Orkla

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A Nordic brands and consumer-oriented investment company

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We are transforming into a leading industrial investment company with a brands and consumer-oriented scope

A leading Nordic company

- Long heritage in the Nordic region
- Strong presence in the Baltics, Central Europe and South Asia
- Listed on Euronext Oslo

Strong Brands

- Strong positions in smaller markets
- ~80% of revenue from #1 and #2 brands
- Market shares typically in the range of 30-80%

Local presence

- Being close to the consumer and customer
- Superior local insight and set-up
- Autonomous units with full P+L responsibility

Scale advantages

- Develop concepts across markets
- Synergy realization throughout supply chain
- Centres of competence in select areas

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New simplified structure that will reduce complexity through a lean headquarter and autonomous portfolio companies

Orkla ASA

President & CEO

Investment Team

- Investment Professionals
- Centers of Excellence
  - Sales
  - Marketing and Innovation
  - Sustainability

Corporate Functions

Business service companies

- Orkla Procurement
- Orkla IT
- Orkla Financial Services

Portfolio Companies[1]

Company	Revenue
Jotun[2]	22.8 BNOK
Orkla Foods Europe	17.3 BNOK
Orkla Food Ingredients	13.5 BNOK
Orkla Confec-tionery & Snacks	7.5 BNOK
Orkla Health	5.2 BNOK
Orkla India	2.4 BNOK
Orkla Home & Personal Care	2.3 BNOK
Pizza Out of Home	2.2 BNOK
Orkla House Care	1.4 BNOK
Health and Sports Nutrition	1.1 BNOK
Pierre Robert Group	0.5 BNOK
Lilleborg	0.5 BNOK

Financial invest.

- Hydro Power
- Orkla Real Estate

[1] Indicative revenues are R12M as at 30 September 2022 (adjusted for completed acquisitions)
[2] Jotun's operating revenue represents the full company figure from 2021 (100%). Orkla has 42.6% interest in Jotun.

We differentiate ourselves through the combination of the following six characteristics

Long-term perspective

Taking a longer-term industrial perspective on our ownership and investment decisions

Expertise

Adding competence and capabilities to support commercial development and growth

Industry shaping & dynamic capital allocation

Capital allocation and structural opportunities as a value creation lever

Scale

Realizing scale and cost benefits through our business services

Entrepreneurship & localness

Entrepreneurship through decision making close to the value creating assets. Encourage companies to build on local uniqueness as a competitive advantage.

Code of Conduct

Imparting Orkla's ethics, business standards, and commitment to sustainable business practices and products

Refocused towards more active ownership and enabling structural opportunities

- We are a long-term investor in leading brands and consumer companies
- Focus on active ownership in the companies we own and invest in
- Increased performance through more autonomy, tailored KPI’s and focus
- Better positioned to grasp structural opportunities

Milestones going forward

Q3-22

New operating model outlined

- New organization and ambition for future Orkla outlined
- Group Executive Board announced

Q4-22

Implementation of corporate structure

- Provide full year indicative top-line figures per portfolio company
- Communicate status on reorganization/ update on progress

Q1-23

Go live new operating model

- New organization in operation from 1 March 2023
- Indicative top and bottom-line figures for portfolio companies

Q2-23

New reporting structure

- New reporting structure implemented
- Date for CMD announced

Summary of financials for the third quarter 2022

- Group EBIT (adj.) growth of 30%
- EBIT (adj.) for Branded Consumer Goods incl. HQ decline of 11%
- Organic revenue growth of 9%, broad based and price driven
- Adjusted earnings per share were NOK 1.58 (+15%)

*All Alternative Performance Measures (APM) are presented in the appendix

Strong sales growth, EBIT growth driven by Hydro Power

Key figures	Q3-22	Q3-21	∆ Q3
Operating revenues BCG	13,887	12,914	+7.5%
EBIT (adj.) BCG	1,528	1,695	-9.9%
EBIT (adj.) HQ	-82	-76	
EBIT (adj.) BCG incl. HQ	**1,446**	**1,619**	**-10.7%**
EBIT (adj.) Industrial & Financial Investments	777	93	
Other income and expenses	-101	-66	
EBIT	**2,122**	**1,646**	**+28.9%**
Profit from associates	238	164	+45.1%
Net interest and other financial items	-115	-63	
Profit before tax	**2,245**	**1,747**	**+28.5%**
Taxes	-685	-410	
Profit after tax	**1,560**	**1,337**	**+16.7%**
Adjusted EPS diluted (NOK)	**1.58**	**1.37**	**+15.3%**
Reported EPS diluted (NOK)	1.50	1.31	+14.5%

Amounts in NOK million

Broad based cost increases continue to put pressure on margin

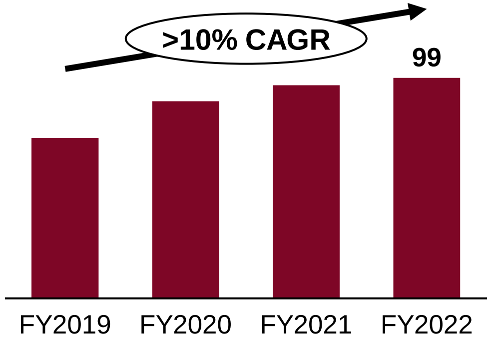
- Input cost (raw material, packaging, traded goods and energy):
  - Expect 15-18% increase in cost base for 2022
  - Market prices show signs of levelling off, but Orkla is still catching up due to broad exposure and contract profile
  - Cost increases will continue into 2023
- Other cost elements (SG&A and factory overhead cost)
  - Steep and broad-based increase in other cost elements mainly due to general cost inflation, activity levels normalizing post-Covid and cost of securing supply chain
- Further price increases to be implemented to mitigate
- Additional cost improvement projects will be initiated
- Continue to invest in our brands for the long term through A&P and product development

Strengthening Orkla’s Sweet Ingredients cluster through acquisition of Denali, a leading US ice cream ingredients business

Denali Ingredients®

- Acquisition of Denali Ingredients Inc. completed 1 November, a leading ice cream ingredients business in the USA
- Turnover of approx. 1.1 BNOK for fiscal year 2022 (ending 30 September)
- Seen strong organic growth of more than 10% p.a. over the past 15 years
- The seller and CEO will continue as shareholders in partnership with Orkla (84%)

Historical reported revenue (MUSD)*



- Compelling consumer trends and increased demand for complex flavours in ice cream drive addressable market in the US
- Trendsetters within products and applications
- Cross-sales opportunities and create a platform for further consolidation

- Announced intention to seek long-term partner for Orkla Food Ingredients



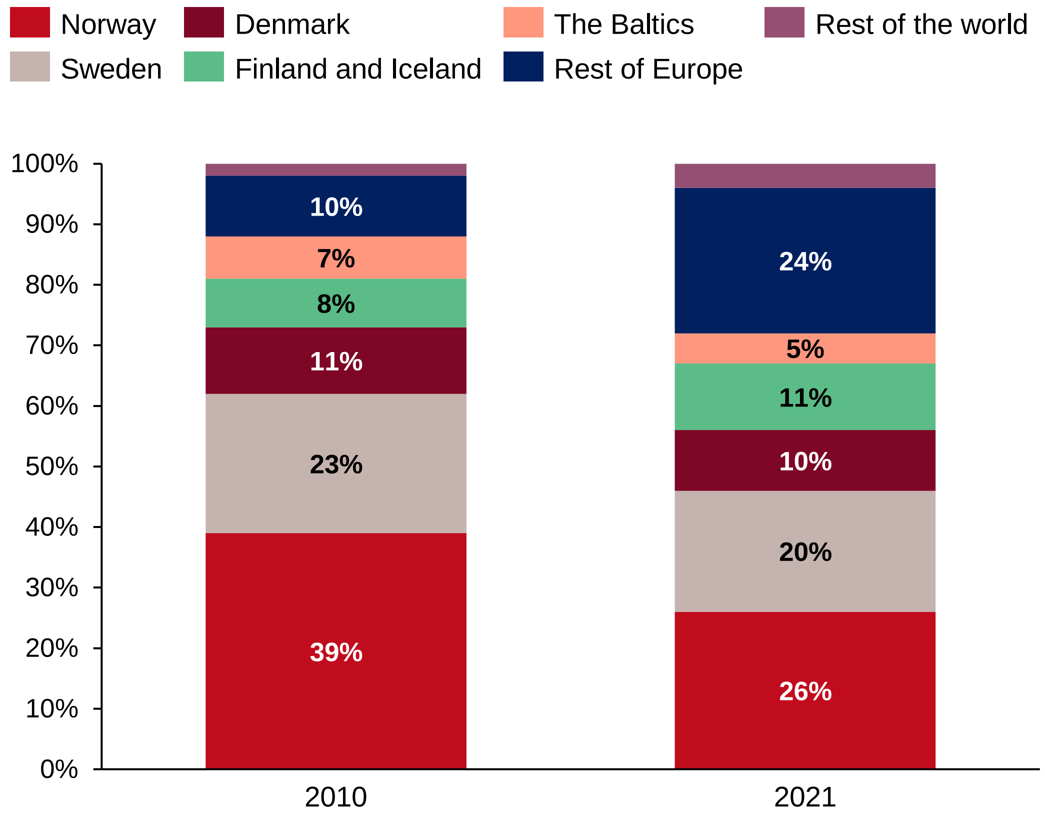




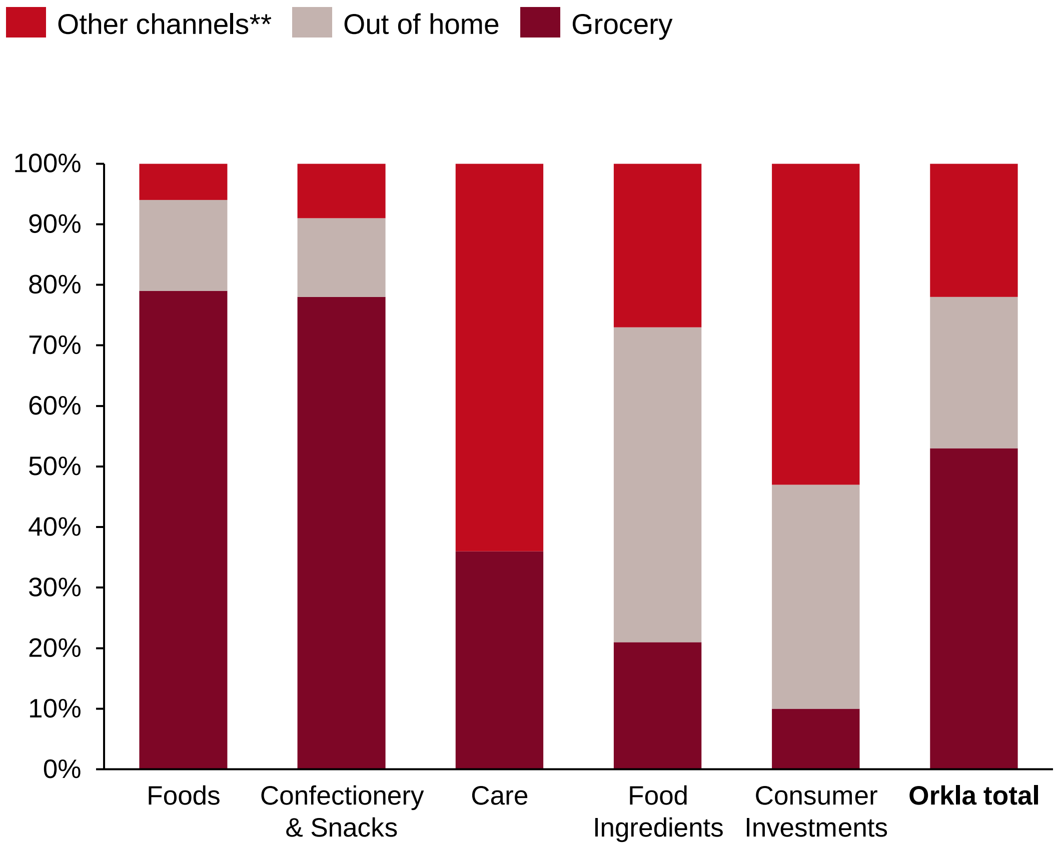
* Financial year ending 30 September

Increased exposure to faster growing markets and channels

Sales revenues by geographical region*



BCG channel split (net sales), FY 2021



Orkla * Excluding internal sales and other operating revenues, ** Other channels include: Specialized Trade, Pharmacy, Industry, D2C and Other

Continued progress for the three prioritized growth initiatives

		Full-year baseline (2021)	Reported Q3-22 YTD (YoY)*
	**Consumer Health** Grow at least 50% by 2025	Revenue BNOK 4.6**	Growth 28%
	**Out of Home** A European leader in pizza franchise	Consumer sales MEUR ~337 **/*** No of outlets 663	Growth 101% No of outlets 667
	**Plant-based** BNOK 3 turnover by 2025	Revenue BNOK 1	Growth 18%

* Reported figures including M&A, not adjusted for FX
**Includes 12-month effect of NutraQ and New York Pizza
*** Excl. VAT

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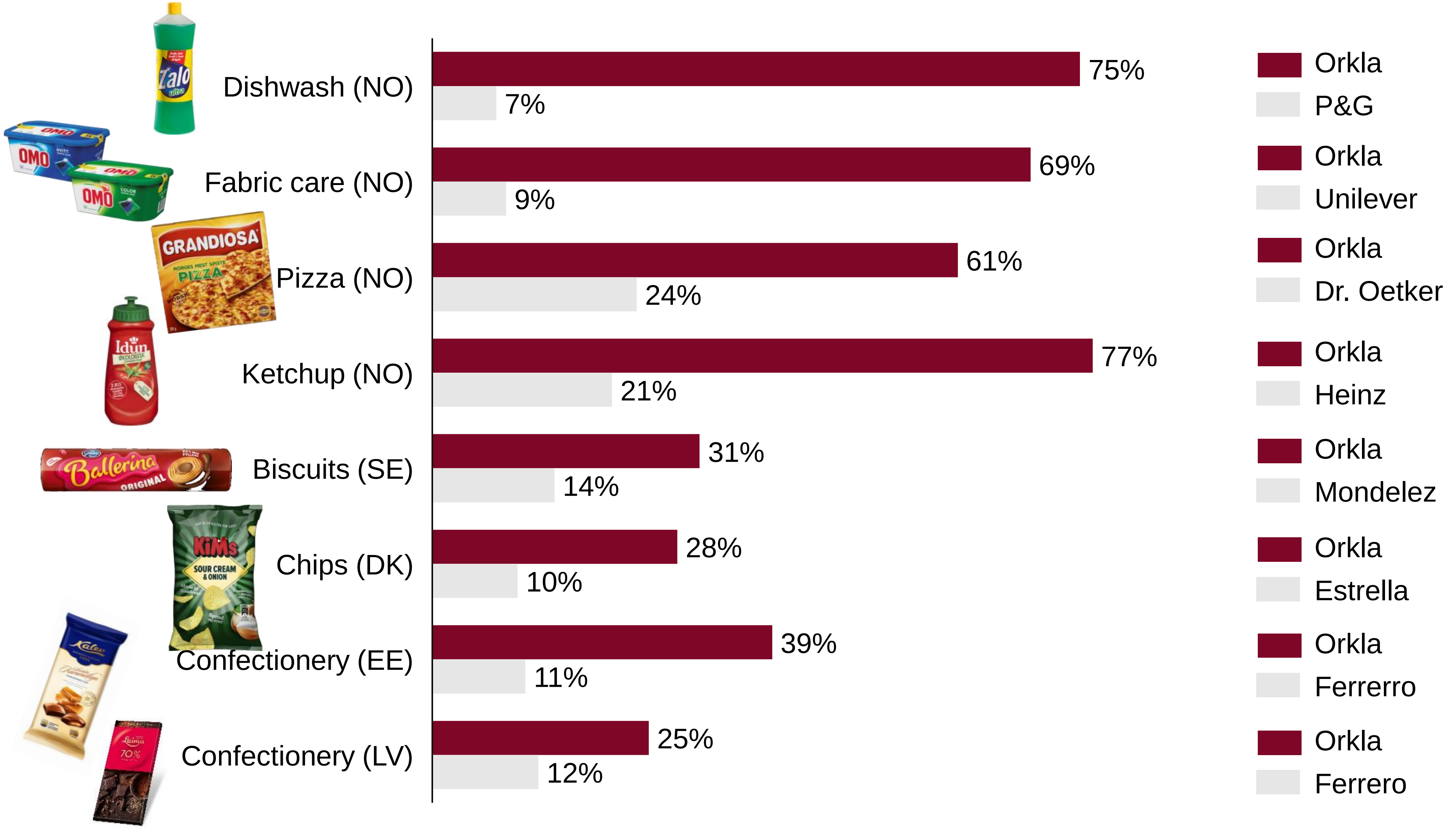
Orkla brands compete well with global brands in core markets



Examples of market shares in selected categories. Source: Nielsen. R12M data as of October 2020, confectionery for EE and LV per Dec20 and Jan21, respectively

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Alternative Performance Measures (APM)

Organic growth

Organic growth shows like-for-like turnover growth for the Group's business portfolio and is defined as the Group's reported change in operating revenues adjusted for effects of the purchase and sale of companies and currency effects. In calculating organic growth, acquired companies will be excluded 12 months after the transaction date. Sold companies will be excluded pro forma 12 months prior to the transaction date. Currency effects are neutralised by translating this year's turnover at last year's exchange rates.

Organic growth is included in segment information and used to identify and analyse the turnover growth in the existing business portfolio. Organic growth provides an important picture of the Group's ability to carry out innovation, product development, correct pricing and brand-building.

EBIT (adj.)

EBIT (adj.) shows the Group's current operating profit before items that require special explanation and is defined as reported operating profit or loss before "Other income and expenses" (OIE). These include M&A costs, restructuring or integration expenses, any major gains and write-downs on both tangible and intangible assets, and other items that only to a limited degree are reliable measures of the Group's current profitability. EBIT (adj.) margin and growth are derived figures calculated in relation to operating revenues.

EBIT (adj.) is one of the Group's key financial figures, internally and externally. The figure is used to identify and analyse the Group's profitability from normal operations and operating activities. Adjustment for items in OIE which to a limited degree are reliable measures of the Group's current operating profit or loss increases the comparability of profitability over time.

Change in underlying EBIT (adj.)

Change in underlying EBIT (adj.) shows like-for-like EBIT (adj.) growth for the Group's business portfolio and is defined as the Group's reported change in EBIT (adj.) adjusted for effects of the purchase and sale of companies and currency effects. In calculating the change in underlying EBIT (adj.), acquired companies will be included pro forma 12 months before the transaction date. Sold companies will be excluded pro forma 12 months prior to the transaction date. Currency effects are neutralised by translating this year's EBIT (adj.) at last year's currency exchange rates. Underlying EBIT (adj.) margin and change therein are derived figures calculated in relation to operating revenues.

Underlying EBIT (adj.) growth is used for internal management purposes, including for identifying and analysing underlying profitability growth in the existing business portfolio, and provides a picture of the Group's ability to develop growth and improve profitability in the existing business. The measure is important because it shows the change in profitability on a comparable structure over time.

Alternative Performance Measures (APM)

Earnings per share (adj.)

Earnings per share (adj.) show earnings per share adjusted for "Other income and expenses" (OIE) after estimated tax. Items included in OIE are specified in Note 3. The effective tax rate for OIE is lower than the group's tax rate as at 30 September 2022, chiefly due to the fact that the write-down of the business in Russia and expensed M&A costs are not tax-deductible. Non-taxable gains (sales of shares) recognised in OIE in the third quarter increase the tax rate for OIE slightly. In the third quarter seen in isolation, the effective tax rate for OIE is higher than the group's tax rate as a result of these gains. The effective tax rate for OIE as at 30 September 2022 is 13% and 29% in the third quarter.

If other items of a special nature occur under the company's operating profit or loss, adjustments will also be made for these items. No such adjustments had been made as at 30 September 2022 or in 2021.

Net replacement and expansion investments

When making decisions regarding investments, the Group distinguishes between replacement and expansion investments. Expansion investments are the part of overall reported investments considered to be investments either in new geographical markets or new categories, or which represent significant increases in capacity.

Net replacement investments include new leases and are reduced by the value of sold fixed assets to sales value.

The purpose of this distinction is to show how large a part of the investments (replacement) mainly concerns maintenance of existing operations and how large a part of the investments (expansion) is investments which must be expected to generate increased contributions to profit in future, exceeding expectations of normal operations.

Net interest-bearing liabilities

Net interest-bearing liabilities are the sum of the Group's interest-bearing liabilities and interest-bearing receivables. Interest-bearing liabilities include bonded loans, bank loans, other loans, lease liabilities and interest-bearing derivatives. Interest-bearing receivables include liquid assets, interest-bearing derivatives and other interest-bearing receivables.

Net interest-bearing liabilities are the Group's primary management parameter for financing and capital allocation, which is used actively in the Group's financial risk management strategy. The statement of cash flows (Orkla format) therefore shows the change in net interest-bearing liabilities at Group level.

Structure (acquired and sold companies)

Structural growth includes adjustments for the acquisition of the businesses New York Pizza, Vesterålen Marine Olje, Healthspan, Hans Kaspar and Hadecoup. Adjustments have been made for the sale of Credin Russland, the water business in Latvia, the Struer brand and the convenience business in Orkla Latvija, as well as for the ending of Orkla's ownership of Hamé Foods in Russia. A structural adjustment was made at business area level for the internal relocation of the Oolannin brand and plant-based production. In 2021, adjustments were also made for the acquisition of Eastern, NutraQ, New York Pizza, Sigurd Ecklund, Hans Kaspar, Nói Síríus, Cake Décor Limited, For All Baking Limited, Ambasador92, Proteinfabrikken, Seafood Fort Deli, Norgesplaster, Win Equipment, Gortrush and Havrefras and the sale of SaritaS, Vestlandslefsa, Italiensk Bakeri, Gorm's, the skin care business in Poland and the closure of Pierre Robert Sverige. Adjustments were also made for the loss of the distribution agreements with Panzani and OTA Solgryn, and a structural adjustment was made at business area level for the internal relocation of Frödinge.