



Q4 REPORT

2021



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PART 01

HIGHLIGHTS

We are on a journey of sustainable growth. We are dedicated to improve our operational performance, fish welfare and survival, reduce our impact and increase profitability. Change will never stop, and we pursue improvement wherever we see it. It drives our commitment and lets us capture new opportunities. This is how we farm the ocean for a better future.

Group highlights

- Harvest volume of 23 727 (20 271) tonnes ex. Shetland
- EBIT before production fee and fair value adjustment of NOK 265 million (-16 million), with EBIT/kg of NOK 11.2 (-0.8) driven by high prices and declining operational cost
- Strong operational performance, with increased survival in all regions and good cost development
- Solid financial position to execute strategic priorities and deliver shareholder return
 - Completion of the Shetland transaction
 - Debt refinancing by sustainability linked facility of NOK 3.2 billion in Q1 2022
- Commenced value added processing in Norway
- Ranked 2nd by the Collier FAIRR Protein Producer Index of the world's most-sustainable protein producers
- Received Leadership (A) score by the CDP for our transparency and actions related to climate change
- One site ASC certified, total of 31 sites or 62% of net production certified
- Expect harvest of 15 500 tonnes in Q1 2022, 90 000 tonnes for the full year 2022

CEO comment

During the fourth quarter, Grieg Seafood continued to deliver a solid performance both in farming and sales. The biology was strong, with increased survival across all regions.

Finnmark delivered a significant cost improvement, based on excellent biological conditions on the sites harvested in the quarter. In addition, 100% of the net production in the region achieved status as ASC certified. Rogaland experienced a satisfactory biology, with good sea lice control, though price achievement was impacted by quality costs caused by PD on two sites. British Columbia also performed well, with reduced impact from harmful algae blooms compared to earlier years, due to successful mitigating efforts. The Newfoundland project continues to be on track.

During the quarter, we completed the sale of our Shetland region, strengthening our financial position substantially. After several improvement initiatives, the region was turned around and delivered an overall profit for 2021. I want to again thank all Shetland employees for their efforts for Grieg Seafood for many years, and wish them the best of luck on their new journey. Going forward, we will increase focus on Norway and Canada as previously communicated.

In the beginning of the first quarter of 2022, we signed a NOK 3.2 billion five-year senior secured sustainability-linked facility agreement to refinance our existing bank facilities. The new debt structure will secure the long-term financing of our ongoing operations and at the same time reduce our financial costs. The new facilities will provide the flexibility for us to execute our strategic priorities and to deliver on our long-term ambition of sustainable and profitable growth, while maintaining a robust capital structure in line with our communicated targets.

We were also pleased to be rated 2nd place on the Collier FAIRR Protein Producer Index and to be recognized as a Climate A list company by the CDP. We know much more needs to be done to reduce the impact from the global food system. That work continues at full speed into 2022.



ANDREAS KVAME
CEO Grieg Seafood ASA

Regional highlights

Rogaland Europe

- Harvest volume of 7 259 tonnes (6 532)
- EBIT/kg NOK 11.5 (4.7)
- Price achievement impacted by sale of production graded fish, mainly due to PD, with a superior share of 85% (83% in Q4 2020)
- Farming cost per kg of NOK 43.6 up from NOK 42.7 in Q4 2020 (NOK 46.5 in Q3 2021) due to harvesting from PD-affected sites and related transport cost. Post-smolt strategy with shorter time in sea will lower the risk of PD
- Strong production with increased survival. Continued trend of few sea lice treatments due to preventative measures
- YTD average weight of smolt is 460 grams at time of transfer to sea
- First sites to be ASC certified in 2022

British Columbia North America

- Harvest volume of 4 058 tonnes (2 657)
- EBIT/kg NOK 4.1 (6.2)
- Good price achievement driven by good average harvest weight, premium on VAP products and a superior share of 82% (78% in Q4 2020)
- Farming cost per kg of CAD 9.4 up from CAD 8.8 in Q4 2020 and CAD 8.5 in Q3 2021 due to harvesting from sites with elevated mortality in earlier periods
- Good biological performance, with increased survival rates. Mortality related to algae blooms reduced from 3.4% in 2019 to 0.4% in 2021
- Gold River smolt facility expansion on track
- Total of 13 sites ASC certified (71% of net production)

Finnmark Europe

- Harvest volume of 12 411 tonnes (11 082)
- EBIT/kg NOK 17.0 (0.8)
- Price achievement impacted by harvesting skewed towards the beginning of the quarter with lower spot prices and low average harvest weight, however a superior share of 89% (77% in Q4 2020)
- Farming cost per kg of NOK 37.8 down from NOK 43.8 in Q4 2020 and NOK 45.5 in Q3 2021 due to harvesting from sites with excellent biological performance in addition to high harvest volume
- Good production and high survival rates. Measures taken to reduce risk of winter ulcers and ISA going forward
- All active sites ASC certified (100% of net production)

Newfoundland North America

- Eight seawater licenses with a production capacity of 30 000 tonnes of annual harvest, additional licenses are in application process
- RAS facility fully operational, smolt capacity of 600 tonnes
- Fish are healthy and growing well in freshwater facility
- Q4 EBIT of NOK -20 million
- Main priority is gradual development to ensure biosecurity, fish health and profitability



Key figures (from continuing operations)

Continuing operations

The Group has since Q4 2020 classified Shetland as assets held for sale and presented the Shetland operations as discontinued operations. The sale transaction with Scottish Sea Farm was completed 15 December 2021. Please see Note 4 of this report for more information.

KEY FIGURES NOK MILLION	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Operational				
Harvest volume (tonnes GWT)	23 727	20 271	75 601	71 142
Sales revenue/kg (NOK)	57.4	48.5	55.7	52.8
Group farming cost/kg (NOK)	44.3	45.7	47.2	47.0
Other costs incl. ownership and headquarter costs/kg (NOK)	1.9	3.6	2.7	2.5
EBIT/kg (NOK)	11.2	-0.8	5.9	3.3
Financial				
Sales revenues	1 513	1 142	4 599	4 384
EBITDA before production fee and fair value adj. of biological assets	354	79	818	602
EBIT before production fee and fair value adj. of biological assets	265	-16	442	233
Profit before tax	363	102	854	-304
Cash flow from operations	333	-108	601	412
Capital structure				
NIBD excl the effects of IFRS 16	1 895	3 679	1 895	3 679
NIBD/EBITDA ⁽¹⁾	2.6	n/a	2.6	n/a
NIBD/harvest volume (NOK) ⁽²⁾	21.1	27.5	21.1	27.5
Equity %	52%	41%	52%	41%
Equity % according to covenant	54%	43%	54%	43%
Gross investments excl. Shetland ⁽³⁾	105	299	570	979
Profitability				
ROCE ⁽⁴⁾	13%	-1%	6 %	3 %
Dividend per share (NOK)	0.0	0.0	0.0	0.0
Earnings per share, continued operations (NOK)	2.6	0.1	5.7	-2.8
Total market value (OSE)	9 427	9 643	9 427	9 643

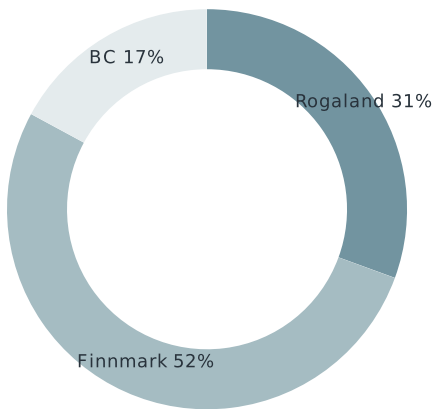
1) NIBD/EBITDA was not applicable Q4 2020 through Q3 2021.

2) NIBD/harvest: NIBD excl IFRS 16 divided by guided harvest volume for 2022 as at 31 December 2021. 2020: NIBD ex IFRS 16 less book value of Shetland-assets divided by guided harvest volume for 2021 as per 31 December 2020 ex Shetland

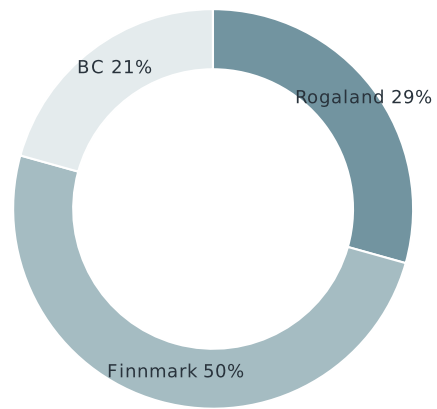
3) Incl. financial lease (according to IFRS in force prior to 1 January 2019) investments. For FY 2020, the figure is ex. cash consideration of NOK 620 million for Grieg Newfoundland, acquired in Q2 2020. Gross investment is excl. investments made in Shetland. We sold Shetland 15 December 2021.

4) ROCE: Return on capital employed. See Alternative Performance Measures for definition.

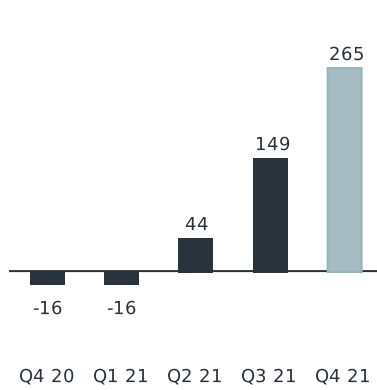
HARVEST VOLUME
Q4 2021



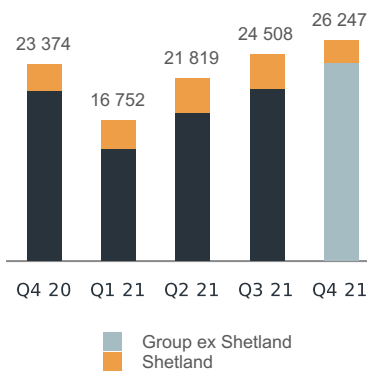
SALES REVENUES
Q4 2021



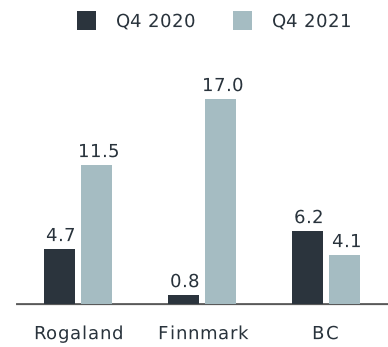
EBIT BEFORE PRODUCTION FEE AND FAIR VALUE
(NOK MILLION)



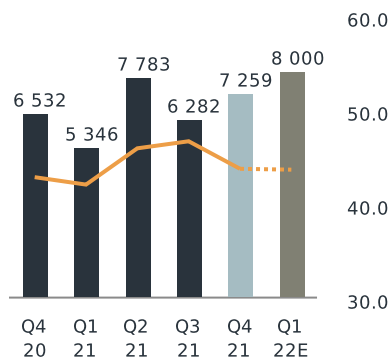
HARVEST VOLUME INCL. SHETLAND
(TONNES GWT)



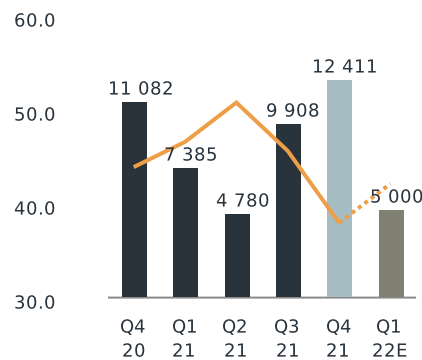
EBIT/KG PER REGION
(NOK)



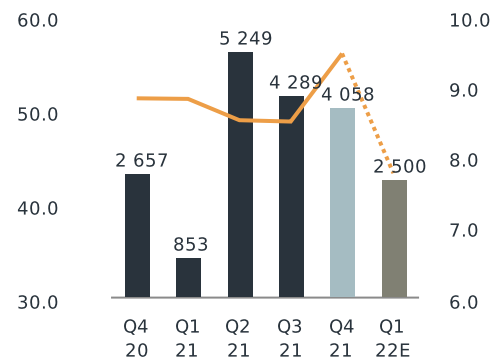
HARVEST VOLUME & FARMING COST/KG (NOK)
ROGALAND*



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



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



*Guided harvest volume for Q1 2022. Dotted cost line indicate direction of farming cost per kg.

Our scoreboard

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

	ASPECT	TARGET	STATUS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
PROFIT & INNOVATION	Return on capital employed ¹⁾	12% p.a.	◆	13%	7%	2%	-1%	-1%
	Harvest volume (tonnes GWT)	77 000 tonnes in 2021	●	23 727	20 479	17 812	13 583	20 271
	Farming cost per kg							
	Rogaland	NOK 40/kg in 2022	◆	43.6	46.5	45.8	41.9	42.7
	Finnmark	NOK 40/kg in 2022	●	37.8	45.5	50.6	46.5	43.8
	British Columbia	CAD 7/kg in 2022	■	9.4	8.5	8.5	8.8	8.8
HEALTHY OCEAN	ASC certifications ²⁾	All sites by 2023	◆	31	30	29	27	26
	Survival rate sea (GSI standard)	93% by 2022						
	Rogaland		◆	92%	91%	91%	91%	90%
	Finnmark		●	95%	95%	94%	93%	92%
	British Columbia		◆	92%	91%	91%	90%	90%
	Antibiotics g/tonne ³⁾	No use of antibiotics						
	Rogaland		●	0.0	0.0	0.0	0.0	0.0
	Finnmark		●	0.0	0.0	0.0	49.0	0.0
	British Columbia		■	27.1	2.0	41.3	92.7	47.6
	Sea lice treatments g/tonne ^{3/4)}	Minimize use of pharmaceutical treatments						
	Rogaland		●	0.0	0.0	0.4	2.8	0.0
	Finnmark		●	0.2	0.4	0.0	2.5	1.5
	British Columbia		●	0.1	0.9	0.0	0.4	0.0
Escape incidents (# of fish)	Zero escape incidents	●	0	0	1 (1)	1 (6)	0	
SUSTAINABLE FOOD	High quality product	93% superior share						
	Rogaland		◆	85%	86%	76%	75%	83%
	Finnmark		◆	89%	87%	78%	65%	77%
	British Columbia		■	82%	89%	89%	90%	78%
PEOPLE	Absence rate	Below 4.5%						
	Rogaland		●	3.4%	3.5%	3.0%	1.8%	2.5%
	Finnmark		■	9.9%	7.8%	7.9%	8.1%	5.6%
	British Columbia		◆	5.6%	5.1%	5.5%	6.2%	5.9%
LOCAL COMMUNITIES	Support our local communities	Collaborate and contribute to local community	●	Yes	Yes	Yes	Yes	Yes

1) ROCE is calculated using EBIT before fair value of biological assets (incl. production fee). See Alternative Performance Measures for definition.

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

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

4) Excl. hydrogen peroxide. For data on hydrogen peroxide, see the regions' Sustainability KPIs.

Guiding and expectations

Farming operations

Rogaland Europe

- Good biological production so far in Q1 2022
- Expect harvest of 8 000 tonnes in Q1 2022, skewed towards March
- Harvesting of remaining two PD-affected sites impacts quality
- Stable cost per kg
- Cost improvement ambition remains, risk related to external cost inflation

Finnmark Europe

- Good biological production so far in Q1 2022
- Expect harvest of 5 000 tonnes in Q1 2022, with a peak in January
- Occurrences of winter ulcers impacts quality share
- Higher cost per kg mainly due to lower harvest volume than in Q4 2021
- Cost improvement ambition remains, risk related to external cost inflation

British Columbia North America

- Good biological situation so far in Q1 2022
- Expect harvest of 2 500 tonnes in Q1 2022 with a peak in March and limited harvest in January
- Lower farming cost per kg due to harvesting from sites with strong biological performance
- Cost improvements longer term as a result of improved survival rates and increased volume, risk related to external cost inflation

Newfoundland North America

- Good biological conditions at the freshwater facility
- Stable operational cost in Q1 2022
- Focus going forward is preparation of seawater operations
- Two - three million smolt to be released during the spring and summer of 2022, with harvesting in 2023 and 2024

EXPECTED HARVEST (TONNES GWT)	ROGALAND	FINNMARK	BRITISH COLUMBIA	GROUP TOTAL
Q1 2022	8 000	5 000	2 500	15 500
Q2 - Q4 2022	22 000	33 000	19 500	74 500
Total 2022	30 000	38 000	22 000	90 000

Sales & Market

We expect good market prices as a result of the tight global supply in combination with the outlook for continued high retail demand, supported by the HoReCa market fully opening up. Current Fishpool forward price for Q1 2022 is over NOK 70 per kg. Our estimated contract share for Q1 2022 is 16% of our Norwegian harvest volume, or 17% for the full year 2022.

Capex

Capex estimated at approx. NOK 750 million in 2022, where of close to NOK 385 million relates to growth investments.

Our approach to sustainable business

In our long-term perspective, there is no contradiction between clean seas, healthy fish and financial profit. It is our task to make these aspects go hand in hand, and contribute to a sustainable ocean economy.

Grieg Seafood's business is based on **five pillars**, covering environmental, social and governance (ESG) topics identified as important to our stakeholders. Our **materiality assessment** forms the foundation of our pillars. The pillars help us steer towards long-term value creation for investors, customers, employees and local communities. Find an overview of our pillars, targets and Group policies [here](#).

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



THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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



TOMORROW'S SUSTAINABLE GLOBAL FOOD SYSTEM

- Healthy and nutritious food for 9 billion people
- Nature and biodiversity protected
- Low carbon and low climate risk
- Good animal welfare
- A circular economy with resources recycled
- Social and economic justice for producers in supply chains

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

Status towards 2025

We aim to expand globally through growth and value chain innovation. Our 2025 strategy comprises three key strategic objectives for continued business development. Increasingly sustainable farming practices form the very foundation of all areas of the strategy.



Global growth, market repositioning and cost leadership are the key areas of business development towards 2025. Sustainability is the foundation of all areas of the strategy. Read more about our 2025 business strategy [here](#).

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, the focus areas strengthen our ocean farming. Read more about our operational focus areas [here](#).

Less time at sea (post-smolt)	Prevention and fish welfare	Precision Farming - data driven decision support
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PART 02

PROGRESS

Without a profitable business, we will not be able to farm healthy salmon for people to eat all over the world. To achieve good financial results, our farming methods need to be both cost effective and sustainable.



Group financial review

Continued focus on sustainability is key to increasing our profits. With initiatives to reduce our environmental impact and improve fish welfare, we aim to increase harvest rates and reduce production cost. We aim to provide our shareholders with a competitive return on capital invested, with a ROCE target of 12%.

Continuing operations

The Group has since Q4 2020 classified Shetland as assets held for sale and presented the Shetland operations as discontinued operations. The sale transaction with Scottish Sea Farm was completed 15 December 2021. See Note 4 for more information.

Profit

Figures for Q4 2020 in brackets

The Group harvested 23 727 tonnes ex. Shetland in Q4 2021 (20 271 tonnes), up 16% compared to 20 479 tonnes in Q3 2021. Rogaland and Finnmark contributed 83% (87%) to the Group's harvest volume, while 17% (13%) origins from British Columbia. Sales revenue for the quarter was NOK 1 513 million (NOK 1 142 million), up 16% compared to NOK 1 303 million in Q3 2021 of which sales revenue from our farming regions totalled NOK 1 362 million (NOK 982 million), compared to NOK 1 195 million in Q3 2021 (see Note 3). 79% (82%) of the Group's sales revenue by farming regions was generated by Rogaland and Finnmark, while British Columbia contributed with 21% (18%) of the sales revenue.

The Group's price achievement for the quarter was NOK 57.4 per kg (NOK 48.5 per kg), down NOK 1.0 per kg compared to NOK 58.4 per kg in Q3 2021. British Columbia continued its good market performance during the quarter and realized a price achievement equivalent to NOK 69.4 per kg (NOK 67.2 per kg), down NOK 10.2 per kg compared to NOK 79.6 per kg in Q3 2021. The price achievement in Rogaland and Finnmark for Q4 2021 was impacted by sale of production grade volume and harvest skewed toward the beginning of the quarter. Combined, our Norwegian regions realized NOK 54.9 per kg (NOK 45.6 per kg) in Q4 2021, up NOK 2.2 per kg compared to NOK 52.7 per kg in Q3 2021. By comparison, the average spot salmon price (NQSALMON weekly average) for Q4 2021 was NOK 59.7 per kg, up by NOK 16.5 per kg compared to Q4 2020, and up by NOK 5.2 per kg compared to Q3 2021.

The Group's farming cost for the quarter was NOK 44.3 per kg (NOK 45.7 per kg), down NOK 4.3 per kg compared to NOK 48.7 per kg in Q3 2021. Our Norwegian regions contributed to 75% (82%) of the Group's farming cost, impacting EBIT by a farming cost of NOK 40.0 per kg (NOK 43.4 per kg), down NOK 5.9 per kg compared to NOK 45.9 per kg in Q3 2021. The lower farming cost in Q4 2021 compared to prior quarters was driven by Finnmark, which contributed 52% (55%) of the harvest volume of the quarter with a farming cost of NOK 37.8 per kg (NOK 43.8 per kg), down NOK 7.7 per kg compared to NOK 45.5 per kg in Q3 2021. The farming cost in British Columbia was CAD 9.4 per kg (CAD 8.8 per kg), up CAD 1.0 per kg compared to CAD 8.5 per kg in Q3 2021. The higher farming cost in British Columbia was primarily due to harvesting from sites with elevated mortality.

The Group's EBIT before production fee and fair value adjustment of biological assets was NOK 265 million (NOK -16 million) for the quarter, up 78% compared to NOK 149 million in Q3 2021. During the quarter, the Group realized a ROCE of 13%. EBIT/kg for the quarter was NOK 11.2 (NOK -0.8 per kg) in Q4 2021, up NOK 3.9 per kg compared to NOK 7.3 per kg in Q3 2021. Our Norwegian regions contributed with an EBIT of NOK 15.0 per kg (NOK 2.2 per kg), up NOK 8.1 per kg compared to NOK 6.8 per kg in Q3 2021, while British Columbia realized NOK 4.1 per kg (NOK 6.2 per kg), down NOK 16.5 per kg compared to NOK 20.6 per kg in Q3 2021, of which the decrease from last quarter is primarily due to Q3 2021 price achievement being very strong.

EBIT from the operative regions Rogaland, Finnmark and BC includes value creation from the respective sales activities of the Group.

EBIT PER REGION (NOK MILLION)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Rogaland	83.5	30.7	242.0	292.3
Finnmark	211.2	8.9	250.5	127.4
British Columbia	16.6	16.4	150.2	-7.4
Newfoundland	-19.7	—	-116.9	—
Elimination/Others	-26.2	-72.3	-83.6	-179.2
EBIT from continuing operations	265.4	-16.3	442.4	233.1

Grieg Newfoundland (acquired in Q2 2020) is reported as a region in our segment information as from 2021, however included in "Elimination/Others" in 2020, when the region was under development.

Fair value adjustments of biological assets amounted to NOK 136 million (NOK 206 million) in the quarter, while production fee in Norway for the quarter was NOK 8 million, bringing EBIT after production fee and fair value adjustment of biological assets from the Group's continuing operations to NOK 394 million (NOK 190 million). Net financial items ended at NOK -30 million (NOK -88 million) for the quarter. The difference of NOK 58 million compared to Q4 2020 is primarily due foreign currency gains and losses.

The pre-tax profit from continued operations for the quarter totaled NOK 363 million (NOK 102 million). Tax expense for the period was estimated to NOK 76 million (tax expense of NOK 97 million), resulting in profit after tax of NOK 287 million (profit of NOK 5 million) from continued operations.

The sale of the Shetland assets to Scottish Sea Farms was finalized in Q4 2021, impacting the profit after tax from discontinuing operations by a gain from sale of subsidiary of NOK 424 million, in addition to a profit after tax from discontinued operations in Shetland of NOK 81 million in the quarter, bringing total profit after tax from discontinued operations in Q4 2021 to NOK 504 million, compared to NOK 94 million in Q4 2020. See Note 4 for more information.

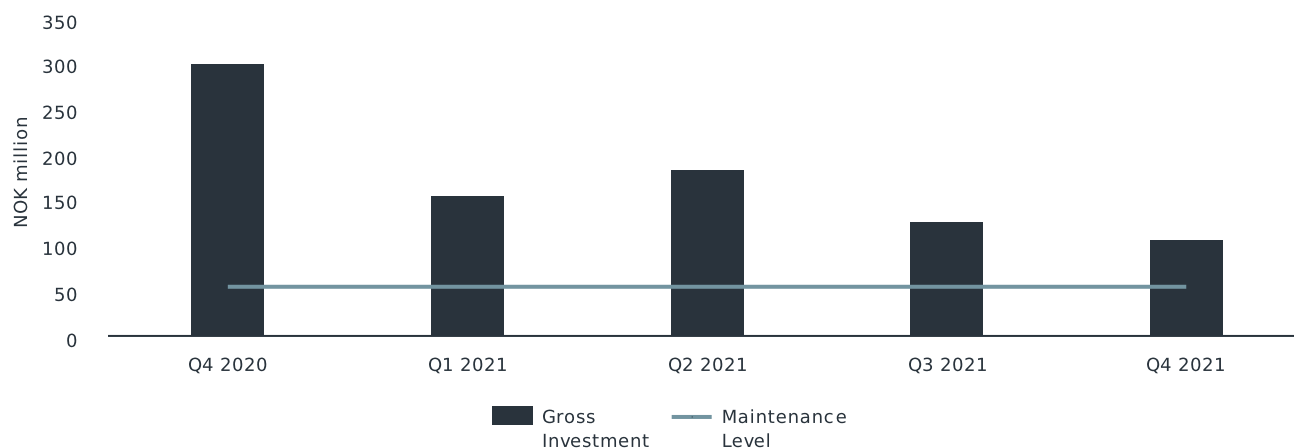
Cash flow

Figures for Q4 2020 in brackets

Cash flow from operating activities during the quarter amounted to NOK 333 million (NOK -108 million), up NOK 95 million compared to NOK 238 million in Q3 2021. Changes in working capital impacted our cash flow from operating activities by NOK -22 million (NOK 269 million), up NOK 52 million from NOK -75 million in Q3 2021. The change in cash flow from operating activities compared to Q3 2021 is primarily due to a higher EBIT in Q4 2021, partly offset by timing differences.

Net cash flow from investing activities was NOK -104 million (NOK -362 million) during the quarter, up NOK 23 million from NOK -126 million in Q3 2021, primarily due to lower investments made in property, plant and equipment in Q4 2021 compared to the preceding quarter. Our gross investments, excl. Shetland, for the quarter was NOK 105 million (NOK 299 million). The investments in Q4 2021 were mainly related to preparing seawater operations in Newfoundland and our Gold River facility in BC. We also invested NOK 12.5 million in the associated company Nordnorsk Smolt AS in Q4 2021.

INVESTMENT LEVEL



Investment level for Q4 2020 through Q4 2021 is excl. gross investments made in Shetland, which we sold 15 December 2021.

Net cash flow from financing activities in Q4 2021 was NOK -1 483 million (NOK 513 million), down NOK 1 221 million from NOK -262 million in Q3 2021. The difference in net cash flow from financing activities is primarily due to the Shetland-transaction being completed in December 2021, where we received a cash settlement which was partly used to settle our NOK 425 million term loan facility in addition to the NOK 600 million bridge loan facility. In Q4 2020 we issued the second tap of the Green Bond by NOK 500 million, while Q3 2021 was impacted by installments on NOK and EUR term loans, explaining the differences compared to Q4 2021. Net financial items and lease repayments developed fairly stable in 2021 at approx. NOK 50 million per quarter each.

Net change in cash and cash equivalents from our continued operations was negative by NOK 1 254 million (positive by NOK 44 million) for the fourth quarter of 2021, down NOK 1 104 million from NOK -150 million in Q3 2021. On 15 December 2021 the Shetland-transaction was completed, and we received a (preliminary, see Note 4) cash settlement of NOK 2 087 million. The cash settlement from the sale of Shetland is included in the line item for net cash and cash equivalents from discontinued operations in the cash flow statement, together with other net change in cash and cash equivalents from discontinued operations. The net change in cash and cash equivalents for the quarter was NOK 782 million, bringing the closing balance of cash holdings at end of Q4 2021 to NOK 928 million (NOK 275 million), up from NOK 146 million in Q3 2021.

Financial position and liquidity

Figures for Q4 2020 in brackets

At 31 December 2021, book value of the Group's assets was NOK 10 719 million (NOK 10 650 million), down by NOK 1 016 million from NOK 11 735 million at the end of Q3 2021. The reduction of the Group's balance sheet is due to the sale of the Shetland assets to Scottish Sea Farms in the quarter (see Note 4), as the Group has used part of the preliminary purchase price of NOK 2 087 million (received in cash in December 2021) to settle the bridge loan facility of NOK 600 million and the NOK term loan facility of NOK 425 million of the syndicated debt in full.

The Group's goodwill, licenses, other intangible assets, and property plant and equipment including right-of-use assets totaled NOK 5 636 million (NOK 5 218 million) as at 31 December 2021, down NOK 43 million compared to NOK 5 679 million as at 30 September 2021. Measured relative to total assets, these assets contributed to 53% (49%) of the balance sheet as at 31 December 2021, compared to 48% as at 30 September 2021.

Biological assets measured at cost totaled NOK 2 479 million (NOK 2 199 million) as at 31 December 2021, up NOK 96 million compared to NOK 2 382 million as at 30 September 2021. Measured relative to total assets, the accumulated

capitalized cost to inventory contributed to 23% (21%) of the balance sheet as at 31 December 2021, compared to 20% as at 30 September 2021.

Our cash balance at the end of the quarter was NOK 928 million (NOK 275 million), up NOK 782 million compared to NOK 146 million as at 30 September 2021. Current assets (ex. fair value adjustment of biological assets) over current liabilities measured 3.5 (3.0) as at 31 December 2021, compared to 1.8 as at 30 September 2021. In addition, the Group had undrawn credit facilities of NOK 885 million (NOK 1 203 million) as at 31 December 2021, up by NOK 85 million compared to NOK 800 million as at 30 September 2021.

Total equity as at 31 December 2021 amounted to NOK 5 594 million (NOK 4 371 million), up NOK 728 million compared to NOK 4 866 million as at 30 September 2021. The equity ratio as at 31 December 2021 was 52% (41%) compared to 41% as at 30 September 2021.

As at 31 December 2021, net interest-bearing liabilities (NIBD) excl the effect of IFRS 16 totaled NOK 1 895 million (NOK 3 679 million), down NOK 2 184 million from NOK 4 079 million in Q3 2021. NIBD including the effects of IFRS 16 was NOK 2 291 million (NOK 3 931 million) as at 31 December 2021, down NOK 2 205 million from NOK 4 495 million as at 30 September 2021. The change in NIBD was primarily due to the completion of the Shetland transaction, as we received the preliminary purchase price from Scottish Sea Farms in December 2021 in cash (see Note 4).

NIBD incl. the effect of IFRS 16 relative to total assets measured 21% (37%) as at 31 December 2021, compared to 38% as at 30 September 2021, and NIBD excl the effect of IFRS 16 divided by last twelve months harvest volume (tonnes GWT) equaled 25.1, while 21.1 when measured over the Group's 2022 guided harvest volume.

The Group was in compliance with its financial covenants as at 31 December 2021. As at 31 December 2021, the leverage ratio NIBD/EBITDA was 2.6 and equity-ratio according to covenant was 54% (43%) compared to 43% as at 30 September 2021. As at 31 December 2021, 47% (36%) of our gross interest-bearing liabilities (Note 6) was green (NOK 1 500 million Green Bond), compared to 32% as at 30 September 2021. The Green Bond matures in 2025, while our syndicated debt, as at 31 December 2021, matures in Q1 2023. The increase in the relative share of Green financing since 30 September 2021 was primarily due to the impacts the completion of the Shetland transaction had on our financial position and liquidity as at 31 December 2021, as we've utilized part of the transaction price to settle syndicated debt, thus reduce our gross interest-bearing liabilities.

In Q1 2022, Grieg Seafood has finalized a refinancing of the Group's syndicated financial liabilities, with an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. This represents the completion of the funding process communicated in our Q3 2021 report. The new debt structure comprises a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. See Note 6 for more information.

Grieg Seafood aims to provide shareholders with a competitive return on invested capital through payment of dividends and share price increases. The Board of Directors maintains that, as an average over time, dividends should correspond to 30-40% of the Group's profit after tax, adjusted for the effect of fair value of biological assets. As at 31 December 2021, Grieg Seafood was in a solid financial position to execute strategic priorities and deliver shareholder return. The Board considers, as at issuance of this Q4 2021 report, to recommend dividend to be distributed to shareholders in the first half of 2022, and will return with its recommendation for the size of the dividend, in the 2021 Annual Report of Grieg Seafood ASA.

Summary of the full year 2021

(figures for full year 2020 in brackets)

The Group harvested 75 601 tonnes GWT (71 142) ex Shetland in 2021. Our Norwegian regions contributed to 81% (70%) of the harvest volume, while British Columbia represented 19% (30%). Total sales revenue totaled NOK 4 599 million (NOK 4 384 million), while the sales revenue from our farming regions totaled NOK 4 211 million (NOK 3 756 million), see Note 3. The increase in sales revenue for the Group is mainly due to higher harvest volume by Rogaland and Finnmark compared to last year. The Group's price achievement for 2021 was NOK 55.7 per kg (NOK 52.8 per kg). By comparison, the average NQSALMON NOK/kg price for 2021 was 57.3 (53.7).

The Group's farming cost for 2021 ended at NOK 47.2 per kg (NOK 47.0 per kg). Our Norwegian farming regions contributed to 76% (65%) of the farming cost, and had an increase of NOK 0.9 per kg in cost, from NOK 43.2 per kg in 2020 to NOK 44.1 per kg in 2021, where the positive year-on-year change in Finnmark was offset by higher costs in Rogaland compared to last year. In addition, British Columbia has, on a 32% lower harvest volume year-on-year, realized farming cost of CAD 8.8 per kg (CAD 8.0 per kg), up CAD 0.8 per kg compared to 2020. EBIT before production fee and fair value adjustments of biological assets in 2021 ended at NOK 442 million (NOK 233 million), equivalent to an EBIT of NOK 5.9 per kg (NOK 3.3 per kg). The increased EBIT is primarily impacted by Finnmark through the 28% higher harvest volume which ended at 34 484 tonnes, bringing the region's EBIT/kg from 4.7 in 2020 to 7.3 in 2021. On margin, British Columbia performed strong in 2021, as EBIT/kg has increased by NOK 10.7 per kg, from NOK -0.4 per kg in 2020 to NOK 10.4 per kg in 2021. 2021 was positively impacted by fair value adjustments of biological assets of NOK 523 million (NOK -290 million), bringing EBIT after production fee and fair value adjustment of biological assets to NOK 941 million (NOK -57 million). Production fee on harvest (gutted weight) in Norway NOK 24 million for 2021.

Net financial items came to NOK -87 million (NOK -248 million). Compared to 2020, 2021 has had higher debt service cost due to the NOK 1 500 million Green Bond issue in 2020, however the higher debt service costs have been offset by differences in net currency gain/losses compared to 2020. Profit before tax for YTD 2021 was NOK 854 million (NOK -304 million). Tax for the period was estimated to a tax expense of NOK 218 million (tax expense of NOK 12 million) bringing net profit for the period from continuing operations to NOK 635 million (NOK -316 million). In Q4 2021, the sale of the Shetland assets to Scottish Sea Farms was finalized. Net profit from discontinued operations was NOK 600 million (NOK -199 million), of which NOK 424 million contributed as the (preliminary) gain resulted from the sale of the Shetland assets to Scottish Sea Farms. See more information in Note 4

The net cash flow from operation activities for the full year 2021 was NOK 601 million (NOK 412 million). The higher cash flow from operating activities was impacted by a higher EBIT in 2021 compared to 2020, as the sum of timing differences in 2021 compared to 2020, including tax payments, was fairly similar. For the full year 2021, the net cash flow from investing activities totaled NOK -560 million (NOK -1 593 million). NOK 620 million of the negative cash flow from investment activities in 2020 derived from the acquisition of Grieg Newfoundland. Excl. the cash consideration for the shares in Grieg Newfoundland AS of NOK 620 million, differences in cash flow from investment activities are due to MAB capacity/traffic light purchased in 2020 (NOK -159 million) as well as the impact made on cash from deconsolidation of Sjør (Ocean Quality), by NOK -85 million. In 2021, in addition to investments made in property, plant and equipment, we invested NOK 15 million in the associated companies of Nordnorsk Smolt AS and Årdal Aqua AS. The net cash flow from financing activities for the full year 2021 was NOK -1 430 million (NOK 1 478 million). In 2020 we issued our Green Bond, totaling a proceed of NOK 1 500 million. Besides the Green Bond issue, we paid installments on NOK and EUR term loans of approx. NOK 100 million, and had NOK 178 million in lease payments and NOK -133 million from net interests and other financial items. In 2021, our debt service expenses increased, impacting cash flow by NOK -200 million. Following the refinancing in Q1 2022 of the syndicated loans, debt service costs will be positively impacted by a lower margin. Lease payments was NOK 185 million in 2021, and we paid installments (incl. settlement of the NOK term loan facility) of NOK 528 million. The remaining differences are due to cash management by utilization of the revolving credit facility.

The net change in cash and cash equivalents from continued operation for the full year 2021 was NOK -1 389 million (NOK 298 million). In December 2021, we received (preliminary, see Note 4) cash settlement for the sale of Shetland of NOK 2 087 million, included as net changes in cash and cash equivalents from discontinued operations. As at 31 December 2021, the Group had a cash balance of NOK 928 million, up NOK 653 million from NOK 275 million in 2020.

Sales and market development

Grieg Seafood supplied 4% of the global volume of Atlantic salmon harvested in Q4 2021. As part of our new strategy, we will reposition Grieg Seafood in the value chain and become an innovative partner for selected customers. By focusing on sustainable farming practices and good fish health and welfare, we can provide the healthy, tasty, and high-quality product that our customers and consumers demand.

Sales and market updates

Last quarter we established a value added product (VAP) sales department and entered into an agreement on VAP capacity, as an important first step towards repositioning the company in the market. During the fourth quarter, we commenced processing of Norwegian salmon into fresh and frozen valued added products. The finished products are sold through our VAP sales department to the European and overseas market. Based on this market introduction, our sales organization have secured a pipeline of VAP products for delivery in 2022. We will continue to evaluate both external 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.

Our operations are certified according to Global Food Safety Initiative (GFSI), including BAP and GLOBALG.A.P., and our sales and market organization is chain-of-custody certified according to ASC. We maintain strict quality control at every stage of our farming operations to ensure the highest levels of food safety. Products originating from our processing plants have been handled through a HACCP- and sanitary program. We have not had any product recalls for the last ten years, nor did we have any in Q4 2021. We are not banned from any markets. Read more about product safety, traceability and our certifications [here](#).

Market development

GLOBAL SUPPLY AND DEMAND

The global harvest of Atlantic salmon for the quarter increased by approximately 4% compared to Q4 2020, according to Kontali. The growth is driven by high volumes from Norway, where salmon of Norwegian origin contributed to 55% of the total harvest in the quarter. The export of fresh salmon (gutted weight equivalent, GWT) from Norway for the quarter was up 9% compared to Q4 2020. The main export markets for Norwegian salmon GWT for the quarter were Europe with 82%, Asia with 14% and North America with 4%. Export of fresh filet from Norway in the quarter also increased significantly, by 14% compared to Q4 2020, with the main volume increase to the US market.

Market demand continued strong also this quarter. The demand is driven by supermarkets and grocery stores, in addition to recovery of the HoReCa segment. Demand in Europe increased by approximately 4% compared to Q4 2020, and demand in the USA also increased by 4%. The demand in the Asian market increased by approximately 11% compared to Q4 2020.

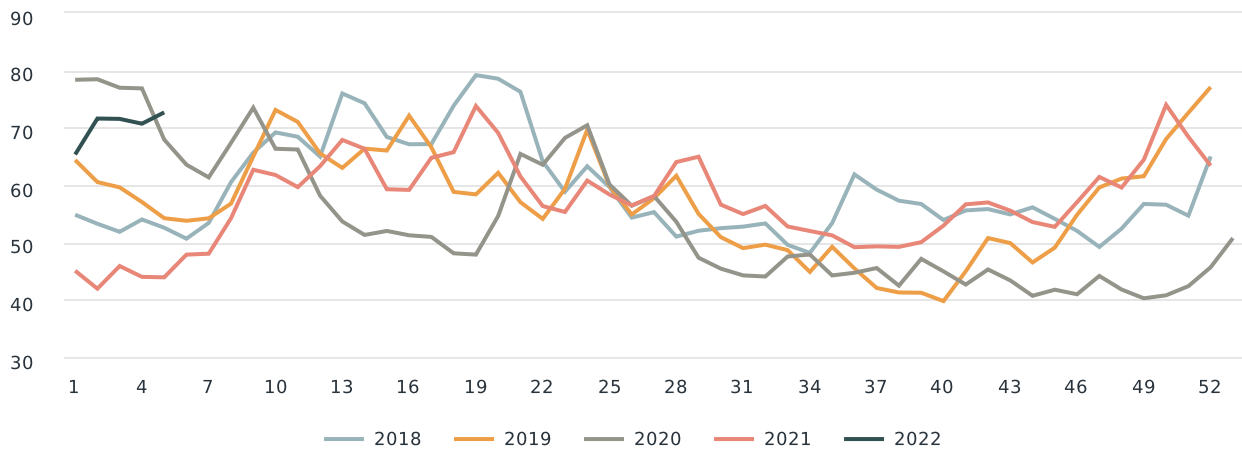
The average spot salmon price for Norwegian salmon (NQSALMON, weekly average less distributor margin) for Q4 2021 was NOK 59.7 per kg, up by NOK 16.5 per kg compared to Q4 2020, and up by NOK 5.2 per kg compared to Q3 2021. Prices started in the low-fifties going into the quarter, peaked around NOK 74.0 per kg before Christmas and ended in the mid-sixties at the end of the quarter. Salmon prices in the US market fell at the start of the quarter before strengthening again at the end of the quarter, with an average spot price up by NOK 8.3 per kg compared to Q4 2020.

OUR MARKETS

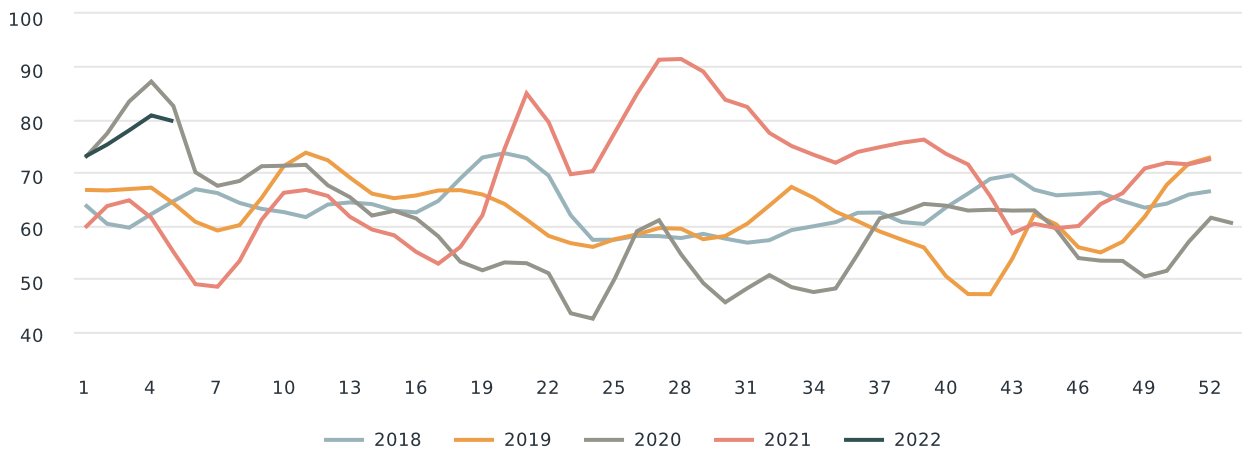
Grieg Seafood contributed with 4% of the global supply in the quarter. Our main export markets were Europe (90% of our volume), Asia (7%) and North America (3%). Our sale currently consists mainly of fresh, head-on gutted salmon, with a small share of value added products in North America (13% of our supply from BC in the quarter). The Grieg Seafood brand Skuna Bay, sold to the North American market, comprised 13% of the supply from BC in the quarter. We experienced good demand for ASC certified salmon in the European market and are selling ASC volumes with a stable market premium.

We target a contract share of 20-50% of our harvested volume. During the fourth quarter of 2021, the share of fixed price contracts was 50% in Norway, or 39% of our total harvested volume in Norway for 2021.

NQSALMON WEEKLY AVERAGE (NOK/KG)



URNER BARRY FARM RAISED SALMON SEATTLE WEST COAST, FRESH, WHOLEFISH (NOK/KG)



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

Market expectations

The global harvest of Atlantic salmon in 2022 is expected to remain at a similar level as in 2021, of 2 891 900 tonnes, according to Kontali. Due to the increase in maximum allowed biomass (MAB) in Norway and good seawater conditions in the second half of 2021, Norwegian salmon farmers are expected to harvest 8 500 tonnes more in 2022 than in 2021. Chile is expected to decrease harvest for 2022 by approximately 3 500 tonnes, with the decrease concentrated in the first half of 2022. Canada is expected to decrease harvest by approximately 10 300 tonnes for 2022. The remaining salmon farming countries will increase their volume by approximately 4 400 tonnes.

The Covid-19 pandemic have impacted the salmon market the last two years, with shift in demand from HoReCa to the retail segment. Going into 2022, salmon demand is still impacted by the pandemic and partly characterized by volumes channelled from the HoReCa market to the retail segment. However, with global progress on vaccination against Covid-19 and reopening of countries and the HoReCa segment, the global salmon markets are expected to normalize. We might experience temporary lockdowns, but we believe the retail consumption during the pandemic has increased the overall demand as consumers have become used to cooking salmon at home. Dietary megatrends fueled by increased focus on health and sustainability is expected to increase demand going forward, contributing to a strong salmon market. With no supply growth in 2022 and the outlook for continuing strong demand, we believe in increased market prices going forward.

The average spot price according to NQSALMON for the first weeks into Q1 2022 was around NOK 70 per kg, while average spot price in the USA according to Urner Barry was around NOK 77 per kg. Fishpool forward prices have increased during Q4 2021, reflecting an optimistic outlook. The forward price for Q1 2022 was priced at NOK 65 per kg at the start of Q4 2021, and by the end of Q4 the forward price was above NOK 70 per kg. For 2022, the Fishpool forward price is above NOK 65 per kg, compared to a forward price of NOK 62 per kg as of start of Q4.

We target a fixed price contract share of 20-50% of our Norwegian volume. Estimated contract share for Q1 2022 is 16%, or 17% for the full year 2022, of our Norwegian harvest volume.

OUR PROGRESS

ROGALAND

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

PILLAR	KPI & TARGET	STATUS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	YTD 2021	YTD 2020
PROFIT & INNOVATION	Harvest volume (tonnes GWT)								
	26 500 tonnes in 2021	●	7 259	6 282	7 783	5 346	6 532	26 670	23 043
	EBIT per kg (NOK)								
	n/a		11.5	4.9	10.2	9.2	4.7	9.1	12.7
PROFIT & INNOVATION	Farming cost per kg (NOK)								
	NOK 40/kg in 2022	◆	43.6	46.5	45.8	41.9	42.7	44.6	42.1
	ASC certification (# of sites)								
	All sites (11 eligible) by 2023	■	0	0	0	0	0	n/a	n/a
HEALTHY OCEAN	Survival rate at sea								
	93% by 2022	◆	92%	91%	91%	91%	90%	n/a	n/a
	Cost of reduced survival (NOK million)								
	n/a		0.7	5.1	18.8	6.2	10.0	30.8	63.7
HEALTHY OCEAN	Use of antibiotics (g per tonne LWE) *								
	No use of antibiotics	●	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Use of hydrogen peroxide (kg per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.0	0.0	1.0	7.0	0.0	1.6	7.2
HEALTHY OCEAN	Sea lice treatments - in feed (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Sea lice treatments - in bath (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.4	2.8	0.0	0.6	0.0
HEALTHY OCEAN	Escape incidents (# of fish)								
	Zero escape incidents	●	0	0	0	0	0	0	0
SUSTAINABLE FEED	High quality product								
	93% superior share	◆	85%	86%	76%	75%	83%	81%	85%
PEOPLE	Employees								
	Headcount (ex contractors)	n/a	162	167	179	164	165	n/a	n/a
	Absence rate								
	Below 4.5%	●	3.4%	3.5%	3.0%	1.8%	2.5%	3.0%	3.0%
PEOPLE	Lost time incident rate								
	n/a		62	0	77	18	0	42	9

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

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

GRIEG SEAFOOD ROGALAND

Grieg Seafood Rogaland AS farms salmon in the county of Rogaland on the west coast of Norway. The company has 19* seawater licenses and two licenses for land-based production of smolt. We also operate our own broodstock activity in Erfjord, with four** broodstock licenses. All the salmon we harvest in this region is processed and packed at our own facilities.

7 259

TONNES GWT HARVESTED

11.5

EBIT/KG (NOK)



*Whereof one is an educational license and two are R&D licenses.

** Whereof one is a R&D license.

Operational results

Harvest volume in Rogaland was 7 259 tonnes in Q4 2021, up 11% compared to Q4 2020. The total harvested volume for 2021 was 26 670 tonnes, an increase of 16% compared to 2020. Sales revenues for the quarter amounted to NOK 399.9 million, an increase of 29% compared to Q4 2020. The increase is mainly related to higher spot prices and higher harvest volume in Q4 2021 compared to Q4 2020. The Nasdaq average spot price in Q4 2021 was NOK 59.7 per kg, compared to NOK 43.2 per kg in Q4 2020. Our price achievement in Q4 2021 was NOK 55.1 per kg, compared to NOK 47.4 per kg in Q4 2020. The price achievement in the quarter was negatively affected by sale of production graded fish mainly due to PD on two sites, however the share of superior quality fish increased from 83% in Q4 2020 to 85% in Q4 2021.

We delivered good freshwater production during the quarter. We transferred 2.0 million smolt to sea this quarter, with an average weight of 480 grams. YTD we have transferred 7.5 million smolt to sea with an average weight of 460 grams. Unfortunately, we had an ISA-outbreak at our land-based broodstock facility, however this does not impact our production, as we have secured external deliveries of eggs. Our insurance covers most of the financial impact from the incident.

The seawater production was strong during the quarter. However, two farms (of a total of 11 active farms) were affected by PD at the end of Q4. The PD-affected sites will be fully harvested during Q1 2022, which we expect will improve the superior share going forward. Shorter time in sea is also expected to reduce PD outbreaks going forward. As time spent in sea has gradually been reduced over the last years, and while some biological variations may occur, we generally do experience less PD outbreaks today compared to some years ago.

The 12-month rolling survival rate increased from 90% in Q4 2020 to 92% in Q4 2021. We are working systematically to improve survival rates through general health and welfare measures, by increasing focus on the freshwater phase, through a preventive and targeted approach to diseases and sea lice, by utilizing new digital technologies and by

shortening the time our salmon spend at sea. Shortening the time at sea is also key part of our efforts to reduce the need for sea lice treatments. During the quarter, we harvested several farms with fish that did not experience any sea lice treatments. 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 is available (August – November). We have not used antibiotics in Rogaland for several years due to good results from vaccines and efforts to ensure robust fish health. For our updated approach on the use of cleaner fish, read [here](#).

The farming cost ended at NOK 43.6 per kg in Q4 2021, up from NOK 42.7 per kg in Q4 2020 and down from NOK 46.5 per kg in Q3 2021. The farming cost was impacted by harvesting from PD affected sites, increased well boat cost related to transport of PD infected fish as well as the ISA outbreak at our broodstock facility. We expect the farming cost to remain at this level in Q1 2022. Cost recognized as abnormal mortality in the income statement (cost of reduced survival) was NOK 0.7 million in Q4 2021 (NOK 0.1 per kg), compared to NOK 10 million in Q4 2020 (NOK 1.5 per kg).

EBIT per kg before production fee and fair value adjustment of biological assets came to NOK 11.5 in the quarter, compared to NOK 4.7 in Q4 2020 and NOK 4.9 in Q3 2021.

Employee well-being is highly prioritized in our operations. We had no major incidents during the quarter, and the absence rate continued at a low level of 3.4% compared to 2.5% in Q4 2020.

Operational priorities towards 2025

Grieg Seafood Rogaland aims to reduce production time in the sea, which will result in improved biological performance and a higher utilization of each site's maximum allowable biomass (MAB). Larger smolt will significantly reduce seawater production time, making the fish less exposed to issues such as sea lice and PD. The transfer of larger smolt has produced promising results, with the time the fish spend at sea is reduced from the previous norm of 18 months to less than 12 months. During Q4 2021 we harvested from pens with post-smolt that have spend less than 10 months in sea.

Our freshwater facilities at Trosnavåg and Hognaland have a production capacity of 1 200 tonnes smolt. We also have a 33% shareholding in Tytlandsvik Aqua, which will be expanded from its current smolt production capacity of 3 400 tonnes to 4 500 tonnes in 2022, with a further expansion to 6 000 tonnes in 2024. Grieg Seafood Rogaland is entitled to 50% of the volume from Tytlandsvik. We also use the closed-containment facility in sea, FishGLOBE, to produce large size smolt, and during the quarter we have doubled the capacity to 900 tonnes of post-smolt with the second FishGLOBE taken into use. We are planning to develop this technology further for grow-out salmon, in partnership with FishGLOBE, with a globe ten times the size of the current globes. We have also invested in Årdal Aqua, which we expect to produce at least 3 000 tonnes of post-smolt annually, with the first delivery of post-smolt in 2024. Construction of the Årdal Aqua facility is expected to start in 2022.

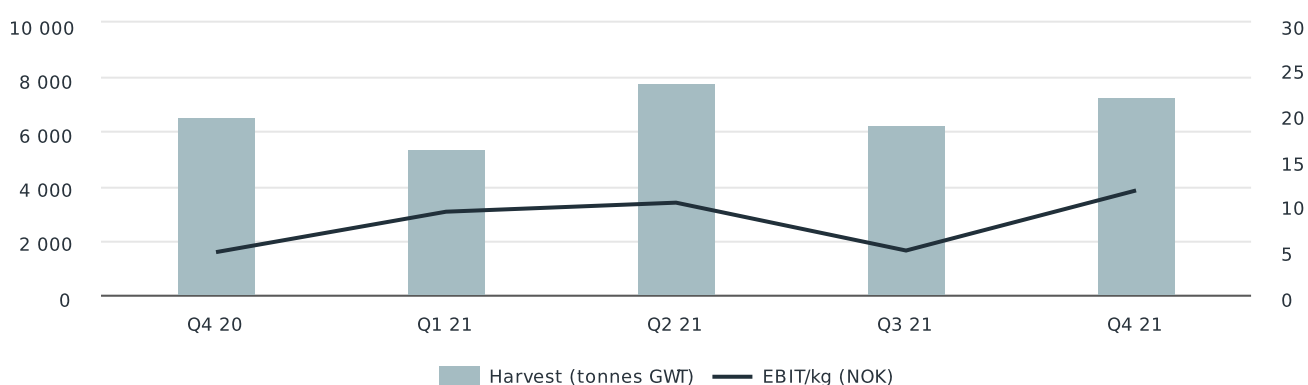
Our integrated operational center monitors and controls the production and feeding operations on our farms. All Precision Farming initiatives, such as dashboards on feed, production, fish health and welfare, is connected to the operational center. Initiative to utilize video analytics with machine learning algorithms to automate biomass control and sea lice counts is ongoing, and will be expanded to new areas such as behavioral based fish welfare monitoring. Our Precision Farming strategy will ensure more efficient feeding, leading to reduced cost and improved growth going forward.

Aquaculture Stewardship Council (ASC) certification is an important objective, as we believe it provides our customers and consumers with the assurance that we are operating in a responsible manner, producing high-quality seafood certified to the highest social and environmental standards. We aim to certify all sites in Rogaland according to ASC, with the first sites being certified in 2022.

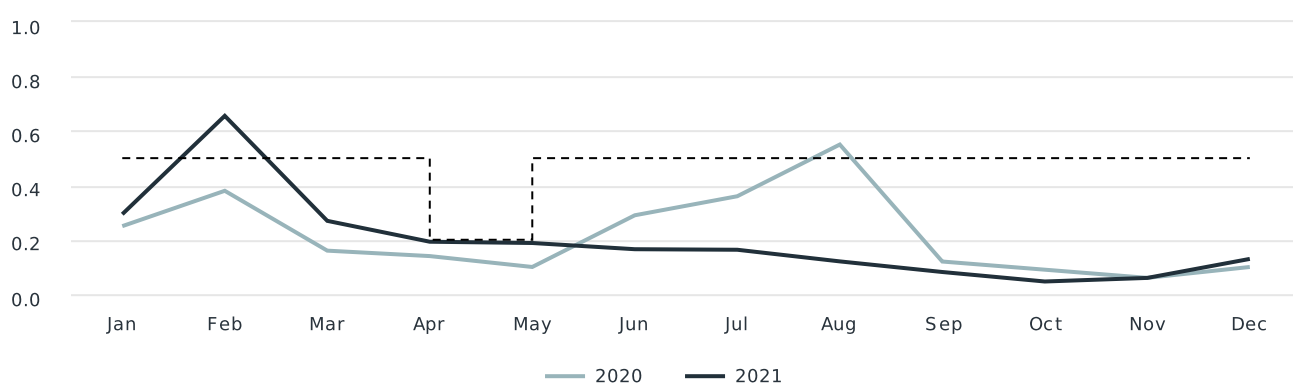
In 2021, we spent NOK 43 million in growth investments, mainly related to broodstock upgrade, and NOK 40 million in maintenance investments. In 2022, we expect to spend approximately NOK 120 million in investments in Rogaland, where of NOK 30 million relates to growth investments mainly in seawater locations.

NOK MILLION	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Harvest volume (tonnes GWT)	7 259	6 532	26 670	23 043
Sales revenues from sale of Atlantic salmon	399.9	309.6	1 430.9	1 263.1
EBITDA before production fee and fair value adjustment of biological assets	112.3	56.4	344.9	393.3
EBIT before production fee and fair value adjustment of biological assets	83.5	30.7	242.0	292.3
Sales revenue/kg (NOK)	55.1	47.4	53.7	54.8
Farming cost/kg (NOK)	43.6	42.7	44.6	42.1
EBIT/kg (NOK)	11.5	4.7	9.1	12.7

HARVEST AND EBIT/KG



SEA LICE LEVELS



The sea lice counts are calculated as the average number of adult female sea lice per month. Sea lice levels shall stay below the legal limit of 0.5 adult female per fish, or 0.2 during April and May when the wild salmon smolt migrate from the rivers and pass the fjords. We report sea lice levels and sea lice treatments to the Directorate of Fisheries on a weekly basis. This is publicly available information, please see [Barentswatch](#).

OUR PROGRESS

FINNMARK

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

PILLAR	KPI & TARGET	STATUS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	YTD 2021	YTD 2020
PROFIT & INNOVATION	Harvest volume (tonnes GWT)								
	35 500 tonnes in 2021	●	12 411	9 908	4 780	7 385	11 082	34 484	26 919
	EBIT per kg (NOK)								
	n/a		17.0	8.1	-2.2	-4.1	0.8	7.3	4.7
HEALTHY OCEAN	Farming cost per kg (NOK)								
	NOK 40/kg in 2022	●	37.8	45.5	50.6	46.5	43.8	43.7	44.1
	ASC certification (# of sites)								
	All sites (18 eligible) by 2023	●	18	17	16	16	15	n/a	n/a
HEALTHY OCEAN	Survival rate at sea								
	93% by 2022	●	95%	95%	94%	93%	92%	n/a	n/a
	Cost of reduced survival (NOK million)								
	n/a		2.0	15.3	15.3	20.5	12.6	53.1	37.5
	Use of antibiotics (g per tonne LWE) *								
	No use of antibiotics	●	0.0	0.0	0.0	49.0	0.0	6.0	0.0
	Use of hydrogen peroxide (kg per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	10.0	0.0	3.6
	Sea lice treatments - in feed (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.0	0.4	0.0	0.0	0.1	0.1	0.1
HEALTHY OCEAN	Sea lice treatments - in bath (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.1	0.0	0.0	2.5	1.4	0.3	0.8
	Escape incidents (# of fish)								
Zero escape incidents	●	0	0	0	1 (6)	0	1 (6)	0	
SUSTAINABLE FEED	High quality product								
	93% superior share	◆	89%	87%	78%	65%	77%	82%	69%
PEOPLE	Employees								
	Headcount (ex contractors)	n/a	262	251	278	248	257	n/a	n/a
	Absence rate								
	Below 4.5%	■	9.9%	7.8%	7.9%	8.1%	5.6%	8.6%	5.5%
PEOPLE	Lost time incident rate								
	n/a		20	10	23	49	10	22	28

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

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

GRIEG SEAFOOD FINNMARK

Grieg Seafood Finnmark AS farms salmon in Troms and Finnmark, the northernmost county in Norway. Of our 28* seawater licenses, eight are “green licenses” and therefore subject to stricter environmental standards. In addition, we own one freshwater license. In general, the salmon we harvest are processed and packed at our local facility in Alta.

12 411

TONNES GWT HARVESTED

17.0

EBIT/KG (NOK)



*In addition to 28 licenses for seawater production, we have one long-term rental agreement with Troms and Finnmark County Council for one license.

Operational results

Grieg Seafood Finnmark harvested 12 411 tonnes in Q4 2021, an increase of 12% compared to Q4 2020. For the year, the harvested volume was 34 484 tonnes, an increase of 28% compared to 2020. Sales revenues for the quarter amounted to NOK 680.9 million, up 38% compared to Q4 2020, mainly related to higher spot price and higher harvest volume. The Nasdaq average spot price in Q4 2021 was NOK 59.7 per kg, compared to NOK 43.2 per kg in Q4 2020. Our price achievement came to NOK 54.9 per kg in Q4 2021 compared to NOK 44.6 per kg in Q4 2020. The price achievement for the quarter was positively impacted by a superior share of 89% compared to 77% in Q4 2020, however, the price achievement was negatively impacted by harvesting more volume in the beginning of the quarter with lower spot prices in addition to lower average harvest weight.

Production at our freshwater facility in Adamselv has been good during the quarter. We transferred 2.6 million smolt to sea this quarter, with an average weight of 220 grams. YTD we have transferred 10.1 million smolt to sea with an average weight of 190 grams.

Seawater production remained strong. We accomplished a 12-month survival rate of 95% as of Q4 2021 compared to 92% as of Q4 2020, as we are less impacted by challenges related to winter ulcers and have improved management in this area. 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 used antibiotics at the start of the year to safeguard the welfare of fish severely impacted by winter ulcers.

Finnmark has low sea lice levels throughout the year. Generally, lower seawater temperatures in the region are an advantage, and the interconnectivity between the sites remains low. However, we also experience good results from the targeted and preventive methods we use to ensure that the sea lice level remains low, such as sea lice skirts and cleaner fish. Sea lice treatments been carried out this quarter to maintain low sea lice pressure.

The farming cost was NOK 37.8 per kg in Q4 2021, down from NOK 43.8 in Q4 2020 and NOK 45.5 per kg in Q3 2021, which is mainly related to harvesting from sites with excellent biological performance in addition to higher harvest volume. Cost recognized as abnormal mortality in the income statement was NOK 2 million in Q4 2021 (NOK 0.2 per kg), compared to NOK 13 million in Q4 2020 (NOK 1.1 per kg). We expect the farming cost per kg to increase in Q1 2022, mainly due to lower harvest volume.

EBIT per kg before production fee and fair value adjustment of biological assets came to NOK 17.0 for the quarter, up from NOK 0.8 in Q4 2020 and up from NOK 8.1 in Q3 2021.

After monitoring the absence through the quarter and the year, we are following up on procedures and guidelines related to absence from work. Our commitment to employee well-being is highly prioritized. The absence rate for Q4 2021 was 9.9%.

Operational priorities towards 2025

Grieg Seafood Finnmark is focused on improving fish welfare and survival rates, and works towards sustainable production. All of our sites (18 out of 18 eligible sites, new sites must reach peak biomass to be considered for certification) were ASC certified at the end of the quarter, equivalent to 100% of net production for the year.

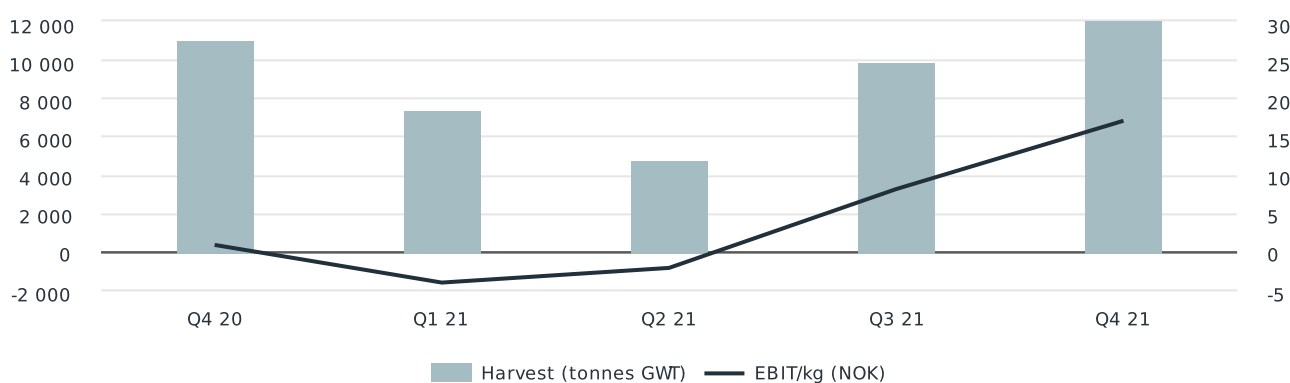
Solving the most pressing biological challenges, winter ulcers and Infectious Salmon Anemia (ISA), is a high operational priority. These conditions impact fish welfare, harvesting weight, quality and price achievement negatively. We have implemented mitigating measures based on insights from conducted analyses. Examples are changes to the timing of transferring fish to sea, changes to the feed composition and vaccinating the fish against ISA before transfer to sea. We have also improved management and mitigation of winter ulcers. Further, data analyses conducted indicate that reducing the time our salmon spend at sea will reduce risk of both challenges, supporting our post-smolt strategy. We have also entered into a partnership for value added processing capacity, to secure quality and sales margins should such conditions appear.

We farm smolt at the facilities in Adamselv and Nordnorsk Smolt (50% ownership). We target a capacity increase of 4 000 tonnes of post-smolt by 2025. Increasing the smolt weight will make the fish more robust before being transferred to sea, and a shorter period in sea will reduce exposure to biological risks.

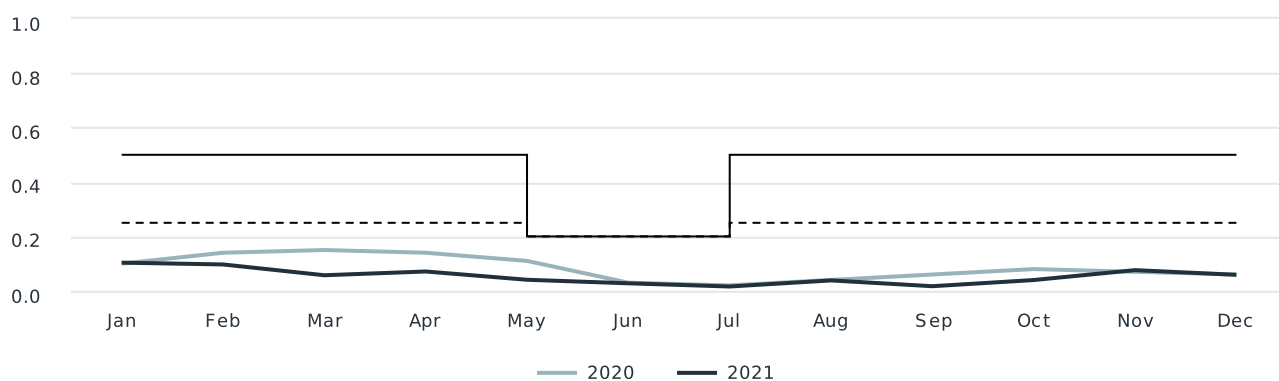
In 2021, we spent NOK 45 million in growth investments related to upgrade of our processing facility and land sites, in addition to NOK 35 million in maintenance investments. In 2022, we expect to spend approximately NOK 250 million in investments in Finnmark, where of NOK 85 million relates to our growth initiatives mainly in seawater locations. Flexibility is a requirement to achieve better utilization of our capacity, and we are continuously looking for opportunities to secure access to new locations.

NOK MILLION	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Harvest volume (tonnes GWT)	12 411	11 082	34 484	26 919
Sales revenues from sale of Atlantic salmon	680.9	494.0	1 756.3	1 313.5
EBITDA before production fee and fair value adjustment of biological assets	247.7	43.4	393.2	272.2
EBIT before production fee and fair value adjustment of biological assets	211.2	8.9	250.5	127.4
Sales revenue/kg (NOK)	54.9	44.6	50.9	48.8
Farming cost/kg (NOK)	37.8	43.8	43.7	44.1
EBIT/kg (NOK)	17.0	0.8	7.3	4.7

HARVEST AND EBIT/KG



SEA LICE LEVELS



The sea lice counts are calculated as the average number of adult female sea lice per month. Sea lice levels shall stay below the legal limit of 0.5 adult female per fish. At the green licenses in Finnmark, the limit is 0.25 adult female sea lice per fish, while during April and June, when wild salmon smolt migrate from the rivers and pass the salmon farms, the limit is 0.2 adult female sea lice per fish. We report sea lice levels and sea lice treatments to the Directorate of Fisheries on a weekly basis. This is publicly available information, please see [Barentswatch](#).

OUR PROGRESS

BRITISH COLUMBIA

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

PILLAR	KPI & TARGET	STATUS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	YTD 2021	YTD 2020
PROFIT & INNOVATION	Harvest volume (tonnes GWT)								
	15 000 tonnes in 2021	●	4 058	4 289	5 249	853	2 657	14 448	21 181
	EBIT per kg (NOK)								
	n/a		4.1	20.6	8.4	1.1	6.2	10.4	-0.4
HEALTHY OCEAN	Farming cost per kg (CAD)								
	CAD 7/kg in 2022	■	9.4	8.5	8.5	8.8	8.8	8.8	8.0
	ASC certification (# of sites)								
	All sites (16 eligible) by 2023	◆	13	13	13	11	11	n/a	n/a
HEALTHY OCEAN	Survival rate at sea								
	93% by 2022	◆	92%	91%	91%	90%	90%	n/a	n/a
	Cost of reduced survival (NOK million)								
	n/a		0.7	7.2	6.8	3.0	6.6	17.6	66.1
	Use of antibiotics (g per tonne LWE) *								
	No use of antibiotics	■	27.1	2.0	41.3	92.7	47.6	41.5	62.3
	Use of hydrogen peroxide (kg per tonne LWE) * / **								
	Minimize use of pharmaceutical treatments	■	26.0	21.5	62.0	31.5	27.9	35.6	46.6
	Sea lice treatments - in feed (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.1	0.9	0.0	0.4	0.0	0.3	0.2
HEALTHY OCEAN	Sea lice treatments - in bath (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Escape incidents (# of fish)								
	Zero escape incidents	●	0	0	1 (1)	0	0	1 (1)	0
SUSTAINABLE FEED	High quality product								
	93% superior share	■	82%	89%	89%	90%	78%	87%	86%
PEOPLE	Employees								
	Headcount (ex contractors)	n/a	176	170	172	167	174	n/a	n/a
	Absence rate								
	Below 4.5%	◆	5.6%	5.1%	5.5%	6.2%	5.9%	5.6%	6.8%
PEOPLE	Lost time incident rate								
	n/a		0	0	13	12	0	6	36

* Amount of active pharmaceutical ingredients (APIs) used (in gr and 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 H₂O₂ to 1 L (Paramove 50) * 1.19 (density) * 0.49 (concentration) = 1 kg H₂O₂, which corresponding to the method used in Norway. 2020 figures have not been recalculated.

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

GRIEG SEAFOOD BRITISH COLUMBIA

Grieg Seafood BC Ltd farms salmon on the east and west sides of Vancouver Island, and along the Sunshine Coast north of Vancouver. The company has 20 seawater licenses and one license for land-based production of smolt. We do not process our own salmon in BC.

4 058

TONNES GWT HARVESTED

4.1

EBIT/KG (NOK)



Operational results

Harvest volume in Q4 2021 was 4 058 tonnes, 53% above Q4 2020. The harvested volume for 2021 was 14 448 tonnes, 32% lower than in 2020. The reason is mainly that harvesting volumes vary significantly every other year in BC due to local production region arrangements and less farms on the West Coast of Vancouver Island compared to the East Coast. As a consequence, the region's volume vary every other year, regardless of the underlying biology. Measures are being done to equalize harvest volumes.

Sales revenues for the quarter was NOK 281.6 million, an increase of 58% compared to Q4 2020, mainly related to higher harvest volume. The average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was NOK 66.6 per kg in Q4 2021 compared to NOK 58.3 per kg in Q4 2020. Price achievement for the quarter was NOK 69.4 per kg, compared to NOK 67.2 per kg in Q4 2020, positively impacted by higher spot market prices, premium on our VAP products and a superior share of 82% (78% in Q4 2020), but suppressed by somewhat lower average harvest weight.

Our freshwater production has been stable during the quarter. We transferred 2.7 million smolt to sea this quarter, with an average weight of 110 grams. YTD we have transferred 5.4 million smolt to sea with an average weight of 120 grams.

The seawater performance has been good this quarter. The 12-month rolling survival rate increased from 90% in Q4 2020 to 92% in Q4 2021. We used antibiotics in the quarter for treatment of enteric redmouth disease (ERM), to safeguard the welfare of the fish. Our use of antibiotics is too high, and we are installing infrastructure that will allow us to lower water temperatures and salinity to help limit the transmission of diseases. We also pursue non-therapeutic means to manage disease, such as vaccines and an adapted diet. Our post-smolt strategy will enable us to have better control of the fish's environment for a longer period. It will also make the fish more robust when they are transferred to sea, and a shorter period at sea will reduce exposure to biological risks. This in turn will reduce the risk of disease outbreaks and the need for antibiotics.

BC is heavily influenced by sea lice pressure each autumn, when the wild salmon pass our farms on their way to the river to spawn. Here, unlike Norway, the wild salmon population greatly outnumbers the farmed salmon population. We are using preventative methods such as sea lice skirts and tarps to keep the sea lice level stable. When the sea lice level increases, we carry out the type of treatment most appropriate to the biological situation. As the sea lice level was high entering the quarter, treatment with hydrogen peroxide as well as in-feed treatment were carried out to reduce and maintain a stable level. As from 2022, we are adding the latest within mechanical sea lice removal tool, which we expect to reduce our overall medication and chemical use.

The farming cost increased from CAD 8.8 per kg (NOK 61.0) in Q4 2020 to CAD 9.4 per kg (NOK 65.3) in Q4 2021, mainly due to harvesting from sites with elevated mortality. Cost recognized as abnormal mortality in the income statement (cost of reduced survival) was NOK 0.7 million in Q4 2021 (NOK 0.2 per kg, or CAD 0.0 per kg), compared to NOK 7 million in Q4 2020 (NOK 0.2/CAD 0.4 per kg). We expect the farming cost to come down in Q1 2022, due to harvesting from sites with strong biological performance. We expect reductions in the farming cost in the long term as volume increase.

EBIT per kg before production fee and fair value adjustment of biological assets came to NOK 4.1, compared to NOK 6.2 in Q4 2020 and NOK 20.6 in Q3 2021.

Employee well-being has been our priority during the Covid-19 pandemic. We had no major incidents in the quarter. The absence rate of 5.6% was above our 4.5% target, mainly due to long-term sickness and the fact that we have increased the sick leave days, as employees are more cautious when it comes to going to work if they feel sick/having flu symptoms. We always monitor developments according to our guidelines for absence from work.

Operational priorities towards 2025

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 natural environment and supporting local communities. At the end of Q4 2021, a total of 13 sites out of 16 eligible sites were ASC certified (corresponding to 71% of net production).

The United Nations Declarations on the Rights of Indigenous Peoples (UNDRIP) is under implementation in BC, giving Indigenous Peoples rights in their own traditional territory. This is a process of reconciliation between the Government, businesses and First Nations. Three of our main farming areas in BC are operated under agreements with First Nations. These relationships are very important to us. The [Truth & Reconciliation Commission: Call to Action #92](#) provide guidance to us on our role in the reconciliation process. We work to get better at operating with respect for the culture of our First Nations partners in every way, to deepen our understanding and to provide shared opportunities. Read more about our journey of reconciliation in BC [here](#).

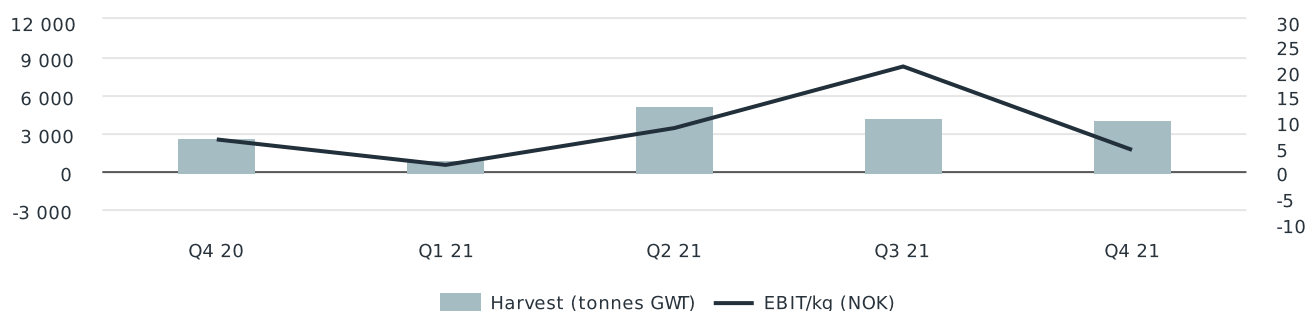
By 2025, the Canadian federal government aims to have created a responsible plan to transition from open net-pen salmon farming in British Columbia. Grieg Seafood supports the process of transitioning the traditional ways of farming salmon in BC. We embrace new strategies and technologies to align with the government's transition, such as keeping the fish longer on land and a shorter time in the ocean, or by [introducing barriers around the farms](#) to limit interactions between the fish and the environment. Such technologies do not only reduce our impact on wild salmon and the environment, but also improve biological control. Grieg Seafood is 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.

Harmful Algae Blooms (HAB) and low oxygen events represent significant biological risks in BC. Algae movements and oxygen levels are continuously monitored and analyzed using high-grade real-time in pen sensors, and machine learning with predictive environmental data software. In addition, aeration systems have been installed to enable feeding also during challenging situations. Mortality related to algae blooms was reduced from 3.4% in 2019, to 0.9% in 2020 and down to 0.4% in 2021. We expect our efforts within algae mitigation and digital monitoring to increase survival and harvest volume, and reduce cost going forward, ensuring we are cost competitive.

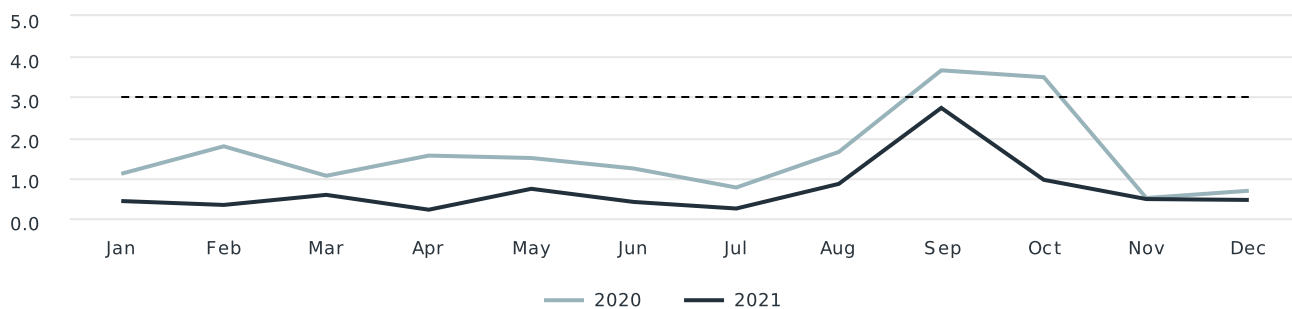
Access to high-quality smolt is key to ensuring sustainable production growth. With the expansion of the Gold River smolt facility, Grieg Seafood BC will increase smolt capacity from 500 tonnes to 900 tonnes. The first smolt transfer from the facility to sea will be in the spring of 2022. In 2021, we spent NOK 105 million mainly related to the expansion of Gold River, in addition to NOK 26 million in maintenance investments. In 2022, we expect to spend approximately NOK 210 million in investments in BC, where of NOK 100 million relates to our growth initiatives including completion of the Gold River facility and semi-closed seawater equipment.

NOK MILLION	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Harvest volume (tonnes GWT)	4 058	2 657	14 448	21 181
Sales revenues from sale of Atlantic salmon	281.6	178.5	1 023.5	1 178.9
EBITDA before production fee and fair value adjustment of biological assets	39.5	44.3	243.8	98.3
EBIT before production fee and fair value adjustment of biological assets	16.6	16.4	150.2	-7.4
Sales revenue/kg (NOK)	69.4	67.2	70.8	55.7
Farming cost/kg (CAD)	9.4	8.8	8.8	8.0
Farming cost/kg (NOK)	65.3	61.0	60.4	56.0
EBIT/kg (NOK)	4.1	6.2	10.4	-0.4

HARVEST AND EBIT/KG



SEA LICE LEVELS



The sea lice counts are calculated as the average number of motile sea lice per salmon. The limit as defined by the authorities is three motile sea lice per salmon in the period from March to June, recognized as a vulnerable time for wild salmon migrating out to sea.

OUR PROGRESS

NEWFOUNDLAND

Grieg Seafood Newfoundland is a greenfield project located in Placentia Bay in Newfoundland. At the end of Q4 2021, we have eight seawater licenses and one freshwater license. Additional seawater licenses have been applied for.

Operational results

Our Recirculating Aquaculture System (RAS) facility in Marystown Marine Industrial Park, close to Placentia Bay, is fully operational. The freshwater production was according to plan, and our fish is healthy and growing well. We expect to transfer between two - three million fish to sea in the spring/summer of 2022, with harvesting commencing in 2023. 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. We base our operations on developed knowledge and experience about farming triploid salmon in both Norway and the UK. Best practice we utilize include optimizing the times of the year to transfer fish to the sea, the feed composition and conditions during the freshwater phase.

During Q4 2021, we have focused on ensuring that all equipment and service needed for the seawater operation is in place or ordered. Preparation is ongoing and pre-installation of equipment for the new sites carried out locally is in work. EBIT for Q4 2021 totaled NOK -20 million. Operational cost for Q1 2022 is expected to remain at a similar level, but will increase going forward when we start our seawater operations.

We are committed to develop the project according to our long-term forecast and meet all regulatory requirements from the authorities. We are well prepared with equipment, employees and knowledge of biological conditions, which enables us to provide a solid and safe production. We are confident that we will be able to build a strong farming region in Newfoundland during the next years, realizing synergies with our BC operations and creating jobs and value for the local communities.

Priorities towards 2025

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.

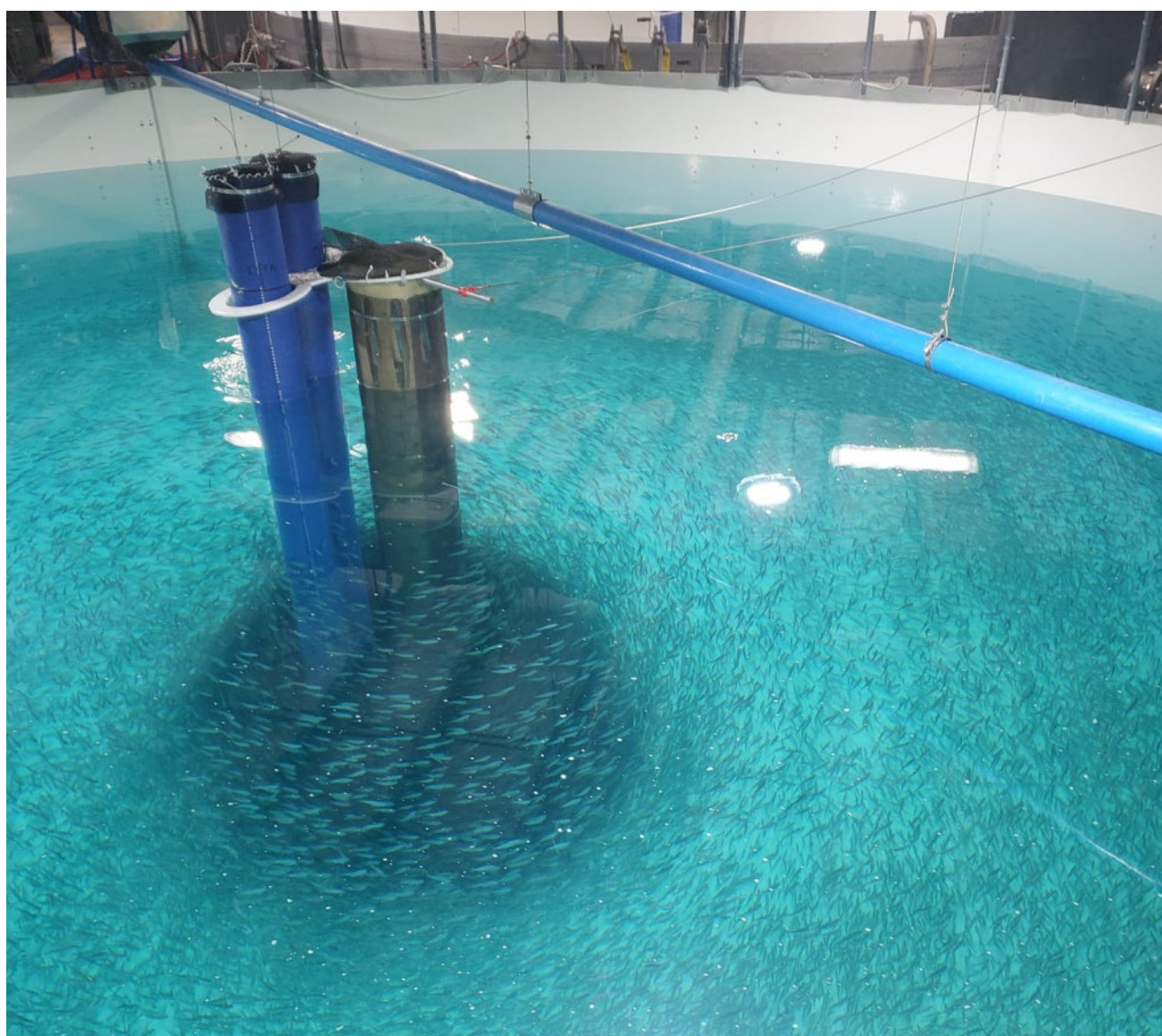
Our high-end RAS facility in Marystown has technology employing 100% recirculation of water with no impact on the surrounding environment. The facility currently consist of a hatchery, nursery and a smolt unit with a capacity of 600 tonnes. We will gradually develop our operations, to ensure biosecurity, fish health and profitability. In 2021, we spent close to NOK 290 million in investments in the RAS facility and seawater locations in Newfoundland. In 2022, we expect to spend further NOK 170 million in our seawater locations.

We have long-term exclusive farming rights to the Placentia Bay area, an area which is highly isolated from other salmon farmers in the region. Long distances and low interconnectivity between sites lower the risk of biological contamination. We currently have eight seawater licenses, but additional licenses have been applied for.

The project has a long-term annual harvest potential of 45 000 tonnes. By using cutting-edge technologies at all stages of the production process, our Newfoundland region will strengthen our position as a global leader in sustainable salmon farming.

NOK MILLION	Q4 2021	YTD 2021
EBITDA before production fee and fair value adjustment of biological assets	-22.8	-92.8
EBIT before production fee and fair value adjustment of biological assets	-19.7	-116.9

Grieg Newfoundland (acquired in Q2 2020) is reported as a region in our segment information as from 2021, however included in "Elimination/Others" in the Group's segment information for 2020, when the region was under development. Thus, 2020 figures are not reported for Newfoundland.





QUARTERLY STORY

Grieg Seafood and our employees support local community food banks

The pandemic has impacted too many people in our local communities, so Grieg Seafood and our employees supported community food banks in Finnmark, British Columbia and Newfoundland with fresh or canned salmon, as well as other food items, for the Christmas season. Big shout-out to the staff and volunteers at these local food banks for the fantastic work!

Read the story from Finnmark [here](#) and Newfoundland [here](#).

Board's approval

Related parties' transactions

There has not been any related parties' transactions during Q4 2021 outside ordinary course of business. See Note 9 for more information on related parties and related parties transactions.

Events after the balance sheet date

Grieg Seafood has in Q1 2022 refinanced the syndicated debt with an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. See more information in Note 6. No other significant events have been recorded after the balance sheet date.

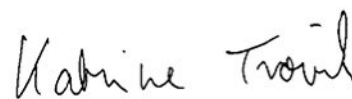
THE BOARD OF DIRECTORS AND CEO
BERGEN, 15 FEBRUARY 2022



PER GRIEG JR.
CHAIR



TORE HOLAND
VICE CHAIR




KATRINE TROVIK
BOARD MEMBER



MARIANNE RIBE
BOARD MEMBER



NICOLAI HAFELD GRIEG
BOARD MEMBER

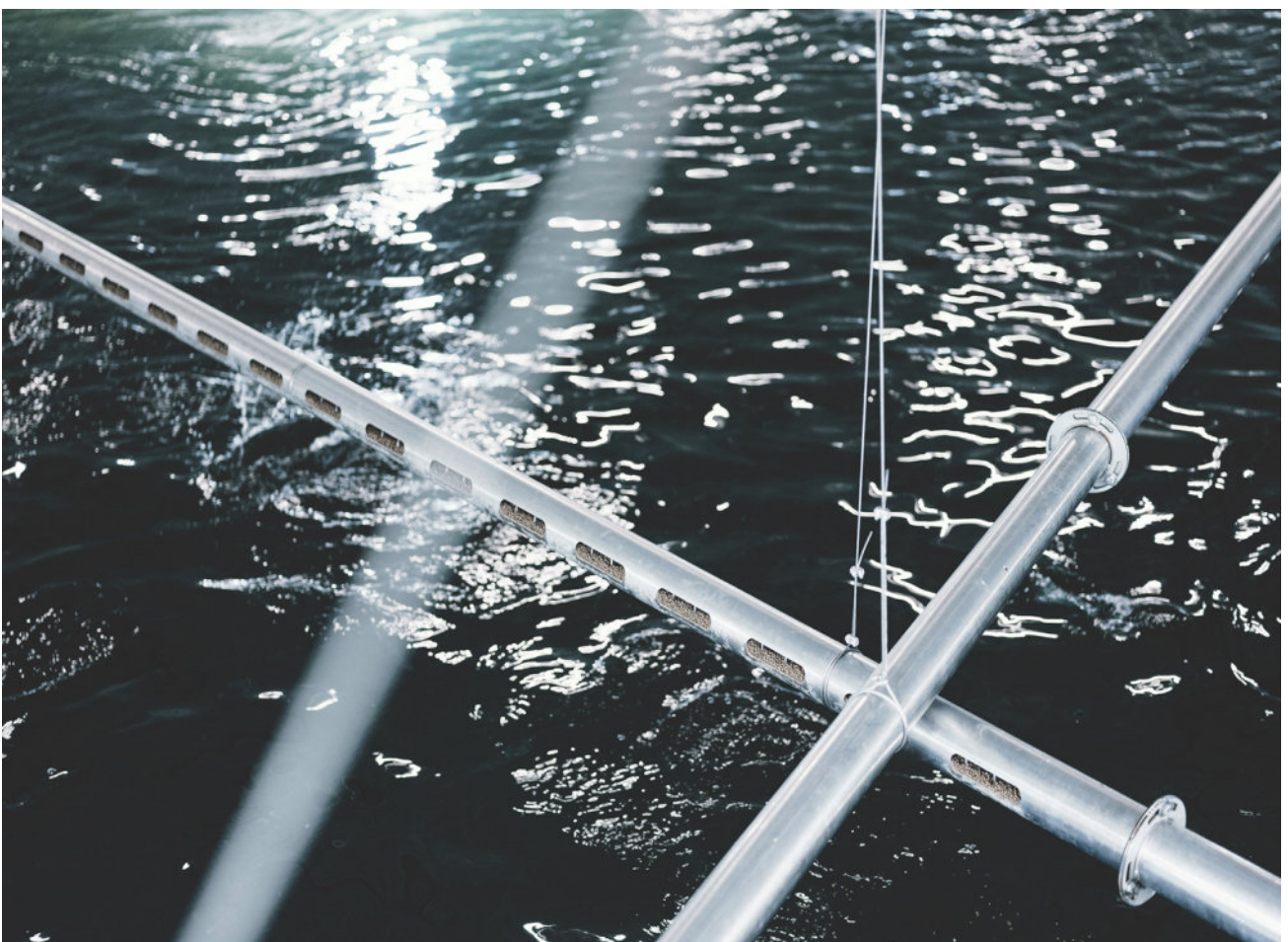


ANDREAS KVAME
CEO

PART 03

RESULTS

By always improving our operational excellence, reflecting our holistic performance approach, we are driving sustainable value creation.



Financial statements

INCOME STATEMENT

GRIG SEAFOOD GROUP NOK 1 000	NOTE	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Continuing operations					
Sales revenues	3	1 513 479	1 142 369	4 598 585	4 384 357
Other income	3	8 525	-2 653	63 994	23 902
Share of profit from associates	8	-1 594	2 053	-1 486	3 350
Raw materials and consumables used		-578 007	-471 822	-1 738 267	-1 717 279
Salaries and personnel expenses		-173 257	-144 821	-577 434	-499 546
Other operating expenses		-415 405	-445 860	-1 527 347	-1 592 852
EBITDA before production fee and fair value adjustment of biological assets	3	353 740	79 267	818 044	601 932
Depreciation property, plant and equipment		-86 368	-91 434	-368 482	-360 178
Amortization licenses and other intangible assets		-1 992	-4 101	-7 192	-8 696
EBIT before production fee and fair value adjustment of biological assets	3	265 380	-16 269	442 370	233 057
Production fee		-7 868	—	-24 463	—
Fair value adjustment of biological assets	5	136 040	206 034	523 036	-289 705
EBIT after production fee and fair value adjustment of biological assets		393 552	189 765	940 944	-56 648
Net financial items	7	-30 373	-88 010	-87 266	-247 792
Profit before tax from continuing operations		363 179	101 754	853 678	-304 440
Estimated taxation		-75 893	-96 679	-218 216	-11 557
Net profit for the period from continuing operations		287 286	5 076	635 462	-315 997
Discontinued operations					
Net profit for the period from discontinued operations	4	504 284	93 677	600 291	-198 823
Net profit for the period		791 571	98 752	1 235 753	-514 820
Allocated to					
Controlling interests		791 571	90 442	1 235 753	-541 054
Non-controlling interests		—	8 310	—	26 234
Dividend declared and paid per share (NOK)		0.0	0.0	0.0	0.0
Earnings per share attributable to equity holders of Grieg Seafood ASA (NOK)					
Earnings per share from continuing operations		2.6	0.1	5.7	-2.8
Earnings per share from discontinued operations		4.5	0.8	5.3	-2.0
Earnings per share - total		7.0	0.9	11.0	-4.8

The Income Statement is prepared for the Group's continuing operations. See further information in Note 4.

COMPREHENSIVE INCOME STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	NOTE	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Net profit for the period		791 571	98 752	1 235 753	-514 820
Net other comprehensive income to be reclassified to profit/loss in subsequent periods					
Currency effect on investment in subsidiaries		6 766	-73 160	41 808	-50 298
Currency effect on loans to subsidiaries		11 889	-45 190	32 222	-23 667
Cash flow hedges		—	2 730	—	-786
Tax effect		-2 616	9 352	-7 089	5 380
Recycle of accumulated OCI (sale of Shetland)	4	-105 848	—	-105 848	—
Tax effect of recycle of accumulated OCI (sale of Shetland)	4	22 709	—	22 709	—
Net other comprehensive income not to be reclassified to profit/loss in subsequent periods					
Change in fair value of equity instruments		—	—	—	-433
Other comprehensive income for the period, net of tax		-67 100	-106 268	-16 197	-69 804
Total comprehensive income for the period		724 471	-7 516	1 219 556	-584 624
Allocated to					
Controlling interests		724 471	-17 435	1 219 556	-611 210
Non-controlling interests		—	9 919	—	26 586

STATEMENT OF FINANCIAL POSITION

GRIEG SEAFOOD GROUP NOK 1 000	Note	31.12.2021	31.12.2020
ASSETS			
Deferred tax assets		4 593	29 293
Goodwill		660 071	638 019
Licenses incl. warranty licenses		1 536 319	1 508 452
Other intangible assets incl. exclusivity agreement		36 828	38 015
Property, plant and equipment incl. right-of-use assets	6	3 402 629	3 033 154
Indemnification assets		40 000	40 000
Investments in associates	8	104 675	84 421
Other non-current receivables		90 897	9 476
Total non-current assets		5 876 012	5 380 830
Inventories		128 299	78 001
Biological assets excl. the fair value adjustment	5	2 478 932	2 198 676
Fair value adjustment of biological assets	5	970 480	347 227
Trade receivables		151 793	179 384
Other current receivables, derivatives and financial instruments		184 924	217 258
Cash and cash equivalents	6	928 342	275 427
Total current assets		4 842 771	3 295 972
Assets held for sale	4	—	1 972 725
Total assets		10 718 783	10 649 527
EQUITY AND LIABILITIES			
Share capital		453 788	453 788
Treasury shares		-4 532	-4 686
Contingent consideration (acquisition of Grieg Newfoundland AS)		701 535	701 535
Retained earnings and other equity		4 443 293	3 220 281
Total equity		5 594 084	4 370 918
Deferred tax liabilities		1 044 554	908 958
Share based payments		11 115	491
Borrowings and lease liabilities	6	2 958 797	3 907 822
Total non-current liabilities		4 014 466	4 817 272
Current portion of borrowings and leasing liabilities	6	232 507	257 630
Trade payables		523 196	562 848
Tax payable		87 642	14 791
Other current liabilities, derivatives and financial instruments		266 889	133 240
Total current liabilities		1 110 233	968 509
Liabilities directly associated with the assets held for sale	4	—	492 829
Total liabilities		5 124 699	6 278 609
Total equity and liabilities		10 718 783	10 649 527

CHANGES IN EQUITY

GRIEG SEAFOOD GROUP (NOK 1 000)	Share capital	Treasury shares*	Contingent cons.**	Other equity	Non-controlling interests	Total
Equity at 01.01.2020	446 648	-4 855	—	3 642 416	56 632	4 140 843
Profit for YTD 2020	—	—	—	-541 054	26 234	-514 820
Other comprehensive income YTD 2020	—	—	—	-70 156	352	-69 804
Total comprehensive income YTD 2020	—	—	—	-611 210	26 586	-584 624
Contribution in kind	7 140	—	—	186 002	—	193 142
Contingent consideration	—	—	701 535	—	—	701 535
Sale of treasury shares to employees	—	169	—	3 086	—	3 255
Establishment costs Grieg Seafood Norway AS	—	—	—	-13	—	-13
Dividend (non-cash)	—	—	—	—	-17 658	-17 658
Sale of subsidiary - derecognition of non-controlling interests***	—	—	—	—	-65 560	-65 560
Transactions with owners [in their capacity as owners] YTD 2020	7 140	169	701 535	189 075	-83 218	814 700
Total change in equity YTD 2020	7 140	169	701 535	-422 135	-56 632	230 076
Equity at 31.12.2020	453 788	-4 686	701 535	3 220 281	—	4 370 918
Equity at 01.01.2021	453 788	-4 686	701 535	3 220 281	—	4 370 918
Profit for YTD 2021	—	—	—	1 235 753	—	1 235 753
Other comprehensive income YTD 2021	—	—	—	-16 197	—	-16 197
Total comprehensive income YTD 2021	—	—	—	1 219 556	—	1 219 556
Sale of treasury shares to employees	—	154	—	3 456	—	3 610
Transactions with owners [in their capacity as owners] YTD 2021	—	154	—	3 456	—	3 610
Total change in equity YTD 2021	—	154	—	1 223 011	—	1 223 166
Equity at 31.12.2021	453 788	-4 532	701 535	4 443 293	—	5 594 084

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

**Contingent consideration, acquisition of Grieg Newfoundland AS. See Note 6 of the 2020 Annual Report for more information.

***Sale of Sjør AS (Ocean Quality AS), see Note 5 of the 2020 Annual report for more information.

CASH FLOW STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	Note	Q4 2021	Q4 2020	YTD 2021	YTD 2020
EBIT after production fee and fair value adj. of biological assets		393 552	189 765	940 944	-56 648
Depreciation and amortization		88 360	95 535	375 674	368 874
Gain/loss on sale of property, plant and equipment		-88	2 370	-88	4 786
Share of profit from associates	8	1 594	-2 053	1 486	-3 350
Fair value adjustment of biological assets	5	-136 040	-206 034	-523 036	289 705
Change inventory excl. fair value, trade payables and rec.		-22 373	268 512	-359 827	158 708
Other adjustments		-6 061	-266 750	173 226	-144 757
Taxes paid		13 914	-189 323	-6 895	-205 162
Net cash flow from operating activities - continued operations		332 858	-107 977	601 484	412 156
Proceeds from sale of property, plant and equipment		8 845	254	11 229	781
Payments on purchase of property, plant and equipment		-99 978	-277 199	-564 874	-760 089
Payments on purchase of intangible assets incl. licenses		—	—	—	-159 066
Payments on business combinations		—	—	—	-620 464
Accumulated cash acquired in business combinations		—	—	—	30 628
Sale of subsidiary, deconsolidation of cash and cash equivalents		—	-84 754	—	-84 754
Government grant	6	—	—	8 443	—
Investment in associates and other invest.	8	-12 500	—	-15 000	20
Net cash flow from investing activities - continued operations		-103 633	-361 698	-560 202	-1 592 944
Revolving credit facility (net draw-down/repayment)	6	-360 000	110 000	-556 222	364 135
Proceeds of long-term int. bearing debt	6	3 460	508 932	39 147	1 527 493
Repayment long-term int. bearing debt	6	-1 025 215	—	-527 652	-102 267
Repayment short-term int. bearing debt	6	—	-23 020	—	—
Repayment lease liabilities	6	-50 927	-43 366	-184 925	-177 931
Net interest and other financial items	7	-50 405	-39 107	-200 402	-132 932
Net cash flow from financing activities - continued operations		-1 483 087	513 440	-1 430 055	1 478 498
Net change in cash and cash equivalents - continued operations		-1 253 862	43 764	-1 388 773	297 710
Net change in cash and cash equivalents - discont. operations	4	2 035 627	-104 068	2 040 350	-238 762
Net change in cash and cash equivalents - total		781 765	-60 304	651 577	58 948
Cash and cash equivalents - opening balance		146 483	334 181	275 427	214 497
Currency translation of cash and cash equivalents		94	1 550	1 339	1 982
Cash and cash equivalents - closing balance		928 342	275 427	928 342	275 427

The Cash Flow Statement is presented for the Group's continuing operations. See further information in Note 4.

SELECTED NOTES

NOTE 1 ACCOUNTING PRINCIPLES

Grieg Seafood ASA (the Group) comprises Grieg Seafood ASA and its subsidiaries, including the Group's share of associated companies. The financial report for the fourth quarter of 2021 has been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations approved by the EU, including IAS 34. The report does not include all information required in a complete annual report and should therefore be read in conjunction with the Group's recent annual report (2020).

The financial report for the fourth quarter of 2021 is unaudited.

Management is required to make estimates and assumptions concerning the future that affect the accounting policies and recognized amounts of assets, liabilities, income and expenses. Significant estimates relate to valuation of biological assets and intangible assets. Estimates and underlying assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be probable under the present circumstances. The final outcomes may deviate from these estimates. Changes in estimates are reflected in the accounts as they occur.

Additional accounting principles

The following accounting principles supplement the Group's accounting principles disclosed in our recent annual report (2020).

Production fee

As from 1 January 2021, a fixed rate of NOK 0.40/kg (gutted weight) is charged on fish harvested in Norway. The production fee is presented on a separate line item "Production fee" in the income statement, and included in EBIT after production fee and fair value adjustment on biological assets. Production fee for Q4 2021 totaled NOK 2.9 million for Rogaland, and NOK 5.0 million for Finnmark, in total NOK 7.9 million. YTD 2021, production fee for Rogaland totals NOK 10.7 million, and NOK 13.8 million for Finnmark, in total NOK 24.5 million. The Norwegian production fee is accrued throughout the current year, and payable in 2022 (included in "Other current liabilities, derivatives and financial instruments" in the balance sheet).

In UK, Crown Estate Scotland charges GBP 27.50/tonnes (gutted weight), with a 10 % reduction on Outer Isle farms (Outer Hebrides, Orkney and Shetland). In 2021, and applied retrospectively, the Crown Estate Scotland production fee is reported in line with the Norwegian production fee. See more information in Note 4.

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.

In Q1 2021 the Group made drawdown on a preferred shares agreement with the Province of Newfoundland and Labrador, Canada. The preferred shares are classified as a loan, while the below-market rate of interest is treated as a government grant, measured as the difference between the initial carrying value of the loan and the proceeds received. In Q1 2021 the grant was classified as a subordinate loan, subsequently classified as property, plant and equipment in Q2 2021, as deduction of the acquisition cost of the freshwater facility in Newfoundland.

NOTE 2 RISKS AND UNCERTAINTIES

The Group is exposed to risks in numerous areas, such as biological production, the effects of climate change, degradation of nature, compliance risk, the risk of accidents, changes in salmon prices, and the risk of politically motivated trade barriers. The Covid-19 pandemic has posed a risk to most of the Group's operational areas. The Group's internal controls and risk exposure are subject to continuous monitoring and improvement, and efforts to reduce risk in different areas have a high priority. Management has established a framework for managing and eliminating most of the risks that could prevent the Group from attaining its goals. See the Group's risk overview [here](#). A summary of some of these risks, in the context on the short- and medium term as from Q4 2021, is included below.

OPERATIONAL RISK

The greatest operational risk relates to biological developments within the Group's aquaculture operations. The book value of live fish at cost at quarter-end was NOK 2 479 million (23% of the balance sheet value). Biological risks include oxygen depletion, diseases, viruses, bacteria, parasites, algae blooms, jelly fish and other contaminants. To reduce this risk, the Group focuses on improving fish health and welfare through several initiatives, including joint fallowing and area-based management, switching from pharmaceutical to mechanical delousing treatment methods, and use of sensor technology to reduce algae challenges. The Group's post-smolt strategy, where fish are grown to a larger size on land, thereby shortening the time they spend in open sea pens, is an important part to reduce the biological risk.

Throughout the fourth quarter, production in our freshwater facilities and seawater locations has been good. The biological seawater conditions were stable, with increasing survival rates. As at quarter end, Grieg Seafood Rogaland had two sites infected by Pancreas Disease (PD), the fish at these sites will be harvested during Q1 2022. In Finnmark we have taken measures to reduced the risk of winter ulcers and ISA, and experienced significantly lower impact from winter ulcers this quarter compared to previous years. The sea lice pressure has been stable or lower in all regions compared to the same period last year. Production going into 2022 remains stable.

The feed industry is characterized by large global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. While access to marine feed ingredients has increased, access to terrestrial feed ingredients continue to be limited, and feed prices are expected to increase.

MARKET RISK

During Q4 2021, the global supply of Atlantic salmon increased by approximately 3% compared to Q4 2020. The average NQSALMON for Q4 2021 was up by NOK 16.5 per kg compared to Q4 2020, and up by NOK 5.2 per kg compared to Q3 2021. In the US market, the average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was up by NOK 8.3 per kg compared to Q4 2020, and down by NOK 13.1 per kg compared to Q3 2021.

The global harvest volume of Atlantic salmon in 2022 is not expected to increase compared to 2021. Combined with high demand, we expect this to drive prices. The average spot price according to NQSALMON for the first weeks into Q1 2022 was around NOK 70 per kg, while spot price in the USA according to Urner Barry was around NOK 77 per kg. For 2022, the Fishpool forward price is above NOK 65 per kg.

We target a fixed price contract share of 20-50% of our Norwegian harvest volume. Our estimated contract share in Norway for Q1 2022 is 16%, or 17% for the full year 2022. We do not have fixed price contracts in BC.

Our internal sales and market organization sells all of our fish. We have our own value added department and have secured value-added processing capacity in Norway, as a step towards repositioning the company in the market.

COMPLIANCE RISK

In February 2019, the European Commission launched an investigation to explore potential anti-competitive behavior in the Norwegian salmon industry. Grieg Seafood is one of the companies under investigation. Based on the EU investigation,

US competition authorities launched their own investigation into the matter in November 2019. Two class-actions have been filed by direct and indirect customers in the USA and three class actions have been filed in Canada (none has yet been certified as a class action). Grieg Seafood is not aware of any anti-competitive behavior within the Group, neither in Norway, nor the EU, the USA, or in Canada. We are fully collaborating with European and American authorities in this matter and follow up the lawsuits in the USA and Canada accordingly. NOK 2.9 million was spent on legal fees related to the investigations and the lawsuits during the quarter. The cost is included as ownership cost, see Note 3.

FINANCIAL RISK

Financing risk

Management monitors the Group's liquidity reserve, which comprises a bond, loan facility, bank deposits, and cash equivalents, based on expected cash flows. As at 31 December 2021, the Group has, after settlement of the NOK 425 million term loan and NOK 600 million bridge-loan, EUR 42.5 million in syndicated debt, a revolver credit facility of NOK 1 225 million (NOK 785 million undrawn) and a NOK 100 million overdraft facility (NOK 100 million undrawn). These facilities have been refinanced in Q1 2022, see Note 6 for more information. Our green bond issue of NOK 1 500 million matures in Q2 2025.

On 29 June 2021, Grieg Seafood entered into an agreement with Scottish Sea Farms Ltd for the divestment of our Shetland assets, and on 15 December 2021 the transaction was completed. The transaction and the refinancing have significantly improved the Group's financial flexibility.

Liquidity risk

The Group has invested substantial amounts during the last year, such as the acquisition of Grieg Newfoundland and the build-up of its biomass. The Group utilizes factoring agreements to finance its trade receivables. The trade financier purchases 100% of the credit-insured trade receivables from the Norwegian sales organization, transferring significant (95%) risk and control to the credit insurer. The purchased receivables by the trade financier are derecognized from the statement of financial position of the Group.

Monitoring of the Group's liquidity reserve is carried out at group level in collaboration with the operating companies. Management and the Board seek to maintain a high equity ratio (52% at 31 December 2021), to be well positioned to meet financial and operational challenges.

Currency risk

The Group is primarily impacted by currency exposure to CAD, USD, GBP 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, GBP/EUR and USD/NOK, and other currencies if required. However, the Group may not be successful in hedging against currency fluctuations and significant fluctuations may have a material adverse effect on the Group's financial results and business.

Interest rate risk

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

Credit risk

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

creditworthiness. The Group normally sells to new customers solely against presentation of a letter of credit or against advance payment, and credit insurance is used when deemed necessary.

CLIMATE AND NATURE RELATED RISK

Climate and nature plays an important role in Grieg Seafood's operations. Loss of nature and biodiversity is happening at an unprecedented pace, and it is both exacerbating, and being driven by, the climate crisis. We need to increase our understanding of climate and nature-related risks, in order to find solutions to reduce negative impacts.

The salmon farming industry is regulated to avoid impact on biodiversity and the marine environment, and in addition, certifications like the Aquaculture Stewardship Council (ASC), which we aim to have implemented on all farms by 2023, help us raise the bar above regulatory limits. As of quarter end, 62% of net production is ASC certified. However, we acknowledge that we still have challenges to solve, and we believe that preventative farming is key to reducing our impacts. Several of our ongoing initiatives target climate and nature-related challenges, such as shortening the time our fish spend at sea and are exposed to risks; using real-time ocean data, data analytics, machine learning and artificial intelligence to better predict outcomes and implement mitigating actions early; and experimenting with new farming technologies that create barriers between the fish and the natural environment such as semi-closed sea-based systems, land-based farming and offshore farming.

We report our greenhouse gas emissions for Scope 1, 2 and 3, and our carbon emission targets are approved by the Science-Based Targets initiative. We have performed climate-related scenario analysis, and identified possible physical risks, transition risk, market risk and reputational risk. Read our [Task force on Climate related Financial Disclosures \(TCFD\) report](#) and our [scenario-analysis](#).

We have also joined the Taskforce on Nature-related Financial Disclosures (TNFD), as a Taskforce Member. 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 [TNFDs website](#).

NOTE 3 SEGMENT INFORMATION

The operating segments are identified on the basis of the reports which Group management uses to assess performance and profitability at a strategic level. Group management assesses business activities from a geographical perspective, based on the location of assets. The Group has one production segment: Production of farmed salmon. Earnings from the sales companies in the Group is reported per producer. Geographically, management assesses the results of production in Rogaland – Norway, Finnmark – Norway and BC – Canada, and - as from Q1 2021 - Newfoundland - Canada. In Q4 2020, Grieg Seafood defined the reporting segment "Shetland-UK" as part of the disposal group "Shetland", currently classified as held for sale (see Note 4).

Group management evaluates the results from the segments based on EBIT before production fee and fair value adjustments of biological assets. The operating segments are divided geographically by country or region, based on the reporting applied by Group management when assessing performance and profitability at a strategic level.

The method of measurement excludes the effect of non-recurring costs, such as restructuring costs, legal costs on acquisition and amortization of goodwill and intangible assets when amortization is attributable to an isolated event which is not expected to recur. The measurement method also excludes the effect of share based payments, as well as unrealized gains and losses on financial instruments, and ownership costs. These gains/losses and costs are reported in the "Elim/Other" column in the segment information of Grieg Seafood.

Elim./Other items comprise, in addition to intercompany eliminations, the profit/loss from activities conducted by the parent company or other Group companies not geared for production.

In the segment reporting, sales revenue on regional level include revenue from sale of Atlantic salmon. On regional level, other income include sale of bi-products (such as ensilage), as well as income from sale of smolt, fry and roe. On Group level, such income are reclassified to sales revenue in the "Elim/Other"-column in the Group's segment information. Other income also include, both on regional and Group level, rental income and income from overcapacity of operational assets. Other gains/losses are in the segment information included in the line "other income", such as gains/losses from the sale of fixed assets and other equipment.

Sales revenue/kg reported in the segment information is equal to the sum of sales revenue of the regions divided by the related harvest volume.

Farming cost/kg reported in the segment information contributes all cost directly related to production and harvest of salmon, divided by the related harvest volume. Thus, on regional level, farming costs equal the operational costs. Other income are included in the farming cost metric, thus considered as cost reduction activities. Group farming cost is calculated based on the farming operation of the Group, excluding ownership costs and costs from Group companies not geared for production.

Other costs incl. ownership and headquarter costs/kg reported in the segment information include all costs and revenue not directly related to production and harvest of salmon, hereof the costs from activities conducted by the parent company and other Group companies not geared for production, divided by the Group's harvest volume. In addition, until the first harvest in Newfoundland is carried out, costs attributable to the Newfoundland region are included as other costs/kg.

EBIT/kg reported in the segment information is equal to the EBIT before production fee and fair value adjustment of biological assets divided by the related harvest volume.

Q4 2021 SEGMENTS (NOK 1 000)	FARMING EUROPE		FARMING NORTH AMERICA		ELIM./ OTHER	GROUP
	ROGALAND NORWAY	FINNMARK NORWAY	BC CANADA	NL CANADA		
	Sales revenues	399 884	680 938	281 594		
Other income	36 085	14 445	-4 694	-2 839	-34 472	8 525
EBITDA	112 317	247 735	39 468	-22 787	-22 993	353 740
EBIT before production fee and fair value adjustment of biological assets	83 461	211 184	16 646	-19 714	-26 197	265 380
Harvest volume tonnes GWT	7 259	12 411	4 058	—	—	23 727
Sales revenue/kg	55.1	54.9	69.4	—	—	57.4
Farming cost/kg	43.6	37.8	65.3	—	—	44.3
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	1.9
EBIT/kg	11.5	17.0	4.1	—	—	11.2
EBITDA %	28%	36%	14%	0%	-15%	23%
EBIT %	21%	31%	6%	0%	-17%	18%

The ownership cost includes legal fees related to the EU commission investigation of NOK 2.9 million in Q4 2021, and NOK 22.3 million YTD 2021.

Q4 2020 SEGMENTS (NOK 1 000)	FARMING EUROPE		FARMING NORTH AMERICA		ELIM./ OTHER	GROUP
	ROGALAND NORWAY	FINNMARK NORWAY	BC CANADA	NL CANADA		
	Sales revenues	309 610	494 013	178 518		
Other income	23 811	36 888	-90	—	-63 262	-2 653
EBITDA	56 391	43 442	44 335	—	-64 901	79 267
EBIT before production fee and fair value adjustment of biological assets	30 673	8 921	16 387	—	-72 250	-16 269
Harvest volume tonnes GWT	6 532	11 082	2 657	—	—	20 271
Sales revenue/kg	47.4	44.6	67.2	—	—	48.5
Farming cost/kg	42.7	43.8	61.0	—	—	45.7
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	3.6
EBIT/kg	4.7	0.8	6.2	—	—	-0.8
EBITDA %	18%	9%	25%	—	-41%	7%
EBIT %	10%	2%	9%	—	-45%	-1%

YTD 2021 SEGMENTS (NOK 1 000)	FARMING EUROPE		FARMING NORTH AMERICA		ELIM./ OTHER	GROUP
	ROGALAND NORWAY	FINNMARK NORWAY	BC CANADA	NL CANADA		
	Sales revenues	1 430 949	1 756 292	1 023 474		
Other income	76 780	48 816	2 274	569	-64 445	63 994
EBITDA	344 882	393 176	243 776	-92 819	-70 970	818 044
EBIT before production fee and fair value adjustment of biological assets	242 017	250 537	150 235	-116 858	-83 561	442 370
Harvest volume tonnes GWT	26 670	34 484	14 448	—	—	75 601
Sales revenue/kg	53.7	50.9	70.8	—	—	55.7
Farming cost/kg	44.6	43.7	60.4	—	—	47.2
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	2.7
EBIT/kg	9.1	7.3	10.4	—	—	5.9
EBITDA %	24%	22%	24%	0%	-18%	18%
EBIT %	17%	14%	15%	0%	-22%	10%

YTD 2020 SEGMENTS (NOK 1 000)	FARMING EUROPE		FARMING NORTH AMERICA		ELIM./ OTHER	GROUP
	ROGALAND NORWAY	FINNMARK NORWAY	BC CANADA	NL CANADA		
	Sales revenues	1 263 088	1 313 549	1 178 931		
Other income	78 575	73 787	14 133	—	-142 594	23 902
EBITDA	393 304	272 187	98 324	—	-161 884	601 932
EBIT before production fee and fair value adjustment of biological assets	292 299	127 424	-7 425	—	-179 242	233 057
Harvest volume tonnes GWT	23 043	26 919	21 181	—	—	71 142
Sales revenue/kg	54.8	48.8	55.7	—	—	52.8
Farming cost/kg	42.1	44.1	56.0	—	—	47.0
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	2.5
EBIT/kg	12.7	4.7	-0.4	—	—	3.3
EBITDA %	31%	21%	8%	—	-26%	14%
EBIT %	23%	10%	-1%	—	-29%	5%

NL-CANADA: Newfoundland. Acquired in Q2 2020, reported as a region as from 2021 and included in "Elim/Other" through 2020.

NOTE 4 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

All the note disclosures in this financial report for Q4 2021 have been prepared for the Group's continuing operations if not otherwise explicitly stated in the note disclosures. This Note is prepared for the Group's discontinued operations only.

Intercompany balances and transactions between the entities within the disposal group's, as well with other Group Companies, have been eliminated if not otherwise explicitly mentioned below.

SHETLAND

In November 2020, we announced that we will divest our investment and operations in Shetland, as we will focus on our operations in Norway and Canada going forward.

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 Hjaltland UK Ltd, the holding company of Grieg Seafood ASA's Shetland business (the "SPA"). The transaction was subject to certain customary closing conditions such as merger clearance. The Competition and Markets Authority (CMA) in UK approved the transaction on 8 December 2021. Closing of the transaction occurred on 15 December 2021, upon which Grieg Seafood Hjaltland UK Ltd and Grieg Seafood Shetland Ltd (the Shetland assets/Shetland disposal group) have been deconsolidated from the Grieg Seafood Group.

The discontinued operations have been defined as the farming and sales operations by Grieg Seafood in Shetland. Thus, the discontinued operation of Shetland includes the prior reporting segment of Shetland UK, in addition to the UK sales operations. Certain invoiced intercompany services from Grieg Seafood ASA to Grieg Seafood Shetland has not been eliminated, and is included in the discontinued operations' result. These costs are considered directly associated with the assets held for sale, and will cease following the finalization of the sale transaction.

The enterprise value in the transaction was set to GBP 164 million, assuming a normalized net working capital and to be adjusted for net debt. On the closing date of the transaction, Grieg Seafood received a preliminary purchase price for the Shetland assets of NOK 2 087 million. In addition, Scottish Sea Farms Ltd settled a GBP intercompany long term loan granted by Grieg Seafood ASA ("Sellers debt"). The preliminary purchase price has been calculated pursuant to a pre-closing statement which was prepared in good faith and set out, among other, the net debt and net working capital of the Shetland assets. The actual net debt and net working capital shall be calculated in accordance with the accounting principles and shall be set out in a closing statement. Grieg Seafood does not expect a significant adjustment of the final purchase price for the Shetland assets. At 31 December 2021, the calculation of the gain/loss from sale of the Shetland assets has been based on the preliminary purchase price. According to the sales purchase agreement, the closing statement and the calculation of the final purchase price is expected to be finalized by the end of Q1 2022. The preliminary gain after income tax resulting from the sale of the Shetland assets is NOK 424 million. The preliminary gain has been calculated by deducting Grieg Seafood Group's book value of the Shetland assets on the closing date and the transaction costs from the sum of the preliminary purchase and the settlement of the Seller debt. In addition, the gain/loss calculation includes recycling of accumulated OCI of NOK 106 million before tax and NOK 83 million after tax, whereas the tax expense of NOK 23 million relates to the tax position on the Seller debt.

Operating income from the disposal group Shetland amounted to NOK 196 million in Q4 2021, with an EBITDA of NOK 68 million. The operating income for YTD 2021 was NOK 951 million, with an EBITDA of NOK 176 million. The Shetland asset financials are prepared in line with IFRS 5, thus the net profit for the period from discontinued operations is excl. amortization and depreciation of property, plant and equipment and right-of-use assets.

OCEAN QUALITY

On 23 May 2020, we entered into an agreement with Bremnes Fryseri to dissolve the Ocean Quality sales partnership. The transaction was finalized at year-end 2020. See Note 5 of the 2020 Annual Report for more information on the Ocean Quality disposal group.

FINANCIAL INFORMATION FOR THE HELD FOR SALE DISPOSAL GROUPS

PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (NOK 1 000)	TOTAL			
	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Net profit for the period from discontinued operations	80 606	88 643	176 613	-203 856
Gain on the sale of the subsidiary after income tax	423 678	5 033	423 678	5 033
Net profit for the period from discontinued operations	504 284	93 677	600 291	-198 823

SPECIFICATION: PROFIT (LOSS) FROM DISCONTINUED OPERATIONS PER DISPOSAL GROUP (NOK 1 000)

	SHETLAND*				OCEAN QUALITY**			
	Q4 2021	Q4 2020	YTD 2021	YTD 2020	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Operating income	196 020	201 727	951 334	968 729	—	749 358	—	3 084 108
Operating expenses	-127 601	-227 142	-775 822	-1 191 934	—	-737 512	—	-3 058 240
EBIT before production fee and fair value adjustment of biological assets	68 420	-25 415	175 512	-223 205	—	11 846	—	25 868
Production fee***	-855	-1 129	-5 219	-5 368	—	—	—	—
Fair value adjustment of biological assets	17 922	102 061	75 697	-97 039	—	—	—	—
EBIT after production fee and fair value adjustment of biological assets	85 486	75 517	245 990	-325 613	—	11 846	—	25 868
Net financial items	5 564	-11 111	1 902	-6 744	—	2 640	—	10 271
Profit before tax from discontinued operations	91 051	64 406	247 893	-332 357	—	14 487	—	36 139
Estimated taxation	-10 445	13 513	-71 280	100 838	—	-3 763	—	-8 476
Net profit for the period from discontinued operations	80 606	77 919	176 613	-231 519	—	10 724	—	27 663
Gain on the sale of the subsidiary after income tax	423 678	—	423 678	—	—	5 033	—	5 033
Net profit for the period from discontinued operations	504 284	77 919	600 291	-231 519	—	15 757	—	32 696

*Depreciation ceased from 1 October 2020, in accordance with IFRS 5. Shetland sold to Scottish Sea Farms Ltd 15 December 2021.

**Transaction with Bremnes Fryseri AS completed 31 December 2020. 2021 is thus n/a for the Ocean Quality disposal group.

***See Note 1

AMOUNTS IN ACCUMULATED OCI ASSOCIATED WITH THE DISPOSAL GROUP (NOK 1 000)	15.12.2021	31.12.2020
Currency effect on investment in subsidiaries	3 261	7 377
Currency effects on loans to subsidiaries	103 223	88 624
Other gains and losses	-636	-636
Cash flow hedges	—	—
Tax effects	-22 709	-19 497
Reserve of disposal group classified as held for sale*	83 139	75 868

*The accumulated OCI of NOK 83 million was recycled to the income statement 15 December 2021 for the gain/loss calculation when deconsolidating the Shetland assets from the Grieg Seafood Group.

CASH FLOWS FROM DISCONTINUED OPERATIONS (NOK 1 000)

	TOTAL			
	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Net cash flow from operating activities	-18 459	-69 933	145 227	3 505
Net cash flow from investing activities	2 062 342	-73 620	2 041 801	-121 537
Net cash flow from financing activities	-12 177	-36 287	-145 836	-120 161
Sum	2 031 706	-179 840	2 041 192	-238 193
Cash discontinued operations cash and cash equivalents - other changes	3 921	75 771	-842	-568
Net change in cash and cash equivalents from discontinued operations	2 035 627	-104 068	2 040 350	-238 762

SPECIFICATION: CASH FLOWS FROM DISCONTINUED OPERATIONS PER DISPOSAL GROUP (NOK 1 000)

	SHETLAND				OCEAN QUALITY			
	Q4 2021	Q4 2020	YTD 2021	YTD 2020	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Net cash flow from operating activities	-18 459	-53 060	145 227	-24 966	—	-16 874	—	28 471
Net cash flow from investing activities	2 062 342	-30 645	2 041 801	-77 905	—	-42 975	—	-43 632
Net cash flow from financing activities	-12 177	-36 107	-145 836	-118 796	—	-179	—	-1 366
Sum	2 031 706	-119 812	2 041 192	-221 667	—	-60 028	—	-16 526
Cash discontinued operations cash and cash equivalents - other changes	3 921	-594	-842	-525	—	76 365	—	-43
Net change in cash and cash equivalents from discontinued operations	2 035 627	-120 406	2 040 350	-222 193	—	16 337	—	-16 569

Grieg Seafood Shetland was part of Grieg Seafood ASA' group account (cash pool) arrangement with banks up until the sale 15 December 2021.

Preliminary cash settlement of NOK 2 087 million for sale of Shetland is included in net cash flow from investing activities from discontinued operations.

NOTE 5 BIOLOGICAL ASSETS AND FAIR VALUE ADJUSTMENT

The accounting treatment of live fish by enterprises applying IFRS is regulated by IAS 41 Agriculture. IAS 41 comprises a hierarchy of methods for accounting measurement of biological assets at level 3. The basic principle is that such assets shall be measured at fair value less cost to sell. Fair value is defined in IFRS 13 as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. According to IFRS 13, the highest and best use of the biological asset establishes the valuation premises. For salmon including parent fish, a present value model is applied to estimate fair value. For roe, fry and smolt, historical cost provides the best estimate of fair value.

In accordance with the principle for highest and best use, Grieg Seafood considers that the optimal harvest weight is 4.60 kg, which corresponds to 4 kg gutted weight. Fish with a live weight of 4.60 kg or more are classified as ready for harvest (mature fish), while fish that have not achieved this weight are classified as not harvestable (immature fish).

At the balance sheet date, uncertainty regarding the value of the mature fish mainly relates to realized prices and volume. For immature fish, the level of uncertainty is higher. Price, volume, discount rate and remaining production cost are the main uncertainty factors; however, uncertainty is also related to biological transformation and mortality prior to harvest date for the fish.

The change in the fair value of biological assets is recognized through profit or loss and presented as “fair value adjustment of biological assets”.

Sales prices for the fish in the sea for Norway are based on forward prices from Fish Pool. With regard to Canada the most relevant price information available for the period in which the fish is expected to be harvested. The price/net sales value is adjusted for quality differences (superior, ordinary and production), logistics expenses and sales commissions. Estimated harvesting expenses are deducted.

The estimated future cash flow is discounted by a monthly rate. The discount rate takes into account both risk adjustment (risk related to volume, cost and price), compensation for the value of the licenses (hypothetical rent) and time value (tying up capital). The Group uses a different discount factor when calculating the fair value of biological assets for the activity in the different regions. The discount factor reflects a combination of the cost of capital for the biomass, risk discounting and synthetic licenses rent. The reason for differentiating the discount factor per regional level is the different prerequisites for biological production and thus also a differentiation of recognized synthetic license rent. See further information on the accounting assumptions applied on the biological asset accounting estimates in our the Annual Report of 2020.

DISCOUNT RATE PER REGION	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Rogaland	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
Finnmark	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
British Columbia	3.5 %	3.5 %	3.5 %	3.5 %	3.5 %

Newfoundland: No fish in sea as at 31 December 2021.

BIOLOGICAL ASSETS	TONNES				NOK 1 000			
	Q4 2021	YTD 2021	Q4 2020	YTD 2020	Q4 2021	YTD 2021	Q4 2020	YTD 2020
Biological assets beginning of period	57 024	52 619	59 530	67 614	3 213 666	2 545 901	2 733 303	3 437 947
Biological assets classified as held for sale	n/a	n/a	-8 441	-11 480	n/a	n/a	-361 097	-641 389
Currency translation	n/a	n/a	n/a	n/a	5 303	22 843	-30 136	1 443
Increases due to production	29 474	94 056	25 232	80 748	1 024 097	3 428 102	907 798	3 097 559
Decrease due to harvesting	-27 377	-87 553	-23 702	-84 263	-932 911	-3 170 686	-828 694	-2 988 527
Fair value adjustment beginning of period	n/a	n/a	n/a	n/a	-831 222	-347 227	-222 498	-708 357
Fair value adjustment period end	n/a	n/a	n/a	n/a	970 480	970 480	347 227	347 227
Biological assets period end	59 121	59 121	52 619	52 619	3 449 412	3 449 412	2 545 903	2 545 903

In the table above, the opening-to-closing balance specification are disclosed for the Group's continued operations. In Q4 2020, the Shetland-assets was classified as held for sale. See more information in Note 4.

Specification of biological assets in Rogaland, Finnmark, British Columbia and Newfoundland

BIOLOGICAL ASSETS AT 31.12.2021	NUMBER OF FISH (1 000)	BIOMASS (TONNES)	COST OF PRODUCTION (NOK 1 000)	FAIR VALUE ADJUSTMENT (NOK 1 000)	CARRYING AMOUNT (NOK1 000)
Biomass onshore	28 522	539	164 959	—	164 959
Biological assets with round weight < 4.60 kg	28 266	51 944	2 080 957	873 626	2 954 583
Biological assets with round weight > 4.60 kg	1 292	6 638	233 018	96 853	329 871
Total	58 079	59 121	2 478 933	970 480	3 449 412

BIOLOGICAL ASSETS AT 31.12.2020	NUMBER OF FISH (1 000)	BIOMASS (TONNES)	COST OF PRODUCTION (NOK 1 000)	FAIR VALUE ADJUSTMENT (NOK 1 000)	CARRYING AMOUNT (NOK1 000)
Biomass onshore	19 617	699	139 360	—	139 360
Biological assets with round weight < 4.60 kg	26 933	43 419	1 795 414	321 444	2 116 858
Biological assets with round weight > 4.60 kg	1 498	8 500	263 902	25 782	289 684
Total	48 048	52 619	2 198 676	347 227	2 545 903

SPECIFICATION OF THE FAIR VALUE ADJUSTMENT, INCOME STATEMENT (NOK 1 000)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Change in fair value adjustment of biological assets	139 929	123 207	619 439	-377 639
Change in physical delivery contracts related to fair value adjustments of biological assets	—	—	—	—
Change in fair value of financial derivatives from salmon (Fish Pool contracts)	-3 889	82 827	-96 403	87 933
Total recognized fair value adjustment of biological assets	136 040	206 034	523 036	-289 705

Provisions allocated to future physical delivery contracts that require fair value adjustments are recognized as other current liabilities in the balance sheet. The contracts are calculated based on the same forward prices used for fair value calculation of biological assets. Value adjustment of financial derivatives from salmon are recognized in the balance sheet as derivatives and other financial instruments. Financial derivatives are calculated at market value.

NOTE 6 NET INTEREST-BEARING LIABILITIES AND EQUITY ACCORDING TO COVENANTS

Grieg Seafood ASA was in compliance with its financial covenants at 31 December 2021. As at 31 December 2021, the equity-ratio requirement according to the financial covenants of the syndicated loan agreement was 35%, calculated ex. the effects of IFRS 16. At 31 December 2021, the Group had an equity ratio (according to IFRS) of 52%, while the equity ratio according to financial covenants was 54% (43%), compared to 43% at 30 September 2021. The leverage ratio NIBD/EBITDA was 2.6 as at 31 December 2021.

In Q1 2022, Grieg Seafood finalized a refinancing of the Group's syndicated financial liabilities, with an aggregate of NOK 3 200 million in five-year senior secured sustainability-linked loans and credit facilities. This represents the completion of the funding process communicated in our Q3 2021 report. The new debt structure comprises a NOK 750 million term loan, an EUR 75 million term loan, a NOK 1 500 million revolving credit facility and a NOK 200 million overdraft facility. The NOK- and EUR term loan carries installments equal to 12 years repayment profile until balloon payment at five years. The revolving credit facility matures at five years, while the overdraft facility is subject to annual renewal. The interest rate is three months NIBOR plus margin. The sole financial covenant for the new facilities is a minimum book value of equity ratio of 31%, ex. the effect of IFRS 16 compared to IFRS in force prior to 1 January 2019.

The green bond (GSF01 G, listed at Euronext) matures 25 June 2025. The bond carries a coupon rate of three months NIBOR + 3.4% p.a. The bond's financial covenant is an equity-ratio requirement of minimum 30%, measured consistent with the Group's equity-ratio financial covenants as defined in its syndicated loan agreement with secured lenders.

NET INTEREST-BEARING LIABILITIES ACCORDING TO COVENANTS (NOK 1 000)	31.12.2021	31.12.2020
Bond loan ¹	1 500 000	1 500 000
Non-current borrowings incl. syndicate term loan and revolving facility ^{1,2}	910 671	1 918 946
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	290 219	176 226
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	287 578	355 417
Total non-current interest-bearing liabilities³	2 988 468	3 950 589
Current portion of borrowings incl. overdraft	54 475	104 435
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	105 114	75 426
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	72 918	77 769
Total current interest-bearing liabilities	232 507	257 630
Gross interest-bearing liabilities	3 220 974	4 208 219
Cash and cash equivalents	-928 342	-275 427
Loans to associates	-2 111	-1 910
Net interest-bearing liabilities	2 290 520	3 930 882
Lease liabilities ⁴	-395 332	-251 653
Non-current debt to the Province of Newfoundland and Labrador, Canada ²	-26 487	—
Net interest-bearing liabilities according to covenants	1 868 701	3 679 230
NIBD/EBITDA⁵	2.6	n/a

1) Bond loan and non-current borrowings incl. syndicate term loan and revolving facility as presented above, are exclusive of amortized loan borrowing costs.

2) In Q1 2021, Her Majesty in Right of Newfoundland and Labrador in Canada has been issued preference shares in the Canadian holding company of Grieg Newfoundland. The arrangement are in line with the Newfoundland project plan. The preference shares are in substance deemed as debt financing. The consideration will be repaid as from 2026. Repayment schedule based on free cash flow and balloon payment if not repaid within 2039.

3) Total non-current interest-bearing liabilities according to this table is ex. amortized loan costs, which explain the difference vs non-current borrowings and lease liabilities in the Statement of Financial Position.

4) Leasing liabilities that would, according to 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.

5) NIBD/EBITDA is calculated in accordance to the covenants. 12-month rolling EBITDA before fair value adjustment.

Specification of the effect of IFRS 16

The following two tables summarize the effect of IFRS 16 compared with IFRS in force prior to 1 January 2019.

EFFECT OF IFRS 16 (NOK 1 000)	31.12.2021	31.12.2020
Right of use assets included in property, plant and equipment incl. right-of-use assets	385 606	244 692
Lease liabilities included in non-current lease liabilities	290 219	176 226
Lease liabilities included in current lease liabilities	105 114	75 426

The table present the effect the application of IFRS 16 compared with IFRS in force prior to 1 January 2019 has on the Group's Statement of Financial Position.

EFFECT OF IFRS 16 (NOK 1 000)*	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Other operating expenses**	20 237	26 153	104 824	108 313
EBITDA	20 237	26 153	104 824	108 313
Depreciation and amortization	-16 987	-24 712	-97 374	-103 343
EBIT before production fee and fair value adjustment of biological assets	3 250	1 441	7 450	4 970
Fair value adjustment of biological assets	—	—	—	—
EBIT after production fee and fair value adjustment of biological assets	3 250	1 441	7 450	4 970
Net financial items	-2 876	-8 218	-10 029	-8 881
Profit before tax from continuing operations	374	-6 777	-2 579	-3 911

*The IFRS 16 effect in the table above is disclosed for the Group's continuing operations. The table present the effect the application of IFRS 16 compared with IFRS in force prior to 1 January 2019 has on the Group's income statement.

**The effect on other operating expenses is reversal of rental expenses booked according to IFRS in force prior to 1 January 2019.

NOTE 7 NET FINANCIAL ITEMS

NET FINANCIAL ITEMS (NOK 1 000)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Changes in fair value from hedging instruments	5 147	1 379	28 370	-24 518
Net financial interest	-47 347	-31 581	-191 159	-99 588
Net currency gain (losses)	19 342	-41 112	96 709	-98 714
Dividend	—	—	10	20
Net other financial income (expenses)	-7 515	-16 696	-21 196	-24 992
Net financial items	-30 373	-88 010	-87 266	-247 792

NOTE 8 INVESTMENT IN ASSOCIATED COMPANIES

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

The investment in Tytlandsvik Aqua AS, Nordnorsk Smolt AS and Årdal Aqua AS are classified on the separate line "Investments in associates" in the statement of financial position, and the share of profit is included in EBIT, presented on the line item "Share of profit from associates" in the income statement. No investments were classified on a separate line below the financial statement line of EBIT in the income statement.

ASSOCIATES CLASSIFIED AS OPERATIONS	EQUITY INTEREST	EQUITY INTEREST	BOOK VALUE	SHARE OF PROFIT FROM ASSOCIATES	OTHER CHANGES IN THE PERIOD	BOOK VALUE
	01.01.2021	31.12.2021	01.01.2021	YTD 2021	YTD 2021	31.12.2021
Nordnorsk Smolt AS	50.00%	50.00%	41 263	-6 053	12 500	47 710
Tytlandsvik Aqua AS	33.33 %	33.33 %	43 157	4 929	—	48 087
Årdal Aqua AS	0.00 %	37.04 %	—	-363	9 241	8 878
Total associates classified as operations			84 421	-1 486	21 741	104 675

The Group owns, through Grieg Seafood Finnmark AS, a 50.00% ownership interest in Nordnorsk Smolt AS together with Norway Royal Salmon ASA (50.00%). In December, a capital increase was carried out, where both owners invested NOK 12.5 mill each. At 31 December 2021, Grieg Seafood Finnmark has an outstanding long-term loan to Nordnorsk Smolt AS of NOK 2.1 million (NOK 1.9 million at 31 December 2020), which is included in the Group's other non-current receivables in the Statement of Financial Position. Nordnorsk Smolt AS is located in Troms and Finnmark county in Northern Norway. Nordnorsk Smolt has an annual production capacity of 800 tonnes. Unfortunately, a batch of smolt was culled due to an acute incident of unstable level of hydrogen sulfide during Q4 2021. The company is working on improvements including technical changes in the facility to reduce the risk of similar cases.

The Group owns, through Grieg Seafood Rogaland AS, a 33.33% ownership interest in Tytlandsvik Aqua AS, together with Bremnes Seashore AS (33.33%) and Vest Havbruk AS (33.33%). Tytlandsvik Aqua AS has a current annual production capacity of 3 400 tonnes, of which Grieg Seafood Rogaland's share of the volume is 50%. The production at Tytlandsvik has been good throughout the year.

In 2021, Grieg Seafood Rogaland invested NOK 2.5 million for an ownership interest of 37.04% in Årdal Aqua AS. Årdal Aqua is currently in the design development phase of a land-based farming facility in Rogaland in Norway. The other shareholders of Årdal Aqua are Vest Havbruk AS and Omfar AS. A share issue was carried out when Omfar became a co-owner of the company, and the other two shareholders were diluted from 50% to 37.04% ownership. At the same time, Grieg Seafood Rogaland entered into a post smolt agreement with Årdal Aqua. The capital issue from Omar and the post smolt agreement with Grieg Seafood Rogaland consequently recognized an income with a dilution gain of NOK 6.7 million for Grieg Seafood Rogaland. Årdal Aqua is in a development phase where it remains to decide on the division of the construction activities. On the basis of this, the dilution effect has not been recognized as income, but set aside as a liability to Årdal Aqua pending a final decision on development.

NOTE 9 RELATED PARTIES

Related parties' transactions

The Group has transactions with companies controlled by Grieg Maturitas II AS, who is the parent company of Grieg Aqua AS, majority owner of Grieg Seafood ASA. Grieg Seafood ASA rents office premises from Grieg Gaarden AS and acquires other administrative services from Grieg Group Resources AS. The office rental agreement runs for a period of ten years. Grieg Kapital AS has share holdings in Ryfylke Rensefisk AS, from which Grieg Seafood acquires lumpfish. Grieg Seafood ASA buys fuel from Eidsvaag AS, which is a related party to a Board member.

All transactions, including both sale and purchase of goods and services, are made on an arm's length basis.

SHARES CONTROLLED BY THE BOARD MEMBERS AND MANAGEMENT AT 31.12.2021	NO. OF SHARES (Direct and indirect ownership)	SHARE-HOLDING (Direct and indirect ownership)
Board of directors		
Per Grieg Jr. (direct and indirect ownership)	60 354 324	53.20%
Tore Holand	2 000	0.00%
Marianne Ødegaard Ribe	—	0.00 %
Katrine Trovik	—	0.00 %
Nicolai Hafeld Grieg (indirect ownership) ¹	—	1.87%
Group management		
CEO	39 809	0.04%
CFO	24 852	0.02%
COO Farming Europe	22 809	0.02%
COO Farming North America	24 209	0.02%
CCO	644	0.00 %
CTO	24 151	0.02%
CHRO	12 380	0.01%
Global Communications Manager	644	0.00 %
Total shares controlled by Board members and Group management	60 505 822	55.20%

¹Nicolai Hafeld Grieg do not personally own shares in Grieg Seafood ASA. Through his private investment company Maneo Holding AS he indirectly owns 1.87% of Grieg Seafood ASA through Grieg Maturitas' ownership in Grieg Aqua AS.

Shares owned by the following companies are controlled by Per Grieg jr. and closely related people (Verdipapirhandelloven § 2-5):

SHARES OWNED BY PER GRIEG JR. AND CLOSELY RELATED	NO. OF SHARES	SHARE-HOLDING
Grieg Aqua AS	56 914 355	50.17%
Ystholmen Felles AS	2 428 197	2.14%
Kvasshøgdi AS	996 772	0.88%
Per Grieg Jr. (private)	15 000	0.01%
Total shares owned by Per Grieg Jr. and closely related	60 354 324	53.20%

NOTE 10 SHARE CAPITAL AND SHAREHOLDERS

As at 31 December 2021, the Company had 113 447 042 shares with a nominal value of NOK 4.00 per share. All shares issued by the Company are fully paid-up. There is one class of shares and all shares confer the same rights.

SHARE CAPITAL AND NUMBER OF SHARES	NOMINAL VALUE PER SHARE (NOK)	TOTAL SHARE CAPITAL (NOK 1 000)	NUMBER OF ORDINARY SHARES
Total	4.00	453 788	113 447 042
Holding of treasury shares	4.00	-5 000	-1 250 000
Sale of treasury shares to employees 2018-2021	4.00	468	117 019
Total excl. treasury shares	4.00	449 256	112 314 061

Treasury shares

In June 2011, the Company purchased 1 250 000 treasury shares at NOK 14.40 per share. From 2018 through 2021, the treasury shares have been sold to employees for the share savings program. As at 31 December 2021, the Company has 1 132 981 treasury shares.

THE 20 LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA AT 31.12.2021	NO. OF SHARES	SHARE-HOLDING
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%
Total 20 largest shareholders	87 790 860	77.38%
Total others	25 656 182	22.62%
Total number of shares	113 447 042	100.00%

ALTERNATIVE PERFORMANCE MEASURES (APM)

APM	DEFINITION AND CALCULATION	REASON FOR APPLYING APM
EBIT = EBIT before production fee and fair value adjustment of biological assets	<p>Operating profit incl. amortization and depreciation ex. production fee and fair value adjustment of biological assets.</p> <p>Unless otherwise specified, EBIT before production fee and fair value adjustment of biological assets is shortened to EBIT (earnings before interest and taxes). This also applies to all key figures where EBIT is a component, including: EBIT-margin (%), EBIT/kg GWT and ROCE.</p>	EBIT before production fee and fair value adjustment provides a more informative result as it does not consider country-specific taxation charged on harvest volume and future gains or losses on fish not yet sold. The fair value adjustment has a non-operational nature and can affect the comparability of our performance from period to period. This EBIT metric is generally considered the industry measure for profitability.
EBITDA = EBITDA before production fee and fair value adjustment of biological assets	<p>Operating profit before amortization and depreciation ex. production fee and fair value adjustment of biological assets.</p> <p>Unless otherwise specified, EBITDA before production fee and fair value adjustment of biological assets is shortened to EBITDA. This also applies to all key figures where EBITDA is a component, including: EBITDA-margin (%), and NIBD/EBITDA.</p>	EBITDA before production fee and fair value adjustment provides a more informative result as it does not consider future gains or losses on fish not yet sold. The fair value adjustment has a non-operational nature and can affect the comparability of our performance from period to period.
Equity ratio	<p>Equity ratio equals equity divided by total assets.</p> <p>Up until year-end 2020, the equity ratio was calculated both with and without consolidation of Ocean Quality entities. The bank syndicate equity covenant definition is excluding Ocean Quality. It covers only Grieg Seafood companies both with regards to equity and total liabilities. As from 31.12.2020, the investment in Ocean Quality is divested, in the equity-ratio is calculated without the excl. of sales companies. The equity ratio according to covenants are calculated excluding the effect of IFRS 16 compared with IFRS in force prior to 1 January 2019.</p>	The equity ratio is applied to measure financial solidity in accordance with the Group's covenant requirements.
NIBD	<p>Net interest-bearing debt (NIBD) comprises non-current and current debt to financial institutions, after deducting cash and cash equivalents. Shetland assets and related liabilities are not included in the NIBD calculation of Grieg Seafood.</p> <p>NIBD is calculated in three ways:</p> <ol style="list-style-type: none"> 1) For ROCE calculation: including all long-term and current debt to credit institutions, incl. IFRS 16 effect (compared with IFRS in force prior to 1 January 2019) and factoring liabilities. 2) For covenant calculation as required by the bank syndicate: NIBD as in 1) but excl. the effect of IFRS 16 compared with IFRS in force prior to 1 January 2019, and excl. factoring. This method is used for calculation of NIBD/EBITDA. 	NIBD/EBITDA is a measure of solidity and one of the covenants in our bank agreement. When calculating NIBD/EBITDA, NIBD is calculated according to method 2 and EBITDA is before production fee and fair value adjustment of biological assets.
ROCE	<p>Return on capital employed (ROCE) is calculated using EBIT before fair value adjustment of biological assets (including production fee). EBIT included in the ROCE calculation is excl. Shetland, while equity is calculated before fair value adjustment of biological assets, incl. the biological assets at Shetland classified as held for sale.</p> <p>Quarterly ROCE is calculated as quarterly EBIT before fair value adjustment of biological assets, but including production fee, divided by the average of NIBD plus equity before fair value adjustment of biological assets from opening- to closing balance of the quarter. ROCE for year-to-date (YTD) is calculated using the same methodology. The EBIT-figure described above is annualized by grossing it up (4/1 for quarterly ROCE and 4/current quarter number for YTD). NIBD is calculated according to method 1, described in the NIBD section above.</p>	ROCE measures the return on invested capital. Fair value adjustment of biological assets is extracted, as this reflects future gains or losses on fish not yet sold, which can affect the comparability of performance from period to period.
FARMING COST/ KG	<p>Farming cost per kg is the farming cost directly related to production and harvest of salmon (head-on-gutted), divided by the related harvest volume of the farming operation. We disclose our farming cost figures for year-to-date and quarter-to-date, per region and Group level.</p> <p>Farming cost on Group level is calculated on the farming operation of the Group, e.g. excluding headquarter/ownership costs.</p>	Each generation of salmon tie up net-working capital (production cost recognized as biological assets) for a considerable time, while the sales prices in the markets are highly dependent on the prevailing spot prices. We track and measure our farming cost level for the Group as a whole, and per region level, to evaluate our profitability and operational performance.



About Grieg Seafood

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

Our farms are in Finnmark and Rogaland in Norway, and British Columbia and Newfoundland in Canada. Our headquarter is located in Bergen, Norway. Grieg Seafood ASA was listed at the Oslo Stock Exchange in June 2007. More than 750 people work in the Company throughout our regions.

Sustainable farming practices are the foundation of Grieg Seafood's operations. The lowest possible environmental impact and the best possible fish welfare is both an ethical responsibility and a drive for economic profitability. Towards 2025, we aim for global growth, cost improvements and to evolve from a pure salmon supplier to an innovation partner for selected customers.

GRIEG SEAFOOD ASA

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Board of Directors

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Tore Holand
Vice chair

Katrine Trovik
Board member

Marianne Ødegaard Ribe
Board member

Nicolai Hafeld Grieg
Board member

Group Management

Andreas Kvame
CEO

Atle Harald Sandtorv
CFO

Alexander Knudsen
COO Farming Europe

Roy-Tore Rikardsen
COO Farming North America

Erik Holvik
Chief Commercial Director

Knut Utheim
CTO

Kathleen O. Mathisen
CHRO

Kristina Furnes
Global Communications Manager

Financial calendar

Annual Report 2021
31 March 2022

Q1 2022
13 May 2022

Q2 2022
23 August 2022

Q3 2022
11 November 2022

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