

Q4 2022

BAKKAFROST GROUP
Oslo 21 February 2023

- This presentation includes statements regarding future results, which are subject to risks and uncertainties. Consequently, actual results may differ significantly from the results indicated or implied in these statements.
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person's officers or employees or advisors accept any liability whatsoever arising directly or indirectly from the use of this document.

SUMMARY OF Q4 2022

MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

OUTLOOK

APPENDIX

Hvannasund ,Faroe Island

Revenues and Operational EBIT

- **All-time high** full-year revenue of DKK 7,130 million and all-time high full-year Operational EBIT of DKK 1,705 million
- **All-time high** quarterly revenue of DKK 1,940 million and Operational EBIT of DKK 376 million

Operation

- **Harvest in the Faroe Islands:** 19,276 t_{gw} in Q4 2022 (20,694 t_{gw} in Q4 2021)
- **Harvest in Scotland:** 5,198 t_{gw} in Q4 2022 (5,122 t_{gw} in Q4 2021)
- **Feed sales** of 32,600 tonnes in Q4 2022* (32,527 tonnes in Q4 2021*)
- **Sourcing of marine raw material:** of 46,051 tonnes in Q4 2022 (27,322 tonnes in Q4 2021)

Cash Flow

- **Cash flow from operations** of DKK 382 million in Q4 2022 (DKK 189 million in Q4 2021)

Segments


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

Dividends

- **Proposed dividend** of DKK 10.00 per share for 2022

*) Including internal sales of 31,422 tonnes in Q4 2022 (31,649 tonnes in Q4 2021)

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



SUMMARY OF Q4 2022

MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

OUTLOOK

APPENDIX

Edinburgh, Scotland

Average spot prices increased y/y and q/q in Q4 2022

(NOK/KG)

y/y:

60.71
(Q4 2021)

21.8%
13.21

73.92
(Q4 2022)

q/q:

70.25
(Q3 2022)

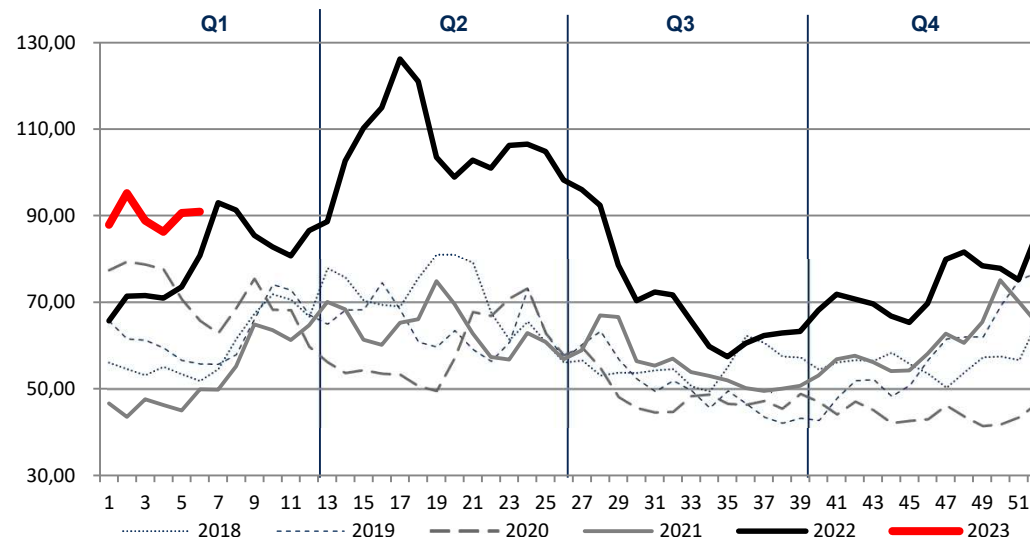
5.2%
3.67

73.92
(Q4 2022)

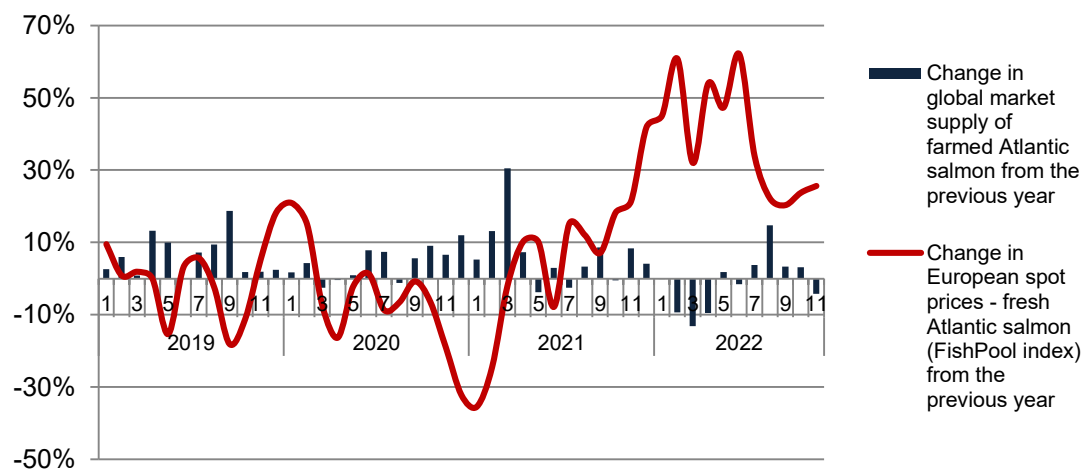
Increased spot prices throughout the quarter

Increasing so far in Q1 2023

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

2% drop in global quarterly harvest volumes

- Stable when including inventory movements

Stable development in European harvest

- Norway – High mortality, limited evidence of tax driven harvest
- UK – Reduced harvest weights, challenging biology
- Iceland – Higher number harvested at lower weight

6% drop in American harvest

- Reduced harvest in Chile in spite of some accelerated harvest
- Strong drop in North America
 - Exit from Discovery Island sites (East Coast)

SUPPLY DEVELOPMENT	Q4 2022	Q4 2021	Change %
Norway	404	401	0.8 %
UK	35	36	-3.0 %
Faroes	27	30	-10.9 %
Iceland	12	10	15.0 %
Ireland	3	3	-11.8 %
Total Europe	481	481	0.0 %
Chile	174	181	-3.8 %
Canada	26	31	-15.5 %
USA	4	4	-18.4 %
Total Americas	204	216	-5.7 %
Other	30	34	-10.9 %
Total (Harvested quantity)	715	731	-2.2 %
Inventory movements	-12	-26	-53.1 %
Total (Sold Quantity)	702	705	-0.3 %

Source: Kontali

SALMON MARKETS, SOLD QUANTITY

Stable consumption in EU/UK

- In line with harvest development in Europe

Strong growth in the US

- Increased import from Europe
- Attractive currency situation

Russia impacted by sanctions

Negative development in Japan and China

ESEAN performing well

Material drop in sales to Ukraine

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

Markets	Estimated volumes		Q4 comparison			Estimated volumes		FY comparison		
	Q4 2022 E	Q4 2021	Volume	%		FY 2022E	FY 2021E	Volume	%	
EU	324,200	324,300	-100	↔	0%	1,141,400	1,158,000	-16,600	↔	-1%
USA	150,900	140,200	10,700	↑	8%	586,600	571,700	14,900	↑	3%
Russia	14,800	27,200	-12,400	↓	-46%	48,600	86,000	-37,400	↓	-43%
Japan	15,800	19,000	-3,200	↓	-17%	55,100	65,500	-10,400	↓	-16%
Greater China	26,400	27,800	-1,400	↓	-5%	103,100	105,100	-2,000	↔	-2%
ASEAN	24,200	22,200	2,000	↑	9%	84,100	80,900	3,200	↑	4%
Latin America	45,300	45,000	300	↔	1%	179,000	184,100	-5,100	↔	-3%
Ukraine	5,900	10,900	-5,000	↓	-46%	18,800	32,700	-13,900	↓	-43%
Other markets	94,600	87,900	6,700	↑	8%	330,600	316,700	13,900	↑	4%
Total all markets	702,100	704,500	-2,400	↔	-0.3 %	2,547,300	2,600,700	-53,400	↔	-2.1 %

Comments:

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

SUMMARY OF Q4 2022

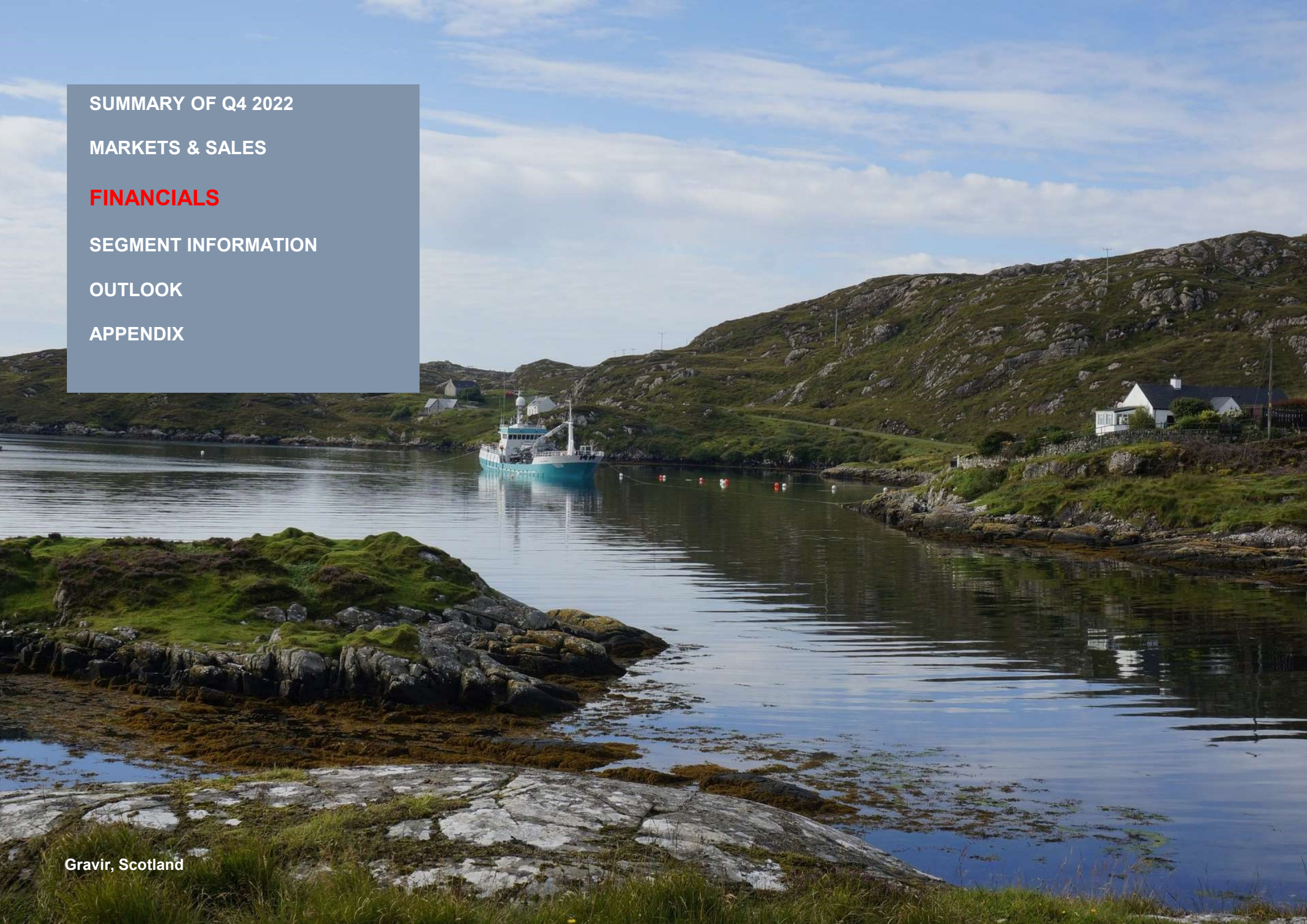
MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

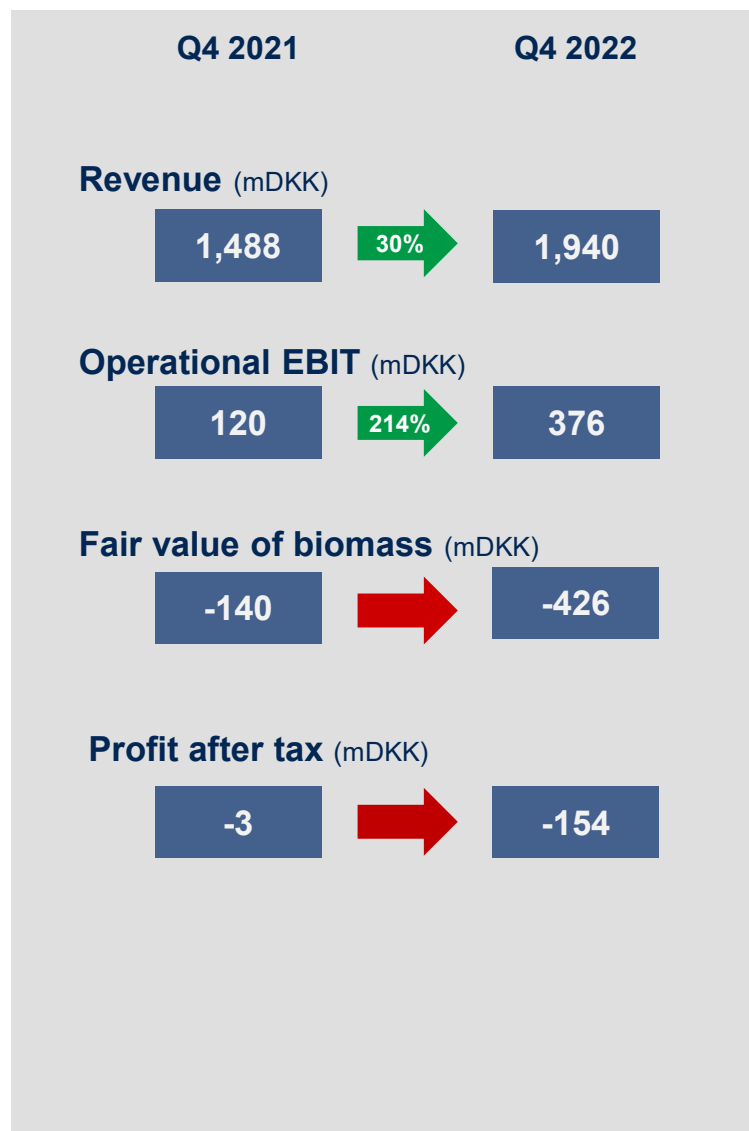
OUTLOOK

APPENDIX



GROUP PROFIT AND LOSS

HIGHER REVENUE AND OPERATIONAL EBIT



(DKK million)	Q4 22	Q4 21	YTD 22	YTD 21
Operating revenue	1,940	1,488	7,130	4,066
Operational EBITDA	504	270	2,243	1,352
Operational EBIT	376	120	1,705	821
Fair value adjustment of biological assets	-426	-140	278	435
Onerous contracts	0	0	0	0
Income from associates	48	18	58	30
Revenue tax	-51	-49	-215	-141
EBIT	-53	-52	1,826	1,145
Net Financial items	-88	8	-136	-7
EBT	-141	-44	1,690	1,138
Taxes	-13	41	-346	-174
Profit for the period	-154	-3	1,344	964

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

MARGINS

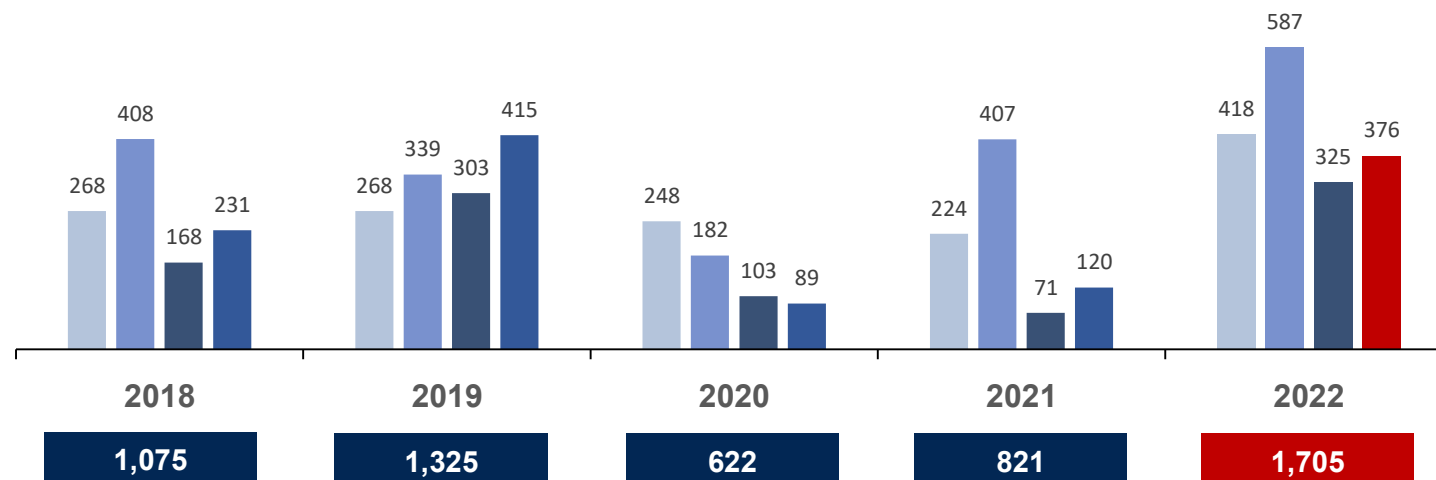
HIGHER OPERATIONAL EBIT MARGIN DRIVEN MAINLY BY FARMING FAROE ISLANDS

Q4 2021		Q4 2022
OPERATIONAL EBIT/Kg (NOK)		
Farming Faroe Islands		
18.29	→	27.56
Farming Scotland		
-55.95	→	-39.96
VAP		
5.71	→	16.67
EBITDA margin		
Fishmeal, -oil and Feed		
20.6%	→	14.0%

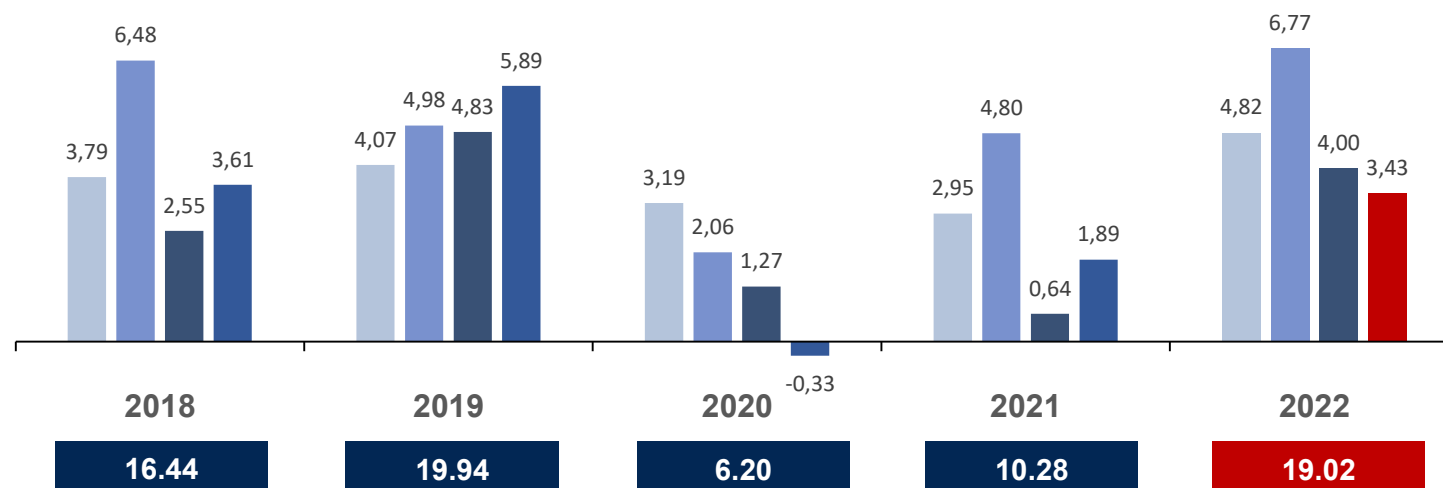
	Q4 22	Q4 21	YTD 22	YTD 21
Operational EBITDA margin	26.0%	18.2%	31.5%	33.2%
Operational EBIT margin	19.4%	8.0%	23.9%	20.2%
Operational EBIT/Kg (Farming FO) (NOK)	27.56	18.29	38.54	18.49
Operational EBIT/Kg (Farming FO and VAP) (NOK)	33.81	20.11	37.52	20.93
Operational EBIT/Kg (VAP) (NOK)	16.67	5.71	-2.55	7.41
Operational EBIT/Kg (Farming SCT) (NOK)	-39.96	-55.95	-16.72	-11.56
EBITDA margin (Fishmeal, -oil and Feed)	14.0%	20.6%	17.9%	18.5%

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

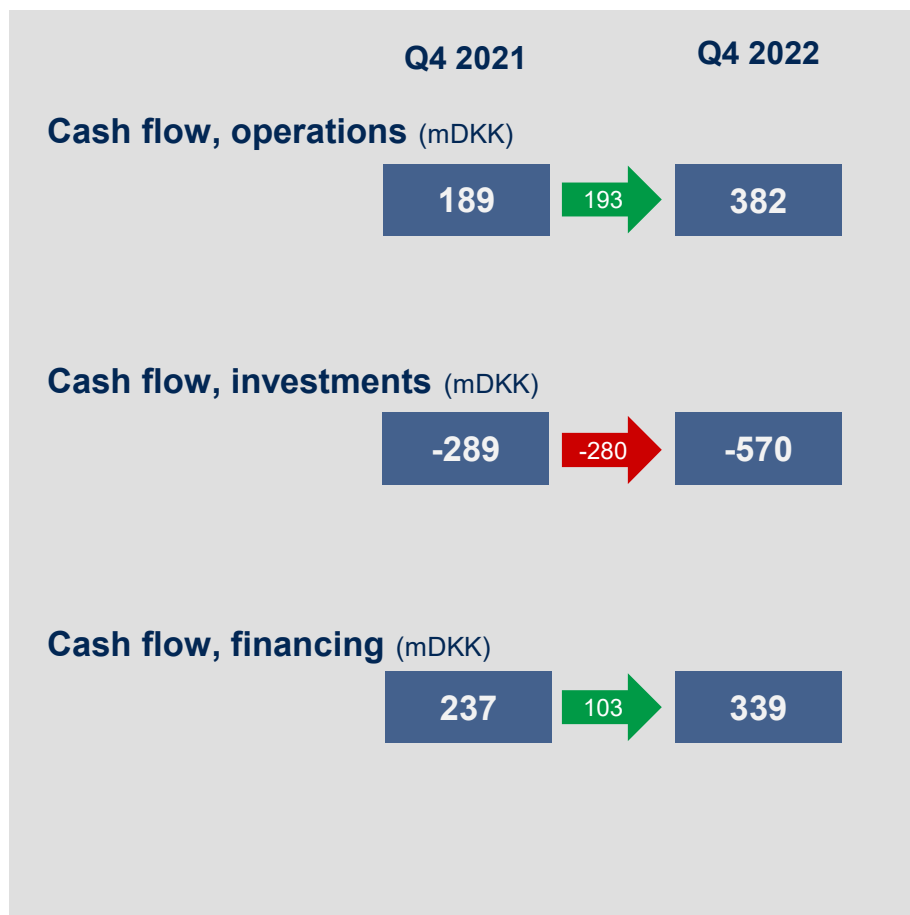
Headlines (mDKK)

	End 2021		Q4 2022
PPE:	4,889	758	5,647
Biological assets: <i>*(whereof mDKK 1,309 (605) are fair value adjustments)</i>	2,448*	490	2,938*
Inventory:	709	365	1,074
Receivables:	824	-15	809
Cash & cash equiv.:	509	210	720
Equity:	9,348	1,048	10,396
Equity ratio:	64%		62%

(DKK million)	Q4 22	End 2021
Intangible assets	4,509	4,496
Property, plant and equipment	5,647	4,889
Right of use assets	439	302
Financial assets	234	149
Long-term receivables	0	8
Deferred tax assets	336	215
Biological assets	2,938	2,448
Inventory	1,074	709
Financial derivatives	8	0
Receivables	809	824
Other receivables	168	78
Cash and cash equivalents	720	509
Total Assets	16,882	14,628

Equity	10,396	9,348
Deferred tax and other taxes	1,826	1,590
Long-term interest-bearing debt	3,383	2,635
Long-term leasing debt	353	246
Financial derivatives	3	8
Short-term leasing debt	106	88
Accounts and other payables	814	714
Total Equity and Liabilities	16,882	14,628

CASH FLOW



(DKK million)	Q4 22	Q4 21	YTD 22	YTD 21
Cash flow from operations	382	189	1,202	1,125
Cash flow from investments	-570	-289	-1,255	-1,112
Cash flow from financing	339	237	263	30
Net change in cash	151	136	210	42
Cash at the end of the period	720	509	720	509
Undrawn facilities	2,542	3,063	2,542	3,063

NET INTEREST-BEARING DEBT (NIBD)

NIBD INCREASED DURING Q4 2022

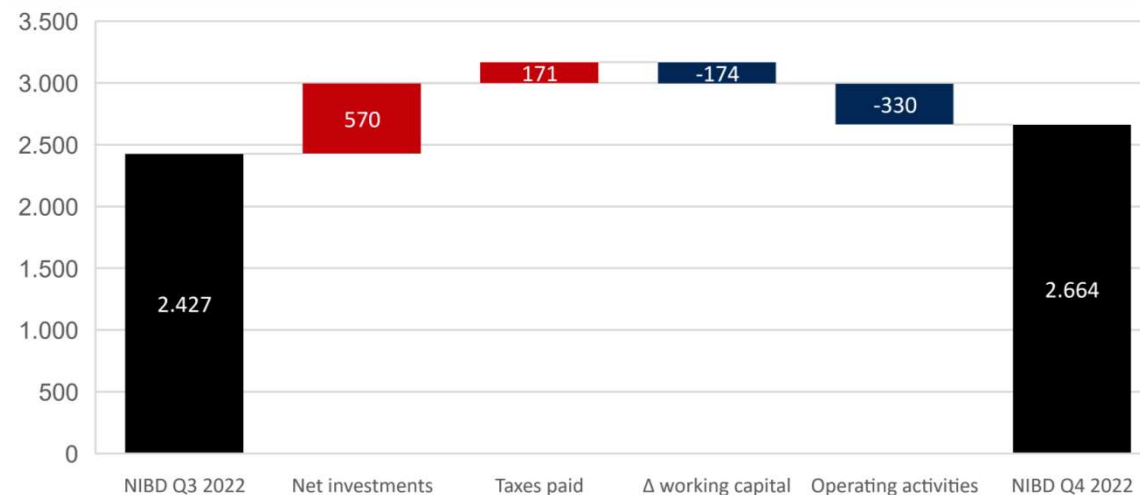
NIBD was increased by:

- Net investments (mDKK 570)
- Taxes paid (mDKK 171)

NIBD was decreased by:

- Change in working capital (mDKK -174)
- Cash flow, operating activities (mDKK -330)

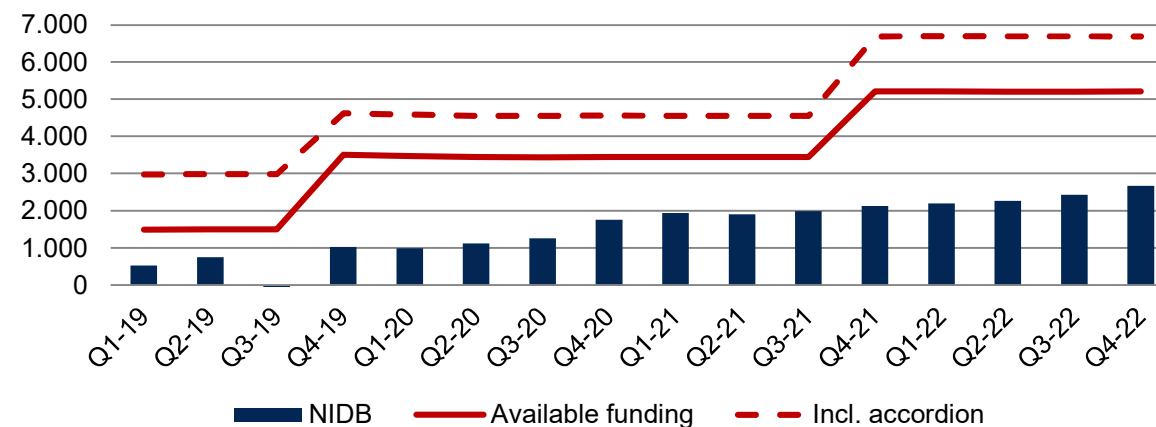
Development in NIBD in DKK millions



Financing end Q4 2022

- NIBD: DKK 2,664 million
- Bank facilities of EUR 700 million, and an accordion of EUR 150 million.
- Undrawn credit facilities: DKK 2,542 million

NIBD and available funding



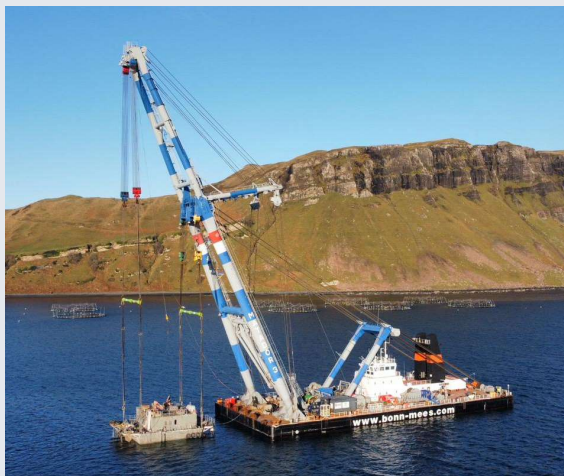


Strengthening freshwater treatment capacity in the Faroes

Bakkafrost's new 10,000m³ hybrid-powered well-boat Bakkafossur was delivered. Hereby the freshwater treatment capacity in the Faroe Islands is significantly improved.

Engaging with suppliers to reduce carbon footprint

At Bakkafrost Supplier Day
Engaging with suppliers to advance sustainable practices in the supply chain and build robust partnerships with suppliers to ensure progress towards reduction in carbon reduction.



Responsibility and protecting local environment

Bakkafrost carried out a complicated >7 mGBP rescue operation to recover a feed barge at our Portree site in Scotland, that sank during the storm Arwen.

In close cooperation with experts and authorities Bakkafrost successfully recovered the barge preventing any environmental impact

SUMMARY OF Q4 2022

MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

OUTLOOK

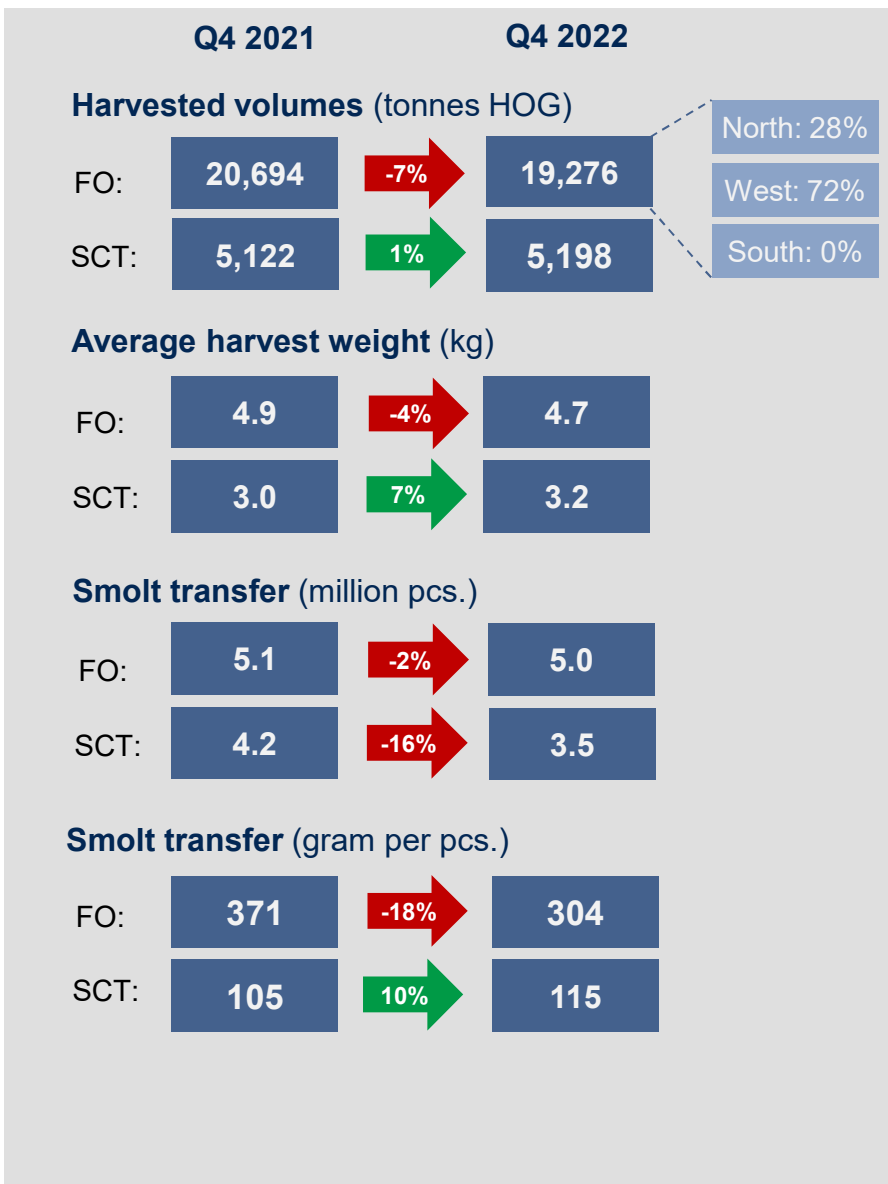
APPENDIX



Bakkafossur and Bakkafrost's FSV's and wellboats in the Faroe Island

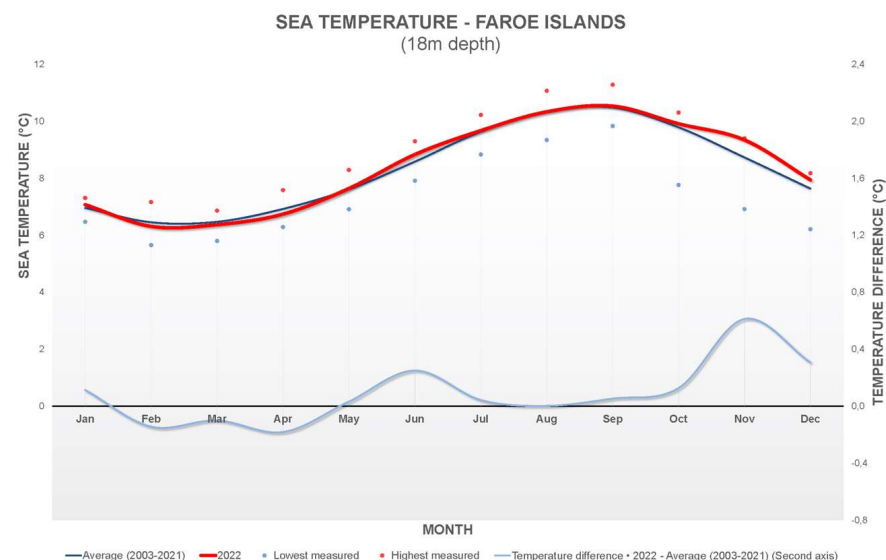
FARMING – HARVEST VOLUME

AVERAGE HARVEST WEIGHT INCREASED IN SCOTLAND



Harvest Volumes tonnes [HOG]	Q4 22	Q4 21	YTD 22	YTD 21
FO - North Region	5,322	9,268	28,864	26,082
FO - West Region	13,954	8,904	28,033	32,253
FO - South Region	0	2,522	9,789	8,883
FO – Total	19,276	20,694	66,686	67,217
SCT	5,198	5,122	23,917	29,672
Total (FO & SCT)	24,474	25,816	90,603	96,889

Sea water temperatures at 18m depth in the Faroe Islands



FARMING – OPERATIONAL PERFORMANCE

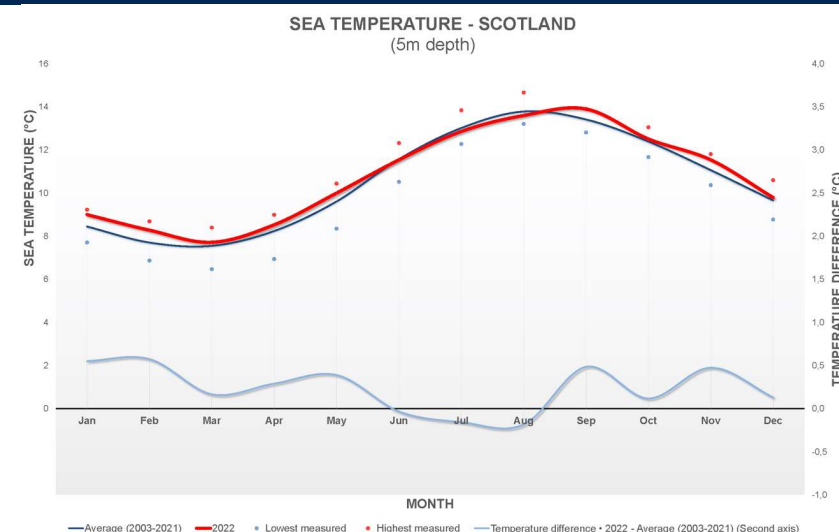
STRONG PERFORMANCE IN THE FAROES

	Q4 2021		Q4 2022
Operational EBIT (mDKK)			
FO:	282	34%	380
SCT:	-214		-149
Operational EBIT margin			
FO:	25%		33%
SCT:	-98%		-50%
Operating revenue (mDKK)			
FO:	1,111	3%	1,139
SCT:	218	37%	298

Farming FO (DKK million)	Q4 22	Q4 21	YTD 22	YTD 21
Operating revenue	1,139	1,111	4,633	3,477
Operational EBIT	380	282	1,913	904
Operational EBIT margin	33%	25%	41%	26%

Farming SCT (DKK million)	Q4 22	Q4 21	YTD 22	YTD 21
Operating revenue	298	218	1,442	1,455
Operational EBIT	-149	-214	-298	-249
Operational EBIT margin	-50%	-98%	-21%	-17%

Sea water temperatures at 5m depth in Scotland



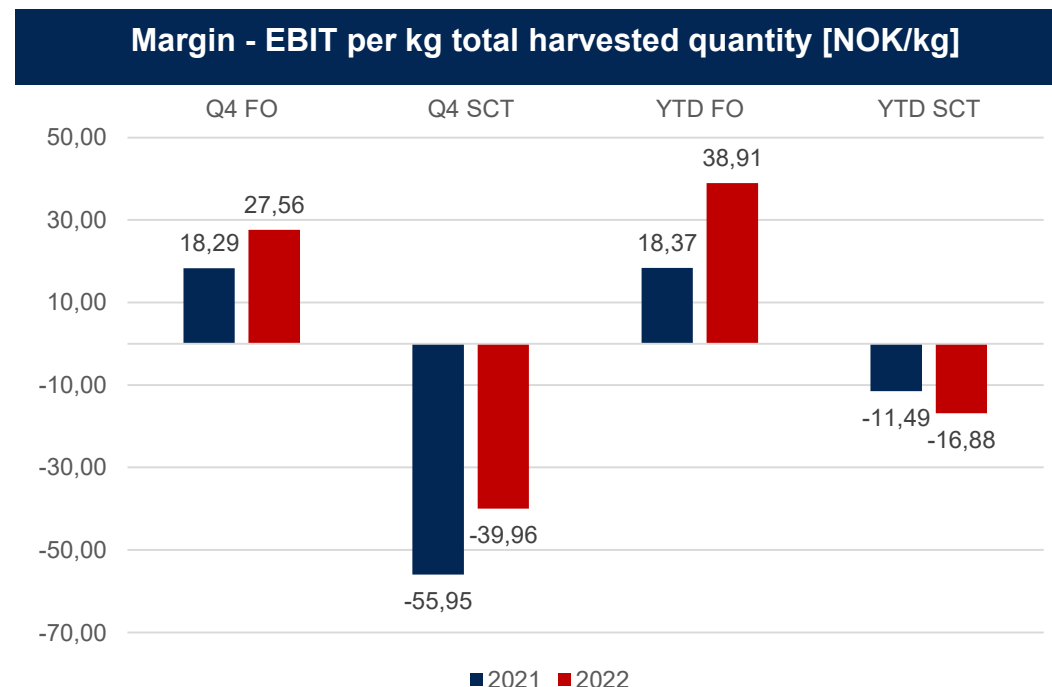
FARMING – OPERATIONAL PERFORMANCE

IMPROVEMENTS IN BOTH REGIONS



FO: Good biological development
Low sea lice levels
Improved biological KPI in H2

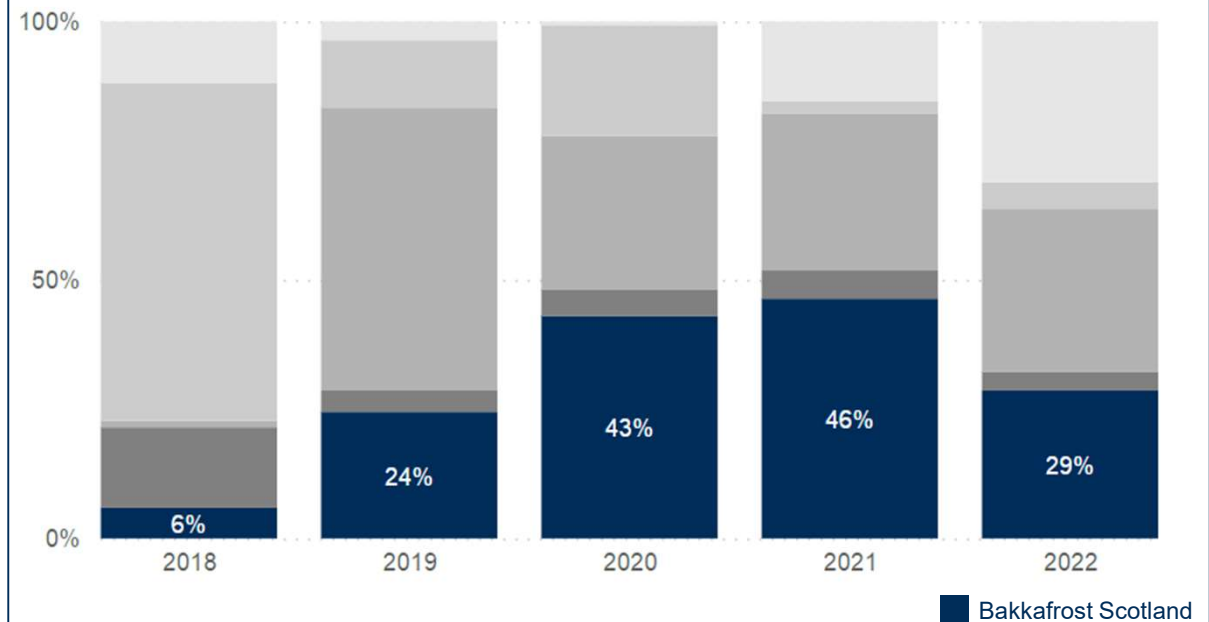
SCT: Seasonal biological challenges causing high mortality
Reducing harvest volumes and biomass
Low sea lice levels
Increased average harvest weight





BAKKAFROST
ESTABLISHED 1968

Bakkafrost's share of total reported in Scotland is reducing

[illegible]

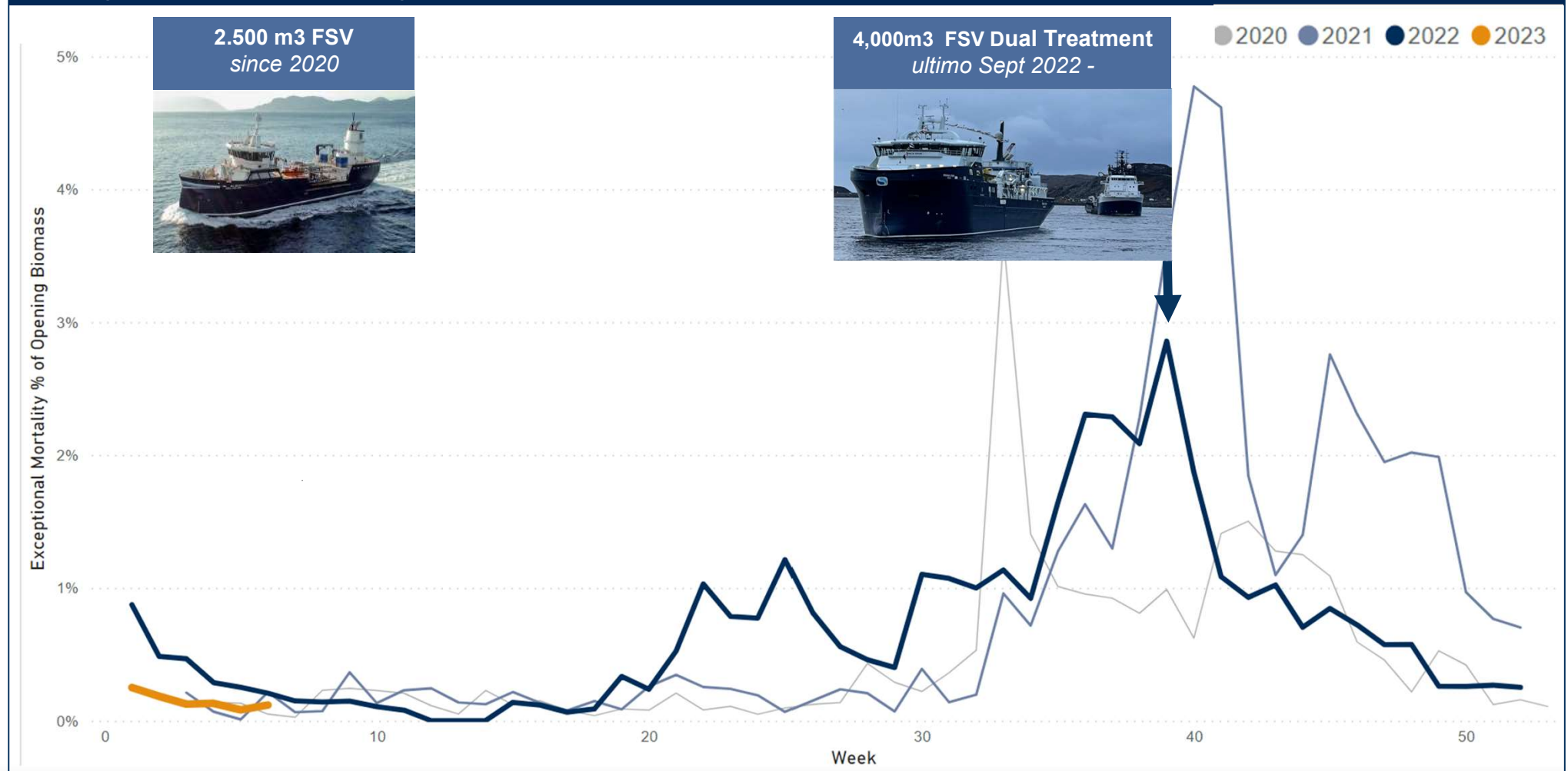
Threshold for reporting: Mortality above 1% per week and fish bigger than 750g. First 6 weeks post transfer from fresh water to sea water are not required to be reported. Reported to FHI one week after the mortality event.

BAKKAFROST SCOTLAND EXEPTIONAL MORTALITY

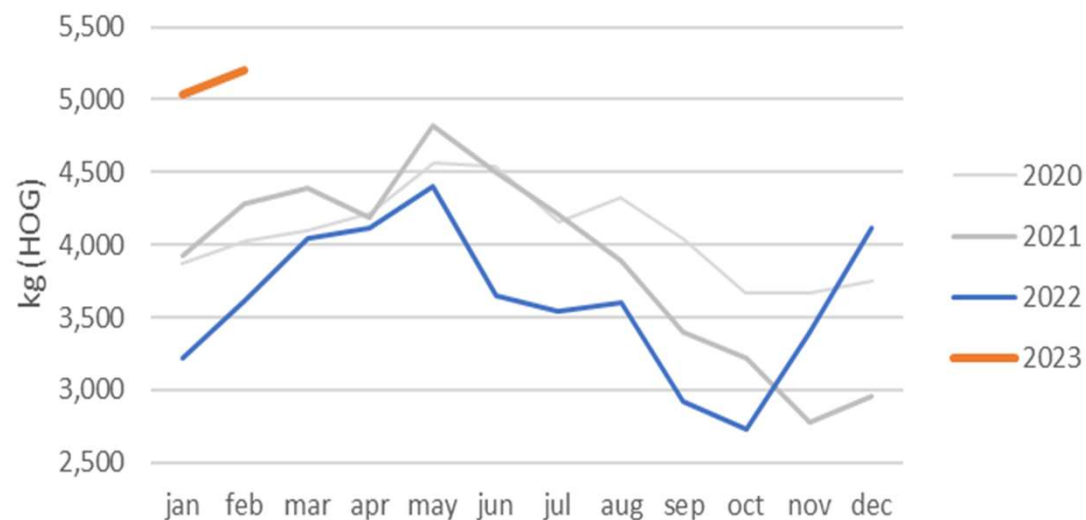
POSITIVE EFFECT FROM INCREASED FRESHWATER TREATMENT CAPACITY

- 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

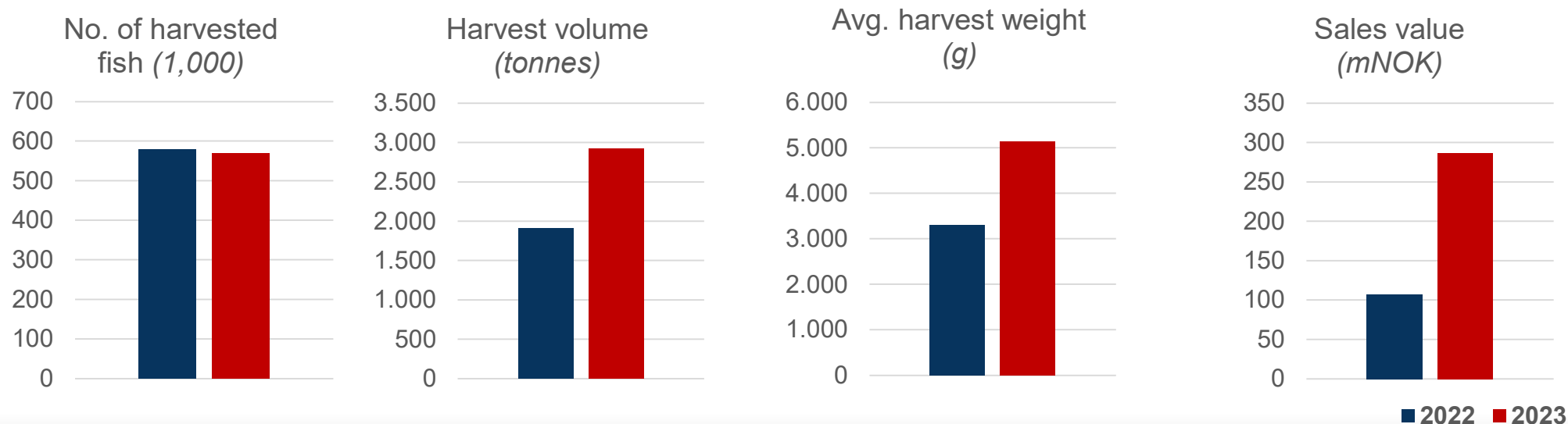
Weekly exceptional mortality value 2020 – 2023 (Jan)



Average harvest weight 2020-2023



Week 1-6: 2022 vs 2023

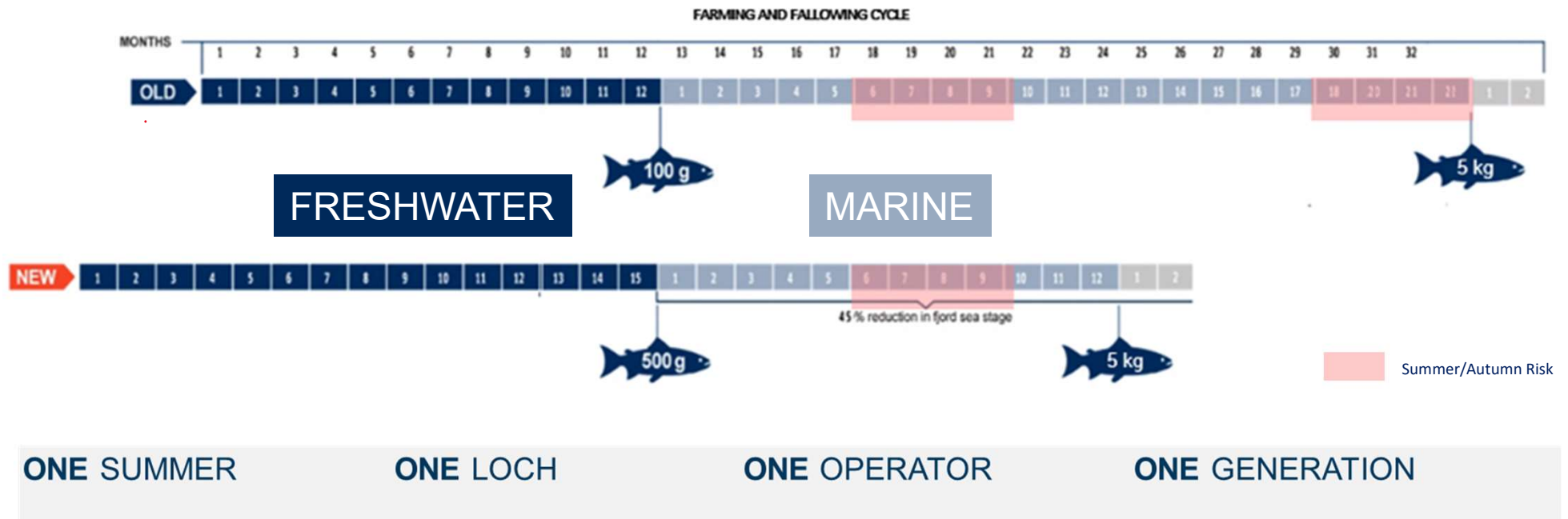


LARGE HIGH QUALITY SMOLT = GAME CHANGER

Large Smolt Strategy

- Reduced biological risk
- Increased production efficiency
- Enables growth

Allowing for
"ONE SUMMER"
cycles



HATCHERIES IN SCOTLAND – THE PAST



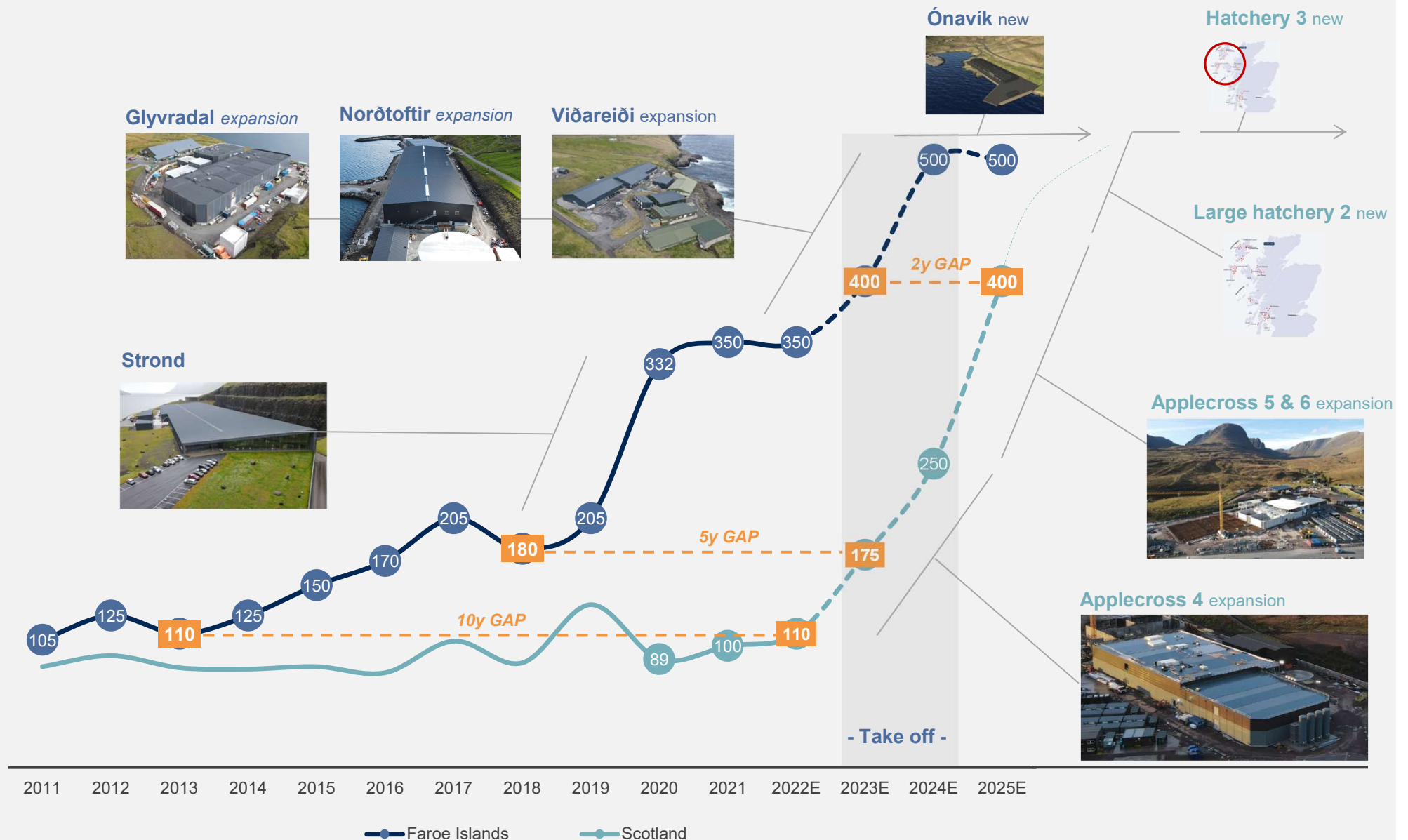
Applecross progressing

- Transferring 125 gr.smolt from AP 2 to AP 4 ult. Q 1
- Delivering first large smolt 200-300 gr. ult. Q2-2023



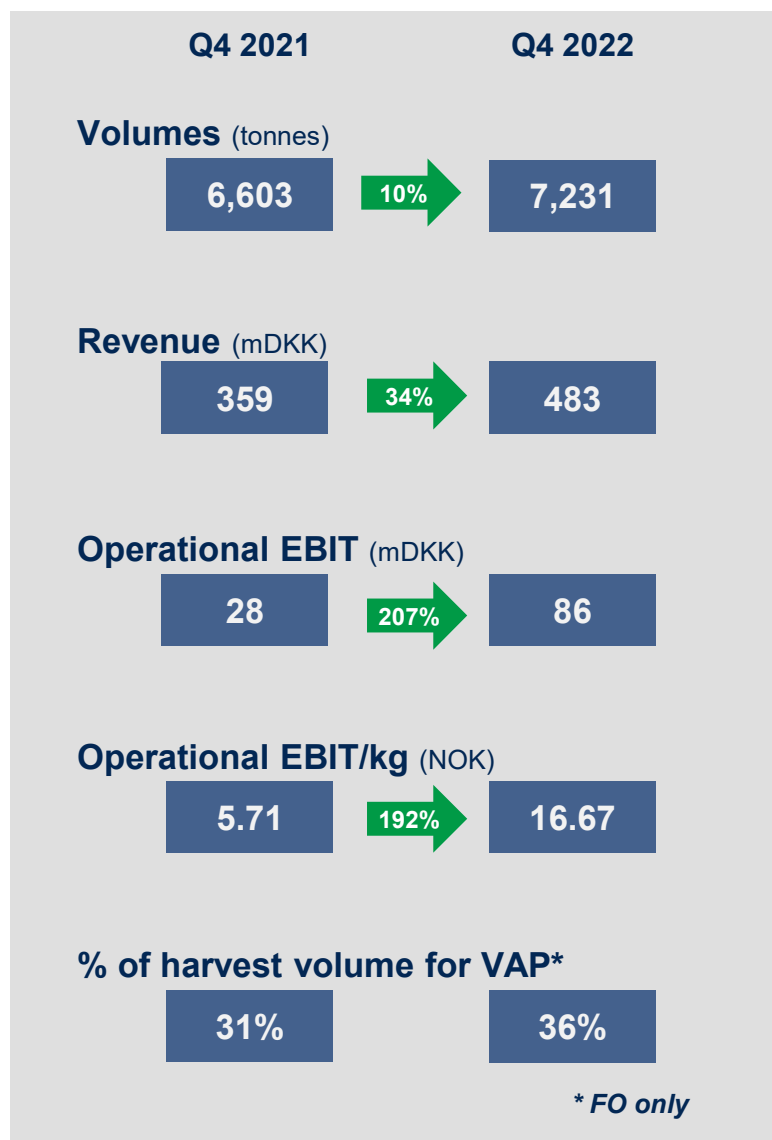
OUR ROADMAP TO LARGER SMOLT IN SCOTLAND

RAPIDLY REDUCING THE GAP BETWEEN FAROE ISLANDS AND SCOTLAND

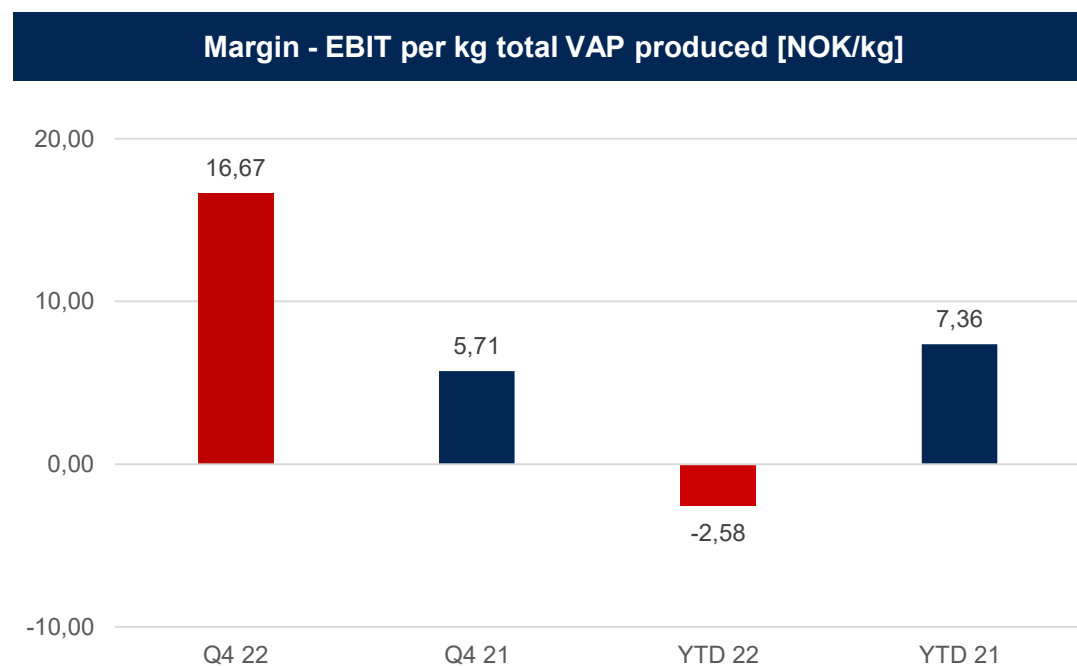


VALUE ADDED PRODUCTS (VAP)

HIGHER VOLUMES AND HIGHER COST OF RAW MATERIAL

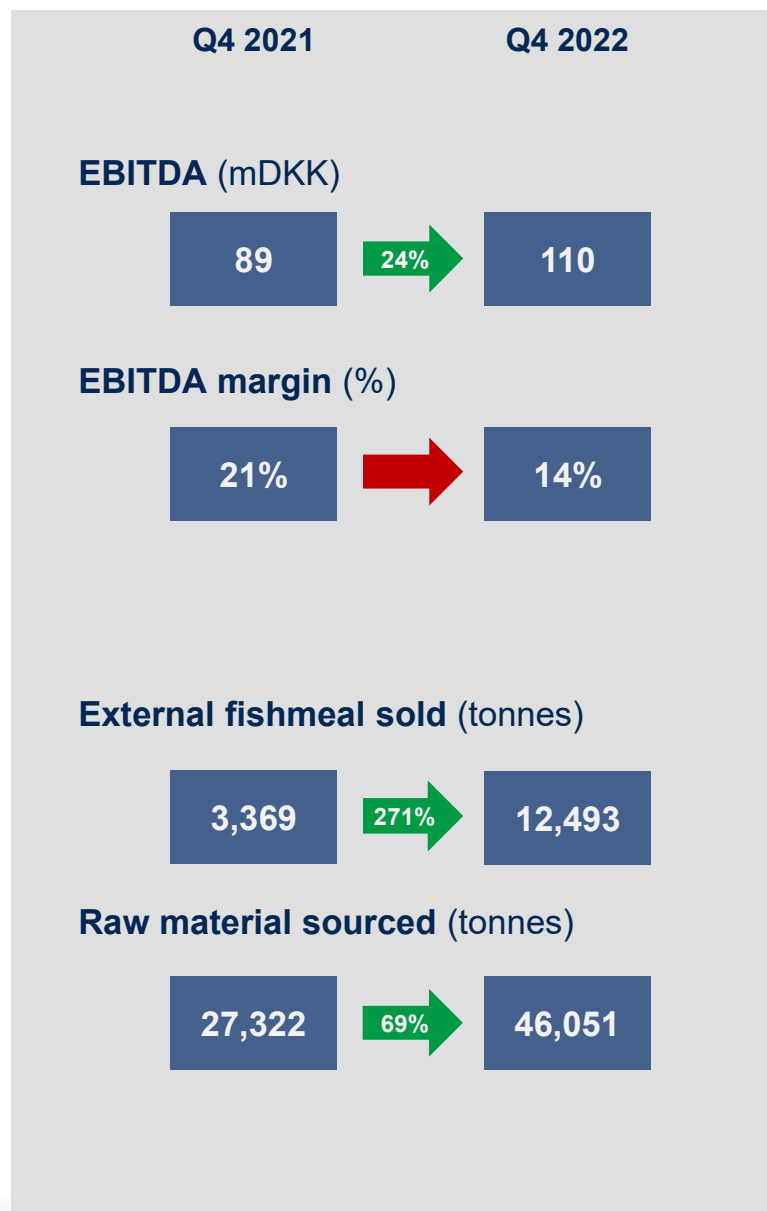


(DKK million)	Q4 22	Q4 21	YTD 22	YTD 21
Operating revenue	483	359	1,704	1,185
Operational EBIT	86	28	-51	120
Operational EBIT margin	18%	8%	-3%	10%
Farming FO transferred to VAP (tgv)	6,944	6,493	26,401	21,974
VAP produced (tgv)	7,231	6,603	26,747	22,180



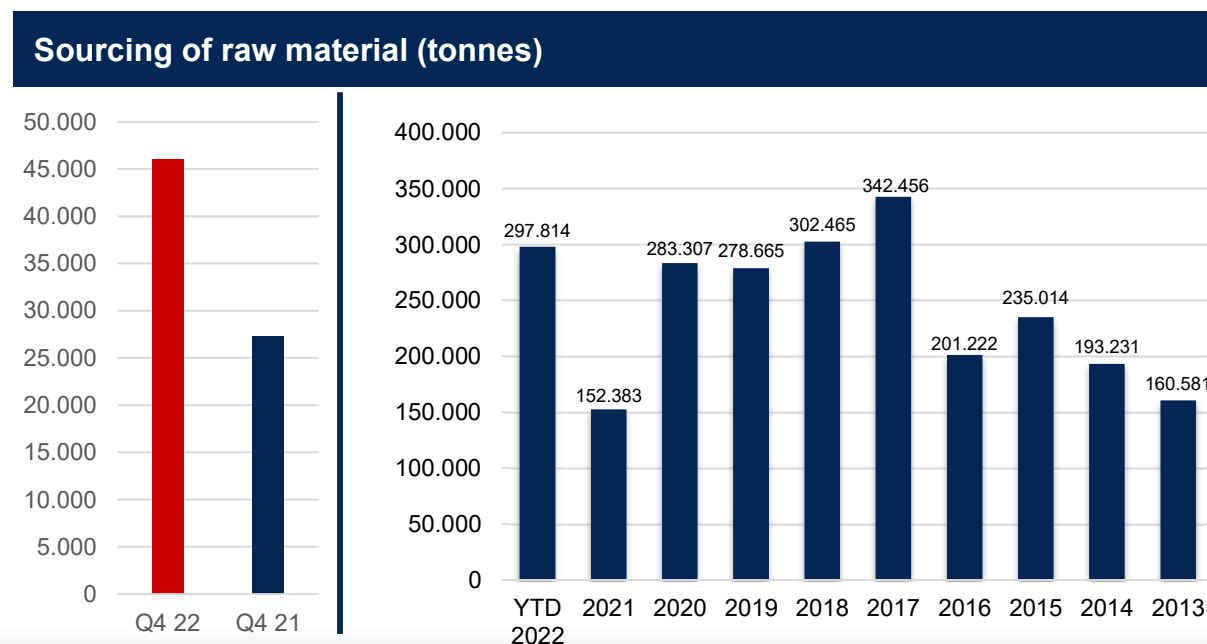
FISHMEAL, OIL AND FEED (FOF)

HIGHER EBITDA AND HIGHER SALES OF FISHMEAL AND FISH OIL



(DKK million)	Q4 22	Q4 21	YTD 22	YTD 21
Operating revenue	791	433	2,433	1,659
EBITDA	110	89	436	306
EBITDA margin	14%	21%	18%	18%
Feed sold (tonnes)*	32,600	32,527	127,840	128,489
Fishmeal sold external (tonnes)	12,493	3,369	34,667	16,376

- Including internal sales, corresponding to 96% of feed volumes in Q4 2022 (Q4 2021: 97%)



MARKET CONDITIONS FEED

UNCHANGED INTERNAL FEED SALES AND INCREASE EXTERNAL FEED SALES

Q4 2021

Q4 2022

Total feed sales increased (tonnes)

32,527

0%

32,600

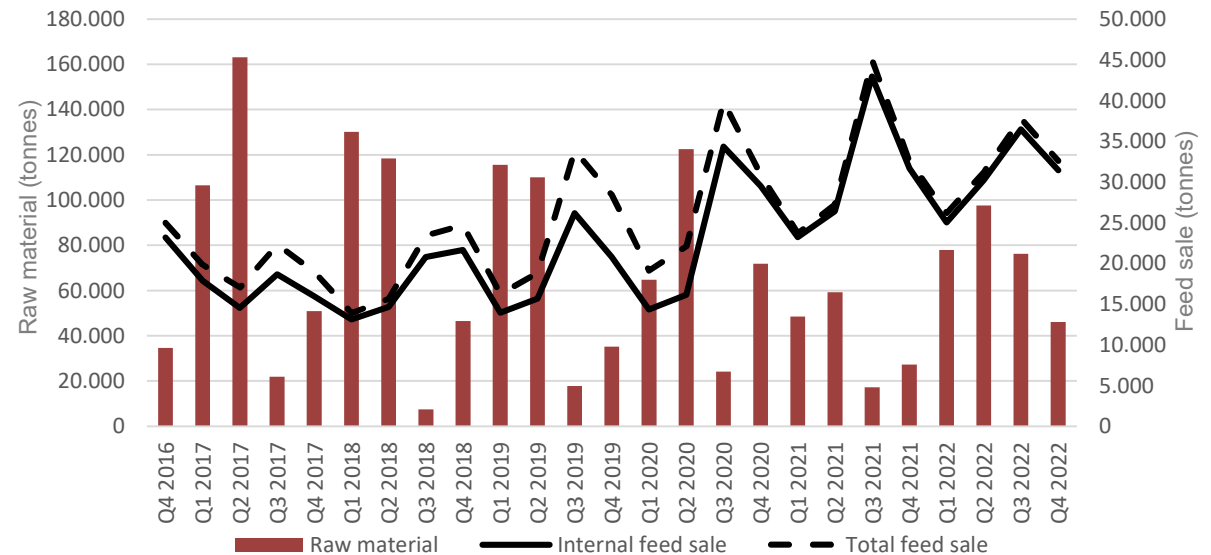
External feed sales increased (tonnes)

878

34%

1,178

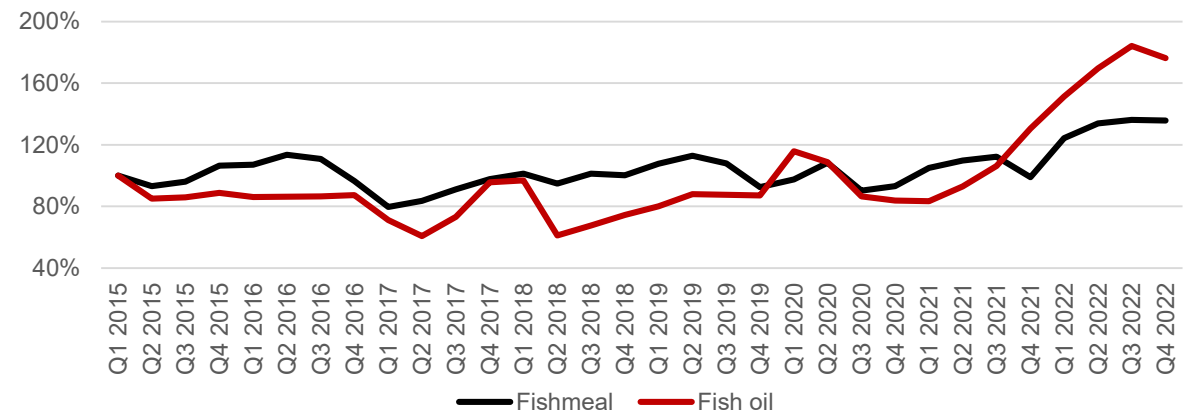
Volumes of raw material purchase and feed sale [tonnes]



Market fluctuations

Fishmeal and fish oil prices slightly decreased in Q4 2022. The price level is 35% - 37% higher than in the same quarter last year.

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



Source: Holtermann

SUMMARY OF Q4 2022

MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

OUTLOOK

APPENDIX

EXPECTED HARVEST GROWTH OF 2.3% IN 2023

Expectation of limited global supply growth

- Flat development 1H 2023
- Mid single digit growth expected 2H 2023

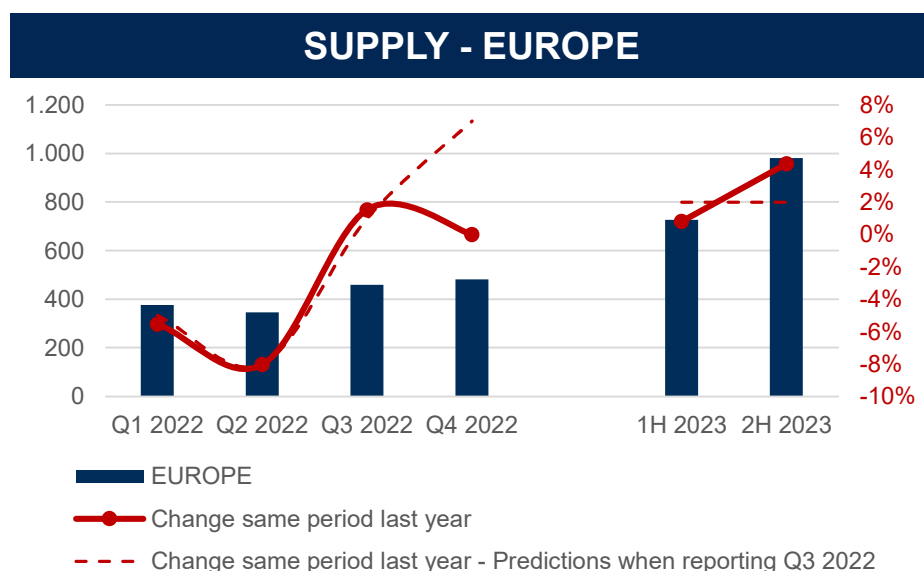
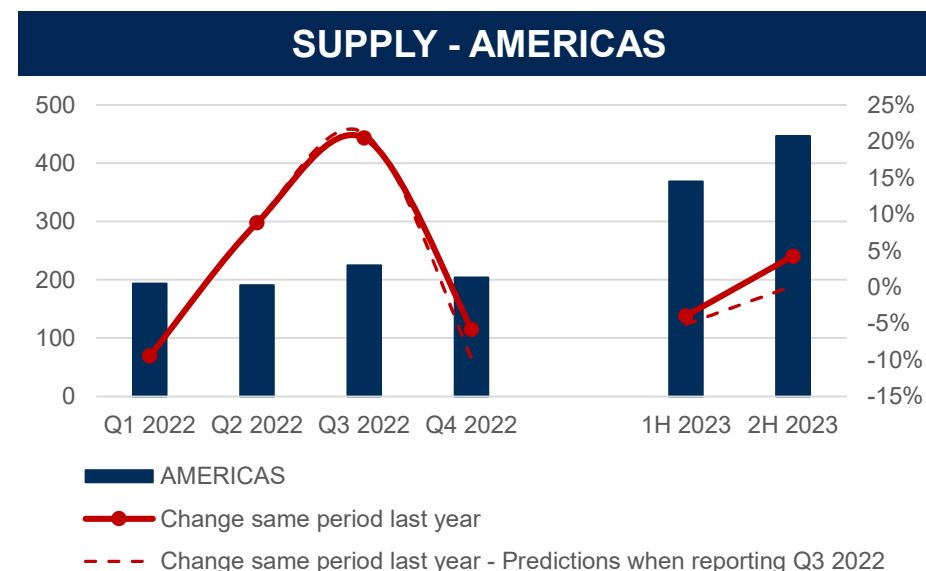
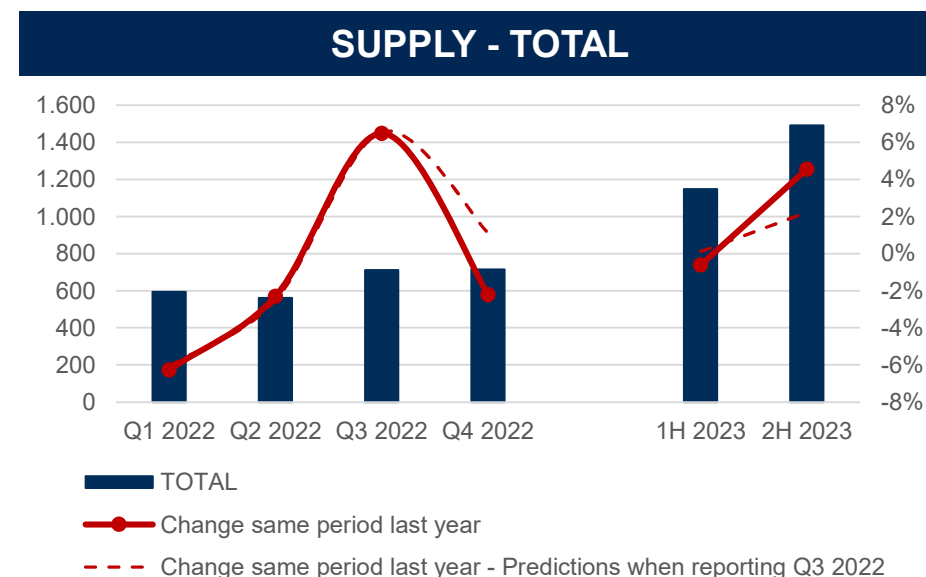
European harvest set to increase in 2H 2023

- At expense of 1H 2023

North American decline expected for 1H 2023

- Chile adapting to licence constraints

First look at 2024 indicates limited growth



Market

Global harvest:

- Decreased 2% in Q4 2022 vs Q4 2021
- 2.3% global supply growth expected in 2023

Farming

Harvest:

- Expected harvest of 98k GWT
(Faroe Islands: 68k and Scotland: 30k)

Smolt release:

- 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

Fishmeal, Oil and Feed

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

SUMMARY OF Q4 2022

MARKETS & SALES

FINANCIALS

SEGMENT INFORMATION

OUTLOOK

APPENDIX