

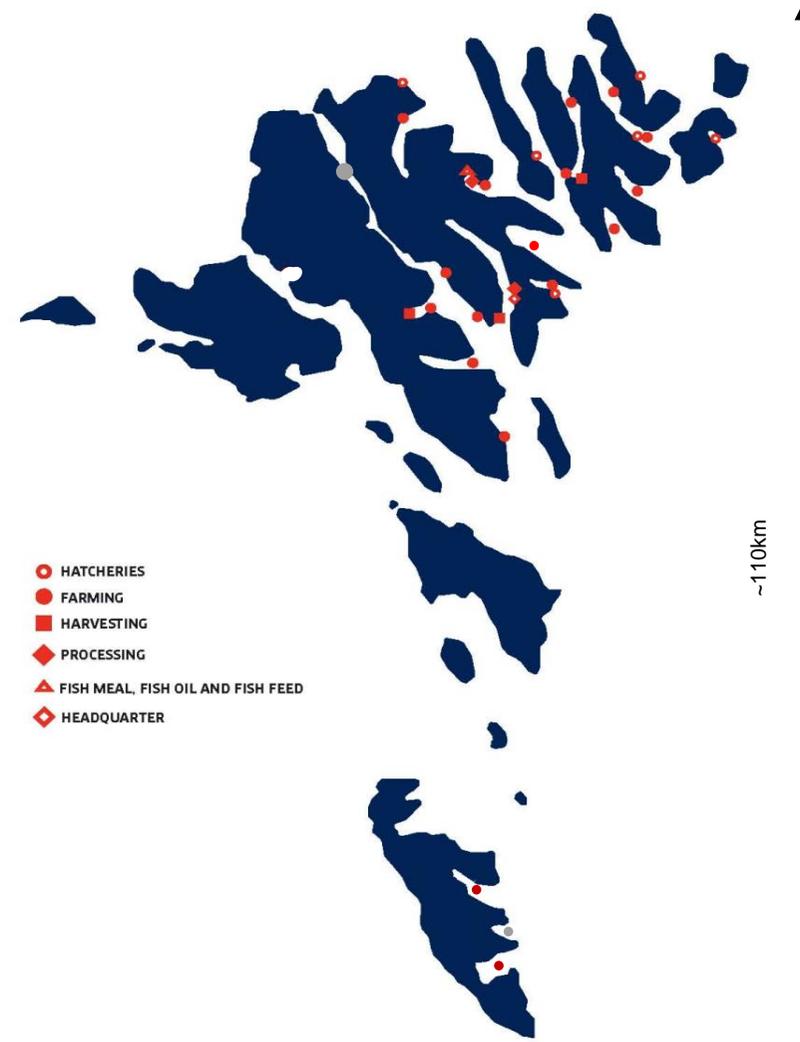
Q2 2017

BAKKAFROST GROUP
Oslo 22 August 2017

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- **SUMMARY OF Q2 2017**

- MARKETS AND SALES
- SEGMENT INFORMATION
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Operation

- **Harvested** 18,402 tgr in Q2 2017 (13,004 tgr in Q2 2016)
- **Feed sales** of 17,032 tonnes in Q2 2017* (16,295 tonnes in Q2 2016*)
- **Raw material purchase** of 163,100 tonnes in Q2 2017 (83,970 tonnes in Q2 2016)

Revenues and Margins

- **Revenues** of DKK 1,206 million in Q2 2017 (DKK 790 million in Q2 2016)
- **Operational EBIT**** of DKK 459 million in Q2 2017 (DKK 307 million in Q2 2016)

Cash Flow

- **Cash flow from operations** of DKK 498 million in Q2 2017 (DKK 248 million in Q2 2016)

Segments

- **Positive results** in Farming and FOF segments, while loss in VAP segment

Dividend

- **Dividend** of DKK 8.70 per share (NOK 10.69) paid out in April 2017

*) Including internal sales of 16,012 tonnes in Q2 2017 (14,260 tonnes in Q2 2016)

**) EBIT before fair value adjustments of biomass, onerous contracts provisions, income from associates, goodwill and revenue tax

SUMMARY OF THE QUARTER

Record high results

- Sold volumes from Farming highest ever
- Sourced raw material intake for FOF highest ever
- Highest Operational EBIT ever in one quarter
 - Farming/VAP increased the margin from 27.88 NOK/kg in Q2 2016 to 29.77 NOK/kg in Q2 2017
 - VAP segment delivered a margin of -13.01 NOK/kg in Q2 2017, compared with -18.37 NOK/kg in Q2 2016
 - Farming margin was 33.50 NOK/kg in Q2 2017, compared with 34.47 NOK/kg in Q2 2016
 - FOF delivered a margin of 15.1% in Q2 2017, compared with 20.7% in Q2 2016
 - Group Operational EBIT was DKK 459 million in Q2 2017, compared with DKK 307 million in Q2 2016

| (DKK million) | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|---|------------|------------|------------|------------|
| Operating revenues | 1,206 | 790 | 2,060 | 1,694 |
| Operational EBITDA | 505 | 336 | 882 | 618 |
| Operational EBIT | 459 | 307 | 795 | 561 |
| Profit for the period | 398 | 224 | 477 | 437 |
| Operational EBITDA margin | 41.8% | 42.6% | 42.8% | 36.5% |
| Operational EBIT margin | 38.1% | 38.9% | 38.6% | 33.1% |
| Operational EBIT/Kg (Farming) (NOK) | 33.50 | 34.47 | 33.71 | 32.68 |
| Operational EBIT/Kg (Farming and VAP) (NOK) | 29.77 | 27.88 | 29.51 | 27.76 |
| Operational EBIT/Kg (VAP) (NOK) | -13.01 | -18.37 | -14.88 | -15.07 |
| EBITDA margin (Fishmeal, -oil and feed) | 15.1% | 20.7% | 15.6% | 22.5% |

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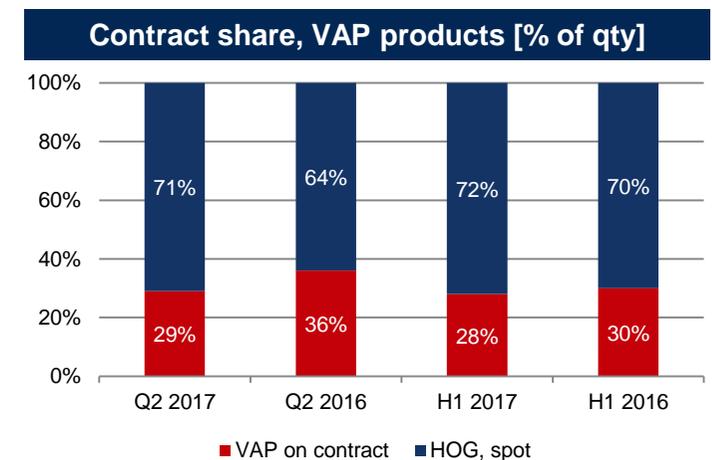
Same trend as in Q1 2017, sales to Europe and Eastern Europe increased, as sales to USA and Asia decreased

- EU market share increased from 39% in Q2 2016 to 46% in Q2 2017
- USA decreased from 23% to 16%
- Asia decreased from 21% to 16%
- Eastern Europe increased from 17% to 22%
- VAP/contract share was 29% in Q2 2017, compared with 36% in Q2 2016



| Total sales of salmon by markets | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|----------------------------------|---------|---------|---------|---------|
| EU | 46% | 39% | 46% | 39% |
| USA | 16% | 23% | 17% | 23% |
| Asia | 16% | 21% | 15% | 21% |
| Eastern Europe | 22% | 17% | 22% | 17% |

| Fresh salmon only by markets | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|------------------------------|---------|---------|---------|---------|
| EU | 28% | 19% | 28% | 19% |
| USA | 21% | 30% | 23% | 29% |
| Asia | 22% | 28% | 20% | 29% |
| Eastern Europe | 29% | 23% | 29% | 23% |



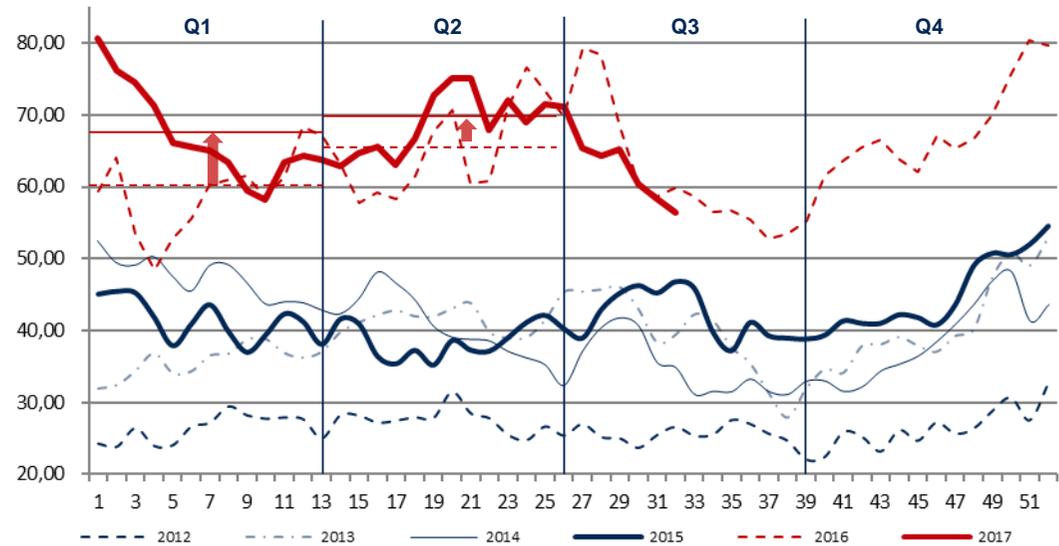
High salmon prices continued in Q2 2017

- Prices increased 5.3% vs Q2 2016
- Increased y/y by 3.61 NOK/kg ~5.5%
- from 65.41 to 69.03
- Increased q/q by 1.96 NOK/kg ~2.9%
- from 67.07 to 69.03

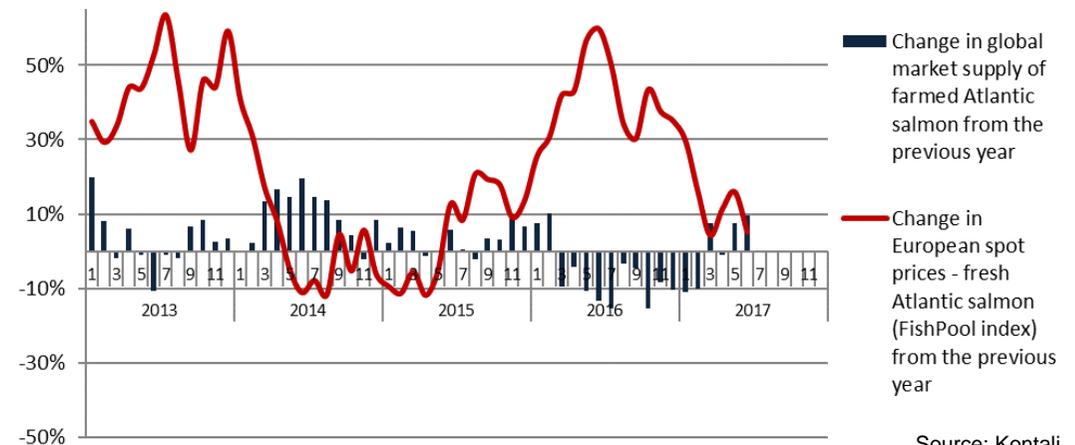
Reduced global supply in Q2 2017

- 3.2% reduced global supply in Q2 2017, compared with Q2 2016, corresponding to 14,900 tonnes

Spot prices (NASDAQ) on superior 4-5 [NOK/kg HOG]



Change in global market supply and market price



Source: Kontali

DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

Decreased market supply in Q2 2017 vs. Q2 2016

Global supply down 2.8% despite 3.9% increase in harvest

- Large Chilean inventory build-up in Q2 2017
- Corresponding inventory reduction in Q2 2016

European supply decreased by 1.4%

- Norway decreased 5.5%
- Significant growth in other European origins

American supply increased by 14.3%

- Ramp up in Chile after algae bloom problems in 2016
- Canada down 14.4%

| SUPPLY DEVELOPMENT | Q2 2017 | Q2 2016 | Change % |
|-----------------------------------|------------|------------|---------------|
| Norway | 235 | 249 | -5.5 % |
| UK | 39 | 35 | 11.8 % |
| Ireland | 5 | 4 | 38.5 % |
| Faroes | 22 | 18 | 23.2 % |
| Total Europe | 301 | 305 | -1.4 % |
| Chile | 117 | 93 | 26.0 % |
| Canada | 30 | 35 | -14.4 % |
| USA | 5 | 5 | -1.8 % |
| Total Americas | 152 | 133 | 14.3 % |
| Other | 19 | 17 | 17.4 % |
| Total (Harvested quantity) | 473 | 455 | 3.9 % |
| Inventory movements | -10 | 22 | -143.9 % |
| Total (Sold Quantity) | 463 | 477 | -2.8 % |

SALMON MARKETS, SOLD QUANTITY (HEAD ON GUTTED – HOG)

EU

- Q2 consumption decrease materially exceeded European supply decrease (1.4%)

USA

- Moderate growth despite higher American harvest
- Price decrease and Chilean inventory build-up indication of slow demand

Russia

- Stable consumption after several quarters of supply contraction
- Market mainly supplied from the Faroes and Chile

Japan and ASEAN

- Strong demand despite high price environment

Greater China

- No effect of the normalizing diplomatic relationship between Norway and China in the quarter

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

| Markets | Estimated volumes | | Q2 comparison | | Estimated volumes | | YTD comparison | |
|--------------------------|-------------------|----------------|------------------|---------------|-------------------|----------------|------------------|---------------|
| | Q2 2017E | Q2 2016 | Volume | % | H2 2017 | H2 2016 | Volume | % |
| EU | 205,000 | 225,700 | -20,700 ↓ | -9.2% | 410,800 | 449,800 | -39,000 ↓ | -8.7% |
| USA | 95,900 | 95,400 | 500 ↔ | 0.5% | 193,800 | 198,400 | -4,600 ↘ | -2.3% |
| Russia | 13,100 | 12,600 | 500 ↑ | 4.0% | 27,200 | 31,400 | -4,200 ↓ | -13.4% |
| Japan | 14,300 | 12,400 | 1,900 ↑ | 15.3% | 28,200 | 27,300 | 900 ↑ | 3.3% |
| Greater China | 23,200 | 24,500 | -1,300 ↓ | -5.3% | 44,200 | 49,200 | -5,000 ↓ | -10.2% |
| ASEAN | 20,800 | 15,800 | 5,000 ↑ | 31.6% | 41,000 | 34,400 | 6,600 ↑ | 19.2% |
| Latin America | 31,400 | 30,700 | 700 ↔ | 2.3% | 66,200 | 74,400 | -8,200 ↓ | -11.0% |
| Ukraine | 2,500 | 2,100 | 400 ↑ | 19.0% | 5,500 | 4,300 | 1,200 ↑ | 27.9% |
| Other markets | 57,100 | 57,700 | -600 ↘ | -1.0% | 116,500 | 112,300 | 4,200 ↑ | 3.7% |
| Total all markets | 463,300 | 476,900 | -13,600 ↘ | -2.9 % | 933,400 | 981,500 | -48,100 ↓ | -4.9 % |

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)

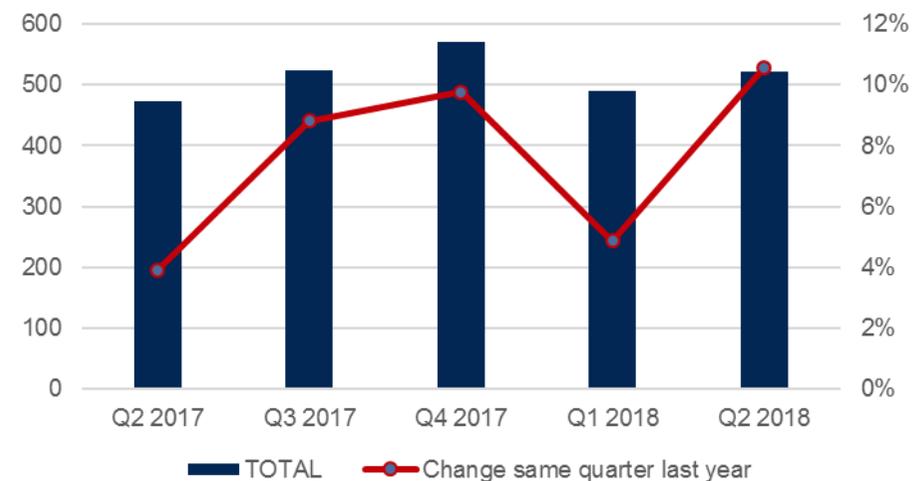
All figures above are in tonnes hog, and are rounded to the nearest 100 tonnes.

SHORT TERM SUPPLY OUTLOOK

Increased supply expected in the coming quarters

- Both Europe and Americas contributing in H2 2017
- Increasing supply from Chile
 - 2016 impacted by mass mortality due to Algae bloom

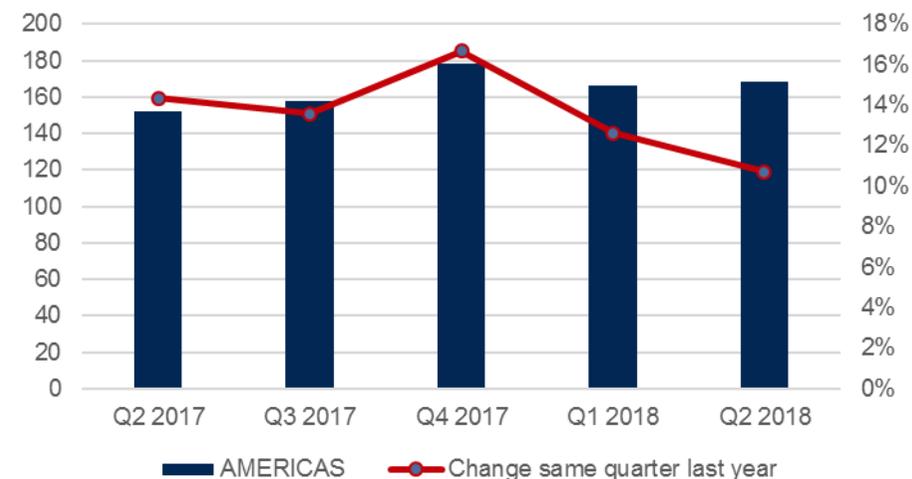
SUPPLY - TOTAL



SUPPLY - EUROPE



SUPPLY - AMERICAS



Source: Kontali

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Harvested volumes

- In Q2 2017, 74% of harvested volume came from the North and 26% from the West region
- Harvested volumes increased by 42% in Q2 2017, compared with Q2 2016
- Confirmation of ISA-virus at A-73 Hvannasund Norður resulted in earlier than anticipated harvest in Q1 and Q2 2017 of A-73 Hvannasund Norður
 - 10% of harvest in Q2 2017 was from A-73 Hvannasund Norður

Smolt transfer

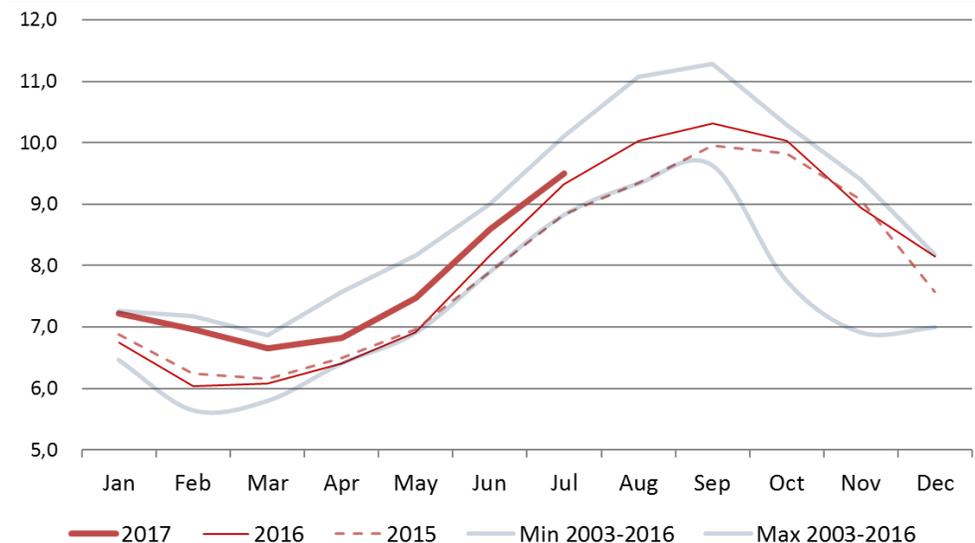
- Bakkafrost transferred 1.9 million smolts in Q2 2017 (1.9 million smolts in Q2 2016)

Seawater temperatures in the Faroe Islands

- Temperatures in Q2 2017 were in average 7.6° C, compared with 7.2° C in Q2 2016

| Harvest Volumes tonnes [HOG] | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|------------------------------|---------------|---------------|---------------|---------------|
| North Region | 13,581 | 8,904 | 22,705 | 10,413 |
| West Region | 4,821 | 4,100 | 8,855 | 13,525 |
| Total | 18,402 | 13,004 | 31,560 | 23,938 |

Seawater Temperatures in the Faroe Islands 2003 – 2017 [°C]



High harvested volumes and strong performance with some challenges

- The operational EBIT increased 37% from DKK 358 million in Q2 2016 to DKK 489 million in Q2 2017
- Earlier than anticipated harvest of A-73 Hvannasund Norður, which ended 12 April 2017, had a negative impact on margins in Q2 2017, as the average harvest weight was not optimal
- Apart from this, there was good biological performance of harvested fish and high prices in the quarter

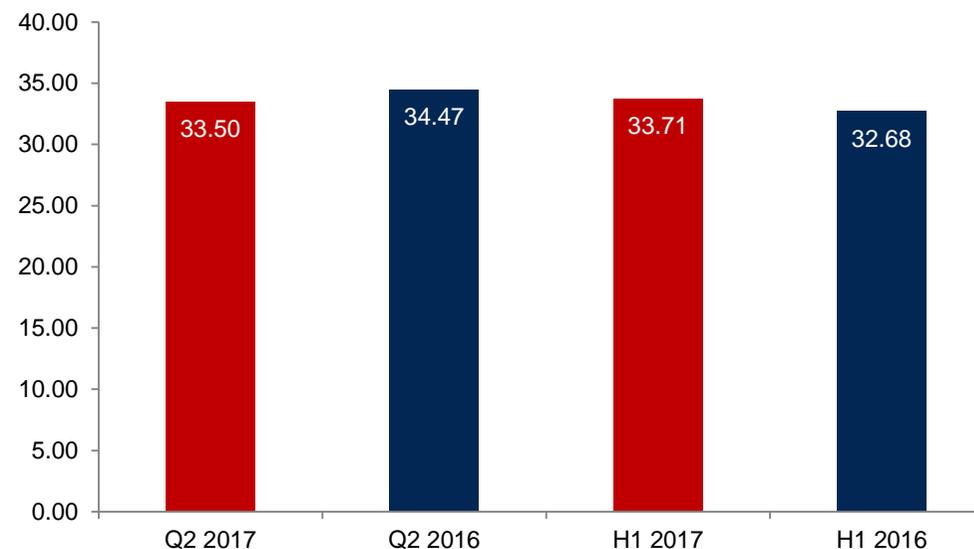
| (DKK million) | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|-------------------------|---------|---------|---------|---------|
| Operating revenues | 1,039 | 752 | 1,790 | 1,453 |
| Operational EBIT | 489 | 358 | 863 | 619 |
| Operational EBIT margin | 47% | 48% | 48% | 43% |



Operation

- Farming EBIT of NOK 33.50 per kg in Q2 2017, compared to 34.47 in Q2 2016
- High prices and good biological performance
- Performance in the North Region negatively affected by the early harvest at A-73, as harvest weight was not optimal

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



| (NOK/kg) | Q2 2017 | | |
|------------------------|--------------|-------------|---------|
| | North Region | West Region | Farming |
| Operational EBIT/kg gw | 35.01 | 29.23 | 33.50 |

VALUE ADDED PRODUCTS (VAP)

VAP revenues and margin

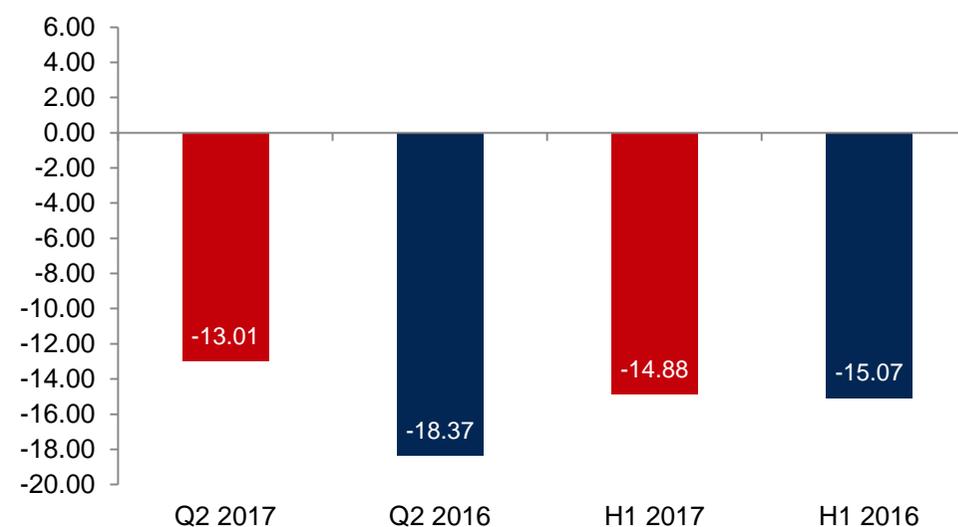
- Revenues increased by 45% to DKK 273 million in Q2 2017, from DKK 187 million in Q2 2016
- Operating EBIT in Q2 2017 was DKK -54 million, compared with DKK -68 million in Q2 2016

Performance moved in the right direction in Q2 2017

- Since start-up of the new VAP factory at Glyvrrar, operation has improved in Q2 2017, compared to Q1 2017
- Bakkafrost expects reduced operational costs later in 2017, after the start up issues have been solved.

| (DKK million) | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|----------------------------|---------|---------|---------|---------|
| Operating revenues | 273 | 187 | 464 | 367 |
| Operational EBIT | -54 | -68 | -108 | -93 |
| Operational EBIT margin | -20% | -36% | -23% | -25% |
| VAP produced volumes (tgv) | 5,273 | 4,664 | 8,909 | 7,824 |

Margin - EBIT per kg total VAP produced [NOK/kg]



Record high activity and satisfactory performance

- EBITDA of DKK 48 million in Q2 2017, compared with DKK 45 million in Q2 2016
- EBITDA margin of 15.1% in Q2 2017, compared with 20.7% in Q2 2016
- Feed sales increased 5% in Q2 2017, compared to Q2 2016, and fishmeal sales increased almost 4.5 times in Q2 2017, compared to Q2 2016

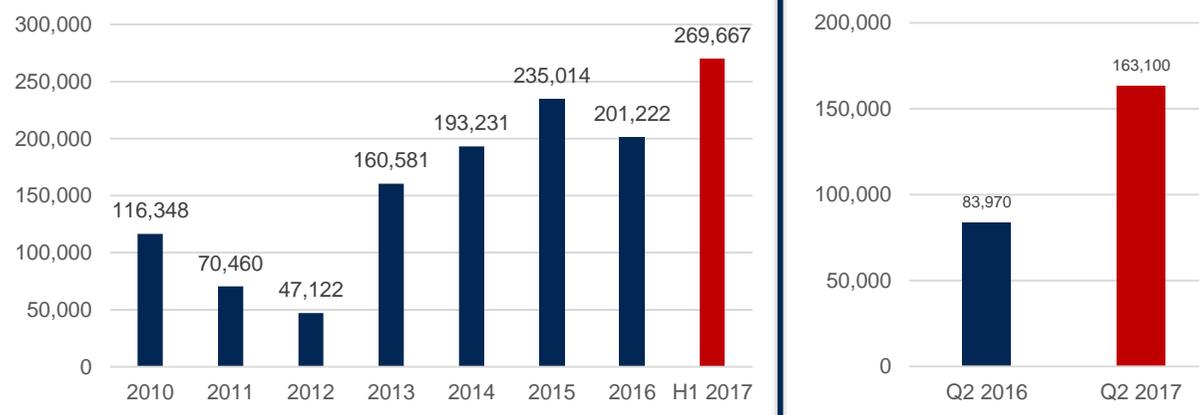
Fishmeal, Oil and Feed

| (DKK million) | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|---------------------------------|---------|---------|---------|---------|
| Operating revenues | 317 | 220 | 594 | 508 |
| EBITDA | 48 | 45 | 93 | 114 |
| EBITDA margin | 15.1% | 20.7% | 15.6% | 22.5% |
| Feed sold (tonnes)* | 17,032 | 16,295 | 36,859 | 30,749 |
| Fishmeal sold external (tonnes) | 17,941 | 4,063 | 25,504 | 15,779 |

Highest quarterly sourced raw material since Havsbrún became part of Bakkafrost

- Havsbrún sourced 163,100 tonnes of raw material in Q2 2017, compared with 83,970 tonnes in Q2 2016

Sourcing of raw material (tonnes)

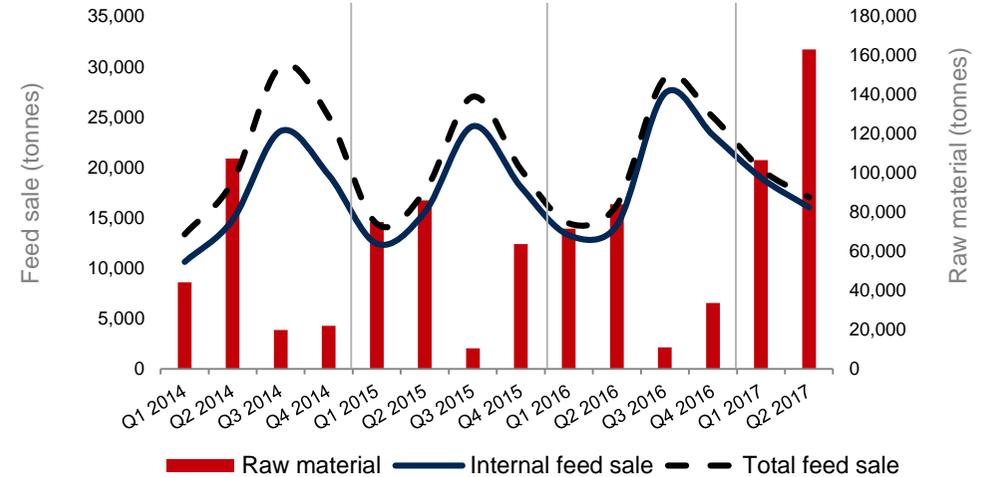


* Including sales to Bakkafrost, corresponding to ~94% of feed volumes in Q2 2017 (Q2 2016: 88%)

Feed sales increasing

- Quantity of feed sold was 17,032 tonnes in Q2 2017, compared with 16,295 tonnes in Q2 2016
- Since Q3 2016, when Faroe Farming became part of the Bakkafrost Group, the share of internal feed sales has been on a higher level

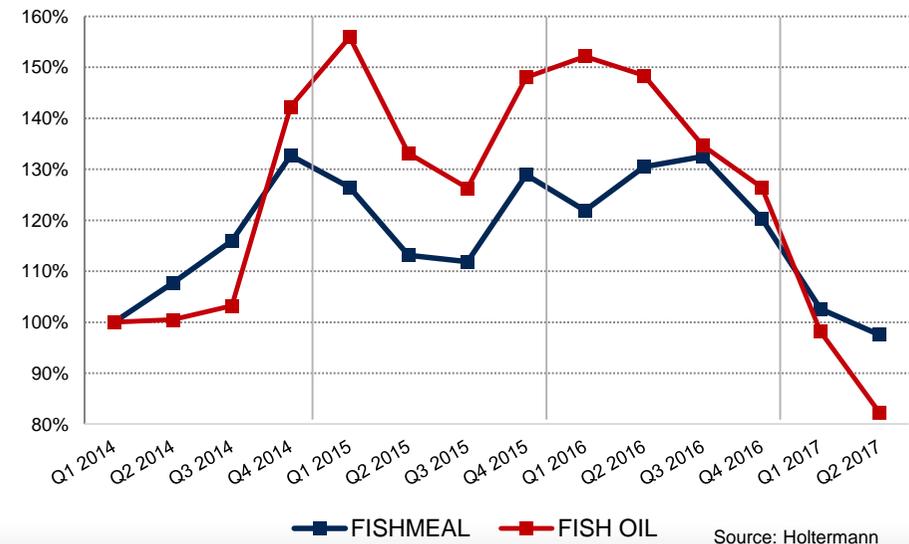
Volumes of raw material purchase and feed sale [tonnes]



In Q2 2017, market prices on the spot market for marine ingredients fell below 2014 level for the first time

- Fishmeal prices decreased in Q2 2017, compared with Q1 2017
- Fish oil prices decreased in Q2 2017, compared with Q1 2017

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



Source: Holtermann

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GROUP PROFIT AND LOSS

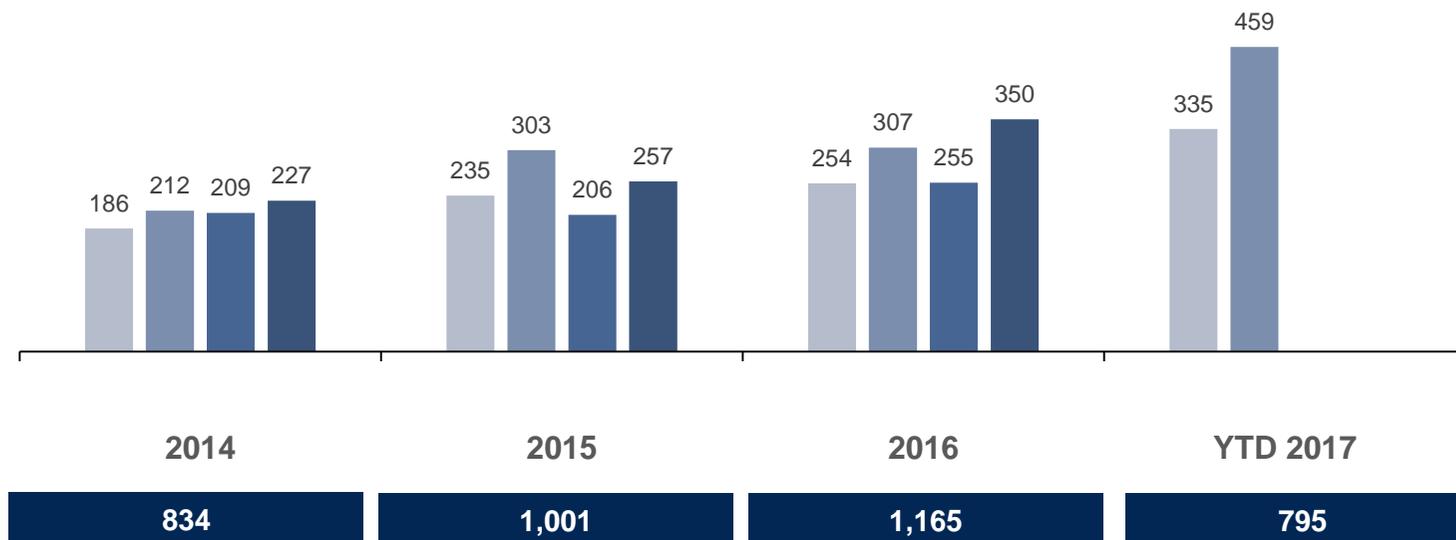
- Revenues increased from DKK 790 million in Q2 2016 to DKK 1,206 million in Q2 2017. Higher activity and volumes in all segments
- Operational EBIT increased from DKK 307 million to DKK 459 million
- Fair value of biomass increased due to higher prices, compared to the end of last quarter
- Provision for onerous contracts was DKK 25 million
- Revenue tax (4.5% of harvested volumes at Nasdaq prices) recognized as cost, amounted to DKK -45 million
- Financial items amounted to DKK -5 million, whereof DKK 17.2 million is related to the NOK bond loan
- Taxes amounted to DKK -88 million
- Profit after tax increased from DKK 224 million in Q2 2016 to DKK 398 million in Q2 2017

| (DKK million) | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|--|--------------|--------------|--------------|--------------|
| Operating revenues | 1,206 | 790 | 2,060 | 1,694 |
| Operational EBITDA* | 505 | 336 | 882 | 618 |
| Operational EBIT* | 459 | 307 | 795 | 561 |
| Fair value adjustment of biological assets | 55 | -29 | -180 | 78 |
| Onerous contracts | 25 | 23 | 55 | -37 |
| Income from associates | -2 | 7 | 0 | 10 |
| Revenue tax | -45 | -30 | -76 | -52 |
| EBIT | 491 | 278 | 594 | 559 |
| Net Financial items | -5 | -6 | -11 | -27 |
| EBT | 486 | 272 | 583 | 532 |
| Taxes | -88 | -48 | -106 | -95 |
| Profit for the period | 398 | 224 | 477 | 437 |
| Operational EBITDA margin | 41.8% | 42.6% | 42.8% | 36.5% |
| Operational EBIT margin | 38.1% | 38.9% | 38.6% | 33.1% |
| Operational EBIT/kg (Farming and VAP) (NOK) | 29.77 | 27.88 | 29.51 | 27.76 |
| EBITDA margin (fishmeal, -oil and feed) | 15.1% | 20.7% | 15.6% | 22.5% |

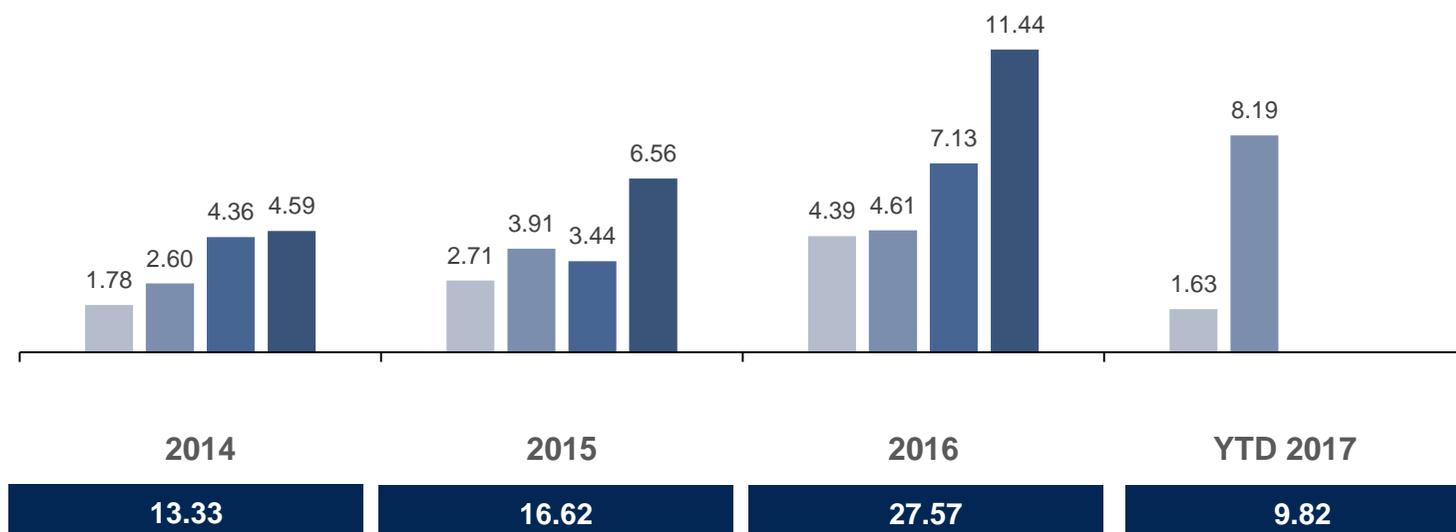
* Operational EBITDA and EBIT adjusted for fair value adjustment of biomass, onerous contracts, income from associates, badwill and revenue tax.

OPERATIONAL EBIT* AND EARNINGS PER SHARE

Operational EBIT (DKK million)



Earnings per share (DKK)



*) EBIT before fair value adjustments of biomass, onerous contracts provisions, income from associates, goodwill and revenue tax

BALANCE SHEET

- Intangible assets at the end of Q2 2017 are unchanged from Q4 2016
- Investments in PPE of DKK 170 million in Q2 2017
- Financial assets amount to DKK 59 million.
- The carrying amount of biological assets amount to DKK 1,544 million, whereof fair value adjustment amounts to DKK 701 million
- Inventory increased DKK 104 million from the end of 2016 to DKK 460 million at the end of Q2 2017
- Changes in equity because of positive results in the period
- NIBD at DKK 560 million down from DKK 635 million at end 2016*
- Equity ratio 64% (Covenants 35%)

| (DKK million) | End H1 2017 | End H1 2016 | End 2016 |
|-------------------------------------|----------------|----------------|--------------|
| Intangible assets | 377 | 295 | 377 |
| Property, plant and equipment | 2,380 | 1,793 | 2,118 |
| Financial assets | 59 | 136 | 59 |
| Long term receivables | 0 | 0 | 13 |
| Biological assets | 1,544 | 1,036 | 1,858 |
| Inventory | 460 | 485 | 356 |
| Receivables | 326 | 241 | 292 |
| Other receivables | 134 | 183 | 110 |
| Cash and cash equivalents | 353 | 174 | 235 |
| Total Assets | 5,633 | 4,343 | 5,418 |
| | | | |
| Equity | 3,599 | 2,634 | 3,549 |
| Deferred tax and other taxes | 648 | 445 | 546 |
| Long-term interest bearing debt | 476 | 737 | 827 |
| Financial derivatives | 118 | 114 | 101 |
| Short-term interest bearing debt | 388 | 0 | 0 |
| Accounts and other payables | 404 | 413 | 395 |
| Total Equity and Liabilities | 5,633 | 4,343 | 5,418 |

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

- Cash flow from operations higher in Q2 2017, compared to Q2 2016, due to improved operations, changes in working capital
- Cash flow from investments represents investments in PPE
- Cash flow from financing is affected negatively by dividend payment in Q2 2017 and by change in interest bearing debt

| (DKK million) | Q2 2017 | Q2 2016 | H1 2017 | H1 2016 |
|-------------------------------|------------|------------|------------|------------|
| Cash flow from operations | 498 | 248 | 863 | 493 |
| Cash flow from investments | -170 | -198 | -349 | -317 |
| Cash flow from financing | -474 | -197 | -396 | -103 |
| Net change in cash | -146 | -147 | 118 | 72 |
| Cash at the end of the period | 353 | 174 | 353 | 174 |
| Undrawn facilities | 719 | 643 | 719 | 643 |

NET INTEREST BEARING DEBT (NIBD)

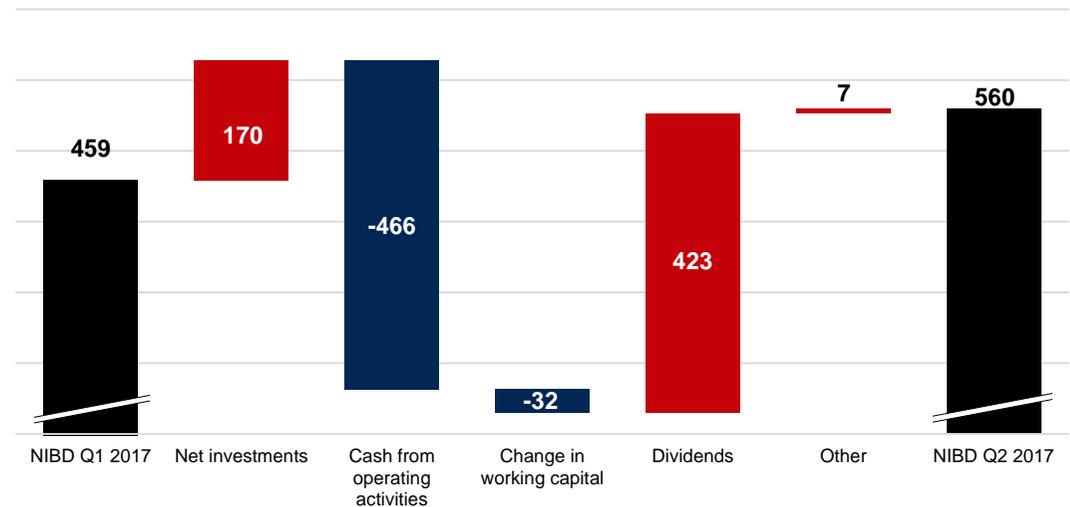
Net Interest Bearing Debt

- Cash flow from operating activities and changes in working capital decreased the NIBD with DKK 498 million
- Net investments and net dividend payment in Q2 2017 increased the NIBD with DKK 593 million

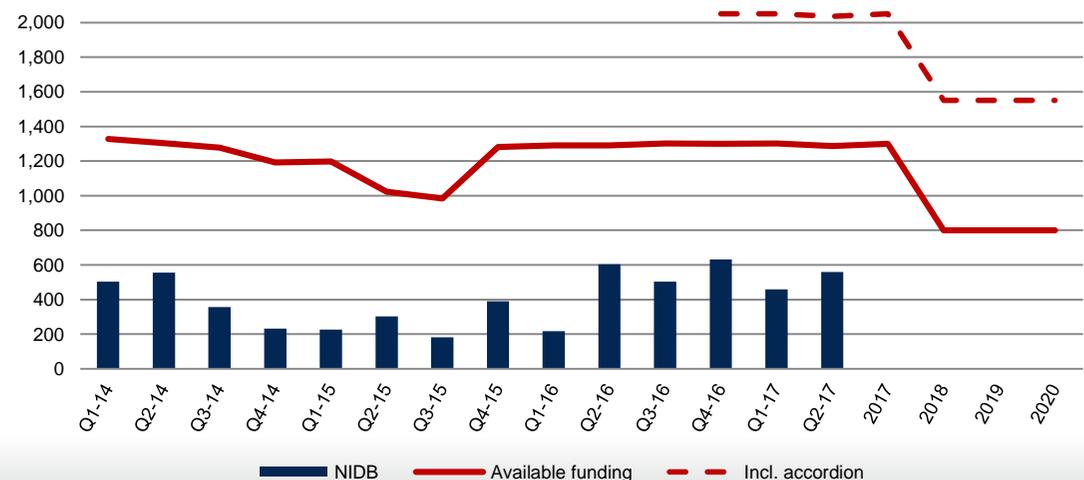
Financing end Q2 2017

- Total funding to ~ DKK 1,286 million
- NIBD: DKK 560 million
- Undrawn loan facilities: DKK 719 million

Development in NIBD in DKK millions



NIBD and available funding



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OUTLOOK

Market

- Global supply in 2017 expected to increase around 2%, compared to 2016

Farming

- Bakkafrost expects to harvest 53,500 tonnes in 2017
- Expected smolt release in 2017 total 11.5 million pieces

VAP

- Contracted around 58% of expected harvest for the rest of 2017

Fishmeal, Oil and Feed

- Forecast for feed sales in 2017 is 85,000 tonnes

Business development

- Optimizing of the value chain according to the announced investment plan continues
- Pursuing organic growth
- Financial flexibility enables M&A

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DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

7% supply increase in 2018

- Total supply growth of 2% in 2017
- Total supply growth of 7% in 2018

However, different situation in H2 2017, compared with H1 2017

- Negative supply growth of 5% in H1 2017 will turn into supply growth of 8-10% in H2 2017

Global Supply of Atlantic Salmon (head on gutted - HOG)

| | 2014 | 2015 | 2016 | 2017E | 2018E |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Norway | 1.076 | 1.112 | 1.055 | 1.080 | 1.151 |
| UK | 153 | 150 | 142 | 157 | 159 |
| Ireland | 11 | 14 | 14 | 14 | 16 |
| Faroes | 75 | 69 | 66 | 72 | 74 |
| Total Europe | 1.316 | 1.345 | 1.277 | 1.324 | 1.400 |
| Chile | 508 | 529 | 503 | 488 | 538 |
| Canada | 86 | 122 | 128 | 124 | 131 |
| USA | 22 | 18 | 20 | 19 | 19 |
| Total Americas | 615 | 669 | 651 | 631 | 689 |
| Other | 54 | 64 | 64 | 74 | 84 |
| Total (Sold Quantity) | 1.985 | 2.079 | 1.992 | 2.029 | 2.173 |
| Supply growth - Global | 8% | 5% | -4% | 2% | 7% |
| Supply growth - Europe | 6% | 2% | -5% | 4% | 6% |
| Supply growth - Americas | 14% | 9% | -3% | -3% | 9% |

Salmon Markets (head on gutted - HOG)

| | 2014 | 2015 | 2016 | 2017E | 2018E |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| EU | 916 | 980 | 949 | 929 | 1.009 |
| USA | 331 | 374 | 372 | 401 | 428 |
| Japan | 58 | 54 | 59 | 61 | 66 |
| Russia | 131 | 96 | 69 | 61 | 65 |
| Others | 550 | 576 | 544 | 577 | 605 |
| Total (Sold Quantity) | 1.986 | 2.080 | 1.993 | 2.029 | 2.173 |

Notes:

All figures are in hog-equivalents and thousand tonnes.

Figures represent sold quantity of Atlantic Salmon from each producing country

Source: Kontali

Q2 MARKET ENVIRONMENT

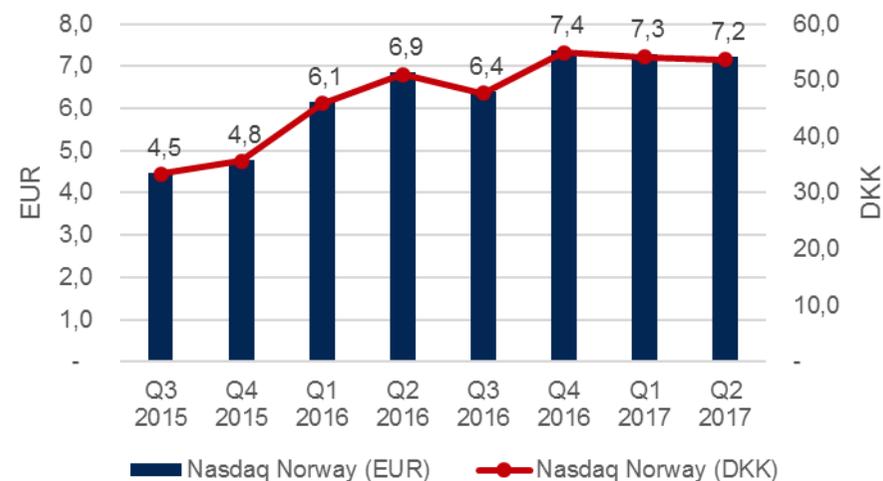
High prices in Europe as supply contraction continued in the second quarter

- Nasdaq Norway price EUR 7.2 in Q2 2017
 - 5.3% increase vs. Q2 2016
 - 0.8% decrease, compared to Q1 2017
- Generally high price realization on fixed contracts
- Chilean supply increase impacted US prices
 - UB North East US
 - 1.3% decrease vs. Q2 2016
 - 10.2% decrease, compared to Q1 2017

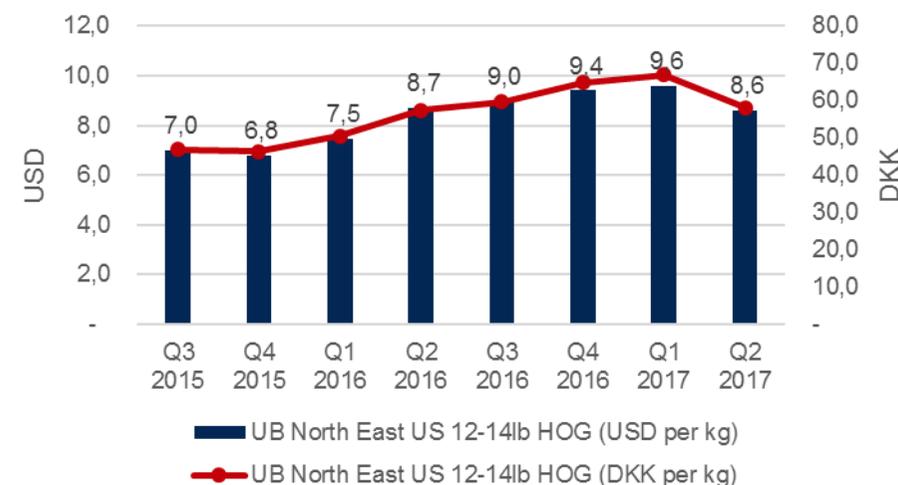
| MARKET CURRENCY | Q2 2017 | Q2 2016 | Change % |
|---|---------|---------|----------|
| Nasdaq Norway (EUR) | 7.22 | 6.85 | 5.3 % |
| UB North East US 12-14lb HOG (USD per kg) | 8.61 | 8.73 | -1.3 % |

| DKK | Q2 2017 | Q2 2016 | Change % |
|---------------------------------------|---------|---------|----------|
| Nasdaq Norway | 53.70 | 51.00 | 5.3 % |
| UB North East US 12-14lb HOG (per kg) | 58.12 | 57.51 | 1.1 % |

PRICE NORWAY



PRICE US – NORTH EAST

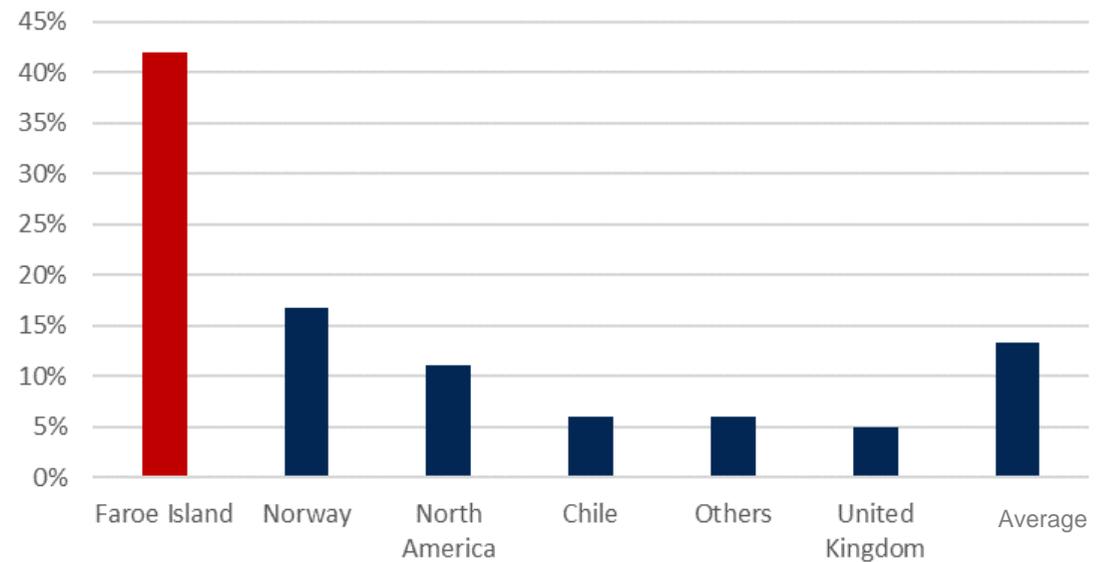


Source: Kontali

Share of large fish increased

- Share of large fish 42% in Q2 2017, compared with 29% in Q2 2016
- Large fish share generally indicator on good performance and better market diversification

Share of large fish (>6kg)



Notes:

All figures are in hog-equivalents and thousand tonnes.

Figures represent sold quantity of Atlantic Salmon from each producing country

Source: Kontali



Investments will be made step by step in the relevant parts of the value chain to secure:

- Biological risk
- Efficiency
- Organic growth

Investment program of DKK 2.2b from 2016 to 2020

Fishmeal, Oil & Feed (380 mDKK)

- New salmon meal and –oil plant
- New feed line to increase capacity
- Advanced feed line capabilities

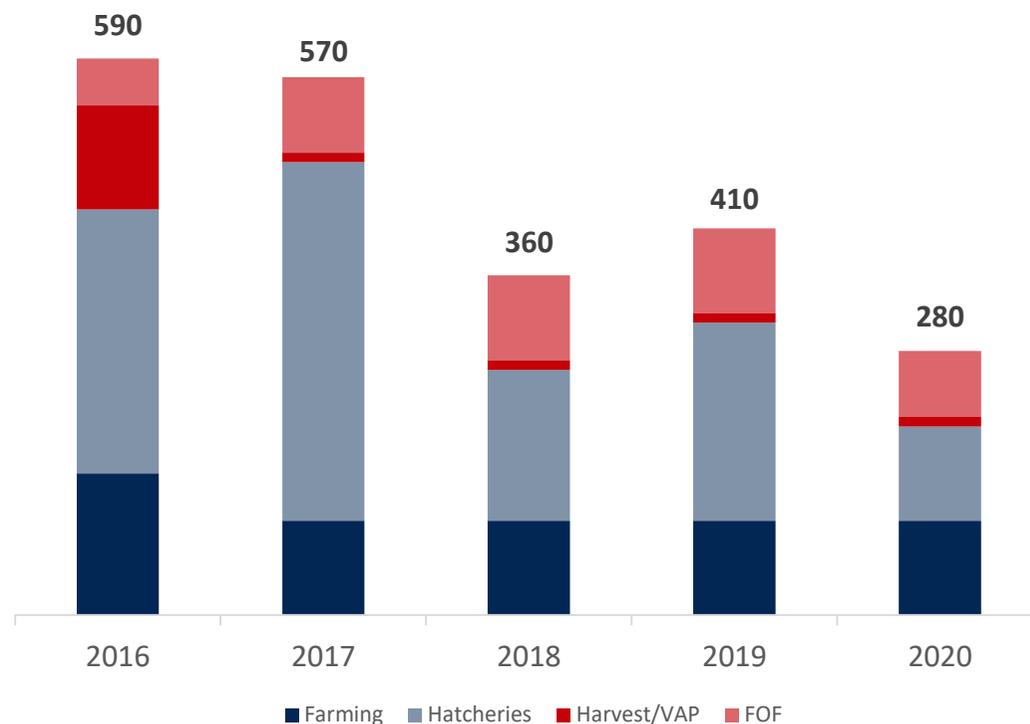
Smolt (1,130 mDKK)

- Viðareiði 2016 – finalizing facility
- Strond 2018 – new facility
- New site 2019
- Upgrade existing facilities 2019-2020

Harvest/VAP Finalizing new plant (160 mDKK)

- Consolidating fragmented processing structure into one state of the art facility
- Represents large efficiency benefits
- Improves capability of extracting benefits of a premium product in the fresh category

Investment Programme 2016 – 2020 (mDKK)



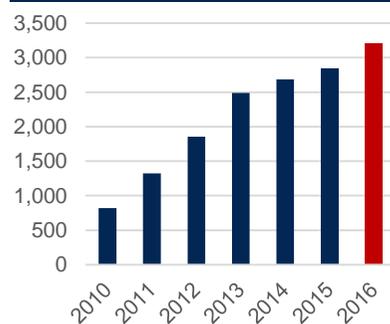
Results in

- reduced biological risk
- opportunities for organic growth
- better usage of off-cuts from the salmon production
- 5-6 years pay back on investments

DEVELOPMENT PER QUARTER Q1 2014 – Q2 2017

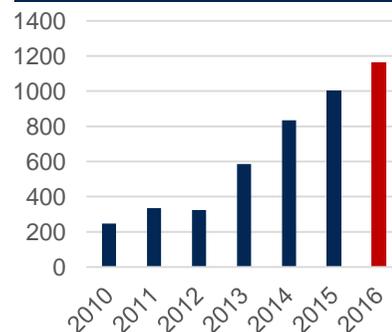
| (mDKK) | Q2 2017 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 | Q2 2015 | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Revenue | 1,206 | 854 | 868 | 640 | 790 | 905 | 760 | 677 | 800 | 613 | 757 | 584 | 711 | 631 |
| Operational EBIT | 459 | 335 | 350 | 255 | 307 | 254 | 257 | 206 | 303 | 235 | 227 | 209 | 212 | 186 |
| Profit/Loss | 398 | 79 | 555 | 347 | 224 | 213 | 319 | 168 | 191 | 132 | 222 | 211 | 126 | 87 |
| Harvest (tgw) | 18,402 | 13,158 | 12,940 | 10,664 | 13,004 | 10,934 | 13,675 | 12,982 | 14,182 | 9,726 | 12,651 | 10,881 | 11,212 | 9,269 |
| Op. EBIT Farming & VAP (NOK/kg) | 29.77 | 29.40 | 32.00 | 28.97 | 27.88 | 27.55 | 21.83 | 18.10 | 22.62 | 26.12 | 19.48 | 19.73 | 17.66 | 21.37 |
| Equity ratio | 64% | 65% | 66% | 63% | 61% | 66% | 66% | 63% | 61% | 61% | 60% | 57% | 53% | 57% |
| NIBD | 560 | 459 | 635 | 504 | 603 | 218 | 391 | 182 | 302 | 227 | 233 | 357 | 555 | 503 |

Turnover (mDKK)



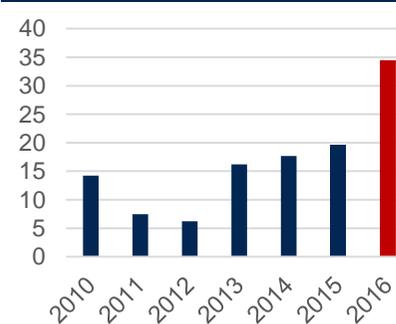
Turnover for the Bakkafrøst Group has increased from 820 mDKK in 2010 to 3.2 bDKK in 2016.

Operational EBIT (mDKK)



Operational EBIT for the Bakkafrøst Group has increased from 247 mDKK in 2010 to 1.2 bDKK in 2016.

Farming margin Op. EBIT (NOK/kg)



The margin in Farming was NOK 34.50 per kg in 2016.

VAP margin Op. EBIT (NOK/kg)



The margin in VAP was NOK -13.82 per kg in 2016.

Dividend

- Dividend for 2016 of DKK 8.70 (NOK 10.36) per share is paid out in Q2 2017

Dividend policy

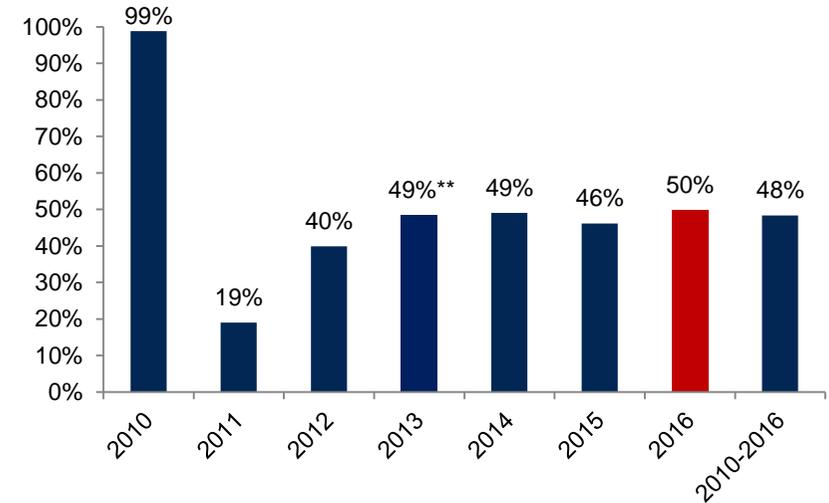
- Competitive return through:
 - Dividends
 - Increase in the value of the equity
- Generally, Bakkafrøst shall pay dividend to its shareholders
- A long-term goal is that 30–50% of EPS shall be paid out as dividend

* Adj. EPS is EPS adjusted for fair value adjustments of biomass and onerous contracts provisions

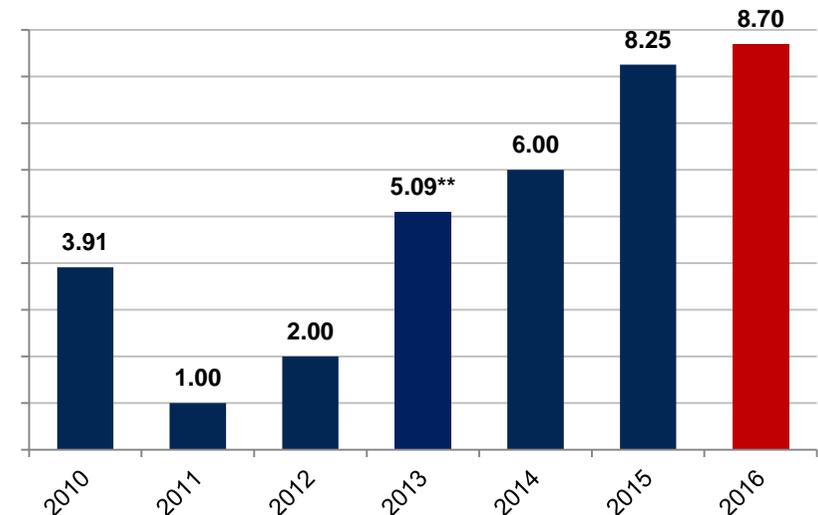
** Dividend and acquisition of treasury shares

*** Dividend is paid out the following year

Dividend per share in % of adj. EPS *



Dividend per share (DKK) ***



- 18 islands – 1,387 km²
- 50,250 inhabitants (July 2017)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, Danish krone (DKK)

Key sectors (% of wage earners, 2016)

- Service/public admin.: ~34%
 - Private service: ~31%
 - Construction: ~13%
 - Fishing : ~21%
 - **Unemployment rate (June 2017): 2.2%**
 - **Total working force (July 2017): 26,029**
-
- **GDP: DKK ~18bn (2016)**
 - **GDP/capita: DKK 360,000 (2016) (Norway: DKK 455,000) (2016)**

Total export of fish products (2016) 15% increased

- DKK 7,680 million
- whereof farmed fish accounts for 48%

TAXES

- **Total percent of GDP: 42.4% (2013)**
- **Corporate tax: 18%**
- **Farming revenue tax : 4.5% of revenues from 1 January 2016**
more details see page 44 in Bakkafrost CMD presentation from June 2016
- **Restriction on single foreign ownership of 20% in farming companies**
- **One company may max. control 50% of licences in the Faroe Islands**



Source: Hagstova Føroya

LARGEST SHAREHOLDERS

20 largest shareholders

| No of shares | Account name | type | Citizenship |
|-------------------|---|------|-------------|
| 4.594.437 | 9,4% Jacobsen Oddvør | | FRO |
| 4.494.174 | 9,2% JACOBSEN JOHAN REGIN | | FRO |
| 3.681.562 | 7,5% Nordea Bank AB Denmark Branch, CCA | NOM | DNK |
| 3.322.931 | 6,8% FOLKETRYGDFONDET | | NOR |
| 1.460.757 | 3,0% CLEARSTREAM BANKING | NOM | LUX |
| 1.413.660 | 2,9% VERDIPAPIRFONDET DNB | | NOR |
| 1.073.369 | 2,2% SWEDBANK ROBUR SMABO NORDEN | | SWE |
| 947.648 | 1,9% JPMorgan Chase Bank, S/A NON-TREATY LENDI | NOM | GBR |
| 873.587 | 1,8% Skandinaviska Enskil SEB AB, UCITS V - Sw | NOM | SWE |
| 700.000 | 1,4% VERDIPAPIRFONDET HAN NORGE | | NOR |
| 638.129 | 1,3% State Street Bank an A/C EXEMPT LUX REGI | NOM | USA |
| 514.560 | 1,1% JPMorgan Chase Bank, A/C VANGUARD BBH LEM | NOM | USA |
| 502.726 | 1,0% NORDEA NORDIC FUND | | FIN |
| 478.139 | 1,0% VERDIPAPIRFONDET ALF | | NOR |
| 464.966 | 1,0% SEB NORDENFOND Skandinaviska Enskil | | SWE |
| 464.775 | 1,0% KLP AKSJENORGE INDEK | | NOR |
| 458.745 | 0,9% UBS Switzerland AG A/C OMNIBUS-DISCLOSE | NOM | CHE |
| 444.298 | 0,9% J.P. Morgan Bank Lux JPML SA RE CLT ASSET | NOM | LUX |
| 430.864 | 0,9% STOREBRAND NORGE I V JPMORGAN EUROPE LTD, | | NOR |
| 430.000 | 0,9% MONTANARO EURO SMALL BNY MELLON SA/NV | | IRL |
| 27.389.327 | 56,1% | | |
| 48.858.065 | 100 Total number of shares as per 15. Aug 2017 | | |
| 241.123 | 0,7 Wherof own shares | | |
| 48.616.942 | 99,3 Total number of outstanding shares | | |

Share development

12 months development



5 years development



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