

Grieg Seafood ASA

Supplement number 1 to the Base Prospectus dated 12 October 2020



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Grieg Seafood ASA

Dated 12 October 2020

Joint Lead Managers and Green Bond Advisers:

DNB
Markets

Nordea

Bergen/Oslo, 23 October 2020

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This supplement (the "Supplement") supplements the Base Prospectus for Grieg Seafood ASA dated 12 October 2020 (the "Base Prospectus").

The statements under Important Information in the Base Prospectus and the definitions in Chapter 2 of the Base Prospectus also apply to the Supplement.

1 New events

(supplements chapter 7.2 Known trends, uncertainties, demands, commitments or events)

Grieg Seafood ASA: Operational and financial update third quarter 2020

Highlights

- EBIT before fair value adjustment for the third quarter 2020 of NOK -187 million (154) due to lower spot prices, higher costs in British Columbia (BC) and NOK 150 million directly related to the discontinued operations on the Isle of Skye.
- Postponing parts of Newfoundland project due to market uncertainty and lower visibility following Covid 19.
- Expect total harvest volume of 90,000 tonnes in 2020. Transferring harvest of 5,000 tonnes to 2021 to optimize harvest weight and time to market.

As announced on 18 September, Grieg Seafood has decided to discontinue its operations on the Isle of Skye in Scotland, with immediate liquidation of parts of the operations. Previously communicated write-down of biomass due to mortalities, combined with low price achievements on fish harvested and high production and other shut-down costs will impact EBIT for the third quarter negatively by approximately NOK 150 million.

Total harvest volume for the first nine months of 2020 was 63,472 tonnes. For the fourth quarter, the company expects to harvest 26,500 tonnes, bringing total volume for 2020 to around 90,000 tonnes. This is a reduction of 5,000 tonnes from previous estimate and is mainly related to transfer of harvest volume to 2021. By utilizing acquired MTB capacity, Grieg Seafood aims to optimize harvest weight and timing to market.

Financial position

The Covid-19 pandemic disrupted the salmon market, with a significant shift in demand and lower prices in core markets. A priority for Grieg Seafood is, in addition to protecting people, local communities, partners and business operations, to secure liquidity and financial solidity. Following the outbreak of Covid-19, market uncertainty increased, and prices have come down in all core markets, impacting Grieg Seafood's earnings negatively. With outlook for lower earnings short- to mid-term, results of performed stress tests on key financial indicators indicates that the company may breach with covenants outlined in the loan agreements. Following negotiations with the banks, Grieg Seafood is granted amendment to the covenants through the third quarter 2021.

Update on greenfield project in Newfoundland

In February, Grieg Seafood acquired a greenfield project in Newfoundland that includes exclusivity for salmon farming in the Placentia Bay area. The GSF Newfoundland project currently comprises licenses for 11 sea sites. Eight licenses are approved, while the rest are in different stages of application. The project also includes a high-end RAS facility under construction. Grieg Seafood continuously evaluates its projects. In the current environment with increased market uncertainty because of the ongoing Covid-19 pandemic, low salmon prices and reduced market visibility, the basis for the development of GSF Newfoundland has changed. Further, due to more need for on-site construction rather than the planned module deliveries, the complexity has increased. Therefore, to lower risk in the initial phase of this large project, the company has decided to slow down the pace of investments. The construction of the planned post-smolt A unit in the first phase is deferred out in time. The RAS facility currently under construction is dimensioned to serve all future post-smolt modules. Consequently, the facility has adequate capacity to ensure necessary on-growth, also in a situation with post-smolt A facility moved out in time. The company estimates that the total investment for the RAS smolt facility, excluding completion of the post-smolt A unit, will be around CAD 60 million for the years 2020-2021. The project for post-smolt A will at a later stage be evaluated for construction. Current estimate for finalization is estimated to CAD 30 million. Grieg Seafoods ambition for the Newfoundland project remains, and the company is committed to develop the project according to milestones outlined in the permissions granted by the authorities. The first fish is already growing in the freshwater facility and the annual harvest volume target to be reached by 2025 for the first phase is still 15,000 tonnes, with the first harvest planned for 2022/2023.

Please see the complete stock exchange filing on: <https://www.griegseafood.no/investors/stock-exchange-filings/>

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2 Declaration by persons responsible (supplements chapter 3 Persons responsible)

Grieg Seafood ASA declares that to the best of its knowledge, the information contained in the Supplement to the Base Prospectus is in accordance with the facts and that the Supplement to the Base Prospectus makes no omission likely to affect its import.

Bergen, 23 October 2020

Grieg Seafood ASA



Atle Harald Sandtorv
CFO

APPROVAL FROM FINANSTILSYNET

The Supplement to the Base Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Supplement to the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval shall not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus.