

# Q1 2022

**BAKKAFROST GROUP**  
Oslo 10 May 2022

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# SUMMARY OF Q1 2022

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## Operation

- **Highest harvested volumes ever in a Q1 in the Faroe Islands:** 17,459 t<sub>gw</sub> in Q1 2022 (14,025 t<sub>gw</sub> in Q1 2021)
- **Low harvested volumes in Scotland:** 3,973 t<sub>gw</sub> in Q1 2022 (7,002 t<sub>gw</sub> in Q1 2021)
- **Feed sales** of 26,192 tonnes in Q1 2022\* (23,717 tonnes in Q1 2021\*)
- **Market balance:** Strong markets and tight supply outlook
- **Raw material purchase** of 77,971 tonnes in Q1 2022 (48,547 tonnes in Q1 2021)

## Revenues and Operational EBIT

- **Highest revenues ever in a quarter:** DKK 1,639 million in Q1 2022 (DKK 1,176 million in Q1 2021), increased prices and strong demand
- **Strong operational EBIT\*\*** of DKK 418 million in Q1 2022 (DKK 224 million in Q1 2021)

## Cash Flow

- **Cash flow from operations** of DKK 151 million in Q1 2022 (DKK 137 million in Q1 2021)

## Segments

- **Positive operational EBIT** in Farming FO and FOF. Negative in VAP and Farming SCT

## Dividends

- **Dividend** of DKK 5.14 per share for 2021





\*) Including internal sales of 25,023 tonnes in Q1 2022 (23,213 tonnes in Q1 2021)

\*\*) EBIT aligned for fair value adjustments of biomass, onerous contracts provisions, income from associates and revenue tax



# SUMMARY OF THE QUARTER


HIGHER OPERATIONAL EBIT DRIVEN MAINLY BY FARMING FAROE ISLANDS

Q1 2021		Q1 2022
<b>OPERATIONAL EBIT/Kg (NOK)</b>		
<b>Farming Faroe Islands</b>		
14.10		36.03
<b>Farming Scotland</b>		
-1.44		-17.67
<b>VAP</b>		
18.56		-5.65
<b>EBITDA margin</b>		
<b>Fishmeal, -oil and Feed</b>		
15.0%		19.6%

(DKK million)	Q1 22	Q1 21
Operating revenue	1,639	1,176
Operational EBITDA	554	354
<b>Operational EBIT</b>	<b>418</b>	<b>224</b>
<b>Profit for the period</b>	<b>405</b>	<b>408</b>
Operational EBITDA margin	33.8%	30.1%
Operational EBIT margin	25.5%	19.0%
Operational EBIT/Kg (Farming FO) (NOK)	36.03	14.10
Operational EBIT/Kg (Farming FO and VAP) (NOK)	33.79	21.48
Operational EBIT/Kg (VAP) (NOK)	-5.65	18.56
Operational EBIT/Kg (Farming SCT) (NOK)	-17.67	-1.44
EBITDA margin (Fishmeal, -oil and Feed)	19.6%	15.0%

Group Operational EBIT DKK 418 million in Q1 2022,  
compared to DKK 224 million in Q1 2021





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### Average spot prices increased y/y and q/q in Q1 2022

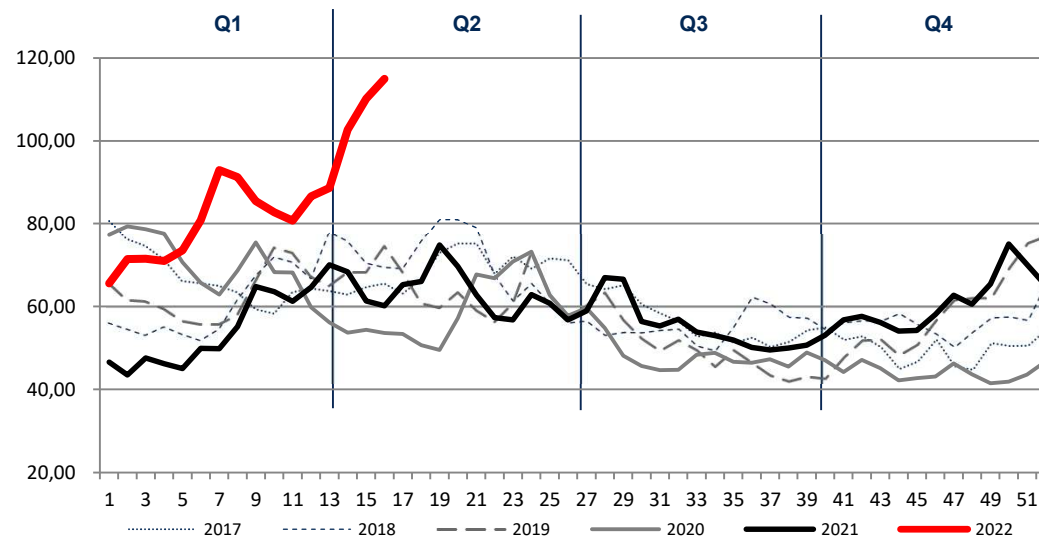
(NOK/KG)



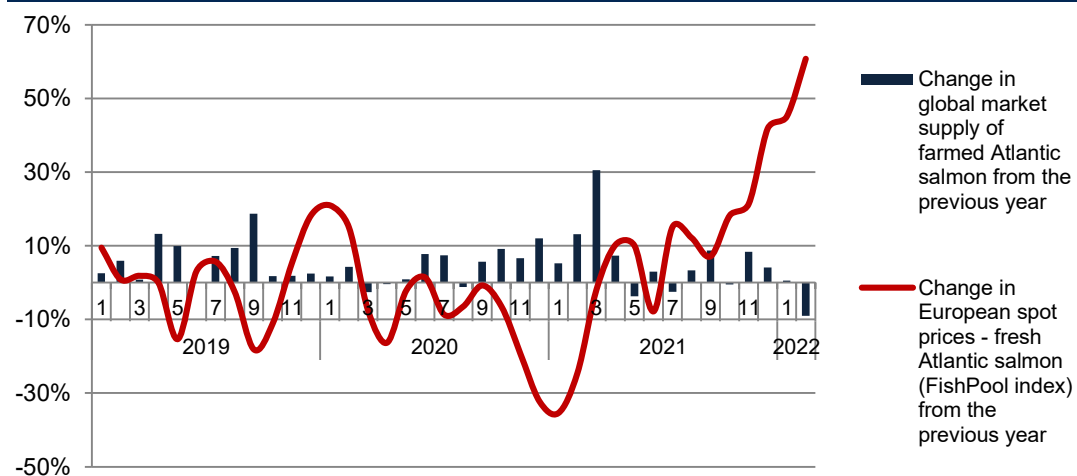
Increasing spot prices throughout the quarter

Continued increase in Q2 2022

### Spot prices (NASDAQ) on superior 4-5 [NOK/kg HOG]



### Change in global market [volume harvested and market price]



Source: Kontali



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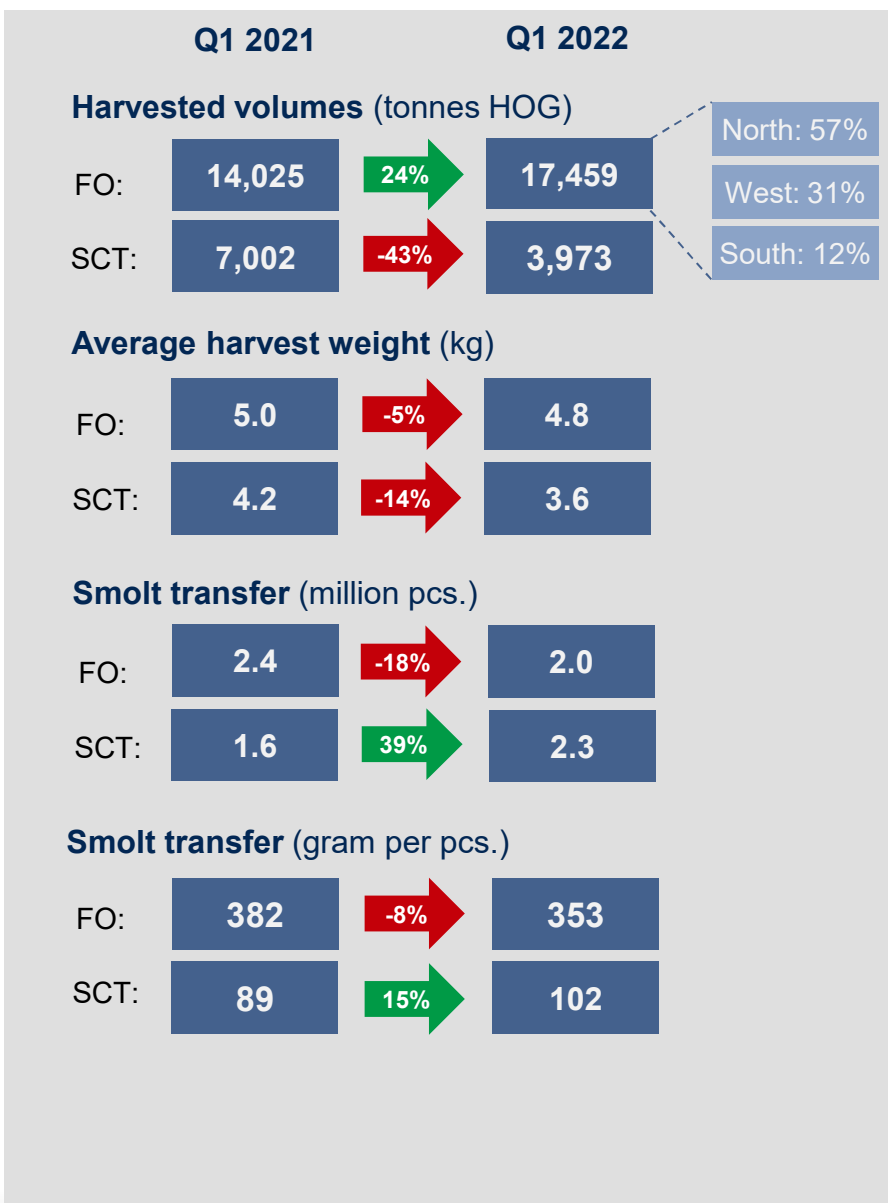
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ESTABLISHED 1968

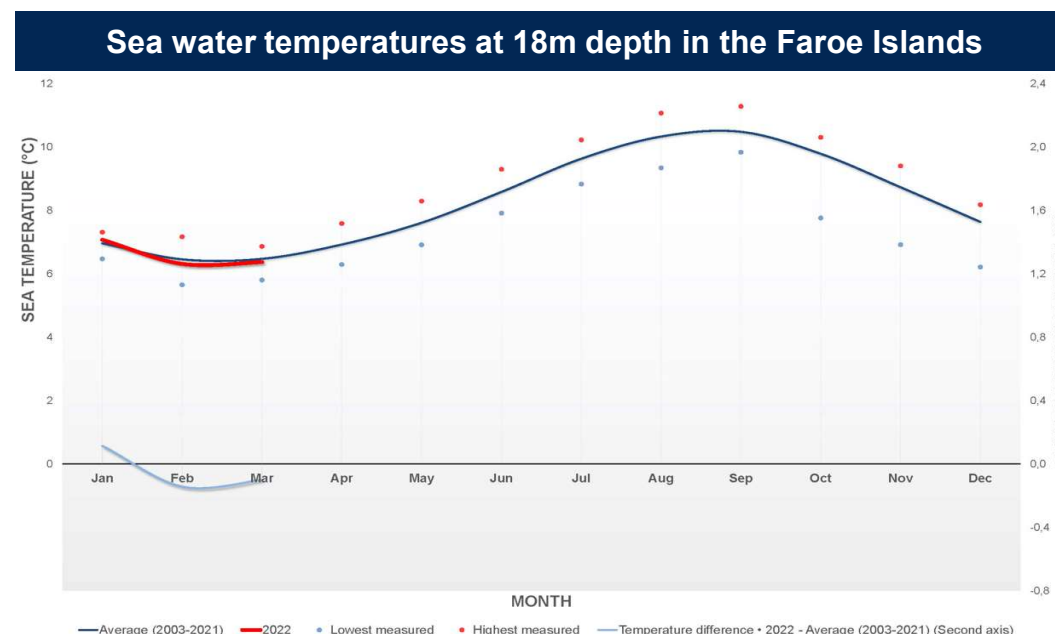


# FARMING – HARVEST VOLUME

INCREASED HARVEST IN FO AND DECREASED IN SCT – LOWER AVG. HARVEST WEIGHTS



Harvest Volumes tonnes [HOG]	Q1 22	Q1 21
FO - North Region	10,046	11,422
FO - West Region	5,333	2,458
FO - South Region	2,080	145
<b>FO – Total</b>	<b>17,459</b>	<b>14,025</b>
SCT - Total	3,973	7,002
<b>Total (FO &amp; SCT)</b>	<b>21,432</b>	<b>21,027</b>



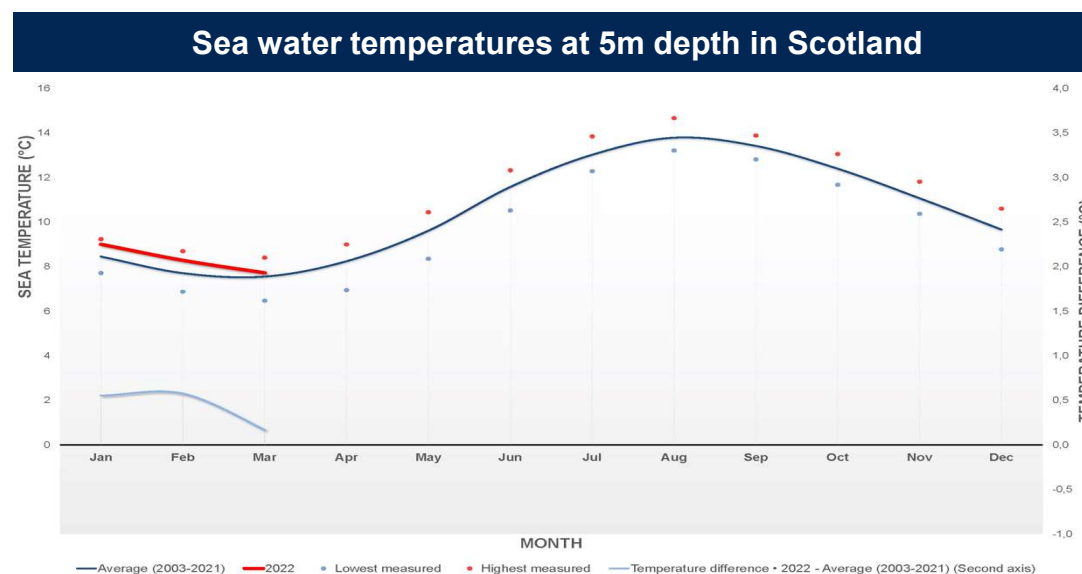
# FARMING – OPERATIONAL PERFORMANCE

## STRONG PERFORMANCE IN FAROES – WEAKENED IN SCOTLAND

	Q1 2021		Q1 2022
<b>Operational EBIT (mDKK)</b>			
FO:	143	229%	471
SCT:	-7	-620%	-53
<b>Operational EBIT margin</b>			
FO:	22%		39%
SCT:	-2%		-22%
<b>Operating revenue (mDKK)</b>			
FO:	645	86%	1,199
SCT:	322	-27%	235

Farming FO (DKK million)	Q1 22	Q1 21
Operating revenue	1,199	645
Operational EBIT	471	143
Operational EBIT margin	39%	22%

Farming SCT (DKK million)	Q1 22	Q1 21
Operating revenue	235	322
Operational EBIT	-53	-7
Operational EBIT margin	-22%	-2%



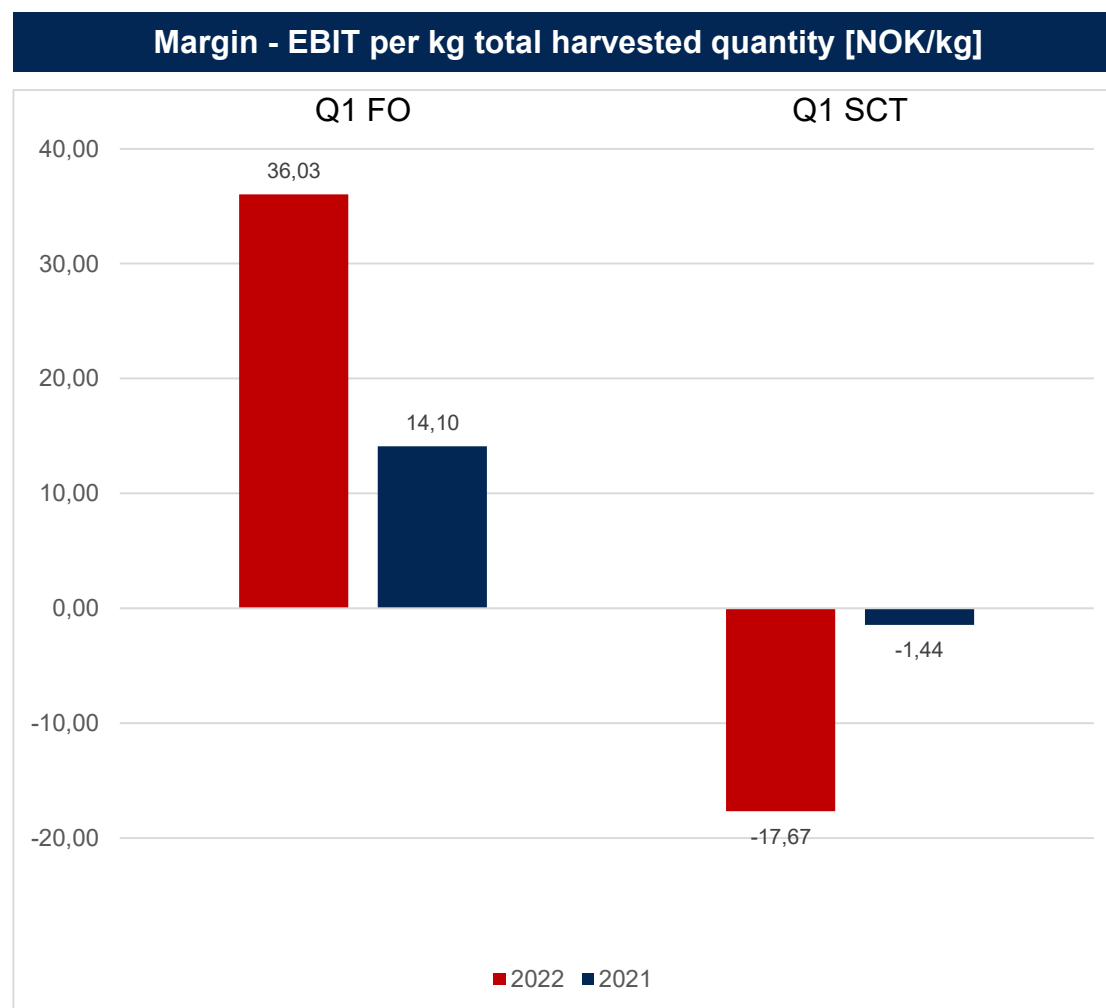


## FARMING – OPERATIONAL PERFORMANCE

	Q1 2021		Q1 2022
<b>Operational EBIT per kg (NOK)</b>			
FO:	14.10	21.93	36.03
SCT:	-1.44	-16.23	-17.67

**FO:** Good biological development  
Low sea lice levels

**SCT:** Low harvest volumes  
Some challenges at the beginning of Q1  
Significant improvements during Q1  
Zero exceptional mortality in march



- Freshwater treatment capacity has been more than doubled in Q1 2022
- Enables a preventive treatment strategy to ensure strong gill health ahead of the challenging autumn

Ronja Star



**In service July 2022**

- (to replace Aqua Kvaløy)
- 4,000m<sup>3</sup>, live haul
- Reverse Osmosis system
- Will replace Aqua Kvaløy

Aqua Kvaløy – Vessel Presentation



**In service since mid Apr 22**

- 2,800m<sup>3</sup>, live haul
- Reverse Osmosis system

Ronja Fisk



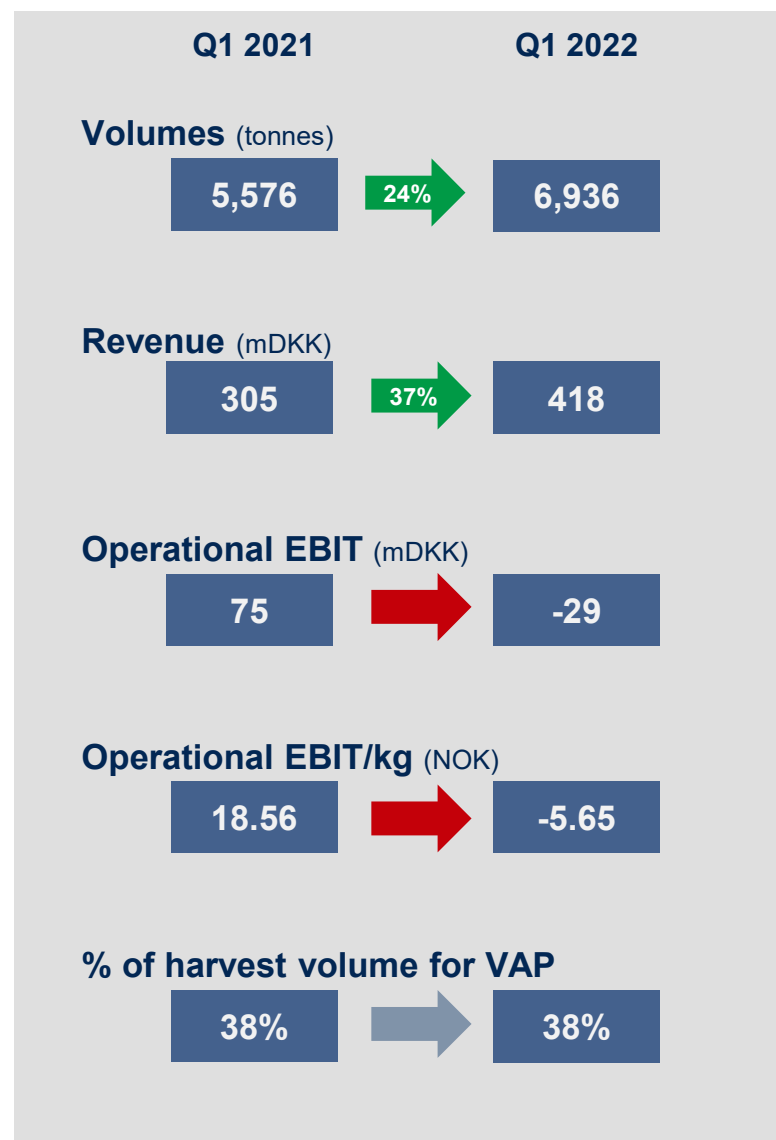
**In service (since 2020)**

- 2,500m<sup>3</sup>, live haul
- Reverse Osmosis system

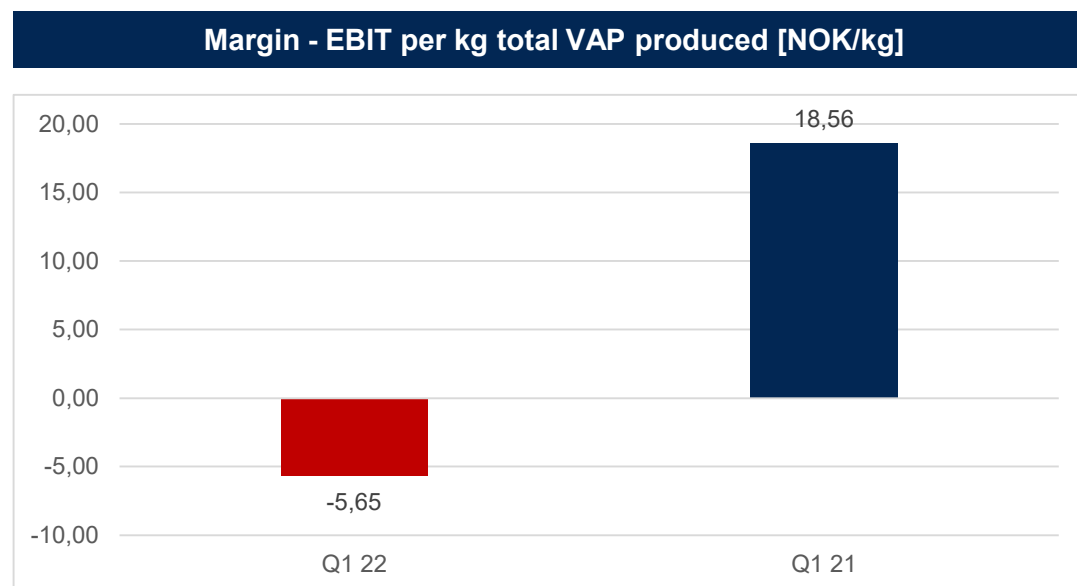


# VALUE ADDED PRODUCTS (VAP)

## HIGHER VOLUMES AND HIGHER COST OF RAW MATERIAL

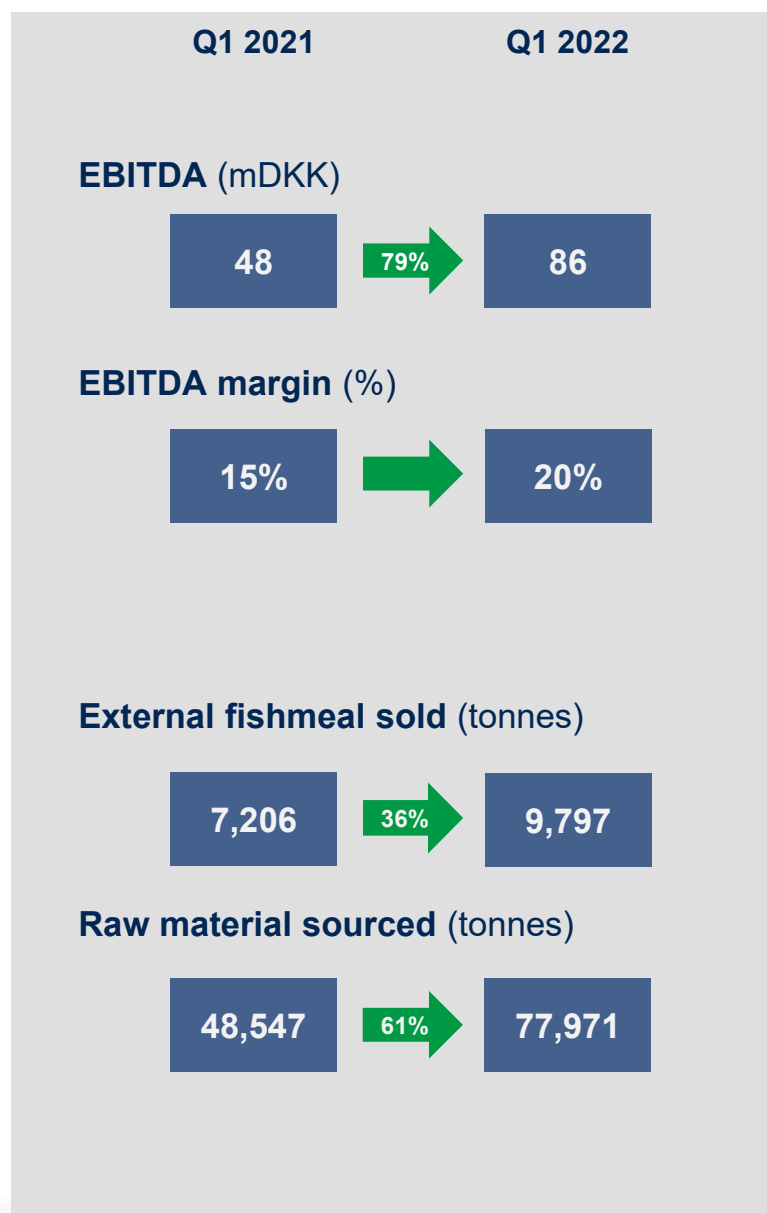


(DKK million)	Q1 22	Q1 21
Operating revenue	418	305
Operational EBIT	-29	75
Operational EBIT margin	-7%	25%
Farming FO transferred to VAP (tgw)	6,677	5,265
VAP produced (tgw)	6,936	5,576



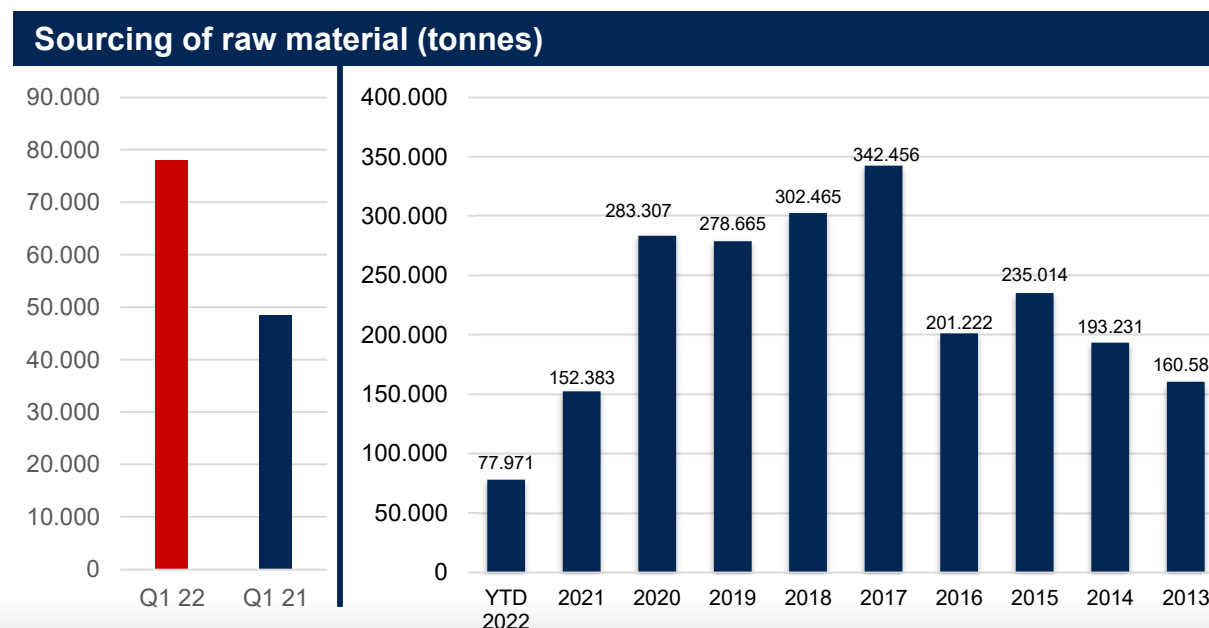
# FISHMEAL, OIL AND FEED (FOF)

## HIGHER EBITDA AND HIGHER SALES OF FEED AND FISHMEAL



(DKK million)	Q1 22	Q1 21
Operating revenue	442	322
EBITDA	86	48
EBITDA margin	20%	15%
Feed sold (tonnes)*	26,192	23,717
Fishmeal sold external (tonnes)	9,797	7,206

- Including internal sales, corresponding to 96% of feed volumes in Q1 2022 (Q1 2021: 98%)



# MARKET CONDITIONS FEED

## INCREASE IN INTERNAL AND EXTERNAL FEED SALES

Q1 2021

Q1 2022

**Total feed sales increased (tonnes)**

23,717



26,192

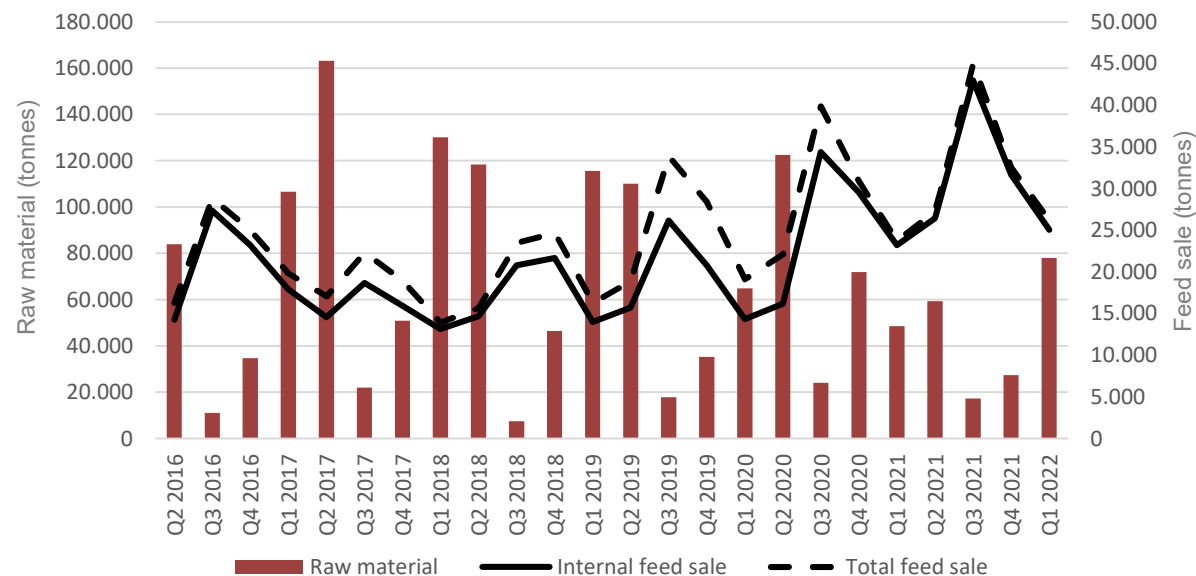
**External feed sale increased (tonnes)**

504



1,169

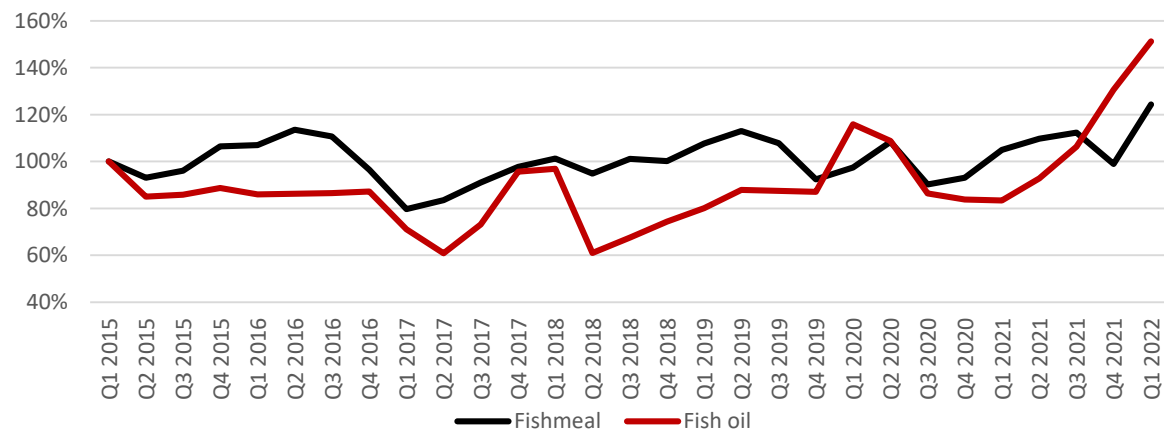
**Volumes of raw material purchase and feed sale [tonnes]**



### Market fluctuations

Fishmeal price and fish oil price increased in Q1 2022, compared to the same quarter last year.

**Fishmeal and fish oil price index in DKK (Q1 2015 = 100)**



Source: Holtermann



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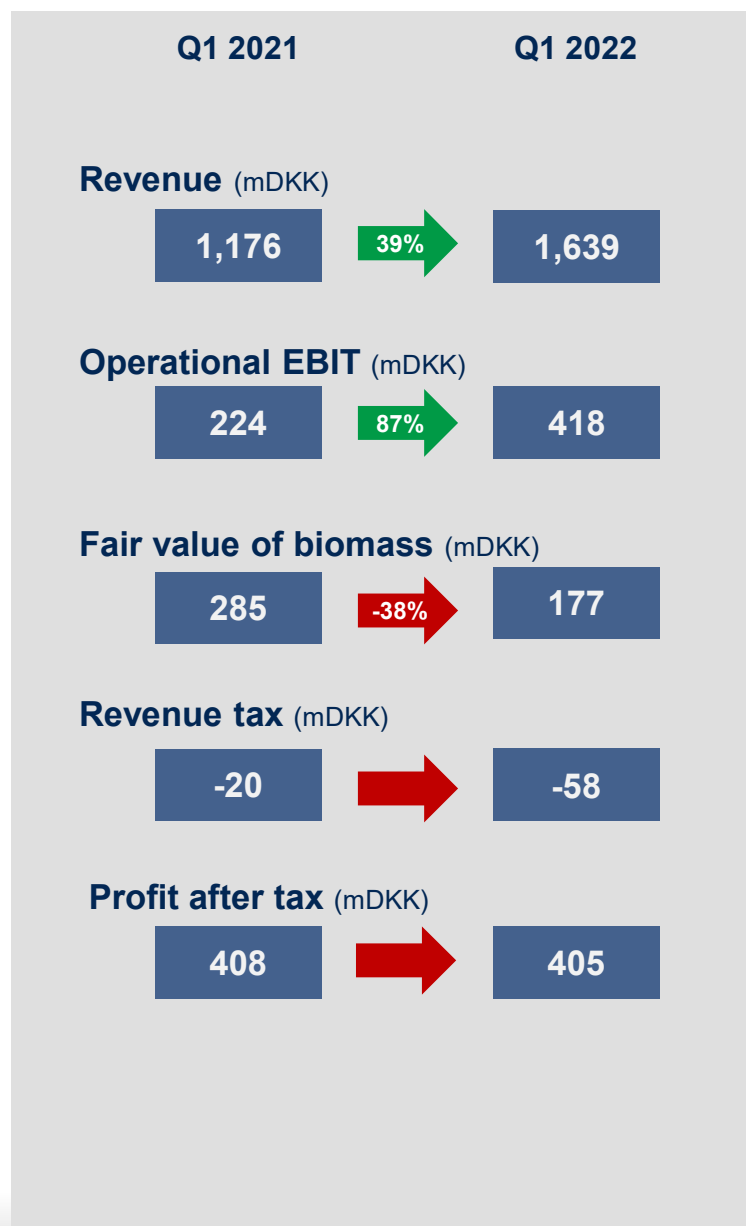
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# GROUP PROFIT AND LOSS

## HIGHER REVENUE AND OPERATIONAL EBIT



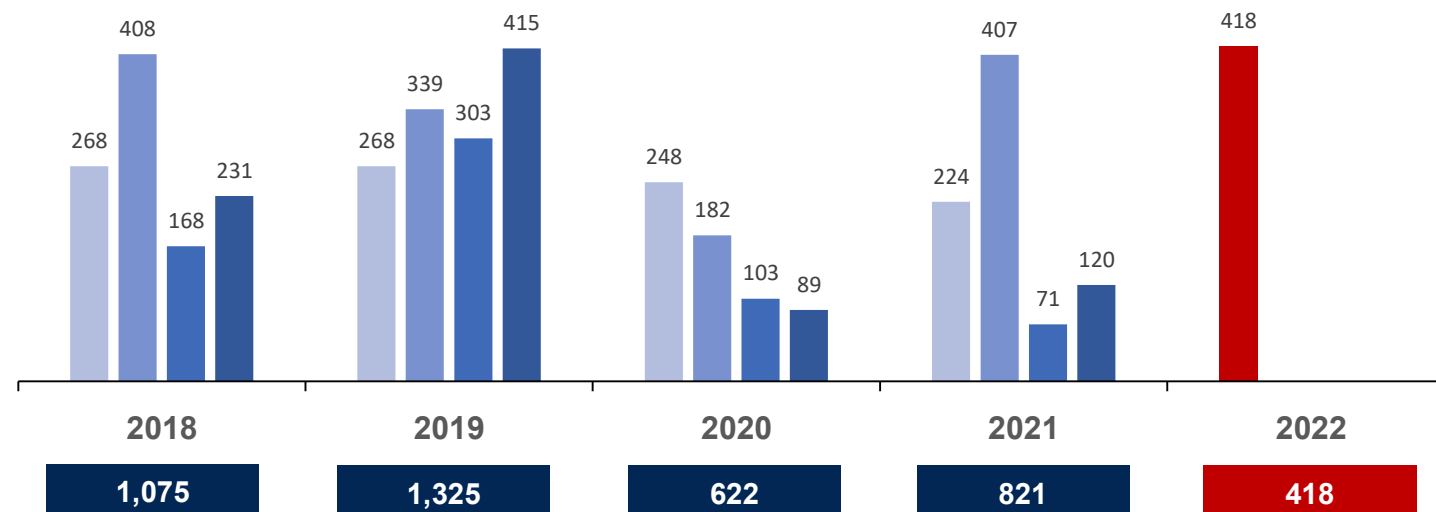
(DKK million)	Q1 22	Q1 21
Operating revenue	1,639	1,176
<b>Operational EBITDA</b>	<b>554</b>	<b>354</b>
<b>Operational EBIT</b>	<b>418</b>	<b>224</b>
Fair value adjustment of biological assets	177	285
Onerous contracts	-31	0
Income from associates	3	1
Revenue tax	-58	-20
<b>EBIT</b>	<b>510</b>	<b>489</b>
Net Financial items	-18	4
<b>EBT</b>	<b>492</b>	<b>493</b>
Taxes	-87	-86
<b>Profit for the period</b>	<b>405</b>	<b>408</b>
<b>Operational EBITDA margin</b>	<b>33.8%</b>	<b>30.1%</b>
<b>Operational EBIT margin</b>	<b>25.5%</b>	<b>19.0%</b>
<b>Operational EBIT/kg (Farming Faroe Islands and VAP) (NOK)</b>	<b>33.79</b>	<b>21.48</b>
<b>Operational EBIT/kg (Farming Scotland) (NOK)</b>	<b>-17.67</b>	<b>-1.44</b>
<b>EBITDA margin (fishmeal, oil and feed)</b>	<b>19.6%</b>	<b>15.0%</b>

\* Operational EBITDA and EBIT aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax.

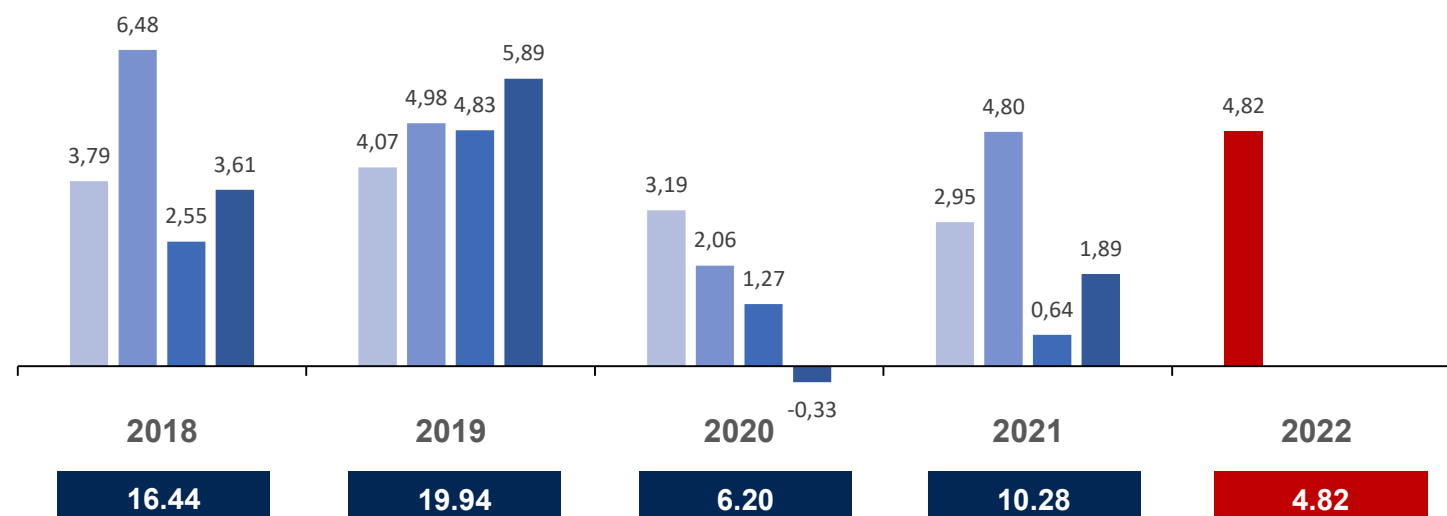


# OPERATIONAL EBIT\* AND ADJUSTED EARNINGS PER SHARE\*\*

## Operational EBIT\* (mDKK)



## Adjusted EPS\*\* (DKK)



\*) Operational EBIT is EBIT before fair value adjustments of biomass, onerous contracts provisions, income from associates and revenue tax

\*\*) Earnings per share adjusted for fair value of biomass, onerous contracts provisions and tax and these.



# BALANCE SHEET

## Headlines (mDKK)

	End 2021		Q1 2022
<b>PPE:</b>	4,889	54	4,943
<b>Biological assets:</b> <i>*(whereof mDKK 782 (605) are fair value adjustments)</i>	2,448*	188	2,637*
<b>Inventory:</b>	709	85	794
<b>Receivables:</b>	824	48	872
<b>Cash &amp; cash equiv.:</b>	509	-64	445
<b>Equity:</b>	9,348	103	9,451
<b>Equity ratio:</b>	64%		64%

(DKK million)	Q1 22	End 2021
Intangible assets	4,507	4,496
Property, plant and equipment	4,943	4,889
Right of use assets	279	302
Financial assets	154	149
Long-term receivables	0	8
Deferred tax assets	134	215
Biological assets	2,637	2,448
Inventory	794	709
Financial derivatives	0	0
Receivables	872	824
Other receivables	73	78
Cash and cash equivalents	445	509
<b>Total Assets</b>	<b>14,837</b>	<b>14,628</b>
Equity	9,451	9,348
Deferred tax and other taxes	1,598	1,590
Long-term interest-bearing debt	2,637	2,635
Long-term leasing debt	233	246
Financial derivatives	9	8
Short-term leasing debt	77	88
Accounts and other payables	833	714
<b>Total Equity and Liabilities</b>	<b>14,837</b>	<b>14,628</b>

# CASH FLOW



(DKK million)	Q1 22	Q1 21
Cash flow from operations	151	137
Cash flow from investments	-175	-268
Cash flow from financing	-40	37
Net change in cash	-64	-93
Cash at the end of the period	445	374
Undrawn facilities	2,999	2,323

# NET INTEREST-BEARING DEBT (NIBD)

NIBD INCREASED DURING Q1 2022

## NIBD was increased by:

- Net investments (mDKK 175)
- Change in working capital (mDKK 336)

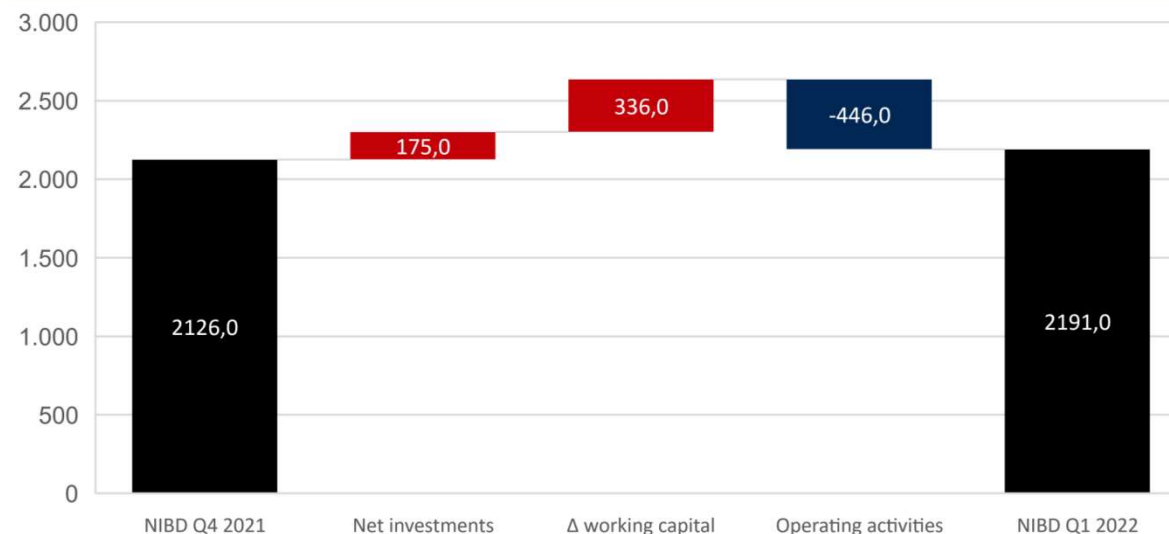
## NIBD was decreased by:

- Cash flow, operating activities (mDKK -446)

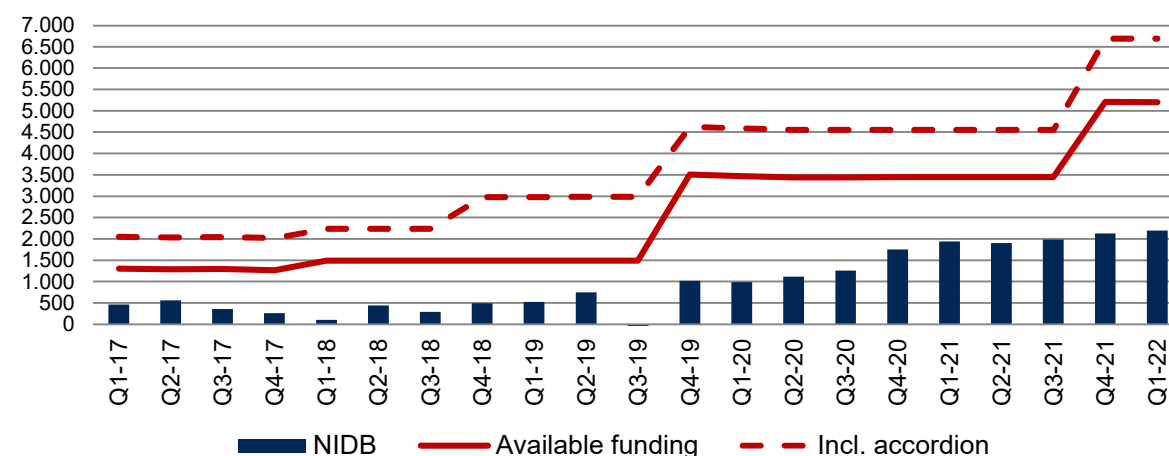
## Financing end Q1 2022

- NIBD: DKK 2,191 million
- Bank facilities of EUR 700 million, and an accordion of EUR 150 million.
- Undrawn credit facilities: DKK 2,999 million

## Development in NIBD in DKK millions



## NIBD and available funding







### 2021 Sustainability Report has been released

This is our **5<sup>th</sup>** annual sustainability report

#### Selected headlines from the report:

- **38% decrease in carbon intensity** per tonne of salmon produced in the Faroes
- An overall **16% decrease in GHG emissions** in Scotland
- **Sourced locally around 60%** of products and services
- **First full-year review** of the production at our award-winning biogas plant FÖRKA.



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## HARVESTED AND SOLD QUANTITY BY ORIGIN

- **7% drop in global quarterly supply**
  
- **6% drop in European harvest**
  - High downgrading and licence constraints in Norway
  - UK and Iceland impacted by biological challenges
  
- **10% drop in American harvest**
  - Low incoming biomass and reduced harvest weights in Chile
  - Minor changes to absolute harvest in North America

SUPPLY DEVELOPMENT	Q1 2022	Q1 2021	Change %
Norway	305	319	-4.3 %
UK	33	43	-22.3 %
Faroes	21	20	2.7 %
Iceland	11	11	-6.3 %
Ireland	3	3	-13.2 %
<b>Total Europe</b>	<b>373</b>	<b>397</b>	<b>-6.0 %</b>
Chile	161	182	-11.2 %
Canada	27	29	-6.5 %
USA	4	3	25.8 %
<b>Total Americas</b>	<b>192</b>	<b>214</b>	<b>-10.1 %</b>
Other	26	24	11.8 %
<b>Total (Harvested quantity)</b>	<b>592</b>	<b>635</b>	<b>-6.7 %</b>
Inventory movements	-8	-6	27.3 %
<b>Total (Sold Quantity)</b>	<b>584</b>	<b>629</b>	<b>-7.0 %</b>

Source: Kontali



## SALMON MARKETS, SOLD QUANTITY

- **9% decrease in the EU/UK**
  - *Artificially high level in 2021 due to Covid-19*
- **1% increase in the US**
  - *Strong demand*
  - *Increased imports from Europe*
  - *Prioritised by Chilean suppliers at expense of South American markets*
- **High growth in China**
  - *2021 strongly impacted by Covid-19*
- **Russia impacted by sanctions**

Salmon markets, sold quantity (head on gutted - HOG)

Markets	Estimated volumes		Q1 comparison		Estimated volumes		FY comparison	
	Q1 2022E	Q1 2021E	Volume	%	FY 2021E	FY 2020	Volume	%
EU+UK	247,500	271,100	-23,600 ↓	-9%	1,155,600	1,071,100	84,500 ↑	8%
USA	141,800	139,800	2,000 ↗	1%	570,100	504,700	65,400 ↑	13%
Russia	14,000	24,000	-10,000 ↓	-42%	86,000	79,200	6,800 ↑	9%
Japan	14,800	16,600	-1,800 ↓	-11%	64,700	64,000	700 ↗	1%
Greater China	24,500	21,900	2,600 ↑	12%	105,000	101,700	3,300 ↑	3%
ASEAN	19,900	21,700	-1,800 ↓	-8%	80,800	73,100	7,700 ↑	11%
Latin America	41,200	50,700	-9,500 ↓	-19%	184,100	168,700	15,400 ↑	9%
Ukraine	5,700	7,900	-2,200 ↓	-28%	32,700	23,600	9,100 ↑	39%
Other markets	75,200	74,900	300 ↗	0%	315,400	298,800	16,600 ↑	6%
<b>Total all markets</b>	<b>584,600</b>	<b>628,600</b>	<b>-44,000 ↓</b>	<b>-7.0 %</b>	<b>2,594,400</b>	<b>2,384,900</b>	<b>209,500 ↑</b>	<b>8.8 %</b>

Comments:

EU+UK incl. estimates for both European Union (Post-Brexit) & United Kingdom (England, Scotland, Wales & Northern Ireland).

Greater China = China / Hong Kong / Taiwan (incl. estimated re-export from Vietnam & Thailand)

ASEAN = Association of Southeast Asian Nations (estimated re-export from Vietnam & Thailand subtracted)

Latin America (including both Mexico and Caribbean + domestic consumption in Chile)

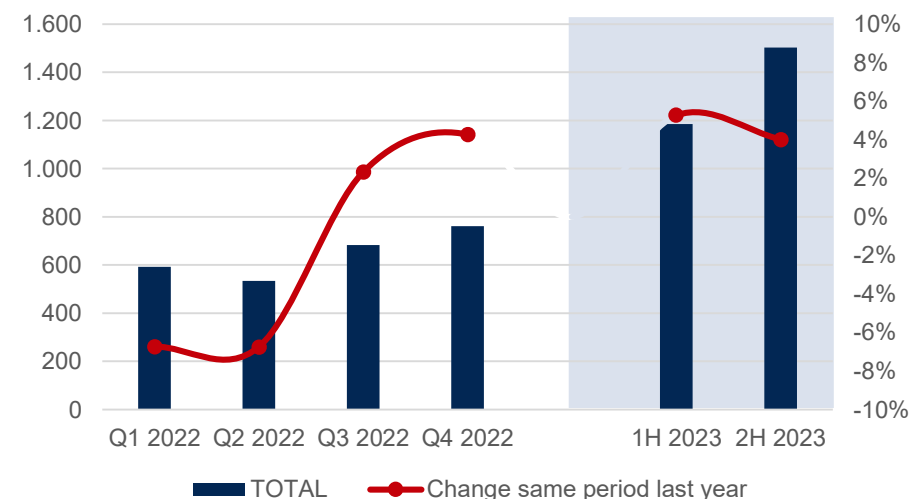
All figures above are in tonnes hog, and are rounded to the nearest 100 tonnes.

Source: Kontali

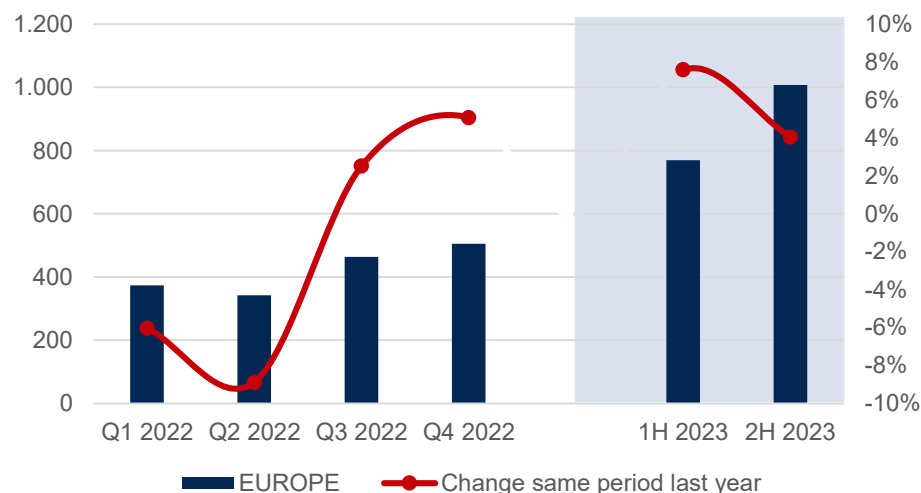
## SHORT TERM SUPPLY OUTLOOK

- **Expectation of limited global supply growth**
  - Drop in global harvest expected through 1H 2022
  - Limited growth expected 2H 2022 and 2023
- **2H 2022 European growth driven**
  - Licence auction in Norway
  - Increase in the UK and Iceland
- **Limited supply growth expected in the Americas**

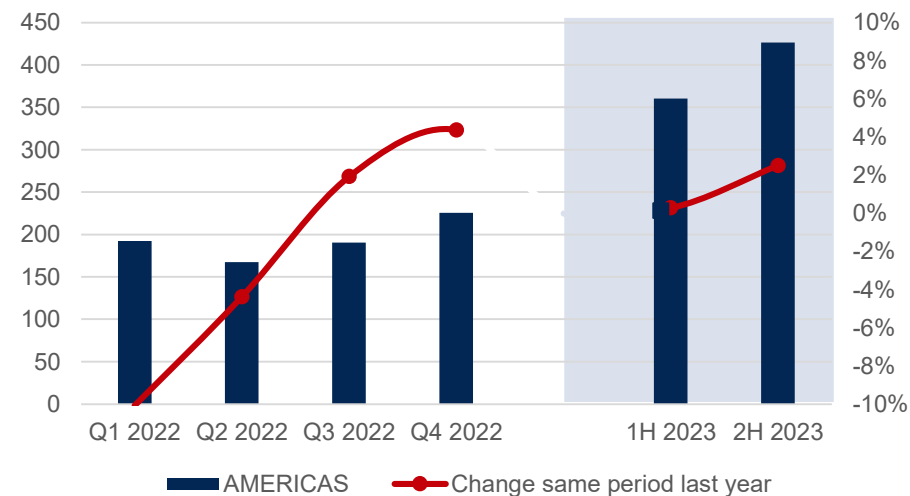
### SUPPLY - TOTAL



### SUPPLY - EUROPE



### SUPPLY - AMERICAS



Source: Kontali

## Market

- Global **harvest** decreased 6.7% in Q1 2022 vs Q1 2021
- Global **supply** for 2022 expected to decrease moderately:
  - decrease 7% in H1
  - decrease 1% for FY 2022

## Farming

- In 2021, Bakkafrost harvested HOG 97,900 tonnes  
(Faroe Islands: 67,200 and Scotland: 29,700)
- In 2022, Bakkafrost expects to harvest HOG 103,000 tonnes  
(Faroe Islands: 68,000 and Scotland: 35,000)
- **Smolt release:**
  - In 2021, Bakkafrost released 25.5 million smolts  
(Faroe Islands: 14.4 and Scotland: 11.1)
  - In 2022, Bakkafrost expects to release 25.7 million smolts  
(Faroe Islands: 14.9 and Scotland: 10.8)

## Contracts

- For 2022, Bakkafrost has signed contracts for around 32% of the total expected harvest volumes in the Faroe Islands and Scotland

## Fishmeal, Oil and Feed

- Feed sales are expected to be around 130,000 tonnes in 2022
- Fishmeal and fish oil volumes are expected to be on a similar level in 2022 as in 2021

## Business development / Investment programme

- Headlines from Capital Markets Day on 14-15 September 2021:
  - During 2022-2026, DKK 6.2 billion will be invested in the Faroe Islands and Scotland
  - Improve the operation in Scotland
  - Pursue sustainable organic growth in the Faroe Islands and Scotland



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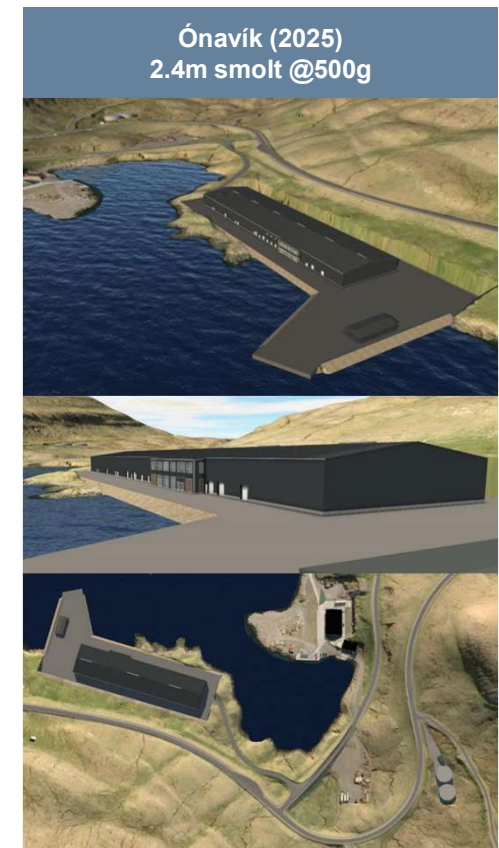
Applecross 4 expansion, Scotland



# HATCHERY EXPANSIONS - FAROE ISLANDS

INCREASING HATCHERY CAPACITY FROM 15 TO 23 MILLION AT 500G

- The Strond hatchery has significantly increased smolt capacity
- Large smolts grow strongly after release
- Very low feed conversion rate

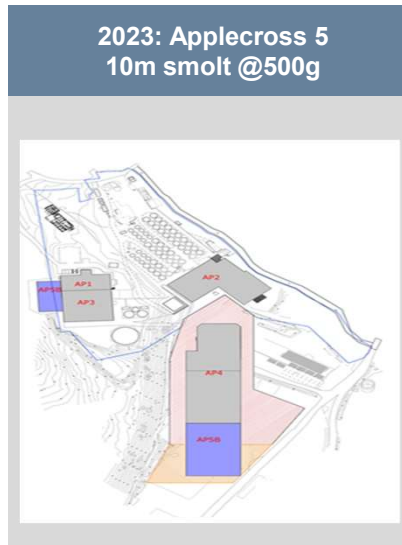


Existing hatcheries at Viðareiði, Gjógv and Húsar  
3.3m smolt @500g

# HATCHERY EXPANSION - SCOTLAND

## INCREASING HATCHERY CAPACITY TO +18 MILLION AT 500G

- Significant increase in smolt capacity in Scotland



## SCOTLAND SITE OVERVIEW

7,742 TONNES OF CONSENT INCREASE SINCE THE ACQUISITION

**Total consent has increased by 11.6% (7,742 tonnes) since the acquisition in Q4 2019**

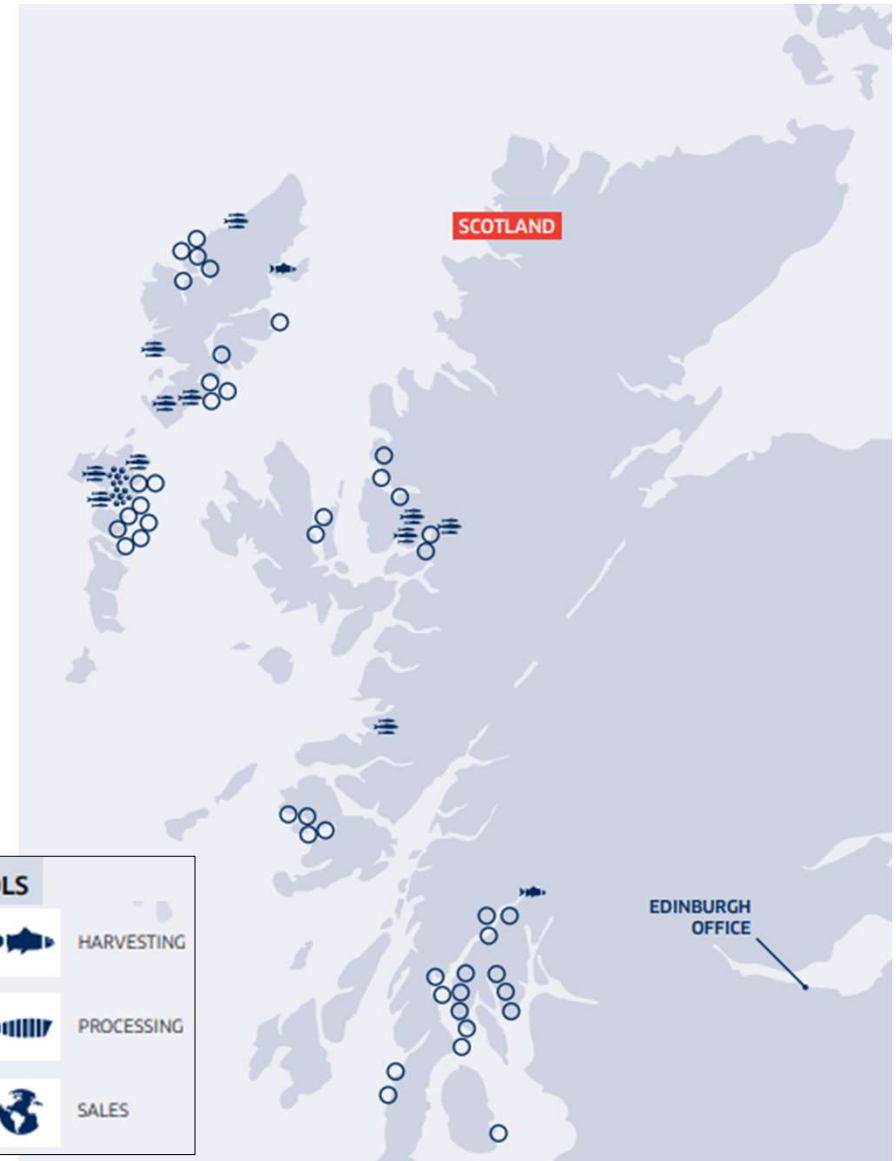
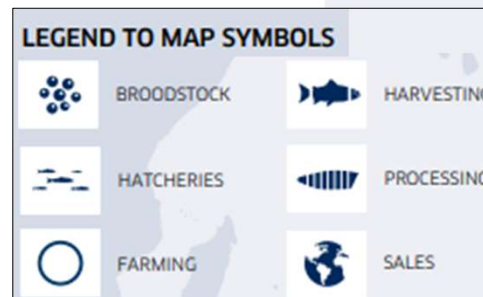
**Total consent is 74,765 tonnes in 44 farming sites:**

**North:** 24 sites / 44,415 tonnes consent

- Uist, 5 sites
- Sky & mainland, 6 sites
- Loch Roag, 7 sites
- East Lewis & Harris, 6 sites

**South:** 20 sites / 30,350 tonnes consent

- Mull and Gigha, 6 sites
- Loch Striven and Arran, 4 sites
- Loch Fyne, 10 sites





## SCOTLAND – STRATEGIC RATIONALE

1. Provides **access** to the attractive Scottish farming region
  - **Niche** and differentiated region
  - **High-quality** salmon from Scottish Provenance priced at a premium
2. Creating a differentiated **global leader in premium salmon**
  - Exposure to **two geographies**, the Faroe Islands and Scotland
  - **Premium brands**



West Strome, Scotland



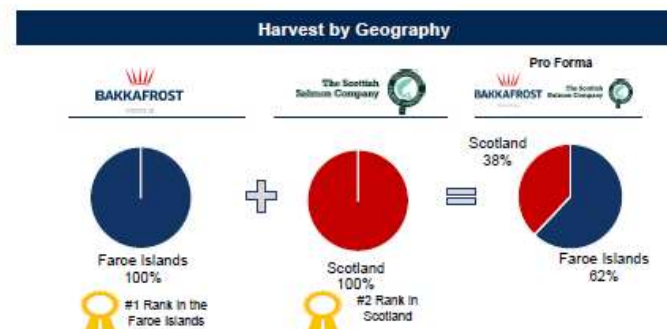
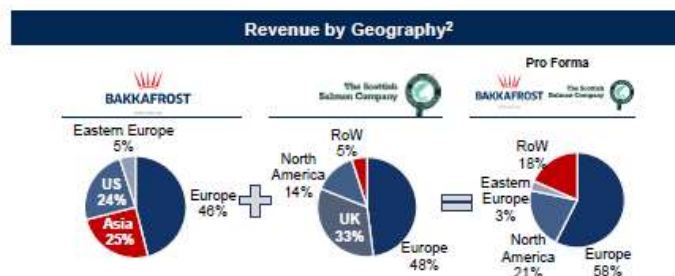
## SCOTLAND – STRATEGIC RATIONALE

### 3. Potential for significant **improvement**

- Scottish Salmon **profitability** to improve over five years through transfer of best practices
- **Synergies**
- Targeted **investment** programmes

### 4. Financially attractive

- Acquiring the business at a **reasonable value**, **multiple** to the sector and Bakkafrost



Source: Company filings, company website, Mowi Salmon Farming Industry Handbook 2019.

<sup>1</sup> Harvest figures reflect total harvest in European region comprising of Norway, United Kingdom / Scotland and Faroe Islands as per Mowi Salmon Farming Handbook.

<sup>2</sup> Geographic breakdown of revenue based on H1 2019 data for both companies.

## ~ 6.2BN PLANNED INVESTMENTS 2022-2026

FRONTLOADED TO ACCELERATE BUSINESS TRANSFORMATION IN SCOTLAND

### Faroe Islands:

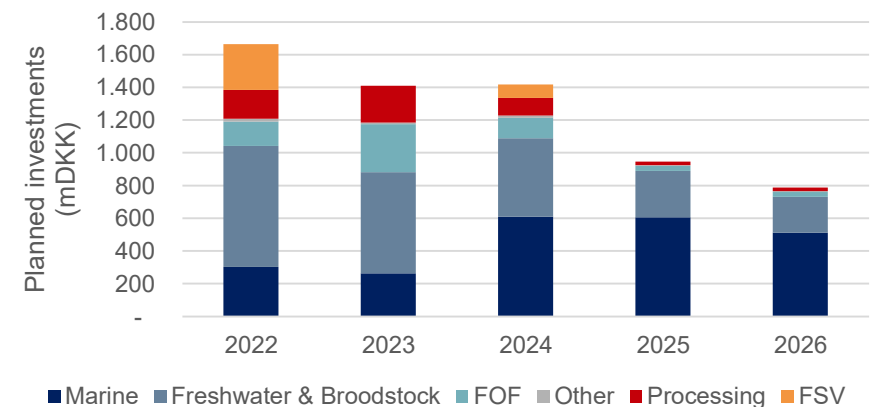
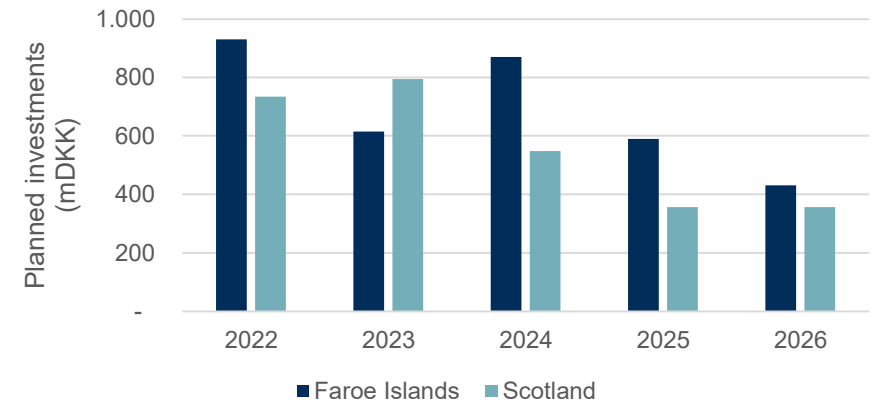
- Hatchery capacity (2026 capacity: +23m smolt at 500g)
- Increase feed capacity to cater 200,000 tonnes (HOG) harvest
  - Flexibility for further expansion to 290kt (HOG) harvest
- 7,000m3 multi-purpose well boat
- Seawater expansion investments, including offshore
- Broodstock facility

### Scotland:

- Hatchery capacity (+18m smolt at 500g in 2026)
- Processing plant
- Treatment vessels
- Marine Site development

The planned investment profile is subject to necessary agreements being secured with responsible authorities

Planned investment profile 2022-2026 (DKK 1,000)

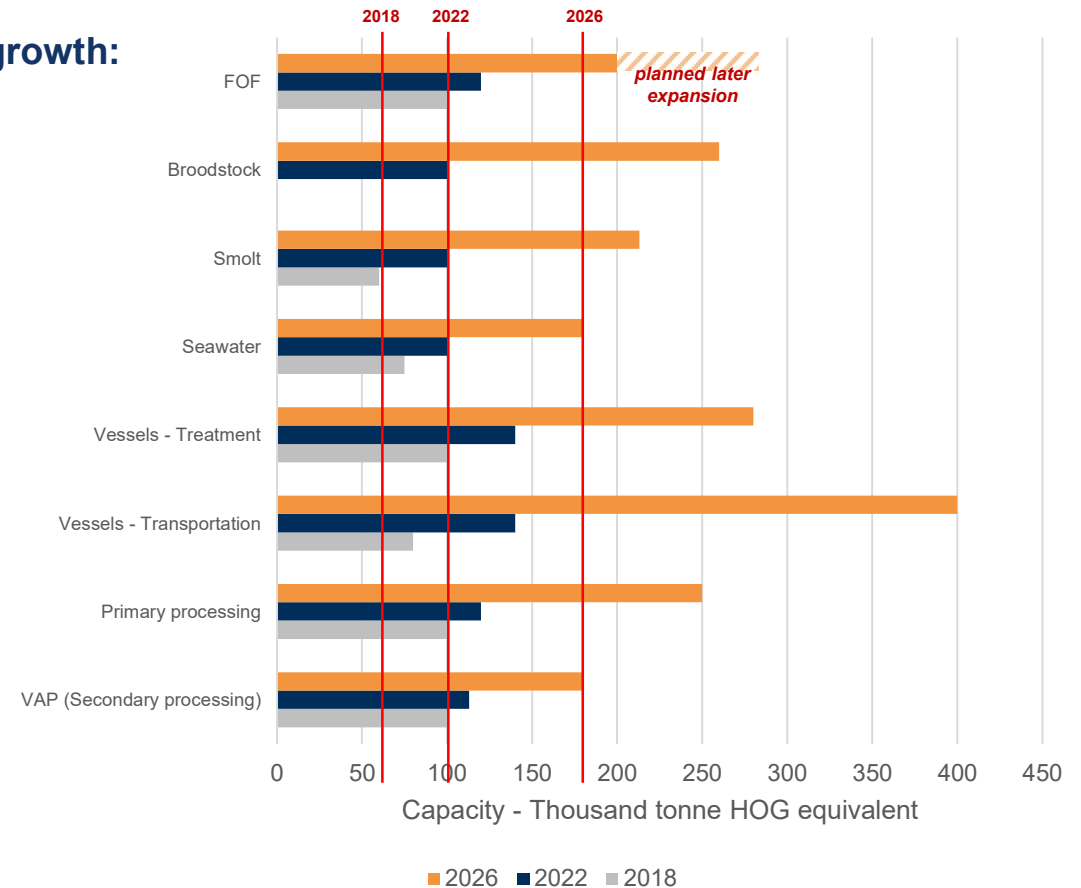


# PLANNED INVESTMENTS ENSURE SIGNIFICANT UPLIFT IN CAPACITY

## VALUE CHAIN SYNCHRONISED AT 180KT HOG HARVEST CAPACITY IN 2026

- Value chain synchronised at 180kt capacity in 2026
- Extra capacity as “insurance” & flexibility and for growth:
  - Broodstock *(flexibility and future growth)*
  - Smolt *(flexibility and future growth)*
  - Treatment *(improved ability to deal with biological issues)*
  - Vessel transportation *(flexibility and future growth)*
  - Primary processing *(market flexibility)*
  - Transportation *(flexibility and future growth)*

### Development in capacity constraints



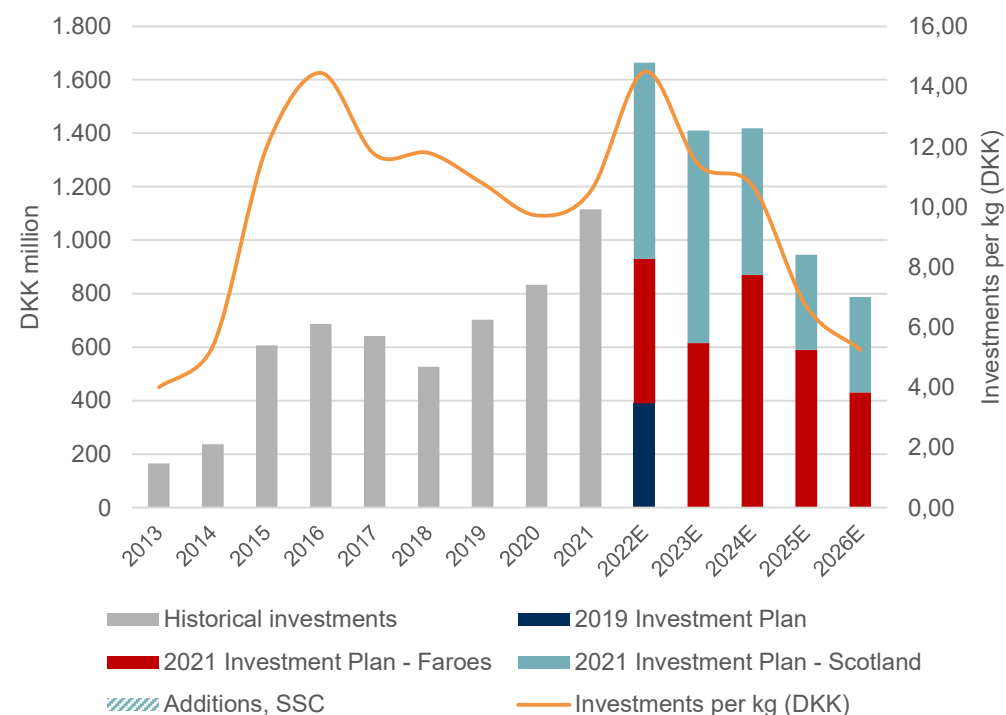


# INVESTING IN SUSTAINABLE GROWTH

150,000 TONNES HARVEST IN 2026, FAROE ISLANDS AND SCOTLAND COMBINED

Volumes	Faroe Islands	Scotland
2021	67,217t	29,672t
2022	68,000t	35,000t
2026	100,000t	50,000t

2022-2026 Capex of DKK 6.2 bn builds 180,000t capacity by 2026



# MARKETS & SALES

TOTAL SALES TO NORTH AMERICA AND ASIA EUROPE INCREASED  
– WESTERN AND EASTERN EUROPE DECREASED

## Sales & volume

Q1 2021 Q1 2022

### Western Europe

68%



61%

### North America

17%



22%

### Asia

7%



11%

### Eastern Europe

8%



6%

## Harvest volumes used in the VAP\*

38%

38%

\* FO only

## Total sales of salmon by markets

Western Europe  
North America  
Asia  
Eastern Europe  
Rest of world

### Q1 2022

FO	SCT	Total
55%	96%	61%
26%	3%	22%
13%	0%	11%
6%	1%	6%
0%	0%	0%

### Q1 2021

FO	SCT	Total
59%	88%	68%
20%	10%	17%
9%	2%	7%
12%	0%	8%
0%	0%	0%

### 2021

FO	SCT	Total
53%	81%	61%
23%	10%	19%
12%	9%	11%
12%	0%	9%
0%	0%	0%

### 2020

FO	SCT	Total
57%	89%	69%
24%	6%	17%
13%	1%	8%
6%	0%	4%
0%	4%	2%

## Fresh salmon only by markets

Western Europe  
North America  
Asia  
Eastern Europe  
Rest of world

### Q1 2022

FO	SCT	Total
44%	97%	55%
32%	3%	26%
17%	0%	13%
7%	0%	6%
0%	0%	0%

### Q1 2021

FO	SCT	Total
39%	88%	61%
30%	10%	21%
16%	2%	10%
15%	0%	8%
0%	0%	0%

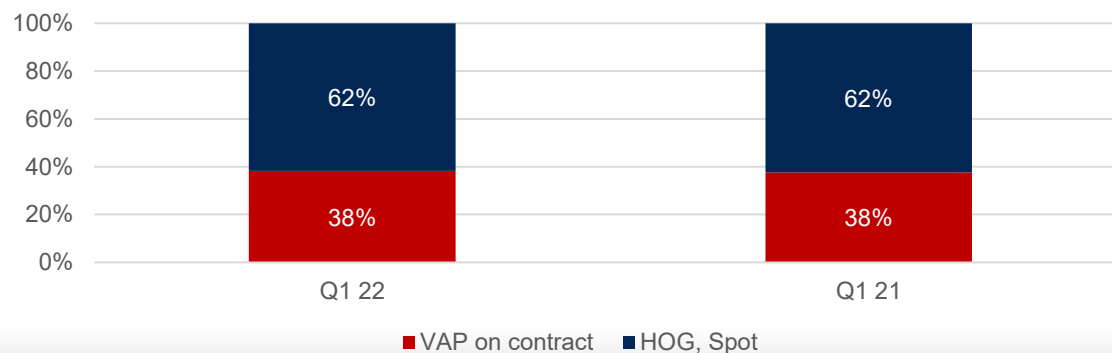
### 2021

FO	SCT	Total
45%	78%	55%
27%	12%	22%
17%	10%	15%
11%	0%	8%
0%	0%	0%

### 2020

FO	SCT	Total
31%	90%	64%
38%	6%	20%
19%	1%	9%
12%	0%	5%
0%	3%	2%

## Contract share FO, VAP products [% of qty]



## DEVELOPMENT IN SUPPLY AND SOLD QUANTITY BY ORIGIN

### Expected supply growth in 2022

- 1% decrease in Global supply
- 1% decrease in supply from Europe
- 1% decrease in supply from the Americas

Global Supply of Atlantic Salmon (head on gutted - HOG)						
	2017	2018	2019	2020	2021E	2022E
Norway	1.078	1.129	1.198	1.223	1.378	1.374
UK	159	137	171	160	179	172
Ireland	15	13	14	14	14	14
Iceland	11	12	22	27	35	38
Faroes	72	64	78	72	96	86
<b>Total Europe</b>	<b>1.336</b>	<b>1.355</b>	<b>1.484</b>	<b>1.496</b>	<b>1.703</b>	<b>1.684</b>
Chile	490	598	601	657	638	644
Canada	123	131	124	123	128	116
USA	20	17	19	18	17	15
<b>Total Americas</b>	<b>633</b>	<b>747</b>	<b>744</b>	<b>798</b>	<b>783</b>	<b>775</b>
Others	68	65	71	91	109	112
<b>Total (Sold Quantity)</b>	<b>2.037</b>	<b>2.167</b>	<b>2.299</b>	<b>2.385</b>	<b>2.595</b>	<b>2.572</b>
<b>Supply growth - Global</b>	<b>2%</b>	<b>6%</b>	<b>6%</b>	<b>4%</b>	<b>9%</b>	<b>-1%</b>
Supply growth - Europe	4%	1%	10%	1%	14%	-1%
Supply growth - Americas	-3%	18%	0%	7%	-2%	-1%

Salmon Markets (head on gutted - HOG)						
	2017	2018	2019	2020	2021E	2022E
EU+UK	918	949	1.017	1.071	1.156	1.173
USA	401	435	468	505	570	587
Japan	57	54	53	64	65	68
Russia	70	89	78	79	86	37
Others	590	640	682	666	718	706
<b>Total (Sold Quantity)</b>	<b>2.036</b>	<b>2.167</b>	<b>2.298</b>	<b>2.385</b>	<b>2.594</b>	<b>2.594</b>

#### Comments:

All figures are in hog-equivalents and thousand tonnes.

Figures represents sold quantity of Atlantic Salmon from each producing country

Source: Kontali

## Q1 2022 MARKET ENVIRONMENT

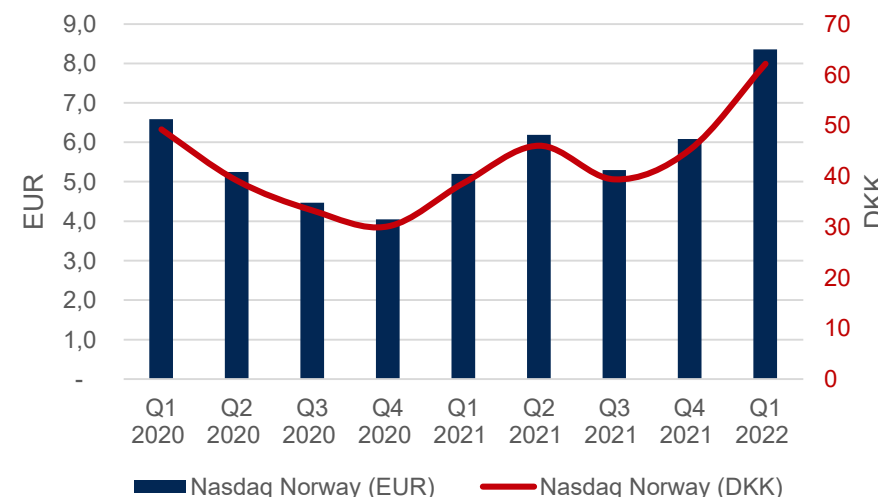
- **Material increase in market prices compared to Q1 2021**
  - Significant drop in supply
  - Demand stimulated by reduced Covid-19 measures
- **Nasdaq Norway price up 61% to EUR 8.4 in Q1 2022**
  - Lower than normal share of volumes in the spot market
- **Urner Barry East Coast price up more than 50%**
- **DKK strengthened versus USD**

MARKET CURRENCY	Q1 2022	Q1 2021	Change %
Nasdaq Norway (EUR)	8.35	5.19	60.8 %
UB North East US 14-16lb HOG (USD per kg)	12.23	7.98	53.2 %

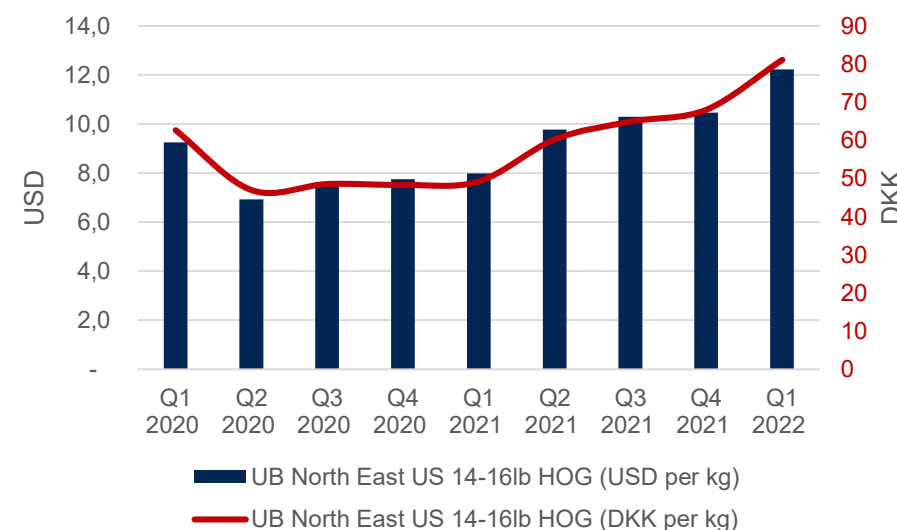
  

DKK	Q1 2022	Q1 2021	Change %
Nasdaq Norway	62.13	38.63	60.8 %
UB North East US 14-16lb HOG (per kg)	81.12	49.26	64.7 %

### PRICE NORWAY



### PRICE US – NORTH EAST



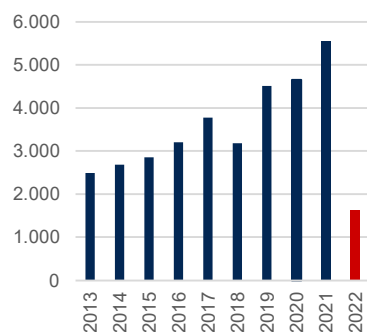
Source: Kontali



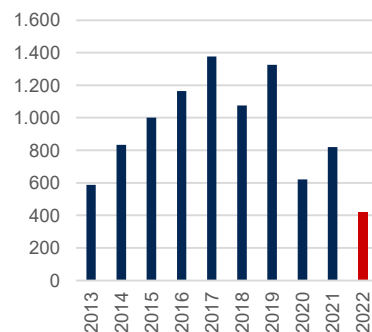
## DEVELOPMENT PER QUARTER

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
(mDKK)	2020	2020	2020	2020	2021	2021	2021	2021	2022
Revenue	1,255	1,134	1,123	1,139	1,176	1,618	1,272	1,488	1,639
Operational EBIT	248	182	103	89	224	407	71	120	418
Profit/Loss	-148	472	177	-38	408	428	131	-3	405
Harvest FO (tgw)	10,667	12,941	11,135	15,957	14,025	17,561	14,937	20,694	17,459
Harvest SCT (tgw)	7,268	7,937	10,476	9,305	7,002	10,634	6,914	5,122	3,973
Op. EBIT Farming FO & VAP (NOK/kg)	25.10	15.34	15.24	12.92	21.48	26.93	13.59	20.11	33.79
Op. EBIT Farming FO (NOK/kg)	26.51	9.79	12.43	5.66	14.10	26.52	12.56	18.29	36.03
Op. EBIT VAP (NOK/kg)	-2.97	11.06	5.84	17.31	18.56	1.53	2.89	5.71	-5.65
Op. EBIT Farming SCT (NOK/kg)	5.70	5.36	-3.89	-8.41	-1.44	6.75	-16.32	-55.95	-17.67
Equity ratio	66%	69%	68%	66%	68%	67%	67%	64%	64%
NIBD	988	1,116	1,257	1,753	1,939	1,903	1,986	2,126	2,192

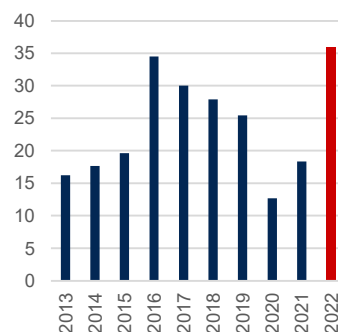
Revenue (mDKK)



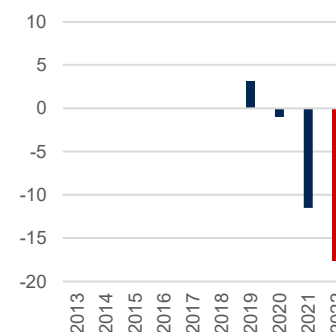
Operational EBIT (mDKK)



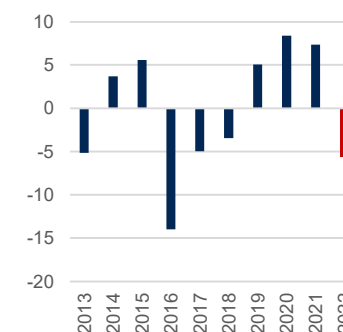
Farming FO margin Op. EBIT (NOK/kg)



Farming SCT margin Op. EBIT (NOK/kg)



VAP FO margin Op. EBIT (NOK/kg)



# DIVIDEND

## Dividend

- A dividend for 2021 of DKK 5.14 per share to be paid out in Q2 2022
- Dividend payment equals 50% of adjusted EPS

## Dividend policy

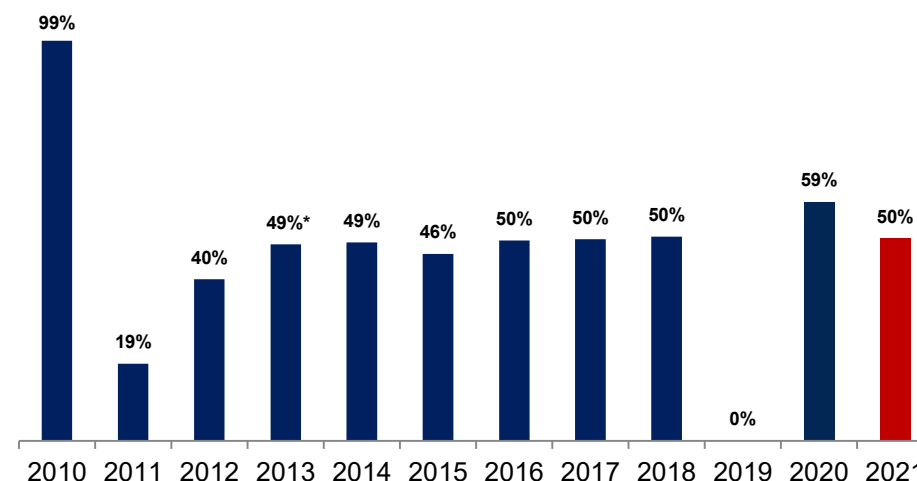
- Competitive return through:
  - Dividends
  - Increase in the value of the equity
- Generally, Bakkafrost shall pay a dividend to its shareholders
- A long-term goal is that 30–50% of adjusted EPS shall be paid out as a dividend

\* Adjusted EPS is EPS adjusted for fair value adjustments of biomass and onerous contracts provisions

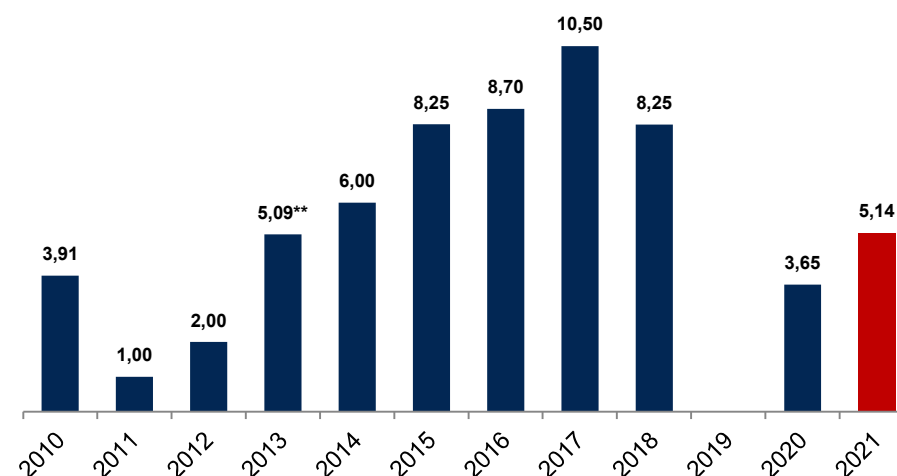
\*\* Dividend and acquisition of treasury shares

\*\*\* Dividend is paid out the following year

### Dividend per share in % of adj. EPS\*



### Dividend per share (DKK)\*\*\*





## BAKKAFROST

Salmon, packaging, fishmeal, fish oil and fish feed producer

**Location:** Faroe Islands

**Headquarters:** Glyvrrar, Eysturoy

**Production and business-to-business sale:** salmon, fishmeal, fish oil and fish feed

**Longest integrated value chain in the industry**

**Listed on:** Oslo Børs with ticker code BAKKA





- 18 islands – 1,387 km<sup>2</sup>
- 53,792 inhabitants (Apr 2022)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, the Danish krone (DKK)

## Key sectors (% of wage earners, M12 2021)

- Service/public admin.: ~30%
  - Private service: ~30%
  - Construction: ~14%
  - Fish & aquaculture: ~26%
  - Unemployment rate (Nov 2021): 0.9%
  - Total working force (2021): 31,968
- 
- **GDP:** DKK ~20.9bn (2019)
  - **GDP/capita:** DKK 403,300 (2019)
    - (Norway: DKK 505,961) (2019)

## Total export of fish products (2020)

- DKK 7,719 million - whereof farmed fish accounts for 43%

## TAXES

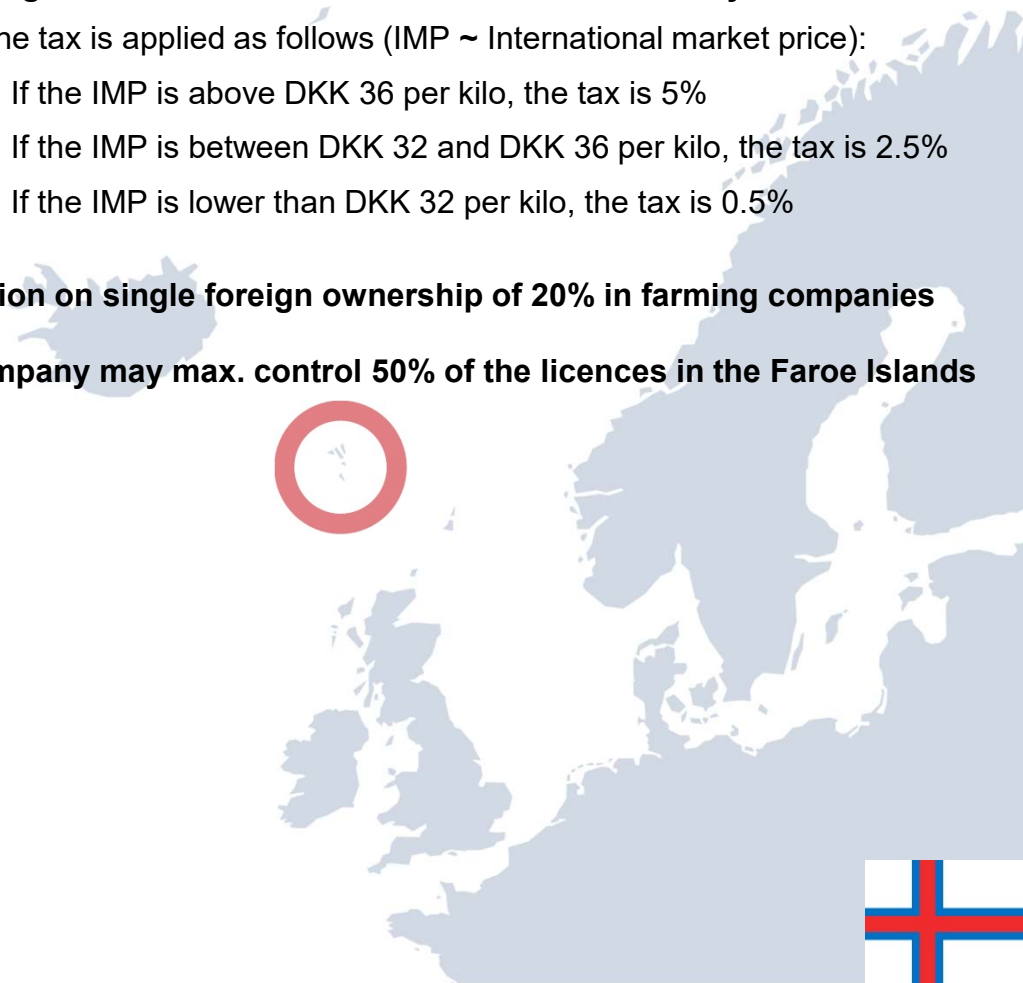
- Total percent of GDP: 43.8% (2020)
- Corporate tax: 18%
- Farming revenue tax: 5.0% of revenues after 1 January 2019

The tax is applied as follows (IMP ~ International market price):

- If the IMP is above DKK 36 per kilo, the tax is 5%
- If the IMP is between DKK 32 and DKK 36 per kilo, the tax is 2.5%
- If the IMP is lower than DKK 32 per kilo, the tax is 0.5%

**Restriction on single foreign ownership of 20% in farming companies**

**One company may max. control 50% of the licences in the Faroe Islands**

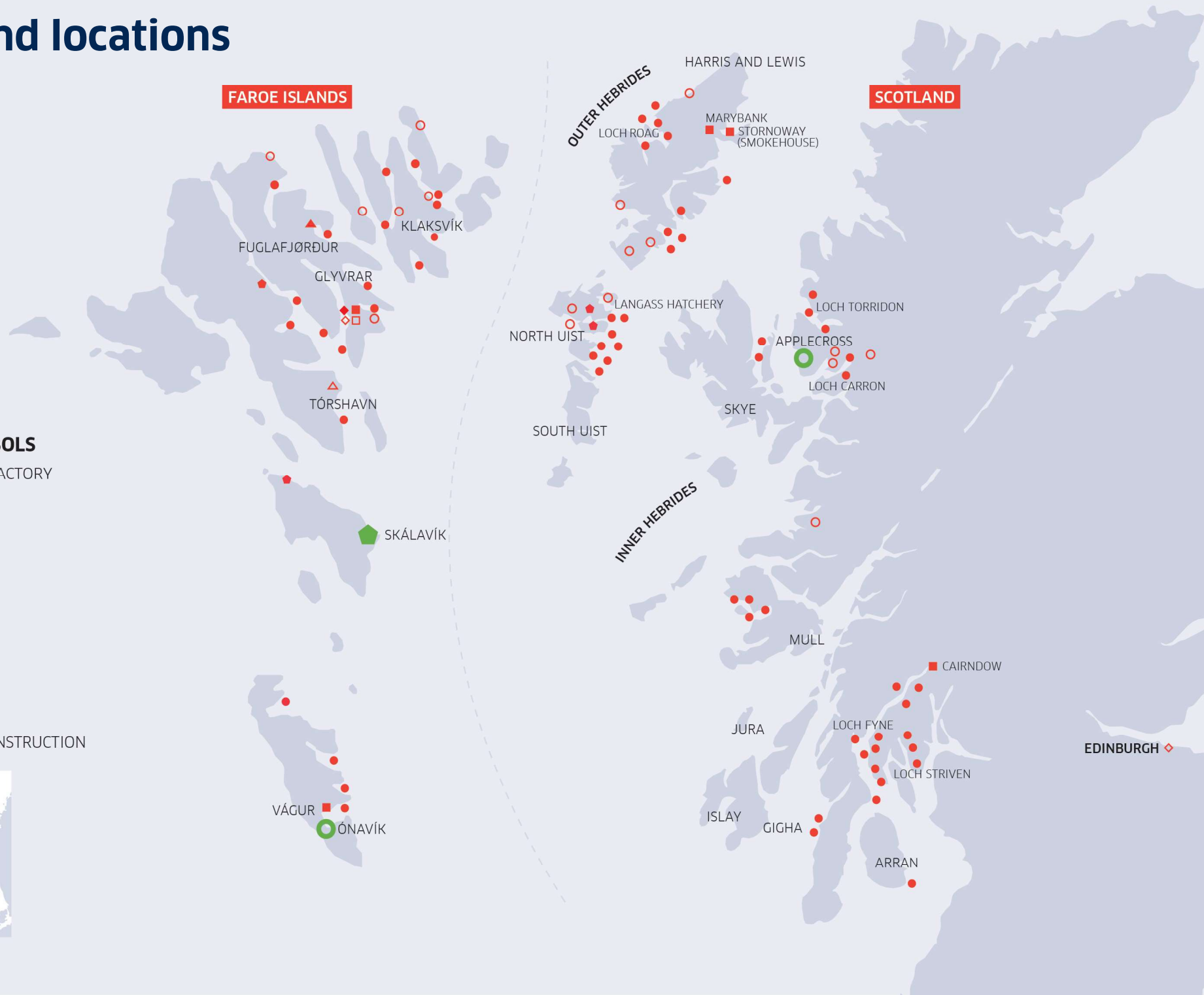


Source: Hagstova Føroya

# Facilities and locations

## LEGEND TO MAP SYMBOLS

- ▲ FISHMEAL/OIL & FEED FACTORY
- HATCHERIES
- FARMING SITES
- ◆ BROODSTOCK
- HARVEST FACTORIES
- ◆ PROCESSING PLANT
- PACKAGING FACTORY
- ◇ HEADQUARTERS
- ◇ SALES OFFICES
- ▲ BIOGAS
- OPERATIONS UNDER CONSTRUCTION





**BAKKAFROST**

ESTABLISHED 1968