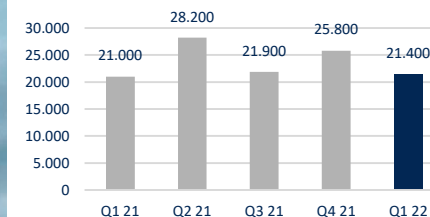


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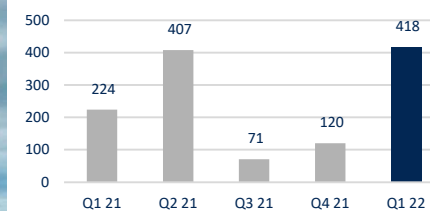
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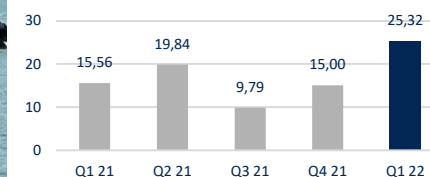
HARVEST VOLUME TGW



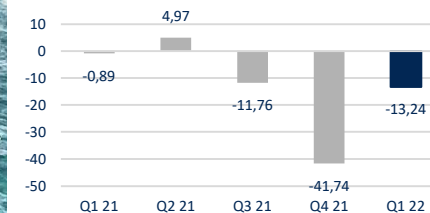
OPERATIONAL EBIT MDKK



OPERATIONAL EBIT VAP AND
FARMING FO DKK/KG



OPERATIONAL EBIT SCT DKK/KG



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Highlights

DKK 1,000	Q1 2022	Q1 2021
INCOME STATEMENT		
Group - Operating revenue	1,639,345	1,175,637
Group - Operational EBIT*	417,889	223,501
Group - EBIT	510,113	489,077
Group - Profit for the period	404,757	407,732
Operational EBIT* (FO Farming and VAP) (DKK)	442,007	218,278
Operational EBIT/kg (FO Farming and VAP) (DKK)	25.32	15.56
Operational EBIT/kg (FO Farming and VAP) (NOK)	33.79	21.48
Farming Faroe Islands - Operating revenue	1,198,500	645,110
Farming Faroe Islands - Operational EBIT*	471,375	143,291
Farming Faroe Islands - Operational EBIT margin	39%	22%
Farming Faroe Islands - Operational EBIT/kg (DKK)	27.00	10.22
Farming Faroe Islands - Operational EBIT/kg (NOK)	36.03	14.10
Farming Scotland - Operating revenue	234,672	322,154
Farming Scotland - Operational EBIT*	-52,606	-7,306
Farming Scotland - Operational EBIT margin	-22%	-2%
Farming Scotland - Operational EBIT/kg (DKK)	-13.24	-1.04
Farming Scotland - Operational EBIT/kg (NOK)	-17.67	-1.44
VAP - Operating revenue	418,274	305,065
VAP - Operational EBIT*	-29,368	74,987
VAP - Operational EBIT margin	-7%	25%
VAP - Operational EBIT/kg (DKK)	-4.23	13.45
VAP - Operational EBIT/kg (NOK)	-5.65	18.56
FOF - Operating revenue	441,939	321,962
FOF - EBITDA	86,427	48,285
FOF - EBITDA margin	19.6%	15.0%
NOK/DKK (average)	74.93	72.47

DKK 1,000	Q1 2022	Q1 2021
FINANCIAL POSITION AND CASH FLOW		
Total Assets***	14,837,458	14,628,168
Equity***	9,450,745	9,347,545
Equity ratio***	64%	64%
Net interest-bearing debt***	2,191,847	2,125,811
Cash flow from operations	151,253	137,354
Cash flow from financing	-40,326	37,146
PROFITABILITY		
Basic earnings per share (DKK)	6.85	6.90
Diluted earnings per share (DKK)	6.85	6.90
ROCE**	3.0%	1.8%
VOLUMES		
Harvested Faroe Islands (tgw)	17,459	14,025
Harvested Scotland (tgw)	3,973	7,002
Total Harvest	21,432	21,027
Farming FO transferred to VAP (tgw)	6,677	5,265
VAP produced (tgw)	6,936	5,576
Sold feed tonnes	26,192	23,717
Internal feed sales tonnes	25,023	23,213
Smolt released thousand Faroe Islands (pcs)	1,980	2,426
Smolt released thousand Scotland (pcs)	2,257	1,618
Total smolt release	4,237	4,044

* Aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax – refer to Note 10

** Return on average capital employed, based on operational EBIT – refer to Note 10

*** Comparing figures from the end of 2021

Summary of the First Quarter 2022

(Figures in parenthesis refer to the same period last year).

The Bakkafrost Group delivered a total operating EBIT of DKK 418 million (DKK 224 million) in Q1 2022 and made a profit of DKK 405 million (DKK 408 million).

The combined FO farming and VAP segments made an operational EBIT of DKK 442 million (DKK 218 million).

The FO farming segment made an operational EBIT of DKK 471 million (DKK 143 million).

The SCT farming segment made an operational EBIT of DKK -53 million (DKK -6 million).

The VAP segment made an operational EBIT of DKK -29 million (DKK 75 million).

The EBITDA for the FOF segment was DKK 86 million (DKK 48 million).

Total harvested volumes for Q1 2022 was 21,400 tonnes gutted weight (21,000 **tgw**):

- FO: 17,500 **tgw** (14,000 **tgw**),
- SCT: 4,000 **tgw** (7,000 **tgw**).

In total, 4.2 million (4.0 million) smolts were transferred during Q1 2022:

- FO: 2.0 million (2.3 million),
- SCT: 2.3 million (1.6 million).

For the combined FO farming and VAP segments, the operational EBIT per kg in Q1 2022 was DKK 25.32 (DKK 15.56), which corresponds to NOK 33.79 (NOK 21.48). The FO Farming segment achieved higher prices in Q1 2022 than in Q1 2021.

In Q1 2022, the SCT farming segment had incident-based costs of DKK 24 million (DKK 8 million). The incidents were mainly in January and are zero in March.

The FOF segment made 20% (15%) EBITDA margin. Sales of fish feed amounted to 26,200 tonnes (23,700 tonnes) in Q1 2022. During Q1 2022, Havsbrún sourced 78,000 tonnes (48,500 tonnes) of raw material.

The net interest-bearing debt amounted to DKK 2,192 million at the end of Q1 2022, compared to DKK 2,126 million at year-end 2021. Undrawn credit facilities amounted to DKK 2,999 million at the end of Q1 2022.

Bakkafrost aims at giving the shareholders a competitive return on their investment, both through payments of dividends and by value growth of the equity through positive operations.

The long-term goal of the Board of Directors is that 30-50% of earnings per share shall be paid out as a dividend. The financial position of Bakkafrost is strong, with a solid balance sheet, a competitive operation and available credit facilities. The Annual General Meeting, convened on April 29th 2022, decided to pay out a dividend of DKK 5.14, corresponding to NOK 6.70 per share. The total dividend of DKK 304 million (NOK 396 million) will be paid out on or around May 20th 2021.

The equity ratio was 64% on March 31st 2022, compared to 64% at the end of 2021.

**The dividend per share in NOK is subject to changes depending on the exchange rate between NOK and DKK, which will be announced after the Annual General Meeting.*

Results from the First Quarter of 2022

Income Statement

(Figures in parenthesis refer to the same period last year).

The Group's operating revenue amounted to DKK 1,639 million (DKK 1,176 million) in Q1 2022.

The FO farming segment's harvest volumes were higher, and the achieved prices were higher in Q1 2022 compared to the same quarter last year. The VAP segment had higher revenues because of higher volumes sold and higher prices in Q1 2022 than in Q1 2021. The SCT Farming segment had a lower revenue because of the lower harvest volume. The FOF segment had higher revenue in Q1 2022, compared to Q1 2021, due to higher sales of fishmeal and higher sales of fish feed in Q1 2022, compared to Q1 2021.

The Group's operational EBIT was DKK 418 million (DKK 224 million) in Q1 2022.

The combined FO farming and VAP segments had higher operational EBIT in Q1 2022 compared to Q1 2021, DKK 442 million (DKK 143 million). Farming Scotland's operational EBIT was DKK -53 million (DKK -6 million), of which the cost of incident-based mortality is DKK 24 million (DKK 8 million). The FOF segment had higher EBITDA in Q1 2022 than in Q1 2021.

The fair value adjustment of the Group's biological assets amounted to DKK 177 million (DKK 285 million) in Q1 2022.

Change in provisions for onerous contracts amounted to DKK -31 million (DKK 0 million) in Q1 2022. Provisions are made for estimated onerous contracts that oblige the Group to sell fish at a price less than calculated production costs, including raw materials and biomass, measured at fair value. Please see note 3.14 in the Annual Report 2021.

The revenue tax amounted to DKK -58 million (DKK -20 million) in Q1 2022.

Net taxes amounted to DKK -87 million (DKK -86 million) in Q1 2022.

The result for Q1 2022 was DKK 405 million (DKK 408 million).

Statement of Financial Position

(Figures in parenthesis refer to the end of last year).

The Group's total assets amounted to DKK 14,837 million (DKK 14,628 million) at the end of Q1 2022.

Intangible assets amounted to DKK 4,507 million (DKK 4,496 million) at the end of Q1 2022.

Property, plant and equipment amounted to DKK 4,943 million (DKK 4,889 million) at the end of Q1 2022. In Q1 2022 purchase of property, plant, equipment amounts to DKK 181 million (DKK 268 million in Q1 2021).

Right of use assets amounted to DKK 279 million (DKK 302 million) in Q1 2022.

The carrying amount (fair value) of biological assets amounted to DKK 2,637 million (DKK 2,448 million) at the end of Q1 2022. Compared to year-end 2021, biological assets have increased and mainly due to an increase in the fairvalue adjustment.

Inventories amounted to DKK 794 million (DKK 709 million) at the end of Q1 2022.

Total receivables, including long-term receivables, financial derivatives, and deferred tax assets, amounted to DKK 1,078 million (DKK 1,126 million) at the end of Q1 2022.

Total cash and cash equivalents amounted to DKK 445 million (DKK 509 million) at the end of Q1 2022.

The Group's equity amounted to DKK 9,451 million (DKK 9,348 million) at the end of Q1 2022. The change in equity consists primarily of the result for 2022 and the paid-out dividend on DKK 304 million.

Total non-current liabilities amounted to DKK 4,468 million (DKK 4,474 million) at the end of Q1 2022.

Deferred taxes amounted to DKK 1,598 million (DKK 1,590 million) at the end of Q1 2022.

Long-term interest-bearing debt was DKK 2,637 million (DKK 2,635 million) at the end of Q1 2022.

Leasing debt amounted to DKK 310 million (DKK 333 million) at the end of Q1 2022.

At the end of Q1 2022, the Group's total current liabilities were DKK 919 million (DKK 807 million). The current liabilities consist of financial derivatives, short-term leasing debt and accounts payable, tax payable and other debt.

The equity ratio was 64% at the end of Q1 2022, compared to 64% at the end of 2021.

Cash Flow

(Figures in parenthesis refer to the same period last year).

The cash flow from operations was DKK 151 million (DKK 137 million) in Q1 2022. The changes in working capital had a negative effect on the cash flow from operations.

The cash flow from investment activities amounted to DKK -175 million (DKK -268 million) in Q1 2022. The primary investments have been in hatcheries.

The cash flow from financing activities totalled DKK -40 million (DKK 37 million) in Q1 2022.

In Q1 2022, the net change in cash flow amounted to DKK -64 million (DKK -93 million).

At the end of Q1 2022, the Group had unused committed credit facilities of DKK 2,999 million (DKK 1,487 million). In addition, the Group has an accordion of EUR 150 million.

Farming Segment – Faroe Islands (FO)

The Faroese farming segment produces high-quality Atlantic salmon from roe to harvest size salmon. The salmon is sold to fresh fish markets globally and to the internal VAP production. The farming sites are in the Faroe Islands.

Volumes

The total volumes harvested in Q1 2022 were 17,459 tonnes gutted weight (14,025 tgw) – a change in volume of 24%. 10,046 tgw came from the North region, 5,333 tgw from the West region and 2,080 tgw from the South region. This is in line with the forecast for 2022.

2.0 million (2.4 million) smolts were transferred to sea in Q1 2022.

DKK 1,000	Q1 2022	Q1 2021	Change
Financial			
Total revenue	1,198,500	645,110	86%
EBIT	475,170	442,261	7%
Operational EBIT	471,375	143,291	229%
Operational EBIT/kg (DKK)	27.00	10.22	164%
Operational EBIT margin	39%	22%	
Volumes			
Harvested volumes (tgw)	17,459	14,025	24%
- Farming North	10,046	11,422	-12%
- Farming West	5,333	2,458	117%
- Farming South	2,080	145	1334%
Smolts released (thousand)	1,980	2,426	-18%
- Farming North	419	1,259	-67%
- Farming West	1,262	101	1150%
- Farming South	299	1,066	-72%

Financial Performance

In Q1 2022, the operating revenue for the FO farming segment was DKK 1,199 million (DKK 645 million). The total revenue for the farming segment increased in Q1 2022, compared with Q1 2021, because of higher prices and higher volumes.

In Q1 2022, the FO farming segment's EBIT amounted to DKK 475 million (DKK 442 million).

Operational EBIT amounted to DKK 471 million (DKK 143 million) in Q1 2022, corresponding to an operational EBIT margin of 39% (22%).

Operational EBIT/kg for the FO farming segment was DKK 27.00 (DKK 10.22) in Q1 2022, corresponding to NOK 36.03 (NOK 14.10).

Costs of DKK 0 million (DKK 0 million) relate to incident-based mortality in Q1 2022.

Farming Segment – Scotland (SCT)

The Scottish farming segment represents the operating business of The Scottish Salmon Company Ltd (SSC). The Scottish Salmon Company is committed to producing the finest quality Scottish Salmon with Scottish Provenance and full traceability. SSC has sites across the West Coast of Scotland and the Hebridean Islands.

Volumes

The total volumes harvested in Q1 2022 were 3,973 tonnes gutted weight (7,002 tgw) - a change in volume of -43%.

2.3 million (1.6 million) smolts were transferred to sea in Q1 2022.

DKK 1,000	Q1 2022	Q1 2021	Change
Financial			
Total revenue	234,672	322,154	-27%
EBIT	63,187	-40,944	
Operational EBIT	-52,606	-7,306	-620%
Operational EBIT/kg (DKK)	-13.24	-1.04	-1169%
Operational EBIT margin	-22%	-2%	
Volumes			
Harvested volumes (tgw)	3,973	7,002	-43%
Smolts released (thousand pcs)	2,257	1,618	39%

Financial Performance

In Q1 2022, the operating revenue for the SCT farming segment was DKK 235 million (DKK 322 million).

In Q1 2022, the SCT farming segment's EBIT amounted to DKK 63 million (DKK -41 million).

Operational EBIT amounted to DKK -53 million (DKK -7 million) in Q1 2022, corresponding to an operational EBIT margin of -22% (-2%).

Operational EBIT/kg for the farming segment in Scotland was DKK -13.24 (DKK -1.04) in Q1 2022, which corresponds to NOK -17.67 (NOK -1.44).

Biological challenges impacted EBIT at the beginning of the period. Costs of DKK 23 million (DKK 8 million) relate to incident-based mortality in Q1 2022.

VAP Segment

The VAP (value-added products) segment produces skinless and boneless portions of salmon in the Faroe Islands. The primary market for VAP products is in Europe, with increasing sales in other markets. VAP products are sold on long-term fixed-price contracts.

Volumes

38% (38%) of the total Faroese harvested volumes in Q1 2022 went to the production of VAP products.

The VAP production in the Faroe Islands was 6,936 tonnes gutted weight (5,576 tgw) in Q1 2022, increasing 24% compared to Q1 2021.

DKK 1,000	Q1 2022	Q1 2021	Change
Financial			
Total revenue	418,274	305,065	37%
EBIT	-60,077	74,987	
Operational EBIT	-29,368	74,987	
VAP - Operational EBIT/kg (DKK)	-4.23	13.45	
Operational EBIT margin	-7%	25%	
Volumes			
Farming FO transferred to VAP (tgw)	6,677	5,265	27%
VAP produced (tgw)	6,936	5,576	24%
Harvested volumes used in VAP production	38%	38%	
Harvested volumes sold fresh/frozen	62%	62%	

Financial Performance

The operating revenue for the VAP segment amounted to DKK 418 million (DKK 305 million) in Q1 2022.

The VAP segment had an EBIT amounting to DKK -60 million (DKK 75 million) in Q1 2022. Changes in onerous contracts were DKK 31 million (DKK 0 million).

Operational EBIT amounted to DKK -29 million (DKK 75) in Q1 2022, corresponding to an operational EBIT of DKK -4.23 (DKK 13.45) per kg gutted weight in Q1 2022, which corresponds to NOK -5.65 (NOK 18.56) per kg gutted weight.

FOF Segment

The FOF (fishmeal, oil and feed) segment produces fishmeal, fish oil and fish feed. Most of the production is used for fish feed, used internally. The quality of the fish feed is important to the quality of the salmon from Bakkafrøst. Fishmeal, fish oil and fish feed are also sold externally.

Volumes

Havsbrún received 77,971 tonnes (48,547 tonnes) of raw material to produce fishmeal and fish oil in Q1 2022. The raw material intake depends on the fishery in the North Atlantic and available species of fish.

The fishmeal production in Q1 2022 was 16,553 tonnes (10,498 tonnes).

The production of fish oil in Q1 2022 was 2,901 tonnes (1,641 tonnes). The production of fish oil varies depending on the species of fish sourced for production and the timing of catch.

Sales of fish feed amounted to 26,192 tonnes (23,717 tonnes) in Q1 2022. The FO farming segment internally used 15,725 tonnes (18,364 tonnes) or 60% (77%). The SCT farming segment internally used 9,298 tonnes (4,849 tonnes) or 35% (20%).

Financial Performance

The operating revenue for the FOF segment amounted to DKK 442 million (DKK 322 million) in Q1 2022, of which DKK 313 million (DKK 247 million) represented sales to Bakkafrøst's farming segments, corresponding to 71% (77%).

Total revenue for the FOF segment in Q1 2022 was higher than the same quarter last year. The internal and external revenues are more elevated in Q1 2022 than Q1 2021. The increase in external revenue is due to higher volumes sold of fishmeal and fish Oil in Q1 2022, compared to Q1 2021.

DKK 1,000	Q1 2022	Q1 2021	Change
Financial			
Total revenue	441,939	321,962	37%
EBIT	83,310	41,206	102%
EBITDA	86,427	48,285	79%
FOF - EBITDA margin	19.6%	15.0%	
Volumes (tonnes)			
Total Feed sold	26,192	23,717	10%
- Feed internal sale FO	15,725	18,364	-14%
- Feed internal sale SCT	9,298	4,849	92%
- Feed external sale	1,169	504	132%
Fishmeal external sale	9,797	7,206	36%
Fish oil external sale	8	6	33%
Received raw material	77,971	48,547	61%
Fishmeal production	16,553	10,498	58%
Fish oil production	2,901	1,641	77%

EBITDA was DKK 86 million (DKK 48 million) in Q1 2022, and the EBITDA margin was 20% (15%). Havsbrún sources raw pelagic fish for the fishmeal and fish oil production, which are part of the recipe to produce salmon feed.

Outlook

Market

Supply decrease of 7%

The supply of salmon decreased 7.0% in Q1 2022, compared to Q1 2021 incl. inventory movements. Without inventory movements, the supply was 6.7% lower, according to the latest estimate from Kontali Analyse.

47% higher salmon prices

Salmon prices were 47.1% higher in this quarter compared to Q1 2021. Reduced supply, increased demand for salmon and general inflation on food prices have pushed salmon prices upwards. The demand for salmon has strengthened after Covid-19 restrictions have been lifted in most markets. This is reinforced by higher activity in the travel and hospitality industry.

Negative growth in H1 2022

In H1 2022, the global supply growth of Atlantic salmon is expected to be negative with around 7%, compared to H1 2021. Overall, the market supply of salmon in 2022 is expected to decrease around 1%, compared to 2021, including inventory movements.

Bakkafrost has a strong focus on ensuring a well-balanced flow to the different markets to increase diversification and mitigate the market risk. Bakkafrost operates in the main salmon markets, Europe, USA, and the Far East. Since the beginning of the war in Ukraine, Bakkafrost has stopped all trading with Russia.

Farming

The biological performance in the Faroese farming operation has been strong in this quarter. Sea lice levels and mortality rates have all been low.

With Bakkafrost's new wellboat, Bakkafossur, which will have 7,000m³ tank capacity for seawater, 3,000m³ for freshwater and reverse osmosis system onboard, Bakkafrost's capabilities to further reduce the biological risks in the Faroe Islands will be further strengthened.

The expansion of hatchery capacity in the Faroe Islands to fulfil Bakkafrost's goal to build an annual production capacity of over 23 million smolt of 500g in 2026 is progressing as planned.

Operational adjustments and fine tuning have also been made in the smolt production at the Strond hatchery, which is now outperforming historical performance.

The farming operation in Scotland has performed much better in this quarter, compared to Q3 and Q4 2021. The main root-cause for the mortality in Scotland in H2 2021 was compromised gill health in combination with secondary complications, such as blooms of micro-jellyfish/hydrozoans and fish handling during necessary treatments and lack of fresh water treatment capacity. Towards the end of Q4 2021, the situation stabilised on somewhat elevated mortality rates, which for a few sites remained until the middle of Q1 2022. Hence, the situation improved during Q1 2022 and in March 2022, the Scottish farming segment did not have any exceptional mortality and the Scottish farming segment was profitable again.

Bakkafrost has implemented many changes in the Scottish farming operation, including a new farming strategy. The benefits from this is gradually emerging as salmon produced according to the new farming strategy is beginning to be harvested.

In March 2022, the Scottish farming operation was reinforced with a new wellboat with large freshwater treatment capacity. This more than doubled the freshwater treatment capacity in Scotland and is expected to play an important role in mitigating compromised gill health, hence reducing risk of mortality caused by secondary complications.

Bakkafrost's implementation of the large smolt strategy in Scotland is progressing well and the current expansion phase of the Applecross hatchery is expected to be finalised by the end of 2022. By then, the hatchery will have the capacity to produce around 8 million smolt at 250g. Further planned expansion of the Applecross hatchery will be finalised by end of 2023 and bring the total production capacity up to 10 million smolt at 500g.

New hatcheries will increase the total production capacity up to around 18 million smolt of around 500g in 2026. In Q1 2022 the average weight of released smolt in Scotland was 102g, which is 15% higher than in Q1 2021. In 2022 the average weight of the released smolt in Scotland is expected to be around 120g.

During Q1 2022, Bakkafrost secured the land for the construction of the second large hatchery in Scotland. Depending on the final surveys, construction of the next large hatchery is expected to commence in H2 2022.

Having large smolt in Scotland is vital to transform the farming operation and reduce the biological risk in Scotland. It will however take time for Bakkafrost to materialise this as it takes time to build the necessary hatchery capacity.

Smolt release

Bakkafrost expects to release around 14.9 million large smolts in 2022 in the Faroe Islands and around 10.8 million smolts of around 120g in Scotland. The number and average weight of smolts released are key elements of predicting Bakkafrost's future production.

Million smolt released	2022	2021	2020	2019	2018
FO	14.9	14.4	14.3	12.7	12.6
SCT	10.8	11.1	10.4	12.4	8.6

Harvest volumes for 2022 in the Faroe Islands are expected to reach 68,000 tonnes gutted weight and 35,000 tonnes gutted weight in Scotland, giving at total of 103,000 tonnes gutted weight.

The estimates for harvest volumes and smolt releases in both geographies are dependent on the biological development.

VAP (Value added products)

Bakkafrost's highly flexible value chain includes a state-of-the-art VAP factory with high capacity. This enables Bakkafrost to adapt well to the rapidly changing market situations.

Bakkafrost's long-term strategy is to sell around 40% of the harvested volumes of salmon as VAP products on contracts. The contracts are at fixed prices with a duration of between 6 to 12 months.

For 2022 Bakkafrost has signed contracts covering around 32% of the expected harvest volumes in the Faroe Islands and Scotland combined.

FOF (Fishmeal, oil and feed)

The outlook for production of fishmeal and fish oil is dependent on the availability of raw material.

The ICES 2022 recommendation for blue whiting is 753 thousand tonnes, which is a 19% reduction from the recommendation for 2021.

Bakkafrost expects the production volumes of fishmeal and fish oil in 2022 to be on similar levels as in 2021.

Havsbrún's sales of fish feed in 2022 is expected to be around 130,000 tonnes.

The major market for Havsbrún's fish feed is the local Faroese market, primarily Bakkafrost FO's internal use of fish feed, and the feed used in the Scottish farming operation.

Lately, the prices on vegetable raw materials have increased significantly. This affects the whole animal protein market as well as other food producers. Bakkafrost is in a relatively good competitive position due to the low inclusion of vegetable ingredients in the feed combined with low feed conversion ratio and good access to marine raw materials.

Investments

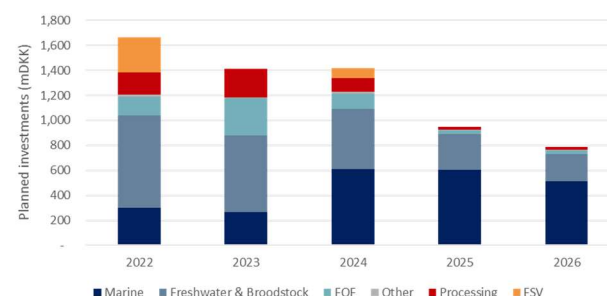
On the Capital Markets Day on 14-15 September 2021, Bakkafrost announced a 6.2bn DKK investment plan for 2022-2026. The investments will enable transformation of the operation in Scotland and provide sustainable growth in the Faroe Islands as well as Scotland.

The main purpose of the investments in Scotland is to replicate Bakkafrost's successful operation in the Faroe Islands. Bakkafrost will build 3 large energy-efficient hatcheries in Scotland, enabling the implementation of Bakkafrost's large smolt strategy and giving an annual production capacity above 18 million smolt at 500g. Having large smolt in Scotland will transform the performance, lower the biological risk and increase harvest volumes. In addition to building hatchery capacity, Bakkafrost plans to build a new processing plant to strengthen processing capabilities and Bakkafrost will also invest in more treatment vessel capacity to improve mitigation of biological risk. Further, Bakkafrost will make investments in marine site development.

The investments in the Faroe Islands include increasing annual hatchery production capacity to above 23 million smolt at 500g, investments in a broodstock facility and expansion of feed production capacity.

With the investment plan Bakkafrost expects to sustainably grow total annual harvest volumes to 150,000 tonnes in 2026. Over the same period, the total annual production capacity in Bakkafrost's value chain will reach 180,000 tonnes gutted weight.

6.2bn DKK Investment programme 2022-2026



Financial

The long-term market balance in the global market for salmon products will most likely remain favourable for Bakkafrost. Bakkafrost has a long value chain and a cost-efficient production of high-quality salmon products and will likely maintain the financial flexibility going forward.

In December 2021 (with closing in Q1 2022), Bakkafrost entered a term sheet for a sustainability-linked 700 mEUR multicurrency revolving credit facility agreement with an additional accordion option of 150 mEUR. The facility has a tenor of five years, and the facility agreement is planned for signing by the end of February 2022. In combination with Bakkafrost's high equity ratio, the facility gives the necessary financial strength and flexibility for the Group's investment plans aimed at significant organic growth and structural cost reductions in Scotland. It will also enable M&A's and further organic growth opportunities as well as support an unchanged dividend policy in the future.

Risks

Biological risk has been and will be a substantial risk for Bakkafrost. The Annual Report 2021 explains the biological risk and Bakkafrost's risk management in this regard.

Reference is made to the Outlook section of this report for other comments on Bakkafrost's risk exposure and Note 3.

Bakkafrost is, as explained in the Annual Report 2021, exposed to the salmon price.

The Annual Report 2021 is available on request from Bakkafrost and Bakkafrost's website, www.bakkafrost.com.

Events after the Reporting Period

From the date of the statement of financial position until today, no events have occurred that materially influence the information provided by this report.

Statement by the Management and the Board of Directors on the Interim Report

The Management and the Board of Directors have today considered and approved the interim report of P/F Bakkafrost for the period January 1st 2022 to March 31st 2021.

The interim report, which has not been audited or reviewed by the company's independent auditors, has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and Faroese disclosure requirements for listed companies.

Glyvvar, May 9th 2022

Management:

J. Regin Jacobsen
CEO

The Board of Directors of P/F Bakkafrost:

Rúni M. Hansen
Chairman of the Board

Annika Frederiksberg
Board Member

Øystein Sandvik
Board Member

Teitur Samuelsen
Board Member

Einar Wathne
Board Member

Guðrið Højgaard
Board Member

In our opinion, the accounting policies used are appropriate, and the interim report gives a true and fair view of the Group's financial positions on March 31st 2022, as well as the results of the Group activities and cash flows for the period January 1st 2022 to March 31st 2022.

In our opinion, the management's review provides a true and fair presentation of the development in the Group operations and

financial circumstances of the results for the period and of the overall financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Over and above the disclosures in the interim report, no changes in the Group's most significant risks and uncertainties have occurred relative to the disclosures in the annual report for 2021.

Consolidated Income Statement

For the period ended March 31st 2022

DKK 1,000	Q1 2022	Q1 2021
Operating revenue	1,639,345	1,175,637
Purchase of goods	-559,267	-288,602
Change in inventory and biological assets (at cost)	126,319	-7,375
Salary and personnel expenses	-201,234	-167,570
Other operating expenses	-455,576	-357,934
Depreciation	-136,194	-130,655
Other income	4,496	0
Operational EBIT*	417,889	223,501
Fair value adjustments of biological assets	177,338	284,622
Onerous contracts	-30,709	0
Income from associates	3,345	1,317
Revenue tax	-57,750	-20,363
Earnings before interest and taxes (EBIT)	510,113	489,077
Net interest revenue	1,787	120
Net interest expenses	-7,704	-7,605
Net currency effects	-8,506	18,901
Other financial expenses	-3,851	-7,025
Earnings before taxes (EBT)	491,839	493,468
Taxes	-87,082	-85,736
Profit or loss for the period	404,757	407,732
Profit or loss for the year attributable to		
Non-controlling interests	44	0
Owners of P/F Bakkafrøst	404,713	407,732
Earnings per share (DKK)	6.85	6.90
Diluted earnings per share (DKK)	6.85	6.90

* Operational EBIT is EBIT before fair value of biomass, onerous contracts, income from associates and revenue tax.

Consolidated Statement of Comprehensive Income

For the period ended March 31st 2022

DKK 1,000	Q1 2022	Q1 2021
Profit for the period	404,757	407,732
Changes on financial derivatives	-4,524	2,107
Hereof income tax effect	1,281	-321
Reserve to share-based payment	9,894	-1,589
Currency translation differences	-10,933	38,052
Adjustment of treasury shares	3,506	3,744
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-776	41,993
Other comprehensive income	-776	41,993
Total other comprehensive income for the period	403,981	449,725
Comprehensive income for the period attributable to		
Non- controlling interests	44	0
Owners of P/F Bakkafrøst	403,937	449,725

Consolidated Statement of Financial Position

As on March 31st 2022

DKK 1,000	31 Mar 2022	31 Dec 2021
ASSETS		
Non-current assets		
Intangible assets	4,506,873	4,495,726
Property, plant and equipment	4,942,556	4,888,778
Right of use assets	279,128	302,105
Financial assets	154,467	149,225
Long-term receivables	0	8,102
Deferred tax assets	133,801	215,248
Total non-current assets	10,016,825	10,059,184
Current assets		
Biological assets (biomass)	2,636,644	2,448,290
Inventory	794,294	709,306
Total inventory	3,430,938	3,157,596
Accounts receivable	871,925	824,004
Other receivables	72,691	78,227
Total receivables	944,616	902,231
Cash and cash equivalents	445,079	509,157
Total current assets	4,820,633	4,568,984
TOTAL ASSETS	14,837,458	14,628,168

DKK 1,000	31 Mar 2022	31 Dec 2021
EQUITY AND LIABILITIES		
Equity		
Share capital	59,143	59,143
Other equity	9,388,880	9,288,269
Non-controlling interests	2,722	133
Total equity	9,450,745	9,347,545
Non-current liabilities		
Deferred taxes and other taxes	1,598,438	1,590,034
Long-term interest-bearing debt	2,636,926	2,634,968
Long-term leasing debt	232,735	245,753
Financial derivatives	0	3,207
Total non-current liabilities	4,468,099	4,473,962
Current liabilities		
Financial derivatives	8,675	4,602
Short-term leasing debt	76,902	87,668
Accounts payable and other debt	833,037	714,391
Total current liabilities	918,614	806,661
Total liabilities	5,386,713	5,280,623
TOTAL EQUITY AND LIABILITIES	14,837,458	14,628,168

Consolidated Cash Flow Statement

For the period ended March 31st 2022

DKK 1,000	Q1 2022	Q1 2021
Earnings before interest and taxes (EBIT)	510,113	489,077
Adjustments for write-downs and depreciation	136,194	130,655
Adjustments for value adjustment of biomass	-177,338	-284,622
Adjustments for income from associates	-3,345	-1,317
Adjustments for currency effects	-9,044	32,038
Adjustments of provision for onerous contracts	30,709	0
Change in inventory	-96,004	-35,429
Change in receivables	39,062	13,940
Change in current debts	-279,094	-206,988
Cash flow from operations	151,253	137,354
Cash flow from investments		
Payments for purchase of fixed assets	-181,210	-267,632
Net investment in financial assets	-1,897	0
Change in long-term receivables	8,102	-101
Cash flow from investments	-175,005	-267,733
Cash flow from financing		
Change in interest-bearing debt (short and long)	-4,492	84,253
Financial income	0	120
Financial expenses	-9,768	-14,630
Lease payments	-29,532	-33,767
Net proceeds from sale of own shares	3,466	1,170
Cash flow from financing	-40,326	37,146
Net change in cash and cash equivalents in period	-64,078	-93,233
Cash and cash equivalents – opening balance	509,157	466,939
Cash and cash equivalents – closing balance total	445,079	373,706

Consolidated Statement of Changes in Equity

As on March 31st 2022

DKK 1,000	Share Capital	Share Premium Reserve	Treasury Shares	Share-based Payment	Currency translation differences	Derivatives	Proposed Dividend	Biomass Fair value adjustments	Retained Earnings	Non controlling interest	Total Equity
Equity 01.01.2022	59,143	4,027,375	-26,767	7,799	70,684	-3,873	303,995	604,707	4,304,349	133	9,347,545
Consolidated profit	0	0	0	0	0	0	0	177,338	228,016	44	405,398
Changes in financial derivatives	0	0	0	0	0	-4,524	0	0	0	0	-4,524
Hereof income tax effect	0	0	0	0	0	1,281	0	0	0	0	1,281
Share-based payment	0	0	0	9,894	0	0	0	0	0	0	9,894
Currency translation differences	0	0	0	0	-10,933	0	0	0	0	0	-10,933
Total other comprehensive income	0	0	0	9,894	-10,933	-3,243	0	0	0	0	-4,282
Total comprehensive income	0	0	0	9,894	-10,933	-3,243	0	177,338	228,016	44	401,116
Treasury shares	0	0	3,506	0	0	0	0	0	0	0	3,506
Addition of non-controlling interests	0	0	0	0	0	0	0	0	0	2,573	2,573
Paid-out dividend	0	0	0	0	0	0	-303,995	0	0	0	-303,995
Total transaction with owners	0	0	3,506	0	0	0	-303,995	0	0	2,573	-297,916
Total changes in equity	0	0	3,506	9,894	-10,933	-3,243	-303,995	177,338	228,016	2,617	103,200
Total equity 31.03.2022	59,143	4,027,375	-23,261	17,693	59,751	-7,116	0	782,045	4,532,365	2,750	9,450,745
Equity 01.01.2021	59,143	4,027,375	-37,672	6,229	34,545	-14,829	215,872	145,387	4,293,437	0	8,729,487
Consolidated profit	0	0	0	0	0	0	0	434,868	529,185	-17	964,036
Change in tax rate on equity posted PPA in prior years	0	0	0	0	0	0	0	0	-193,574	0	-193,574
Changes in financial derivatives	0	0	0	0	0	12,928	0	0	0	0	12,928
Hereof income tax effect	0	0	0	0	0	-1,972	0	0	0	0	-1,972
Share-based payment	0	0	0	1,570	0	0	0	0	0	0	1,570
Currency translation differences	0	0	0	0	36,139	0	0	24,452	-24,452	0	36,139
Total other comprehensive income	0	0	0	1,570	36,139	10,956	0	24,452	-218,026	0	-144,909
Total comprehensive income	0	0	0	1,570	36,139	10,956	0	459,320	311,159	-17	819,127
Treasury shares	0	0	10,905	0	0	0	0	0	3,748	0	14,653
Addition of non-controlling interests	0	0	0	0	0	0	0	0	0	150	150
Paid-out dividend	0	0	0	0	0	0	-215,872	0	0	0	-215,872
Proposed dividend	0	0	0	0	0	0	303,995	0	-303,995	0	0
Total transaction with owners	0	0	10,905	0	0	0	88,123	0	-300,247	150	-201,069
Total changes in equity	0	0	10,905	1,570	36,139	10,956	88,123	459,320	10,912	133	618,058
Total equity 31.12.2021	59,143	4,027,375	-26,767	7,799	70,684	-3,873	303,995	604,707	4,304,349	133	9,347,545

Notes to the Accounts

Accounting Policy

General Information

P/F Bakkafrost is a limited company incorporated and domiciled in the Faroe Islands.

The Group's Annual Report 2021 is available at www.bakkafrost.com or upon request from the company's registered office at Bakkavegur 9, FO-625 Glyvrrar, Faroe Islands.

This Condensed Consolidated Interim Report is presented in DKK.

Note 1. Statement of Compliance

This Condensed Consolidated Interim Report is prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as adopted by the EU. It does not include all the information required for the full Annual and Consolidated Report and Accounts and should be read in conjunction with the Annual and Consolidated Report and Accounts for the Group as of December 31st 2021.

This interim report has not been subject to any external audit.

Note 2. Significant Accounting Policies

The accounting policies applied by the Group in this Condensed Consolidated Interim Report are the same as those used in the Annual Report for the year ended December 31st 2021.

Note 3. Estimates and Risk Exposures

The preparation of financial statements is in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting principles and recognised amounts of assets, liabilities, income and expenses. The most significant estimates relate to the valuation of the fair value of biological assets. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on the management's best assessment at the time of reporting. All changes in estimates are reflected in the financial statements as they occur.

Bakkafrost has made no significant changes in the estimates for these interim financial statements compared with the annual financial statements.

Descriptions of the accounting estimates are in the notes to the financial statements in the Annual Report 2021.

Note 4. Biological Assets

	Mar 31st 2022	Mar 31st 2021	Dec 31st 2021
Biological assets carrying amount 01.01.	2,448,289	2,117,024	2,117,024
Increase due to production or purchases	778,477	657,970	3,158,703
Reduction due to harvesting or sale (costs of goods sold)	-744,233	-622,327	-2,931,526
Reduction due to mortality (costs of incidents-based mortality *)	-23,794	-8,050	-307,551
Fair value adjustment at the beginning of the period reversed	-604,707	-145,387	-145,387
Fair value reclassification currency translation differences prior year	0	-24,452	-24,452
Fair value adjustment at the end of the period	782,045	454,461	604,707
Reversal of elimination at the beginning of the period	134,193	80,083	80,083
Eliminations	-125,329	-80,589	-134,193
Currency translation differences	-8,297	12,350	30,881
Biological assets carrying amount at the end of the period	2,636,644	2,441,083	2,448,289
Cost price biological assets	1,988,225	2,054,861	1,946,894
Fair value adjustment at the end of the period	782,045	454,461	604,707
Eliminations	-125,329	-80,589	-134,193
Currency translation differences	-8,297	12,350	30,881
Biological assets carrying amount	2,636,644	2,441,083	2,448,289
Biomass (tonnes)			
< 1 kg	3,090	4,952	5,070
1 kg < 2 kg	11,512	9,805	7,673
2 kg < 3 kg	10,021	14,679	10,026
3 kg < 4 kg	11,135	9,073	13,538
4 kg <	17,686	25,099	22,288
Volume of biomass at sea (tonnes)	53,444	63,608	58,595

*)	Q1	Q1
* Costs of incident-based mortality per segment:	2022	2021
Faroe Islands	0	0
Scotland	-23,794	-8,050
	-23,794	-8,050

	Q1 2022	Q1 2021	Q4 2021
Number of fish (thousand)			
< 1 kg	6,763	9,028	9,770
1 kg < 2 kg	7,738	7,154	5,255
2 kg < 3 kg	4,228	5,954	3,873
3 kg < 4 kg	3,306	2,634	3,920
4 kg <	3,651	4,914	4,595
Total number of fish at sea (thousand)	25,686	29,684	27,413
Number of smolt released YTD (thousand)			
Farming North	419	1,259	6,078
Farming West	1,262	101	5,719
Farming South	299	1,066	2,630
Farming Scotland	2,257	1,618	11,108
Total number of smolts released YTD (thousand)	4,237	4,044	25,535
Sensitivity in DKK 1,000			
Change in discount rate +1%	-157,838	-132,841	-150,709
Change in discount rate -1%	174,495	154,493	167,502
Change in sales price +5 DKK	401,602	479,301	423,223
Change in sales price -5 DKK	-401,602	-479,301	-423,223
Change in biomass volume +1%	11,581	9,448	8,982
Change in biomass volume -1%	-11,581	-9,448	-8,982
One-year forward prices in EUR FCA Oslo**			
Period end	8.87	6.49	6.72
1 Q (forward)	9.01	6.23	6.86
2 Q (forward)	6.51	5.30	6.81
3 Q (forward)	6.96	5.61	5.66
4 Q (forward)	7.22	6.06	6.15

Note 5. Segments

Farming - FO	Q1	Q1
DKK 1,000	2022	2021
External revenue	857,234	473,551
Internal revenue	341,266	171,559
Total revenue	1,198,500	645,110
Operating expenses	-657,470	-434,681
Depreciation and amortization	-69,655	-67,138
Operational EBIT	471,375	143,291
Fair value adjustments of biological assets	61,545	318,260
Revenue tax	-57,750	-19,290
Earnings before interest and taxes (EBIT)	475,170	442,261
Net financial items	-5,323	9,324
Earnings before taxes (EBT)	469,847	451,585
Taxes	-100,721	-80,919
Profit or loss for the period	369,126	370,666

Farming - SCT	Q1	Q1
DKK 1,000	2022	2021
External revenue	234,672	322,154
Total revenue	234,672	322,154
Operating expenses	-236,645	-278,241
Depreciation and amortization	-55,130	-51,219
Other income	4,497	0
Operational EBIT	-52,606	-7,306
Fair value adjustments of biological assets	115,793	-33,638
Earnings before interest and taxes (EBIT)	63,1874	-40,944
Net financial items	-8,580	-11,658
Earnings before taxes (EBT)	54,607	-52,602
Taxes	7,113	12,016
Profit for the period	61,720	-40,586

Value added products	Q1	Q1
DKK 1,000	2022	2021
External revenue	418,274	305,065
Internal purchase of raw material	-341,266	-171,559
Operating expenses	-101,429	-53,544
Depreciation and amortization	-4,947	-4,975
Operational EBIT	-29,368	74,987
Provision of onerous contracts	-30,709	0
Earnings before interest and taxes (EBIT)	-60,077	74,987
Net financial items	-419	-316
Earnings before taxes (EBT)	-60,496	74,671
Taxes	10,827	-13,442
Profit or loss for the period	-49,669	61,229

Fishmeal, Fish Oil and Fish Feed		Q1	Q1
DKK 1,000		2022	2021
External revenue		129,165	74,870
Internal revenue		312,774	247,092
Total revenue		441,939	321,962
Cost of goods sold		-278,660	-235,524
Operating expenses		-76,852	-38,153
Depreciation and amortization		-6,462	-8,396
Operational EBIT		79,965	39,889
Income from associates		3,345	1,317
Earnings before interest and taxes (EBIT)		83,310	41,206
Net financial items		-3,952	7,038
Earnings before taxes (EBT)		79,358	48,244
Taxes		-13,566	-8,683
Profit or loss for the period		65,792	39,561
Reconciliation of reportable segments to Group earnings before taxes (EBT)		Q1	Q1
DKK 1,000		2022	2021
Farming Faroe Islands		469,847	451,585
Farming Scotland		54,607	-52,602
VAP (Value added products)		-60,496	74,671
FOF (Fishmeal, Fish oil and fish Feed)		79,358	48,244
Eliminations		-51,477	-28,430
Group earnings before taxes (EBT)		491,839	493,468

Note 6. Capital Commitments

The Group had capital expenditures committed but not provided in these accounts at the date of the Statement of Financial Position of approximately DKK 986 million, which relate to the FOF segment and the farming segments in both the Faroe Islands and Scotland.

Note 7. Transactions with Related Parties

Note 5.2 in Bakkafrøst's Annual Report for 2021 provides detailed information on related parties' transactions.

Transactions between P/F Bakkafrøst and its subsidiaries meet the definition of related party transactions. As these transactions are eliminated on consolidation, they are not disclosed as related party transactions.

Note 8. Fair Value Measurements

All assets/liabilities, for which fair value is recognized or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Level 3: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

For biological assets, the fair value calculation is done using a valuation model (level 3 in the valuation hierarchy) where the value is estimated based on observable market prices per period end.

For more information on these calculations, please refer to Note 4.

For assets/liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement).

There have been no transfers into or out of Level 3 fair value measurements.

As of March 31st 2022, the Group held the following classes of assets/liabilities measured at fair value:

DKK 1,000		Cost			
Assets and liabilities measured at fair value	Fair value	amount	Level 1	Level 2	Level 3
Biological assets (biomass)	2,636,644	1,988,225	0	0	2,636,644
Assets measured at fair value 31/3-2022	2,636,644	1,988,225	0	0	2,636,644
Liabilities measured at fair value 31/3-2022	0	0	0	0	0
Biological assets (biomass)	2,448,289	1,946,894	0	0	2,448,289
Assets measured at fair value 31/12-2021	2,448,289	1,843,582	0	0	2,448,289
Liabilities measured at fair value 31/12-2021	0	0	0	0	0

Note 9. Business Combinations

There were no new business combinations in 2021.

In a transaction closed on January 1st 2022, Bakkafrøst acquired 90% of the shares in Munkebo Seafood A/S. The deal was jointly made with Michael Karlsen, who has been the General Manager of Munkebo Seafood for the past many years. The shares were acquired from Paul Lybech, who has been engaged with Munkebo Seafood for almost 25 years. Following the transaction, Michael Karlsen holds 10% of the shares in Munkebo Seafood A/S, while Bakkafrøst holds 90%.

Munkebo Seafood A/S has, since its formation in 1974, been engaged in the production of canned fish at the factory in Munkebo in Denmark. Today, the company operates a modern canning facility and offers a wide range of products, of which a more significant share is based on salmon. Bakkafrøst has been one of the largest suppliers of raw materials for Munkebo Seafood for the past few years, making Munkebo Seafood a significant extension of Bakkafrøst's value chain. With a planned increase in production of salmon over the coming years, from Bakkafrøst's farms in the Faroe Islands and Scotland, Munkebo

Seafood will have a strengthened raw material base, and Bakkafrøst will strengthen the ability to increase further the value derived from its salmon by-products.

The operations of Munkebo Seafood will remain unchanged. Munkebo Seafood has around 40 employees, and the products are currently sold mainly within the EU market to retail customers. The key employees of Munkebo AS will continue.

There is considerable spare production capacity for future growth within the current facility.

With the acquisition of Munkebo Seafood, Bakkafrøst can now offer a broader range of products. Bakkafrøst offers fresh, frozen, and smoked salmon products, and now canned food is added. Bakkafrøst has a global sales network, and Munkebo Seafood's products will now be offered on a broader market as a supplement to Bakkafrøst's other consumer packaged products.

The fair value of intangible assets has been determined on an estimated fair value. Fair value has been identified in customer relationships employing generally accepted valuation techniques. The market value of the customer relationship is measured at DKK 9.7 million.

The fair value of property, plant and equipment has been determined based on a 3rd party valuation.

The fair value of receivables has been determined based on an estimate of an age-distributed debtor list and historical figures on doubtful debtors.

The fair value of the inventory has been determined based on inventory lists, historical sales data, and subtraction of obsolete goods.

DKK 1,000	Book value 31/12/2021	Fair value adjustments	Fair value
Goodwill	0	9,726	9,726
Intangible assets	600	0	600
Property, plant and equipment - incl. IFRS 16	13,106	0	13,106
Accounts receivables	11,310	0	11,310
Inventories	21,264	0	21,264
Other current assets, excluding cash and bank	2,739	0	2,739
Total assets	49,019	9,726	58,745
Deferred taxes and other taxes	1,511	1,754	3,265
Long-term liabilities, interest-bearing	8,797	0	8,797
Accounts payable	17,634	0	17,634
Other payable	3,660	0	3,660
Liabilities	31,602	1,754	33,356
Net assets	17,417	7,972	25,389

Note 10. APM**- Alternative Performance Measures**

Bakkafrost's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, the management's intention is to provide alternative performance measures, which are regularly reviewed by the management to enhance the understanding of the company's performance, but not replacing the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies. Bakkafrost's experience is that these APM's are frequently used by analysts, investors, and other parties.

These APM's are adjusted IFRS measures, defined, calculated, and used in a consistent and transparent manner over the years and across the company where relevant.

NIBD

Net interest-bearing debt consists of both current and non-current interest-bearing liabilities, less related current and non-current hedging instruments, lease liabilities, financial instruments, such as debt instruments and derivatives and cash and cash equivalents. The net interest-bearing debt is a measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess both the Group's cash position and its indebtedness. The use of the term net debt does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure. Net debt is an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate interest-bearing liabilities (both current and non-current), derivatives and cash and cash equivalents. A reconciliation is provided below.

	31 Mar	31 Dec
DKK 1,000	2022	2021
Cash and cash equivalents	445,079	509,157
Long- and short-term interest-bearing debt	-2,636,926	-2,634,968
Net interest-bearing debt	-2,191,847	-2,125,811

Operational EBIT

Operational EBIT is EBIT aligned for fair value adjustments, onerous contracts provisions, income from associates and revenue tax.

Operational EBIT is a major alternative performance measure in the salmon farming industry. A reconciliation from EBIT to Operational EBIT is provided below.

	Q1	Q1
DKK 1,000	2022	2021
EBIT	510,113	489,077
Fair value adjustments of biological assets	-177,338	-284,622
Onerous contracts	30,709	0
Income from associates	-3,345	-1,317
Revenue tax	57,750	20,363
Operational EBIT	417,889	223,501

Operational EBIT per kg

Farming segment FO:	<u>Operational EBIT Farming segment FO</u> Total harvested volumes (gw) FO
Farming segment SCT:	<u>Operational EBIT Farming segment SCT</u> Total harvested volumes (gw) SCT
VAP segment:	<u>Operational EBIT VAP segment</u> Total volumes produced (raw material gw)
Farming FO and VAP:	<u>Operational EBIT Farming FO and VAP segment</u> Total harvested volumes (gw) FO

EBITDA

Earnings before interest, tax, depreciations, and amortisations (EBITDA) is a key financial parameter for Bakkafrøst's FOF segment. EBITDA before other income and other expenses is defined as EBITDA less gains and losses on disposals of fixed assets and operations and is reconciled in the section Group overview. This measure is useful to users of Bakkafrøst's financial information in evaluating operating profitability on a more variable cost basis as it excludes depreciations and amortisation expenses related primarily to capital expenditures and acquisitions, which occurred in the past, nonrecurring items, as well as evaluating operating performance in relation to Bakkafrøst's FOF segment's competitors. The EBITDA margin presented is defined as EBITDA before other income and other expenses divided by total revenues.

ROCE

Return on average capital employed (ROCE) is defined as the period's operational EBIT divided by the average capital employed, which is total assets adjusted for total current liabilities. The performance measure is expressed as a percentage and is useful for evaluating Bakkafrøst's profitability.

	Q1	Q1
DKK 1,000	2022	2021
Group - Operational EBIT	417,889	223,501
Average Capital Employed	14,022,173	12,727,194
ROCE	3.0%	1.8%

Adjusted EPS

Adjusted EPS is based on the reversal of certain fair value adjustments shown in the table below, as it is Bakkafrøst's view that this figure provides a more reliable measure of the underlying performance.

	Q1	Q1
DKK 1,000	2022	2021
Profit for the period to the shareholders of P/F Bakkafrøst	404,757	407,732
Fair value adjustment of biomass	-177,338	-284,622
Onerous contracts provision	30,709	0
Tax on fair value adjustment and onerous contracts provisions	26,393	51,232
Adjusted profit for the period to shareholders of P/F Bakkafrøst	284,521	174,342
Time-weighted average number of shares outstanding through the period	59,084,616	59,054,030
Adjusted earnings per share (before fair value adjustment of biomass and provisions for onerous contracts) (adjusted EPS)	4.82	2.95

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