

# Q1 2021

**BAKKAFROST GROUP**  
Glyvrar 11 May 2021

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# SUMMARY OF Q1 2021

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## Operation

- **Harvest in the Faroe Islands (FO):** 14,025 t<sub>gw</sub> in Q1 2021 (10,667 t<sub>gw</sub> in Q1 2020)
- **Harvest in Scotland (SCT):** 7,002 t<sub>gw</sub> in Q1 2021 (7,268 t<sub>gw</sub> in Q1 2020)
- **Feed sales** of 23,717 tonnes in Q1 2021\* (19,123 tonnes in Q1 2020\*)
- **Raw material purchase** of 48,547 tonnes in Q1 2021 (64,807 tonnes in Q1 2020)

## Revenues and Operational EBIT

- **Revenues** of DKK 1,175.6 million in Q1 2021 (DKK 1,255.2 million in Q1 2020)
- **Operational EBIT\*\*** of DKK 223,5 million in Q1 2021 (DKK 248,1 million in Q1 2020)

## Cash Flow

- **Cash flow from operations** of DKK 137 million in Q1 2021 (DKK 365 million in Q1 2020)

## Segments

- **Positive operational EBIT** for FO segments, but negative for SCT

## Dividends

- **Paid out dividend** of DKK 3.65 per share for 2020

\*) Including internal sales of 23,213 tonnes in Q1 2021 (14,317 tonnes in Q1 2020)

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



# SUMMARY OF THE QUARTER

## (FO)\* Farming/VAP

**25.10**

(Q1 2020)



**21.48**

(Q1 2021)

## (SCT)\* Farming

**5,70**

(Q1 2020)



**-1.23**

(Q1 2021)

## VAP\*

**-2.97**

(Q1 2020)



**18.56**

(Q1 2021)

## FOF\*\*

**13.0%**

(Q1 2020)



**15.0%**

(Q1 2021)

\* Operational EBIT in NOK/kg

\*\* EBITDA margin

(DKK million)	Q1 2021	Q1 2020
Operating revenue	1.176	1.255
Operational EBITDA	354	367
<b>Operational EBIT</b>	<b>224</b>	<b>248</b>
<b>Profit for the period</b>	<b>408</b>	<b>-148</b>
Operational EBITDA margin	30,1%	29,2%
Operational EBIT margin	19,0%	19,8%
Operational EBIT/Kg (Farming FO) (NOK)	14,10	26,51
Operational EBIT/Kg (Farming FO and VAP) (NOK)	21,48	25,10
Operational EBIT/Kg (VAP) (NOK)	18,56	-2,97
Operational EBIT/Kg (Farming SCT) (NOK)	-1,23	5,70
EBITDA margin (Fishmeal, -oil and Feed)	15,0%	13,0%

Group Operational EBIT was DKK 224 million in Q1 2021, compared to DKK 248 million in Q1 2020

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# MARKETS & SALES

SALES TO WESTERN AND EASTERN EUROPE INCREASED – OTHER MARKETS DECREASED

## Sales & volume (FO only)

### Western Europe



### North America



### Asia



### Eastern Europe



## Harvest volumes used in the VAP



## Total sales of salmon by markets

Western Europe  
North America  
Asia  
Eastern Europe  
Rest of world

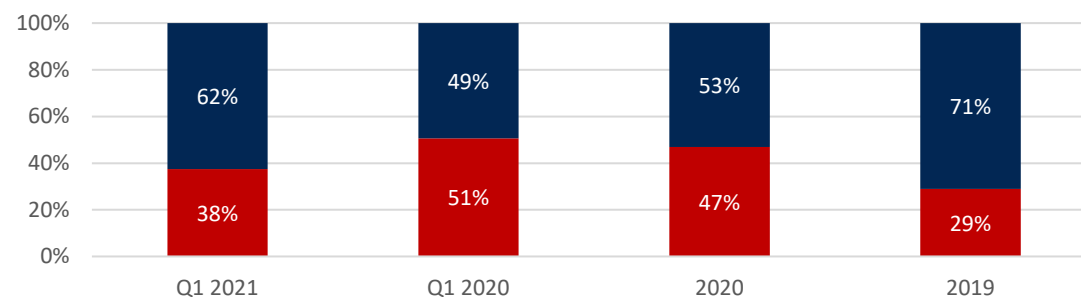
	Q1 2021			Q1 2020			2020			2019		
	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total
Western Europe	59%	88%	68%	52%	91%	67%	56%	90%	70%	44%	93%	50%
North America	20%	9%	17%	28%	5%	19%	24%	5%	17%	24%	4%	21%
Asia	9%	2%	7%	14%	0%	8%	12%	1%	7%	23%	2%	21%
Eastern Europe	12%	0%	8%	6%	1%	4%	8%	0%	5%	9%	1%	8%
Rest of world	0%	0%	0%	0%	3%	1%	0%	3%	1%	0%	0%	0%

## Fresh salmon only by markets

Western Europe  
North America  
Asia  
Eastern Europe  
Rest of world

	Q1 2021			Q1 2020			2020			2019		
	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total
Western Europe	39%	88%	61%	21%	91%	59%	31%	90%	64%	25%	93%	37%
North America	30%	9%	21%	48%	5%	24%	38%	5%	20%	29%	4%	25%
Asia	16%	2%	10%	21%	0%	9%	19%	1%	9%	33%	2%	28%
Eastern Europe	16%	0%	9%	10%	1%	5%	12%	0%	5%	12%	1%	10%
Rest of world	0%	0%	0%	0%	3%	2%	0%	3%	2%	0%	0%	0%

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

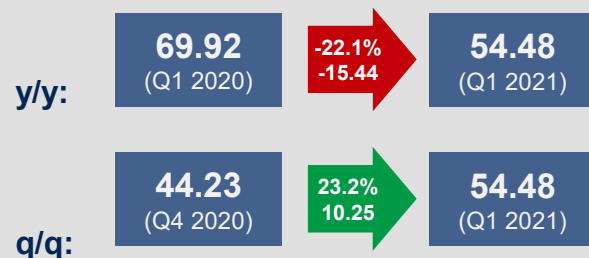


■ VAP on contract ■ HOG, Spot

# GLOBAL MARKETS

LOWER PRICES Y/Y BUT HIGHER Q/Q

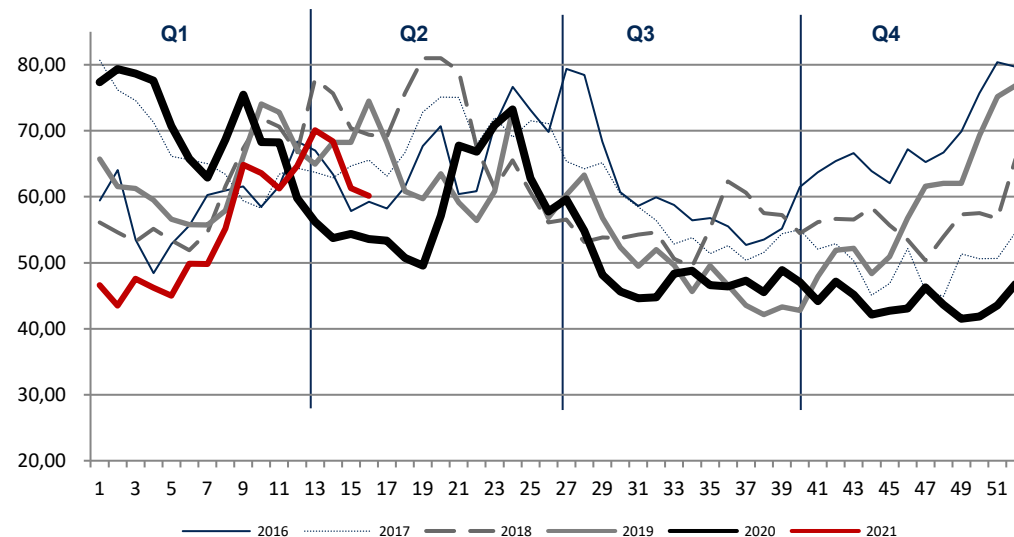
**Average spot prices decreased y/y but increased q/q in Q1 2021 (NOK/KG)**



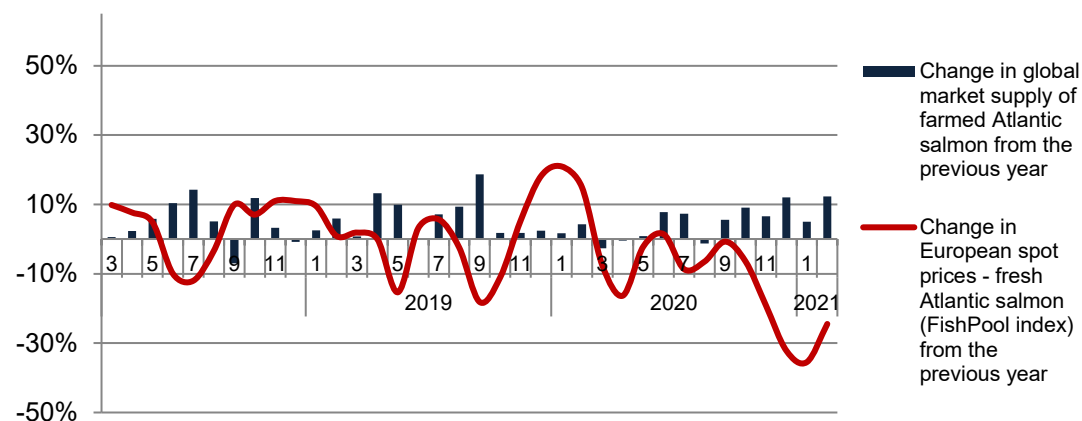
**Increasing spot prices during the quarter**

**Global harvest grew 14% y/y**

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



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



Source: Kontali



## DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN (HEAD ON GUTTED – HOG)

- Total quarterly supply up 16%
- European harvest up 18%
  - Strong growth in all origins
- 7% increase in American harvest
  - 8% increase in Chile
    - Good productivity and high average harvest weights
  - 10% increase in Canada
- Inventory build-up primarily relates to Chile

SUPPLY DEVELOPMENT	Q1 2021	Q1 2020	Change %
Norway	317	274	15.8 %
UK	36	29	23.4 %
Faroes	20	16	30.6 %
Iceland	11	8	46.4 %
Ireland	2	1	68.8 %
<b>Total Europe</b>	<b>386</b>	<b>327</b>	<b>18.1 %</b>
Chile	182	169	8.1 %
Canada	28	25	10.4 %
USA	3	5	-38.0 %
<b>Total Americas</b>	<b>213</b>	<b>198</b>	<b>7.4 %</b>
Other	23	18	24.9 %
<b>Total (Harvested quantity)</b>	<b>622</b>	<b>543</b>	<b>14.4 %</b>
Inventory movements	-4	-11	-62.8 %
<b>Total (Sold Quantity)</b>	<b>618</b>	<b>533</b>	<b>15.9 %</b>

Source: Kontali

## SALMON MARKETS, SOLD QUANTITY (HEAD ON GUTTED – HOG)

- High elasticity in Europe
  - Large retail share compared to other markets
  - High campaigns activity
- Signs of strong US demand
  - High volumes cleared at good prices
  - Miami UB at level with Q1 2020
- 36% growth in Russia
  - Import of frozen products from Chile
- 24% increase in Japan
  - Increased supply from Norway and Chile
- 15% drop in Greater China
  - Limited access to large fish
  - Covid-19 related disconnect between clients and exporters
- Continued increase in Latin America

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

Markets	Estimated volumes		Q1 comparison			Estimated volumes		FY comparison		
	Q1 2021E	Q1 2020E	Volume	%		FY 2020E	FY 2019	Volume	%	
EU+UK	266,400	221,100	45,300	↑	20%	1,070,000	1,017,300	52,700	↑	5%
USA	135,800	122,000	13,800	↑	11%	506,400	468,600	37,800	↑	8%
Russia	22,100	16,300	5,800	↑	36%	78,200	78,600	-400	↓	-1%
Japan	16,500	13,300	3,200	↑	24%	64,000	52,800	11,200	↑	21%
Greater China	21,200	25,000	-3,800	↓	-15%	101,700	133,700	-32,000	↓	-24%
ASEAN	21,000	18,100	2,900	↑	16%	73,100	72,100	1,000	↑	1%
Latin America	50,600	42,500	8,100	↑	19%	168,800	163,600	5,200	↑	3%
Ukraine	7,700	4,300	3,400	↑	79%	23,600	20,600	3,000	↑	15%
Other markets	76,400	70,200	6,200	↑	9%	301,000	292,100	8,900	↑	3%
<b>Total all markets</b>	<b>617,700</b>	<b>532,800</b>	<b>84,900</b>	<b>↑</b>	<b>15.9 %</b>	<b>2,386,800</b>	<b>2,299,400</b>	<b>87,400</b>	<b>↑</b>	<b>3.8 %</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.

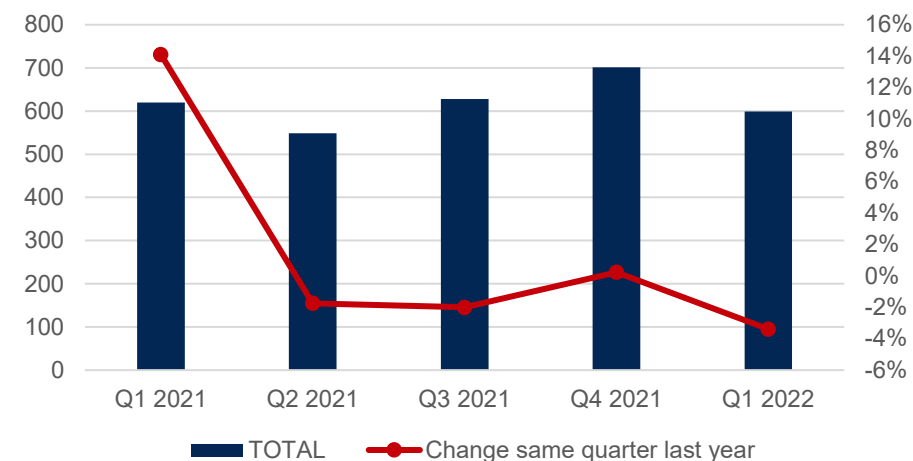
Source: Kontali



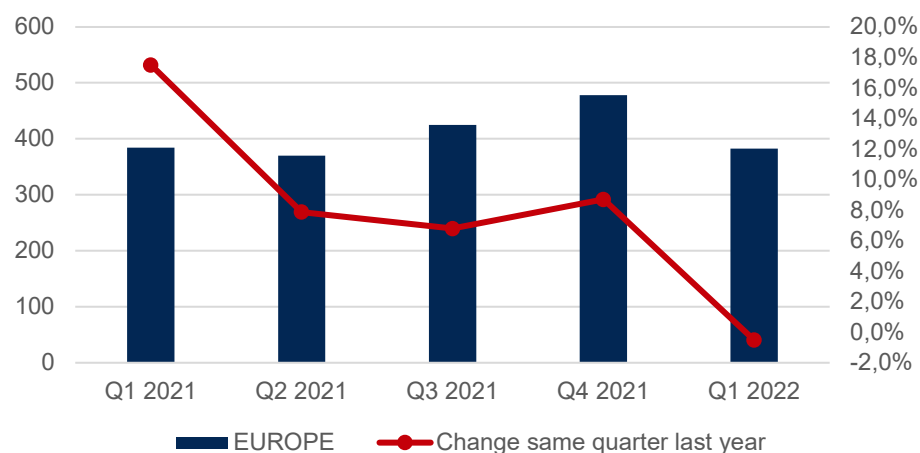
## SHORT TERM SUPPLY OUTLOOK

- Expectation of drop in global harvest next 12 months
- Stable growth around 8% in Europe rest of 2021
  - *Drop expected in Q1 2022*
- Strong drop expected in Americas
  - *Driven by Chile*
  - *Temporary low smolt release 2H 2019/1H 2020*

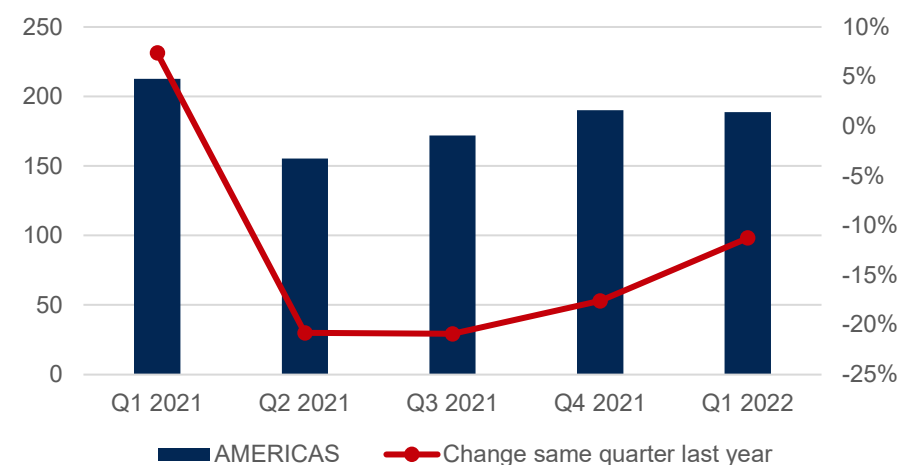
### SUPPLY - TOTAL



### SUPPLY - EUROPE



### SUPPLY - AMERICAS



Note: Supply does not take movement of inventory into account

Source: Kontali



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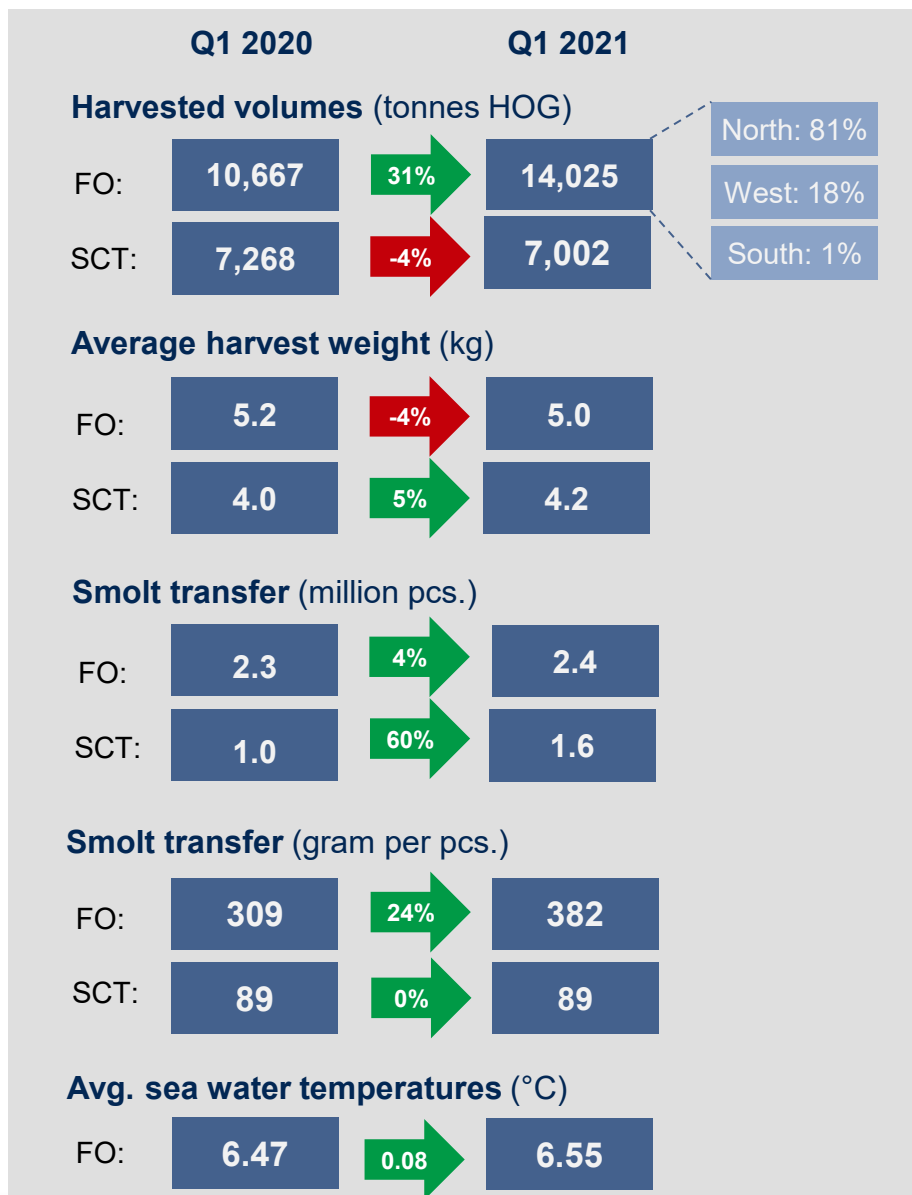
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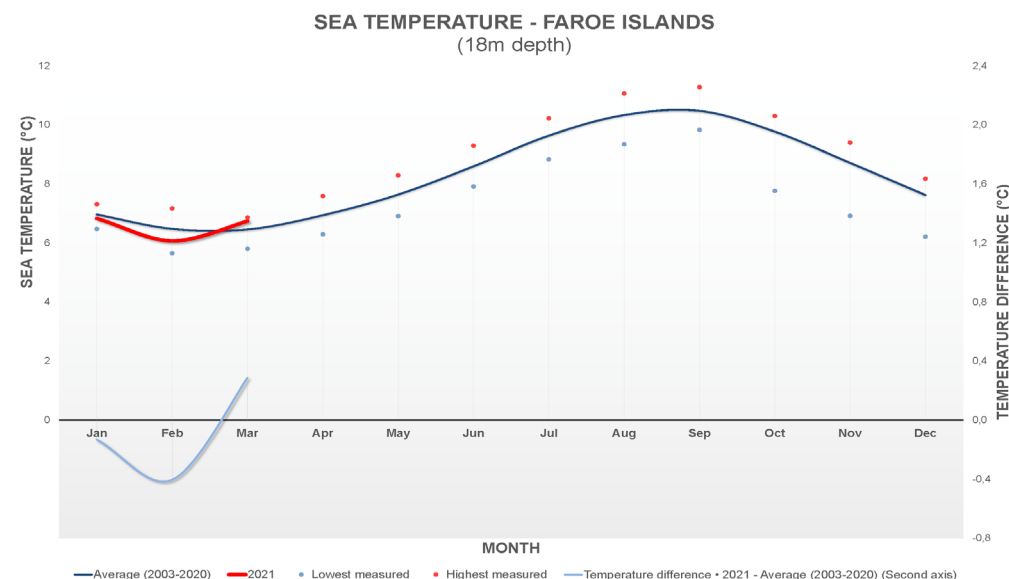
# FARMING – HARVEST VOLUME

## INCREASED HARVEST IN THE FAROE ISLANDS – INCREASED AVG. SMOLT SIZE



Harvest Volumes tonnes (HOG)	Q1 2021	Q1 2020
FO - North Region	11.422	6.265
FO - West Region	2.458	2.769
FO - South Region	145	1.633
<b>FO – Total</b>	<b>14.025</b>	<b>10.667</b>
SCT	7.002	7.268
<b>Total (FO &amp; SCT)</b>	<b>21.027</b>	<b>17.935</b>

### Sea water Temperatures at 18m depth in the Faroe Islands





# FARMING – OPERATIONAL PERFORMANCE

## LOWER OPERATIONAL EBIT, BUT HIGHER OPERATING REVENUE

### Faroe Islands (FO)

#### Operational EBIT (mDKK)



#### Operational EBIT margin (%)



#### Operating revenue (mDKK)



### Scotland (SCT)

#### Operational EBIT (mDKK)



#### Operational EBIT margin (%)



#### Operating revenue (mDKK)



Farming FO (DKK million)	Q1 2021	Q1 2020
Operating revenue	645	633
Operational EBIT	143	203
Operational EBIT margin	22%	32%

Farming SCT (DKK million)	Q1 2021	Q1 2020
Operating revenue	322	412
Operational EBIT	-6	30
Operational EBIT margin	-2%	7%

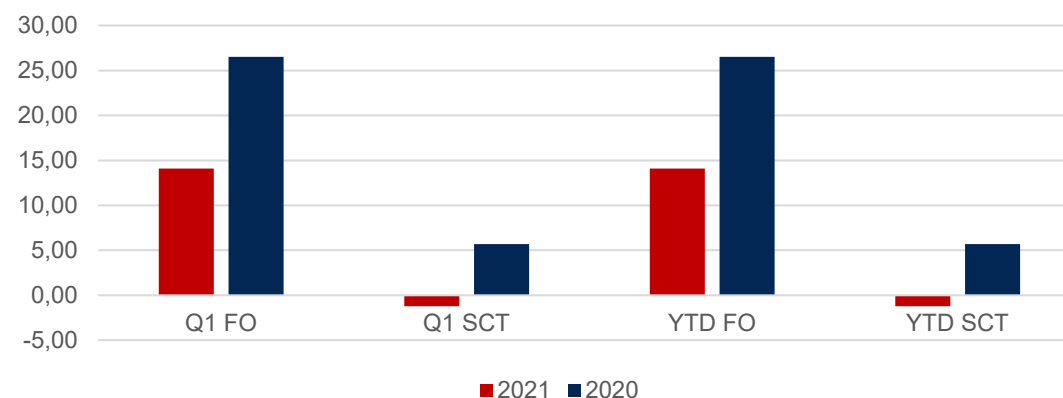


## FARMING – OPERATIONAL PERFORMANCE

### Operational EBIT per kg



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



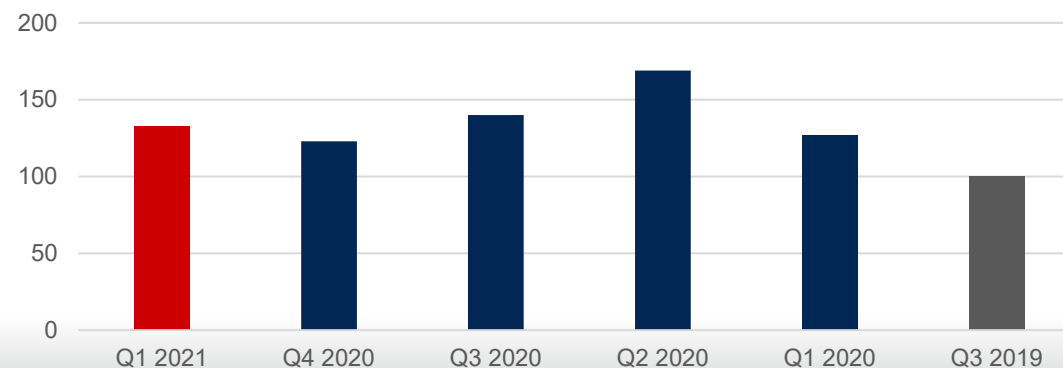
**FO:** Good biological performance in the quarter, good growth and low mortality.

**SCT:** Improved growth rate, feed conversion rate and size on harvested fish. Smolt size still low – and high costs.

**Market:** Market conditions still affected by Covid-19

(NOK/kg)	Q1 2021				
	FO				SCT
	North	West	South	Total	Total
Op. EBIT/kg gw	16.49	3.63	3.48	14.10	-1.23

### Freight per kilo sold fresh salmon (FO) [Q3 2019 = Index 100]



# VALUE ADDED PRODUCTS (VAP)

## STRONG QUARTER WITH HIGHER VOLUMES AND IMPROVED RESULTS

### Volumes (tonnes)



### Revenue (mDKK)



### Operational EBIT (mDKK)



### Operational EBIT/kg (NOK)

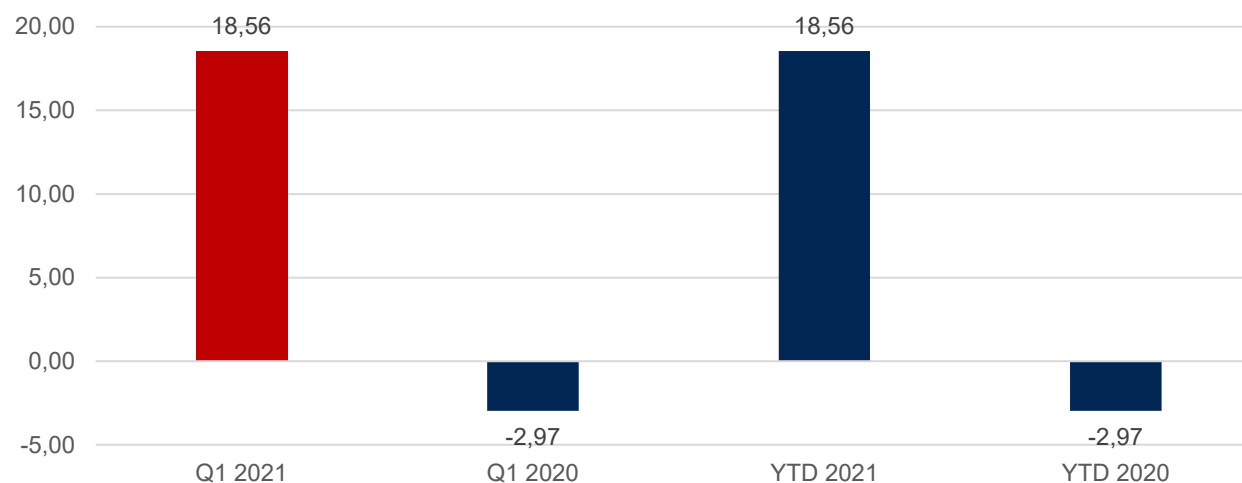


### % of harvest volume for VAP



(DKK million)	Q1 2021	Q1 2020
Operating revenue	300	274
Operational EBIT	75	-11
Operational EBIT margin	25%	-4%
VAP transferred from Farming FO volumes (tgw)	5,265	5,408
VAP produced volumes (tgw)	5,576	5,066

### Margin - EBIT per kg total VAP produced [NOK/kg]





# FISHMEAL, OIL AND FEED (FOF)

HIGHER RAW MATERIAL SOURCING, BUT LOWER EXTERNAL SALES OF FISHMEAL

## EBITDA (mDKK)



## EBITDA margin (%)



## External fishmeal sold (tonnes)



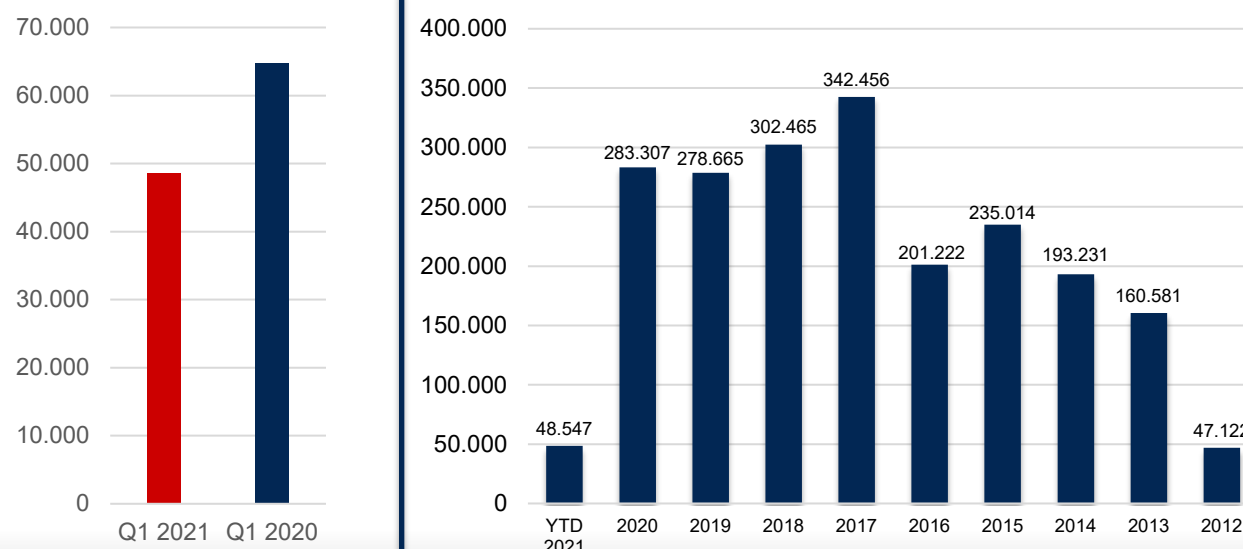
## Raw material sourced (tonnes)



(DKK million)	Q1 2021	Q1 2020
Operating revenue	322	310
EBITDA	48	40
EBITDA margin	15%	13%
Feed sold (tonnes)*	23,717	19,123
Fishmeal sold external (tonnes)	7,206	11,772

\* Including internal sales, corresponding to 97,9% of feed volumes in Q1 2021 (Q1 2020: 74,9%)

## Sourcing of raw material (tonnes)



# MARKET CONDITIONS FEED

## SIGNIFICANT INCREASE IN FEED SALES

### Total feed sales increased (tonnes)

**19,123**  
(Q1 2020)

**24%**

**23,717**  
(Q1 2021)

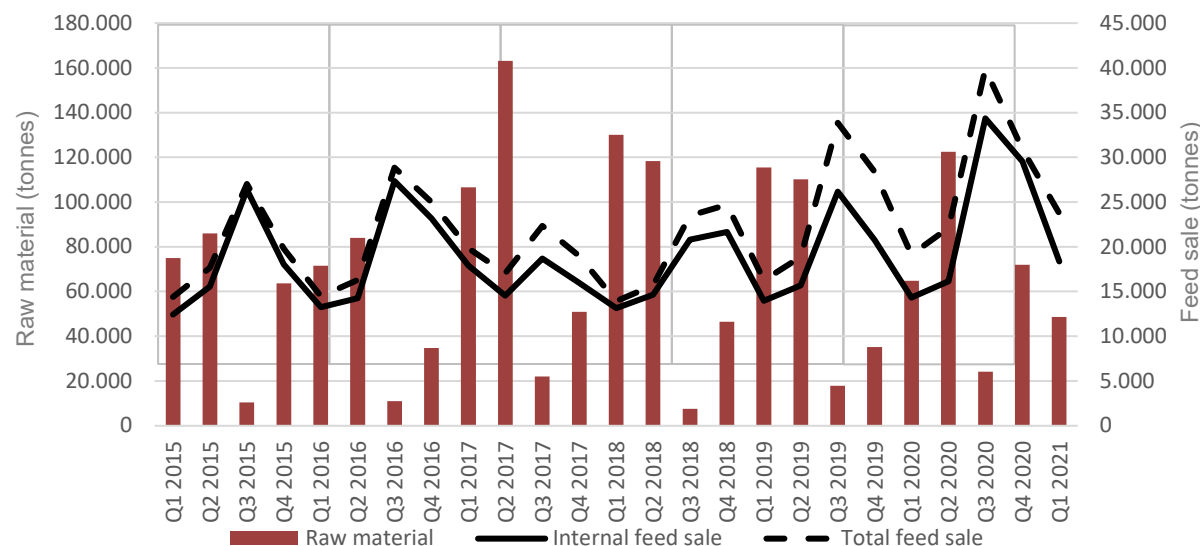
### External feed sale decreased (tonnes)

**4,806**  
(Q1 2020)

**-89%**

**504**  
(Q1 2021)

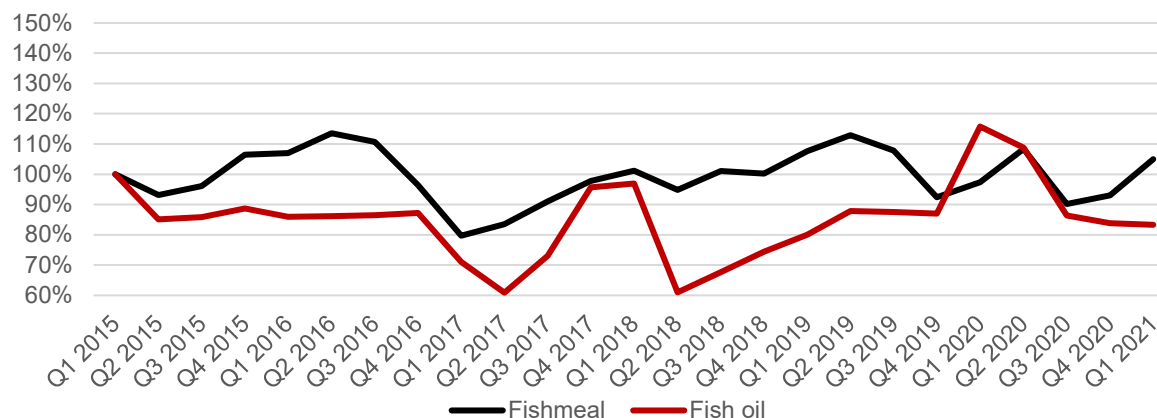
### Volumes of raw material purchase and feed sale [tonnes]



### Market fluctuations

The fishmeal price increased while the fish oil price decreased in Q1 2021, compared to the previous quarter

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



Source: Holtermann



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# GROUP PROFIT AND LOSS

## LOWER REVENUE, REDUCED OPERATIONAL EBIT AND PROFIT

### Revenue (mDKK)

**1,255**  
(Q1 2020) → **1,176**  
(Q1 2021)

### Operational EBIT (mDKK)

**248**  
(Q1 2020) → **224**  
(Q4 2021)

### Fair value of biomass (mDKK)

**-411**  
(Q1 2020) → **285**  
(Q1 2021)

### Revenue tax (mDKK)

**-19**  
(Q1 2020) → **-20**  
(Q1 2021)

### Taxes

**33**  
(Q1 2020) → **-86**  
(Q1 2021)

### Profit after tax (mDKK)

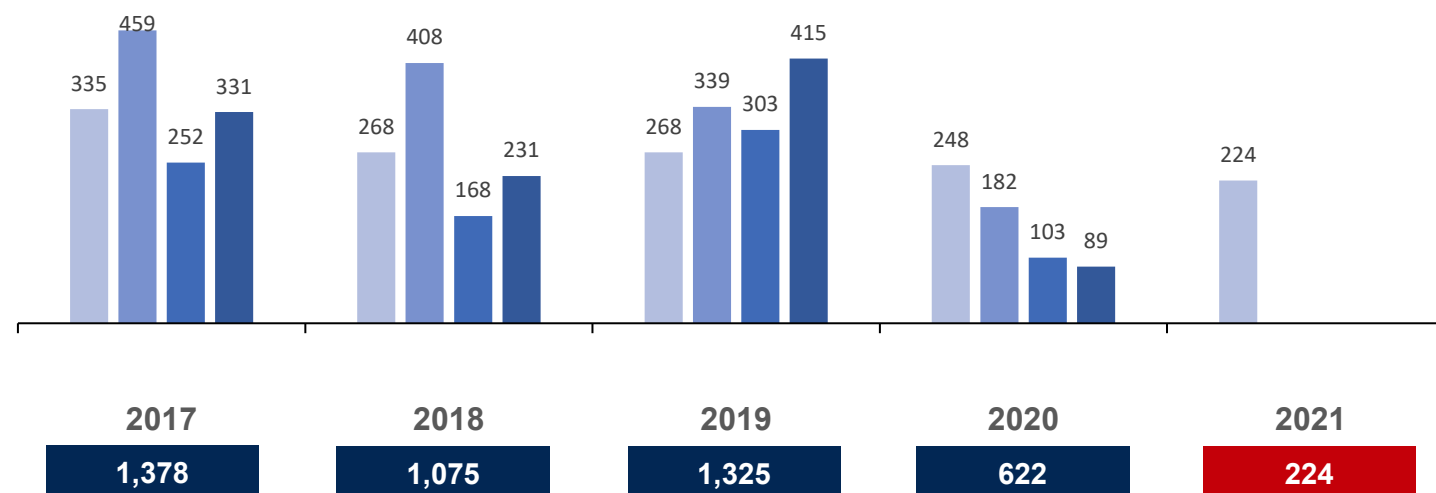
**-148**  
(Q1 2020) → **408**  
(Q1 2021)

(DKK million)	Q1 2021	Q1 2020
Operating revenue	1,176	1,255
<b>Operational EBITDA</b>	<b>354</b>	<b>367</b>
<b>Operational EBIT</b>	<b>224</b>	<b>248</b>
Fair value adjustment of biological assets	285	-411
Onerous contracts	0	0
Income from associates	1	0
Revenue tax	-20	-19
<b>EBIT</b>	<b>489</b>	<b>-182</b>
Net financial items	4	1
<b>EBT</b>	<b>493</b>	<b>-181</b>
Taxes	-86	33
<b>Profit for the period</b>	<b>408</b>	<b>-148</b>
<b>Operational EBITDA margin</b>	<b>30.1%</b>	<b>29.2%</b>
<b>Operational EBIT margin</b>	<b>19.0%</b>	<b>19.8%</b>
<b>Operational EBIT/kg (Farming FO and VAP) (NOK)</b>	<b>21.48</b>	<b>25.10</b>
<b>Operational EBIT/kg (Farming SCT) (NOK)</b>	<b>-1.23</b>	<b>5.70</b>
<b>EBITDA margin (fishmeal, oil and feed)</b>	<b>15.0%</b>	<b>13.0%</b>

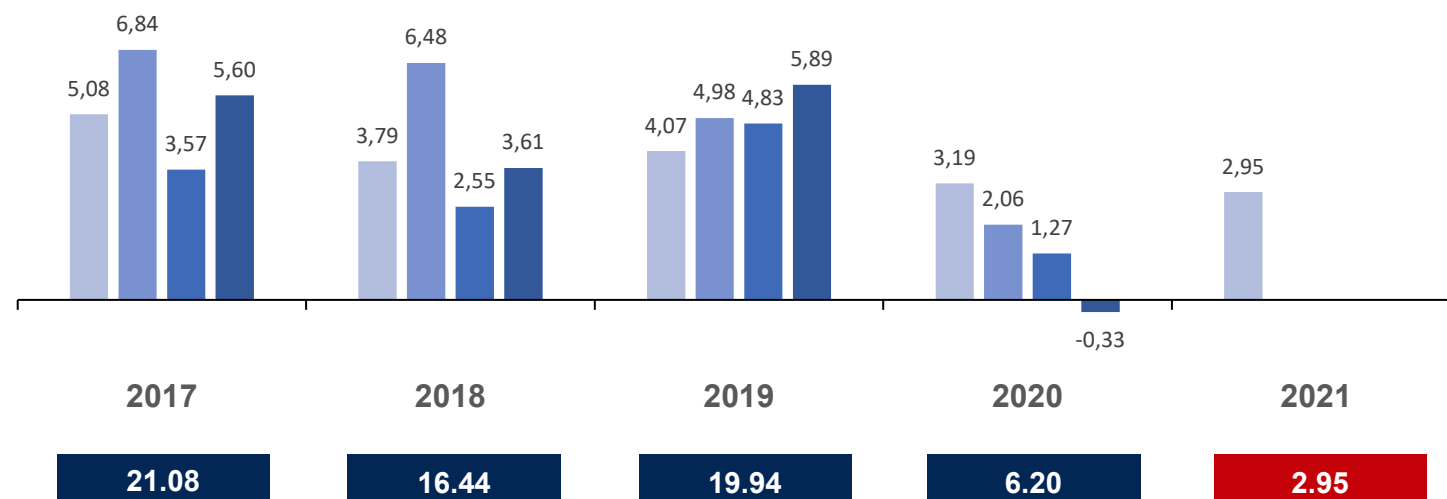
\* Operational EBITDA and EBIT aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax.

# 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)

### Intangible assets:

**4,493**  
(Q1 2021)

### PPE:

**4,221**  
(End 2020)



**4,406**  
(Q1 2021)

### Biological assets:

*\* (whereof mDKK 285 are fair value adjustments)*

**2,117**  
(End 2020)



**2,441\***  
(Q1 2021)

### Inventory:

**776**  
(End 2020)



**772**  
(Q1 2021)

### Receivables:

**490**  
(End 2020)



**549**  
(Q1 2021)

### Cash & cash equiv.:

**467**  
(End 2020)



**374**  
(Q1 2021)

### Equity:

**8,729**  
(End 2020)



**9,180**  
(Q1 2021)

### Equity ratio:

**67,7%**  
(Q1 2021)

(DKK million)	Q1 2021	End 2020
Intangible assets	4,493	4,493
Property, plant and equipment	4,406	4,221
Right of use assets	338	353
Financial assets	123	122
Long-term receivables	8	8
Deferred tax assets	0	27
Biological assets	2,441	2,117
Inventory	772	776
Receivables	549	490
Other receivables	61	134
Cash and cash equivalents	374	467
<b>Total Assets</b>	<b>13,564</b>	<b>13,208</b>
Equity	9,180	8,729
Deferred tax and other taxes	1,288	1,222
Long-term interest-bearing debt	2,312	2,220
Long-term leasing debt	236	265
Financial derivatives	5	11
Short-term leasing debt	143	131
Accounts and other payables	400	629
<b>Total Equity and Liabilities</b>	<b>13,564</b>	<b>13,208</b>



# CASH FLOW

## Cash flow, operations (mDKK)



## Cash flow, investments (mDKK)



## Cash flow, financing (mDKK)



(DKK million)	Q1 2021	Q1 2020
Cash flow from operations	137	365
Cash flow from investments	-268	-101
Cash flow from financing	37	-773
Net change in cash	-93	-509
Cash at the end of the period	378	467
Undrawn facilities	1,487	2,465

## NET INTEREST-BEARING DEBT (NIBD)

### NIBD INCREASED DURING Q1 2021

#### NIBD was increased by:

- Net investments (mDKK 268)
- Change in working capital (mDKK 228)

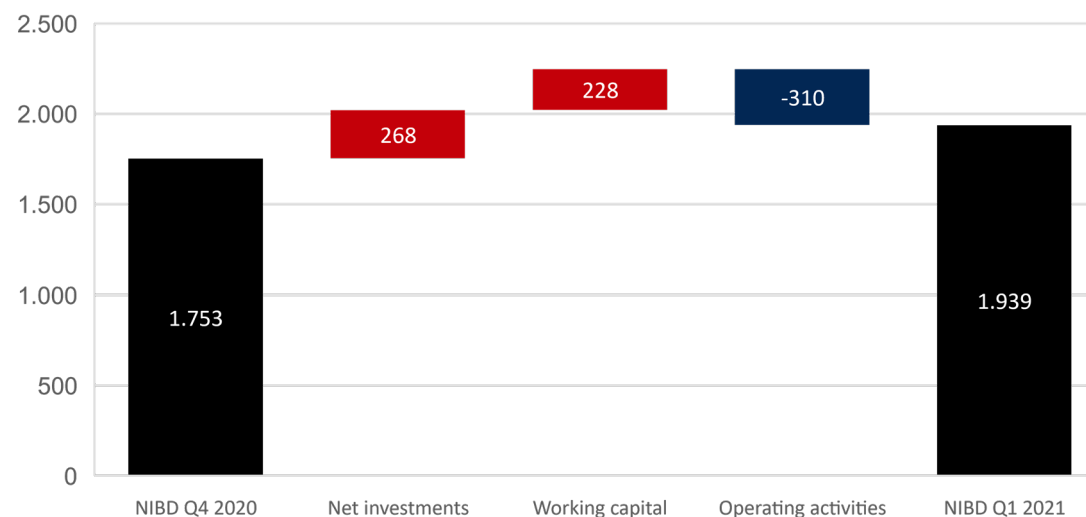
#### NIBD was decreased by:

- Cash flow, operating activities (mDKK -310)

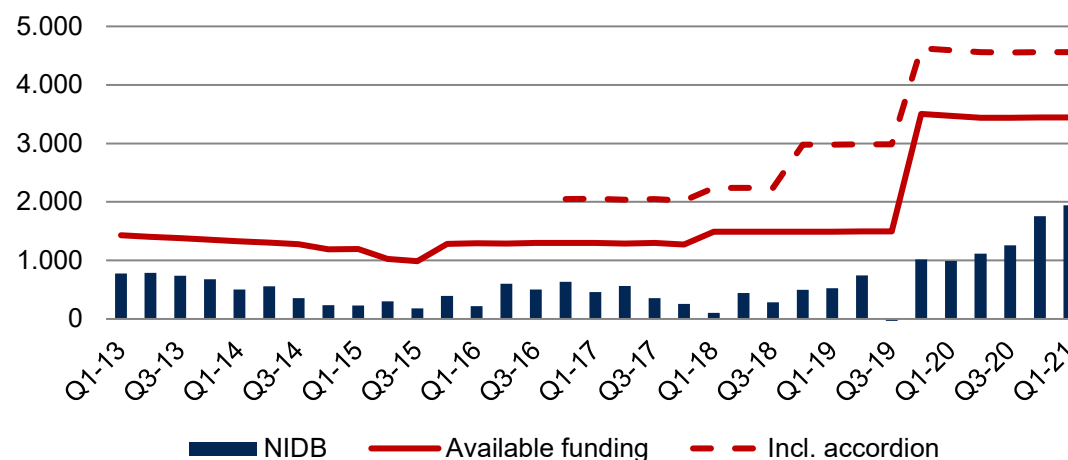
#### Financing end Q1 2021

- NIBD: DKK 1,939 million
- Bank facilities of EUR 463 million, and an accordion of EUR 150 million.
- Undrawn credit facilities: DKK 1,487 million

#### Development in NIBD in DKK millions



#### NIBD and available funding



## Healthy Living Plan

We believe that by investing in the health of our business, our people, our salmon, the environment and the communities in which we operate, we will enable healthy living for millions of people globally.

See more by visiting  
[www.bakkafrost.com/sustainability](http://www.bakkafrost.com/sustainability)



## THE GLOBAL GOALS

### UN SUSTAINABLE DEVELOPMENT GOALS

Bakkafrost is contributing towards to the achievement of the UN SDGs through the Healthy Living Plan.



Bakkafrost was nominated for **two awards** at edie Sustainability Leaders Awards in February



**Electrification of sea barges** with 5.6 km sea cable



Bakkafrost has signed a contract to build a **fully electric workboat**



Continue **funding** the **research** project about sea trout



Participate in the **DigiHeart** research project, to better understand the **heart health status** of the salmon



Extended the **sponsorship** of the Faroese men's **national football team**



Healthy Business



Healthy Salmon



Healthy People



Healthy Environment



Healthy Communities



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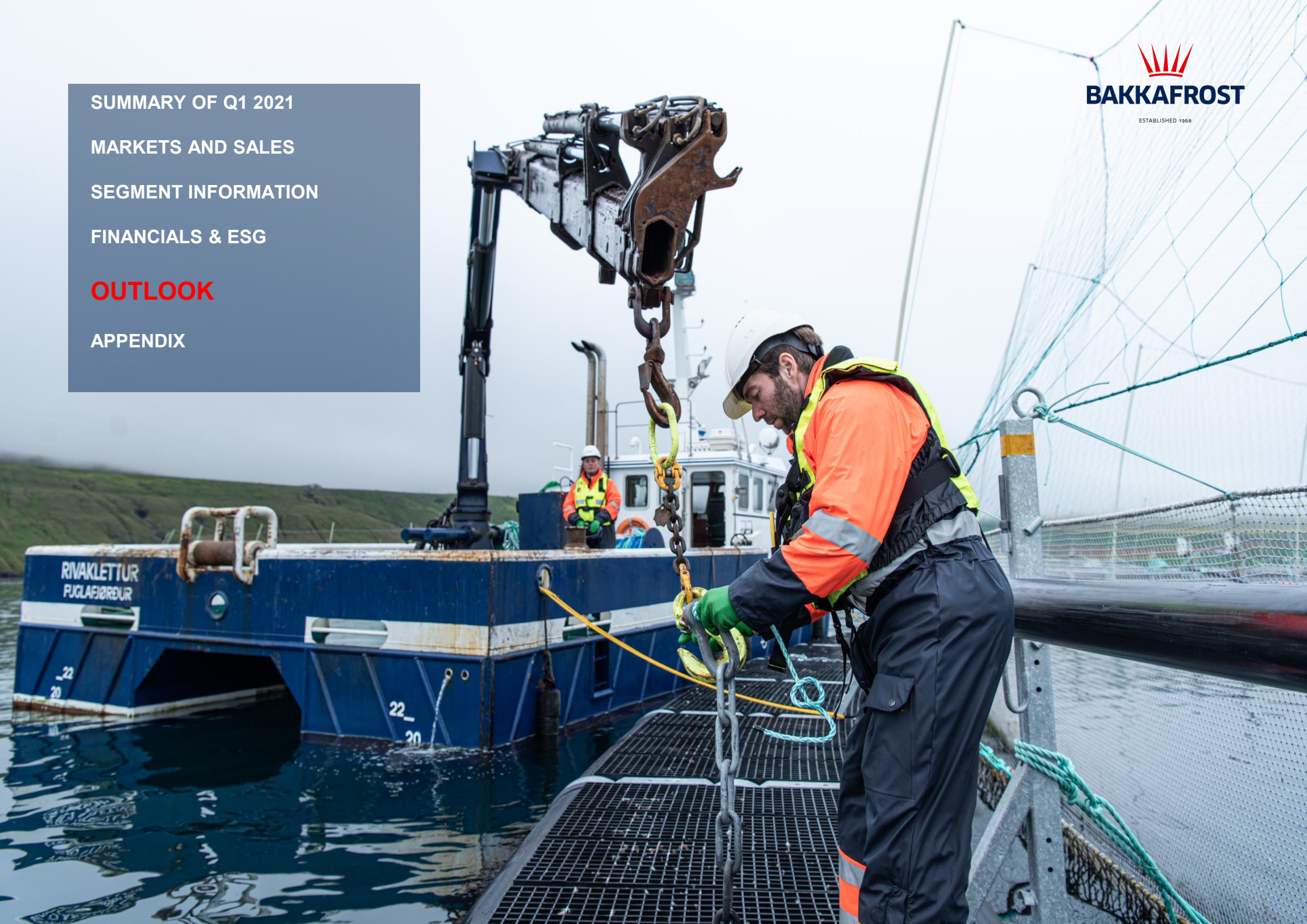
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# OUTLOOK

## Market

- Global harvest increased 14.4% in Q1 2021 vs Q1 2020
- 1-2% decrease expected in global harvest in Q2 2021
- Zero growth in global **harvest** expected in H2 2021
- 5% increase in global **supply** expected in 2021.

## Farming

- In 2021, Bakkafrost expects to harvest HOG 106,000 tonnes (Faroe Islands: 66,000 tonnes and Scotland: 40,000 tonnes)
- In the Faroe Islands, Bakkafrost expects to release around 14.5 million smolts in 2021
- In Scotland, Bakkafrost expects to release around 11.0 million smolts in 2020

## Contracts

- For 2021, Bakkafrost has signed contracts for around 28% of the total expected harvest volumes in the Faroe Islands and Scotland
- Bakkafrost strategy is to allocate around 40% of expected harvested volumes at commitments and contracts at any time

## Fishmeal, Oil and Feed

- Feed sales are expected to be around 120,000 tonnes in 2021
- Fishmeal and fish oil volumes are expected to be lower than in 2020

## Business development / Investment programme

- Pursuing sustainable organic growth
- For the period 2020 – 2022, ~DKK 1.8 billion will be invested in the Faroe Islands
- In Scotland, the yearly investments for 2020-2024 are expected to be around DKK 350-400 million per year
- Capital Markets Day will be held on 14-15 September 2021



SUMMARY OF Q1 2021

MARKETS AND SALES

SEGMENT INFORMATION

FINANCIALS & ESG

OUTLOOK

**APPENDIX**

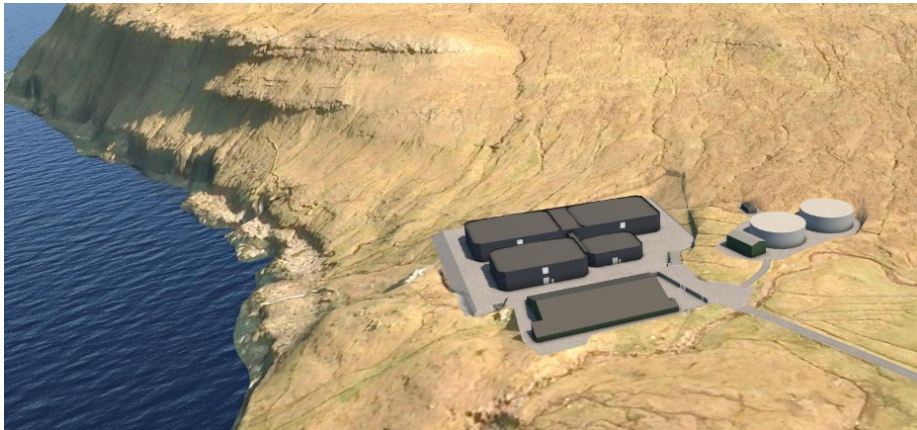




## LAND BASED FARMING EXPANSION TO 14 KT

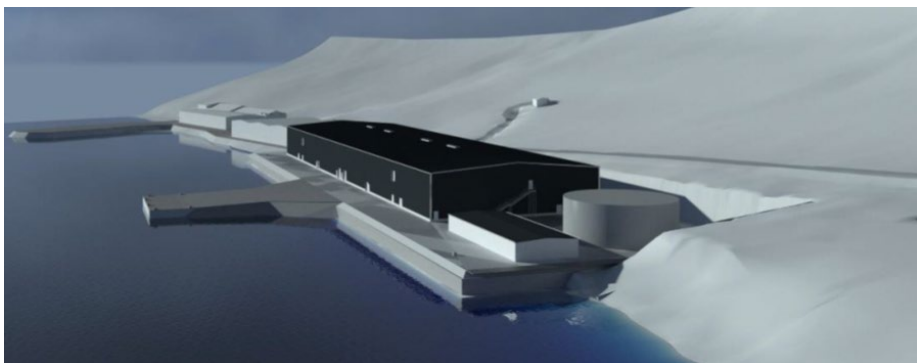
### S16 Glyvradalur capacity expansion in progress

- In operation in 2023  
1.9kt ~ 3.8m smolt á 500g



### S03 Norðtoftir capacity expansion in progress

- In operation in 2023  
2.8kt ~ 5.3m smolt á 500g



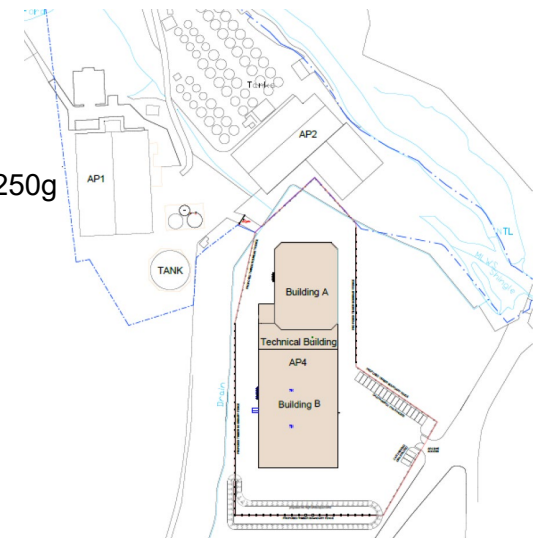
### S24 Strond capacity expansion finalised

- Now in full operation ~ 9m smolt á 500g
- 10 unrelated departments, building of 320m x 80m



### FS1336 Applecross, Scotland

- Expected to be in operation in 2023  
2.8kt ~ 11m smolt á 250g



## SCOTLAND SITE OVERVIEW

7,742 TONNES CONSENT INCREASE SINCE THE ACQUISITION

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

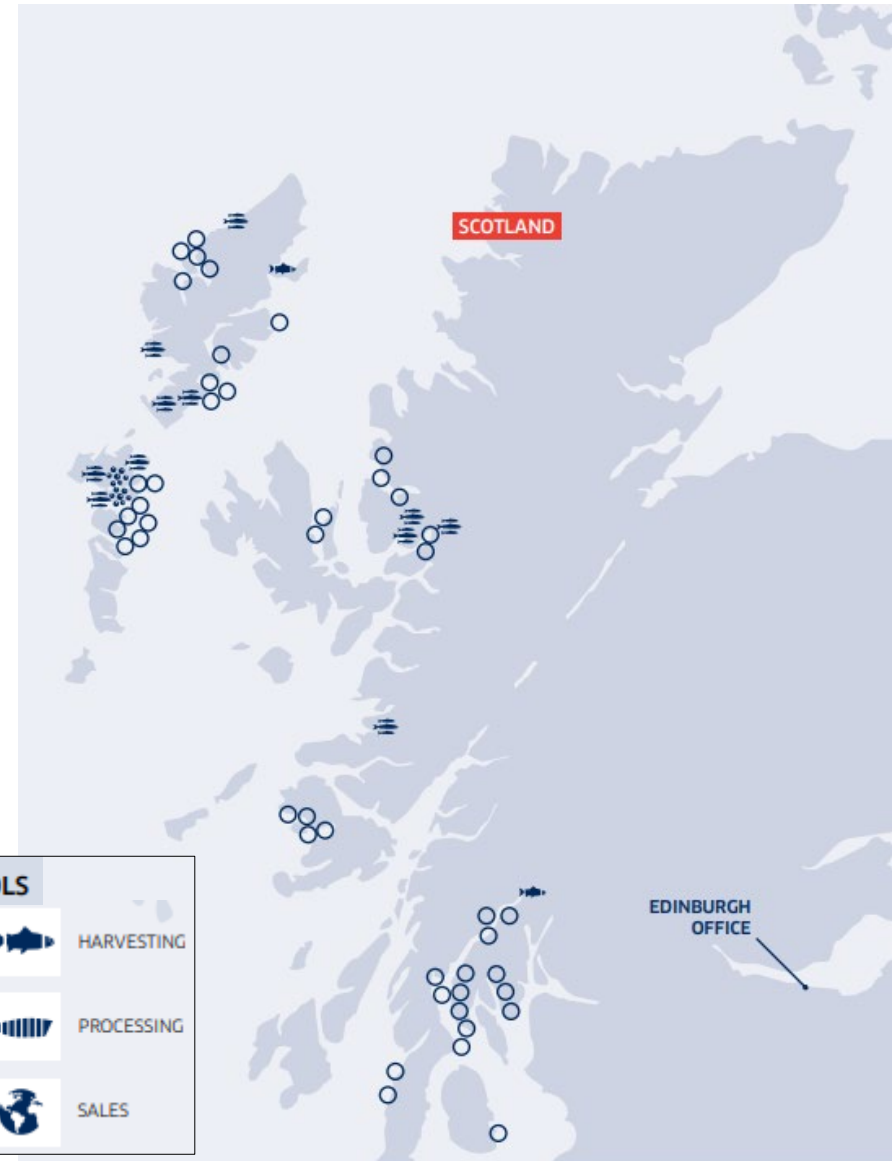
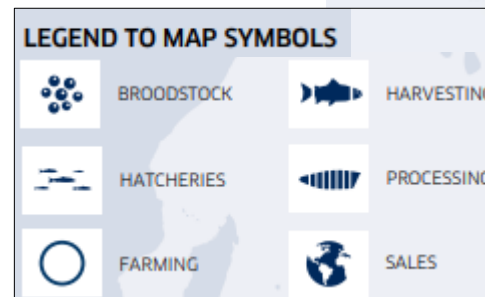
**Total consent is 74,765 tonnes in 44 farming sites:**

**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**, Faroe Islands and Scotland
  - **Premium brands**



Harris and Lewis, Scotland



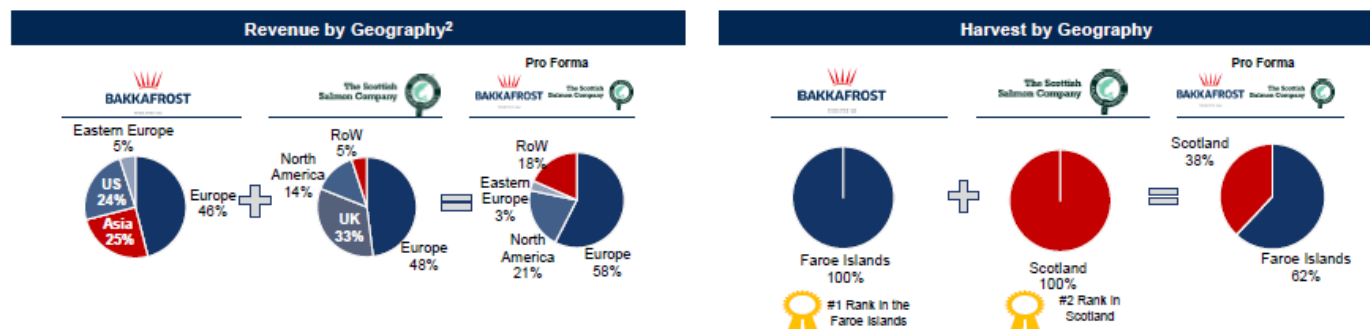
## SCOTLAND – STRATEGIC RATIONALE

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

- Scottish Salmon **profitability** to improve over a five-year period 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.

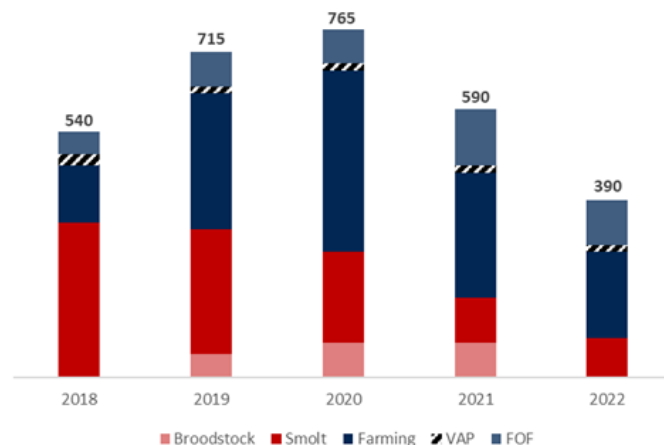
<sup>2</sup> Geographic breakdown of revenue based on H1 2019 data for both companies.

# FAROE ISLANDS - GROWING TO 100KT

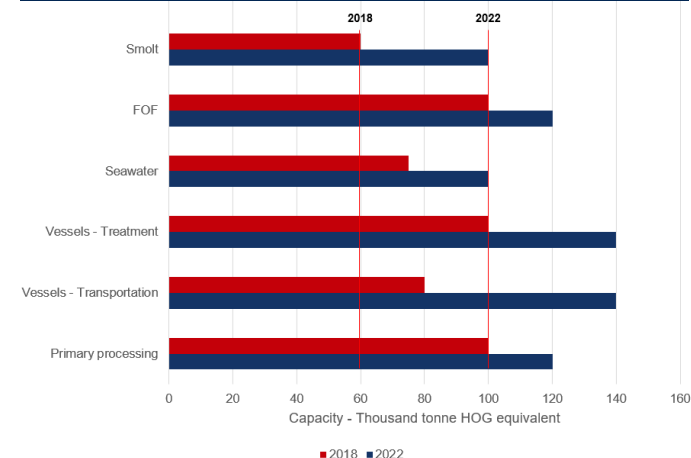
## SUPERIOR BIOLOGY COMBINED WITH STATE-OF-THE-ART INFRASTRUCTURE

	FISHMEAL, OIL AND FEED	BROODSTOCK	SMOLT	SEA WATER	PROCESSING	SALES/MARKETING
<b>CAPACITY 2018</b>	Equivalent to 100k (tgw) annual harvest @ marine index of 44%	None	12 million @ 200 grams	21 farming sites/17 fjords 55k (tgw) @100g smolt/ 65k (tgw) @500g smolt 4 well boats & 2 FSVs	130k primary (tgw) 40k secondary (tgw) 80k packaging material (tgw)	Central sales Faroes UK sales office US sales office Branding
<b>CMD ANOUNCED INVESTMENTS</b>	Additional 65k (tgw) annual harvest @ marine index of 44%	Own breeding programme Full self sufficiency	19 million @ 500 grams	Upgraded infrastructure Fish transportation R&D	Selected upgrading, efficiency and functionality	Marketing/sales initiatives Market penetration
<b>PURPOSE</b>	Sustainable Growth Flexibility Efficiency, streamlining & innovation Environmental improvement Food safety	Adaptability to local biology Product differentiation Support branding strategy (immaterial property) Less dependency of suppliers Veterinary control	Sustainable growth Reduced exposure in sea	>100k (tgw) @ 500g smolt	Product quality Product presentation Product differentiation Fresh premium product capability	Premium price achievement Reduced spot price sensitivity Maintain low exposure to single markets

2018 Capex programme



Development in capacity constraints



## DEVELOPMENT IN SUPPLY AND SOLD QUANTITY BY ORIGIN

### Expected supply growth in 2021

- 6% growth in Global supply
- 11% growth in European supply
- -7% growth in supply from Americas

Global Supply of Atlantic Salmon (head on gutted - HOG)					
	2017	2018	2019	2020E	2021E
Norway	1,078	1,129	1,198	1,223	1,334
UK	159	137	171	160	184
Ireland	15	13	14	14	13
Iceland	11	12	22	27	43
Faroes	72	64	78	72	90
<b>Total Europe</b>	<b>1,336</b>	<b>1,355</b>	<b>1,484</b>	<b>1,496</b>	<b>1,663</b>
Chile	490	598	601	657	608
Canada	123	131	124	124	122
USA	20	17	19	18	14
<b>Total Americas</b>	<b>633</b>	<b>747</b>	<b>744</b>	<b>798</b>	<b>744</b>
Others	67	67	72	92	111
<b>Total (Sold Quantity)</b>	<b>2,035</b>	<b>2,169</b>	<b>2,300</b>	<b>2,387</b>	<b>2,518</b>
<b>Supply growth - Global</b>	<b>2%</b>	<b>7%</b>	<b>6%</b>	<b>4%</b>	<b>6%</b>
Supply growth - Europe	4%	1%	10%	1%	11%
Supply growth - Americas	-3%	18%	0%	7%	-7%

Salmon Markets (head on gutted - HOG)					
	2017	2018	2019	2020E	2021E
EU+UK	918	949	1,017	1,070	1,152
USA	402	436	469	506	517
Japan	57	54	53	64	63
Russia	70	89	79	78	86
Others	588	641	682	668	700
<b>Total (Sold Quantity)</b>	<b>2,035</b>	<b>2,169</b>	<b>2,299</b>	<b>2,387</b>	<b>2,518</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 2021 MARKET ENVIRONMENT

- Increased market prices despite of
  - Strong supply growth
  - Continued low food service demand (Covid-19)
- Nasdaq Norway price EUR 5.1 in Q1 2021
  - 23% down vs. Q1 2020
  - 26% up vs. Q4 2020
- Urner Barry East Coast price outperformed other markets
  - 14% down vs. Q1 2020
  - 13% up vs. Q4 2020

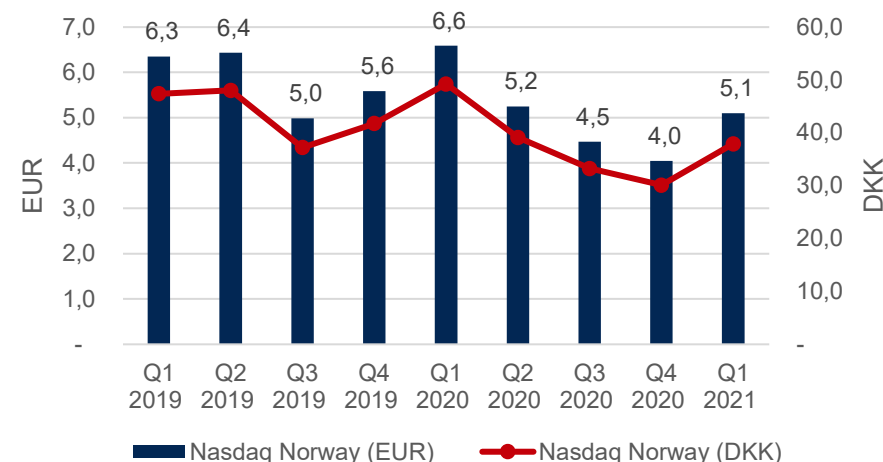
MARKET CURRENCY	Q1 2021	Q1 2020	Change %
Nasdaq Norway (EUR)	5.10	6.59	-22.6 %
UB North East US 14-16lb HOG (USD per kg)	7.98	9.25	-13.7 %

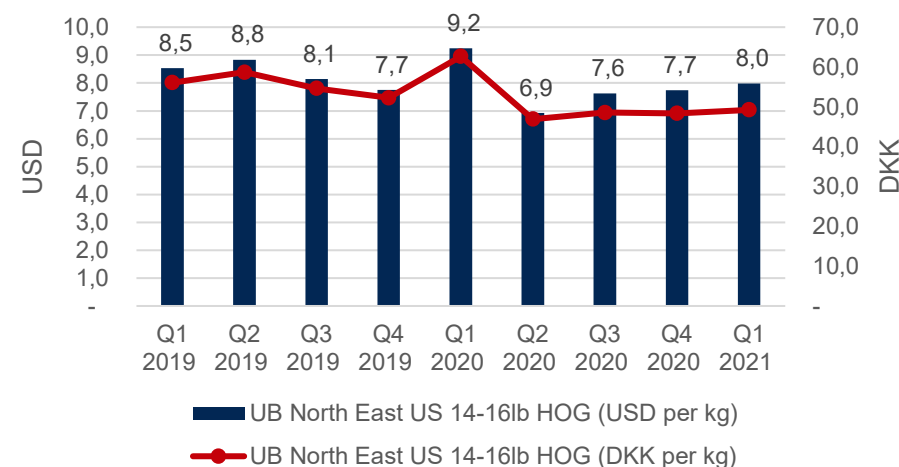
DKK	Q1 2021	Q1 2020	Change %
Nasdaq Norway	37.90	49.20	-23.0 %
UB North East US 14-16lb HOG (per kg)	49.26	62.67	-21.4 %

Source: Kontali

### PRICE NORWAY



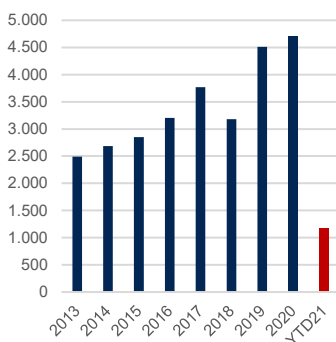
### PRICE US – NORTH EAST



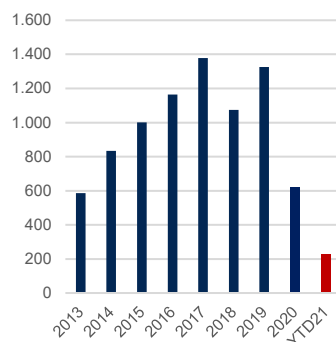
## DEVELOPMENT PER QUARTER

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
(mDKK)	2019	2019	2019	2019	2020	2020	2020	2020	2021
Revenue	964	947	996	1,605	1,255	1,134	1,123	1,183	1,176
Operational EBIT	268	339	303	415	248	182	103	89	224
Profit/Loss	213	189	181	220	-148	472	177	-38	408
Harvest FO (tgv)	13,707	12,609	12,938	17,930	10,667	12,941	11,135	15,957	14,025
Harvest SCT (tgv)				7,925	7,268	7,937	10,476	9,305	7,002
Op. EBIT Farming FO & VAP (NOK/kg)	21.99	31.31	26.25	28.25	25.10	15.34	15.24	12.92	21.48
Op. EBIT Farming FO (NOK/kg)	21.86	31.31	23.61	25.49	26.51	9.79	12.43	5.66	14.10
Op. EBIT VAP (NOK/kg)	0.37	-0.01	9.23	11.72	-2.78	11.19	5.87	17.05	18.56
Op. EBIT Farming SCT (NOK/kg)				3.09	5.70	5.36	-3.89	-8.41	-1.23
Equity ratio	70%	65%	68%	65%	66%	69%	68%	66%	68%
NIBD	522	744	-1,271	1,019	988	1,116	1,257	1,753	1,939

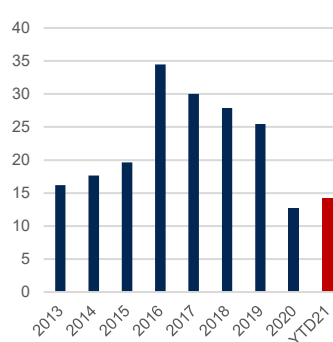
Revenue (mDKK)



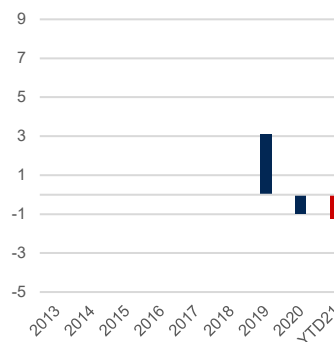
Operational EBIT (mDKK)



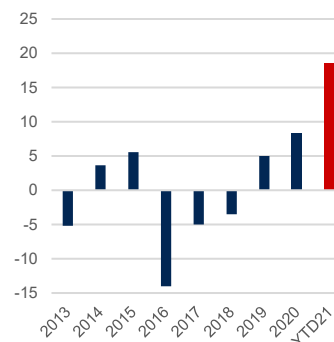
Farming FO margin Op. EBIT (NOK/kg)



Farming SCT margin Op. EBIT (NOK/kg)



VAP FO margin Op. EBIT (NOK/kg)



# DIVIDEND

## Dividend

- The dividend for 2020 of DKK 3.65 (NOK 4,96) per share was paid out on 30 April 2021.
- Dividend payment equals 59% of adjusted EPS.

## Dividend policy

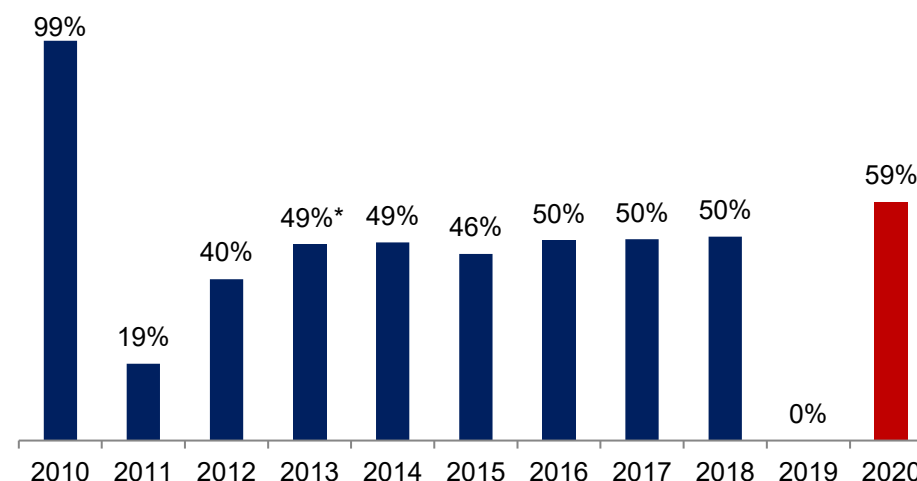
- Competitive return through:
  - Dividends
  - Increase in the value of the equity
- Generally, Bakkafrost shall pay dividend to its shareholders
- A long-term goal is that 30–50% of adjusted EPS shall be paid out as dividend

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

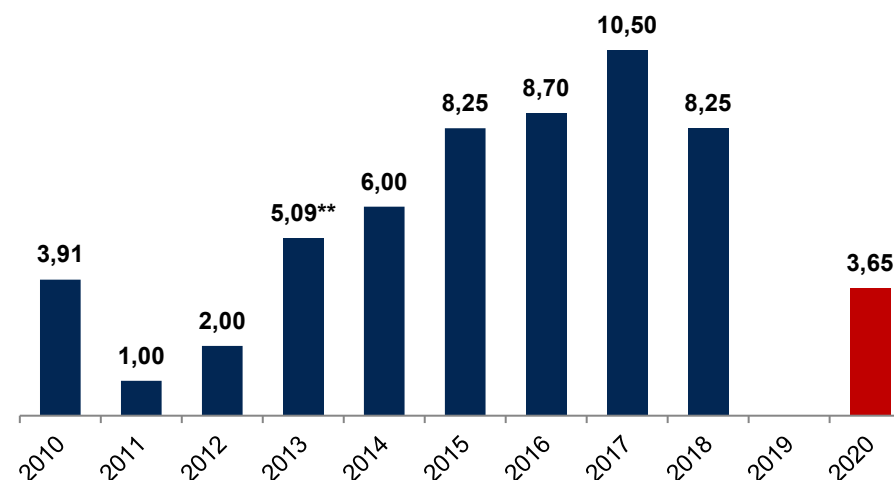
\*\* Dividend and acquisition of treasury shares

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

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



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





# Bakkafrost at a Glance



## 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

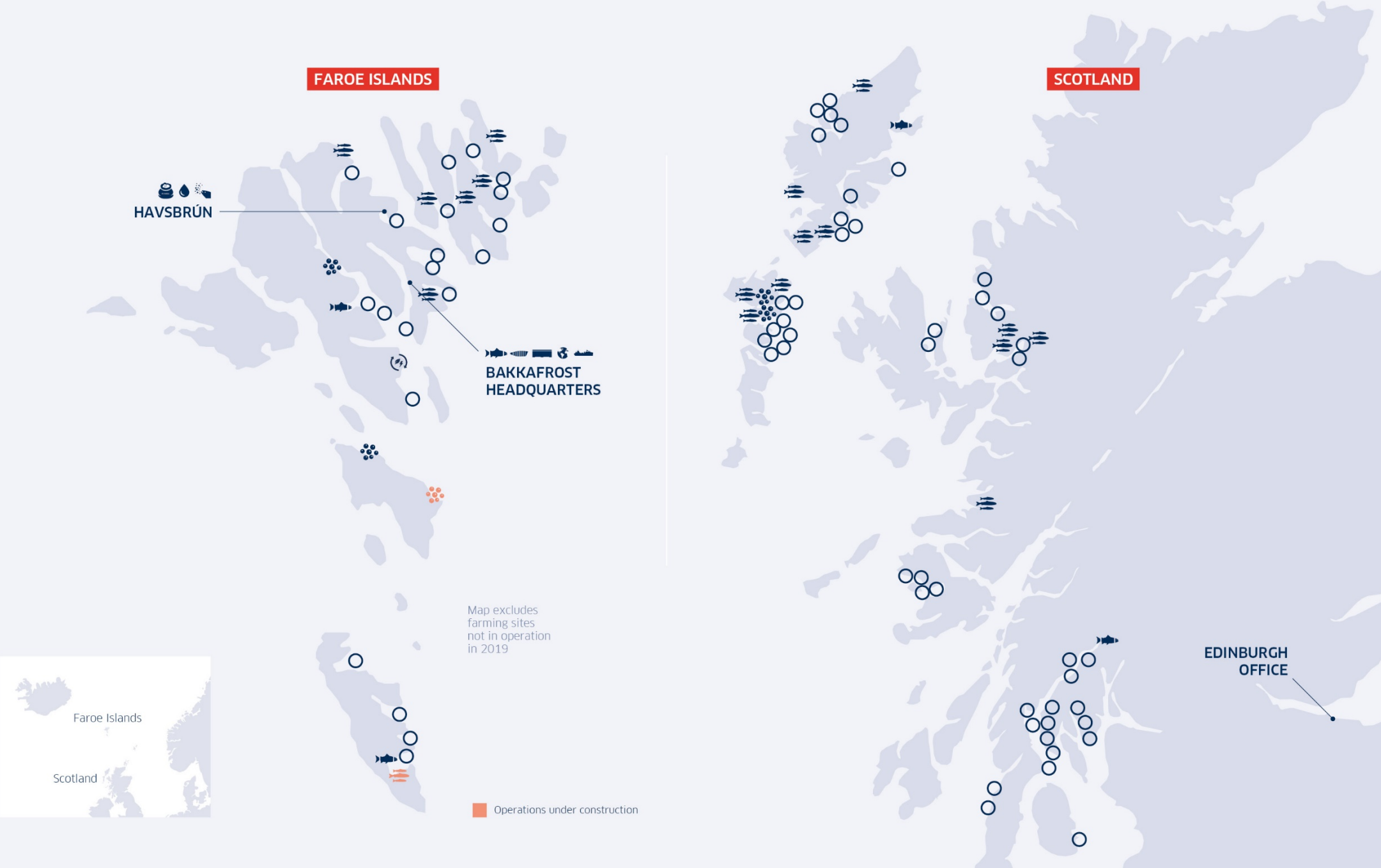
**Headquarters:** Glyvvar, Eysturoy

**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

# Facilities and locations



- 18 islands – 1,387 km<sup>2</sup>
- 53,108 inhabitants (March 2021)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, Danish krone (DKK)

## Key sectors (% of wage earners, M12 2020)

- Service/public admin.: ~35%
  - Private service: ~32%
  - Construction: ~16%
  - Fish & aquaculture: ~18%
  - Unemployment rate (November 2020): 1.4%
  - Total working force (December 2020): 27,691
- 
- **GDP:** DKK ~20.5bn (2019e)
  - **GDP/capita:** DKK 394,000 (2019e)
    - (Norway: DKK 463,000) (2017)

## Total export of fish products (2019)

- DKK 8,937 million - whereof farmed fish accounts for 45%

## TAXES

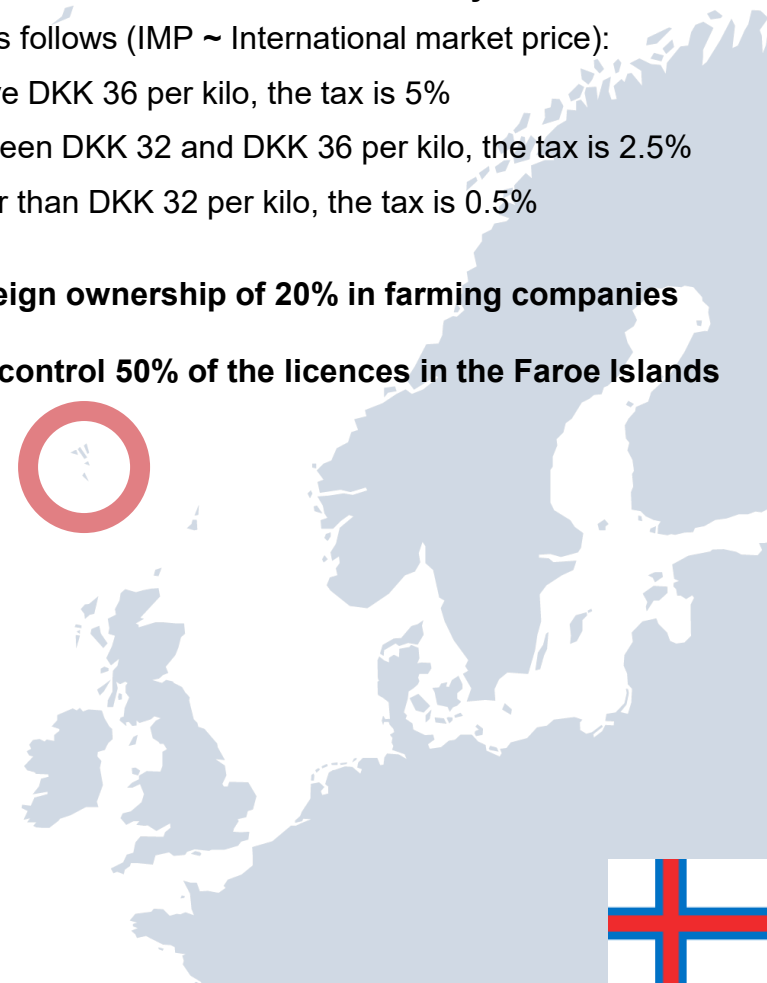
- Total percent of GDP: 41.8% (2016)
- Corporate tax: 18%
- Farming revenue tax: 5.0% of revenues after 1 January 2019

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





**BAKKAFROST**

ESTABLISHED 1968