



# Grieg Seafood Company presentation

*Report date: 4 November 2021*



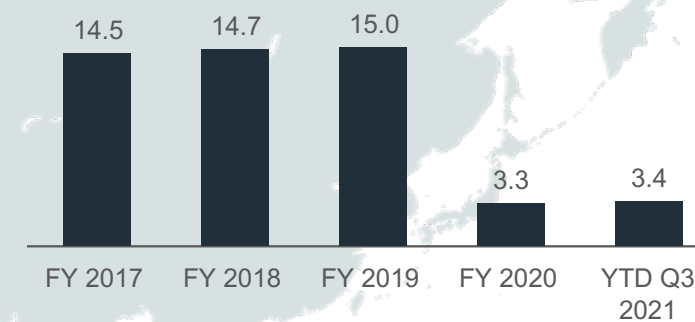
# Index

Grieg Seafood at a glance	3	Our regions	22–28	Financials	36–47
Our vision and values	4–5	Rogaland	23	Operational and financial development	37
The business opportunity	6–9	Finnmark	24	Financial targets	38
The challenges we must solve	10	British Columbia	25	Return On Capital Employed	39
Our business model	11–15	Newfoundland	26	Share performance	40
Value chain	12	Shetland	27	Profit & loss	41
Output	13	Local value creation	28	Financial position	42–43
Our approach to sustainable business	14	The global salmon market	29–35	Current financial situation	44–45
Sustainability drives result	15	Grieg Seafood's position	30	Cash flow	46
Ambitions and strategic focus areas	16–21	Global trade of Atlantic salmon	31	Dividend policy and pay out	47
2025 business strategy	17	Harvest of Atlantic salmon	32	Disclaimer	48
Production growth	18	Supply of Atlantic salmon	33		
Cost improvement	19	Market prices	34–35		
Value chain repositioning	20				
Our operational focus areas	21				

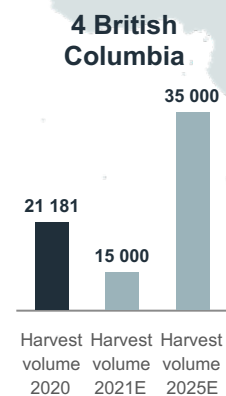
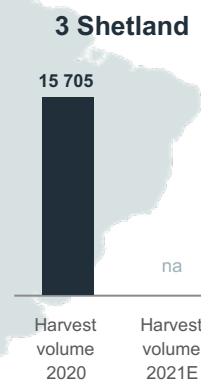
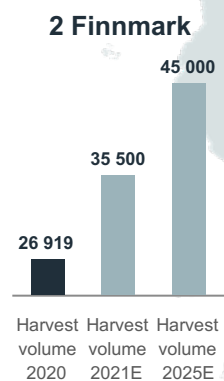
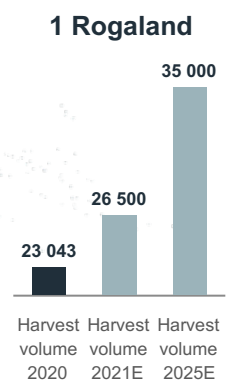
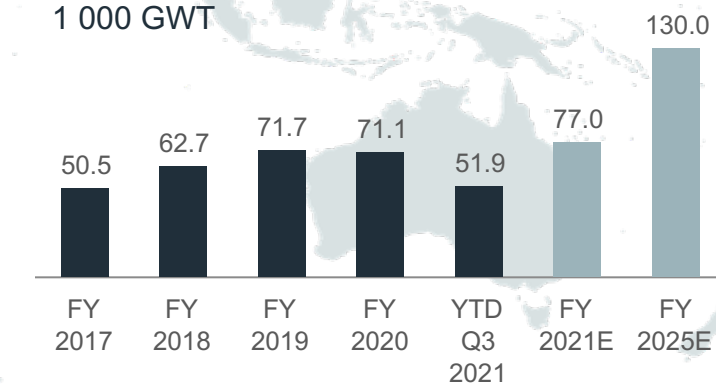
# Grieg Seafood at a glance

- Grieg Seafood farms
- Sales
- GSF Headquarters

EBIT/kg\* NOK



Harvest volume (ex Shetland)  
1 000 GWT



\* Shetland classified as held for sale in 2020, and not included in EBIT/kg in FY 2019, FY 2020 and YTD Q3 2021.



Our vision

**Rooted in nature**

Farming the ocean for a  
better future

# Our values

## OPEN

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

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

## AMBITIOUS

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

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

## CARING

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

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

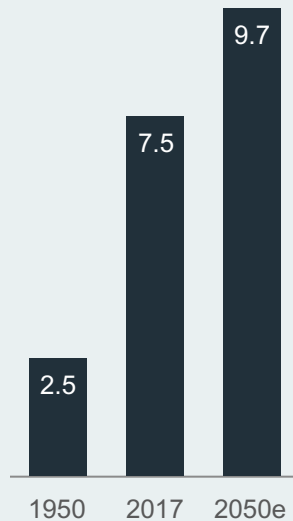
We care about our communities. We recognize that the fjords belong to them, and we take their concerns seriously. We are a good neighbour. We create opportunities and lasting value for society.



# **The business opportunity** – and the challenges we must solve

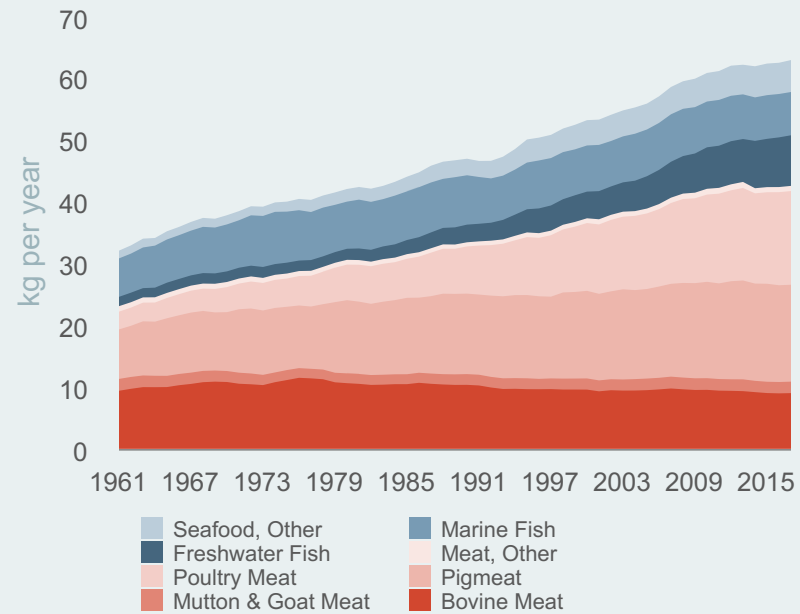
# The business opportunity

**World Population**  
Billions



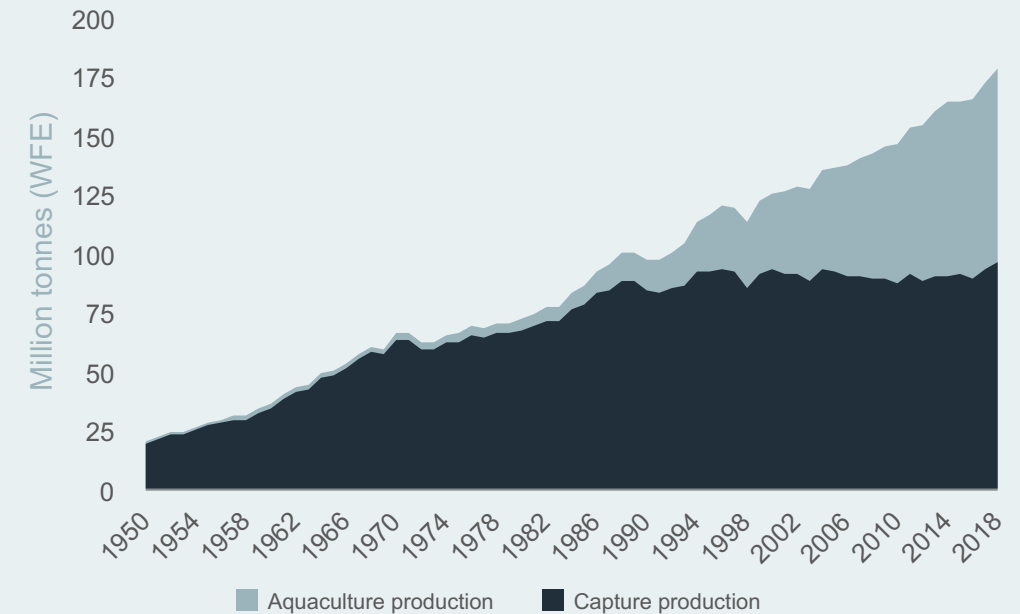
Source: UN (2019) World Population Prospects: the 2019 Revision

**Per Capita Meat & Seafood Consumption**  
2020



Source: FAO (2020)

**World capture fisheries and aquaculture production**

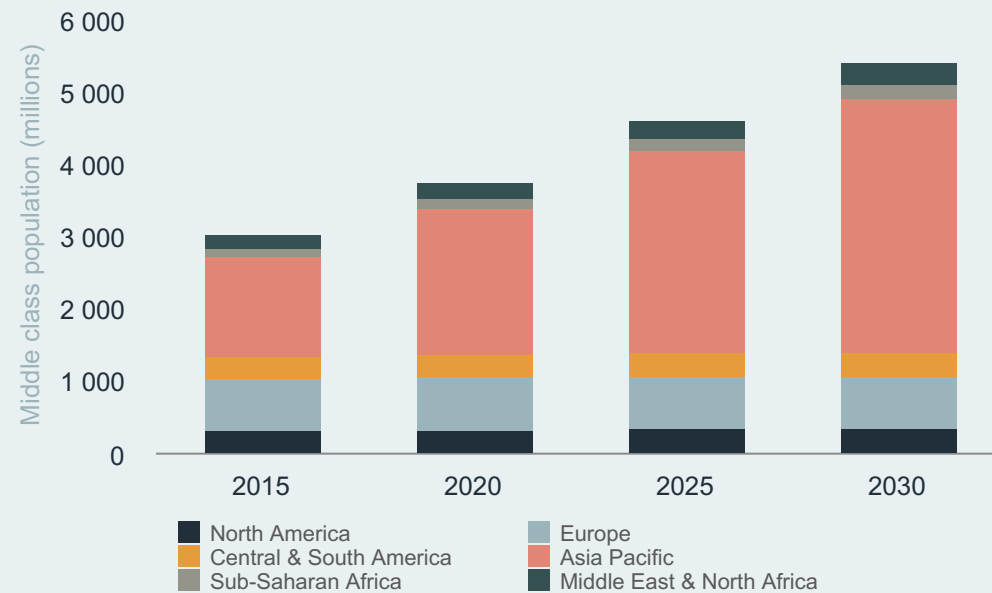


Source: Kontali (2020)

# Strong market fundamentals

## THE BUSINESS OPPORTUNITY

### Global middle class population by region\*



Sources: \* Brookings (2017), \*\* GSI (2020), \*\*\* AGR Partners (2017)

### Farmed salmon is a core component of healthy, sustainable diets

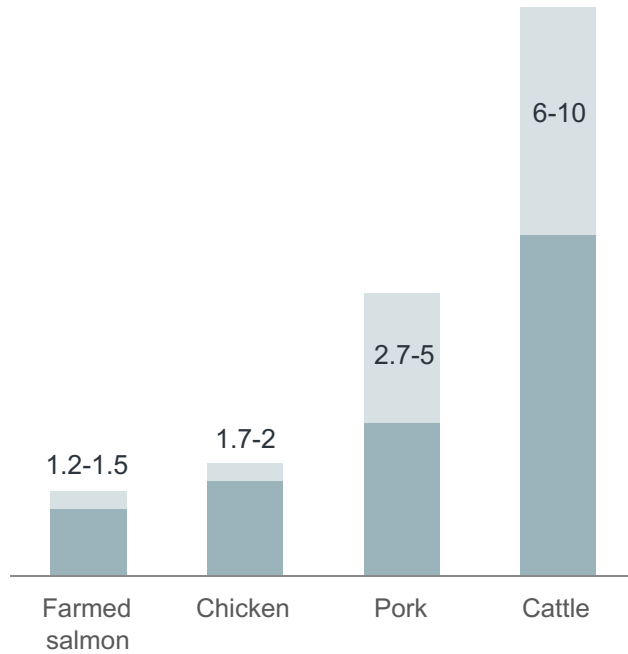
- When compared with other animal proteins, **farm-raised salmon represents an environmentally conscious choice**, with a lower carbon footprint, requiring less land, and more efficient use of feed resources\*\*
- Farmed salmon provides a **nutrient-dense food** which supports healthy diets and meets global dietary recommendations\*\*
- Growing demand is being driven by consumers' increasing awareness of the health benefits of a diet **rich in omega-3 fatty acids**, a growing acceptance for consuming farmed fish, the sustainability of production, and a stable, year-round supply\*\*\*



# Why salmon farming?

## THE BUSINESS OPPORTUNITY

### FEED CONVERSION RATIO



Farmed Atlantic  
salmon



Chicken



Pork



Lamb



Beef

### EDIBLE YIELD

68%

46%

52%

38%

na

### CARBON FOOTPRINT

0.60

0.88

1.30

na

5.92

Source: [Global Salmon Initiative](#)

# The challenges we must solve

Though we have made great progress in finding more sustainable fish farming methods in recent decades, many challenges remain to be solved in our production and supply chain:

- 1. Ensuring co-existence with nature and other species**
- 2. Improving fish health and welfare**
- 3. Finding sustainable feed ingredients**
- 4. Cutting carbon emissions**
- 5. Recycle resources**
- 6. Promoting human rights**











# Our business model





# Value chain

THE SALMON INDUSTRY VALUE CHAIN							
2020 business strategy							
2025 business strategy							
							
Breeding	Freshwater farming	Post smolt	Seawater farming	Harvesting	Sales and distribution	Value added processing	Retail HoReCa
In Rogaland, we have a broodstock operation where we breed for specific traits, such as strong health or resistance to sea lice and diseases.	In all of our regions, we have RAS freshwater facilities, where the eggs are hatched and the salmon spend at least the first year.	As part of our post-smolt strategy, we keep the salmon longer on land in all regions.	The salmon live and grow in the sea until they reach a harvestable size of 4–5 kg.	We have harvesting plants in Rogaland and Finnmark in Norway. We use a harvesting vessel in British Columbia, Canada. In Newfoundland, we have a cooperation with a local plant.	We have an internal sales and market organization to support growth and the downstream strategy.	We will form closer partnerships in the market and increase the value of our salmon through VAP.	Our salmon is found in retail stores or on the menu at restaurants or hotels. Today, we have two HoReCa brands, Skuna Bay and Kvitsøy.

# Output

## OUTCOME



Almost  
**2 300 000**  
Healthy meals per day

## OUR BRANDS

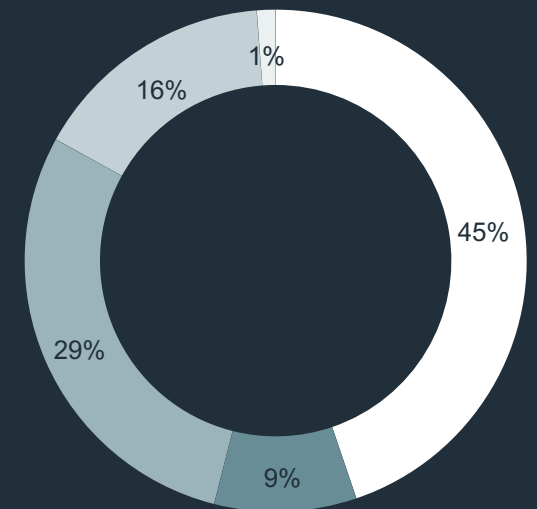
### Skuna Bay

Skuna Bay is our high-end HoReCa brand sold in the US. The Skuna Bay fish is preferred by some of the top American chefs, and is regularly served at the James Beard Award. Read more here: <https://www.skunasalmon.com/>

### Kvitsøy

Kvitsøy is our high-end HoReCa brand sold in Europe, mainly to Italy and Spain.

## OUR MARKETS 2020



■ EU ■ UK  
■ North America ■ Asia  
■ Other

# Our approach to sustainable business

## Our pillars



### PROFIT & INNOVATION



### HEALTHY OCEAN



### SUSTAINABLE FOOD



### PEOPLE



### LOCAL COMMUNITIES

## Topics

- Our market
- Economic productivity
- Profitable growth
- Precision farming
- Research and innovation

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

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

- Human rights and ethics
- Embracing diversity
- Creating attractive jobs
- Keeping our employees safe
- Responsible business conduct

- Local value creation
- Indigenous relationships
- Dialogue and engagement

## SDG Alignment





# Sustainability drives result

## SUSTAINABILITY DRIVERS

- Sea lice control and minimal sea lice medication
- Escape control
- Survival and disease control
- Wildlife management
- Carbon emissions
- HSE, diversity and work satisfaction
- Certifications
- Local value creation

## SUCCESS FACTORS

- License to operate
- Higher volume
- Superior quality
- Reduced cost
- Engaged employees
- Preferred by customers and consumers

## FINANCIAL TARGETS

- ROCE: 12%
- Harvest of 90 000\* in 2022 and 130 000\* in 2025
- Average farming cost end-2022 below NOK 40/kg in Norway, below CAD 7/kg in BC
- NIBD\*\* /EBITDA < 4.5 (bank covenant)
- NIBD\*\* /harvest volume < NOK 30/kg
- Dividend of 30-40% of net profit

\* ex Shetland assets.

\*\* NIBD according to bank covenants. Not applicable through Q3 2021, next measurement date of the ratio 31 December 2021.

# Ensuring sustainable growth – Ambitions and strategic focus areas

# 2025 Business Strategy

**Global growth**

**Cost improvement**

**Value chain  
repositioning**

---

**SUSTAINABILITY**

# Global growth

Reach harvest volume of  
130 000 tonnes by 2025

- **Organic growth**
  - Continued site utilization improvements
  - New licenses/MAB expansion
  - Post-smolt investments
  - New technologies
    - R&D investments
    - Development licenses
- **Mergers & acquisitions**
  - Pursue opportunities
  - Realize synergies with players in current regions in Norway
  - Look to new regions for growth opportunities with attractive risk diversification

# Cost improvement

Drive competitiveness in each region

- **Focus on regions with best potential for profitable and competitive farming operations**
- **Continued cost improvements expected through**
  - Improved fish health and welfare
  - Enhanced operational performance
    - GSF precision farming
    - Procurement capacity
- **Smolt infrastructure development**
- **Research and Development**

# Value chain repositioning

Evolve from supplier to innovation partner

- **Increase share of value added**
- **Downstream partnerships**
  - Build local key account manager resources & consumer insight
  - Coordinate VAP set-up
  - Direct retail/ food service approach
- **Category development**
  - Develop immature salmon categories in partnership with retailers
- **Brand cultivation and development**



# Our operational focus areas

<b>Less time at sea (post-smolt)</b>  Shorter time in sea to reduce exposure to biological risk, reduce environmental impact and impact production cost	<b>Prevention and fish welfare</b>  We pursue a systematic, long-term approach to fish welfare to achieve strong growth and high harvest quality	<b>Digitalization in salmon farming</b>  Applying advanced sensors, big data, artificial intelligence and automation in order to generate better decisions, thereby increasing yield and resource efficiency
---	--	--

# Our regions

## Europe & North America



# Rogaland

## KEY FIGURES

19 411

TONNES GWT  
HARVESTED\*

8.2

EBIT/KG  
NOK\*

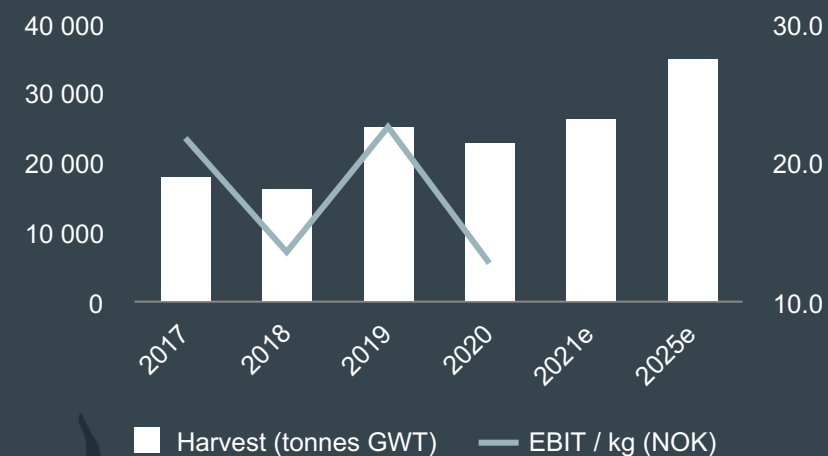
0

ASC  
CERTIFICATIONS\*

167

EMPLOYEES\*

## EBIT AND HARVEST ROGALAND



\* all figures are YTD Q3 2021

# Finnmark

## KEY FIGURES

22 073

TONNES GWT  
HARVESTED\*

1.8

EBIT/KG  
NOK\*

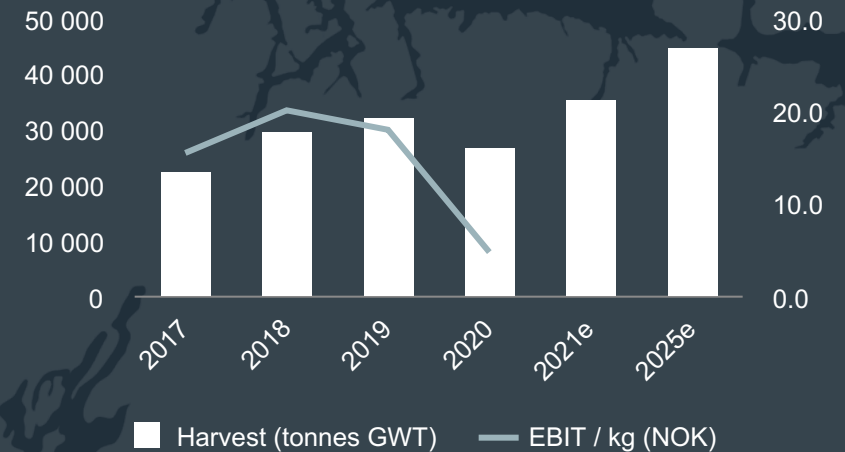
17

ASC  
CERTIFICATIONS\*

251

EMPLOYEES\*

## EBIT AND HARVEST FINNMARK



\* all figures are YTD Q3 2021

# British Columbia

## KEY FIGURES

10 390

TONNES GWT  
HARVESTED\*

12.9

EBIT/KG  
NOK\*

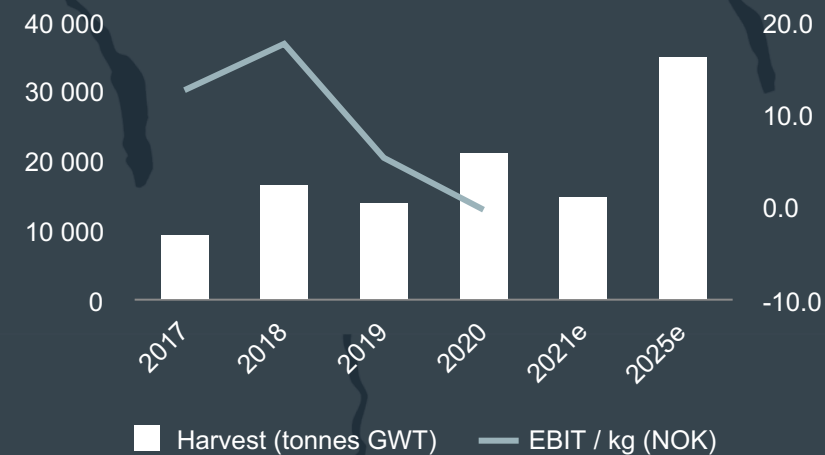
13

ASC  
CERTIFICATIONS\*

170

EMPLOYEES\*

## EBIT AND HARVEST BRITISH COLUMBIA



\* all figures are YTD Q3 2021

# Newfoundland

## KEY FIGURES

- Greenfield project with exclusivity for salmon farming in the Placentia Bay area.
- Eight seawater licenses approved, additional licenses in application
- Fully operational hatchery, nursery and smolt units
- Modern facilities and equipment well-suited for the local conditions
- Proximity to the large and fast-growing US market
- Fish growing well in the freshwater facility and first harvest is planned for 2023
- Plan for further development in process



# Shetland

## KEY FIGURES

11 206

TONNES GWT  
HARVESTED\*

n/a

EBIT/KG  
NOK\*

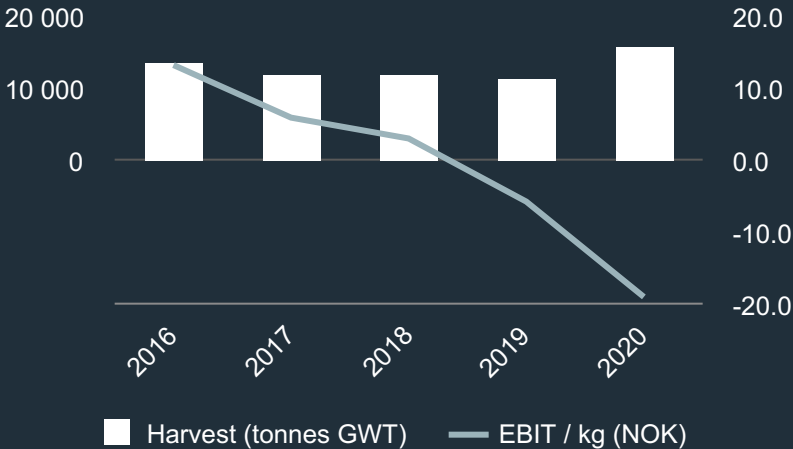
0

ASC  
CERTIFICATIONS\*

187

EMPLOYEES\*\*

## EBIT AND HARVEST SHETLAND\*



\*YTD Q3 2021  
\*\*Grieg Seafood Shetland is from year-end 2020 classified as held for sale. We do not prepare EBIT figure for the farming operations of Shetland, as those are included in the "Shetland" disposal group financial information. Please see more information in note 4 in our Q3 2021 Quarterly Report.

# Local value creation

## LICENSE TO OPERATE

We regard the basis of our license to operate to be two-fold. First, it is based on the public's trust that we always work to reduce our environmental footprint and improve fish welfare. Secondly, it is based on our ability to give back to local communities. Grieg Seafood aims to be open and honest with local communities about our production methods, our successes, and our remaining challenges.

## RESPECT FOR INDIGENOUS RIGHTS

In British Columbia, Grieg Seafood is farming in areas that belong to Indigenous peoples, while Finnmark has been home to the Sami people for millennia. We recognize that these groups have special rights, as acknowledged to them by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and we take particular care to avoid infringing on such rights.



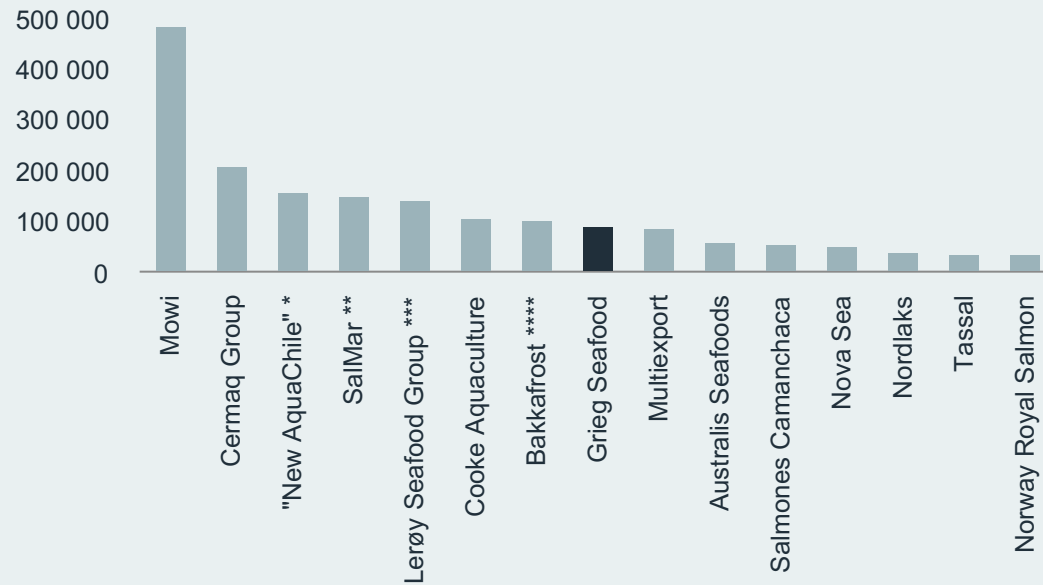
# The global salmon market



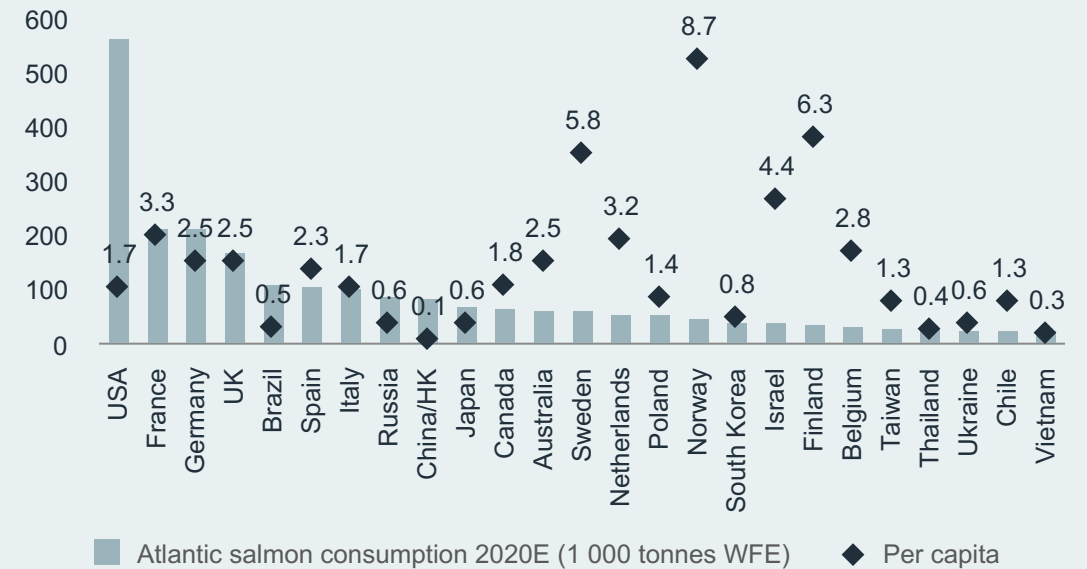


# Grieg Seafood's position

**The world's 15 largest Atlantic salmon producers**  
Tonnes harvest 2019e (WFE)



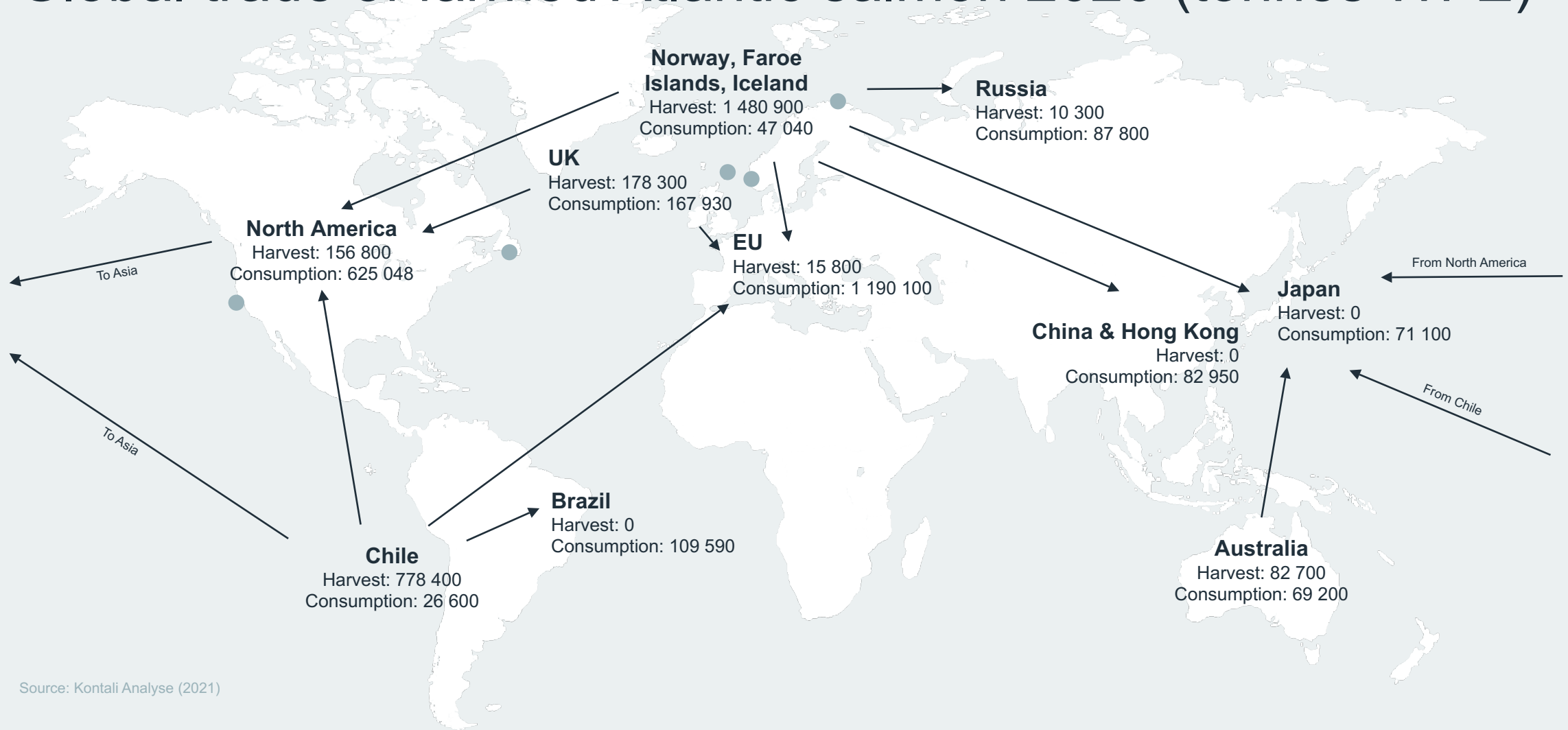
**Significant potential in underdeveloped markets**



Source: Kontali Analyse (2021)

\*Los Fiordos, AquaChile, Aquimac and Friosur, \*\* excl. Norskott Havbruk and Armarlax, \*\*\* excl. Norskott Havbruk, \*\*\*\* incl. The Scottish Salmon Company

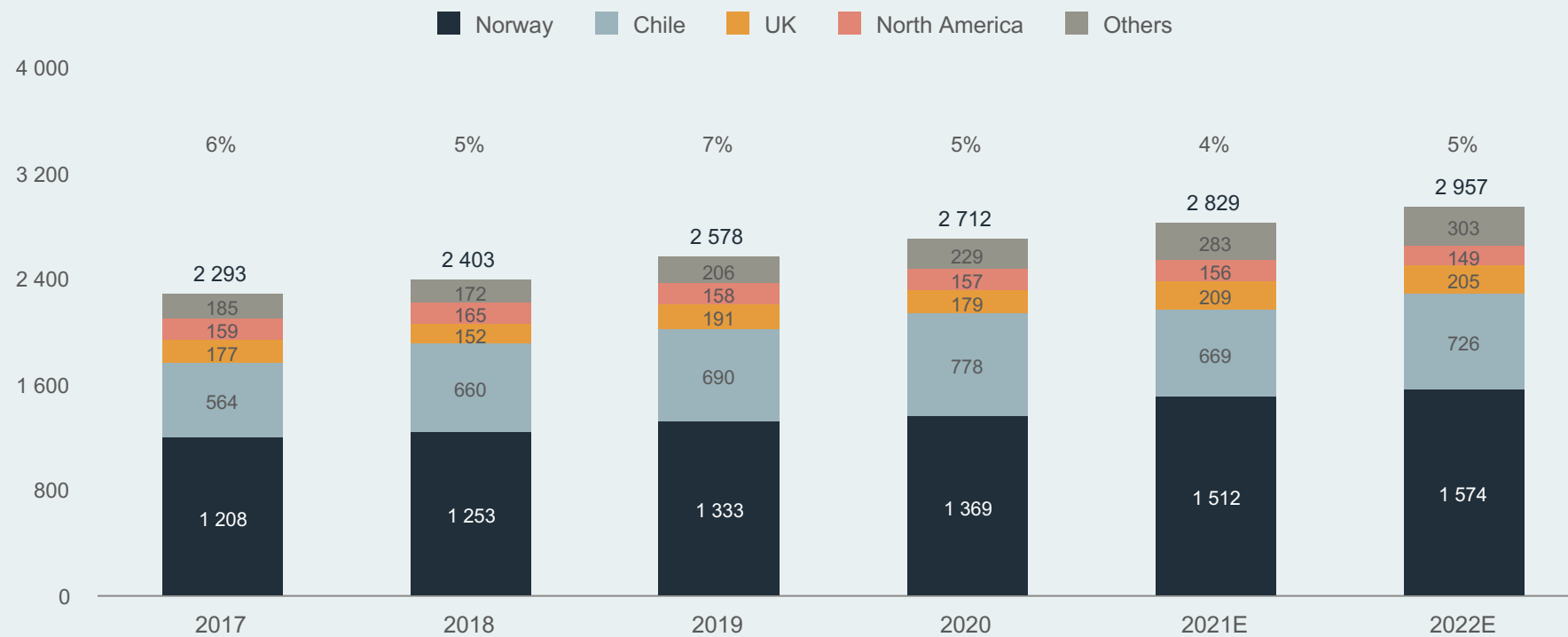
# Global trade of farmed Atlantic salmon 2020 (tonnes WFE)



Source: Kontali Analyse (2021)

# Harvest of Atlantic salmon

PER COUNTRY (in 1 000 tonnes WFE)



Source: Kontali (2021)



# Supply of Atlantic salmon

PER MARKET (in tonnes WFE)

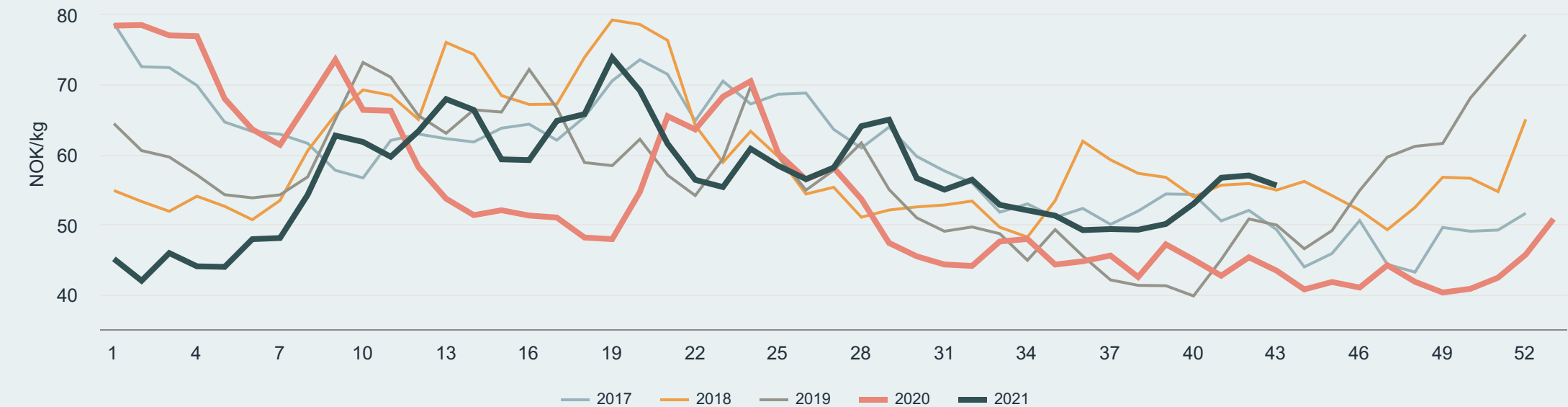
MARKETS	2017	2018	%	2019	%	2020	%	2021E	%	2022E	%
EU	1 019 500	1 054 300	3%	1 130 400	7%	1 190 200	5%	1 288 900	8%	1 330 400	3%
USA	446 000	483 500	8%	520 400	8%	561 000	8%	638 800	14%	672 600	5%
Japan	63 900	59 800	-6%	58 800	-2%	71 200	21%	70 800	-1%	73 600	4%
Russia	77 500	99 500	28%	87 200	-12%	87 900	1%	88 700	1%	94 100	6%
Other markets	656 000	711 000	8%	757 500	7%	740 400	-2%	777 400	5%	786 600	1%
<b>Total all markets</b>	<b>2 262 900</b>	<b>2 408 100</b>	<b>6%</b>	<b>2 554 300</b>	<b>6%</b>	<b>2 650 700</b>	<b>4%</b>	<b>2 864 600</b>	<b>8%</b>	<b>2 957 300</b>	<b>3%</b>

Source: Kontali (2021)

# Market prices

## PRICE DEVELOPMENT FOR FRESH NORWEGIAN SALMON

### Historic price development

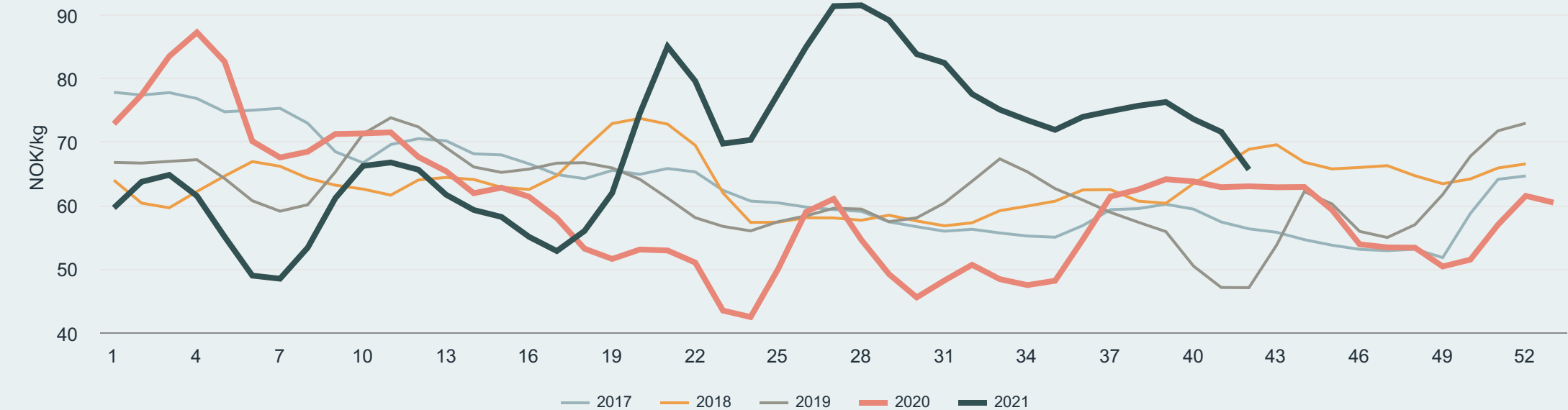


Source: NQSALMON, weekly average prices less distributor margin of NOK 0.75/kg.

# Market prices

## PRICE DEVELOPMENT FOR FRESH FARM RAISED SALMON

### Historic price development



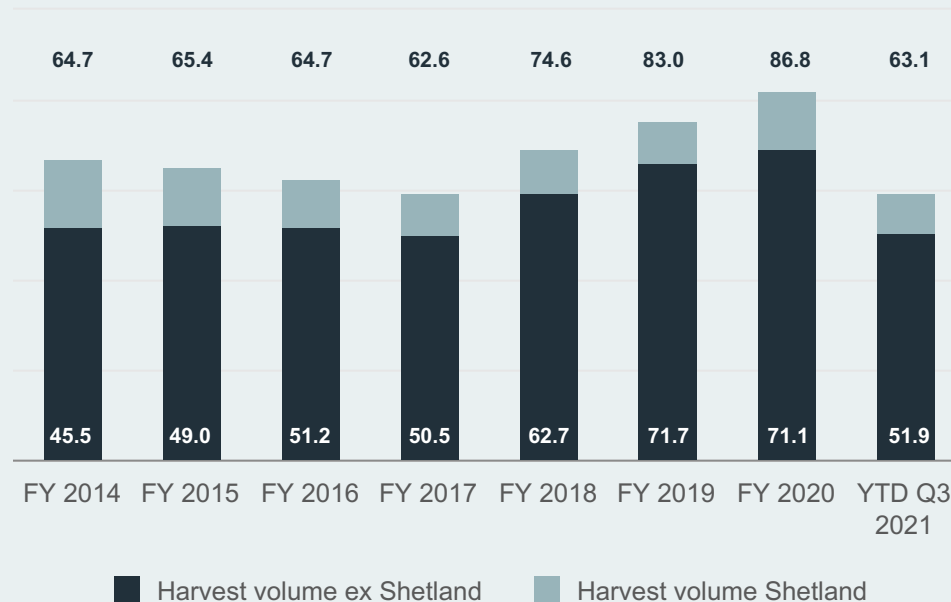
Source: Urner Barry Farm Raised Salmon Seattle West Coast, Fresh, Wholefish  
The UB Farm Raised Salmon Seattle West Coast, Fresh, Wholefish shown above is a weekly average of all weight classes (4-6 lb, 6-8 lb, 8-10 lb, 10-12 lb, 12-14 lb, 14-16 lb, 16-18 lb) in USD/lb, converted into NOK/kg using the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

# Financials

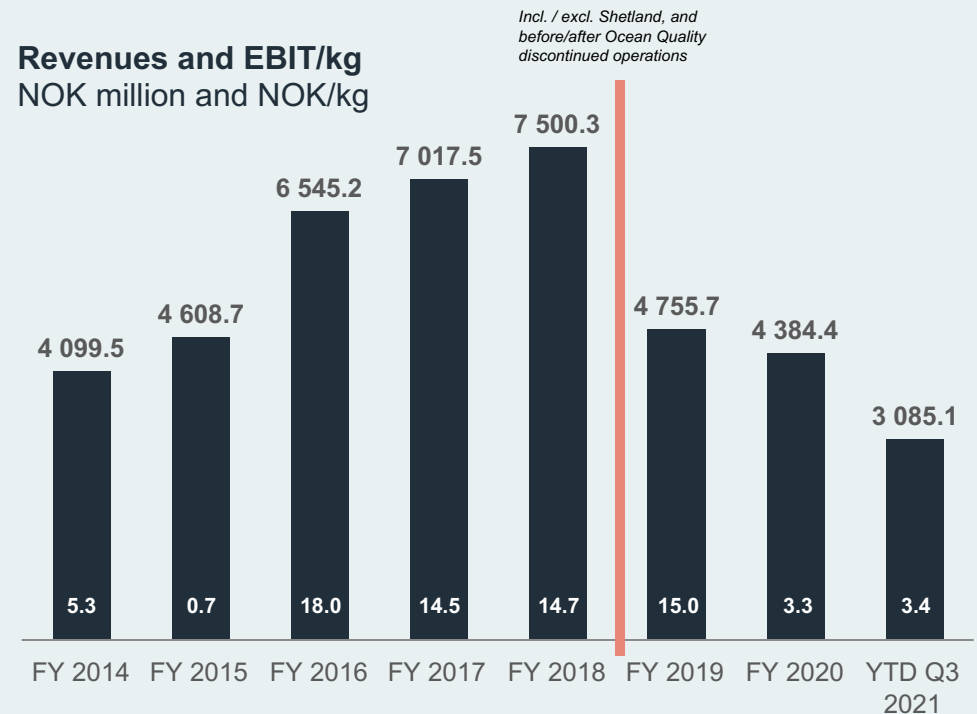


# Long term operational and financial development

**Harvest volume**  
1 000 GWT



**Revenues and EBIT/kg**  
NOK million and NOK/kg



1) In 2020, Grieg Seafood divested Ocean Quality of which as from Q2 2020 and throughout 2020 was presented as discontinued operations. 2019 figure was re-presented. In addition, in Q4 2020 we classified Grieg Seafood Shetland as held for sale, of which also presented as discontinued operations with re-presented 2019 figures. This means that the 2020 and 2019 figures are ex. Ocean Quality and Shetland, while prior years include Ocean Quality and Shetland.

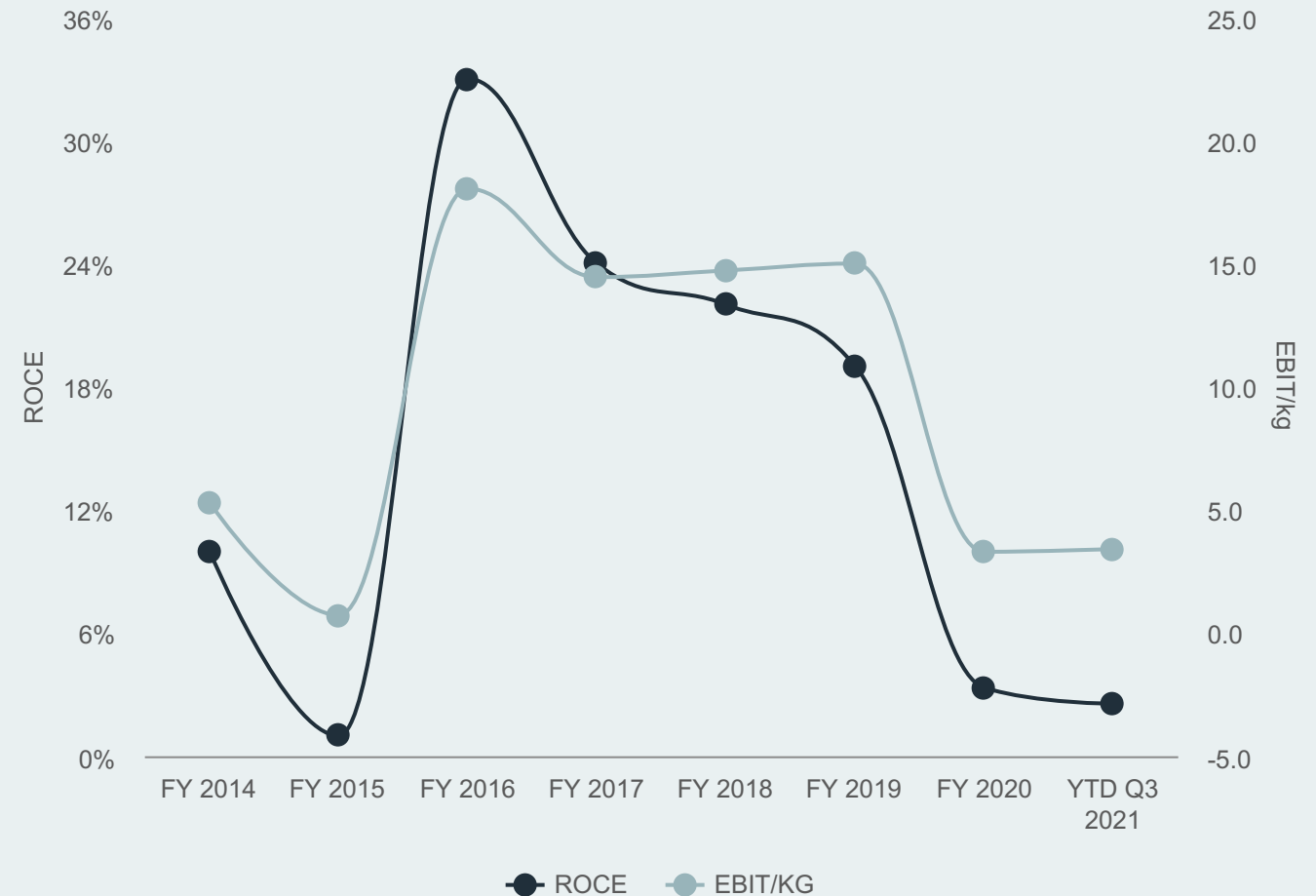
# Financial targets

Metric	Target	FY 2018	FY 2019	FY 2020	YTD 2021
Harvest volume	90 000 tonnes in 2022, 130 000 tonnes in 2025 (ex Shetland)	74 623 tonnes	82 973 tonnes	71 142 tonnes **	51 874 tonnes **
Farming cost	NOK 40/kg (Norway) in 2022 CAD 7/kg (Canada) in 2022	NOK 43.1/kg	NOK 43.5/kg	NOK 43.3/kg CAD 8.0/kg	NOK 46.0/kg CAD 8.5/kg
Financial	NIBD*/EBITDA < 4.5 Equity ratio > 35%	1.3 47%	1.4 46%	n/a* 41%	n/a* 41%
Profitability	Return On Capital Employed (ROCE) of 12%	22%	19%	3%	3%
Capital structure	NIBD*/harvest volume < NOK 30/kg****	NOK 22.3/kg	NOK 23.0/kg	NOK 30.9/kg	NOK 27.5/kg
Dividend	30-40% of the Groups net profit after tax adjusted for fair value appraisals	DPS NOK 4.00 Pay-out ratio*** : 68%	DPS NOK 4.00 Pay-out ratio*** : 57%	DPS NOK 0.00 Pay-out ratio*** : 0%	DPS NOK 0.00 Pay-out ratio*** : 0%

\*NIBD according to bank covenants. NIBD/EBITDA not applicable through Q3 2021, next measurement date of the ratio is 31.12.2021. \*\*2021/2020 harvest volume ex. Shetland. \*\*\*Pay-out ratio calculated on previous year's accounts.\*\*\*\*Can be exceeded in periods with growth investments. NIBD/Harvest YTD 2021: NIBD according to covenant less enterprise value of the Shetland assets, divided by guided harvest volume for FY 2021. NIBD/Harvest FY2020: NIBD according to covenants less book value of the Shetland assets, divided by harvest volume for 2020 ex. Shetland. NIBD/Harvest for 2018-2019 not adjusted for Shetland.

# Return On Capital Employed

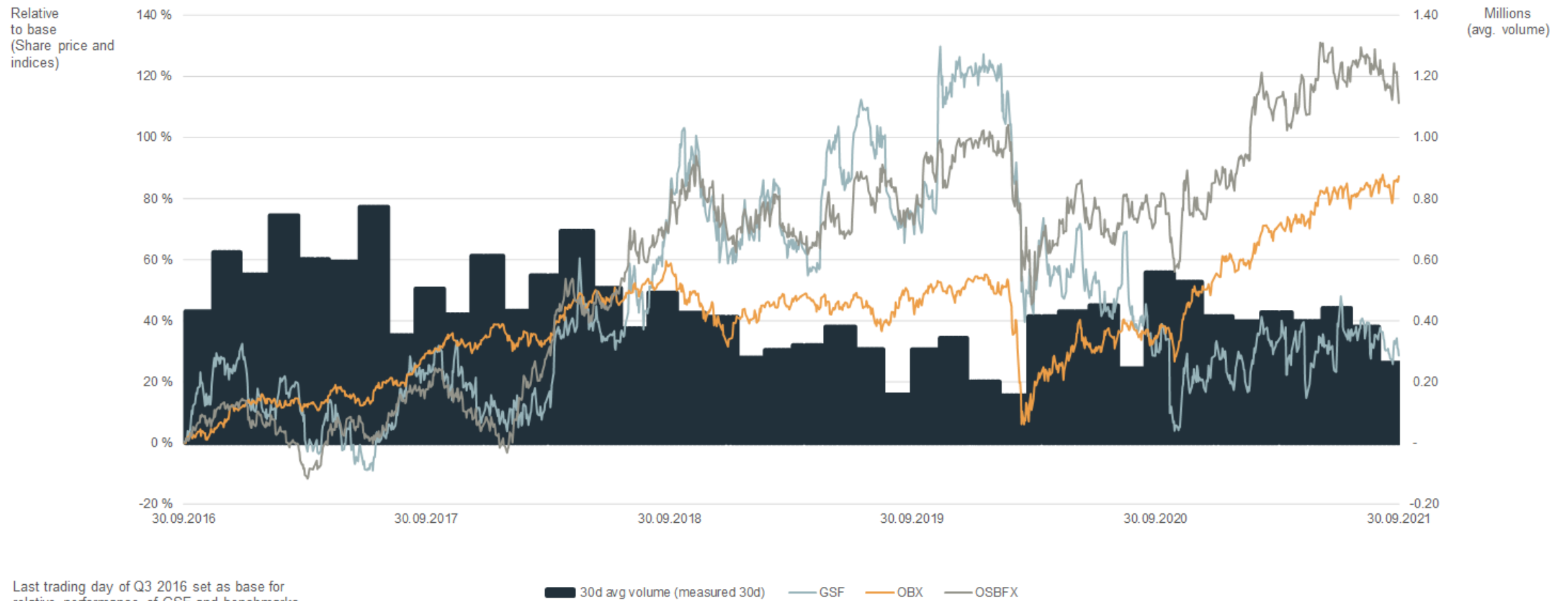
- Creating shareholder value is a prerequisite for company growth and survival. Return on Capital Employed (ROCE) is our ultimate financial performance indicator.
- We have a long-term goal of delivering a ROCE of at least 12% per year.





# Share performance

## FIVE YEAR RELATIVE PERFORMANCE



# Profit & loss

NOK 1 000	YTD Q3 2021	FY 2020	FY 2019	FY 2018	FY 2017
Sales revenues	3 085 106	4 384 357	4 755 705	7 500 316	7 017 456
<b>EBITDA</b>	<b>464 304</b>	<b>601 932</b>	<b>1 383 996</b>	<b>1 334 473</b>	<b>1 105 533</b>
Depreciation and amortization	-287 315	-368 874	-307 071	-235 655	-201 132
<b>EBIT before production fee and fair value adjustment of biological assets</b>	<b>176 989</b>	<b>233 057</b>	<b>1 076 926</b>	<b>1 098 818</b>	<b>904 400</b>
Production fee	-16 595	—	—	—	—
Fair value adjustments	386 997	-289 705	-254 931	256 097	-91 463
<b>EBIT after production fee and fair value adjustment of biological assets</b>	<b>547 391</b>	<b>-56 648</b>	<b>821 995</b>	<b>1 354 916</b>	<b>812 937</b>
Net financial items	-56 893	-247 792	-25 679	-77 991	-14 457
<b>Profit before tax from continued operations</b>	<b>490 499</b>	<b>-304 440</b>	<b>796 316</b>	<b>1 276 925</b>	<b>798 480</b>
Estimated taxation	-142 323	-11 557	-197 137	-279 805	-197 581
<b>Net profit for the period from continued operations</b>	<b>348 175</b>	<b>-315 997</b>	<b>599 179</b>	<b>997 120</b>	<b>600 899</b>

1) IFRS 16 applied as from 1.1.2019. 2) In 2020, Grieg Seafood classified part of the sales entity Ocean Quality as discontinued operations, as well as Grieg Seafood Shetland. This effect is included in the 2019-2021 figures, however the 2018 and 2017 figures have not been re-presented to reflect the discontinued operations classification and held for sale assets.

# Financial position

## – Assets

NOK 1 000	30.09.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Deferred tax assets	36 939	29 293	998	1 718	3 574
Goodwill	655 806	638 019	109 526	109 013	109 038
Licenses including warranty licenses	1 530 833	1 508 452	1 133 630	1 121 662	1 068 552
Other intangible assets including exclusivity agreement	38 480	38 015	16 205	25 175	18 384
Property, plant and equipment including right-of-use assets	3 453 704	3 033 154	2 957 942	2 292 912	1 871 804
Indemnification assets	40 000	40 000	—	—	—
Investments in associates	87 029	84 421	81 071	37 122	9 450
Other non-current receivables	32 351	9 476	3 130	1 327	1 317
<b>Total non-current assets</b>	<b>5 875 141</b>	<b>5 380 830</b>	<b>4 302 503</b>	<b>3 588 929</b>	<b>3 082 121</b>
Inventories	133 211	78 001	177 847	126 092	92 262
Biological assets exclusive of fair value adjustment	2 382 447	2 198 676	2 669 785	2 223 833	2 016 263
Fair value adjustment on biological assets	831 222	347 227	768 163	971 309	682 089
Trade receivables	98 732	179 384	459 897	925 232	761 407
Other current receivables, derivatives and other financial instruments	323 603	217 258	341 993	169 175	246 759
Cash and cash equivalents	146 483	275 427	214 497	137 920	271 715
<b>Total current assets</b>	<b>3 915 699</b>	<b>3 295 972</b>	<b>4 632 181</b>	<b>4 553 561</b>	<b>4 070 494</b>
<b>Assets held for sale</b>	<b>1 943 978</b>	<b>1 972 725</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total assets</b>	<b>11 734 818</b>	<b>10 649 527</b>	<b>8 934 684</b>	<b>8 142 490</b>	<b>7 152 615</b>

1) IFRS 16 applied as from 1.1.2019. 2) In 2020, Grieg Seafood Shetland classified as held for sale. Prior periods have not been re-presented.

# Financial position

## – Equity and liabilities

NOK 1 000	30.09.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
<b>EQUITY AND LIABILITIES</b>					
Share capital	453 788	453 788	446 648	446 648	446 648
Treasury shares	-4 686	-4 686	-4 855	-4 914	-5 000
Contingent consideration (acquisition of Grieg Newfoundland AS)	701 535	701 535	—	—	—
Retained earnings and other equity	3 715 366	3 220 281	3 642 417	3 392 319	2 862 716
<b>Total controlling interests</b>	<b>4 866 003</b>	<b>4 370 918</b>	<b>4 084 211</b>	<b>3 834 053</b>	<b>3 304 364</b>
Non-controlling interests	—	—	56 632	49 458	43 541
<b>Total equity</b>	<b>4 866 003</b>	<b>4 370 918</b>	<b>4 140 843</b>	<b>3 883 511</b>	<b>3 347 905</b>
Deferred tax liabilities	1 070 044	908 958	874 664	877 639	721 689
Share based payments	9 884	491	8 379	8 493	8 848
Borrowings and lease liabilities	3 715 154	3 907 822	2 196 601	1 591 072	1 393 587
Subordinated loans	—	—	13 240	14 047	15 353
<b>Total non-current liabilities</b>	<b>4 795 081</b>	<b>4 817 272</b>	<b>3 092 883</b>	<b>2 491 251</b>	<b>2 139 476</b>
Current portion of borrowings and lease liabilities	892 210	257 630	297 539	221 789	157 226
Factoring liabilities	—	—	86 122	573 377	500 976
Trade payables	547 369	562 848	855 061	649 352	585 378
Tax payable	426	14 791	211 569	130 287	157 244
Other current liabilities, derivatives and other financial instruments	273 957	133 240	250 667	192 924	264 411
<b>Total current liabilities</b>	<b>1 713 963</b>	<b>968 509</b>	<b>1 700 958</b>	<b>1 767 729</b>	<b>1 665 233</b>
Liabilities directly associated with the assets held for sale	359 771	492 829	—	—	—
<b>Total liabilities</b>	<b>6 868 815</b>	<b>6 278 609</b>	<b>4 793 840</b>	<b>4 258 979</b>	<b>3 804 711</b>
<b>Total equity and liabilities</b>	<b>11 734 818</b>	<b>10 649 527</b>	<b>8 934 684</b>	<b>8 142 490</b>	<b>7 152 615</b>

1) IFRS 16 applied as from 1.1.2019. 2) In 2020, Grieg Seafood Shetland classified as held for sale. Prior periods have not been re-presented.

## Financials summary

### Covenants

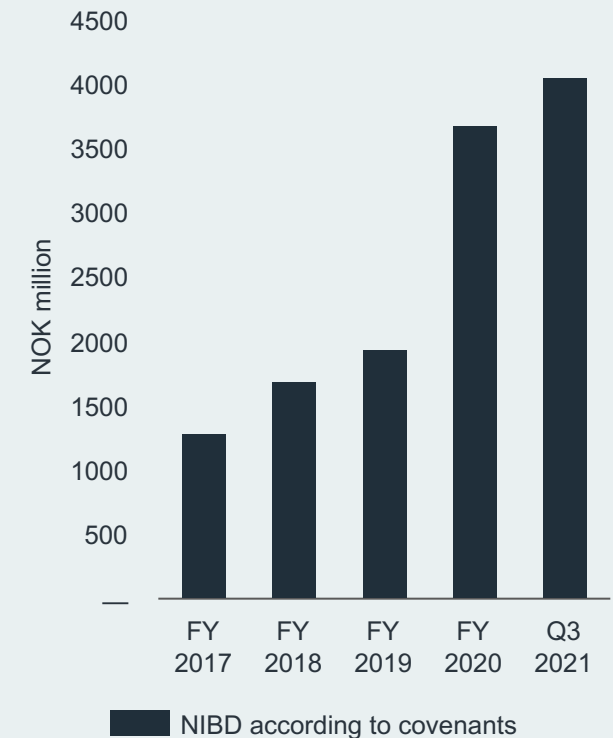
- Equity ratio 43% measured according to covenants (requirement minimum 35%)
- The leverage-ratio NIBD/EBITDA is not measured as a financial covenants through Q3 2021
  - NIBD/EBITDA will be measured and reported 31 December 2021 and onwards

### Securing financial capacity

- Sale of Shetland, expected to be finalized by Q4 2021, will have a significant positive impact on the Group's liquidity, leverage ratio and financial flexibility
  - Enterprise value of GBP 164 million (NOK 1 940 million\*)
  - NIBD/harvest 27.5 as at 30 September 2021 (NIBD net of the enterprise value of the Shetland transaction divided by guided FY 2021 harvest volume)
- A debt refinancing process is currently ongoing
- Continuous evaluation of operational cost-saving measures

\*NOK/GBP FX-rate 30 September 2021

## Net Interest-bearing debt (NIBD)



## Financials

- In November 2020, Grieg Seafood was granted temporary amendment to financial covenants through Q3 2021. Grieg Seafood was in compliance with these temporary amended financial covenants at 30 September 2021
- On 29 June 2021, Grieg Seafood entered into an agreement with Scottish Sea Farms Ltd for the divestment of the Shetland assets. Enterprise value is GBP 164 million, expected to be completed within Q4 2021
  - Shetland-transaction will positively impact the Group's liquidity, leverage ratio and financial flexibility
- Equity ratio was 41% at the end of Q3 2021, vs 43% measured according to covenants
- NIBD at the end of Q3 2021 was NOK 4 495 million, while NIBD according to covenants was NOK 4 053 million. The leverage-ratio NIBD/EBITDA is not measured as a financial covenants through Q3 2021, and will be reported 31 December 2021 and onwards

NIBD (NOK million)*	30.09.2021	30.09.2020	31.12.2020
Green bond loan	1 500	1 000	1 500
Term loan and revolving credit and other non-current interest bearing liabilities	2 353	1 915	2 023
Leasing liabilities**	791	966	685
Factoring liabilities	—	72	—
Cash and loans to associates	-149	-412	-277
<b>NIBD</b>	<b>4 495</b>	<b>3 541</b>	<b>3 931</b>
Factoring liabilities	—	-72	—
Quote share of cash OQ AS (40%)***	—	76	—
Lease liabilities (IFRS 16 effect)****	-416	-529	-252
Non-current debt to the Province of Newfoundland and Labrador, Canada	-26	—	—
Total adjustments to covenant	-442	-525	-252
<b>NIBD according to covenant</b>	<b>4 053</b>	<b>3 016</b>	<b>3 679</b>

\*NIBD is calculated based on the Group's loan covenants, and do not include assets held for sale.

\*\*Leasing liabilities include all leasing in line with IFRS.

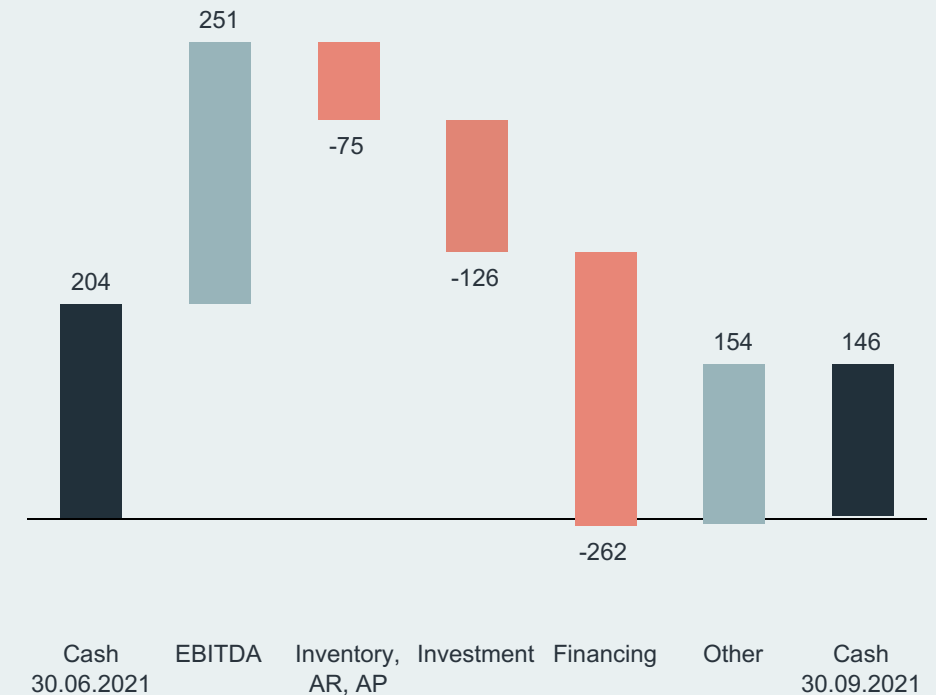
\*\*\*Ocean Quality AS (now Sjør) has been sold. Adjustment not relevant as from 31 December 2020..

\*\*\*\*Adjusted for the IFRS 16 effect compared to IFRS in force prior to 1 January 2019.

- Green bond loan: Balloon in June 2025, 3M NIBOR + 3.4%
- Term loan and revolving credit facility (RCF): Semi annual installments of the NOK and EUR term loans of NOK 25 million and EUR 2.5 million with balloon in February 2023. RCF as balloon. 3M NIBOR + 3.5%
- Province of Newfoundland and Labrador, Canada
  - CAD 5 million at 31 March 2021, increase in facility subject to fulfillment of set milestones of the Newfoundland-project. Interest-free until 2026, thereafter 3 %. Repayment within 2039, annual installments based on free cash flow.

## Cash flow

- Net cash flow from operations NOK 238 million
  - EBITDA contributed positively with NOK 251 million (NOK 74 million in Q3 2020)
  - Changes in accounts inventory, accounts receivable and other receivables, and accounts payable of NOK -75 million
    - Investment in working capital during Q3 2021: Effect from biomass of NOK 68 million
- Net cash flow from investment activities NOK -126 million
  - Investments in property, plant and equipment of NOK 126 million
- Net cash flow from financing NOK -262 million
  - Cash management / payment made on RCF of NOK 110 million, in addition to approx. NOK 50 million each in term loan installments, lease payments and net interest expenses

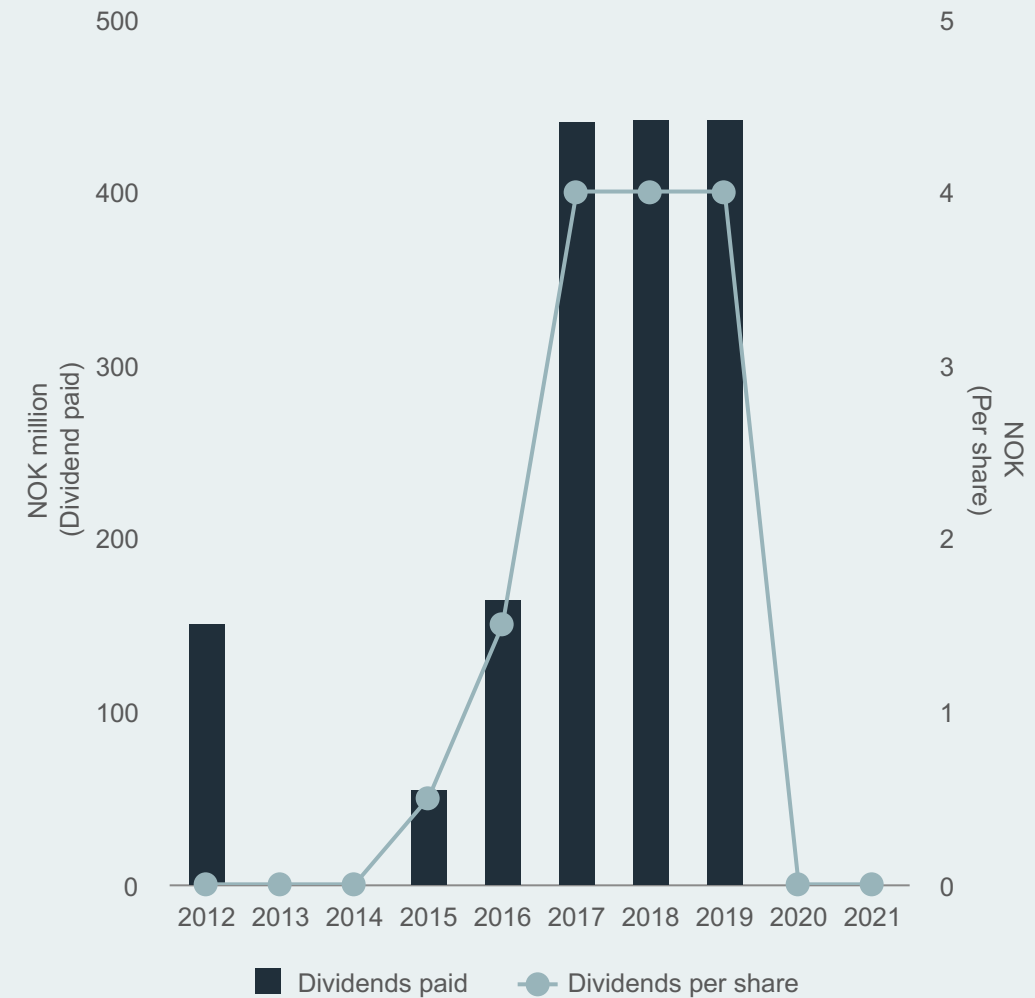


- Other cash flow effect of NOK 154 million
  - Taxes paid NOK -1 million
  - NOK 92 million financing related to the disposal group Shetland through the Group's continued operation cash pool arrangement
  - Other operational cash flow items of NOK 63 million



# Dividend policy and pay out

- We aim to provide a competitive dividend payout over time. The dividend level each year depends on e.g. price achievement for salmon, earnings and growth investments.
- The Company's long-term dividend strategy states that the average dividend should correspond to 30-40% of profit after tax, before fair value adjustment of biological assets. Dividends are evaluated twice a year. Due to the increased volatility and uncertainty caused by the Covid-19 situation, combined with an extensive investment plan, the Board has decided to postpone ordinary dividends for 2020



# Disclaimer

- *This Presentation includes and is based, on forward-looking information and contains statements regarding the future in connection with Grieg Seafood's growth initiatives, outlook, strategies and objectives. All forward-looking information and statements in this Presentation are based on expectations, estimates and projections by Grieg Seafood at the time this Presentation was prepared, and are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors may lead to actual profits, results and developments deviating substantially from what has been expressed or implied in such statements. Although Grieg Seafood believes that its expectations and this Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this Presentation.*
- *This Presentation is not intended to provide, and should not be relied upon for, legal, tax, regulatory, financial, accounting or investment advice, and does not purport to be complete on any topic addressed. Grieg Seafood does not intend to update all information contained in this Presentation regularly after its distribution, even in the event that the information becomes materially inaccurate. Financial quarterly figures will be updated after publication of quarterly results. Calculations or figures herein have not been audited or verified by a third party. Use of different methods for preparing, calculating or presenting information may lead to materially different results. Grieg Seafood makes no representation or warranties, expressed or implied, as to accuracy, reliability or completeness of this Presentation, and neither the Issuer nor any of its directors, officers or employees will have any liability to any persons resulting from its use.*



ROOTED IN NATURE