



Green Bond Investor Presentation

March 2023

Agenda

- 📁 **Company overview**
- 📁 Sustainability
- 📁 Financials
- 📁 Risk factors



Together we make
Norway thrive





TINE in brief



**A democratic
cooperative for over
160 years**

**Owned by 8,291
dairy farmers**

Strong brand

**70 % renewable
energy
consumption**

5,170 employees



**Rating
Scope A-
(Stable)**

**TINE creates values
for almost NOK 23
billion, as well as
26,000 jobs outside
our company**



It begins on the farm

TINE is the farmers' own company. High quality milk is sourced from just under 7,000 farms across the country.

with ripple effects on society

We provide sustainable and healthy products, and the milk production brings value to society.

A well-functioning value chain

The effective value chain is continuously optimised to increase revenues and improve competitiveness.

and a unique market position

Our well-known brands are present locally and internationally.



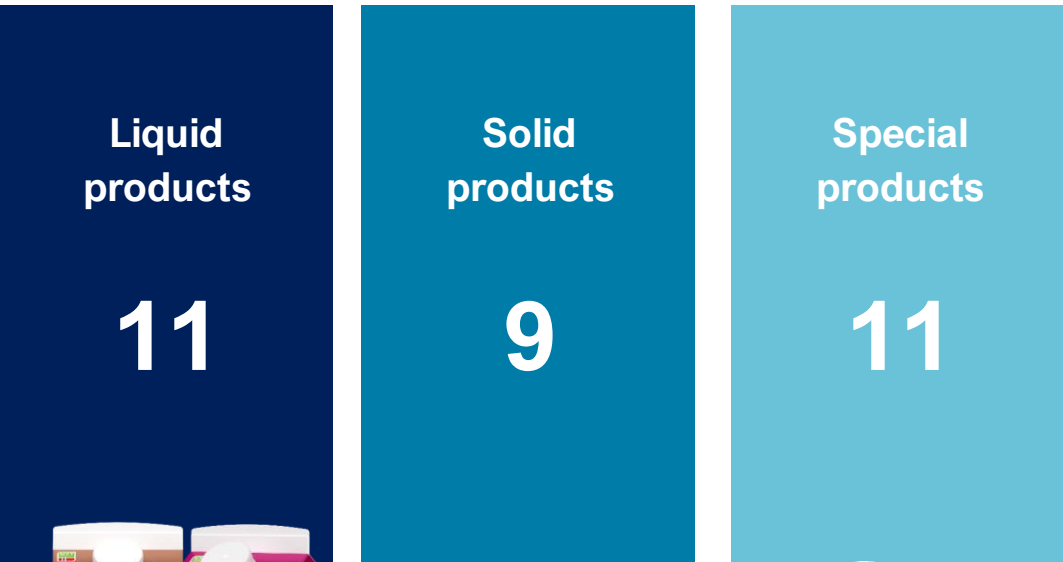


TINE has dairies across the country



Number of dairies

Number of dairies within the main categories:





Our value chain

The milky way

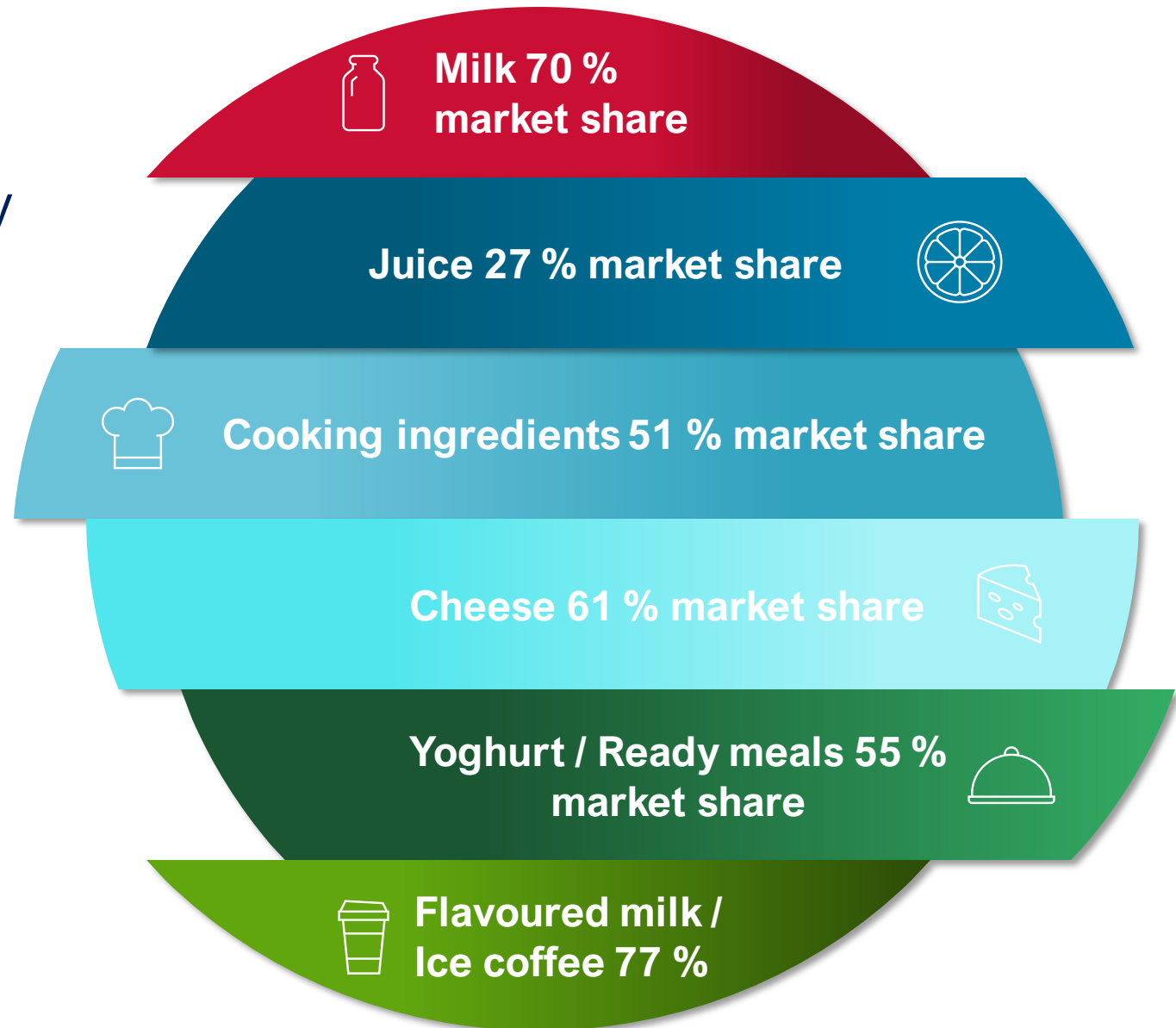
Ensure high quality and sustainable development through the whole milky way
– from the cow to you.





Market share

The six biggest categories by volume:





Our customers



FORSVARET





Current group structure



Strategy

Growth

Competitiveness

Sustainability

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Turid Haga Vange

TINE-bonde, Vik i Sogn

Visste du at kuer og andre drøvtyggere gjør en viktig klimajobb når de beiter?



00:00,00





Bærekraftig
verdiskapning



Creating the greatest possible value from our owners' milk production while safeguarding our environment.



We are close, committed and contribute to local value creation. We work with our farmers to ensure sustainable farming and happy, healthy animals.



We look after our employees, and want the working day to be meaningful and motivating. We give everyone equal development opportunities.



We use our resources optimally and sustainably.



We contribute to a healthy, varied and balanced diet in the population.

Clear goals towards 2030



TINE will contribute to achieve the commitment of the agriculture sector to reduce greenhouse gas emissions with 5 million tonnes of CO₂ equivalents in the period 2021 to 2030.



By 2030, TINE's packaging will be made of renewable and/or recycled material and must be recyclable.



With innovative packaging, labelling and consumer dialogue, TINE will help consumers reduce their own food waste.



By 2030, TINE will reduce food waste in its own value chain by 50 per cent compared to the 2015 level.



TINE will contribute to a healthy, varied, and balanced diet using the milk's good nutrients and reducing saturated fat, salt and added sugar.



By 2030, TINE will only use renewable energy and fuel in its production and transport.



Green Bond Framework

Rational for issuing green bonds

- TINE recognises that the company has an important role in developing more efficient use of resources. TINE is expected to play its part in achieving the national climate target by reducing its own emissions.
- Green Bonds issuance is a way for TINE to connect its sustainable logistics and production initiatives with its funding strategy and enables financing of green projects and assets supporting the company's commitments to its sustainability strategy and agenda.



Aligned with ICMA GBP

TINE's Green Bond Framework has been developed to be aligned with the Green Bond Principles (GBP), established by the International Capital Markets Associate (ICMA)

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review













Second Party Opinion

- CICERO Shades of Green has provided a second opinion to this Framework verifying its credibility, impact and alignment with ICMA's Green Bond Principles.
- The Framework received a Medium Green shading and a governance score of Good by CICERO Shades of Green

"It is a strength that the framework includes various eligible project categories aimed at reducing the overall carbon footprint of TINE's dairy production throughout its value chain."



Use of proceeds

Green Project Category	Sub-category	Shading	SDGs
Energy efficiency	<ul style="list-style-type: none"> ➤ New or upgraded production facilities needed to produce, store, and distribute products ➤ Energy efficiency in production lines and operations, such as heat recovery and exchange systems, frequency converters, upgrading production units ➤ Heat pumps ➤ Cooling display cases and cold rooms 	Light to Medium Green	 
Renewable energy	<ul style="list-style-type: none"> ➤ Investments in the generation or production of renewable energy: Solar power, waste heat, district heating, biomass and biogas 	Dark Green	 
Clean transportation	<ul style="list-style-type: none"> ➤ Light and heavy vehicles powered by electricity, hydrogen or biogas (such as KUKRAFT – cow power), as well as associated infrastructure 	Dark Green	 
Sustainable water and wastewater management	<ul style="list-style-type: none"> ➤ New or upgraded wastewater facilities and rinsing equipment 	Medium Green	 
Circular economy adapted products, production technologies and processes	<ul style="list-style-type: none"> ➤ Packaging machinery and equipment needed to optimise the use of resources, use renewable or recycle materials, and adapt packaging for recycling ➤ Machinery equipment, measures and tooling related to tackling food waste in the production line and/or value chain 	Medium Green	
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> ➤ Measures, processes, and techniques that support sustainability on the farm leading to a reduction of the overall environmental impact, as well as research and development aimed at reducing climate impact of farms 	Dark Green	

TINE Dairy Bergen

Highlights

- Reduced energy consumption by 53 %, equal to a reduction of 60,000 CO₂ equivalents.
- Solar panels producing 0,567 GWh annually.
- Modern industrial heating pumps with zero GWP.

Clean transportation



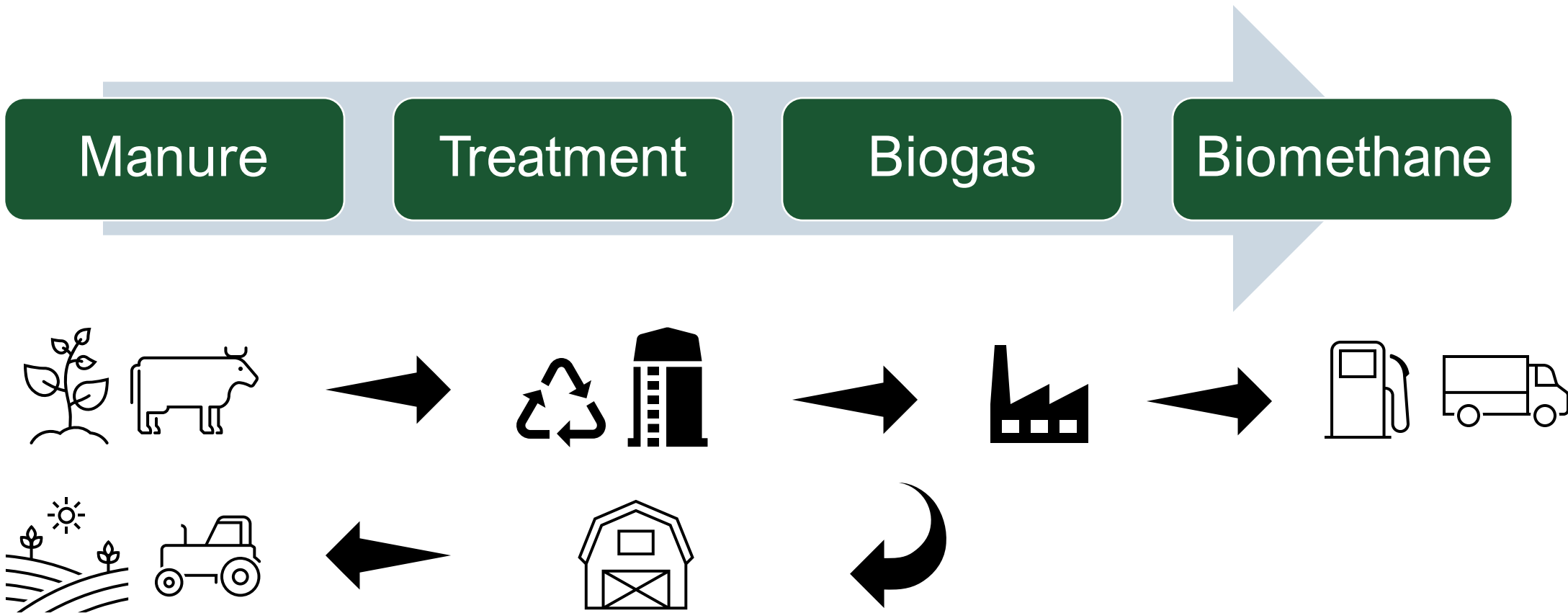
In 2030, TINE will only use renewable energy and fuel in its production and transport.

There will be a continued need for investments in transportation that run on biofuel and electricity.

#cowpower



Biogas



Wastewater

Wastewater treatment and reusing water resources are part of the long-term solution to achieve the green transition to a low carbon and climate resilient future.

Extracting waste materials and sludge from wastewater is vital in preventing damage to the local fjords.

Sludge may be used in the production of biogas.



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Key figures 2022

Annual result MNOK

24 866

Revenue
2021: 24 045

1 257

Operating income
2021: 1 725

5.0 %

Operating income margin
2021: 7.0 %

1 130

Annual result
2021: 1 557

Milk price KR/litre

5.40

Milk price from TINE Råvare
2021: 5.28

0.69

Subsequent payments from
TINE SA
2021: 0.98

6.08

Total milk price
2021: 6.26

Outside national borders

TINE have three companies selling our brands:

Norseland Inc. in the US

Norseland Ltd. in the UK

Wernersson Ost in Sweden and Denmark

TINE International also includes two production companies:

TINE Ireland Ltd in Ireland

Alpine Cheese Co. in the US



International revenues 2022

North America

2 668

2021: 2 258

Asia

6

2021: 2.5

Total

4 535

2021: 3 786

Europe

1 761

2021: 1 328

Oceania

100

2021: 140

Share of Total
revenue

19 %

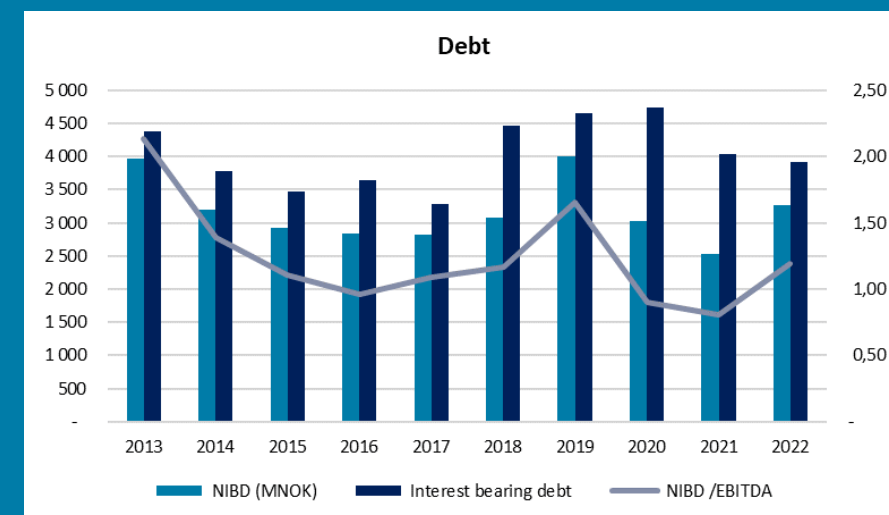
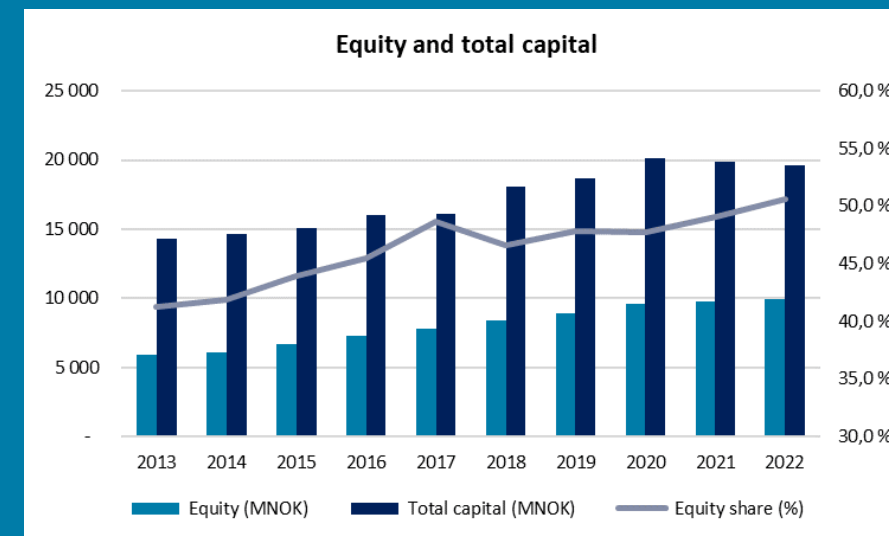
Picture from E24: Nasdaq marketing at Times Square



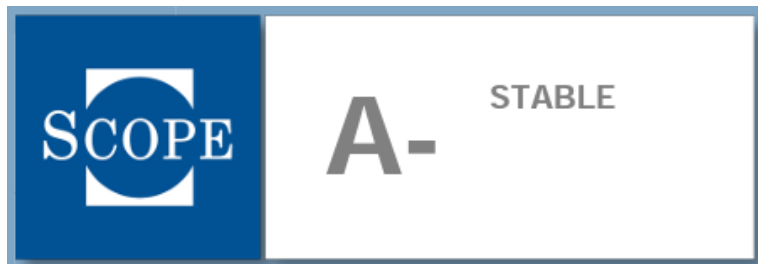
A strong financial position over time

Key Financial Figures

Financial key figure:	Equity ratio	Leverage (NIBD/EBITDA)	Investments
Target:	Min: 45%	<2	Max NOK 2023: 1.4bn
Reported per 31.12.22	50.6%	1.19	NOK: 983mill



TINE receives strong credit rating from Scope



Ratings & Outlook

Issuer	A-/Stable
Short-term debt	S-1
Senior unsecured debt	A-

Scope ratings: A-	Financial risk profile: A+	Business risk profile: BBB
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“The issuer rating reflects the company’s relatively low industry risk, favourable regulatory environment and leading domestic market positions in its key segments, combined with a strong financial risk profile”.

			Scope estimates	
Scope credit ratios	2020	2021	2022E	2023E
Scope-adjusted EBITDA/Interest cover	7.2x	9.9x	9.7x	8.5x
Scope-adjusted debt SaD/Scope-adjusted EBITDA	1.1x	1.0x	1.1x	1.2x
Funds from operations FFO/SaD	83%	96%	82%	76%
Free operating cash flow FOCF/SaD	52%	50%	58%	52%

Financial policy



Identify financial risk



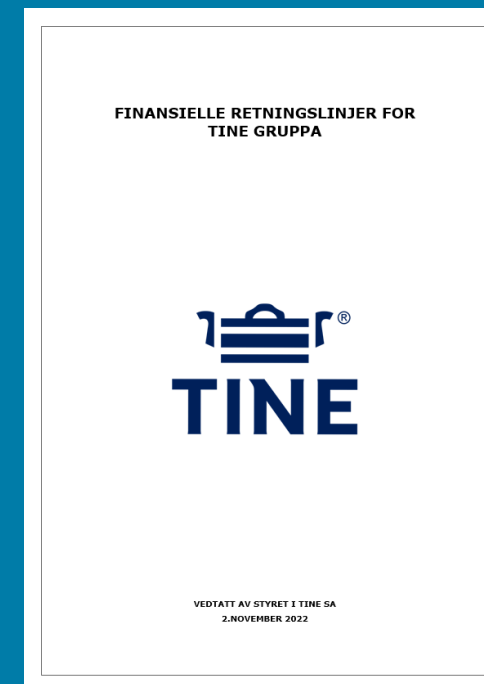
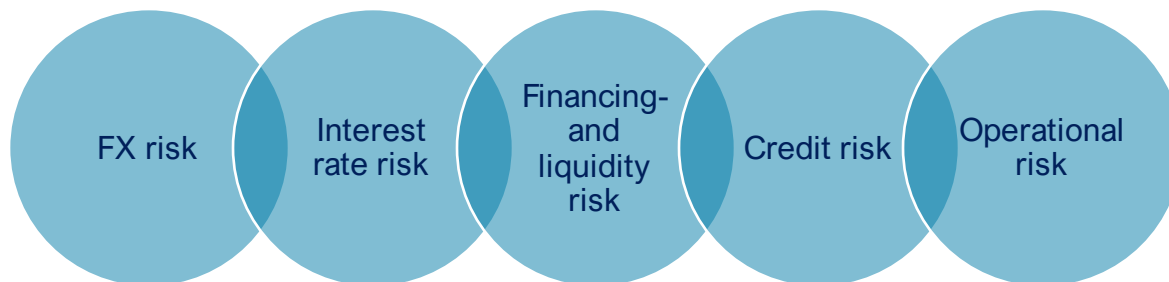
Maintain stable financial results



Limit risk through strategy and targets

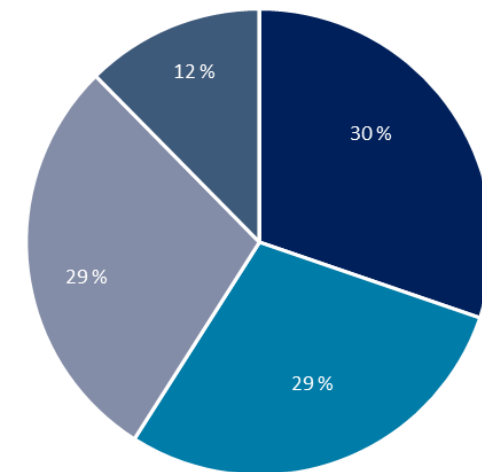
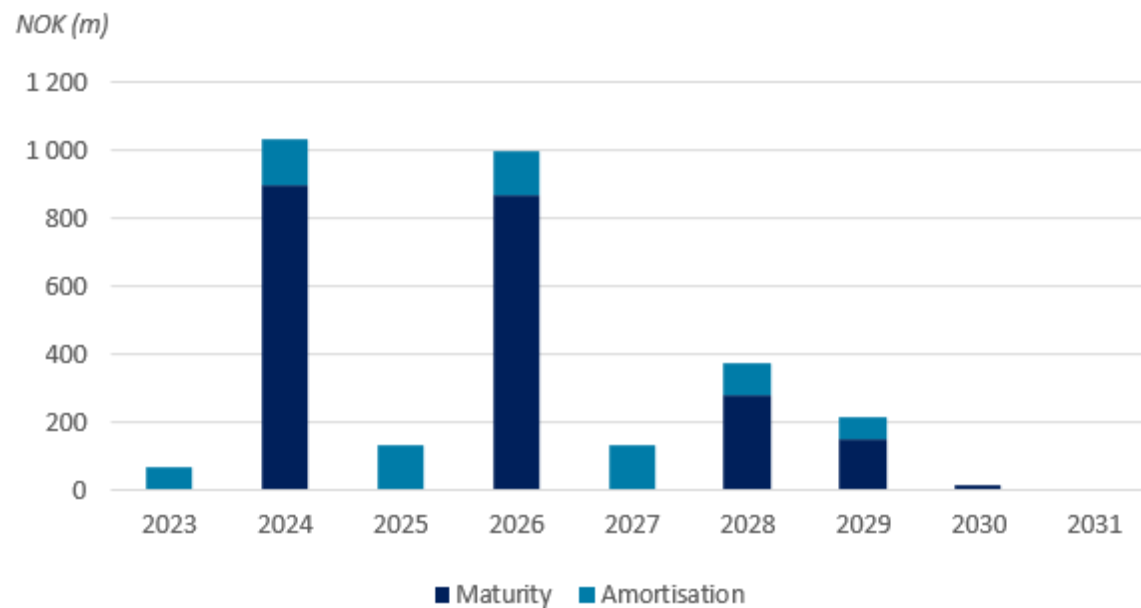


Periodically reporting



The Financial Policy is reviewed annually by the Board

Diversified debt portfolio



- Bond floating rate
- Bond fixed rate
- Bilateral loans (KfW-IPEX and NIB)
- RCF drawn (facility: NOK 1200m)



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Risk factors (I/II)

Risk of continued cost increase

The risk of continued cost increase, high energy prices as well as material and wages increase over a longer period would negatively impact the farmers with a limited opportunity to increase the price of milk sold.

Risk of increased competition from abroad

Changes in the regulatory environment like increased taxes, or a reduction in import duties that protect domestic agricultural production, could have a material effect on TINE's profitability and market share.

There is also a risk that exports to and sales in foreign markets falter and negatively impact TINE's profits.

Risk of cyber attack

A cyber attack might impair TINE's production and operations. There is a risk that a prolonged attack negatively impacts the ability to coordinate deliveries and maintain production. Furthermore, this increases reputational risk and potential economic loss.

Risk of losing a strategic customer

If a large strategic customer were to end its cooperation with TINE, this would affect TINE's access to several grocery stores and points of sale, thus negatively impacting sales revenues.

Risk of falling milk consumption

Changes in the public's perception of farming, production of milk, milk and health effects could lead to lower consumption.





Risk factors (II/II)

Risk that TINE will not meet its sustainability goals for 2030

Technological development slower than expected

TINE is dependent on the continued technological development to be able to reach its sustainability goals for 2030. Further expansion of charging stations and development of heavy transport vehicles powered by electricity is necessary.

Packaging

The use of plastic in food packaging is primarily due to preservation and to keep a longer shelf life to minimise food waste. By 2030, all packaging will be made of renewable and/or recycled material and must be recyclable. If the development of the packaging material does not meet our strict demands for food preservation, it will be harder to meet the goals for packaging and reduction of food waste.

Renewable energy

By 2030, TINE shall only use renewable energy in its production and facilities. The anticipated higher demand for renewable energy, could make it scarce and therefore not available at an acceptable cost.

Risk of climate change severely affecting the milk output

If extreme weather as a result of climate change negatively affects feed and farmland, it could result in both a lower output of milk and milk of lesser quality. This could have a negative effect on prices and profitability.

