



2020-10-21

Re: Grieg Seafood Newfoundland Announcement

Marystown, Canada

Grieg Seafood Newfoundland to postpone construction of Post Smolt Building due to covid-19 impact.

The Grieg Seafood Newfoundland Farming Project continues with first fish to market for 2022/2023.

Covid-19 has had a serious impact on farmed salmon markets, including important markets for Grieg Seafood, such as the USA. As a result, salmon prices in 2020 are lower than expected, which impacts ongoing investments. Due to this market uncertainty, Grieg Seafood Newfoundland will reduce the pace of investments, and postpone some of the construction of the land-based operation. Resumption of the construction will depend on market developments.

Grieg Seafood Newfoundland deeply regrets to say that as a result of the postponement, construction jobs related to the Post Smolt Unit will be terminated for now. Our First Feed unit is in operation with the Smolt facility nearing completion for production shortly. The company acknowledges the difficulties this situation imposes on impacted construction workers in the local community.

The main pillars of the Grieg Seafood Newfoundland Farming Project continues on-schedule:

- The first harvest of salmon will occur in 2022/2023, as planned.
- The First Feed and Smoltification units have adequate capacity to ensure necessary production as planned for smolt.
- Installation has commenced for the marine sites as per schedule in 2020 and 2021.

Grieg Seafood Newfoundland is committed to provide updates as the project moves forward.

Knut Skeidsvoll, Regional Director of Grieg Seafood Newfoundland, said:

“The covid-19 pandemic has affected the entire global economy in a way that nobody could foresee. The salmon markets are heavily impacted, causing lower prices across the board. As a responsible company, we see no other choice but to reduce the pace of investment, and as a result we have taken the difficult decision of postponing the construction of the Post Smolt Building. The current land-based facilities have the capacities to ensure necessary production as planned.”

We deeply regret that this decision will cause the loss of local construction jobs, especially as we know many families are already struggling due to the pandemic. We hope for a quick recovery of the economy both in Newfoundland and abroad.

Healthy fish are growing in our tanks in the land-based facility and we will stock the first marine sites in 2021. The first harvest will occur in 2022/2023, where salmon will go to market according to our plans. The postponement causes the ramp-up of the project to take some more time than originally planned, but it will not impact the final result. Grieg Seafood Newfoundland is here to stay and will contribute to jobs and economic development locally as planned over the years to come.

We want to thank the authorities, local suppliers, the local communities in the Marystown area and not least our fantastic employees, for the support and cooperation we have experienced during the pandemic.”

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