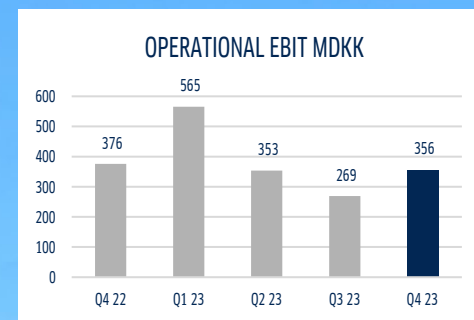
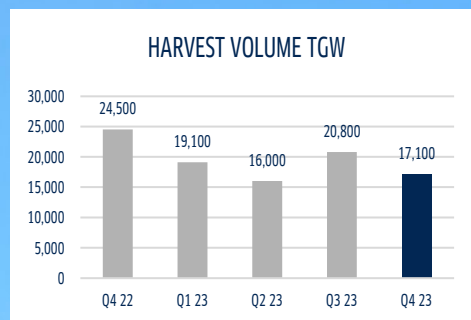


INTERIM REPORT

Q4 2023 and
the year 2023



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Highlight

DKK 1,000,000	Q4 2023	Q4 2022	YTD 2023	YTD 2022	DKK 1,000,000	Q4 2023	Q4 2022	YTD 2023	YTD 2022
INCOME STATEMENT					FINANCIAL POSITION AND CASH FLOW				
Group - Operating revenue	1,562	1,940	7,141	7,130	Total Assets**	17,841	16,882	17,841	16,882
Group - Operational EBIT*	356	376	1,544	1,705	Equity**	10,866	10,396	10,866	10,396
Group - EBIT	550	-53	1,320	1,826	Equity ratio**	61%	62%	61%	62%
Group - Profit for the period	392	-154	955	1,344	Net interest-bearing debt**	3,533	2,664	3,533	2,664
FOF - Operating revenue	966	791	3,489	2,433	Cash flow from operations	-112	382	1,023	1,202
FOF - Operational EBIT	239	105	791	411	Cash flow from financing	456	339	-287	263
FOF - Operational EBITDA	245	111	818	437					
FOF - Operational EBIT margin	25%	13%	23%	17%	PROFITABILITY				
FOF - Operational EBITDA margin	25%	14%	23%	18%	Basic earnings per share (DKK)	6.62	-2.61	16.15	22.75
Freshwater FO - Operating Revenue	187	161	586	480	Diluted earnings per share (DKK)	6.62	-2.61	16.15	22.75
Freshwater FO - Operating EBIT	52	52	157	188	ROCE***	2.1%	2.4%	9.3%	11.5%
Freshwater FO - Operating EBIT Margin	28%	32%	27%	39%	VOLUMES				
Freshwater FO - Operating / KG (DKK)****	26.75	34.55	27.95	37.88	Harvested Faroe Islands (tgv)	16,005	19,276	52,408	66,686
Freshwater FO - Operating / KG (NOK)****	41.78	48.26	42.82	51.39	Harvested Scotland (tgv)	1,062	5,198	20,598	23,917
Freshwater SCT - Operating Revenue	26	37	142	124	Total Harvest	17,067	24,474	73,006	90,603
Freshwater SCT - Operating EBIT	-9	-8	9	-24	Farming FO transferred to VAP (tgv)	5,735	6,944	22,787	26,401
Freshwater SCT - Operating EBIT Margin	-35%	-22%	6%	-19%	VAP produced (tgv)	6,369	7,231	22,650	26,747
Freshwater SCT - Operating EBIT / KG (DKK)****	-49.44	-20.60	8.75	-20.24	Sold feed tonnes	39,354	32,600	127,775	127,840
Freshwater SCT - Operating EBIT / KG (NOK)****	-77.23	-28.77	13.41	-27.46	Internal feed sales tonnes	38,734	31,422	124,321	123,118
Farming FO - Operating Revenue	909	1,062	3,312	4,951	Smolt released thousand Faroe Islands (pcs)	5,164	4,972	14,172	14,417
Farming FO - Operating EBIT	64	254	551	1,515	Smolt released thousand Scotland (pcs)	1,667	3,487	8,993	11,008
Farming FO - Operating EBIT Margin	7%	24%	17%	31%	Total smolt release	6,831	8,459	23,165	25,425
Farming FO - Operating EBIT / KG (DKK)	4.01	13.19	10.51	22.71	* Aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax - refer to Note 10.				
Farming FO - Operating EBIT / KG (NOK)	6.27	18.43	16.10	30.82	** Comparing figures from end 2022				
Farming SCT - Operating Revenue	50	273	1,453	1,470	*** Return on average capital employed, based on operational EBIT - refer to Note 10.				
Farming SCT - Operating EBIT	-48	-170	-155	-226	**** Calculated EBIT per KG released smolt				
Farming SCT - Operating EBIT Margin	-96%	-62%	-11%	-15%					
Farming SCT - Operating EBIT / KG (DKK)	-44.97	-32.64	-7.53	-9.46					
Farming SCT - Operating EBIT / KG (NOK)	-70.24	-45.60	-11.53	-12.83					
Services - Operating Revenue	198	204	783	793					
Services - Operating EBIT	13	1	44	15					
Services - Operating EBIT Margin	7%	1%	6%	2%					
Services - Operating EBIT / KG (DKK)	0.76	0.05	0.60	0.16					
Services - Operating EBIT / KG (NOK)	1.18	0.06	0.91	0.22					
Sales & Other - Operating Revenue	2,355	2,385	9,273	10,589					
Sales & Other - Operating EBIT	101	106	210	-173					
Sales & Other - Operating EBIT Margin	4%	4%	2%	-2%					
Sales & Other - Operating EBIT / KG (DKK)	5.94	4.33	2.88	-1.90					
Sales & Other - Operating EBIT / KG (NOK)	9.27	6.05	4.41	-2.58					
NOK/DKK (average)	64.02	71.59	65.28	73.70					

Summary of the 4th Quarter and the year 2023

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

The Bakkafrost Group delivered a total operational EBIT of DKK 356 million (DKK 376 million) in Q4 2023 and made a profit of DKK 392 million (DKK -154 million). According to Bakkafrost's revised segment structure, the business segment's operational EBIT were as follows:

	Q4 2023	Q4 2022
Operational EBIT (mDKK)		
FOF - Operational EBIT	239	105
Freshwater FO - Operational EBIT	52	52
Freshwater SCT - Operational EBIT	-9	-8
Farming FO - Operational EBIT	64	254
Farming SCT - Operational EBIT	-48	-170
Services - Operational EBIT	13	1
Sales & Other - Operational EBIT	101	106

During Q4 2023, the FOF segment sourced 53,552 tonnes (46,051 tonnes) of raw material. The Operational EBIT margin was 25% (13%), and fish feed sales amounted to 39,354 tonnes (32,600 tonnes).

For the full year 2023, the FOF segment's operational EBIT margin was 23% (17%). During the full year 2023, Havsbrún sourced 467,037 tonnes (297,814 tonnes) of raw material.

In Q4 2023, the Freshwater segments in the Faroe Islands and Scotland released a total of 6.8 million (8.5 million) smolts combined:

- Freshwater FO: 5.1 million (5.0 million),
- Freshwater SCT: 1.7 million (3.5 million).

In 2023, the freshwater segments have released a total of 23.2 (25.4) million smolts:

- Freshwater FO: 14.2 million (14.4 million),
- Freshwater SCT: 9.0 million (11.0 million).

In Q4 2023, the Freshwater FO segment made an operational EBIT per kg released smolt of 26.75 DKK/kg (34.55 DKK/kg), corresponding to 41.78 NOK/kg (48.26 NOK/kg). The Freshwater SCT segment made an operational EBIT per kg released smolt of -49.44 DKK/kg (-20.60 DKK/kg), corresponding to -77.23 NOK/kg (-28.77 NOK/kg).

The Farming segments achieved higher prices in Q4 2023 than in Q4 2022. Both Farming FO and Farming Scotland segments had lower harvest volume in Q4 2023 compared to Q4 2022. In Q4 2023, the Farming SCT segment had incident-based costs of DKK 48 million (DKK 83 million).

The total combined harvest in Q4 2023 of the farming segments in the Faroe Islands and Scotland was 17,067 tonnes gutted weight (24,474 tgw):

- Farming FO: 16,005 tgw (19,276 tgw),
- Farming SCT: 1,062 tgw (5,198 tgw).

In 2023, the farming segments have harvested a total of 73,006 tonnes gutted weight (90,603):

- Farming FO: 52,408 tgw (66,686 tgw),
- Farming SCT: 20,598 tgw (23,917 tgw).

In Q4 2023, the Farming FO segment made an operational EBIT/kg of 4.01 DKK/kg (13.19 DKK/kg), corresponding to 6.27 NOK/kg (18.43 NOK/kg). The Farming SCT segment made an operational EBIT/kg of -44.97 DKK/kg (-32.64 DKK/kg), corresponding to -70.24 NOK/kg (-45.60 NOK/kg).

The Services segment made an operational EBIT/kg of 0.76 DKK/kg (0.05 DKK/kg), corresponding to 1.18 NOK/kg (0.06 NOK/kg). The operational EBIT margin for the segment was 7% (1%).

The Sales & Other segment had a revenue of DKK 2,355 million (2,385 million) and an operational EBIT margin of 4% (4%). The operational EBIT/kg was 5.94 DKK/kg (4.33 DKK/kg), corresponding to 9.27 NOK/kg (6.05 NOK/kg).

The performance according to the previously used business segment structure can be found in the Appendix.

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 8.70 (NOK 13.26*) per share shall be paid out as dividend. The Annual General Meeting will be convened on Tuesday the 30th of April 2024.

* 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 4th Quarter of 2023 and the year 2023

Income Statement

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

The Group's operating revenue amounted to DKK 1,562 million (DKK 1,940 million) in Q4 2023. For 2023, the operating revenue amounted to DKK 7,141 million (DKK 7,130 million).

The Group's operational EBIT was DKK 356 million (DKK 376 million) in Q4 2023. For the full year 2023, the Group's operational EBIT was DKK 1,544 million (DKK 1,705 million).

The fair value adjustment of the Group's biological assets amounted to DKK 182 million (DKK -426 million) in Q4 2023. For the full year 2023, the fair value adjustment amounted to DKK -141 million (DKK 278 million).

Change in provisions for onerous contracts amounted to DKK 0 million (DKK 0 million) in Q4 2023. For 2023 0 DKK (DKK 0 million).

The revenue tax amounted to DKK -27 million (DKK -51 million) in Q4 2023. The revenue tax for the full year of 2023 was DKK -153 million (DKK -215 million).

Net taxes amounted to DKK -87 million (DKK -13 million) in Q4 2023. For 2023, net taxes amounted to DKK -193 million (DKK -346 million).

The result for Q4 2023 was DKK 392 million (DKK -154 million) and for 2023, the result was DKK 955 million (DKK 1,344 million).

Statement of Financial Position

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

The Group's total assets amounted to DKK 17,841 million (DKK 16,882 million) at the end of Q4 2023.

Intangible assets amounted to DKK 4,509 million (DKK 4,509 million) at the end of Q4 2023.

Property, plant, and equipment amounted to DKK 6,220 million (DKK 5,647 million) at the end of Q4 2023. In Q4 2023, the purchase of property, plant, and equipment amounts to DKK 303 million (DKK 533 million in Q4 2022).

Right-of-use assets amounted to DKK 413 million (DKK 439 million) in Q4 2023.

Biological assets' carrying amount (fair value) amounted to DKK 3,336 million (DKK 2,938 million) at the end of Q4 2023. Compared to year-end 2022, biological assets have increased. A fair value adjustment amount to DKK 741 million (DKK 883 million) at the end of Q4 2023 is included in the carrying amount of the biological assets.

Inventories amounted to DKK 1,149 million (DKK 1,074 million) at the end of Q4 2023.

Total receivables, including long-term receivables, financial derivatives, and deferred tax assets, amounted to DKK 1,513 million (DKK 1,321 million) at the end of Q4 2023.

Total cash and cash equivalents amounted to DKK 412 million (DKK 720 million) at the end of Q4 2023.

The Group's equity amounted to DKK 10,866 million (DKK 10,396 million) at the end of Q4 2023. The change in equity consists primarily of the result for 2023 and the payout of dividends.

Total non-current liabilities amounted to DKK 6,228 million (DKK 5,563 million) at the end of Q4 2023.

Deferred and other taxes amounted to DKK 1,953 million (DKK 1,826 million) at the end of Q4 2023.

Long-term interest-bearing debt was DKK 3,944 million (DKK 3,383 million) at the end of Q4 2023.

Leasing debt amounted to DKK 397 million (DKK 460 million) at the end of Q4 2023.

At the end of Q4 2023, the Group's total current liabilities were DKK 747 million (DKK 923 million). The current liabilities consist of short-term leasing debt and accounts payable, tax payable and other debt.

The net interest-bearing debt amounted to DKK 3,533 million at the end of Q4 2023, compared to DKK 2,664 million at year-end 2022. Undrawn credit facilities amounted to DKK 1,851 million at the end of Q4 2023.

The equity ratio was 61% at the end of Q4 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 -112 million (DKK 382 million) in Q4 2023. For the full year of 2023, the cash flow from operations was DKK 1,023 million (DKK 1,202 million).

The cash flow from investment activities amounted to DKK -302 million (DKK -570 million) in Q4 2023. The primary investments have been in new and current hatcheries and the new feed line. For 2023, the cash flow from investments amounted to DKK -1,044 million (DKK -1,255 million).

The cash flow from financing activities totalled DKK 456 million (DKK 339 million) in Q4 2023. For the full year of 2023, cash flow from financing amounted to DKK -287 million (DKK 263 million).

In Q4 2023, the net change in cash flow amounted to DKK 41 million (DKK 151 million). For the full year of 2023, net change in cash flow amounted to DKK -308 million (DKK 210 million).

At the end of Q4 2023, the Group had unused committed credit facilities of DKK 1,851 million (DKK 2,542 million). In addition, the Group has an accordion of EUR 150 million.

FOF Segment

Fishmeal, fish oil and fish feed involve the production and sale of fishmeal, fish oil and fish feed. The production of fishmeal, fish oil and fish feed are operated by Bakkafrost's subsidiary Havsbrún, located in Fuglafjørður. Fishmeal and oil are sold externally, but also used internally to produce fish feed for the Farming and Freshwater segments.

DKK 1,000	Q4 2023	Q4 2022	Change
Financial			
Total revenue	965,898	791,269	22%
Operational EBIT	239,026	104,513	129%
Operational EBITDA	245,212	111,104	121%
Operational EBIT margin	25%	13%	
Operational EBITDA Margin	25%	14%	
Volumes (tonnes)			
Total Feed sold	39,354	32,600	21%
- Feed internal sale FO	24,525	21,013	17%
- Feed internal sale SCT	14,209	10,409	37%
- Feed external sale	620	1,178	-47%
Fishmeal external sale	11,934	12,493	-4%
Fish oil external sale	5,438	2,810	94%
Received raw material	53,552	46,051	16%
Fishmeal production	13,328	10,909	22%
Fish oil production	4,838	5,634	-14%

Volumes

Havsbrún received 53,552 tonnes (46,051 tonnes) of raw material to produce fishmeal and fish oil in Q4 2023. The raw material intake depends on the fishery in the North Atlantic and available species of fish. In 2023, Havsbrún received 467,037 tonnes (297,814 tonnes) of raw material.

The fishmeal production in Q4 2023 was 13,328 tonnes (10,909 tonnes).

Fish oil production in Q4 2023 was 4,838 tonnes (5,634 tonnes). The production of fish oil varies depending on the species of fish sourced for production and the timing of the catch.

Fish feed sales amounted to 39,354 tonnes (32,600 tonnes) in Q4 2023. The FO farming segment internally used 24,525 tonnes (21,013 tonnes). The SCT farming segment internally used 14,209 tonnes (10,409 tonnes).

Financial Performance

The operating revenue for the FOF segment amounted to DKK 966 million (DKK 791 million) in Q4 2023.

Total revenue for the FOF segment in Q4 2023 was higher than the same quarter last year. The increase in external revenue is due to higher volumes of fishmeal and fish oil in Q4 2023 compared to Q4 2022.

Operational EBIT was DKK 239 million (DKK 105 million) in Q4 2023, and the Operational EBIT margin was 25% (13%).

Freshwater Segments

The two Freshwater segments both include broodstock and smolt production in hatcheries on land. In the broodstock operation, eggs are produced from breeding self-owned salmon strains. Eggs are sold to the hatcheries who in turn produce from egg to smolt, which are sold to the Farming operations in the Faroe Islands and Scotland. There are two similar Freshwater segments - one in the Faroe Islands and one in Scotland. The Freshwater segments rely on certain services provided by the Services segment, such as waste handling for biogas production.

Freshwater – Faroe Islands

DKK 1,000	Q4 2023	Q4 2022	Change
Financial			
Total revenue	187,188	161,269	16%
Operational EBIT	51,793	52,222	-1%
Operational EBIT/kg (DKK)*	26.75	34.55	-23%
Operational EBIT margin	28%	32%	
Volumes			
Smolt Released - Pieces	5,164	4,972	4%
Smolt Released - Avg Size (g)	375	304	23%

* Calculated EBIT per KG released smolt

Volumes

5.1 million (5.0 million) smolts were transferred to the sea in Q4 2023, which aligns with the smolt transfer plan. In 2023, 14.2 million (14.4 million) smolts were transferred, which is in line with the smolt transfer plan.

Financial Performance

In Q4 2023, the operating revenue for the Freshwater Faroe Islands segment was DKK 187 million (161 million) – an increase of 16%. The operational EBIT/kg DKK for Q4 2023 was 26.75 (34.55) – a decrease of 23%.

Freshwater – Scotland

DKK 1,000	Q4 2023	Q4 2022	Change
Financial			
Total revenue	26,424	37,464	-29%
Operational EBIT	-9,314	-8,259	-13%
Operational EBIT/kg (DKK)*	-49.44	-20.60	-140%
Operational EBIT margin	-35%	-22%	
Volumes			
Smolt Released - Pieces	1,667	3,487	-52%
Smolt Released - Avg Size	113	115	-2%

* Calculated EBIT per KG released smolt

Volumes

1.7 million (3.5 million) smolts were transferred to the sea in Q4 2023, which aligns with the smolt transfer plan. In 2023, 9.0 million (11.0 million) smolts were transferred, which is in line with the smolt transfer plan.

Financial Performance

In Q4 2023, the operating revenue for the Freshwater Scotland segment was DKK 26 million (37 million) – a decrease of 29%. The operational EBIT/kg DKK for Q4 2023 was -49.44 (-20.60) – a decrease of 140%.

Farming Segments

Fish farming involves growing salmon in the marine environment from smolt to harvest-ready salmon. The Group has marine farming licenses around the Faroe Islands and Scotland, which are reported as two separate segments (Farming Faroe Islands and Farming Scotland). The Farming segments rely on several services provided by the Services segment. These include fish transportation, treatments, net cleaning, heavy marine support services, harvest, packaging, and waste handling for biogas production. The Farming segments also rely on sales services provided by the Sales & Other segment.

Farming – Faroe Islands

DKK 1,000	Q4 2023	Q4 2022	Change
Financial			
Total revenue	908,704	1,062,274	-14%
Operational EBIT	64,213	254,297	-75%
Operational EBIT/kg (DKK)	4.01	13.19	-70%
Operational EBIT margin	7%	24%	
Volumes			
Harvested volumes (tgv)	16,005	19,276	-17%

Volumes

The total volumes harvested in Q4 2023 were 16,005 tonnes gutted weight (19,276 tgv) – a change in volume of -17%. The harvested volumes for the full year 2023 were 52,408 tonnes gutted weight (66,686 tgv).

Financial Performance

In Q4 2023, the operating revenue for the Farming Faroe Islands segment was DKK 909 million (1,062 million) – a decrease of 14%. The operational EBIT/kg (DKK) for Q4 2023 was 4.01 (13.19) – a reduction of 70%.

Farming – Scotland

DKK 1,000	Q4 2023	Q4 2022	Change
Financial			
Total revenue	49,632	273,449	-82%
Operational EBIT	-47,761	-169,680	72%
Operational EBIT/kg (DKK)	-44.97	-32.64	-38%
Operational EBIT margin	-96%	-62%	
Volumes			
Harvested volumes (tgv)	1,062	5,198	-80%

Volumes

The total volumes harvested in Q4 2023 were 1,062 tonnes gutted weight (5,198 tgv) – a change in volume of -80%. The harvested volumes for the full year of 2023 were 20,598 tonnes gutted weight (23,917 tgv).

Financial Performance

In Q4 2023, the operating revenue for the Farming Scotland segment was DKK 50 million (273 million) – a decrease of 82%. The operational EBIT/kg (DKK) for Q4 2023 was -44.97 (-32.64) – a reduction of 38%.

Costs of DKK 48 million (DKK 81 million) relate to incident-based mortality in Q4 2023 and for the year 2023 DKK 277 million (DKK 283 million).

Services

The Services segment provides several services to the Group. The segment operates a fleet of large wellboats and Farming Support Vessels in addition to convert organic waste into biogas, heating, electricity, and fertiliser, which is sold externally. The segment also provides harvesting services to both the Scottish and Faroese farming operation as well as styrofoam boxes to the Faroese operation.

DKK 1,000	Q4 2023	Q4 2022	Change
Financial			
Total revenue	197,753	203,501	-3%
Operational EBIT	12,904	1,107	1066%
Operational EBIT/kg (DKK)	0.76	0.05	1571%
Operational EBIT margin	7%	1%	
Volumes			
Total Energy produced (Mwh)	3,322	3,906	-15%
Harvested Volumes (tgw)	17,067	24,474	-30%

Volumes

Førka produced 3,322 Mwh of energy in Q4 2023 (3,906 Mwh) – a change in volume of -15%. Total energy for the full year of 2023 was 11,404 Mwh (15,284).

Financial Performance

In Q4 2023, the operating revenue for the Services segment was 198 million (204 million) – a decrease of 3%. The operational EBIT was 13 million (1 million) and for the full year 44 million (15 million).

Sales & Other

The Sales & Other segment optimises the value retention and provides freight & logistical services. The segment has processing capacity in the Faroe Islands, Scotland, Denmark, and the US for the production of value-added products (VAP). A significant share of the salmon sold is processed to VAP-products for the retail market.

DKK 1,000	Q4 2023	Q4 2022	Change
Financial			
Total revenue	2,354,865	2,385,207	-1%
Operational EBIT	101,337	106,050	-4%
Operational EBIT/kg (DKK)	5.94	4.33	37%
Operational EBIT margin	4%	4%	
Volumes			
Harvested Volumes (tgw)	17,067	24,474	-30%
Farming FO transferred to VAP (tgw)	5,735	6,944	-17%
VAP produced (tgw)	6,369	7,231	-12%
Harvested volumes used in VAP production	36%	36%	
Harvested volumes sold fresh/frozen	64%	64%	

Volumes

Total volumes harvested in Q4 2023 for Bakkafrost Group were 17,067 tonnes gutted weight (24,474) – a change in volume of -30%. The harvested volumes for the full year of 2023 were 73,006 tonnes gutted weight (90,603).

Total volumes transferred in Q4 2023 to VAP were 5,735 tonnes gutted weight (6,944) – a change in volume -17%. The split between VAP and Fresh was 36% and 64% (36% / 64%). VAP produced 6,369 tonnes gutted weight in Q4 2023 (7,231) – a change in volume of -12%.

Financial Performance

In Q4 2023, the operating revenue for the Sales and other segment was DKK 2,355 million (DKK 2,385 million). The total revenue for the Sales & Other segment decreased in Q4 2023, compared with Q4 2022, because of lower volumes. The operating revenue for the Sales & other segment for the full year of 2023 was DKK 9,273 million (DKK 10,589 million).

Outlook

Market

Stable supply in Q4 2023

The supply of salmon increased slightly by 0.3% in Q4 2023 compared to Q4 2022, incl. inventory movements. Without inventory movements, the supply reduced 1.8%, according to the latest estimate from Kontali Analyse.

Stable salmon prices in Q4 2023

Salmon spot prices (in EUR) were 0.2% lower this quarter compared to Q4 2022. Prices in Q4 2023 were affected by the nearly unchanged supply and strong demand for salmon from certain markets such as the China and the US.

2% growth in 2024

No growth in global supply is expected for H1 2024. In H2 2024, the global supply is expected to grow around 4%, compared to H2 2023. For the full year 2024, the global supply is expected to grow 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 farming operation in the Faroe Islands performed well in the fourth quarter. The new wellboat Bakkafossur, equipped with dual freshwater treatment systems, has greatly enhanced sealice management and resulted in the lowest sealice levels ever. The average harvest weights, growth rates and feed conversion rates also got better during the quarter, especially after October when the last fish from the batch of smolt impaired by reduced hatchery water quality, as mentioned in Q3 2023, were harvested out.

Looking ahead, the Faroese farming operation has a strong outlook and Bakkafrost expects to keep increasing harvest weights and improving farming KPI's in the next quarters.

In the Faroese freshwater operation, Bakkafrost has been working intensively for a long time to improve the production of large smolt, which is more complicated. The quality and performance of the large smolt have improved a lot since the first generation came from the Strond hatchery. The large-smolt production is moving into a phase focusing on maintaining consistent size and high quality of the smolt while increasing production volumes. The Norðtoftir, Glyvradal and Viðareiði hatcheries have been expanded which gave a capacity increase of more than 50% and the production and capacity utilisation are now growing steadily. In Q4 2023, Bakkafrost signed a contract to build a big new hatchery in Skálavík, Faroe Islands, which will increase the production capacity by around 7 million smolt at 500g. The construction will begin in Q1 2024 and when it is finished in the next three years, the annual smolt production capacity in the Faroe Islands will be 24 million smolts of 500g, as explained in the 2024-2028 investment programme.

Bakkafrost's farming operation in Scotland faced difficulties during the fall when the seawater temperatures were higher and biological hazards also rise. The salmon farming industry in Scotland has suffered from major problems in recent years mainly because of micro-jellyfish and other factors that damage the gill health of the fish. However, Bakkafrost's farming operation has seen better biology since mid-September 2023, resulting in lower mortality. The increased freshwater dual treatment capacity in Scotland is a key factor by improving fish gill health while also keeping sealice levels record low. This has reduced the potential impact of the biological challenges during Q4 2023. Consequently, to leverage the improved biological development,

Bakkafrost minimised Q4 2023 harvest volume, allowing fish to grow larger for harvest at higher harvest weights and value in 2024.

In order to address the biological risks, Bakkafrost has made strategic adjustments to its short-term plans and production strategy for the Scottish farming operation. A comprehensive risk assessment has been conducted for all farming sites, evaluating the feasibility of stocking and farming these sites using various strains, hatcheries, and smolt sizes. Based on this evaluation, Bakkafrost will prioritise and advance the utilisation of large, high-quality smolt from the Applecross hatchery over external sources. Consequently, Applecross will supply nearly all of the required smolt to the marine sites in 2024.

Some farming sites may not be restocked or remain productive during Q3 until the risks have been mitigated through the use of large, high-quality smolt. This approach will reduce the biomass at risk in Q3 and result in around 75% of the 2024 harvest volume being harvested in the first half of the year.

The Scottish freshwater operation is focused to grow the production of big and healthy smolt at Applecross, after the first trial-batch of 250g smolt was released in May 2023. In 2024, Applecross is expected to supply 9.1 million smolts at 200-250g, which will make up 98% of the planned smolt release for 2024.

When the Applecross 5 & 6 expansions are completed around year-end 2024, Applecross will be able to produce all smolts for Scotland at around 200-300g. As shown in the Faroe Islands, big and healthy smolt will face lower risks in the marine environment because of shorter production cycles in the sea and more robust salmon. In Q4 2023, the average weight of released smolt in Scotland was 113g, which is 2% lower than in Q4 2022.

Smolt release

Bakkafrost has guided for a smolt release in the Faroe Islands of around 17.8 million large smolts in 2024. In Scotland, the smolt release in 2024 is expected to be around 9.3 million smolts with an average weight over 200g. The number and average weight of smolts released are key elements of predicting Bakkafrost's future production.

Million smolt transferred	'24e	'23	'22	'21	'20	'19
FO	17.8	14.4	14.5	14.4	14.3	12.7
SCT	9.3	10.5	10.8	11.1	10.4	12.4
Avg. weight (g)						
FO	450	396	345	376	320	205
SCT	>200	117	107	95	88	83

In the freshwater hatchery operation, Bakkafrost has a focus on ensuring stable growth and continuous improvements of smolt quality. In the Faroes Islands, it is important to harmonise the size and quality of the smolt as it leads to better utilisation of marine farming sites and increased harvest weights.

Harvest volumes for 2023 in the Faroe Islands were 52.4 thousand tonnes gutted weight and 20.6 thousand tonnes gutted weight in Scotland, giving a total of 73.0 thousand tonnes gutted weight.

In 2024, Bakkafrost expects to harvest around 66,000 tonnes gutted weight in the Faroe Islands and 25,000 tonnes gutted weight in Scotland, giving a total of around 91,000 tonnes gutted weight. The quarterly harvest profile is outlined in in the table below. Biological, environmental and market conditions can affect the expected harvest profile.

Expected harvest profile as a % of total harvest pr. region:

Region	Q1	Q2	Q3	Q4
FO	20%	25%	27%	28%
SCT	25%	44%	16%	14%

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

Sales & VAP (Value added products)

Bakkafrost's highly flexible value chain includes state-of-the-art VAP processing capacity, which enables the company to adapt effectively to rapidly changing market situations.

As a result of changes in the Faroese revenue tax, Bakkafrost has adjusted the strategy for contracted VAP (Value-Added Products) to reduce contract exposure for 2024.

For 2024, Bakkafrost has signed contracts covering around 9% 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 2024 recommendation for blue whiting is 1,530 thousand tonnes, which represents a 12.5% increase from the recommendation for 2023.

In 2024 Bakkafrost expects continued high production volumes of fishmeal and normalisation of fish oil production volumes.

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.

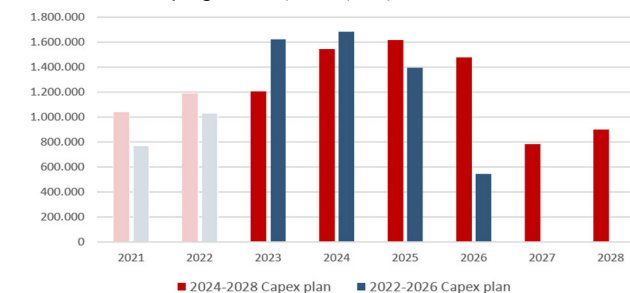
The main purpose of the investments in Scotland is to replicate Bakkafrost's successful operation in the Faroe Islands. Bakkafrost considers building 2 large

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.

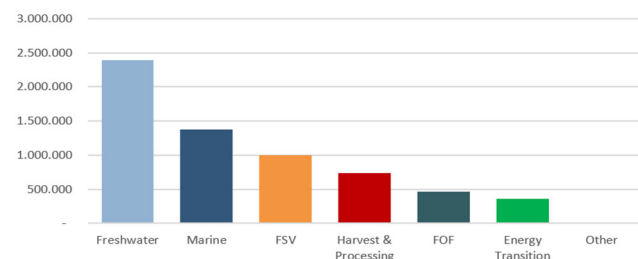
The investments in the Faroe Islands include increasing annual hatchery production capacity to around 24 million smolts at 500g, cost-efficient repurposing of old hatcheries into broodstock operation, expansion of feed production capacity and growing sustainably by optimization of existing sites and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



Financial

The global salmon product market's long-term balance is likely to favor 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 secured a 700 mEUR sustainability-linked credit facility (expandable by 150 mEUR) with a 5-year term and 2-year extension options. This facility, along with Bakkafrost's strong equity ratio, bolsters the Group's financial strength for organic growth and cost reduction in Scotland, while also facilitating M&A and future organic growth opportunities, and upholding an unchanged dividend policy.

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.bakkafrost.com.

Events after the Reporting Period

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

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

The Management and the Board of Directors have today considered and approved the interim report of P/F Bakkafrost for the period 1 January 2023 to 31 December 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, February 19th, 2024

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 Samuelson
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 December 2023, as well as the results of the Group activities and cash flows for the period 1 January 2023 to 31 December 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 31 Dec 2023

DKK 1,000	Q4 2023	Q4 2022	2023	2022
Operating revenue	1,561,902	1,939,809	7,140,849	7,129,967
Purchase of goods	-247,744	-583,143	-2,401,063	-2,756,273
Change in inventory and biological assets (at cost)	-142,733	-93,201	141,200	666,550
Salary and personnel expenses	-217,096	-240,231	-862,670	-831,679
Other operating expenses	-437,985	-523,801	-1,875,239	-1,990,299
Depreciation	-179,384	-127,746	-637,209	-537,480
Other income	19,232	4,324	37,942	24,379
Operational EBIT*	356,192	376,011	1,543,810	1,705,165
Fair value adjustments of biological assets	181,634	-426,054	-141,665	278,392
Onerous contracts	0	0	0	0
Income from associates	39,390	47,889	70,652	57,597
Revenue tax	-27,489	-51,020	-152,836	-215,001
Earnings before interest and taxes (EBIT)	549,727	-53,174	1,319,961	1,826,153
Net interest revenue	11,871	4,971	20,811	7,000
Net interest expenses	-66,192	-39,725	-184,680	-65,039
Net currency effects	-14,198	-62,399	2,784	-69,066
Other financial expenses	-2,082	9,607	-10,525	-8,713
Earnings before taxes (EBT)	479,126	-140,720	1,148,351	1,690,335
Taxes	-87,098	-13,330	-193,135	-346,005
Profit or loss for the period	392,028	-154,050	955,216	1,344,330
Profit or loss for the year attributable to				
Non-controlling interests	-1,524	1,017	-358	-780
Owners of P/F Bakkafrost	393,552	-155,067	955,574	1,345,110
Earnings per share (DKK)	6.62	-2.61	16.15	22.75
Diluted earnings per share (DKK)	6.62	-2.61	16.15	22.75

* 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 2023

DKK 1,000	Q4 2023	Q4 2022	2023	2022
Profit for the period	392,028	-154,050	955,216	1,344,330
Changes on financial derivatives	9,915	21,971	-6,400	11,102
Hereof income tax effect	-1,513	-3,352	976	-1,103
Reserve to share-based payment	0	1,255	-396	12,760
Currency translation differences	-22,126	10,237	58,653	-28,490
Adjustment of treasury shares	-6,854	2,330	1,034	8,255
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-20,578	32,441	53,867	2,524
Other comprehensive income	-20,578	32,441	53,867	2,524
Total comprehensive income for the period	371,450	-121,609	1,009,083	1,346,854
Comprehensive income for the period attributable to				
Non-controlling interests	-1,524	1,017	-358	-780
Owners of P/F Bakkafrost	372,974	-122,626	1,009,441	1,347,634

Consolidated Statement of Financial Position

As on 31 Dec 2023

DKK 1,000	31 dec 2023	31 Dec 2022
ASSETS		
Non-current assets		
Intangible assets	4,509,334	4,508,704
Property, plant and equipment	6,220,481	5,647,161
Right of use assets	413,277	438,545
Financial assets	288,701	234,209
Deferred tax assets	512,485	336,020
Total non-current assets	11,944,278	11,164,639
Current assets		
Biological assets (biomass)	3,335,570	2,938,485
Inventory	1,148,788	1,074,344
Total inventory	4,484,358	4,012,829
Financial derivatives	374	7,474
Accounts receivable	850,338	808,755
Other receivables	150,139	168,272
Total receivables	1,000,851	984,501
Cash and cash equivalents	411,674	719,603
Total current assets	5,896,883	5,716,933
TOTAL ASSETS	17,841,161	16,881,572

DKK 1,000	31 dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
Equity		
Share capital	59,228	59,143
Other equity	10,803,571	10,333,259
Non-controlling interests	3,055	3,411
Total equity	10,865,854	10,395,813
Non-current liabilities		
Deferred taxes and other taxes	1,952,668	1,825,873
Long-term interest-bearing debt	3,944,498	3,383,289
Long-term leasing debt	331,115	353,355
Total non-current liabilities	6,228,281	5,562,517
Current liabilities		
Financial derivatives	0	0
Short-term leasing debt	65,848	106,215
Accounts payable and other debt	681,178	817,027
Total current liabilities	747,026	923,242
Total liabilities	6,975,307	6,485,759
TOTAL EQUITY AND LIABILITIES	17,841,161	16,881,572

Consolidated Cash Flow Statement

For the period ended 31 Dec 2023

DKK 1,000	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Earnings before interest and taxes (EBIT)	549,727	-53,174	1,319,961	1,826,153
Adjustments for write-downs and depreciation	179,384	127,746	637,209	537,480
Adjustments for value adjustment of biomass	-181,634	426,054	141,665	-278,392
Adjustments for income from associates	-39,390	-47,889	-70,652	-57,597
Adjustments for currency effects	-24,160	-73,948	46,414	-145,495
Taxes paid	-196,993	-170,748	-196,993	-170,748
Adjustments of provision for onerous contracts	0	0	0	0
Change in inventory	-245,252	66,282	-613,194	-576,841
Change in receivables	344,960	-293,193	113,955	-208,951
Change in current debts	-498,504	400,645	-355,643	276,247
Cash flow from operations	-111,862	381,775	1,022,722	1,201,856
Cash flow from investments				
Proceeds from sale of fixed assets	0	368	0	368
Payments for purchase of fixed assets	-302,693	-532,974	-1,060,006	-1,235,680
Net investment in financial assets	234	-37,132	16,160	-27,387
Change in long-term receivables and deferred tax assets	0	0	0	8,102
Cash flow from investments	-302,459	-569,738	-1,043,846	-1,254,597
Cash flow from financing				
Change in interest-bearing debt (short and long)	528,097	387,387	546,241	735,352
Financial income	12,848	4,068	21,788	4,310
Financial expenses	-59,699	-26,405	-186,630	-68,255
Lease payments	-32,459	-32,460	-130,740	-117,022
Net proceeds from sale of own shares	6,811	6,811	13,435	12,797
Proceeds from share capital increases	0	0	40,531	0
Dividend paid	0	0	-591,430	-303,995
Cash flow from financing	455,598	339,401	-286,805	263,187
Net change in cash and cash equivalents in period	41,277	151,438	-307,929	210,446
Cash and cash equivalents - opening balance	370,397	568,165	719,603	509,157
Cash and cash equivalents - closing balance total	411,674	719,603	411,674	719,603

Consolidated Statement of Changes in Equity

As on 31 Dec 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	-141,665	1,098,342	-358	956,319
Changes in financial derivatives	0	0	0	0	0	-6,400	0	0	0	0	-6,400
Hereof income tax effect	0	0	0	0	0	976	0	0	0	0	976
Share-based payment	0	0	0	1,068	0	0	0	0	0	0	1,068
Currency translation differences	0	0	0	0	58,653	0	0	0	0	0	58,653
Total other comprehensive income	0	0	0	1,068	58,653	-5,424	0	0	0	0	54,297
Total comprehensive income	0	0	0	1,068	58,653	-5,424	0	-141,665	1,098,342	-358	1,010,616
Treasury shares	0	0	10,034	0	0	0	0	0	0	0	10,034
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	10,034	0	0	0	-591,430	0	40,737	0	-540,574
Total changes in equity	85	0	10,034	1,068	58,653	-5,424	-591,430	-141,665	1,139,079	-358	470,042
Total equity 31.12.2023	59,228	4,027,375	-8,478	21,627	76,395	702	0	741,434	5,944,517	3,055	10,865,855
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. Since this report, the number of reportable segments has changed from four to seven, compliant with IFRS 8, Operating Segments. The comparing figures have been updated.

ACCOUNTING POLICIES SEGMENT REPORTING

The Group's main strategic business area is aquaculture, which consists of seven segments: Freshwater Faroe Islands, Freshwater Scotland, Farming Faroe Islands, Farming Scotland, Services, Sales & Other and production of fishmeal, oil and fish feed (FOF). Intersegment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for the third party's transactions.

Fishmeal, fish oil and fish feed (FOF)

Fishmeal, fish oil and fish feed involve the production and sale of fishmeal, fish oil and fish feed. The production of fishmeal, fish oil and fish feed are operated by Bakkafrost's subsidiary Havsbrún, located in Fuglafjørður. Fishmeal and oil are sold externally, but also used internally to produce fish feed for the Farming and Freshwater segments. Transactions with the Freshwater and Farming segments are based on quarterly contracts at prices benchmarked externally.

The Freshwater Faroe Islands and Freshwater Scotland

The two Freshwater segments both include broodstock and smolt production in hatcheries on land. In the broodstock operation, eggs are produced from breeding self-owned salmon strains. Eggs are sold to the hatcheries who in turn produce from egg to smolt, which are sold to the Farming operations in the Faroe Islands and Scotland. There are two similar Freshwater segments - one in the Faroe Islands and one in Scotland. The Freshwater segments rely on certain services provided by the Services

segment, such as waste handling for biogas production. The pricing principle in transactions between the Freshwater segments and other segments are based on market prices and benchmarks.

The Farming Faroe Islands and Farming Scotland

Fish farming involves growing salmon in the marine environment from smolt to harvest-ready salmon. The Group has marine farming licenses around the Faroe Islands and Scotland, which are reported as two separate segments (Farming Faroe Islands and Farming Scotland). The Farming segments buys smolt from the Freshwater segments, fish feed from the FOF segment and sells the harvest-ready salmon to the Sales & Other segment at adjusted spot prices. The Farming segments rely on several services provided by the Services segment. These include fish transportation, treatments, net cleaning, heavy marine support services, harvest, packaging, and waste handling for biogas production. The Farming segments also rely on sales services provided by the Sales & Other segment. The pricing principle in transactions between the Farming segments and other segments are based on market prices and benchmarks.

Services

The Services segment provides several services to the Group. The segment operates a fleet of large wellboats and Farming Support Vessels in addition to convert organic waste into biogas, heating, electricity, and fertiliser, which is sold externally. The segment also provides harvesting services to both the Scottish and Faroese farming operation as well as styrofoam boxes to the Faroese operation. Transactions regarding well boat and FSV vessel services are long term-contracted and priced according to benchmarked market prices, the transactions for harvesting services and styrofoam boxes are based on benchmarks and armlength prices.

Sales & Other

The Sales & Other segment purchases salmon from the Farming segments based on market reference prices. The Sales & Other segment optimises the value retention and provides freight & logistical services. The segment has processing capacity in the Faroe Islands, Scotland, Denmark, and the US for production of value-added products (VAP). A significant share of the salmon sold is first produced into VAP-products for the retail market.

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

	31 Dec 2023	31 Dec 2022
Biological assets carrying amount 01.01.	2,938,485	2,448,289
Increase due to production or purchases	4,198,900	3,964,863
Reduction due to harvesting or sale (costs of goods sold)	-3,288,597	-3,455,550
Reduction due to mortality (costs of incidents-based mortality *)	-328,168	-282,768
Fair value adjustment at the beginning of the period reversed	-883,099	-604,707
Fair value adjustment at the end of the period	741,433	883,099
Reversal of elimination at the beginning of the period	368,918	411,547
Eliminations	-434,167	-368,918
Currency translation differences	21,865	-57,370
Biological assets carrying amount at the end of the period	3,335,570	2,938,485
Cost price biological assets	3,006,439	2,481,674
Fair value adjustment at the end of the period	741,433	883,099
Eliminations	-434,167	-368,918
Currency translation differences	21,865	-57,370
Biological assets carrying amount	3,335,570	2,938,485
Biomass (tonnes)		
< 1 kg	4,201	4,737
1 kg < 2 kg	7,926	6,811
2 kg < 3 kg	10,480	8,608
3 kg < 4 kg	9,377	9,589
4 kg <	28,705	18,566
Volume of biomass at sea (tonnes)	60,689	48,311

*)

* Costs of incident-based mortality per segment:	2023	2022
Faroe Islands	-51,379	0
Scotland	-276,789	-282,768
	-328,168	-282,768

	31 Dec 2023	31 Dec 2022
Number of fish (thousand)		
< 1 kg	7,765	11,043
1 kg < 2 kg	5,472	4,595
2 kg < 3 kg	4,251	3,520
3 kg < 4 kg	2,731	2,717
4 kg <	5,638	3,877
Total number of fish at sea (thousand)	25,857	25,752
Number of smolt released YTD (thousand)		
Farming North	4,988	6,854
Farming West	7,107	5,267
Farming South	2,076	2,297
Farming Scotland	8,993	11,007
Total number of smolts released YTD (thousand)	23,164	25,425
Sensitivity in DKK 1,000		
Change in discount rate +1%	-182,631	-212,686
Change in discount rate -1%	200,368	238,534
Change in sales price +5 DKK	406,582	353,080
Change in sales price -5 DKK	-406,582	-353,080
Change in biomass volume +1%	11,196	18,217
Change in biomass volume -1%	-11,196	-18,217
One-year forward prices in EUR FCA Oslo**		
Period end	7.90	7.50
1 Q (forward)	9.54	8.58
2 Q (forward)	10.08	8.96
3 Q (forward)	7.47	7.16
4 Q (forward)	7.69	7.31

** Source Fish Pool

Note 5. Segments

Q4-2023 – DKK 1,000	Fishmeal, oil and feed	Freshwater Faroe Islands	Freshwater Scotland	Farming Faroe Islands	Farming Scotland	Services	Sales and other	Eliminations	Group
Total operating revenues	965,898	187,188	26,424	908,704	49,632	197,753	2,354,865	-3,128,562	1,561,902
Depreciation and amortization	-6,186	-24,088	-6,408	-40,023	-55,109	-27,952	-388	0	-160,154
Operating expenses	-720,686	-111,307	-29,330	-804,468	-42,284	-156,897	-2,253,140	3,072,557	-1,045,555
Operational EBIT	239,026	51,793	-9,314	64,213	-47,761	12,904	101,337	-56,006	356,192
Fair value adjustments on biological assets	0	0	0	145,598	36,036	0	0	0	181,634
Income from associates	39,390	0	0	0	0	0	0	0	39,390
Revenue tax	0	0	0	-26,464	-1,024	0	0	0	-27,488
EBIT	278,416	51,793	-9,314	183,347	-12,749	12,904	101,337	-56,006	549,728
Operational EBITDA	245,212	75,881	-2,906	104,236	7,348	40,856	101,725	-56,006	516,346

Q4-2022 – DKK 1,000	Fishmeal, oil and feed	Freshwater Faroe Islands	Freshwater Scotland	Farming Faroe Islands	Farming Scotland	Services	Sales and other	Eliminations	Group
Total operating revenues	791,269	161,269	37,464	1,062,274	273,449	203,501	2,385,207	-2,974,623	1,939,809
Depreciation and amortization	-6,591	-20,012	-3,805	-25,517	-34,616	-20,296	-12,587	0	-123,423
Operating expenses	-680,165	-89,036	-41,918	-782,460	-408,513	-182,098	-2,266,570	3,010,385	-1,440,375
Operational EBIT	104,513	52,222	-8,259	254,297	-169,680	1,107	106,050	35,762	376,011
Fair value adjustments on biological assets	0	0	0	-177,318	-248,736	0	0	0	-426,054
Income from associates	47,646	0	0	160	0	27	56	0	47,889
Revenue tax	0	0	0	-51,020	0	0	0	0	-51,020
EBIT	152,159	52,222	-8,259	26,119	-418,416	1,134	106,106	35,762	-53,174
Operational EBITDA	111,104	72,233	-4,454	279,814	-135,064	21,403	118,636	35,762	499,434

YTD 2023 – DKK 1,000	Fishmeal, oil and feed	Freshwater Faroe Islands	Freshwater Scotland	Farming Faroe Islands	Farming Scotland	Services	Sales and other	Eliminations	Group
Total operating revenues	3,488,735	586,388	141,803	3,311,614	1,452,652	782,865	9,272,817	-11,896,026	7,140,849
Depreciation and amortization	-26,490	-86,926	-15,533	-123,511	-219,090	-98,822	-28,899	0	-599,272
Operating expenses	-2,670,785	-342,732	-117,096	-2,637,311	-1,388,653	-640,494	-9,033,525	11,832,829	-4,997,767
Operational EBIT	791,461	156,730	9,174	550,793	-155,092	43,550	210,393	-63,197	1,543,810
Fair value adjustments on biological assets	0	0	0	-53,750	-87,915	0	0	0	-141,665
Income from associates	70,685	0	0	0	0	0	-33	-1,345	69,307
Revenue tax	0	0	0	-137,066	-15,770	0	0	0	-152,836
EBIT	862,146	156,730	9,174	359,977	-258,777	43,550	210,359	-64,542	1,318,616
Operational EBITDA	817,950	243,656	24,707	674,303	63,999	142,372	239,292	-63,197	2,143,082
INVESTMENTS in Property, plant and equipment	172,194	203,386	183,136	105,831	124,324	63,328	188,504		1,040,703
YTD 2022 – DKK 1,000	Fishmeal, oil and feed	Freshwater Faroe Islands	Freshwater Scotland	Farming Faroe Islands	Farming Scotland	Services	Sales and other	Eliminations	Group
Total operating revenues	2,433,494	480,060	123,858	4,950,575	1,469,824	793,496	10,589,444	-13,710,783	7,129,967
Depreciation and amortization	-25,382	-77,146	-13,239	-100,024	-163,454	-89,157	-44,700	0	-513,102
Operating expenses	-1,996,823	-214,671	-134,453	-3,335,846	-1,532,560	-689,654	-10,717,274	13,709,581	-4,911,700
Operational EBIT	411,289	188,242	-23,834	1,514,705	-226,190	14,685	-172,531	-1,202	1,705,165
Fair value adjustments on biological assets	0	0	0	168,705	109,687	0	0	0	704,446
Income from associates	57,354	0	0	160	0	27	56	-880,409	9,708
Revenue tax	0	0	0	-215,001	0	0	0	0	-163,981
EBIT	468,643	188,242	-23,834	1,468,570	-116,503	14,712	-172,474	-881,611	945,745
Operational EBITDA	436,671	265,388	-10,595	1,614,729	-62,736	103,842	-127,830	-1,202	2,218,267
INVESTMENTS in Property, plant and equipment	126,609	216,858	244,072	97,967	174,627	309,581	27,668		1,197,382

Note 6. Capital Commitments

The Group had capital expenditure committed but not provided in these accounts at the date of the Statement of Financial Position of approximately DKK 971 million. DKK 551 million, DKK 141 million, and DKK 79 million relate to the Freshwater, FOF, and Farming segments in the Faroe Islands, respectively. DKK 92 million and DKK 90 million relate to the Freshwater and Farming segments in Scotland, respectively. DKK 11 million and DKK 8 million relate to other investments in the Faroe Islands and in Scotland, respectively.

Note 7. Transactions with Related Parties

Note 5.2 in Bakkafrøst's Annual Report for 2022 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

As of 31 Dec 2023, the Group held the following classes of assets/liabilities measured at fair value:

DKK 1,000	Cost				
	Fair value	amount	Lev. 1	Lev. 2	Level 3
Assets and liabilities measured at fair value					
Biological assets (biomass)	3,335,570	2,594,137	0	0	3,335,570
Assets measured at fair value 31/12-2023	3,335,570	2,594,137	0	0	3,335,570
Liabilities measured at fair value 31/12-2023	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

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).

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 uses 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 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.

Note 9. Business Combinations

2023

There have not been any new business combinations in 2023.

2022

In a transaction closed on 1 January 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 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.

DKK 1,000	31 dec 2023	31 dec 2022
Cash and cash equivalents	411,674	719,603
Long- and short-term interest-bearing debt	-3,944,498	-3,383,289
Net interest-bearing debt	-3,532,824	-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.

DKK 1,000	Q4 2023	Q4 2022	2023	2022
EBIT	549,727	-53,174	1,319,961	1,826,153
Fair value adjustments of biological assets	-181,634	426,054	141,665	-278,392
Income from associates	-39,390	-47,889	-70,652	-57,597
Revenue tax	27,489	51,020	152,836	215,001
Operational EBIT	356,192	376,011	1,543,810	1,705,165

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 Bakkafrost'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 Bakkafrost'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 Bakkafrost'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 Bakkafrost's profitability.

	Q4	Q4	YTD	YTD
DKK 1,000	2023	2022	2023	2022
Group -Operational EBIT	356,192	376,011	1,543,810	1,705,165
Average Capital Employed	16,634,389	15,882,646	16,481,291	14,889,919
ROCE	2.1%	2.4%	9.4%	11.5%

Adjusted EPS

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

DKK 1,000	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Profit for the period to the shareholders of P/F Bakkafrost	392,028	-154,050	955,216	1,344,330
Fair value adjustment of biomass	-181,634	426,054	141,665	-278,392
Onerous contracts provisions	0	0	0	0
Tax on fair value adjustment and onerous contracts provisions	0	-69,118	-64,216	32,592
Adjusted profit for the period to shareholders of P/F Bakkafrost	210,394	202,886	1,032,665	1,098,530
Time-weighted average number of shares outstanding through the period	59,174,265	59,090,186	59,174,265	59,090,186
Adjusted earnings per share (before fair value adjustment of biomass and provisions for onerous contracts) (adjusted EPS)	3.56	3.43	17.45	18.59

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Appendix

Financial and volumes according to former segmentation pre Q3 2023

Farming segment - Faroe Islands

DKK 1,000	Q4		Change	YTD		Change
	2023	2022		2023	2022	
Financial						
Total revenue	933,555	1,139,330	-18%	3,960,453	4,632,581	-15%
EBIT	90,366	157,937	-43%	613,024	1,872,176	-67%
Operational EBIT	198,901	380,337	-48%	1,031,541	1,912,534	-46%
Operational EBIT/kg (DKK)	12.43	19.73	-37%	19.68	28.68	-31%
Operational EBIT margin	21%	33%		26%	41%	
Volumes						
Harvested volumes (tgv)	16,005	19,276	-17%	52,408	66,686	-21%
- Farming North	10,462	5,322	97%	27,831	28,864	-4%
- Farming West	3,883	13,954	-72%	15,225	28,033	-46%
- Farming South	1,660	0	100%	9,352	9,789	-4%
Smolts released (thousand)	5,164	4,972	4%	14,172	14,417	-2%
- Farming North	1,338	1,577	-15%	4,989	6,855	-27%
- Farming West	2,905	2,374	22%	7,283	5,265	38%
- Farming South	921	1,021	-10%	1,900	2,297	-17%

Farming segment - Scotland

DKK 1,000	Q4		Change	YTD		Change
	2023	2022		2023	2022	
Financial						
Total revenue	83,877	298,473	-72%	1,611,379	1,441,566	12%
EBIT	192,816	-398,948	148%	16,983	-189,442	109%
Operational EBIT	-103,807	-148,689	30%	-140,943	-297,606	53%
Operational EBIT/kg (DKK)	-97.75	-28.61	-242%	-6.84	-12.44	45%
Operational EBIT margin	-124%	-50%		-9%	-21%	
Volumes						
Harvested volumes (tgv)	1,062	5,198	-80%	20,598	23,917	-14%
Smolts released (thousand pcs)	1,667	3,487	-52%	8,993	11,008	-18%

VAP segment

DKK 1,000	Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
Financial						
Total revenue	416,034	482,601	-14%	1,603,391	1,703,637	-6%
EBIT	124,079	86,291	44%	141,364	-50,824	378%
Operational EBIT	124,102	86,291	44%	141,387	-50,824	378%
VAP - Operational EBIT/kg (DKK)	19.49	11.93	63%	6.24	-1.90	429%
Operational EBIT margin	30%	18%		9%	-3%	
Volumes						
Farming FO transferred to VAP (tgw)	5,735	6,944	-17%	22,787	26,401	-14%
VAP produced (tgw)	6,369	7,231	-12%	22,650	26,747	-15%
Harvested volumes used in VAP production	36%	36%		43%	40%	
Harvested volumes sold fresh/frozen	64%	64%		57%	60%	

FOF segment

DKK 1,000	Q4 2023	Q4 2022	Change	YTD 2023	YTD 2022	Change
Financial						
Total revenue	965,897	791,271	22%	3,488,733	2,433,494	43%
EBIT	277,948	146,799	89%	861,635	463,450	86%
Operational EBIT	239,026	104,513	129%	791,461	411,289	92%
Operational EBIT margin	25%	13%		23%	17%	
Volumes (tonnes)						
Total Feed sold	39,354	32,600	21%	127,775	127,840	0%
- Feed internal sale FO	24,525	21,013	17%	84,474	79,262	7%
- Feed internal sale SCT	14,209	10,409	37%	39,847	43,856	-9%
- Feed external sale	620	1,178	-47%	3,454	4,722	-27%
Total Feed sold	39,354	32,600	21%	127,775	127,840	0%
Fishmeal external sale	11,934	12,493	-4%	63,063	34,667	82%
Fish oil external sale	5,438	2,810	94%	18,924	5,285	258%
Received raw material						
Received raw material	53,552	46,051	16%	467,037	297,814	57%
Production						
Fishmeal production	13,328	10,909	22%	101,976	65,395	56%
Fish oil production	4,838	5,634	-14%	34,786	23,862	46%