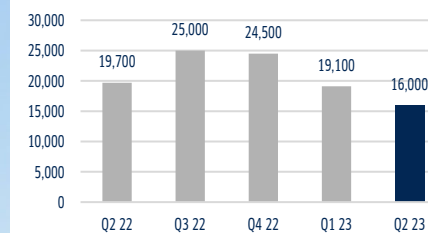


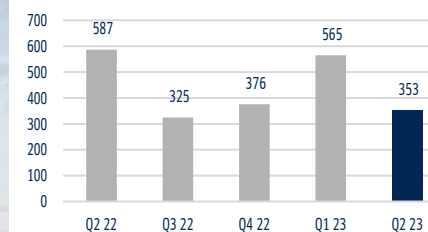
INTERIM REPORT

Q2 2023
and
H1 2023

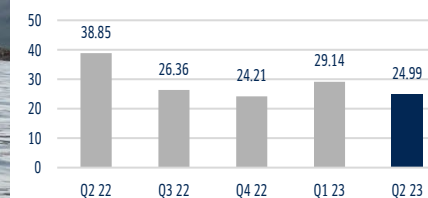
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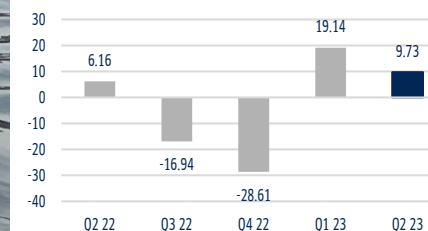
OPERATIONAL EBIT MDKK



OPERATIONAL EBIT VAP AND FARMING FO
DKK/KG



OPERATIONAL EBIT SCT DKK/KG



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Highlights

DKK 1,000,000	Q2 2023	Q2 2022	YTD 2023	YTD 2022
INCOME STATEMENT				
Group - Operating revenue	1,670	1,684	3,720	3,323
Group - Operational EBIT*	353	587	919	1,004
Group - EBIT	-112	1,062	493	1,572
Group - Profit for the period	-123	845	344	1,249
Operational EBIT* (FO Farming and VAP)	216	509	537	951
Operational EBIT/kg (FO Farming and VAP) (DKK)	24.99	38.85	27.31	31.12
Operational EBIT/kg (FO Farming and VAP) (NOK)	39.09	52.28	40.29	41.53
Farming Faroe Islands - Operating revenue	892	1,140	1,989	2,338
Farming Faroe Islands - Operational EBIT*	242	617	557	1,088
Farming Faroe Islands - Operational EBIT margin	27%	54%	28%	47%
Farming Faroe Islands - Operational EBIT/kg (DKK)	27.98	47.10	28.31	35.61
Farming Faroe Islands - Operational EBIT/kg (NOK)	43.76	63.38	41.76	47.53
Farming Scotland - Operating revenue	587	467	1,296	701
Farming Scotland - Operational EBIT*	71	41	226	-12
Farming Scotland - Operational EBIT margin	12%	9%	17%	-2%
Farming Scotland - Operational EBIT/kg (DKK)	9.73	6.16	14.66	-1.10
Farming Scotland - Operational EBIT/kg (NOK)	15.22	8.29	21.63	-1.47
VAP - Operating revenue	395	417	772	835
VAP - Operational EBIT*	-26	-108	-20	-137
VAP - Operational EBIT margin	-7%	-26%	-3%	-16%
VAP - Operational EBIT/kg (DKK)	-5.17	-18.17	-2.01	-10.67
VAP - Operational EBIT/kg (NOK)	-8.08	-24.46	-2.96	-14.24
FOF - Operating revenue	744	523	1,475	965
FOF - EBITDA	128	119	257	205
FOF - EBITDA margin	17.2%	22.7%	17.4%	21.3%
NOK/DKK (average)	63.93	74.31	67.79	74.93

DKK 1,000,000	Q2 2023	Q2 2022	YTD 2023	YTD 2022
FINANCIAL POSITION AND CASH FLOW				
Total Assets**	16,835	16,882	16,835	16,882
Equity**	10,278	10,396	10,278	10,396
Equity ratio**	61%	62%	61%	62%
Net interest-bearing debt**	2,911	2,664	2,911	2,664
Cash flow from operations	376	542	949	693
Cash flow from financing	-99	-206	-618	-247
PROFITABILITY				
Basic earnings per share (DKK)	-2.07	14.29	7.90	6.85
Diluted earnings per share (DKK)	-2.07	14.29	7.90	6.85
ROCE***	2.2%	4.0%	5.7%	6.9%
VOLUMES				
Harvested Faroe Islands (tgv)	8,658	13,101	19,663	30,560
Harvested Scotland (tgv)	7,343	6,646	15,436	10,619
Total Harvest	16,001	19,747	35,099	41,179
Farming FO transferred to VAP (tgv)	4,957	6,318	10,055	12,995
VAP produced (tgv)	4,999	5,944	9,752	12,880
Sold feed tonnes - total	30,231	31,243	52,518	57,435
Internal feed sales tonnes	29,630	30,231	51,439	55,254
Smolt released thousand Faroe Islands (pcs)	3,566	3,348	5,665	5,328
Smolt released thousand Scotland (pcs)	3,141	2,818	4,832	5,075
Total smolt release	6,707	6,166	10,497	10,403

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

** Comparing figures from the end of 2022

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

Summary of the 2 Quarter and H1 2023

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

The Bakkafrost Group delivered a total operating EBIT of DKK 353 million (DKK 587 million) in Q2 2023 and made a profit of DKK -123 million (DKK 845 million).

The combined FO farming and VAP segments made an operational EBIT of DKK 216 million (DKK 509 million).

The FO farming segment made an operational EBIT of DKK 242 million (DKK 617 million).

The SCT farming segment made an operational EBIT of DKK 71 million (DKK 41 million).

The VAP segment made an operational EBIT of DKK -26 million (DKK -108 million).

The EBITDA for the FOF segment was DKK 128 million (DKK 119 million).

Total harvested volumes for Q2 2023 were 16,001 tonnes gutted weight (19,747 tgw)

- FO: 8,658 tgw (13,101 tgw),
- SCT: 7,343 tgw (6,646 tgw).

In total, 5.3 million (6.2 million) smolts were transferred during Q1 2023

- FO: 3.6 million (3.3 million),
- SCT: 3.1 million (2.8 million).

The combined FO farming and VAP segments made an operational EBIT per kg in Q2 2023 on DKK 24.99 (DKK 38.85), corresponding to NOK 39.09 (NOK 52.28). The FO Farming segment achieved lower prices in Q2 2023 than in Q2 2022 and also lower harvest volume compared to Q2 2022. For H1 2023, the combined FO farming and VAP segments made an operational EBIT of DKK 537 million (DKK 951 million).

The SCT farming segment made an operational EBIT of DKK 71 million (DKK 41 million). The SCT Farming segment achieved higher prices and had a higher harvest volume in Q2 2023 compared to Q2 2022. In Q2 2023, the SCT farming segment had incident-based costs of DKK 43 million (DKK 56 million). For H1 2023, the operational EBIT was DKK 226 million (DKK -12 million).

During Q1 2023, the FOF segment

- sourcing of raw material was 147,785 tonnes (97,610 tonnes),
- the EBITDA margin was 17% (23%) EBITDA, and
- fish feed sales amounted to 30,231 tonnes (31,243 tonnes).

For H1 2022, the FOF segments EBITDA was 17% (21%). During H1 2023, Havsbrún sourced 303,800 tonnes (175,581 tonnes) of raw material

The net interest-bearing debt amounted to DKK 2,911 million at the end of H1 2023, compared to DKK 2,664 million at year-end 2022. Undrawn credit facilities amounted to DKK 2,304 million at the end of H1 2023.

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 28 April 2023, decided to pay out a dividend of DKK 10.00, corresponding to NOK 15.63 per share. The total dividend of DKK 591 million (NOK 924 million) was paid out on 22 May 2023.

The equity ratio was 61% on 30 June 2023, compared to 62% at the end of 2022.

Results from the 2 Quarter and H1 2023

Income Statement

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

The Group's operating revenue amounted to DKK 1,670 million (DKK 1,684 million) in Q2 2023. For H1 2023, the operating revenue amounted to DKK 3,720 million (DKK 3,323 million).

The FO farming segment's harvest volumes were lower. Also the achieved prices were lower in Q2 2023 than last year's quarter. The VAP segment had lower revenues because of lower volumes sold in Q2 2023 than in Q2 2022. The SCT Farming segment had significantly higher revenues because of higher volumes and prices, driven by increased average weight and market prices in Q2 2023 compared to last year's quarter. The FOF segment had higher revenue in Q2 2023 than in Q2 2022 due to higher external fishmeal and fish oil sales.

The Group's operational EBIT was DKK 353 million (DKK 587 million) in Q2 2023. For H1 2023, the Group's operational EBIT was DKK 919 million (DKK 1,004 million).

The combined FO farming and VAP segments had lower operational EBIT in Q2 2023 compared to Q2 2022, DKK 216 million (DKK 509 million). The SCT Farming segment's operational EBIT was DKK 71 million (DKK 41 million). The FOF segment had higher EBITDA in Q2 2023 than in Q2 2022.

The fair value adjustment of the Group's biological assets amounted to DKK -432 million (DKK 576 million) in Q2 2023. For H1 2023, the fair value adjustment amounted to DKK -379 million (DKK 753 million).

Change in provisions for onerous contracts amounted to DKK 0 million (DKK -34 million) in Q2 2023. For H1 0 DKK (DKK -64 million).

The revenue tax amounted to DKK -30 million (DKK -63 million) in Q2 2023. For H1 2023, the revenue tax was DKK -68 million (DKK -121 million).

Net taxes amounted to DKK 30 million (DKK -212 million) in Q2 2023. For H1 2023, net taxes amounted to DKK -89 million (DKK -299 million).

The result for Q2 2023 was DKK -123 million (DKK 845 million) and for H1 2023, the result was DKK 344 million (DKK 1,249 million).

Statement of Financial Position

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

The Group's total assets amounted to DKK 16,835 million (DKK 16,882 million) at the end of H1 2023.

Intangible assets amounted to DKK 4,512 million (DKK 4,509 million) at the end of H1 2023.

Property, plant, and equipment amounted to DKK 5,951 million (DKK 5,647 million) at the end of H1 2023. In Q2 2023 purchase of property, plant, and equipment amounts to DKK 319 million (DKK 284 million in Q2 2022).

Right-of-use assets amounted to DKK 481 million (DKK 439 million) in H1 2023.

Biological assets' carrying amount (fair value) amounted to DKK 2,777 million (DKK 2,938 million) at the end of H1 2023. Compared to year-end 2022, biological assets have increased. Included in the carrying amount of the biological assets is a fair value adjustment amounting to DKK 501 million (DKK 883 million) at the end of H1 2023.

Inventories amounted to DKK 1,050 million (DKK 1,074 million) at the end of H1 2023.

Total receivables, including long-term receivables, financial derivatives, and deferred tax assets, amounted to DKK 1,282 million (DKK 1,321 million) at the end of H1 2023.

Total cash and cash equivalents amounted to DKK 544 million (DKK 720 million) at the end of H1 2023.

The Group's equity amounted to DKK 10,278 million (DKK 10,396 million) at the end of H1 2023. The change in equity consists primarily of the result for H1 2023 and the pay out of dividend.

Total non-current liabilities amounted to DKK 5,758 million (DKK 5,563 million) at the end of H1 2023.

Deferred and other taxes amounted to DKK 1,914 million (DKK 1,826 million) at the end of H1 2023.

Long-term interest-bearing debt was DKK 3,454 million (DKK 3,383 million) at the end of H1 2023.

Leasing debt amounted to DKK 455 million (DKK 460 million) at the end of H1 2023.

At the end of H1 2023, the Group's total current liabilities were DKK 799 million (DKK 923 million). The current liabilities consist of short-term leasing debt and accounts payable, tax payable and other debt.

The equity ratio was 61% at the end of H1 2023, compared to 62% at the end of 2022.

Cash Flow

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

The cash flow from operations was DKK 376 million (DKK 541 million) in Q2 2023. The changes in working capital had a negative effect on the cash flow from operations. For H1 2023, the cash flow from operations was DKK 949 million (DKK 693 million).

The cash flow from investment activities amounted to DKK -304 million (DKK -272 million) in H1 2023. The primary investments have been in new and current hatcheries and the new feed line. For H1 2023, the cash flow from investments amounted to DKK -507million (DKK -447 million).

The cash flow from financing activities totalled DKK -99 million (DKK -206 million) in Q2 2023. For H1 2023, cash flow from financing amounted to DKK -618 million (DKK -247 million).

In Q2 2023, the net change in cash flow amounted to DKK -26 million (DKK 63 million). For H1 2023, net change in cash flow amounted to DKK -176 million (DKK -1 million).

At the end of Q1 2023, the Group had unused committed credit facilities of DKK 2,304 million (DKK 2,999 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 Q2 2023 were 8,658 tonnes gutted weight (13,101 tgw) – a change in volume of -34%. The harvested volumes for H1 2023 were 19,663 tonnes gutted weight (30,560 tgw).

3.6 million (3.3 million) smolts were transferred to the sea in Q2 2023, which aligns with the smolt transfer plan. In H1 2023, 5.6 million (5.3 million) smolts were transferred, which is in line with the smolt transfer plan.

DKK 1,000	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Financial						
Total revenue	892,449	1,139,931	-22%	1,989,492	2,338,431	-15%
EBIT	-112,801	858,954	-113%	191,828	1,334,124	-86%
Operational EBIT	242,232	617,014	-61%	556,638	1,088,389	-49%
Operational EBIT/kg (DKK)	27.98	47.10	-41%	28.31	35.61	-21%
Operational EBIT margin	27%	54%		28%	47%	
Volumes						
Harvested volumes (tgw)	8,658	13,101	-34%	19,663	30,560	-36%
- Farming North	1,270	4,801	-74%	5,396	14,847	-64%
- Farming West	5,528	3,082	79%	9,376	8,415	11%
- Farming South	1,860	5,218	-64%	4,891	7,298	-33%
Smolts released (thousand)	3,566	3,348	7%	5,665	5,328	6%
- Farming North	1,220	864	41%	2,150	1,283	68%
- Farming West	2,346	1,507	56%	2,536	2,769	-8%
- Farming South	0	977	-100%	979	1,276	-23%

Financial Performance

In Q2 2023, the operating revenue for the FO farming segment was DKK 892 million (DKK 1,140 million). The total revenue for the FO farming segment decreased in Q2 2023, compared with Q2 2022, because of lower volumes and prices. The operating revenue for the FO farming segment for H1 2023 was DKK 1,989 million (DKK 2,338 million).

Operational EBIT/kg for the FO farming segment was DKK 27.98 (DKK 47.10) in Q2 2023, corresponding to NOK 43.76 (NOK 63.38). In H1 2023, operational EBIT was DKK 557 million (DKK 1,088 million).

In Q2 2023, the FO farming segment's EBIT amounted to DKK -113 million (DKK 859 million). Operational EBIT amounted to DKK 242 million (DKK 617 million) in Q2 2023, corresponding to an operational EBIT margin of 27% (54%). In H1 2023, the FO farming segment's EBIT was DKK 557 million (DKK 1,088 million).

Costs of DKK 32 million (DKK 0 million) were related to incident-based mortality in Q2 2023, and H1 2023 DKK 44 million (DKK 0 million).

Farming Segment – Scotland

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

Volumes

The total volumes harvested in Q2 2023 were 7,343 tonnes gutted weight (6,646 tgw) - a change in volume of 10%. The harvested volumes for H1 2023 were 15,436 tonnes gutted weight (10,619 tgw). This is in line with the harvest plan.

3.1 million (2.8 million) smolts were transferred to the sea in Q2 2023, which aligns with the smolt transfer plan. In H1 2023, 5.1 million (5.1 million) smolts were transferred. This is in line with the smolt transfer plan.

DKK 1,000	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Financial						
Total revenue	587,293	466,566	26%	1,295,713	701,238	85%
EBIT	-35,569	312,193	-111%	144,512	375,380	-62%
Operational EBIT	71,432	40,925	75%	226,312	-11,681	2,037%
Operational EBIT/kg (DKK)	9.73	6.16	58%	14.66	-1.10	1,433%
Operational EBIT margin	12%	9%		17%	-2%	
Volumes						
Harvested volumes (tgw)	7,343	6,646	10%	15,436	10,619	45%
Smolts released (thousand pcs)	3,141	2,818	-40%	4,832	5,075	-33%

Financial Performance

In Q2 2023, the operating revenue for the SCT farming segment was DKK 587 million (DKK 467 million). The total revenue for the SCT farming segment increased in Q2 2023, compared with Q2 2022, because of higher prices, volumes and average weight. The operating revenue for the SCT farming segment for H1 2023 was DKK 1,296 million (DKK 701 million).

Operational EBIT amounted to DKK 71 million (DKK 41 million) in Q2 2023, corresponding to an operational EBIT margin of 12% (9%). In H1 2023, operational EBIT was DKK 226 million (DKK -12 million), corresponding to an operational EBIT margin of 17% (-2%).

Operational EBIT/kg for the farming segment in Scotland was DKK 9.73 (DKK 6.16) in Q2 2023, corresponding to NOK 15.22 (NOK 8.29). Operational EBIT/kg for H1 2023 was DKK 14.66 (DKK -1.10), corresponding to NOK 21.63 (NOK -1.47).

In Q2 2023, the SCT farming segment's EBIT amounted to DKK -36 million (DKK 312 million). For H1 2023, the SCT farming segment's EBIT amounted to DKK 145 million (DKK 375 million).

Costs of DKK 42 million (DKK 57 million) relate to incident-based mortality in Q2 2023 and H1 2023 DKK 45 million (DKK 81 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

57% (48%) of the Faroese harvested volumes in Q2 2023 went to the production of VAP products and 51% (43%) of the harvested volumes in H1 2023 went to VAP production.

The VAP production in the Faroe Islands was 4,999 tonnes gutted weight (5,944 tgw) in Q2 2023, decreasing 16% compared to Q2 2022. In H1 2023, the VAP production was 9,752 tgw (12,880 tgw).

DKK 1,000	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Financial						
Total revenue	394,784	416,995	-5%	772,356	835,269	-8%
EBIT	-25,840	-141,627	82%	-19,556	-201,704	90%
Operational EBIT	-25,840	-108,023	76%	-19,556	-137,391	86%
VAP - Operational EBIT/kg (DKK)	-5.17	-18.17	72%	-2.01	-10.67	81%
Operational EBIT margin	-7%	-26%		-3%	-16%	
Volumes						
Farming FO transferred to VAP (tgw)	4,957	6,318	-22%	10,055	12,995	-23%
VAP produced (tgw)	4,999	5,944	-16%	9,752	12,880	-24%
Harvested volumes used in VAP production	57%	48%		51%	43%	
Harvested volumes sold fresh/frozen	43%	52%		49%	57%	

Financial Performance

The operating revenue for the VAP segment amounted to DKK 395 million (DKK 417 million) in Q2 2023. The decrease in revenue is due to lower volumes sold in Q2 2023 compared with Q2 2022. H1 2023, the VAP revenue was DKK 772 million (DKK 835 million).

Operational EBIT amounted to DKK -26 million (DKK -108 million) in Q2 2023, corresponding to an operational EBIT of DKK -5.17 (DKK -18.17) per kg gutted weight in Q2 2023, corresponding to NOK -8.08 (NOK -24.46) per kg gutted weight. Operational EBIT/kg for H1 2023 amounted to DKK -20 million (DKK -137 million), corresponding to an operational EBIT of DKK -2.01 (DKK -10.67), which corresponds to NOK -2.96 (NOK -14.24).

The VAP segment had an EBIT of DKK -26 million (DKK -142 million) in Q2 2023. In H1 2023, the VAP segment's EBIT amounted to DKK -20 million (DKK -202 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 Bakkafrost. Fishmeal, fish oil and fish feed are also sold externally.

Volumes

Havsbrún received 147,785 tonnes (97,610 tonnes) of raw material to produce fishmeal and fish oil in Q2 2023. The raw material intake depends on the fishery in the North Atlantic and available species of fish. H1 2023, Havsbrún received 303,800 tonnes (175,581 tonnes) of raw material.

The fishmeal production in Q2 2023 was 31,780 tonnes (20,929 tonnes). For H1 2023, Havsbrún produced 64,427 tonnes (37,482 tonnes) of fishmeal

Fish oil production in Q2 2023 was 3,935 tonnes (2,109 tonnes). The production of fish oil varies depending on the species of fish sourced for production and the timing of the catch. For H1 2023, Havsbrún produced 9,604 tonnes (5,010 tonnes) of fish oil.

Fish feed sales amounted to 30,231 tonnes (31,243 tonnes) in Q2 2023. The FO farming segment internally used 18,835 tonnes (17,573 tonnes). The SCT farming segment internally used 10,795 tonnes (12,658 tonnes). For H1 2023, Havsbrún sold 52,518 tonnes (57,435 tonnes).

Financial Performance

The operating revenue for the FOF segment amounted to DKK 744 million (DKK 523 million) in Q2 2023. For H1 2023, the revenue amounted to DKK 1,475 million (DKK 965 million).

DKK 1,000	Q2 2023	Q2 2022	Change	YTD 2023	YTD 2022	Change
Financial						
Total revenue	743,980	523,115	42%	1,475,291	965,054	53%
EBIT	117,505	108,313	8%	263,831	191,623	38%
EBITDA	127,926	118,855	8%	256,678	205,282	25%
FOF - EBITDA margin	17%	23%		17%	21%	
Volumes (tonnes)						
Total Feed sold	30,231	31,243	-3%	52,518	57,435	-9%
- Feed internal sale FO	18,835	17,573	7%	33,729	33,298	1%
- Feed internal sale SCT	10,795	12,658	-15%	17,710	21,956	-19%
- Feed external sale	601	1,012	-41%	1,079	2,181	-51%
Total Feed sold	30,231	31,243	-3%	52,518	57,435	-9%
Fishmeal external sale	21,328	5,247	306%	35,103	15,044	133%
Fish oil external sale	6	10	-40%	5,582	18	30911%
Received raw material	147,785	97,610	51%	303,800	175,581	73%
Fishmeal production	31,780	20,929	52%	64,427	37,482	72%
Fish oil production	3,935	2,109	87%	9,604	5,010	92%

Total revenue for the FOF segment in Q2 2023 was higher than the same quarter last year. The increase in external revenue is due to higher volumes on fishmeal and fish oil in Q2 2023 compared to Q2 2022.

EBITDA was DKK 128 million (DKK 119 million) in Q2 2023, and the EBITDA margin was 17% (23%). H1 2023, the EBITDA was DKK 257 million (DKK 205 million), and the EBITDA margin was 17% (21%).

Outlook

Market

Stable supply in Q2 2023

The supply of salmon increased marginally by 0.3% in Q2 2023 compared to Q2 2022, incl. inventory movements. Without inventory movements, the supply increase was 0.9%, according to the latest estimate from Kontali Analyse.

Salmon prices increased 1% in NOK – decreased 15% in EUR

Salmon spot prices (in NOK) were 1% higher this quarter compared to Q2 2022 but were 15% lower in EUR due to the weak NOK. Prices in Q2 2023 were affected by strong demand for salmon and a low supply increase. However, with increasing supply towards the end of the quarter which led to increased price differentiation between small and large-sized salmon.

Low growth in 2023

In H2 2023, the global supply is expected to grow around 2-3%, excluding inventory movements. For the full year 2023, the global supply growth is expected to be around 2%, excluding inventory movements. In H1 2024, the supply growth is expected to be around 3%, 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

In the Faroe Islands, growth has been strong in H1 2023. For the first time past 12 years, the biomass in the Faroese farms has increased in H1 instead of decreasing. Higher growth than harvest has increased the biomass by 20% from around 30kt up to 36kt, and during Q3, the biomass will follow the normal trend of the year with further growth, as feeding is peaking

during Q3. The biological condition of the biomass is good. The harvest profile for 2023 is backend-loaded both for full year and for H2, whereof around 17,000 - 18,000 tonnes gutted weight are expected to be harvested in the Faroe Islands in Q3. Bakkafrost expects to harvest larger fish in the Faroe Islands in H2 driven by healthy smolt and good healthy operation.

The expanded hatcheries at Norðtoftir and Glyvradal in the Faroe Islands are in operation and will be ramped up in production volumes during the next year. Combined, these capacity expansions increase the smolt production capacity in the Faroe Islands with around 6.5 million smolts of 500g. This is important to fulfil Bakkafrost's goal to build an annual smolt production capacity in the Faroe Islands of over 24 million smolts of 500g as part of the 2024-2028 investment programme.

The biological development in Scotland was improved during the first five months of 2023 with increased harvest weights and low mortality. Late in Q2 and continuing into Q3, biological development became more challenging. Environmental challenges affected fish being in their second summer in the sea, leading to higher mortality. This will affect the cost and mortality rates negatively in H2 and can compromise planned harvest volumes for 2023 in Scotland, with 5,000-6,000 tonnes, dependent on the continued biological development in H2 2023.

Bakkafrost has obtained good results treating the fish in Scotland with freshwater using the upscaled treatment vessel capacity. However, the recent environmental challenges emphasize the importance of having large and high-quality smolt that reduce the production cycle in the sea and hereby, also the biological risk. The risk picture is expected to be gradually transformed as Bakkafrost's large-smolt strategy materializes in Scotland. As demonstrated in the Faroe Islands, large high-quality smolt will have a lower risk exposure in the marine environment due to

shorter production cycles in the sea and the robustness of the smolt. In addition, Bakkafrost is evaluating other measures and farming equipment in the marine farming operation with the potential to reduce the risk of environmental challenges.

The ongoing expansion of the Applecross hatchery is progressing, and the operation of the Applecross-4 expansion has started. In Q2 2023, the first batch of smolt weighing between 200-300g was released from Applecross, and in Q4 2023, a large batch of 200-300g smolt is planned to be transferred to marine sites. This is the first fish to be only one summer in the sea in Scotland. The capacity of the Applecross hatchery, will be gradually increased to full capacity during 2024, bringing the overall annual production capacity from Applecross to around 7 million smolts of around 500g or 14 million high-quality smolt at 250g.

In Q2 2023, the average weight of released smolt in Scotland was 125g, which is 24% higher than in Q2 2022.

In addition to the Applecross hatchery, Bakkafrost plans to build a second large hatchery at Fairlie in Scotland, increasing the total annual production capacity to around 15 million smolts of around 500g as part of the 2024-2028 investment programme.

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	'23e	'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 140g. In 2023, the number of released smolt will be lower than in previous years as the focus is on stabilizing the operation before increasing the volume. In this respect, smolt quality is more important than the released volume.

In 2023, Bakkafrost expects to harvest around 63,000 tonnes gutted weight in the Faroe Islands and 30,000¹ tonnes gutted weight in Scotland, giving a total of around 93,000¹ 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. Bakkafrost's VAP contract strategy is impacted negatively by the changes to the Faroese revenue tax made effective from 1 August 2023. The Faroese Government has however indicated that adjustments could be made to the revenue tax in order to reduce the negative impact on contracted sale of VAP products. Bakkafrost might revise the VAP contract strategy dependent on the outcome of this.

For 2023, Bakkafrost has signed contracts covering around 26% of the expected remaining 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 record-high production volumes of fishmeal and fish oil.

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

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

Investments

On the Capital Markets Day on 6 June 2023, Bakkafrost announced a 6.3bn DKK investment plan for 2024-2028. The investments will enable a transformation of the operation in Scotland and provide sustainable growth in the Faroe Islands as well as Scotland.

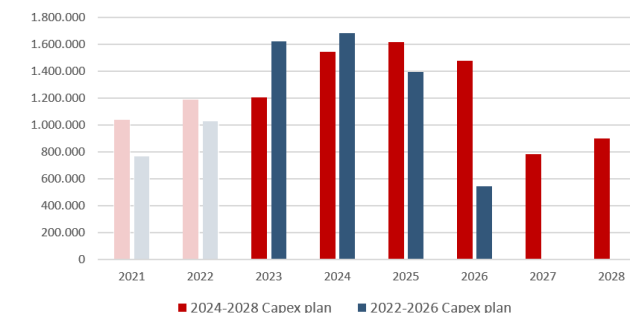
The main purpose of the investments in Scotland is to replicate Bakkafrost's successful operation in the Faroe Islands. Bakkafrost will build 2 large energy-efficient hatcheries in Scotland, enabling the implementation of Bakkafrost's large smolt strategy and giving an annual production capacity above 15 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 and improve the cost of operation. Further,

Bakkafrost will make investments in marine site development.

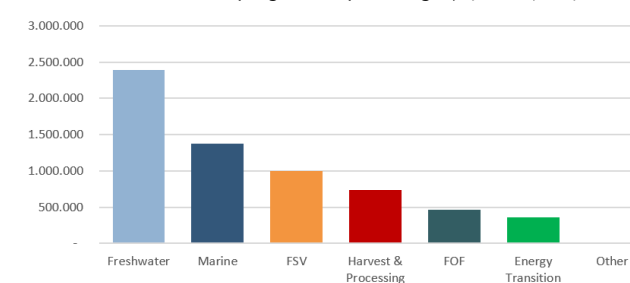
The investments in the Faroe Islands include increasing annual hatchery production capacity to around 24 million smolts at 500g, cost-efficient repurposing of old hatcheries into broodstock operation, expansion of feed production capacity and growing sustainably by optimization of existing sites and new technology.

With the investment plan, Bakkafrost expects to sustainably grow the total annual harvest volumes to 165,000 tonnes in 2028. Over the same period, the total annual production capacity in Bakkafrost's value chain will reach 200,000 tonnes gutted weight.

2024-2028 6.3bn DKK Investment programme vs. 2022-2026 6.2bn DKK investment programme (DKK 1,000)



2024-2028 Investment programme per category (DKK 1,000)



¹ Risk to be reduced by 5,000 – 6,000 tonnes

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 financial flexibility going forward.

In March 2022, Bakkafrost 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 extension options of two years. 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 2022 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 2022, exposed to the salmon price.

The Annual Report 2022 is available on request from Bakkafrost and Bakkafrost's website, 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 January 2023 to 30 June 2023.

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, 21 August 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 30 June 2023, as well as the results of the Group activities and cash flows for the period 1 January 2023 to 30 June 2023.

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 2022.

Consolidated Income Statement

For the period ended 30 June 2023

DKK 1,000	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Operating revenue	1,669,658	1,683,824	3,719,539	3,323,169
Purchase of goods	-606,363	-565,508	-1,149,070	-1,124,775
Change in inventory and biological assets (at cost)	104,922	271,592	72,526	397,911
Salary and personnel expenses	-201,942	-186,279	-426,303	-387,513
Other operating expenses	-464,001	-485,020	-1,004,967	-940,596
Depreciation	-154,248	-137,112	-302,698	-273,306
Other income	5,314	5,081	9,601	9,577
Operational EBIT*	353,340	586,578	918,628	1,004,467
Fair value adjustments of biological assets	-432,065	575,911	-378,535	753,249
Onerous contracts	0	-33,606	0	-64,315
Income from associates	-3,384	-3,902	20,549	-557
Revenue tax	-30,002	-62,838	-68,042	-120,588
Earnings before interest and taxes (EBIT)	-112,111	1,062,143	492,600	1,572,256
Net interest revenue	2,737	0	5,402	1,787
Net interest expenses	-37,672	-9,545	-69,938	-17,249
Net currency effects	-1,193	10,266	12,476	1,760
Other financial expenses	-4,792	-5,961	-7,220	-9,812
Earnings before taxes (EBT)	-153,031	1,056,903	433,320	1,548,742
Taxes	30,491	-212,300	-88,976	-299,382
Profit or loss for the period	-122,540	844,603	344,344	1,249,360
Profit or loss for the year attributable to				
Non-controlling interests	418	-1,504	1,356	-1,460
Owners of P/F Bakkafrost	-122,958	846,107	342,988	1,250,820
Earnings per share (DKK)	-2.07	14.29	5.83	21.14
Diluted earnings per share (DKK)	-2.07	14.29	5.83	21.14

* 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 30 June 2023

DKK 1,000	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Profit for the period	-122,540	844,603	344,344	1,249,360
Changes on financial derivatives	-7,891	1,329	-9,349	-3,195
Hereof income tax effect	1,204	-203	1,426	1,078
Reserve to share-based payment	1,735	-6,345	-1,591	3,549
Currency translation differences	70,398	-12,916	90,652	-23,849
Adjustment of treasury shares	1,334	1,235	6,215	4,741
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	66,780	-16,900	87,353	-17,676
Other comprehensive income	66,780	-16,900	87,353	-17,676
Total comprehensive income for the period	-55,760	827,703	431,697	1,231,684
Comprehensive income for the period attributable to				
Non-controlling interests	418	-1,504	1,356	-1,460
Owners of P/F Bakkafrost	-56,178	829,207	430,341	1,233,144

Consolidated Statement of Financial Position

As on 30 June 2023

DKK 1,000	30 Jun 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets	4,512,179	4,508,704
Property, plant and equipment	5,950,975	5,647,161
Right of use assets	480,573	438,545
Financial assets	238,911	234,209
Deferred tax assets	354,015	336,020
Total non-current assets	11,536,653	11,164,639
Current assets		
Biological assets (biomass)	2,776,846	2,938,485
Inventory	1,049,933	1,074,344
Total inventory	3,826,779	4,012,829
Financial derivatives	0	7,474
Accounts receivable	782,329	808,755
Other receivables	145,813	168,272
Total receivables	928,142	984,501
Cash and cash equivalents	543,793	719,603
Total current assets	5,298,714	5,716,933
TOTAL ASSETS	16,835,367	16,881,572

DKK 1,000	30 Jun 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity		
Share capital	59,228	59,143
Other equity	10,213,926	10,333,259
Non-controlling interests	5,104	3,411
Total equity	10,278,258	10,395,813
Non-current liabilities		
Deferred taxes and other taxes	1,914,371	1,825,873
Long-term interest-bearing debt	3,454,307	3,383,289
Long-term leasing debt	389,391	353,355
Total non-current liabilities	5,758,069	5,562,517
Current liabilities		
Financial derivatives	2,435	0
Short-term leasing debt	65,656	106,215
Accounts payable and other debt	730,949	817,027
Total current liabilities	799,040	923,242
Total liabilities	6,557,109	6,485,759
TOTAL EQUITY AND LIABILITIES	16,835,367	16,881,572

Consolidated Cash Flow Statement

For the period ended 30 June 2023

DKK 1,000	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Earnings before interest and taxes (EBIT)	-112,111	1,062,143	492,600	1,572,256
Adjustments for write-downs and depreciation	154,248	137,112	302,698	273,306
Adjustments for value adjustment of biomass	432,065	-575,911	378,535	-753,249
Adjustments for income from associates	3,384	3,902	-20,549	557
Adjustments for currency effects	45,723	-13,772	65,514	-22,816
Adjustments of provision for onerous contracts	0	33,606	0	64,315
Change in inventory	-95,614	-216,867	-192,485	-312,871
Change in receivables	20,095	114,724	38,364	153,786
Change in current debts	-71,397	-2,973	-115,573	-282,067
Cash flow from operations	376,393	541,964	949,104	693,217
Cash flow from investments				
Payments for purchase of fixed assets	-319,298	-283,856	-522,660	-465,066
Net investment in financial assets	15,715	11,403	15,847	9,506
Change in long-term receivables and deferred tax assets	0	0	0	8,102
Cash flow from investments	-303,583	-272,453	-506,813	-447,458
Cash flow from financing				
Change in interest-bearing debt (short and long)	520,355	138,992	63,095	134,500
Financial income	2,737	0	5,402	0
Financial expenses	-42,464	-15,509	-77,158	-25,277
Lease payments	-30,136	-27,221	-64,756	-56,753
Net proceeds from sale of own shares	1,334	1,336	6,215	4,802
Proceeds from share capital increases	40,531	0	40,531	0
Dividend paid	-591,430	-303,995	-591,430	-303,995
Cash flow from financing	-99,073	-206,397	-618,101	-246,723
Net change in cash and cash equivalents in period	-26,263	63,114	-175,810	-964
Cash and cash equivalents - opening balance	570,056	445,079	719,603	509,157
Cash and cash equivalents - closing balance total	543,793	508,193	543,793	508,193

Consolidated Statement of Changes in Equity

As on 30 June 2023

	Share Capital	Share Premium Reserve	Treasury Shares	Sharebased Payment	Currency translation differences	Derivatives	Proposed Dividend	Biomass Fair value adjustments	Retained Earnings	Non controlling interest	Total Equity
DKK 1,000											
Equity 01.01.2023	59,143	4,027,375	-18,512	20,559	17,742	6,126	591,430	883,099	4,805,438	3,413	10,395,813
Consolidated profit	0	0	0	0	0	0	0	-378,535	722,544	1,691	345,700
Changes in financial derivatives	0	0	0	0	0	-9,349	0	0	0	0	-9,349
Hereof income tax effect	0	0	0	0	0	1,426	0	0	0	0	1,426
Share-based payment	0	0	0	-1,591	0	0	0	0	0	0	-1,591
Currency translation differences	0	0	0	0	90,652	0	0	0	0	0	90,652
Total other comprehensive income	0	0	0	-1,591	90,652	-7,923	0	0	0	0	81,138
Total comprehensive income	0	0	0	-1,591	90,652	-7,923	0	-378,535	722,544	1,691	426,838
Treasury shares	0	0	6,215	0	0	0	0	0	0	0	6,215
Share Capital increase	85	0	0	0	0	0	0	0	40,446	0	40,531
Paid-out dividend	0	0	0	0	0	0	-591,430	0	291	0	-591,139
Total transaction with owners	85	0	6,215	0	0	0	-591,430	0	40,737	0	-544,393
Total changes in equity	85	0	6,215	-1,591	90,652	-7,923	-591,430	-378,535	763,281	1,691	-117,555
Total equity 30.06.2023	59,228	4,027,375	-12,297	18,968	108,394	-1,797	0	504,564	5,568,719	5,104	10,278,258
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
Consolidated profit	0	0	0	0	0	0	0	278,392	1,066,718	-780	1,344,330
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
Total other comprehensive income	0	0	0	12,760	-28,490	9,999	0	0	0	0	-5,731
Total comprehensive income	0	0	0	12,760	-28,490	9,999	0	278,392	1,066,718	-780	1,338,599
Treasury shares	0	0	8,255	0	0	0	0	0	1,349	0	9,604
Addition of non-controlling interests	0	0	0	0	0	0	0	0	0	4,060	4,060
Paid-out dividend	0	0	0	0	0	0	-303,995	0	0	0	-303,995
Proposed dividend	0	0	0	0	0	0	591,430	0	-591,430	0	0
Total transaction with owners	0	0	8,255	0	0	0	287,435	0	-590,081	4,060	-290,331
Total changes in equity	0	0	8,255	12,760	-28,490	9,999	287,435	278,392	-590,081	3,280	1,048,268
Total equity 31.12.2022	59,143	4,027,375	-18,512	20,559	17,742	6,126	591,430	883,099	4,805,438	3,413	10,395,813

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 2022 is available at www.bakkafrost.com or upon request from the company's registered office at Bakkavegur 9, FO-625 Glyvrar, 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 December 2022.

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 December 2022.

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 recognized 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 2022.

Note 4. Biological Assets

	30 Jun 2023	30 Jun 2022	31 Dec 2022	
Biological assets carrying amount 01.01.	2,938,485	2,448,289	2,448,289	
Increase due to production or purchases	1,859,103	1,721,390	3,917,146	
Reduction due to harvesting or sale (costs of goods sold)	-1,624,229	-1,487,336	-3,363,747	
Reduction due to mortality (costs of incidents-based mortality *)	-80,567	-80,831	-282,768	
Fair value adjustment at the beginning of the period reversed	-883,099	-604,707	-604,707	
Fair value adjustment at the end of the period	504,563	1,357,956	883,099	
Reversal of elimination at the beginning of the period	135,650	134,193	134,193	
Eliminations	-114,022	-152,381	-135,650	
Currency translation differences	40,962	-35,970	-57,370	
Biological assets carrying amount at the end of the period	2,776,846	3,300,603	2,938,485	
Cost price biological assets	2,345,343	2,130,998	2,248,406	
Fair value adjustment at the end of the period	504,563	1,357,956	883,099	
Eliminations	-114,022	-152,381	-135,650	
Currency translation differences	40,962	-35,970	-57,370	
Biological assets carrying amount	2,776,846	3,300,603	2,938,485	
Biomass (tonnes)				
< 1 kg	4,396	4,432	4,737	
1 kg < 2 kg	9,934	7,377	6,811	
2 kg < 3 kg	12,592	14,523	8,608	
3 kg < 4 kg	10,163	9,809	9,589	
4 kg <	13,914	17,395	18,566	
Volume of biomass at sea (tonnes)	50,999	53,536	48,311	
*)	Q2	Q2	YTD	YTD
* Costs of incident-based mortality per segment:	2023	2022	2023	2022
Faroe Islands	-36,088	0	-36,088	0
Scotland	-42,295	-57,037	-44,479	-80,831
	-78,383	-57,037	-80,567	-80,831

	Q2 2023	Q2 2022	31 Dec 2022
Number of fish (thousand)			
< 1 kg	8,840	9,271	11,043
1 kg < 2 kg	6,521	4,835	4,595
2 kg < 3 kg	5,251	5,934	3,520
3 kg < 4 kg	2,866	2,829	2,717
4 kg <	2,930	3,600	3,877
Total number of fish at sea (thousand)	26,408	26,469	25,752
Number of smolt released YTD (thousand)			
Farming North	2,150	1,282	6,854
Farming West	2,536	2,769	5,267
Farming South	979	1,277	2,297
Farming Scotland	4,832	5,075	11,007
Total number of smolts released YTD (thousand)	10,497	10,403	25,425
Sensitivity in DKK 1,000			
Change in discount rate +1%	-177,781	-186,703	-212,686
Change in discount rate -1%	197,219	206,909	238,534
Change in sales price +5 DKK	399,650	417,432	353,080
Change in sales price -5 DKK	-399,650	-417,392	-353,080
Change in biomass volume +1%	12,805	17,853	18,217
Change in biomass volume -1%	-12,805	-17,853	-18,217
One-year forward prices in EUR FCA Oslo			
Period end	8.23	9.99	7.50
1 Q (forward)	6.60	8.02	8.58
2 Q (forward)	7.51	7.60	8.96
3 Q (forward)	8.48	8.23	7.16
4 Q (forward)	8.70	8.23	7.31

Note 5. Segments

Farming - FO DKK 1,000	Q2 2023	Q2 2022	YTD 2023	YTD 2022
External revenue	567,078	699,352	1,326,032	1,556,586
Internal revenue	325,371	440,579	663,460	781,845
Total revenue	892,449	1,139,931	1,989,492	2,338,431
Operating expenses	-571,141	-448,078	-1,278,065	-1,105,548
Depreciation and amortization	-79,076	-74,839	-154,789	-144,494
Operational EBIT	242,232	617,014	556,638	1,088,389
Fair value adjustments of biological assets	-325,064	304,643	-296,735	366,188
Income from associates	33	135	-33	135
Revenue tax	-30,002	-62,838	-68,042	-120,588
Earnings before interest and taxes (EBIT)	-112,801	858,954	191,828	1,334,124
Net financial items	-16,699	-33,533	-32,316	-38,856
Earnings before taxes (EBT)	-129,500	825,421	159,512	1,295,268
Taxes	2,653	-139,881	-29,310	-240,602
Profit or loss for the period	-126,847	685,540	130,202	1,054,666

Farming - SCT	Q2	Q2	YTD	YTD
DKK 1,000	2023	2022	2023	2022
External revenue	417,507	466,566	935,711	701,238
Internal revenue	169,786	0	360,002	0
Total revenue	587,293	466,566	1,295,713	701,238
Operating expenses	-457,842	-382,856	-954,554	-619,501
Depreciation and amortization	-63,333	-50,837	-124,448	-105,967
Other income	5,314	8,052	9,601	12,549
Operational EBIT	71,432	40,925	226,312	-11,681
Fair value adjustments of biological assets	-107,001	271,268	-81,800	387,061
Earnings before interest and taxes (EBIT)	-35,569	312,193	144,512	375,380
Net financial items	-22,829	36,078	-17,228	27,498
Earnings before taxes (EBT)	-58,398	348,271	127,284	402,878
Taxes	34,158	-93,235	-33,248	-86,122
Profit for the period	-24,240	255,036	94,036	316,756

Value added products DKK 1,000	Q2 2023	Q2 2022	YTD 2023	YTD 2022
External revenue	394,784	416,995	772,356	835,269
Internal purchase of raw material	-319,462	-440,579	-639,197	-781,845
Operating expenses	-96,327	-79,508	-142,683	-180,937
Depreciation and amortization	-4,835	-4,931	-10,032	-9,878
Operational EBIT	-25,840	-108,023	-19,556	-137,391
Provision of onerous contracts	0	-33,604	0	-64,313
Earnings before interest and taxes (EBIT)	-25,840	-141,627	-19,556	-201,704
Net financial items	-269	-280	-201	-699
Earnings before taxes (EBT)	-26,109	-141,907	-19,757	-202,403
Taxes	4,655	25,290	3,512	36,117
Profit or loss for the period	-21,454	-116,617	-16,245	-166,286

Fishmeal, Fish Oil and Fish Feed	Q2	Q2	YTD	YTD
DKK 1,000	2023	2022	2023	2022
External revenue	290,289	100,911	685,440	230,076
Internal revenue	453,691	422,204	789,851	734,978
Total revenue	743,980	523,115	1,475,291	965,054
Cost of goods sold	-520,038	-329,682	-1,020,034	-608,342
Operating expenses	-96,016	-74,578	-198,579	-151,430
Depreciation and amortization	-7,004	-6,505	-13,429	-12,967
Operational EBIT	120,922	112,350	243,249	192,315
Income from associates	-3,417	-4,037	20,582	-692
Earnings before interest and taxes (EBIT)	117,505	108,313	263,831	191,623
Net financial items	-1,123	-7,508	-9,535	-11,460
Earnings before taxes (EBT)	116,382	100,805	254,296	180,163
Taxes	-20,949	-18,145	-45,774	-31,711
Profit or loss for the period	95,433	82,660	208,522	148,452

Reconciliation of reportable segments	Q2	Q2	YTD	YTD
to Group earnings before taxes (EBT)	2023	2022	2023	2022
DKK 1,000	2023	2022	2023	2022
Farming Faroe Islands	-129,500	825,421	159,512	1,295,268
Farming Scotland	-58,398	348,271	127,284	402,878
VAP (Value added products)	-26,109	-141,907	-19,757	-202,403
FOF (Fishmeal, Fish oil and fish Feed)	116,382	100,805	254,296	180,163
Eliminations	-55,406	-75,688	-88,015	-127,165
Group earnings before taxes (EBT)	-153,031	1,056,902	433,320	1,548,741

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 691 million.

Note 7. Transactions with Related Parties

Note 5.2 in Bakkafrost's Annual Report for 2022 provides detailed information on related parties' transactions.

Transactions between P/F Bakkafrost 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 categorized 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).

2023

There have not been any new business combinations in 2023.

2022

In a transaction closed on 1 January 2022, Bakkafrost 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

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 recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (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 30 June 2023, the Group held the following classes of assets/liabilities measured at fair value:

DKK 1,000	Cost				
	Fair value	amount	Level 1	Level 2	Level 3
Assets and liabilities measured at fair value					
Biological assets (biomass)	2,776,846	2,272,283	0	0	2,776,846
Assets measured at fair value 30/6-2023	2,776,846	2,272,283	0	0	2,776,846
Liabilities measured at fair value 30/6-2023	0	0	0	0	0
Biological assets (biomass)	2,938,485	2,055,386	0	0	2,938,485
Assets measured at fair value 31/12-2022	2,938,485	2,055,386	0	0	2,938,485
Liabilities measured at fair value 31/12-2022	0	0	0	0	0

transaction, Michael Karlsen holds 10% of the shares in Munkebo Seafood A/S, while Bakkafrost 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. Bakkafrost 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

Bakkafrost's value chain. With a planned increase in production of salmon over the coming years from Bakkafrost's farms in the Faroe Islands and Scotland, Munkebo Seafood will have a strengthened raw material base, and Bakkafrost 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 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
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.

	30 Jun	31 Dec
DKK 1,000	2023	2022
Cash and cash equivalents	543,793	719,603
Long- and short term interest bearing debt	-3,454,307	-3,383,289
Net interest-bearing debt	-2,910,514	-2,663,686

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.

	Q2	Q2	YTD	YTD
DKK 1,000	2023	2022	2023	2022
EBIT	-112,111	1,062,143	492,600	1,572,256
Fair value adjustments of biological assets	432,065	-575,911	378,535	-753,249
Income from associates	3,384	3,902	-20,549	557
Revenue tax	30,002	62,838	68,042	120,588
Operational EBIT	353,340	586,578	918,628	1,004,467

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, depreciation, and amortizations (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 depreciation and amortization 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 is defined as EBITDA before other income and other expenses divided by total revenues.

ROCE

Return on average capital employed (ROCE) is 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.

	Q2	Q2	YTD	YTD
DKK 1,000	2023	2022	2023	2022
Group -Operational EBIT	353,340	586,578	918,628	1,004,467
Average Capital Employed	16,097,393	14,503,222	15,997,329	14,454,553
ROCE	2.2%	4.0%	5.7%	6.9%

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.

	Q2	Q2	YTD	YTD
DKK 1,000	2023	2022	2023	2022
Profit for the period to the shareholders of P/F Bakkafrøst	-122,540	844,603	344,344	1,249,360
Fair value adjustment of biomass	432,065	-575,911	378,535	-753,249
Onerous contracts provisions	0	33,606	0	64,315
Tax on fair value adjustment and onerous contracts provisions	-85,262	97,615	-73,862	124,008
Adjusted profit for the period to shareholders of P/F Bakkafrøst	224,263	399,913	649,017	684,434
Time-weighted average number of shares outstanding through the period	59,140,173	59,085,999	59,140,173	59,085,999
Adjusted earnings per share (before fair value adjustment of biomass and provisions for onerous contracts) (adjusted EPS)	3.79	6.77	10.97	11.58

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