

# Q2 2015

**BAKKAFROST GROUP**  
Oslo August 25<sup>th</sup> 2015

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- **SUMMARY OF Q2 2015**
- **MARKETS AND SALES**
- **SEGMENT INFORMATION**
- **GROUP FINANCIALS**
- **OUTLOOK**
- **APPENDIX**



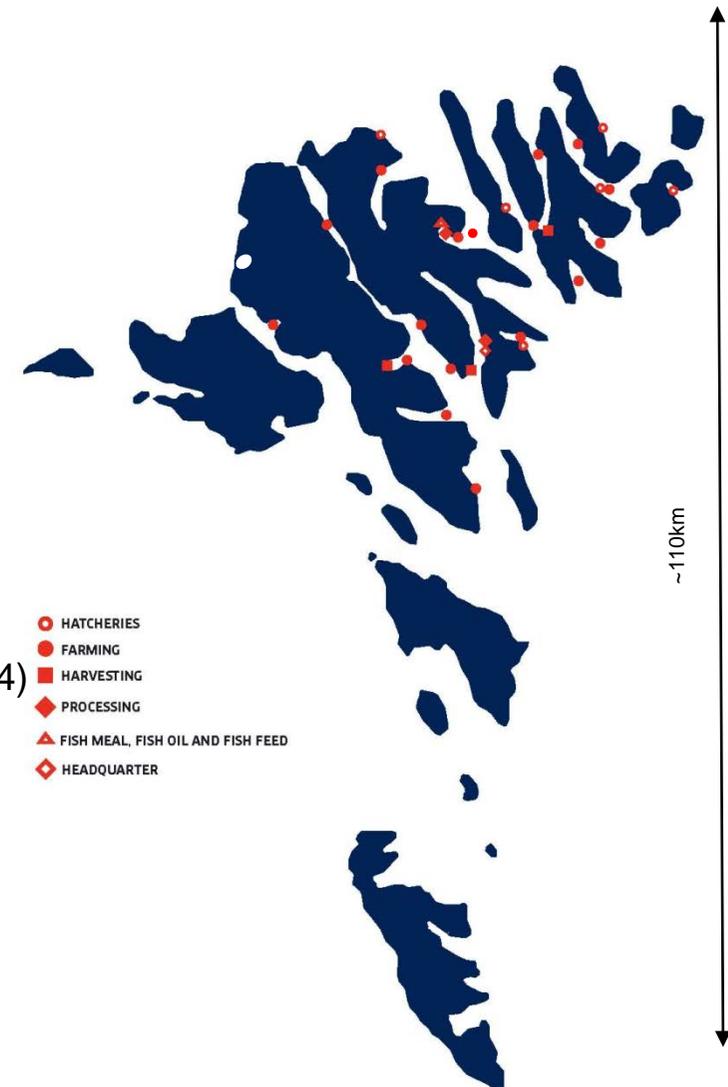
*Hans á Bakka* – Bakkafrost's new wellboat – Christening ceremony in Glyvrrar 30 July 2015

# BAKKAFROST

## – THE LARGEST FISH FARMING COMPANY IN THE FAROE ISLANDS



- **Largest salmon farming company in the Faroe Islands**
  - 50% of farming licenses
- **Harvested** 14,182 tgw in Q2 2015 (11,212 tgw in Q2 2014)
- **Feed sales** of 17,657 tonnes in Q2 2015\* (18,827 tonnes in Q2 2014\*)
- **Revenues** of DKK 800 million in Q2 2015 (DKK 711 million in Q2 2014)
- **Operational EBIT** of DKK 303 million in Q2 2015 (DKK 212 million in Q2 2014)
- **Positive results** in all segments
- **Dividend** of DKK 6.00 per share (NOK 6.78) paid out in April 2015



\*) Including internal sale of 15,551 tonnes in Q2 2015 (14,784 tonnes in Q2 2014)

## Positive results in all segments

- Farming/VAP division increased margin from 17.66 NOK/kg in Q2 2014 to 22.62 NOK/kg in Q2 2015
- VAP segment delivered a margin on 7.13 NOK/kg in Q2 2015, compared with 3.79 NOK/kg in Q2 2014
- Farming margin was 20.07 NOK/kg in Q2 2015, compared with 15.65 NOK/kg in Q2 2014
- FOF delivered a margin on 18.7% in Q2 2015, compared with 20.3% in Q2 2014
- Group Operational EBIT increased 43% to DKK 303 million in Q2 2015, compared with DKK 212 million in Q2 2014

(DKK million)	Q2 2015	Q2 2014	H1 2015	H1 2014
Operating revenues	800	711	1,413	1,342
Operational EBITDA	330	236	591	444
<b>Operational EBIT</b>	<b>303</b>	<b>212</b>	<b>538</b>	<b>398</b>
<b>Profit for the period</b>	<b>191</b>	<b>126</b>	<b>324</b>	<b>213</b>
Operational EBITDA margin	41.2%	33.1%	41.8%	33.1%
Operational EBIT margin	37.9%	29.8%	38.1%	29.6%
Operational EBIT/Kg (Farming) (NOK)	20.07	15.65	21.49	18.75
Operational EBIT/Kg (Farming and VAP) (NOK)	22.62	17.66	24.07	19.35
Operational EBIT/Kg (VAP) (NOK)	7.13	3.79	6.45	1.04
EBITDA margin (Fishmeal, oil and feed)	18.7%	20.3%	23.7%	17.3%

## ▪ Market

- Good market for high quality salmon
- Benefit from market diversification and good market access
- Good market diversification

## ▪ Operation

- Good operational performance
- Harvested volumes 26% higher, compared with Q2 2014
- Transferred 1.4 million smolts in Q2 2015
- Lower volumes in VAP production, compared with Q2 2014



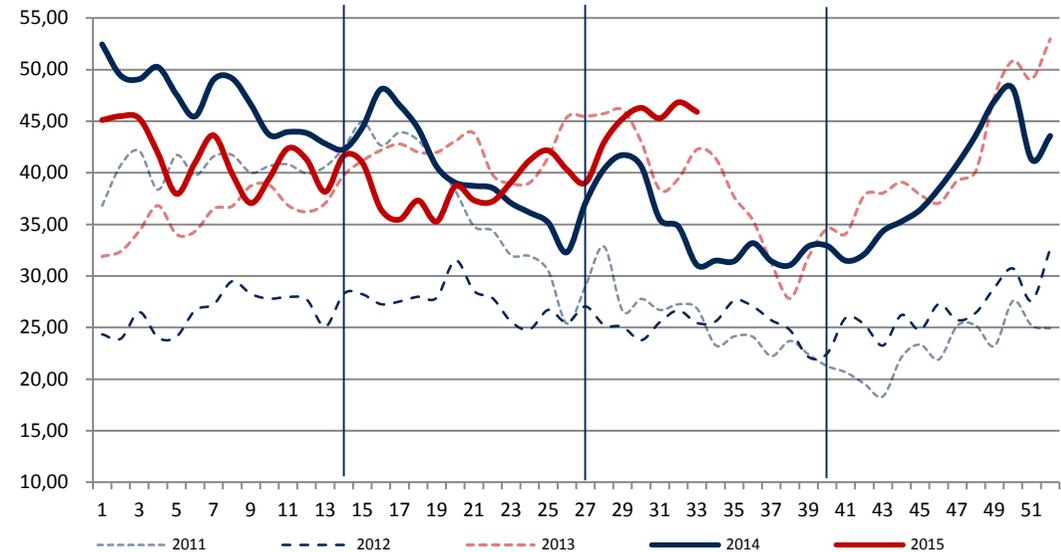
- SUMMARY OF Q2 2015
- **MARKETS AND SALES**
- SEGMENT INFORMATION
- GROUP FINANCIALS
- OUTLOOK
- APPENDIX



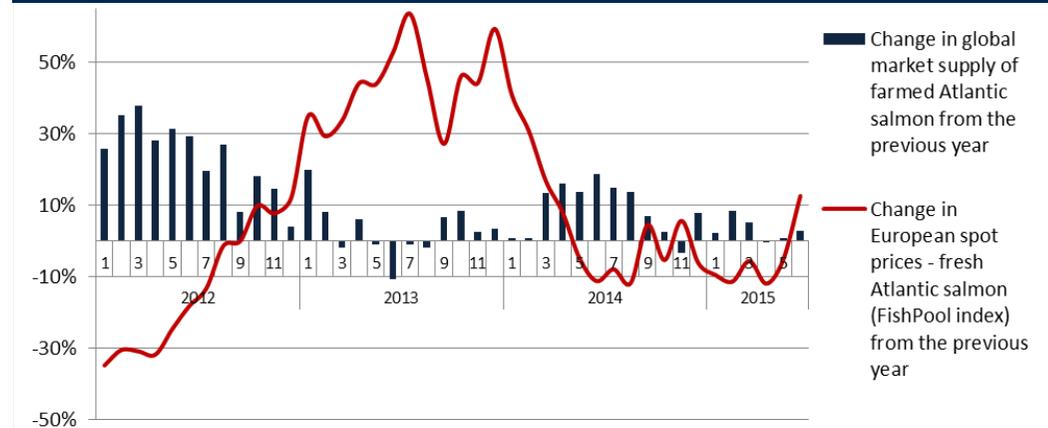
*Hans á Bakka* – Bakkafrost's new wellboat – Christening ceremony in Glyvrrar 30 July 2015  
Eydna Jacobsen, godmother of the ship

- The NASDAQ salmon price for size 4-5:
  - Decreased y/y Q2 2015 / Q2 2014 by ~5%  
- by 1.88 NOK/kg from 40.61 to 38.73
  - Decreased q/q Q2 2015 / Q1 2015 by ~7%  
- by 2.70 NOK/kg from 41.43 to 38.73
  
- The global supply growth was only ~400 tonnes in Q2 2015, compared with Q2 2014
  
- Higher prices in July and August

## Spot prices on fresh salmon 4-5 [NOK/kg HOG]



## Change in global market supply and market price



Source: Kontali Analyse

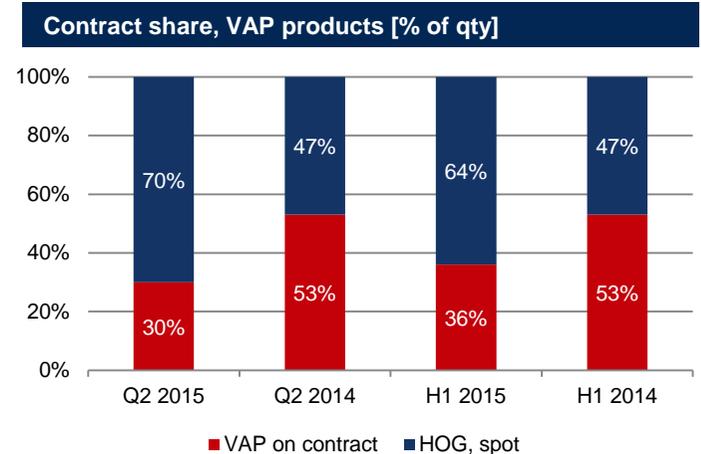
## Increased diversification continues

- Access to all markets
- Flexible and efficient market adaptation
- Strong market position in US, Asia and Eastern Europe
- EU dropped to 29% in Q2 2015, compared with 56% in Q2 2014
- VAP/contract share 30% of total volume in Q2 2015



Total sales of salmon by markets	Q2 2015	Q2 2014	H1 2015	H1 2014
EU	29%	56%	34%	52%
USA	17%	20%	18%	22%
Asia	15%	19%	13%	20%
Eastern Europe	39%	5%	35%	6%

Fresh salmon only by markets	Q2 2015	Q2 2014	H1 2015	H1 2014
EU	5%	14%	8%	14%
USA	22%	42%	25%	43%
Asia	20%	38%	18%	37%
Eastern Europe	53%	6%	49%	6%



## 4% GLOBAL GROWTH EXPECTED IN 2015

- The supply growth in 2015 is expected to be 4%, compared with 2014
- The expected global supply growth in 2015 has decreased since the Q1 2015 presentation by 19kt
  - the decrease is mainly in Norway -26kt to 1,111kt
  - Chile and Canada have a small increase of +11kt to 643kt for both Chile and Canada

### Global supply of Atlantic Salmon (head on gutted - HOG)

	2011	2012	2013	2014	2015E	15E vs 14	
						HOG	%
Norway	904	1.066	1.029	1.076	1.111	35	3%
UK	139	143	142	154	155	1	1%
Ireland	14	14	10	11	14	2	22%
Faroese	51	65	66	75	68	-7	-10%
<b>Total Europe</b>	<b>1.109</b>	<b>1.288</b>	<b>1.247</b>	<b>1.316</b>	<b>1.348</b>		
Chile	196	318	418	510	523	13	3%
Canada	108	123	104	91	120	30	32%
USA	16	18	18	18	18	0	-1%
<b>Total Americas</b>	<b>320</b>	<b>459</b>	<b>539</b>	<b>619</b>	<b>662</b>		
Other	38	46	47	51	61	11	21%
<b>Total (Sold Quantity)</b>	<b>1.467</b>	<b>1.793</b>	<b>1.833</b>	<b>1.986</b>	<b>2.071</b>		
<b>Supply growth - Global</b>		<b>22%</b>	<b>2%</b>	<b>8%</b>	<b>4%</b>		
Supply growth - Europe		16%	-3%	6%	2%		
Supply growth - Americas		43%	18%	15%	7%		

Source: Kontali

# DEMAND DEVELOPMENT SPLIT BY MARKETS

- Only 400 tonnes increase in sold volumes in Q2 2015, compared with Q2 2014
- Main growth market in the quarter was USA 13% and EU 5%
- The largest growth in quantity was in USA market with 11,300 tonnes
- The EU and USA market have increased 60,000 tonnes in H1 2015, compared with H1 2014
- As seen in previous quarters, Eastern Europe continues with reduced volumes

## Salmon markets, sold quantity (head on gutted - HOG)

Markets	Estimated volumes		Q2 comparison		Estimated volumes		YTD comparison	
	Q2 2015 E	Q2 2014	Volume	%	H1 2015 E	H1 2014	Volume	%
EU	229.800	218.900	10.900	5%	447.200	406.200	41.000	10%
USA	101.100	89.800	11.300	13%	195.700	176.700	19.000	11%
Russia	25.600	30.300	-4.700	-16%	43.700	59.100	-15.400	-26%
Japan	10.800	15.700	-4.900	-31%	21.900	28.000	-6.100	-22%
Greater China	23.600	27.400	-3.800	-14%	47.000	48.300	-1.300	-3%
ASEAN	13.000	12.900	100	1%	30.700	27.800	2.900	10%
Latin America	35.500	36.800	-1.300	-4%	77.400	72.600	4.800	7%
Ukraine	1.900	3.700	-1.800	-49%	3.900	7.700	-3.800	-49%
Other markets	53.800	59.200	-5.400	-9%	108.600	107.900	700	1%
<b>Total all markets</b>	<b>495.100</b>	<b>494.700</b>	<b>400</b>	<b>0%</b>	<b>976.100</b>	<b>934.300</b>	<b>41.800</b>	<b>4%</b>

## Salmon markets, sold quantity (head on gutted - HOG)

	2011	2012	2013	2014	2015E	Δ 15E vs 14
EU	704	826	814	891	947	6,3%
USA	260	310	333	352	394	11,7%
Japan	41	57	53	58	48	-17,0%
Russia	114	155	144	131	99	-24,1%
Others	348	445	489	555	583	5,1%
<b>Total (Sold Quantity)</b>	<b>1.467</b>	<b>1.793</b>	<b>1.833</b>	<b>1.986</b>	<b>2.071</b>	<b>4,3%</b>

### Comments:

Greater China = China / Hong Kong / Taiwan (incl. estimated re-export from Vietnam)  
 ASEAN = Association of Southeast Asian Nations (estimated re-export from Vietnam subtracted)  
 Latin America (including both Mexico and Caribbean + domestic consumption in Chile)  
 All figures above are in tonnes hog, and are rounded to the nearest 100 tonnes.

Source: Kontali

- SUMMARY OF Q2 2015
- MARKETS AND SALES
- **SEGMENT INFORMATION**
- GROUP FINANCIALS
- OUTLOOK
- APPENDIX



## Harvested volumes

- Harvested volumes increased by 26% in Q2 2015, compared with Q2 2014
- The North division harvested 82% of the total quantity in the quarter, and the West division harvested 18% of the total quantity

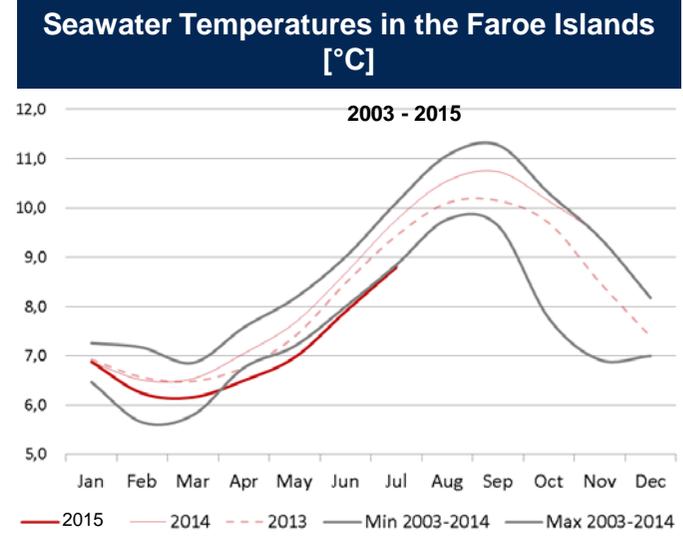
## Smolt transfer

- Bakkafrost transferred 1.4 million smolts in Q2 2015 (1.9 million smolts in Q2 2014). The plan is to transfer 10.4 smolts for the full year 2015

## Seawater temperatures in the Faroe Islands

- Temperatures in Q2 2015, were 0.7°C colder, compared to Q2 2014 and also 0.7°C colder than the average temperature the last 12 years

Harvest Volumes tonnes [HOG]	Q2 2015	Q2 2014	H1 2015	H1 2014
West	2,501	3,338	5,042	12,286
North	11,681	7,874	18,866	8,195
<b>Total</b>	<b>14,182</b>	<b>11,212</b>	<b>23,908</b>	<b>20,481</b>



## Revenues and margin

- Revenues increased 18%, and volumes increased 26%, compared to Q2 2014
- All time high Operational EBIT in Q2 2015. Increased from DKK 160 million in Q2 2014 to DKK 248 million in Q2 2015
  - Good biological performance
  - Low costs on harvested fish

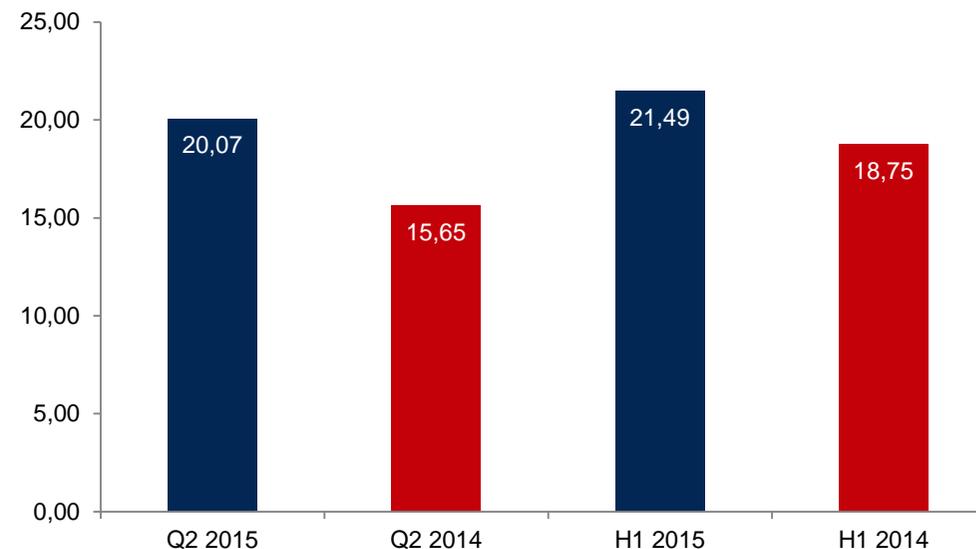
(DKK million)	Q2 2015	Q2 2014	H1 2015	H1 2014
Operating revenues	609	516	1,080	1,034
Operational EBIT	248	160	443	346
Operational EBIT margin	41%	31%	41%	33%



## Operation

- High EBIT/kg due to good biological performance, low cost prices, good quality and high value from sold products
- Harvested fish with good biological and financial performance, similar to Q1 2015
- Biology situation unchanged

Margin - EBIT per kg total harvested quantity [NOK/kg]



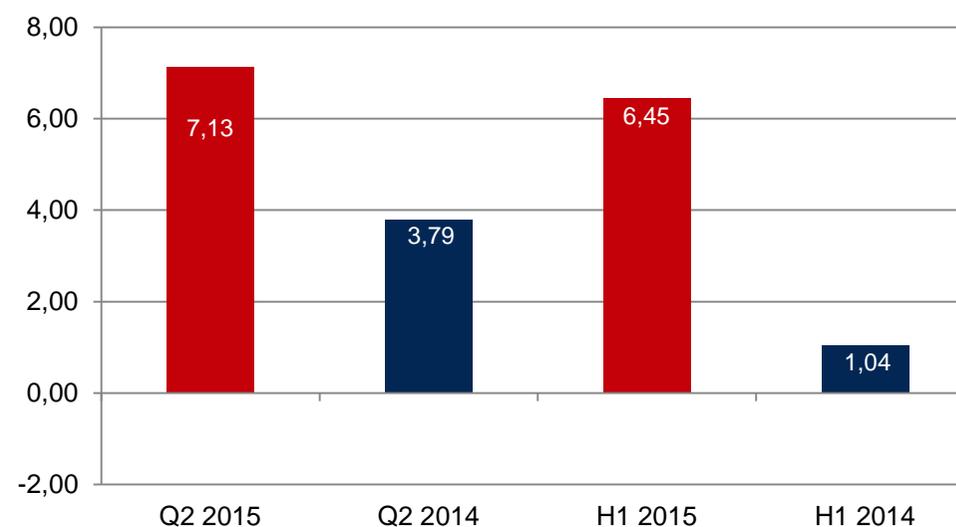
(NOK/kg)	Q1 2015		
	Farming North	Farming West	Farming
Operational EBIT/kg gw	20.21	19.44	20.07

## VAP revenues and margin

- Stable market conditions.
- Same trend as in Q1 2015, lower revenues from promotions
- Operating EBIT in Q2 2015 DKK 31 million, compared with DKK 20 million in Q2 2014
- Margin increased from 8% to 17%
- Contract period is normally between 6 and 12 months.
- Bakkafrøst has 75% of VAP capacity for the rest of 2015 committed in contracts

(DKK million)	Q2 2015	Q2 2014	H1 2015	H1 2014
Operating revenues	191	267	380	499
Operational EBIT	31	20	53	11
Operational EBIT margin	17%	8%	14%	2%
VAP produced volumes (tgv)	5,064	5,941	9,589	11,772

## Margin - EBIT per kg total harvested quantity [NOK/kg]

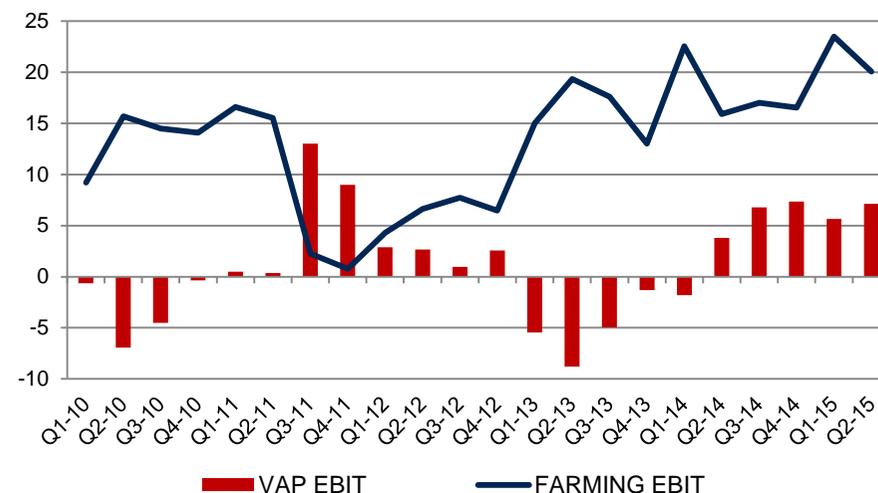


## SEGMENT VAP

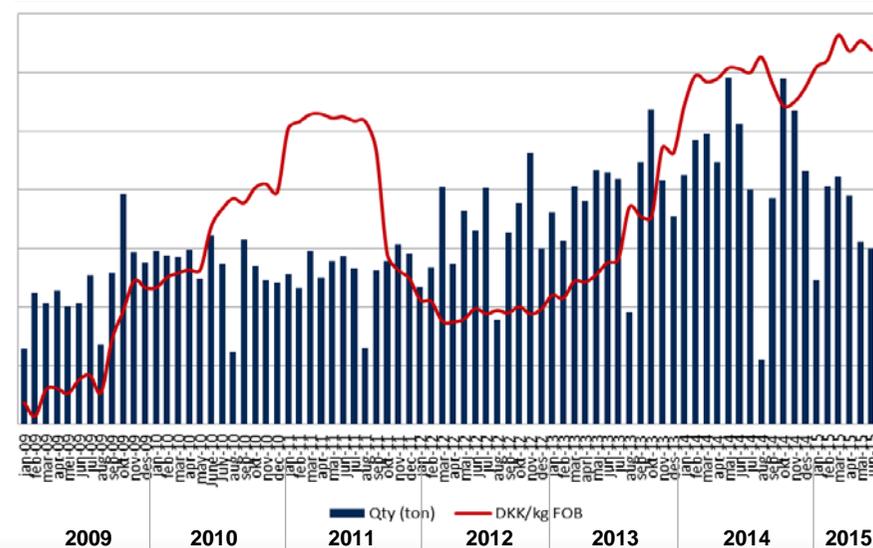
### Good margins from VAP and Farming

- VAP EBIT was 7.13 NOK and Farming EBIT/kg was 20.07 NOK in Q2 2015.
- Combined VAP/Farming EBIT/kg was 22.62 NOK, compared to 17.66 NOK in Q2 2014
- Bakkafrøst's strategy is to sell 40-50% of our products as VAP products
- Losses during periods with high increase in spot prices, and gains during periods with drop in spot prices is quite normal
- Long-term strategy, optimizing markets and stabilizes cash flow – benefitting in periods with spot prices under pressure

Margin - EBIT per kg total harvested quantity [NOK/kg]



VAP Products, sales prices and volumes



## Reduced volumes y/y

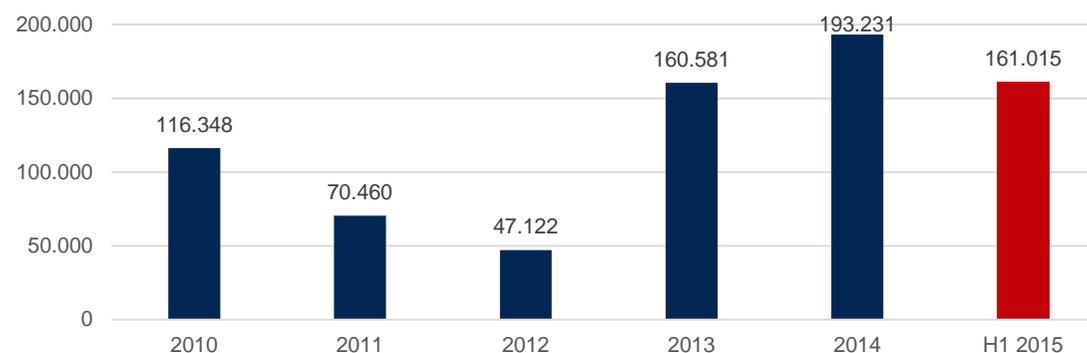
- EBITDA DKK 53 million in Q2 2015, compared with DKK 57 million in Q2 2014
- EBITDA margin of 18.7% in Q2 2015, compared with 20.3% in Q2 2014
- Raw material intake in Q2 2015 was 86,012 tonnes, compared with 107,372 tonnes in Q2 2014
- Quantity of feed sales decreased 1,170 tonnes in Q2 2015, compared with Q2 2014, corresponding to 6%
  - Internal feed sales increased
  - External feed sales decreased

\*Including sales to Bakkafrost, corresponding to ~86% of feed volumes in Q1 2015 (Q1 2014: 76%)

## Fishmeal, Oil and Feed

(DKK million)	Q2 2015	Q2 2014	H1 2015	H1 2014
Operating revenues	284	280	488	458
EBITDA	53	57	116	67
EBITDA margin	18.7%	20.3%	23.7%	17.3%
Feed sold (tonnes)*	17,657	18,827	32,057	32,783
Fishmeal sold external (tonnes)	9,900	11,046	15,251	14,683
Fish Oil sold external (tonnes)	4	15	5	3,330

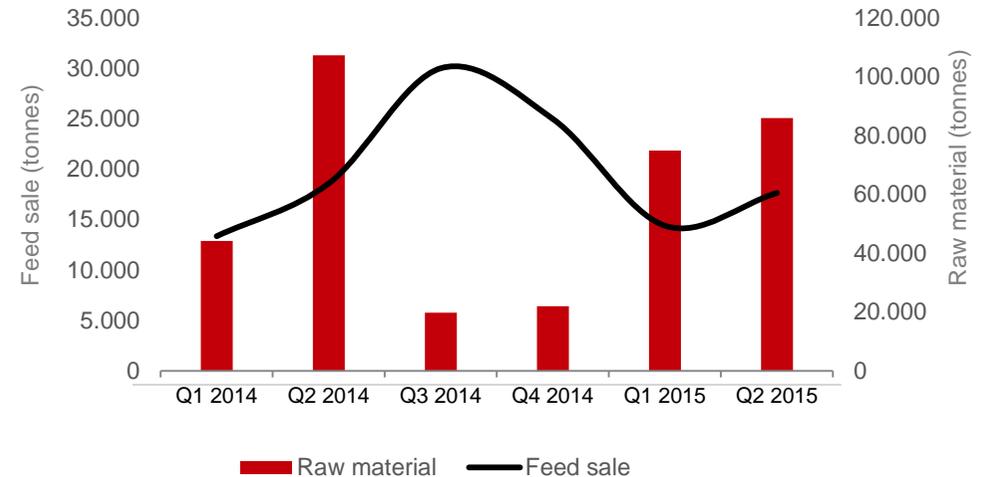
## Sourcing of raw material (tonnes)



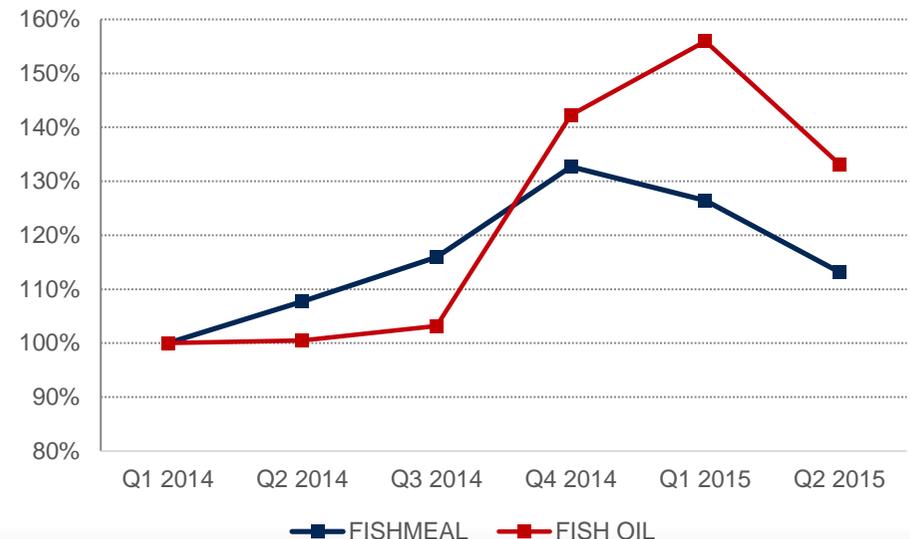
## Timing of raw material purchase affects profit

- Raw material intake decreased 20% Q2 2015, compared with Q2 2014
- High margins in Q1 2015 caused by low cost on inventory of fishmeal and fish oil from 2014, diminished in Q2 2015
- Price of salmon feed is based on actual and expected raw material prices at the beginning of the quarter
- Havsbrún's high quality salmon feed is based on high content of marine raw material

## Volumes of raw material purchase and feed sale [tonnes]



## Fishmeal and fish oil price index (Q1 2014 =100)



- SUMMARY OF Q2 2015
- MARKETS AND SALES
- SEGMENT INFORMATION
- **GROUP FINANCIALS**
- OUTLOOK
- APPENDIX



# GROUP PROFIT AND LOSS

- Revenues increased DKK 89 million or 13%  
The increase is due to:
  - Harvest volumes higher in Q2 2015, than corresponding period 2014
  - Higher prices in FOF segment
- Operational EBIT increased from DKK 212 million to DKK 303 million, due to improved margins from Farming and VAP
- Decrease in fair value of biomass, due to lower spot prices
- No provision for onerous contracts
- Loss of DKK -11 million from associates
- Financial items amounted to DKK -17 million, related to interest and currency effect
- Taxes decreased. Taxes in Q2 2014 were specially affected of new licence tax

(DKK million)	Q2 2015	Q2 2014	H1 2015	H1 2014
Operating revenues	800	711	1,413	1,342
<b>Operational EBITDA*</b>	<b>330</b>	<b>235</b>	<b>591</b>	<b>444</b>
<b>Operational EBIT*</b>	<b>303</b>	<b>212</b>	<b>538</b>	<b>398</b>
Fair value adjustment on biological assets	-38	-10	-93	-124
Onerous contracts	0	0	0	71
Income from associates	-11	10	-14	3
<b>EBIT</b>	<b>255</b>	<b>212</b>	<b>432</b>	<b>348</b>
Net Financial items	-17	0	-28	-18
<b>EBT</b>	<b>237</b>	<b>212</b>	<b>403</b>	<b>330</b>
Taxes	-46	-86	-80	-117
<b>Profit for the period</b>	<b>191</b>	<b>126</b>	<b>323</b>	<b>213</b>
<b>Operational EBITDA margin</b>	<b>41.2%</b>	<b>33.1%</b>	<b>41.8%</b>	<b>33.1%</b>
<b>Operational EBIT margin</b>	<b>37.9%</b>	<b>29.8%</b>	<b>38.1%</b>	<b>29.6%</b>
<b>Operational EBIT/kg (Farming and VAP) (NOK)</b>	<b>22.62</b>	<b>17.66</b>	<b>24.07</b>	<b>19.35</b>
<b>EBITDA margin (fishmeal, oil and feed)</b>	<b>18.7%</b>	<b>20.3%</b>	<b>23.7%</b>	<b>17.3%</b>

\* Operational EBITDA and EBIT adjusted for non-operational related items such as fair value adjustment of biomass, onerous contracts, income/loss from associates etc.

# BALANCE SHEET

- Investments in PPE of DKK ~ 73 million in Q2 2015
- Decrease in financial assets because of losses from associates in Q2 2015
- The carrying amount of biological assets has decreased, compared to end 2014, due to lower salmon prices end Q2 2015, than end 2014, and thus lower fair value
- Increase in inventory due to high intake in raw material in FOF
- Increase in equity. Positive result, but dividend is paid out in Q2 2015
- NIBD at DKK 302 million up from DKK 233 million at end 2014\*
- Equity ratio 61% (Covenants 40%)

(DKK million)	End H1 2015	End H1 2014	End 2014
Intangible assets	295	295	295
Property, plant and equipment	1,168	949	1,041
Financial assets	113	132	125
Long-term receivables	0	15	1
Biological assets	902	813	1,014
Inventory	419	284	267
Receivables	207	311	172
Other receivables	98	78	142
Cash and cash equivalents	296	263	405
<b>Total Assets</b>	<b>3,498</b>	<b>3,140</b>	<b>3,463</b>
Equity	2,121	1,663	2,064
Deferred tax and other taxes	495	417	414
Long-term interest bearing debt	549	671	505
Financial derivatives	92	73	117
Short-term interest bearing debt	0	100	100
Accounts and other payables	241	216	263
<b>Total Equity and Liabilities</b>	<b>3,498</b>	<b>3,140</b>	<b>3,463</b>

\* Incl. unrealised exchange gain, losses and deposits on financial derivatives related to the debt

- Cash flow from operation improved because of higher operational EBIT and working capital is nearly unchanged in Q2 2015
- Cash flow from investments represents investments in property plant and equipment
- Cash flow from financing is specially affected by the dividend paid out in Q2 2015
- Undrawn loan facilities of DKK 721 million, of which DKK 18 million is restricted

(DKK million)	Q2 2015	Q2 2014	H1 2015	H1 2014
Cash flow from operations	326	307	407	416
Cash flow from investments	-72	-71	-178	-106
Cash flow from financing	-373	-217	-338	-230
Net change in cash	-119	19	-109	81
Cash at the end of the period	296	263	296	263
Undrawn facilities	721	738	721	738

- SUMMARY OF Q2 2015
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- APPENDIX



## Market

- Reduced supply growth going forward
- Forward prices 2H 2015 and in 2016 now average 41 NOK
- Global supply growth estimated to 4% in 2015 and only 2-4% in 2016

## Farming

- Estimated harvest volumes unchanged at 49,000 - 51,000 tonnes HOG in 2015
- Expected smolt release in 2015 total 10.4 million pieces

## VAP

- Contracted 75% of available capacity for 2015

## Fishmeal, oil and feed

- Forecast for feed sales reduced 10,000 tonnes, from 83,000 – 87,000 tonnes to 73,000 – 77,000 tonnes in 2015
- Bakkafrost's farming segment expected feed purchase in 2015 is unchanged

## Business development

- Optimize the Value Chain according to the announced investment plan
- Pursue Organic Growth
- Financial flexibility enables M&A

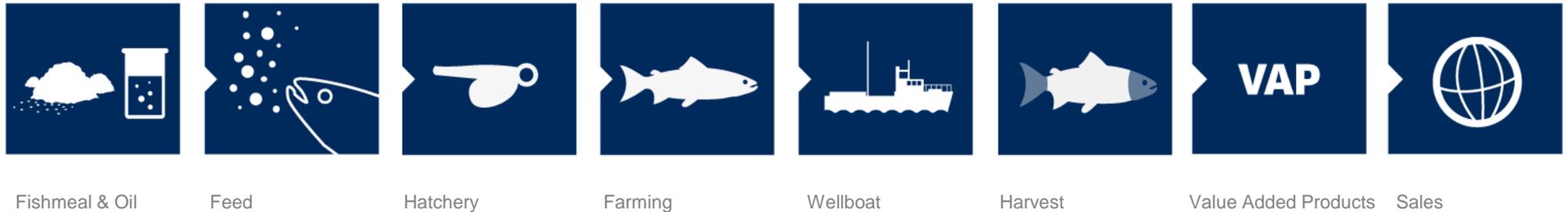
- SUMMARY OF Q2 2015
- MARKETS AND SALES
- SEGMENT INFORMATION
- GROUP FINANCIALS
- OUTLOOK
- **APPENDIX**



*Hans á Bakka* – Bakkafrost's new wellboat – Christening ceremony in Glyvrrar 30 July 2015  
Choir and crew

- SUMMARY OF Q2 2015
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- SEGMENT INFORMATION
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- APPENDIX
- **STATUS ON INVESTMENTS**





**The investments will be made step by step in the relevant parts in the value chain to secure:**

- Efficiency
- Biological risk
- Organic growth

## INVESTMENTS – PROGRAMME 2015 - 2017

### Status on main investments

- **Harvest/VAP factory**

- Construction of buildings in progress 7 months now
- Installation of machinery about to start up
- Harvest expected to start up in Q2 2016
- VAP expected to start up H2 2016

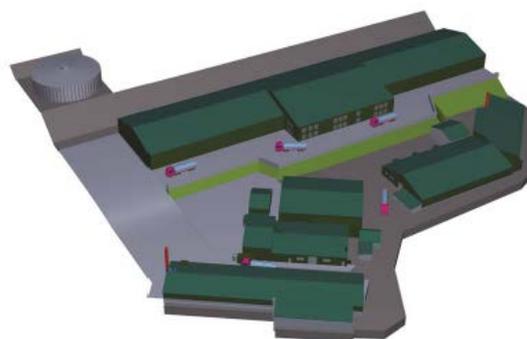
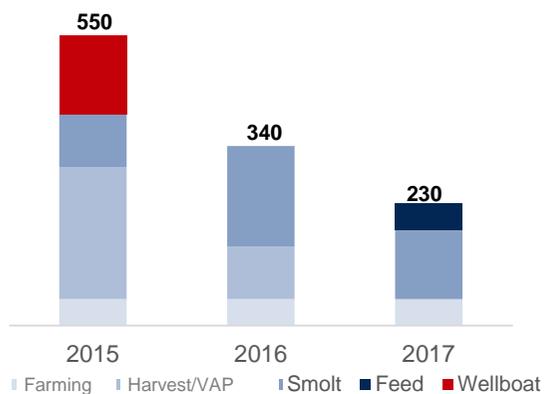
- **New 8,000m<sup>3</sup> Hatchery Viðareiði**

- Construction in progress
- To start operation in Q2 2016

- ***Hans á Bakka***

- Delivered in July 2015
- Tests and final adjustments in progress
- Operation about to start

**Total investment programme 2015 – 2017**  
1,120 million DKK



Drawing of Bakkafrost's new Hatchery in Viðareiði. New Hatchery on top and existing facilities below



## BUILDING NEW HARVEST & VAP FACTORY

### New Harvest & VAP factory in Glyvrrar

#### Merging 7 factories into one facility

- Improve efficiency and create synergies
- Double capacity
- Significant reduction of internal transportation between own factories
- New products
- Reduce risk in farming
- Start-up in Q2 2016

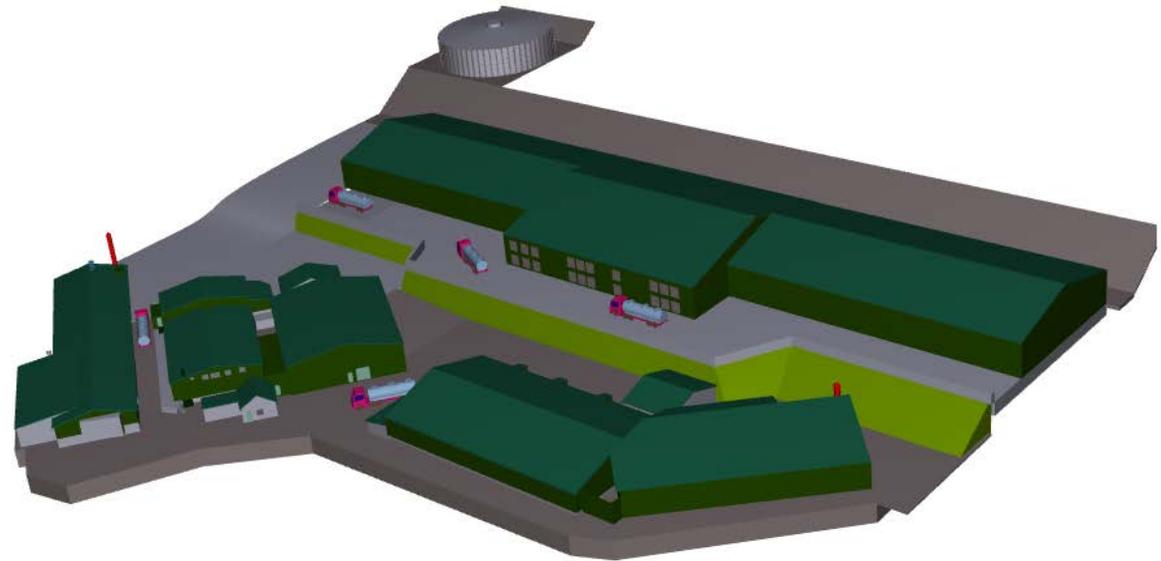


Building new Harvest & VAP factory to be completed in Q2 2016

## BUILDING NEW HATCHERIES

### New Hatchery in Viðareiði (S-21)

- **Significant capacity expansion in progress**
  - Recycling of 99% of water
    - saving water and heating
  - The goal is to increase average size of smolts from 100g to 300g in 2018
  - Reduce risk in farming
  - Reduce total time of production cycle at sea
  - Viðareiði facility to start-up in Q2 2016
  - New hatchery project to start-up in Q4 2015 to be finalized in Q2 2017



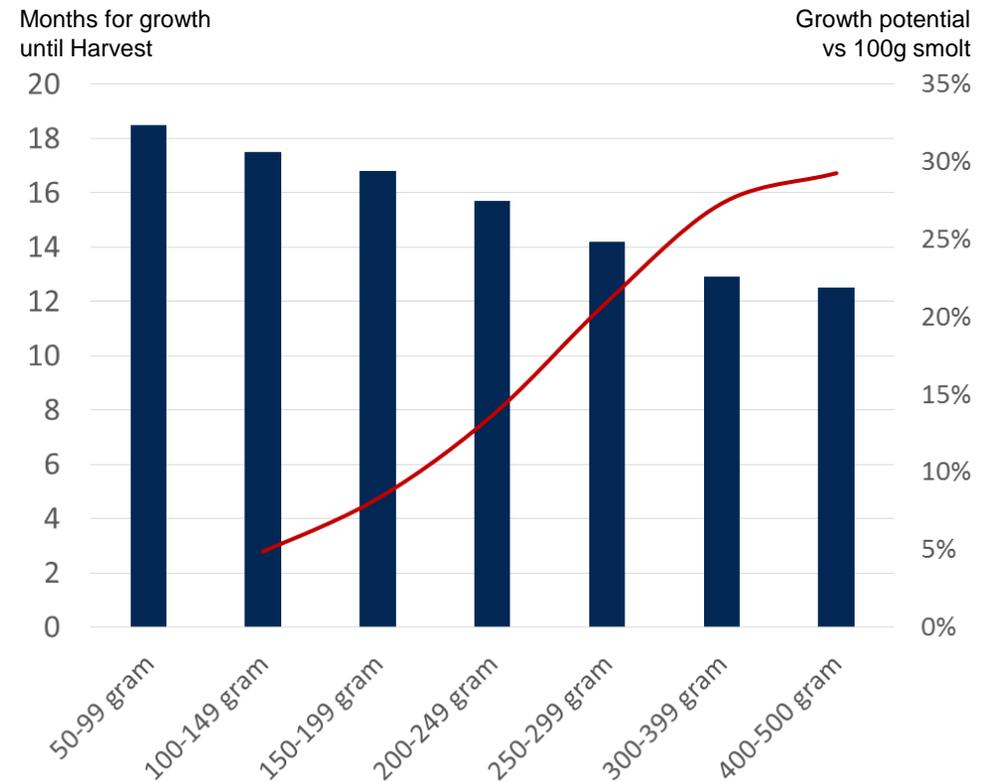
Building new 8,000m<sup>3</sup> Hatchery in Viðareiði to be finalized in Q2 2016.

# LARGER SMOLT – REDUCED RISK AND ORGANIC GROWTH

## Actual growth period with larger smolt

- Reduced risk
  - Up to 6 months reduced growth period will reduce risk significantly
  - Reduced mortality
  - Fewer treatments and lower treatment costs
- Organic growth
  - Shorter production cycle in farms will increase production
  - Around 30% theoretical growth potential with size increase from 100g to 500g

## Results with large smolt in Faroe Islands



The graph shows actual growth period until harvest at 6 kg wfe in Faroe Islands in the period 2005-2014

## Financing of the investments 2015-2017

- Use free cash flow from operations
- Unused financing of approximately DKK 721 million
- Partly new financing if advantageous
- Flexibility to postpone investment in case of adverse events



Profiles from the National Football Team enjoying top quality Bakkafrost salmon. Bakkafrost is a primary sponsor of the Faroe Islands National Football Team.

## Unchanged dividend policy

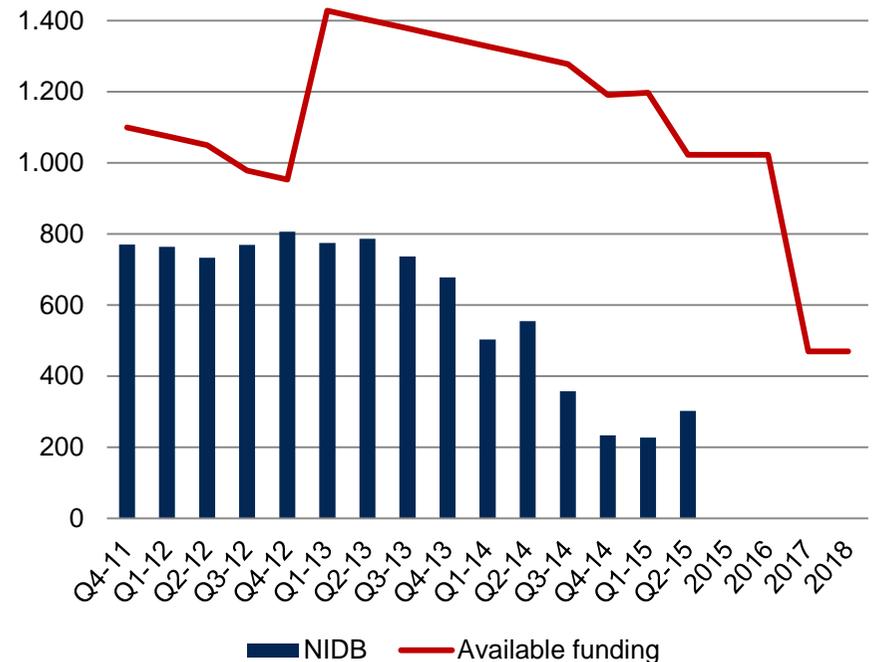
## Financing of the Group

- Total funding to DKK ~ 1,023 million
  - Bonds NOK 500 million due Feb 2018 (swapped into DKK)
  - Instalment loan of DKK 175 million was fully repaid in Q2 2015. Originally repayable DKK 25 million each quarter until end 2016
  - Revolving credit facility of DKK 553 million due in 2017
- NIBD end Q2 2015: DKK 302 million

## Covenant loans

- NIBD/ EBITDA max 3.5 over 12 months (Bonds 4.0)
- Equity ratio of 40.0%

## NIBD and available funding



- 18 islands – 1,387 km<sup>2</sup>
- 48,788 inhabitants (April 2015)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, Danish krone (DKK)

## Key sectors (% of wage earners, 2014)

- Service/public admin.: ~40%
  - Private service: ~31%
  - Construction: ~12%
  - Fishing : ~17%
  - Unemployment rate (March 2015): 3.1%
  - Total working force (no of people 2014): 28,707
- 
- GDP: DKK 14.7bn (2013)
  - GDP/capita: DKK 305,000 (2013) (Norway: 360,000) (2013)

## Total export of fish products (2013)

- DKK 6,171 million
- whereof farmed fish accounts for 48%

## TAXES

- Total Percent of GDP: 42.4% (2013)
  - Corporate Tax: 18%
  - Farming Licence Tax : 4.5% plus 0.5% of revenues
- 
- Restriction on a single foreign ownership of 20% in farming companies
  - One company may max. control 50% of licences in the Faroe Islands



Source: Hagstova Føroya

# FAROE ISLANDS

## – EXCELLENT CONDITIONS FOR COST EFFECTIVE FARMING

### GEOGRAPHY

- Natural growth area for wild salmon
- Faroese fjords provide separation between locations
- Improves biological control and area management

### WATER

- Stable seawater temperatures throughout the year between 6-12 degrees Celsius
- Excellent water quality and circulation conditions

### LOCATION

- Efficient distribution to European, US and Far Eastern markets

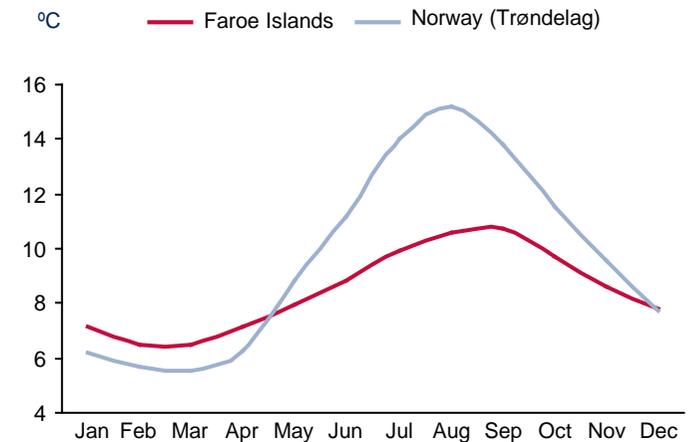
### BIOMASS

- Biological sustainability setting the biomass target per license

### FEED

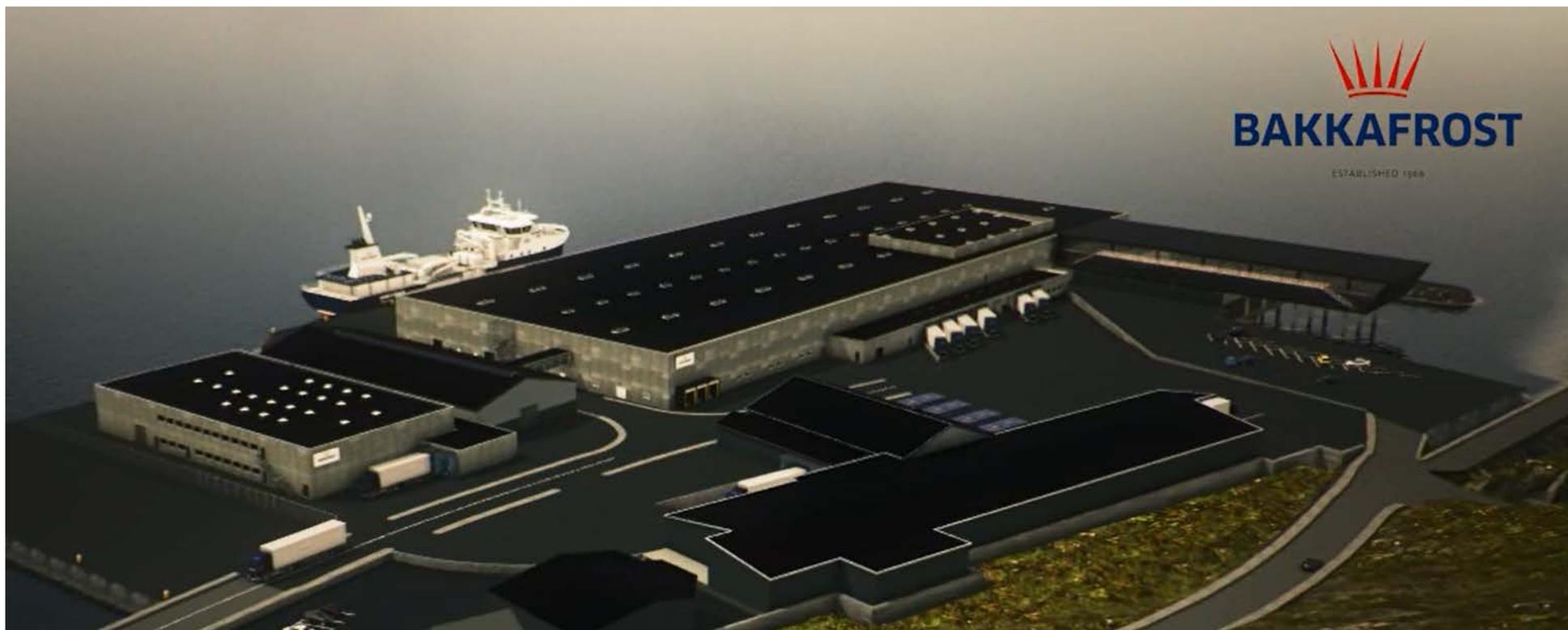
- Sustainable feed, based on local marine raw materials. High on Omega-3, proved track record with best performance on high SGR and low FCR

### Average Seawater Temperatures



Source: Company material, Havforskningsinstituttet

## New Harvest and VAP operation



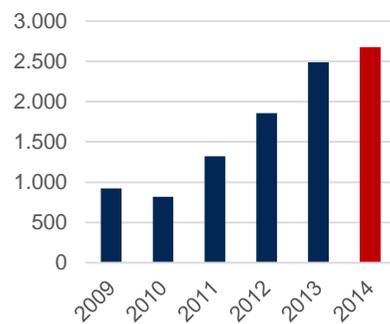
The new plant and HQ

7 factories merged into one

## DEVELOPMENT PER QUARTER Q1 2012 – Q2 2015

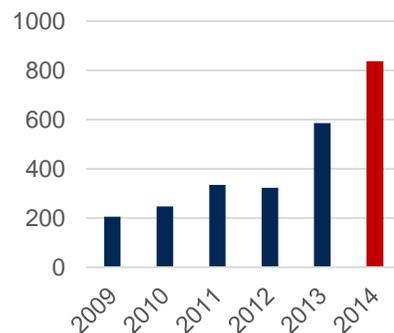
(mDKK)	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Revenue	800	613	757	584	711	631	667	741	610	473	582	457	416	400
Op. EBIT	303	235	227	209	212	186	124	187	169	105	99	86	78	60
Profit/Loss	191	132	222	211	126	87	138	200	184	67	148	26	91	16
Harvest (tgw)	14,182	9,726	12,651	10,881	11,212	9,269	11,097	11,335	10,54	8,296	13,044	9,73	10,219	11,348
Op. EBIT Farming & VAP (NOK/kg)	22.62	26.12	19.48	19.73	17.66	21.37	12.44	15.76	15.29	12.16	7.25	8.00	7.78	5.42
Equity ratio	61%	61%	60%	57%	53%	57%	54%	52%	49%	48%	49%	47%	47%	43%
NIBD	302	227	233	357	555	503	641	728	786	775	807	770	733	764

**Turnover (mDKK)**



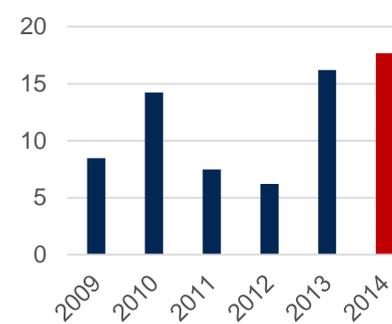
Turnover for the Bakkafrøst Group has increased from 820 mDKK in 2010 to 2.7 bDKK in 2014.

**Operational EBIT (mDKK)**



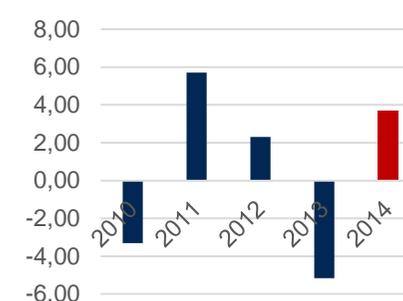
Operational EBIT for the Bakkafrøst Group has increased from 247 mDKK in 2010 to 834 mDKK in 2014.

**Farming margin Op. EBIT (NOK/kg)**



The margin in Farming was NOK 17.65 per kg in 2014 – the highest ever.

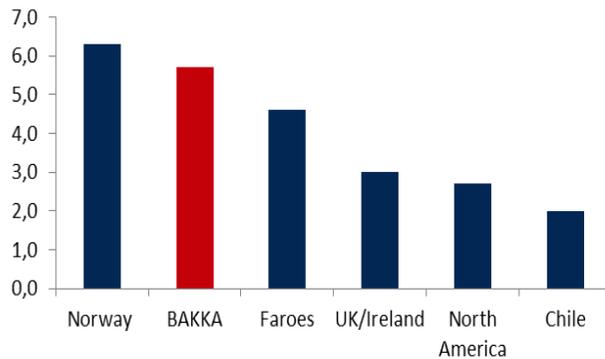
**VAP margin Op. EBIT (NOK/kg)**



The margin in VAP was NOK 3.69 per kg in 2014 – at the same time as Farming margin was record high.

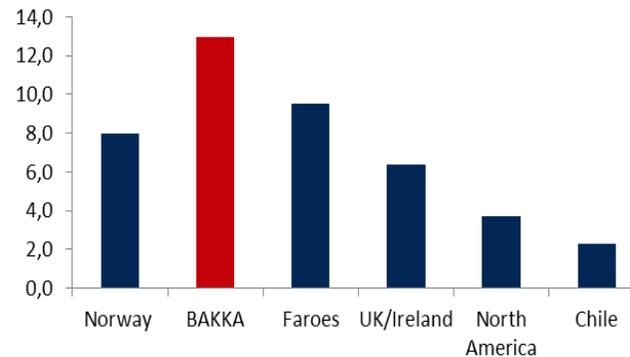
# THE VALUE OF A STRICT SANITARY REGIME

Margin EBIT/kg last 15 years (NOK/kg)



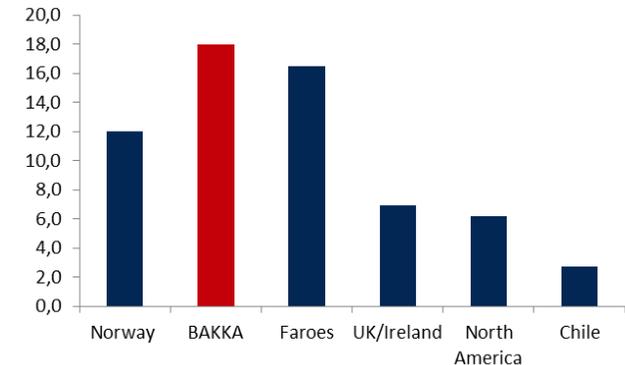
During the last 15 years, 2000 - 2014 Norway had the highest margin of the farming countries with 6.3 NOK/kg in average, while BAKKA had 5.7 NOK/kg.

Margin EBIT/kg last 5 years (NOK/kg)



The last five years - 2010-2014 BAKKA had a strong average margin of 13.00 NOK/kg.

Margin EBIT/kg 2014E (NOK/kg)



In 2014, BAKKA had a farming margin of 17.7 NOK/kg.

Higher value from:

- a good regulatory farming environment
- the new structure of the industry in the Faroe Islands and
- company specific strategy

Source: Kontali

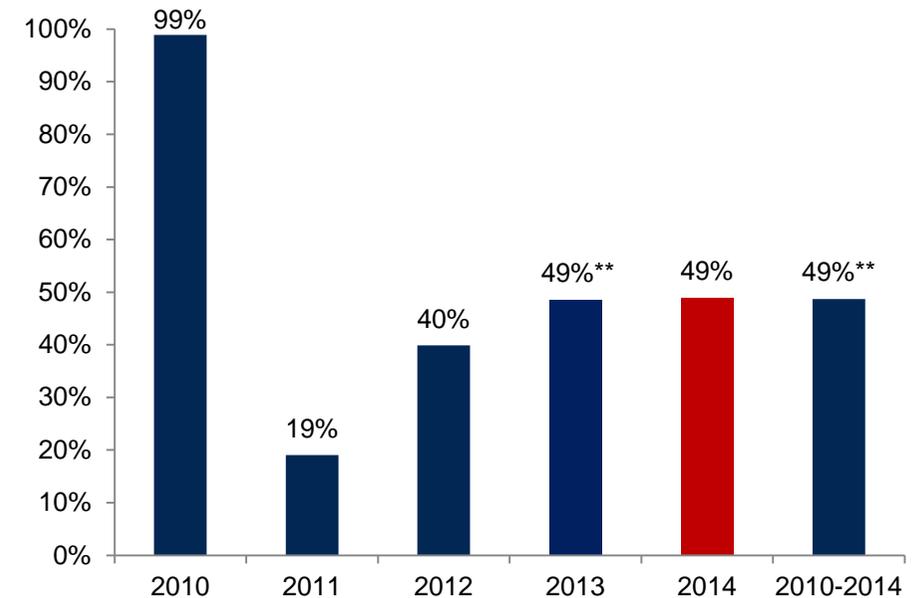
## Dividend

- Dividend of DKK 6.00 (NOK 6.78) per share paid in April 2015

## Dividend policy

- Competitive return through:
  - Dividends
  - Increase in the value of the equity
- Generally, the company shall pay dividends to its shareholders
- A long-term goal for the Board of Directors is that 30–50% of EPS shall be paid out as dividend

## DPS in % of adj. EPS \*



\* Operational EBIT is EBIT adjusted for fair value adjustment of biomass, onerous contracts, income/loss from associates, acquisition costs and badwill.

\*\* Dividend and acquisition of treasury shares

# LARGEST SHAREHOLDERS

## 20 largest shareholders

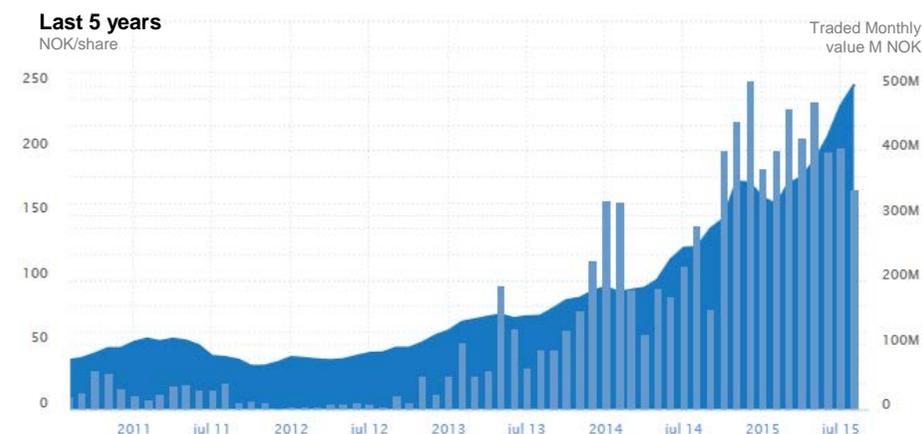
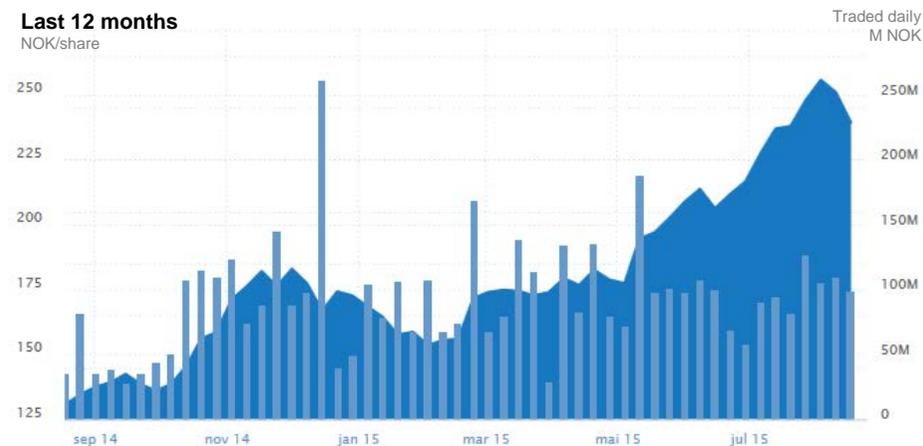
No of shares		Account name	type	Citizenship
4.594.437	9,4%	Jacobsen Oddvør		FRO
4.492.783	9,2%	Jacobsen Johan Regin		FRO
2.202.538	4,5%	Skandinaviska Enskil A/C CLIENTS ACCO	NOM	SWE
1.883.553	3,9%	SPAR NORD BANK A/S S/A CLIENT ACCO	NOM	DNK
1.565.932	3,2%	DANSKE BANK 3993 NORDIC SETTLEMEN	NOM	DNK
1.120.918	2,3%	VERDIPAPIRFONDET DNB		NOR
1.073.918	2,2%	JP Morgan Bank Luxem JPML SA RE CLT	NOM	LUX
840.614	1,7%	J.P. Morgan Chase Ba A/C US RESIDENT	NOM	USA
791.015	1,6%	J.P. Morgan Chase Ba EUROPEAN RESID	NOM	GBR
735.744	1,5%	STATE STREET BANK AN A/C CLIENT OF	NOM	USA
699.968	1,4%	SEB Private Bank S.A	NOM	LUX
691.630	1,4%	STATE STREET BANK AN A/C EXEMPT L	NOM	USA
680.605	1,4%	Morgan Stanley & Co. MS & CO INTL PLC I	NOM	GBR
641.835	1,3%	The Bank of New York BNY MELLON	NOM	USA
543.937	1,1%	SKANDINAVISKA ENSKIL A/C CLIENTS A	NOM	DNK
526.725	1,1%	UBS (LUXEMBOURG) S.A UBS(LUXEMBOU	NOM	LUX
525.640	1,1%	STATE STREET BANK & A/C CLIENT FUN	NOM	USA
524.000	1,1%	DnB NOR MARKETS, AKS DNB Bank ASA		NOR
507.260	1,0%	JP Morgan Chase Bank HANDELSBANKE	NOM	SWE
487.991	1,0%	VERDIPAPIRFONDET ALF		NOR
<b>25.131.043</b>	<b>51,44</b>			
<b>48.858.065</b>		<b>100 Total number of shares as per August 21st 2015</b>		
<b>305.524</b>		<b>0,7 Wherof own shares</b>		
<b>48.552.541</b>		<b>99,3 Total number of outstanding shares</b>		

## Origin of shareholders, 5 largest countries

No of shares	% Origin	No of shareholders
13.398.191	27,4% Faroe Isl	1.136
10.064.009	20,6% UK	101
9.021.308	18,5% Norway	1.948
6.025.724	12,3% USA	68
3.177.555	6,5% Sweeden	24

Total number of shareholders: 3,443 - from 22 different countries

## Share development



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