments in three associated companies; Tytlandsvik Aqua AS (33.33%), Årdal Aqua (44.44%) and Nextseafood AS (50.00%), while Grieg Seafood Finnmark has an investment (50.00%) in Nordnorsk Smolt AS.

### GROUP LEGAL STRUCTURE



The Grieg Seafood Hjaltland Group was sold from Grieg Seafood ASA on 15 of December 2021. The companies were reported at held for sale through 2021.

### SEGMENT STRUCTURE THROUGH 2022



## NOTE 2 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise indicated.

### BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, modified for biological assets, equity instruments and financial assets/liabilities (including derivative instruments) at fair value through profit or loss. The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the consolidated financial statements are described in Note 4.

### NEW STANDARDS ADOPTED BY THE GROUP

No new IFRS accounting standards have been implemented in 2022. See Note 30 for more information concerning relevant amendments and interpretations.

### CONSOLIDATION PRINCIPLES SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Group exercises control. Control over an entity arises when the Group is exposed to variability in the return from the entity and has the ability to impact this return by virtue of its influence over the entity. Subsidiaries are consolidated from the day control arises and deconsolidated when control ceases.

The acquisition method of accounting is applied for acquisitions. The consideration is measured as the fair value of any transferred assets, liabilities or issued equity instruments. The fair value of all the assets or liabilities resulting from contingent consideration agreements is included in the consideration. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Non-controlling interests in the acquired entity are measured from time to time either at fair value, or at their proportionate share of net assets of the acquired entity.

Costs relating to business combinations are expensed as they are incurred. In the case of multi-stage acquisitions, the proportion of ownership from any earlier purchases is restated at fair value at the date of control, with changes in value recognized in the income statement.

Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity. Other contingent considerations shall be measured at fair value at each reporting date and changes in fair value shall be recognized in the income statement.

Intragroup transactions, intercompany balances, and unrealized profits and losses between Group companies are eliminated. Reported figures from the subsidiaries are restated when this is necessary to achieve consistency with the Group's accounting policies.

### CHANGES IN SHAREHOLDINGS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

Transactions with non-controlling owners of subsidiaries that do not involve loss of control are treated as equity transactions. When shares are purchased from non-controlling owners, the difference between the consideration and the proportionate percentage of net assets recognized in the subsidiary's statement of financial position relating to such shares is recognized in the parent company's owners' equity. Gains or losses on disposals of non-controlling owners are similarly recognized in equity.

### DIVESTMENT OF SUBSIDIARIES

When the Group no longer has control, any residual ownership interest is measured at fair value with changes in value recognized in profit or loss. Using this fair value as deemed cost, the interest is subsequently classified either as an investment in associates or as a financial asset. Amounts previously recognized in other comprehensive income relating to this company are treated as if the Group had disposed of the underlying assets and liabilities. This could mean that amounts that were previously recognized in other comprehensive income are reclassified to profit or loss.

### ASSOCIATES

Associates are entities over which the Group exercises significant influence, but not control. Significant influence will generally exist when the Group has a shareholding of between 20% and 50% of the voting rights. Investments are recognized at cost at the time of acquisition, and the Group's share of the results in subsequent periods is recognized through profit or loss. The amount recognized in the statement of financial position includes any implicit goodwill identified at the date of purchase.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, the share of other comprehensive income is recognized in the consolidated statement of comprehensive income and both are added to the investment in associates in the statement of financial position. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other

unsecured receivables towards the entity, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. If necessary, the associates' financial statements are restated to achieve consistency with the Group's accounting policies.

At the end of each accounting period, the Group determines whether there is any need to recognize an impairment of the investment in the associate. In such cases, the impairment amount is measured as the difference between the recoverable amount of the investment and its carrying value, and the difference is recognized in the income statement together with share of profit or loss in "Share of profit from associates".

In the event of any gains or losses on transactions between the Group and its associates, only the proportionate share relating to external shareholders is recognized. Unrealized losses are eliminated unless there is a need to recognize an impairment for the asset that was the subject of the transaction. Accounting policies of associates are changed when necessary to ensure consistency with the accounting policies adopted by the Group. Dilution gains and losses arising on investments in associates are recognized in the income statement.

In the event of a reduction in a shareholding in an associate where the Group continues to exercise significant influence, only a proportionate share of amounts previously recognized in other comprehensive income is reclassified to profit or loss.

### DISCONTINUED OPERATIONS

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

Disclosures for the Group's discontinued operations are provided in Note 6. All other notes to this consolidated financial statement refer to the Group's continuing operations, unless the note explicitly states otherwise.

### SEGMENT INFORMATION

Operating segments are reported in a manner consistent with internal reporting to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group management.

### FOREIGN CURRENCY TRANSLATION

The financial statements of each of the Group's entities are generally measured using the currency of the economic area in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the parent company's functional and presentation currency.

### TRANSACTIONS AND BALANCE SHEET ITEMS

Foreign currency transactions are translated into the functional currency using the exchange rates in force at the transaction date. Foreign exchange gains or losses resulting from the settlement of such transactions, are recognized in profit or loss. Translation differences on monetary items (assets and liabilities) that are not denominated in the entity's functional currency are also recognized through profit or loss.

### GROUP COMPANIES

The income statements and statements of financial positions of the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- The statement of financial position is translated using the closing rate at the end of the period.
- Income and expense items are translated at average exchange rates for the period (if the average is not a reasonable estimate of the cumulative effects of using the transaction rate, the transaction rate is used).
- Translation differences are recognized in other comprehensive income and specified separately.

When a foreign operation is sold, the exchange difference, which in previous periods was recognized in other comprehensive income, is not accrued. The accumulated exchange difference on the sale of the foreign operation is hence reversed in other comprehensive income. Gains or losses on the sale are recognized on a basis of zero exchange difference in the net profit on ordinary activities.

Goodwill and fair value adjustments of assets and liabilities on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated using the closing currency rate at the balance sheet date.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Improvements are recognized in the asset's carrying amount or as a separate asset when it is probable that future economic benefits associated with the improvement will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are recognized in the income statement during the financial period in which the costs are incurred.

Land and buildings mainly comprise freshwater facilities, harvesting plants and offices. Land is not depreciated. Other operating assets are depreciated in accordance with the straight-line method so that the cost, or remeasured value, is written down to residual value over its expected useful economic life as follows:

- Buildings/real estate 10–50 years
- Plants, barges, onshore power supply 5–30 years
- Nets/cages/moorings 5–25 years
- Other equipment 3–35 years

The assets' useful lives and residual values are estimated at each balance sheet date and adjusted if necessary. In 2022 there has not been any changes to the estimated useful life of the Group's property, plant and equipment as a consequence of climate-related risk.

An asset's carrying value is written down to its recoverable amount if the carrying value is greater than its estimated recoverable amount. Gains and losses on disposals are recognized on a net basis as "other gains and losses" in the income statement and represent the difference between the sales price and the carrying value.

## INTANGIBLE ASSETS

Intangible assets that arise internally within the Group are not recognized.

### GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is classified as an intangible asset. Goodwill on the purchase of a share in an associate is included in "investments in associates". Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill is allocated to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

### LICENSES

Fish-farming licenses with an indefinite useful life are not amortized but reviewed for impairment annually, or more frequently if there are indications that the carrying value may have decreased.

The Group considers the following licenses to have indefinite useful lives:

- Licenses granted with an indefinite useful life, where the company has no other contractual restrictions relating to the use of the license.

- Licenses granted with a finite useful life, but where the license holders can renew the licenses without incurring considerable expenses.

Licenses with a finite useful life are amortized over their useful lives, and tested for impairment if there are indications that future earnings do not justify the asset's carrying value. Such licenses relate to water licenses for hatcheries and some specific seawater licenses. The following sections provide a description of licenses in Norway and Canada. See Note 10 Intangible assets for an overview of the licenses.

### Norway

The licensing regime for the production of salmon in Norway is enacted by the Norwegian Parliament through the Aquaculture Act. The Ministry of Trade, Industry and Fisheries grants permits for aquaculture (licenses). All aquaculture operations are subject to licensing, and no one can produce salmon without permission from the authorities, see Section 4 of the Aquaculture Act.

The aquaculture permit allows the production of salmon in limited geographic areas within the current determined limitations of the permit scope. The Aquaculture Act is administered centrally by the Ministry of Trade, Industry and Fisheries, with the Directorate of Fisheries as the supervisory authority. Regionally, several industry authorities jointly manage full administrative and supervisory responsibility within the regulating range of the Aquaculture Act. The county council is the regional administrative body, while the Directorate of Fisheries serves as appellate body in locality and licensing matters.

### Seawater licenses

Each license for the farming of salmon in the sea is subject to a production limit in the form of "maximum allowed biomass" (MAB) on both company and location/seawater site level. The system means the license holder can at no time have a standing biomass (number of kg of live fish in seawater) that exceeds the company level MAB, in addition that no location can have a standing biomass that exceeds the seawater site's MAB. When a seawater site is approved, a maximum level of tonnes of fish is set, based on the location and environmental conditions on the site. The normal size of a permit is 780 tonnes at the license level ex. the county of Troms and Finnmark, while the normal size of a permit in Troms and Finnmark is 945 tonnes. While the extent of biomass a company can possess primarily depends on the type and number of licenses, the limitation at site level is primarily dependent on the site's environmental sustainability. See Section 15 of the Salmon Allocation Regulation ("Laksetildelingsforskriften").

Norway also has green licenses, with stricter environmental criteria. The sea lice limit is half that of regular licenses, with stricter criteria for escape prevention technologies and limits on the amount of medical treatment permitted per generation.

### Hatchery licenses

Young salmon are defined as eggs, juveniles, parr or smolt to be released at another location, see Section 4(f) of the Salmon Allocation Regulation. Such licenses are not limited and thus subject to continuous application for new licenses or changes to existing licenses. Pursuant to the regulations, annual production is limited to 15 million fish.

### Broodstock and R&D licenses

These licenses are not limited in number. The purpose of broodstock licenses is to produce roe and milt from salmon with improved and/or specific traits. Broodstock licenses include both a land and sea phase, i.e. broodfish and egg production are covered by the same licensing process. The purpose of an R&D license is to encourage important research projects that can bring the Norwegian aquaculture industry forward. Permits are means tested, meaning that the applicant must demonstrate a need for the production of eggs, specific research projects or for educational purposes.

### Educational licenses

Educational licenses in Norway are given to universities, colleges or high schools offering aquaculture-related courses of study. Salmon farming companies can lease educational licenses from the educational institution. Part of the students' training will then take place at these salmon farms.

### Harvesting pen licenses

Licenses utilized for holding pens where live fish are kept prior to harvesting. These relate to specific locations.

### Duration and renewal

The Ministry may in individual decisions or regulations specify further provisions on the content of aquaculture licenses, including matters relating to scope and time limitations, see Section 5(2) of the Aquaculture Act. Nonetheless, the preparatory work for the Aquaculture Act specifies that licenses are normally granted without a time limit.

Grieg Seafood's general fish farming and hatchery licenses are not time-limited under current regulations. After the reform in 2009, a number of licenses were time-limited, mainly for 15 years. As no government practices have been established relating to the renewal of broodstock licenses, the current understanding is that they will be renewed upon application. Expiration of licenses allows for application for renewal on demand. A license for harvesting pens is valid for ten years and must be renewed on expiration, provided that the license is still connected to an approved harvesting facility.

### Disposal and withdrawal

All licenses can be transferred and mortgaged in accordance with Section 19 of the Aquaculture Act. Transfers and mortgages must be recorded in a separate register (the Aquaculture Register). It is not permitted to rent out licenses or license capacity.

Section 9 of the Aquaculture Act sets out the basis for withdrawal of an aquaculture license. This states that there must be significant breaches of the terms of an aquaculture license before it can be revoked.

### BC

Grieg Seafood BC Ltd (GSF BC) has farms on both the west and east coasts of Vancouver Island. To operate farms in British Columbia, Canada, the following three licenses must be in place:

1. Aquaculture license – issued by the Department of Fisheries and Oceans and the First Nations.
2. License of Occupation (Tenures) – issued by the Ministry of Forest, Lands and Natural Resource Operations.
3. Navigation Water Permit – issued by Transport Canada (Canadian public authority).

For restrictions regarding production quantity, see table in Note 10.

### Duration and renewal

1. Aquaculture license – duration of one year, renewal each year is a formality.
2. License of Occupation – duration of 2–20 years. Renewal is applied for on expiration.
3. Navigation Water Permit – duration of five years, but possible to apply for renewal.

### New renewal process in Canada West

In British Columbia, licenses are renewed by the federal Department of Fisheries and Oceans (DFO) on a regular basis, were the next renewal should have been in June 2022. This has been put on hold because of the current Canadian federal Government has in its mandate letter to the Minister of Fisheries, Ocean and Canadian Coast Guard stated that a transition plan should be developed by 2025 in collaboration with Indigenous communities and the BC Province, outlining how the industry will transition from open-net pen in coastal BC. See Note 4 for more information.

### Newfoundland

Grieg Seafood Newfoundland has exclusive farming rights to Placentia Bay. To operate aquaculture sites in Newfoundland, Canada, the following approvals and licenses must be in place:

- Aquaculture License – issued by the Department of Fisheries Forestry and Agriculture
- Lease License for Occupancy – issued by Crown Lands division of Department of Fisheries Forestry and Agriculture
- Canadian Navigable Waters Act - issued by Transport Canada
- Water Use Approval – issued by Department of Environment, Climate Change, and Municipalities

#### Duration and renewal

Aquaculture licenses are granted for a six-year term. Each year, licensees must complete the validation process and abide by the legislative references: Aquaculture Act and the Policy cross references as Aquaculture License Renewal AP 6, Annual reporting AP 7 and site utilization. For renewal, licensees are required to follow and comply with the requirements set out in AP 6 License Renewal. Licensees must abide by license conditions, policies, and regulations at all times. Licenses may be suspended or cancelled if a breach occurs, or they may not be renewed.

The timeline supports two production cycles and promotes longer-term investment and stability. Ensuring sites are being utilized and developed by license holders in accordance with approved plans on file with the department falls under AP 8 Site Utilization. If sites are not being utilized based on approved plans on file, they may not be renewed.

#### **OTHER INTANGIBLE ASSETS**

Acquired customer portfolios and computer software licenses are recognized in the statement of financial position at cost and amortized over their estimated useful lives. Customer portfolios are recognized in the statement of financial position at cost on the date of purchase. Amortization is calculated using the straight-line method over the estimated useful life, as follows:

- Computer software 3–10 years

#### **IMPAIRMENT OF NON-FINANCIAL ASSETS**

Assets with an indefinite useful life are not amortized but are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever there are indications that future earnings do not justify the carrying value.

An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for indicators of possible reversal of the impairment at each reporting date.

#### **FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. The classification is performed in accordance with the substance of the contractual arrangement, and in line with the definitions of a financial asset, a financial liability and an equity instrument.

Ordinary purchases and sales of investments are recognized on the trade-date, the date on which the Group commits to purchase or sell the asset. All financial assets that are not stated at fair value through profit or loss are initially recognized at fair value plus transaction costs.

#### **FAIR VALUE HIERARCHY**

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, accounts receivables, other current receivables and payables, bank loans, bond loans and leasing liabilities. See Note 3 for information on valuation techniques.

The Group uses the following hierarchy of valuation techniques to determine and disclose the fair value of financial instruments:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For recurring level 3 measurements, transfers between the levels in the fair value hierarchy are evaluated when reassessing the categories of the financial instruments at the end of the period. During the 2022 reporting period, there were no changes in the fair value measurement which caused transfers between level 1 and level 2, and no transfers to or from level 3.

#### **FINANCIAL ASSETS**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. The Group has financial assets classified as follows:

- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### **Financial assets measured at amortized cost**

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from Contracts with Customers.

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value, with net changes in fair value recognized in the income statement.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and are subsequently stated at fair value on an ongoing basis. The category also include the Group's investments in debt instruments and money market funds.

#### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either
  - i. the Group has transferred substantially all the risks and rewards of the asset, or
  - ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of financial assets**

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

See the "Trade receivable" section in this note for specific accounting principles on expected credit loss on trade receivables.

#### **FINANCIAL LIABILITIES**

Financial liabilities are classified, at initial recognition, as amortized cost (loans and borrowings), or as financial liabilities at fair value through profit or loss.

#### **Financial liabilities at amortized cost (loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the income statement.

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial derivative contracts. Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and are subsequently stated at fair value on an ongoing basis.

#### **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

#### **HEDGING**

##### **Hedge accounting**

The Group do not utilize the hedge accounting principles of IFRS 9.

##### **Non-hedge accounting**

The Group engage in short-term derivative contracts to hedge currency- and interest risk. Such contracts are recognized at fair value through profit or loss and presented as financial income/ financial expenses.

#### **FISH POOL SALE AND PURCHASE AGREEMENTS**

For the financial contracts entered into with Fish Pool, changes in unrealized gains and losses on the sale and purchase agreements are recognized net in the income statement as a value adjustment of biological assets, while the carrying value is reported as a derivative in the statement of financial position at the gross carrying amount of sales and contracts, respectively.

## INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The net realizable value is the estimated sales price less the estimated costs of completion and sale.

## BIOLOGICAL ASSETS

The accounting treatment of live fish by enterprises applying IFRS is regulated by IAS 41 Agriculture. IAS 41 comprises a hierarchy of methods for the measurement of biological assets at level 3. The basic principle is that such assets shall be measured at fair value less costs 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 premise.

Biological assets comprise of smolt and fish in the sea. The fish are divided into two main groups, depending on the stage of the life cycle. At the earliest stage of the life cycle, the fish are classified in group 1) roe, fry and smolt. Group 1 biological assets is disclosed as “biological assets on land” in Note 9.

When the fish are large enough to be transferred to the sea, they are classified in group 2) biomass in sea. The group 2 biological assets classification is further decomposed in Note 9 as “immature fish in sea, round weight < 4.60 kg” and “mature fish in sea, round weight > 4.60 kg”.

- Fish onshore (smolt) are recognized at accumulated cost. The best estimate of fair value is the accumulated cost because of very little biological transformation. This assessment must be seen in the light of the fact that smolt are currently transferred to the sea at a stage when their weight is still relatively low.
- For fish in sea, the fair value is calculated by applying a cash-flow based present value model.

The fair value of fish in the sea is estimated for each location.

In accordance with the principle relating to highest and best use, Grieg Seafood considers that the fish have optimal harvest weight when they have a live round weight of 4.60 kg, which corresponds to 4.00 kg gutted weight. Fish with a live round weight of 4.60 kg or more are classified as ready for harvest (mature fish), while fish that have still not achieved this weight are classified as not ready for harvest (immature fish).

The cash-flow based present value model does not rely on historical and company specific factors. In a hypothetical market with perfect competition, a hypothetical buyer of live fish would maximum be willing to pay the present value of the estimated future profit from the sale of the fish when it is ready for harvest. The estimated future profit, considering all price adjustments

and payable fees for completion, constitutes the cash flow. No deductions are made for sales expenses, as these are not observable in the market. Such expenses are also deemed immaterial.

Incoming cash flow is calculated as a function of estimated volume multiplied by estimated price. For fish not ready for harvest, a deduction is made to cover estimated residual costs to grow the fish to harvestable weight. The cash flow is discounted monthly by a discount rate. The discount rate comprises three main components: 1) the risk of incidents that influence cash flow, 2) hypothetical license lease and 3) the time value of money. See Note 4 on significant accounting estimates for more information.

When estimating the actual accumulated cost at the respective seawater facility, direct costs (fish feed and similar) are allocated to each group of fish transferred to the sea at the same location. Financial costs are not included in the costs of production.

The sales price for fish in the sea is based on the forward price from Fish Pool. Fish Pool is a marketplace for financial purchase and sale agreements for superior Norwegian Salmon size 3-6 kg head-on gutted weight. The volume on Fish Pool is limited, but Grieg Seafood’s opinion is that the observable forward prices must be seen as the best approach to a price for the sale of salmon. Regarding foreign countries, the most relevant price information available for the expected harvesting period is applied. For fish in the sea, the forward price in Norway is adjusted for historical differences in achieved prices between Norway and Canada. The price/net sales value is adjusted for quality differences (superior, ordinary and production grade), and for logistics expenses and sales commissions. Estimated harvesting expenses are deducted.

The volume (biomass) is based on the actual number of individuals in the sea at the balance sheet date, adjusted to cover estimated mortality up to harvest date and multiplied by the estimated harvest weight per individual at the time of harvest. The fair value estimate for the fish in sea figure is adjusted for gutting waste, as the price is measured for gutted weight. Budgeted harvesting and freight costs are applied. Foreign currency forward contracts associated with the date of harvesting are applied when translating the price to CAD.

The change in the fair value of biological assets is recognized in the income statement as “fair value adjustment of biological assets”.

Onerous contracts are contracts where the expenses of fulfilling the contracts are higher than the economic yield the company expects to gain by fulfilling the contracts. The Group enters from time to time into contracts for future deliveries of salmon. As biological assets are recognized at fair value, the fair value adjustments of the biological assets will be included in the

estimated expenses required to fulfil the contract. This implies that the Group may experience loss-making (onerous) contracts according to IAS 37 even if the contract price for physical delivery contracts is higher than the actual production cost for the products. If that occurs, a provision is made for the estimated negative value.

Changes arising from physical delivery contracts are recognized as “fair value adjustment of biological assets”. The liability in the statement of financial position is recognized as other current liabilities.

Fish farming naturally comes with a certain level of loss of fish along the production cycle, and our budgets are typically produced with an inherent assumption of a 0.5-1% monthly mortality. The losses associated with normal levels of survival are not directly recognized in the income statement. In periods where specific abnormal incidents lead to reduced survival, we immediately recognize write-downs of the biomass inventory to better reflect the actual biomass in the sea or on land. The write-down costs are recorded in the income statement as they arise, included in the financial statement line item “raw materials and consumables used”.

## TRADE RECEIVABLES

Trade receivables arising from the trading of goods or services within the ordinary operating cycle and under normal terms of payment are initially recognized at nominal value. Trade receivables with longer terms of payment are discounted to present value and represents the Group’s unconditional right to consideration from the customer.

## EXPECTED CREDIT LOSS (ECL) ON TRADE RECEIVABLES

For trade receivables, the Group applies a simplified approach in calculating ECLs. For receivables where the credit risk has increased substantially after establishment, a write-down shall be made for the expected credit loss over the maturity of the receivables. The model for calculating loss allowance classifies the trade receivables into two groups: normal risk and high-risk, based on their country of origin. Furthermore, the trade receivables are classified as credit-insured receivable or not. The provision is the difference between nominal and recoverable amount, which is the present value of estimated future cash flows, discounted at the original effective interest rate. Loss allowance is recognized as “other operating expenses” in the income statement.

## FACTORING AGREEMENTS

The Group is engaged in factoring agreements that cover financing of outstanding receivables for the sales organization in Norway. Receivables purchased by the factoring company are derecognized from the statement of financial position. See the section “Derecognition of financial assets” in this note for the related accounting principle.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less. The overdraft facility is included in current borrowings in the statement of financial position.

## SHARE CAPITAL

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options, net of tax, are shown in equity as a deduction, net of tax, from the proceeds.

## BORROWINGS

Borrowings are initially recognized at fair value when the funds are received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost applying the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## INCOME TAX EXPENSE AND DEFERRED TAX

Income tax expense consists of the tax payable and changes to deferred tax.

Deferred tax is provided for in full at nominal value, using the liability method, on temporary differences arising between the value of assets and liabilities for tax and accounting purposes. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply when the related deferred tax asset is realized, or the deferred income liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available, from which the temporary differences can be deducted. Deferred tax is calculated on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

## EMPLOYEE BENEFITS PENSION OBLIGATIONS

The Company pays premiums to local, defined-contribution schemes for all employees. The Company’s Norwegian pension schemes meet the requirements of the Norwegian Mandatory Occupational Pension Act. Pension premiums are recognized in the income statement through operations on an ongoing basis. Employer’s social security contributions are expensed based on paid pension premiums. The Group companies Grieg

Seafood Rogaland AS and Grieg Seafood Finnmark AS have a contractual early retirement pension scheme (AFP). The financial commitments associated with this scheme are included in the Group's pension expenses. The AFP early retirement scheme follows the rules for public sector AFP, and both companies are members of the Norwegian Confederation of Trade Unions (LO)/the Confederation of Norwegian Enterprise (NHO) scheme. The pension payment calculations are based on standard assumptions relating to the development of mortality and disability as well as other factors such as age, years of service and remuneration. Pension premiums are recognized in the income statement through operations as they arise.

### SHARE-BASED REMUNERATION

The Group operates a share-based management remuneration scheme with settlement in cash. Under the scheme, individual employees may buy shares proportionate to their annual salary. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be charged over the vesting period is calculated based on the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the company revises its estimates of the number of options that are expected to be vested and recognizes the impact of the revision relative to original estimates, if any, in the income statement. The Black and Scholes option pricing model is used for valuation. The company's obligations are recognized under non-current liabilities if the latest possible redemption date is more than one year into the future.

### SHARE SAVINGS PROGRAM

Grieg Seafood established a share savings program for its employees in 2018 and it was continued throughout 2022. It is the Board's intention that the plan shall be a continuing part of the company's employee incentive scheme. The Board shall, however, have the right to decide, at its sole discretion, whether the plan will be extended in the future, and the terms of the plan.

### TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

### PROFIT-SHARING AND BONUS SCHEMES

The Group recognizes a provision where it has a contractual obligation or where there is a past practice that has created a constructive obligation.

## PROVISIONS

Provisions (e.g. environmental improvements, restructuring costs and legal claims) are recognized when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation;
- the amount of the obligation can be reliably estimated.

Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured as the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects the current market situation and the risks specific to the obligation. The increase in the provision due to the change in value because of the passage of time is recognized as a financial expense.

## REVENUE RECOGNITION

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group's revenue derives primarily from the sale of whole and processed fish. Sales contracts cover both spot sales and fixed-price deliveries. Revenue from the sale of salmon is generally recognized upon delivery, as the Group considers delivery as the point in time when control of the goods/service is transferred to the customer. Each sales contract – either for a spot sale or a fixed delivery – is considered as one performance obligation. Each week, the sale of fish is settled with the customer. The fixed-price delivery contracts that are entered into with customers, specify a per-week volume.

The sales price is determined upon contract settlement and is based on available market price (for example Nasdaq prices including transport and margin, and the price is per kilogram). The price varies according to the quality of the salmon and its size, and the fish is mainly sold Delivery Duty Paid (DDP) to the customer. Payment is settled upon delivery, and the performance obligation related to the sale of fish is satisfied at delivery. That also applies to the fulfillment of physical delivery contracts.

The normal credit term of the Group's sales transactions is 30 days. Based on the nature of the sale of fresh and frozen fish, the Group generally has no material contract liabilities. The Group does not generally engage in customer contracts where fulfillment of the performance obligation lies more than one year in the future. Therefore, the Group does not disclose further information on contract liabilities and related performance obligations.

Cash refunds are given to the customer if the sold product is delivered with discrepancies compared to the agreed sales contract, or if the product is damaged. Generally, refunds are not material.

Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating intragroup sales.

## OTHER REVENUE STREAMS

In addition to the sale of fresh and frozen salmon, the Group also sells roe, smolt and ensilage. Harvesting (processing) for external companies are performed if overcapacity on our own harvesting plants. Together, these have historically made up a non-significant part of the total sales of Grieg Seafood.

## DIVIDEND INCOME

Dividend income from investments or equity instruments is recognized when the right to receive payment is established. Dividend income from entities recognized under the equity method are not recognized but recorded as a reduction in the carrying value of the investment.

## GOVERNMENT GRANTS

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized either as deferred income or as a deduction of the asset's carrying amount.

## LEASES

### IDENTIFYING A LEASE

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### RECOGNITION OF LEASES AND EXEMPTIONS

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for short-term leases (defined as 12 months or less) and lease agreements where the leased asset is of low value.

### Lease liabilities

The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise:

- Fixed lease payments (including in-kind fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate in effect on the commencement date

Lease payments generally also include any exercise price of a purchase option/payments of penalties for terminating a lease, provided that the Group is reasonably certain to exercise such an option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group presents its lease liability separately from other liabilities in the statement of financial position.

### Right-of-use assets

The Group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprises:

- The amount of the initial measurement of the lease liability recognized,
- Any lease payments made at or before the commencement date, less any incentives received, and
- Any initial direct costs incurred by the Group.

The Group presents its right-of-use assets on the financial statement line item "Property, plant and equipment incl. right-of-use assets".

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment when depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

## DIVIDENDS

Dividends payable to the company's shareholders are recognized as a liability in the Group's financial statements when the dividends are approved by the AGM.



## BORROWING COSTS

Borrowing costs incurred during the construction of operating assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the income statement.

## CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are defined as:

- possible obligations resulting from past events whose existence depends on future events,
- obligations that are not recognized because it is not probable that they will lead to an outflow of resources entailing financial benefits from the company,
- obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the annual financial statements apart from contingent liabilities resulting from the acquisition of an entity. Material contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability materializing is remote.

Contingent liabilities acquired through the purchase of operations (an acquisition) are recognized at fair value even if it is not probable that the liability will become unconditional. The assessment of probability and fair value is subject to constant review. Subsequent measurement is at the higher of the amount initially recognized (less any amount recognized as revenue) and the amount according to the general provision-measurement rules.

Contingent assets are not recognized in the statement of financial position, but are disclosed if it is likely that a benefit will accrue to the Group.

## CASH FLOW STATEMENT

The Group's cash flow statement shows the overall cash flow broken down into operating, investing and financing activities using the indirect method. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents.

The Group has prepared an overview of cash and non-cash changes in the Group's liabilities, which is included in Note 12.

Changes in financial assets are disclosed if cash flows have been, or will be, included in the cash flow from financing activities. This may be the case, for instance, for assets pledged as security for financial liabilities.

## EARNINGS PER SHARE

Earnings per share are calculated by allocating the profit for the year to the Company's shareholders based on a weighted average of the number of issued ordinary shares during the year. Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

## EVENTS AFTER THE REPORTING DATE

New information on the Group's financial position at the close of the reporting period, which becomes known after the reporting period, is recognized in the annual accounts. Events after the reporting period which do not affect the Group's financial position on the close of the reporting period but which will affect the company's financial position in the future are disclosed if significant.





## NOTE 3 FINANCIAL RISK MANAGEMENT

### CAPITAL MANAGEMENT

The Group aims to ensure sufficient access to capital to enable the business to develop in accordance with adopted strategies, and thus continue to be one of the leading players in the sector. Historically, the industry has always been vulnerable to price fluctuations in the market. For this reason, accounting results may fluctuate considerably from year to year. Consequently, the Group strives to ensure that the business maintains an appropriate level of disposable liquidity.

Grieg Seafood aims to provide shareholders with a competitive return on invested capital through payment of dividends and share price increases. The Board of Directors maintains that, as an average over time, dividends should correspond to 30-40% of the Group's profit after tax, adjusted for the effect of the fair value of biological assets (limited to 50 % by Green Bond agreement). At the same time, the Group's net interest-bearing debt per kg harvested salmon should remain below NOK 30, but can be exceeded in periods of growth investments. As at 31 December 2022, Grieg Seafood was in a solid financial position to execute strategic priorities and deliver shareholder return.

At 31 December 2022, the Group had net interest-bearing liabilities, including lease liabilities, of NOK 2 223 million, see Note 12. The Group's funding is primarily a green bond issue of NOK 1 500 million issued in 2020 (with NOK 1 424 million currently outstanding, as bonds have been repurchased throughout 2022), sustainability-linked bank loans and leasing liabilities. At year-end 2022, 75% (2021: 47%) of our gross interest-bearing liabilities derived from green or sustainability-linked financing. The level of liabilities and alternative forms of funding are subject to constant evaluation.

### FINANCIAL RISK FACTORS

The Group is exposed to a number of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the volatility of the financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses financial derivatives to reduce certain risks. As at 31 December 2022 (31 December 2021), the Group does not apply hedge accounting. The Group identifies, evaluates and hedges financial risks in close cooperation with the Group's operational units. The Board has established written principles for the management of foreign exchange risk, interest rate risk and use of the Group's financial instruments.

#### IBOR reform

The Group is exposed to the ongoing IBOR reform, as the Group has bank and bond loans, and engages in interest-rate swaps, which are exposed to the the relevant IBOR rate. The bank loans, which are denominated in NOK and EUR, carry an interest rate which is based on the 3M IBOR plus a margin set per interest period based on a margin ratchet. The 3M IBOR and the margin is fixed per interest period. The bond loan's interest rate, which is denominated in NOK, is 3M NIBOR plus a margin of 3.4 percentage points. 3M NIBOR is fixed per interest rate period.

The Group monitors the IBOR reform and its potential impacts on the Group. As at 31 December 2022, the IBOR reform is not expected to significantly impact the Group. The information concerning our interest rate swaps disclosed below, explicitly states the swaps exposed to NIBOR. At the very end of this Note, we have disclosed the maturity profile of the bank loans and bond loan. See also Note 12 for more information on our interest-bearing liabilities.

#### I) MARKET RISKS

##### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk relating to various currencies, primarily CAD, USD, GBP and EUR. Foreign exchange risk arises from future commercial transactions, recognized assets, and liabilities and net investments in foreign operations. The Group enters into foreign currency forward contracts to manage this risk.

TRADE RECEIVABLES AND TRADE PAYABLES CURRENCY IN NOK 1 000	NOK	USD	EUR	GBP	CAD	JPY	OTHER CURRENCIES	TOTAL
2022								
Trade receivables	214 681	17 207	23 901	1 517	1 911	—	-81	259 137
Trade payables	556 910	1 044	12 590	174	143 587	—	3 193	717 498
2021								
Trade receivables	44 591	64 959	23 912	—	18 907	-576	—	151 793
Trade payables	391 599	2 298	9 608	15 494	101 844	—	2 353	523 196

NET INTEREST-BEARING LIABILITIES CURRENCY IN NOK 1 000	NOK	USD	EUR	GBP	CAD	JPY	OTHER CURRENCIES	TOTAL
2022								
Cash and cash equivalents	284 965	88 647	87 485	41 877	134 040	209	5 496	642 719
Money market funds	1 012 848	—	—	—	—	—	—	1 012 848
Loans to associated companies	8 300	—	—	—	—	—	—	8 300
Interest-bearing liabilities*	2 678 379	—	755 679	—	452 331	—	—	3 886 390
<b>Net interest-bearing liabilities</b>	<b>1 372 266</b>	<b>-88 647</b>	<b>668 194</b>	<b>-41 877</b>	<b>318 292</b>	<b>-209</b>	<b>-5 496</b>	<b>2 222 522</b>
2021								
Cash and cash equivalents	-22 537	44 252	58 346	750 778	94 238	44	3 223	928 342
Loans to associated companies	2 111	—	—	—	—	—	—	2 111
Interest-bearing liabilities*	2 893 312	—	—	—	327 662	—	—	3 220 974
<b>Net interest-bearing liabilities</b>	<b>2 913 737</b>	<b>-44 252</b>	<b>-58 346</b>	<b>-750 778</b>	<b>233 424</b>	<b>-44</b>	<b>-3 223</b>	<b>2 290 520</b>

\*See Note 12 for more information on the Group's net interest-bearing liabilities.

The Group has a group account scheme (cash pool agreement), in which Grieg Seafood ASA, the parent company, is the legal account holder. Subsidiaries party to the agreement can utilize the group cash pool arrangement and overdraft individual bank accounts (currencies), provided that Group's total bank deposit is positive. Not all subsidiaries are part of the cash pool arrangement. The subsidiaries participating in the group account scheme are jointly and severally liable for the entire amount of the commitment under the scheme. Cash and cash equivalents include the currency exposure in the group account scheme. At 31 December 2022, the net amount of bank deposits in the group account scheme amounted to NOK 524 million (2021: NOK 787 million).

The Group has investments in foreign subsidiaries whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations was previously managed primarily through borrowings denominated in the relevant foreign currencies.

The base currency of the syndicated bank loan is split into NOK 750 million and EUR 75 million. Since a substantial portion of the Group's sales revenues are denominated in EUR, the EUR loan acts as a natural, economical hedge on foreign currency translation rate fluctuations.

In 2020, we issued our first green bond, worth a total of NOK 1 500 million, through two tap issues. Throughout 2022, the Group has repurchased NOK 77 million of the green bond. The outstanding amount of the bond loan was NOK 1 424 million at year-end 2022. The bond matures in 2025, and is denominated in NOK.

The holding companies in the Group extend current and non-current loans to the subsidiaries, denominated in these companies' functional currencies. The non-current loans, with some exceptions, are considered to be equity in these companies, as there is no planned repayment of the principal amount outstanding. The currency effect of loans is recognized under "currency effect on loans to subsidiaries" in the Other Comprehensive Income (OCI) statement. The numerical effects for 2022 and 2021 are presented in the table below.

CURRENCY EFFECTS ON LOANS TO SUBSIDIARIES NOK 1 000	2022	2021
Currency effect	24 792	32 222
Tax effect (22%)	-5 454	-7 089
Currency effect - recycled accumulated OCI related to sale of Shetland*	—	-103 223
Tax effect (22%) - recycled accumulated OCI related to sale of Shetland*	—	22 709
<b>Net effect recognized in equity through OCI</b>	<b>19 338</b>	<b>-55 380</b>

\*See Note 6 for more information.

### Sensitivity analysis

A depreciation (appreciation) of 10% in the rate of exchange between the NOK and the USD, CAD, GBP and EUR at the reporting date (all other factors remaining unchanged) would be expected to have the following effects on net interest-bearing liabilities (NOK 1 000). The numerical effects for net interest-bearing liabilities for year-end 2022 and 2021 are presented below.

SENSITIVITY NOK 1 000	10 % CHANGE IN FX-RATE	USD	EUR	GBP	CAD
2022					
Assets	-/+	-8 865	-8 749	-4 188	-13 404
Liabilities	-/+	—	-75 568	—	-45 233
<b>Net interest-bearing liabilities</b>	<b>-/+</b>	<b>8 865</b>	<b>-66 819</b>	<b>4 188</b>	<b>-31 829</b>
2021					
Assets	-/+	-4 425	-5 835	-75 078	-9 424
Liabilities	-/+	—	-42 452	—	-32 766
<b>Net interest-bearing liabilities</b>	<b>-/+</b>	<b>4 425</b>	<b>-36 618</b>	<b>75 078</b>	<b>-23 342</b>

A depreciation of NOK versus USD/EUR/GBP/CAD will, in general, decrease the assets (which increases net interest-bearing liabilities), and decrease the liabilities, which reduces the net interest-bearing liabilities.

### FORWARD CURRENCY CONTRACTS

The Group does not apply hedge accounting. Value changes in current forward contracts affect profit or loss, as these contracts are recognized at fair value through profit or loss, see accounting policies (Note 2).

#### FORWARD CURRENCY CONTRACTS AT FAIR VALUE THROUGH PROFIT AND LOSS

SOLD	AMOUNT CURRENCY IN 1 000	BOUGHT	AMOUNT CURRENCY IN 1 000	WEIGHTED HEDGING RATE	MARKET RATE	MATURITY INTERVAL *	MARKET VALUE NOK 1 000 31.12.2022
EUR	2 600	NOK	27 376	10.5291	10.5180	01.01.2023 - 03.01.2023	29
USD	3 518	NOK	37 091	10.5433	9.8573	03.01.2023 - 29.12.2023	2 721
USD	415	CAD	561	1.3515	1.3538	06.01.2023 - 03.02.2023	-9
<b>Total</b>							<b>2 741</b>

\*Maturity specified as an interval for multiple contracts

#### FORWARD CURRENCY CONTRACTS AT FAIR VALUE THROUGH PROFIT AND LOSS

SOLD	AMOUNT CURRENCY IN 1 000	BOUGHT	AMOUNT CURRENCY IN 1 000	WEIGHTED HEDGING RATE	MARKET RATE	MATURITY INTERVAL *	MARKET VALUE NOK 1 000 31.12.2021
EUR	6 408	NOK	63 597	9.9246	9.9888	01.02.2022 - 31.12.2022	-1 149
EUR	1 000	NOK	10 031	1.2651	9.9888	01.01.2022 - 31.01.2022	42
USD	7 771	CAD	9 921	1.2767	1.2692	01.01.2022 - 28.02.2022	404
<b>Total</b>							<b>-704</b>

\*Maturity specified as an interval for multiple contracts

## (ii) Interest rate risk

Since the Group has no significant interest-bearing assets apart from bank deposits and money market funds, its income and operating cash flows are largely independent of changes in market interest rates. The Group's interest rate risk arises from borrowings.

Borrowings at variable rates expose the Group to cash flow interest rate risk. Fixed-interest contracts are used to reduce this risk.

The Group continuously monitors its interest rate exposure. The Group calculates the impact on profit or loss of a defined interest rate change. The same change in the interest rate is used for all currencies in each simulation. The scenarios are only run for liabilities that represent major interest-bearing positions.

Sensitivity calculations show the following expected values: If the interest rate had been 1% lower (higher) throughout the year, all other factors remaining unchanged, the pre-tax profit would have increased (decreased) by NOK 28.3 million in 2022 and NOK 38.5 million in 2021 due to the floating rate of interest on loans and deposits. The sensitivity analysis is based on average net interest-bearing liabilities from our bank loans (term loans in NOK and EUR, including revolving credit facility) and bond loan during 2022 and 2021, irrespective of concluded interest rate swap agreements.

SENSITIVITY NOK 1 000	CHANGE IN INTEREST RATE POINTS	2022	2021
Effect on profit before income tax	-/+1%	+/- 28 257	+/-38 545

The sensitivity table is for our bank and bond loans. A reduction in interest rates will increase profit before tax.

## INTEREST RATE SWAP AGREEMENTS

The purpose of the Group's risk management activities is to establish an overview of the financial risk that exists at any given time and to provide more time to adapt to relevant developments. To this end, the Group has chosen to employ interest rate swap agreements to establish greater stability for the Group's loan-related, variable-rate interest expenses. The Group has decided that at any given time, a certain percentage of its variable interest-bearing liabilities should be hedged using interest rate swap agreements. The Group does not apply hedge accounting. A given proportion will always be at a floating rate, while the remainder will be subject to potential hedging. This situation is constantly reviewed in light of the market situation.

INTEREST RATE SWAP	PRINCIPAL NOK 1 000	FIXED RATE (%)	BASIS OF FLOATING RATE	MATURITY	MARKET VALUE NOK 1 000 31.12.2022	MARKET VALUE NOK 1 000 31.12.2021
Fixed rate paid - floating rate received	NOK 200 million	1.61	Nibor 3 months	28.08.2023	2 670	-590
Fixed rate paid - floating rate received	NOK 200 million	1.35	Nibor 3 months	04.03.2024	5 018	874
Fixed rate paid - floating rate received	NOK 200 million	1.07	Nibor 3 months	05.07.2024	7 627	2 628
Fixed rate paid - floating rate received	NOK 200 million	0.71	Nibor 3 months	18.12.2024	9 963	5 561
Fixed rate paid - floating rate received	NOK 200 million	0.72	Nibor 3 months	18.12.2024	9 961	5 524
<b>Total</b>					<b>35 238</b>	<b>13 997</b>

Interest rate swap contracts assessed at market value, excluding accrued interest

CROSS CURRENCY INTEREST RATE SWAP	PRINCIPAL	MATURITY	MARKET VALUE NOK 1 000 31.12.2022	MARKET VALUE NOK 1 000 31.12.2021
Cross-currency interest rate swap (NOK/EUR)	NOK 200 million / EUR 23 million	25.06.2025	—	22 327
Interest rate option, floor	NOK 250 million	25.06.2025	—	233
<b>Total</b>			<b>—</b>	<b>22 560</b>

The cross currency interest-rate swap contract was settled in 2022, see Note 26.

## (iii) Price risk

Financial salmon price contracts allow the buyer and seller to agree prices and volumes for future delivery. The Group uses financial contracts to hedge the sales price for the volume harvested by our two Norwegian regions, Rogaland and Finnmark. As at 31 December 2022, the estimated contract share for the Norwegian harvest volume is 15% for the full-year 2023. We target a contract share of 20-50% of our Norwegian volume. Although the contract market has been impacted by the proposed resource rent tax on salmon farming in Norway, we see signs of improvement going into 2023.

In 2022, fixed-price contracts accounted for 22% of the volume harvested in our Norwegian regions. The financial contracts are presented gross in the balance sheet, with changes in value recognized through profit/loss as part of the fair value adjustment of biological assets. As biological assets are recognized at fair value, the expected costs to meet contract terms will be included in the fair value adjustment.

As at 31 December 2022, the Group had financial salmon contracts for 2022 totaling NOK -64.9 million (2021: NOK -20.6 million), of which all were sales contracts.

## Fair value of financial derivatives

The carrying value of derivatives and other financial instruments as at 31 December 2022 and 31 December 2021 is shown in the table below. All the financial derivative instruments included in the table below are measured according to level 2 of the fair value hierarchy. For more information, see the section on the "Fair value estimation" below, as well as Note 14.

FAIR VALUE OF FINANCIAL DERIVATIVES NOK 1 000	2022		2021	
	ASSETS	CURRENT LIABILITIES	ASSETS	CURRENT LIABILITIES
Forward currency contracts at fair value through profit or loss	2 749	9	446	1 149
Cross-currency interest rate swap w/ interest rate floor-option	—	—	22 560	—
Interest rate swap agreements	35 238	—	14 587	590
Financial salmon contract - sales contracts*	—	64 920	—	20 611
<b>Total financial instruments at fair value**</b>	<b>37 988</b>	<b>64 928</b>	<b>37 592</b>	<b>22 350</b>

\*In addition, as at year-end 2022, Grieg Seafood had NOK 31 million (2021: NOK 13 million) classified as current liabilities (see note Note 29) related to realized financial salmon contracts. This amount represents settled price contracts, not part of the fair value-derivative amount.

\*\*Measured according to level 2 of the fair value hierarchy.

## II) 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 sales companies secure the bulk of the sales through credit insurance and bank guarantees. The Group has procedures to ensure that products are only sold to customers with satisfactory creditworthiness. The Group normally sells to new customers solely against presentation of a letter of credit or against advance payment. For customers who have a reliable track record with the Group, sales up to certain previously agreed levels are permitted without any security. The Group utilizes a factoring arrangement for sales transactions entered into by the Norwegian sales organization.

The book value of financial assets represents the maximum credit exposure. For further information about loss allowance, please refer to Note 22.

MAXIMUM CREDIT RISK EXPOSURE NOK 1 000	NOTE	2022	2021
Trade receivables	22	64 283	50 443
Cash and cash equivalents	20	642 719	928 342
<b>Total</b>		<b>707 002</b>	<b>978 785</b>

## III) LIQUIDITY RISK

The Group adopts a prudent approach to liquidity risk management, which includes maintaining sufficient cash and marketable securities, securing funding through sufficient credit facilities and maintaining the ability to close market positions when considered appropriate.

Due to the dynamic underlying nature of the business, the Group aims to secure flexibility through available credit lines. The Group maintains a sustainability-linked financing agreement through a syndicate comprising DNB and Nordea. The agreement is on aggregate NOK 3 200 billion, and consists of two term loans of NOK 750 million and EUR 75 million, a revolving credit facility of NOK 1 500 million and an overdraft facility of NOK 200 million. As at year-end 2022, both the revolving credit facility and the overdraft facility is unutilized. The outstanding debt on the two term loans amounts to NOK 1 474 million, of which NOK 128 million is installments due the next 12 months from the reporting date.

Management monitors the Group's liquidity reserve, which comprises a bond and loan facility (see Note 12), cash and cash equivalents (Note 20), and short-term money market investments (Note 21), based on expected cash flows. This is generally carried out at Group level in cooperation with the operating companies. Available financing could be impacted by the proposed Norwegian resource rent tax regime, as - all else equal - less cash will be available to service debt and provide a return on investment for shareholders.

Management and the Board seek to maintain a high equity ratio (50% at 31 December 2022), to be well positioned to meet financial and operational challenges. The Group factors in the expected outcome, as well as different scenarios relating to, the resource rent tax proposed by the Norwegian government (see political risk above) in the Group's liquidity projections and forecasts.

At year-end 2022, the Group had undrawn credit facilities of NOK 1 700 million (2021: NOK 885 million), in addition to cash reserves of NOK 643 million (2021: NOK 928 million). In 2022, a cash surplus of approximately NOK 1 000 million has been placed in money market funds. In total, the Group's free liquidity, calculated as the sum of bank deposits, undrawn credit facilities and the short-term investment in money market funds, stood at NOK 3 356 billion at 31 December 2022 (2021: NOK 1 813 million).

As at 31 December 2022, the equity ratio was 50% (2021: 52%), while the equity ratio (ex. the effect of IFRS 16), which is measured according to covenants, was 52% (2021: 54%). The Group is continuously monitoring the liquidity levels. Cash flow forecasts for all farming regions, sales and the Group are performed regularly, and simulation/stress testing of the liquidity risk is carried out.

The following table shows a breakdown of the Group's non-derivative financial liabilities (including estimated interest payment), classified by maturity structure. The amounts in the table are undiscounted contractual cash flows (however for lease liabilities the undiscounted cash flows are according to the estimated lease component of the contract, and the total undiscounted amount equals the principal and the interests) . Note 12 shows the payment profile for the Group's non-current liabilities.

31.12.2022 NOK 1 000	< 3 M	3 M - 1 Y	Y 2	Y 3	Y 4	Y 5	> 5 YRS	TOTAL
Green bond loan installments	—	—	—	1 423 500	—	—	—	1 423 500
Green bond loan interest - floating	23 070	72 094	95 951	47 713	—	—	—	238 829
Non-current syndicated term-loan installments	64 106	64 106	128 211	128 211	128 211	961 584	—	1 474 429
Syndicated loan interest - floating	10 860	31 273	38 412	34 470	30 638	7 007	—	152 661
Other non-current liabilities	4 829	12 609	14 471	12 615	12 860	13 770	61 285	132 439
Interest on other non-current liabilities	961	2 720	3 161	2 671	3 004	2 765	9 257	24 539
Lease liabilities (prior IAS 17 finance leases)	24 606	68 702	79 970	65 520	59 691	52 892	105 684	457 065
Interest on lease liabilities (prior IAS 17 finance leases)	3 982	10 910	12 291	10 017	8 092	6 274	8 885	60 451
Lease liabilities (prior IAS 17 operational leases)	46 854	118 836	146 350	73 925	67 558	44 220	31 302	529 046
Interest on lease liabilities (prior IAS 17 operational leases)	5 059	12 137	12 586	7 369	4 657	2 356	936	45 100
Trade payables	717 498	—	—	—	—	—	—	717 498
Other current liabilities	76 585	—	—	—	—	—	—	76 585
<b>Total liabilities</b>	<b>978 411</b>	<b>393 387</b>	<b>531 404</b>	<b>1 806 012</b>	<b>314 711</b>	<b>1 090 869</b>	<b>217 349</b>	<b>5 332 143</b>

KEY FOR TABLE M = Months Y = Year YRS = Years

31.12.2021 NOK 1 000	< 3 M	3 M - 1 Y	Y 2	Y 3	Y 4	Y 5	> 5 YRS	TOTAL
Green bond loan installments	—	—	—	—	1 500 000	—	—	1 500 000
Green bond loan interest - floating	15 840	49 500	65 700	65 880	32 760	—	—	229 680
Non-current syndicated term-loan installments	24 972	24 972	374 580	—	—	—	—	424 524
Syndicated loan interest - floating	2 248	8 283	2 619	—	—	—	—	13 150
Non-current syndicated credit facility	—	—	440 000	—	—	—	—	440 000
Interest non-current syndicated credit facility	2 330	9 361	3 076	—	—	—	—	14 767
Other non-current liabilities	4 873	—	11 773	12 310	9 200	8 114	54 353	100 622
Interest on other non-current liabilities	912	2 396	3 037	2 541	2 049	2 816	15 288	29 040
Lease liabilities (prior IAS 17 finance leases)	18 502	54 415	67 410	57 199	43 909	39 525	79 535	360 496
Interest on lease liabilities (prior IAS 17 finance leases)	2 523	6 831	7 420	5 752	4 357	3 178	3 596	33 658
Lease liabilities (prior IAS 17 operational leases)	22 140	82 632	81 209	80 980	51 033	37 084	40 255	395 332
Interest on lease liabilities (prior IAS 17 operational leases)	3 453	9 209	9 298	6 030	3 621	2 084	4 127	37 823
Trade payables	523 196	—	—	—	—	—	—	523 196
Other current liabilities	36 603	—	—	—	—	—	—	36 603
<b>Total liabilities</b>	<b>657 593</b>	<b>247 600</b>	<b>1 066 123</b>	<b>230 692</b>	<b>1 646 928</b>	<b>92 801</b>	<b>197 153</b>	<b>4 138 891</b>

KEY FOR TABLE M = Months Y = Year YRS = Years

## FAIR VALUE ESTIMATION

See Note 14 for information on classes of financial instruments measured at fair value, in addition to information on the fair value hierarchy. The information below describes valuation techniques for fair value estimation used by Grieg Seafood, including leases and the fair value adjustment of biological assets.

### (I) FINANCIAL DERIVATIVE INSTRUMENTS

The fair value of quoted financial assets classified as financial assets at fair value through OCI is determined by reference to published price quotations in an active market. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques (see Note 2). The Group uses different methods and makes assumptions based on market conditions at each reporting date. The fair value of forward currency contracts is determined using the forward exchange rate at the end of the reporting period. The fair value of interest rate swaps is determined by the present value of future cash flows. The fair value of options is determined using option pricing models. For all the above-mentioned derivatives, the fair value is confirmed by the financial institution with which the Group has entered into the contracts. The fair value of financial salmon price contracts is determined using forward prices from Fish Pool.

### (II) TRADE RECEIVABLES, OTHER RECEIVABLES AND TRADE PAYABLES

The nominal value less write-downs for realized losses on trade receivables and trade payables is assumed to correspond to the fair value of these items, as they are short term and entered into on "normal" terms and conditions.

### (III) CASH AND CASH EQUIVALENTS

The carrying amount of cash and cash equivalents is approximately equal to fair value, since these instruments have a short term to maturity.

### (IV) BANK AND BOND LOANS

The carrying amount of bank loans is assessed to be approximately equal to fair value because the floating interest rate is adjusted to reflect current conditions. The fair value of the bond loan is disclosed in Note 12.

### (V) LEASES

The fair value of financial assets and liabilities recognized at their carrying amount is calculated as the present value of estimated cash flows discounted by the interest rate that applies to corresponding liabilities and assets at the end of the reporting period. This applies to lease liabilities, see Note 13.

## (VI) BIOLOGICAL INVENTORIES

Fish in the sea is measured at estimated fair value. Consequently, the value of biological inventories is likely to vary more than the value of inventories based on cost. The estimated fair value varies for a number of reasons, including volatility in the price of Atlantic salmon, factors relating to production, changes in harvesting schedules and changes in the composition of inventories. Grieg Seafood considers three components to be key parameters for valuation: price, estimated harvest biomass volume and the applied monthly discount rate. The monthly discount rate is applied to expected future cash flows to account for risk, the time value of money and the cost of contributory assets. The following table is a sensitivity analysis, showing the change in the fair value of the biological assets, and hence the Group's profit before tax, in the event of changes in these parameters.

SENSITIVITY ANALYSIS OF BIOMASS - EFFECT ON PRE-TAX PROFIT NOK 1 000	2022	2021
Change in discount rate +1%	-175 527	-130 357
Change in discount rate -1%	207 074	158 916
Changes in sales price +1 NOK/kg	69 555	62 677
Changes in sales price -1 NOK/kg	-68 073	-59 093
Changes in sales price +5 NOK/kg	357 629	316 740
Changes in sales price -5 NOK/kg	-325 903	-289 634
Changes in biomass volume +1% kg	54 202	37 936
Changes in biomass volume -1% kg	-53 427	-35 376

## NOTE 4 ACCOUNTING ESTIMATES AND JUDGMENTS

### ACCOUNTING ESTIMATES AND ASSUMPTIONS

Management is required to make estimates and assumptions concerning the future, which affect the reported amounts for assets and liabilities, as well as income and expenses for the accounting year in accordance with IFRS. 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 accounting estimates are recognized in the period in which the estimates are changed. The Group is involved in claims and complaints related to the sale of goods on a continuous basis. As of year-end there were no material ongoing issues concerning claims and complaints related to the sale of goods, besides what's referred to in Note 28 and Note 31.

### ESTIMATED IMPAIRMENT OF GOODWILL, LICENSES AND PROPERTY, PLANT AND EQUIPMENT

The Group tests whether goodwill and licenses have suffered any impairment on an annual basis, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units are generally determined on the basis of value-in-use calculations. These calculations require the use of estimates of future cash flows from the cash-generating unit, and the application of a discount rate to calculate the present value of future cash flows. Expectations of future cash flows will vary over time. Changes in market conditions and expected cash flows can result in losses due to future value decreases. The value of long-term growth in demand, changes in market competition, the strength of the production stage in the value chain and thus also expectations of the long-term profit margin are also of significance. The different parameters could variously affect the value of the licenses over time. Any changes in these critical assumptions will result in related write-downs, or the reversal of write-downs of the value of licenses in accordance with the accounting policies described in Note 2. Please also refer to Note 10 for further comments on tests relating to value impairment.

### CLASSIFICATION OF LICENSES

A significant judgment is whether a license should be amortized over its definite life, or whether it is deemed to have an indefinite life and tested for impairment only. All licenses where the Group has no other contractual restrictions relating to the use of the licenses have indefinite lives and, as such, are not amortized. Also, licenses granted with a finite useful life, but where the license holder can renew the licenses without incurring considerable expenses are assessed as having indefinite lives. However, the Group's licenses in each country are subject to certain requirements and the Group risks penalties, sanctions or even license revocation if the Group fails to comply with license requirements or related regulations. Local governments may, moreover, change the way licenses are renewed.

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). The process was launched 29 June 2022, with the following objectives: Minimize or eliminate interactions between

farmed and wild salmon, improve transparency on how the government assesses and responds to new scientific information, provide greater opportunities for collaborative planning and decision-making with First Nations partners and advance innovation and attracting investment to support the adoption of alternative production technologies in British Columbia. Stakeholders, including industry and First Nations, are participating in the process, which is expected to be concluded during 2023. Grieg Seafood supports the transition, and it aligns with the Group's technological investments to improve biological control, such as post-smolt and barrier systems. The possibility of introducing different types of licenses to advance improvements are discussed as a part of the transition strategy. It is expected that regular licenses will be incorporated into the strategy. Grieg Seafood is committed to working with the government and Indigenous communities to find a viable path forward.

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. In 2022, the Coalition of First Nations for Finfish Stewardship was launched, highlighting the positive role that the salmon farming industry can play as part of the reconciliation process. Grieg Seafood recognizes the First Nations as an additional level of government where we operate, and we are working to ensure that our production takes place under agreements with the rights-holders of the territories where it is located. The vast majority of Grieg Seafood's production are under long-term agreements with the First Nations in those areas, and we are pursuing agreements with more First Nations. The current agreements we have with First Nations last until 2037-2045. Even though the agreements cannot be said to be everlasting, the Group has nevertheless classified the licenses as having indefinite lives, based on the lack of sufficient relevant factors to change the principle at this point. Work on the transition plan has not been completed, and based on the experience we have with the work so far, it is not considered reasonable to change estimates regarding the economic life of the aquaculture licenses in BC. Given that it is desirable for both First Nations partners and the Group to have close and good working relationships, and that they want the Group to operate in the area, the Group's best estimate is that the licenses will still be classified as having indefinite lives. This will be continuously assessed. If the situation changes and the Group agrees not to use the option to extend the duration of the agreement, the estimate of the remaining depreciation period must be re-evaluated. For further information, please see Note 10.

Grieg Seafood Newfoundland has 13 approved farming licenses. The licenses are granted for terms of six years. To renew the licenses, licensees must follow the Provincial Aquaculture Policy and Procedures Manual. As long as licenses follow and comply with the requirements, the license will be renewed. For this reason, the licenses are classified as having indefinite lives and, as such, are not amortized.

Grieg Seafood Newfoundland has the exclusive long-term right to farm salmon in the Placentia Bay area. The fair value of the right to operate exclusively is amortized over the duration of the agreement.

### BIOLOGICAL ASSETS

The Group's biological assets comprise smolt and fish in the sea. Biological assets are measured at fair values less costs to sell. The measurement unit is the individual fish. However, for practical reasons, cash flows and estimates are carried out per locality. The fair value model assessed by the Group calculates the net present value of expected cash flow. Valuation is based on a variety of premises, many of which are non-observable. The premises are divided into the following four categories:

1. Sales price
2. Estimated remaining production cost
3. Volume
4. Discount rate

For mature fish (ready for harvesting) on the reporting date, uncertainty mainly involves realized prices and volume. For immature fish (not ready for harvesting), the level of uncertainty is higher. Price, volume and discount rate are the main uncertainty factors. However, uncertainty is also related to biological transformation and mortality prior to the harvest date for the fish.

### Sales price

Salmon sales prices are volatile. The sales price is based on forward prices and/or the most relevant pricing information available for the period in which the fish is expected to be mature (ready for harvesting). Changes in price assumptions have the greatest impact on the fair-value estimate. The market price constitutes the basis for calculating fair value for both mature and immature fish. The forward prices for superior Norwegian salmon weighing 3-6 kg gutted weight from Fish Pool are applied. For fish ready for harvest, the forward price for the following month is applied. For fish not ready for harvest, the forward price for the month when the fish is expected to be harvested is applied. The price is adjusted for export margin and clearing costs. This accounts for both fish ready for harvest and not.

### Estimating remaining production cost

The planned point of harvesting is assumed to be when the fish reaches a live round weight of 4.60 kg, however, there may be uncertainty regarding the estimated growth rate. For immature fish, the fair value is adjusted by the estimated remaining cost necessary to grow the fish to optimal harvest weight. Forecast production costs include provisions for estimated feed prices, the cost of lice treatments and other costs to prevent biological accidents. Here, estimations are affected by uncertainty regarding the number of lice treatments to be carried out, the sea temperature and other conditions affecting growth and costs.

### Volume

Estimated harvest volume is based on the estimated number of fish on the reporting date, less estimated future mortality multiplied by optimal harvest weight (4.60 kg round weight). Actual harvest volume may differ from the estimated volume due to changes in biological conditions or due to special events, such as a mass mortality. The estimated number of fish is based on the number of smolt transferred to the sea, and mortality is a given percentage of the fish in the sea. The normal estimated harvest weight is assessed to be the live round weight of fish that results in a gutted weight of 4.0 kg. If there are any specific conditions at the reporting date resulting in the fish being harvested before they reach optimal weight, the estimated harvest weight is adjusted. Mortality during the period from the reporting date to the date when the fish reach harvest weight is estimated to be 1% of the number of opening balance of fish per month in the forecast period.

### Discount rate

The sales revenue and remaining expenses are allocated to the same period in which the fish is harvested. The cash flows from all localities where the Group has fish in the sea will then be distributed over the entire period it takes to farm the fish in the sea. With the current size of the smolt released and the frequency of the smolt transfers, this period may be from 12 to 18 months. The estimated future cash flow is discounted by a monthly rate, which is 5.0% for Rogaland and Finnmark, and 3.5% for British Columbia and Newfoundland as of 31 December 2022. The discount rate considers 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 reason for differentiating the discount rate at the regional level is the different prerequisites for biological production, which also requires a differentiation of the recognized synthetic license rent. The risk adjustment shall reflect the price discount a hypothetical buyer would demand as compensation for the risk assumed by investing in live fish rather than a different object. The longer it takes to reach harvest date, the higher the risk that something may occur that will affect the cash flow. Three significant factors could have an impact on the cash flow: volume, costs and price. The one thing all three factors have in common is that the sample space is asymmetrical.

Due to limited access to licenses for the farming of fish, the license value is currently considered to be very high. For a hypothetical buyer of live fish to take over and continue to farm the fish, the buyer needs a license, locality and other permits required for such production. However, in a hypothetical market for the purchase and sale of live fish, one must assume that this would be possible. In that scenario, a hypothetical buyer would claim a significant discount to allocate a sufficient share of the returns to the buyer's own licenses. It is difficult to create a model that would allow a hypothetical annual lease cost to be derived from prices for sold licenses as the curve in the model would be based on projections of future profit performance in the industry.

A discount must be made for the time value of the tied-up capital linked to the share of the present value of the cash flow allocated to the biomass. The buyer who is investing in live fish rather than some other type of object, would claim compensation for the alternative cost. The production cycle for salmon in the sea currently takes up to 18 months. The cash flow will therefore extend over a similar period. Assuming a constant sales price throughout the period, the cash flow would decrease for each month, as costs are incurred to farm the fish to harvest weight. The cost increases for every month the fish are in the sea. As such, the effect of deferred cash flow is lower than would be the case if the cash flow had been constant. This component is, however, deemed important due to the substantial value the stock of fish represents. Please refer to Note 2 and Note 9 for further information on the estimation and calculation of fish values.

### Significant assumptions sensitivity

The estimate of fair value of the biomass will always be based on uncertain assumptions, even though the Group has built up expertise in assessing these factors. There are three key parameters for valuation: average price, estimated biomass volume and monthly discount rate. Please refer to Note 3 for a sensitivity analysis of these factors.

## NOTE 5 CLIMATE-RELATED RISK

### IMPACT ON FINANCIAL REPORTING AND ESTIMATES AS AT 31 DECEMBER 2022

As at 31 December 2022, there has been no material impact identified on financial reporting judgments and estimates. The Group recognizes the ever-changing risks related to climate change and will regularly assess these risks against judgments and estimates made in the preparation of the Group's financial statements.

### CLIMATE-RELATED RISK

The effects of climate change, such as extreme weather events, fluctuating temperatures in seawater and a decline in biodiversity, could have a significant financial impact in the decades ahead. Knowledge of the possible financial consequences of global warming, biodiversity loss, or even ecosystem collapse, and the integration of climate risk and nature risk as a separate risk category, are an essential part of Grieg Seafood's risk management strategy. Grieg Seafood aims to increase its understanding of climate and nature-related risks, in order to find solutions to reduce adverse impacts.

Grieg Seafood has mapped its climate-related risks, which the Group reports in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Grieg Seafood has also prepared a climate-related scenario analysis, assessing the impact of transitional risks and physical risks. These risks and opportunities are included in the Group's risk assessment as part of Grieg Seafood's regular forecast process. The results from the TCFD scenario analysis are summarized below.

Overall, Grieg Seafood expects the impacts of climate-related risks to be moderate in the short term, with no quantifiable impact as per year-end 2022, but these impacts could become more severe in the medium to long term. Any significant physical change is likely to interfere with the Group's current business model or damage the Group's facility infrastructure, both of which could be costly. Similarly, the transitional risks related to increased climate-change regulation or significant changes in consumer preferences could affect the Group's bottom line and access to capital. On the other hand, the Group sees Grieg Seafood as being uniquely placed to mitigate these risks and take advantage of climate-related opportunities.

### CLIMATE-RELATED SCENARIO ANALYSIS

The scenario analysis helps Grieg Seafood to understand the potential impact of climate change on the Group's core business in the future, and is used to stress-test the Group's strategical and financial planning. Grieg Seafood has performed a thorough assessment of the impact on the Group's salmon production of 2C and 4C of global warming. Grieg Seafood aims to meet the Paris Agreement criteria to keep global warming below 2C, compared to pre-industrial levels. The Group is currently increasing its production volume, and the assessments for 2030 and 2050 are based on our 2026 business strategy and the targeted production volumes.

#### 2C of global warming

In this scenario, Grieg Seafood assumes that the Paris Agreement targets will be met. The Group assumes production of 2026 target volumes until 2030. How the Group's production will change towards 2050 is difficult to predict, but many initiatives and forecasts look towards the ocean and aquaculture to provide more food for the future. With 2C of global warming, Grieg Seafood's business is well positioned to seize opportunities for sustainable growth.

Main impacts from the scenario:

- Higher risk from transitional risks
- Carbon taxing
- Initiatives to reduce deforestation increase cost of raw feed materials
- Increased cost of procured aquaculture equipment
- Policies and legislation that restrict production

#### 4C of global warming

In this scenario, Grieg Seafood sees the need to differentiate our products to prove their value with respect to sustainability. This comes with an increased cost and risk of lower earnings potential. Meeting the Group's Paris Agreement targets may adversely impact Grieg Seafood's margins compared to our competitors, and the Group must base its business viability on specific customer groups.

Main impacts from the scenario:

- Temperature increases and daily temperature variations may increase events that are stressful for the salmon
- More frequent extreme weather events increase the personnel risk (HSE) associated with operating exposed sites
- More droughts and floods reduce the production of land-based feed ingredients, which increases feed cost

## MANAGING PHYSICAL RISKS AND OPPORTUNITIES

### Assessing the impact of increased seawater temperature

The analysis shows that Grieg Seafood expects increased risks and costs related to global warming. 4C is a vastly greater threat than 2C. However, the risks associated with global warming indicate a shift towards the necessity of alternating sites, increasing post-smolt production on land and investing in heavy equipment at those sites which are exposed to harsh weather. This is in line with the Group's current strategy, where large concrete production vessels, and overlay protected work boats have been introduced to our fleet recent years. Together with increased personnel training, education and specialization, communication investments and Grieg Seafood's focus on improving its smolt facilities, we believe that Grieg Seafood is prepared to meet the challenges it will face in the future. The issue of lice and their implications for the Group's future production is associated with high levels of uncertainty and varies between regions. The future effects of increased seawater temperature on lice levels in the Group's regions, cannot be predicted without performing a comprehensive analysis. This is a topic Grieg Seafood will further pursue in the future.

### Reducing carbon emission

In 2022, Grieg Seafood developed a Climate Action Plan, which describes the measures and investments needed to reach the Group's climate targets (reducing our carbon emissions by 35% towards 2030, and 100% in 2050, with 2018 as a baseline year). This plan stresses the importance of both operational measures, which affect Scope 1 and 2, and supply chain measures in Scope 3. Grieg Seafood needs to reduce its operations' fossil fuel consumption, purchase renewable electricity and set supplier requirements to be able to reduce its absolute emissions. The Group needs to invest in the electrification of sites and boats, choose fish feed that has a lower emission factor and reduce emissions from transportation. Fish feed is our largest single source of GHG emissions (Scope 3). We are committed to continually challenging our fish feed suppliers on the carbon emission from their production of the fish feed. The Group's largest direct source of emissions is from the fuel that powers our boats, including well-boats, vehicles, and on-site electricity generators.

As the Climate Action Plan is staged in 2030 and 2050 targets, the Group's current efforts are focused on actionable measures to meet the 2030 target. Actionable measures to meet the 2050 target will be set when we are closer to the calendar year of 2030.

We are working closely with our fish feed suppliers and focus on sustainable fish feed ingredients. In addition, the Group expects that new technology will enable it to reduce its carbon emissions from freight transport.

The transitioning to equipment that enables the Group to reduce its fossil fuel consumption, in order to meet the Group's 2030 Climate Action Plan target, is an important part of Grieg Seafood's Climate Action Plan for the 2030 carbon emission target. The transitioning of operating equipment will be carried out gradually through replacement investments, in addition to investments targeting growth. Before making any investments, the Group evaluates their potential carbon emissions and environmental impact. This is an integrated part of Grieg Seafood's CapEx process. As at 31 December 2022, the Group's action plan for reducing carbon emissions has not had any material impact on our accounting estimates for the useful life of property, plant and equipment, or materially impacted the Group's value-in-use calculations. This is due to the gradual replacement of equipment which generally has a useful life shorter than the timeframes for the Group's climate action targets.

## NOTE 6 DISCONTINUED OPERATIONS

In December 2021, Shetland was sold to Scottish Sea Farms Ltd, and deconsolidated from the Grieg Seafood Group in December 2021. The decision to divest Shetland was made in 2020, and the income and expenses from the Shetland activity has been presented as discontinued operations of the Grieg Seafood Group (as well as the Shetland assets being classified as assets held for sale as from 2020 until the sale in 2021). For more information, see the 2021 Annual Report of Grieg Seafood.

The discontinued operations was defined by Grieg Seafood as the farming and sales operations in Shetland. The discontinued operation in Shetland included the prior reporting segment of Shetland UK and the UK sales operations.

The enterprise value of the transaction with Scottish Sea Farms Ltd. was set to GBP 164 million, assuming a normalized net working capital and adjusted for net debt. On the closing date of the transaction, in December 2021, Grieg Seafood received a preliminary purchase price for the Shetland assets of NOK 2 087 million. In addition, Scottish Sea Farms Ltd settled a GBP intercompany long-term loan granted by Grieg Seafood ASA ("Seller's debt"). The preliminary purchase price has been calculated pursuant to a pre-closing statement, which was prepared in good faith and set out the net debt and net working capital of the Shetland assets. The actual net debt and net working capital will be calculated in accordance with prevailing accounting principles and set out in a closing statement.

At year-end last year, 31 December 2021, the calculation of the gain/loss from sale of the Shetland assets was based on the preliminary purchase price. The preliminary gain after income tax resulting from the sale of the Shetland assets is NOK 424 million. The preliminary gain was calculated by deducting Grieg Seafood Group's book value of the Shetland assets on the closing date and transaction costs from the sum of the preliminary purchase and the settlement of the Seller's debt. In addition, the gain/loss calculation included recycling of accumulated OCI of NOK 106 million before tax and NOK 83 million after tax, whereas the tax expense of NOK 23 million related to the tax position on the Seller's debt.

According to the sales purchase agreement, the closing statement and the calculation of the final purchase price was to be performed subsequent to the closing date of the transaction.

### FINAL PURCHASE PRICE

In February 2023, the closing statement and the calculation of the final purchase price has been finalized. Grieg Seafood had, as at year-end 2021, estimated approximately NOK 7.5 million in receivables on Scottish Sea Farms Ltd. The estimate was also included in the gain/loss calculation of 2021. In February 2023, there was no material deviation between the estimated receivable on Scottish Sea Farms Ltd. at 31 December 2022, and the actual received payment of the final part of the transaction settlement for the sale of Shetland.

PROFIT (LOSS) FROM DISCONTINUED OPERATIONS TOTAL (NOK 1 000)	TOTAL	
	2022	2021
Operating income	—	951 334
Operating expenses	—	-775 822
<b>Operational EBIT</b>	<b>—</b>	<b>175 512</b>
Production fee	—	-5 219
Fair value adjustment of biological assets	—	75 697
<b>EBIT (Earnings before interest and taxes)</b>	<b>—</b>	<b>245 990</b>
Net financial items	—	1 902
Impairment loss recognized on the remeasurement to fair value less cost to sell	—	—
<b>Profit before tax from discontinued operations</b>	<b>—</b>	<b>247 893</b>
Income tax expense	—	-71 280
<b>Profit for the period from discontinued operations</b>	<b>—</b>	<b>176 613</b>
Gain on the sale of the subsidiary after income tax	—	423 678
<b>Net profit for the period from discontinued operations</b>	<b>—</b>	<b>600 291</b>



GAIN ON THE SALE OF THE SUBSIDIARY AFTER INCOME TAX (NOK 1 000)	TOTAL	
	2022	2021
Sale/purchase price	—	2 087 494
Transaction costs	—	-26 950
Recycling of accumulated OCI	—	83 139
Total consideration	—	2 143 683
Book value	—	1 720 004
<b>Gain on the sale of the subsidiary after income tax</b>	<b>—</b>	<b>423 678</b>

**The recycled accumulated OCI in the gain/loss calculation consists of:**

Currency effect on investment in subsidiaries	—	3 261
Currency effects on loans to subsidiaries	—	103 223
Other gains and losses	—	-636
Tax effects	—	-22 709
<b>Reserve of disposal group classified as held for sale</b>	<b>—</b>	<b>83 139</b>

CASH FLOWS FROM DISCONTINUED OPERATIONS (NOK 1 000)	TOTAL	
	2022	2021
Net cash flow from operating activities	—	145 228
Net cash flow from investing activities	—	2 041 801
Net cash flow from financing activities	—	-145 836
<b>Total</b>	<b>—</b>	<b>2 041 193</b>
Cash discontinued operations cash and cash equivalents - other changes	—	-842
<b>Net change in cash and cash equivalents from discontinued operations</b>	<b>—</b>	<b>2 040 350</b>

## NOTE 7 INVESTMENT IN ASSOCIATES

Associates that are closely related to the Group's operations and included in the Group's value chain are classified on a separate line in EBIT when the relevant associates operate in the same position in the value chain as the Group. All investments in associates in 2022 and 2021 are closely related. See Note 8 regarding the associated companies included in the segment information.

The Group owns, through Grieg Seafood Finnmark AS, a 50% interest in Nordnorsk Smolt AS, together with SalMar ASA (50%). Nordnorsk Smolt AS is located in Troms and Finnmark County in Northern Norway. The annual production is approximately 900 tonnes of smolt per year. There is currently no production of smolt at Nordnorsk Smolt AS due to an ongoing redesign of the facility, which is scheduled for completion in Q2 2023. In December 2021, a capital increase was carried out, whereby both owners invested NOK 12.5 million each. At 31 December 2022, Grieg Seafood Finnmark AS provided a long-term loan to Nordnorsk Smolt AS of NOK 2.3 million (NOK 2.1 million at December 2021), which is included in other non-current receivables. The accrued interest is recognized under current receivables.

The Group owns, through Grieg Seafood Rogaland AS, a 33.33% interest in Tytlandsvik Aqua AS, together with Bremnes Seashore AS (33.33%) and Vest Havbruk AS (33.33%). Tytlandsvik Aqua AS is located in Ryfylke in Rogaland, Norway. Through Tytlandsvik Aqua AS, the partners secure increased and improved access to post-smolt fish, with an annual production capacity of 4 500 tonnes, 50% of which falls to Grieg Seafood Rogaland.

Through Grieg Seafood Rogaland AS, the Group owns a 44.44% interest in Årdal Aqua AS, together with Vest Havbruk AS and Omfar AS. Omfar AS was brought in as a co-owner of the company through two private placement share issues. The other two shareholders were diluted first from 50% to 37.04% and then to 33.33% ownership. At the same time, Grieg Seafood Rogaland AS entered into a post-smolt

agreement with Årdal Aqua AS. The share capital from Omfar AS and the post-smolt agreement were consequently recognized as income with a dilution gain of NOK 22.6 million. In 2021, the dilution of NOK 6.7 million was not recognized as a gain, but set aside as a liability until certain milestones which the project depends on had been reached. The milestones were approved in 2022 and the dilution gain of NOK 6.7 million was recognized together with the dilution gain of NOK 15.8 million for 2022, a total of NOK 22.6 million. The total gain has been presented as a separate item below Operational EBIT in the Group's segment reporting (see Note 8). The share of profit from associates in the income statement is presented at the gross amount. In October 2022, there was a capital increase of NOK 150 million in Årdal Aqua AS, of which Grieg Seafood Rogaland AS contributed NOK 90 million. After the capital increase, Grieg Seafood Rogaland AS increased its shareholding to 44.44%. In addition, Grieg Seafood Rogaland AS has provided an interest-bearing loan of NOK 6 million to Årdal Aqua AS. Construction of Årdal Aqua AS's land-based farming and post-smolt facility has started. Production is expected to commence in 2024, with a capacity of 4 500 tonnes.

In January 2022, Grieg Seafood Rogaland AS invested NOK 7.6 million to acquire an ownership interest of 50% in Nextseafood AS. Nextseafood AS is co-owned 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. As at year-end 2022, Grieg Seafood Rogaland AS has provided a long-term, interest-free loan to FishGLOBE AS, an affiliated company of Nextseafood AS, in the amount of NOK 8.6 million.

INVESTMENT IN ASSOCIATES	EQUITY INTEREST AT 31.12.2022	BOOK VALUE AT 01.01.2022 NOK 1 000	PROFIT/LOSS 2022 NOK 1 000	CHANGES IN THE PERIOD, INCL. REPAID CAPITAL NOK 1 000	BOOK VALUE AT 31.12.2022 NOK 1 000
Nordnorsk Smolt AS	50.00%	47 710	-8 658	—	39 053
Tytlandsvik Aqua AS	33.33%	48 087	7 864	—	55 951
Årdal Aqua AS	44.44%	8 878	21 915	83 254	114 047
Nextseafood AS	50.00%	—	-26	7 600	7 574
<b>Total</b>		<b>104 675</b>	<b>21 096</b>	<b>90 854</b>	<b>216 624</b>

AT 31.12.2022	TIME OF INVESTMENT	EQUITY INTEREST	EXCESS VALUE HATCHERY NOK 1 000	DEPRECIATION OF EXCESS VALUE NOK 1 000	BOOK VALUE OF EXCESS VALUE NOK 1 000
Nordnorsk Smolt AS	01.07.2019	50.00%	17 022	5 958	11 064
Tytlandsvik Aqua AS	01.06.2017	33.33%	14 600	4 674	9 926
Årdal Aqua AS	15.01.2020	44.44%	17 634	—	17 634
Nextseafood AS	31.01.2022	50.00%	—	—	—
<b>Total ownership</b>			<b>49 257</b>	<b>10 632</b>	<b>38 625</b>

The share issue and shareholder agreement relating to Nordnorsk Smolt AS were signed on 30 June 2019. Excess value relating to the investment has been allocated to hatcheries under construction, based on provisional accounting figures from Nordnorsk Smolt AS on the acquisition date. The value added is amortized from the date of acquisition.

The share issue and shareholder agreement relating to Tytlandsvik Aqua AS were signed on 1 June 2017. Excess value relating to the investment has been allocated to hatcheries under construction, based on provisional accounting figures from Tytlandsvik Aqua AS as at 31 December 2018. The fair value adjustment is amortized from the time the facility was completed and commissioned.

The excess value relating to the Årdal Aqua AS investment has been allocated to hatcheries under construction. The facility is expected to be completed in 2024, and depreciation of the excess value will start when its completed.

Tytlandsvik Aqua AS, Nordnorsk Smolt, Årdal Aqua AS and Nextseafood AS have the same financial year as the Group. The following table displays provisional financial information at 31 December 2022 (100%).

AT 31.12.2022 NOK 1 000	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY	OPERATING INCOME	PRE-TAX PROFIT/LOSS
Nordnorsk Smolt AS	91 295	36 227	55 068	195	-13 911
Tytlandsvik Aqua AS	623 770	485 682	138 088	322 999	34 631
Årdal Aqua AS	220 614	3 665	216 949	—	-1 449
Nextseafood AS	15 149	—	15 149	—	-45

INVESTMENT IN ASSOCIATES	EQUITY INTEREST AT 31.12.2021	BOOK VALUE AT 01.01.2021 NOK 1 000	PROFIT/LOSS 2021 NOK 1 000	CHANGES IN THE PERIOD, REPAID CAPITAL NOK 1 000	BOOK VALUE AT 31.12.2021 NOK 1 000
Nordnorsk Smolt AS	50.00%	41 264	-6 053	12 500	47 711
Tytlandsvik Aqua AS	33.33%	43 158	4 929	—	48 087
Årdal Aqua AS	37.04%	—	-363	9 241	8 878
<b>Total</b>		<b>84 421</b>	<b>-1 486</b>	<b>21 741</b>	<b>104 675</b>

AT 31.12.2021	TIME OF INVESTMENT	EQUITY INTEREST	EXCESS VALUE HATCHERY NOK 1 000	DEPRECIATION OF EXCESS VALUE NOK 1 000	BOOK VALUE OF EXCESS VALUE NOK 1 000
Nordnorsk Smolt AS	01.07.2019	50.00%	17 022	4 256	12 766
Tytlandsvik Aqua AS	01.06.2017	33.33%	14 600	3 214	11 386
Årdal Aqua AS	15.01.2020	37.04%	2 188	—	2 188
<b>Total ownership</b>			<b>33 811</b>	<b>7 470</b>	<b>26 341</b>

AT 31.12.2021 NOK 1 000	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY	OPERATING INCOME	PRE-TAX PROFIT/LOSS
Nordnorsk Smolt AS	93 076	24 097	68 979	57 636	-11 169
Tytlandsvik Aqua AS	518 466	408 353	110 113	216 387	24 802
Årdal Aqua AS	25 972	7 624	18 348	50	-979

## NOTE 8 SEGMENT INFORMATION AND REVENUE FROM CONTRACTS WITH CUSTOMERS

### 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 operating segments are divided geographically by country or region, based on the reporting applied by Group management when assessing performance and profitability at a strategic level.

The method 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. Furthermore, the measurement method for Operational EBIT includes, but is not reported per region, the effect of share-based payments, as well as unrealized gains and losses on financial instruments. These gains/losses and costs are reported in the "Elim/Other" column in the segment information. 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. Elim/Other items comprise, in addition to intercompany eliminations, the profit/loss from activities conducted by the parent company or other Group companies not geared to production. In the segment reporting, sales revenue at the regional level includes revenue from the sale of Atlantic salmon. At the

regional level, other income 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. Other income also includes, at both the regional and Group level, rental income and income from overcapacity of operational assets. Other gains/losses, such as gains/losses from the sale of fixed assets and other equipment, are included in the line "other gains/losses" in the segment information. 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.

RECONCILIATION OF OPERATIONAL EBIT WITH EBIT IN THE INCOME STATEMENT NOK 1 000	2022	2021
Sales revenues	7 163 956	4 598 585
Other income	31 490	70 745
Other gains/losses	13 393	-6 752
Share of profit from associates (operational)	-1 463	-1 486
Raw materials and consumables used	-2 233 655	-1 738 267
Salaries and personnel expenses	-695 577	-577 434
Other operating expenses	-2 087 310	-1 527 347
<b>Operational EBITDA</b>	<b>2 190 834</b>	<b>818 044</b>
Depreciation property, plant and equipment	-434 641	-368 482
Amortization licenses and other intangible assets	-16 706	-7 192
<b>Operational EBIT</b>	<b>1 739 486</b>	<b>442 370</b>
Share of profit from associates (non-operational)	22 558	—
Production fee	-26 350	-24 463
Fair value adjustment of biological assets	83 412	523 036
Write-down of non-current assets (non-operational)	-140 074	—
Litigation and legal claims	-157 065	—
Decommissioning costs	-24 382	—
<b>EBIT (Earnings before interest and taxes)</b>	<b>1 497 586</b>	<b>940 944</b>

2022 GEOGRAPHICAL SEGMENTS NOK 1 000	FARMING NORWAY		FARMING CANADA		ELIM/OTHER	GRIEG SEAFOOD GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW-FOUNDLAND		
Sales revenues	2 123 671	2 629 226	1 665 105	—	745 954	7 163 956
Other income	81 137	18 619	8 649	321	-77 237	31 490
Other gains/losses	-1 954	11 965	-4 475	—	7 858	13 393
Share of profit from associates	7 195	-8 658	—	—	—	-1 463
Operating costs before depreciation and amortization	-1 356 928	-1 579 017	-1 279 079	-40 576	-760 943	-5 016 543
<b>Operational EBITDA</b>	<b>853 121</b>	<b>1 072 136</b>	<b>390 200</b>	<b>-40 254</b>	<b>-84 368</b>	<b>2 190 834</b>
Depreciation, amortization and reversals	-98 536	-145 997	-119 789	-74 474	-12 552	-451 347
<b>Operational EBIT</b>	<b>754 585</b>	<b>926 139</b>	<b>270 411</b>	<b>-114 728</b>	<b>-96 920</b>	<b>1 739 486</b>
Harvest volume (tonnes GWT)	28 387	36 024	20 286	—	—	84 697
Sales revenue/kg (NOK)	74.8	73.0	82.1	—	—	75.8
Farming cost/kg (NOK)	48.2	47.3	68.8	—	—	52.7
Other costs incl. ownership and headquarters costs/kg (NOK)	—	—	—	—	—	2.5
Operational EBIT/kg (NOK)	26.6	25.7	13.3	—	—	20.5
<b>Total assets</b>	<b>2 920 718</b>	<b>3 422 148</b>	<b>1 913 438</b>	<b>3 116 131</b>	<b>1 502 930</b>	<b>12 875 365</b>
<b>Total liabilities</b>	<b>1 236 330</b>	<b>1 610 495</b>	<b>692 878</b>	<b>2 735 606</b>	<b>114 349</b>	<b>6 389 657</b>

2021 GEOGRAPHICAL SEGMENTS NOK 1 000	FARMING NORWAY		FARMING CANADA		ELIM/OTHER	GRIEG SEAFOOD GROUP
	ROGALAND	FINNMARK	BRITISH COLUMBIA	NEW- FOUNDLAND		
Sales revenues	1 430 949	1 756 292	1 023 474	—	387 870	4 598 585
Other income	76 640	48 868	9 114	569	-64 445	70 745
Other gains/losses	140	-52	-6 839	—	—	-6 752
Share of profit from associates	4 567	-6 053	—	—	—	-1 486
Operating costs before depreciation and amortization	-1 167 414	-1 405 878	-781 973	-93 388	-394 395	-3 843 048
<b>Operational EBITDA</b>	<b>344 882</b>	<b>393 176</b>	<b>243 776</b>	<b>-92 819</b>	<b>-70 970</b>	<b>818 044</b>
Depreciation, amortization and reversals	-102 865	-142 640	-93 541	-24 039	-12 590	-375 674
<b>Operational EBIT</b>	<b>242 017</b>	<b>250 537</b>	<b>150 235</b>	<b>-116 858</b>	<b>-83 561</b>	<b>442 370</b>
Harvest volume (tonnes GWT)	26 670	34 484	14 448	—	—	75 601
Sales revenue/kg (NOK)	53.7	50.9	70.8	—	—	55.7
Farming cost/kg (NOK)	44.6	43.7	60.4	—	—	47.2
Other costs incl. ownership and headquarters costs/ kg (NOK)	—	—	—	—	—	2.7
Operational EBIT/kg (NOK)	9.1	7.3	10.4	—	—	5.9
<b>Total assets</b>	<b>2 181 546</b>	<b>3 076 166</b>	<b>2 057 524</b>	<b>2 487 713</b>	<b>911 299</b>	<b>10 714 248</b>
<b>Total liabilities</b>	<b>1 088 328</b>	<b>1 502 171</b>	<b>1 018 999</b>	<b>1 948 082</b>	<b>-406 634</b>	<b>5 150 946</b>

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

Farming cost/kg reported in the segment information encompasses all costs directly related to the production and harvest of salmon, divided by the related harvest volume. Thus, at the regional level, farming cost equals operational costs. Other income is included in the farming cost metric as representing cost reduction activities. Group farming cost is calculated based on the Group's farming operations, excluding ownership costs and costs from Group companies not geared to production.

Other costs incl. ownership and headquarters costs/kg reported in the segment information include all costs and revenue not directly related to the production and harvest of salmon, such as costs deriving from activities conducted by the parent company and other Group companies not geared 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.

Operational EBIT/kg reported in the segment information is equal to Operational EBIT divided by the related harvest volume. See Alternative Performance Measures for more information on the non-IFRS measures relating to sales revenue/kg, farming cost/kg, other costs incl. ownership and headquarters costs/kg and Operational EBIT/kg.

## SALES REVENUES FROM CONTRACTS WITH CUSTOMERS

The Group's revenues mainly comprise revenues from the sale of whole fresh Atlantic salmon, in addition to processed Atlantic salmon. The Group's revenue stream also comprises some ensilage (byproduct from the harvesting of Atlantic salmon), in addition to sales of smolt and and third-party harvesting if the Group has overcapacity at its facilities.

Sales revenues are recognized at the point in time when control of the fish has been transferred to the customer. This will normally be upon delivery. In 2022, the sale of fresh whole Atlantic salmon totaled 97% (2021: 95%) of the Group's sales revenues (excluding other products), while processed fish accounted for 2% (2021: 4%).

SALES REVENUES FROM CONTRACTS WITH CUSTOMERS, BY GEOGRAPHICAL MARKET NOK 1 000	NORWAY*		CANADA*		TOTAL			
	2022	2021	2022	2021	2022	2022%	2021	2021%
Continental Europe	4 152 843	2 968 604	—	—	4 152 843	58%	2 968 604	65%
UK	247 295	114 887	—	—	247 295	3%	114 887	2%
USA	181 659	85 953	1 323 551	831 003	1 505 210	21%	916 957	20%
Canada	87 722	22 778	466 935	284 238	554 657	8%	307 016	7%
Asia	584 914	277 836	67 028	7 274	651 943	9%	285 111	6%
Other markets	52 008	6 011	—	—	52 008	1%	6 011	—%
<b>Total</b>	<b>5 306 441</b>	<b>3 476 069</b>	<b>1 857 515</b>	<b>1 122 516</b>	<b>7 163 956</b>	<b>100%</b>	<b>4 598 585</b>	<b>100%</b>

\*Sum of revenue from contracts with customers generated by the farming and sales organization, net of intercompany eliminations. Grieg Seafood did not have any sales to Russia in 2022 or in 2021.

SALES REVENUES FROM CONTRACTS WITH CUSTOMERS, BY DISTRIBUTED PRODUCTS NOK 1 000	NORWAY*		CANADA*		TOTAL	
	2022	2021	2022	2021	2022	2021
Fresh whole fish	5 149 017	3 429 432	1 805 633	955 179	6 954 650	4 384 611
Fresh processed fish	57 142	287	51 588	166 380	108 729	166 666
Frozen processed fish	53 373	—	10	508	53 383	508
Other products and services	46 909	46 351	284	449	47 193	46 800
<b>Total</b>	<b>5 306 441</b>	<b>3 476 069</b>	<b>1 857 515</b>	<b>1 122 516</b>	<b>7 163 956</b>	<b>4 598 585</b>

\*Sum of revenue from contracts with customers generated by the farming and sales organization, net of intercompany eliminations.

## NOTE 9 BIOLOGICAL ASSETS AND OTHER INVENTORIES

	TONNES		NOK 1 000	
	2022	2021	2022	2021
<b>Biological assets at 01.01.</b>	<b>59 121</b>	<b>52 619</b>	<b>3 449 412</b>	<b>2 545 903</b>
Currency translation differences	N/A	N/A	36 945	22 840
Increase due to production	93 134	99 590	4 348 288	3 428 102
Decrease due to abnormal mortality/loss	-3 455	-5 534	-224 924	-117 450
Decrease due to sales	-98 186	-87 553	-3 743 033	-3 053 236
Fair value adjustment at 01.01.	N/A	N/A	-970 480	-347 227
Fair value adjustment at 31.12.	N/A	N/A	1 149 591	970 480
<b>Biological assets at 31.12.</b>	<b>50 614</b>	<b>59 121</b>	<b>4 045 800</b>	<b>3 449 412</b>

RECOGNIZED FAIR VALUE ADJUSTMENT	2022	2021
Change in fair value adjustment of biological assets <sup>1</sup>	129 331	619 439
Change in physical delivery contracts relating to fair value adjustment of biological assets <sup>2</sup>	-1 610	—
Change in fair value of financial derivatives from salmon (Fish Pool contracts) <sup>3</sup>	-44 309	-96 403
<b>Total recognition of fair value adjustment of biological assets</b>	<b>83 412</b>	<b>523 036</b>

Recognized value adjustments of biological assets include:

1 Fair value adjustments of biological assets

2 Fair value (liability) change in loss-making contracts

3 Change in unrealized gains/losses from financial purchases/sales contracts (derivatives) from fish at Fish Pool

In accordance with IAS 41, biological assets are measured at fair value, unless the fair value cannot be measured reliably. Broodstock (classified as inventory and not biological assets) and smolt are measured at cost less impairment losses. Fair value of biological assets is calculated on a discounted cash flow-based present value model, which does not rely on historical cost.

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 the fair value calculation of biological assets. Changes in the value of salmon-related financial derivatives are recognized in the balance sheet under derivatives and other financial instruments. Financial derivatives are calculated at market value. See Note 3 for further information.

For further information on accounting policies for biological assets, please refer to Note 2 and Note 4.

BASIS FOR VALUES	NORWAY	BRITISH COLUMBIA	NEWFOUNDLAND
Weighted price per kg GWT	NOK 84.06	CAD 12.83	CAD 11.66
Source	Fish Pool	Fish Pool	Fish Pool

Forward prices from Fish Pool are adjusted for expected quality reductions and stated before logistics expenses. The standard deduction for quality reduction is applied. Forward prices are weighted in relation to the intended harvesting period.

The price for British Columbia and Newfoundland is based on the forward price in Norway, adjusted for historical differences in price levels between Norway and Canada. Forward exchange rates are used to translate prices into CAD in relation to the harvesting period.

The estimated future cash flow is discounted by a monthly rate, which is assessed individually for each region. The discount rate reflects a combination of the cost of capital for the biological assets, risk adjustment (the risk related to volume, cost and price of the biological assets) and a synthetic license rent. The discount rate is differentiated to take account of each region's different prerequisites for biological production, which also results in a differentiation of the recognized synthetic license rent. See the table below for the applied discount rates per region, and see Note 4 for more information.

DISCOUNT RATE PER REGION	2022	2021
Rogaland	5.0%	5.0%
Finnmark	5.0%	5.0%
British Columbia	3.5%	3.5%
Newfoundland*	3.5%	N/A

\*Newfoundland fish stocked at sea for the first time in 2022.

STATUS OF BIOLOGICAL ASSETS	NUMBER OF FISH 1 000	BIOLOGICAL ASSETS TONNES	ACCRUED COST OF PRODUCTION NOK 1 000	FAIR VALUE ADJUSTMENT NOK 1 000	BOOK VALUE NOK 1 000
2022					
Biological assets on land *	17 680	547	181 569	—	181 569
Immature fish at sea, round weight < 4.60 kg	26 562	41 614	2 370 985	934 708	3 305 693
Mature fish at sea, round weight > 4.60 kg	1 648	8 453	343 655	214 883	558 537
<b>Total</b>	<b>45 890</b>	<b>50 614</b>	<b>2 896 209</b>	<b>1 149 591</b>	<b>4 045 800</b>
2021					
Biological assets on land *	28 522	539	164 959	—	164 959
Immature fish at sea, round weight < 4.60 kg	28 266	51 944	2 080 957	873 626	2 954 583
Mature fish at sea, round weight > 4.60 kg	1 292	6 638	233 018	96 854	329 872
<b>Total</b>	<b>58 080</b>	<b>59 121</b>	<b>2 478 934</b>	<b>970 480</b>	<b>3 449 412</b>

\* Smolt production

#### Abnormal mortality - write-down

Cost related to abnormal mortality will be immediately recognized in profit or loss, and presented as "decrease due to abnormal mortality/loss" in the table for opening-to-closing balance reconciliation as disclosed above. Normal mortality is classified as part of the production cost. The classification of mortality only affects the note presentation, and not the fair value calculation.

In Rogaland, the main causes of abnormal mortality at sea in 2022 were sea lice treatment, pancreas disease (PD), winter ulcers and cardiomyopathy syndrome (CMS). In Finnmark, Spironucleus salmonicida (Spiro) and winter ulcers were the main causes. In BC, algae/low oxygen levels, SRS and lice treatment were the main causes for the abnormal mortality.

Spiro was detected in some fish in certain pens in Finnmark. This led to the early harvesting and culling of fish showing signs of ill health in order to protect fish welfare. Spiro in Finnmark is also the main reason the average size of the fish recorded under abnormal mortality is lower in 2022 compared to 2021. Newfoundland did not have abnormal mortality at its sea farms in 2022. We incurred costs related to both mortality and abnormal mortality at our freshwater facilities in Finnmark and BC. Lower quality roe significantly impacted BC's freshwater production, leading to reduced survival recognized as abnormal mortality.

In 2021, the main causes of abnormal mortality were pancreas disease and sea lice treatment in Rogaland, winter ulcers and a chlorine accident at the harvesting plant in Finnmark, and low oxygen levels in BC.

ABNORMAL MORTALITY - WRITE-DOWN	NUMBER OF FISH 1 000	BIOLOGICAL ASSETS TONNES	AVERAGE SIZE KG	ACCRUED COST OF PRODUCTION NOK 1 000
2022				
Biological assets on land	3 116	47	0.02	11 034
Immature fish in sea, round weight < 4.60 kg	2 290	2 994	1.31	154 694
Mature fish in sea, round weight > 4.60 kg	85	414	4.89	16 983
<b>Total</b>	<b>5 491</b>	<b>3 455</b>	<b>0.63</b>	<b>182 710</b>
2021				
Biological assets on land	1 176	186	0.16	18 565
Immature fish in sea, round weight < 4.60 kg	957	2 678	2.80	44 098
Mature fish in sea, round weight > 4.60 kg	515	2 670	5.18	54 787
<b>Total</b>	<b>2 648</b>	<b>5 534</b>	<b>2.09</b>	<b>117 450</b>

The abnormal mortality in 2022 includes the culling of fish in Finnmark due to Spiro. The write-down in 2022 was significantly impacted by lower quality roe in BC (see the opening-to-closing balance reconciliation at the start of this note). Roe is not included in this table. In 2022, the write-down due to lower quality roe in BC came to NOK 42 million, bringing total write-down for 2022 to NOK 225 million.

OTHER INVENTORIES NOK 1 000	2022	2021
Raw materials (feed) at cost price	105 585	67 355
Roe	41 219	3 000
Other (goods in transit, frozen fish, supplementary products)	93 368	57 944
<b>Total inventories</b>	<b>240 172</b>	<b>128 299</b>
Impairment of inventories recognized at year-end	507	20 020

COST OF RAW MATERIALS AND CONSUMABLES PURCHASED NOK 1 000	2022	2021
Inventories at 01.01. (inverted number)	-128 299	-78 001
Raw materials and consumables purchased	-2 345 528	-1 788 565
Inventories at 31.12.	240 172	128 299
<b>Total</b>	<b>-2 233 655</b>	<b>-1 738 267</b>

## NOTE 10 INTANGIBLE ASSETS

2022 NOK 1 000	GOODWILL	FISH FARMING LICENSES – INDEFINITE LIVES	FISH FARMING LICENSES – FINITE LIVES	OTHER INTANGIBLE ASSETS	TOTAL
Book value at 01.01.	660 071	1 522 227	14 092	36 828	2 233 218
Currency translation differences	31 023	50 560	-4 439	1 483	78 627
Reclassifications <sup>1</sup>	—	-104 159	124 845	-20 687	—
Additions	—	—	7 380	2 669	10 048
Amortization	—	—	-11 103	-5 603	-16 706
Impairment <sup>2</sup>	—	-135 693	—	—	-135 693
<b>Book value at 31.12.</b>	<b>691 094</b>	<b>1 332 936</b>	<b>130 775</b>	<b>14 689</b>	<b>2 169 493</b>
ACCUMULATED VALUES					
Acquisition cost	780 697	1 463 687	173 274	61 944	2 479 602
Accumulated amortization	—	—	-42 499	-47 255	-89 754
Accumulated impairments	-89 603	-130 752	—	—	-220 355
<b>Book value at 31.12.</b>	<b>691 094</b>	<b>1 332 936</b>	<b>130 775</b>	<b>14 689</b>	<b>2 169 493</b>

See Note 2 for information on the useful economic life of assets, and Note 12 for information on assets pledged as security for financial liabilities.

<sup>1</sup>The reclassification primarily concerns licenses in Newfoundland that has been considered as having finite economic life and subject to amortization. In addition, the reclassification item relate to other intangible assets reclassified to indefinite licenses following formal approval of license application in Newfoundland.

<sup>2</sup>For information concerning the impairment of aquaculture licenses in 2022 see Note 28.

2021 NOK 1 000	GOODWILL	FISH FARMING LICENSES – INDEFINITE LIVES	FISH FARMING LICENSES – FINITE LIVES	OTHER INTANGIBLE ASSETS*	TOTAL
Book value at 01.01.	638 019	1 493 419	15 034	38 015	2 184 486
Currency translation differences	22 053	28 767	524	747	52 090
Additions	—	41	—	3 792	3 833
Amortization	—	—	-1 466	-5 726	-7 192
<b>Book value at 31.12.</b>	<b>660 071</b>	<b>1 522 227</b>	<b>14 092</b>	<b>36 828</b>	<b>2 233 218</b>
ACCUMULATED VALUES					
Acquisition cost	749 674	1 522 227	44 397	78 506	2 394 804
Accumulated amortization	—	—	-30 305	-41 678	-71 983
Accumulated impairments	-89 603	—	—	—	-89 603
<b>Book value at 31.12.</b>	<b>660 071</b>	<b>1 522 227</b>	<b>14 092</b>	<b>36 828</b>	<b>2 233 218</b>

See Note 2 for information on the useful economic life of assets, and Note 12 for information on assets pledged as security for financial liabilities.

## LICENSES

The tables below provide an overview of the Group's licenses. See Note 2 for further information on licenses.

### NORWAY

NORWAY LICENSE CATEGORY	TOTAL NUMBER	CAPACITY TONNES
Seawater licenses	35	30 853
Green licenses <sup>1</sup>	8	7 743
R&D permit	3	2 340
Broodstock	3	2 340
Smolt	3	4 045
Harvesting pens	2	1 106
Education <sup>2</sup>	2	1 560
<b>Total licenses in production</b>	<b>56</b>	<b>49 987</b>
Visitor center for fish farming <sup>3</sup>	1	780
<b>Total</b>	<b>57</b>	<b>50 767</b>

<sup>1</sup>Of which four green licenses are converted.

<sup>2</sup>Finnmark and Rogaland lease education licenses from the Troms and Finnmark and Rogaland County Councils, respectively.

<sup>3</sup>Finnmark has a license for a visitor center for fish farming. The center is under construction, and expected to be completed in 2024. The license cannot be utilized before the visitor center is constructed.

### CANADA - BC

All owners of industrial open-net pens must be approved by the the Department of Fisheries and Oceans Canada (DFO), which has regulated the industry since 2009. From 2022, farming companies need to obtain support from local First Nations in the area where the company has its licenses, together with the DFO. Each local First Nation establishes its own protocol and procedures for engaging with companies operating in its territory. Grieg Seafood BC is working with all the local First Nations in their areas of operations and has engaged positively with all of them. The new regulation will contribute to a more sustainable future for local communities and workers. See Note 4 for further information.

	WEST COAST OF VANCOUVER ISLAND	EAST COAST OF VANCOUVER ISLAND	TOTAL CAPACITY
<b>Total</b>	<b>38 500</b>	<b>17 500</b>	<b>56 000</b>
- Of which relates to Sechelt	0	11 000	11 000

The capacity in BC is merely theoretical capacity, as all locations cannot be utilized simultaneously. BC also has a license for broodstock and smolt.

In 2022, the licenses for Sechelt farming area has been written down (see the section for "Write-down of tangible and intangible non-current assets" below). Grieg

Seafood formally holds the licenses as at year-end 2022, however we have decommissioned our farming operations at the sites.

### CANADA - NEWFOUNDLAND

Newfoundland currently holds 13 seawater licenses and one freshwater license, with the aim to develop additional licenses as the project progresses. The regulations for salmon farming in Placentia Bay are based on the number of fish in the sea at any one site. Per license there is a maximum of one million fish in the sea in the first generation, and a maximum of two million fish in the second generation. In addition there are regulations related to following and adherence to certain environmental indicators. See Note 4 for more information.

### WRITE-DOWN OF TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS

In 2022, Grieg Seafood has recorded write-down of tangible and intangible non-current assets totalling NOK 140 million. The write-down is related to reorganization of ownership structure of licenses, and decommissioning of farming operations.

In 2022, Grieg Seafood has reorganized the ownership of commercial aquaculture licenses in Norway, as the Group considered it necessary to separate Norwegian commercial and non-commercial aquaculture licenses by legal entities to be able to correctly calculate and report the resource rent tax proposed by the Norwegian government. As the licenses have been sold intra-group to the estimated fair value, a write-down of NOK 47 million has been recorded in the income statement of Grieg Seafood for the part of book value exceeding

the estimated fair value, estimated as the fair value less cost of disposals (fair value hierarchy level 3) for one specific commercial aquaculture license in our region Rogaland, Norway. The fair value has been estimated using a combination of valuation techniques, incl. used available information in the market (action prices, stock prices) and discounted cash flow model for a standard commercial aquaculture license.

Grieg Seafood has in 2022 discontinued production in the shíshálh (Sechelt) farming area in British Columbia (BC), which negatively impacted the income statement with a write down of commercial aquaculture licenses by NOK 88 million (recoverable amount of NOK 0 million), in addition to the write-down of related seawater production equipment and -assets by NOK 4 million, in total NOK 93 million. At year-end 2022, all fish in the Sechelt farming area has been harvested.

WRITE-DOWN ON TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS NOK 1 000	NOTE	2022	2021
Commercial aquaculture licenses in Rogaland, Norway		47 242	—
Commercial aquaculture licenses in British Columbia, Canada		88 451	—
Non-current tangible assets in British Columbia, Canada	11	4 382	—
<b>Total write-down</b>		<b>140 074</b>	<b>—</b>
- Of which total write-down of intangible non-current assets		135 693	—

### IMPAIRMENT TESTING OF GOODWILL AND LICENSES

As at year-end 2022, except for the write-down of non-current tangible and intangible assets for the specific events as disclosed above, no impairments of goodwill or licenses were recognized in 2022.

Goodwill and licenses with indefinite economic lives are subject to an annual impairment test. Tests are performed more frequently where indications of impairment exist. Licenses with finite useful lives are tested for impairment only if there are indications of a decline in value. The estimated value in use (VIU) is used as a basis for calculating the recoverable amount, except for Grieg Newfoundland where the fair value less cost of disposal (FVLCD) has been used as basis for recoverable amount. Grieg Newfoundland was acquired in 2020 and reported as a segment as from 2021. During 2022, the first transfer of smolt to sea was successfully completed. The first harvest is expected to commence late 2023.

CASH-GENERATING UNIT NOK 1 000	LOCATION	BOOK VALUE OF RELATED GOODWILL	BOOK VALUE OF LICENSES	TOTAL
Rogaland	Norway	20 463	206 394	226 857
Finnmark	Norway	—	397 218	397 218
British Columbia (BC)	Canada	10 441	88 999	99 441
Newfoundland	Canada	660 190	771 099	1 431 289
<b>Total value</b>		<b>691 094</b>	<b>1 463 710</b>	<b>2 154 804</b>

Goodwill arises on the acquisition of the subsidiaries and is measured on the basis of a group of cash-generating units that are expected to benefit from the synergy effects in the overall segment. Annual impairment tests are carried out on goodwill and licenses. The recoverable amount is calculated on the basis of value-in-use, except for Grieg Newfoundland where the calculation is based on fair value less cost of disposal (FVLCD). These calculations use after tax cash flow projections based on financial budgets from the respective cash-generating units over a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. The estimated growth rate corresponds to expected inflation. For Newfoundland, the period is 13 years based on the first harvest expected in 2023. During the first few years, the cash flow will be negative due to low production and harvest volume, in addition to capital allocated to building of biomass and growth investments.

ASSUMPTIONS USED FOR ESTIMATING RECOVERABLE AMOUNT	ROGALAND	FINNMARK	BC	NEWFOUNDLAND
Budget period	3 years	3 years	3 years	13 years
Increase in revenues in budget period	5%	14%	76%	NA
Operational EBITDA margin 1)	29% -34%	34% - 39%	28% - 34%	0% -36%
Operational EBITDA margin in terminal period	30%	39%	33%	36%
Harvest growth – tonnes 2)	2%	8%	54%	NA
Required rate of return before tax 3)	11%	11%	11%	14.2%
Required rate of return after tax 3)	8.2%	8.2%	8.3%	10.0%
Growth rate 4)	1%	1%	1%	1%

The budget period/explicit period is three years for Rogaland, Finnmark and BC. Impairment tests are initially based on the Group's rolling four-year projections, which are also used in connection with the Group's liquidity planning. Future price levels are estimated by using Fish Pool forward prices as a basis, adjusted for other considerations such as quality reductions and shipping costs. To test the Newfoundland operation for impairment, we estimated the FVLCD using a period of 13 years to reflect production at full capacity in the terminal year. Although production will increase at a slow pace in the first few years, it will pick up speed once the facilities are completed and more smolt are transferred to the sea. We target a harvest volume of 15 000 tonnes in 2026, which we aim to increase to 45 000 tonnes in 2035.

The notes for the table "Assumptions used for estimating recoverable amount" (above) are presented below:

1. Budgeted Operational EBITDA margin: The margin remains more stable for the Norwegian regions, and is assumed to increase for our overseas regions during the budget period. Increase in harvest volume is assumed in all regions towards 2025.
2. The growth rate for the harvest volume in the budget period (nominal growth rate) is measured against the 2022 volume. A corresponding increase in output is assumed over time.
3. Weighted required return on capital employed before and after tax. Cash flow forecasts are thus estimated after tax. In the calculation, the return on capital employed is also after tax.
4. Weighted average growth rate used to extrapolate cash flows beyond the budget period. In the years after 2025, the annual reinvestment is assumed to be equal to annual depreciation.

### OPERATIONAL EBITDA MARGIN IN THE BUDGET AND TERMINAL PERIOD

The budgeted Operational EBITDA margin is based on past performance, expected cost of production and expected market developments. An increase in gutted weight output is assumed towards 2025 (2035 for Grieg Newfoundland). The increased harvest volume assumes an increase in utilization of existing production capacity and licenses, reflecting the Group's post-smolt strategy and operational improvements. We expect further growth to come from better utilization of our seawater licenses by moving more growth to land through our post-smolt program. We have come far with our post-smolt strategy in Rogaland, and will increase post-smolt capacity also in Finnmark and BC. The expansion of the smolt facility in BC was completed in 2022. Better utilization of our seawater licenses by improving biosecurity, fish health, welfare and survival rates, is also expected to secure on-growth and harvest volumes. Flexibility is a requirement to achieve better utilization of our capacity, and we are continuously looking for opportunities to secure access to new locations.

The assumptions in the terminal year are based on the budget, adjusted for inflation. The applied discount rates are after tax and reflect specific risks relating to the relevant operating segments.

### SENSITIVITY ANALYSIS

The assessment of fair value less cost of disposal and value-in-use is sensitive to changes in the assumptions made, the most important of which are the discount rate and Operational EBIT/kg. A sensitivity analysis has been carried out based on these assumptions for all groups of cost-generating units. An isolated increase in the discount rate by two percentage points would result in an estimated impairment for the Newfoundland operations of NOK 225 million, while a reduction of NOK 6 in Operational EBIT/kg for the entire budget period and terminal would entail an estimated impairment for Newfoundland of NOK 79 million. The other cost-generating units are not sensitive to equivalent changes in the same assumptions.

See Alternative Performance Measures for more information on Operational EBIT, Operational EBIT/kg and Operational EBITDA.

## NOTE 11 PROPERTY, PLANT AND EQUIPMENT INCL. RIGHT-OF-USE-ASSETS

2022 NOK 1 000	BUILDINGS/ PROPERTY	PROD. PLANTS AND BARGES	NETS, CAGES AND MOORINGS	OTHER EQUIPMENT	TOTAL
<b>Book value at 01.01.</b>	<b>1 169 285</b>	<b>1 065 018</b>	<b>529 502</b>	<b>638 824</b>	<b>3 402 629</b>
Currency translation differences	28 997	15 431	8 944	17 390	70 762
Reclassification	-35 799	21 046	-747	15 501	—
Grants received and other deductions to historic cost <sup>1</sup>	75 664	775	—	24	76 464
Additions <sup>2</sup>	106 449	393 178	180 331	256 922	936 879
Disposals	-269	-5 889	-3 160	-2 803	-12 121
Depreciation	-41 726	-108 632	-106 867	-177 416	-434 641
Impairment <sup>3</sup>	—	-113	-4 065	-204	-4 382
<b>Book value at 31.12.</b>	<b>1 302 600</b>	<b>1 380 814</b>	<b>603 938</b>	<b>748 238</b>	<b>4 035 590</b>
ACCUMULATED VALUES					
Acquisition cost	1 611 916	2 178 260	1 439 973	1 320 913	6 551 062
Accumulated depreciation	-309 317	-797 339	-832 197	-572 483	-2 511 335
Accumulated impairments	—	-107	-3 838	-192	-4 137
<b>Book value at 31.12.</b>	<b>1 302 600</b>	<b>1 380 814</b>	<b>603 938</b>	<b>748 238</b>	<b>4 035 590</b>
Of which book value of non-depreciable property	113 016	—	—	—	113 016
RIGHT-OF-USE ASSETS					
<b>Book value at 31.12 of right-of-use assets (see separate specification in Note 13)</b>	<b>66 622</b>	<b>292 209</b>	<b>72 302</b>	<b>547 010</b>	<b>978 143</b>

See Note 2 for information on useful economic lifetime of assets, and Note 12 for information on assets pledged as security for financial liabilities.

See Note 13 for specification of the Group's right-of-use assets and further information on its leases.

<sup>1</sup>Grants received and other deductions to historic cost, of which NOK -86 million relates to the reversal of Investment Tax Credit (ITC) carried over from 31 December 2021 in Newfoundland (see Note 23) and NOK 9 million relates to government grants received in 2022 in Newfoundland.

<sup>2</sup>The Group leases vessels which are capitalized on the balance sheet as right-of-use assets. Some of these vessels are utilized in the development of the Newfoundland region.

<sup>3</sup>Impairment in 2022 is related to the Sechelt farming area in British Columbia, Canada. See Note 10 and 28 for more information.

2021 NOK 1 000	BUILDINGS/ PROPERTY	PROD. PLANTS AND BARGES	NETS, CAGES AND MOORINGS	OTHER EQUIPMENT	TOTAL
<b>Book value at 01.01.</b>	<b>1 182 595</b>	<b>893 039</b>	<b>510 212</b>	<b>447 308</b>	<b>3 033 154</b>
Currency translation differences	25 126	-16 908	34 232	4 830	47 280
Reclassification	-132 195	112 098	2 798	17 299	—
Grants received	-88 910	—	—	—	-88 910
Additions	220 066	187 024	89 446	303 638	800 175
Disposals	40	-8 812	-6 613	-5 201	-20 587
Depreciation	-37 436	-101 422	-100 574	-129 050	-368 482
<b>Book value at 31.12</b>	<b>1 169 285</b>	<b>1 065 018</b>	<b>529 502</b>	<b>638 824</b>	<b>3 402 629</b>
ACCUMULATED VALUES					
Acquisition cost	1 436 555	1 786 948	1 281 384	1 153 100	5 657 987
Accumulated depreciation	-267 270	-721 930	-751 882	-514 276	-2 255 358
Accumulated impairments	—	—	—	—	—
<b>Book value at 31.12.</b>	<b>1 169 285</b>	<b>1 065 018</b>	<b>529 502</b>	<b>638 824</b>	<b>3 402 629</b>
Of which book value of non-depreciable property	107 839	—	—	—	107 839
RIGHT-OF-USE ASSETS					
<b>Book value at 31.12 of right-of-use assets (see separate specification in Note 13)</b>	<b>67 927</b>	<b>242 934</b>	<b>87 743</b>	<b>437 294</b>	<b>835 898</b>

See Note 2 for information on useful economic lifetime of assets, and Note 12 for information on assets pledged as security for financial liabilities.

See Note 13 for specification of the Group's right-of-use assets and further information on its leases.

## NOTE 12 BORROWINGS

Grieg Seafood ASA has a syndicated loan provided by DNB and Nordea. The syndicated financing from secured lenders of Grieg Seafood consists of an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. The debt structure comprises a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. As at year-end 2022, both the revolving credit facility and the overdraft facility is unutilized. The outstanding debt on the two term loans amounts to NOK 1 474 million, of which NOK 128 million is installments due the next 12 months from the reporting date. The financing carries floating interest rates, calculated as the relevant three month IBOR plus the applicable margin per interest period. 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 in June 2025. The outstanding amount of the bond loan was NOK 1 424 million at the end of 2022. 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 31 December 2022. At 31 December 2022, the Group had an equity ratio of 50% (2021: 52%) while the equity ratio according to financial covenant was 52%, compared to 54% at 31 December 2021.

In addition to bank- and bond loan, the Group's financing consists of lease agreements with credit institutions, in addition to the effect of IFRS 16 by capitalizing leases on the balance sheet (operational leases according to IFRS in force prior to 1 January 2019).

Total unutilized credit facilities of the Group amount to NOK 1 700 million as at 31 December 2022 (2021: NOK 885 million).

NON-CURRENT LIABILITIES NOK 1 000	2022	2021
<b>NON-CURRENT LIABILITIES (INTEREST BEARING)</b>		
Green bond	1 423 500	1 500 000
Non-current syndicated loan	1 346 218	374 580
Non-current credit facility	—	440 000
Non-current lease liabilities (prior IAS 17 finance leases)	318 198	287 578
Non-current lease liabilities (prior IAS 17 operational leases)	335 452	290 219
Other non-current liabilities	94 144	96 091
<b>Total</b>	<b>3 517 512</b>	<b>2 988 468</b>
Amortization effect of loans	-25 053	-29 671
<b>Total non-current liabilities</b>	<b>3 492 459</b>	<b>2 958 797</b>

CURRENT LIABILITIES (INTEREST-BEARING) NOK 1 000	2022	2021
Current portion of borrowings	141 968	54 475
Current portion lease liabilities (prior IAS 17 finance leases)	78 416	72 918
Current portion lease liabilities (prior IAS 17 operational leases)	148 494	105 114
<b>Total current liabilities (interest-bearing)</b>	<b>368 878</b>	<b>232 507</b>

NET INTEREST-BEARING LIABILITIES NOK 1 000	2022	2021
Total non-current interest-bearing liabilities (see above)*	3 517 512	2 988 468
Total current interest-bearing liabilities (see above)	368 878	232 507
<b>Gross interest-bearing liabilities</b>	<b>3 886 390</b>	<b>3 220 974</b>
Cash and cash equivalents	642 719	928 342
Investments in money market funds	1 012 848	—
Loans to associates	8 300	2 111
<b>Net interest-bearing liabilities</b>	<b>2 222 522</b>	<b>2 290 520</b>
Lease liabilities (prior IAS 17 operational leases)**	-483 946	-395 332
<b>Net interest-bearing liabilities ex. the effect of IFRS 16</b>	<b>1 738 576</b>	<b>1 895 188</b>

\*Green bond and non-current borrowings including syndicated term loan and revolving facility as presented above, are presented excluding amortized effect of loans.

\*\*Leasing liabilities that would, according to the IFRS in force prior to 1 January 2019, be classified as operational leases, are excluded from the net interest-bearing liabilities according to the covenant calculation.

PAYMENT PROFILE NON-CURRENT LIABILITIES 31.12.2022 NOK 1 000	2023	2024	2025	2026	2027	LATER	TOTAL
Green bond	—	—	1 423 500	—	—	—	1 423 500
Non-current syndicated term-loan	128 211	128 211	128 211	128 211	961 584	—	1 474 429
Lease liabilities (prior IAS 17 finance leases)	78 416	67 679	55 503	51 599	46 618	96 799	396 614
Lease liabilities (prior IAS 17 operational leases)	148 494	133 764	66 556	62 901	41 864	30 366	483 946
Other non-current liabilities*	13 757	11 310	9 944	9 856	11 004	52 029	107 900
<b>Total</b>	<b>368 878</b>	<b>340 965</b>	<b>1 683 714</b>	<b>252 568</b>	<b>1 061 071</b>	<b>179 194</b>	<b>3 886 390</b>

\*NOK 107.8 million attributable to various loans provided by government agencies in Canada concerning the development of the Newfoundland region. These loans are recognized at present value, with a calculated interest charged to the income statement until maturity.

PAYMENT PROFILE NON-CURRENT LIABILITIES 31.12.2021 NOK 1 000	2022	2023	2024	2025	2026	LATER	TOTAL
Green bond	—	—	—	1 500 000	—	—	1 500 000
Non-current syndicated term-loan	49 944	374 580	—	—	—	—	424 524
Non-current syndicated revolving credit facility	—	440 000	—	—	—	—	440 000
Lease liabilities (prior IAS 17 finance leases)	72 918	67 410	57 199	43 909	39 525	79 535	360 496
Lease liabilities (prior IAS 17 operational leases)	104 772	81 209	80 980	51 033	37 084	40 255	395 332
Other non-current liabilities*	4 873	11 773	12 310	9 200	8 114	54 353	100 622
<b>Total</b>	<b>232 507</b>	<b>974 972</b>	<b>150 489</b>	<b>1 604 141</b>	<b>84 723</b>	<b>174 142</b>	<b>3 220 974</b>

\*NOK 98.6 million attributable to various loans provided by government agencies in Canada concerning the development of the Newfoundland region. These loans are recognized at present value, with a calculated interest charged to the income statement until maturity.

NOK 1 000	2022	2021
Liabilities secured by mortgages/charges on assets*	1 899 364	1 248 889

\*See the comment below the table for assets pledged as security.

Licenses	1 463 709	1 536 319
Property, plant and equipment *	3 562 816	3 017 023
Trade receivables	259 137	151 793
Inventories and biological assets excl. fair value of biological assets	3 136 381	2 607 231
<b>Total assets pledged as security</b>	<b>8 422 043</b>	<b>7 312 366</b>

\*Book value of liabilities secured by mortgage/charges on assets, and the property, plant and equipment does not include the book value of the effect of IFRS 16 (compared to the IFRS in force prior to 1 January 2019) on right-of-use and lease liability. Pledges also include shares in subsidiaries. The book value of these shares in the consolidated financial statements is NOK 0.



BOOK VALUE OF GROUP BORROWINGS BY CURRENCY NOK 1 000	31.12.2022	NOK	EUR	CAD
Green bond	1 423 500	1 423 500	—	—
Non-current syndicated term-loan	1 474 429	718 750	755 679	—
Lease liability (prior IAS 17 finance leases)	396 614	396 087	—	527
Lease liability (prior IAS 17 operational leases)	483 946	140 042	—	343 904
Other non-current and current liabilities	107 900	—	—	107 900
Amortization effect of loans	-25 053	-25 053	—	—
<b>Total</b>	<b>3 861 337</b>	<b>2 653 326</b>	<b>755 679</b>	<b>452 331</b>

BOOK VALUE OF GROUP BORROWINGS BY CURRENCY NOK 1 000	31.12.2021	NOK	EUR	CAD
Green bond	1 500 000	1 500 000	—	—
Non-current syndicated term-loan	424 524	—	424 524	—
Non-current syndicated revolving credit facility	440 000	440 000	—	—
Lease liability (prior IAS 17 finance leases)	360 496	357 942	—	2 554
Lease liability (prior IAS 17 operational leases)	395 332	170 846	—	224 487
Other non-current and current liabilities	100 622	—	—	100 622
Amortization effect of loans	-29 671	-29 671	—	—
<b>Total</b>	<b>3 191 303</b>	<b>2 439 117</b>	<b>424 524</b>	<b>327 662</b>

AVERAGE INTEREST RATE ON BANK- AND BOND LOAN	2022	2021
Average interest rate (NOK)	4.61%	3.76%
Average interest rate (EUR)	1.77%	3.50%

The effect of interest rate swaps is not taken into account in calculating the average interest rate on borrowings and credit facilities.

BOOK VALUE AND FAIR VALUE OF BORROWINGS NOK 1 000	BOOK VALUE		FAIR VALUE	
	2022	2021	2022	2021
Green bond	1 423 500	1 500 000	1 414 532	1 500 000
Borrowings (non-current syndicated loan and credit facility, incl. current part of the non-current liability)	1 474 429	864 524	1 474 429	864 524
<b>Total</b>	<b>2 897 929</b>	<b>2 364 524</b>	<b>2 888 961</b>	<b>2 364 524</b>

Book values in the table above are excluding the amortization effect of loan cost.

The book value of borrowings (excluding the green bond) closely approximates to the fair value.

Our green bond is listed on Oslo Børs (Euronext). Our green bond is listed on Oslo Børs (Euronext). Market price of the bond was 99.37% of par value at year-end 2022 (2021: 100%).

CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES NOK 1 000	LIABILITIES ARISING FROM FINANCING ACTIVITIES		
	LEASE LIABILITY	BORROWINGS	TOTAL
<b>At 01.01.2021</b>	<b>684 839</b>	<b>3 480 613</b>	<b>4 165 454</b>
<b>Cash movements:</b>			
Revolving credit facility (net draw-down/repayment)	—	-556 222	-556 222
Draw-down other non-current loan	—	39 147	39 147
Repayment non-current syndicated term-loan (NOK and EUR)	—	-526 602	-526 602
Repayment other non-current loan	—	-1 050	-1 050
Repayment lease liability (prior IAS 17 finance leases)	-77 662	—	-77 662
Repayment lease liability (prior IAS 17 operational leases)	-107 263	—	-107 263
Loan costs	—	-3 895	-3 895
<b>Total cash movements</b>	<b>-184 925</b>	<b>-1 048 623</b>	<b>-1 233 548</b>
<b>Non-cash movements:</b>			
Draw-down lease liability (prior IAS 17 finance leases)	4 804	—	4 804
Draw-down lease liability (prior IAS 17 operational leases)	249 437	—	249 437
Non-cash movements (ex. foreign currency adjustments)	-4 058	—	-4 058
Foreign currency adjustments	5 730	-13 508	-7 778
Loan costs	—	16 992	16 992
<b>Total non-cash movements</b>	<b>255 914</b>	<b>3 484</b>	<b>259 398</b>
<b>At 31.12.2021</b>	<b>755 828</b>	<b>2 435 474</b>	<b>3 191 303</b>
<b>At 01.01.2022</b>	<b>755 828</b>	<b>2 435 474</b>	<b>3 191 303</b>
<b>Cash movements:</b>			
Revolving credit facility (net draw-down/repayment)	—	-440 000	-440 000
Draw-down non-current syndicated term-loan (NOK and EUR)	—	1 463 423	1 463 423
Repayment non-current syndicated term-loan (NOK and EUR)	—	-469 288	-469 288
Repayment other non-current loan	—	-52 857	-52 857
Repayment lease liability (prior IAS 17 finance leases)	-78 879	—	-78 879
Repayment lease liability (prior IAS 17 operational leases)	-146 589	—	-146 589
Loan costs	—	-11 854	-11 854
<b>Total cash movements</b>	<b>-225 468</b>	<b>489 423</b>	<b>263 956</b>
<b>Non-cash movements:</b>			
Draw-down lease liability (prior IAS 17 finance leases)	114 926	—	114 926
Draw-down lease liability (prior IAS 17 operational leases)	140 975	—	140 975
Non-cash movements (ex. foreign currency adjustments)	83 397	-21 177	62 220
Foreign currency adjustments	10 902	60 584	71 486
Loan costs	—	16 471	16 471
<b>Total non-cash movements</b>	<b>350 200</b>	<b>55 879</b>	<b>406 079</b>
<b>At 31.12.2022</b>	<b>880 560</b>	<b>2 980 777</b>	<b>3 861 338</b>

## NOTE 13 LEASES

### THE GROUP AS A LESSEE

The Group has several lease arrangements; various offices, equipment and vehicles. Contracts are engaged both with credit institutions, for leases that would be classified as finance leases according to IFRS in force prior to 1 January 2019, as well as capitalized leases due to the effect of IFRS 16. Well-boats and workboats chartered in time charters with a duration of more than one year contributes significantly to the effect of IFRS 16.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. The leases are recognized in the respective Group companies in local currencies, and translated to the Group's presentation currency at the balance sheet date.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Group reassesses the incremental borrowing rates applicable for new lease agreements annually. The applied incremental borrowing rates for new leases as from 2022 ranged from 4.7% - 4.8% for buildings and properties, and 3.9% - 4.2% for other assets. The applied rates for new leases as from 2021 ranged from 3.9% - 4.2% for buildings and properties, and 3.6% - 3.7% for other assets.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group leases smaller office equipment, such as coffee machines with contract terms of 1-3 years. The Group has elected to apply the practical expedient of low-value assets for some of these leases. Leases that have a present value as new lower than USD 5 000, are considered low value leases. The Group has also applied the practical expedient for short-term leases. Short term is defined as a lease term of 12 month or less at the commencement date. For low-value leases and short-term leases, the Group does not recognize lease liabilities or right-of-use assets. These leases are recognized as operating expenses over the life of the contract.

Some of the Group's agreements have extension options which may be exercised during the last period of the lease term. The Group assesses at the commencement whether it is reasonably certain to exercise the renewal right. The Group's potential future lease payments not included in the lease liabilities related to extension options is NOK 267 million (NOK 134 million at 31 December 2021).

### SPECIFICATION OF RIGHT-OF-USE ASSETS

The Group's right-of-use assets are included in the financial statement line item "Property, plant and equipment incl. right-of-use-assets" in the statement of financial position. These leased assets include both assets that would be treated as financial leases according to the IFRS in force prior to 1 January 2019, as well as operational leases ("the effect of IFRS 16").

RIGHT-OF-USE ASSETS 2022 NOK 1 000	BUILDINGS/ PROPERTY	PROD. PLANTS AND BARGES	NETS, CAGES AND MOORINGS	OTHER EQUIPMENT	TOTAL
Book value at 01.01.	67 927	242 934	87 743	437 294	835 898
Currency translation differences	1 760	26	43	13 220	15 048
Additions	10 036	69 549	8 058	251 807	339 450
Cancellation of lease and other changes	-1 399	-743	-7 792	-14 915	-24 849
Depreciation	-11 703	-19 556	-15 749	-140 396	-187 404
Book value at 31.12.	66 622	292 209	72 302	547 010	978 143

RIGHT-OF-USE ASSETS 2021 NOK 1 000	BUILDINGS/ PROPERTY	PROD. PLANTS AND BARGES	NETS, CAGES AND MOORINGS	OTHER EQUIPMENT	TOTAL
Book value at 01.01.	77 659	260 832	105 232	297 732	741 454
Currency translation differences	69	52	38	8 299	8 458
Additions	1 219	1 095	3 709	247 959	253 983
Cancellation of lease and other changes	-17	-2 014	-4 592	-20 308	-26 931
Depreciation	-11 003	-17 032	-16 644	-96 388	-141 067
Book value at 31.12.	67 927	242 934	87 743	437 294	835 898

### LEASE LIABILITY

SUMMARY OF THE LEASE LIABILITIES NOK 1 000	2022	2021
Lease liabilities at 01.01.	755 828	684 839
New leases recognized during the year	255 901	254 242
Cash payments for the principal portion of the lease liability	-225 468	-184 925
Currency exchange differences	10 902	5 730
Cancellation of lease and other changes	83 397	-4 058
Total lease liabilities at 31.12.	880 560	755 828

MATURITY ANALYSIS - LEASE LIABILITIES NOK 1 000	2022		TOTAL LEASE LIABILITY
	FORMER IAS 17 FINANCIAL LEASE	FORMER IAS 17 OPERATIONAL LEASE	
Less than one year	93 308	165 690	258 998
One to two years	79 970	146 648	226 618
Two to three years	65 520	73 925	139 445
Three to four years	59 691	67 558	127 249
Four to five years	52 892	44 220	97 112
More than five years	105 684	31 302	136 986
Total undiscounted liabilities at 31.12	457 065	529 344	986 408
Lease liabilities included in the statement of financial position at 31.12	396 614	483 946	880 560
Current portion	78 416	148 494	226 910
Non-current portion	318 198	335 452	653 650

MATURITY ANALYSIS - LEASE LIABILITIES NOK 1 000	2021		TOTAL LEASE LIABILITY
	FORMER IAS 17 FINANCIAL LEASE	FORMER IAS 17 OPERATIONAL LEASE	
Less than one year	82 272	117 435	199 706
One to two years	74 830	90 507	165 337
Two to three years	62 951	87 010	149 961
Three to four years	48 266	54 654	102 920
Four to five years	42 703	39 168	81 871
More than five years	83 131	44 382	127 513
<b>Total undiscounted liabilities at 31.12</b>	<b>394 153</b>	<b>433 155</b>	<b>827 309</b>
<b>Lease liabilities included in the statement of financial position at 31.12</b>	<b>360 496</b>	<b>395 332</b>	<b>755 828</b>
Current portion	72 918	105 114	178 032
Non-current portion	287 578	290 219	577 797

AMOUNTS RECOGNIZED IN PROFIT OR LOSS NOK 1 000	2022	2021
Interest on lease liabilities	-33 613	-22 709
Foreign currency effect	3 746	-5 112
Depreciation right-of-use assets	-187 404	-141 067
Income from subleasing of right-of-use assets	31 261	14 591
Expenses relating to short-term leases	-40 530	-5 446
Expenses relating to leases of low-value assets, excl. short-term leases of low-value assets	-1	-8
<b>Total</b>	<b>-226 543</b>	<b>-159 752</b>

NOK 1 000	2022	2021
<b>Total cash outflow for leases</b>	<b>-259 081</b>	<b>-207 634</b>

## NOTE 14 CLASSIFICATION OF FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS AT 31.12.2022 NOK 1 000	FVPL <sup>1</sup>	AMORTIZED COST	FVOCI <sup>2</sup>	TOTAL
<b>FINANCIAL ASSETS</b>				
Other non-current receivables <sup>3</sup>	—	16 900	271	17 171
Trade receivables	—	259 137	—	259 137
Other current receivables	—	8 863	—	8 863
Investment in money market fund <sup>4</sup>	1 012 848	—	—	1 012 848
Derivatives <sup>5</sup>	37 988	—	—	37 988
Cash and cash equivalents	—	642 719	—	642 719
<b>Total financial assets</b>	<b>1 050 836</b>	<b>927 618</b>	<b>271</b>	<b>1 978 725</b>
<b>FINANCIAL LIABILITIES</b>				
Borrowings	—	2 980 777	—	2 980 777
Lease liability (prior IAS 17 finance leases)	—	396 614	—	396 614
Lease liability (prior IAS 17 operational leases)	—	483 946	—	483 946
Share-based payments <sup>6</sup>	6 510	—	—	6 510
Derivatives <sup>5</sup>	64 928	—	—	64 928
Trade payables	—	717 498	—	717 498
Other current liabilities	—	76 585	—	76 585
<b>Total financial liabilities</b>	<b>71 439</b>	<b>4 655 420</b>	<b>—</b>	<b>4 726 859</b>

FINANCIAL INSTRUMENTS AT 31.12.2021 NOK 1 000	FVPL <sup>1</sup>	AMORTIZED COST	FVOCI <sup>2</sup>	TOTAL
<b>FINANCIAL ASSETS</b>				
Other non-current receivables <sup>3</sup>	—	2 111	271	2 382
Trade receivables	—	151 793	—	151 793
Other current receivables	—	12 592	—	12 592
Derivatives <sup>5</sup>	37 592	—	—	37 592
Cash and cash equivalents	—	928 342	—	928 342
<b>Total financial assets</b>	<b>37 592</b>	<b>1 094 837</b>	<b>271</b>	<b>1 132 700</b>
<b>FINANCIAL LIABILITIES</b>				
Borrowings	—	2 435 475	—	2 435 475
Lease liability (prior IAS 17 finance leases)	—	360 496	—	360 496
Lease liability (prior IAS 17 operational leases)	—	395 332	—	395 332
Share-based payments <sup>6</sup>	9 792	—	—	9 792
Derivatives <sup>5</sup>	22 350	—	—	22 350
Trade payables	—	523 196	—	523 196
Other current liabilities	—	36 603	—	36 603
<b>Total financial liabilities</b>	<b>32 142</b>	<b>3 751 102</b>	<b>—</b>	<b>3 783 244</b>

<sup>1</sup> FVPL: Fair value through profit or loss.

<sup>2</sup> FVOCI: Fair value through other comprehensive income.

<sup>3</sup> Investments in non-listed shares (equity instruments). Measured at level 3.

<sup>4</sup> Investments in money market funds. Measured at level 2. See Note 3 for specification.

<sup>5</sup> Forward currency contracts, interest rate swap and financial salmon price contracts. Measured at level 2. See Note 3 for specification.

<sup>6</sup> Synthetic option scheme. Measured at level 3. See Note 17 for more information.

The purpose of the derivatives is to reduce the Group's exposure to changes in floating interest rates and exchange rates. See Notes 2 and 3 for further details.

## CREDITWORTHINESS OF FINANCIAL ASSETS

Credit risk attaching to financial instruments that have not matured or have not been written down is shown in accordance with the internal classification of historical information on breaches of credit covenants. Further information about credit risk is provided in Note 3.

TRADE RECEIVABLES NOK 1 000	2022	2021
COUNTERPARTIES WITH NO EXTERNAL CREDIT RATING		
Group 1	742	12 996
Group 2	251 123	100 854
Group 3	7 272	37 943
<b>Total trade receivables</b>	<b>259 137</b>	<b>151 793</b>

BANK DEPOSITS NOK 1 000	2022	2021
AAA	—	—
AA	642 719	928 342
A	—	—
<b>Total bank deposits</b>	<b>642 719</b>	<b>928 342</b>

Group 1 - new customers/related parties (less than 6 months).

Group 2 - existing customers/related parties (more than 6 months) with no history of credit covenant breaches.

Group 3 - existing customers/related parties (more than 6 months) with a history of one or more credit covenant breaches. All amounts due have been paid in full following the breaches.

## NOTE 15 TAXES

INCOME TAXES FOR THE YEAR IN THE INCOME STATEMENT NOK 1 000	2022	2021
Norway	263 084	99 682
Aboard	59 422	-15 777
<b>Tax on profits</b>	<b>322 506</b>	<b>83 905</b>
Norway	116 873	57 973
Aboard	-145 516	107 424
<b>Changes in deferred tax</b>	<b>-28 643</b>	<b>165 397</b>
<b>Total income taxes related to profit for the year</b>	<b>293 863</b>	<b>249 301</b>

TAX RECONCILIATION BETWEEN NOMINAL AND EFFECTIVE TAX RATES NOK 1 000	2022	2021
Profit before tax	1 447 642	853 678
Taxes calculated at nominal tax rate	286 185	226 472
Withholding tax	6 085	7 049
Non-taxable income/loss from associated companies	-4 641	327
Effect of adjustment of income tax from previous years	-27 453	-18 428
Effect of recognition of previously non-recognized tax assets	-4 187	696
Effect of non-recognition of losses and tax assets	37 189	11 026
Other permanent differences	24 714	4 741
Other effects not listed above	-24 029	17 418
<b>Total income tax expense</b>	<b>293 863</b>	<b>249 301</b>
<b>Weighted average tax rate</b>	<b>20.3%</b>	<b>29.2%</b>

TAX PAYABLE BOOK IN FINANCIAL STATEMENT CURRENT LIABILITIES NOK 1 000	2022	2021
Tax payable in Norway	286 586	87 739
Tax payable aboard	66 605	903
<b>Total tax payable in the statement of financial position</b>	<b>353 191</b>	<b>88 641</b>

CHANGE IN BOOK VALUE OF DEFERRED TAX NOK 1 000	2022	2021
Balance sheet value at 01.01.	1 069 743	879 665
Currency conversion	30 467	17 592
Tax effect of OCI transactions (see Note 3)	5 454	7 089
Change in deferred tax recognized in income in period	-27 453	-17 043
Changes to income in the period	-37 111	182 440
<b>Net deferred tax liability at balance sheet date</b>	<b>1 041 101</b>	<b>1 069 743</b>

The nominal tax rate in Norway is 22%. The nominal tax rate for 2022 in Canada was 27% in British Columbia (BC) and 30% in Newfoundland.

TOTAL DEFERRED TAX ASSETS/LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION NOK 1 000	2022	2021
Deferred tax assets	—	59
Deferred tax liabilities	-1 041 101	-1 069 802
<b>Net deferred tax</b>	<b>-1 041 101</b>	<b>-1 069 743</b>

The following tables provide a breakdown of deferred tax. The tax effects of taxable and deductible temporary differences are shown separately. The Norwegian and Canadian parts of the Group each have a net deferred tax position. Deferred tax assets linked to tax losses are offset against deferred tax liabilities in the tax jurisdictions where acceptable.

SPECIFICATION OF DEFERRED TAX AND BASIS FOR DEFERRED TAX/DEFERRED TAX ASSETS NOK 1 000	2022	2021
Non-current assets	572 722	539 668
Current assets	617 349	609 378
Debt (lease, other liabilities)	1 493	-15 790
Other effect (government grant/ investment tax credit)	—	-4 350
Tax losses carried forward	-150 461	-59 162
<b>Total temporary differences</b>	<b>1 041 101</b>	<b>1 069 743</b>

TAX LOSS CARRIED FORWARD ARE DIVIDED AMONG THE FOLLOWING JURISDICTIONS NOK 1 000	2022	2021
Tax losses carried forward in Norway	—	—
Tax losses carried forward in Canada	-150 461	-59 162
Tax losses carried forward in USA	—	—
<b>Total</b>	<b>-150 461</b>	<b>-59 162</b>

### PROPOSED RESOURCE RENT TAX IN NORWAY

On 28 September 2022, and modified 28 March 2023, the Norwegian government proposed the introduction of a resource rent tax on the farming of salmon and trout in Norway at an effective tax rate of 35% with effect from 1 January 2023. The proposal must be approved by the Norwegian parliament before it can be incorporated into Norwegian tax law. As the resource rent taxation is a proposal by the Norwegian government, and was not incorporated into Norwegian tax law as at 31 December 2022, there has been no impact on the Group's tax estimates recognized in the statement of financial position and income statement as at 31 December 2022.

## NOTE 16 SALARIES AND PERSONNEL EXPENSES

SALARIES AND PERSONNEL EXPENSES NOK 1 000	2022	2021
Salaries	533 629	451 530
Social security costs	38 635	25 616
Share options granted to directors and key employees, incl. social security costs (Note 17)	30 399	7 924
Pension costs	29 069	26 146
Other personnel costs	63 844	66 218
<b>Total</b>	<b>695 577</b>	<b>577 434</b>
<b>Average number of employees</b>	<b>718</b>	<b>703</b>

### Share savings program

Grieg Seafood established a share savings program for its employees in 2018, which has continued throughout 2022. Each year has its own set of terms and conditions concerning how much each employee can invest in the program that year. In addition, each year has its set of terms for the lock-up period. The saved amount is deducted from the monthly net salary and used to purchase Grieg Seafood shares on behalf of the employees. The purchase will be made from transfer of Grieg Seafood's treasury shares or bought in the market. The purchase price and the number of shares acquired by the company will be reported in accordance with the applicable regulations.

At 31 December 2022, loan to employees related to the share savings program equals NOK 4.9 million (2021: NOK 2.7 million). The total shares sold to employees was 96 150 in 2022 (2021: 38 513).

### Management remuneration

The guidelines for management remuneration are available on Grieg Seafood ASA's website.

The remuneration to the Group Executive Operational Management Team is disclosed below. In addition to the executive operational management team (Chief Executive Officer, the Chief Financial Officer, the Group's Chief Operating Officers, and the Chief Commercial Officer), the Group Management include the support functions of the Chief Technology Officer (CTO), the Chief Human Resource Officer (CHRO) and the Global Communication Manager.

REMUNERATION PAID TO GROUP EXECUTIVE OPERATIONAL MANAGEMENT TEAM 2022 NOK 1 000	SALARY	BONUS	RETAINED BONUS, NOT YET PAID	OPTIONS EXERCISED DURING THE YEAR	OTHER REMUNERATION*	TOTAL
Andreas Kvame (CEO)	3 644	1 007	—	4 540	2 954	12 144
Atle Harald Sandtorv (CFO)	2 349	612	—	3 202	120	6 282
Alexander Knudsen (COO Farming Norway)	2 066	321	—	2 917	332	5 637
Roy Tore Rikardsen (COO Farming Canada until June 2022)**	1 802	-26	—	2 917	47	4 740
Erik Holvik (Chief Commercial Officer)	2 247	483	—	3 070	123	5 923
<b>Total remuneration</b>	<b>12 109</b>	<b>2 397</b>	<b>—</b>	<b>16 644</b>	<b>3 576</b>	<b>34 726</b>

\*The CEO has in 2022 received a one-time payment in arrears for pension benefits.

\*\*Grant Cumming was appointed as COO Farming Canada in Q1 2023.

Recognized expenses arising from synthetic options not declared throughout the year are not included in the above statement. See Note 17.

REMUNERATION PAID TO BOARD MEMBERS IN 2022 NOK 1 000	TOTAL
Per Grieg jr. <sup>1</sup>	516
Tore Holand <sup>2</sup>	401
Marianne Ribe <sup>1</sup>	328
Katrine Trovik <sup>2</sup>	372
Nicolai Hafeld Grieg	308
Ragnhild Fresvik (from 9 of June 2022)	183
<b>Total remuneration including social security costs</b>	<b>2 107</b>

<sup>1</sup> Payment for work performed on the Remuneration Committee of NOK 25 673 is included in the remuneration paid to Per Grieg jr. and Marianne Ribe.

<sup>2</sup> Payment for work performed on the Audit Committee is included in the remuneration paid to Tore Holand and Katrine Trovik, amounting to NOK 68 460. The amounts include social security costs.

REMUNERATION PAID TO GROUP EXECUTIVE OPERATIONAL MANAGEMENT TEAM IN 2021 NOK 1 000	SALARY	BONUS	RETAINED BONUS, NOT YET PAID	OPTIONS EXERCISED DURING THE YEAR	OTHER REMUNERATION	TOTAL
Andreas Kvame (CEO)	3 165	—	540	—	250	3 956
Atle Harald Sandtorv (CFO)	2 280	—	313	—	115	2 707
Alexander Knudsen (COO Farming Norway)	2 116	75	203	—	113	2 507
Roy Tore Rikardsen (COO Farming Canada)	1 772	—	244	—	—	2 016
Erik Holvik (Chief Commercial Officer)	1 996	161	350	—	115	2 621
<b>Total remuneration</b>	<b>11 328</b>	<b>236</b>	<b>1 650</b>	<b>—</b>	<b>593</b>	<b>13 807</b>

Recognized expenses arising from synthetic options not declared throughout the year are not included in the above statement. See Note 17.

The 2021 table has been represented to include only the Group Executive Operational Management Team.

REMUNERATION PAID TO BOARD MEMBERS IN 2021 NOK 1 000	TOTAL
Per Grieg jr. <sup>1</sup>	479
Tore Holand <sup>2</sup>	371
Sirine M. Fodstad (until 13 of August 2021) <sup>1</sup>	205
Marianne Ribe <sup>1</sup>	308
Katrine Trovik <sup>2</sup>	342
Nicolai Hafeld Grieg (from 4 of November 2021)	—
<b>Total remuneration including social security costs</b>	<b>1 706</b>

<sup>1</sup> Payment of NOK 22 820 for service on the Remuneration Committee is included in the remuneration paid to Per Grieg Jr. and Marianne Ribe, while Sirine Fodstad received NOK 15 213 for the same.

<sup>2</sup> Payment of NOK 57 050 for service on the Audit Committee is included in the remuneration paid to Tore Holand and Katrine Trovik. The amounts include social security costs.

## NOTE 17 SHARE-BASED PAYMENTS

The company has issued options to the executive management team and regional directors. The options' strike price is the stock market price on the date of issue, rising by 0.5% per month until the exercise date. Since 2009, an option scheme with settlement in cash has been established for the management and regional directors. The most recent allocation was in 2020, totalling 1 890 000 options. The final exercise date is 31 May 2024. The options have a term of two years, where 50% is vested each year.

Employees taken on after the initial allocation of options are allocated options on taking up employment.

The Black & Scholes option pricing model is used to calculate the market value. A brokerage firm is used to perform the calculations and the measurement is according to level 3 of the fair value hierarchy (see Note 2 and Note 3). The table below shows the movement in outstanding options in 2022 and 2021.

OVERVIEW 2022 (TOTAL CASH-SETTLED OPTIONS)	OUTSTANDING OPTIONS AT 31.12.2021	GRANTED OPTIONS	EXERCISED OPTIONS	EXPIRED/ CANCELLED OPTIONS	OUTSTANDING CASH-SETTLED OPTIONS AT 31.12.2022
Andreas Kvame (CEO)	540 000	—	310 236	—	229 764
Atle Harald Sandtorv (CFO)	270 000	—	189 201	—	80 799
Knut Utheim (CTO)	270 000	—	181 698	—	88 302
Kathleen O. Mathisen (CHRO)	200 000	—	150 989	—	49 011
Kristina Furnes (Group Communication Manager)	100 000	—	60 738	—	39 262
Alexander Knudsen (COO Farming Norway)	270 000	—	183 168	—	86 832
Roy Tore Rikardsen (COO Farming Canada until June 2022)	270 000	—	183 168	86 832	—
Erik Holvik (CCO)	170 000	—	104 212	—	65 788
Others	600 000	—	416 863	47 877	135 260
<b>Total</b>	<b>2 690 000</b>	<b>—</b>	<b>1 780 273</b>	<b>134 709</b>	<b>775 016</b>

OVERVIEW 2021 (TOTAL CASH-SETTLED OPTIONS)	OUTSTANDING OPTIONS AT 31.12.2020	GRANTED OPTIONS	EXERCISED OPTIONS	EXPIRED/ CANCELLED OPTIONS	OUTSTANDING CASH-SETTLED OPTIONS AT 31.12.2021
Andreas Kvame (CEO)	540 000	—	—	—	540 000
Atle Harald Sandtorv (CFO)	270 000	—	—	—	270 000
Knut Utheim (COO)	270 000	—	—	—	270 000
Kathleen O. Mathisen (CHRO)	200 000	—	—	—	200 000
Kristina Furnes (Group Communication Manager)	100 000	—	—	—	100 000
Alexander Knudsen (COO Farming Norway)	270 000	—	—	—	270 000
Roy Tore Rikardsen (COO Farming Canada)	270 000	—	—	—	270 000
Erik Holvik (CCO)	170 000	—	—	—	170 000
Others	700 000	—	—	100 000	600 000
<b>Total</b>	<b>2 790 000</b>	<b>—</b>	<b>—</b>	<b>100 000</b>	<b>2 690 000</b>

ALLOCATION: YEAR - MONTH	EXPIRY DATE: YEAR - MONTH	STRIKE PRICE NOK PER SHARE AT 31.12.2022	STRIKE PRICE NOK PER SHARE AT 31.12.2021	OPTIONS	
				2022	2021
2017 - 11	2021 - 05	—	106.28	—	800 000
2020 - 12	2023 - 05	88.99	83.82	64 898	945 000
2020 - 12	2024 - 05	88.99	83.82	710 118	945 000
<b>Total</b>				<b>775 016</b>	<b>2 690 000</b>

	2022	2021
Cash-based options available for settlement	775 016	2 690 000
Weighted average exercise price on outstanding options (NOK per option)	78.96	80.16

2022	AMOUNTS IN NOK 1 000							RECOGNIZED LIABILITY CASH SETTLEMENT AT 31.12.2022
	LISTED PRICE ON ALLOCATION	CALCULATED VALUE PER OPTION ON ALLOCATION	CALCULATED TOTAL VALUE ON ALLOCATION *	TOTAL VALUE OF ALL OPTIONS AT 01.01.2022	CHANGE IN PROVISION CB-OB*	EXERCISED OPTION 2022	ACC. COST RECOGNIZED IN EQUITY AT 31.12.2022	
Former employees with expired options**	—	—	—	—	—	—	6 887	—
Andreas Kvame (CEO)	78.96	4.35	1 480	1 408	244	2 541	—	1 652
Atle Harald Sandtorv (CFO)	78.96	6.34	1 078	909	-240	2 202	—	669
Knut Utheim (CTO)	78.96	5.82	989	840	-177	1 883	—	663
Kathleen O. Mathisen (CHRO)	78.96	7.20	720	600	-158	1 210	—	442
Kristina Furnes (Group Communication Manager)	78.96	6.04	604	511	-157	1 773	—	354
Alexander Knudsen (COO Farming Norway)	78.96	5.87	999	847	-193	1 917	—	654
Roy Tore Rikardsen (COO Farming Canada until June 2022)	78.96	5.87	999	847	-847	1 917	—	—
Erik Holvik (CCO)	78.96	6.13	1 042	881	-274	3 070	—	606
Other options allocated in 2020	78.96	7.04	3 519	2 921	-1 451	9 628	—	1 469
Andreas Kvame (CEO)	83.00	2.26	906	7	-7	1 999	—	—
Atle Harald Sandtorv (CFO)	83.00	2.79	557	4	-4	999	—	—
Knut Utheim (CTO)	83.00	2.79	557	4	-4	999	—	—
Kathleen O. Mathisen (CHRO)	83.00	2.38	475	4	-4	999	—	—
Other options allocated in 2017	83.00	2.35	1 880	11	-11	2 998	—	—
<b>Total</b>			<b>15 802</b>	<b>9 792</b>	<b>-3 282</b>	<b>34 137</b>	<b>6 887</b>	<b>6 510</b>

\* Amounts exclude social security costs.

\*\* The option category for the line item "Former employees with expired contracts" is equity options. All the other options in this table are options with settlement in cash.

2021	AMOUNTS IN NOK 1 000							
	LISTED PRICE ON ALLOCATION	CALCULATED VALUE PER OPTION ON ALLOCATION	CALCULATED TOTAL VALUE ON ALLOCATION *	TOTAL VALUE OF ALL OPTIONS AT 01.01.2021	CHANGE IN PROVISION CB-OB*	EXERCISED OPTION 2021	ACC. COST RECOGNIZED IN EQUITY AT 31.12.2021	RECOGNIZED LIABILITY CASH SETTLEMENT AT 31.12.2021
Former employees with expired options**	—	—	—	—	—	—	6 887	—
Andreas Kvame (CEO)	78.96	4.35	1 480	56	1 352	—	—	1 408
Atle Harald Sandtorv (CFO)	78.96	6.34	1 078	41	868	—	—	909
Knut Utheim (CTO)	78.96	5.82	989	37	803	—	—	840
Kathleen O. Mathisen (CHRO)	78.96	7.20	720	27	573	—	—	600
Kristina Furnes (Group Communication Manager)	78.96	6.04	604	23	488	—	—	511
Alexander Knudsen (COO Farming Europe)	78.96	5.87	999	38	810	—	—	847
Roy Tore Rikardsen (COO Farming North America)	78.96	5.87	999	38	810	—	—	847
Erik Holvik (CCO)	78.96	6.13	1 042	39	842	—	—	881
Andreas Kvame (CEO)	83.00	2.26	906	467	-460	—	—	7
Atle Harald Sandtorv (CFO)	83.00	2.79	557	316	-313	—	—	4
Knut Utheim (COO)	83.00	2.79	557	296	-293	—	—	4
Kathleen O. Mathisen (CHRO)	83.00	2.38	475	247	-243	—	—	4
Other options allocated in 2020	78.96	7.04	3 519	132	2 788	—	—	2 921
Other options allocated in 2017	83.00	2.35	1 880	1 085	-1 074	—	—	11
<b>Total</b>			<b>15 802</b>	<b>2 842</b>	<b>6 951</b>	<b>—</b>	<b>6 887</b>	<b>9 792</b>

\* Amounts exclude social security costs.

\*\* The option category for the line item "Former employees with expired contracts" is equity options. All the other options in this table are options with settlement in cash.

ACCRUED COSTS RELATED TO CASH OPTIONS NOK 1 000	2022	2021	CLASSIFICATION IN FINANCIAL STATEMENTS
Change in provisions	-3 282	6 951	Other provisions for liabilities
Exercised options during the year	34 137	—	Salaries and personnel expense / cash
<b>Total costs excl. social security costs</b>	<b>30 855</b>	<b>6 951</b>	
Social security costs	-456	973	Public taxes payable
<b>Total costs incl. social security costs</b>	<b>30 399</b>	<b>7 924</b>	Salaries and personnel expense

Cost relating to cash-based remuneration in 2022 totaled NOK 30 399 thousands. This is recognized in the income statement as a personnel cost. Social security contributions are provided for on an ongoing basis based on the fair value of the options.

As at 31 December 2022, outstanding options with the right to cash settlement were stated at NOK 6 510 thousands excl. social security costs, of which NOK 589 thousands were classified as current liabilities. The book value of long-term liabilities including social security cost was NOK 6 756 thousands.

ESTIMATES USED TO CALCULATE ALLOCATION OF OPTIONS	2022	2021
Anticipated volatility (%)	58.29%	36.44%
Risk-free rate of interest (%)	3.12%	1.13%
Estimated qualification period (years)	1.11	1.39

The estimated qualification period for the options is based on historical data, and does not necessarily represent future developments. In order to estimate volatility, management has applied historical volatility for comparable listed companies.

## NOTE 18 SHARE CAPITAL AND SHAREHOLDER INFORMATION

As at 31 December 2022, the company had 113 447 042 shares with a nominal value of NOK 4 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 31.12.2022	NOMINAL VALUE PER SHARE (NOK)	TOTAL SHARE CAPITAL NOK 1 000	NO. OF ORDINARY SHARES
<b>Total</b>	<b>4.00</b>	<b>453 788</b>	<b>113 447 042</b>
Holdings of treasury shares	4.00	-5 407	-1 351 811
<b>Total excl treasury shares</b>	<b>4.00</b>	<b>448 381</b>	<b>112 095 231</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 2022, 96 150 shares were sold to employees through the share savings program at an average price of NOK 71.0958. In December 2022, Grieg Seafood purchased 385 000 shares at a weighted average price of NOK 77.76 per share of which 314 980 have been settled within year-end. As at 31 December 2022, the company has 1 351 811 treasury shares.

THE LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA	NO. OF SHARES	SHAREHOLDING
	31.12.2022	31.12.2022
Grieg Aqua AS	56 914 355	50.17%
OM Holding AS	5 110 982	4.51%
Folketrygdfondet	2 939 985	2.59%
Ystholmen Felles AS	1 923 197	1.70%
State Street Bank and Trust Comp (Nominee)	1 717 439	1.51%
State Street Bank and Trust Comp (Nominee)	1 692 877	1.49%
Morgan Stanley & Co. Int. Plc. (Nominee)	1 470 346	1.30%
Clearstream Banking S.A. (Nominee)	1 376 622	1.21%
Grieg Seafood ASA	1 351 811	1.19%
JPMorgan Chase Bank, N.A., London (Nominee)	1 136 470	1.00%
Gåsø Næringsutvikling AS	1 116 323	0.98%
Kvasshøgdi AS	996 772	0.88%
Ferd AS	924 407	0.81%
State Street Bank and Trust Comp (Nominee)	724 407	0.64%
DZ Privatbank S.A. (Nominee)	698 518	0.62%
J.P. Morgan SE (Nominee)	687 236	0.61%
Danske Invest Norge Vekst	540 000	0.48%
Six Sis AG (Nominee)	534 229	0.47%
J.P. Morgan SE (Nominee)	526 442	0.46%
DNB Bank ASA (Broker)	482 561	0.43%
<b>Total 20 largest shareholders</b>	<b>82 864 979</b>	<b>73.04%</b>
Total others	30 582 063	26.96%
<b>Total number of shares</b>	<b>113 447 042</b>	<b>100.00%</b>

THE LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA	NO. OF SHARES	SHAREHOLDING
	31.12.2021	31.12.2021
Grieg Aqua AS	56 914 355	50.17%
Folketrygdfondet	5 312 207	4.68%
OM Holding AS	4 917 957	4.34%
Ystholmen Felles AS	2 428 197	2.14%
State Street Bank and Trust Comp (nominee)	1 867 464	1.65%
Clearstream Banking S.A. (nominee)	1 711 386	1.51%
BNP Paribas Securities Services (nominee)	1 634 500	1.44%
Ferd AS	1 456 453	1.28%
Six Sis AG (nominee)	1 380 743	1.22%
CACEIS Bank Spain SA (nominee)	1 212 652	1.07%
Banque Degroof Petercam Lux. SA (nominee)	1 164 795	1.03%
Grieg Seafood ASA	1 132 981	1.00%
JPMorgan Chase Bank, N.A., London (nominee)	1 035 915	0.91%
Kvasshøgdi AS	996 772	0.88%
Verdipapirfondet Pareto Investment	916 000	0.81%
State Street Bank and Trust Comp (nominee)	883 362	0.78%
State Street Bank and Trust Comp (nominee)	862 797	0.76%
Ronja Capital II AS	755 004	0.67%
Pictet & Cie (Europe) S.A. (nominee)	646 320	0.57%
Danske Invest Norge Vekst	561 000	0.49%
<b>Total 20 largest shareholders</b>	<b>87 790 860</b>	<b>77.38%</b>
Other shareholders	25 656 182	22.62%
<b>Total shares</b>	<b>113 447 042</b>	<b>100.00%</b>

SHARES CONTROLLED BY BOARD MEMBERS AND GROUP MANAGEMENT	NO. OF SHARES	SHAREHOLDING	NO. OF SHARES	SHAREHOLDING
	31.12.2022	31.12.2022	31.12.2021	31.12.2021
<b>BOARD OF DIRECTORS</b>				
Per Grieg Jr.	57 926 127	51.06%	60 356 985	53.20%
Tore Holand (Skippergata 24 AS, and privately)	2 000	0.00%	2 000	0.00%
Marianne Ribe	—	—%	—	—%
Katrine Trovik	—	—%	—	—%
Nicolai Hafeld Grieg (board member from 4 November 2021) *	—	—%	—	—%
Ragnhild Janbu Fresvik (board member from 9 June 2022)	—	—%	—	—%
<b>GROUP MANAGEMENT</b>				
Andreas Kvame (CEO)	40 513	0.04%	39 809	0.04%
Atle Harald Sandtorv (CFO)	25 556	0.02%	24 852	0.02%
Knut Utheim (CTO)	24 855	0.02%	24 151	0.02%
Alexander Knudsen (COO Farming Norway)	23 513	0.02%	22 809	0.02%
Kathleen O. Mathisen (CHRO)	15 074	0.01%	12 380	0.01%
Kristina Furnes (Global Communications Manager)	4 711	0.00%	644	0.00%
Erik Holvik (CCO)	8 831	0.01%	644	0.00%
<b>THE SHARES OWNED BY THE FOLLOWING COMPANIES ARE CONTROLLED BY PER GRIEG JR. AND FAMILY</b>				
Grieg Aqua AS	56 914 355	50.17%	56 914 355	50.17%
Ystholmen Felles AS	—	—%	2 428 197	2.14%
Kvasshøgdi AS	996 772	0.88%	996 772	0.88%
Per Grieg Jr. privately	15 000	0.01%	15 000	0.01%
Thomas Willumsen Grieg	—	—%	2 661	0.00%
<b>Total shares</b>	<b>57 926 127</b>	<b>51.06%</b>	<b>60 356 985</b>	<b>53.20%</b>

\*Nicolai Hafeld Grieg owns, indirectly, 1.87% (2021: 1.87%) of Grieg Seafood ASA through his ownership in Grieg Maturitas AS, the parent company of Grieg Aqua AS.



## NOTE 19 EARNINGS PER SHARE AND DIVIDEND PER SHARE

CALCULATION OF EARNINGS PER SHARE	2022	2021
Profit / loss after tax continued operations (majority share)	1 153 779	604 377
Profit / loss discontinued operations (majority share)	—	600 291
Profit / loss after tax (majority share)	1 153 779	1 204 668
Number of shares at 01.01	113 447 042	113 447 042
Effect of treasury shares (Note 18)	-1 132 981	-1 171 494
Repurchased shares	-314 980	—
Sale of treasury shares to employees	96 150	38 513
<b>Number of outstanding shares at 31.12.</b>	<b>112 095 231</b>	<b>112 314 061</b>
Effect of share repurchased	307 473	—
Effect of shares sold to employees	-92 989	-33 870
<b>Weighted average number of outstanding shares at 31.12.</b>	<b>112 309 715</b>	<b>112 280 191</b>
<b>Diluted average number of outstanding shares at 31.12.</b>	<b>112 309 715</b>	<b>112 280 191</b>
<b>Earnings per share (NOK)</b>		
Continued operations	10.3	5.4
Discontinued operations	0.0	5.3
<b>Earnings per share - Total</b>	<b>10.3</b>	<b>10.7</b>
<b>Diluted earnings per share (NOK)</b>		
Continued operations	10.3	5.4
Discontinued operations	0.0	5.3
<b>Earnings per share - Total</b>	<b>10.3</b>	<b>10.7</b>
<b>DIVIDENDS</b>	<b>2022</b>	<b>2021</b>
Proposed dividend per share (NOK)*	4.5	3.0
Distributed dividend to owners during the year per share (NOK)	3.0	0.0

\*Proposed dividend per share (NOK) is proposed by the Board of Directors, and - as per the date of this Annual Report - not yet approved by the Annual General Meeting of Grieg Seafood.

## NOTE 20 CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS NOK 1 000	2022	2021
Restricted deposits incl. employee tax deductions*	1 000	25 067
Other cash and bank deposits	641 719	903 274
<b>Total</b>	<b>642 719</b>	<b>928 342</b>

\*The change in the line item "restricted deposits incl. employee tax deductions" 2022 compared to 2021 is due to bank guarantee covering the employee tax deductions in 2022 (and going forward), compared to 2021 where the employee tax deductions were held on a tax deduction bank account.

The Group's currency and interest rate exposure is described in Note 3.

See Note 3 and Note 12 for information on the Group's available credit facilities.

## NOTE 21 INVESTMENT IN MONEY MARKET FUNDS

INVESTMENT IN MONEY MARKET FUNDS NOK 1 000	NOTE	2022	2021
Investment in money market funds		1 000 224	—
Unrealized gain/loss		12 624	—
<b>Total investment in money market funds</b>		<b>1 012 848</b>	<b>—</b>
Unrealized fair value gains (losses) recognized in the income statement	26	12 624	—

In 2022, the Group has temporarily placed surplus liquidity funds in money market funds. The Group does not invest directly in bonds or securities, but through units in established money market funds. At year-end, the Group had investments placed in a portfolio of three Norwegian money market funds. All three funds in the investment portfolio are money market funds that invest in bonds and securities with short time to maturity in the Norwegian market.

## NOTE 22 TRADE RECEIVABLES

TRADE RECEIVABLES NOK 1 000	2022	2021
Gross amount of trade receivables	690 226	479 228
Trade receivables deducted*	-416 053	-312 469
Loss allowance	-15 036	-14 965
<b>Trade receivables at 31.12.</b>	<b>259 137</b>	<b>151 793</b>

\*Trade receivables bought by the factoring company.

RECOGNIZED LOSSES NOK 1 000	2022	2021
Change in loss allowance	71	1 427
Confirmed losses in the year	33	—
<b>Total recognized losses on receivables</b>	<b>104</b>	<b>1 427</b>

Losses on receivables are classified as other operating expenses in the income statement.

In the Group's expected credit loss (ECL) calculation model, customers are categorized as high or low risk, depending on their country of origin, and as credit insured or unsecured. The group of unsecured receivables also consists of some receivables that have other types of security. The risk of loss is therefore considered low and no loss allowance is calculated for these receivables. The risk evaluation is based on our own experience and input from credit insurance companies. A loss allowance is calculated as a percentage of the aging distribution (days past due). The Group also makes manual accruals if significant information implies that there is a higher risk of losses. Around 5% credit risk also remains for the factored trade receivables. The aging analysis given below is therefore based on the total receivables rather than total receivables less the factored receivables. For more information about credit risk, refer to Note 3.

NOK 1 000		GROSS AMOUNT	EXPOSED AMOUNT	NOT YET DUE	OVERDUE 0-30 DAYS	OVERDUE 31-60 DAYS	OVERDUE 61-90 DAYS	OVERDUE > 90 DAYS	OVERDUE > 1 YEAR	TOTAL
AGING PROFILE OF TRADE RECEIVABLES (TR) 31.12.2022										
Regular/normal risk countries	TR Credit insured	615 863	—	486 463	121 035	6 332	381	1 616	36	615 863
	TR Unsecured	59 939	61 444	33 057	1 550	10 898	601	60	13 773	59 939
High risk countries	TR Credit insured	11 583	—	5 399	5 732	474	—	-22	—	11 583
	TR Unsecured	2 841	2 839	2 839	2	—	—	—	—	2 841
<b>Total</b>		<b>690 226</b>	<b>64 283</b>	<b>527 757</b>	<b>128 319</b>	<b>17 704</b>	<b>982</b>	<b>1 655</b>	<b>13 809</b>	<b>690 226</b>
LOSS ALLOWANCE 31.12.2022										
Regular/normal risk countries	TR Credit insured	—	—	271	8	316	79	512	36	1 223
	TR Unsecured	—	61 444	8	—	—	—	—	13 773	13 780
High risk countries	TR Credit insured	—	—	3	16	12	—	—	—	31
	TR Unsecured	—	2 839	2	—	—	—	—	—	2
<b>Total</b>		<b>—</b>	<b>64 283</b>	<b>283</b>	<b>25</b>	<b>328</b>	<b>79</b>	<b>512</b>	<b>13 809</b>	<b>15 036</b>

NOK 1 000		GROSS AMOUNT	EXPOSED AMOUNT	NOT YET DUE	OVERDUE 0-30 DAYS	OVERDUE 31-60 DAYS	OVERDUE 61-90 DAYS	OVERDUE > 90 DAYS	OVERDUE > 1 YEAR	TOTAL
AGING PROFILE OF TRADE RECEIVABLES (TR) 31.12.2021										
Regular/normal risk countries	TR Credit insured	425 546	52	289 555	126 792	4 344	5 238	-382	—	425 546
	TR Unsecured	50 334	50 334	17 596	16 599	302	-1 131	1 018	15 951	50 334
High risk countries	TR Credit insured	3 291	—	1 431	1 872	—	—	-12	—	3 291
	TR Unsecured	56	56	—	—	4	—	52	—	56
<b>Total</b>		<b>479 228</b>	<b>50 443</b>	<b>308 582</b>	<b>145 264</b>	<b>4 650</b>	<b>4 106</b>	<b>676</b>	<b>15 951</b>	<b>479 228</b>

### LOSS ALLOWANCE 31.12.2021

Regular/normal risk countries	TR Credit insured	—	52	—	11	4	11	31	—	57
	TR Unsecured	—	50 334	—	304	93	1 029	1 100	12 333	14 859
High risk countries	TR Credit insured	—	—	—	—	—	—	48	—	49
	TR Unsecured	—	56	—	—	—	—	—	—	—
<b>Total</b>		<b>—</b>	<b>50 443</b>	<b>—</b>	<b>316</b>	<b>98</b>	<b>1 040</b>	<b>1 179</b>	<b>12 333</b>	<b>14 965</b>

## NOTE 23 OTHER NON-CURRENT RECEIVABLES

OTHER NON-CURRENT RECEIVABLES NOK 1 000	NOTE	2022	2021
Investment tax credit*	11	—	81 575
Loan to associated company	7	16 900	2 111
Investments in shares	14	271	271
Other non-current receivables		764	6 940
<b>Total</b>		<b>17 935</b>	<b>90 897</b>

\*Investment tax credit, related to the freshwater facility in Newfoundland, has been derecognized from the statement of financial position as at 31 December 2022 as Newfoundland is in a net deferred tax position. Investment tax credits are deferred and offset against future tax liability. The derecognition has been carried out as a balance sheet entry, by reversing the credit entry to the acquisition cost of the property, plant and equipment booked as at 31 December 2021 and by reversing the non-current receivable related to the investment tax credit booked as at 31 December 2021, see Note 11. The investment tax credit was in 2021 booked in line with a government grant, as a direct decrease in property, plant and equipment.

## NOTE 24 OTHER CURRENT RECEIVABLES

OTHER CURRENT RECEIVABLES NOK 1 000	2022	2021
VAT receivable	87 431	57 594
Prepaid expenses	44 113	43 490
Other current receivables	25 515	46 247
<b>Total</b>	<b>157 060</b>	<b>147 332</b>

## NOTE 25 RELATED PARTIES

2022 NOK 1 000	OPERATING INCOME	OPERATING EXPENSES	NON-CURRENT BALANCES	CURRENT BALANCES
Total related parties as shareholders	—	33 742	—	-1 906
Total related parties as associates	—	168 353	16 650	-40 879
<b>Total</b>	<b>—</b>	<b>202 095</b>	<b>16 650</b>	<b>-42 785</b>

2021 NOK 1 000	OPERATING INCOME	OPERATING EXPENSES	NON-CURRENT BALANCES	CURRENT BALANCES
Total related parties as shareholders	—	37 389	—	-15 915
Total related parties as associates	9 698	153 086	2 111	-23 615
<b>Total</b>	<b>9 698</b>	<b>190 475</b>	<b>2 111</b>	<b>-39 530</b>

The Grieg Seafood Group carries out, in the normal course of business, transactions with companies controlled by Grieg Maturitas II AS, which is the parent company of Grieg Aqua AS, the majority owner of Grieg Seafood ASA. The ultimate parent company of Grieg Seafood ASA is Grieg Maturitas AS, the parent company of Grieg Maturitas II AS. These transactions relate to:

- ICT-related services and other functions such as catering, reception, etc., are provided by Grieg Group Resources AS on an arm's length basis.
- Grieg Seafood ASA rents its offices from Grieg Gaarden AS on an arm's length basis. The office rental agreement runs for a period of ten years.
- Grieg Seafood ASA purchases services from Grieg Investor AS.
- The regions purchased cleaner fish from Rensefiskgruppen AS including subsidiaries, a company owned by Grieg Kapital AS.

Furthermore, the Group is also purchases goods and services from associated companies, including companies affiliated with the Group through managerial positions in Grieg Seafood and the related party. These transactions relate to:

- Purchase of smolt from the associated company Tytlandsvik Aqua AS, which is owned 33.33% by Grieg Seafood Rogaland AS.
- Purchase of smolt from the associated company Nordnorsk Smolt AS, which is owned 50.00% by Grieg Seafood Finnmark AS.
- Interest-bearing loan provided to Årdal Aqua AS, which is owned 44.44% by Grieg Seafood Rogaland AS.
- Interest-bearing loan provided to Nordnorsk Smolt AS, which is owned 50.00% by Grieg Seafood Finnmark AS.
- Non-interest bearing loan provided to an affiliated company of NextSeafood AS, which is owned 50.00% by Grieg Seafood Rogaland AS.
- Fuel is purchased from Eidsvaag AS, which is affiliated with Grieg Seafood through a board member of Grieg Seafood being the Chair of Board of Directors of the affiliated company.
- Algae monitoring services are purchased from Blue Planet AS, which is affiliated with Grieg Seafood through Grieg Seafood COO Norway being the Chair of the Board of Directors of the affiliated company.

The parent company provides a range of services to its subsidiaries. The services include administrative services and services relating to the provision of parent company non-current loans and current credit facilities to subsidiaries. Interest is charged on an arm's length basis. In addition, Grieg Seafood ASA engages in hedge contracts on behalf of subsidiaries. The arrangement is intended to reduce these companies' exposure to salmon prices. Agreements with the subsidiaries are priced on the basis of a "back-to-back" arrangement.

The Board and Group Management are related parties. See Note 17 on share-based options and Note 18 on shares controlled by members of the Board and Group Management.

All transactions, including both the sale and purchase of goods and services, are made on an arm's length basis.

## NOTE 26 FINANCIAL INCOME AND FINANCIAL EXPENSES

FINANCIAL ITEMS NOK 1 000	2022	2021
<b>FINANCIAL INCOME</b>		
Other interest income	11 893	—
Realized gain/loss on cross currency interest rate swap incl. option	35 740	—
Unrealized gain (loss) on investment in money market fund	12 624	—
Net change in fair value of derivatives	21 453	28 370
Net currency gains	38 205	96 709
Other financial income	1 693	154
<b>Total financial income</b>	<b>121 609</b>	<b>125 233</b>
<b>FINANCIAL EXPENSE</b>		
Interest expense on external borrowings and leases *	151 410	189 390
Amortized establishment cost	16 471	16 476
Other interest expenses	—	1 768
Other financial expenses	3 672	4 865
<b>Total</b>	<b>171 553</b>	<b>212 499</b>
<b>Net financial items</b>	<b>-49 944</b>	<b>-87 266</b>

\*Interest expenses on bank borrowings and leases includes recognized gains/losses from realized interest rate swaps of NOK 5 million in 2022 (2021: NOK 7 million).

## NOTE 27 OTHER OPERATING EXPENSES

OTHER OPERATING EXPENSES NOK 1 000	2022	2021
Transportation costs	497 679	265 639
Maintenance costs	327 031	295 270
Electricity and fuel	177 902	113 778
Lease expenses <sup>1</sup>	60 490	24 555
Outsourced services and audit fees	107 318	94 100
Insurance	66 512	54 223
IT expenses	77 298	59 437
Marketing costs	6 642	2 942
Other operating expenses <sup>2</sup>	119 311	64 397
Other production-related costs <sup>1,3</sup>	647 128	553 005
<b>Total other operating expenses</b>	<b>2 087 310</b>	<b>1 527 347</b>

<sup>1</sup>Includes lease expenses and lease-related expenses, including the effect of IFRS 16.

<sup>2</sup>Includes equipment, telephony/postage, office supplies, fees, travel costs and the like.

<sup>3</sup>Production-related costs comprise harvesting costs including expenses for well-boat services, packaging material, diving services, vaccination, delousing, oxygen, and analyses and the like.

BREAKDOWN OF TOTAL AUDITOR'S FEES NOK 1 000	2022	2021
<b>AUDITOR'S FEES</b>		
Group auditor	3 049	4 132
Other auditors	1 128	500
<b>OTHER CERTIFICATION SERVICES</b>		
Group auditor	783	752
Other auditors	—	—
<b>TAX ADVICE</b>		
Group auditor	764	883
Other auditors	124	—
<b>OTHER SERVICES</b>		
Group auditor	26	86
Other auditors	—	206
<b>Total Group auditor</b>	<b>4 622</b>	<b>5 852</b>
<b>Total other auditors</b>	<b>1 252</b>	<b>706</b>
<b>Total auditor's fees</b>	<b>5 873</b>	<b>6 558</b>

The audit fee specification for 2022 include fees from Advokatfirmaet PricewaterhouseCoopers AS of NOK 26 thousands (2021: NOK 38 thousands). In 2021, the figures are disclosed for the Group's continued operations (see Note 6), thus do not include Shetland.

## NOTE 28 LITIGATION AND LEGAL CLAIMS, AND DECOMMISSIONING COSTS

### LITIGATION AND LEGAL CLAIMS

Grieg Seafood had also been sued by indirect purchasers in the USA. In 2022, a settlement offer from the indirect purchaser plaintiffs was accepted. In February 2023, the settlement was finally approved by the court of Southern District of Florida. The settlement does not involve any admission of liability or wrongdoing. Costs incurred and provisions for expected costs related to the lawsuits in North America in total of NOK 157 million have been expensed in 2022, of which NOK 129 million were used at year end. The remaining NOK 28 million are accrued as other current liability in the Statement of Financial Position. The total amount of NOK 157 million for the year is reported on the financial statement line item "Litigation and legal claims". See also Note 31.

### DECOMMISSIONING COSTS

Grieg Seafood has in 2022 discontinued production in the shíshálh (Sechelt) farming area of British Columbia. At year-end, all fish from the farming area of Sechelt has been harvested. The Group is required to decommission the sites and at year-end the Group has accrued a total of NOK 24 million of clean-up costs. The costs are reported on the financial statement line item "Decommissioning costs". See also Note 10.

## NOTE 29 OTHER CURRENT LIABILITIES

OTHER CURRENT LIABILITIES NOK 1 000	2022	2021
Accrued expenses <sup>1</sup>	150 241	133 385
Production fee (Norway) <sup>2</sup>	7 987	24 463
Realized gain/loss on fixed-price contracts <sup>3</sup>	30 930	12 530
Other current liabilities <sup>4</sup>	99 135	42 044
<b>Other current liabilities</b>	<b>288 293</b>	<b>212 422</b>

<sup>1</sup> Accrued expenses relate to other operating expenses, including accrued purchases, transportation costs, bonuses/discounts for buyers, accrued salaries, and insurance.

<sup>2</sup> Production fee charged by NOK 0.405/kg (NOK 0.400/kg in 2021) of harvested volume (guttet weight) in Rogaland and Finnmark in Norway. For 2021, the production fee was payable in 2022 as 2021 was the first year harvested volume in Norway was charged with a fixed production fee. As from 2022, the production fee is settled throughout the year. The production fee is presented on a separate financial statement line item in the income statement ("Production fee").

<sup>3</sup> See Note 3.

<sup>4</sup> Includes NOK 25 million related to repurchased bonds. The repurchase was finalized in 2022 but settled in cash in 2023. In addition, NOK 28 million related to litigation and claims is accrued at year-end 2022, see Note 28.

## NOTE 30 NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS

### CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE OF NEW STANDARDS

#### A) NEW AND AMENDED STANDARDS, AND INTERPRETATIONS - ADOPTED IN 2022

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to IFRS which have been implemented by the Group during the current financial year. Below we have listed the amendments in IFRS which have been applicable for the Group's 2022 financial statements, as well as the effect of the amendments.

In the section below new and amended standards and interpretations that have been implemented for the first time in 2022 are stated (no new IFRS standards implemented in 2022). This section is however not a complete summary of changes in IFRS, and merely a summary of changes that are relevant for Grieg Seafood.

#### Amendments to IAS 37 - Onerous Contracts, Costs of Fulfilling a Contract

A onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract costs exceed the economic benefits expected to be received under that contract. The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contract activities. The effect of the adoption has not had any effects for the 2022 financial statement compared with prior year's accounting policies.

#### Annual Improvements 2018-2020 Cycle Issued May 2020, effective from 1 January 2022

##### IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. In 2022, Grieg Seafood refinanced its syndicated arrangement with secured lenders. The amendment in IFRS 9 has had no effect on the Group's financial statement in 2022 compared with prior year's accounting policies.

#### IAS 41 Agriculture - Taxation in fair value measurements

The amendment, which removed the requirement in IAS 41.22 to exclude cash flows for taxation when measuring the fair value of biological assets has had no effect on the Group's financial statement in 2022 compared with prior year's accounting policies as the Group's methodology for fair value measurement of biological assets at sea is unaffected by the change.

## B) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS - NOT YET ADOPTED

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. This section is not a complete summary of all changes in IFRS not yet adopted as at 31 December 2022. The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval, before the consolidated financial statements are issued. Generally, the Group does not aim to early-adopt, if available, changes to IFRS.

This section does provide a summary of the most relevant new standards, amendments and interpretations for Grieg Seafood, that are not yet adopted. These are:

- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions as to the Group's financial position and -results. Both of the amendments listed above are effective as from 1 January 2023, and both will have an impact on the note disclosures of the Group in 2023 and beyond. For more information concerning these two amendments in IFRS, see the sections below.

### Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The amendments are effective for annual periods beginning on or after 1 January 2023, but earlier application is permitted as long as this fact is disclosed. The Group has not early-adopted the amendment. It is not expected that the amendments will materially impact the substance of the disclosed accounting policies of Grieg Seafood in 2023 compared with prior years.

### Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Taxes narrow the scope of the initial recognition exemption of IAS 12.15 and IAS 12.24 and specifically require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The most relevant part of the amendment for Grieg Seafood is leases. The Group has leases capitalized in the balance sheet through the effect of IFRS 16, and leases which would be classified as finance leases, according to the IFRS in force prior to 1 January 2019. Deferred tax is as at 31 December 2022 recognized for leases according to the net approach. Because of the amendment to IAS 12, Grieg Seafood will be required to recognize both a deferred tax asset and deferred tax liability on the initial recognition of a lease. While these qualify for offsetting in the statement of financial position, the notes to the financial statements need to disclose the gross amounts.

The amendments are effective for annual periods beginning on or after 1 January 2023. The amendment is applied by the modified retrospective approach, meaning the beginning of the earliest comparative period presented (for 2023, that is 1.1.2022). Thus, Grieg Seafood does not expect that the amendment to IAS 12 will impact the statement of financial position of the Group, but the change will impact the granularity of the note disclosure to the consolidated financial statement, with impact to the 2022 comparable note disclosures in the 2023 financial statements.

## OTHER STANDARDS, AMENDMENTS AND INTERPRETATIONS

No other new standards, amendments and interpretations, not yet adopted at 31 December 2022, are expected to have a material impact on the Group's consolidated financial statement.

## NOTE 31 CONTINGENT LIABILITIES

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. At date, no decision has been made by the European Commission. Grieg Seafood is not aware of any anti-competitive behavior within the Group, neither in Norway, nor the EU, or Canada. Grieg Seafood rejects that there is any basis for the claims and considers the complaints to be entirely unsubstantiated. See also Note 28.

## NOTE 32 EVENTS AFTER THE REPORTING DATE

There has not been any significant events after the balance sheet date of 31 December 2022.

# GRIEG SEAFOOD

## ASA ACCOUNTS

### ASA ACCOUNTS

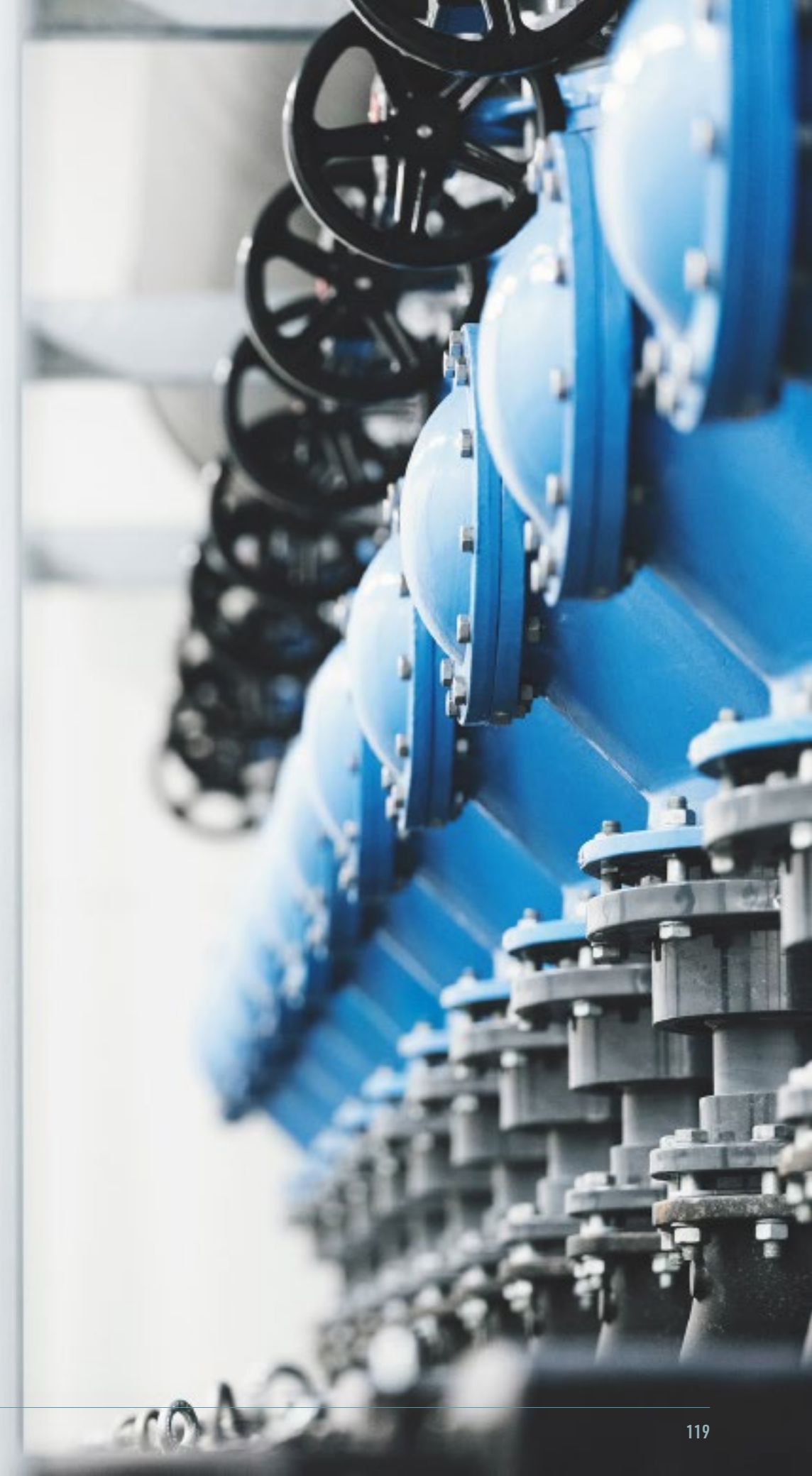
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## INCOME STATEMENT


GRIEG SEAFOOD ASA NOK 1 000	NOTE	2022	2021
Other operating income	2/3	288 015	98 328
<b>Total operating income</b>		<b>288 015</b>	<b>98 328</b>
Salaries and personnel expenses	4/14	-118 348	-71 533
Depreciation and amortization	7	-6 984	-6 773
Other operating expenses	2/4	-199 548	-97 123
<b>Total operating expenses</b>		<b>-324 879</b>	<b>-175 429</b>
<b>Operating profit (loss)</b>		<b>-36 865</b>	<b>-77 101</b>
Financial income	2/5	1 269 129	752 632
Financial expenses	2/5	-216 521	-186 932
<b>Net financial items</b>		<b>1 052 608</b>	<b>565 700</b>
<b>Profit before tax</b>		<b>1 015 743</b>	<b>488 599</b>
Income tax expense	6	-221 666	-81 257
<b>Net profit for the year</b>		<b>794 077</b>	<b>407 342</b>
<b>APPROPRIATION OF PROFIT FOR THE YEAR</b>			
Proposed dividend		504 120	336 942
Transferred to other equity		289 957	70 400
<b>Total appropriations</b>		<b>794 077</b>	<b>407 342</b>



## STATEMENT OF FINANCIAL POSITION

GRIEG SEAFOOD ASA NOK 1 000	NOTE	31.12.2022	31.12.2021
<b>ASSETS</b>			
Deferred tax assets	6	14 192	—
Software	7	8 357	10 737
Property, plant and equipment	7/13	1 207	2 571
Investments in subsidiaries	8/13	1 903 409	1 903 409
Loan to Group companies	2/13	797 907	787 096
Investment in shares		169	169
<b>Total non-current assets</b>		<b>2 725 241</b>	<b>2 703 982</b>
Trade receivables from Group companies	2/13	180 989	178
Other receivables from Group companies	2/13	2 715 580	2 149 163
Other current receivables	2/9	18 281	9 134
Short-term investments and financial instruments	10	1 013 415	21 744
Bank deposits	11	524 823	792 875
<b>Total current assets</b>		<b>4 453 087</b>	<b>2 973 094</b>
<b>Total assets</b>		<b>7 178 328</b>	<b>5 677 076</b>

GRIEG SEAFOOD ASA NOK 1 000	NOTE	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>			
Share capital	12	453 788	453 788
Treasury shares	12	-5 407	-4 532
Other paid-in equity		227 477	226 468
Contingent consideration (acquisition of Grieg Newfoundland AS)		701 535	701 535
Other retained earnings		1 633 390	1 366 671
<b>Total equity</b>		<b>3 010 783</b>	<b>2 743 930</b>
Deferred tax	6	—	10 151
Share-based payments	14	6 756	11 115
<b>Total provisions</b>		<b>6 756</b>	<b>21 267</b>
Green bond loan	13	1 408 523	1 476 376
Non-current loan	13	1 336 142	808 533
<b>Total non-current liabilities</b>		<b>2 744 665</b>	<b>2 284 909</b>
Current portion of non-current loan	13	128 211	49 944
Share-based payments	14	672	51
Trade payables	2	5 432	24 709
Trade payables to Group companies	2	8 526	—
Current liabilities to Group companies	2	412 125	102 111
Tax payable	6	243 039	76 686
Public duties payable		9 586	4 628
Financial instruments	10	—	751
Accrued dividend		504 120	336 942
Other current liabilities	2/15	104 414	31 148
<b>Total current liabilities</b>		<b>1 416 125</b>	<b>626 970</b>
<b>Total liabilities</b>		<b>4 167 547</b>	<b>2 933 146</b>
<b>Total equity and liabilities</b>		<b>7 178 328</b>	<b>5 677 076</b>



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



## STATEMENT OF CHANGES IN EQUITY

GRIEG SEAFOOD ASA NOK 1 000	SHARE CAPITAL	TREASURY SHARES	OTHER PAID-IN EQUITY	CONTINGENT CONS.**	OTHER EQUITY	TOTAL EQUITY
Equity at 01.01.2021	453 788	-4 686	226 067	701 535	1 293 215	2 669 919
Profit for the year 2021	—	—	—	—	407 342	407 342
Sale of treasury shares to employees	—	154	401	—	3 055	3 610
Accrued dividend at year-end 2021*	—	—	—	—	-336 942	-336 942
Equity at 31.12.2021	453 788	-4 532	226 468	701 535	1 366 671	2 743 930
Equity at Equity at 01.01.2022	453 788	-4 532	226 468	701 535	1 366 671	2 743 930
Profit for the year 2022	—	—	—	—	794 077	794 077
Sale of treasury shares to employees	—	385	1 009	—	5 501	6 895
Purchase of treasury shares	—	-1 260	—	—	-28 739	-29 999
Accrued dividend at year-end 2022*	—	—	—	—	-504 120	-504 120
Equity at 31.12.2022	453 788	-5 407	227 477	701 535	1 633 390	3 010 783

\*Accrued dividend is allocated as at 31 December and not yet authorized by the Annual General Meeting (AGM). The accrued dividend for year-end 2022 is estimated at NOK 4.5 per share. The dividend is to be paid out to shareholders in 2023, provided that the dividend is authorized by the AGM.

\*\*Contingent consideration related to the acquisition of Grieg Seafood Newfoundland AS.

## CASH FLOW STATEMENT

GRIEG SEAFOOD ASA NOK 1 000	NOTE	2022	2021
Profit before tax		1 015 742	488 599
Recognized, not paid Group contributions		-995 291	-307 845
Taxes paid	6	-79 658	-6 560
Gain/loss sale of subsidiary	5	—	-142 683
Depreciation and amortization	7	6 984	6 773
Change in trade receivables		-180 811	4 129
Change in trade payables		-10 751	-27 455
Change in other accruals		40 515	65 451
Items classified as investing or financing activities		119 249	142 168
Currency translation differences		44 961	-75 221
<b>Net cash flow from operating activities</b>		<b>-39 061</b>	<b>147 357</b>
Dividend income	5	10	10
Purchase of property, plant and equipment		-659	-1 555
Purchase of intangible assets	7	-2 581	-1 892
Proceeds sale of subsidiary	5	—	601 433
Payments/proceeds, loans to/from Group companies		121 030	913 306
Group contribution from subsidiaries		307 845	99 710
Investment in money market funds	10	-1 000 224	—
<b>Net cash flow from investing activities</b>		<b>-574 579</b>	<b>1 611 012</b>
Revolving credit facility (net draw-down/repayment)	13	-440 000	-557 126
Proceeds of long-term interest bearing debt	13	1 463 423	—
Repayment of long-term interest-bearing debt	13	-520 788	-523 346
Change in loans to/from Group companies		310 014	99 117
Interest paid		-108 349	-171 459
Paid dividends		-336 942	—
Repurchase of own shares		-24 400	—
Sale of treasury shares to employees		2 631	3 610
<b>Net cash flow from financing activities</b>		<b>345 588</b>	<b>-1 149 203</b>
<b>Net change in cash and cash equivalents</b>		<b>-268 052</b>	<b>609 165</b>
<b>Cash and cash equivalents at 01.01.</b>		<b>792 875</b>	<b>183 710</b>
<b>Cash and cash equivalents at 31.12.</b>	11	<b>524 823</b>	<b>792 875</b>
CASH AND CASH EQUIVALENTS AT 31.12. CONSISTS OF:			
Restricted deposits		1 000	2 564
Other bank deposits		523 823	790 312
UNUTILIZED CREDIT FACILITIES AT 31.12:			
Unutilized credit facilities at the year-end		1 700 000	885 000

## NOTE 1 ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

All amounts are stated in NOK thousand, unless otherwise indicated.

### USE OF ESTIMATES

Management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

### REVENUE RECOGNITION

Revenue from the sale of goods is recognized at the time of delivery. Revenue from the sale of services is recognized when the services are performed. The share of sales revenue associated with future service is recognized in the statement of financial position as accrued sales revenues and is transferred to income at the time of execution.

### CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

Assets intended for long-term ownership or use are classified as non-current assets. Assets related to the normal operating cycle are classified as current assets. Receivables are classified as current assets if they are expected to be repaid within 12 months of the transaction date. Similar criteria are applied to liabilities. Current assets are valued at the lower of cost and fair value. Current liabilities are recognized in the balance sheet at nominal value. Non-current assets are valued at historical cost. Property, plant and equipment whose value will deteriorate is depreciated on a straight-line basis over the asset's estimated useful life. Non-current assets are written down to fair value where this is required by accounting rules. Nominal amounts are discounted if the interest rate element is material.

### INTANGIBLE ASSETS

Expenditure on intangible assets is recognized in the statement of financial position to the extent that a future economic benefit can be identified as deriving from the development of an identifiable intangible asset and cost can be measured reliably. Otherwise, the cost is expensed as it arises. Capitalized development costs are amortized over their useful life.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognized in the statement of financial position and depreciated on a straight-line basis over its estimated useful life, providing the asset has an expected useful life of more than 3 years and a cost price of more than NOK 15 000. Maintenance costs are recognized in the income statement as operating expenses as they arise, while improvements and

additions are added to the acquisition cost of the asset and depreciated at the same rate as the asset. The distinction between maintenance and improvements is made based on the asset's relative condition on the original purchase date.

### SUBSIDIARIES

Subsidiaries are recognized at cost in the financial statement of Grieg Seafood ASA (parent). Group contributions paid to subsidiaries, net of tax, are recognized as an increase in the cost of the shares. Dividends and group contributions from subsidiaries to Grieg Seafood ASA are recognized in the same year in the Company's financial statement as when recognized in the subsidiary's financial statements. If dividends/group contributions materially exceed retained earnings received from the investment in the subsidiary after acquisition, the excess amount is regarded as a reimbursement of invested capital and is deducted from the recognized cost of investment in the subsidiary in the statement of financial position of Grieg Seafood ASA. Dividends and group contributions received are recognized in the income statement as other financial income.

Contingent consideration is included in costs on the acquisition date of a subsidiary. The likelihood of payment and time value of money are considered when estimating the fair value of the contingent consideration on the acquisition date.

### IMPAIRMENT OF NON-CURRENT ASSETS

Impairment tests are performed upon indication that the carrying amount of a non-current asset exceeds its estimated fair value. The test is performed at the lowest level of non-current assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less costs to sell and the value in use (net present value of future use/ownership), the asset is written down to the higher of fair value less costs to sell and the value in use. Previous impairment charges are reversed in a later period if the prerequisites for impairment are no longer present (except for impairment of goodwill).

### TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognized in the statement of financial position at nominal value after a provision for bad debts. The provision for bad debts is estimated based on an individual assessment of each material receivable.

### CURRENT INVESTMENTS

Current investments (shares and investments which are considered current assets) are carried at the lower of acquisition cost and fair value at the reporting date. Dividends and other distributions received are recognized as other financial income. Investments in money market funds are measured at fair value in the Company's statement of financial position. Unrealized gains (losses) are presented as financial income (-expense) in the income statement.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less. The overdraft facility is included in current borrowings in the statement of financial position.

### PENSIONS

The company's pension schemes meet the requirements of the Norwegian Mandatory Occupational Pensions Act. The Company operates a defined contribution pensions scheme for its employees. The pension premium is paid through operations and is expensed on an ongoing basis. Social security costs are charged based on the pension premium paid.

### GROUP ACCOUNT SCHEME – DEPOSITS AND LOANS

Grieg Seafood ASA operates as an internal bank for its subsidiaries. Grieg Seafood ASA borrows funds from financial institutions and then lends these funds to its subsidiaries. The Company has set up a multi-currency group account (cash pool) scheme in which Grieg Seafood ASA is the legal account holder. Deposits and loans from the subsidiaries which are part of the group account scheme are recognized as intercompany transactions. All subsidiaries that are part of the scheme (not all subsidiaries of the Group are part of the group account scheme) are jointly and severally liable to the financial institutions for the entire amount of the commitment under the scheme.

### FOREIGN CURRENCY

The Company's functional and presentational currency is the Norwegian Krone (NOK). Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the reporting date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the reporting date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

### SHARE-BASED PAYMENTS

The Company operates a share-based remuneration scheme for the Group management of the Grieg Seafood Group, which all are employees of Grieg Seafood ASA. The share-based option scheme is a synthetic option scheme with settlement in cash. Each member of the scheme is, in addition, obliged to purchase shares relative to their annual salary. The company's estimated liability is recognized as a current or non-current liability based on the estimated settlement date. The cost for the year is recognized in the income statement.

### DERIVATIVES

#### FORWARD CURRENCY CONTRACTS

Realized gains (losses) on forward currency contracts are recognized in the income statement as a financial income (financial cost). The fair value of a forward currency contract is measured in its contracted currency and translated to NOK using the foreign exchange currency rate at the reporting date.

#### INTEREST RATE SWAPS

Interest rate swap contracts are measured according to the lowest of its acquisition cost and fair value at the reporting date.

### TAXES

The tax expense in the income statement consists of both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at the relevant rate on temporary differences between the value of assets and liabilities for tax purposes and any allowable loss to be carried forward at year-end in the financial statements. Temporary differences, both positive and negative, are offset within the same period. Deferred tax assets are recognized in the statement of financial position when it is more likely than not that the tax assets will be utilized. Deferred tax assets and deferred tax liabilities are presented net in the statement of financial position. Tax on group contributions is recognized as an increase in the purchase price of shares in other companies. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions (offset against tax payable if the group contribution affects tax payable and offset against deferred taxes if the group contribution affects deferred taxes).

### CASH FLOW STATEMENT

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments which entail no appreciable exchange rate risk, and which mature within three months of the purchase date.

## NOTE 2 RELATED PARTIES

2022 NOK 1 000	OPERATING INCOME	OPERATING EXPENSES	FINANCIAL INCOME	FINANCIAL EXPENSES	NON- CURRENT RECEIVABLES	TRADE RECEIVABLES	CURRENT RECEIVABLES	TRADE PAYABLES	OTHER CURRENT LIABILITIES
Total related parties – Group companies	287 954	-2 185	1 109 243	-2 958	797 907	180 989	2 715 580	-8 526	-412 125
Total related parties – Shareholders	—	-12 409	—	—	—	—	—	-5 500	—
<b>Total</b>	<b>287 954</b>	<b>-14 594</b>	<b>1 109 243</b>	<b>-2 958</b>	<b>797 907</b>	<b>180 989</b>	<b>2 715 580</b>	<b>-14 026</b>	<b>-412 125</b>

2021 NOK 1 000	OPERATING INCOME	OPERATING EXPENSES	FINANCIAL INCOME	FINANCIAL EXPENSES	NON- CURRENT RECEIVABLES	TRADE RECEIVABLES	CURRENT RECEIVABLES	TRADE PAYABLES	OTHER CURRENT LIABILITIES
Total related parties – Group companies	98 328	-411	501 779	-45	787 096	178	2 149 163	—	-102 111
Total related parties – Shareholders	—	-13 247	—	—	—	—	—	-127	—
<b>Total</b>	<b>98 328</b>	<b>-13 658</b>	<b>501 779</b>	<b>-45</b>	<b>787 096</b>	<b>178</b>	<b>2 149 163</b>	<b>-126</b>	<b>-102 111</b>

The company carries out, in the normal course of business, transactions with companies controlled by Grieg Maturitas II AS, which is the parent company of Grieg Aqua AS, the majority owner of Grieg Seafood ASA. The ultimate parent company of Grieg Seafood ASA is Grieg Maturitas AS, the parent company of Grieg Maturitas II AS. Grieg Maturitas II AS is headquartered in C. Sundts gate 17/19, Bergen, Norway. Consolidated financial statements, in which Grieg Seafood ASA is included may be obtained from the parent company.

The transactions with Grieg Maturitas II AS and subsidiaries relate to ICT-related services and other functions such as catering, reception, etc., are provided by Grieg Group Resources AS on an arm's length basis. In addition, Grieg Seafood ASA rents its offices from Grieg Gaarden AS on an arm's length basis. The office rental agreement runs for a period of ten years. Lastly, Grieg Seafood ASA purchases services from Grieg Investor AS.

Grieg Seafood ASA provides a range of services to the subsidiaries of the Grieg Seafood Group. The services include administrative services and services relating to the provision of parent company non-current loans and current credit facilities to subsidiaries. Interest is charged on an arm's length basis.

Grieg Seafood ASA enters into hedging contracts on behalf of Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS. The arrangement is intended to reduce these companies' exposure to salmon prices. The agreements with the subsidiaries are priced on the basis of a "back-to-back" arrangement.

## NOTE 3 OPERATING INCOME

OPERATING INCOME NOK 1 000	2022	2021
Administrative services – Group companies (Note 2)	141 622	82 430
Administrative services - external*	—	15 898
Royalty fee – Group companies (Note 2)**	146 332	—
Other operating income	61	—
<b>Total operating income</b>	<b>288 015</b>	<b>98 328</b>

\* Administrative services to Grieg Seafood Shetland UK Ltd is presented as external income as the shares in the company was sold on 15 of December 2021.

\*\* A royalty fee model has been established in the Grieg Seafood Group as from 2022.

## NOTE 4 SALARIES, PERSONNEL AND OTHER OPERATING EXPENSES

SALARIES AND PERSONNEL EXPENSES NOK 1 000	2022	2021
Wages and salaries	68 263	51 087
Social security costs	13 122	6 779
Share options for directors and key personnel (Note 14)	30 399	7 924
Pension costs – defined contribution scheme	2 523	2 221
Other personnel costs	4 041	3 523
<b>Total</b>	<b>118 348</b>	<b>71 533</b>
Average number of employees	39	36

### Pension scheme

The Company has a pension scheme covering all employees at 31 December 2022. The pension scheme is funded and managed through an insurance company.

### Share savings plan

Grieg Seafood established a share savings program for its employees in 2018, which has continued throughout 2022. Each year has its own set of terms and conditions concerning how much each employee can invest in the program that year. In addition, each year has its set of terms for the lock-up period. The saved amount is deducted from the monthly net salary and used to purchase Grieg Seafood shares on behalf of the employees. The purchase will be made from transfer of Grieg Seafood's treasury shares or bought in the market. The purchase price and the number of shares acquired by the company will be reported in accordance with the applicable regulations.

At 31 December 2022, loan to employees related to the share savings program equals NOK 4.9 million (2021: NOK 2.7 million). The total shares sold to employees was 96 150 in 2022 (2021: 38 513).

### Management remuneration

The guidelines for management remuneration are available on Grieg Seafood ASA's website.

The remuneration to the Group Executive Operational Management Team is disclosed below. In addition to the executive operational management team (Chief Executive Officer, the Chief Financial Officer, the Group's Chief Operating Officers, and the Chief Commercial Officer), the Group Management include the support functions of the Chief Technology Officer (CTO), the Chief Human Resource Officer (CHRO) and the Global Communication Manager.

REMUNERATION PAID TO GROUP EXECUTIVE OPERATIONAL MANAGEMENT TEAM IN 2022 NOK 1 000	SALARY	BONUS	RETAINED BONUS, NOT YET PAID	OPTIONS EXERCISED DURING THE YEAR	OTHER REMUN- ERATION*	TOTAL
Andreas Kvame (CEO)	3 644	1 007	—	4 540	2 954	12 144
Atle Harald Sandtorv (CFO)	2 349	612	—	3 202	120	6 282
Alexander Knudsen (COO Farming Norway)	2 066	321	—	2 917	332	5 637
Roy Tore Rikardsen (COO Farming Canada until June 2022)**	1 802	-26	—	2 917	47	4 740
Erik Holvik (Chief Commercial Officer)	2 247	483	—	3 070	123	5 923
<b>Total remuneration</b>	<b>12 109</b>	<b>2 397</b>	<b>—</b>	<b>16 644</b>	<b>3 576</b>	<b>34 726</b>

\*The CEO has in 2022 received a one-time payment in arrears for pension benefits.

\*\*Grant Cumming was appointed as COO Farming Canada in Q1 2023.

Recognized expenses arising from synthetic options not declared throughout the year are not included in the above statement. See Note 14.

REMUNERATION PAID TO BOARD MEMBERS IN 2022 NOK 1 000	TOTAL
Per Grieg Jr. <sup>1</sup>	516
Tore Holand <sup>2</sup>	401
Marianne Ribe <sup>1</sup>	328
Katrine Trovik <sup>2</sup>	372
Nicolai Hafeld Grieg	308
Ragnhild Fresvik (from 9 June 2022)	183
<b>Total remuneration</b>	<b>2 108</b>

<sup>1</sup>The amounts include social security costs. Payment for work performed on the Remuneration Committee of NOK 25 673 is included in the remuneration paid to Per Grieg jr. and Marianne Ribe.

<sup>2</sup>Payment for work performed on the Audit Committee is included in the remuneration paid to Tore Holand and Katrine Trovik, amounting to NOK 68 460. The amounts include social security costs.

REMUNERATION PAID TO GROUP EXECUTIVE OPERATIONAL MANAGEMENT TEAM IN 2021 NOK 1 000	SALARY	BONUS	RETAINED BONUS, NOT YET PAID	OPTIONS EXERCISED DURING THE YEAR	OTHER BENEFITS	TOTAL
Andreas Kvame (CEO)	3 165	—	540	—	250	3 956
Atle Harald Sandtorv (CFO)	2 280	—	313	—	115	2 707
Alexander Knudsen (COO Farming Norway)	2 116	75	203	—	113	2 507
Roy Tore Rikardsen (COO Farming Canada)	1 772	—	244	—	—	2 016
Erik Holvik (Chief Commercial Officer)	1 996	161	350	—	115	2 621
<b>Total remuneration</b>	<b>11 329</b>	<b>236</b>	<b>1 650</b>	<b>—</b>	<b>593</b>	<b>13 807</b>

Recognized expenses arising from synthetic options not declared throughout the year are not included in the above statement. See Note 14. The 2021 table has been represented to include only the Group Executive Operational Management Team.

REMUNERATION PAID TO BOARD MEMBERS IN 2021 NOK 1 000	TOTAL
Per Grieg jr. <sup>1</sup>	479
Tore Holand <sup>2</sup>	371
Sirine M. Fodstad (until 13 August 2021) <sup>1</sup>	205
Marianne Ribe <sup>1</sup>	308
Katrine Trovik <sup>2</sup>	342
Nicolai Hafeld Grieg (from 4 November 2021)	—
<b>Total remuneration</b>	<b>1 705</b>

<sup>1</sup>Payment of NOK 22 820 for service on the Remuneration Committee is included in the remuneration paid to Per Grieg Jr. and Marianne Ribe, while Sirine Fodstad received NOK 15 213 for the same.

<sup>2</sup>Payment of NOK 57 050 for service on the Audit Committee is included in the remuneration paid to Tore Holand and Katrine Trovik. The amounts include social security costs.

BREAKDOWN OF AUDITOR'S FEES NOK 1 000	2022	2021
Statutory audit	1 063	1 991
Other certification services	783	730
Tax advisory fee	—	38
Other services	26	41
<b>Total</b>	<b>1 872</b>	<b>2 800</b>

The audit fee specification for 2022 from the company's auditor include fees from Advokatfirmaet PricewaterhouseCoopers AS (tax-related assistance) of NOK 26 thousands (NOK 38 thousands). In addition, the company has expensed NOK 93 thousands in 2022 related to tax advise and other certification services from other audit firms than the company's selected auditor.

### Other operating expenses

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. At date, no decision has been made by the European

Commission. Grieg Seafood is not aware of any anti-competitive behavior within the Group, neither in Norway, nor the EU, or Canada. Grieg Seafood rejects that there is any basis for the claims and considers the complaints to be entirely unsubstantiated.

Grieg Seafood had also been sued by indirect purchasers in the USA. In 2022, a settlement offer from the indirect purchaser plaintiffs was accepted. In February 2023, the settlement was finally approved by the court of Southern District of Florida. The settlement does not involve any admission of liability or wrongdoing. Costs incurred and provisions for expected costs related to the lawsuits in North America have been expensed in the Grieg Seafood Group in 2022, and allocated towards the relevant entities of which a portion has been allocated to Grieg Seafood ASA. The costs are reported as "other operating expenses" in Grieg Seafood ASA. See also Note 28 of the Group Accounts.

## NOTE 5 FINANCIAL INCOME AND FINANCIAL EXPENSES

FINANCIAL ITEMS NOK 1 000	2022	2021
<b>FINANCIAL INCOME</b>		
Interest income from Group companies	103 141	171 650
Gain/loss sale of subsidiary *	7 924	142 683
Other interest finance income	8 378	10 606
Realized gain/loss on cross currency interest rate swap incl. option	35 740	—
Unrealized gain (loss) on investment in money market fund	12 624	—
Other financial income	1 668	—
Group contributions from subsidiaries	995 290	307 845
Dividend	10	10
Unrealized value changes, derivatives (Note 8)	751	29 281
Unrealized currency change, non-current EUR term loan	—	23 990
Realized currency change, non-current EUR term loan	2 624	—
Unrealized currency change, non-current loans from Group companies	10 811	22 284
Net realized currency gains	317	735
Net unrealized currency gains	89 849	43 548
<b>Total</b>	<b>1 269 129</b>	<b>752 632</b>
<b>FINANCIAL EXPENSE</b>		
Financial expense		
Loan interest expenses	130 239	172 015
Interest expense to Group companies	2 958	45
Other interest expenses	188	2 291
Realized value changes, derivatives	21 178	7 494
Unrealized currency change, non-current EUR term loan	58 396	—
Other financial expenses	3 562	3 048
Net realized currency losses	—	2 039
<b>Total</b>	<b>216 521</b>	<b>186 932</b>
<b>Net financial items</b>	<b>1 052 608</b>	<b>565 700</b>

### \*Sale of Grieg Seafood Shetland Ltd

On 29 June 2021, Grieg Seafood ASA entered into an agreement with Scottish Sea Farms Ltd for the disposal of all shares in Grieg Seafood Hjaltdland UK Ltd, the holding company of Grieg Seafood ASA's Shetland business. The transaction was closed on 15 December 2021. The gain for Grieg Seafood ASA is recognized at NOK 151 million, in total, of which NOK 143 million recognized as a preliminary gain in 2021, and NOK 7.6 million recognized in 2022 in relation to the closing of the settlement. For more information, see also Note 6 to the Group Accounts for 2022.

## NOTE 6 TAXES

BASIS FOR TAX PAYABLE NOK 1 000	2022	2021
Profit before tax	1 015 743	488 599
Dividends recognized in profit or loss	-10	-10
Net other permanent differences	-1 118	-5 109
Other permanent differences from gain of sales of share	-7 924	-142 680
Unrealized of adjustments of investment in money funds	-12 624	—
Change in financial derivatives	20 426	-29 281
Change in temporary differences	90 227	76 489
Group contribution received/provided	-995 290	-307 845
<b>Taxable income/loss</b>	<b>109 431</b>	<b>80 163</b>
Group contribution received	995 290	307 845
Loss carry forward	—	-39 433
<b>Basis for tax expense for the year</b>	<b>1 104 721</b>	<b>348 575</b>
<b>22% (22%) tax payable</b>	<b>243 039</b>	<b>76 686</b>

BREAKDOWN OF DEFERRED TAX BASIS NOK 1 000	CHANGE	2022	2021
<b>TEMPORARY DIFFERENCES</b>			
Non-current assets	-3 360	-3 692	-332
Profit and loss account	-101	407	508
Provisions for liabilities	-69 310	-69 310	—
Cash-based options	3 738	-7 428	-11 166
Non-current debt/amortized cost	-4 618	25 053	29 671
Revaluation account non-current liabilities	-20 413	—	20 413
Discount bond loan	3 838	-9 539	-13 377
<b>Net temporary differences</b>	<b>-90 227</b>	<b>-64 510</b>	<b>25 718</b>
Financial instruments	-20 426	—	20 426
<b>Basis for deferred tax in balance sheet</b>	<b>-110 653</b>	<b>-64 510</b>	<b>46 144</b>
<b>Deferred tax assets/deferred tax liabilities in the balance sheet</b>	<b>-24 343</b>	<b>-14 192</b>	<b>10 151</b>

<b>BREAKDOWN OF TAX CHARGE</b>			
Tax payable		243 039	76 686
Change in deferred tax, 22% (22%)		-24 343	-1 711
Change in payable tax from last year		—	39
Tax effect of foreign tax not credited Norwegian tax		2 971	6 242
<b>Tax expense in income statement</b>		<b>221 666</b>	<b>81 257</b>

<b>RECONCILIATION OF TAX EXPENSE</b>			
Profit before tax		1 015 743	488 599
Estimated tax 22% (22%)		-223 464	-107 492
Tax expense in income statement		221 666	81 257
<b>Difference</b>		<b>-1 797</b>	<b>-26 235</b>

<b>THE DIFFERENCE CONSISTS OF THE FOLLOWING:</b>			
22% of permanent differences		-4 769	-32 516
Tax effect of foreign tax not credited Norwegian tax		2 971	6 242
Change in tax/deferred tax due to change of tax rate		—	38
<b>Total reconciled difference</b>		<b>-1 797</b>	<b>-26 235</b>

## NOTE 7 SOFTWARE, AND PROPERTY, PLANT AND EQUIPMENT

2022 NOK 1 000	SOFTWARE	OTHER EQUIPMENT
Book value at 01.01.	10 737	2 571
Additions	2 581	659
Amortization/depreciation	-4 961	-2 023
<b>Book value at 31.12.</b>	<b>8 357</b>	<b>1 207</b>
<b>ACCUMULATED VALUES</b>		
Acquisition cost	54 879	20 173
Accumulated amortization/depreciation	-46 522	-18 965
<b>Book value at 31.12.</b>	<b>8 357</b>	<b>1 207</b>
<b>Economic life (amortization/depreciation schedule)</b>	<b>3 - 10 years</b>	<b>3-5 years</b>

2021 NOK 1 000	SOFTWARE	OTHER EQUIPMENT
Book value at 01.01.	14 504	2 131
Additions	1 892	1 555
Amortization/depreciation	-5 659	-1 114
<b>Book value at 31.12.</b>	<b>10 737</b>	<b>2 571</b>
ACCUMULATED VALUES		
Acquisition cost	52 298	19 514
Accumulated amortization/depreciation	-41 561	-16 942
<b>Book value at 31.12.</b>	<b>10 737</b>	<b>2 571</b>
Economic life (amortization/depreciation schedule)	3 - 10 years	3-5 years

The company has operating lease agreements, which are not recognized in the statement of financial position:

2022	DURATION	OPERATING LEASE EXPENSE
<b>ASSETS</b>		
Buildings	Until 2028	4 385
Other equipment	3-5 years	207
<b>Total lease amount charged</b>		<b>4 592</b>

## NOTE 8 INVESTMENTS IN SUBSIDIARIES

SUBSIDIARY	REGISTERED OFFICE COUNTRY	REGISTERED OFFICE LOCATION	OWNERSHIP/ VOTING SHARE	EQUITY AT 31.12.2022 NOK 1 000	PROFIT/ LOSS 2022 NOK 1 000	BOOK VALUE NOK 1 000
Grieg Seafood Rogaland AS	Norway	Bergen	100 %	880 534	405 589	223 497
Grieg Seafood Canada AS	Norway	Bergen	100 %	227 343	-56	297 112
Grieg Seafood Finnmark AS	Norway	Alta	100 %	1 008 310	559 425	400 481
Grieg Seafood Sales AS*	Norway	Bergen	100 %	139 117	142 334	1 000
Grieg Seafood Newfoundland AS	Norway	Bergen	99 %	129 590	19 671	981 319
<b>Total</b>				<b>2 384 894</b>	<b>1 126 962</b>	<b>1 903 409</b>

\*Grieg Seafood Sales AS changed its legal name from Grieg Seafood Norway AS on the 14 March 2023.

Equity and profit/loss are based on provisional financial statements, which have been prepared in accordance with local accounting standards.

## NOTE 9 OTHER CURRENT RECEIVABLES

OTHER CURRENT RECEIVABLES NOK 1 000	2022	2021
Prepaid expenses	7 539	7 489
VAT *	2 934	1 616
Estimated remaining purchase price for the sale of Shetland	7 624	—
Other current receivables	184	—
Tax refund as a part of Corona tax measures	—	28
<b>Total other current receivables</b>	<b>18 281</b>	<b>9 134</b>

\*Grieg Seafood ASA is the parent company in jointly registered VAT for the Norwegian entities of the Grieg Seafood Group.

## NOTE 10 SHORT-TERM INVESTMENTS AND DERIVATIVES

SHORT-TERM INVESTMENTS AND FINANCIAL INSTRUMENTS NOK 1 000	2022	2021
Investment in money market funds including unrealized gain*	1 012 848	—
Financial derivative instruments	—	21 178
Other financial assets	566	566
<b>Total</b>	<b>1 013 415</b>	<b>21 744</b>

\*In 2022, the company has temporarily placed surplus liquidity funds in money market funds. The company does not invest directly in bonds or securities, but through units in established money market funds. At year-end, the company had investments placed in a portfolio of three Norwegian money market funds. All three funds in the investment portfolio are money market funds that invest in bonds and securities with short time to maturity in the Norwegian market.

FINANCIAL DERIVATIVE INSTRUMENTS	2022		2021	
	FAIR VALUE	BOOK VALUE	FAIR VALUE	BOOK VALUE
Interest rate options <sup>1</sup>	—	—	233	—
Cross currency interest rate swap <sup>1,2</sup>	—	—	21 178	21 178
Interest rate swap contracts <sup>3</sup>	35 238	—	14 587	—
<b>Financial derivative instruments classified as current assets</b>	<b>35 238</b>	<b>—</b>	<b>35 998</b>	<b>21 178</b>
Interest rate swap contracts <sup>3,4</sup>	—	—	-751	-751
<b>Financial derivative instruments classified as current liabilities</b>	<b>—</b>	<b>—</b>	<b>-751</b>	<b>-751</b>

<sup>1</sup>The cross currency interest-rate swap contract has been settled in 2022. The realized gain on the cross currency interest rate swap incl. option was NOK 36 million, see Note 5.

<sup>2</sup>Financial instruments booked at fair value in according to accounting act § 5-8.

<sup>3</sup>See specification below.

<sup>4</sup>The interest rate swap contract classified as current liabilities in 2021 included accrued interests of NOK 162 thousands.

SPECIFICATION ON INTEREST RATE SWAP	PRINCIPAL NOK 1 000	FIXED RATE (%)	BASIS OF FLOATING RATE	MATURITY	MARKET VALUE NOK 1 000 31.12.2022	MARKET VALUE NOK 1 000 31.12.2021
Fixed rate paid - floating rate received	NOK 200 million	1.61	Nibor 3 months	28.08.2023	2 670	-590
Fixed rate paid - floating rate received	NOK 200 million	1.35	Nibor 3 months	04.03.2024	5 018	874
Fixed rate paid - floating rate received	NOK 200 million	1.07	Nibor 3 months	05.07.2024	7 627	2 628
Fixed rate paid - floating rate received	NOK 200 million	0.71	Nibor 3 months	18.12.2024	9 963	5 561
Fixed rate paid - floating rate received	NOK 200 million	0.72	Nibor 3 months	18.12.2024	9 961	5 524
<b>Total</b>					<b>35 238</b>	<b>13 997</b>

CHANGES IN FINANCIAL INSTRUMENTS RECOGNIZED AS FINANCIAL ITEMS NOK 1 000	2022	2021
Unrealized gain/loss on interest rate swaps	751	14 887
Unrealized gain/loss on foreign currency contracts	—	14 394
Unrealized gain/loss on money market funds	12 624	—
<b>Net unrealized gain/(loss) on financial instruments</b>	<b>13 375</b>	<b>29 281</b>
Realized gain/loss on cross currency interest rate swap incl option	35 740	—
Realized value change, derivatives	-21 178	-7 494
<b>Net realized gain/(loss) on financial instruments</b>	<b>14 562</b>	<b>-7 494</b>

The company is exposed to a number of financial risks; market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the volatility of the financial markets and seeks to minimize potential adverse effects on the company's financial performance. The company uses financial derivatives to reduce certain risks. The Board has established written principles for the management of foreign exchange risk, interest rate risk and use of the company's financial instruments.

## NOTE 11 BANK DEPOSITS

BANK DEPOSITS NOK 1 000	2022	2021
Restricted deposits relating to employees' tax deductions	1 000	2 564
Other bank deposits	523 823	790 312
<b>Total</b>	<b>524 823</b>	<b>792 875</b>

The change in the line item "restricted deposits incl. employee tax deductions" 2022 compared to 2021 is due to bank guarantee covering the employee tax deductions in 2022 (and going forward), compared to 2021 where the employee tax deductions were held on a tax deduction bank account. Grieg Seafood ASA has a guarantee relating to employees' tax deductions on total NOK 6 million at the end of 2022.

The company has an overdraft facility of NOK 200 million. Available credit on the overdraft facility was NOK 200 million at year-end 2022 (2021: NOK 100 million). In addition, the company has a revolving credit facility of which NOK 1 500 million was undrawn at year-end 2022 (2021: NOK 785 million). See Note 13 for more information.

## NOTE 12 SHARE CAPITAL AND SHAREHOLDER INFORMATION

As at 31 December 2022, the company had 113 447 042 shares with a nominal value of NOK 4 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 31.12.2022	NOMINAL VALUE PER SHARE (NOK)	TOTAL SHARE CAPITAL NOK 1 000	NO. OF ORDINARY SHARES
<b>Total</b>	<b>4.00</b>	<b>453 788</b>	<b>113 447 042</b>
Holdings of treasury shares	4.00	-5 407	-1 351 811
<b>Total excl treasury shares</b>	<b>4.00</b>	<b>448 381</b>	<b>112 095 231</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 2022, 96 150 shares were sold to employees through the share savings program at an average price of NOK 71.0958. In December 2022, Grieg Seafood purchased 385 000 shares at a weighted average price of NOK 77.76 per share of which 314 980 have been settled within year-end. As at 31 December 2022, the company has 1 351 811 treasury shares.

THE LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA	NO. OF SHARES 31.12.2022	SHAREHOLDING 31.12.2022
Grieg Aqua AS	56 914 355	50.17%
OM Holding AS	5 110 982	4.51%
Folketrygdfondet	2 939 985	2.59%
Ystholmen Felles AS	1 923 197	1.70%
State Street Bank and Trust Comp (Nominee)	1 717 439	1.51%
State Street Bank and Trust Comp (Nominee)	1 692 877	1.49%
Morgan Stanley & Co. Int. Plc. (Nominee)	1 470 346	1.30%
Clearstream Banking S.A. (Nominee)	1 376 622	1.21%
Grieg Seafood ASA	1 351 811	1.19%
JPMorgan Chase Bank, N.A., London (Nominee)	1 136 470	1.00%
Gåsø Næringsutvikling AS	1 116 323	0.98%
Kvasshøgdi AS	996 772	0.88%
Ferd AS	924 407	0.81%
State Street Bank and Trust Comp (Nominee)	724 407	0.64%
DZ Privatbank S.A. (Nominee)	698 518	0.62%
J.P. Morgan SE (Nominee)	687 236	0.61%
Danske Invest Norge Vekst	540 000	0.48%
Six Sis AG (Nominee)	534 229	0.47%
J.P. Morgan SE (Nominee)	526 442	0.46%
DNB Bank ASA (Broker)	482 561	0.43%
<b>Total 20 largest shareholders</b>	<b>82 864 979</b>	<b>73.04%</b>
Total others	30 582 063	26.96%
<b>Total number of shares</b>	<b>113 447 042</b>	<b>100.00%</b>

THE LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA	NO. OF SHARES	SHAREHOLDING
	31.12.2021	31.12.2021
Grieg Aqua AS	56 914 355	50.17%
Folketrygdfondet	5 312 207	4.68%
OM Holding AS	4 917 957	4.34%
Ystholmen Felles AS	2 428 197	2.14%
State Street Bank and Trust Comp (nominee)	1 867 464	1.65%
Clearstream Banking S.A. (nominee)	1 711 386	1.51%
BNP Paribas Securities Services (nominee)	1 634 500	1.44%
Ferd AS	1 456 453	1.28%
Six Sis AG (nominee)	1 380 743	1.22%
CACEIS Bank Spain SA (nominee)	1 212 652	1.07%
Banque Degroof Petercam Lux. SA (nominee)	1 164 795	1.03%
Grieg Seafood ASA	1 132 981	1.00%
JPMorgan Chase Bank, N.A., London (nominee)	1 035 915	0.91%
Kvasshøgdi AS	996 772	0.88%
Verdipapirfondet Pareto Investment	916 000	0.81%
State Street Bank and Trust Comp (nominee)	883 362	0.78%
State Street Bank and Trust Comp (nominee)	862 797	0.76%
Ronja Capital II AS	755 004	0.67%
Pictet & Cie (Europe) S.A. (nominee)	646 320	0.57%
Danske Invest Norge Vekst	561 000	0.49%
<b>Total 20 largest shareholders</b>	<b>87 790 860</b>	<b>77.38%</b>
Other shareholders	25 656 182	22.62%
<b>Total shares</b>	<b>113 447 042</b>	<b>100.00%</b>

SHARES CONTROLLED BY BOARD MEMBERS AND GROUP MANAGEMENT	NO. OF SHARES	SHAREHOLDING	NO. OF SHARES	SHAREHOLDING
	31.12.2022	31.12.2022	31.12.2021	31.12.2021
<b>BOARD OF DIRECTORS</b>				
Per Grieg Jr.	57 926 127	51.06%	60 356 985	53.20%
Tore Holand (Skippergata 24 AS, and privately)	2 000	0.00%	2 000	0.00%
Marianne Ribe	—	—%	—	—%
Katrine Trovik	—	—%	—	—%
Nicolai Hafeld Grieg (board member from 4 November 2021) *	—	—%	—	—%
Ragnhild Janbu Fresvik (board member from 9 June 2022)	—	—%	—	—%
<b>GROUP MANAGEMENT</b>				
Andreas Kvame (CEO)	40 513	0.04%	39 809	0.04%
Atle Harald Sandtorv (CFO)	25 556	0.02%	24 852	0.02%
Knut Utheim (CTO)	24 855	0.02%	24 151	0.02%
Alexander Knudsen (COO Farming Norway)	23 513	0.02%	22 809	0.02%
Kathleen O. Mathisen (CHRO)	15 074	0.01%	12 380	0.01%
Kristina Furnes (Global Communications Manager)	4 711	0.00%	644	0.00%
Erik Holvik (CCO)	8 831	0.01%	644	0.00%
<b>THE SHARES OWNED BY THE FOLLOWING COMPANIES ARE CONTROLLED BY PER GRIEG JR. AND FAMILY</b>				
Grieg Aqua AS	56 914 355	50.17%	56 914 355	50.17%
Ystholmen Felles AS	—	—%	2 428 197	2.14%
Kvasshøgdi AS	996 772	0.88%	996 772	0.88%
Per Grieg Jr. privately	15 000	0.01%	15 000	0.01%
Thomas Willumsen Grieg	—	—%	2 661	0.00%
<b>Total shares</b>	<b>57 926 127</b>	<b>51.06%</b>	<b>60 356 985</b>	<b>53.20%</b>

\*Nicolai Hafeld Grieg owns, indirectly, 1.87% of Grieg Seafood ASA through his ownership in Grieg Maturitas AS, the parent company of Grieg Aqua AS.



## NOTE 13 NET INTEREST-BEARING LIABILITIES AND PLEDGES

Grieg Seafood ASA has a syndicated loan provided by DNB and Nordea. The syndicated financing from secured lenders of Grieg Seafood consists of an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. The debt structure comprises a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. The financing carries floating interest rates, calculated as the relevant three month IBOR plus the applicable margin per interest period. 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 in June 2025. The bond carries a coupon rate of three months NIBOR + 3.4% p.a. The bond's financial covenant is an equity ratio requirement of minimum 30%, measured consistent with the Group's equity-ratio financial covenants as defined in its syndicated loan agreement with secured lenders.

Grieg Seafood ASA was in compliance with its financial covenant at 31 December 2022. At 31 December 2022, the Group had an equity ratio of 50% (2021: 52%) while the equity ratio according to financial covenant was 52%, compared to 54% at 31 December 2021.

Total unutilized credit facilities of Grieg Seafood ASA was NOK 1 700 million as at 31 December 2022 (2021: NOK 885 million).

NON-CURRENT LIABILITIES NOK 1 000	2022	2021
NON-CURRENT LIABILITIES (INTEREST BEARING)		
Green bond	1 423 500	1 500 000
Non-current syndicated loan	1 346 218	374 580
Non-current revolving credit facility	—	440 000
<b>Total</b>	<b>2 769 718</b>	<b>2 314 580</b>
Amortization effect of loans	-25 053	-29 671
<b>Total non-current liabilities</b>	<b>2 744 665</b>	<b>2 284 909</b>

CURRENT LIABILITIES (INTEREST-BEARING) NOK 1 000	2022	2021
Current portion of non-current borrowing	128 211	49 944
<b>Total</b>	<b>128 211</b>	<b>49 944</b>

NET INTEREST-BEARING LIABILITIES NOK 1 000	2022	2021
Gross interest-bearing liabilities	2 897 929	2 364 524
Unrestricted bank deposits	523 823	790 312
Investments in money market funds	1 012 848	—
Loans to subsidiaries	2 420 009	2 612 972
<b>Net interest-bearing liabilities</b>	<b>-1 058 750</b>	<b>-1 038 760</b>

MATURITY PROFILE - NON-CURRENT LIABILITIES NOK 1 000	2023	2024	2025	2026	2027	LATER	TOTAL
Green Bond	—	—	1 423 500	—	—	—	1 423 500
Syndicated debt - NOK and EUR term loans	128 211	128 211	128 211	128 211	961 584	—	1 474 429
<b>Total</b>	<b>128 211</b>	<b>128 211</b>	<b>1 551 711</b>	<b>128 211</b>	<b>961 584</b>	<b>—</b>	<b>2 897 929</b>

Figures included in the maturity profile table are nominal figures. Amortized cost is not included.

LIABILITIES SECURED BY MORTGAGE NOK 1 000	2022	2021
BOOK VALUE OF LIABILITIES SECURED BY MORTGAGE		
Liabilities to credit institutions	1 474 429	864 524
<b>Total liabilities</b>	<b>1 474 429</b>	<b>864 524</b>

BOOK VALUE OF ASSETS PLEDGED AS SECURITY	2022	2021
Shares in subsidiaries	1 903 409	922 090
Property, plant and equipment	1 207	2 571
Trade receivables	180 989	178
Loans to subsidiaries*	2 420 009	1 137 778
<b>Total assets pledged as security</b>	<b>4 505 613</b>	<b>2 062 617</b>

\*The subsidiaries and the parent company have a joint and several liability against the credit institutions. See the consolidated financial statements Note 12 for further information about liabilities secured by mortgage.

TYPE OF LIABILITY NOK 1 000	CURRENCY	INTEREST RATE	MATURITY	2022		2021	
				CURRENT PART	NON-CURRENT PART	CURRENT PART	NON-CURRENT PART
Green bond	NOK	Floating	06/2025	—	1 423 500	—	1 500 000
Syndicated non-current loan	NOK	Floating	03/2027	62 500	656 250	—	—
Syndicated non-current loan	EUR	Floating	03/2027	65 711	689 968	49 944	374 580
Syndicated loan revolving credit	NOK	Floating	02/2023	—	—	—	440 000
<b>Total</b>				<b>128 211</b>	<b>2 769 718</b>	<b>49 944</b>	<b>2 314 580</b>

CURRENCY EXPOSURE ON LOANS TO CREDIT INSTITUTIONS NOK 1 000	31.12.2022	NOK	EUR
Green bond	1 423 500	1 423 500	—
Syndicated non-current loan (NOK term loan)	718 750	718 750	—
Syndicated non-current loan (EUR term loan)	755 679	—	755 679
<b>Total</b>	<b>2 897 929</b>	<b>2 142 250</b>	<b>755 679</b>

CURRENCY EXPOSURE ON LOANS TO CREDIT INSTITUTIONS NOK 1 000	31.12.2021	NOK	EUR
Green bond	1 500 000	1 500 000	—
Syndicated non-current loan (EUR term loan)	424 524	—	424 524
Syndicated loan revolving credit facility (non-current) (NOK)	440 000	440 000	—
<b>Total</b>	<b>2 364 524</b>	<b>1 940 000</b>	<b>424 524</b>

Average interest rate (NOK)	4.61%	3.76%
Average interest rate (EUR)	1.77%	3.50%

The effect of interest rate swaps is not taken into account in calculating the average interest rate on borrowings and credit facilities.

## NOTE 14 SHARE-BASED PAYMENTS

The company has issued options to the management group and regional directors. The options' strike price is the stock market price on the date of issue, rising by 0.5% per month until the exercise date. Since 2009, an option scheme with settlement in cash has been established for the management and regional directors. The most recent allocation was in 2020, totalling 1 890 000 options. The final exercise date is 31 May 2024. The options have a term of two years, where 50% is vested each year.

Employees taken on after the initial allocation of options are allocated options on taking up employment.

The Black & Scholes option pricing model is used to calculate the market value. A brokerage firm is used to perform the calculations. The table below shows the movement in outstanding options in 2022 and 2021.

OVERVIEW 2022 (TOTAL OPTIONS)	OUTSTANDING OPTIONS AT 31.12.2021	GRANTED OPTIONS	EXERCISED OPTIONS	EXPIRED/ CANCELLED OPTIONS	OUTSTANDING CASH-SETTLED OPTIONS AT 31.12.2022
Andreas Kvame (CEO)	540 000	—	310 236	—	229 764
Atle Harald Sandtorv (CFO)	270 000	—	189 201	—	80 799
Knut Utheim (CTO)	270 000	—	181 698	—	88 302
Kathleen O. Mathisen (CHRO)	200 000	—	150 989	—	49 011
Kristina Furnes (Group Communication Manager)	100 000	—	60 738	—	39 262
Alexander Knudsen (COO Farming Norway)	270 000	—	183 168	—	86 832
Roy Tore Rikardsen (COO Farming Canada until June 2022)	270 000	—	183 168	86 832	—
Erik Holvik (CCO)	170 000	—	104 212	—	65 788
Others	600 000	—	416 863	47 877	135 260
<b>Total</b>	<b>2 690 000</b>	<b>—</b>	<b>1 780 273</b>	<b>134 709</b>	<b>775 016</b>

OVERVIEW 2021 (TOTAL OPTIONS)	OUTSTANDING OPTIONS AT 31.12.2020	GRANTED OPTIONS	EXERCISED OPTIONS	EXPIRED/ CANCELLED OPTIONS	OUTSTANDING CASH-SETTLED OPTIONS AT 31.12.2021
Andreas Kvame (CEO)	540 000	—	—	—	540 000
Atle Harald Sandtorv (CFO)	270 000	—	—	—	270 000
Knut Utheim (COO)	270 000	—	—	—	270 000
Kathleen O. Mathisen (CHRO)	200 000	—	—	—	200 000
Kristina Furnes (Group Communication Manager)	100 000	—	—	—	100 000
Alexander Knudsen (COO Farming Norway)	270 000	—	—	—	270 000
Roy Tore Rikardsen (COO Farming Canada)	270 000	—	—	—	270 000
Erik Holvik (CCO)	170 000	—	—	—	170 000
Others	700 000	—	—	100 000	600 000
<b>Total</b>	<b>2 790 000</b>	<b>—</b>	<b>—</b>	<b>100 000</b>	<b>2 690 000</b>

ALLOCATION: YEAR - MONTH	EXPIRY DATE: YEAR - MONTH	STRIKE PRICE NOK		OPTIONS	
		PER SHARE AT 31.12.2022	PER SHARE AT 31.12.2021	2022	2021
2017 - 11	2021 - 05	0.00	106.28	—	800 000
2020 - 12	2023 - 05	88.99	83.82	64 898	945 000
2020 - 12	2024 - 05	88.99	83.82	710 118	945 000
<b>Total</b>				<b>775 016</b>	<b>2 690 000</b>

	2022	2021
Cash-based options available for settlement	775 016	2 690 000
Weighted average exercise price on outstanding options (NOK per option)	78.96	80.16

2022	NOK/OPTION			AMOUNTS IN NOK 1 000				RECOGNIZED LIABILITY CASH SETTLEMENT AT 31.12.2022
	LISTED PRICE ON ALLOCATION	CALCULATED VALUE PER OPTION ON ALLOCATION	CALCULATED TOTAL VALUE ON ALLOCATION *	TOTAL VALUE OF ALL OPTIONS AT 01.01.2022	CHANGE IN PROVISION CB-OB*	EXERCISED OPTION 2022	ACC. COST RECOGNIZED IN EQUITY AT 31.12.2022	
Former employees with expired options**	—	—	—	—	—	—	6 887	—
Andreas Kvame (CEO)	78.96	4.35	1 480	1 408	244	2 541	—	1 652
Atle Harald Sandtorv (CFO)	78.96	6.34	1 078	909	-240	2 202	—	669
Knut Utheim (CTO)	78.96	5.82	989	840	-177	1 883	—	663
Kathleen O. Mathisen (CHRO)	78.96	7.20	720	600	-158	1 210	—	442
Kristina Furnes (Group Communication Manager)	78.96	6.04	604	511	-157	1 773	—	354
Alexander Knudsen (COO Farming Norway)	78.96	5.87	999	847	-193	1 917	—	654
Roy Tore Rikardsen (COO Farming Canada until June 2022)	78.96	5.87	999	847	-847	1 917	—	—
Erik Holvik (CCO)	78.96	6.13	1 042	881	-274	3 070	—	606
Other options allocated in 2020	78.96	7.04	3 519	2 921	-1 451	9 628	—	1 469
Andreas Kvame (CEO)	83.00	2.26	906	7	-7	1 999	—	—
Atle Harald Sandtorv (CFO)	83.00	2.79	557	4	-4	999	—	—
Knut Utheim (CTO)	83.00	2.79	557	4	-4	999	—	—
Kathleen O. Mathisen (CHRO)	83.00	2.38	475	4	-4	999	—	—
Other options allocated in 2017	83.00	2.35	1 880	11	-11	2 998	—	—
<b>Total</b>			<b>15 802</b>	<b>9 792</b>	<b>-3 282</b>	<b>34 137</b>	<b>6 887</b>	<b>6 510</b>

\*Amounts exclude social security costs.

\*\*The option category for the line item "Former employees with expired contracts" is equity options. All the other options in this table are options with settlement in cash.

2021	NOK/OPTION			AMOUNTS IN NOK 1 000				ACC. COST RECOGNIZED IN EQUITY AT 31.12.2021	RECOGNIZED LIABILITY CASH SETTLEMENT AT 31.12.2021
	LISTED PRICE ON ALLOCATION	CALCULATED VALUE PER OPTION ON ALLOCATION	CALCULATED TOTAL VALUE ON ALLOCATION *	TOTAL VALUE OF ALL OPTIONS AT 01.01.2021	CHANGE IN PROVISION CB-OB*	EXERCISED OPTION 2021			
Former employees with expired options**	—	—	—	—	—	—	6 887	—	
Andreas Kvame (CEO)	78.96	4.35	1 480	56	1 352	—	—	1 408	
Atle Harald Sandtorv (CFO)	78.96	6.34	1 078	41	868	—	—	909	
Knut Utheim (CTO)	78.96	5.82	989	37	803	—	—	840	
Kathleen O. Mathisen (CHRO)	78.96	7.20	720	27	573	—	—	600	
Kristina Furnes (Group Communication Manager)	78.96	6.04	604	23	488	—	—	511	
Alexander Knudsen (COO Farming Europe)	78.96	5.87	999	38	810	—	—	847	
Roy Tore Rikardsen (COO Farming North America)	78.96	5.87	999	38	810	—	—	847	
Erik Holvik (CCO)	78.96	6.13	1 042	39	842	—	—	881	
Other options allocated in 2020	78.96	7.04	3 519	132	2 788	—	—	2 921	
Andreas Kvame (CEO)	83.00	2.26	906	467	-460	—	—	7	
Atle Harald Sandtorv (CFO)	83.00	2.79	557	316	-313	—	—	4	
Knut Utheim (COO)	83.00	2.79	557	296	-293	—	—	4	
Kathleen O. Mathisen (CHRO)	83.00	2.38	475	247	-243	—	—	4	
Other options allocated in 2017	83.00	2.35	1 880	1 085	-1 074	—	—	11	
<b>Total</b>			<b>15 802</b>	<b>2 842</b>	<b>6 951</b>	<b>—</b>	<b>6 887</b>	<b>9 792</b>	

\*Amounts exclude social security costs.

\*\*The option category for the line item "Former employees with expired contracts" is equity options. All the other options in this table are options with settlement in cash.

ACCRUED COSTS RELATED TO CASH OPTIONS NOK 1 000	2022	2021	CLASSIFICATION IN FINANCIAL STATEMENTS
Change in provisions	-3 282	6 951	Other provisions for liabilities
Exercised options during the year	34 137	—	Salaries and personnel expense / cash
<b>Total cost excl. social security costs</b>	<b>30 855</b>	<b>6 951</b>	
Social security costs	-456	973	Public taxes payable
<b>Total cost incl. social security costs</b>	<b>30 399</b>	<b>7 924</b>	Salaries and personnel expense

Cost relating to cash-based remuneration in 2022 totaled NOK 30 399 thousands. This is recognized in the income statement as a personnel cost. Social security contributions are provided for on an ongoing basis based on the fair value of the options.

As at 31 December 2022, outstanding options with the right to cash settlement were stated at NOK 6 510 thousands excl. social security costs, of which NOK 589 thousands were classified as current liabilities. A total of NOK 83 thousand related to social security is classified as current liabilities, bringing the total amount of current liabilities related to the share-based payments to NOK 672 thousands.

Issued options are cancelled on termination of employment. The book value of long term liabilities incl. social security cost is NOK 6 756 thousands.

ESTIMATES USED TO CALCULATE ALLOCATION OF OPTIONS	2022	2021
Anticipated volatility (%)	58.29%	36.44%
Risk-free rate of interest (%)	3.12%	1.13%
Estimated qualification period (years)	1.11	1.39

The estimated qualification period for the options is based on historical data, and does not necessarily represent future developments. In order to estimate volatility, management has applied historical volatility for comparable listed companies.

## NOTE 15 OTHER CURRENT LIABILITIES

OTHER CURRENT LIABILITIES NOK 1 000	2022	2021
Accrued interest	1 977	4 312
Other accrued expenses <sup>1</sup>	43 710	26 813
Other current liabilities <sup>2</sup>	58 728	23
<b>Total other current liabilities</b>	<b>104 414</b>	<b>31 148</b>

<sup>1</sup>Includes a liability related to a realized loss on fixed-price contracts of NOK 31 million (NOK 13 million). See also Note 2.

<sup>2</sup>Includes NOK 25 million related to repurchased bonds. The repurchase was finalized in 2022 but settled in cash in 2023. In addition, NOK 28 million related to litigation and claims is accrued at year-end 2022, see Note 4 as well as Note 28 of the Group Accounts.

## NOTE 16 GUARANTEES

Grieg Seafood ASA acted as a guarantor for Grieg Seafood Sales North America Inc. and Grieg Seafood Sales UK in connection with sales contracts with customers. The total guaranteed amounts are USD 3 000 000 and EUR 250 000.

Grieg Seafood ASA acted as a guarantor for Fiskehav SA. Total amount is NOK 7 million. The guarantee expires 9 September 2023.

## NOTE 17 EVENTS AFTER THE REPORTING DATE

There has not been any significant events after the balance sheet date of 31 December 2022.



To the General Meeting of Grieg Seafood ASA

## Independent Auditor's Report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Grieg Seafood ASA, which comprise:

- the financial statements of the parent company Grieg Seafood ASA (the Company), which comprise the statement of financial position as at 31 December 2022, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Grieg Seafood ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, the income statement, comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



We have been the auditor of the Company for 35 years from the election by the general meeting of the shareholders on 4 January 1988 for the accounting year 1988.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or events that qualified as new Key Audit Matters. Our areas of focus are therefore unchanged from 2021.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p><b>Measuring of the amount of biological assets</b></p> <p>Biological assets include inventories of broodstock, smolt and live fish held for harvesting purposes.</p> <p>We focused on the measurement of biological assets (biomass), emphasising live fish held for harvesting purposes, because it constitutes the major part of the Group's biological assets. Furthermore, there is an inherent risk of error in the measurement of both number of fish and biomass, as the biological assets, by nature, are difficult to count, observe and measure due to lack of sufficiently accurate measuring techniques that at the same time do not affect fish health. As a result, there is some uncertainty related to the number of fish and biomass in the sea. The Group has established control procedures for measurement of both number of fish and biomass.</p> <p>The amount of biomass in the sea has a direct influence on the valuation; see more about this in the paragraph <i>Valuation of biological assets at fair value</i> below.</p> <p>See note 2 (Accounting policies) and note 9 (Biological assets and other inventories) for further information about measuring of biological assets.</p>	<p>For audit of significant inventories, the International Audit Standards (ISAs) require that we participate at inventory counts, provided that it is practicable. Due to the nature of the biological assets and the described difficulty related to counting, observing and measuring the fish and the biomass, we have performed alternative audit procedures to obtain sufficient appropriate audit evidence regarding the inventory's existence and condition.</p> <p>The Group's biomass system shows the number of fish, average weight and biomass per site. We directed our effort at the movement in biological inventory (in numbers) in the period. The movement is the total of smolt stocked, loss of fish and harvested fish for the period.</p> <p>We reviewed the Group's processes for controlling the number of fish stocked. To assure accuracy of the number of fish registered in the biomass system, we tested a selection of smolt stocked, by tracing the number of fish stocked back to underlying documentation. Underlying documentation are e.g. vaccination documentation for internally produced smolt and invoices for purchase of external smolt.</p> <p>The growth in the period is connected to the total feed consumption and is closely associated with purchase of feed. We reviewed the Group's internal controls of reconciliation of feed inventory and obtained external confirmation from feed suppliers in order to verify purchased volume. We also assessed recorded accumulated feed conversion rate for live fish held for harvesting purposes and obtained explanations from management and further documentation for sites with significantly either</p>



higher or lower feed conversion rate than expected. Our procedures substantiated that the growth for the year was reasonable.

In order to challenge the historical accuracy of management's biomass estimates, we reviewed the harvest deviation for the period. By harvest deviation, we refer to the deviation between actual harvested biomass (in numbers and kilos) and the estimated biological inventory according to the Group's biomass system. We found the accumulated deviations to be reasonable.

We satisfied ourselves that the disclosures in the notes about measuring of biological assets were reasonable and in accordance with the requirements in the accounting standards.

#### Valuation of biological assets at fair value

The Group measures biological assets at fair value using the requirements in IAS 41. As per 31.12.2022, the book value of biological assets is MNOK 4 046, of which MNOK 2 896 is historical cost and MNOK 1 150 is value adjustment. Biological assets comprise about 31% of total assets.

The fluctuations in the fair value estimate that occur due to, for instance, changes in the market price, may have significant impact on the period's operating result. The Group therefore shows the effect of fair value adjustments for biological assets as a separate line item before operating result (EBIT).

We focused on the valuation of biological assets at fair value due to the size of the amount, the complexity of the calculation, because the estimate require application of management judgement, and due to its significance on the financial result for the year.

See note 2 (Accounting policies) and note 9 (Biological assets and other inventories) for further information about valuation of biological assets at fair value.

We challenged management's model for calculation of fair value of biological assets by assessing the model against the criteria in IAS 41 and IFRS 13. We found that the model includes the elements that the accounting standards require.

We examined whether the biomass that formed the basis for the Group's model corresponded with the Group's biomass system and tested whether the model made mathematical calculations as intended.

After having assured that these fundamental elements were in place, we assessed whether the assumptions that management used in the model were reasonable. We assessed the price assumptions against observable forward prices from FishPool. We challenged the assumptions made with regards to when the fish is considered to be ready for harvest, the expected monthly mortality rate and the discount rate applied. We found management's assumptions to be reasonable and consistent with industry norm.

Further, we assessed whether information about fish health and harvest deviation after the balance sheet date is reflected in the valuation. We found that the calculation model adequately reflects available information.

We satisfied ourselves that the disclosures in notes 2 and 9 to the financial statements referring to valuation of biological assets appropriately reflect



the valuation method and that the disclosures are according to requirements in the accounting principles.

#### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes



public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

### Report on Compliance with Requirement on European Single Electronic Format (ESEF)

#### Opinion

As part of the audit of the financial statements of Grieg Seafood ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name gsf-2022-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

#### Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

#### Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 30 March 2023  
PricewaterhouseCoopers AS

Sturla Døsen  
State Authorised Public Accountant

# ALTERNATIVE PERFORMANCE MEASURES

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 this Annual 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.

## AMENDED PRINCIPLES FOR OPERATIONAL EBITDA AND OPERATIONAL EBIT SINCE ANNUAL REPORT 2021

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

Operational EBIT is a non-IFRS financial measure calculated by adding production fee and fair value adjustment of biological assets, and other non-operational items (incl. costs and impairment of phasing out seawater production sites) to the financial statement line item EBIT (earnings before interests

and taxes) of the income statement. Operational EBITDA is a non-IFRS financial measure, calculated by adding depreciation and amortization of licenses and other intangible assets to Operational EBIT.

The litigation and legal claim costs resulting from prior years, costs incl. impairment resulting from phasing out production at the shíshálh (Sechelt) farming area of British Columbia, the write-down of commercial aquaculture licenses in Rogaland, Norway, and dilution gain from a capital issue in Årdal Aqua (which is not operational at date), are items which are considered isolated events which are not expected to reoccur. As such, Grieg Seafood do not consider these costs informative or the comparability of the Group's results from one period to the other. These costs are excluded as the Group believe such costs impacts the comparability of the operating performance of Grieg Seafood, given the non-recurring nature of these costs.

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
Operational EBIT and operational EBIT/kg (GWT)	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. Operational EBIT is reported in the Group's segment reporting (see Note 8), where a reconciliation with EBIT of the income statement is included. 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 8), and calculated using solely figures included in the segment information. 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 Operational EBIT/kg could be different.	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. 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. 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.
Operational EBIT%	Operating EBIT% is calculated by dividing operational EBIT by sales revenue as reported in the segment reporting (see Note 8). Operating EBIT% is reported per region, in addition to Group level of Grieg Seafood.	Operating EBIT% is used by management to assess operational performance per region as well as for the Group.
Operational EBITDA	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 8), where a reconciliation with EBIT of the income statement is included.	Operational EBITDA provides a more informative result, as it does not consider the items with non-operational and/or non-recurring nature as described for Operational EBIT. Furthermore, it excludes the impact accounting estimates of depreciation and amortization has on our profitability.
Operational EBITDA%	Operating EBITDA% is calculated by dividing Operational EBITDA by sales revenue as reported in the segment reporting (see Note 8). Operating EBITDA% is reported per region, in addition to Group level of Grieg Seafood.	Operating EBITDA% is used by management to assess operational performance per region as well as for the Group.
ROCE	Return on capital employed (ROCE) is calculated by comparing Operational EBIT incl. production fee to capital employed. Capital employed is calculated on annual and quarterly bases, both as a quarter-to-date figure and a year-to-date figure. The quarter-to-date figure is annualized. Capital employed is defined as total equity excl. the equity component of the fair value adjustment of biological assets, plus net interest-bearing liabilities according to the NIBD calculation method 1, as described in the NIBD section of this APM disclosure. Capital employed for the reporting period is calculated as the average of the opening and closing balances.	As the salmon farming industry is a capital-intensive line of business, ROCE is an important metric to measure the Group's profitability relative to the investments made. ROCE is used by management to measure the return on capital employed. ROCE is not impacted by capital structure, that is whether the financing is through equity or debt. The fair value adjustment of biological assets is excluded from the calculation, both in Operational EBIT and as part of capital employed, as this reflect estimated future gains or losses on fish not yet sold and this is not considered useful information by the Group when assessing whether invested capital yields competitive return.

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
Equity ratio	Equity ratio is calculated in two ways: (i) Equity according to the Statement of Financial Position divided by total equity and liabilities according to the Statement of Financial Position, (ii) Equity according to loan agreements is calculated by dividing equity by total equity and liabilities, ex. the impact of IFRS 16. The metric is reported as a key figure of the Group.	Equity ratio captures the financial solidity of the Group. Furthermore, the equity-ratio according to calculation method 2 above is a covenant requirement for the Group. Equity-ratio is, together with NIBD and NIBD/harvest, useful to assess the financial robustness and -flexibility of the capital structure of the Group.
NIBD	<p>Net interest-bearing debt (NIBD) comprises non-current and current debt to financial institutions and other interest-bearing liabilities, after deducting cash and cash equivalents. Amortized loan costs are not included in NIBD. NIBD is calculated in three ways:</p> <ol style="list-style-type: none"> <li>1. NIBD includes all long-term and current debt to credit institutions and other interest-bearing liabilities, incl. the effect of IFRS 16 compared to the IFRS in force prior to 1 January 2019. This NIBD metric is disclosed in Note 12 to the Group Accounts. This NIBD metric is included in the ROCE calculation.</li> <li>2. NIBD includes all long-term and current debt to credit institutions and other interest-bearing liabilities, but is adjusted according to terms and conditions set out in the bank loan agreement. This NIBD metric is disclosed in Note 12 to the Group Accounts, and excludes the effect on NIBD of IFRS 16 compared to the IFRS in force prior to 1 January 2019, in addition to other adjustments made according to the loan agreement.</li> <li>3. NIBD includes all long-term and current debt to credit institutions and other interest-bearing liabilities but excludes the effect of IFRS 16 compared to the IFRS in force prior to 1 January 2019. This metric is calculated as NIBD according to bullet 1 above, subtracted by the effect of IFRS 16 as included in the adjustment to the covenant relating to NIBD in bullet 2 above.</li> </ol> <p>The metric is reported as a key figure of the Group, and also reported in Note 12 of the quarterly report. In 2022, the Group has investments in money market funds. Maturity of the investment is less than three months. The Group has deducted the investment in money market funds in the NIBD calculation as from 2022.</p>	Net interest-bearing liabilities is a measure of the Group's net debt and borrowing commitments, and, together with equity-ratio and NIBD/harvest, useful to assess the financial robustness and -flexibility of the capital structure of the Group.
NIBD/Harvest	<p>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:</p> <ol style="list-style-type: none"> <li>1. NIBD divided by actual harvest volume in kg gutted weight in the last 12 months</li> <li>2. NIBD divided by guided full-year harvest volume in kg gutted weight.</li> </ol> <p>The metric is reported as a key figure of the Group.</p>	<p>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.</p> <p>NIBD/harvest is, together with equity-ratio and NIBD, useful to assess the financial robustness and -flexibility of the capital structure of the Group.</p>

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
Gross investment	Gross investment is equal to the Group's capital expenditures (CAPEX) excluding the effect of IFRS 16 compared to the IFRS in force prior to 1 January 2019. Thus, the gross investment figure includes additions made on property, plant and equipment and intangible assets owned by the Group, together with long-term lease arrangements with credit institutions. The metric is reported as a key figure of the Group.	The Group's CAPEX monitoring shows that gross investments are in line with the CAPEX monitoring of the Group. The accounting impact of IFRS 16 (capitalized operational leases) is excluded from gross investments, as such leases are not treated as part of CAPEX.
Sales revenue/kg (GWT)	The sales revenue/kg (GWT) metric is calculated as sales revenue from farming operations divided by harvested volume in kg gutted weight equivalent. The metric is calculated per farming region, for Norway and Canada, and for the Group as a whole. Sales revenue from farming operations equals the revenue directly attributable to the sale of Atlantic salmon, including the impact of fixed contracts, incl. the margin generated by the sales department. The term "sales revenue from sale of Atlantic salmon" is also used by the Group. Group sales revenue from farming operations equals the sum of the sales revenue from farming operations per farming region according to the segment information. Sales revenue/kg is reported in the Group's segment information (see Note 8), 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.
Farming cost/kg (GWT)	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. Group farming cost equals the sum of the regions' farming costs. Farming cost/kg is reported in the Group's segment information (see Note 8), and calculated using solely figures included in the segment information.	Farming cost/kg is a relative metric which ensures comparability between our farming regions and across time. The metric captures the cost level of the farming operations. As Atlantic salmon is traded largely as a commodity, and the prices achieved largely reflect a general market price, the farming cost/kg captures the operational profitability for the Group and each farming region.
Other costs incl. ownership and headquarter costs/kg (GWT)	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 8), and calculated using solely figures included in the segment information.	Other costs incl. headquarters costs/kg is a relative metric which ensures comparability when assessing the Group's cost level over time. The metric captures the costs of the Group which are not deemed directly attributable to farming operations. The net costs of Newfoundland is included in the other cost incl. ownership and headquarter costs/kg until first harvest. This because the farming cost is characterized by the expense of the cumulated cost to inventory incl. direct cost of harvest at the point of harvest. Until harvest, production costs are capitalized as biological assets in the balance sheet. Therefore, to be comparable with our other farming regions, it is not useful to include Newfoundland as part of the farming cost of the Group, until the region is at the point of first harvest.



## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Below, the APMs derived in absolute figures are disclosed and reconciled to the Income Statement, Statement of Financial Position and Cash Flow Statement, respectively. The EBITDA and EBIT are disclosed on the Income Statement, and are thus indirectly reconciled on that statement.

**FIGURE 3.21**  
SALES REVENUE FARMING OPERATIONS, FARMING COST AND OPERATIONAL EBIT (NOK MILLION)

2022	Source	Rogaland	Finnmark	British Columbia	Group
Sales revenue farming operations	Note 8	2 124	2 629	1 665	6 418
Elim/Other & Newfoundland - revenue	Note 8				746
<b>Sales revenue</b>	Income Statement				<b>7 164</b>
Farming cost	Note 8	1 369	1 703	1 395	4 467
Elim/Other & Newfoundland - cost	Note 8				958
<b>Operating EBIT</b>	Income Statement				<b>1 739</b>
Operational EBIT farming operations	Note 8	755	926	270	1 951
2021	Source	Rogaland	Finnmark	British Columbia	Group
Sales revenue farming operations	Note 8	1 431	1 756	1 023	4 211
Elim/Other & Newfoundland - revenue	Note 8				388
<b>Sales revenue</b>	Income Statement				<b>4 599</b>
Farming cost	Note 8	1 189	1 506	873	3 568
Elim/Other & Newfoundland - cost	Note 8				588
<b>Operational EBIT</b>	Income Statement				<b>442</b>
Operational EBIT farming operations	Note 8	242	251	150	643

**FIGURE 3.22**  
NIBD ACCORDING TO METHOD 1 (NOK MILLION)

	Source	2022	2021
Borrowings	Statement of Financial Position	2 839	2 381
Lease liabilities	Statement of Financial Position	654	578
<b>Non-current liabilities</b>		<b>3 492</b>	<b>2 959</b>
Current portion of borrowings	Statement of Financial Position	142	54
Current portion of lease liabilities	Statement of Financial Position	227	178
<b>Current liabilities</b>		<b>369</b>	<b>233</b>
Loans to associates	Note 12	8	2
Cash and cash equivalents	Statement of Financial Position	643	928
Investments in money market funds	Statement of Financial Position	1 013	0
Amortized loan costs	Note 12	-25	-30
<b>NIBD (method 1)</b>		<b>2 223</b>	<b>2 291</b>

**FIGURE 3.23**  
GROSS INVESTMENTS (NOK MILLION)

	Source	2022	2021
Property, plant and equipment	Cash Flow Statement	562	561
Intangible assets	Cash Flow Statement	3	4
<b>Additions according to the Cash Flow Statement</b>		<b>564</b>	<b>565</b>
Finance leases according to IFRS in force prior to 1 January 2019		115	5
<b>Gross investments</b>		<b>679</b>	<b>570</b>



# GRI REPORTING

04

Our integrated report covers our progress with respect to all of our pillars and material topics. We believe that measuring and integrating comparable, consistent and reliable environmental, social, and governance parameters is fundamental to making more informed decisions and to facilitating long-term sustainable growth.

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# GLOBAL REPORTING INITIATIVE INDEX

This report has been prepared in accordance with the GRI Standards 2021. We follow the GRI Standards to report our impacts on the economy, environment and people, including human rights, allowing for greater transparency and accountability. For more information on our approach to corporate social responsibility and transparency, see [our website](#).

## MANAGEMENT OF MATERIAL TOPICS

With our vision of farming the ocean for a better future, we demonstrate our commitment to corporate responsibility by operating profitably and sustainably in a manner that conforms with fundamental ethical norms and respect for the individual, the environment and society as a whole. We apply the precautionary principle as our strategy for approaching issues of potential harm when scientific knowledge is lacking. We aim to collaborate and take part in research to develop and test new solutions. In pursuit of our vision, we will face risks and opportunities. Our risk management is clearly connected with a multitude of stakeholder expectations, and the topics we have identified as material.

The Board exercises oversight of strategic, operational and financial matters, including the nature and extent of major risks. The Board and the CEO have delegated responsibility to the various business areas and functions, ensuring that operational responsibility is an integral part for all management teams and units and departments. We have implemented Group policies and targets aligned with our pillars and 2026 strategy. Both monthly key performance indicator (KPI) report, which is used both by operational management and the Board, and our published quarterly reports, are based on these policies and targets. Deviations from targets are followed up and action plans are implemented. We have a whistleblower channel, operated by EY, available for our employees to report any unwanted behavior and breaches of our Code of Conduct. We also provide a grievance mechanism for local communities on our regional websites.

## DETERMINING MATERIAL TOPICS

The materiality assessment is fundamental to our holistic and integrated reporting. Together with our stakeholders, we have identified our current and future positive and negative impact on the environment, economy and people, including human rights. The topics listed under each pillar is identified as important to our organization and our stakeholders, and is covered by group policies. The highlighted topics represents the list of material topics reported in line with the GRI standards. Find a combined overview of our pillars, targets and Group policies [here](#).

## REVIEWING MATERIAL TOPICS

The annual materiality review process is based on a revision of existing material topics, in addition to an assessment of the likely material topics proposed by the new sector standard, GRI 13: Agriculture, aquaculture and fishing sectors 2022. In 2022, we completed a detailed impact assessment, where identified and assessed sustainability topics were reviewed in light of our negative and positive impact on the environment, economy and people. In order to be able to prioritize the impacts for reporting based on their significance, a materiality assessment impact rating tool was used, with severity and likelihood as key concepts. Read more about the stakeholders whose views have informed the process [here](#). The revision resulted in the list of material topics represented in bold under our pillars.

The list is reviewed by our Board of Directors. The materiality review process resulted in changes from last period in terms of mapping and terminology from the applied sector standard. Except from plastic pollution and profitable operations, all of the material topics listed in 2021 is covered also in 2022. The reason for excluding profitable operations from the materiality list is explained by the GRI terminology directing focus towards impact on the economy, environment, and people, including impacts on human rights. The exclusion of plastic pollution is explained by the outcome of the detailed impact assessment and the comparison of impact level to the other material topics. We still consider these topics as significant and cover our impact related to these topics in our Annual Report 2022 and on our website.

## EXTERNAL VERIFICATION

To ensure the quality of our report and the information (both quantitative and qualitative) provided, it is reviewed and verified internally. To ensure high data quality and to enhance the credibility of our sustainability reporting, it has been assured by our independent auditor, PwC. Our GRI Index provides further information about the audit performed, where "A" refers to assurance that the disclosures are presented according to the GRI Standards (2021). "B" refers to assurance that the quantitative sustainability disclosures, referred to from the GRI Index, are calculated, estimated and reported in accordance with the criteria defined in GRI or the GRI index. Reference is made to the auditor's statement on sustainability reporting.

## REPORTING SCOPE AND BOUNDARY

The scope of our sustainability metrics provided in this report includes the environmental, social, and governance performance that has been deemed material to Grieg Seafood's operations for the calendar year ended December 31, 2022. The metrics covers our global operations and includes all wholly-owned subsidiaries. It does not include any associated companies or joint ventures, as we do not have management control of these companies. As such, all entities consolidated into the Grieg Seafood Group's financial statement are included in our sustainability data. As our Shetland operations was sold in December 2021, we have excluded Shetland from our sustainability data in general to ensure comparable data. Newfoundland started its seawater production in the middle of 2022, and as such, not all metrics are available for a full year.

## DATA QUALITY

We have implemented internal controls to ensure the accuracy and completeness of the data included in this report. Any limitations or exclusions to our reporting are disclosed throughout this report. The quantitative information provided in this report, is mainly data we have retrieved from our production-, logistics-, human resource- and financial systems. Where data has been measured or estimated, this is indicated in footnotes. If we use external data, the source is specified. Our data is reported consistently, unless otherwise indicated. Any restatement of historical data is disclosed.

# GRI CONTENT INDEX

The GRI content index refers to where information about each disclosure is presented in our 2022 Annual Report, 2022 Remuneration Report or company website.

Statement of use	Grieg Seafood has reported in accordance with the GRI Standards for the period 01.01.2022 to 12.31.2022				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022				
DISCLOSURE	RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
<b>GRI 2: GENERAL DISCLOSURES 2021</b>					
THE ORGANIZATION AND ITS REPORTING PRACTICES					
2-1	Organizational details		Part 03 - Our financial results, Note 1 General information	NO	A
2-2	Entities included in the organization's sustainability reporting	Our greenhouse gas emissions are reported in accordance with the Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative, using the operational approach.	Part 02 - Our operational results - GHG reporting standard; Part 03 - Our financial results, Note 1 General information	NO	A
2-3	Reporting period, frequency and contact point	In our integrated sustainability and financial report, we report annually according to the GRI Standards. Contact points: Chief Sustainability Officer: Tor Eirik Homme, tor.eirik.homme@griegseafood.com. Group Communication Manager: Kristina Furnes, kristina.furnes@griegseafood.com, Global Finance Officer: Renete Kaarvik, renete.kaarvik@griegseafood.com.	Part 03 - Our financial results, Note 1 General information	NO	A
2-4	Restatements of information	Restatement of information has been made to the climate accounting 2022.	Part 02 - Our operational results, Our greenhouse gas accounts	NO	A
2-5	External assurance	The Chief Sustainability Officer seeks external assurance of sustainability reporting according to GRI Standards, climate accounting and sustainability KPIs. Our sustainability reporting has been assured by our independent auditor PwC.	Part 04 - GRI reporting, Auditor's sustainability report	NO	A
ACTIVITIES AND WORKERS					
2-6	Activities, value chain and other business relationships	Feed was our main supply category in 2022, comprising 39% of our cost. Other relevant business relationship is our investment associates	Part 01 - Our foundation, Our value chain; Part 03 - Our financial results, Note 7 Investment in associates	NO	A
2-7	Employees	We do not have any non-guaranteed hours employees	Part 02 - Our operational results, People: The workforce at year-end 2022	NO	A
2-8	Workers who are not employees	We define workers who are not employees as contractors. Data reported on contractors are compiled in headcount, similarly to our employees	Part 02 - Our operational results, People: The workforce at year-end 2022	NO	A

DISCLOSURE	RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
GOVERNANCE					
2-9	Governance structure and composition		Part 03 - Our financial results, Corporate governance principles: 8. Board of directors: composition and independence; Webpage - Board of Directors	NO	A
2-10	Nomination and selection of the highest governance body		Part 03 - Our financial results, Corporate governance principles: 7. Nomination committee	NO	A
2-11	Chair of the highest governance body		Part 03 - Our financial results, Corporate governance principles: 8. Board of directors: composition and independence	NO	A
2-12	Role of the highest governance body in overseeing the management of impacts		Part 03 - Our financial results, Corporate governance: Governance structure	NO	A
2-13	Delegation of responsibility for managing impacts		Part 03 - Our financial results, Corporate governance: Governance structure	NO	A
2-14	Role of the highest governance body in sustainability reporting		Part 03 - Our financial results, Corporate governance: Governance structure	NO	A
2-15	Conflicts of interest		Part 03 - Our financial results, Corporate governance principles: 9. The work of the Board of directors: Conflict of interest	NO	A
2-16	Communication of critical concerns		Part 03 - Our financial results, Corporate governance: Responsible business conduct	NO	A
2-17	Collective knowledge of the highest governance body		Part 03 - Our financial results, Corporate governance: Governance structure	NO	A
2-18	Evaluation of the performance of the highest governance body		Part 03 - Our financial results, Corporate governance principles: 9. The work of the Board of Directors, Annual assessment	NO	A
2-19	Remuneration policies	The remuneration policy does not have any stated principles on sign-on bonuses, recruitment incentive payments or clawbacks	Webpage - Executive Remuneration policy Part 03 - Our financial results, Corporate governance principles: 12. Remuneration of executive personnel	NO	A

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
2-20	Process to determine remuneration	91.3 % voted for the Remuneration report 2021	Remuneration Report - Remuneration of executive personnel: Fixed pay-salary; Governance: Review of the Remuneration Report	NO		A
2-21	Annual total compensation ratio		Remuneration Report -Comparative information on the remuneration paid in the last five years	NO		A
STRATEGY, POLICIES AND PRACTICES						
2-22	Statement on sustainable development strategy		Part 03 - Our financial results, Board of Directors report: Main Achievements, Targets and achievements	NO		A
2-23	Policy commitments		Part 03 - Our financial results, Corporate governance: Governance structure; Responsible business conduct	NO		A
2-24	Embedding policy commitments		Part 03 - Our financial results, Corporate governance: Governance structure; Responsible business conduct	NO		A
2-25	Processes to remediate negative impacts		Part 03 - Our financial results, Corporate governance: Responsible business conduct	NO		A
2-26	Mechanisms for seeking advice and raising concerns		Part 03 - Our financial results, Corporate governance: Responsible business conduct	NO		A
2-27	Compliance with laws and regulations		Part 03 - Our financial results, Corporate governance: Compliance	NO		A
2-28	Membership associations	Grieg Seafood do not hold any significant role in membership associations. However, we are member of several industry associations and engage in collaboration and partnerships with researchers, peers, companies in our value chain, NGOs and other relevant actors	Webpage - Partnerships and collaboration	NO		A
STAKEHOLDER ENGAGEMENT						
2-29	Approach to stakeholder engagement		Part 04 - GRI reporting, Stakeholder dialogue	NO		A
2-30	Collective bargaining agreements	Unionized employees for Norway are disclosed. Labor unions in Canada are organized differently. Therefore, a group average is not disclosed.	Part 02 - Our operational results, People: Unionized employees (%) at year end 2022	NO		A

MATERIAL TOPICS						
DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
GRI 3: MATERIAL TOPICS						
3-1	Process to determine material topics		Part 04 - GRI reporting, Global reporting initiative index: Determining material topics, Reviewing material topics	NO		A
3-2	List of material topics		Part 1 - Our foundation, Our 2026 Business strategy, 4 Sustainability; Part 04 - GRI reporting, Global reporting initiative index: Reviewing material topics	NO		A
ANIMAL HEALTH AND WELFARE						
3-3	Management of material topics		Webpage - Fish health and welfare, Cleaner fish health and welfare; Webpage - Group policies, Fish welfare of salmon and cleaner fish, Fish health of salmon and cleaner fish; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.11.1	A
Additional sector disclosures	Percentage of production volume certified to third-party animal health and welfare standards	We refer to ASC-certification as the animal health and welfare standard. The percentage is calculated as total budgeted production volume from ASC certified sites divided by total budgeted production volume from ASC eligible sites. Sites and production volume not included in the ASC-certification-% calculation is not eligible for ASC-certification due to inactive production or first production cycle not yet completed.	Part 02 - Our operational results, Our certifications	NO	13.11.2	A, B
	Survival rate at sea		Part 01 - Our foundation. Our sustainability scoreboard	NO	13.11.3	A, B
	Main causes for reduced survival in seawater	List of the main causes of reduced survival, with loss stated in number and tonnes of fish.	Part 02 - Our operational results, Grieg Seafood Rogaland-, Grieg Seafood Finnmark-, Grieg Seafood BC-, Grieg Seafood Newfoundland - Main causes of reduced survival in seawater	NO		A, B
Grieg Seafood Indicator 009	Use of antibiotics	This Grieg Seafood indicator corresponds to the GSI indicator "Antibiotic Use" which is defined as "the amount of active pharmaceutical ingredients (API) used (in g) per tonne of fish produced (LWE)".	Part 1 - Our foundation, Our sustainability scoreboard	NO		A, B

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
<b>BIODIVERSITY</b>						
3-3	Management of material topics		Webpage - Wild salmon, Wildlife, White fish, Crustaceans, Impact on nature; Webpage - Group policies, Protecting biodiversity; Part 01 - Our foundation, Our sustainability scoreboard; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.3.1	A
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Part 02 - Our operational results, Grieg Seafood Rogaland-, Grieg Seafood Finnmark-, Grieg Seafood BC-, Grieg Seafood Newfoundland - Protecting marine ecosystems	NO	13.3.2	A, B
304-2	Significant impacts of activities, products and services on biodiversity		Webpage - Wild salmon, Wildlife, White fish, Crustaceans, Impact on nature	NO	13.3.3	A
304-3	Habitats protected or restored		Part 02 - Our operational results, Grieg Seafood Rogaland-, Grieg Seafood Finnmark-, Grieg Seafood BC-, Grieg Seafood Newfoundland - Restored ecosystem under farms; Protecting marine ecosystems	NO	13.3.4	A
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	In each regional chapter we refer to the IUCN Red List and the relevant national conservation list online, filtered on the area where we operate in order to see species with habitats in these areas sorted by extinction risk.	Part 02 - Our operational results, Grieg Seafood Rogaland-, Grieg Seafood Finnmark-, Grieg Seafood BC-, Grieg Seafood Newfoundland- Protecting marine ecosystems	NO	13.3.5	A, B
Additional sector disclosures	Information on species of aquatic organisms, juvenile seeds stocks and fishing products in feed		Webpage - Sustainable marine ingredients; Part 01 - Our foundation, Our organization, Our value chain; Part 02 - Our operational results, Sustainable feed ingredients: Volume of marine ingredients	NO	13.3.6	A, B
Grieg Seafood Indicator 003	Number of escape incidents and fish escaped	This Grieg Seafood indicator corresponds to the GSI indicator "Fish escapes" which is defined as "number of fish escape incidents and number of fish escaped (after net recapturing)".	Part 1 - Our foundation, Our sustainability scoreboard	NO		A, B
Grieg Seafood Indicator 004	Sea lice levels	This Grieg Seafood indicator corresponds to the GSI indicator "Sea lice counts" which is defined as "sea lice according to local action levels set by the authorities".	Part 02 - Our operational results, Grieg Seafood Rogaland-, Grieg Seafood Finnmark-, Grieg Seafood BC - Sea lice levels	NO		A, B

DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
Grieg Seafood Indicator 005	Environmental status of our sites	Environmental status of our sites is a result of benthic monitoring tests under and around our sites according to local regulations, as explained under the presentation of the B-test results and %-of sites that are restored in the regional chapters we refer to.	Part 02 - Our operational results, Grieg Seafood Rogaland-, Grieg Seafood Finnmark - Results of B-test, Grieg Seafood BC-, Grieg Seafood Newfoundland - % of sites that are restored	NO		A, B
Grieg Seafood Indicator 006	Hydrogen peroxide treatments	This Grieg Seafood indicator equals the GSI indicator "Use of hydrogen peroxide", which is defined as "the amount of active pharmaceutical ingredients (API) used [in kg] per tonne of fish produced (LWE)".	Part 1 - Our foundation, Our sustainability scoreboard	NO		A, B
Grieg Seafood Indicator 007	Active substances used for treatments	This Grieg Seafood indicator corresponds to the GSI indicator "Sea lice treatments" which is defined as "the amount of active pharmaceutical ingredients (API) used [in gr] per tonne of fish produced (LWE)".	Part 1 - Our foundation, Our sustainability scoreboard	NO		A, B
Grieg Seafood Indicator 008	Number of dead birds and marine mammals	This Grieg Seafood indicator is based on the GSI indicator "Wildlife interactions" which is defined as "total number of lethal incidents by species divided by total number of sites" except that we report the total number of lethal incidents per region.	Part 02 - Our operational results, Grieg Seafood Rogaland-, Grieg Seafood Finnmark-, Grieg Seafood BC-, Grieg Seafood Newfoundland - Sustainability KPIs	NO		A, B
<b>FOOD SAFETY</b>						
3-3	Management of material topics		Webpage - Safe food; Webpage - Group policies, Food safety; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.10.1	A
416-1	Assessment of the health and safety impacts of product and service categories	As all of our products is appropriated human consumption, the health and safety impacts are constantly tested as a part of our certification processes.	Part 02 - Our operational results, Our certifications	NO	13.10.2	A
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Part 02 - Our operational results, Sales & market: Our sales & market development in 2022	NO	13.10.3	A, B
Additional sector disclosures	Percentage of production volume from sites certified to internationally recognized food safety standards	We refer to Global G.A.P and B.A.P as internationally recognized food safety standards. 100% of production volume in Norway are Global G.A.P certified. 100% of our production volume in BC are B.A.P certified. Our Newfoundland region is under establishment and is not yet delivering to market	Part 02 - Our operational results, Our certifications	NO	13.10.4	A, B
	Number of recalls issued for food safety reasons and the total volume of products recalled		Part 02 - Our operational results, Sales & market: Our sales & market development in 2022	NO	13.10.5	A, B

DISCLOSURE	RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE	
<b>EMISSIONS</b>						
3-3	Management of material topics		Webpage - Reducing carbon emission; Webpage - Group polices, Climate action; Part 02 - Our operational results, Climate action: Climate action plan; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.1.1	A
305-1	Direct (Scope 1) GHG emissions	Biogenic CO2 emissions (tCO2e) is not relevant for our operations.	Part 02 - Our operational results, Climate action: GHG emissions - Scope 1 & Scope 2 emissions	NO	13.1.2	A, B
305-2	Energy indirect (Scope 2) GHG emissions	The group's market-based Scope 2 GHG emissions amount to 11 613 tCO2e.	Part 02 - Our operational results, Climate action: GHG emissions - Scope 1 & Scope 2 emissions	NO	13.1.3	A, B
305-3	Other indirect (Scope 3) GHG emissions	Biogenic CO2 emissions (tCO2e) is not relevant for our operations.	Part 02 - Our operational results, Climate action, GHG emissions - Scope 3	NO	13.1.4	A, B
305-4	GHG emissions intensity		Part 02 - Our operational results, Climate action: GHG reporting standard	NO	13.1.5	A, B
305-5	Reduction of GHG emissions		Part 02 - Our operational results, Climate action: GHG emissions, GHG reporting standard	NO	13.1.6	A, B
305-6	Emissions of ozone-depleting substances (ODS)	Grieg Seafood does not have emissions from ODS.		NO	13.1.7	A, B
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	We do not have any significant air emissions.		NO	13.1.8	A
<b>CLIMATE ADAPTATION AND RESILIENCE</b>						
3-3	Management of material topics		TCFD-report; Part 02 - Our operational results: Reducing carbon emission, Climate action plan; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.2.1	A
201-2	Financial implications and other risks and opportunities due to climate change	No direct cost is taken in 2022 to manage climate related risks or opportunities	Part 03 - Our financial results, Note 5 Climate-related risk	NO	13.2.2	A, B
<b>FOOD SECURITY</b>						
3-3	Management of material topics	Our commitment and lessons learned related to food security and providing healthy food with lower impact is explained through our actions taken and targets described in polices related to sustainable feed and climate action	Webpage - Blue food in a transformed food system; Webpage - Group policies, Sustainable feed, Climate action; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.9.1	A

DISCLOSURE	RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE	
<b>NATURAL ECOSYSTEM CONVERSION</b>						
3-3	Management of material topics		Webpage - Zero deforestation and conversion; Webpage - Group polices, Sustainable feed; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.4.1	A
<b>SUPPLY CHAIN TRACEABILITY</b>						
3-3	Management of material topics		Webpage - Continuous improvement in our value chain; Sustainable feed ingredients; Sustainable marine ingredients; Zero deforestation and conversion Webpage - Group polices, Sustainable feed; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.23.1	A
Additional sector disclosures	Level of traceability		Part 02 - Our operational results, Sustainable feed ingredients: Traceability	NO	12.23.2	A
	Improvements projects related to certification		Part 02 - Our operational results, Sustainable feed ingredients: Certifications	NO	13.23.4	A
<b>ANTI-CORRUPTION</b>						
3-3	Management of material topics		Webpage - Anti-corruption policy; Part 03 - Our financial results, Corporate governance: Responsible business conduct; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.26.1	A
205-1	Operations assessed for risks related to corruption		Part 03 - Our financial results, Corporate Governance: Responsible business conduct	NO	13.26.2	A, B
205-2	Communication and training about anti-corruption policies and procedures	Our Code of Conduct program involves guidelines and procedures for anti-corruption. The disclosure requirements is met with one minor exemption, a large share of our suppliers in purchase value has signed the Supplier Code of Conduct. We are not able to provide the exact number and percentage, nor break down by region. We will work to systemize this data going forward.	Part 02 - Our operational results, People: Code of conduct program	YES, point c.	13.26.3	A, B
205-3	Confirmed incidents of corruption and actions taken		Part 03 - Our financial results, Corporate governance: Responsible business conduct	NO	13.26.4	A, B

DISCLOSURE	RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
<b>EMPLOYEE HEALTH AND SAFETY</b>					
3-3	Management of material topics				
		Webpage - Health and safety; Part 02 - Operational results, People: Health and safety, Our results; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.19.1	A
403-1	Occupational health and safety management system				
		Part 02 - Our operational results, People: Safety indicators in 2022	NO	13.19.2	A
403-2	Hazard identification, risk assessment, and incident investigation				
		Part 02 - Our operational results, People: Safety indicators in 2022	NO	13.19.3	A
403-3	Occupational health services				
		Part 02 - Our operational results, People: Safety indicators in 2022	NO	13.19.4	A
403-4	Worker participation, consultation, and communication on occupational health and safety				
		Part 02 - Our operational results, People: Our colleagues, Health and safety	NO	13.19.5	A
403-5	Worker training on occupational health and safety				
		Part 02 - Our operational results, People: Our colleagues, Health and safety	NO	13.19.6	A
403-6	Promotion of worker health				
		Part 02 - Our operational results, People: Our colleagues, Health and safety	NO	13.19.7	A
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships				
		Part 02 - Our operational results, People: Safety indicators in 2022	NO	13.19.8	A
403-8	Workers covered by an occupational health and safety management system				
		Part 02 - Our operational results, People: Safety indicators in 2022	NO	13.19.9	A, B
403-9	Work-related injuries	The disclosure requirements is met with one minor exemption, workers covered by this standard (workers who are not employees but whose work and/or workplace is controlled by the organization) are not a material part of Grieg Seafood's operations. Therefore, this part of the standard is not relevant.	YES, point b.	13.19.10	A, B
403-10	Work-related ill health	We have no incidents of work-related ill health	NO	13.19.11	A, B
		Part 02 - Our operational results, People: Safety indicators in 2022			

DISCLOSURE	RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
<b>FORCED OR COMPULSORY LABOR</b>					
3-3	Management of material topics				
		Webpage - Human rights; Group policies - Human rights; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.16.1	A
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor				
		Part 02 - Our operational results, People: Our colleagues, Human rights	NO	13.16.2	A
<b>CHILD LABOR</b>					
3-3	Management of material topics				
		Webpage - Human rights; Group policies - Human rights; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.17.1	A
408-1	Operations and suppliers at significant risk for incidents of child labor				
		Part 02 - Our operational results, People: Our colleagues, Human rights	NO	13.17.2	A
<b>RIGHTS OF INDIGENOUS PEOPLE</b>					
3-3	Management of material topics				
		Webpage - BC, Indigenous people; Finnmark, Aquaculture in Sami areas; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.14.1	A
411-1	Incidents of violations involving rights of indigenous peoples				
		Part 02 - Our operational results, Grieg Seafood Finnmark-, Grieg Seafood BC - Local communities; Part 03 - Our financial results, Corporate social responsibility: Corporate governance	NO	13.14.2	A, B
Additional sector disclosure	Location of operations				
		Part 02 - Our operational results, Grieg Seafood Finnmark-, Grieg Seafood BC - Local communities	NO	13.14.3	A
<b>LOCAL COMMUNITIES</b>					
3-3	Management of material topics	We report on our efforts in local communities in all of the regional chapters.			
		Part 01 - Our foundation, Our sustainability scoreboard; Sustainable foundation: Financial impact of material topics; Part 02 - Our operational results, Grieg Seafood Finnmark-, Grieg Seafood Rogaland-, Grieg Seafood BC-, Grieg Seafood Newfoundland; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.12.1	A



DISCLOSURE		RESPONSE	LOCATION	OMISSION	GRI SECTOR STANDARD REF.NO.	EXTERNAL ASSURANCE
413-1	Operations with local community engagement, impact assessments, and development programs		Part 02 - Our operational results, Grieg Seafood Finnmark-, Grieg Seafood Rogaland-, Grieg Seafood BC-, Grieg Seafood Newfoundland - Local communities	NO	13.12.2	A
413-2	Operations with significant actual and potential negative impacts on local communities		Part 02 - Our operational results, Grieg Seafood Finnmark-, Grieg Seafood Rogaland-, Grieg Seafood BC-, Grieg Seafood Newfoundland -Local communities	NO	13.12.3	A
<b>ECONOMIC INCLUSION</b>						
3-3	Management of material topics		Part 01 - Our foundation, Our sustainability scoreboard; Sustainable foundation: Financial impact of material topics; Part 02 - Our operational results, Grieg Seafood Finnmark-, Grieg Seafood Rogaland-, Grieg Seafood BC-, Grieg Seafood Newfoundland - Local communities; Part 04 - GRI reporting, Stakeholder dialogue	NO	13.22.1	A
201-1	Direct economic value generated and distributed		Part 2 - Our operational results, Profitable operations: Direct economic value generated and distributed	NO	13.22.2	A, B
203-1	Infrastructure investments and services supported		Part 02 - Our operational results, Grieg Seafood Finnmark-, Grieg Seafood Rogaland-, Grieg Seafood BC-, Grieg Seafood Newfoundland -Local communities	NO	13.22.3	A, B
203-2	Significant indirect economic impacts	Salmon farming has a range of significant indirect economic impacts that can affect local and regional economies in terms of economic activity, such as purchasing equipment and feed, as well as creating employment opportunities. We describe the significance of our indirect economic impacts in the context of UNSDGs and zero hunger.	Part 02 - Our operational results, Grieg Seafood Finnmark-, Grieg Seafood Rogaland-, Grieg Seafood BC-, Grieg Seafood Newfoundland -Local communities; Webpage - UNSDG	NO	13.22.4	A

## TOPICS IN THE APPLICABLE GRI SECTOR STANDARD DETERMINED AS NOT MATERIAL

TOPIC	EXPLANATION
GRI 13: AGRICULTURE, AQUACULTURE AND FISHING SECTORS 2022	
Soil health	Soil health is determined as not material as a result of the detailed impact assessment. The scope of impact is limited to the countries where our feed suppliers source vegetable raw materials. Hence, the overall severity of the impacts is assessed to be moderate.
Pesticides use	Pesticides use is determined as not material as a result of the detailed impact assessment. The severity is assessed as moderate as the use of pesticide in crop production is regulated and the scope is limited to tier-two suppliers. The approach to sea lice control is discussed under animal health and welfare, as the use of delousing chemicals is defined as medicine or disinfectant which is readily dissolvable, and not a pesticide.
Water and effluents	Water and effluents is determined as not material as a result of the detailed impact assessment. Grieg Seafood does not operate in water scarce areas. The nutrient build-up from fish feces is likely, however the scope is limited to local impact and restoration of sea beds allows remediation.
Waste	Waste is determined as not material as a result of the detailed impact assessment. In the comparison of impact level to the other material topics, waste is considered to be significant.
Land and resource rights	Land and resource rights is determined as not material as a result of the detailed impact assessment. The possession of farming licenses to operate ensures predictability and accountability of land and resource rights.
Non-discrimination and equal opportunity	Non-discrimination and equal opportunities is determined as not material as a result of the detailed impact assessment. The severity is high, however the likelihood is limited by human rights regulation.
Freedom of association and collective bargaining	Freedom of association and collective bargaining is determined as not material as a result of the detailed impacts assessment. Grieg Seafood ensures freedom of association and collective bargaining for its employees. The likelihood is limited through regulations from ILO.
Employment practices	Employment practices is determined as not material as a result of the detailed impact assessment. The scope is limited to our direct operations, whereas the severity is determined to moderate.
Living income and living wage	Living income and living wage is determined as not material as a result of the detailed impact assessment, as the scale is low and impacts concerning living income and wage is possible to counteract. Thus, the severity is determined to be moderate.
Public policy	Public policy is determined as not material as a result of the detailed impact assessment, as the scale is low and the impact is easy to counteract, the severity is determined to be moderate.
Anti-competitive behavior	Anti-competitive behavior is determined as not material, as a result of the detailed impact assessment, as there is no documented indication of impact on the economy, environment and people.

# STAKEHOLDER DIALOGUE

Our value ‘Open’ guides our stakeholder dialogue. We aim to be open and honest about our performance and challenges, make it easy for our stakeholders to hold us accountable, and share how we work to improve.

Engaging and collaborating with our stakeholders helps us understand and address our most material sustainability issues. Our stakeholders span our five pillars and gaining their trust is integral for our license to operate. Stakeholders are chosen according to the impact they have on our business, and the economic, environmental and social impact we have on the stakeholders. Stakeholder dialogue is also key to be able to grasp emerging opportunities for our business, and to understand and mitigate risk.

We engage actively and continuously with our stakeholders, and always maintain an open door for stakeholder feedback. Stakeholders frequently contact us to discuss issues. We also engage stakeholders proactively on matters where we believe we can have significant impact, such as with feed suppliers. The continuous dialogue with our stakeholders provides the basis for the materiality matrix. Ultimately, our stakeholders help us deliver healthy food and make positive impacts throughout our value chain.

STAKEHOLDER	MATERIAL TOPIC	HOW WE ENGAGE	ACTIONS	EXAMPLE
NATIONAL AUTHORITIES / REGULATORS	<ul style="list-style-type: none"> <li>All sustainability challenges</li> <li>In particular balanced regulation and long-term local value creation</li> </ul>	Meetings, site visits, and correspondence.	We have an open dialogue with all official authorities where we operate, and collaborate on all aspects. We welcome their efforts to enforce regulations and engage in constructive dialogue.	We are committed to be a constructive partner for the government and Indigenous communities in the 2025 transition process in BC, and to find a path forward that works for all stakeholders.
LOCAL AUTHORITIES / COMMUNITIES	<ul style="list-style-type: none"> <li>All sustainability challenges</li> <li>In particular local value creation, indigenous relationships and co-existence with other local interests</li> </ul>	Dialogue with special interest groups locally, open meetings, site visits, and dialogue through mainstream media and digital channels.	We recognize public concern for the oceans, invite visitors to our farms and participate in the public debate about salmon farming. We try to find solutions to accommodate other local interests. In areas with Indigenous populations, consent, dialogue and relations with Indigenous representatives are especially important.	Through our website, and in particular the regional websites, we aim to improve transparency and dialogue with our local communities.

STAKEHOLDER	MATERIAL TOPIC	HOW WE ENGAGE	ACTIONS	EXAMPLE
STAKEHOLDER ORGANIZATIONS/ NON-GOVERNMENTAL ORGANIZATIONS	<ul style="list-style-type: none"> <li>All sustainability challenges</li> </ul>	Correspondence, meetings, media and social media.	We collaborate with and seek advice from actors that constructively seek to improve the industry. That includes several environmental organizations and research institutions.	Together with WWF US, we have initiated a project to evaluate environmental, social and governance risks in salmon feed ingredients in a holistic manner.
SHAREHOLDERS, INVESTORS, ASSET MANAGERS AND ANALYSTS	<ul style="list-style-type: none"> <li>All sustainability challenges, and how we utilize opportunities and mitigate risk</li> <li>In particular long-term performance and returns, both on financial and sustainability-related parameters</li> </ul>	Quarterly presentations, roadshows, meetings, frequent dialogue, capital market days, and engagement with relevant indexes.	We make every effort to maintain a continuous, open, and honest dialogue about our strategy and results. We have also started engaging with relevant indexes where we are rated, to make sure they give Grieg Seafood an accurate score.	In 2022, we hosted a Capital Market Day in Rogaland, which included visits to our sites. We have actively engaged with ESG raters, such as Sustainalytics and Collier FAIRR, to understand their assessments and also to provide feedback on how we work with various topics.
CUSTOMERS	<ul style="list-style-type: none"> <li>All sustainability challenges</li> <li>In particular safe and healthy food, including certifications and transparency</li> </ul>	Customer surveys, frequent dialogue, audits, visits and trade fairs.	We have frequent dialogues with our customers. We supply them with material for dialogue with their own stakeholders, and participate in initiatives where our customers are present.	We have engaged in Cerrado Manifesto Signatories of Support, which aims to halt deforestation in the Brazilian Cerrado. Many of our customers are also signatories to the initiative.
EMPLOYEES	<ul style="list-style-type: none"> <li>Keeping our employees safe</li> <li>Fish health and welfare, and all other sustainability challenges</li> <li>Significant topics include embracing diversity and creating attractive jobs</li> </ul>	Continuous dialogue and meetings, intranet, and employee surveys.	Frequent dialogue on all levels and initiatives for training, education, and development. We also engage in dialogue with trade unions and employee representatives. Focus on developing a culture in line with our values.	We use Workplace on a daily basis to inform employees about developments, build culture, and cultivate engagement.
SUPPLIERS	<ul style="list-style-type: none"> <li>Responsible business conduct</li> <li>Local value creation</li> </ul>	Dialogue, meetings, conferences and correspondence.	Ensuring that they comply with our Code of Conduct, and that we have a common understanding of ethics, sustainability and the delivery of goods and services. This particularly pertains to our suppliers of fish feed and staffing.	We have quarterly meetings with our feed suppliers, where we discuss issues and developments.



To the Board of Directors of Grieg Seafood ASA

### Independent statement regarding Grieg Seafood ASA's sustainability reporting

We have undertaken a limited assurance engagement in respect of Grieg Seafood ASA's sustainability reporting in accordance with the Global Reporting Initiative (GRI) and in respect of the quantitative sustainability disclosures referred to from the GRI Index, identified with a B in the index, for the period of 1 January - 31 December 2022.

- A. Grieg Seafood ASA's GRI Index for 2022 is an overview of which principles, aspects and indicators from the GRI Standards that Grieg Seafood ASA use to measure and report on sustainability; together with a reference to where the material sustainability information is reported within the Annual report for 2022 and on the company's website. We have examined whether Grieg Seafood ASA has developed a GRI Index for 2022 and whether mandatory disclosures are reported in accordance with the Standards published by The Global Reporting Initiative ([www.globalreporting.org/standards](http://www.globalreporting.org/standards)) (criteria).
- B. This GRI Index in the Annual report contains reference to sustainability disclosures that Grieg Seafood ASA measures and controls. Grieg Seafood ASA has developed the disclosures in line with the Standards published by The Global Reporting Initiative or in line with the definitions included in the GRI index (criteria). We have examined the basis for the quantitative sustainability disclosures identified with a B in the GRI index and examined whether these are calculated, estimated and reported in accordance with the criteria.

#### Management's responsibility

Management is responsible for Grieg Seafood ASA's sustainability reporting and for ensuring that it is prepared in accordance with the criteria as described above. The responsibility includes designing, implementing and maintaining an internal control that ensures the development and reporting of the GRI Index and sustainability disclosures.

#### Our independence and quality control

We are independent of the company in accordance with the law and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our ethical obligations in accordance with these requirements. We use ISQM 1 - Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements and maintain a comprehensive system of quality control including documented guidelines and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory claim.

#### Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on Grieg Seafood ASA's sustainability reporting based on the procedures we have performed and the evidence we have obtained. We conducted our work in accordance with the Standard on Assurance Engagements ISAE 3000: "Assurance engagements other than audits or review of historical financial information". A limited

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assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the criteria as the basis for the preparation of the sustainability reporting, assessing the risks of material misstatement of the sustainability reporting whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the sustainability reporting. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and, among others, included an assessment of whether the criteria used are appropriate, as well as an assessment of the overall presentation of the sustainability reporting. Our procedures also included meetings with representatives from Grieg Seafood ASA who are responsible for the material sustainability topics covered by the sustainability reporting; review of internal control and routines for reporting sustainability disclosures; obtaining and reviewing relevant information that supports the preparation of sustainability disclosures; assessment of completeness and accuracy of sustainability disclosures identified with a B in the GRI index and controlling the calculations of sustainability disclosures based on an assessment of the risk of error.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the sustainability reporting has been prepared, in all material respects, in accordance with the criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Conclusion

- A. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Grieg Seafood ASA's GRI Index for 2022 is not, in all material respects, developed in accordance with the requirements of the Standards published by The Global Reporting Initiative;
- B. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Grieg Seafood ASA's quantitative sustainability disclosures identified with an B in the GRI index are not, in all material aspects, calculated, estimated and reported in accordance with the definitions provided in the Standards published by The Global Reporting Initiative or in the GRI Index.

Bergen, 30 March 2023  
PricewaterhouseCoopers AS

Hanne Sælemyr Johansen  
State Authorized Public Accountant

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# HISTORY AND FUTURE

**5000 B.C.E**

First fish farms reported in China.

**1850**

The first wild salmon hatcheries established in Norwegian salmon rivers.

**1969**

The brothers Ove and Sivert Grøntvedt transfer the first salmon smolt to sea pens at the island Hitra in Norway.

**1970s**

Commercial salmon farming of chinook, coho and sockeye is established around Sechelt in British Columbia.

**1973**

The Norwegian parliament adopts a licensing system for the country's growing aquaculture industry, with the aim of strengthening local communities along the coast. Since then, salmon farms have contributed jobs and revenues to small, coastal communities.

**1990s**

Fish vaccines are introduced. As a result, the salmon farming industry has significantly reduced its use of antibiotics.

**2007**

Grieg Seafood is listed on Oslo Stock Exchange.  
Grieg Seafood acquires Hjaltland Ltd in Shetland, the beginning of Grieg Seafood Shetland.  
Grieg Seafood starts implementing RAS technology in Rogaland.

**2006**

Grieg Seafood merges with the Volden Group and establishes Grieg Seafood Finnmark.

**2001**

Grieg Seafood acquires Scandic Marine Ltd. in British Columbia and establishes Grieg Seafood BC.

**2000s**

The Norwegian government launches the "green license" scheme, with stricter environmental standards. Grieg Seafood currently has eight green licenses.

**1998**

Grieg Seafood Rogaland is established.

**1992**

Grieg Seafood Salmon (trading company) and Bioinvest (salmon farming investor) are established.

**2010**

Together with Bremnes Seashore, Grieg Seafood establishes the sales company Ocean Quality.

**2013**

The Norwegian government and the industry develop the standard NS9415 to ensure fish farms are technically safe and prevent the escape of farmed salmon.

**2020**

Grieg Seafood acquires Grieg Newfoundland in Eastern Canada, and establishes Grieg Seafood Newfoundland. Grieg Seafood establishes its own sales and market organization, and the Ocean Quality partnership is dissolved.

**2021**

Grieg Seafood disposes Grieg Seafood Shetland to focus operations on the regions with most growth potential, Norway and Canada.

**2026**

Grieg Seafood aims to have achieved global growth with a harvest of 120 000-135 000, be cost competitive and have a stronger market position, confirming our position as a global protein producer.

**2030**

Grieg Seafood aims to have reduced total carbon emissions by 35%.

**2050**

Grieg Seafood aims to have reduced total carbon emissions by 100%.

● Industry   ● Grieg Seafood   ● The future



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