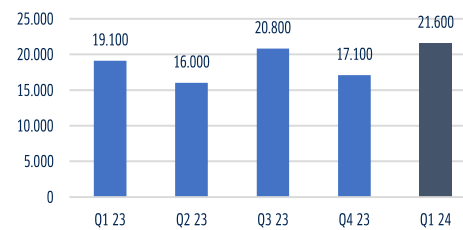


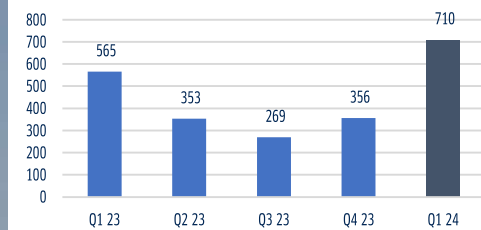
# INTERIM REPORT

## Q1 2024

HARVEST VOLUME TGW



OPERATIONAL EBIT MDKK



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# Highlights

DKK 1,000,000	Q1 2024	Q1 2023
<b>INCOME STATEMENT</b>		
Group - Operating revenue	2,206	2,050
Group - Operational EBIT*	710	565
Group - OP. EBITDA	879	714
Group - EBIT	528	605
Group - Profit for the period	401	467
FOF - Operating Revenue	739	731
FOF - Operational EBITDA	183	129
FOF - Operational EBITDA margin	25%	18%
Freshwater FO - Operating Revenue	98	96
Freshwater FO - Operating EBIT	22	25
Freshwater FO - Operating EBIT Margin	22%	26%
Freshwater FO - Operating / KG (DKK)****	25.06	27.63
Freshwater FO - Operating / KG (NOK)****	38.36	40.75
Freshwater SCT - Operating Revenue	31	39
Freshwater SCT - Operating EBIT	-34	14
Freshwater SCT - Operating EBIT Margin	-112%	36%
Freshwater SCT - Operating EBIT / KG (DKK)****	-178.98	75.43
Freshwater SCT - Operating EBIT / KG (NOK)****	-274.00	111.27
Farming FO - Operating Revenue	1,168	809
Farming FO - Operating EBIT	472	228
Farming FO - Operating EBIT Margin	40%	28%
Farming FO - Operating EBIT / KG (DKK)	33.03	20.72
Farming FO - Operating EBIT / KG (NOK)	50.56	30.56
Farming SCT - Operating Revenue	537	635
Farming SCT - Operating EBIT	24	123
Farming SCT - Operating EBIT Margin	5%	19%
Farming SCT - Operating EBIT / KG (DKK)	3.35	15.14
Farming SCT - Operating EBIT / KG (NOK)	5.13	22.33
Services - Operating Revenue	259	190
Services - Operating EBIT	26	8
Services - Operating EBIT Margin	10%	4%
Services - Operating EBIT / KG (DKK)	1.22	0.44
Services - Operating EBIT / KG (NOK)	1.87	0.66
Sales & Other - Operating Revenue	2,850	2,494
Sales & Other - Operating EBIT	-2	16
Sales & Other - Operating EBIT Margin	0%	1%
Sales & Other - Operating EBIT / KG (DKK)	-0.11	0.85
Sales & Other - Operating EBIT / KG (NOK)	-0.16	1.25
NOK/DKK (average)	65.32	67.79

DKK 1,000,000	Q1 2024	Q1 2023
<b>FINANCIAL POSITION AND CASH FLOW</b>		
Total Assets**	18,262	17,841
Equity**	11,320	10,866
Equity ratio**	62%	61%
Net interest-bearing debt**	3,180	3,533
Cash flow from operations	676	573
Cash flow from financing	-278	-519
<b>PROFITABILITY</b>		
Basic earnings per share (DKK)	6.77	7.90
Diluted earnings per share (DKK)	6.77	7.90
ROCE***	4.1%	3.5%
<b>VOLUMES</b>		
Harvested Faroe Islands (tgv)	14,294	11,005
Harvested Scotland (tgv)	7,263	8,093
<b>Total Harvest</b>	<b>21,557</b>	<b>19,098</b>
Farming FO transferred to VAP (tgv)	3,296	5,098
VAP produced (tgv)	3,256	4,753
Sold feed tonnes	27,046	22,287
Internal feed sales tonnes	26,875	21,809
Smolt released thousand Faroe Islands (pcs)	2,093	2,099
Smolt released thousand Scotland (pcs)	1,583	1,691
<b>Total smolt release</b>	<b>3,676</b>	<b>3,790</b>

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

\*\* Comparing figures from end 2023

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

\*\*\*\* Calculated EBIT per KG released smolt



## Summary of the 1<sup>st</sup> Quarter of 2024

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

**The Bakkafrøst Group delivered a total operational EBIT of DKK 710 million (DKK 565 million) in Q1 2024 and made a profit of DKK 401 million (DKK 467 million). According to Bakkafrøst's revised segment structure, the business segment's operational EBIT were as follows:**

	Q1 2024	Q1 2023
<b>Operational EBIT (mDKK)</b>		
FOF - Operational EBIT	177	122
Freshwater FO - Operational EBIT	22	25
Freshwater SCT - Operational EBIT	-34	14
Farming FO - Operational EBIT	472	228
Farming SCT - Operational EBIT	24	123
Services - Operational EBIT	26	8
Sales & Other - Operational EBIT	-2	16

During Q1 2024, the FOF segment sourced 136,874 tonnes (156,015 tonnes) of raw material. The Operational EBIT margin was 24% (17%), and fish feed sales amounted to 27,046 tonnes (22,287 tonnes).

In Q1 2024, the Freshwater segments in the Faroe Islands and Scotland released a total of 3.7 million (3.8 million) smolts combined:

- Freshwater FO: 2.1 million (2.1 million),
- Freshwater SCT: 1.6 million (1.7 million).

The Freshwater FO segment made an operational EBIT per kg released smolt of 25.06 DKK/kg (27.63 DKK/kg), corresponding to 38.36 NOK/kg (40.75 NOK/kg).

The Freshwater SCT segment made an operational EBIT per kg released smolt of -178.98 DKK/kg (75.43 DKK/kg), corresponding to -274.00 NOK/kg (111.27 NOK/kg). In Q1 2024, the Freshwater SCT segment had incident-based cost of DKK 14 million (DKK 0 million).

The Farming segments achieved higher prices in Q1 2024 than in Q1 2023. Farming FO segment had higher volumes and Farming Scotland segment had lower harvest volume in Q1 2024 compared to Q1 2023. In Q1 2024, the Farming SCT segment had incident-based costs of DKK 18 million (DKK 0 million). In Q1 2024 there is also accrued costs on DKK 13 million which relate recovery of a barge lost in 2023 in Farming SCT.

The total combined harvest in Q1 2024 of the farming segments in the Faroe Islands and Scotland was 21,557 tonnes gutted weight (19,098 tgw):

- Farming FO: 14,294 tgw (11,005 tgw),
- Farming SCT: 7,263 tgw (8,093 tgw).

In Q1 2024, the Farming FO segment made an operational EBIT/kg of 33.03 DKK/kg (20.72 DKK/kg), corresponding to 50.56 NOK/kg (30.56 NOK/kg). The Farming SCT segment made an operational EBIT/kg of 3.35 DKK/kg (15.14 DKK/kg), corresponding to 5.13 NOK/kg (22.33 NOK/kg).

The Services segment made an operational EBIT/kg of 1.22 DKK/kg (0.44 DKK/kg), corresponding to 1.87 NOK/kg (0.66 NOK/kg). The operational EBIT margin for the segment was 10% (4%).

The Sales & Other segment had a revenue of DKK 2,850 million (2,494 million) and an operational EBIT margin of 0% (1%). The operational EBIT/kg was -0.11 DKK/kg (0.85 DKK/kg), corresponding to -0.16 NOK/kg (1.25 NOK/kg).

The performance related to the Faroe Islands and Scotland as a region 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 a dividend. Bakkafrøst'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 a dividend. The Annual General Meeting will be convened on Tuesday, April 30th, 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 1<sup>st</sup> Quarter of 2024

## Income Statement

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

The Group's operating revenue amounted to DKK 2,206 million (DKK 2,050 million) in Q1 2024. The Group's operational EBIT was DKK 710 million (DKK 565 million) in Q1 2024.

The fair value adjustment of the Group's biological assets amounted to DKK -70 million (DKK 54 million) in Q1 2024.

Change in provisions for onerous contracts amounted to DKK 0 million (DKK 0 million) in Q1 2024.

The revenue tax amounted to DKK -112 million (DKK -38 million) in Q1 2024.

Net taxes amounted to DKK -81 million (DKK -119 million) in Q1 2024.

The result for Q1 2024 was DKK 401 million (DKK 467 million).

## Statement of Financial Position

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

The Group's total assets amounted to DKK 18,262 million (DKK 17,841 million) at the end of Q1 2024.

Intangible assets amounted to DKK 4,512 million (DKK 4,509 million) at the end of Q1 2024.

Property, plant, and equipment amounted to DKK 6,312 million (DKK 6,220 million) at the end of Q1 2024. In Q1 2024, the purchase of property, plant, and equipment amounts to DKK 227 million (DKK 203 million in Q1 2023).

Right-of-use assets amounted to DKK 391 million (DKK 413 million) in Q1 2024.

Biological assets' carrying amount (fair value) amounted to DKK 3,316 million (DKK 3,336 million) at the end of Q1 2024. A fair value adjustment amount to DKK 671 million (DKK 741 million) at the end of Q1 2024 is included in the carrying amount of the biological assets.

Inventories amounted to DKK 1,115 million (DKK 1,149 million) at the end of Q1 2024.

Total receivables, including long-term receivables, financial derivatives, and deferred tax assets, amounted to DKK 1,232 million (DKK 1,001 million) at the end of Q1 2024.

Total cash and cash equivalents amounted to DKK 572 million (DKK 412 million) at the end of Q1 2024.

The Group's equity amounted to DKK 11,320 million (DKK 10,866 million) at the end of Q1 2024. The change in equity consists primarily of the result for Q1 2024.

Total non-current liabilities amounted to DKK 6,094 million (DKK 6,228 million) at the end of Q1 2024.

Deferred and other taxes amounted to DKK 2,034 million (DKK 1,953 million) at the end of Q1 2024.

Long-term interest-bearing debt was DKK 3,753 million (DKK 3,944 million) at the end of Q1 2024.

Leasing debt amounted to DKK 367 million (DKK 397 million) at the end of Q1 2024.

At the end of Q1 2024, the Group's total current liabilities were DKK 849 million (DKK 747 million). The current liabilities consist of short-term leasing debt and accounts payable, tax payable and other debt.

The equity ratio was 62% at the end of Q1 2024, compared to 61% at the end of Q4 2023.

**Cash Flow**

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

The cash flow from operations was DKK 676 million (DKK 573 million) in Q1 2024.

The cash flow from investment activities amounted to DKK -238 million (DKK -203 million) in Q1 2024. The primary investments have been in new and current hatcheries and the new feed line.

The cash flow from financing activities totalled DKK -278 million (DKK -519 million) in Q1 2024.

In Q1 2024, the net change in cash flow amounted to DKK 161 million (DKK -150 million).

The net interest-bearing debt amounted to DKK 3,180 million (2,357 million) at end of Q1 2024, and DKK 3,533 million at the end of 2023.

Unused committed credit facilities amounted to DKK 2,204 million (2,857 million) at end of Q1 2024, and DKK 1,851 million at end of 2023.

In addition, the Group has an accordion of EUR 150 million (EUR 150 million), which is the same as at end of 2023.

## 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 Fuglafjörður. Fishmeal and oil are sold externally, but also used internally to produce fish feed for the Farming and Freshwater segments.

DKK 1,000	Q1 2024	Q1 2023	Change
<b>Financial</b>			
Total revenue	738,590	731,311	1%
EBIT	176,865	146,340	21%
Operational EBIT	176,865	122,341	45%
Operational EBITDA	183,448	128,925	42%
Operational EBIT margin	24%	17%	
Operational EBITDA margin	25%	18%	
<b>Volumes (tonnes)</b>			
Total Feed sold	27,046	22,287	21%
- Feed internal sale FO	17,956	14,894	21%
- Feed internal sale SCT	8,919	6,915	29%
- Feed external sale	171	478	-64%
Fishmeal external sale	13,028	13,775	-5%
Fish oil external sale	4,037	5,576	-28%
Received raw material	136,874	156,015	-12%
Fishmeal production	29,202	32,647	-11%
Fish oil production	3,689	5,669	-35%

### Volumes

Havsbrún received 136,874 tonnes (156,015 tonnes) of raw material to produce fishmeal and fish oil in Q1 2024. The raw material intake depends on the fishery in the North Atlantic and available species of fish.

The fishmeal production in Q1 2024 was 29,202 tonnes (32,647 tonnes).

Fish oil production in Q1 2024 was 3,689 tonnes (5,669 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 27,046 tonnes (22,287 tonnes) in Q1 2024. The FO farming segment internally used 17,956 tonnes (14,894 tonnes). The SCT farming segment internally used 8,919 tonnes (6,915 tonnes).

### Financial Performance

The operating revenue for the FOF segment amounted to DKK 739 million (DKK 731 million) in Q1 2024.

Total revenue for the FOF segment in Q1 2024 was slightly higher than in Q1 2023. The increase in revenue is due to higher volume in fish feed sales.

Operational EBIT was DKK 177 million (DKK 122 million) in Q1 2024, and the Operational EBIT margin was 24% (17%).



## 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	Q1 2024	Q1 2023	Change
<b>Financial</b>			
Total revenue	97,669	96,304	1%
EBIT	21,505	24,588	-13%
Operational EBIT	21,505	24,588	-13%
Operational EBIT/kg (DKK)*	25.06	27.63	-9%
Operational EBIT margin	22%	26%	
<b>Volumes</b>			
Smolt Released - Pieces	2,093	2,099	0%
Smolt Released - Avg Size (g)	410	424	-3%

\* Calculated EBIT per KG released smolt

#### Volumes

2.1 million (2.1 million) smolts were transferred to the sea in Q1 2024, which aligns with the smolt transfer plan. The average weight of smolt transferred was 410g in Q1 2024 (424g).

#### Financial Performance

In Q1 2024, the operating revenue for the Freshwater Faroe Islands segment was DKK 98 million (96 million) – an increase of 1%. The operational EBIT/kg DKK for Q1 2024 was 25.06 (27.63) – a decrease of 9%.

### Freshwater – Scotland

DKK 1,000	Q1 2024	Q1 2023	Change
<b>Financial</b>			
Total revenue	30,503	39,318	-22%
EBIT	-34,282	14,158	-342%
Operational EBIT	-34,282	14,158	-342%
Operational EBIT/kg (DKK)*	-178.98	75.43	-337%
Operational EBIT margin	-112%	36%	
<b>Volumes</b>			
Smolt Released - Pieces	1,583	1,691	-6%
Smolt Released - Avg Size	121	111	9%

\* Calculated EBIT per KG released smolt

#### Volumes

1.6 million (1.7 million) smolts were transferred to the sea in Q1 2024, which aligns with the smolt transfer plan. The average weight of smolt transferred was 121g in Q1 2024 (111g).

#### Financial Performance

In Q1 2024, the operating revenue for the Freshwater Scotland segment was DKK 31 million (39 million) – a decrease of 22%. The operational EBIT/kg DKK for Q1 2024 was -178.98 (75.43) – a decrease of 337%.

Costs of DKK 14 million (DKK 0 million) relate to incident-based mortality in Q1 2024.

## 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	Q1 2024	Q1 2023	Change
<b>Financial</b>			
Total revenue	1,168,353	808,997	44%
EBIT	364,443	218,284	67%
Operational EBIT	472,070	227,995	107%
Operational EBIT/kg (DKK)	33.03	20.72	59%
Operational EBIT margin	40%	28%	
<b>Volumes</b>			
Harvested volumes (tgw)	14,294	11,005	30%

#### Volumes

The total volumes harvested in Q1 2024 were 14,294 tonnes gutted weight (11,005 tgw) – a change in volume of 30%.

#### Financial Performance

In Q1 2024, the operating revenue for the Farming Faroe Islands segment was DKK 1,168 million (809 million) – an increase of 44%. The operational EBIT/kg (DKK) for Q1 2024 was 33.03 (20.72) – an increase of 59%.

### Farming – Scotland

DKK 1,000	Q1 2024	Q1 2023	Change
<b>Financial</b>			
Total revenue	536,854	635,180	-15%
EBIT	-49,802	147,728	-134%
Operational EBIT	24,332	122,527	-80%
Operational EBIT/kg (DKK)	3.35	15.14	-78%
Operational EBIT margin	5%	19%	
<b>Volumes</b>			
Harvested volumes (tgw)	7,263	8,093	-10%

#### Volumes

The total volumes harvested in Q1 2024 were 7,263 tonnes gutted weight (8,093 tgw) – a change in volume of -10%.

#### Financial Performance

In Q1 2024, the operating revenue for the Farming Scotland segment was DKK 537 million (635 million) – a decrease of 15%. The operational EBIT/kg (DKK) for Q1 2024 was 3.35 (15.14) – a reduction of 78%.

Costs of DKK 18 million (DKK 2 million) relate to incident-based mortality in Q1 2024. In Q1 2024 we also accrued costs on DKK 13 million which relate to recovery of a feed barge that sunk last year.

## 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	Q1 2024	Q1 2023	Change
<b>Financial</b>			
Total revenue	258,606	189,754	36%
EBIT	26,369	8,480	211%
Operational EBIT	26,369	8,480	211%
Operational EBIT/kg (DKK)	1.22	0.44	175%
Operational EBIT margin	10%	4%	
<b>Volumes</b>			
Total Energy produced (Mwh)	5,679	4,001	42%
Harvested Volumes (tgw)	21,557	19,098	13%

### Volumes

Førka produced 5,679 Mwh of energy in Q1 2024 (4,001 Mwh) – a change in volume of 42%.

### Financial Performance

In Q1 2024, the operating revenue for the Services segment was 259 million (190 million) – an increase of 36%. The operational EBIT was 26 million (8 million) – an increase of 211%.

## 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	Q1 2024	Q1 2023	Change
<b>Financial</b>			
Total revenue	2,849,649	2,494,086	14%
EBIT	-2,265	16,123	-114%
Operational EBIT	-2,265	16,189	-114%
Operational EBIT/kg (DKK)	-0.11	0.85	-112%
Operational EBIT margin	0%	1%	
<b>Volumes</b>			
Harvested Volumes (tgw)	21,557	19,098	13%
Farming FO transferred to VAP (tgw)	3,296	5,098	-35%
VAP produced (tgw)	3,256	4,753	-31%
Harvested volumes used in VAP production	23%	46%	
Harvested volumes sold fresh/frozen	77%	54%	

### Volumes

Total volumes harvested in Q1 2024 for Bakkafrost Group were 21,557 tonnes gutted weight (19,098) – a change in volume of 13%.

Total volumes transferred in Q1 2024 to VAP were 3,296 tonnes gutted weight (5,098) – a change in volume -35%. The split between VAP and Fresh was 23% and 77% (46% / 54%). VAP produced 3,256 tonnes gutted weight in Q1 2024 (4,753) – a change in volume of -31%.

### Financial Performance

In Q1 2024, the operating revenue for the Sales and other segment was DKK 2,850 million (DKK 2,494 million). The total revenue for the Sales & Other segment increases in Q1 2024, compared with Q1 2023, because of higher volumes and prices.



# Outlook

## Market

### *Flat supply supported by inventories in Q1 2024*

The supply of salmon increased slightly by 0.6% in Q1 2024 compared to Q1 2023, incl. inventory movements. Without inventory movements, the supply reduced 4.8%, according to the latest estimate from Kontali Analyse.

### *Salmon prices increased slightly in Q1 2024*

Salmon spot prices (in EUR) were 0.5% higher this quarter compared to Q1 2023 with high price differentiation between large and small fish. Prices were affected by the tight supply, reduced availability of large fish on the spot market, but also by increased consumer price sensitivity in some segments.

### *1% growth in 2024*

The global supply is expected to reduce 2% in H1 2024, compared to H1 2023. In H2 2024, the global supply is expected to grow around 3%, compared to H2 2023. For the full year 2024, the global supply is expected to grow around 1%, 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 biological performance Q1 2024 in the Faroese farming operation was strong. Bakkafrost started 2024 with a much bigger biomass than the year before, and has harvested big fish with high superior rates that allowed for high price achievements. Bakkafrost's ability to do dual freshwater treatments has kept sea lice levels at record lows. Growth was also good in the quarter and the Faroese farming operation has a strong outlook, expecting to keep

good harvest weights and high quality in the coming quarters.

In the Faroese freshwater operation, the main focus for Bakkafrost is to continue to increase the production volume of high-quality large smolt. In 2023, the hatchery capacity in the Faroes was increased by more than 50% through the expansions of the Norðtoftir, Glyvradal and Viðareiði hatcheries, increasing the total hatchery capacity in the Faroes to 18 million smolt of 500g. In Q1 2024, Bakkafrost started the construction of the new hatchery in Skálavík, Faroe Islands, which will further increase the production capacity by around 7 million smolt at 500g. Once the Skálavík hatchery is complete in three years time, the annual smolt production capacity in the Faroe Islands will be 24 million smolts of 500g, as targeted in the 2024-2028 investment programme.

In Q1 2024, the farming operation in Scotland followed the de-risking strategy, Bakkafrost developed on back of the emerging biological recovery in late Q3 2023. One key element of this strategy is to harvest around 70-75% of the planned total harvest volume for 2024 during Q1 and Q2, ahead of Q3 which tends to bring more biological challenges in Scotland. Preparations to execute the strategy were made in Q4 2023 during which Bakkafrost built up biomass and increased the size of fish in the water by improved biological control minimising harvest volumes. Consequently in Q1 2024, the biological performance in Scotland has been good, harvest volumes increased significantly and average harvest weights as well. Like in the Faroes, sea lice levels are all-time low and the superior rates high, leading to good price achievement. In Q2 2024, Bakkafrost continues to follow the de-risking strategy, targeting a lower biomass at risk for Q3. Consequently, Bakkfrost expects harvest weights to reduce in the second half of Q3, as some sites might be harvested out earlier than normal and ahead of Q3.

Bakkafrost's de-risking strategy for the Scottish operation also covers the freshwater operation. In order to address the biological risks, Bakkafrost made strategic adjustments to its short-term production plans and conducted a comprehensive risk assessment for all farming sites, including 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, focusing on delivering a well-controlled increase of the production of large high-quality smolt. Only by exception will smolts be sourced externally, if the size and quality of the smolt is sufficiently high.

In 2024, Applecross is expected to supply around 8.0 million smolts. The average weight of the smolt is expected to increase during the year reaching 200g on average for Q4 2024. The average weight for the full year 2024 is expected to be around 165g. The smolt release and average weight from Applecross is lower than planned for 2024 due to start-up issues in parts of the AP4 facility, not yet fully commissioned by Bakkafrost. The smolt release from Applecross is expected to account for around 98% of the total 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 Q1 2024, the average weight of released smolt in Scotland was 121g, which is 9% higher than in Q1 2023.

### Smolt release

Bakkafrost's smolt release in the Faroe Islands is expected to be around 17.0 million large smolts in 2024. In Scotland, the smolt release in 2024 is expected to be around 8.2 million smolts with an average weight of 165g. 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	17.0	14.4	14.5	14.4	14.3	12.7
SCT	8.2	10.5	10.8	11.1	10.4	12.4
Avg. weight (g)						
FO	450	396	345	376	320	205
SCT	165	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.

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 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	22%	19%	29%	31%
SCT	29%	49%	14%	8%

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.

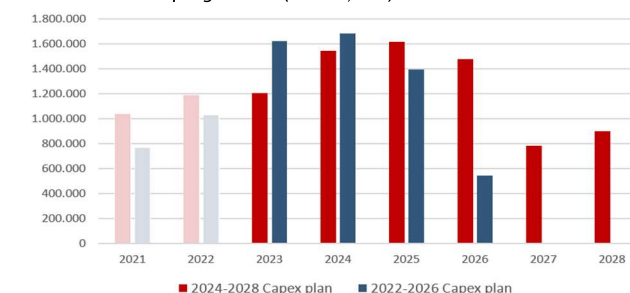
The main purpose of the investments in Scotland is to replicate Bakkafrost's successful operation in the Faroe Islands. Bakkafrost considers building 2 large energy-efficient hatcheries in Scotland, enabling the implementation of Bakkafrost's large smolt strategy and giving an annual production capacity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

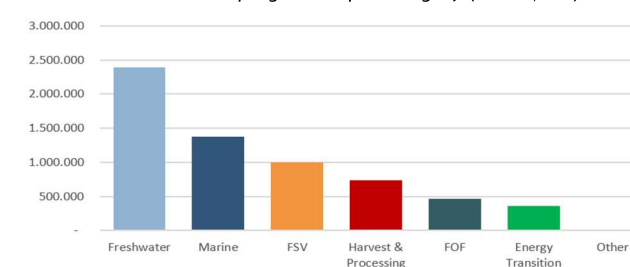
The investments in the Faroe Islands include increasing annual hatchery production capacity to around 24 million smolts at 500g, cost-efficient repurposing of old hatcheries into broodstock operation, expansion of feed production capacity and growing sustainably by optimization of existing sites and 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 Bakkafrøst. Bakkafrøst has a long value chain and a cost-efficient production of high-quality salmon products and will likely maintain financial flexibility going forward.

In March 2022, Bakkafrøst secured a 700 mEUR sustainability-linked credit facility (expandable by 150 mEUR) with a 5-year term and 2-year extension options which have been executed. This facility, along with Bakkafrøst'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 Bakkafrøst. The Integrated Annual Report 2023 explains the biological risk and Bakkafrøst's risk management in this regard.

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

Bakkafrøst is, as explained in the Integrated Annual Report 2023, exposed to the salmon price.

The Integrated Annual Report 2023 is available on request from Bakkafrøst and Bakkafrøst's website, [www.bakkafrøst.com](http://www.bakkafrøst.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 2024 to 31 March 2024.

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.

Glyvrar, May 5<sup>th</sup>, 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

Alf-Helge Årskog  
Board Member

Teitur Samuelsen  
Board Member

Einar Wathne  
Board Member

Guðrið Højgaard  
Board Member

In our opinion, the accounting policies used are appropriate, and the interim report gives a true and fair view of the Group's financial positions on 31 March 2024, as well as the results of the Group activities and cash flows for the period 1 January 2024 to 31 March 2024.

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 2023.

## Consolidated Income Statement

For the period ended 31 Mar 2024

DKK 1,000	Q1 2024	Q1 2023
<b>Operating revenue</b>	<b>2,206,226</b>	<b>2,049,881</b>
Purchase of goods	-614,316	-542,707
Change in inventory and biological assets (at cost)	5,322	-32,396
Salary and personnel expenses	-214,601	-224,361
Other operating expenses	-508,977	-540,966
Depreciation	-169,334	-148,450
Other income	5,389	4,287
<b>Operational EBIT*</b>	<b>709,709</b>	<b>565,288</b>
Fair value adjustments of biological assets	-70,176	53,530
Income from associates	0	23,933
Revenue tax	-111,585	-38,040
<b>Earnings before interest and taxes (EBIT)</b>	<b>527,948</b>	<b>604,711</b>
Net interest revenue	4,886	2,665
Net interest expenses	-61,171	-32,266
Net currency effects	12,224	13,669
Other financial expenses	-1,899	-2,428
<b>Earnings before taxes (EBT)</b>	<b>481,988</b>	<b>586,351</b>
Taxes	-81,020	-119,467
<b>Profit or loss for the period</b>	<b>400,968</b>	<b>466,884</b>
<b>Profit or loss for the year attributable to</b>		
Non-controlling interests	-262	938
Owners of P/F Bakkafrøst	401,230	465,946
Earnings per share (DKK)	6.77	7.90
Diluted earnings per share (DKK)	6.77	7.90

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

## Consolidated Statement of Comprehensive Income

For the period ended 31 Mar 2024

DKK 1,000	Q1 2024	Q1 2023
<b>Profit for the period</b>	<b>400,968</b>	<b>466,884</b>
Changes on financial derivatives	-1,538	-1,458
Hereof income tax effect	235	222
Reserve to share-based payment	-19,407	-3,326
Currency translation differences	68,229	20,254
Adjustment of treasury shares	8,001	4,881
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>55,520</b>	<b>20,573</b>
<b>Other comprehensive income</b>	<b>55,520</b>	<b>20,573</b>
<b>Total comprehensive income for the period</b>	<b>456,488</b>	<b>487,457</b>
<b>Comprehensive income for the period attributable to</b>		
Non-controlling interests	-262	938
Owners of P/F Bakkafrøst	456,750	486,519

# Consolidated Statement of Financial Position

As on 31 Mar 2024

DKK 1,000	31 Mar 2024	31 Dec 2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	4,511,632	4,509,334
Property, plant and equipment	6,312,012	6,220,481
Right of use assets	391,035	413,277
Financial assets	299,618	288,701
Deferred tax assets	512,872	512,485
<b>Total non-current assets</b>	<b>12,027,169</b>	<b>11,944,278</b>
<b>Current assets</b>		
Biological assets (biomass)	3,315,563	3,335,570
Inventory	1,114,554	1,148,788
<b>Total inventory</b>	<b>4,430,117</b>	<b>4,484,358</b>
Financial derivatives	0	374
Accounts receivable	1,058,040	850,338
Other receivables	174,305	150,139
<b>Total receivables</b>	<b>1,232,345</b>	<b>1,000,851</b>
<b>Cash and cash equivalents</b>	<b>572,185</b>	<b>411,674</b>
<b>Total current assets</b>	<b>6,234,647</b>	<b>5,896,883</b>
<b>TOTAL ASSETS</b>	<b>18,261,816</b>	<b>17,841,161</b>

DKK 1,000	31 Mar 2024	31 Dec 2023
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	59,228	59,228
Other equity	11,257,584	10,803,571
Non-controlling interests	2,793	3,055
<b>Total equity</b>	<b>11,319,605</b>	<b>10,865,854</b>
<b>Non-current liabilities</b>		
Deferred taxes and other taxes	2,033,907	1,952,668
Long-term interest-bearing debt	3,752,546	3,944,498
Long-term leasing debt	307,128	331,115
<b>Total non-current liabilities</b>	<b>6,093,581</b>	<b>6,228,281</b>
<b>Current liabilities</b>		
Financial derivatives	730	0
Short-term leasing debt	59,513	65,848
Accounts payable and other debt	788,387	681,178
<b>Total current liabilities</b>	<b>848,630</b>	<b>747,026</b>
<b>Total liabilities</b>	<b>6,942,211</b>	<b>6,975,307</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,261,816</b>	<b>17,841,161</b>



# Consolidated Cash Flow Statement

For the period ended 31 Mar 2024

DKK 1,000	Q1 2024	Q1 2023
<b>Earnings before interest and taxes (EBIT)</b>	<b>527,948</b>	<b>604,711</b>
Adjustments for write-downs and depreciation	169,334	148,450
Adjustments for value adjustment of biomass	70,176	-53,530
Adjustments for income from associates	0	-23,933
Adjustments for currency effects	45,422	19,791
Change in inventory	-15,935	-96,871
Change in receivables	-231,880	18,269
Change in current debts	110,944	-44,176
<b>Cash flow from operations</b>	<b>676,009</b>	<b>572,711</b>
<b>Cash flow from investments</b>		
Payments for purchase of fixed assets	-226,887	-203,362
Net investment in financial assets	-10,917	132
<b>Cash flow from investments</b>	<b>-237,804</b>	<b>-203,230</b>
<b>Cash flow from financing</b>		
Change in interest-bearing debt (short and long)	-193,254	-457,260
Financial income	4,886	2,665
Financial expenses	-63,070	-34,694
Lease payments	-34,257	-34,620
Net proceeds from sale of own shares	8,001	4,881
<b>Cash flow from financing</b>	<b>-277,694</b>	<b>-519,028</b>
<b>Net change in cash and cash equivalents in period</b>	<b>160,511</b>	<b>-149,547</b>
Cash and cash equivalents – opening balance	411,674	719,603
<b>Cash and cash equivalents – closing balance total</b>	<b>572,185</b>	<b>570,056</b>

# Consolidated Statement of Changes in Equity

As on 31 Mar 2024

	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
<b>DKK 1,000</b>											
<b>Equity 01.01.2024</b>	<b>59,228</b>	<b>4,027,375</b>	<b>-8,478</b>	<b>21,627</b>	<b>76,395</b>	<b>702</b>	<b>515,284</b>	<b>741,434</b>	<b>5,429,232</b>	<b>3,055</b>	<b>10,865,854</b>
<b>Consolidated profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-70,176</b>	<b>468,667</b>	<b>-262</b>	<b>398,229</b>
Changes in financial derivatives	0	0	0	0	0	0	0	-1,538	0	0	-1,538
Hereof income tax effect	0	0	0	0	0	235	0	0	0	0	235
Share-based payment	0	0	0	-19,407	0	0	0	0	0	0	-19,407
Currency translation differences	0	0	0	0	68,230	0	0	0	0	0	68,230
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-19,407</b>	<b>68,230</b>	<b>235</b>	<b>0</b>	<b>-1,538</b>	<b>0</b>	<b>0</b>	<b>47,520</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-19,407</b>	<b>68,230</b>	<b>235</b>	<b>0</b>	<b>-71,714</b>	<b>468,667</b>	<b>-262</b>	<b>445,749</b>
Treasury shares	0	0	8,002	0	0	0	0	0	0	0	8,002
<b>Total transaction with owners</b>	<b>0</b>	<b>0</b>	<b>8,002</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,002</b>
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>8,002</b>	<b>-19,407</b>	<b>68,230</b>	<b>235</b>	<b>0</b>	<b>-71,714</b>	<b>468,667</b>	<b>-262</b>	<b>453,751</b>
<b>Total equity 31.03.2024</b>	<b>59,228</b>	<b>4,027,375</b>	<b>-476</b>	<b>2,220</b>	<b>144,625</b>	<b>937</b>	<b>515,284</b>	<b>669,720</b>	<b>5,897,899</b>	<b>2,793</b>	<b>11,319,605</b>
<b>Equity 01.01.2023</b>	<b>59,143</b>	<b>4,027,375</b>	<b>-18,512</b>	<b>20,559</b>	<b>17,742</b>	<b>6,126</b>	<b>591,430</b>	<b>883,099</b>	<b>4,805,438</b>	<b>3,413</b>	<b>10,395,813</b>
<b>Consolidated profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-141,665</b>	<b>1,097,239</b>	<b>-358</b>	<b>955,216</b>
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
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,068</b>	<b>58,653</b>	<b>-5,424</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,297</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,068</b>	<b>58,653</b>	<b>-5,424</b>	<b>0</b>	<b>-141,665</b>	<b>1,097,239</b>	<b>-358</b>	<b>1,009,513</b>
Treasury shares	0	0	10,034	0	0	0	0	0	1,102	0	11,136
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
Proposed dividend	0	0	0	0	0	0	515,284	0	-515,284	0	0
<b>Total transaction with owners</b>	<b>85</b>	<b>0</b>	<b>10,034</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-76,146</b>	<b>0</b>	<b>-473,445</b>	<b>0</b>	<b>-539,472</b>
<b>Total changes in equity</b>	<b>85</b>	<b>0</b>	<b>10,034</b>	<b>1,068</b>	<b>58,653</b>	<b>-5,424</b>	<b>-76,146</b>	<b>-141,665</b>	<b>623,794</b>	<b>-358</b>	<b>470,041</b>
<b>Total equity 31.12.2023</b>	<b>59,228</b>	<b>4,027,375</b>	<b>-8,478</b>	<b>21,627</b>	<b>76,395</b>	<b>702</b>	<b>515,284</b>	<b>741,434</b>	<b>5,429,232</b>	<b>3,055</b>	<b>10,865,854</b>

# Notes to the Accounts

## Accounting Policy

### General Information

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

The Group's Annual Report 2023 is available at [www.bakkafrøst.com](http://www.bakkafrøst.com) or upon request from the company's registered office at Bakkavegur 9, FO-625 Glyvrrar, Faroe Islands.

This Condensed Consolidated Interim Report is presented in DKK.

### Note 1. Statement of Compliance

This Condensed Consolidated Interim Report is prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting as adopted by the EU. It does not include all the information required for the full Annual and Consolidated Report and Accounts and should be read in conjunction with the Annual and Consolidated Report and Accounts for the Group as of 31 December 2023.

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 2023

### 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.

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

Descriptions of the accounting estimates are in the notes to the financial statements in the Annual Report 2023.

## Note 4. Biological Assets

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Biological assets carrying amount 01.01.	3,335,570	2,938,485	2,938,485
Increase due to production or purchases	1,088,196	824,465	4,198,900
Reduction due to harvesting or sale (costs of goods sold)	-1,052,477	-822,345	-3,288,597
Reduction due to mortality (costs of incidents-based mortality) *)	-18,028	-2,184	-328,168
Fair value adjustment at the beginning of the period reversed	-741,433	-883,099	-883,099
Fair value adjustment at the end of the period	671,257	936,629	741,433
Reversal of elimination at the beginning of the period	434,167	368,918	368,918
Eliminations	-409,800	-369,480	-434,167
Currency translation differences	8,111	44,128	21,865
<b>Biological assets carrying amount at the end of the period</b>	<b>3,315,563</b>	<b>3,035,517</b>	<b>3,335,570</b>
Cost price biological assets	3,045,995	2,424,240	3,006,439
Fair value adjustment at the end of the period	671,257	936,629	741,433
Eliminations	-409,800	-369,480	-434,167
Currency translation differences	8,111	44,128	21,865
<b>Biological assets carrying amount</b>	<b>3,315,563</b>	<b>3,035,517</b>	<b>3,335,570</b>
<b>Biomass (tonnes)</b>			
< 1 kg	3,844	4,883	4,201
1 kg < 2 kg	6,851	8,825	7,926
2 kg < 3 kg	11,009	10,776	10,480
3 kg < 4 kg	13,577	7,724	9,377
4 kg <	22,552	14,693	28,705
<b>Volume of biomass at sea (tonnes)</b>	<b>60,689</b>	<b>46,901</b>	<b>60,689</b>

	31 Mar 2024	31 Mar 2023	31 Dec 2023
<b>Number of fish (thousand)</b>			
< 1 kg	6,681	8,746	7,765
1 kg < 2 kg	4,344	6,361	5,472
2 kg < 3 kg	4,620	4,354	4,251
3 kg < 4 kg	3,853	2,241	2,731
4 kg <	4,302	2,962	5,638
<b>Total number of fish at sea (thousand)</b>	<b>23,800</b>	<b>24,664</b>	<b>25,857</b>
<b>Number of smolt released YTD (thousand)</b>			
Farming North	2,010	930	4,988
Farming West	83	190	7,107
Farming South	0	979	2,076
Farming Scotland	1,584	1,691	8,993
<b>Total number of smolts released YTD (thousand)</b>	<b>3,677</b>	<b>3,790</b>	<b>23,164</b>
<b>Sensitivity in DKK 1,000</b>			
Change in discount rate +1%	-147,398	-188,288	-182,631
Change in discount rate -1%	160,767	207,125	200,368
Change in sales price +5 DKK	404,429	363,156	406,582
Change in sales price -5 DKK	-404,429	-363,156	-406,582
Change in biomass volume +1%	13,574	14,130	11,196
Change in biomass volume -1%	-13,574	-14,130	-11,196
<b>One-year forward prices in EUR FCA Oslo**</b>			
Period end	9.92	10.80	7.90
1 Q (forward)	9.92	9.36	9.54
2 Q (forward)	7.66	7.53	10.08
3 Q (forward)	7.62	7.50	7.47
4 Q (forward)	7.62	8.17	7.69

## Note 5. Segments

Q1-2024 - DKK 1,000	Fishmeal, oil and feed	Freshwater Faroe Islands	Freshwater Scotland	Farming Faroe Islands	Farming Scotland	Services	Sales and other	Eliminations	Group
<b>Total operating revenues</b>	<b>738,590</b>	<b>97,669</b>	<b>30,503</b>	<b>1,168,353</b>	<b>536,854</b>	<b>258,606</b>	<b>2,849,649</b>	<b>-3,473,998</b>	<b>2,206,226</b>
Depreciation and amortization	-6,583	-26,142	-8,776	-29,266	-54,035	-29,915	-9,226	0	-163,943
Operating expenses	-555,142	-50,022	-56,009	-667,017	-458,487	-202,322	-2,842,688	3,499,113	-1,332,574
<b>Operational EBIT</b>	<b>176,865</b>	<b>21,505</b>	<b>-34,282</b>	<b>472,070</b>	<b>24,332</b>	<b>26,369</b>	<b>-2,265</b>	<b>25,115</b>	<b>709,709</b>
Fair value adjustments on biological assets	0	0	0	-2,651	-67,525	0	0	0	-70,176
Income from associates	0	0	0	0	0	0	0	0	0
Revenue tax	0	0	0	-104,976	-6,609	0	0	0	-111,585
<b>EBIT</b>	<b>176,865</b>	<b>21,505</b>	<b>-34,282</b>	<b>364,443</b>	<b>-49,802</b>	<b>26,369</b>	<b>-2,265</b>	<b>25,115</b>	<b>527,948</b>
<b>Operational EBITDA</b>	<b>183,448</b>	<b>47,647</b>	<b>-25,506</b>	<b>501,336</b>	<b>78,367</b>	<b>56,284</b>	<b>6,961</b>	<b>25,115</b>	<b>873,652</b>

Q1-2023 - DKK 1,000	Fishmeal, oil and feed	Freshwater Faroe Islands	Freshwater Scotland	Farming Faroe Islands	Farming Scotland	Services	Sales and other	Eliminations	Group
<b>Total operating revenues</b>	<b>731,311</b>	<b>96,304</b>	<b>39,318</b>	<b>808,997</b>	<b>635,180</b>	<b>189,754</b>	<b>2,494,086</b>	<b>-2,945,070</b>	<b>2,049,881</b>
Depreciation and amortization	-6,584	-21,472	-2,980	-27,326	-53,417	-20,500	-11,886	0	-144,164
Operating expenses	-602,386	-50,245	-22,180	-553,676	-459,236	-160,773	-2,466,012	2,974,080	-1,340,429
<b>Operational EBIT</b>	<b>122,341</b>	<b>24,588</b>	<b>14,158</b>	<b>227,995</b>	<b>122,527</b>	<b>8,480</b>	<b>16,189</b>	<b>29,010</b>	<b>565,288</b>
Fair value adjustments on biological assets	0	0	0	28,329	25,201	0	0	0	53,530
Income from associates	23,999	0	0	0	0	0	-65	0	23,933
Revenue tax	0	0	0	-38,040	0	0	0	0	-38,040
<b>EBIT</b>	<b>146,340</b>	<b>24,588</b>	<b>14,158</b>	<b>218,284</b>	<b>147,728</b>	<b>8,480</b>	<b>16,123</b>	<b>29,010</b>	<b>604,711</b>
<b>Operational EBITDA</b>	<b>128,925</b>	<b>46,060</b>	<b>17,138</b>	<b>255,321</b>	<b>175,944</b>	<b>28,980</b>	<b>28,074</b>	<b>29,010</b>	<b>709,452</b>

<b>INVESTMENTS</b> in Property, plant and equipment Q1 2024	24,456	34,027	61,116	35,751	2,828	16,507	26,456		201,141
<b>INVESTMENTS</b> in Property, plant and equipment Q1 2023	35,541	36,363	38,207	37,718	4,936	11,264	30,855		194,884

**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 2023 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 Mar 2024, the Group held the following classes of assets/liabilities measured at fair value:

DKK 1,000		Cost			
Assets and liabilities measured at fair value	Fair value	amount	Lev. 1	Lev. 2	Level 3
Biological assets (biomass)	3,315,563	2,644,306	0	0	3,315,563
<b>Assets measured at fair value 31/03-2024</b>	<b>3,315,563</b>	<b>2,644,306</b>	<b>0</b>	<b>0</b>	<b>3,315,563</b>
<b>Liabilities measured at fair value 31/03-2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Biological assets (biomass)	3,335,570	2,594,137	0	0	3,335,570
<b>Assets measured at fair value 31/12-2023</b>	<b>3,335,570</b>	<b>2,594,137</b>	<b>0</b>	<b>0</b>	<b>3,335,570</b>
<b>Liabilities measured at fair value 31/12-2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**

There have not been any new business combinations in 2023, nor in Q1 2024.

**Note 10 Alternative Performance Measures****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 mar	31 dec
	2024	2023
Cash and cash equivalents	572,185	411,674
Long- and short-term interest-bearing debt	-3,752,546	-3,944,498
<b>Net interest-bearing debt</b>	<b>- 3,180,361</b>	<b>-3,532,824</b>

**Operational EBIT**

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

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

	Q1	Q1
DKK 1,000	2024	2023
<b>EBIT</b>	<b>527,948</b>	<b>604,711</b>
Fair value adjustments of biological assets	70,176	-53,530
Income from associates	0	-23,933
Revenue tax	111,585	38,040
<b>Operational EBIT</b>	<b>709,709</b>	<b>565,288</b>

**Operational EBIT per kg**

Freshwater FO segment: Operational EBIT Freshwater FO segment  
Total released smolt FO (kg)

Freshwater SCT segment: Operational EBIT Freshwater SCT segment  
Total released smolt SCT (kg)

Farming FO segment: Operational EBIT Farming FO segment  
Total harvested volumes FO (gw)

Farming SCT segment: Operational EBIT Farming SCT segment  
Total harvested volumes SCT (gw)

Services segment: Operational EBIT Service segment  
Total harvested volumes (gw)

Sales & Other segment: Operational EBIT Sales & Other segment  
Total harvested volumes (gw)

**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.

	Q1	Q1
DKK 1,000	2024	2023
Group -Operational EBIT	709,709	565,288
Average Capital Employed	17,253,661	16,058,394
<b>ROCE</b>	<b>4.1%</b>	<b>3.5%</b>

**Adjusted EPS**

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

	Q1	Q1
DKK 1,000	2024	2023
Profit for the period to the shareholders of P/F Bakkafrøst	400,968	466,884
Fair value adjustment of biomass	70,176	-53,530
Onerous contracts provisions	0	0
Tax on fair value adjustment and onerous contracts provisions	-17,358	11,399
<b>Adjusted profit for the period to shareholders of P/F Bakkafrøst</b>	<b>453,786</b>	<b>424,753</b>
<b>Time-weighted average number of shares outstanding through the period</b>	<b>59,225,519</b>	<b>59,111,707</b>
<b>Adjusted earnings per share (before fair value adjustment of biomass and provisions for onerous contracts) (adjusted EPS)</b>	<b>7.66</b>	<b>7.19</b>

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## Appendix

The performance related to the Faroe Islands and Scotland as a region.

DKK 1,000	Q1 2024			Q1 2023		
	Scotland	Faroe Islands*	Group	Scotland	Faroe Islands*	Group
<b>Total operating revenues</b>	<b>612,491</b>	<b>1,593,735</b>	<b>2,206,226</b>	<b>708,420</b>	<b>1,341,461</b>	<b>2,049,881</b>
Depreciation and amortization	-39,174	-124,769	-163,943	-61,115	-83,049	-144,164
Operating expenses	-534,161	-798,413	-1,332,574	-492,425	-848,004	-1,340,429
<b>Operational EBIT</b>	<b>39,156</b>	<b>670,553</b>	<b>709,709</b>	<b>154,880</b>	<b>410,408</b>	<b>565,288</b>
<b>Operational EBITDA</b>	<b>78,330</b>	<b>795,322</b>	<b>873,652</b>	<b>215,995</b>	<b>493,457</b>	<b>709,452</b>
 <b>Volume tonnes</b>	 <b>7,263</b>	 <b>14,294</b>	 <b>21,557</b>	 <b>8,093</b>	 <b>11,005</b>	 <b>19,098</b>
<b>Operational EBIT/KG</b>	<b>5.39</b>	<b>46.91</b>	<b>32.92</b>	<b>19.14</b>	<b>37.29</b>	<b>29.60</b>
 <b>- of which FOF</b>	 <b>0.00</b>	 <b>12.37</b>	 <b>8.20</b>	 <b>0.00</b>	 <b>11.12</b>	 <b>6.41</b>
<b>- of which Freshwater</b>	<b>-4.72</b>	<b>1.50</b>	<b>-0.59</b>	<b>1.75</b>	<b>2.23</b>	<b>2.03</b>
<b>- of which Farming</b>	<b>3.35</b>	<b>33.03</b>	<b>23.03</b>	<b>15.14</b>	<b>20.72</b>	<b>18.35</b>
<b>- of which Services</b>	<b>-0.11</b>	<b>1.90</b>	<b>1.22</b>	<b>-0.82</b>	<b>1.37</b>	<b>0.44</b>
<b>- of which Sales &amp; Other</b>	<b>3.90</b>	<b>-2.14</b>	<b>-0.11</b>	<b>2.88</b>	<b>-0.65</b>	<b>0.85</b>
<b>- of which Eliminations</b>	<b>2.97</b>	<b>0.25</b>	<b>1.17</b>	<b>0.19</b>	<b>2.50</b>	<b>1.52</b>

\* Included a marginal contribution from US, DK, UK and FR