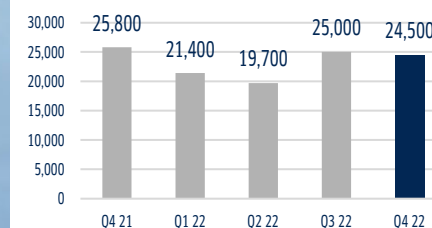


# INTERIM REPORT

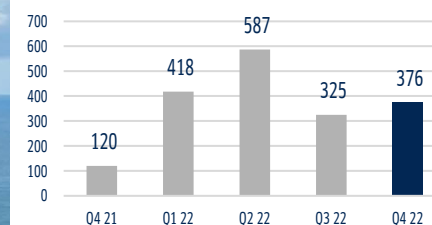
Q4 2022 and  
the year 2022

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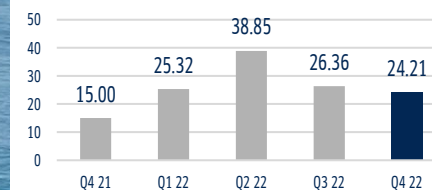
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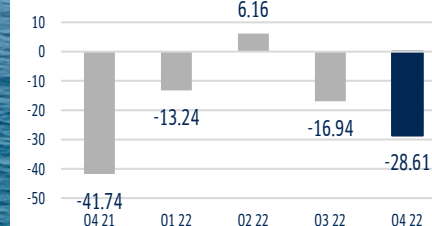
OPERATIONAL EBIT MDKK



OPERATIONAL EBIT VAP AND FARMING FO  
DKK/KG



OPERATIONAL EBIT SCT DKK/KG



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# Highlights

DKK M	Q4 2022	Q4 2021	YTD 2022	YTD 2021
<b>INCOME STATEMENT</b>				
Group - Operating revenue	1,940	1,488	7,130	5,554
Group - Operational EBIT*	376	120	1,705	821
Group - EBIT	-53	-52	1,826	1,145
Group - Profit for the period	-154	-3	1,344	964
Operational EBIT* (FO Farming and VAP)	467	310	1,862	1,023
Operational EBIT/kg (FO Farming and VAP) (DKK)	24.21	15.00	27.92	15.22
Operational EBIT/kg (FO Farming and VAP) (NOK)	33.81	20.11	37.88	20.80
Farming Faroe Islands - Operating revenue	1,139	1,111	4,633	3,477
Farming Faroe Islands - Operational EBIT*	380	282	1,913	904
Farming Faroe Islands - Operational EBIT margin	33%	25%	41%	26%
Farming Faroe Islands - Operational EBIT/kg (DKK)	19.73	13.64	28.68	13.45
Farming Faroe Islands - Operational EBIT/kg (NOK)	27.56	18.29	38.91	18.37
Farming Scotland - Operating revenue	298	218	1,442	1,455
Farming Scotland - Operational EBIT*	-149	-214	-298	-249
Farming Scotland - Operational EBIT margin	-50%	-98%	-21%	-17%
Farming Scotland - Operational EBIT/kg (DKK)	-28.61	-41.74	-12.44	-8.41
Farming Scotland - Operational EBIT/kg (NOK)	-39.96	-55.95	-16.88	-11.49
VAP - Operating revenue	483	359	1,704	1,185
VAP - Operational EBIT*	86	28	-51	120
VAP - Operational EBIT margin	18%	8%	-3%	10%
VAP - Operational EBIT/kg (DKK)	11.93	4.26	-1.90	5.39
VAP - Operational EBIT/kg (NOK)	16.67	5.71	-2.58	7.36
FOF - Operating revenue	791	433	2,433	1,659
FOF - EBITDA	110	89	436	306
FOF - EBITDA margin	14.0%	20.6%	17.9%	18.5%
NOK/DKK (average)	71.59	74.59	73.70	73.19

DKK M	Q4 2022	Q4 2021	YTD 2022	YTD 2021
<b>FINANCIAL POSITION AND CASH FLOW</b>				
Total Assets***	16,882	14,628	16,882	14,628
Equity***	10,396	9,348	10,396	9,348
Equity ratio***	62%	64%	62%	64%
Net interest-bearing debt***	2,664	2,126	2,664	2,126
Cash flow from operations	382	189	1,202	1,125
Cash flow from financing	339	237	263	30
<b>PROFITABILITY</b>				
Basic earnings per share (DKK)	-2.61	-0.05	22.75	16.32
Diluted earnings per share (DKK)	-2.61	-0.05	22.75	16.32
ROCE**	2.4%	0.9%	11.5%	6.3%
<b>VOLUMES</b>				
Harvested Faroe Islands (tgw)	19,276	20,694	66,686	67,217
Harvested Scotland (tgw)	5,198	5,122	23,917	29,672
<b>Total Harvest</b>	<b>24,474</b>	<b>25,816</b>	<b>90,603</b>	<b>96,889</b>
Farming FO transferred to VAP (tgw)	6,944	6,493	26,401	21,974
VAP produced (tgw)	7,231	6,603	26,747	22,180
Sold feed tonnes	32,600	32,527	127,840	128,489
Internal feed sales tonnes	31,422	31,649	123,118	124,259
Smolt released thousand Faroe Islands (pcs)	4,972	5,077	14,417	14,427
Smolt released thousand Scotland (pcs)	3,487	4,159	11,008	11,108
<b>Total smolt release</b>	<b>8,459</b>	<b>9,236</b>	<b>25,425</b>	<b>25,535</b>

\* 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 4<sup>th</sup> Quarter of 2022 and the year 2022

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

**The Bakkafrost Group delivered a total operating EBIT of DKK 376 million (DKK 120 million) in Q4 2022 and made a profit of DKK -154 million (DKK -3 million).**

**The combined FO farming and VAP segments made an operational EBIT of DKK 467 million (DKK 310 million).**

**The FO farming segment made an operational EBIT of DKK 380 million (DKK 282 million).**

**The SCT farming segment made an operational EBIT of DKK -149 million (DKK -214 million).**

**The VAP segment made an operational EBIT of DKK 86 million (DKK 28 million).**

**The EBITDA for the FOF segment was DKK 110 million (DKK 89 million).**

Total harvested volumes for Q4 2022 were 24,500 tonnes gutted weight (25,800 tgw):

- FO: 19,300 tgw (20,700 tgw),
- SCT: 5,200 tgw (5,100 tgw).

Total harvested volumes in 2022 were 90,600 tonnes gutted weight (96,900 tgw):

- FO: 66,700 tgw (67,200 tgw),
- SCT: 23,900 tgw (29,700 tgw).

In total, 8.5 million (9.2 million) smolts were transferred during Q4 2022:

- FO: 5.0 million (5.1 million),
- SCT: 3.5 million (4.2 million).

In 2022, 25.4 million (25.5 million) smolts were transferred:

- FO: 14.4 million (14.4 million),
- SCT: 11.0 million (11.1 million).

The combined FO farming and VAP segments made an operational EBIT of DKK 467 million (DKK 310 million) in Q4 2022. The operational EBIT per kg in Q4 2022 was DKK 24.21 (DKK 15.00), corresponding to NOK 33.81 (NOK 20.11). The FO Farming segment achieved higher prices in Q4 2022 than in Q4 2021. For 2022, the combined FO farming and VAP segments made an operational EBIT of DKK 1,862 million (DKK 1,023 million).

The SCT farming segment made an operational EBIT of DKK -149 million (DKK -214 million). In Q4 2022, the SCT farming segment had incident-based costs of DKK 81 million (DKK 179 million). For 2022, the operational EBIT was DKK -298 million (DKK -249 million).

The FOF segment made a 14.0% (20.6%) EBITDA margin. Fish feed sales amounted to 32,600 tonnes (32,500 tonnes) in Q4 2022. During Q4 2022, Havsbrún sourced 46,100 tonnes (27,300 tonnes) of raw material. For 2022, the EBITDA was 17.9% (18.5%). In 2022, Havsbrún sourced 297,800 tonnes (152,400 tonnes) of raw material.

The net interest-bearing debt amounted to DKK 2,664 million at the end of Q4 2022, compared to DKK 2,126 million at year-end 2021. Undrawn credit facilities amounted to DKK 2,542 million at the end of Q4 2022.

The long-term goal of the Board of Directors is that 30-50% of earnings per share shall be paid out as dividend. Bakkafrost's financial position is strong with a solid balance sheet, a competitive operation and available credit facilities. The Board of Directors proposes to the Annual General Meeting that DKK 10.00 (NOK 14.53\*) per share shall be paid out as dividend. The Annual General Meeting will be convened on Friday the 28th of April 2023.

The equity ratio was 62% on 31 December 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 4<sup>th</sup> Quarter of 2022 and the year 2022

### Income Statement

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

The Group's operating revenue amounted to DKK 1,940 million (DKK 1,488 million) in Q4 2022; for 2022, the operating revenue amounted to DKK 7,130 million (DKK 5,554 million).

The FO farming segment's harvest volumes were slightly lower, and the achieved prices were higher in Q4 2022 compared to last year's quarter. The VAP segment had higher revenues because of higher volumes sold and higher prices in Q4 2022 than in Q4 2021. The SCT Farming segment had a higher revenue because of the higher achieved prices in Q4 2022 compared to last year's quarter. The FOF segment had higher revenue in Q4 2022, compared to Q4 2021, due to higher external sales of fishmeal and fish oil in Q4 2022, compared to Q4 2021.

The Group's operational EBIT was DKK 376 million (DKK 120 million) in Q4 2022. For the full year 2022, the Group's operational EBIT was DKK 1,705 million (DKK 821 million).

The combined FO farming and VAP segments had higher operational EBIT in Q4 2022 compared to Q4 2021, DKK 467 million (DKK 310 million). The SCT Farming segment's operational EBIT was DKK -149 million (DKK -214 million), of which the cost of incident-based mortality is DKK 81 million (DKK 179 million). The FOF segment had higher EBITDA in Q4 2022 than in Q4 2021.

The fair value adjustment of the Group's biological assets amounted to DKK -426 million (DKK -140 million) in Q4 2022. The fair value adjustment for the full year of 2022 amounted to DKK 278 million (DKK 435 million).

Change in provisions for onerous contracts amounted to DKK 0 million (DKK 0 million) in Q4 2022. For the full year of 2022, the change in provisions for onerous contracts amounted to DKK 0 million (DKK 0 million).

The revenue tax amounted to DKK -51 million (DKK -49 million) in Q4 2022. The revenue for the full year of 2022 was DKK -215 million (DKK -141 million).

Net taxes amounted to DKK -13 million (DKK 41 million) in Q4 2022. For 2022, net taxes amounted to DKK -346 million (DKK -174 million).

The result for Q4 2022 was DKK -154 million (DKK -3 million), and for 2022, the result was DKK 1,344 million (DKK 964 million).

### Statement of Financial Position

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

The Group's total assets amounted to DKK 16,882 million (DKK 14,628 million) at the end of Q4 2022.

Intangible assets amounted to DKK 4,509 million (DKK 4,496 million) at the end of Q4 2022.

Property, plant, and equipment amounted to DKK 5,647 million (DKK 4,889 million) at the end of Q4 2022. In Q4 2022 purchase of property, plant, and equipment amounts to DKK 533 million (DKK 290 million in Q4 2021).

Right-of-use assets amounted to DKK 439 million (DKK 302 million) in Q4 2022.

The carrying amount (fair value) of biological assets amounted to DKK 2,938 million (DKK 2,448 million) at the end of Q4 2022. Compared to year-end 2021, biological assets have increased. Included in the carrying amount of the biological assets is a fair value

adjustment amounting to DKK 883 million (DKK 605 million) at the end of Q4 2022.

Inventories amounted to DKK 1,074 million (DKK 709 million) at the end of Q4 2022.

Total receivables, including long-term receivables, financial derivatives, and deferred tax assets, amounted to DKK 1,321 million (DKK 1,126 million) at the end of Q4 2022.

Total cash and cash equivalents amounted to DKK 720 million (DKK 509 million) at the end of Q4 2022.

The Group's equity amounted to DKK 10,396 million (DKK 9,348 million) at the end of Q4 2022. The change in equity consists primarily of the result for 2022.

Total non-current liabilities amounted to DKK 5,563 million (DKK 4,474 million) at the end of Q4 2022.

Deferred taxes amounted to DKK 1,826 million (DKK 1,590 million) at the end of Q4 2022.

Long-term interest-bearing debt was DKK 3,383 million (DKK 2,635 million) at the end of Q4 2022.

Leasing debt amounted to DKK 460 million (DKK 333 million) at the end of Q4 2022.

At the end of Q4 2022, the Group's total current liabilities were DKK 923 million (DKK 807 million). The current liabilities consist of short-term leasing debt and accounts payable, tax payable and other debt.

The equity ratio was 62% at the end of Q4 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 382 million (DKK 189 million) in Q4 2022. The changes in working capital had a positive effect on the cash flow from operations. For the full year of 2022, the cash flow from operations was DKK 1,202 million (DKK 1,125 million).

The cash flow from investment activities amounted to DKK -570 million (DKK -289 million) in Q4 2022. The primary investments have been in hatcheries and the new well boat. For 2022, the cash flow from investments amounted to DKK -1,255 million (DKK -1,112 million).

The cash flow from financing activities totalled DKK 339 million (DKK 237 million) in Q4 2022. For the full year of 2022, cash flow from financing amounted to DKK 263 million (DKK 30 million).

In Q4 2022, the net change in cash flow amounted to DKK 151 million (DKK 136 million). For the full year of 2022, net change in cash flow amounted to DKK 210 million (DKK 42 million).

At the end of Q4 2022, the Group had unused committed credit facilities of DKK 2,542 million (DKK 3,063 million). In addition, the Group has an accordion of EUR 150 million.



## Farming Segment – Faroe Islands

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 the internal VAP production. The farming sites are in the Faroe Islands.

### Volumes

The total volumes harvested in Q4 2022 were 19,276 tonnes gutted weight (20,694 tgw) – a change in volume of -7%. 5,322 tgw came from the North region and 13,954 tgw from the West. The harvested volumes for the full year 2022 were 66,686 tonnes gutted weight (67,217 tgw) which was in line with the forecast for 2022.

5.0 million (5.1 million) smolts were transferred to the sea in Q4 2022. In 2022, 14.4 million (14.4 million) smolts were transferred, which was in line with the smolt transfer plan.

	Q4	Q4		YTD	YTD	
DKK 1,000	2022	2021	Change	2022	2021	Change
<b>Financial</b>						
Total revenue	1,139,330	1,110,798	3%	4,632,581	3,476,725	33%
EBIT	157,937	208,873	-24%	1,872,176	1,302,738	44%
Operational EBIT	380,337	282,285	35%	1,912,534	903,820	112%
Operational EBIT/kg (DKK)	19.73	13.64	45%	28.68	13.45	113%
Operational EBIT margin	33%	25%		41%	26%	
<b>Volumes</b>						
Harvested volumes (tgw)	19,276	20,694	-7%	66,686	67,217	-1%
- Farming North	5,322	9,268	-43%	28,864	26,082	11%
- Farming West	13,954	8,904	57%	28,033	32,253	-13%
- Farming South	0	2,522	-100%	9,789	8,883	10%
Smolts released (thousand)	4,972	5,077	-2%	14,417	14,427	0%
- Farming North	1,577	2,304	-32%	6,855	6,078	13%
- Farming West	2,374	1,993	19%	5,265	5,719	-8%
- Farming South	1,021	780	31%	2,297	2,630	-13%

### Financial Performance

In Q4 2022, the operating revenue for the FO farming segment was DKK 1,139 million (DKK 1,111 million). The total revenue for the farming segment increased in Q4 2022, compared with Q4 2021, because of higher prices. The operating revenue for the FO farming segment for 2022 was DKK 4,633 million (DKK 3,477 million).

Operational EBIT/kg for the FO farming segment was DKK 19.73 (DKK 13.64) in Q4 2022, corresponding to NOK 27.56 (NOK 18.29).

In Q4 2022, the FO farming segment's EBIT amounted to DKK 158 million (DKK 209 million). The FO farming segment's EBIT for 2022 was DKK 1,872 million (DKK 1,303 million). Operational EBIT amounted to DKK 380 million (DKK 282 million) in Q4 2022, corresponding to an operational EBIT margin of 33% (25%). In 2022, operational EBIT was DKK 1,913 million (DKK 904 million).

Costs of DKK 0 million (DKK 45 million) were related to incident-based mortality in Q4 2022 and for full year 2022, DKK 0 million (DKK 45 million).

## Farming Segment – Scotland

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

### Volumes

The total volumes harvested in Q4 2022 were 5,198 tonnes gutted weight (5,122 tgw) - a change in volume of 1%. The harvested volumes for the full year of 2022 were 23,917 tonnes gutted weight (29,672 tgw). This is lower than the planned harvest.

3.5 million (4.2 million) smolts were transferred to the sea in Q4 2022. In 2022, 11.0 million (11.1 million) smolts were transferred. This was in line with the smolt transfer plan.

	Q4	Q4		YTD	YTD	
DKK 1,000	2022	2021	Change	2022	2021	Change
<b>Financial</b>						
Total revenue	298,473	218,340	37%	1,441,566	1,455,391	-1%
EBIT	-398,948	-329,350	-21%	-189,442	-353,669	46%
Operational EBIT	-148,689	-213,774	30%	-297,606	-249,497	-19%
Operational EBIT/kg (DKK)	-28.61	-41.74	31%	-12.44	-8.41	-48%
Operational EBIT margin	-50%	-98%		-21%	-17%	
<b>Volumes</b>						
Harvested volumes (tgw)	5,198	5,122	1%	23,917	29,672	-19%
Smolts released (thousand pcs)	3,487	4,159	-16%	11,008	11,108	-1%

### Financial Performance

In Q4 2022, the operating revenue for the SCT farming segment was DKK 298 million (DKK 218 million). The operating revenue for the SCT farming segment for 2022 was DKK 1,442 million (DKK 1,455 million).

In Q4 2022, the SCT farming segment's EBIT amounted to DKK -399 million (DKK -329 million). For 2022, the SCT farming segment's EBIT amounted to DKK -189 million (DKK -354 million).

Operational EBIT amounted to DKK -149 million (DKK -214 million) in Q4 2022, corresponding to an operational EBIT margin of -50% (-98%). In 2022, operational EBIT was DKK -298 million (DKK -249 million), corresponding to an operational EBIT margin of -21% (-17%).

Operational EBIT/kg for the farming segment in Scotland was DKK -28.61 (DKK -41.74) in Q4 2022, which corresponds to NOK -39.96 (NOK -55.95). Operational EBIT/kg for the full year 2022 was DKK -12.44 (DKK -8.41), corresponding to NOK -16.88 (NOK -11.49).

Costs of DKK 81 million (DKK 179 million) relate to incident-based mortality in Q4 2022, and for full year 2022, DKK 283 million (DKK 262 million).



## 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 primarily sold on long-term fixed-price contracts.

### Volumes

36% (31%) of the Faroese harvested volumes in Q4 2022 went to the production of VAP products, and 40% (33%) of the harvested volumes in full year 2022 went to VAP production.

The VAP production in the Faroe Islands was 7,231 tonnes gutted weight (6,603 tgw) in Q4 2022, increasing 10% compared to Q4 2021. In the full year of 2022, the VAP production was 26,747 tgw (22,180 tgw).

DKK 1,000	Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
<b>Financial</b>						
Total revenue	482,601	359,203	34%	1,703,637	1,184,595	44%
EBIT	86,291	28,137	207%	-50,824	119,521	-143%
Operational EBIT	86,291	28,137	207%	-50,824	119,521	-143%
VAP - Operational EBIT/kg (DKK)	11.93	4.26	180%	-1.90	5.39	-135%
Operational EBIT margin	18%	8%		-3%	10%	
<b>Volumes</b>						
Farming FO transferred to VAP (tgw)	6,944	6,493	7%	26,401	21,974	20%
VAP produced (tgw)	7,231	6,603	10%	26,747	22,180	21%
Harvested volumes used in VAP production	36%	31%		40%	33%	
Harvested volumes sold fresh/frozen	64%	69%		60%	67%	

### Financial Performance

The operating revenue for the VAP segment amounted to DKK 483 million (DKK 359 million) in Q4 2022. The increase in revenue is due to higher prices and higher volumes sold in Q4 2022 compared with Q4 2021. In 2022, the VAP revenue was DKK 1,704 million (DKK 1,185 million).

Operational EBIT amounted to DKK 86 million (DKK 28 million) in Q4 2022, corresponding to an operational EBIT of DKK 11.93 (DKK 4.26) per kg gutted weight in Q4 2022, which corresponds to NOK 16.67 (NOK 5.71) per kg gutted weight. Operational EBIT for the full year 2022 amounted to DKK -51 million (DKK 120 million), corresponding to an operational EBIT of DKK -1.90 (DKK 5.39), which corresponds to NOK -2.58 (NOK 7.36).

The VAP segment had an EBIT amounting to DKK 86 million (DKK 28 million) in Q4 2022. Changes in onerous contracts were DKK 0 million (DKK 0 million) in Q4 2022. For full year 2022, the VAP segment's EBIT amounted to DKK -51 million (DKK 120 million).

## 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 46,051 tonnes (27,322 tonnes) of raw material to produce fishmeal and fish oil in Q4 2022. The raw material intake depends on the fishery in the North Atlantic and available species of fish. In 2022, Havsbrún received 297,814 tonnes (152,383 tonnes) of raw material.

The fishmeal production in Q4 2022 was 10,909 tonnes (6,853 tonnes). For full year 2022, Havsbrún produced 65,395 tonnes (34,962 tonnes) of fishmeal.

The production of fish oil in Q4 2022 was 5,634 tonnes (2,921 tonnes). The production of fish oil varies depending on the species of fish sourced for production and the timing of the catch. For the full year of 2022, Havsbrún produced 23,862 tonnes (8,124 tonnes) of fish oil.

Sales of fish feed amounted to 32,600 tonnes (32,527 tonnes) in Q4 2022. The FO farming segment internally used 21,013 tonnes (25,930 tonnes) or 64% (80%). The SCT farming segment internally used 10,409 tonnes (5,719 tonnes) or 32% (18%).

For the full year of 2022, Havsbrún sold 127,840 tonnes (128,489 tonnes).

### Financial Performance

The operating revenue for the FOF segment amounted to DKK 791 million (DKK 433 million) in Q4 2022, of which DKK 472 million (DKK 379 million) represented sales to Bakkafrøst's farming segments, corresponding to 60% (87%). For the full year of 2022, the revenue amounted to DKK 2,433 million (DKK 1,659 million) of which DKK 1,691 million (DKK 1,421 million) represented sales to Bakkafrøst's farming segments, corresponding to 70% (86%).

DKK 1,000	Q4 2022	Q4 2021	Change	YTD 2022	YTD 2021	Change
<b>Financial</b>						
Total revenue	791,271	433,458	83%	2,433,494	1,659,351	47%
EBIT	146,799	100,312	46%	463,450	305,988	51%
EBITDA	110,417	89,314	24%	436,150	306,227	42%
FOF - EBITDA margin	14%	21%		18%	18%	
<b>Volumes (tonnes)</b>						
Feed sold	32,600	32,527	0%	127,840	128,489	-1%
- Feed internal sale FO	21,013	25,930	-19%	79,262	94,163	-16%
- Feed internal sale SCT	10,409	5,719	82%	43,856	30,096	46%
- Feed external sale	1,178	878	34%	4,722	4,230	12%
Fishmeal external sale	12,493	3,369	271%	34,667	16,376	112%
Fish oil external sale	2,810	8		5,285	41	
Received raw material	46,051	27,322	69%	297,814	152,383	95%
Fishmeal production	10,909	6,853	59%	65,395	34,962	87%
Fish oil production	5,634	2,921	93%	23,862	8,124	194%

Total revenue for the FOF segment in Q4 2022 was higher than the same quarter last year. The increase in external revenue is due to higher volumes on fishmeal and fish oil in Q4 2022 compared to Q4 2021.

EBITDA was DKK 110 million (DKK 89 million) in Q4 2022, and the EBITDA margin was 14% (21%). For the full year of 2022, the EBITDA was DKK 436 million (DKK 306 million), and the EBITDA margin was 18% (18%).

# Outlook

## Market

### *Supply decreased in Q4 2022*

The supply of salmon decreased by 0.3% in Q4 2022 compared to Q4 2021, incl. inventory movements. Without inventory movements, the supply decrease was 2.2%, according to the latest estimate from Kontali Analyse.

### *22% higher salmon prices*

Salmon spot prices were 22% higher this quarter compared to Q4 2021. Strong demand for salmon, low supply increase and general inflation have contributed to high salmon prices this quarter.

### *Low growth in 2023*

In H1 2023, the global supply is expected to be on the same level as in H1 2022. In H2 2023, the global supply is expected to grow around 4-5%. For the full year 2023, the global supply growth is expected to be around 2%, excluding inventory movements.

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

## Farming

The strong biological performance in the Faroese farming operation seen in previous quarters has continued this quarter. Sea lice levels have been maintained at all-time low this quarter, and the low mortality rates have continued this quarter.

Bakkafrost's new 10,000m<sup>3</sup> Live Fish Carrier, Bakkafossur, arrived in the Faroe Islands at the beginning of January 2023 and will play an important role in strengthening Bakkafrost's capabilities to

maintain low biological risk in the Faroe Islands. Also, the vessel is designed to support future off-shore farming in the Faroe Islands.

The Norðtoftir hatchery is now in operation and has successfully released the first batch of large smolt since the expansion. The hatchery expansion at Glyvradal is about to be finished and will start operation in Q1 2023. Combined, these capacity expansions will increase the smolt production capacity in the Faroe Islands with around 6.5 million smolts of 500g. These are important milestones to fulfil Bakkafrost's goal to build an annual smolt production capacity in the Faroe Islands of over 23 million smolts of 500g in 2026.

In Scotland, farming conditions in Q4 2022 have followed the normal seasonal pattern with more biological challenges compared to the first half of the year in particular. However, the biological situation improved considerably in the second half of Q4, and Bakkafrost decided to slow down harvest to let the fish continue growing and gain weight. This reduced the harvest volume in Q4 2022 but will increase value with harvesting larger fish in Q1 2023. Overall, the mortality in Q4 2022 was lower than the year before, and from the beginning of December 2022, mortality levels have been at the same level as normally found in the first half of the year.

One contributing factor to the improved biological development in late Q4 in Scotland was the arrival of the new 4,000m<sup>3</sup> Live Fish Carrier in late September 2022. Equipped with freshwater treatment capacity as well as an innovative in-line freshwater-based sea lice removal system this vessel can efficiently do dual treatments for gill-related issues as well as sea lice removal in one operation. The operation has proven to be efficient and Bakkafrost has decided to implement the same systems on the second Live Fish

Carrier in Scotland as well as on the new Live Fish Carrier in the Faroe Islands, Bakkafossur.

The biological risk in Scotland is still higher than in the Faroe Islands but is expected to be transformed with the implementation of Bakkafrost's large-smolt strategy. As demonstrated in the Faroe Islands, large high-quality and robust smolt will have a lower risk exposure in the marine environment due to shorter production cycles in the sea. This is expected to significantly reduce the biological risk in Scotland and is fundamental to the turnaround of the farming operation. Therefore, it is Bakkafrost's topmost priority in Scotland to build new modern hatcheries. The ongoing expansion of the Applecross hatchery is progressing well, and the Applecross 4 expansion is expected to be operational with fish in the tanks in March 2023. The first batch of large smolt delivered from Applecross 4 is planned for Q2 2023 and will contribute to increasing the mean weights and quality of the smolt stocked in Scotland in 2023.

The full capacity of the Applecross hatchery, including the next expansions, will be in operation in mid-2024, bringing the overall annual production capacity from Applecross to around 10 million high-quality smolts of around 500g.

In Q4 2022, the average weight of released smolt in Scotland was 115g, which is 10% higher than in Q4 2021.

Bakkafrost plans to build 3 large hatcheries in Scotland, which will increase the total annual production capacity to around 18 million smolts of around 500g in 2026.

### Smolt release

Bakkafrost expects to release around 16 million large smolts in 2023 in the Faroe Islands and around 9.6 million smolts in Scotland. The number and the average weight of smolts released are key elements of predicting Bakkafrost's future production.

Million smolt released	'23	'22	'21	'20	'19	'18
FO	16.0	14.5	14.4	14.3	12.7	12.6
SCT	9.6	10.8	11.1	10.4	12.4	8.6

The average weight of the smolt released in Scotland in 2023 is expected to increase to around 150-175g. In 2023, the number of released smolt will be lower than in previous years as the focus is on stabilising the operation before increasing the volume. In this respect, smolt quality is more important than the released volume.

Harvest volumes for 2022 in the Faroe Islands were 66.7 thousand tonnes gutted weight and 23.9 thousand tonnes gutted weight in Scotland, giving a total of 90.6 thousand tonnes gutted weight.

In 2023, Bakkafrost expects to harvest around 68,000 tonnes gutted weight in the Faroe Islands and 30,000 tonnes gutted weight in Scotland, giving a total of around 98,000 tonnes gutted weight.

The estimates for harvest volumes and smolt releases in both geographies are dependent on 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 6 to 12 months.

For 2023, Bakkafrost has signed contracts covering around 23% of the expected harvest volumes in the Faroe Islands and Scotland combined.

### FOF (Fishmeal, oil and feed)

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

The ICES 2023 recommendation for blue whiting is 1,360 thousand tonnes, which is an 81% increase from the recommendation for 2022.

In 2023 Bakkafrost expects similar production volumes of fishmeal and fish oil as in 2022.

Havsbrún's sales of fish feed in 2022 was 128,000 tonnes, and is expected to increase up to around 130,000 tonnes in 2023.

The major market for Havsbrún's fish feed are the internal Faroese and Scottish Farming segments.

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 a low feed conversion ratio and good access to marine raw materials.

### Investments

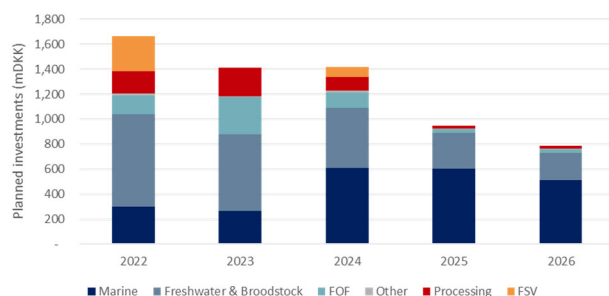
On the Capital Markets Day on 14-15 September 2021, Bakkafrost announced a 6.2bn DKK investment plan for 2022-2026. The investments will enable a transformation of the operation in Scotland and provide sustainable growth in the Faroe Islands as well as Scotland.

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 smolts 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 increase flexibility in operation. Bakkafrost will also invest in more service vessel capacity to improve the 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 around 23 million smolts at 500g, investments in a brood stock facility and expansion of feed production capacity.

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

6.2bn DKK Investment programme 2022-2026



### Capital Market Day in Scotland in 2023

Bakkafrøst's next Capital Markets Day will be on 6-7 June 2023 and will be held in Scotland.

### Financial

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

In March 2022, Bakkafrøst finalized a new 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 plus an extension of one year. In combination with Bakkafrøst'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.bakka-frost.com](http://www.bakka-frost.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 1 Jan 2022 to 31 Dec 2022.

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.

Glyvrrar, February 20<sup>th</sup> 2023

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 31 Dec 2022, as well as the results of the Group activities and cash flows for the period 1 Jan 2022 to 31 Dec 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 31 Dec 2022

DKK 1,000	Q4 2022	Q4 2021	YTD 2022	YTD 2021
<b>Operating revenue</b>	<b>1,939,809</b>	<b>1,488,316</b>	<b>7,129,967</b>	<b>5,553,849</b>
Purchase of goods	-583,143	-507,912	-2,756,273	-1,692,501
Change in inventory and biological assets (at cost)	-93,201	-120,942	666,550	-178,060
Salary and personnel expenses	-240,231	-198,464	-831,679	-728,423
Other operating expenses	-523,801	-419,685	-1,990,299	-1,632,114
Depreciation	-127,746	-150,531	-537,480	-530,434
Other income	4,324	28,877	24,379	28,877
<b>Operational EBIT*</b>	<b>376,011</b>	<b>119,659</b>	<b>1,705,165</b>	<b>821,194</b>
Fair value adjustments of biological assets	-426,054	-139,953	278,392	434,868
Income from associates	47,889	17,751	57,597	30,112
Revenue tax	-51,020	-49,329	-215,001	-141,489
<b>Earnings before interest and taxes (EBIT)</b>	<b>-53,174</b>	<b>-51,872</b>	<b>1,826,153</b>	<b>1,144,685</b>
Net interest revenue	4,971	110	7,000	3,542
Net interest expenses	-39,725	-10,566	-65,039	-36,863
Net currency effects	-62,399	22,401	-69,066	45,862
Other financial expenses	9,607	-3,782	-8,713	-19,564
<b>Earnings before taxes (EBT)</b>	<b>-140,720</b>	<b>-43,709</b>	<b>1,690,335</b>	<b>1,137,662</b>
Taxes	-13,330	40,584	-346,005	-173,626
<b>Profit or loss for the period</b>	<b>-154,050</b>	<b>-3,125</b>	<b>1,344,330</b>	<b>964,036</b>
<b>Profit or loss for the year attributable to</b>				
Non-controlling interests	1,017	-17	-780	-17
Owners of P/F Bakkafrøst	-155,067	-3,108	1,345,110	964,053
Earnings per share (DKK)	-2.61	-0.05	22.75	16.32
Diluted earnings per share (DKK)	-2.61	-0.05	22.75	16.32

\* 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 31 Dec 2022

DKK 1,000	Q4 2022	Q4 2021	YTD 2022	YTD 2021
<b>Profit for the period</b>	<b>-154,050</b>	<b>-3,125</b>	<b>1,344,330</b>	<b>964,036</b>
Changes on financial derivatives	21,971	16,215	11,102	12,928
Hereof income tax effect	-3,352	-2,473	-1,103	-1,972
Reserve to share-based payment	1,255	1,052	12,760	1,570
Currency translation differences	10,237	4,326	-28,490	36,139
Adjustment of treasury shares	2,330	1,038	8,255	10,905
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>32,441</b>	<b>20,158</b>	<b>2,524</b>	<b>59,570</b>
<b>Other comprehensive income</b>	<b>32,441</b>	<b>20,158</b>	<b>2,524</b>	<b>59,570</b>
<b>Total other comprehensive income for the period</b>	<b>-121,609</b>	<b>17,033</b>	<b>1,346,854</b>	<b>1,023,606</b>
<b>Comprehensive income for the period attributable to</b>				
Non-controlling interests	1,017	-17	-780	-17
Owners of P/F Bakkafrøst	-122,626	17,050	1,347,634	1,023,623

# Consolidated Statement of Financial Position

As on 31 Dec 2022

DKK 1,000	31 des 2022	31 des 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	4,508,704	4,495,726
Property, plant and equipment	5,647,161	4,888,778
Right of use assets	438,545	302,105
Financial assets	234,209	149,225
Long-term receivables	0	8,102
Deferred tax assets	336,020	215,248
<b>Total non-current assets</b>	<b>11,164,639</b>	<b>10,059,184</b>
<b>Current assets</b>		
Biological assets (biomass)	2,938,485	2,448,290
Inventory	1,074,344	709,306
<b>Total inventory</b>	<b>4,012,829</b>	<b>3,157,596</b>
Financial derivatives	7,474	0
Accounts receivable	808,755	824,004
Other receivables	168,272	78,227
<b>Total receivables</b>	<b>984,501</b>	<b>902,231</b>
<b>Cash and cash equivalents</b>	<b>719,603</b>	<b>509,157</b>
<b>Total current assets</b>	<b>5,716,933</b>	<b>4,568,984</b>
<b>TOTAL ASSETS</b>	<b>16,881,572</b>	<b>14,628,168</b>

DKK 1,000	31 des 2022	31 des 2021
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	59,143	59,143
Other equity	10,333,259	9,288,269
Non-controlling interests	3,411	133
<b>Total equity</b>	<b>10,395,813</b>	<b>9,347,545</b>
<b>Non-current liabilities</b>		
Deferred taxes and other taxes	1,825,873	1,590,034
Long-term interest-bearing debt	3,383,289	2,634,968
Long-term leasing debt	353,355	245,753
Financial derivatives	0	3,207
<b>Total non-current liabilities</b>	<b>5,562,517</b>	<b>4,473,962</b>
<b>Current liabilities</b>		
Financial derivatives	0	4,602
Short-term leasing debt	106,215	87,668
Accounts payable and other debt	817,027	714,391
<b>Total current liabilities</b>	<b>923,242</b>	<b>806,661</b>
<b>Total liabilities</b>	<b>6,485,759</b>	<b>5,280,623</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,881,572</b>	<b>14,628,168</b>

# Consolidated Cash Flow Statement

For the period ended 31 Dec 2022

DKK 1,000	Q4 2022	Q4 2021	YTD 2022	YTD 2021
<b>Earnings before interest and taxes (EBIT)</b>	<b>-53,174</b>	<b>-51,872</b>	<b>1,826,153</b>	<b>1,144,685</b>
Adjustments for write-downs and depreciation	127,746	150,531	537,480	530,434
Adjustments for value adjustment of biomass	426,054	139,953	-278,392	-434,868
Adjustments for income from associates	-47,889	-17,751	-57,597	-30,112
Adjustments for currency effects	-73,948	15,805	-145,495	45,160
Taxes paid	-170,748	-54,327	-170,748	-54,327
Change in inventory	66,282	95,970	-576,841	142,314
Change in receivables	-293,193	-318,990	-208,951	-493,831
Change in current debts	400,645	229,277	276,247	275,099
<b>Cash flow from operations</b>	<b>381,775</b>	<b>188,596</b>	<b>1,201,856</b>	<b>1,124,554</b>
<b>Cash flow from investments</b>				
Proceeds from sale of fixed assets	368	0	368	0
Payments for purchase of fixed assets	-532,974	-290,315	-1,235,680	-1,115,013
Net investment in financial assets	-37,132	840	-27,387	2,775
Change in long-term receivables and deferred tax assets	0	102	8,102	-1
<b>Cash flow from investments</b>	<b>-569,738</b>	<b>-289,373</b>	<b>-1,254,597</b>	<b>-1,112,239</b>
<b>Cash flow from financing</b>				
Change in interest-bearing debt (short and long)	387,387	275,379	735,352	404,600
Financial income	4,068	110	4,310	3,542
Financial expenses	-26,405	-14,348	-68,255	-56,427
Lease payments	-32,460	-25,615	-117,022	-116,897
Net proceeds from sale of own shares	6,811	1,090	12,797	10,957
Dividend paid	0	0	-303,995	-215,872
<b>Cash flow from financing</b>	<b>339,401</b>	<b>236,616</b>	<b>263,187</b>	<b>29,903</b>
<b>Net change in cash and cash equivalents in period</b>	<b>151,438</b>	<b>135,839</b>	<b>210,446</b>	<b>42,218</b>
Cash and cash equivalents – opening balance	568,165	373,318	509,157	466,939
<b>Cash and cash equivalents – closing balance total</b>	<b>719,603</b>	<b>509,157</b>	<b>719,603</b>	<b>509,157</b>

# Consolidated Statement of Changes in Equity

As on 31 Dec 2022

	Share	Share Premium	Treasury	Sharebased	Currency		Proposed	Biomass Fair value	Retained	Non controlling	Total
DKK 1,000	Capital	Reserve	Shares	Payment	translation	Derivatives	Dividend	adjustments	Earnings	interest	Equity
Equity 01.01.2022	59,143	4,027,375	-26,767	7,799	46,232	-3,873	303,995	604,707	4,328,801	133	9,347,545
<b>Consolidated profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>278,392</b>	<b>1,068,067</b>	<b>-780</b>	<b>1,345,679</b>
Changes in financial derivatives	0	0	0	0	0	11,102	0	0	0	0	11,102
Hereof income tax effect	0	0	0	0	0	-1,103	0	0	0	0	-1,103
Share-based payment	0	0	0	12,760	0	0	0	0	0	0	12,760
Currency translation differences	0	0	0	0	-28,490	0	0	0	0	0	-28,490
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,760</b>	<b>-28,490</b>	<b>9,999</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,731</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,760</b>	<b>-28,490</b>	<b>9,999</b>	<b>0</b>	<b>278,392</b>	<b>1,068,067</b>	<b>-780</b>	<b>1,339,948</b>
Treasury shares	0	0	8,255	0	0	0	0	0	0	0	8,255
Addition of non-controlling interests	0	0	0	0	0	0	0	0	0	4,058	4,058
Paid-out dividend	0	0	0	0	0	0	-303,995	0	0	0	-303,995
<b>Total transaction with owners</b>	<b>0</b>	<b>0</b>	<b>8,255</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-303,995</b>	<b>0</b>	<b>0</b>	<b>4,058</b>	<b>-291,682</b>
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>8,255</b>	<b>12,760</b>	<b>-28,490</b>	<b>9,999</b>	<b>-303,995</b>	<b>278,392</b>	<b>1,068,067</b>	<b>3,278</b>	<b>1,048,266</b>
<b>Total equity 31.12.2022</b>	<b>59,143</b>	<b>4,027,375</b>	<b>-18,512</b>	<b>20,559</b>	<b>17,742</b>	<b>6,126</b>	<b>0</b>	<b>883,099</b>	<b>5,396,868</b>	<b>3,411</b>	<b>10,395,811</b>
<b>Equity 01.01.2021</b>	<b>59,143</b>	<b>4,027,375</b>	<b>-37,672</b>	<b>6,229</b>	<b>34,545</b>	<b>-14,829</b>	<b>215,872</b>	<b>145,387</b>	<b>4,293,437</b>	<b>0</b>	<b>8,729,487</b>
<b>Consolidated profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>434,868</b>	<b>529,185</b>	<b>-17</b>	<b>964,036</b>
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	0	0	0	36,139
Reclassification between funds	0	0	0	0	-24,452	0	0	24,452	0	0	0
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,570</b>	<b>11,687</b>	<b>10,956</b>	<b>0</b>	<b>24,452</b>	<b>-193,574</b>	<b>0</b>	<b>-144,909</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,570</b>	<b>11,687</b>	<b>10,956</b>	<b>0</b>	<b>459,320</b>	<b>335,611</b>	<b>-17</b>	<b>819,127</b>
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
<b>Total transaction with owners</b>	<b>0</b>	<b>0</b>	<b>10,905</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,123</b>	<b>0</b>	<b>-300,247</b>	<b>150</b>	<b>-201,069</b>
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>10,905</b>	<b>1,570</b>	<b>11,687</b>	<b>10,956</b>	<b>88,123</b>	<b>459,320</b>	<b>35,364</b>	<b>133</b>	<b>618,058</b>
<b>Total equity 31.12.2021</b>	<b>59,143</b>	<b>4,027,375</b>	<b>-26,767</b>	<b>7,799</b>	<b>46,232</b>	<b>-3,873</b>	<b>303,995</b>	<b>604,707</b>	<b>4,328,801</b>	<b>133</b>	<b>9,347,545</b>

# Notes to the Accounts

## Accounting Policy

### General Information

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

The Group's Annual Report 2021 is available at [www.bakkafrøst.com](http://www.bakkafrøst.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 31 Dec 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 31 Dec 2021.

### Note 3. Estimates and Risk Exposures

The preparation of financial statements 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.

Bakkafrøst 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

	31 des 2022	31 des 2021
Biological assets carrying amount 01.01.	2,448,289	2,117,024
Increase due to production or purchases	3,917,146	3,158,703
Reduction due to harvesting or sale (costs of goods sold)	-3,363,747	-2,931,526
Reduction due to mortality (costs of incidents-based mortality) *)	-282,768	-307,551
Fair value adjustment at the beginning of the period reversed	-604,707	-145,387
Fair value reclassification currency translation differences prior year	0	-24,452
Fair value adjustment at the end of the period	883,099	604,707
Reversal of elimination at the beginning of the period	134,193	80,083
Eliminations	-135,650	-134,193
Currency translation differences	-57,371	30,881
<b>Biological assets carrying amount at the end of the period</b>	<b>2,938,484</b>	<b>2,448,289</b>
Cost price biological assets	2,248,406	1,946,894
Fair value adjustment at the end of the period	883,099	604,707
Eliminations	-135,650	-134,193
Currency translation differences	-57,371	30,881
<b>Biological assets carrying amount</b>	<b>2,938,484</b>	<b>2,448,289</b>
<b>Biomass (tonnes)</b>		
< 1 kg	4.737	5.070
1 kg < 2 kg	6.811	7.673
2 kg < 3 kg	8.608	10.026
3 kg < 4 kg	9.589	13.538
4 kg <	18.566	22.288
<b>Volume of biomass at sea (tonnes)</b>	<b>48.311</b>	<b>58.595</b>

*)	Q4	Q4	YTD	YTD
* Costs of incident-based mortality per segment:	2022	2021	2022	2021
Faroe Islands	0	-45,268	0	-45,268
Scotland	-80,674	-179,030	-282,768	-262,283
	<b>-80,674</b>	<b>-224,298</b>	<b>-282,768</b>	<b>-307,551</b>

	31 des 2022	31 des 2021
<b>Number of fish (thousand)</b>		
< 1 kg	11,043	9,770
1 kg < 2 kg	4,595	5,255
2 kg < 3 kg	3,520	3,873
3 kg < 4 kg	2,717	3,920
4 kg <	3,877	4,595
<b>Total number of fish at sea (thousand)</b>	<b>25,752</b>	<b>27,413</b>
<b>Number of smolt released YTD (thousand)</b>		
Farming North	6,854	6,078
Farming West	5,267	5,719
Farming South	2,297	2,630
Farming Scotland	11,007	11,108
<b>Total number of smolts released YTD (thousand)</b>	<b>25,425</b>	<b>25,535</b>
<b>Sensitivity in DKK 1,000</b>		
Change in discount rate +1%	-212,686	-150,709
Change in discount rate -1%	238,534	167,502
Change in sales price +5 DKK	353,080	423,223
Change in sales price -5 DKK	-353,080	-423,223
Change in biomass volume +1%	18,217	8,982
Change in biomass volume -1%	-18,217	-8,982
<b>One-year forward prices in EUR FCA Oslo**</b>		
Period end	7.50	6.72
1 Q (forward)	8.58	6.86
2 Q (forward)	8.96	6.81
3 Q (forward)	7.16	5.66
4 Q (forward)	7.31	6.15

## Note 5. Segments

Farming - FO	Q4	Q4	YTD	YTD
DKK 1,000	2022	2021	2022	2021
External revenue	839,731	856,069	3,242,069	2,665,399
Internal revenue	299,599	254,729	1,390,512	811,326
<b>Total revenue</b>	<b>1,139,330</b>	<b>1,110,798</b>	<b>4,632,581</b>	<b>3,476,725</b>
Operating expenses	-684,660	-756,527	-2,421,370	-2,294,510
Depreciation and amortization	-74,333	-71,986	-298,677	-278,395
<b>Operational EBIT</b>	<b>380,337</b>	<b>282,285</b>	<b>1,912,534</b>	<b>903,820</b>
Fair value adjustments of biological assets	-175,795	-24,377	170,228	539,040
Income from associates	4,415	294	4,415	294
Revenue tax	-51,020	-49,329	-215,001	-140,416
<b>Earnings before interest and taxes (EBIT)</b>	<b>157,937</b>	<b>208,873</b>	<b>1,872,176</b>	<b>1,302,738</b>
Net financial items	-40,482	5,823	-110,729	9,771
<b>Earnings before taxes (EBT)</b>	<b>117,455</b>	<b>214,696</b>	<b>1,761,447</b>	<b>1,312,509</b>
Taxes	-11,558	-8,602	-309,961	-217,365
<b>Profit or loss for the period</b>	<b>105,897</b>	<b>206,094</b>	<b>1,451,486</b>	<b>1,095,144</b>



Farming - SCT	Q4	Q4	YTD	YTD
DKK 1,000	2022	2021	2022	2021
External revenue	298,473	218,340	1,441,566	1,455,391
<b>Total revenue</b>	<b>298,473</b>	<b>218,340</b>	<b>1,441,566</b>	<b>1,455,391</b>
Operating expenses	-411,597	-395,513	-1,571,900	-1,533,099
Depreciation and amortization	-39,890	-65,478	-191,652	-200,666
Other income	4,325	28,877	24,380	28,877
<b>Operational EBIT</b>	<b>-148,689</b>	<b>-213,774</b>	<b>-297,606</b>	<b>-249,497</b>
Fair value adjustments of biological assets	-250,259	-115,576	108,164	-104,172
<b>Earnings before interest and taxes (EBIT)</b>	<b>-398,948</b>	<b>-329,350</b>	<b>-189,442</b>	<b>-353,669</b>
Net financial items	-33,283	730	13,177	-18,010
<b>Earnings before taxes (EBT)</b>	<b>-432,231</b>	<b>-328,620</b>	<b>-176,265</b>	<b>-371,679</b>
Taxes	30,196	62,438	-17,298	79,020
<b>Profit for the period</b>	<b>-402,035</b>	<b>-266,182</b>	<b>-193,563</b>	<b>-292,659</b>

Value added products DKK 1,000	Q4 2022	Q4 2021	YTD 2022	YTD 2021
<b>External revenue</b>	<b>482,601</b>	<b>359,203</b>	<b>1,703,637</b>	<b>1,184,595</b>
Internal purchase of raw material	-299,599	-254,729	-1,390,512	-811,326
Operating expenses	-90,280	-69,729	-342,680	-232,432
Depreciation and amortization	-6,431	-6,608	-21,269	-21,316
<b>Operational EBIT</b>	<b>86,291</b>	<b>28,137</b>	<b>-50,824</b>	<b>119,521</b>
Provision of onerous contracts	0	0	0	0
<b>Earnings before interest and taxes (EBIT)</b>	<b>86,291</b>	<b>28,137</b>	<b>-50,824</b>	<b>119,521</b>
Net financial items	-435	-140	-1,423	-692
<b>Earnings before taxes (EBT)</b>	<b>85,856</b>	<b>27,997</b>	<b>-52,247</b>	<b>118,829</b>
Taxes	-15,454	-5,717	9,343	-22,067
<b>Profit or loss for the period</b>	<b>70,402</b>	<b>22,280</b>	<b>-42,904</b>	<b>96,762</b>

<b>Fishmeal, Fish Oil and Fish Feed</b>	<b>Q4</b>	<b>Q4</b>	<b>YTD</b>	<b>YTD</b>
<b>DKK 1,000</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
External revenue	319,004	54,704	742,695	237,867
Internal revenue	472,267	378,754	1,690,799	1,421,484
<b>Total revenue</b>	<b>791,271</b>	<b>433,458</b>	<b>2,433,494</b>	<b>1,659,351</b>
Cost of goods sold	-605,872	-301,623	-1,689,775	-1,189,833
Operating expenses	-74,982	-42,521	-307,569	-163,291
Depreciation and amortization	-7,092	-6,459	-25,882	-30,057
<b>Operational EBIT</b>	<b>103,325</b>	<b>82,855</b>	<b>410,268</b>	<b>276,170</b>
Income from associates	43,474	17,457	53,182	29,818
<b>Earnings before interest and taxes (EBIT)</b>	<b>146,799</b>	<b>100,312</b>	<b>463,450</b>	<b>305,988</b>
Net financial items	-13,346	1,750	-36,846	1,905
<b>Earnings before taxes (EBT)</b>	<b>133,453</b>	<b>102,062</b>	<b>426,604</b>	<b>307,893</b>
Taxes	-24,792	-18,371	-76,841	-55,420
<b>Profit or loss for the period</b>	<b>108,661</b>	<b>83,691</b>	<b>349,763</b>	<b>252,473</b>

<b>Reconciliation of reportable segments</b>	<b>Q4</b>	<b>Q4</b>	<b>YTD</b>	<b>YTD</b>
<b>to Group earnings before taxes (EBT)</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>DKK 1,000</b>				
Farming Faroe Islands	117,455	214,696	1,761,447	1,312,509
Farming Scotland	-432,231	-328,620	-176,265	-371,679
VAP (Value added products)	85,856	27,997	-52,247	118,829
FOF (Fishmeal, Fish oil and fish Feed)	133,453	102,062	426,604	307,893
Eliminations	-45,253	-59,844	-269,205	-229,890
<b>Group earnings before taxes (EBT)</b>	<b>-140,720</b>	<b>-43,709</b>	<b>1,690,334</b>	<b>1,137,662</b>

### 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 654 million.

### 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 31 Dec 2022, the Group held the following classes of assets/liabilities measured at fair value:

<b>DKK 1,000</b>	<b>Cost</b>				
<b>Assets and liabilities measured at fair value</b>	<b>Fair value</b>	<b>amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Biological assets (biomass)	2,938,484	2,055,385	0	0	2,938,484
<b>Assets measured at fair value 31/12-2022</b>	<b>2,938,484</b>	<b>2,055,385</b>	<b>0</b>	<b>0</b>	<b>2,938,484</b>
<b>Liabilities measured at fair value 31/12-2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Biological assets (biomass)	2,448,289	1,843,582	0	0	2,448,289
<b>Assets measured at fair value 31/12-2021</b>	<b>2,448,289</b>	<b>1,843,582</b>	<b>0</b>	<b>0</b>	<b>2,448,289</b>
<b>Liabilities measured at fair value 31/12-2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Note 9. Business Combinations

There were no material new business combinations in 2021.

In a transaction closed on 1 Jan 2022, Bakkafrøst acquired 90% of the shares in Munkebo Seafood A/S. The deal was jointly made with Michael Karlsen, the General Manager of Munkebo Seafood, for 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 3<sup>rd</sup> 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 the subtraction of obsolete goods.

There were no other material new business combinations in 2022.

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
<b>Total assets</b>	<b>49,019</b>	<b>9,726</b>	<b>58,745</b>
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
<b>Liabilities</b>	<b>31,602</b>	<b>1,754</b>	<b>33,356</b>
<b>Net assets</b>	<b>17,417</b>	<b>7,972</b>	<b>25,389</b>

**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 des 2022	31 des 2021
<b>DKK 1,000</b>		
Cash and cash equivalents	719,603	509,157
Long- and short term interest bearing debt	-3,383,289	-2,634,968
<b>Net interest-bearing debt</b>	<b>-2,663,686</b>	<b>-2,125,811</b>

**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.

	Q4 2022	Q4 2021	YTD 2022	YTD 2021
<b>DKK 1,000</b>				
<b>EBIT</b>	<b>-53,174</b>	<b>-51,872</b>	<b>1,826,153</b>	<b>1,144,685</b>
Fair value adjustments of biological assets	426,054	139,953	-278,392	-434,868
Income from associates	-47,889	-17,751	-57,597	-30,112
Revenue tax	51,020	49,329	215,001	141,489
<b>Operational EBIT</b>	<b>376,011</b>	<b>119,659</b>	<b>1,705,165</b>	<b>821,194</b>

**Operational EBIT per kg**

Farming segment FO:	$\frac{\text{Operational EBIT Farming segment FO}}{\text{Total harvested volumes (gw) FO}}$
Farming segment SCT:	$\frac{\text{Operational EBIT Farming segment SCT}}{\text{Total harvested volumes (gw) SCT}}$
VAP segment:	$\frac{\text{Operational EBIT VAP segment}}{\text{Total volumes produced (raw material gw)}}$
Farming FO and VAP:	$\frac{\text{Operational EBIT Farming FO and VAP segment}}{\text{Total harvested volumes (gw) FO}}$

**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.

	Q4	Q4	YTD	YTD
DKK 1,000	2022	2021	2022	2021
Group -Operational EBIT	376,011	119,659	1,705,165	821,194
Average Capital Employed	15,884,646	13,680,644	14,889,919	13,129,811
<b>ROCE</b>	<b>2.4%</b>	<b>0.9%</b>	<b>11.5%</b>	<b>6.3%</b>

**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.

	Q4	Q4	YTD	YTD
DKK 1,000	2022	2021	2022	2021
Profit for the period to the shareholders of P/F Bakkafrøst	-154,050	-3,125	1,344,330	964,036
Fair value adjustment of biomass	426,054	139,953	-278,392	-434,868
Onerous contracts provisions	0	0	0	0
Correction Q1-Q3	25,090	0	25,090	0
Tax on fair value adjustment and onerous contracts provisions	-94,208	-25,192	32,592	78,276
<b>Adjusted profit for the period to shareholders of P/F Bakkafrøst</b>	<b>202,886</b>	<b>111,636</b>	<b>1,123,620</b>	<b>607,444</b>
<b>Time-weighted average number of shares outstanding through the period</b>	<b>59,090,186</b>	<b>59,064,994</b>	<b>59,090,186</b>	<b>59,064,994</b>
<b>Adjusted earnings per share (before fair value adjustment of biomass and provisions for onerous contracts) (adjusted EPS)</b>	<b>3.43</b>	<b>1.89</b>	<b>19.02</b>	<b>10.28</b>



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