

Q3 2017

BAKKAFROST GROUP
Oslo 14 November 2017

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- **SUMMARY OF Q3 2017**
- **MARKETS AND SALES**
- **SEGMENT INFORMATION**
- **GROUP FINANCIALS**
- **OUTLOOK**
- **APPENDIX**



Operation

- **Harvested** 11,585 t_{gw} in Q3 2017 (10,664 t_{gw} in Q3 2016)
- **Feed sales** of 22,320 tonnes in Q3 2017* (28,850 tonnes in Q3 2016*)
- **Raw material purchase** of 21,937 tonnes in Q3 2017 (11,003 tonnes in Q3 2016)

Revenues and Operational EBIT

- **Revenues** of DKK 804 million in Q3 2017 (DKK 640 million in Q3 2016)
- **Operational EBIT**** of DKK 252 million in Q3 2017 (DKK 255 million in Q3 2016)

Cash Flow

- **Cash flow from operations** of DKK 334 million in Q3 2017 (DKK 285 million in Q3 2016)

Segments

- **Positive results** in Farming and FOF segments. VAP segment improved although small loss

*) Including internal sales of 20,398 tonnes in Q3 2017 (27,344 tonnes in Q3 2016)

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

SUMMARY OF THE QUARTER

The result of the Farming segment decreased due to lower salmon prices. The VAP segment improved, but had a small loss. The FOF segment had a strong result.

- Farming/VAP margin decreased from 28.97 NOK/kg in Q3 2016 to 23.02 NOK/kg in Q3 2017
- VAP segment improved its margin from -14.15 NOK/kg in Q3 2016 to -1.08 NOK/kg in Q3 2017
- Farming margin was 23.51 NOK/kg in Q3 2017, compared with 34.44 NOK/kg in Q3 2016
- FOF delivered a strong margin of 23.2% in Q3 2017, compared with 19.5% in Q3 2016
- Group Operational EBIT was DKK 252 million in Q3 2017, compared with DKK 255 million in Q3 2016

(DKK million)	Q3 2017	Q3 2016	M9 2017	M9 2016
Operating revenues	804	640	2,864	2,334
Operational EBITDA	302	287	1,184	905
Operational EBIT	252	255	1,046	815
Profit for the period	56	346	533	783
Operational EBITDA margin	37.6%	44.8%	41.3%	38.8%
Operational EBIT margin	31.3%	39.8%	36.5%	34.9%
Operational EBIT/Kg (Farming) (NOK)	23.51	34.44	31.05	33.22
Operational EBIT/Kg (Farming and VAP) (NOK)	23.02	28.97	27.82	28.13
Operational EBIT/Kg (VAP) (NOK)	-1.08	-14.15	-9.84	-14.75
EBITDA margin (Fishmeal, -oil and feed)	23.2%	19.5%	18.4%	21.4%

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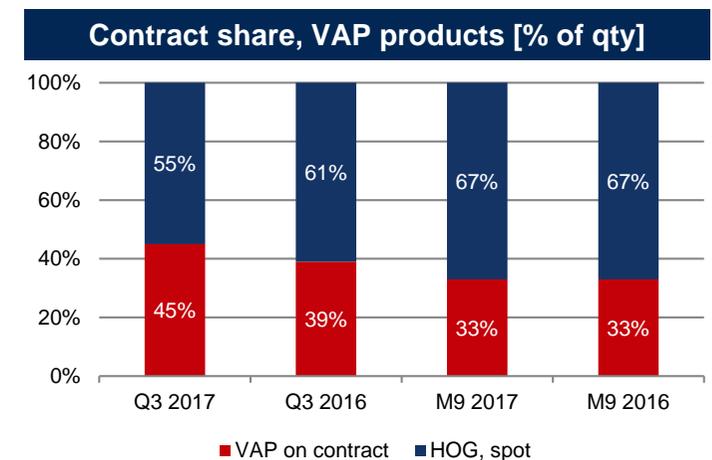
Sales to EU in Q3 2017 on similar level as in Q3 2016, VAP on contract increased to 45%

- EU market had a slight decrease of 1% from 46% in Q3 2016 to 45% in Q3 2017
- USA decreased from 24% to 20%
- Asia increased from 13% to 21%
- Eastern Europe decreased from 17% to 14%
- VAP/contract share was 45% in Q3 2017, compared with 39% in Q3 2016



Total sales of salmon by markets	Q3 2017	Q3 2016	M9 2017	M9 2016
EU	45%	46%	46%	41%
USA	20%	24%	17%	23%
Asia	21%	13%	15%	19%
Eastern Europe	14%	17%	22%	17%

Fresh salmon only by markets	Q3 2017	Q3 2016	M9 2017	M9 2016
EU	15%	21%	28%	20%
USA	28%	36%	23%	31%
Asia	34%	19%	20%	26%
Eastern Europe	23%	24%	29%	23%



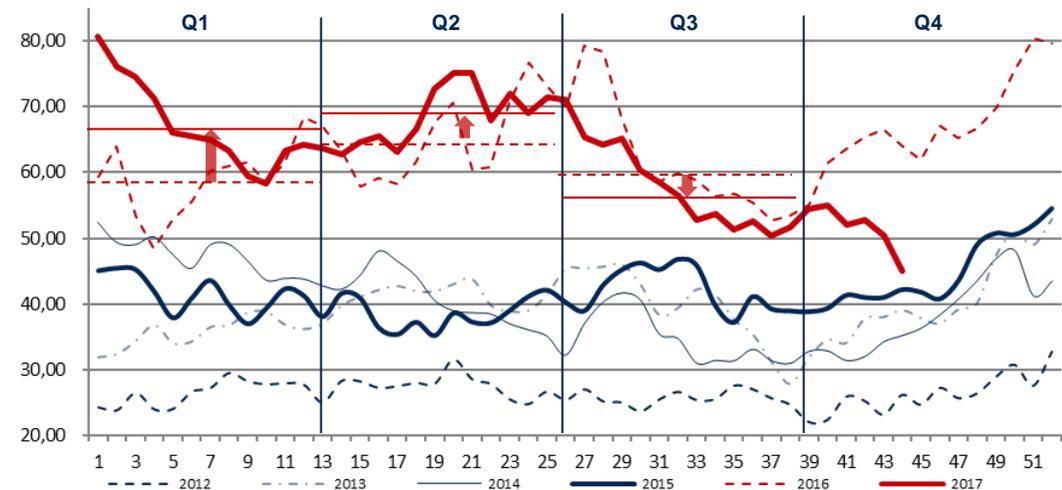
Lower salmon prices in Q3 2017

- Prices decreased
 - y/y by 4.40 NOK/kg ~7.8%
- from 61.10 to 56.70
 - q/q by 12.33 NOK/kg ~21.7%
- from 69.03 to 56.70

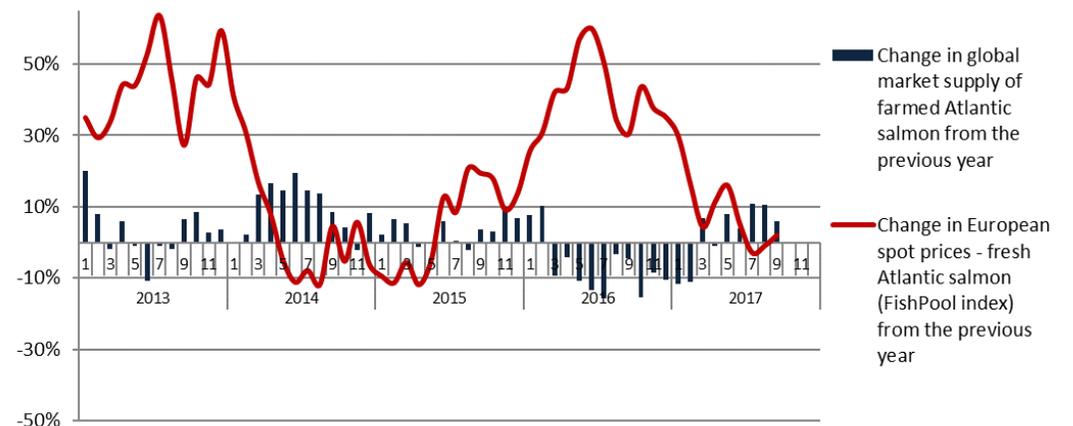
Increased global supply in Q3 2017

- 5.6% increased global supply in Q3 2017, compared with Q3 2016, corresponding to 27,700 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

5.6% increase in supply to the markets Q3 2017 vs. Q3 2016

10% increase in harvest

- Inventory build-up in Chile and Norway during Q3 2017
- Larger inventory release during Q3 2016

European harvest increased by 5.6%

- Norway increased by 4.7%
 - Improved growth conditions during the summer
 - Reduced impact from sea lice
- Harvest recovery in Scotland after challenging 2016

American harvest increased by 19.2%

- Ramp up in Chile after algae bloom problems in 2016
- Normal variation around stable level in Canada

SUPPLY DEVELOPMENT (head on gutted - HOG)	Q3 2017	Q3 2016	Change %
Norway	284.7	271.8	4.7 %
UK	40.0	36.3	10.2 %
Ireland	4.3	4.4	-1.0 %
Faroes	16.6	14.8	12.2 %
Total Europe	345.5	327.2	5.6 %
Chile	126.4	101.1	25.0 %
Canada	33.9	31.9	6.5 %
USA	5.0	5.7	-12.7 %
Total Americas	165.2	138.6	19.2 %
Other	18.6	15.7	19.0 %
Total (Harvested quantity)	529.4	481.5	10.0 %
Inventory movements	-6.7	13.5	-150.5 %
Total (Sold Quantity)	522.5	495.0	5.6 %

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

EU

- Flat consumption vs. 5.6% increase in European supply
- High contract prices and lead times in transferring reduced spot prices to end consumers

USA

- Growth significantly lower than increase in American harvest

Russia

- Market mainly supplied from the Faroe Islands and Chile

Japan and ASEAN

- Strong demand despite high price environment
- Vietnam, Thailand and Singapore largest contributors

Greater China

- No effect of the normalizing diplomatic relationship between Norway and China in the quarter
- Increase driven by supply from Chile and Tasmania

Source: Kontali

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

Markets	Estimated volumes		Q3 comparison		Estimated volumes		YTD comparison	
	Q3 2017E	Q3 2016	Volume	%	Q1-Q3 2017	Q1-Q3 2016	Volume	%
EU	245,300	244,500	800 ↗	0.3%	652,700	689,700	-37,000 ↓	-5.4%
USA	96,300	89,400	6,900 ↗	7.7%	293,900	292,000	1,900 ↗	0.7%
Russia	17,800	17,400	400 ↗	2.3%	45,000	48,800	-3,800 ↓	-7.8%
Japan	13,400	14,600	-1,200 ↓	-8.2%	41,800	41,900	-100 ↗	-0.2%
Greater China	27,500	22,900	4,600 ↗	20.1%	72,000	72,100	-100 ↗	-0.1%
ASEAN	20,300	14,500	5,800 ↗	40.0%	61,200	48,900	12,300 ↗	25.2%
Latin America	33,200	30,800	2,400 ↗	7.8%	99,300	105,200	-5,900 ↓	-5.6%
Ukraine	4,400	1,900	2,500 ↗	131.6%	9,900	6,200	3,700 ↗	59.7%
Other markets	64,400	58,900	5,500 ↗	9.3%	180,900	171,700	9,200 ↗	5.4%
Total all markets	522,600	494,900	27,700 ↗	5.6 %	1,456,700	1,476,500	-19,800 ↗	-1.3 %

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

- Europe expected to grow at relatively high levels, compared to recent quarters
 - Expected drop in Q1 2018 due to Easter effect
- Very strong prevailing growth in Americas expected to diminish
 - Quite low Chilean smolt releases in recent quarters

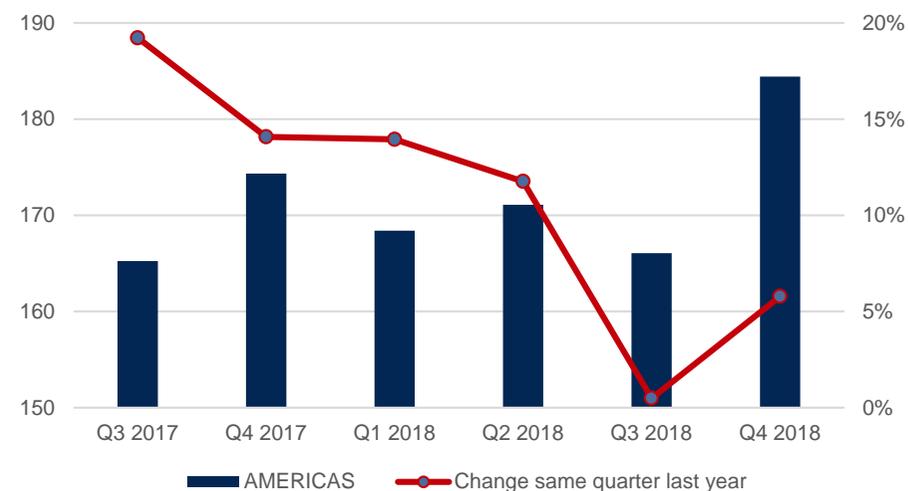
SUPPLY - TOTAL



SUPPLY - EUROPE



SUPPLY - AMERICAS



Source: Kontali

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Harvested volumes

- In Q3 2017, 86% of harvested volume came from the West and 14% from the North region
- Harvested volumes increased by 9% in Q3 2017, compared with Q3 2016
- The guidance for harvest volumes for 2017 increased by 1,000 tonnes gutted weight from 53,500 to 54,500 tonnes gutted weight.

Harvest Volumes tonnes [HOG]	Q3 2017	Q3 2016	M9 2017	M9 2016
North Region	1,659	10,372	24,364	20,785
West Region	9,926	292	18,781	13,817
Total	11,585	10,664	43,145	34,602

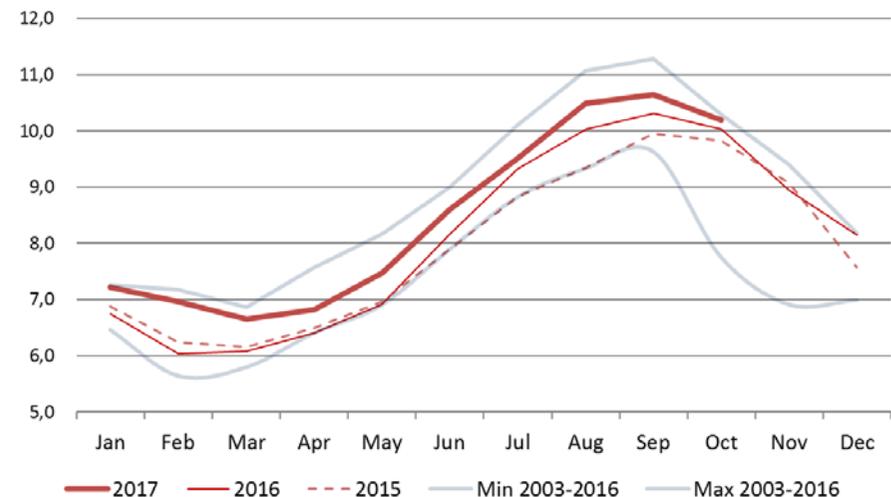
Smolt transfer

- Bakkafrøst transferred 3.2 million smolts in Q3 2017 (3.8 million smolts in Q3 2016)

Seawater temperatures in the Faroe Islands

- Temperatures in Q3 2017 were in average 10.3 °C, compared with 10.2 °C in Q3 2016 and 9.9 °C in average previous 5 years

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



Reduced margin at lower prices

- The operational EBIT decreased by 26% from DKK 294 million in Q3 2016 to DKK 217 million in Q3 2017

Lower growth in the quarter

- Postponed harvest to reach target weight of fish

Number of salmon lice reduced

- Average of 0,39⁽¹⁾ per fish in Q3 2017 vs 0,62 in Q3 2016
- 70% non-chemical treatments⁽²⁾ in Q3 2017, compared with 15% in Q3 2016
- The goal is:
 - To avoid chemical treatments and
 - less than 0.5 adult salmon lice in average at all times per fish

(DKK million)	Q3 2017	Q3 2016	M9 2017	M9 2016
Operating revenues	619	610	2,409	2,064
Operational EBIT	217	294	1,079	913
Operational EBIT margin	35%	48%	45%	44%



(1) Number of mature female salmon lice per fish, counted every 2 weeks in all cages
 (2) Share of non-chemical treatments in the quarter, compared with chemical treatments

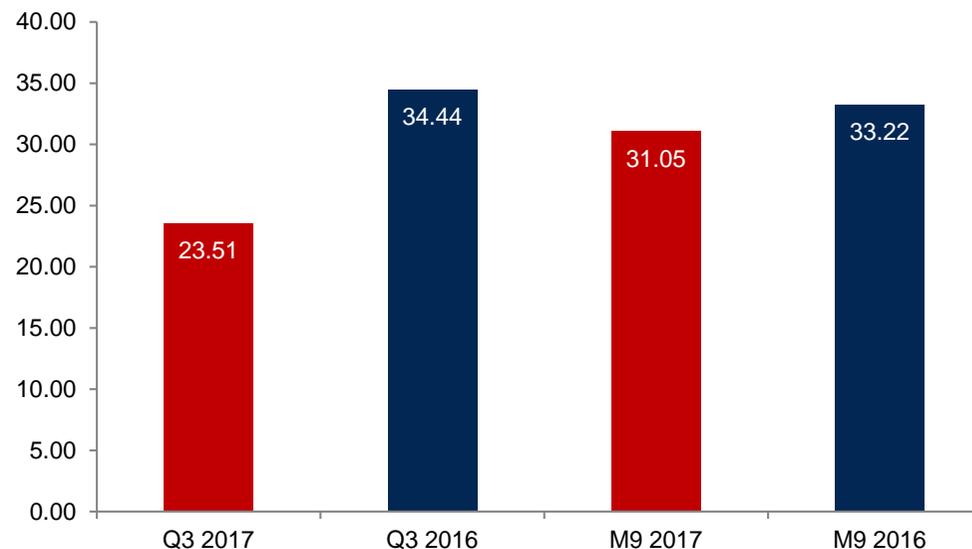
Operation

- Farming EBIT down by 10.93 NOK per kg to 23.51 in Q3 2017, compared to 34.44 in Q3 2016
- Harvest in the West region was late in the quarter realizing lower sales prices

Harvested weight gutted

- West average weight of 5.4 kg
- North average weight of 6.0 kg

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



(NOK/kg)	Q3 2017		
	North Region	West Region	Farming
Operational EBIT/kg gw	32.83	21.95	23.51

VALUE ADDED PRODUCTS (VAP)

VAP margin improved in Q3 2017

- Revenues increased by 22% to DKK 246 million in Q3 2017, from DKK 201 million in Q3 2016
- Operating EBIT in Q3 2017 was DKK -4 million, compared with DKK -47 million in Q3 2016

Performance improved and lower raw material prices in Q3 2017

- Operation in the new VAP factory at Glyvrrar improved in Q3 2017
- Low salmon spot prices in the quarter reduced raw material cost
- Third quarter had typical low seasonal activity

(DKK million)	Q3 2017	Q3 2016	M9 2017	M9 2016
Operating revenues	246	201	710	568
Operational EBIT	-4	-47	-112	-140
Operational EBIT margin	-2%	-23%	-16%	-25%
VAP produced volumes (tgw)	5,209	4,119	14,118	11,943

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



Strong margin in quarter

- EBITDA of DKK 79 million in Q3 2017, compared with DKK 62 million in Q3 2016
- EBITDA margin of 23.2% in Q3 2017, compared with 19.5% in Q3 2016
- Feed sales decreased 23% in Q3 2017, compared to Q3 2016, but sales of fishmeal increased Q3 2017, compared to Q3 2016

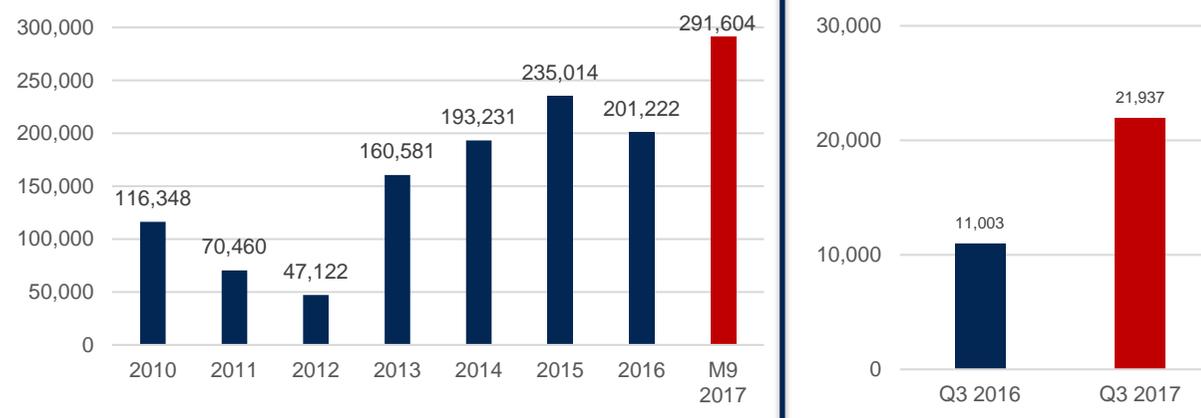
Fishmeal, Oil and Feed

(DKK million)	Q3 2017	Q3 2016	M9 2017	M9 2016
Operating revenues	342	320	936	828
EBITDA	79	62	172	177
EBITDA margin	23.2%	19.5%	18.4%	21.4%
Feed sold (tonnes)*	22,320	28,850	59,179	59,599
Fishmeal sold external (tonnes)	14,547	1,516	40,051	17,295

Seasonal low raw material sourcing quarter

- Havsbrún sourced 21,937 tonnes of raw material in Q3 2017, compared with 11,003 tonnes in Q3 2016

Sourcing of raw material (tonnes)



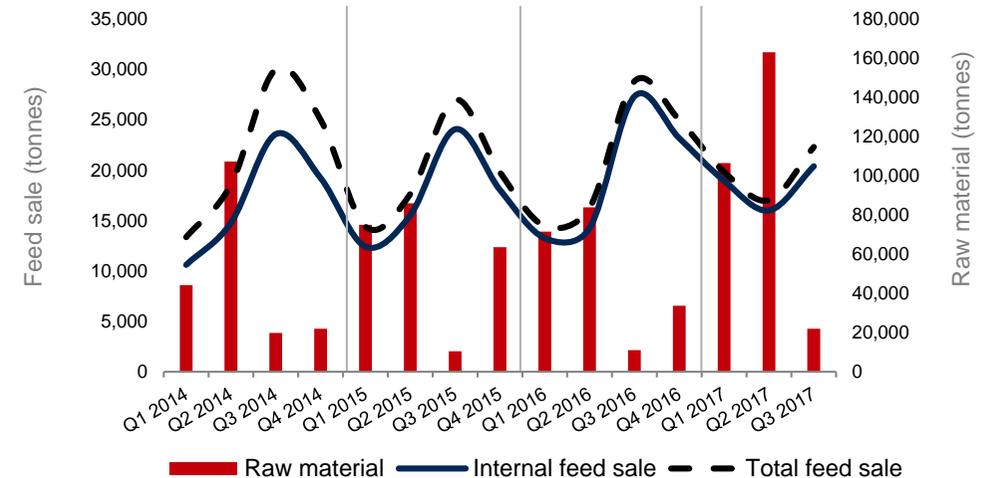
* Including sales to Bakkafrost, corresponding to ~91% of feed volumes in Q3 2017 (Q3 2016: 95%)

MARKET CONDITIONS FEED

Feed sales decreased

- Quantity of feed sold was 22,320 tonnes in Q3 2017, compared with 28,850 tonnes in Q3 2016
- Growth conditions in Q3 2017 were reduced, compared to previous years, mainly because of treatments against sea lice

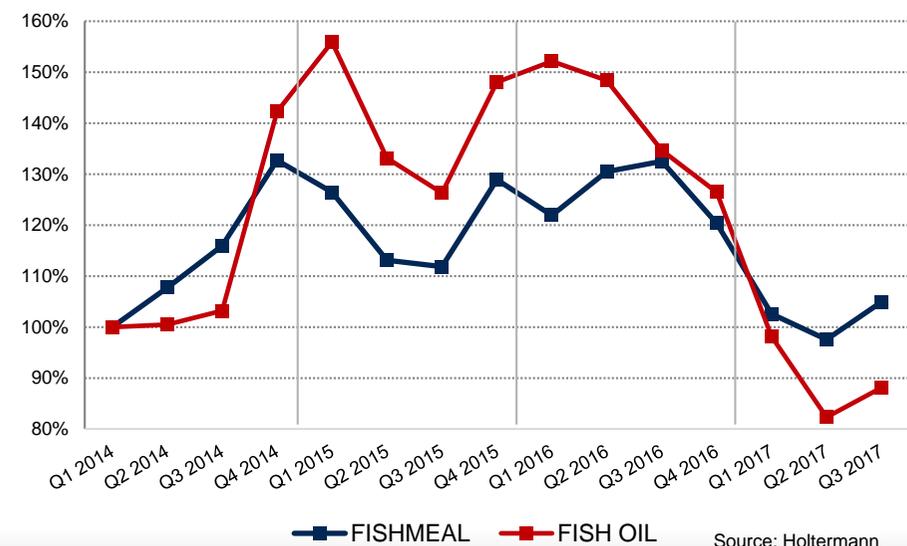
Volumes of raw material purchase and feed sale [tonnes]



In Q3 2017, market prices on the spot market for marine ingredients increase again

- Fishmeal prices increased in Q3 2017, compared with Q2 2017, and are now above Q1 2014 levels
- Fish oil prices increased in Q3 2017, compared with Q2 2017, but are still under Q1 2014 levels

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



Source: Holtermann

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Construction of new hatchery at Strond in Klaksvík (photo from Oct. 2017)

The operation is expected to start mid-2018. At full operation in 2019/2020 the hatchery is expected to produce 7 million smolt á 500 gram each.

GROUP PROFIT AND LOSS

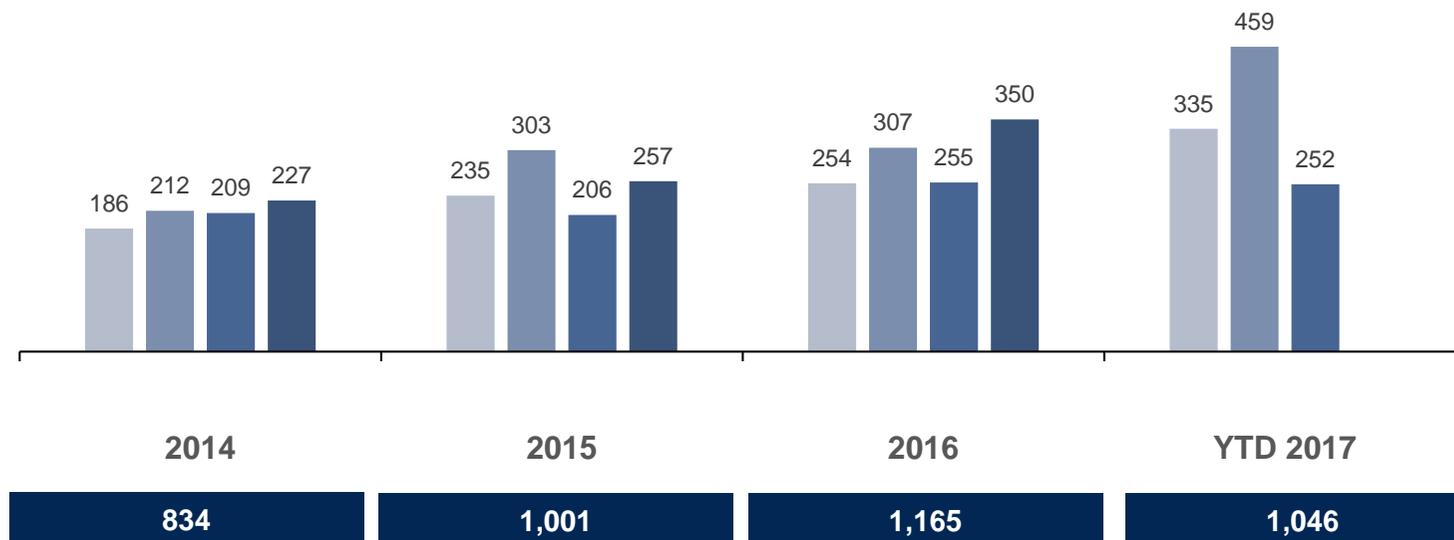
- Revenues increased from DKK 640 million in Q3 2016 to DKK 804 million in Q3 2017.
- Operational EBIT in Q3 2017 nearly unchanged at DKK 252 million, compared to DKK 255 million in Q3 2016
- Fair value of biomass decreased due to lower prices, compared to the end of last quarter
- Provision for onerous contracts was DKK 12 million
- Revenue tax (4.5% of harvested volumes at Nasdaq prices) recognized as cost, amounted to DKK -24 million
- Financial items amounted to DKK -16 million, whereof DKK -7 million is related to the NOK bond loan
- Taxes amounted to DKK -12 million
- Profit after tax decreased from DKK 346 million in Q3 2016 to DKK 56 million in Q3 2017

(DKK million)	Q3 2017	Q3 2016	M9 2017	M9 2016
Operating revenues	804	640	2,864	2,334
Operational EBITDA*	302	287	1,184	905
Operational EBIT*	252	255	1,046	815
Fair value adjustment of biological assets	-155	122	-335	200
Onerous contracts	12	86	67	49
Income from associates	-1	-5	-1	5
Revenue tax	-24	-23	-99	-75
Badwill	0	10	0	10
EBIT	84	445	678	1,005
Net Financial items	-16	-21	-27	-49
EBT	68	424	651	956
Taxes	-12	-78	-118	-173
Profit for the period	56	346	533	783
Operational EBITDA margin	37.6%	44.8%	41.3%	38.8%
Operational EBIT margin	31.3%	39.8%	36.5%	34.9%
Operational EBIT/kg (Farming and VAP) (NOK)	23.02	28.97	27.82	28.13
EBITDA margin (fishmeal, -oil and feed)	23.2%	19.5%	18.4%	21.4%

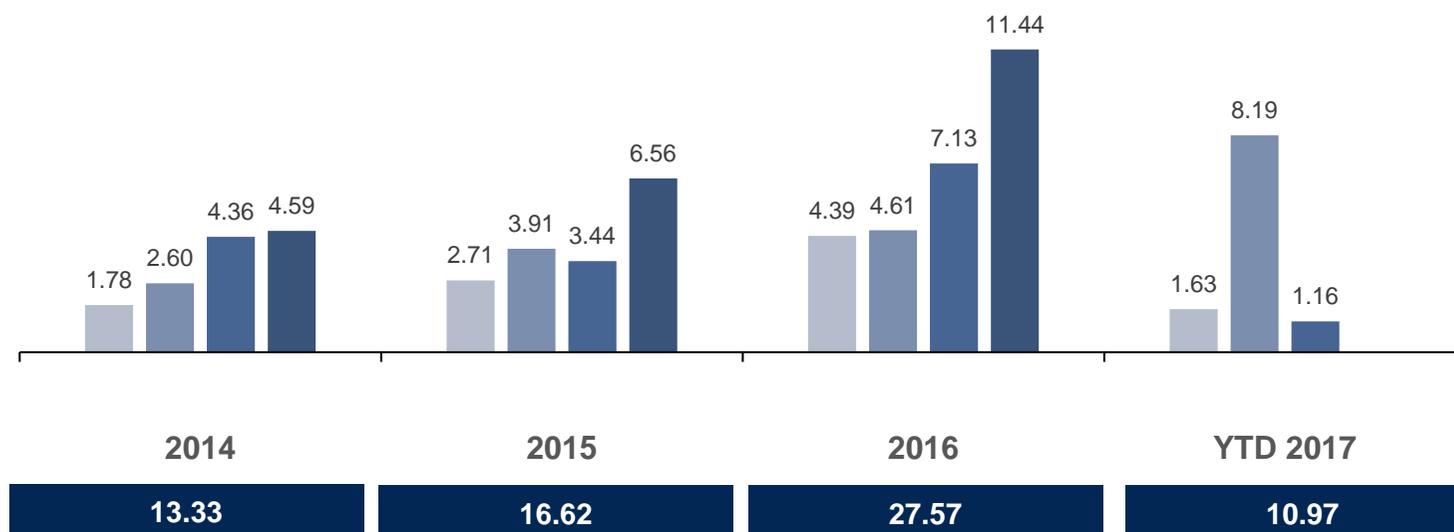
* Operational EBITDA and EBIT adjusted for fair value adjustment of biomass, onerous contracts, income from associates, badwill and revenue tax.

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 Q3 2017 are unchanged from Q4 2016
- Investments in PPE of DKK 118 million in Q3 2017
- Financial assets amount to DKK 58 million.
- The carrying amount of biological assets amounts to DKK 1,417 million, whereof fair value adjustment amounts to DKK 545 million
- Inventory decreased by DKK 3 million from the end of 2016 to DKK 353 million at the end of Q3 2017
- Changes in equity because of positive results in the period
- NIBD at DKK 356 million down from DKK 635 million at end 2016*
- Equity ratio 68% (Covenants 35%)

(DKK million)	End M9 2017	End M9 2016	End 2016
Intangible assets	377	377	377
Property, plant and equipment	2,448	1,971	2,118
Financial assets	58	49	59
Long term receivables	0	0	13
Biological assets	1,417	1,413	1,858
Inventory	353	378	356
Receivables	333	223	292
Other receivables	32	88	110
Cash and cash equivalents	347	241	235
Total Assets	5,365	4,741	5,418
Equity	3,662	2,997	3,549
Deferred tax and other taxes	661	568	546
Long-term interest bearing debt	256	708	827
Financial derivatives	111	94	101
Short-term interest bearing debt	395	0	0
Accounts and other payables	280	373	395
Total Equity and Liabilities	5,365	4,741	5,418

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

CASH FLOW

- Cash flow from operations higher in Q3 2017, compared to Q3 2016, due to changes in working capital
- Cash flow from investments represents investments in PPE
- Cash flow from financing is affected by change in interest bearing debt

(DKK million)	Q3 2017	Q3 2016	M9 2017	M9 2016
Cash flow from operations	334	285	1,197	777
Cash flow from investments	-118	-229	-467	-547
Cash flow from financing	-222	12	-618	-92
Net change in cash	-6	67	112	139
Cash at the end of the period	347	241	347	174
Undrawn facilities	933	767	933	767

NET INTEREST BEARING DEBT (NIBD)

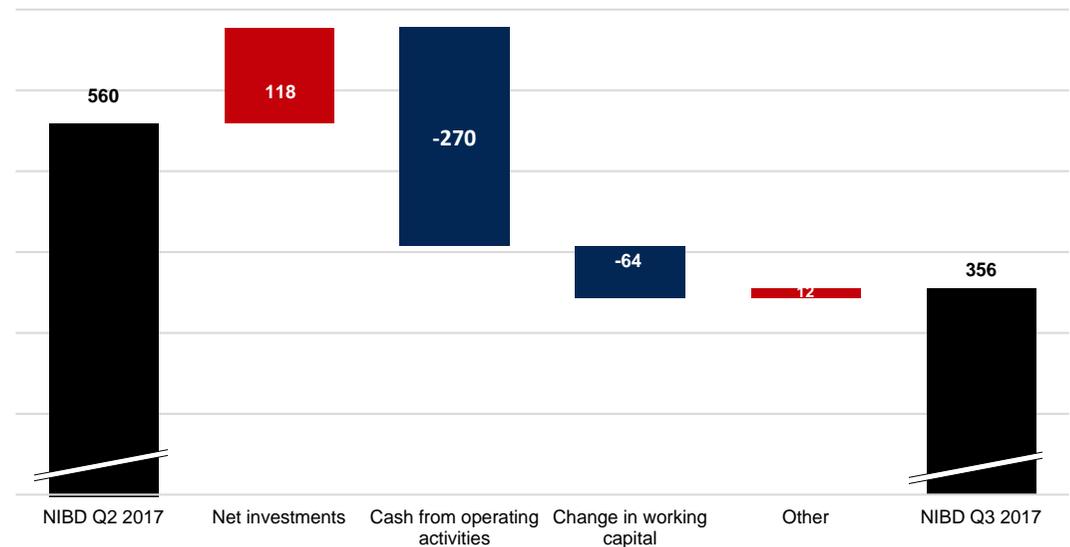
Net Interest Bearing Debt

- Cash flow from operating activities and changes in working capital decreased the NIBD with DKK 334 million
- Net investments and other in Q3 2017 increased the NIBD with DKK 130 million

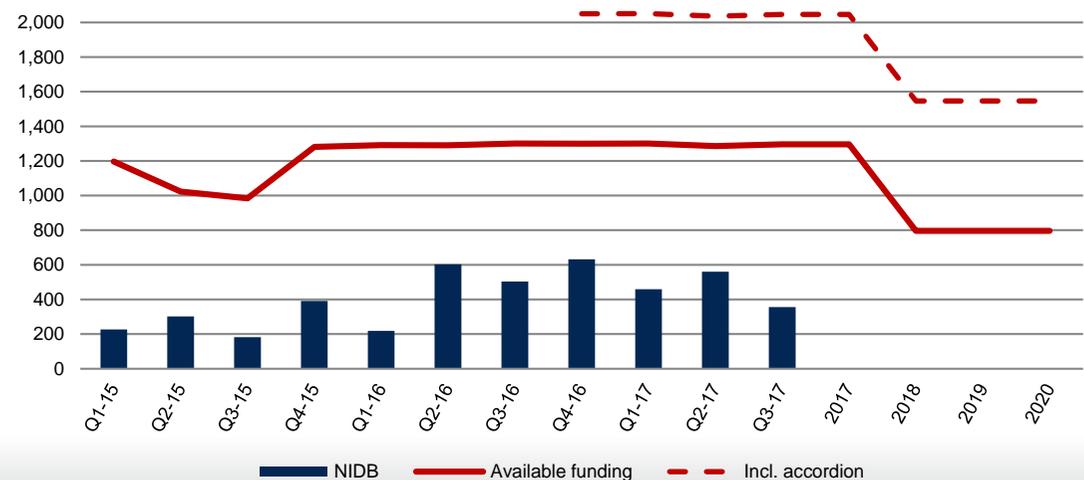
Financing end Q3 2017

- Total funding to ~ DKK 1,296 million
- NIBD: DKK 356 million
- Undrawn loan facilities: DKK 933 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
- Global supply in 2018 expected to increase around 7-8%, compared to 2017

Farming

- Bakkafrost expects to harvest 54,500 tonnes in 2017, which is an increase of 1,000 tonnes, compared to previous forecast
- Bakkafrost expects to harvest 51,000 tonnes in 2018
- Expected total smolt release in 2017 is 10.5 million pieces, which is a reduction of 1 million, compared to previous forecast
- Expected smolt release in 2018 is 13.0 million pieces

VAP

- Contracted around 53% of expected harvest for the rest of 2017
- Bakkafrost is presently negotiating contracts for 2018

Fishmeal, Oil and Feed

- Forecast for feed sales in 2017 is reduced by 5,000 tonnes from 85,000 tonnes to 80,000 tonnes
- Feed sales in 2018 is expected to be around 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

8% supply increase in 2018

- Total supply growth of 2% in 2017
- Total supply growth of 8% in 2018

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

	2014	2015	2016	2017E	2018E
Norway	1,076	1,112	1,055	1,083	1,171
UK	153	150	142	157	159
Ireland	11	14	14	16	16
Faroes	75	69	66	74	74
Total Europe	1,316	1,345	1,277	1,330	1,419
Chile	508	529	503	482	548
Canada	86	122	128	124	131
USA	22	18	20	20	19
Total Americas	615	669	651	626	698
Other	54	64	64	76	84
Total (Sold Quantity)	1,985	2,079	1,992	2,032	2,201
Supply growth - Global	8%	5%	-4%	2%	8%
Supply growth - Europe	6%	2%	-5%	4%	7%
Supply growth - Americas	14%	9%	-3%	-4%	12%

Salmon Markets (head on gutted - HOG) □

	2014	2015	2016	2017E	2018E
EU	911	973	941	928	1,005
USA	336	380	379	392	418
Japan	58	54	59	59	64
Russia	131	96	69	69	70
Others	550	577	545	582	644
Total (Sold Quantity)	1,985	2,080	1,993	2,032	2,201

Notes:

All figures are in hog-equivalents and thousand tonnes.

Figures represent sold quantity of Atlantic Salmon from each producing country

Source: Kontali

Q3 MARKET ENVIRONMENT

Reduced prices in Europe on moderate supply growth

- Nasdaq Norway price EUR 6.0 in Q3 2017
- 6.3% increase vs. Q3 2016
- 16.8% decrease, compared to Q2 2017
- Generally high price realization on fixed contracts

Chilean supply increase impacted US prices

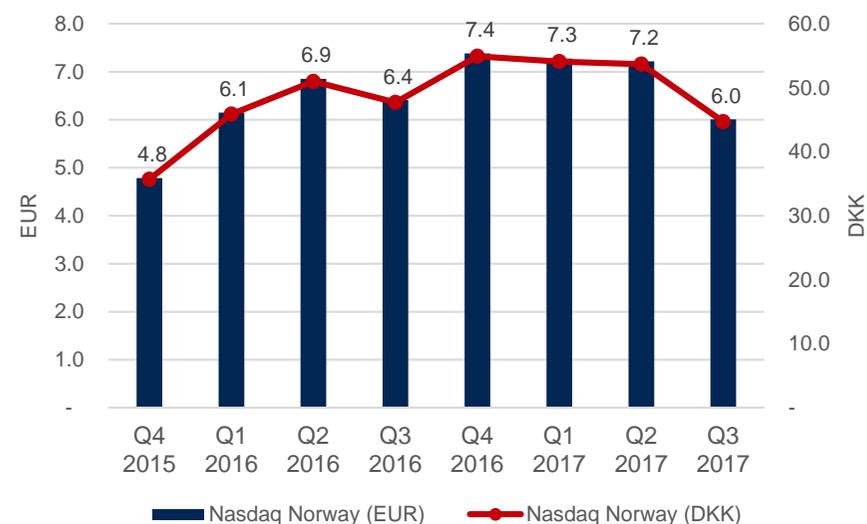
- UB North East US
- 8.2% decrease vs. Q3 2016
- 4.5% decrease, compared to Q2 2017

MARKET CURRENCY	Q3 2017	Q3 2016	Change %
Nasdaq Norway (EUR)	6.01	6.41	-6.3 %
UB North East US 12-14lb HOG (USD per kg)	8.22	8.95	-8.2 %

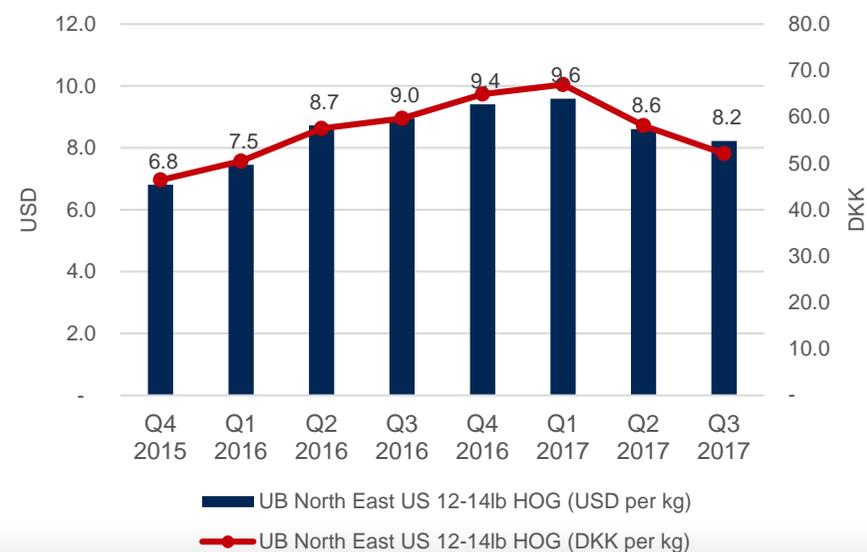
DKK	Q3 2017	Q3 2016	Change %
Nasdaq Norway	44.69	47.71	-6.3 %
UB North East US 12-14lb HOG (per kg)	52.08	59.67	-12.7 %

Source: Kontali

PRICE NORWAY



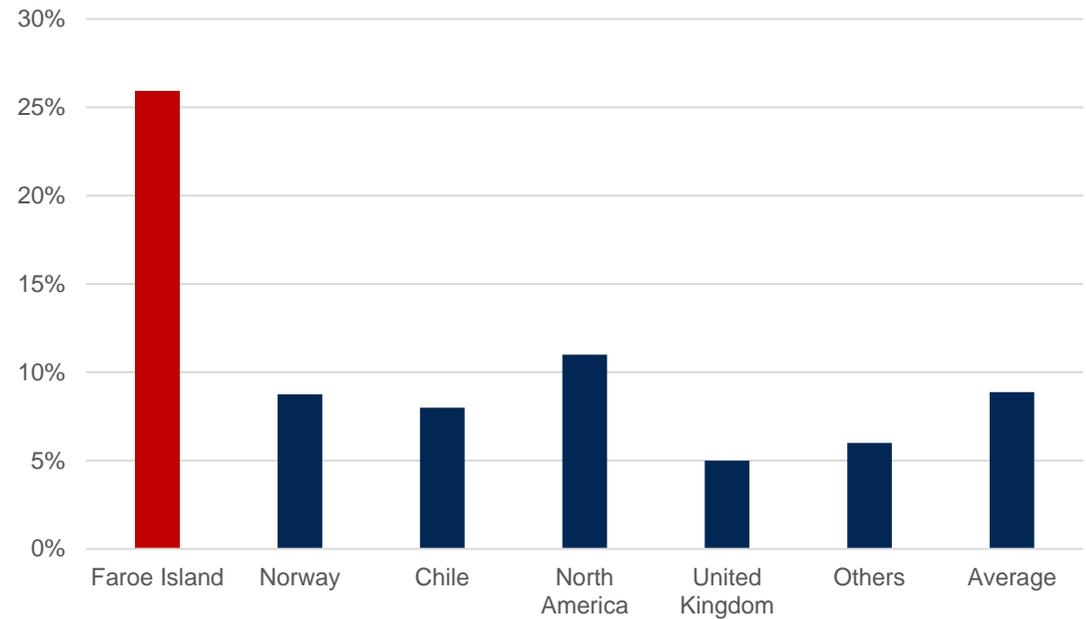
PRICE US – NORTH EAST



Share of large fish

- Share of large fish 26% in Q3 2017, compared with average of 9%
- 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 PROGRAMME 2016 - 2020

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

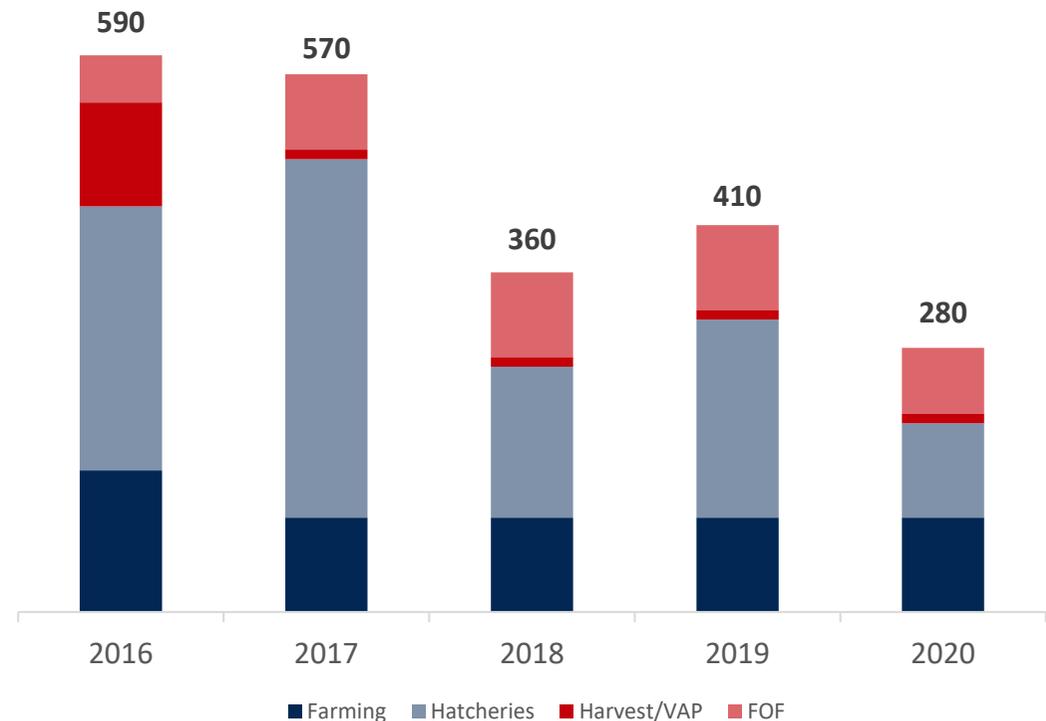
Smolt (1,130 mDKK)

- 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

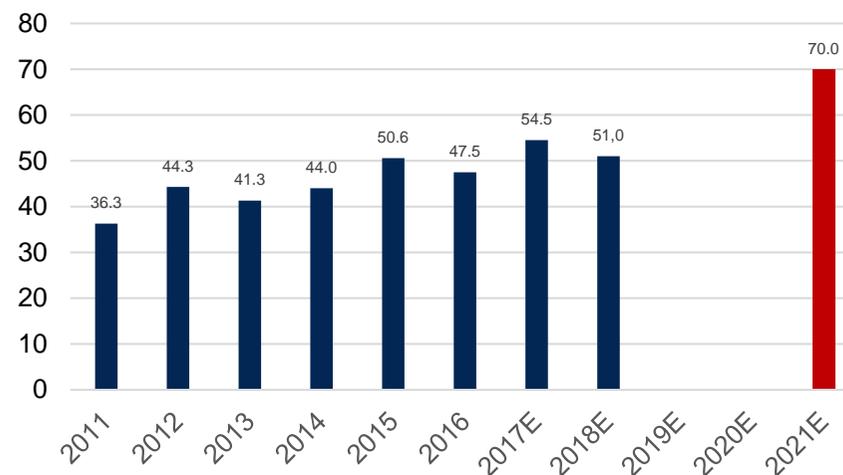
- reduced biological risk
- opportunities for organic growth
- better usage of off-cuts from the salmon production
- 5-6 years pay back on investments

INCREASED SMOLT PRODUCTION LEADS TO INCREASED PRODUCTION

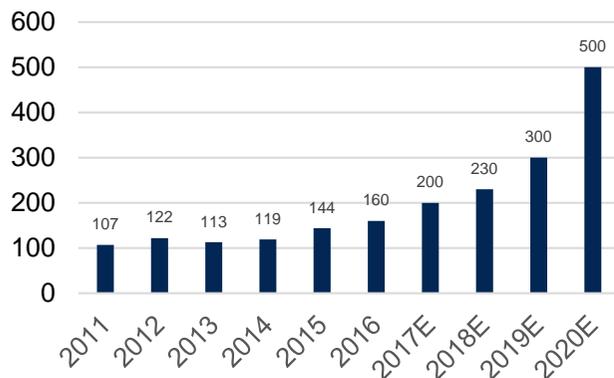
Larger smolt (PS) will reduce time of cycle in farming

- Harvest cycle every second year from the same fjords until effect from larger smolt evolves
- Smolt size will gradually increase to 500 gram by 2020
- Smolt release will gradually increase to ~14 million pcs as production cycle decreases from 24 to ~14 months (incl. following period)
- Production volume will gradually increase to ~7 thousand tonnes

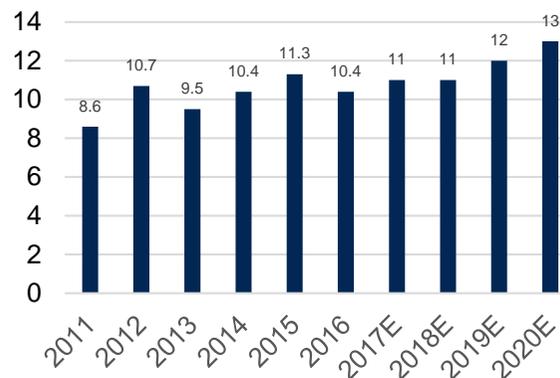
Farming volume – growth potential with PS (1,000 tonnes)



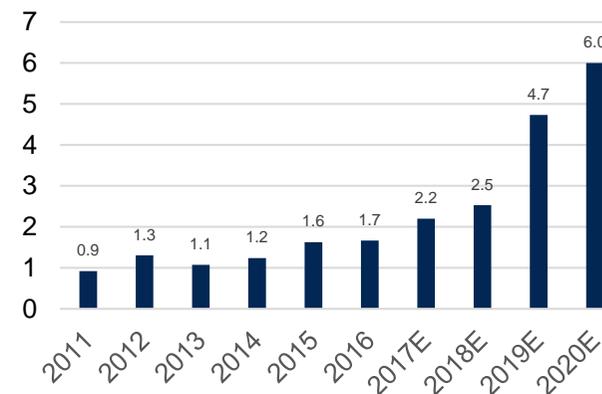
Smolt size on released fish (size gram)



Smolt release (million pcs)



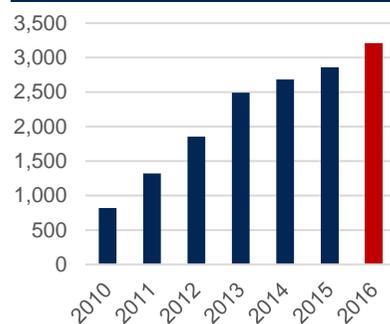
Production volume (1,000 tonnes)



DEVELOPMENT PER QUARTER Q1 2014 – Q3 2017

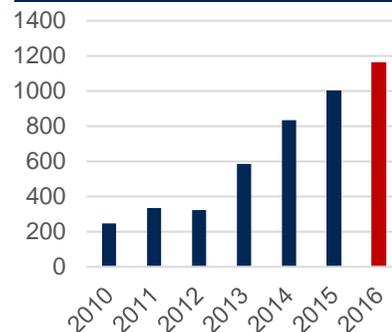
(mDKK)	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenue	804	1,206	854	868	640	790	905	760	677	800	613	757	584	711	631
Operational EBIT	252	459	335	350	255	307	254	257	206	303	235	227	209	212	186
Profit/Loss	56	398	79	555	347	224	213	319	168	191	132	222	211	126	87
Harvest (tgv)	11,585	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)	23.02	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	68%	64%	65%	66%	63%	61%	66%	66%	63%	61%	61%	60%	57%	53%	57%
NIBD	356	560	459	635	504	603	218	391	182	302	227	233	357	555	503

Turnover (mDKK)



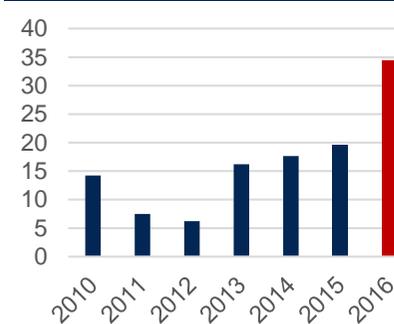
Turnover for the Bakkafrøst Group has increased from 820 mDKK in 2010 to 3.2 bDKK in 2016.

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

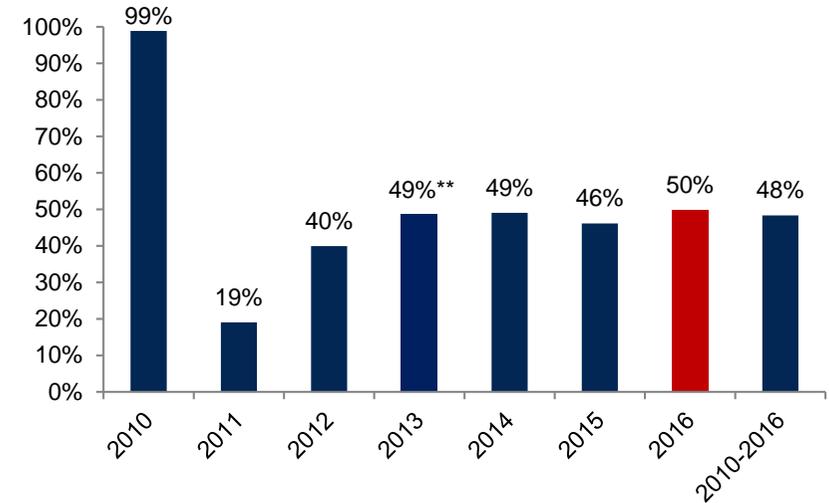
- Competitive return through:
 - Dividends
 - Increase in the value of the equity
- Generally, Bakkafrøst shall pay dividend to its shareholders
- A long-term goal is that 30–50% of EPS shall be paid out as dividend

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

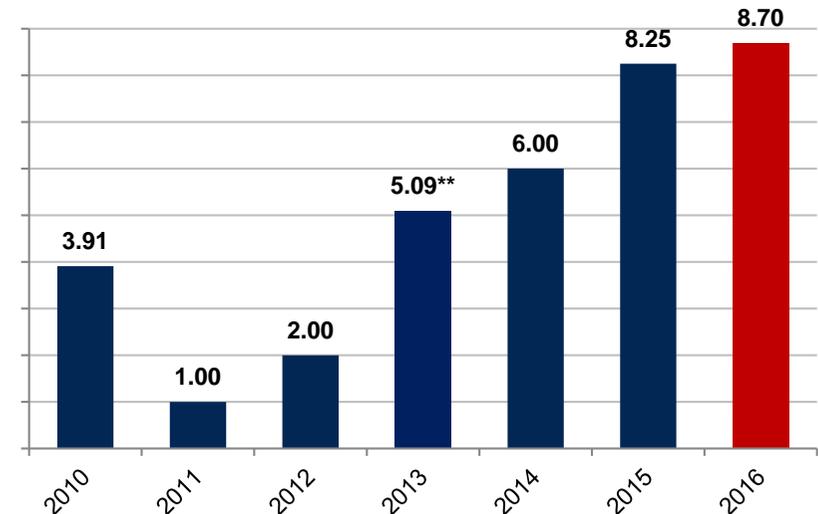
** Dividend and acquisition of treasury shares

*** 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
4.494.251	9,2%	JACOBSEN JOHAN REGIN		FRO
3.759.341	7,7%	FOLKETRYGDFONDET		NOR
3.513.840	7,2%	Nordea Bank AB Denmark Branch, CCA	NOM	DNK
1.320.109	2,7%	CLEARSTREAM BANKING	NOM	LUX
1.316.188	2,7%	VERDIPAPIRFONDET DNB V/DNB ASSET MANAGEME		NOR
1.073.369	2,2%	SWEDBANK ROBUR SMABO NORDEN		SWE
960.369	2,0%	Skandinaviska Enskil SEB AB, UCITS V - Sw	NOM	SWE
951.705	1,9%	JPMorgan Chase Bank, S/A NON-TREATY LENDI	NOM	GBR
717.852	1,5%	JPMorgan Chase Bank, JPMCB RE HB SWED FUN	NOM	SWE
637.346	1,3%	State Street Bank an A/C EXEMPT LUX REGI	NOM	USA
558.477	1,1%	State Street Bank an A/C WEST NON-TREATY	NOM	USA
554.194	1,1%	AVIVA INVESTORS JPML SA RE CLT AVIVA		LUX
528.316	1,1%	J.P. Morgan Bank Lux JPML SA RE CLT ASSET	NOM	LUX
514.793	1,1%	JPMorgan Chase Bank, A/C VANGUARD BBH LEN	NOM	USA
501.040	1,0%	NORDEA NORDIC FUND		FIN
493.980	1,0%	SEB SVERIGEFOND Skandinaviska Enskil		SWE
478.139	1,0%	VERDIPAPIRFONDET ALF		NOR
473.405	1,0%	State Street Bank an A/C CLIENT OMNIBUS F	NOM	USA
456.915	0,9%	KLP AKSJENORGE INDEK		NOR
27.898.066	57,1%			
48.858.065		100 Total number of shares as per 8. Nov 2017		
238.789		0,7 Wherof own shares		
48.619.276		99,3 Total number of outstanding shares		

Share development

12 months development



5 years development



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