



Q3 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

- EBIT before production fee and fair value adjustment of NOK 149 million (-14 million), with EBIT/kg of NOK 7.3 (-1.0) driven by high prices in BC and declining cost level
- Good performance in Shetland, EBITDA of NOK 53 million (held for sale). UK competition authorities expected to decide on Shetland transaction by 15 December 2021
- Underlying operational improvement, with increased survival in all regions. Expect lower costs towards year end
- Value added processing capacity for part of our volume secured in Norway
- One site ASC certified, total of 30 sites or 56% of net production certified
- Expect harvest ex Shetland of 25 100 tonnes in Q4 2021, 77 000 tonnes for the full year 2021 and 90 000 for 2022

CEO comment

Thanks to the hard work of my colleagues across the company, Grieg Seafood has delivered one of our best third quarters ever.

Biology has continued to improve and stabilize, with increased survival across the regions compared to last year. The market was surprisingly strong, considering the large volumes harvested in the industry during the quarter, which would normally cause lower prices. We are experiencing the advantage of an in-house sales and market organization, which sold all of our fish for the second quarter in a row, and their work on integration between sales and production to optimize price performance. Moreover, we have secured value-added processing capacity for part of our volume in Norway as a step towards repositioning the company in the market.

Operationally, British Columbia was again a highlight during the quarter, with stable production and high average harvest weights. We continued the positive trend of reduced impact by harmful algae blooms. We experienced the full advantage of the region's close proximity to a strong US market, where we achieved high prices.

Finnmark performed well, with good production, good fish health and welfare, and few biological challenges. September marked the best production month the region has ever seen. Finnmark has taken measures to reduce the risk of winter ulcers during the coming winter, such as avoiding two winters at sea in the farming areas with the coldest temperatures. Access to value-added processing capacity will also contribute to better price achievement should there be downgrades.

Rogaland's performance was impacted by downgrades caused by PD, affecting both cost and price achievement. We experience, however, that fish groups harvested after a shorter time spent at sea, have reduced risk of PD and need fewer sea lice treatments, strengthening our confidence in our post-smolt strategy. Due to preventative measures, the region needed few sea lice treatments, continuing the positive trend from earlier years. Biology in the region stabilized towards the end of the quarter.

The fish in our Newfoundland freshwater facility is growing well and according to schedule. Shetland continued to deliver a profit, as the region has done since the turn-around. The sale is expected to be approved by UK authorities during the fourth quarter. It will allow us to concentrate focus, resources and investments to our production regions with the most potential for profitable growth – Norway and Canada.

Grieg Seafood's focus on sustainability remains. Reducing our footprint and improving fish welfare is key to long-term profitability, growth, attractiveness to our customers and license to operate. As a part of our work, Grieg Seafood has joined the Taskforce on Nature-related Financial Disclosures (TNFD) as a Taskforce Member, to build a global risk management and financial disclosure framework on nature-related risks.

With a strong outlook for both our farming operations and markets, we are optimistic for the time ahead, especially as the covid-19 pandemic continues to loosen its grip.



ANDREAS KVAME
CEO Grieg Seafood ASA

Regional highlights

Rogaland Europe

- Harvest volume of 6 282 tonnes (5 039)
- EBIT/kg NOK 4.9 (9.9)
- Price achievement impacted by low average harvest weight and superior share of 86% due to Pancreas Disease (PD) at three sites
- Farming cost per kg of NOK 46.5 vs NOK 44.3 in Q3 2020 and NOK 45.8 per kg in Q2 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
- Production was stable and improved towards quarter end, with increased survival. Continued trend of few sea lice treatments due to preventative measures
- YTD average weight of smolt is 450 grams at time of transfer to sea

Finnmark Europe

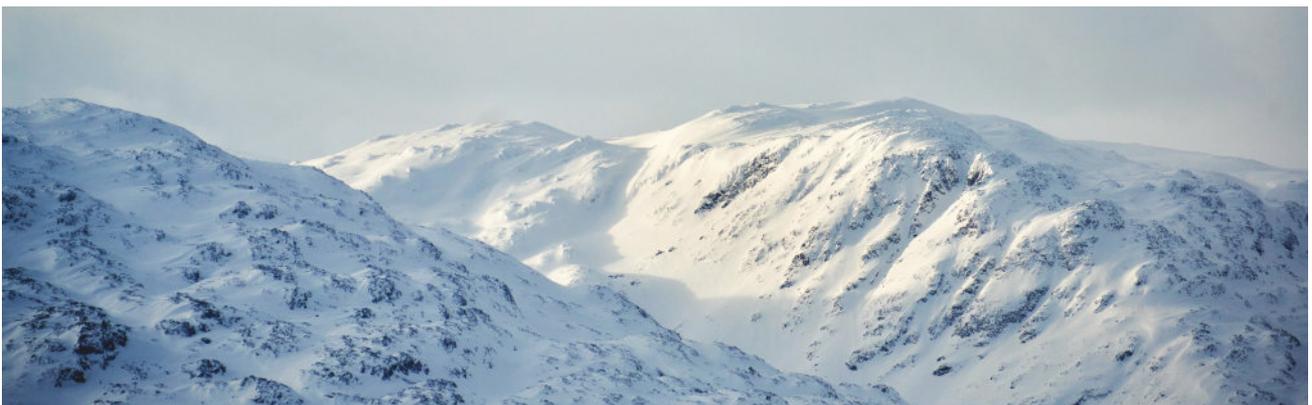
- Harvest volume of 9 908 tonnes (2 730)
- EBIT/kg NOK 8.1 (9.8)
- Satisfactorily price achievement, somehow impacted by harvest profile and a superior share of 87%
- Farming cost per kg of NOK 45.5 vs NOK 44.2 in Q3 2020 due to cost from winter ulcers carried over from earlier quarters, as well as harvesting from small sites. Cost improved from Q2 2021 (NOK 50.6 per kg) due to higher harvest volume
- Strong production and biological development with increased survival. All-time high monthly production volume in September. Measures taken to reduce risk of winter ulcers and ISA going forward
- Total of 17 sites ASC certified (84% of net production)

British Columbia North America

- Harvest volume of 4 289 tonnes (6 648)
- EBIT/kg NOK 20.6 (-7.8)
- Strong price achievement driven by good average harvest weight and a superior share of 89%
- Farming cost per kg of CAD 8.5 stable vs Q3 2020 (CAD 8.6) and Q2 2021 (CAD 8.5) despite lower harvest volume
- Good biological performance, with increased survival rates. Mortality related to algae blooms reduced from 3.4% in 2019 to 0.4% so far in 2021
- Total of 13 sites ASC certified (71% of net production)

Newfoundland North America

- Eight seawater licenses with a production capacity of 30 000 tonnes of annual harvest, additional licenses have been applied for
- RAS facility fully operational, smolt capacity of 600 tonnes
- Fish are growing well in freshwater facility
- Q3 operational cost of NOK 37 million
- Main priority is gradual development to ensure biosecurity, fish health and profitability



Key figures (from continuing operations)

Continuing operations

As at 30 September 2021, the Group presents the farming and sales operations of Grieg Seafood Shetland as discontinued operations (classification made in Q4 2020). In addition, in 2020 the former sales organization Ocean Quality was also treated as discontinued operations. Unless otherwise explicitly mentioned, qualitative and quantitative information disclosed in this report refer to the continued operations of Grieg Seafood. See also Note 4.

KEY FIGURES NOK MILLION	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Operational				
Harvest volume (tonnes GWT)	20 479	14 416	51 874	50 872
Sales revenue/kg (NOK)	58.4	52.9	54.9	54.5
Group farming cost/kg (NOK)	48.7	51.2	48.5	47.5
Other costs incl. ownership and headquarter costs/kg (NOK)	2.4	2.7	3.0	2.1
EBIT/kg (NOK)	7.3	-1.0	3.4	4.9
Financial				
Sales revenues	1 303	914	3 085	3 242
EBITDA before production fee and fair value adj. of biological assets	251	74	464	523
EBIT before production fee and fair value adj. of biological assets	149	-14	177	249
Profit before tax	209	-57	490	-406
Cash flow from operations	238	142	251	540
Capital structure				
Net interest-bearing liabilities according to covenant requirement	4 053	3 016	4 053	3 016
NIBD/EBITDA ⁽¹⁾	n/a	4.2	n/a	4.2
NIBD/harvest volume (NOK) ⁽²⁾	27.5	34.7	27.5	34.7
Equity %	41%	42%	41%	42%
Equity % according to covenant	43%	45%	43%	45%
Gross investments incl. Shetland ⁽³⁾	136	335	462	738
Profitability				
ROCE ⁽⁴⁾	7%	-1%	3 %	5 %
Dividend per share (NOK)	0.0	0.0	0.0	0.0
Earnings per share, continued operations (NOK)	1.3	-0.4	3.1	-2.9
Total market value (OSE)	9 303	9 688	9 303	9 688

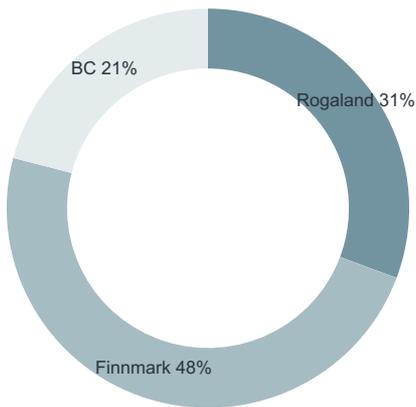
1) NIBD/EBITDA not measured through Q3 2021. See Note 6.

2) NIBD/harvest Q3 2021/YTD 2021: NIBD according to covenant less Shetland-transaction's enterprise value of GBP 164 million translated to NOK at 30 September 2021, divided by guided harvest volume for FY 2021 ex. Shetland.

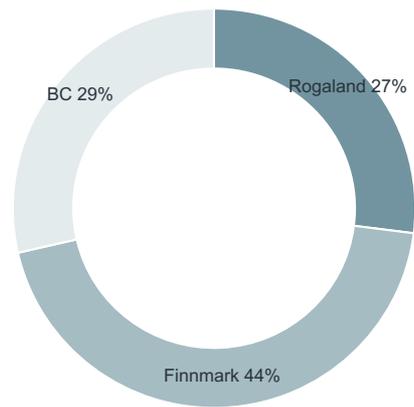
3) Incl. financial lease (according to IFRS in force prior to 1 January 2019) investments. For FY 2020, the figure is ex. cash consideration of NOK 620 million for Grieg Newfoundland, acquired in Q2 2020.

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

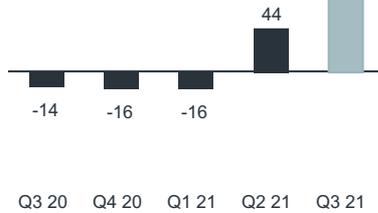
HARVEST VOLUME
Q3 2021



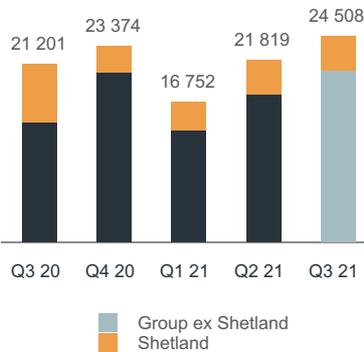
SALES REVENUES
Q3 2021



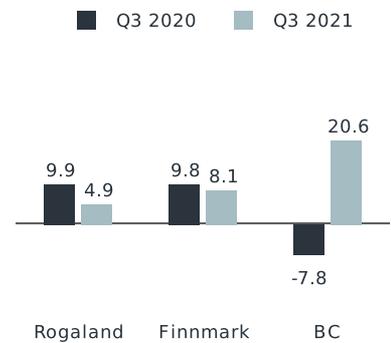
EBIT BEFORE PRODUCTION FEE AND FAIR VALUE
(NOK MILLION)



HARVEST VOLUME INCL. SHETLAND
(TONNES GWT)



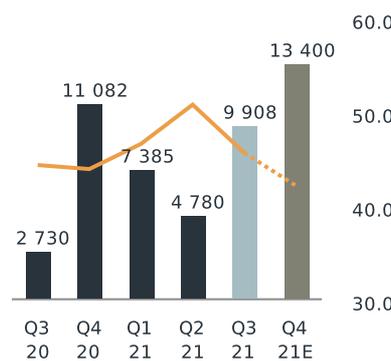
EBIT/KG PER REGION
(NOK)



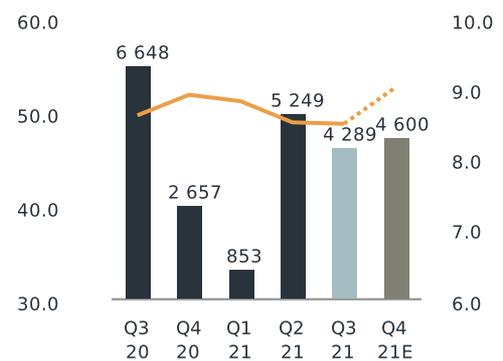
HARVEST VOLUME & FARMING COST/KG (NOK)
ROGALAND*
TARGET: NOK 40/kg



HARVEST VOLUME & FARMING COST/KG (NOK)
FINNMARK*
TARGET: NOK 40/kg



HARVEST VOLUME & FARMING COST/KG (CAD)
BRITISH COLUMBIA*
TARGET: CAD 7/kg



*Guided harvest volume for Q4 2021. Dotted cost line indicate direction of farming cost per kg.

Our scoreboard

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

	ASPECT	TARGET	STATUS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
PROFIT & INNOVATION	Return on capital employed ¹⁾	12% p.a.	◆	7%	2%	-1%	-1%	-1%
	Harvest volume (tonnes GWT)	90 000 tonnes in 2022	◆	20 479	17 812	13 583	20 271	14 416
	Farming cost per kg							
	Rogaland	NOK 40/kg in 2022	■	46.5	45.8	41.9	42.7	44.3
	Finnmark	NOK 40/kg in 2022	◆	45.5	50.6	46.5	43.8	44.2
	British Columbia	CAD 7/kg in 2022	■	8.5	8.5	8.8	8.9	8.6
HEALTHY OCEAN	ASC certifications ²⁾	All sites by 2023	◆	30	29	27	26	26
	Survival rate sea (GSI standard)	93% by 2022						
	Rogaland		◆	91%	91%	91%	90%	90%
	Finnmark		●	95%	94%	93%	92%	92%
	British Columbia		◆	91%	91%	90%	90%	88%
	Antibiotics g/tonne ³⁾	No use of antibiotics						
	Rogaland		●	0.0	0.0	0.0	0.0	0.0
	Finnmark		●	0.0	0.0	49.0	0.0	0.0
	British Columbia		◆	2.0	41.3	92.7	47.6	2.3
	Sea lice treatments g/tonne ^{3/4)}	Minimize use of pharmaceutical treatments						
	Rogaland		●	0.0	0.4	2.8	0.0	0.0
Finnmark		●	0.4	0.0	2.5	1.5	0.0	
British Columbia		●	0.9	0.0	0.4	0.0	0.0	
	Escape incidents (# of fish)	Zero escape incidents	●	0	1 (1)	1 (6)	0	0
SUSTAINABLE FOOD	High quality product	93% superior share						
	Rogaland		◆	86%	76%	75%	83%	90%
	Finnmark		◆	87%	78%	65%	77%	90%
	British Columbia		◆	89%	89%	90%	78%	85%
PEOPLE	Absence rate	Below 4.5%						
	Rogaland		●	3.5%	3.0%	1.8%	2.5%	2.7%
	Finnmark		■	7.8%	7.9%	8.1%	5.6%	6.4%
	British Columbia		◆	5.1%	5.5%	6.2%	5.9%	7.3%
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 Q4
- Expect harvest of 7 100 tonnes in Q4 2021, with a peak in November, with slightly lower cost per kg as we harvest from a new generation
- Q4 harvest volume reduced by ~1 500 tonnes mainly due to PD outbreak
- Cost improvement ambition remains, increased risk due to feed raw material inflation

Finnmark Europe

- Strong biological production so far in Q4
- Expect harvest of 13 400 tonnes in Q4 2021, evenly distributed through the quarter, with lower cost per kg as we harvest from sites with good biological performance
- Q4 harvest volume reduced by ~1 500 tonnes due to optimization of capacity utilization and skewing of volume to 2022
- Cost improvement ambition remains, increased risk due to feed raw material inflation

British Columbia North America

- Good biological situation so far in Q4
- Expect harvest of 4 600 tonnes in Q4 2021 with the largest portion of the volume in October, with some higher cost due to harvest from smaller sites
- Cost improvements longer term as a result of improved survival rates and increased volume, increased risk due to feed raw material inflation

Newfoundland North America

- Good biological conditions at the freshwater facility
- Reduced operational cost in Q4
- Focus going forward is preparation of seawater operations
- Three million smolt to be released during the spring and summer of 2022, with harvesting in 2023 and 2024

Our harvest target for 2021 is 77 000 tonnes (ex Shetland).

HARVEST (TONNES GWT)	ROGALAND	FINNMARK	BRITISH COLUMBIA	GROUP TOTAL
Q1 2021	5 350	7 380	850	13 600
Q2 2021	7 780	4 780	5 250	17 800
Q3 2021	6 280	9 910	4 290	20 500
Q4 2021	7 100	13 400	4 600	25 100
Total 2021	26 500	35 500	15 000	77 000
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 retail demand remaining high, supported by HoReCa market fully opening up. Current Fishpool forward price for Q4 2021 is close to NOK 61 per kg. Our estimated contract share in Norway for Q4 is 20%, or 29% for 2021.

Capex

Remaining capex estimated at approx. NOK 220 million in Q4, totaling close to NOK 680 million in 2021.

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](#).

<p>OPERATIONAL FOCUS AREAS</p> <p>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.</p>		
<p>Less time at sea (post-smolt)</p>	<p>Prevention and fish welfare</p>	<p>Precision Farming - data driven decision support</p>

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

Improving sustainability is key to increasing our profits. By focusing on reducing our environmental impact and improving 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

Grieg Seafood's financial figures are separated as our continuing operations and discontinued operations. Unless otherwise explicitly mentioned, all qualitative and quantitative information disclosed in this Quarterly Report refer to the continuing operations of Grieg Seafood. Our continued operations are the Group's operations exclusive of the Shetland disposal group. Please refer to Note 4 of this report, and our Annual Report for 2020.

Profit

Figures for Q3 2020 in brackets

The Group harvested 20 479 tonnes ex. Shetland in Q3 2021 (14 416 tonnes), contributing to a sales revenue of NOK 1 303 million (NOK 914 million) for the quarter, realizing an average price achievement of NOK 58.4 per kg (NOK 52.9 per kg), up NOK 1.4 per kg from Q2 2021. By comparison, the average spot salmon price (NQSALMON weekly average less distributor margin) for Q3 2021 was NOK 54.5 per kg, up by NOK 7.4 per kg compared to Q3 2020, and down by NOK 7.6 per kg compared to Q2 2021. The difference in achieved price, measured by sales revenue/kg compared to Q3 2020, had a positive contribution to our EBIT by NOK 113 million. The Group's price achievement for Q3 2021 was positively impacted by strong market conditions for BC, with a realized price achievement of NOK 79.6 per kg, up NOK 28.2 per kg from Q3 2020 and up NOK 13.2 per kg from Q2 2021. Our Norwegian regions performed below NQSALMON-average mainly due to downgraded volume, partly offset by positive contributions from fixed price contracts.

The higher harvest volume for the quarter impacted our EBIT by NOK 10 million compared to Q3 2020, while decreases in operational costs impacted our EBIT before production fee and fair value adjustment of biological assets positively by NOK 51 million compared to Q3 2020. On average, the Group's farming costs decreased by NOK 2.5 per kg from NOK 51.2 per kg in Q3 2020 to NOK 48.7 per kg in Q3 2021, and down NOK 2.0 per kg from Q2 2021.

The Group's EBIT before production fee and fair value adjustment of biological assets was NOK 149 million (NOK -14 million) for the quarter, corresponding to an EBIT per kg of NOK 7.3 (NOK -1.0 per kg). 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)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Rogaland	30.6	49.9	158.6	261.6
Finnmark	80.2	26.7	39.4	118.5
British Columbia	88.4	-51.6	133.6	-23.8
Newfoundland	-36.9	—	-97.1	—
Elimination/Others	-12.8	-39.2	-57.4	-107.0
EBIT from continuing operations	149.5	-14.3	177.0	249.3

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 121 million (NOK -31 million) in the quarter, while production fee (Norway) for the quarter was NOK 6 million, bringing EBIT after production fee and fair value adjustment of biological assets from the Group's continuing operations to NOK 264 million (NOK -46 million).

Net financial items were NOK -55 million (NOK -11 million) for the quarter. The difference of NOK -44 million compared to Q3 2020 is primarily due foreign currency exchange rates and increased debt service costs due to the NOK 1 500 million bond issue.

The pre-tax profit from continued operations for the quarter totaled NOK 209 million (NOK -57 million). Tax expense for the period was estimated to NOK 61 million (tax income of NOK 10 million), resulting in profit after tax of NOK 148 million (loss of NOK 46 million) from continued operations.

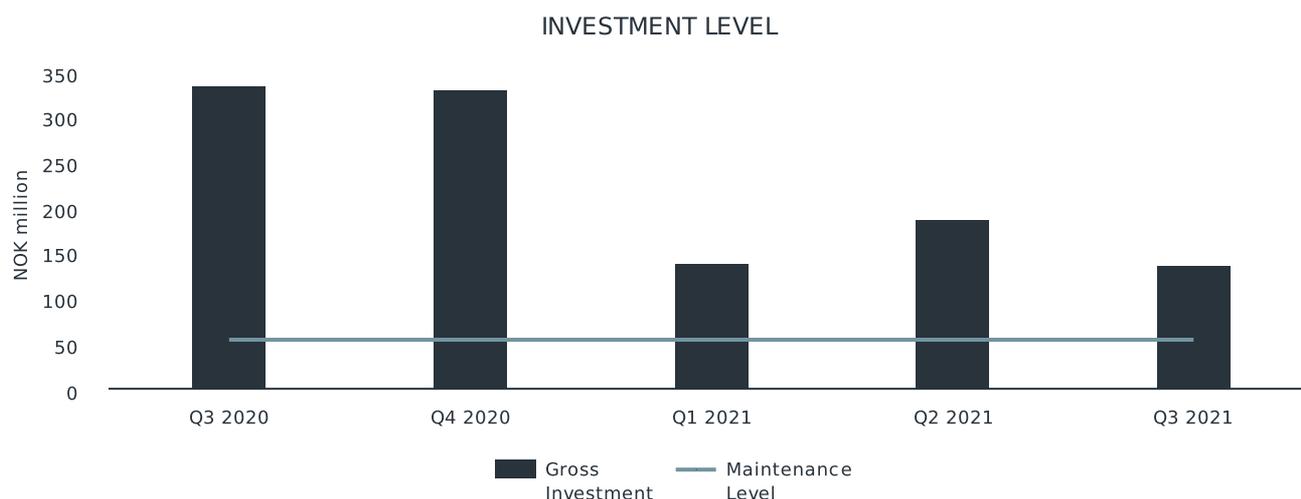
The profit after tax from discontinued operations in Q3 2021 was NOK 56 million, compared to NOK -73 million in Q3 2020. See Note 4 for more information.

Cash flow

Figures for Q3 2020 in brackets

Cash flow from operating activities during the quarter amounted to NOK 238 million (NOK 142 million). Changes in working capital impacted our cash flow from operating activities by NOK -75 million (NOK 100 million).

Net cash flow from investing activities was NOK -126 million (NOK -305 million) during the quarter. Our gross investments, including Shetland, for the quarter was NOK 136 million (NOK 335 million). The investments in Q3 2021 mainly related to seasite developments in Newfoundland, the Gold River smolt facility in BC and land sites in Finnmark. No investments were financed through financial leasing during Q3 2021 (NOK 14 million).



Investment level for Q3 2020 through Q3 2021 includes the capex related to the assets classified as held for sale.

Net cash flow from financing activities in Q3 2021 was NOK -262 million, in line with cash flow from financing in Q3 2020 (NOK -240 million), and the difference being primarily higher debt service costs in 2021.

Net change in cash and cash equivalents from our continued operations was negative by NOK 150 million (negative by NOK 403 million) for the third quarter of 2021, and at the end of the quarter, the Group had cash holdings of NOK 146 million, compared to NOK 334 million at end of Q3 2020.

Financial position and liquidity

Figures for Q3 2020 in brackets

At 30 September 2021, book value of total assets was NOK 11 735 million (NOK 10 587 million) compared to NOK 10 650 million at 31 December 2020 and NOK 11 540 million at 30 June 2021. The composition of our balance sheet at 30 September 2021 compared to 30 September 2020 was significantly impacted by Shetland being classified as held for sale as from Q4 2020. At 30 September 2021, NOK 1 944 million of the Grieg Seafood Group book value of assets relates to the Shetland assets held for sale. Please see Note 4 for specification of the net assets attributable to the Shetland disposal group.

Total equity amounted to NOK 4 866 million (NOK 4 432 million) as at 30 September 2021 compared to NOK 4 371 million as at 31 December 2020 and NOK 4 670 million as at 30 June 2021, corresponding to an equity-ratio of 41% at Q3 2021 (42%) compared to 41% at 31 December 2020 and 40% as at 30 June 2021.

The Group's financing consists of two term loans of NOK 600 million and EUR 60 million, a NOK 600 million bridge loan and NOK 1 500 million green bond issue. Measured on our net interest-bearing debt (NIBD), 33% (28%) of our financing was green as at 30 September 2021, compared to 38% as at 31 December 2020 and 33% as at 30 June 2021. The principal outstanding as at 30 September 2021 of the NOK and EUR term loan was NOK 425 million and EUR 43 million. Both term loans mature in 2023, and the bridge loan matures in 2022, while the green bond issue matures in 2025.

Our cash balance at the end of the quarter was NOK 146 million. In addition, we had NOK 800 million available in undrawn credit facilities, thus a total free liquidity of NOK 946 million as at 30 September 2021.

At the end of Q3 2021, NIBD amounted to NOK 4 495 million (NOK 3 541 million), up from NOK 3 931 million at 31 December 2020, and down from NOK 4 563 million at 30 June 2021. Compared to Q2 2021, the change in NIBD is primarily due to installments on our NOK and EUR term loans. Compared to Q3 2020, the change in NIBD is mainly driven by the green bond issue of NOK 500 million in Q4 2020, in addition to Shetland being classified as held for sale (impacted NIBD through operational leases) and the bridge-loan financing in Q1 2021. At the end of Q3 2021, we were in compliance with the temporary amended financial covenants. Our equity-ratio measured according to loan agreements was 43%. For more information on interest-bearing liabilities and financial covenants, please see Note 6.

Our liquidity, debt service costs and leverage ratio will be significantly affected by conducting the sale of our Shetland assets to Scottish Sea Farms Ltd. The Competition and Markets Authority (CMA) in UK has announced to complete the initial stage of its merger review process by 15 December 2021. We expect to be able to close the transaction in the fourth quarter of 2021. See note 4 for mere information.

Sales and market development

Grieg Seafood supplied 3.6% of the global volume of Atlantic salmon harvested in Q3 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

During the third quarter, we established a value added product (VAP) sales department, which will be a key contributor to increase our VAP product portfolio from Norwegian and Canadian origin. Moreover, we signed a Letter of Intent for cooperation with Isfjord Norway AS on VAP capacity, as a first step towards repositioning the company in the market. Grieg Seafood will process salmon at Isfjord Norway and sell the finished production through our sales organization. This capacity will also contribute to better price achievement should fish be downgraded.

Going forward, we are continuing to evaluate external and internal opportunities to strengthen our processing capacity. We are looking at developing long-term partnerships with third parties in Norway, North America and Europe, as well as the development of existing 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 Q3 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 supply of Atlantic salmon for the quarter increased by approximately 7% compared to Q3 2020, according to Kontali. The growth is driven by high volumes from Norway, where salmon of Norwegian origin contributed to 57% of the total supply in the quarter. The export of fresh salmon (head on gutted, HOG) from Norway for the quarter was up 20% compared to Q3 2020, or 15% YTD 2021 compared to the same period last year. The main export markets for Norwegian salmon HOG were Europe with 84%, Asia with 13% and North America with 3%. There has also been a significant increase of 11% of fresh filet export from Norway in the quarter compared to Q3 2020, with the main volume increase to the US market.

Market demand have been strong during the quarter. The demand is driven by supermarkets and grocery stores, in addition to a recovery of the HoReCa segment. Demand in Europe increased by approximately 6% compared to Q3 2020, while demand in North America increased by 13%. A decrease of salmon supplied by Chile and Canada increased the demand for Norwegian salmon in North America. The demand in the Asian market increased by approximately 15% compared to Q3 2020.

The average spot salmon price for Norwegian salmon (NQSALMON, weekly average less distributor margin) for Q3 2021 was NOK 54.5 per kg, up by NOK 7.4 per kg compared to Q3 2020, but down by NOK 7.6 per kg compared to Q2 2021. Prices started in the mid-fifties going into the quarter, peaked around NOK 64 per kg mid-July and ended in the low fifties

at the end of the quarter. Salmon prices in the US market strengthened during Q3 2021, with an average spot price up by more than NOK 26 per kg compared to Q3 2020.

OUR MARKETS

Grieg Seafood contributed with 3.6% of the global supply in the quarter. Our main export markets were Europe (82% of our volume), Asia (10%) and North America (8%). Our sale currently consist mainly of fresh, head-on gutted salmon, with a small share of value added products in North America (9% of our supply from BC in the quarter). The Grieg Seafood brand Skuna Bay, sold to the North American market, comprised 3% 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 third quarter of 2021, the share of fixed price contracts was 27% in Norway, or 21% of our total harvested volume (ex Shetland) in the quarter.

NQSALMON WEEKLY AVERAGE (NOK/KG)



NQSALMON weekly average less distributor margin of NOK/KG 0.75.

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 real exchange rate.

Market expectations

The global harvest of Atlantic salmon in 2021 is expected to increase by 4%, or 117 000 tonnes, to a total of 2 828 700 tonnes, according to Kontali. Due to the increase in maximum allowed biomass (MAB) in Norway, good seawater conditions during the second half of 2020, and volumes held back for harvest in 2020, Norwegian salmon farmers are expected to harvest 143 000 tonnes more in 2021 than in 2020. Chile is expected to decrease harvest for 2021 by approximately 110 000 tonnes, while the rest of the increase in harvest volume is expected to come mainly from the UK (+ 31 000 tonnes) and other salmon farming countries (+ 53 000 tonnes). At the end of Q3 2021, the YTD harvest increase was 8%, implying that Q4 will feature a global harvest reduction compared to Q4 2020.

The average spot price according to NQSALMON for the first weeks into Q4 2021 was around NOK 53 per kg, while spot price in the USA according to Urner Barry was around NOK 80 per kg for Q3 2021. With global progress on vaccination against Covid-19 and reopening of countries, it seems like prices start to stabilize again at levels known from pre-pandemic periods, and the short-term market outlook is stable. Fishpool forward prices have remained stable throughout Q3 2021. Q4 2021 was priced at NOK 62 per kg at the start of Q3 2021, and by the end of Q3 the forward price was close to NOK 61 per kg. For 2022, the forward price remains at NOK 62 per kg by the end of Q3 2021.

The Group targets a fixed price contract share of 20-50%. Estimated contract share for Q4 2021 is 20%, or 29% for the year, of our Norwegian harvest volume.

The demand from retail in Europe and from Asian countries has been stronger than expected so far this year. We believe in increased market prices as a result of the tight global supply in combination with the outlook for continuing strong demand. We see the case for a strong recovery from the HoReCa segments return to a more normalized situation with society reopening. We expect the significant decrease in supply volumes from Chile for remainder of 2021 and start of 2022 to drive prices and maintain the strong demand.

OUR PROGRESS

ROGALAND

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

PILLAR	KPI & TARGET	STATUS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	YTD 2021	YTD 2020
PROFIT & INNOVATION	Harvest volume (tonnes GWT)								
	28 000 tonnes in 2021	◆	6 282	7 783	5 346	6 532	5 039	19 411	16 510
	EBIT per kg (NOK)								
	n/a		4.9	10.2	9.2	4.7	9.9	8.2	15.8
PROFIT & INNOVATION	Farming cost per kg (NOK)								
	NOK 40/kg in 2022	■	46.5	45.8	41.9	42.7	44.3	44.9	41.9
	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	◆	91%	91%	91%	90%	90%	n/a	n/a
	Cost of reduced survival (NOK million)								
	n/a		5.1	18.8	6.2	10.0	7.4	30.1	53.6
	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	1.0	7.0	0.0	0.0	2.3	10.2
	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	0.4	2.8	0.0	0.0	0.9	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	◆	86%	76%	75%	83%	90%	79%	85%
PEOPLE	Employees								
	Headcount (ex contractors)	n/a	167	179	164	165	161	n/a	n/a
	Absence rate								
	Below 4.5%	●	3.5%	3.0%	1.8%	2.5%	2.7%	2.9%	3.2%
PEOPLE	Lost time incident rate								
	n/a		0	77	18	0	19	34	12

* 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 18* seawater license equivalents and two licenses for land-based production of smolt. We also operate our own broodstock activity in Erfjord. All the salmon we harvest in this region is processed and packed at our own facilities.

6 282

TONNES GWT HARVESTED

4.9

EBIT/KG (NOK)



*We have 17 licenses, but as one of our licenses is doubled, it means in practice that we have 18 licenses. In addition, we have one long-term rental agreement with Rogaland County Council for one license.

Operational results

Harvest volume in Rogaland was 6 282 tonnes in Q3 2021, up 25% compared to Q3 2020. Sales revenues for the quarter amounted to NOK 322.9 million, an increase of 18% compared to Q3 2020. The increase is mainly related to higher harvest volume in Q3 2021 compared to Q3 2020. The Nasdaq average spot price in Q3 2021 was NOK 54.5 per kg, compared to NOK 47.1 per kg in Q3 2020. Our price achievement in Q3 2021 was NOK 51.4 per kg, compared to NOK 54.2 per kg in Q3 2020. The price achievement was impacted by low average harvest weight (3.9 kg in Q3 2021 vs 4.1 kg in Q3 2020) and a decrease in the share of superior quality fish from 90% in Q3 2020 to 86% in Q3 2021 due to Pancreas Disease (PD).

Freshwater production was stable during the quarter. We transferred 3.1 million smolt to sea this quarter, with an average weight of 340 grams. YTD we have transferred 5.5 million smolt to sea with an average weight of 450 grams.

The seawater production was also stable at most farms, but impacted by a PD outbreak at three sites (of a total of 11 active farms). The production improved towards the end of Q3 2021, but we expect the outbreak to impact our harvest volume for Q4 2021.

The 12-month rolling survival rate increased from 90% in Q3 2020 to 91% in Q3 2021. We are working systematically to improve survival rates through general health and welfare measures, by shortening the time our salmon spend at sea, by utilizing new digital technologies, by increasing focus on the freshwater phase and through a preventive and targeted approach to diseases and sea lice. Shortening the time the fish spend at sea is a key part of our efforts to reduce risk of PD as well as the need for sea lice treatments. During the quarter, we harvested pens with fish that spent only ten and 12 months at sea, that did not need any sea lice treatments. The number of sea lice treatments was low across all farms due to effective use of wrasse as a preventative method, and only eight out of our 58 active pens in Rogaland were treated for sea lice with freshwater. 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 46.5 per kg in Q3 2021, up from NOK 44.3 per kg in Q3 2020 and NOK 45.8 per kg in Q2 2021, mainly due to harvesting from PD-affected sites, and increased well boat cost related to transport of PD-infected fish. We expect the farming cost to decrease in Q4 as we harvest from a new generation. Cost recognized as abnormal mortality in the income statement (cost of reduced survival) was NOK 5 million in Q3 2021 (NOK 0.8 per kg), compared to NOK 7 million in Q3 2020 (NOK 1.5 per kg).

EBIT per kg before production fee and fair value adjustment of biological assets came to NOK 4.9 in the quarter, compared to NOK 9.9 in Q3 2020 and NOK 10.2 in Q2 2021.

Employee well-being continue to be highly prioritized. We had no major incidents during the quarter, and the absence rate continued at a low level of 3.5% compared to 2.7% in Q3 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 Pancreas Disease (PD). The transfer of larger smolt has produced promising results, with the time the fish spend at sea reduced from the previous norm of 18 months to less than 12 months. We also have sites with post-smolt that we expect to harvest in Q4 2021, after less than 10 months in sea.

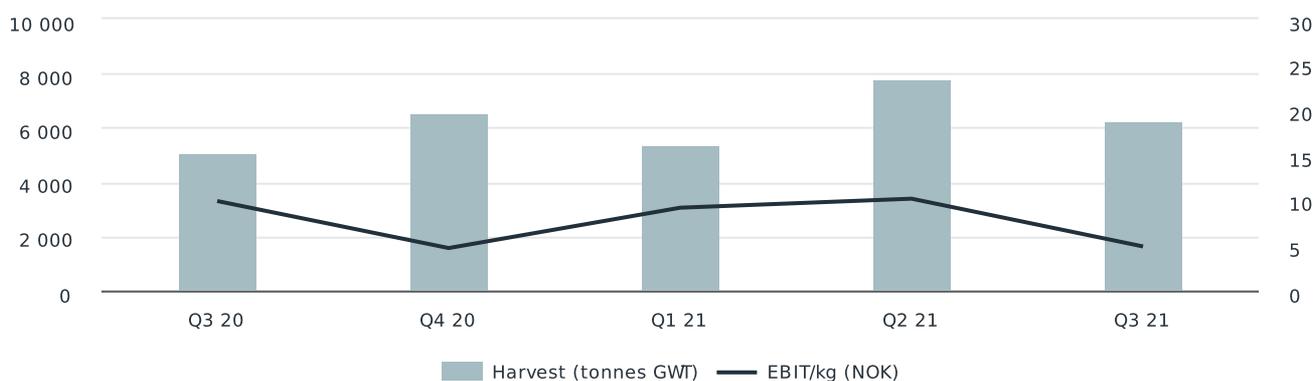
Our freshwater facility at Trosnavåg and Hognaland has a production capacity of 1 200 tonnes smolt. We also have a 33% shareholding in Tytlandsvik Aqua, which will be expanded from its current smolt production capacity of 3 400 tonnes to 4 500 tonnes in 2022, with a further expansion to 6 000 tonnes in 2024. Grieg Seafood Rogaland is entitled to 50% of the volume from Tytlandsvik. We also use the closed-containment facility, FishGLOBE, to produce large size smolt, and in the beginning of Q4 we have added an addition capacity of post-smolt with the second FishGLOBE ready for use. The Fish GLOBEs have a capacity of 900 tonnes smolt. 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 will start during the first half of 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.

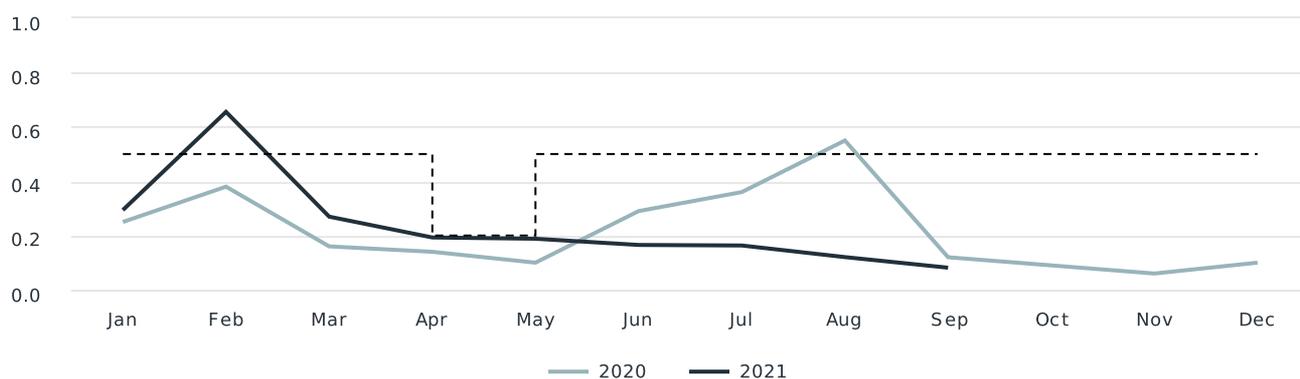
Aquaculture Stewardship Council (ASC) certification is an important objective, as we believe it provides our customers and consumers with the assurance that we are operating in a responsible manner, producing high-quality seafood certified to the highest social and environmental standards. We aim to certify all sites in Rogaland according to ASC, or be in compliance with ASC, by 2023, with the first sites being certified in 2022.

NOK MILLION	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Harvest volume (tonnes GWT)	6 282	5 039	19 411	16 510
Sales revenues from sale of Atlantic salmon	322.9	273.3	1 031.1	953.5
EBITDA before production fee and fair value adjustment of biological assets	54.7	74.9	232.6	336.9
EBIT before production fee and fair value adjustment of biological assets	30.6	49.9	158.6	261.6
Sales revenue/kg (NOK)	51.4	54.2	53.1	57.8
Farming cost/kg (NOK)	46.5	44.3	44.9	41.9
EBIT/kg (NOK)	4.9	9.9	8.2	15.8

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	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	YTD 2021	YTD 2020
PROFIT & INNOVATION	Harvest volume (tonnes GWT)								
	37 000 tonnes in 2021	◆	9 908	4 780	7 385	11 082	2 730	22 073	15 837
	EBIT per kg (NOK)								
	n/a		8.1	-2.2	-4.1	0.8	9.8	1.8	7.5
HEALTHY OCEAN	Farming cost per kg (NOK)								
	NOK 40/kg in 2022	◆	45.5	50.6	46.5	43.8	44.2	46.9	44.3
	ASC certification (# of sites)								
	All sites (18 eligible) by 2021	◆	17	16	16	15	15	n/a	n/a
HEALTHY OCEAN	Survival rate at sea								
	93% by 2022	●	95%	94%	93%	92%	92%	n/a	n/a
	Cost of reduced survival (NOK million)								
	n/a		15.3	15.3	20.5	12.6	3.1	51.1	24.9
	Use of antibiotics (g per tonne LWE) *								
	No use of antibiotics	●	0.0	0.0	49.0	0.0	0.0	8.9	0.0
	Use of hydrogen peroxide (kg per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.0	0.0	0.0	10.0	0.0	0.0	0.0
	Sea lice treatments - in feed (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.4	0.0	0.0	0.1	0.0	0.2	0.0
HEALTHY OCEAN	Sea lice treatments - in bath (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.0	0.0	2.5	1.4	0.0	0.4	0.0
	Escape incidents (# of fish)								
Zero escape incidents	●	0	0	1 (6)	0	0	1 (6)	0	
SUSTAINABLE FEED	High quality product								
	93% superior share	◆	87%	78%	65%	77%	90%	78%	63%
PEOPLE	Employees								
	Headcount (ex contractors)	n/a	251	278	248	257	249	n/a	n/a
	Absence rate								
	Below 4.5%	■	7.8%	7.9%	8.1%	5.6%	6.4%	8.1%	5.5%
PEOPLE	Lost time incident rate								
	n/a		10	23	49	10	76	23	34

* 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 the company's 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.

9 908

TONNES GWT HARVESTED

8.1

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 9 908 tonnes in Q3 2021, an increase of 263% compared to Q3 2020. Sales revenues for the quarter amounted to NOK 531.1 million, up 261% compared to Q3 2020, mainly related to higher harvest volume. The Nasdaq average spot price in Q3 2021 was NOK 54.5 per kg, compared to NOK 47.1 per kg in Q3 2020. Our price achievement came to NOK 53.6 per kg in Q3 2021 compared to NOK 54.0 per kg in Q3 2020. The price achievement for the quarter was negatively impacted by a superior share of 87% compared to 90% in Q3 2020 in addition to somewhat skewed harvesting towards the end of the quarter when spot market prices were lower. However, a fixed-price contract share of 27% and good average harvest size of 4.4 kg contributed positively to the price achievement.

Freshwater production at our own facility at Adamselv has been good during the quarter. We transferred 2.9 million smolt to sea this quarter, with an average weight of 120 grams. YTD we have transferred 7.5 million smolt to sea with an average weight of 170 grams.

Seawater production has been strong during the quarter, with an all-time high monthly production volume in September. Still, we have reduced our expected harvest volume for Q4 2021 by approximately 1 500 tonnes GWT due to optimization of capacity utilization and skewing of harvest volume to 2022. Due to overall good and stable biology, we accomplished a 12-month survival rate of 95% as of Q3 2021. 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. Antibiotics was used in the first quarter to safeguard the welfare of fish severely impacted by winter ulcers, before use again dropped to zero during the last two quarters.

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. Despite a stable sea lice level, sea lice treatments in feed have been carried out this quarter to maintain low sea lice pressure.

The farming cost was NOK 45.5 per kg in Q3 2021, up from NOK 44.2 in Q3 2020 and down from NOK 50.6 per kg in Q2 2021, which is mainly related to higher harvest volume. The farming cost increased from Q3 2020 because of costs accumulated earlier this year on the harvested fish (caused primarily by winter ulcers) and due to harvesting from small sites. Cost recognized as abnormal mortality in the income statement was NOK 15 million in Q3 2021 (NOK 1.5 per kg), which relates to the chlorine spill we communicated in the report for the second quarter, compared to NOK 3 million in Q3 2020 (NOK 1.1 per kg). We expect the farming cost per kg to decrease in Q4 2021 due to harvesting from sites with good biological performance. We are seeing strong performance of our newest generations.

EBIT per kg before production fee and fair value adjustment of biological assets came to NOK 8.1 for the quarter, down from NOK 9.8 in Q3 2020 and up from NOK -2.2 in Q2 2021.

Employee well-being continues to be highly prioritized. The absence rate of 7.8% was similar to Q2 2021, but up compared to 6.4% in Q3 2020, mainly due to long-term sickness. We always monitor developments according to our guidelines for absence from work.

Operational priorities towards 2025

Grieg Seafood Finnmark is focused on improving fish welfare and survival rates, and works towards sustainable production. 17 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 84% of net production for the year. The last site is currently under ASC audit, and will be ASC certified in Q1 2022.

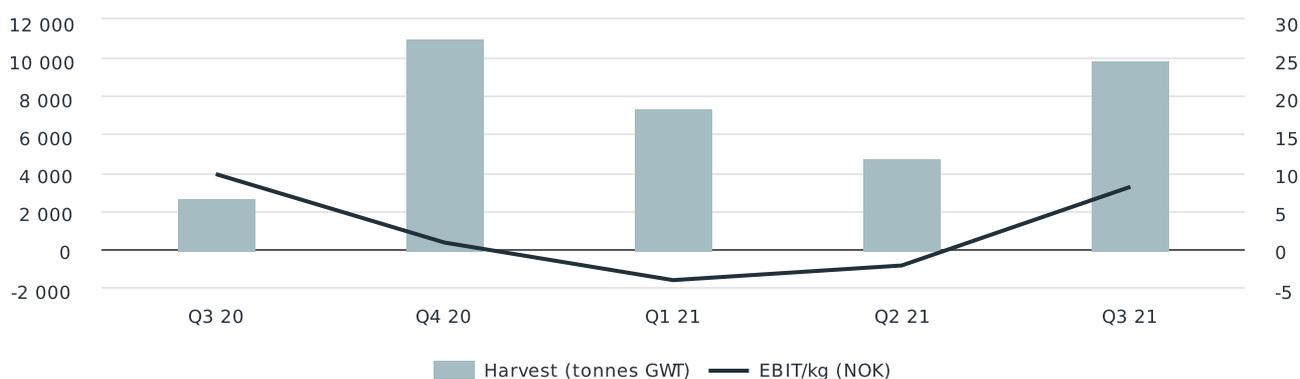
Solving the most pressing biological challenges, winter ulcers and Infectious Salmon Anemia (ISA), is a high operational priority. These conditions impact fish welfare, harvesting weight, quality and price achievement negatively. We have implemented mitigating measures based on insights from conducted 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. 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 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.

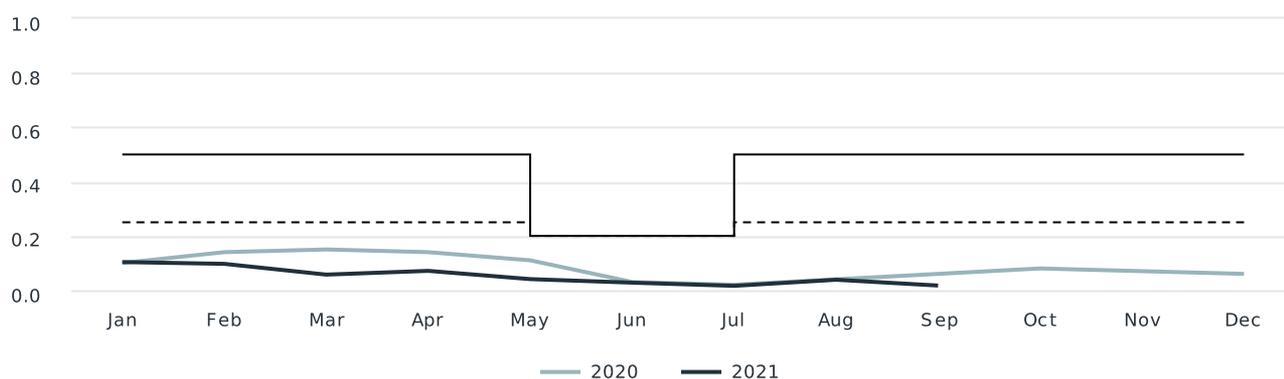
Flexibility is a requirement to achieve better utilization of our capacity, and we are continuously looking for opportunities to secure access to new locations.

NOK MILLION	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Harvest volume (tonnes GWT)	9 908	2 730	22 073	15 837
Sales revenues from sale of Atlantic salmon	531.1	147.3	1 075.4	819.5
EBITDA before production fee and fair value adjustment of biological assets	118.0	61.1	145.4	228.7
EBIT before production fee and fair value adjustment of biological assets	80.2	26.7	39.4	118.5
Sales revenue/kg (NOK)	53.6	54.0	48.7	51.7
Farming cost/kg (NOK)	45.5	44.2	46.9	44.3
EBIT/kg (NOK)	8.1	9.8	1.8	7.5

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	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	YTD 2021	YTD 2020
PROFIT & INNOVATION	Harvest volume (tonnes GWT)								
	15 000 tonnes in 2021	◆	4 289	5 249	853	2 657	6 648	10 390	18 524
	EBIT per kg (NOK)								
	n/a		20.6	8.4	1.1	6.2	-7.8	12.9	-1.3
HEALTHY OCEAN	Farming cost per kg (CAD)								
	CAD 7/kg in 2022	■	8.5	8.5	8.8	8.9	8.6	8.5	7.8
	ASC certification (# of sites)								
	All sites (16 eligible) by 2021	◆	13	13	11	11	11	n/a	n/a
HEALTHY OCEAN	Survival rate at sea								
	93% by 2022	◆	91%	91%	90%	90%	88%	n/a	n/a
	Cost of reduced survival (NOK million)								
	n/a		7.2	6.8	3.0	6.6	31.3	16.9	59.5
	Use of antibiotics (g per tonne LWE) *								
	No use of antibiotics	◆	2.0	41.3	92.7	47.6	2.3	48.0	67.1
	Use of hydrogen peroxide (kg per tonne LWE) * / **								
	Minimize use of pharmaceutical treatments	■	21.5	62.0	31.5	27.9	51.9	39.9	51.1
	Sea lice treatments - in feed (g per tonne LWE) *								
	Minimize use of pharmaceutical treatments	●	0.9	0.0	0.4	0.0	0.0	0.4	0.3
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	1 (1)	0	0	0	1 (1)	0
SUSTAINABLE FEED	High quality product								
	93% superior share	◆	89%	89%	90%	78%	85%	89%	87%
PEOPLE	Employees								
	Headcount (ex contractors)	n/a	170	172	167	174	176	n/a	n/a
	Absence rate								
	Below 4.5%	◆	5.1%	5.5%	6.2%	5.9%	7.3%	5.6%	7.1%
PEOPLE	Lost time incident rate								
	n/a		0	13	12	0	53	8	61

* 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 is now also corresponding to the method used in the UK and in Norway. Previous figures have not been recalculated to comply with the correct calculation method at their time.

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.

4 289

TONNES GWT HARVESTED

20.6

EBIT/KG (NOK)



Operational results

Harvest volume in Q3 2021 was 4 289 tonnes, 35% below Q3 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 341.5 million. This is at the same level as Q3 2020 (NOK 341.7 million), despite significantly lower harvest volume. The average spot price according to the Urner Barry (farm raised salmon Seattle West Coast, fresh, wholefish) was NOK 79.7 per kg in Q3 2021 compared to NOK 53.5 per kg in Q3 2020. Price achievement for the quarter was NOK 79.6 per kg, compared to NOK 51.4 per kg in Q3 2020, positively impacted by the higher market prices, good average harvest weight of 4.4 kg and a superior share of 89%.

Our freshwater production has been stable during the quarter. We transferred 0.2 million smolt to sea this quarter, with an average weight of 340 grams. YTD we have transferred 2.7 million smolt to sea with an average weight of 140 grams.

The seawater performance has been good this quarter. The 12-month rolling survival rate increased from 88% in Q3 2020 to 91% in Q3 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. The sea lice level was stable during the quarter, and treatment with hydrogen peroxide as well as in-feed treatment were carried out to maintain a stable level.

The farming cost decreased from CAD 8.6 per kg (NOK 59.2) in Q3 2020 to CAD 8.5 per kg (NOK 59.0) in Q3 2021, despite lower harvest volume. Compared to Q2 2021, the farming cost was stable. Cost recognized as abnormal mortality in the income statement (cost of reduced survival) was NOK 7 million in Q3 2021 (NOK 1.7 per kg, or CAD 0.2 per kg), compared to NOK 31 million in Q3 2020 (NOK 1.7/CAD 0.7 per kg). We expect the farming cost to increase slightly in Q4 2021 due to harvesting from sites with somewhat elevated mortality and preparing of sites for the next generation, with 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 20.6, compared to NOK -7.8 in Q3 2020 and NOK 8.4 in Q2 2021.

Employee well-being has been and continues to be our priority during the Covid-19 pandemic. We had no major incidents in the quarter. The absence rate of 5.1% 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

Access to high-quality smolt is key to ensuring sustainable production growth. With 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.

Grieg Seafood BC aims to have all eligible sites ASC certified within 2021. At the end of Q3 2021, a total of 13 sites out of 16 eligible sites are certified (corresponding to 71% of net production). 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.

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](#).

The Canadian federal government's plans to transition open-net-pen salmon farming in BC. The Minister of Fisheries, Oceans and the Canadian Coast Guard published a report this summer outlining an approach on how to move forward on this transition plan and how to work with the province of BC and Indigenous communities to create a responsible transition plan. Grieg Seafood is looking forward to participate in the process, and to find solutions together with stakeholders that will ensure a sustainable aquaculture industry in BC. In line with the transition plan, the federal regulator Fisheries, Oceans and Canadian Coast Guard has announced that it will not renew licenses in the Discovery Islands farming area after 30 June 2022. This is not one of our main farming areas. As we have only one farm in that area, our production plans will not be significantly impacted. Salmon farming companies in BC, including Grieg Seafood BC, have asked for a judicial review of the Government's decision process, to better understand the implications. The ultimate outcome is not known.

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 even

further down to 0.4% so far in 2021. We expect our efforts within algae mitigation and digital monitoring to increase survival and harvest volume, and reduce cost going forward. This will enable us to reach our cost target of CAD 7 per kg.



QUARTERLY STORY

Grieg and R Harry Fishing Ltd. sign net-washing contract for Nootka Sound salmon farms

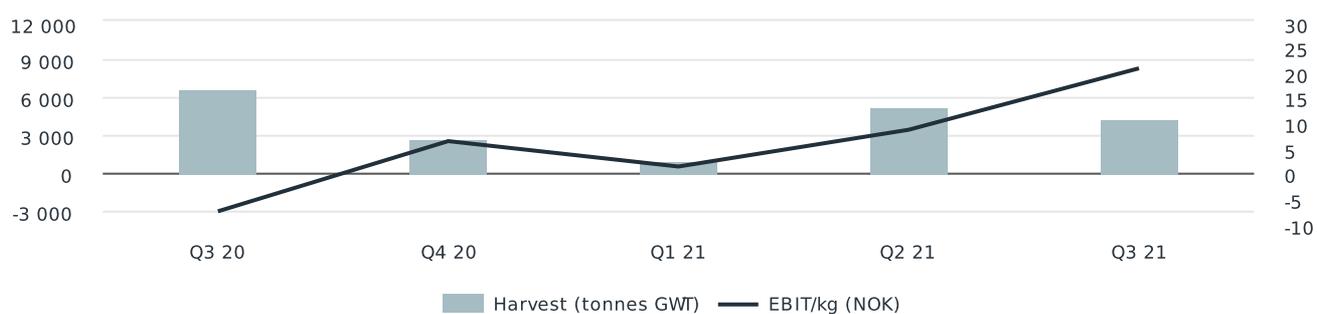
During the quarter, Grieg Seafood BC has signed a net-washing contract with local business-owner Richard Harry to service our five farms in Nootka Sound as part of its ongoing commitment to reconciliation which includes the creation of Indigenous-owned business opportunities.

“For myself and my family, we have always worked on the water. We’ve always been a commercial fishing family and the children pretty much grew up on our boats, so it’s been a lifetime of experience.” – Richard Harry, principal of R Harry Fishing Ltd.

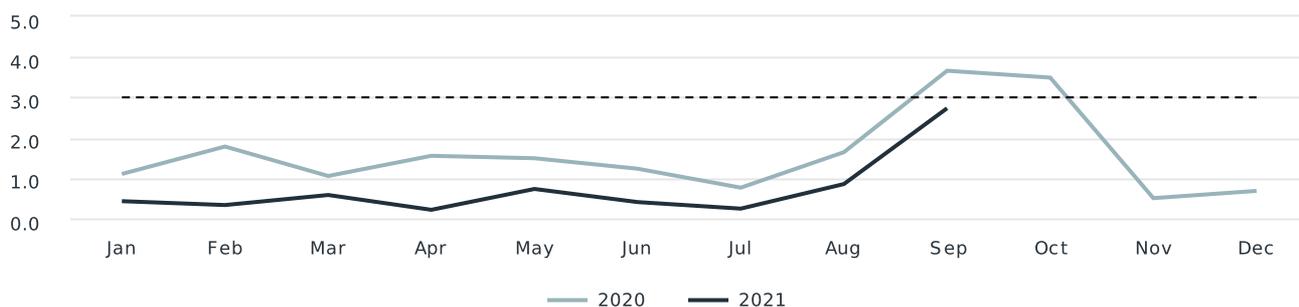
[> Read the full story here](#)

NOK MILLION	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Harvest volume (tonnes GWT)	4 289	6 648	10 390	18 524
Sales revenues from sale of Atlantic salmon	341.5	341.7	741.9	1 000.4
EBITDA before production fee and fair value adjustment of biological assets	111.2	-27.0	204.3	54.0
EBIT before production fee and fair value adjustment of biological assets	88.4	-51.6	133.6	-23.8
Sales revenue/kg (NOK)	79.6	51.4	71.4	54.0
Farming cost/kg (CAD)	8.5	8.6	8.5	7.8
Farming cost/kg (NOK)	59.0	59.2	58.6	55.3
EBIT/kg (NOK)	20.6	-7.8	12.9	-1.3

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 Q3 2021, we have eight seawater licenses and one freshwater license. Additional seawater licenses have been applied for.

Operational results

Our RAS facility in Marystown Marine Industrial Park, close to Placentia Bay, is fully operational. As communicated in the second quarter report, the *transfer of the first fish to sea will take place in the spring and summer of 2022*. The current generation of eggs, received in April and July, has a good development with high survival rates. The first batch of this generation was successfully transferred to the smolt facility in October. We plan to move three million fish to sea in 2022, with harvesting commencing in 2023. As a part of the preparations for the seawater phase, a group of our employees destined for seawater operations will receive training at our farms in BC and/or Norway.

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 the quarter, we were able to test the resilience of our seawater equipment when a hurricane classified as Category 1 storm swept over eastern Newfoundland. The sea cage site and equipment sustained no damages. The RAS facility also withstood the Category 1 hurricane winds with no damage. Power outages and other disturbances was handled by our backup system and caused no disruption on the production.

Operational cost for Q3 2021 totaled NOK -37 million, compared to NOK -45 million in Q2 2021. Operational cost for Q4 2021 will come down.

We are committed to develop the project according to milestones outlined in the permits granted by the authorities. We are well prepared with equipment, employees and knowledge of biological conditions, which enables us to provide a solid and safe production. Going forward, we will prepare our seawater operation. We are confident that we will be able to build a strong farming region in Newfoundland during the next years, creating jobs and value for the local communities.



NOK MILLION	Q3 2021	YTD 2021
EBITDA before production fee and fair value adjustment of biological assets	-23.3	-70.0
EBIT before production fee and fair value adjustment of biological assets	-36.9	-97.1

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

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 existing operations.

Our high-end freshwater and saltwater Recirculating Aquaculture System (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.

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.

Board's approval

Related parties' transactions

There has not been any related parties' transactions during Q3 2021 outside ordinary course of business. See Note 9 for more information on related parties and related parties transactions.

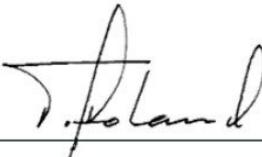
Events after the balance sheet date

No significant events have been recorded after the balance sheet date.

THE BOARD OF DIRECTORS AND CEO
BERGEN, 3 NOVEMBER 2021



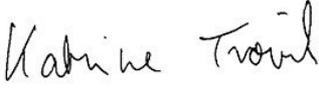
PER GRIEG JR.
CHAIR



TORE HOLAND
VICE CHAIR



MARIANNE RIBE
BOARD MEMBER



KATRINE TROVIK
BOARD MEMBER

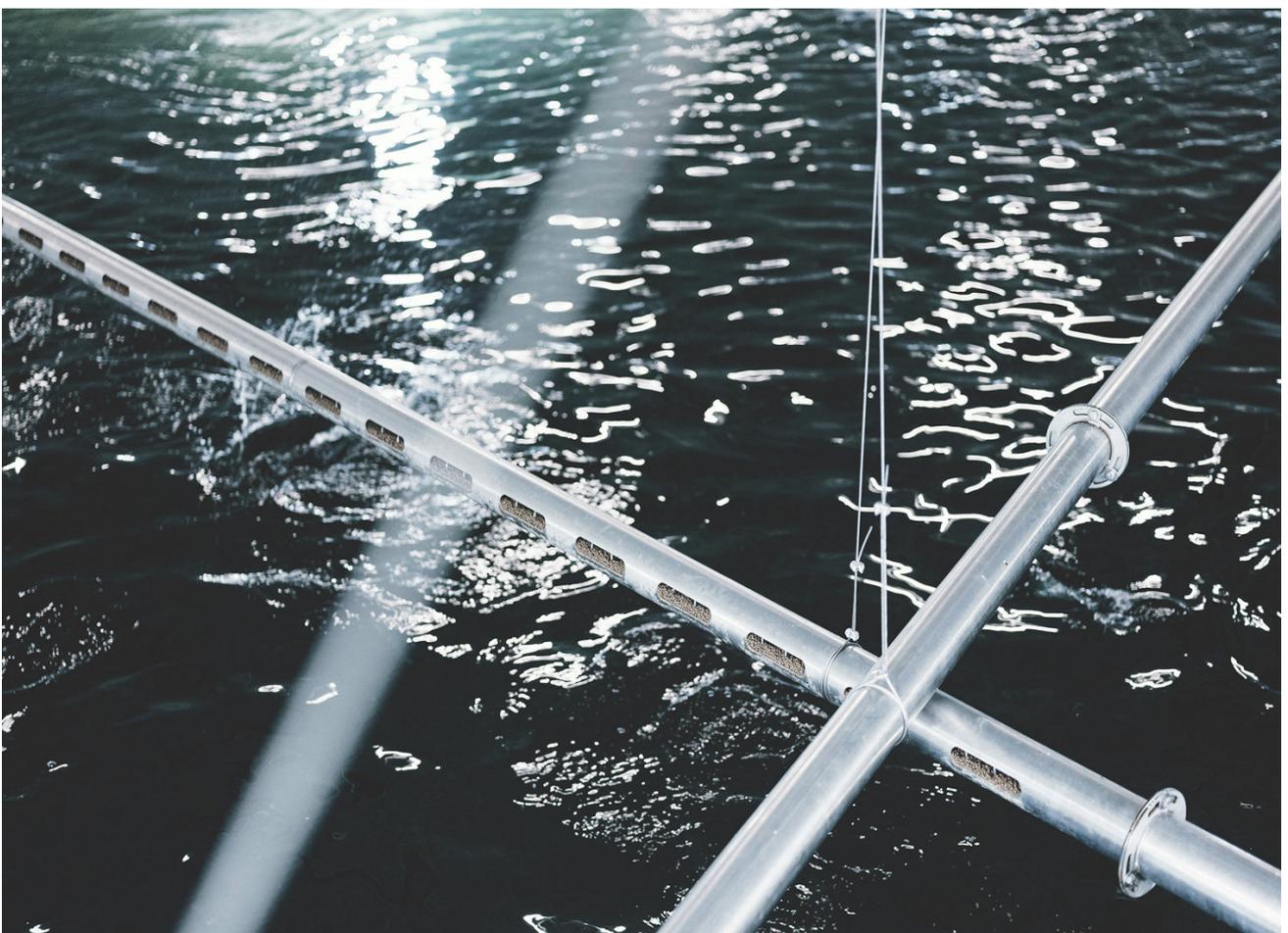


ANDREAS KVAME
CEO

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	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Continuing operations					
Sales revenues	3	1 303 202	913 926	3 085 106	3 241 988
Other income	3	27 990	3 844	55 469	26 555
Share of profit from associates	8	-351	1 732	108	1 297
Raw materials and consumables used		-496 937	-336 173	-1 160 260	-1 245 458
Salaries and personnel expenses		-156 325	-131 253	-404 177	-354 725
Other operating expenses		-426 570	-378 558	-1 111 942	-1 146 992
EBITDA before production fee and fair value adjustment of biological assets	3	251 009	73 518	464 304	522 665
Depreciation property, plant and equipment		-99 591	-86 403	-282 114	-268 744
Amortization licenses and other intangible assets		-1 935	-1 458	-5 200	-4 595
EBIT before production fee and fair value adjustment of biological assets	3	149 483	-14 343	176 989	249 326
Production fee		-6 476	—	-16 595	—
Fair value adjustment of biological assets	5	120 720	-31 469	386 997	-495 739
EBIT after production fee and fair value adjustment of biological assets		263 727	-45 812	547 391	-246 413
Net financial items	7	-55 018	-10 834	-56 893	-159 782
Profit before tax from continuing operations		208 709	-56 646	490 499	-406 195
Estimated taxation		-60 867	10 360	-142 323	85 122
Net profit for the period from continuing operations		147 842	-46 286	348 175	-321 073
Discontinued operations					
Net profit for the period from discontinued operations	4	55 868	-72 777	96 007	-292 499
Net profit for the period		203 710	-119 063	444 182	-613 572
Allocated to					
Controlling interests		203 710	-127 077	444 182	-631 496
Non-controlling interests		—	8 014	—	17 924
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		1.3	-0.4	3.1	-2.9
Earnings per share from discontinued operations		0.5	-0.7	0.9	-2.8
Earnings per share - total		1.8	-1.1	4.0	-5.6

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	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net profit for the period		203 710	-119 063	444 182	-613 572
Net other comprehensive income to be reclassified to profit/loss in subsequent periods					
Currency effect on investment in subsidiaries		-5 484	-17 135	35 042	17 513
Currency effect on loans to subsidiaries		-2 858	-9 352	20 334	15 899
Cash flow hedges		—	-3 406	—	-2 791
Tax effect		629	3 058	-4 473	-2 871
Other gains or losses		—	—	—	—
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		-7 714	-26 835	50 903	27 317
Total comprehensive income for the period		195 997	-145 899	495 085	-586 256
Allocated to					
Controlling interests		195 997	-152 254	495 085	-602 922
Non-controlling interests		—	6 355	—	16 667

STATEMENT OF FINANCIAL POSITION

GRIEG SEAFOOD GROUP NOK 1 000	Note	30.09.2021	30.09.2020	31.12.2020
ASSETS				
Deferred tax assets		36 939	108 392	29 293
Goodwill		655 806	667 657	638 019
Licenses incl. warranty licenses		1 530 833	1 719 661	1 508 452
Other intangible assets incl. exclusivity agreement		38 480	51 118	38 015
Property, plant and equipment incl. right-of-use assets	6	3 453 704	4 072 766	3 033 154
Indemnification assets		40 000	—	40 000
Investments in associates	8	87 029	82 368	84 421
Other non-current receivables		32 351	2 935	9 476
Total non-current assets		5 875 141	6 704 897	5 380 830
Inventories		133 211	155 690	78 001
Biological assets excl. the fair value adjustment	5	2 382 447	2 635 725	2 198 676
Fair value adjustment of biological assets	5	831 222	97 580	347 227
Trade receivables		98 732	252 280	179 384
Other current receivables, derivatives and financial instruments		323 603	235 818	217 258
Cash and cash equivalents	6	146 483	334 181	275 427
Total current assets		3 915 699	3 711 273	3 295 972
Assets held for sale	4	1 943 978	170 614	1 972 725
Total assets		11 734 818	10 586 785	10 649 527
EQUITY AND LIABILITIES				
Share capital		453 788	453 788	453 788
Treasury shares		-4 686	-4 855	-4 686
Contingent consideration (acquisition of Grieg Newfoundland AS)		701 535	701 535	701 535
Retained earnings and other equity		3 715 366	3 225 497	3 220 281
Total controlling interests		4 866 003	4 375 965	4 370 918
Non-controlling interests		—	55 641	—
Total equity		4 866 003	4 431 605	4 370 918
Deferred tax liabilities		1 070 044	941 275	908 958
Share based payments		9 884	—	491
Borrowings and lease liabilities	6	3 715 154	3 477 546	3 907 822
Subordinated loans		—	59 636	—
Total non-current liabilities		4 795 081	4 478 457	4 817 272
Current portion of borrowings and leasing liabilities	6	892 210	376 286	257 630
Factoring liabilities	6	—	72 044	—
Trade payables		547 369	714 041	562 848
Tax payable		426	193 252	14 791
Other current liabilities, derivatives and financial instruments		273 957	209 572	133 240
Total current liabilities		1 713 963	1 565 196	968 509
Liabilities directly associated with the assets held for sale	4	359 771	111 527	492 829
Total liabilities		6 868 815	6 155 179	6 278 609
Total equity and liabilities		11 734 818	10 586 785	10 649 527

CHANGES IN EQUITY

	Share capital	Treasury shares	Contingent cons.*	Other equity	Non-controlling interests	Total
GRIEG SEAFOOD GROUP NOK 1 000						
Equity at 01.01.2020	446 648	-4 855	—	3 642 416	56 632	4 140 843
Profit for YTD 2020	—	—	—	-631 496	17 924	-613 572
Other comprehensive income YTD 2020	—	—	—	28 574	-1 257	27 317
Total comprehensive income YTD 2020	—	—	—	-602 922	16 667	-586 255
Contribution in kind	7 140	—	—	186 002	—	193 142
Contingent consideration	—	—	701 535	—	—	701 535
Dividend (non-cash)	—	—	—	—	-17 658	-17 658
Transactions with owners [in their capacity as owners] YTD 2020	7 140	—	701 535	186 002	-17 658	877 018
Total change in equity YTD 2020	7 140	—	701 535	-416 920	-991	290 763
Equity at 30.09.2020	453 788	-4 855	701 535	3 225 497	55 641	4 431 605
Equity at 01.01.2021	453 788	-4 686	701 535	3 220 281	—	4 370 918
Profit for YTD 2021	—	—	—	444 182	—	444 182
Other comprehensive income YTD 2021	—	—	—	50 903	—	50 903
Total comprehensive income YTD 2021	—	—	—	495 085	—	495 085
Transactions with owners [in their capacity as owners] YTD 2021	—	—	—	—	—	—
Total change in equity YTD 2021	—	—	—	495 085	—	495 085
Equity at 30.09.2021	453 788	-4 686	701 535	3 715 366	—	4 866 003

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

CASH FLOW STATEMENT

GRIEG SEAFOOD GROUP NOK 1 000	Note	Q3 2021	Q3 2020	YTD 2021	YTD 2020
EBIT after production fee and fair value adj. of biological assets		263 727	-45 812	547 391	-246 413
Depreciation and amortization		101 526	87 861	287 315	273 339
Gain/loss on sale of property, plant and equipment		-2	2 519	67	2 415
Share of profit from associates	8	351	-1 732	-108	-1 297
Fair value adjustment of biological assets	5	-120 720	31 469	-386 997	495 739
Change inventory excl. fair value, trade payables and rec.		-74 797	99 886	-337 454	29 332
Other adjustments		68 787	-30 373	161 436	-1 631
Taxes paid		-842	-1 453	-20 809	-11 855
Net cash flow from operating activities		238 030	142 365	250 841	539 629
Proceeds from sale of property, plant and equipment		38	—	390	714
Payments on purchase of property, plant and equipment		-126 408	-205 524	-442 728	-481 263
Payments on purchase of intangible assets incl. licenses		—	-99 942	—	-159 066
Payments on business combinations		—	—	—	-620 464
Accumulated cash acquired in business combinations		—	—	—	30 628
Government grant	6	—	—	8 443	—
Investment in associates and other invest.	8	—	—	-2 500	20
Net cash flow from investing activities		-126 370	-305 466	-436 396	-1 229 431
Revolving credit facility (net draw-down/repayment)	6	-110 000	-135 865	-196 222	254 135
Proceeds of long-term int. bearing debt	6	—	—	627 399	1 018 560
Proceeds of short-term int. bearing debt	6	—	23 020	—	23 020
Repayment long-term int. bearing debt	6	-50 599	-51 175	-101 602	-102 147
Repayment lease liabilities	6	-44 905	-41 430	-132 868	-145 447
Net interest and other financial items	7	-56 202	-34 626	-154 224	-75 413
Net cash flow from financing activities		-261 705	-240 076	42 483	972 708
Net change in cash and cash equivalents		-150 045	-403 178	-143 072	282 906
Cash and cash equivalents - opening balance		204 260	742 805	275 427	214 497
Currency translation of cash and cash equivalents		162	-1 089	694	-856
Discontinued operations, other cash flow items	4	92 107	-4 357	13 434	-162 366
Cash and cash equivalents - closing balance		146 483	334 181	146 483	334 181

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 third 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 third 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 Q3 2021 totaled NOK 2.5 million for Rogaland, and NOK 4.0 million for Finnmark, in total NOK 6.5 million. YTD 2021, production fee for Rogaland totals NOK 7.8 million, and NOK 8.8 million for Finnmark, in total NOK 16.6 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. As at 30 September 2021, as in 2020, the Group classifies the Shetland assets at assets held for sale, as such the effect of the retrospective change in accounting policy for the Crown Estate Scotland charges is limited to the note disclosure of discontinued operations (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 current Covid-19 pandemic poses a material 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 Q3 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 2 382 million (20% 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.

During the quarter, the biological seawater situation has been good in our regions, with increasing survival rates. As at quarter end, Grieg Seafood Rogaland had three sites infected by Pancreas Disease (PD). The sea lice pressure has been stable or lower in all regions compared to the same period last year.

In the beginning of the quarter, infectious salmon anemia (ISA) was detected on one fish during a routine sampling in our freshwater facility in Newfoundland. The first generation of close to one million fish was culled (cost accrued last quarter), postponing the transfer of fish to seawater from 2021 to 2022, as a precautionary approach and to reduce risk. The second generation of eggs has developed as planned. Production at our other freshwater facilities have been good during the quarter.

The feed industry is characterized by large global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. Access to feed raw materials was limited during the quarter, resulting in increased feed prices for all our regions. We expect the limitation to persist also into 2022.

MARKET RISK

The salmon market seems to be recovering from the Covid-19 pandemic, with high demand and good prices. During Q3 2021, the global supply of Atlantic salmon increased by approximately 7% compared to Q3 2020, and the average NQSALMON (less distributor margin of NOK 0.75) was NOK 54.5 per kg in Q3 2021 compared to NOK 47.1 per kg in Q3 2020. A decrease in supply of fish to the US market has pushed prices, contributing to a strong price achievement in BC. We expect a strong demand and good market prices going forward.

We target a fixed price contract share of 20-50%. Estimated contract share for Q4 is 20%, or 29% for the year 2021, of the Norwegian harvest volume. We do not have fixed price contracts in BC.

This is the second quarter where our new sales and market organization sold all of our fish. We have established a value added department and 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-action lawsuits

(not yet certified as class-action) has been filed by direct and indirect customers in the USA and three in Canada. Grieg Seafood is not aware of any anti-competitive behavior within the Group, neither in Norway, the EU, the USA, nor in Canada. We are fully collaborating with European and American authorities in this matter and will follow up the lawsuits in the USA and Canada accordingly. NOK 7.3 million was spent on lawyer fees related to these investigation during the quarter. The cost is included as ownership cost, see Note 3.

In Q3, we had a chlorine leak at our harvesting facility in Grieg Seafood Finnmark. During the incident, 15 000 liters of chlorine unfortunately leaked into the fjord, and 96 000 fish, who were in the pens at the harvesting plant, died. An independent assessment of the environmental impact has been, concluding that the spill was local and has not spread outside the fjord. We cooperate fully with authorities, and await their investigation into the course of events that led to the spill.

FINANCIAL RISK

Financing risk

Our business and future plans are capital intensive. Management monitors the Group's liquidity reserve, which comprises a bond, loan facility, bank deposits, and cash equivalents, based on expected cash flows. The Group has as at 30 September 2021 NOK 600 million in bridge loan financing, maturing in Q1 2022, and a syndicated debt of NOK 425 million and EUR 43 million, maturing in Q1 2023. Our green bond issue of NOK 1 500 million matures in Q2 2025. A debt refinancing process is currently ongoing.

In November 2020, the Group was granted an amendment to its loan covenants through the third quarter of 2021, which gave management greater room for maneuver in an uncertain market affected by Covid-19. The next measurement date of the financial covenant NIBD/EBITDA is 31 December 2021.

On 29 June 2021 Grieg Seafood entered into an agreement with Scottish Sea Farms Ltd for the divestment of our Shetland assets. The transaction is expected to be finalized before year end, depending on UK competition authorities. The transaction is expected to make a positive contribution on the Group's liquidity, leverage ratio and 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.

At the end of Q3 2021, the Group had NOK 800 million in available undrawn liquidity. The revolving credit is flexible, as it can be drawn upon within a month, or for a longer period, depending on the Group's need for liquidity. Management monitors the Group's liquidity reserve, which comprises a loan facility, bank deposits, and cash equivalents, based on expected cash flows. This is carried out at group level in collaboration with the operating companies. Management and the Board seek to maintain a high equity ratio (41% at 30 September 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

The UN Climate Change report released this August, concludes, amongst others, that the world is likely to hit 1.5C warming limit within 20 years, and that the extreme weather events are likely to become more severe. The climate plays an important role in Grieg Seafood's operations. We have performed climate-related scenario analysis, and identified possible physical risks such as damage caused by extreme weather, biological challenges due to higher or fluctuating seawater temperature, and limited access to feed ingredients. Transition risks identified includes regulatory risk related to carbon reduction requirements and carbon taxes, financial risk/to access to capital, market risk related to requirements from customers and consumers, and reputational risk related to environmental impact. Several of our ongoing initiatives target climate challenges, such as utilizing technology to manage and mitigate seawater issues and post-smolt to reduce the time in sea and thereby reduce the risk of biological challenges. 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.

During the quarter, Grieg Seafood joined the Taskforce on Nature-related Financial Disclosures (TNFD), with the purpose of developing a risk management and financial disclosure framework on nature-related risks. Alongside global financial institutions and businesses, Grieg Seafood will take part in the initiative as a Taskforce Member. The aim of TNFD is to support a shift in global financial flows away from nature-negative outcomes and towards nature-positive outcomes. 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.

Q3 2021 SEGMENTS (NOK 1 000)	FARMING EUROPE		FARMING NORTH AMERICA		ELIM./ OTHER	GROUP
	ROGALAND NORWAY	FINNMARK NORWAY	BC CANADA	NL CANADA		
Sales revenues	322 866	531 081	341 543	—	107 713	1 303 202
Other income	10 870	16 240	956	2 842	-2 917	27 990
EBITDA	54 678	117 962	111 235	-23 307	-9 560	251 009
EBIT before production fee and fair value adjustment of biological assets	30 609	80 225	88 411	-36 933	-12 830	149 483
Harvest volume tonnes GWT	6 282	9 908	4 289	—	—	20 479
Sales revenue/kg	51.4	53.6	79.6	—	—	58.4
Farming cost/kg	46.5	45.5	59.0	—	—	48.7
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	2.4
EBIT/kg	4.9	8.1	20.6	—	—	7.3
EBITDA %	17%	22%	33%	0%	-9%	19%
EBIT %	9%	15%	26%	0%	-12%	11%

In Q3 2021, the ownership cost includes lawyer fees related to the EU commission investigation of NOK 7.3 million.

Q3 2020 SEGMENTS (NOK 1 000)	FARMING EUROPE		FARMING NORTH AMERICA		ELIM./ OTHER	GROUP
	ROGALAND NORWAY	FINNMARK NORWAY	BC CANADA	NL CANADA		
Sales revenues	273 267	147 305	341 700	—	151 654	913 926
Other income	10 835	6 929	—	—	-13 920	3 844
EBITDA	74 930	61 073	-26 980	—	-35 505	73 518
EBIT before production fee and fair value adjustment of biological assets	49 854	26 654	-51 605	—	-39 246	-14 343
Harvest volume tonnes GWT	5 039	2 730	6 648	—	—	14 416
Sales revenue/kg	54.2	54.0	51.4	—	—	52.9
Farming cost/kg	44.3	44.2	59.2	—	—	51.2
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	2.7
EBIT/kg	9.9	9.8	-7.8	—	—	-1.0
EBITDA %	27%	41%	-8%	—	-23%	8%
EBIT %	18%	18%	-15%	—	-26%	-2%

YTD 2021 SEGMENTS (NOK 1 000)	FARMING EUROPE		FARMING NORTH AMERICA		ELIM./ OTHER	GROUP
	ROGALAND NORWAY	FINNMARK NORWAY	BC CANADA	NL CANADA		
	Sales revenues	1 031 065	1 075 354	741 880		
Other income	40 694	34 371	6 969	3 408	-29 973	55 469
EBITDA	232 565	145 442	204 308	-70 032	-47 978	464 304
EBIT before production fee and fair value adjustment of biological assets	158 556	39 353	133 589	-97 144	-57 364	176 989
Harvest volume tonnes GWT	19 411	22 073	10 390	—	—	51 874
Sales revenue/kg	53.1	48.7	71.4	—	—	54.9
Farming cost/kg	44.9	46.9	58.6	—	—	48.5
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	3.0
EBIT/kg	8.2	1.8	12.9	—	—	3.4
EBITDA %	23%	14%	28%	0%	-20%	15%
EBIT %	15%	4%	18%	0%	-24%	6%

YTD 2020 SEGMENTS (NOK 1 000)	FARMING EUROPE		FARMING NORTH AMERICA		ELIM./ OTHER	GROUP
	ROGALAND NORWAY	FINNMARK NORWAY	BC CANADA	NL CANADA		
	Sales revenues	953 478	819 536	1 000 413		
Other income	54 764	36 899	3 666	—	-68 775	26 555
EBITDA	336 913	228 745	53 989	—	-96 983	522 665
EBIT before production fee and fair value adjustment of biological assets	261 627	118 503	-23 812	—	-106 992	249 326
Harvest volume tonnes GWT	16 510	15 837	18 524	—	—	50 872
Sales revenue/kg	57.8	51.7	54.0	—	—	54.5
Farming cost/kg	41.9	44.3	55.3	—	—	47.5
Other costs incl. ownership and headquarter costs/kg	—	—	—	—	—	2.1
EBIT/kg	15.8	7.5	-1.3	—	—	4.9
EBITDA %	35%	28%	5%	—	-21%	16%
EBIT %	27%	14%	-2%	—	-23%	8%

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 note disclosures in this financial report for Q3 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.

The Group's Income Statement and Cash Flow Statement have been re-presented for the comparative figures for Q3 2020 for the effects of the disposal group's Shetland. The Statement of Financial Position is not re-presented for the comparative 30 September 2020 figures. 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 Hjaltdland UK Ltd, the parent company of Grieg Seafood ASA's Shetland business. The enterprise value is set to GBP 164 million, assuming a normalized working capital, and to be adjusted for cash and debt. The transaction is subject to certain customary closing conditions. The transaction is expected to close within Q4 2021, as the Competition and Markets Authority (CMA) in the UK announced the launch of its merger inquiry by notice to the parties on 20 October 2021, and the current statutory deadline by when the phase 1 decision will be announced is 15 December 2021. At phase 1, the CMA determines whether it believes that the merger results in a realistic prospect of a substantial lessening of competition. We can not see there are any, and expect that the transaction will be closed at the end of fourth quarter.

The net asset values booked in the quarterly report directly associated with the Shetland assets held for sale amounts to NOK 1 584 million. Estimated transaction fee is not booked as at 30 September 2021 as the transaction is not finalized, and the transaction fee mechanism is "no cure, no pay". A disposal group held for sale is measured at the lower of book value and fair value less cost of sale. No impairment has been charged in the Shetland assets as at 30 September 2021. The operations defined as discontinued are presented as held for sale at 30 September 2021, and the discontinued operations of Shetland are 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.

Grieg Seafood Shetland harvested 4 029 tonnes in Q3 2021, a decrease of 40% compared to Q3 2020. YTD 2021 harvest volume in Shetland was 11 206 tonnes (12 602 tonnes). Following a period of restructuring and operational improvement, production on mainland Shetland has developed positively. Measures undertaken includes control of the sea lice situation by means of aeration systems, sea lice skirts and freshwater treatments. In addition, a new vaccination strategy to improve smolt quality have significantly increased the survival rate for smolt transferred to the sea. The last fish on the Isle of Skye, which have been impacted by severe biological challenges in prior periods and impacted our results, was harvested in Q2 2021. Operating income from the disposal group Shetland amounted to NOK 293.3 million in Q3 2021, with an EBITDA of NOK 53 million. The Shetland asset financials are prepared in line with IFRS 5, thus amortization and depreciation of property, plant and equipment and right-of-use assets hasn't been carried out (NOK 33 million for Q3 2021). As from Q3 2021, some of the invoiced intercompany services from Grieg Seafood ASA to Grieg Seafood Shetland has not been eliminated, and thus 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.

SHETLAND: BIOLOGICAL ASSETS AT 30.09.2021	NUMBER OF FISH (1 000)	BIOMASS (TONNES)	COST OF PRODUCTION (NOK 1 000)	FAIR VALUE ADJUSTMENT (NOK 1 000)	CARRYING AMOUNT (NOK 1 000)
Biomass onshore	3 066	57	26 056	—	26 056
Biological assets with round weight < 4.60 kg	4 633	8 363	423 487	39 489	462 976
Biological assets with round weight > 4.60 kg	—	—	—	—	—
Total	7 699	8 420	449 543	39 489	489 032

The fair value adjustment of biological assets in Grieg Seafood Shetland has been calculated using a discount factor of 3.5 %. See Note 5 for information on the fair value assessment considerations, which also applies for Grieg Seafood Shetland.

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)

	SHETLAND*				OCEAN QUALITY**			
	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Operating income	293 307	355 610	755 314	767 002	—	685 608	—	2 334 750
Operating expenses	-240 772	-530 772	-648 221	-964 792	—	-678 599	—	-2 320 728
EBIT before production fee and fair value adjustment of biological assets	52 534	-175 162	107 093	-197 790	—	7 010	—	14 022
Production fee***	-1 296	-2 122	-4 364	-4 240	—	—	—	—
Fair value adjustment of biological assets	8 712	73 106	57 775	-199 101	—	—	—	—
EBIT after production fee and fair value adjustment of biological assets	59 950	-104 178	160 504	-401 131	—	7 010	—	14 022
Net financial items	-1 440	-134	-3 662	4 367	—	2 018	—	7 630
Profit before tax from discontinued operations	58 510	-104 312	156 842	-396 764	—	9 028	—	21 652
Estimated taxation	-2 642	24 506	-60 835	87 325	—	-1 999	—	-4 713
Net profit for the period from discontinued operations	55 868	-79 806	96 007	-309 438	—	7 029	—	16 939
Gain on the sale of the subsidiary after income tax	—	—	—	—	—	—	—	—
Net profit for the period from discontinued operations	55 868	-79 806	96 007	-309 438	—	7 029	—	16 939

*Depreciation ceased from 1 October 2020, in accordance with IFRS 5.

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

***See Note 1

TOTAL PROFIT (LOSS) FROM DISCONTINUED OPERATIONS TOTAL (NOK 1 000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Shetland disposal group	55 868	-79 806	96 007	-309 438
Ocean Quality disposal group	—	7 029	—	16 939
Net profit for the period from discontinued operations	55 868	-72 777	96 007	-292 499

CLASSES OF ASSETS AND LIABILITIES OF THE DISPOSAL GROUP (NOK 1 000)	TOTAL (SHETLAND)	TOTAL (OCEAN QUALITY)
	30.09.2021	30.09.2020
Classes of assets and liabilities of the disposal group		
Deferred tax assets	21 081	—
Intangible assets	559 836	—
Property, plant and equipment and right-of-use assets	746 844	6 512
Biological assets incl fair value	489 032	—
Inventories	18 288	17 690
Trade receivables and other receivables	103 147	70 363
Cash and cash equivalents	5 750	76 050
Assets directly related with disposal group	1 943 978	170 614
Non-current liabilities	163 296	9 651
Current liabilities	196 475	101 876
Liabilities directly associated with disposal group	359 771	111 527
Net assets directly associated with disposal group	1 584 207	59 087

As at 30 September 2021 the net assets classified as held for sale attributes fully to the Shetland disposal group, while the net assets classified as held for sale as at 30 September 2020 attributes fully to the Ocean Quality disposal group.

Amounts included in accumulated OCI associated with the disposal group (NOK 1 000)	TOTAL (SHETLAND)	TOTAL (OCEAN QUALITY)
	30.09.2021	30.09.2020
Currency effect on investment in subsidiaries	3 857	860
Currency effects on loans to subsidiaries	94 860	—
Other gains and losses	-636	—
Cash flow hedges	—	-1 261
Tax effects	-20 869	-277
Reserve of disposal group classified as held for sale	77 212	-678

CASH FLOWS FROM DISCONTINUED OPERATIONS (NOK 1 000)

CASH FLOWS FROM DISCONTINUED OPERATIONS (NOK 1 000)	SHETLAND				OCEAN QUALITY			
	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net cash flow from operating activities	120 201	53 048	165 834	-8 555	—	64 640	—	38 774
Net cash flow from investing activities	-8 856	-14 767	-18 547	-48 883	—	-657	—	-657
Net cash flow from financing activities	-17 229	-43 007	-129 039	-68 126	—	-304	—	-2 494
Net change in cash and cash equivalents	94 116	-4 725	18 249	-125 564	—	63 678	—	35 623

TOTAL CASH FLOWS FROM DISCONTINUED OPERATIONS (NOK 1 000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net change in cash and cash equivalents	94 116	58 953	18 249	-89 940

Specification of "Discontinued operations" in Continued Operations Cash Flow Statement:

Other changes in cash	—	7 503	—	70 039
Usage of Group Account, Shetland*	-92 107	-3 146	-13 434	92 327
Discontinued operations	-92 107	4 357	-13 434	162 366

*Grieg Seafood Shetland, included in the disposal group "Shetland", is part of Grieg Seafood ASA' group account (cash pool) arrangement with banks.

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	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 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 at 30 September 2021.

BIOLOGICAL ASSETS	TONNES				NOK 1 000			
	Q3 2021	YTD 2021	Q3 2020	YTD 2020	Q3 2021	YTD 2021	Q3 2020	YTD 2020
Biological assets beginning of period	53 122	52 619	57 416	67 614	3 013 620	2 545 901	2 698 198	3 437 947
Biological assets classified as held for sale	n/a	n/a	-11 895	-11 480	n/a	n/a	-490 481	-641 389
Currency translation	n/a	n/a	n/a	n/a	-1 894	17 431	-9 689	37 393
Increases due to production	27 681	64 583	22 729	55 517	966 694	2 404 590	814 120	2 200 089
Decrease due to sales	-23 777	-60 176	-17 162	-60 562	-896 326	-2 238 248	-658 335	-2 175 973
Fair value adjustment beginning of period	n/a	n/a	n/a	n/a	-699 645	-347 227	-204 103	-708 357
Fair value adjustment period end	n/a	n/a	n/a	n/a	831 222	831 222	222 498	222 498
Biological assets period end	57 025	57 025	51 089	51 089	3 213 670	3 213 670	2 372 208	2 372 208
Biological assets classified as held for sale*	n/a	n/a	8 441	8 441	n/a	n/a	361 097	361 096
Biological assets period end	57 025	57 025	59 530	59 530	3 213 670	3 213 670	2 733 305	2 733 305

As at 30 September 2021, the Shetland assets are classified as held for sale. The classification was made in Q4 2020, thus on the opening balance of 2021, biological assets related to Shetland are booked as assets held for sale in the statement of financial position. In the table above, the opening-to-closing balance specification are disclosed for the Group's continued operations. In Q3 2020, the Shetland-assets was included in the statement of financial position. See more information in Note 4.

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

BIOLOGICAL ASSETS AT 30.09.2021	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	20 842	795	156 634	—	156 634
Biological assets with round weight < 4.60 kg	27 961	50 553	1 979 220	834 295	2 813 515
Biological assets with round weight > 4.60 kg	1 137	5 677	246 594	-3 073	243 521
Total (ex. Shetland)	49 941	57 025	2 382 448	831 222	3 213 670

BIOLOGICAL ASSETS AT 30.09.2020	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	20 553	963	163 405	—	163 405
Biological assets with round weight < 4.60 kg	21 338	35 562	1 521 103	241 857	1 762 960
Biological assets with round weight > 4.60 kg	2 825	14 563	465 203	-19 359	445 844
Total (ex. Shetland)	44 716	51 089	2 149 710	222 498	2 372 208

SPECIFICATION OF THE FAIR VALUE ADJUSTMENT, INCOME STATEMENT (NOK 1 000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Change in fair value adjustment of biological assets	132 477	17 500	479 510	-500 846
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)	-11 757	-48 969	-92 513	5 106
Total recognized fair value adjustment of biological assets	120 720	-31 469	386 997	-495 739

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 Q4 2020 granted an amendment to the covenants through the third quarter of 2021, and the next measurement date of NIBD/EBITDA is 31 December 2021 (see the Annual Report for 2020 for information on Grieg Seafood's financial covenant requirement for NIBD/EBITDA). In the period up until and including Q3 2021, Grieg Seafood is required to have a minimum free liquidity of NOK 200 million including undrawn and available commitments under overdraft and revolving facilities. Temporary requirements for 12 month rolling EBITDA have been set for the period. Grieg Seafood ASA was in compliance with these temporary amended terms at 30 September 2021.

The equity ratio requirement according to the financial covenants of the syndicated loan agreement is 35%, calculated excl. the effects of IFRS 16. At 30 September 2021, the Group had an equity ratio (according to IFRS) of 41%, while the equity ratio according to financial covenants was 43% (45%), compared to 43% at 31 December 2020.

The green bond (GSF01 G, listed at Euronext) matures on 25 June 2025. The bond carries a coupon rate of 3 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. The syndicated debt matures in February 2023, and carries an interest rate of 3M NIBOR + 3.5 % p.a.

NET INTEREST-BEARING LIABILITIES ACCORDING TO COVENANTS (NOK 1 000)	30.09.2021	30.09.2020	31.12.2020
Bond loan (1)	1 500 000	1 000 000	1 500 000
Non-current borrowings incl. syndicate term loan and revolving facility (1), (2)	1 647 694	1 786 394	1 918 946
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	301 710	357 294	176 226
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	302 338	360 282	355 417
Total non-current interest-bearing liabilities (3)	3 751 742	3 503 970	3 950 589
Current portion of borrowings incl. overdraft	705 069	105 832	104 435
Lease liabilities (operating leases according to IFRS in force prior to 1 January 2019)	114 321	171 951	75 426
Lease liabilities (finance leases according to IFRS in force prior to 1 January 2019)	72 820	76 348	77 769
Factoring liabilities	—	72 044	—
Total current interest-bearing liabilities	892 210	449 196	257 630
Gross interest-bearing liabilities	4 643 952	3 953 165	4 208 219
Cash and cash equivalents	-146 483	-410 231	-275 427
Loans to associates	-2 085	-1 910	-1 910
Net interest-bearing liabilities	4 495 384	3 541 024	3 930 882
Factoring liabilities	—	-72 044	—
Quote of Bremnes' share of cash Ocean Quality AS (40%) (4)	—	76 050	—
Lease liabilities (5)	-416 030	-529 245	-251 653
Non-current debt to the Province of Newfoundland and Labrador, Canada (2)	-26 178	—	—
Net interest-bearing liabilities according to covenants	4 053 175	3 015 785	3 679 230
NIBD/EBITDA (6)	n/a	4.2	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 between Total non-current interest-bearing liabilities in this table, and non-current borrowings and lease liabilities in the Statement of Financial Position.

- 4) The transaction with Bremnes Fryseri for the sale of Ocean Quality AS (Sjór AS) was completed at 31 December 2020. Up until, but not including, 31 December 2020, the net interest-bearing liabilities were adjusted for the non-controlling interest's (Bremnes Fryseri) share of cash in Ocean Quality AS.
- 5) 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.
- 6) 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. The income statement figure of Q3 2020 has been re-presented as it excludes the Group's discontinued operations in Shetland. The Group's Statement of Financial Position is not re-presented when applying IFRS 5. See Note 4 for more information on the Group's disposal groups.

EFFECT OF IFRS 16 (NOK 1 000)	30.09.2021*	30.09.2020**	30.09.2020***
Right of use assets included in property, plant and equipment incl. right-of-use assets	406 033	536 662	253 887
Lease liabilities included in non-current lease liabilities	301 710	357 294	171 364
Lease liabilities included in current lease liabilities	114 321	171 951	82 774

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.

*The IFRS 16 effect 30 September 2021 ex. discontinued operations.

**The IFRS 16 effect in line with the Statement of Financial Position as at 30 September 2020.

***Proforma financial information: The IFRS 16 effect 30 September 2020 ex. discontinued operations (see Note 4).

EFFECT OF IFRS 16 (NOK 1 000)*	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Other operating expenses**	29 710	24 402	84 587	82 160
EBITDA	29 710	24 402	84 587	82 160
Depreciation and amortization	-30 498	-22 808	-80 388	-78 631
EBIT before production fee and fair value adjustment of biological assets	-787	1 593	4 200	3 529
Fair value adjustment of biological assets	—	—	—	—
EBIT after production fee and fair value adjustment of biological assets	-787	1 593	4 200	3 529
Net financial items	-4 159	-3 192	-7 153	-663
Profit before tax from continuing operations	-4 946	-1 599	-2 953	2 866

*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)	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Changes in fair value from hedging instruments	6 905	1 080	23 223	-25 897
Net financial interest	-48 369	-27 684	-143 812	-68 007
Net currency gain (losses)	-8 299	18 063	77 367	-57 602
Dividend	10	—	10	20
Net other financial income (expenses)	-5 265	-2 293	-13 681	-8 296
Net financial items	-55 018	-10 834	-56 893	-159 782

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	30.09.2021	01.01.2021	YTD 2021	YTD 2021	30.09.2021
Nordnorsk Smolt AS	50.00%	50.00%	41 264	-4 249	—	37 015
Tytlandsvik Aqua AS	33.33 %	33.33 %	43 158	4 780	—	47 938
Årdal Aqua AS	0.00 %	37.04 %	—	-423	2 500	2 077
Total associates classified as operations			84 421	108	2 500	87 029

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%). At 30 September 2021, Grieg Seafood Finnmark has an outstanding long-term loan to Nordnorsk Smolt AS, amounting to 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.

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%.

New investment in 2021

In 2021, the Group invested, through Grieg Seafood Rogaland AS, NOK 2.5 million for an ownership interest of 37.04% in Årdal Aqua AS. The other shareholders of Årdal Aqua AS are Vest Havbruk AS and Omfar AS. Årdal Aqua is currently in the design development phase of a land-based farming facility in Rogaland in Norway.

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 30.09.2021	NO. OF SHARES	SHARE-HOLDING
Board of directors		
Per Grieg Jr. *	60 354 324	53.20%
Tore Holand	2 000	0.00%
Marianne Ødegaard Ribe	—	0.00 %
Katrine Trovik	—	0.00 %
Group management		
CEO	39 489	0.03%
CFO	24 532	0.02%
COO Farming Europe	22 489	0.02%
COO Farming North America	23 889	0.02%
CCO	324	0.00 %
CTO	23 831	0.02%
CHRO	12 060	0.01%
Global Communications Manager	324	0.00 %
Total shares controlled by Board members and Group management	60 503 262	53.33%

*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 30 September 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 2018-2020	4.00	314	78 506
Total excl. treasury shares	4.00	449 102	112 275 548

Treasury shares

In June 2011, the Company purchased 1 250 000 treasury shares at NOK 14.40 per share. From 2018 through 2020, the treasury shares have been sold to employees for use in the share savings program. As at 30 September 2021, the Company has 1 171 494 treasury shares.

THE 20 LARGEST SHAREHOLDERS IN GRIEG SEAFOOD ASA AT 30.09.2021	NO. OF SHARES	SHARE-HOLDING
Grieg Aqua AS	56 914 355	50.17%
OM Holding AS	4 713 957	4.16%
Folketrygdfondet	4 042 389	3.56%
Ystholmen Felles AS	2 428 197	2.14%
State Street Bank and Trust Comp (nominee)	2 062 826	1.82%
Clearstream Banking S.A. (nominee)	1 791 369	1.58%
The Bank of New York Mellon SA/NV (nominee)	1 554 500	1.37%
Six Sis AG (nominee)	1 536 358	1.35%
Ferd AS	1 456 453	1.28%
Banque Degroof Petercam Lux. SA (nominee)	1 173 128	1.03%
Grieg Seafood ASA	1 171 494	1.03%
JPMorgan Chase Bank, N.A., London (nominee)	1 038 543	0.92%
Kvasshøgdi AS	996 772	0.88%
State Street Bank and Trust Comp (nominee)	935 657	0.82%
Ronja Capital II AS	845 004	0.74%
State Street Bank and Trust Comp (nominee)	778 059	0.69%
Verdipapirfondet Pareto Investment	758 500	0.67%
Danske Invest Norge Vekst	561 000	0.49%
Pictet Cie (Europe) S.A.	528 697	0.47%
DZ Privatbank S.A.	452 300	0.40%
Total 20 largest shareholders	85 739 558	75.58%
Total others	27 707 484	24.42%
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, targeting 130 000 tonnes of harvest (GWT) in 2025.

Our farms are in Finnmark and Rogaland in Norway, British Columbia and Newfoundland in Canada, and Shetland in the UK. Our headquarter is located in Bergen, Norway. Grieg Seafood ASA was listed at the Oslo Stock Exchange in June 2007. More than 900 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

Postal address

P.O. Box 234 Sentrum. 5804
Bergen

Visiting address

Grieg-Gaarden. C. Sundts gt.
17/19. 5004 Bergen

Telephone

+ 47 55 57 66 00

Website

www.griegseafood.com

Organization number

NO 946 598 038 M

Board of Directors

Per Grieg jr.

Chair

Tore Holand

Vice chair

Katrine Trovik

Board member

Marianne Ødegaard Ribe

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

Q4 2021

15 February 2022

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.