



# Grieg Seafood Company presentation



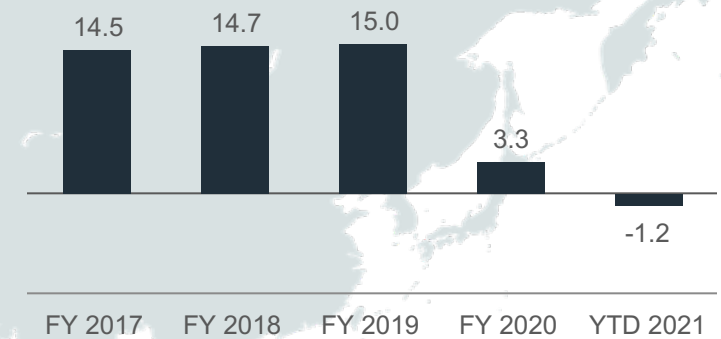
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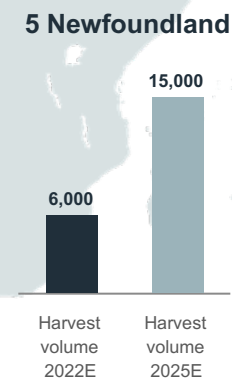
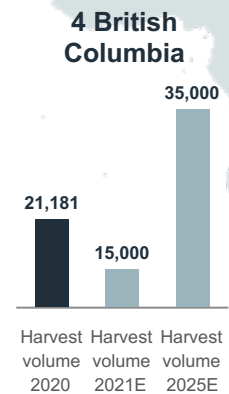
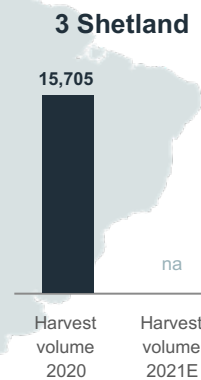
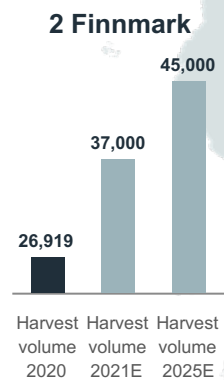
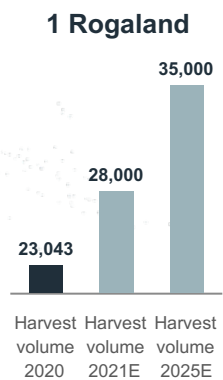
# Grieg Seafood at a glance

- 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 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.

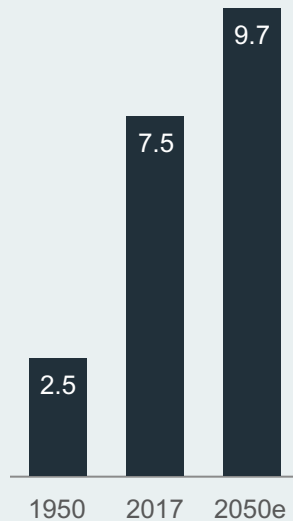
We care about our communities. We recognize that the fjords belong to them, and we take their concerns seriously. We are a good neighbour. We create opportunities and lasting value for society.



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

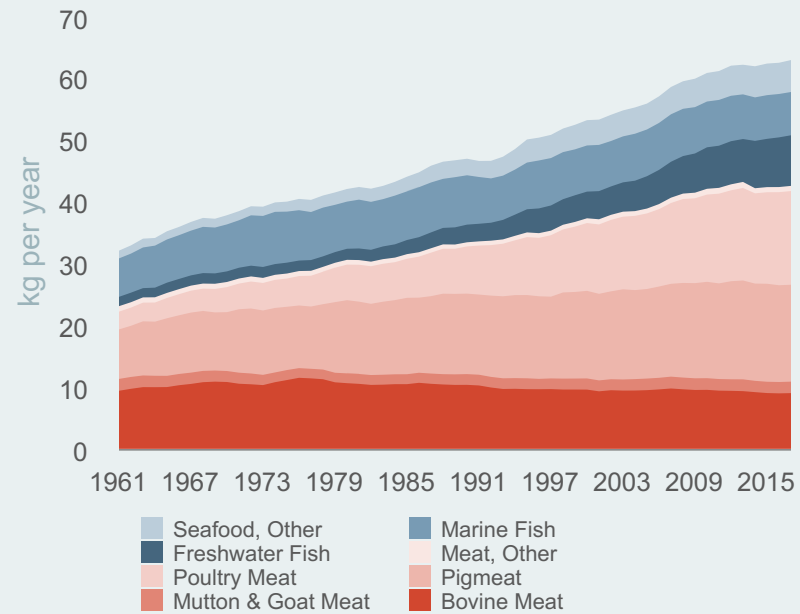
# The business opportunity

**World Population**  
Billions



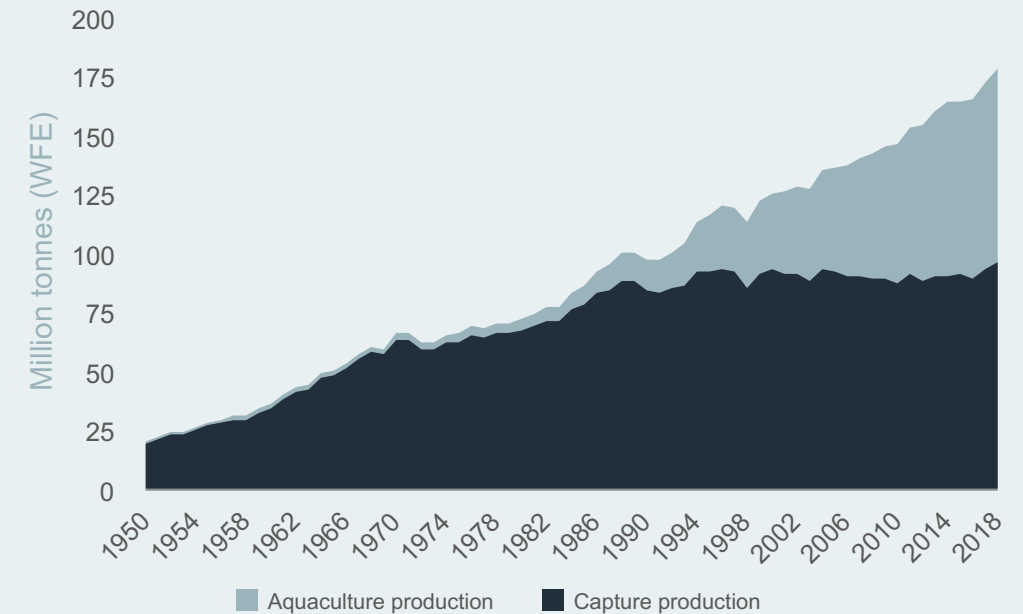
Source: UN (2019) World Population Prospects: the 2019 Revision

**Per Capita Meat & Seafood Consumption**  
2020



Source: FAO (2020)

**World capture fisheries and aquaculture production**

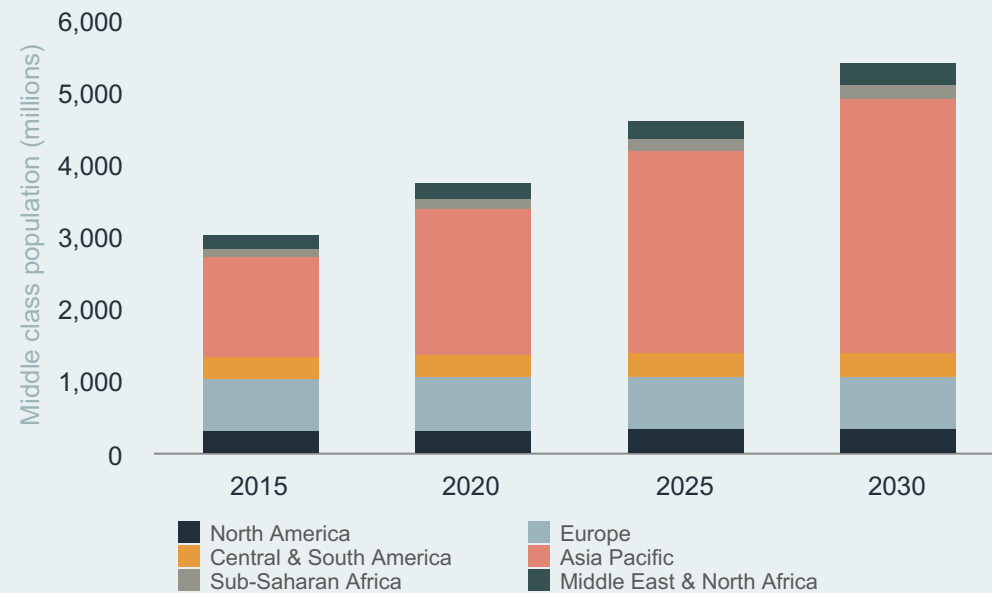


Source: Kontali (2020)

# 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

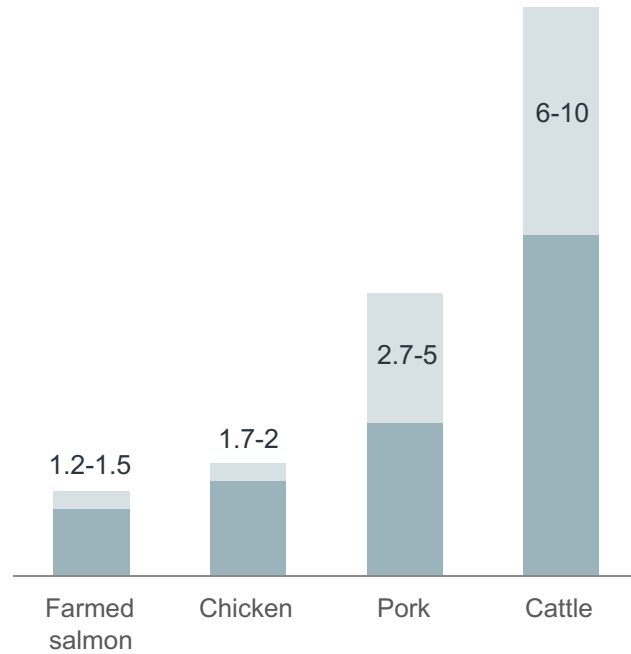
- When compared with other animal proteins, **farm-raised salmon represents an environmentally conscious choice**, with a lower carbon footprint, requiring less land, and more efficient use of feed resources\*\*
- Farmed salmon provides a **nutrient-dense food** which supports healthy diets and meets 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 are building our own sales organization to support growth and the downstream strategy. As of January 2021, our new sales and market organization was operational.	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

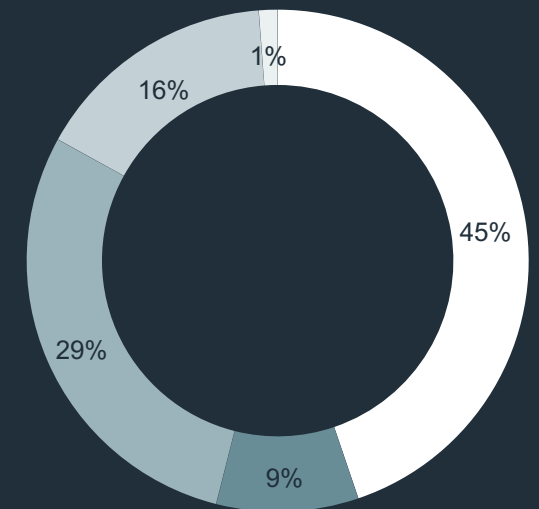
### Skuna Bay

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



# 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 80,000 tonnes\* GWT in 2021, 100,000\* 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**

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**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
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# Our regions

## Europe & North America



# Rogaland

## KEY FIGURES

5,346

TONNES GWT  
HARVESTED\*

9.2

EBIT/KG  
NOK\*

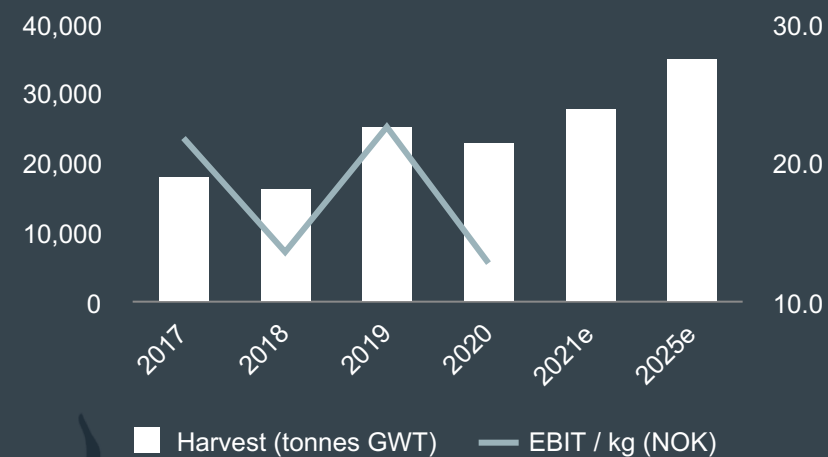
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ASC  
CERTIFICATIONS\*

164

EMPLOYEES\*

## EBIT AND HARVEST ROGALAND



\* all figures are YTD Q1 2021

# Finnmark

## KEY FIGURES

7,385

TONNES GWT  
HARVESTED\*

-4.1

EBIT/KG  
NOK\*

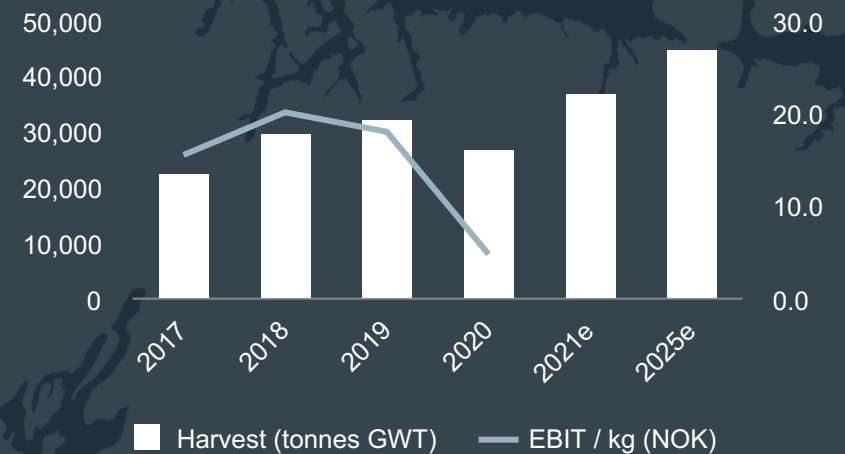
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CERTIFICATIONS\*

248

EMPLOYEES\*

## EBIT AND HARVEST FINNMARK



\* all figures are YTD Q1 2021

# British Columbia

## KEY FIGURES

853

TONNES GWT  
HARVESTED\*

1.1

EBIT/KG  
NOK\*

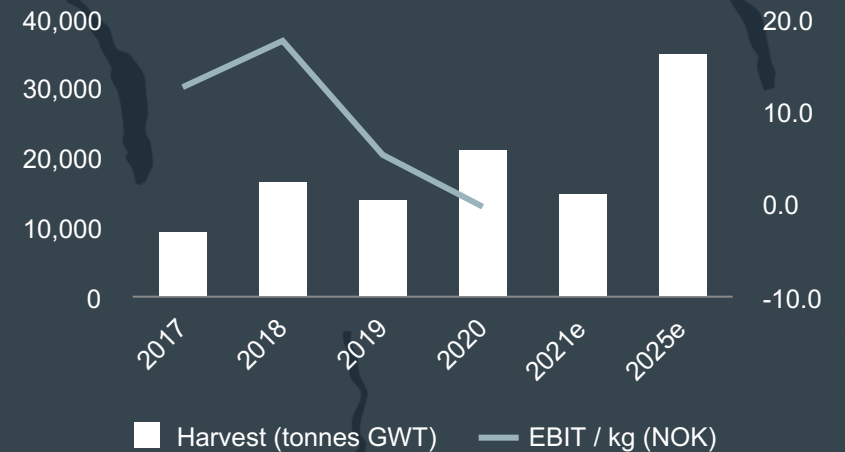
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CERTIFICATIONS\*

167

EMPLOYEES\*

## EBIT AND HARVEST BRITISH COLUMBIA



\* all figures are YTD Q1 2021

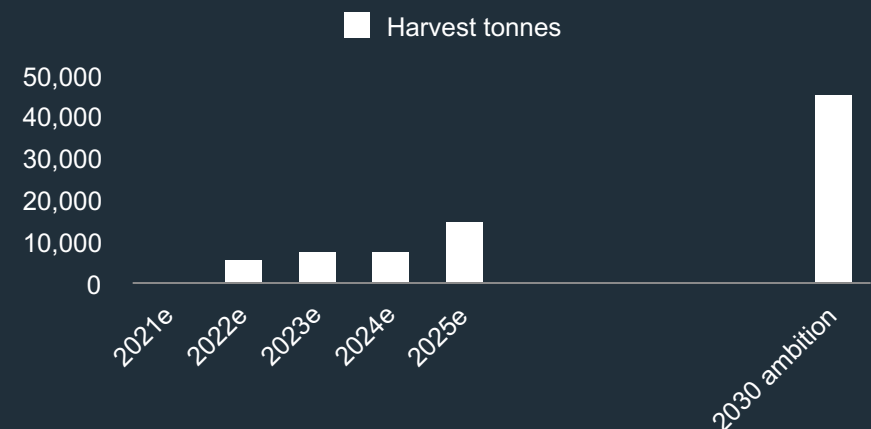
# Newfoundland

## KEY FIGURES

- Greenfield project with exclusivity for salmon farming in the Placentia Bay area, comprises licenses for 11 sea sites<sup>1)</sup>
- The project includes a high-end RAS facility under construction
- Modern facilities and equipment well-suited for the local conditions
- Proximity to the large and fast-growing US market
- First fish is already growing in the freshwater facility and first harvest is planned for 2022

1) 8 approved licenses and 3 in application

## HARVEST AMBITIONS NEWFOUNDLAND





# Shetland

## KEY FIGURES

15 705

TONNES GWT  
HARVESTED\*

n/a

EBIT/KG  
NOK\*

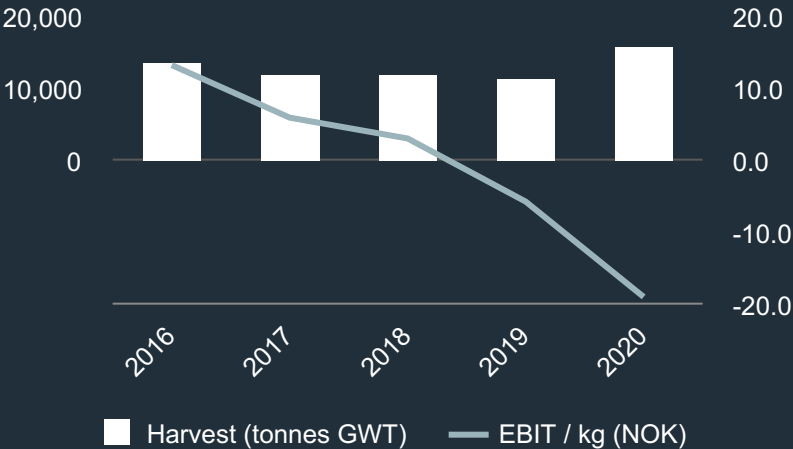
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CERTIFICATIONS\*

194

EMPLOYEES\*\*

## EBIT AND HARVEST SHETLAND\*



\*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 Q1 2021 Quarterly Report.  
\*\*YTD 2021.

# 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.



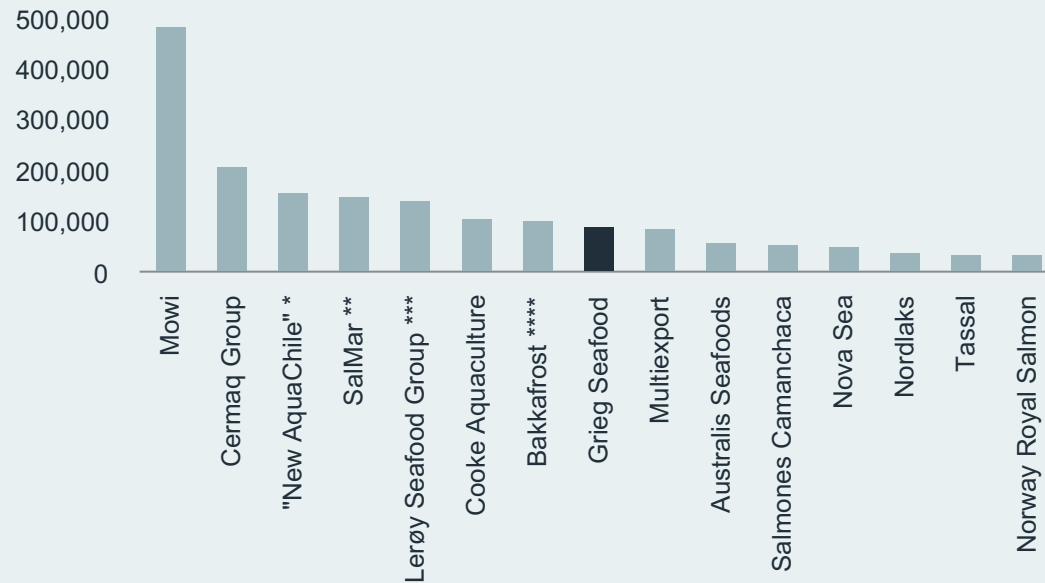
# The global salmon market





# Grieg Seafood's position

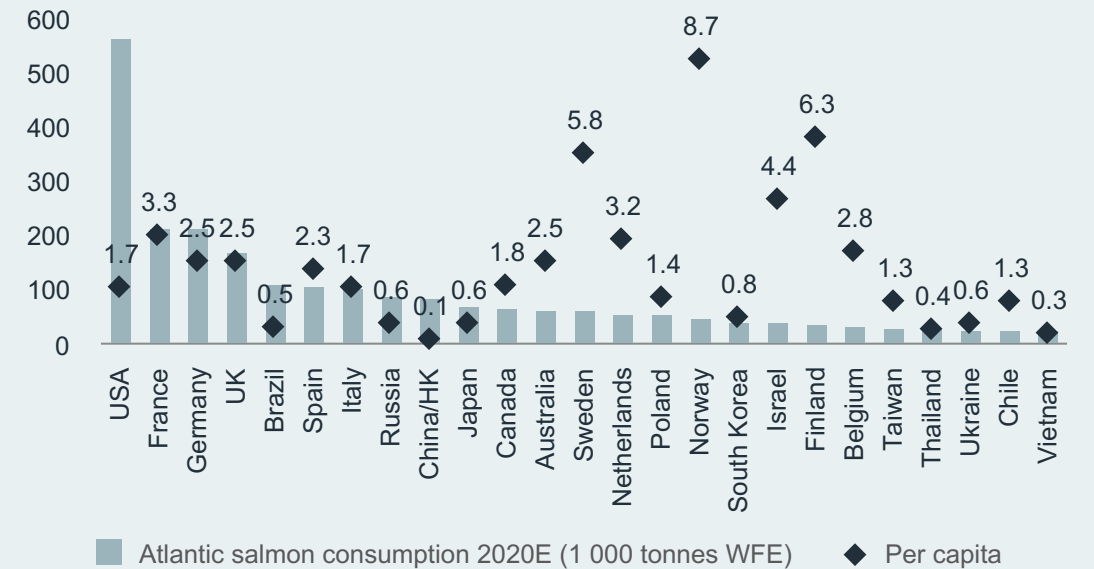
**The world's 15 largest Atlantic salmon producers**  
Tonnes harvest 2019e (WFE)



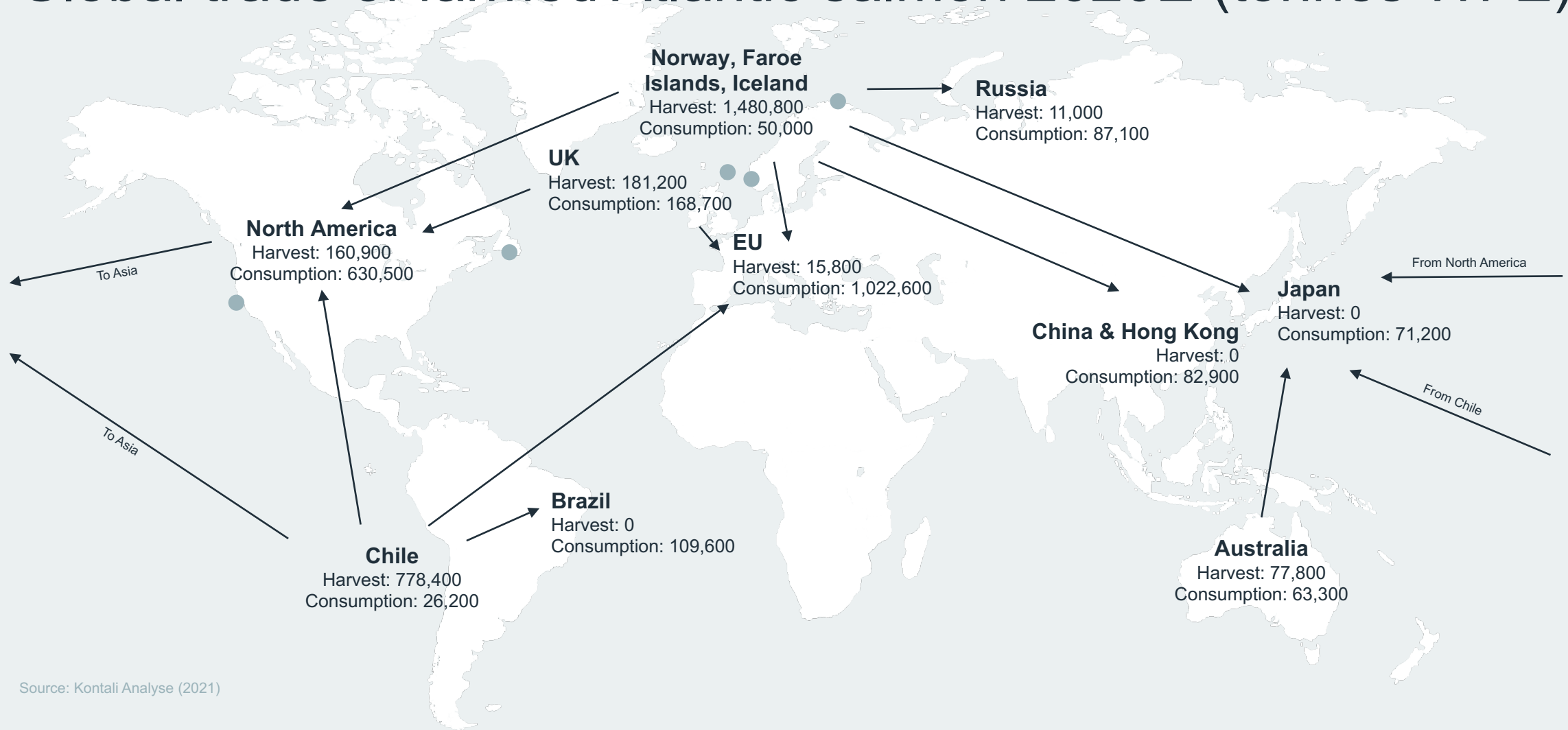
Source: Kontali Analyse (2021)

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

**Significant potential in underdeveloped markets**



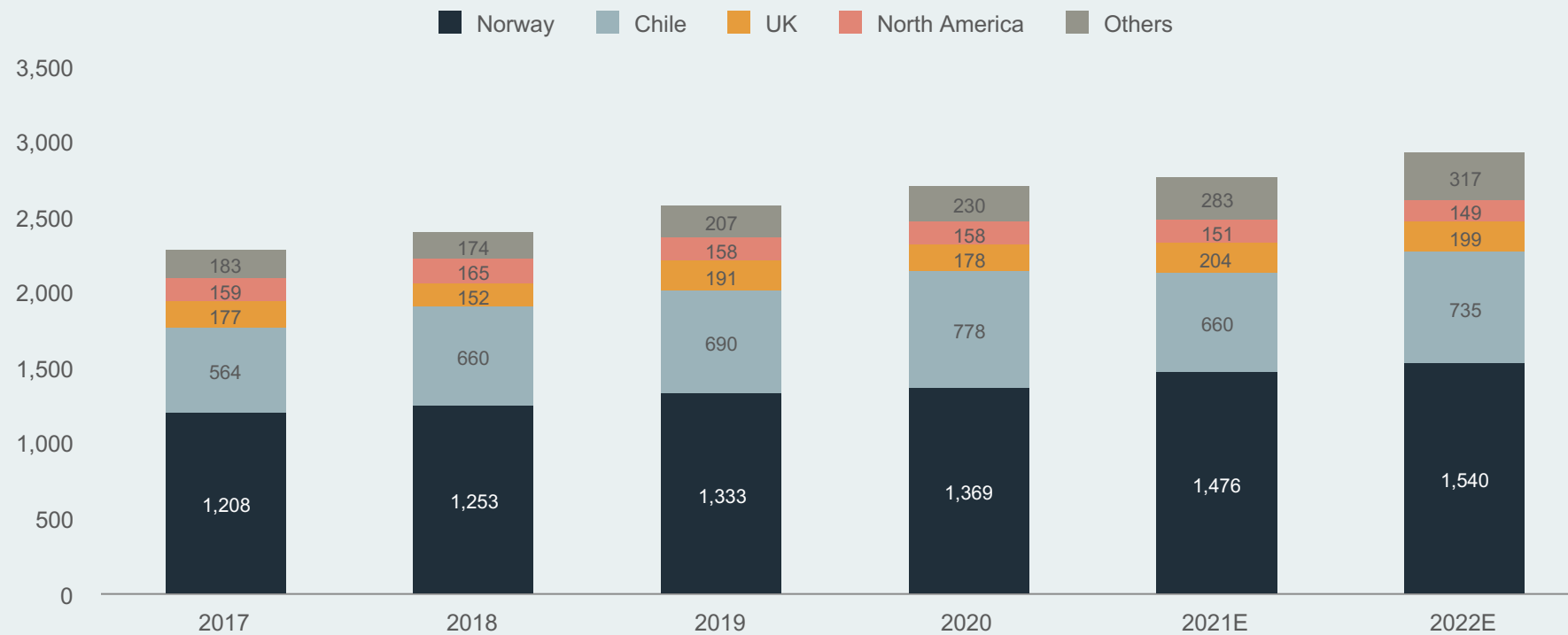
# Global trade of farmed Atlantic salmon 2020E (tonnes WFE)



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)

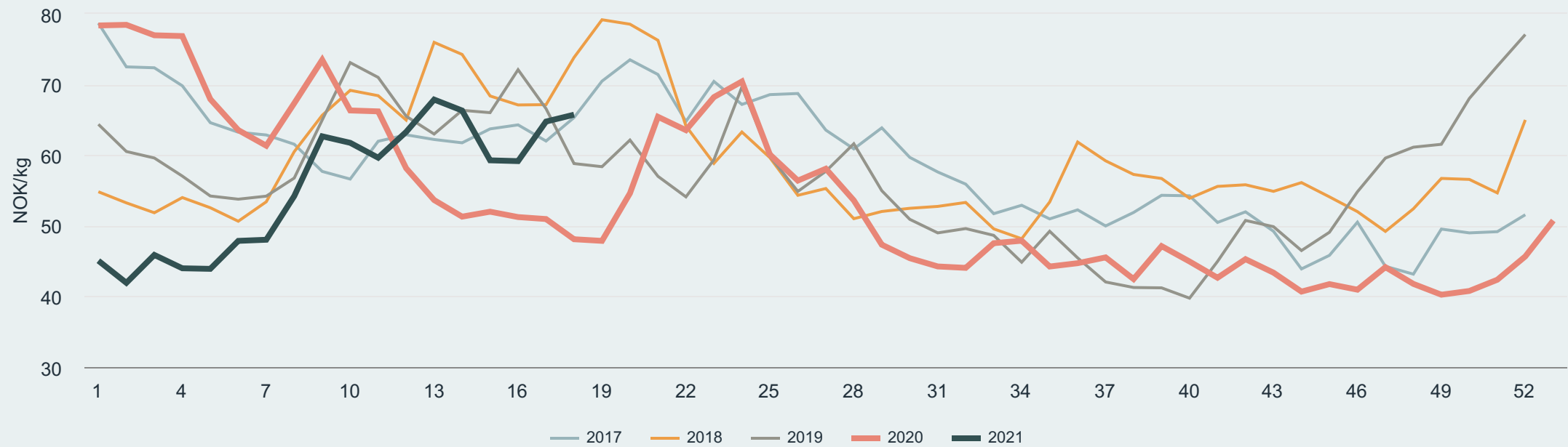
MARKETS	2017	2018	%	2019	%	2020	%	2021E	%	2022E	%
EU	1,019,500	1,054,300	3%	1,130,600	7%	1,189,000	5%	1,279,900	8%	1,330,600	4%
USA	446,400	483,900	8%	520,800	8%	562,900	8%	574,400	2%	606,400	6%
Japan	63,900	59,800	-6%	58,800	-2%	71,200	21%	70,200	-1%	74,400	6%
Russia	77,600	99,400	28%	87,400	-12%	86,900	-1%	95,400	10%	112,000	17%
Other markets	653,600	712,300	9%	757,900	6%	742,300	-2%	778,200	5%	816,200	5%
<b>Total all markets</b>	<b>2,261,000</b>	<b>2,409,700</b>	<b>7%</b>	<b>2,555,500</b>	<b>6%</b>	<b>2,652,300</b>	<b>4%</b>	<b>2,798,100</b>	<b>5%</b>	<b>2,939,600</b>	<b>5%</b>

Source: Kontali (2021)

# Market prices

## PRICE DEVELOPMENT FOR FRESH NORWEGIAN SALMON

### Historic price development

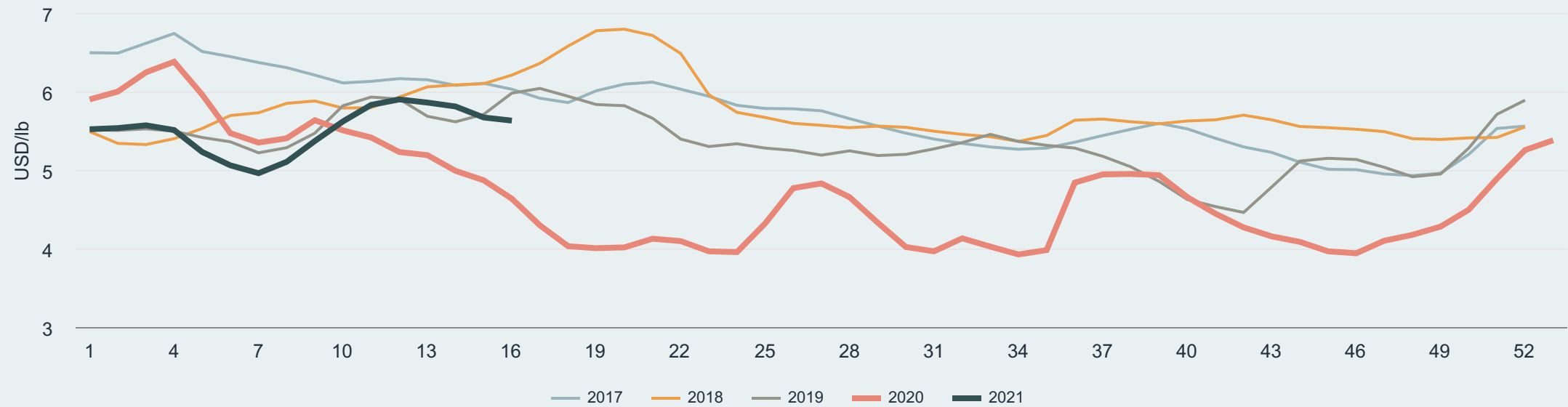


Source: NQSALMON, weekly average prices less distributor margin of NOK 0.75/kg.

# Market prices

## PRICE DEVELOPMENT FOR FRESH FARMED SALMON

### Historic price development



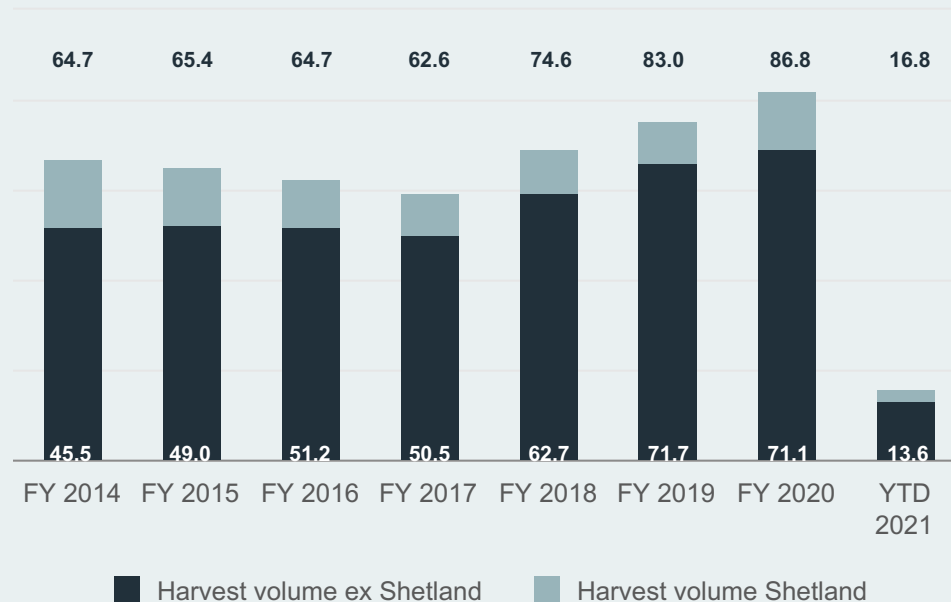
Source: Urner Barry Farmed Salmon Index

# Financials

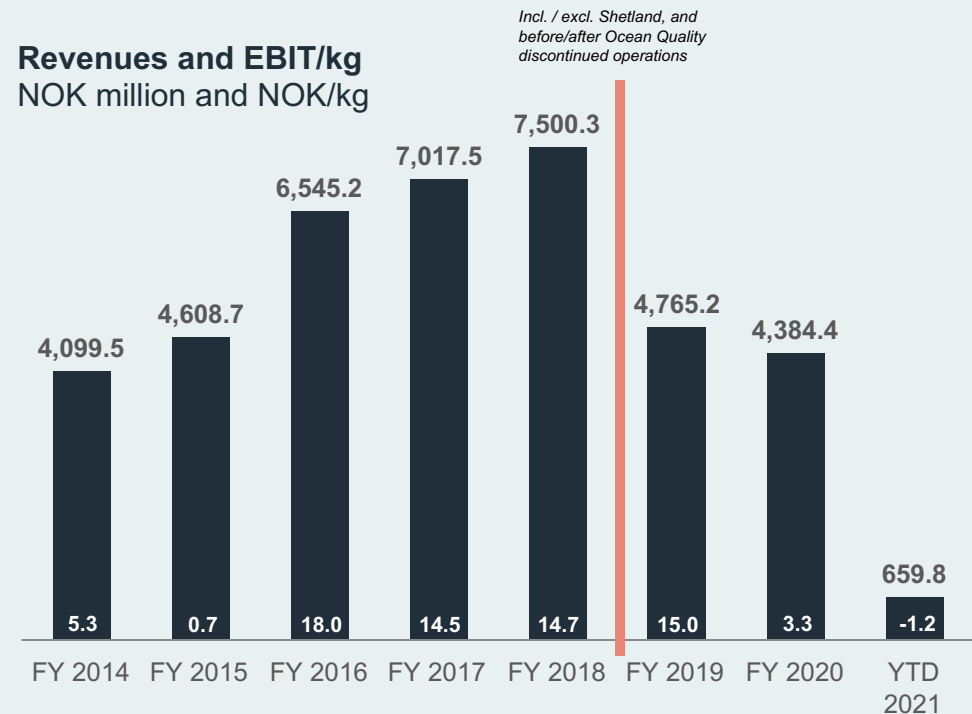


# Long term operational and financial development

**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.

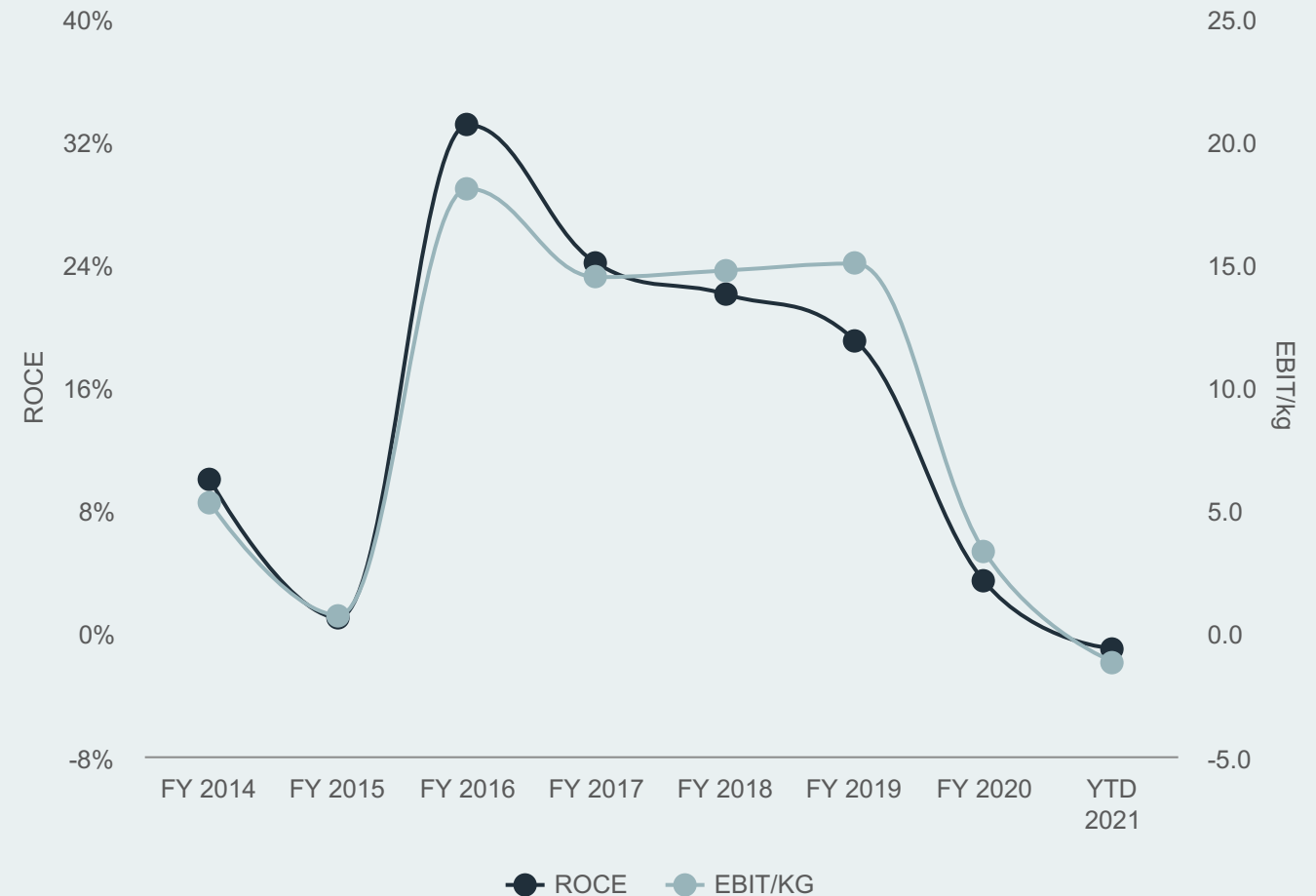
# Financial targets

Metric	Target	FY 2018	FY 2019	FY 2020	YTD 2021
Harvest volume	100,000 in 2022 and 130,000 in 2025	74,623 tonnes	82,973 tonnes	71,142 tonnes **	13,583 tonnes **
Cost	Average farming cost end-2022 below NOK 40/kg in Norway, below CAD 7/kg in BC	NOK 43.1/kg	NOK 43.5/kg	NOK 43.3/kg CAD 8.0/kg	NOK 44.6/kg CAD 8.9/kg
Financial	NIBD*/EBITDA < 4.5 Equity ratio > 35%	1.3 47%	1.4 46%	n/a* 41%	n/a* 40%
Profitability	Return On Capital Employed (ROCE) of 12%	22%	19%	3%	-1%
Capital structure	NIBD*/harvest volume < NOK 30/kg****	NOK 22.3/kg	NOK 23.0/kg	NOK 31.5/kg	NOK 34.2/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 figures for 2021 and 2020: NIBD according to covenant less net book value of the Shetland assets (ex. estimated transaction costs). Guiding for harvest volume full-year 2021 used in NIBD/Harvest. NIBD/Harvest for 2018-2019 not adjusted for net-asset value of Shetland.

# Return On Capital Employed

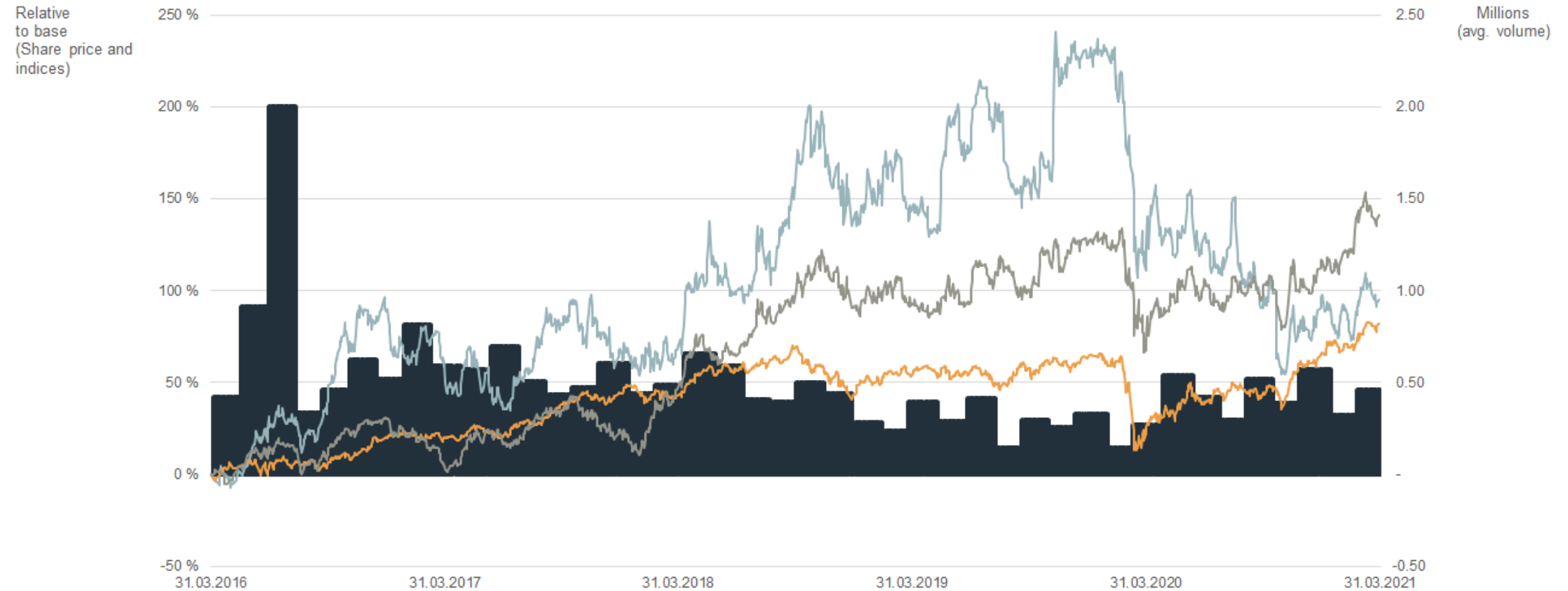
- Creating shareholder value is a prerequisite for company growth and survival. Return on Capital Employed (ROCE) is our ultimate financial performance indicator.
- We have a long-term goal of delivering a ROCE of at least 12% per year.





# Share performance

## FIVE YEAR RELATIVE PERFORMANCE



Last trading day of Q1 2016 set as base for relative performance of GSF and benchmarks.

# Profit & loss

NOK 1 000	YTD 2021	FY 2020	FY 2019	FY 2018	FY 2017
Total revenues	659,831	4,384,357	4,765,164	7,500,316	7,017,456
<b>EBITDA</b>	<b>71,574</b>	<b>601,932</b>	<b>1,383,997</b>	<b>1,334,473</b>	<b>1,105,533</b>
Depreciation and amortization	-87,591	-368,874	-307,071	-235,655	-201,132
<b>EBIT before production fee and fair value adjustment of biological assets</b>	<b>-16,017</b>	<b>233,057</b>	<b>1,076,926</b>	<b>1,098,818</b>	<b>904,400</b>
Production fee	-5,094	—	—	—	—
Fair value adjustments	156,462	-289,705	-254,931	256,097	-91,463
<b>EBIT after production fee and fair value adjustment of biological assets</b>	<b>135,352</b>	<b>-56,648</b>	<b>821,995</b>	<b>1,354,916</b>	<b>812,937</b>
Net financial items	15,167	-247,792	-25,679	-77,991	-14,457
<b>Profit before tax from continued operations</b>	<b>150,519</b>	<b>-304,440</b>	<b>796,316</b>	<b>1,276,925</b>	<b>798,480</b>
Estimated taxation	-46,112	-11,557	-197,137	-279,805	-197,581
<b>Net profit for the period from continued operations</b>	<b>104,407</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	31.03.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Deferred tax assets	29,621	29,293	998	1,718	3,574
Goodwill	643,868	638,019	109,526	109,013	109,038
Licenses including warranty licenses	1,515,867	1,508,452	1,133,630	1,121,662	1,068,552
Other intangible assets including exclusivity agreement	38,912	38,015	16,205	25,175	18,384
Property, plant and equipment including right-of-use assets*	3,098,168	3,033,154	2,957,942	2,292,912	1,871,804
Indemnification assets	40,000	40,000	—	—	—
Investments in associates	87,204	84,421	81,071	37,122	9,450
Other non-current receivables	31,741	9,476	3,130	1,327	1,317
<b>Total non-current assets</b>	<b>5,485,381</b>	<b>5,380,830</b>	<b>4,302,503</b>	<b>3,588,929</b>	<b>3,082,121</b>
Inventories	85,215	78,001	177,847	126,092	92,262
Biological assets exclusive of fair value adjustment	2,343,662	2,198,676	2,669,785	2,223,833	2,016,263
Fair value adjustment on biological assets	569,932	347,227	768,163	971,309	682,089
Trade receivables	301,147	179,384	459,897	925,232	761,407
Other current receivables, derivatives and other financial instruments	200,837	217,258	341,993	169,175	246,759
Cash and cash equivalents	208,016	275,427	214,497	137,920	271,715
<b>Total current assets</b>	<b>3,708,810</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>2,032,790</b>	<b>1,972,725</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total assets</b>	<b>11,226,981</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	31.3.2021	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	3,353,011	3,220,281	3,642,417	3,392,319	2,862,716
<b>Total controlling interests</b>	<b>4,503,648</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>4,503,648</b>	<b>4,370,918</b>	<b>4,140,843</b>	<b>3,883,511</b>	<b>3,347,905</b>
Deferred tax liabilities	961,069	908,958	874,664	877,639	721,689
Share based payments	5,156	491	8,379	8,493	8,848
Borrowings and lease liabilities	3,910,155	3,907,822	2,196,601	1,591,072	1,393,587
Subordinated loans	8,366	—	13,240	14,047	15,353
<b>Total non-current liabilities</b>	<b>4,884,745</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	853,377	257,630	297,539	221,789	157,226
Factoring liabilities	—	—	86,122	573,377	500,976
Trade payables	421,946	562,848	855,061	649,352	585,378
Tax payable	303	14,791	211,569	130,287	157,244
Other current liabilities, derivatives and other financial instruments	164,985	133,240	250,667	192,924	264,411
<b>Total current liabilities</b>	<b>1,440,610</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	397,978	492,829	—	—	—
<b>Total liabilities</b>	<b>6,723,333</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>11,226,981</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

### Key figures

- NIBD/harvest as at 31 March 2021 of 34, with assumption sale of Shetland at book-value ex. estimated transaction costs. Net book value of Shetland as at 31 March 2021 of NOK 1,635 million

### Covenants

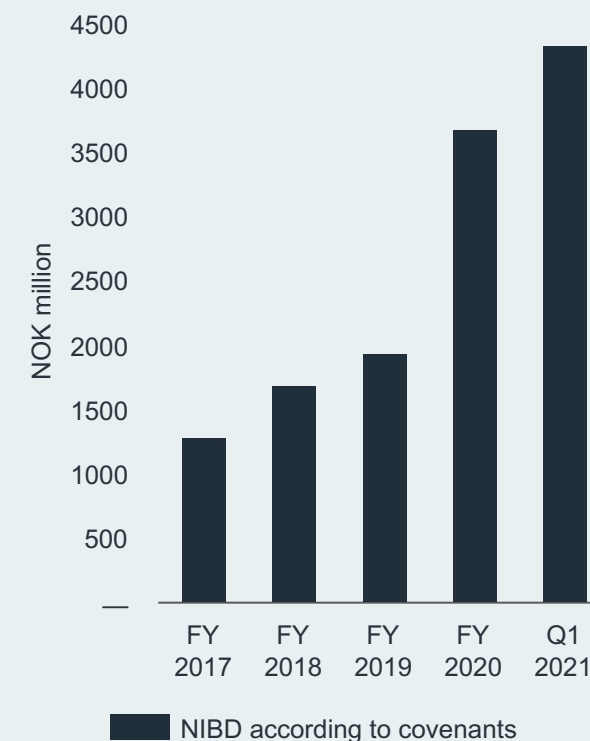
- Equity ratio 42% measured according to covenants (requirement minimum 35%)
- The leverage-ratio NIBD/EBITDA is not measured as a financial covenants through Q3 2021, and will be reported 31 December 2021 and onwards

### Securing financial capacity

- Investment guiding reduced by NOK 100 million
- NOK 150 million of the gross investment for 2021 to be financed through leasing
- Re-establishing factoring agreement
- Shetland divestment process ongoing
- Funding from GIEK (the Norwegian Export Credit Guarantee Agency)
- Continuously evaluating operational cost-saving measures

*\*NIBD/Harvest: Estimated as NIBD according to covenants less net book value of Shetland assets ex. estimated transaction costs, divided by guided harvest volume for FY 2021 of Rogaland, Finnmark and BC.*

## 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 31 March 2021
- Equity ratio was 40% at the end of Q1 2021, vs 42% measured according to covenants.
- NIBD at the end of Q1 2021 was NOK 4,594 million, while NIBD according to covenants was NOK 4,329 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)*	31.03.2021	31.03.2020	31.12.2020
Green bond loan	1,500	—	1,500
Term loan and revolving credit and other non-current interest bearing liabilities	2,651	2,093	2,023
Leasing liabilities**	653	907	685
Factoring liabilities	—	57	—
Cash and loans to associates	-210	-280	-277
<b>NIBD</b>	<b>4,594</b>	<b>2,778</b>	<b>3,931</b>
Factoring liabilities	—	-57	—
Quote share of cash OQ AS (40%)***	—	16	—
Lease liabilities (IFRS 16 effect)****	-240	-473	-252
Non-current debt to the Province of Newfoundland and Labrador, Canada	-25	—	—
Total adjustments to covenant	-265	-514	-252
<b>NIBD according to covenant</b>	<b>4,329</b>	<b>2,263</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.

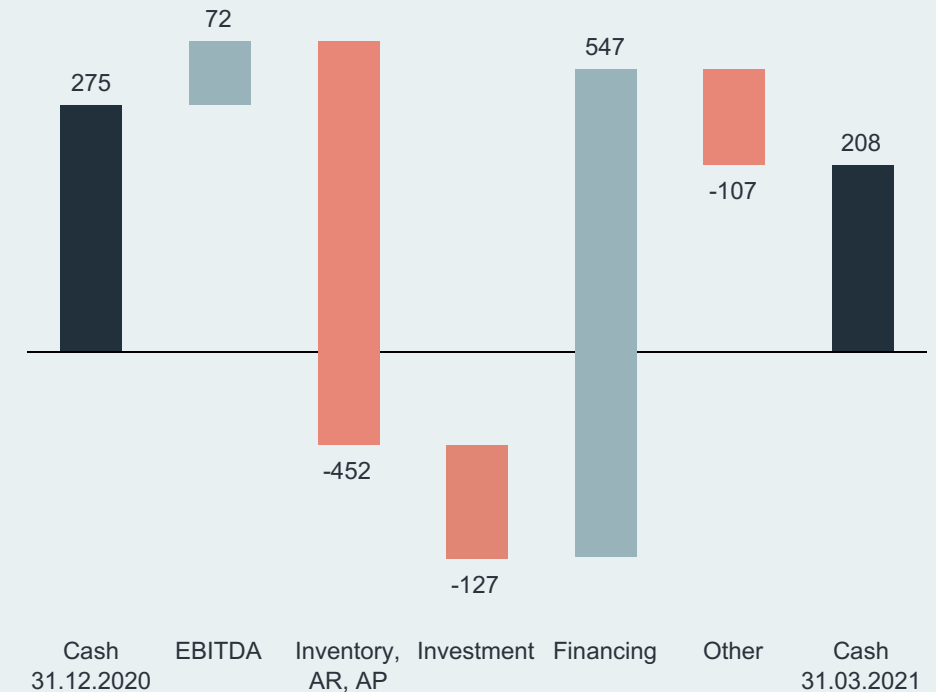
\*\*\*Ocean Quality AS (now Sjør) has been sold. Adjustment not relevant as from 31 December 2020..

\*\*\*\*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 -350 million
  - EBITDA contributed positively with NOK 72 million, down from NOK 307 million in Q1 2020 due to downgrades and lower volume
  - Changes in accounts inventory, accounts receivable and other receivables, and accounts payable of NOK -452 million;
    - Investment in working capital during Q1 2021: Effect from biomass of NOK 152 million, and effect from accounts payable of NOK 141 million
    - Negative cash effect from accounts receivable of NOK 122 million primarily due to not financing receivables through factoring agreements in Q1 2021
    - Negative effect from other receivables of NOK 37 million
- Net cash flow from investment activities NOK -127 million
  - Investments in property, plant and equipment of NOK 133 million
- Net cash flow from financing NOK 547 million
  - Impacted with a positive cash flow of NOK 600 million in bridge loan financing (maturity March 2022)

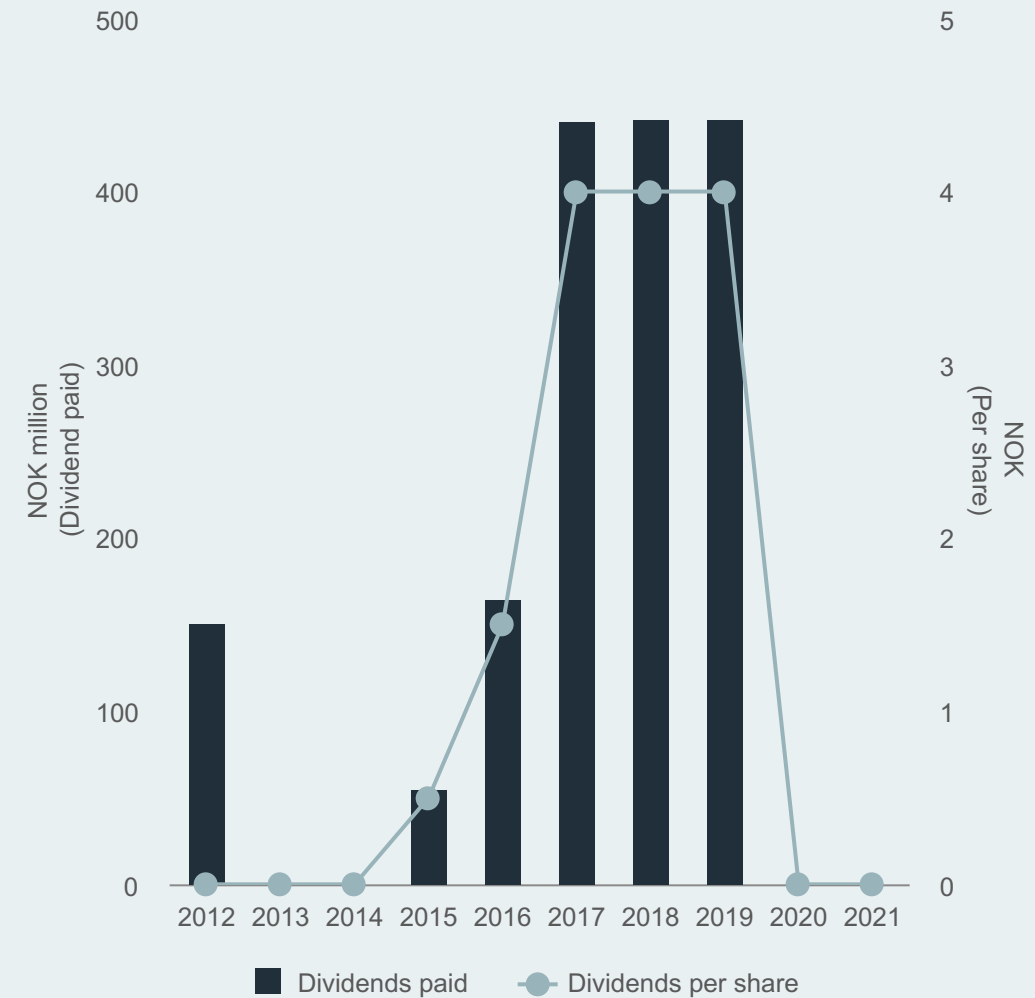


- Other cash flow effect of NOK -107 million
  - Income taxes of NOK -16 million
  - NOK -138 million financing related to the disposal group Shetland through the Group's continued operation cash pool arrangement
  - Other operational cash flow items of NOK 47 million



# 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



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