

Q3 2022

BAKKAFROST GROUP
Oslo 8 November 2022

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SUMMARY OF Q3 2022

MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

OUTLOOK

APPENDIX



Operation

- **Harvest in the Faroe Islands:** 16,850 t_{gw} in Q3 2022 (14,937 t_{gw} in Q3 2021)
- **Harvest in Scotland:** 8,100 t_{gw} in Q3 2022 (6,914 t_{gw} in Q3 2021)
- **Feed sales** of 37,805 tonnes in Q3 2022* (44,973 tonnes in Q3 2021*)
- **Raw material purchase** of 76,182 tonnes in Q3 2022 (17,224 tonnes in Q3 2021)

Revenues and Operational EBIT

- **All-time high revenue in a quarter:** DKK 1,867 million in Q3 2022 (DKK 1,272 million in Q3 2021), increased prices and strong demand
- **Operational EBIT** in a quarter** of DKK 325 million in Q3 2022 (DKK 71 million in Q3 2021)

Cash Flow

- **Cash flow from operations** of DKK 127 million in Q3 2022 (DKK 267 million in Q3 2021)

Segments

- **Positive operational EBIT** in Farming FO, VAP and FOF, negative in Farming SCT

*) Including internal sales of 36,442 tonnes in Q3 2022 (42,981 tonnes in Q3 2021)

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

SUMMARY OF Q3 2022

MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

OUTLOOK

APPENDIX



Average spot prices increased y/y and q/q in Q3 2022

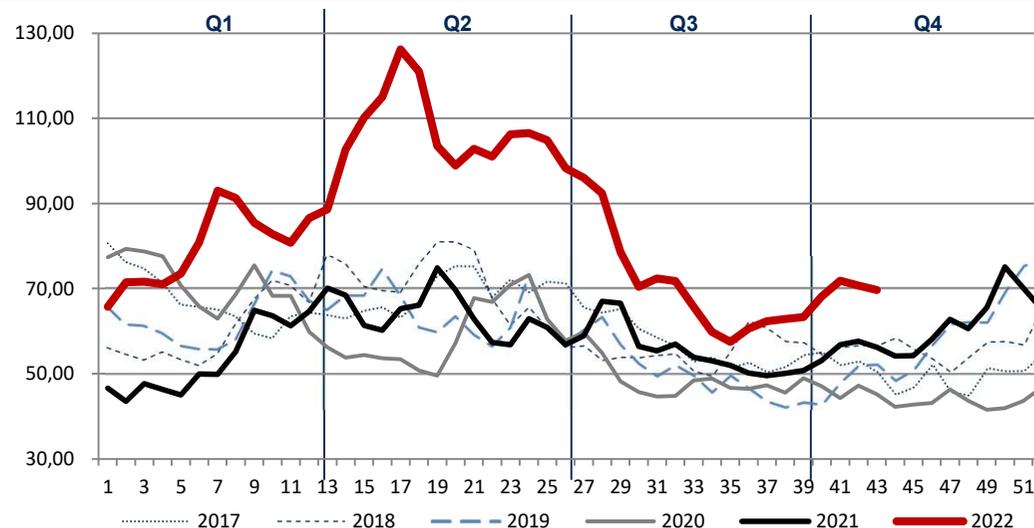
(NOK/KG)



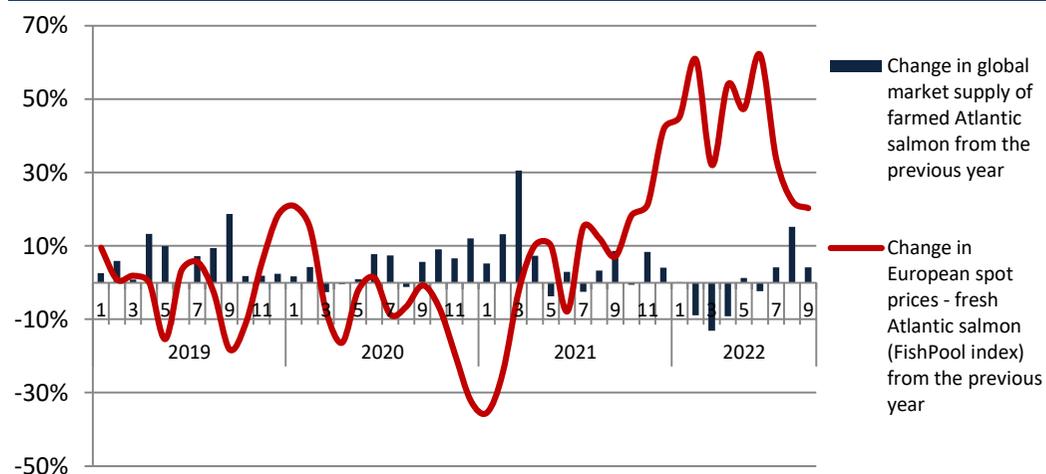
High spot prices throughout the quarter

Increasing so far in Q4 2022

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



Change in global market [volume harvested and market price]



Source: Kontali

HARVESTED AND SOLD QUANTITY BY ORIGIN

Global quarterly harvest volumes increase 6%

- 4% increase when including inventory movements

European harvest increase 1.5% in volume

- Norway: Low growth
- UK: Biological challenges
- Iceland: Biological challenges

American harvest increase 20% in volume

- Chile harvested more than expected
 - Strong productivity coupled with accelerated harvest
 - Inventory built in the quarter
- Normal variation in North America
 - Some impact from site reorganisation in British Columbia

SUPPLY DEVELOPMENT	Q3 2022	Q3 2021	Change %
Norway	378	371	1,7 %
UK	46	47	-2,1 %
Faroes	23	21	8,9 %
Iceland	7	8	-10,1 %
Ireland	4	3	7,9 %
Total Europe	458	452	1,5 %
Chile	188	149	26,3 %
Canada	31	31	0,0 %
USA	6	7	-19,5 %
Total Americas	224	187	20,3 %
Other	27	29	-5,6 %
Total (Harvested quantity)	710	667	6,4 %
Inventory movements	-19	-3	444,7 %
Total (Sold Quantity)	691	664	4,1 %

Source: Kontali

SALMON MARKETS, SOLD QUANTITY

Good demand in EU/UK

- 5% increase

US demand growth of 3%

- Increased availability of fish from Chile
- Reduced supply from Europe

Russia impacted by sanctions

- Supply mainly from Chile

China/ASEAN demand growth of 10%

- Increased import from Europe and Chile

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

Markets	Estimated volumes		Q3 comparison		Estimated volumes		FY comparison	
	Q3 2022 E	Q3 2021	Volume	%	H1 2022	H1 2021	Volume	%
EU	327.700	311.000	16.700	↑ 5%	495.200	521.000	-25.800	↓ -5%
USA	144.800	140.500	4.300	↑ 3%	285.900	289.600	-3.700	↓ -1%
Russia	13.800	16.600	-2.800	↓ -17%	20.100	42.200	-22.100	↓ -52%
Japan	13.800	14.500	-700	↓ -5%	25.300	31.500	-6.200	↓ -20%
Greater China	31.000	27.900	3.100	↑ 11%	45.700	49.400	-3.700	↓ -7%
ASEAN	19.300	17.600	1.700	↑ 10%	40.400	41.100	-700	↓ -2%
Latin America	44.900	44.000	900	↑ 2%	88.600	95.100	-6.500	↓ -7%
Ukraine	4.800	8.100	-3.300	↓ -41%	8.100	13.700	-5.600	↓ -41%
Other markets	91.600	83.500	8.100	↑ 10%	141.300	144.600	-3.300	↓ -2%
Total all markets	692.800	663.700	29.100	↑ 4,4 %	1.150.600	1.228.200	-77.600	↓ -6,3 %

Comments:

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

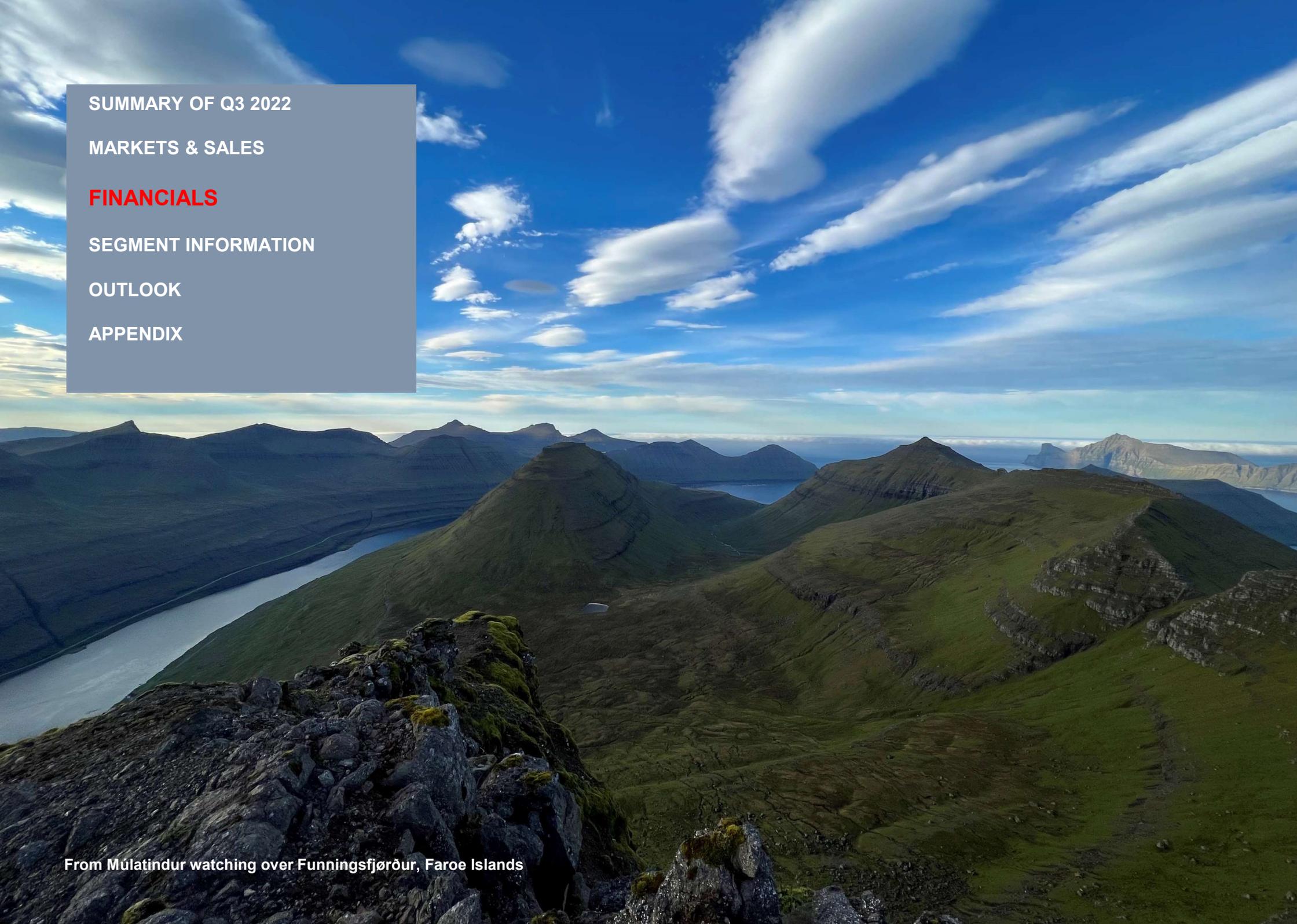
Greater China = China / Hong Kong / Taiwan (incl. estimated re-export from Vietnam & Thailand)

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



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MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

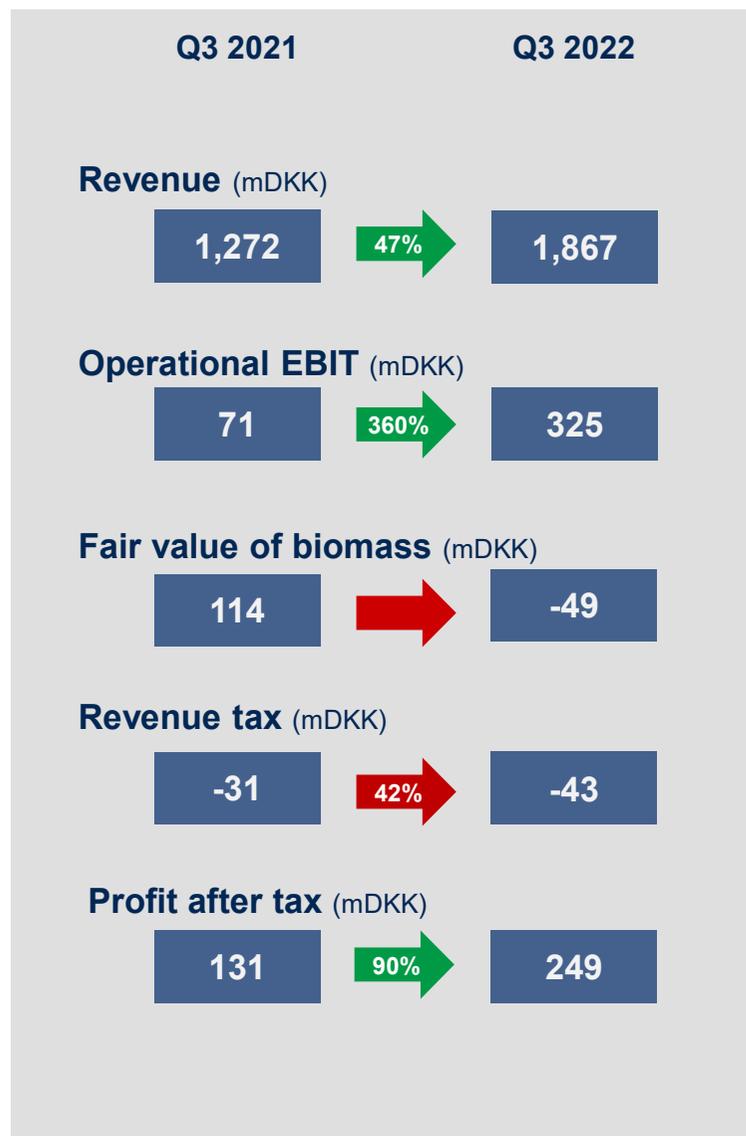
OUTLOOK

APPENDIX

From Múlatindur watching over Funningsfjørður, Faroe Islands

GROUP PROFIT AND LOSS

HIGHER REVENUE AND OPERATIONAL EBIT



(DKK million)	Q3 22	Q3 21	YTD 22	YTD 21
Operating revenue	1,867	1,272	5,190	4,066
Operational EBITDA	461	194	1,739	1,081
Operational EBIT	325	71	1,329	702
Fair value adjustment of biological assets	-49	114	704	575
Onerous contracts	64	0	0	0
Income from associates	10	8	10	12
Revenue tax	-43	-31	-164	-92
EBIT	307	162	1,879	1,197
Net Financial items	-25	-3	-48	-15
EBT	282	158	1,831	1,181
Taxes	-33	-27	-333	-214
Profit for the period	249	131	1,498	967

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

MARGINS

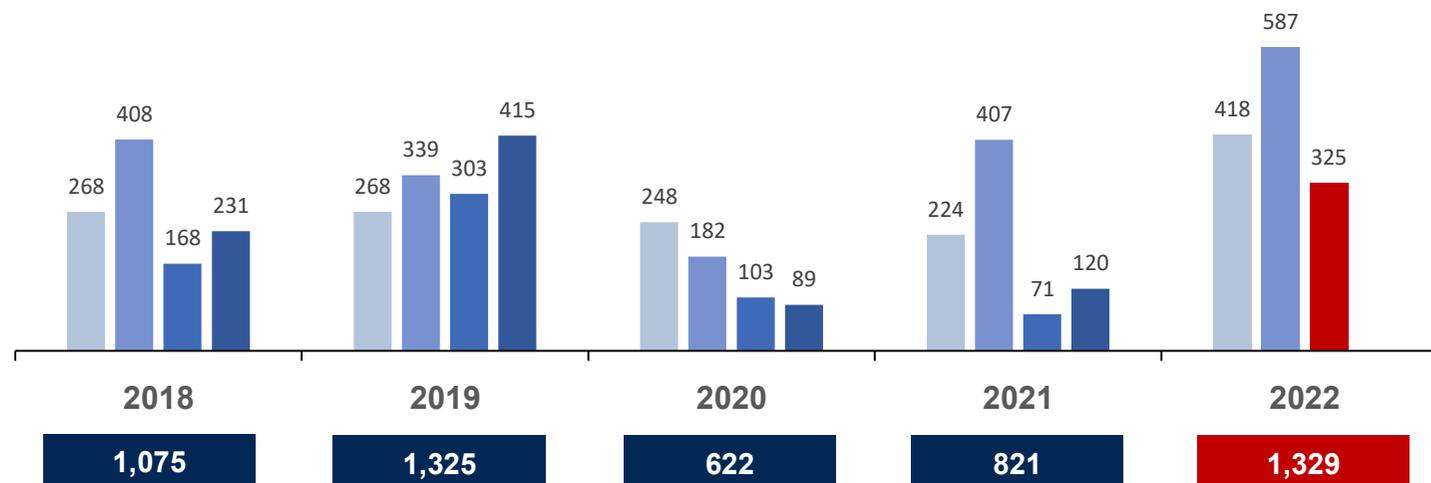
HIGHER OPERATIONAL EBIT MARGIN DRIVEN MAINLY BY FARMING FAROE ISLANDS

Q3 2021	Q3 2022
OPERATIONAL EBIT/Kg (NOK)	
Farming Faroe Islands	
12.56	35.60
Farming Scotland	
-16.32	-22.90
VAP	
2.89	0.06
EBITDA margin	
Fishmeal, -oil and Feed	
20.0%	17.8%

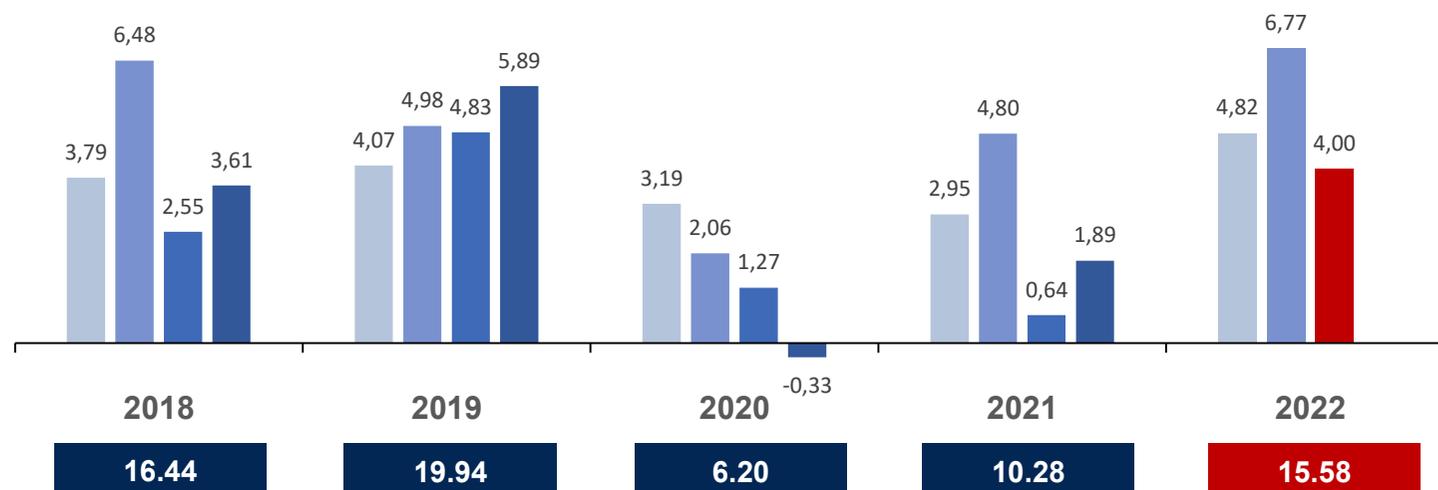
	Q3 22	Q3 21	YTD 22	YTD 21
Operational EBITDA margin	24.7%	15.2%	33.5%	26.6%
Operational EBIT margin	17.4%	5.5%	25.6%	17.3%
Operational EBIT/Kg (Farming FO) (NOK)	35.60	12.56	43.43	18.37
Operational EBIT/Kg (Farming FO and VAP) (NOK)	35.62	13.59	39.55	21.07
Operational EBIT/Kg (VAP) (NOK)	0.06	2.89	-9.44	8.07
Operational EBIT/Kg (Farming SCT) (NOK)	-22.90	-16.32	-10.69	-2.00
EBITDA margin (Fishmeal, -oil and Feed)	17.8%	20.0%	19.8%	17.7%

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.

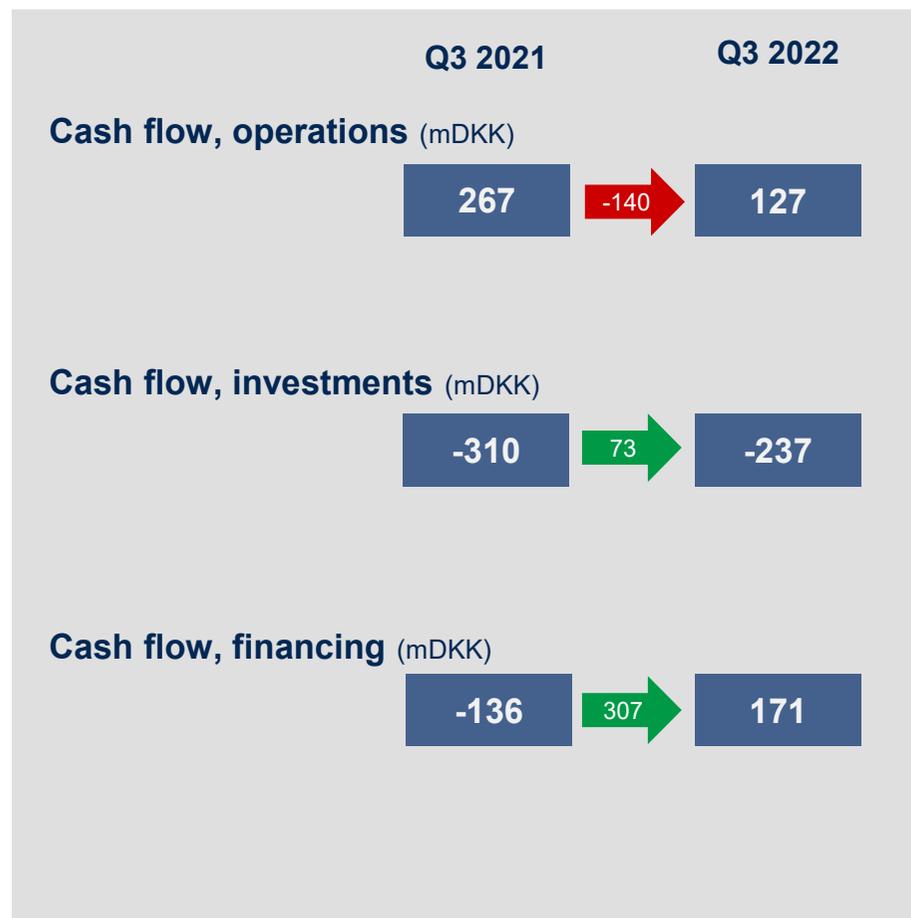
BALANCE SHEET

Headlines (mDKK)

	End 2021		Q3 2022
PPE:	4,889	325	5,213
Biological assets: <i>*(whereof mDKK 1,309 (605) are fair value adjustments)</i>	2,448*	820	3,269*
Inventory:	709	527	1,237
Receivables:	824	-95	729
Cash & cash equiv.:	509	59	568
Equity:	9,348	1,170	10,517
Equity ratio:	64%		64%

(DKK million)	Q3 22	End 2021
Intangible assets	4,508	4,496
Property, plant and equipment	5,213	4,889
Right of use assets	468	302
Financial assets	149	149
Long-term receivables	0	8
Deferred tax assets	155	215
Biological assets	3,269	2,448
Inventory	1,237	709
Receivables	729	824
Other receivables	149	78
Cash and cash equivalents	568	509
Total Assets	16,445	14,628
Equity	10,517	9,348
Deferred tax and other taxes	1,868	1,590
Long-term interest-bearing debt	2,995	2,635
Long-term leasing debt	427	246
Financial derivatives	15	8
Short-term leasing debt	53	88
Accounts and other payables	570	714
Total Equity and Liabilities	16,445	14,628

CASH FLOW



(DKK million)	Q3 22	Q3 21	YTD 22	YTD 21
Cash flow from operations	127	267	820	936
Cash flow from investments	-237	-310	-685	-823
Cash flow from financing	171	-136	-76	-207
Net change in cash	60	-180	59	-94
Cash at the end of the period	568	373	568	373
Undrawn facilities	2,762	1,439	2,762	1,439

NET INTEREST-BEARING DEBT (NIBD)

NIBD INCREASED DURING Q3 2022

NIBD was increased by:

- Net investments (mDKK 237)
- Change in working capital (mDKK 241)

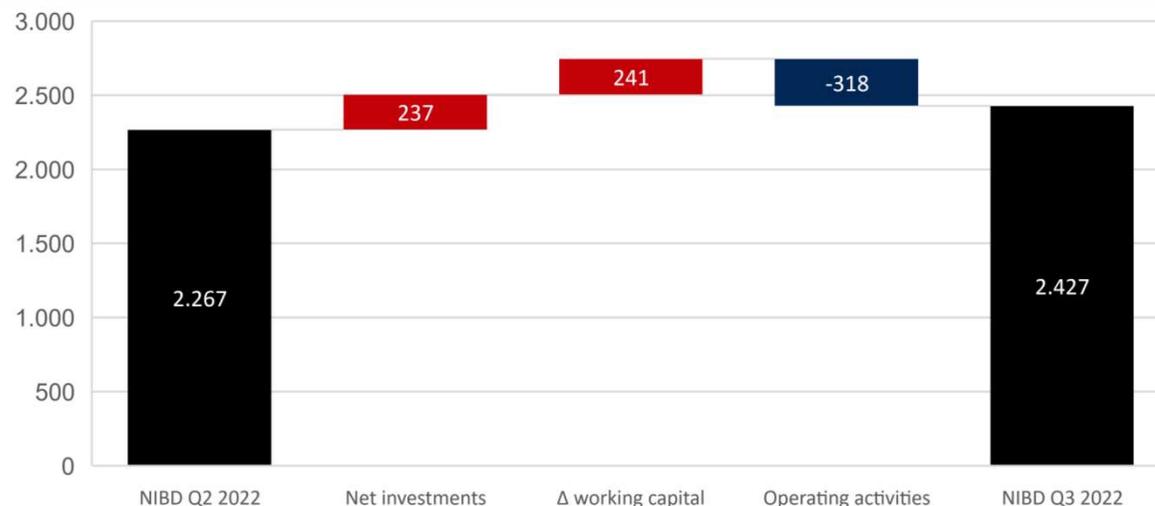
NIBD was decreased by:

- Cash flow, operating activities (mDKK -318)

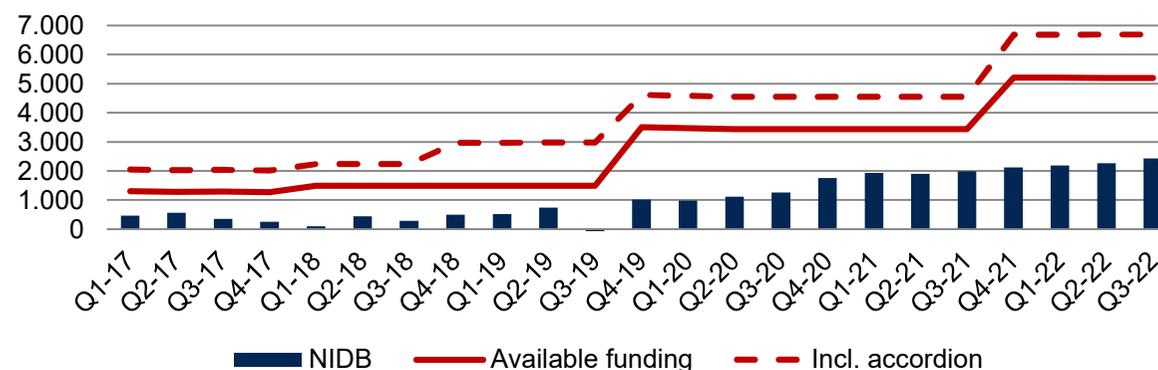
Financing end Q3 2022

- NIBD: DKK 2,427 million
- Bank facilities of EUR 700 million, and an accordion of EUR 150 million.
- Undrawn credit facilities: DKK 2,762 million

Development in NIBD in DKK millions



NIBD and available funding

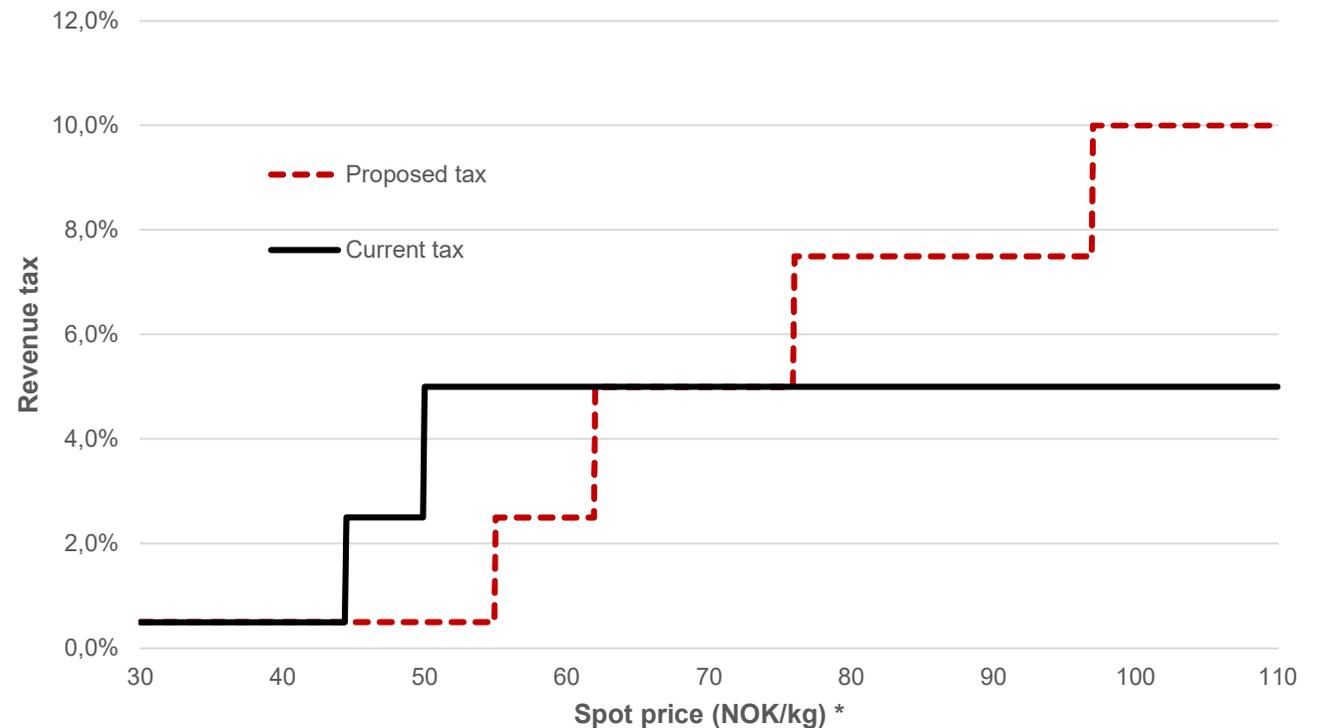


GOVERNMENT PROPOSAL CHANGES TO THE FAROESE REVENUE TAX

Main changes

- Reduced tax with low salmon prices
- Increased tax with higher salmon prices with 2 new tax levels (7.5% and 10.0%)
- The thresholds (price per kg) for each tax level will be based on an annual revision of farming costs, hence accomodating for cost inflation
- Effective from 2023

Revenue tax proposed step change from 2023



* For tax puropose, the price is calculated in DKK



New **4,000m3 FSV in operation** and delivering **efficient dual-treatments** for **gill health and sea lice** – all in **one gentle operation**



Bakkafrost's first **fully-electric catamaran**. The electric catamaran is the result of an energy project facilitated by the **Nordic Council of Ministers**, which aims to find **sustainable energy solutions** for remote areas.



Bakkafrost takes the **top position** amongst industry peers in the **Dow Jones Sustainability Index** (group A) scoring **43 points**, advancing 13



Position Green (formerly The Governance Group) ranks Bakkafrost among the **top performers** of the **300 largest companies** on the Scandinavian stock exchanges regarding **ESG reporting**. Achieved **score A**.



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FINANCIALS

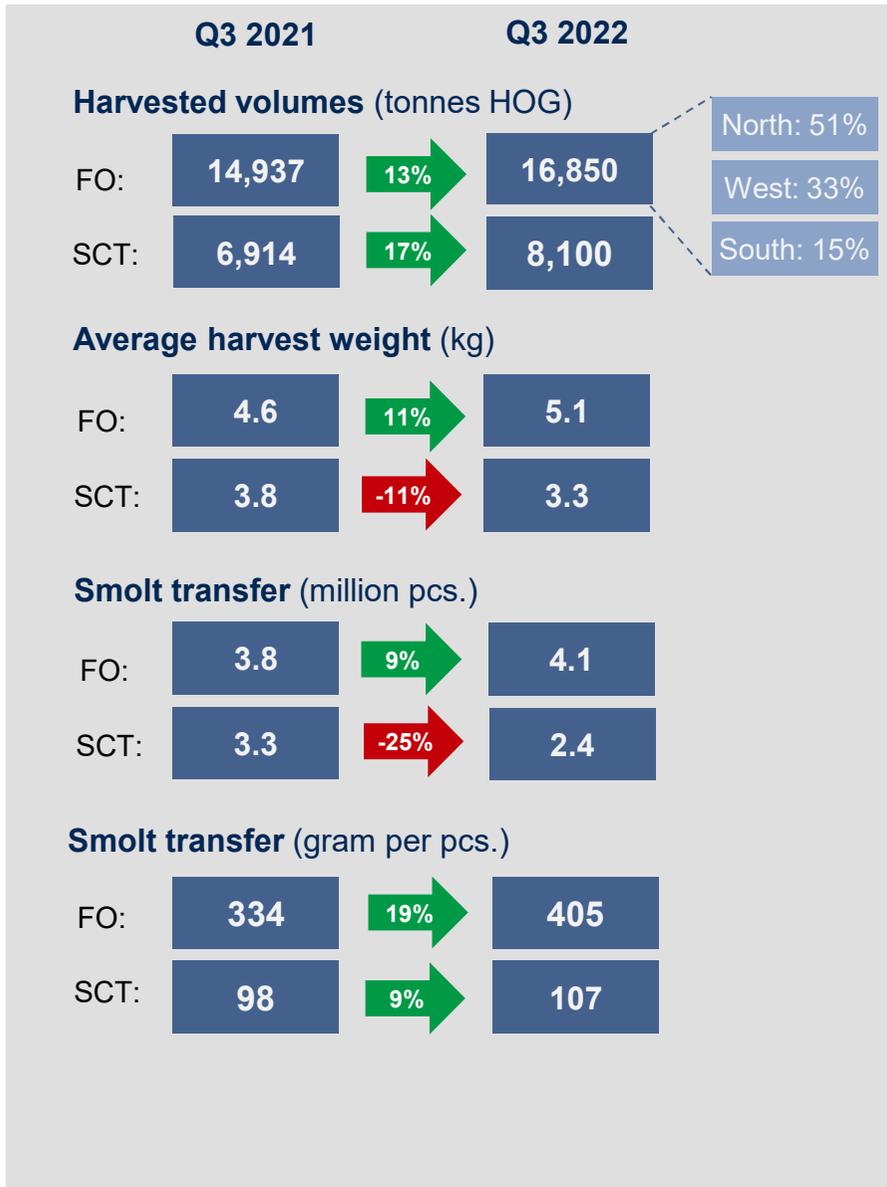
SEGMENT INFORMATION

OUTLOOK

APPENDIX

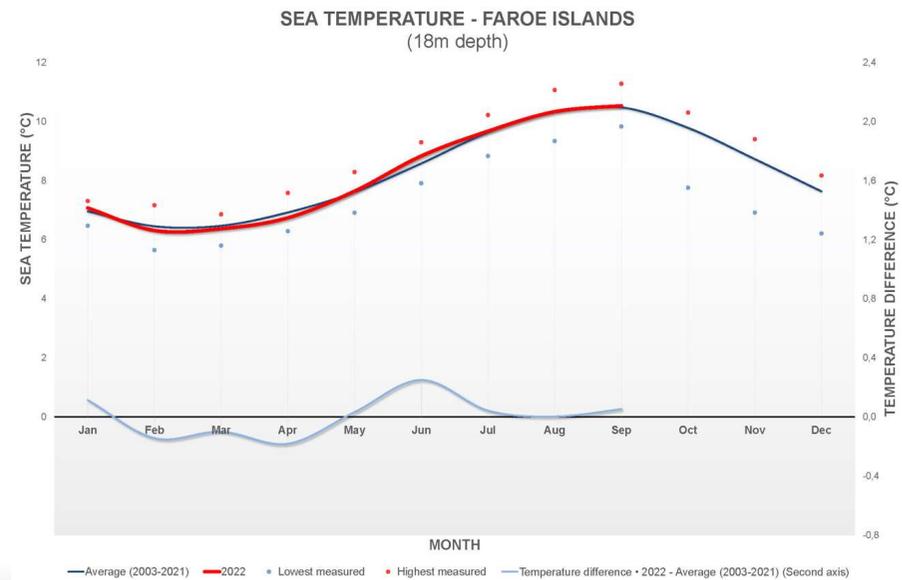
FARMING – HARVEST VOLUME

INCREASED HARVEST – HIGHER AVG



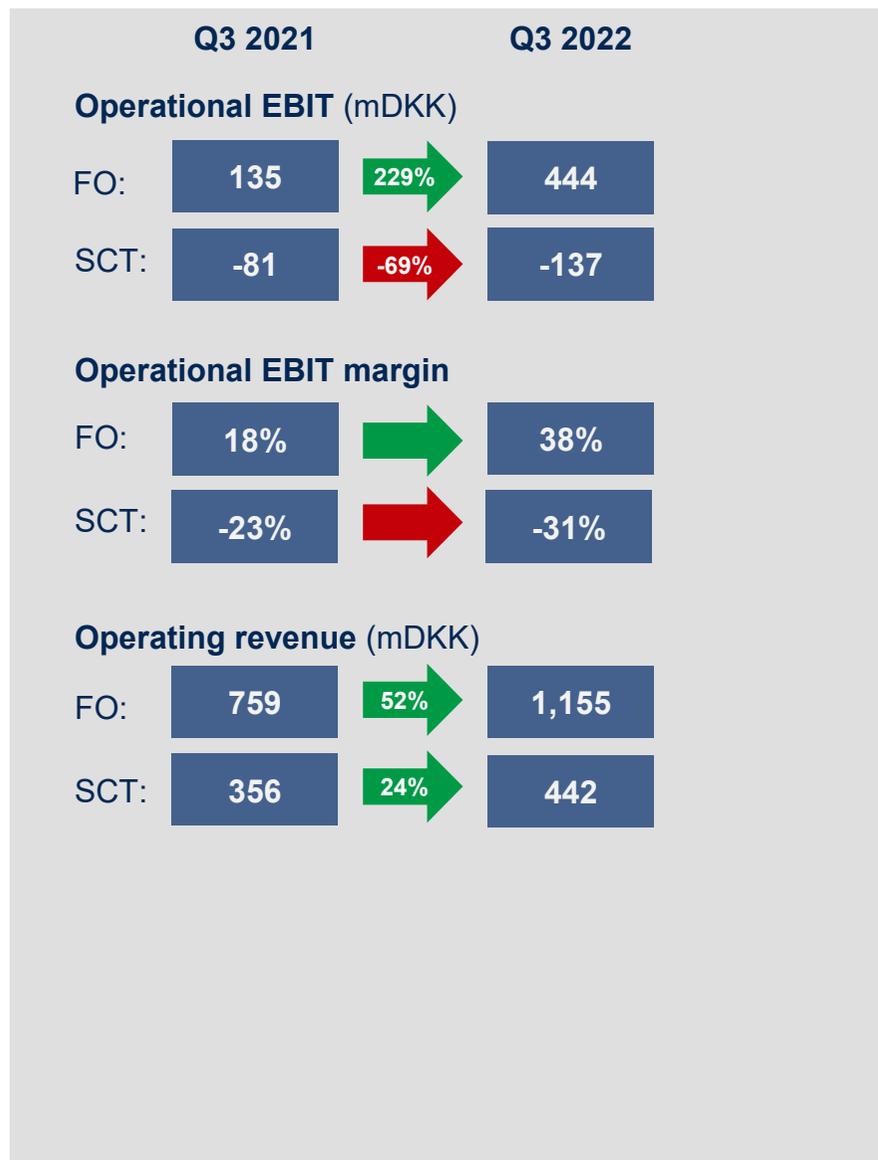
Harvest Volumes tonnes [HOG]	Q3 22	Q3 21	YTD 22	YTD 21
FO - North Region	8,695	2,862	23,542	16,814
FO - West Region	5,664	7,756	14,079	23,349
FO - South Region	2,491	4,319	9,789	6,361
FO – Total	16,850	14,937	47,410	46,523
SCT	8,100	6,914	18,719	24,550
Total (FO & SCT)	24,950	21,851	66,129	71,073

Sea water temperatures at 18m depth in the Faroe Islands



FARMING – OPERATIONAL PERFORMANCE

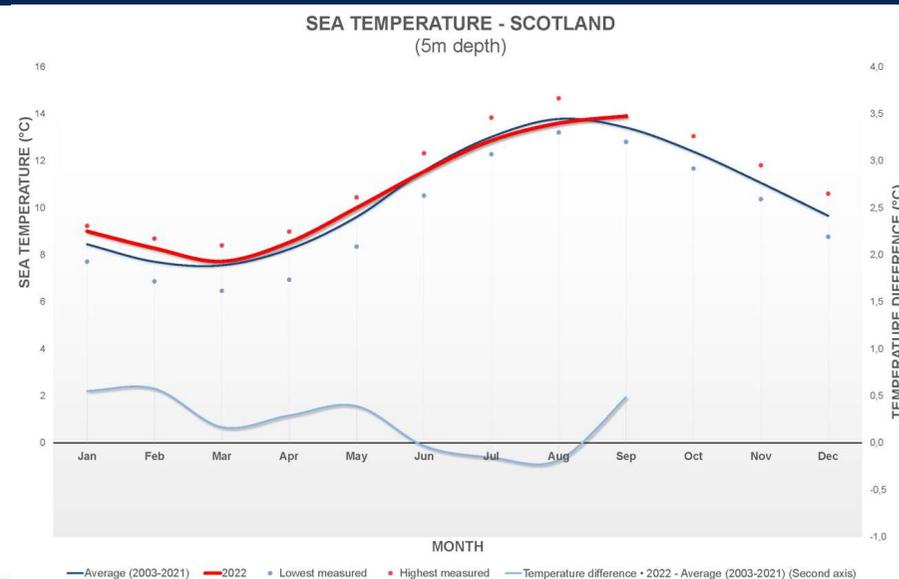
STRONG PERFORMANCE IN THE FAROES – WEAKENED IN SCOTLAND



Farming FO (DKK million)	Q3 22	Q3 21	YTD 22	YTD 21
Operating revenue	1,155	759	3,493	2,366
Operational EBIT	444	135	1,532	622
Operational EBIT margin	38%	18%	44%	26%

Farming SCT (DKK million)	Q3 22	Q3 21	YTD 22	YTD 21
Operating revenue	442	356	1,143	1,237
Operational EBIT	-137	-81	-149	-36
Operational EBIT margin	-31%	-23%	-13%	-3%

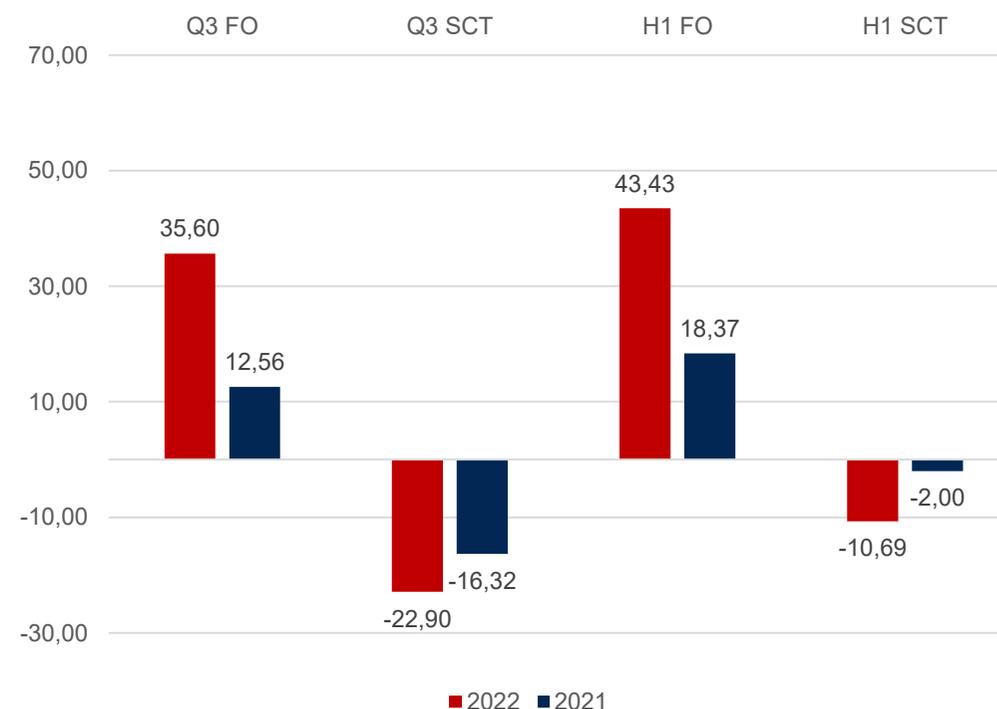
Sea water temperatures at 5m depth in Scotland



FARMING – OPERATIONAL PERFORMANCE

	Q3 2021		Q3 2022
Operational EBIT per kg (NOK)			
FO:	12.56	23.05	35.60
SCT:	-16.32	-6.58	-22.90

Margin - EBIT per kg total harvested quantity [NOK/kg]



FO: Good biological development
 Low sea lice levels
 Increased average harvest weight

SCT: Environmental blooms causing significant impact on mortality
 Reducing harvest volumes and biomass
 Low sea lice levels
 Decreased average harvest weight

HATCHERIES IN SCOTLAND – THE PAST



HATCHERIES IN SCOTLAND – THE PAST

GEOCRAB



HATCHERIES IN SCOTLAND - THE PAST

APPLECROSS



HATCHERIES IN SCOTLAND – PRESENT APPLECROSS



HATCHERY COMPARISON EXAMPLE

THE PAST VS. TO-BE

Scotland

Hatchery: Barvas
Capacity: 730 m³
Technology: Flow-through



Faroe Islands

Hatchery: Strond
Capacity: 29,000 m³ (40x larger)
Technology: RAS (99.7% recycling)

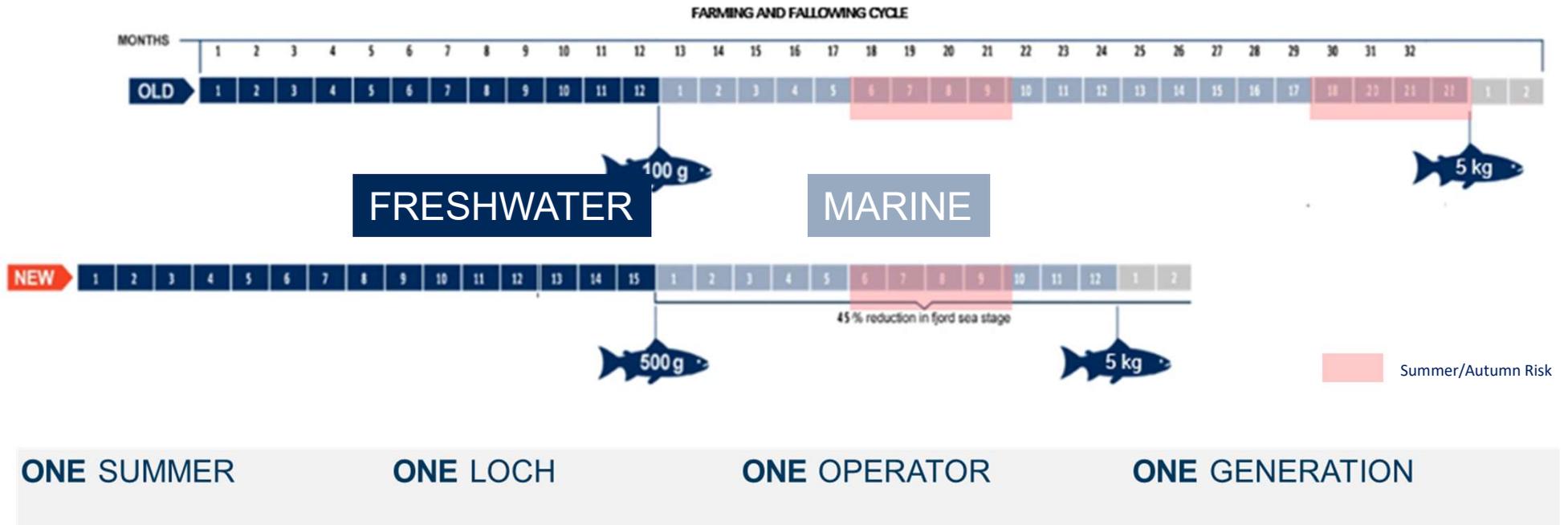


LARGE HIGH QUALITY SMOLT = GAME CHANGER

Large Smolt Strategy

- Reduced biological risk
- Increased production efficiency
- Enables growth

Allowing for
"ONE SUMMER"
cycles



OUR ROADMAP TO LARGER SMOLT IN SCOTLAND

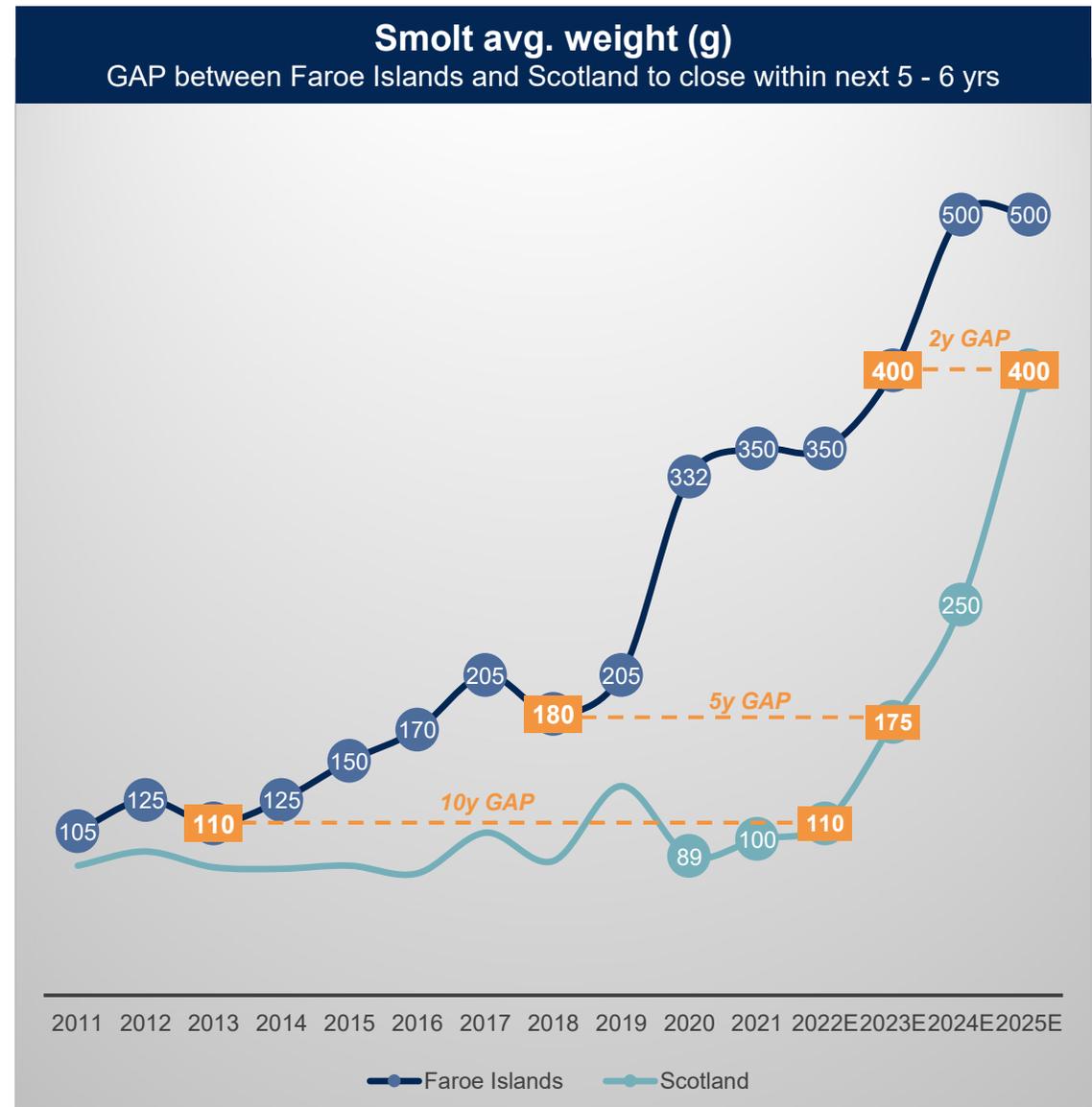
RAPIDLY REDUCING THE GAP BETWEEN FAROE ISLANDS AND SCOTLAND

Freshwater Strategy

- Simplify operations
- Safe, energy effective and cost-efficient production
- Optimal and stable water quality
- Sustainability – less water use – lochs
- High growth and low mortality rates

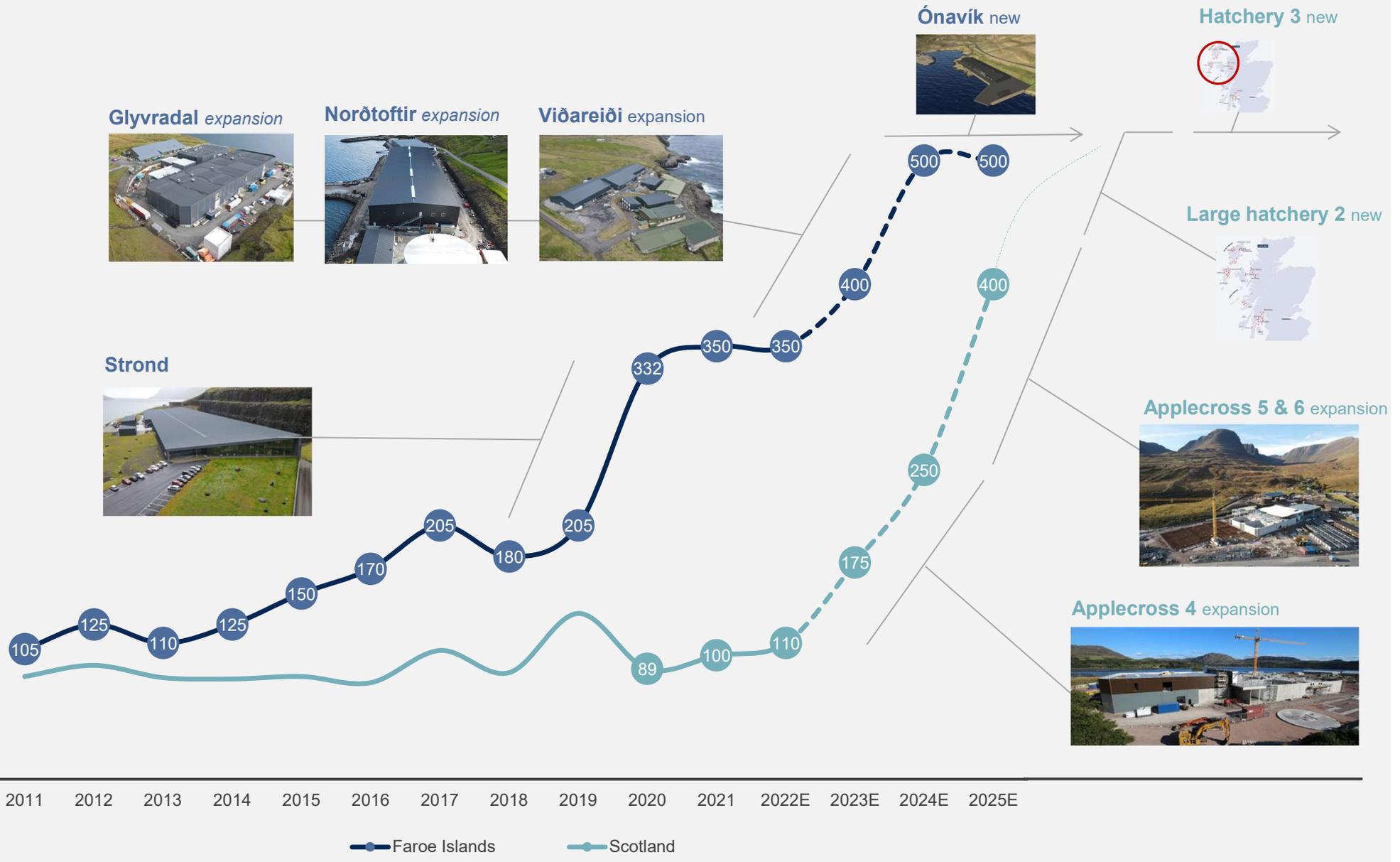
Marine Impact

- Lower Biological Risk – shorter cycles
- Less handling for treatments
- One Summer
- Healthier salmon - welfare
- Sustainability



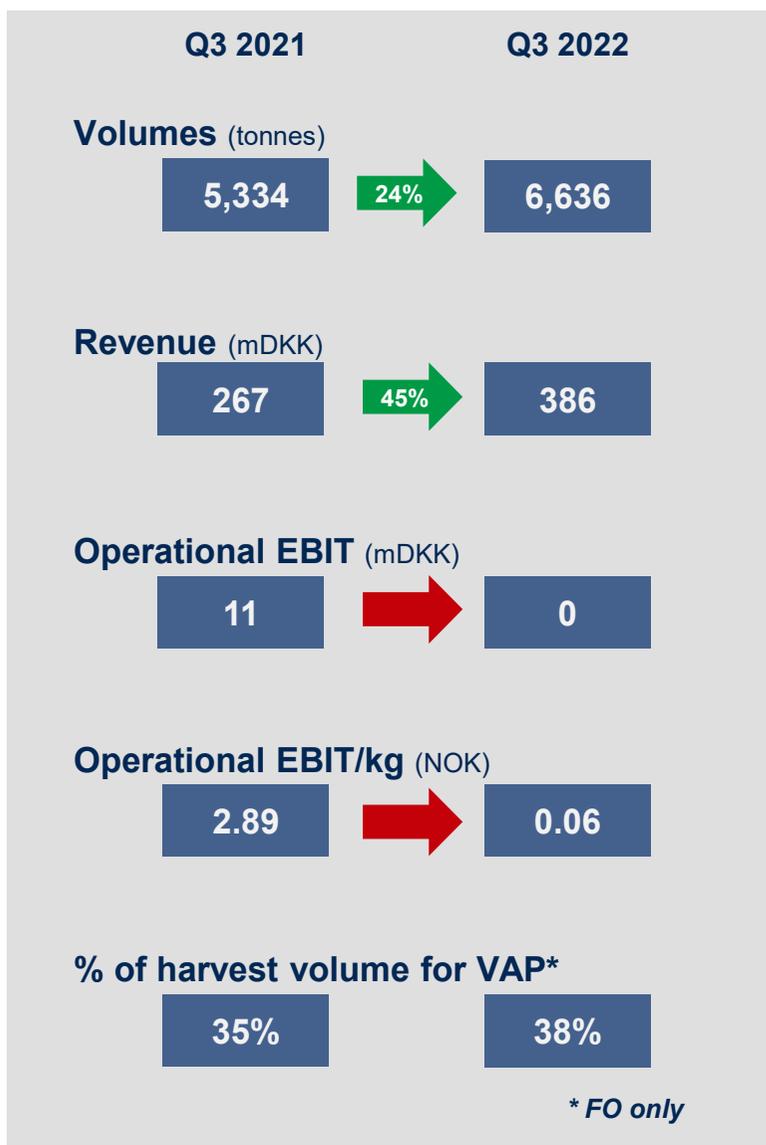
OUR ROADMAP TO LARGER SMOLT IN SCOTLAND

INCREASING HATCHERY CAPACITY

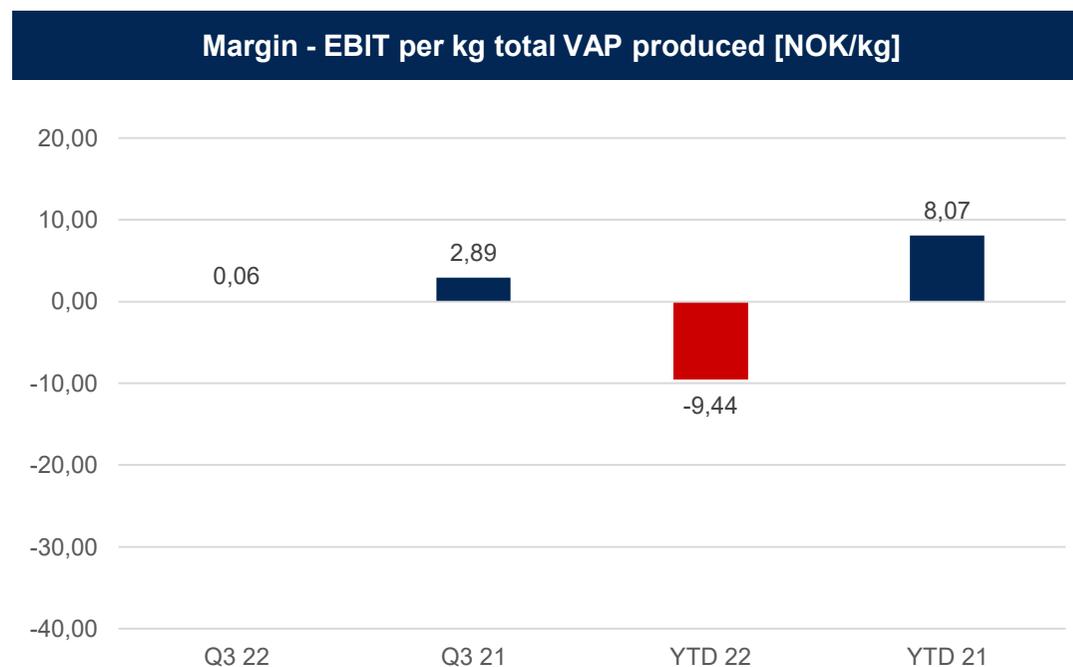


VALUE ADDED PRODUCTS (VAP)

HIGHER VOLUMES AND HIGHER COST OF RAW MATERIAL



(DKK million)	Q3 22	Q3 21	YTD 22	YTD 21
Operating revenue	386	267	1,221	825
Operational EBIT	0	11	-137	91
Operational EBIT margin	0%	4%	-11%	11%
Farming FO transferred to VAP (tgv)	6,462	5,299	19,457	15,481
VAP produced (tgv)	6,636	5,334	19,516	15,577



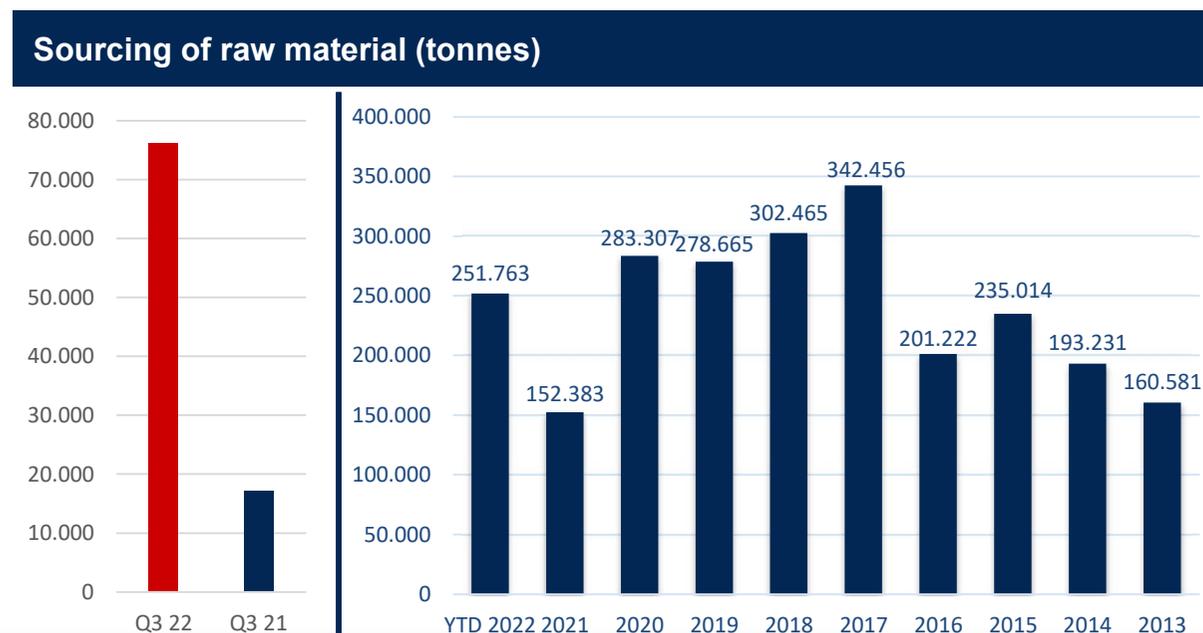
FISHMEAL, OIL AND FEED (FOF)

HIGHER EBITDA AND HIGHER SALES OF FISHMEAL AND FISH OIL



(DKK million)	Q3 22	Q3 21	YTD 22	YTD 21
Operating revenue	677	557	1,642	1,226
EBITDA	120	111	326	217
EBITDA margin	18%	20%	20%	18%
Feed sold (tonnes)*	37,805	44,973	95,240	95,962
Fishmeal sold external (tonnes)	7,130	2,840	22,174	13,007

- Including internal sales, corresponding to 96% of feed volumes in Q3 2022 (Q3 2021: 96%)



MARKET CONDITIONS FEED

DECREASE IN INTERNAL AND EXTERNAL FEED SALES

Q3 2021

Q3 2022

Total feed sales decreased (tonnes)

44,973



37,805

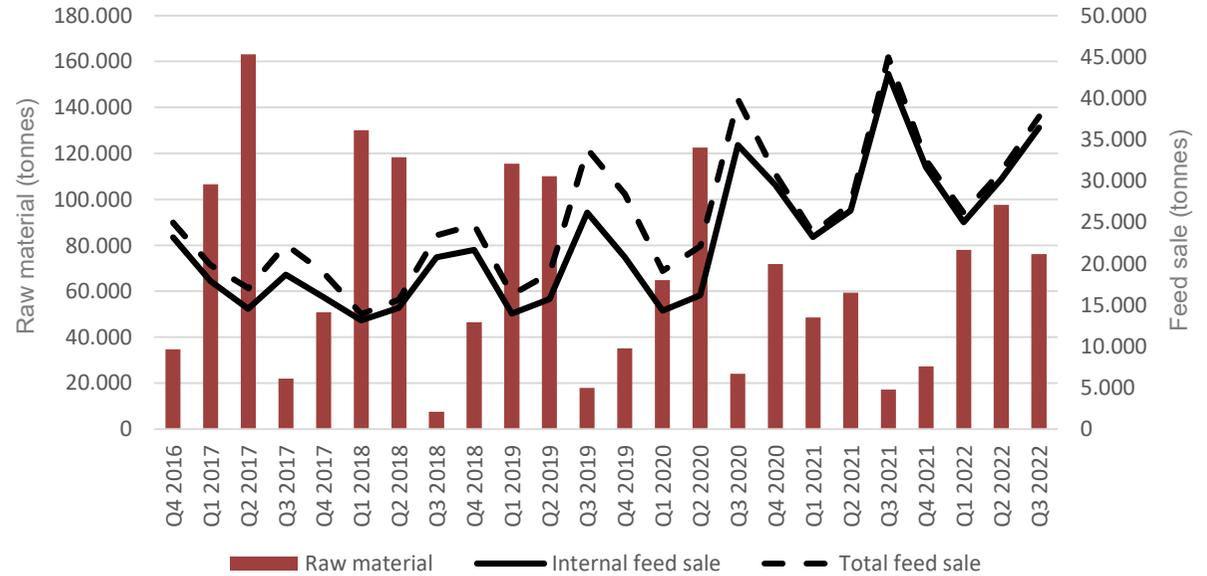
External feed sale decreased (tonnes)

1,992



1,363

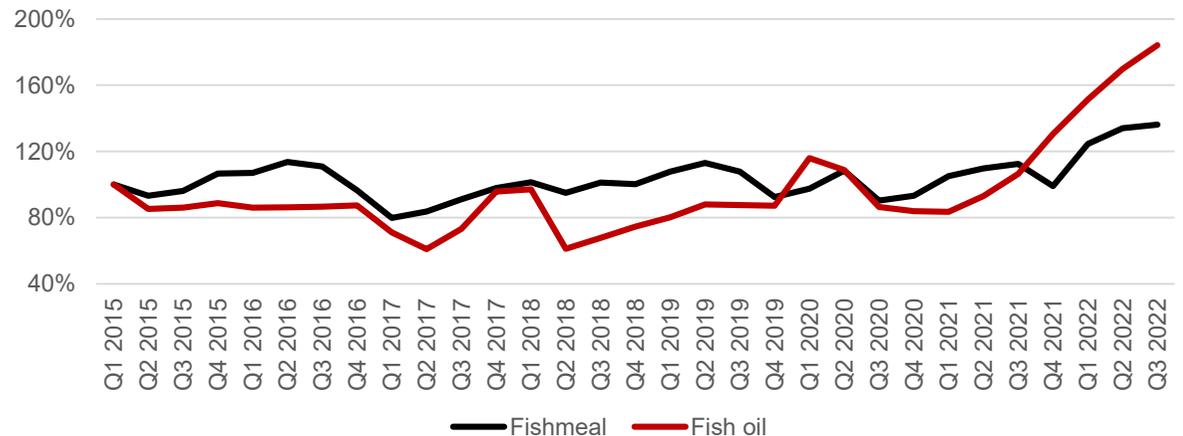
Volumes of raw material purchase and feed sale [tonnes]



Market fluctuations

Fishmeal and fish oil prices continued to increase in Q3 2022. The price level is now 30% - 70% higher than the same quarter last year.

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



Source: Holtermann

SUMMARY OF Q3 2022

MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

OUTLOOK

APPENDIX

SHORT TERM SUPPLY OUTLOOK

Expectation of limited global supply growth

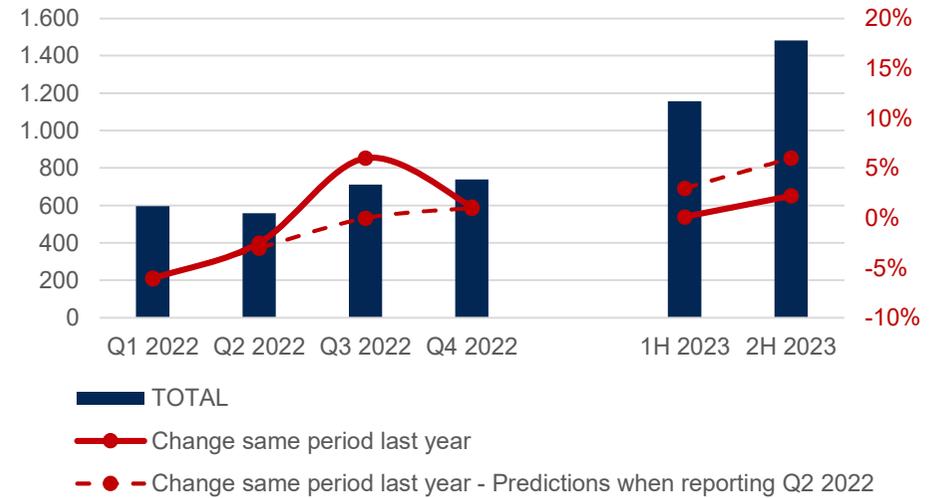
- 1% increase expected in Q4 2022
- Low single digit growth expected in 2023

European drivers

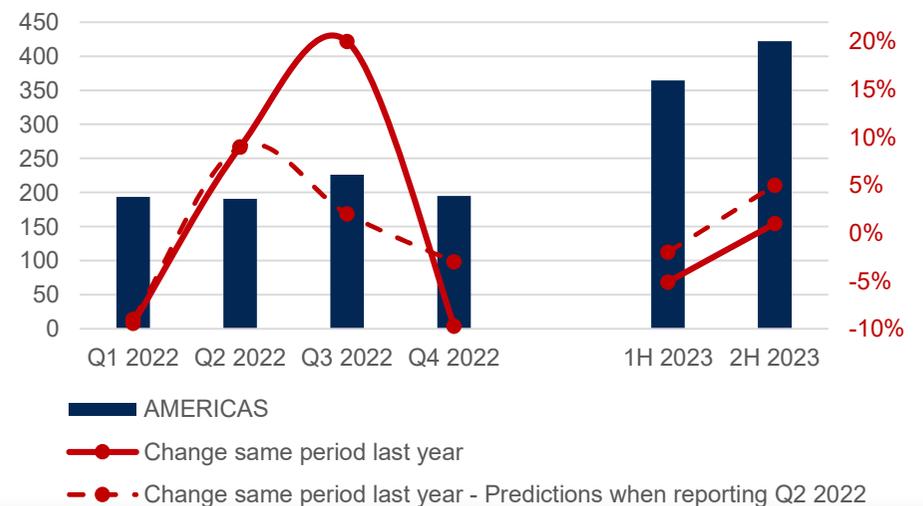
- Tax driven Q4 2022 harvest likely in Norway

Negative growth expected in Americas

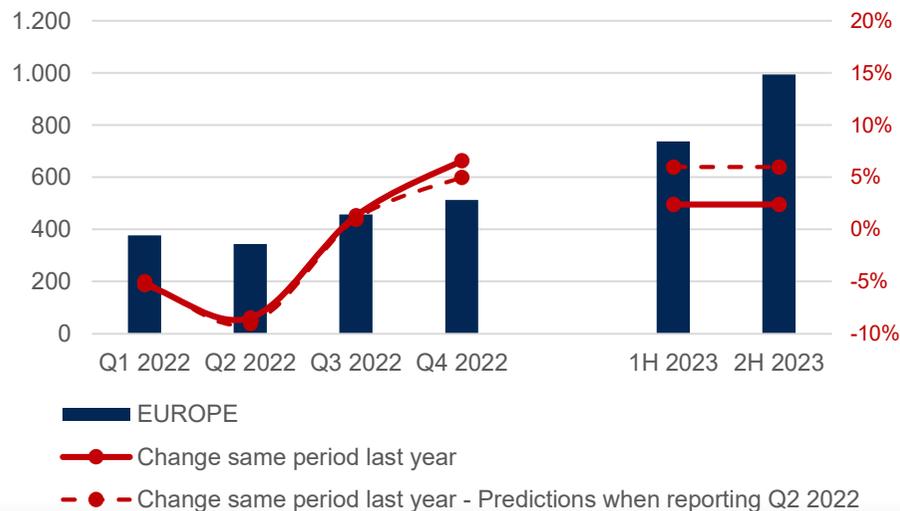
SUPPLY - TOTAL



SUPPLY - AMERICAS



SUPPLY - EUROPE



Source: Kontali

OUTLOOK

Market

- Global harvest:
 - increased 6.4% in Q3 2022 vs Q3 2021
 - expected to increase 1% in Q4 2022
 - expected to be flat in H1 2023
 - expected to increase 2% in H2 2023

Farming

- Harvest:
 - In 2022, Bakkafrost expects to harvest HOG 93,000 tonnes (Faroe Islands: 68,000 and Scotland: 25,000)
 - In 2023, Bakkafrost expects to harvest HOG 98,000 tonnes (Faroe Islands: 68,000 and Scotland: 30,000)
- Smolt release:
 - In 2022, Bakkafrost expects to release 25.3 million smolts (Faroe Islands: 14.5 and Scotland: 10.8)
 - In 2023, Bakkafrost expects to release 25.6 million smolts (Faroe Islands: 16.0 and Scotland: 9.6)

Contracts

- For 2023, Bakkafrost has signed contracts for around 23% of the total expected harvest volumes in the Faroe Islands and Scotland

Fishmeal, Oil and Feed

- Feed sales are expected to be around 125,000 tonnes in 2022, and are expected to be 130,000 in 2023
- Fishmeal and fish oil volumes are expected to be similar in 2023 as in 2022

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
- Next Capital Markets Day 6-7 June 2023 in Scotland

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MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

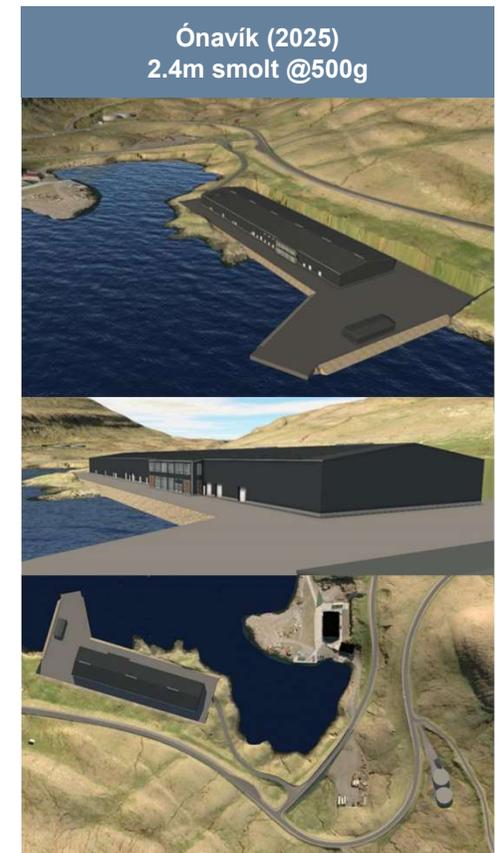
OUTLOOK

APPENDIX

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

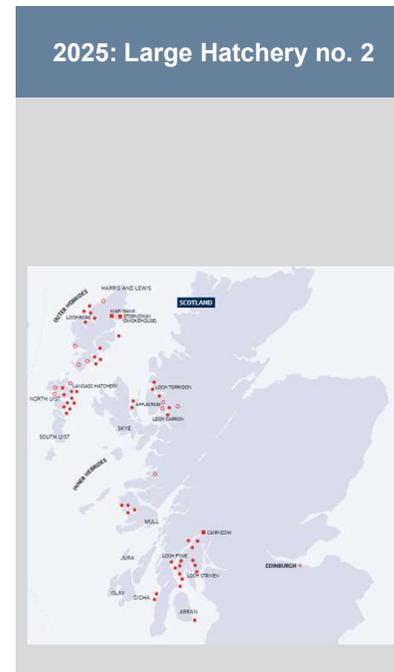
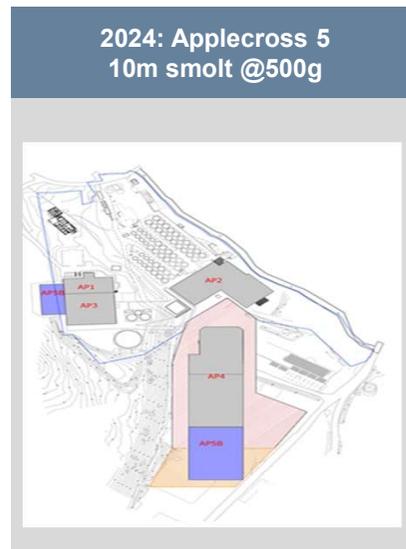


Existing hatcheries at Viðareiði, Gjógv and Húsar
3.3m smolt @500g

HATCHERY EXPANSION - SCOTLAND

INCREASING HATCHERY CAPACITY TO +18 MILLION AT 500G

- Significant increase in smolt capacity in Scotland



OUR ROADMAP TO LARGER SMOLT IN SCOTLAND

RAPIDLY REDUCING THE GAP BETWEEN FAROE ISLANDS AND 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

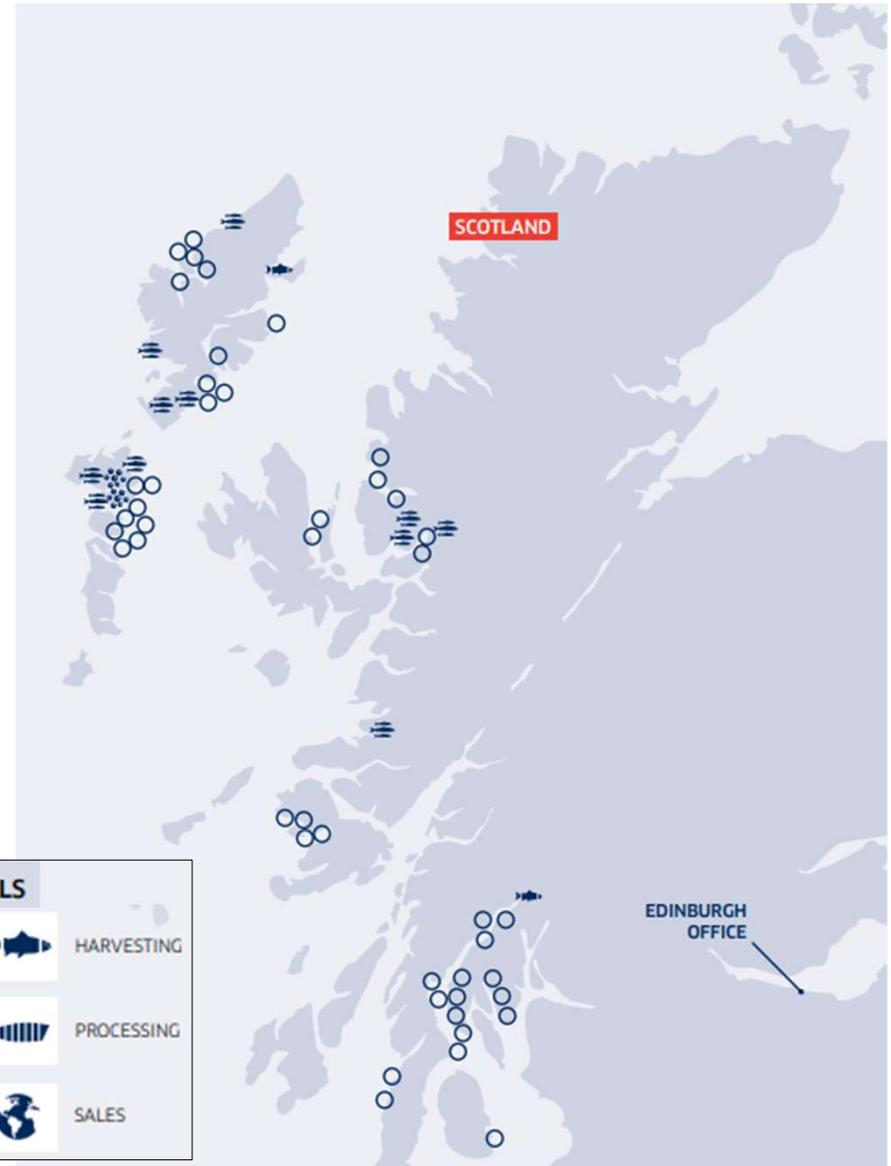
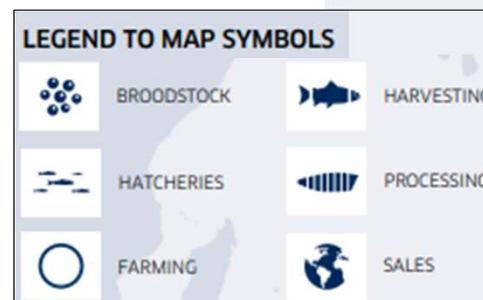
Total consent is 74,765 tonnes in 44 farming sites:

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



EXCEPTIONAL MORTALITY IN SCOTLAND

BAKKAFROST VS INDUSTRY PEERS

Significant mortality across Scotland

- Widely spread of plankton and jelly fish blooms caused gill issues
- Muggia (jellyfish) in aug/sep were driver for extraordinary high extra mort, but escalates even higher if the secondary AGD is not controlled with FW bathing
- Freshwater only treatment safe option

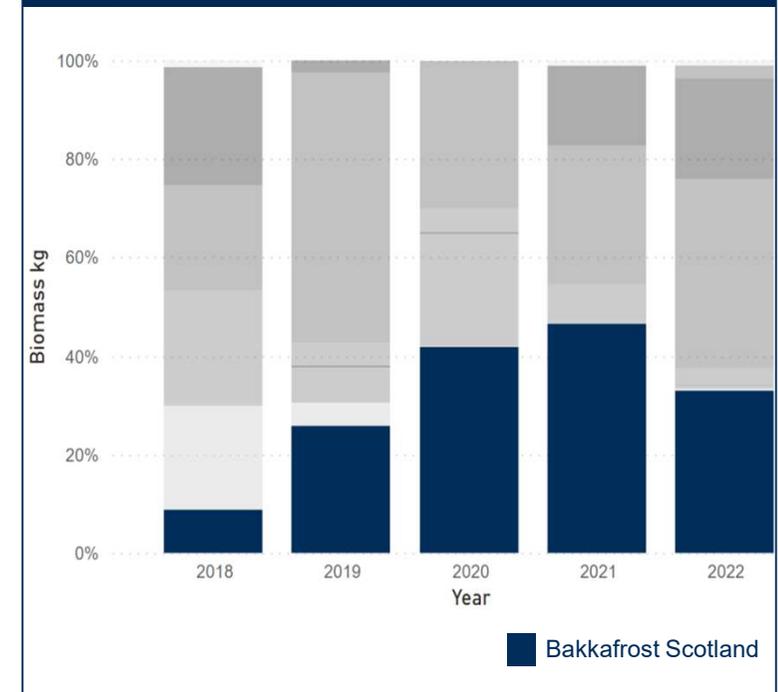
Exceptional Mortality biomass in Q3 2022



Reported mortality reasons



Bakkafrost Scotland's historic share of total exceptional mortality reported in Scotland



Source: Scottish Government's Fish Health Inspectorate

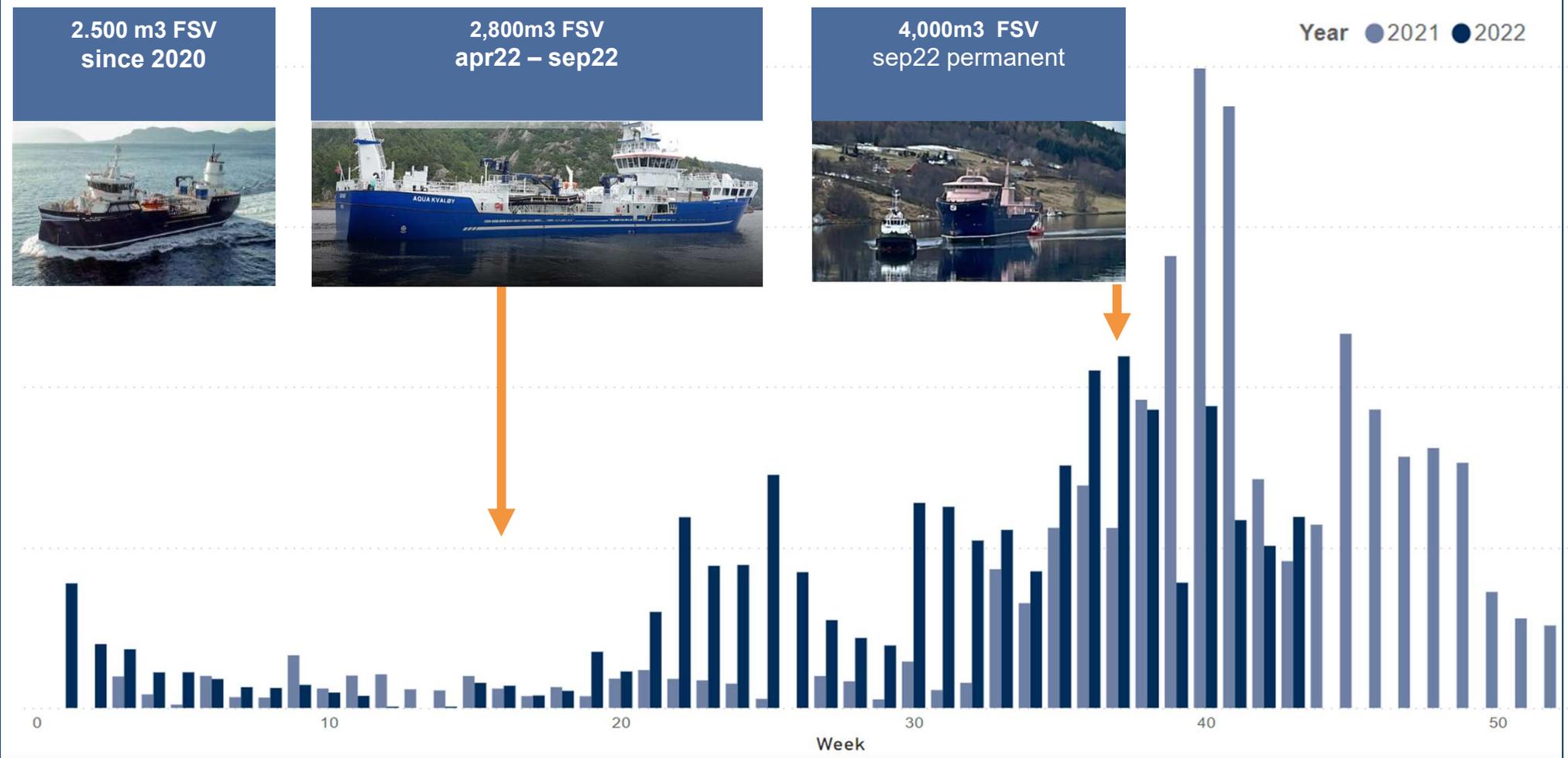
Threshold for reporting: Mortality above 1% per week and fish bigger than 750g. First 6 weeks post transfer from fresh water to sea water are not required to be reported. Reported to FHI one week after the mortality event.

BAKKAFROST SCOTLAND EXEPTIONAL MORTALITY

SIGNIFICANTLY UPSCALED FRESHWATER TREATMENT CAPACITY

- New capabilities for efficient and gentle dual-treatment for gill health and sea lice
- Now permanently two Farming Service Vessels in service all year around to clear gills and sea-lice

Weekly exceptional mortality value – 2022 vs. 2021



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



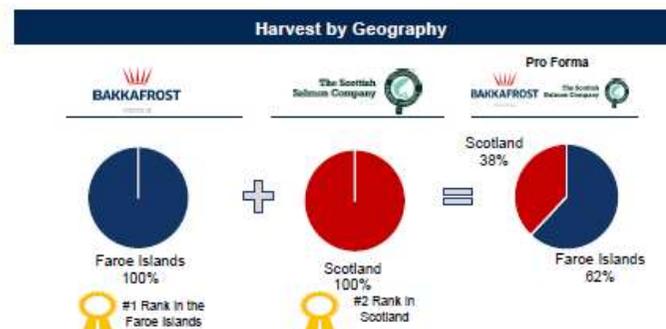
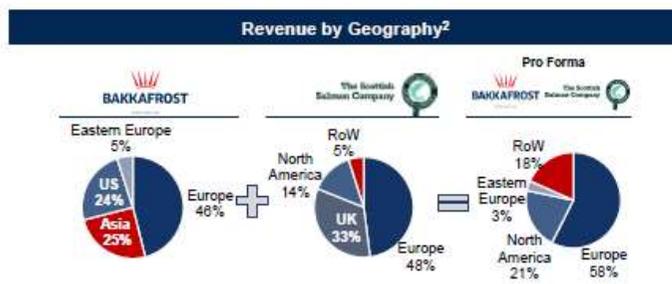
SCOTLAND – STRATEGIC RATIONALE

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.
¹ Harvest figures reflect total harvest in European region comprising of Norway, United Kingdom / Scotland and Faroe Islands as per Mowi Salmon Farming Handbook.
² 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:

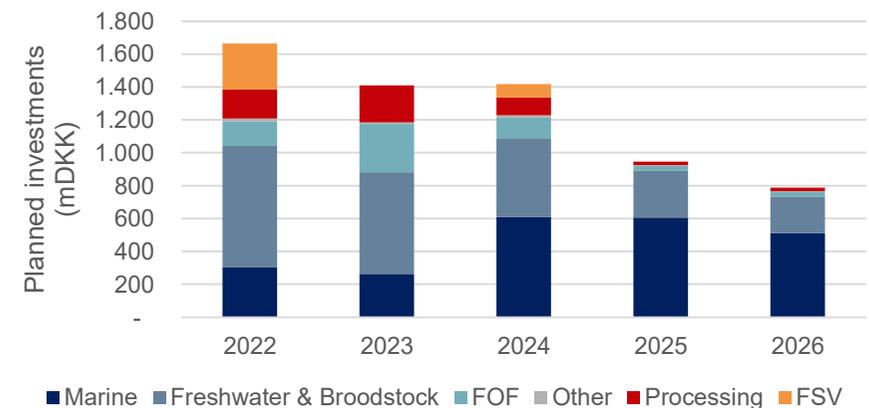
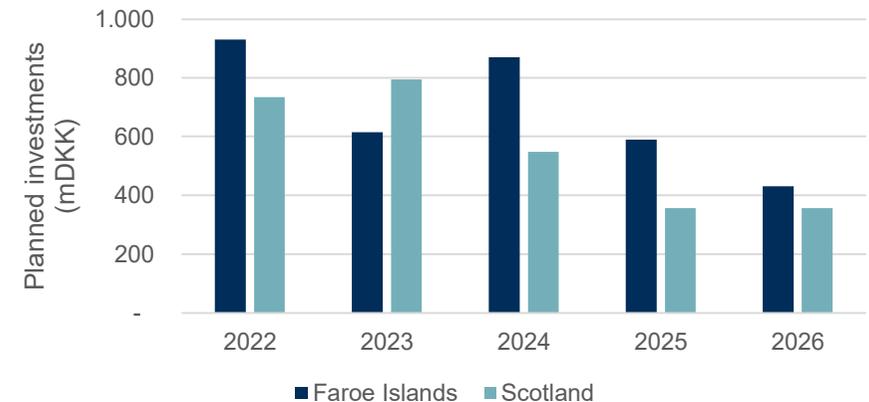
- Hatchery capacity (2026 capacity: +23m smolt at 500g)
- Increase feed capacity to cater 200,000 tonnes (HOG) harvest
 - Flexibility for further expansion to 290kt (HOG) harvest
- 7,000m³ multi-purpose well boat
- Seawater expansion investments, including offshore
- Broodstock facility

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

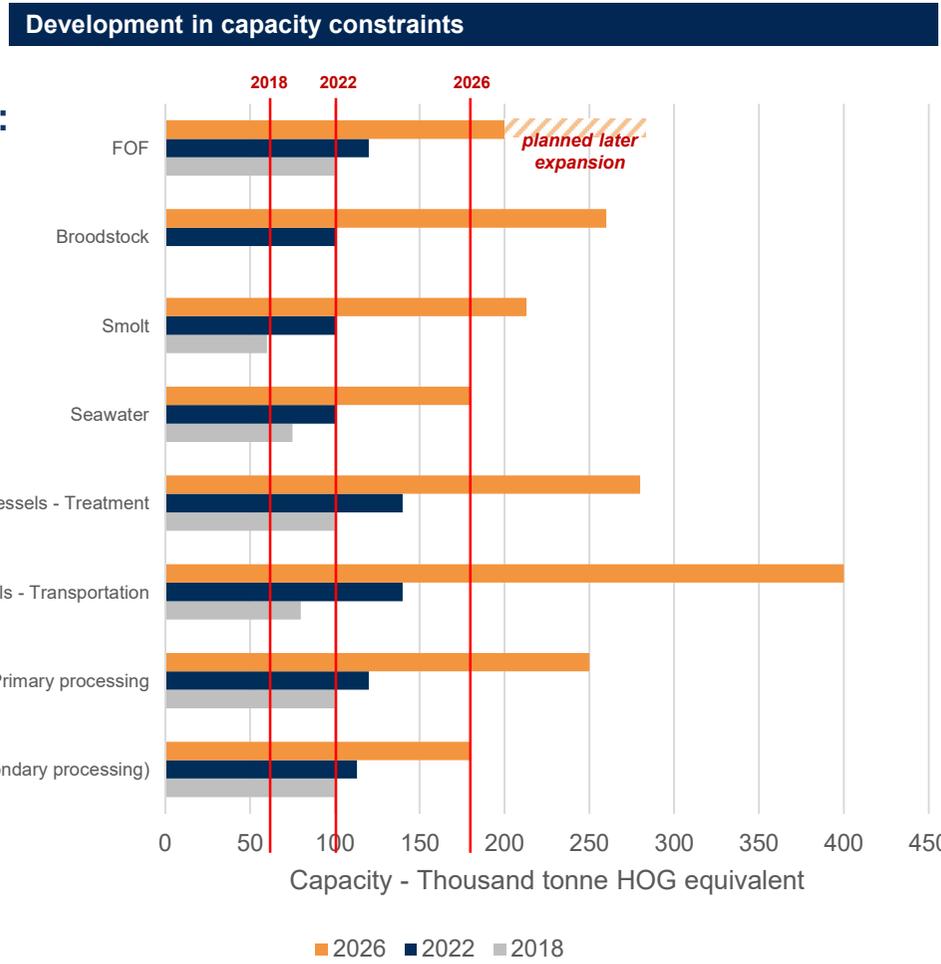
Planned investment profile 2022-2026 (DKK 1,000)



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)*

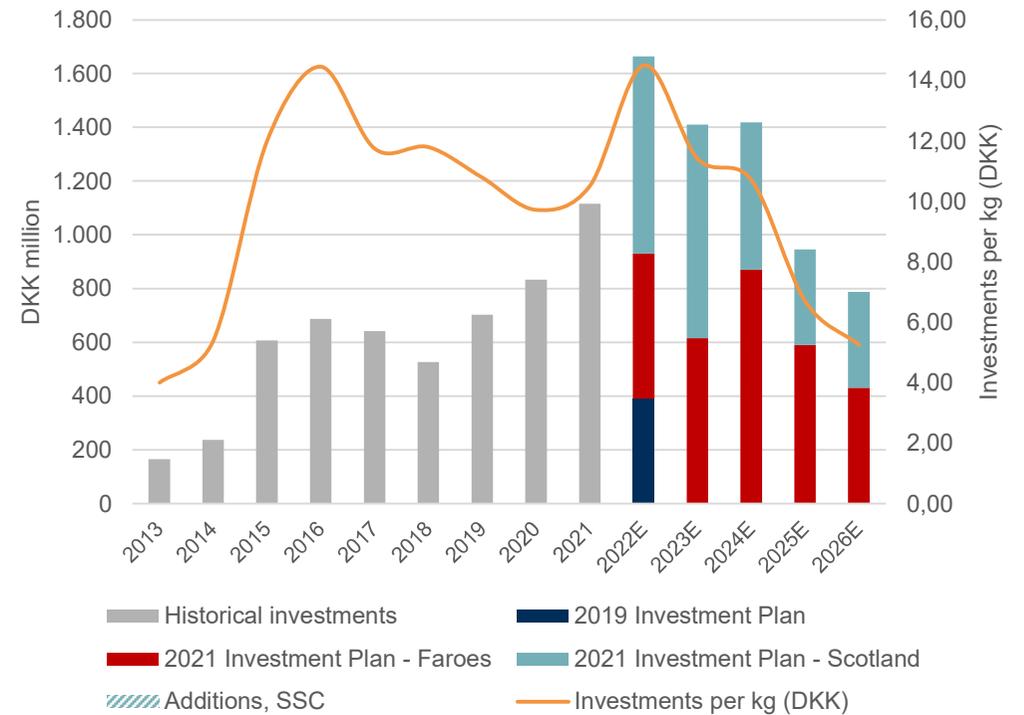


INVESTING IN SUSTAINABLE GROWTH

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 INCREASED
 – WESTERN- AND EASTERN EUROPE DECREASED

Sales & volume

Q3 2021 Q3 2022

Western Europe



North America



Asia



Eastern Europe



Harvest volumes used in the VAP*



* FO only

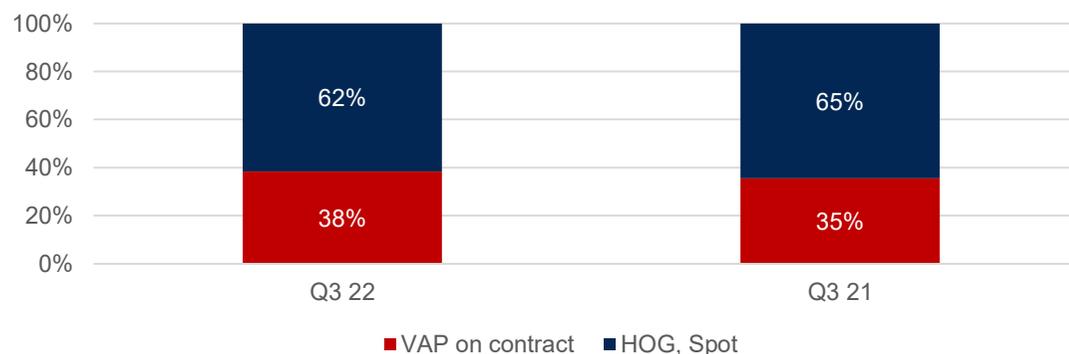
Total sales of salmon by markets

	Q3 2022			Q3 2021			YTD 2022			YTD 2021		
	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total
Western Europe	56%	92%	67%	65%	88%	71%	58%	91%	67%	65%	80%	69%
North America	22%	5%	17%	17%	6%	14%	24%	5%	19%	16%	10%	14%
Asia	14%	1%	10%	9%	6%	8%	13%	3%	10%	9%	9%	9%
Eastern Europe	7%	2%	6%	9%	0%	7%	5%	1%	4%	10%	1%	8%
Rest of world	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Fresh salmon only by markets

	Q3 2022			Q3 2021			YTD 2022			YTD 2021		
	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total
Western Europe	46%	91%	64%	64%	88%	70%	49%	90%	62%	61%	78%	66%
North America	26%	5%	18%	18%	5%	15%	26%	6%	20%	18%	11%	16%
Asia	19%	1%	12%	12%	7%	10%	19%	3%	13%	12%	11%	12%
Eastern Europe	9%	2%	6%	6%	0%	5%	6%	1%	5%	9%	0%	6%
Rest of world	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Contract share FO, VAP products [% of qty]



DEVELOPMENT IN SUPPLY AND SOLD QUANTITY BY ORIGIN

Expected supply growth in 2022

- No change in Global supply
- 1% decrease in supply from Europe
- 2% increase in supply from the Americas

Global Supply of Atlantic Salmon (head on gutted - HOG)

	2018	2019	2020	2021	2022E	2023E
Norway	1,129	1,198	1,223	1,378	1,381	1,412
UK	137	171	160	179	164	177
Ireland	13	14	14	14	16	14
Iceland	12	22	27	35	37	37
Faroes	64	78	72	96	89	91
Total Europe	1,355	1,484	1,496	1,703	1,687	1,731
Chile	598	601	657	638	655	648
Canada	131	124	123	128	123	122
USA	17	19	18	17	18	17
Total Americas	747	744	798	783	796	787
Others	65	71	91	109	109	121
Total (Sold Quantity)	2,167	2,299	2,385	2,595	2,592	2,638
Supply growth - Global	6%	6%	4%	9%	0%	2%
Supply growth - Europe	1%	10%	1%	14%	-1%	3%
Supply growth - Americas	18%	0%	7%	-2%	2%	-1%

Salmon Markets (head on gutted - HOG)

	2018	2019	2020	2021	2022E	2023E
EU+UK	949	1,017	1,071	1,156	1,189	1,208
USA	438	471	505	570	584	592
Japan	54	53	64	65	59	58
Russia	89	78	79	86	44	40
Others	637	678	665	719	716	741
Total (Sold Quantity)	2,167	2,299	2,385	2,595	2,592	2,639

Comments:

All figures are in hog-equivalents and thousand tonnes.

Figures represents sold quantity of Atlantic Salmon from each producing country

Source: Kontali

Q3 2022 MARKET ENVIRONMENT

- **Prices up compared to Q3 2021**
 - Spot price drop compared to 1H 2022
- **Nasdaq Norway price up 27%**
 - Limited European supply growth in the quarter
 - Low spot share impacted prices positively in 1H 2022
- **Urner Barry East Coast price up 5%**
 - 23% increase in DKK due to currency movement
 - Increased supply from Chile vs. Q3 2021

MARKET CURRENCY	Q3 2022	Q3 2021	Change %
Nasdaq Norway (EUR)	6.70	5.29	26.5 %
UB North East US 14-16lb HOG (USD per kg)	10.80	10.29	5.0 %

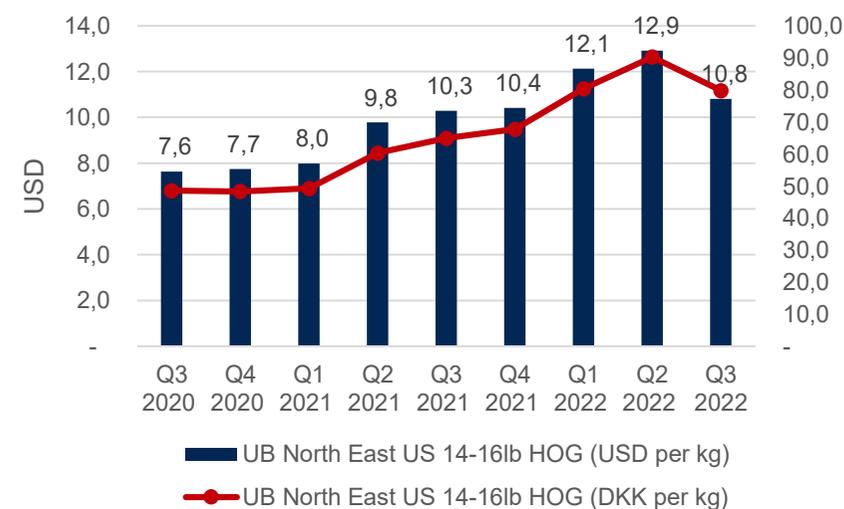
DKK	Q3 2022	Q3 2021	Change %
Nasdaq Norway	49.83	39.37	26.6 %
UB North East US 14-16lb HOG (per kg)	79.84	64.93	23.0 %

Source: Kontali

PRICE NORWAY

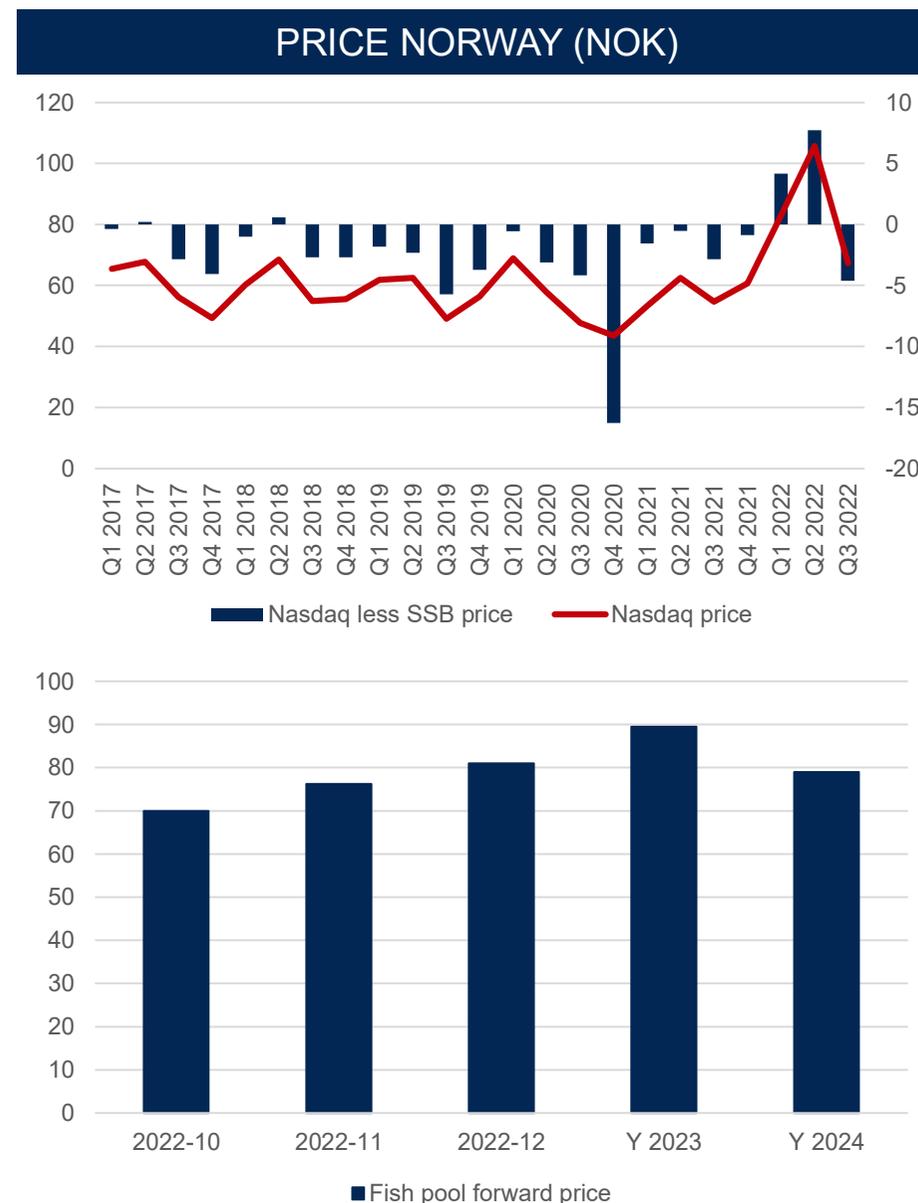


PRICE US – NORTH EAST



Q3 2022 – NORMALISED RELATIONSHIP BETWEEN NASDAQ AND SSB PRICE IN NORWAY

- Nasdaq spot price reflecting marginal pricing per week
- Statistics Norway (SSB) publish average price for all whole fish sold per week
 - Incorporates bilateral contracts of variable duration
- SSB materially lagging Nasdaq in 1H 2022
 - Indicating achieved prices being significantly below spot
- Fish Pool forward prices higher than Q3 2022 spot price
 - Premium to Q3 2022 spot prices
 - Low activity on sell side due to uncertainty on resource tax in Norway
 - Higher margin uncertainty for traditional contract counterparties on buy side



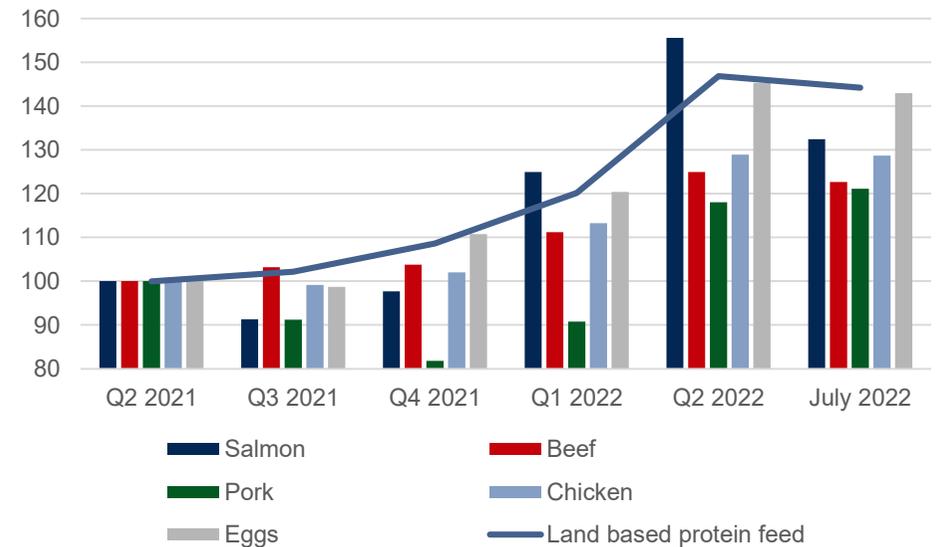
Source: Kontali

PRICE MOVEMENT LARGELY IN LINE WITH PROTEIN PEERS

Factors impacting ability to pass through cost inflation

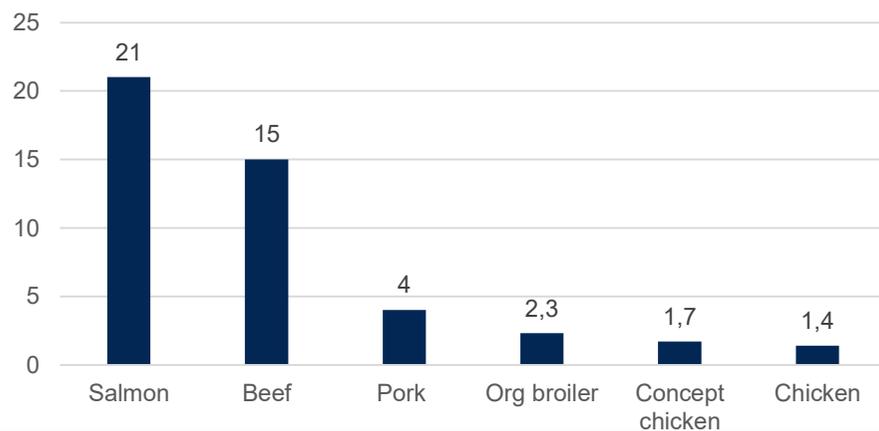
- Relative end consumer price elasticity
- Ability and lead time for implementation of required supply contraction to adapt to price elasticity
- Market structure (local or global/regionalised markets)
- Trade dynamics (commoditised/bilateral discussions)

European wholesale prices (indexed)



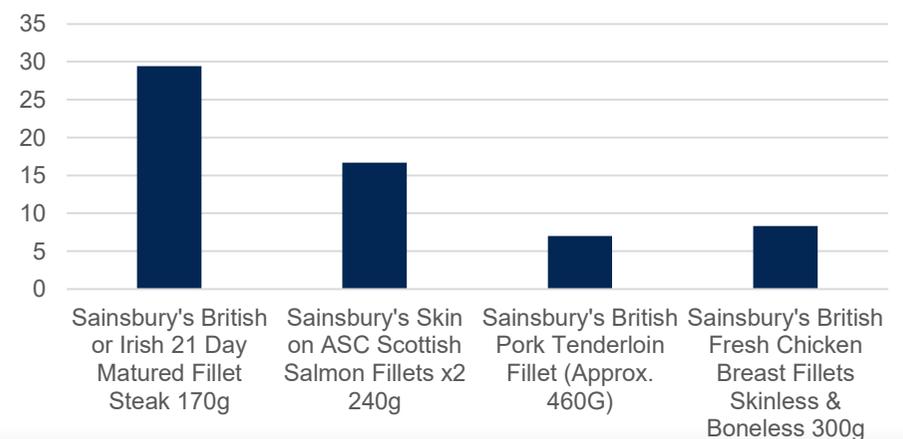
Source: Statistics Norway, Rabobank

Production cycle (months)



Source: Bakkafrost, Rabobank

UK consumer prices July 2022 (GBP/kg)

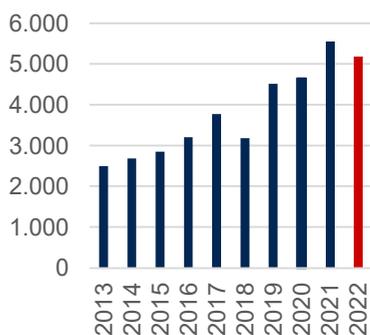


Source: Sainsbury's web site

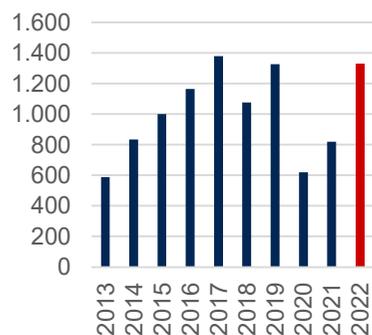
DEVELOPMENT PER QUARTER

(mDKK)	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	2020	2020	2021	2021	2021	2021	2022	2022	2022
Revenue	1,123	1,139	1,176	1,618	1,272	1,488	1,639	1,684	1,867
Operational EBIT	103	89	224	407	71	120	418	587	325
Profit/Loss	177	-38	408	428	131	-3	405	845	249
Harvest FO (tgv)	11,135	15,957	14,025	17,561	14,937	20,694	17,459	13,101	16,850
Harvest SCT (tgv)	10,476	9,305	7,002	10,634	6,914	5,122	3,973	6,646	8,100
Op. EBIT Farming FO & VAP (NOK/kg)	15.24	12.92	21.48	26.93	13.59	20.11	33.79	52.28	35.62
Op. EBIT Farming FO (NOK/kg)	12.43	5.66	14.10	26.52	12.56	18.29	36.03	63.38	35.60
Op. EBIT VAP (NOK/kg)	5.84	17.31	18.56	1.53	2.89	5.71	-5.65	-24.46	0.06
Op. EBIT Farming SCT (NOK/kg)	-3.89	-8.41	-1.44	6.75	-16.32	-55.95	-17.67	8.29	-22.90
Equity ratio	68%	66%	68%	67%	67%	64%	64%	65%	64%
NIBD	1,257	1,753	1,939	1,903	1,986	2,126	2,192	2,267	2,427

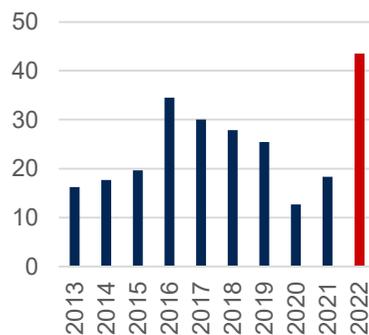
Revenue (mDKK)



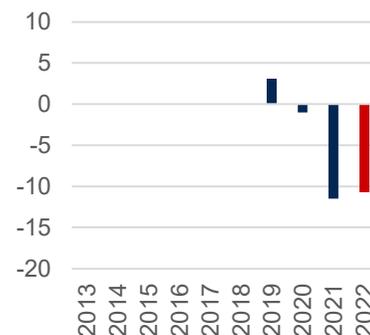
Operational EBIT (mDKK)



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 was paid out in Q2 2022
- Dividend payment equals 50% of adjusted EPS

Dividend policy

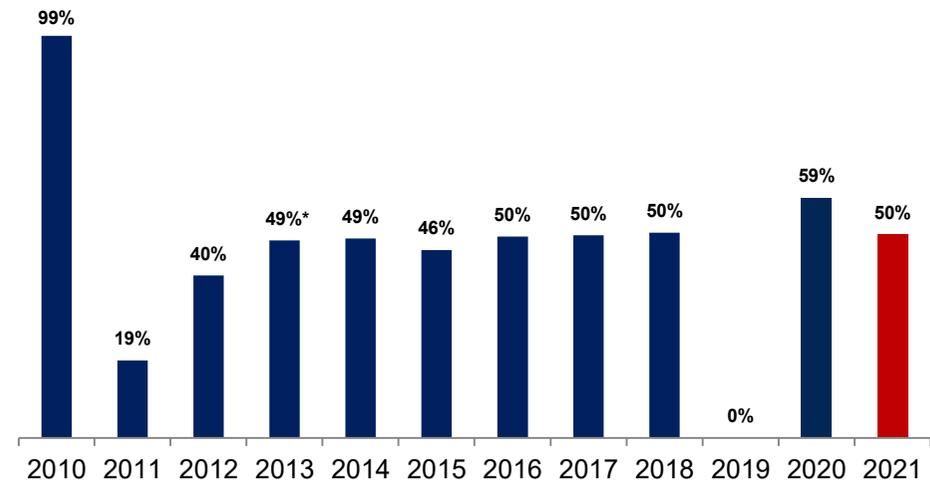
- Competitive return through:
 - Dividends
 - Increase in the value of the equity
- Generally, Bakkafrost shall pay a dividend to its shareholders
- A long-term goal is that 30–50% of adjusted EPS shall be paid out as a dividend

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

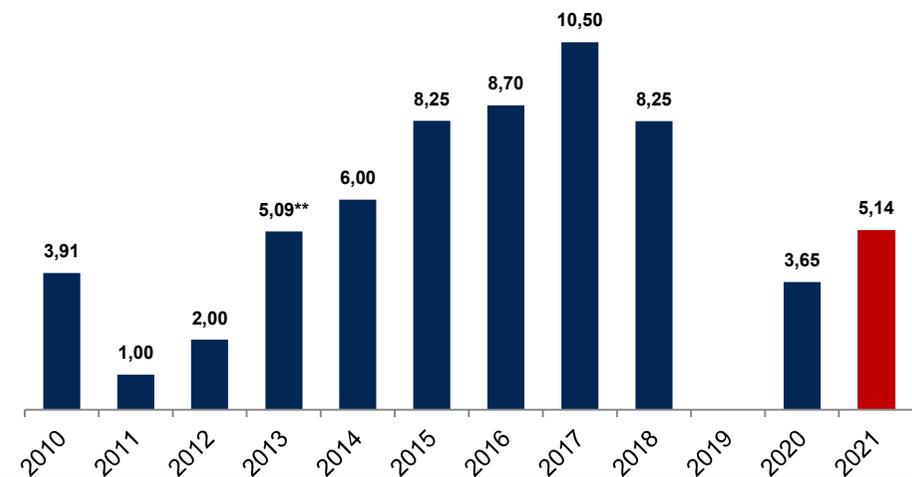
** Dividend and acquisition of treasury shares

*** Dividend is paid out the following year

Dividend per share in % of adj. EPS*



Dividend per share (DKK)***





FAROE ISLANDS

- Headquarters, Sales
- Fishmeal, Fish oil & Fish feed
- Broodstock, Hatcheries & Farming
- Harvest & Processing
- Farming Service Vessels, Packaging & Biogas

SCOTLAND

- Administration, Sales
- Broodstock, Hatcheries & Farming
- Harvest & Processing
- Farming Service Vessels

DENMARK

- Administration, Sales
- Processing

ENGLAND

- Sales

UNITED STATES OF AMERICA

- Sales
- Processing

LEGEND TO MAP SYMBOLS

	FISHMEAL		BROODSTOCK		HARVESTING		FSV (FARMING SERVICE VESSELS)
	FISH OIL		HATCHERIES		PROCESSING		PACKAGING
	FISH FEED		FARMING		SALES		BIOGAS

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

FAROE ISLANDS

- 18 islands – 1,387 km²
- 54,081 inhabitants (September 2022)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, the Danish krone (DKK)

Key sectors (% of wage earners, M9 2022)

- Service/public admin.: ~34%
 - Private service: ~32%
 - Construction: ~15%
 - Fish & aquaculture: ~19%
 - Unemployment rate (Apr 2022): 0.9%
 - Total working force (2021): 31,968
-
- **GDP:** DKK ~22.9bn (2021)
 - **GDP/capita:** DKK 431,000 (2021)
 - (Norway: DKK 559,966) (2021)

Total export of fish products (2021)

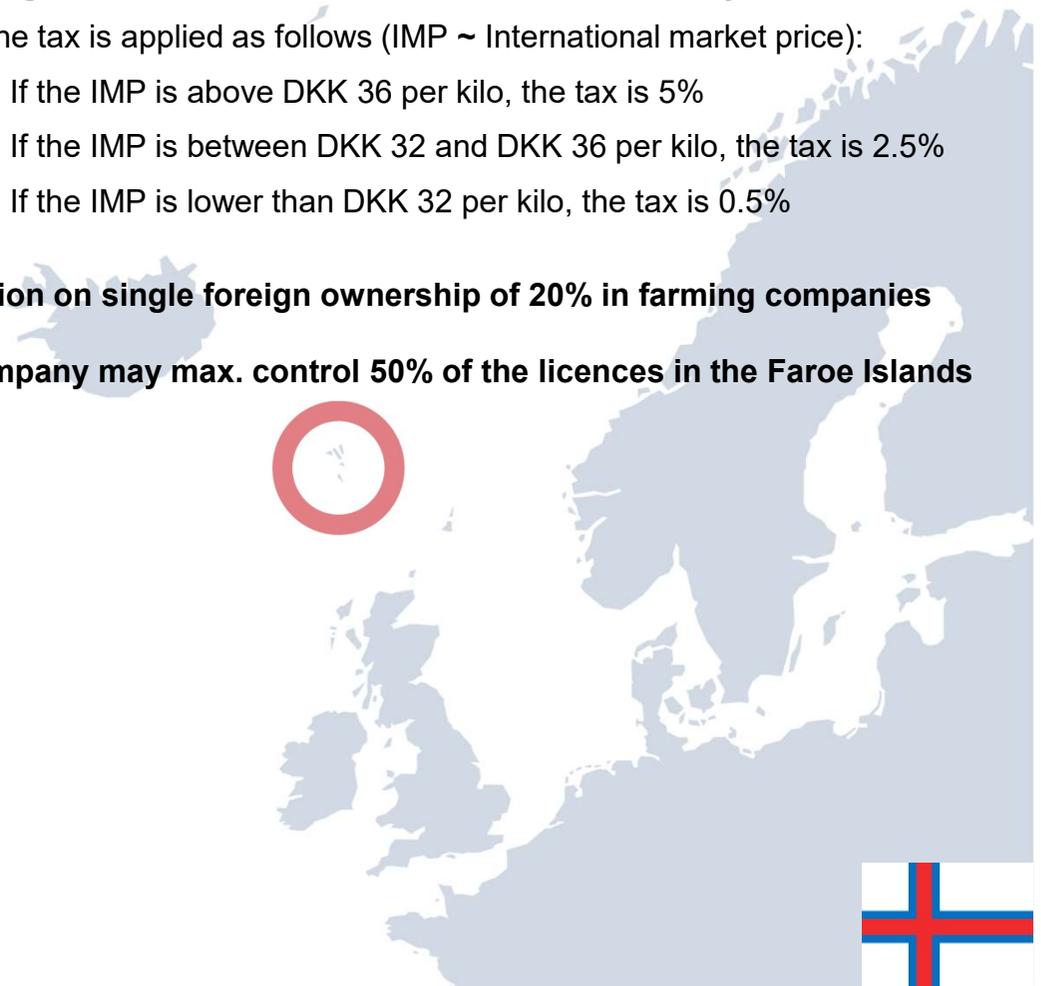
- DKK 9,294 million - whereof farmed fish accounts for 48%

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

FAROE ISLANDS

SCOTLAND

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

