

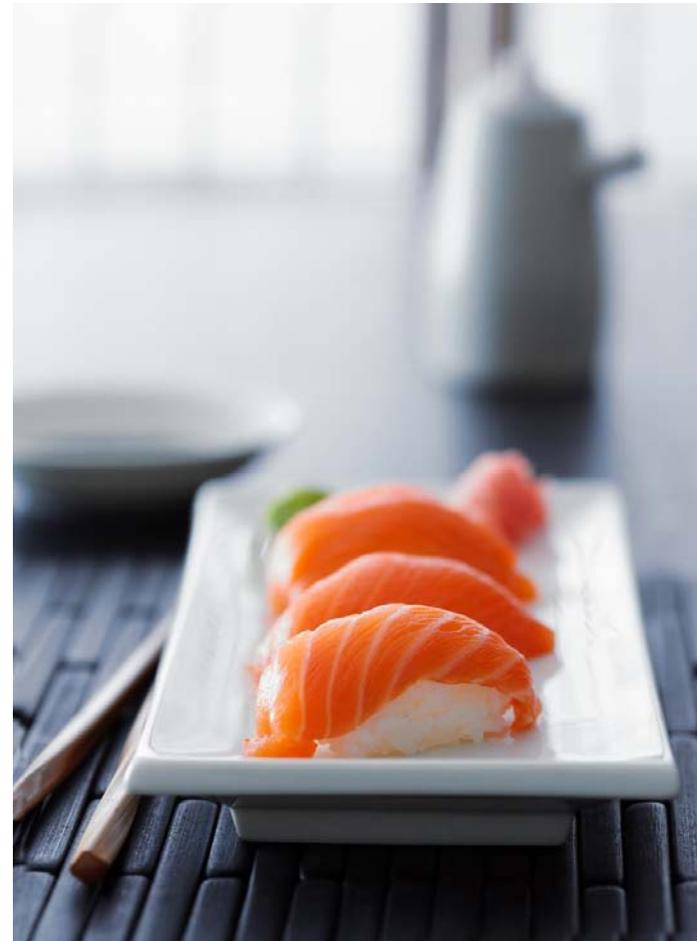
Q1 2018

BAKKAFROST GROUP

Oslo 7 May 2018

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- **SUMMARY OF Q1 2018**
- **MARKETS AND SALES**
- **SEGMENT INFORMATION**
- **GROUP FINANCIALS**
- **OUTLOOK**
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Operation

- **Harvested** 12,237 t_{gw} in Q1 2018 (13,158 t_{gw} in Q1 2017)
- **Feed sales** of 13,923 tonnes in Q1 2018* (19,827 tonnes in Q1 2017*)
- **Raw material purchase** of 130,104 tonnes in Q1 2018 (106,567 tonnes in Q1 2017)

Revenues and Operational EBIT

- **Revenues** of DKK 851 million in Q1 2018 (DKK 854 million in Q1 2017)
- **Operational EBIT**** of DKK 268 million in Q1 2018 (DKK 335 million in Q1 2017)

Cash Flow

- **Cash flow from operations** of DKK 368 million in Q1 2018 (DKK 365 million in Q1 2017)

Segments

- **Farming and FOF segments** had positive results, while **VAP segment** had a loss

*) Including internal sales of 13,152 tonnes in Q1 2018 (18,953 tonnes in Q1 2017)

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

SUMMARY OF THE QUARTER

The result for the Farming segment decreased due to lower salmon prices and higher costs. The VAP result was negative again, but the FOF segment had a very strong result.

- Farming/VAP margin decreased from 29.40 NOK/kg in Q1 2017 to 22.92 NOK/kg in Q1 2018
- VAP segment had a margin of -7.10 NOK/kg in Q1 2018, compared to -17.62 NOK/kg in Q1 2017
- Farming margin was 24.15 NOK/kg in Q1 2018, compared to 34.27 NOK/kg in Q1 2017
- FOF delivered a very strong margin of 28.8% in Q1 2018, compared to 16.3% in Q1 2017
- Group Operational EBIT was DKK 268 million in Q1 2018, compared to DKK 335 million in Q1 2017

(DKK million)	Q1 2018	Q1 2017	2017	2016
Operating revenues	851	854	3,770	3,203
Operational EBITDA	314	377	1,561	1,298
Operational EBIT	268	335	1,378	1,165
Profit for the period	272	79	511	1,339
Operational EBITDA margin	36.9%	44.2%	41.4%	40.5%
Operational EBIT margin	31.5%	39.3%	36.5%	36.4%
Operational EBIT/Kg (Farming) (NOK)	24.15	34.27	30.02	34.50
Operational EBIT/Kg (Farming and VAP) (NOK)	22.92	29.40	28.29	29.23
Operational EBIT/Kg (VAP) (NOK)	-7.10	-17.62	-4.96	-13.82
EBITDA margin (Fishmeal, -oil and feed)	28.8%	16.3%	20.4%	21.4%

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MARKETS & SALES

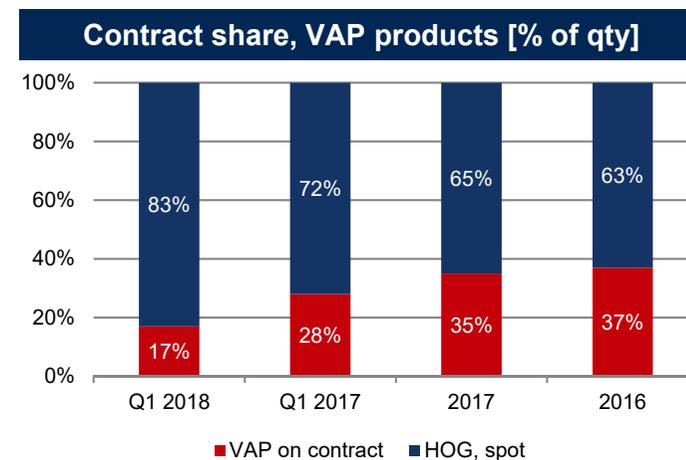
Sales to Eastern Europe and Asia increased, and sales to EU and USA decreased in Q1 2018, compared with Q1 2017. VAP on contract was on a low level at 17%

- EU market decreased from 46% in Q1 2017 to 31% in Q1 2018
- USA decreased from 19% to 16%
- Asia increased from 13% to 21%
- Eastern Europe increased from 22% to 32%
- VAP contract share was 17% in Q1 2018, compared to 28% in Q1 2017



Total sales of salmon by markets	Q1 2018	Q1 2017	2017	2016
EU	31%	46%	45%	43%
USA	16%	19%	18%	23%
Asia	21%	13%	16%	17%
Eastern Europe	32%	22%	21%	17%

Fresh salmon only by markets	Q1 2018	Q1 2017	2017	2016
EU	22%	29%	23%	19%
USA	17%	25%	24%	33%
Asia	23%	17%	23%	25%
Eastern Europe	38%	29%	30%	23%



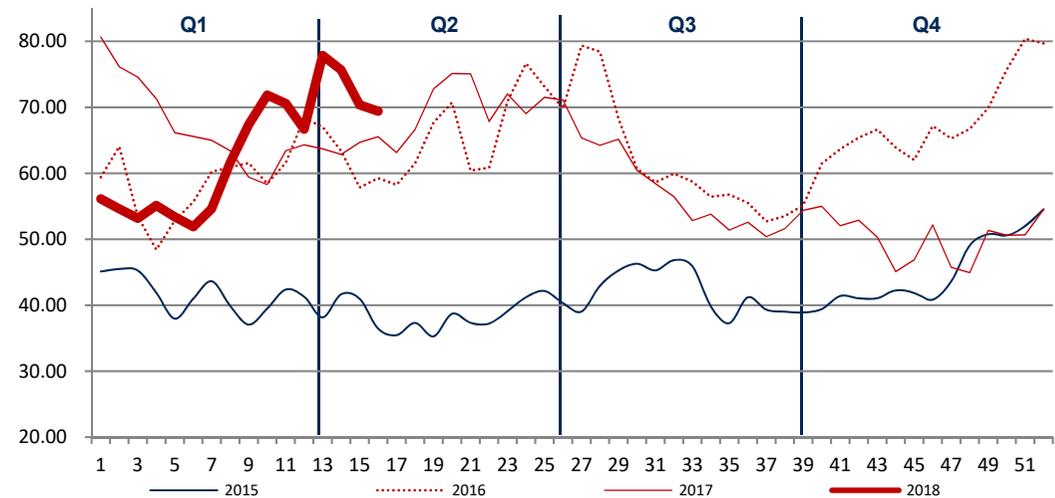
Large price increase during Q1 2018

- Exceptional high price change during Q1 2018
 - Price change (low/high) of NOK 25.95 ~50%
- from NOK 51.90 to NOK 77.85
 - y/y by 5.93 NOK/kg ~8.8%
- from NOK 67.07 to NOK 61.14
 - q/q by 10.98 NOK/kg ~21.9%
- from NOK 50.16 to NOK 61.14

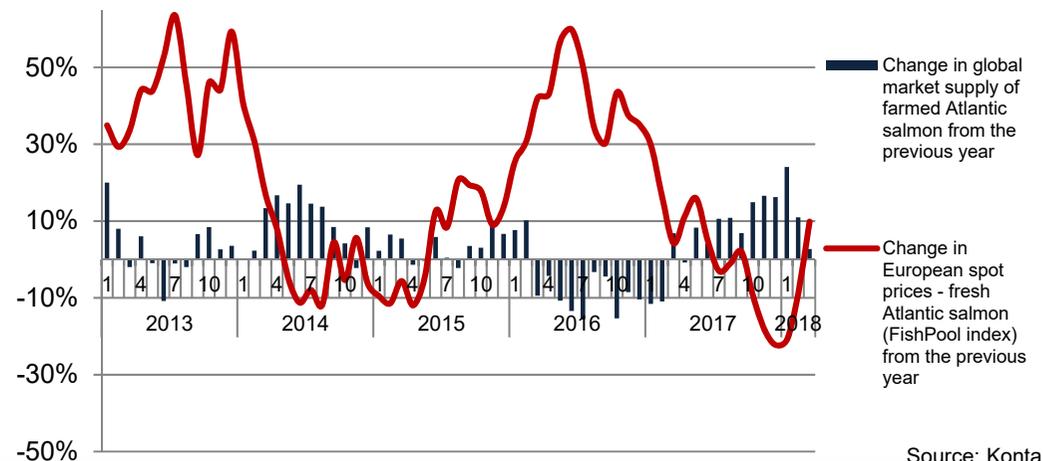
Increased global supply in Q1 2018

- 10% increased global supply in Q1 2018, compared with Q1 2017, corresponding to 45,190 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

10% supply growth in Q1 2018

- European harvest increased by 4%
- American harvest increased by 23%

6% growth from Norway

- Reduced harvest during the quarter
- Weaker productivity compared to Q4 2017
 - Low temperatures caused higher mortality

Scotland low due to few individuals for harvest and low temperatures

29% growth from Chile

- Q1 2017 impacted by few individuals for harvest
 - 2016 algae bloom caused high mortality
- Higher than expected harvest in Q1 2018
 - Opportunistic due to high prices
 - Precautionary due to algae bloom

Notes:

All figures are in hog-equivalents and thousand tonnes.

Source: Kontali

SUPPLY DEVELOPMENT (head on gutted - HOG)	Q1 2018	Q1 2017	Change %
Norway	263.3	249.3	5.6 %
UK	31.1	35.8	-13.1 %
Ireland	3.5	2.4	44.4 %
Faroes	16.5	15.6	5.8 %
Total Europe	314.4	303.1	3.7 %
Chile	151.9	118.1	28.7 %
Canada	27.5	26.4	4.1 %
USA	3.3	3.8	-11.9 %
Total Americas	182.7	148.2	23.3 %
Other	20.4	18.2	12.4 %
Total (Harvested quantity)	517.5	469.5	10.2 %
Inventory movements	-0.8	1.9	-142.9 %
Total (Sold Quantity)	516.7	471.4	9.6 %

SALMON MARKETS, SOLD QUANTITY (HOG)

Good growth in most markets in Q1 2018

EU performed well

- 7% growth vs. 4% growth in European harvest
- High quantities from Norway early in the quarter
- Only main market with growth in latter part of the quarter

Low growth in the US given supply

- However strong consistent growth trend
- Improved image of Chilean salmon due to reduced use of antibiotics

Russia – strong growth

- Mainly driven by Chile

Greater China

- Spectacular growth
- Supply from all main origins

Positive development in other markets

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

Markets	Estimated volumes		Q1 comparison		Estimated volumes		FY comparison	
	Q1 2018E	Q1 2017	Volume	%	FY 2017	FY 2016	Volume	%
EU	218,000	204,200	13,800 📈	6.8%	919,700	942,600	-22,900 📉	-2.4%
USA	109,190	100,200	8,990 📈	9.0%	396,300	380,000	16,300 📈	4.3%
Russia	19,500	14,100	5,400 📈	38.3%	68,500	69,900	-1,400 📉	-2.0%
Japan	13,600	13,900	-300 📉	-2.2%	57,600	58,700	-1,100 📉	-1.9%
Greater China	28,400	21,100	7,300 📈	34.6%	104,600	95,000	9,600 📈	10.1%
ASEAN	20,500	20,300	200 📈	1.0%	82,500	65,000	17,500 📈	26.9%
Latin America	40,300	34,700	5,600 📈	16.1%	135,500	137,400	-1,900 📉	-1.4%
Ukraine	3,400	3,000	400 📈	13.3%	13,600	9,100	4,500 📈	49.5%
Other markets	63,800	60,000	3,800 📈	6.3%	256,000	242,600	13,400 📈	5.5%
Total all markets	516,690	471,500	45,190 📈	9.6%	2,034,300	2,000,300	34,000 📈	1.7%

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)

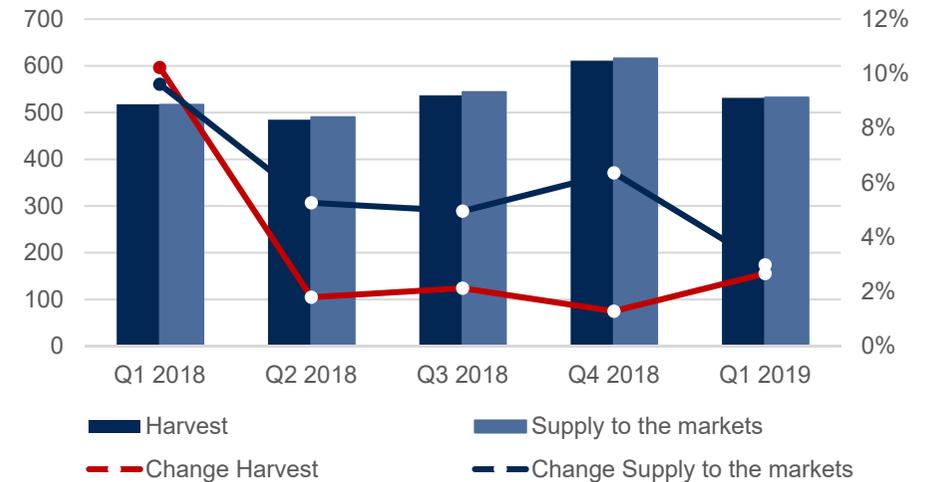
Latin America (including both Mexico and Caribbean + domestic consumption in Chile)

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

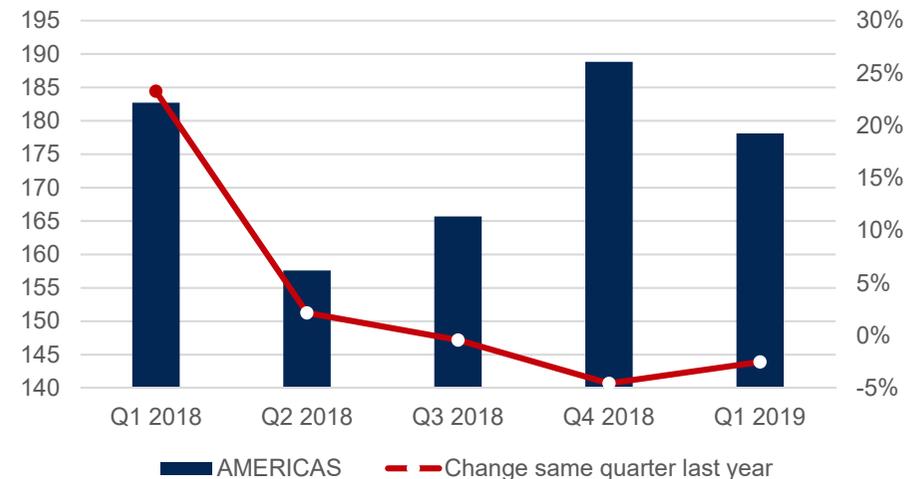
SHORT TERM SUPPLY OUTLOOK

- Modest supply growth expected for the coming quarters
- Growth rate impacted by inventory movements
- Growth in harvest likely to be instrumental for pricing
 - Frozen products are materially sold through alternative channels
- Uncertainty in Chilean estimates
- Indications of higher growth in 2019

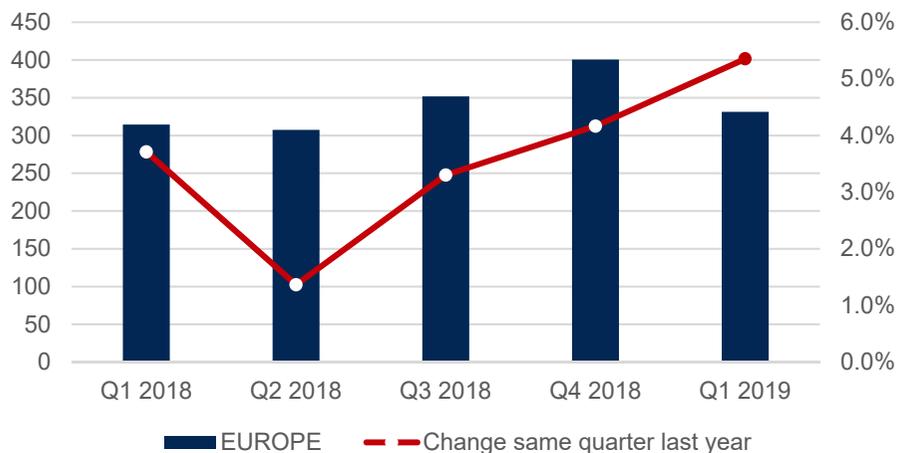
SUPPLY - TOTAL



SUPPLY - AMERICAS



SUPPLY - EUROPE



Source: Kontali

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FARMING – HARVEST VOLUME

Harvested volumes

- Harvested volumes decreased by 7% in Q1 2018, compared with Q1 2017
- The West Region represented 78% of the harvested volumes and the North Region the remaining 22% in Q1 2018
- Average weight of harvested fish in the quarter was 4.7 kg head on gutted

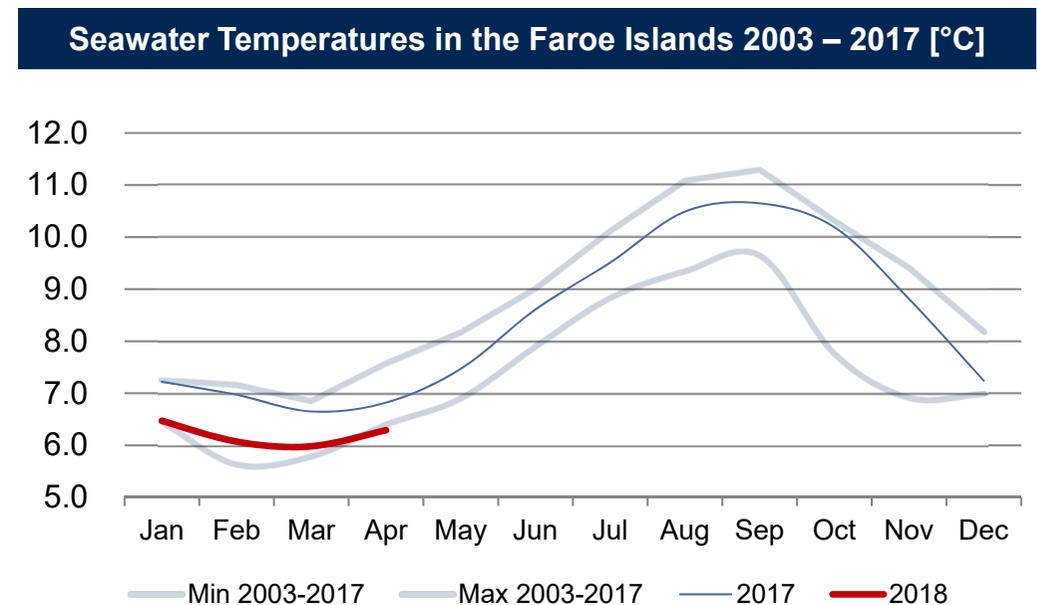
Smolt transfer

- Bakkafrost transferred 3.1 million smolts in Q1 2018 (1.4 million smolts in Q1 2017)

Seawater temperatures in the Faroe Islands

- Temperatures in Q1 2018 were 0.78°C down from 6.95°C in Q1 2017 to 6.17°C in Q1 2018

Harvest Volumes tonnes [HOG]	Q1 2018	Q1 2017	2017	2016
North Region	2,736	9,124	30,251	24,768
West Region	9,501	4,034	24,364	22,774
Total	12,237	13,158	54,615	47,542



FARMING – OPERATIONAL PERFORMANCE

Reduced margin at lower prices and higher production costs

- The operational EBIT decreased from DKK 373 million in Q1 2017 to DKK 228 million in Q1 2018
- Operational EBIT margin was 34% in Q1 2018, compared to 50% in Q1 2017

(DKK million)	Q1 2018	Q1 2017	2017	2016
Operating revenues	667	751	2,987	2,841
Operational EBIT	228	373	1,308	1,315
Operational EBIT margin	34%	50%	44%	46%



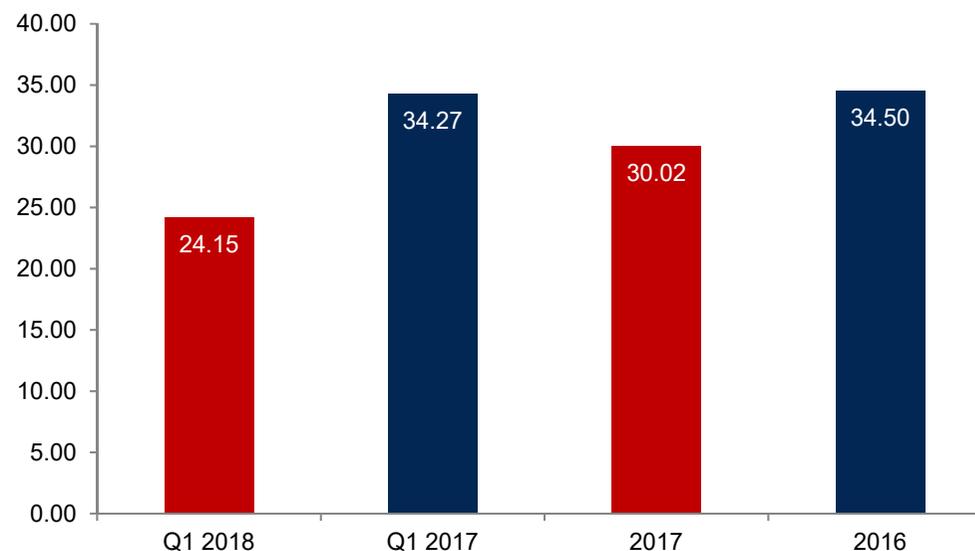
Farming manager Hjalgrím Svøðstein and farmers preparing for harvest of 320 tons of salmon at an average size of 6 kg on site A-72 Haraldssund

April 30th 2018 – M/S Hans á Bakka

Operation

- Farming EBIT down by NOK 10.12 per kg to NOK 24.15 in Q1 2018, compared to NOK 34.27 in Q1 2017
- Difference between the North Region and the West Region in operational EBIT was NOK 11.04 per kg. The West Region had higher production costs per kg, and the North Region started harvesting later in the quarter, which resulted in higher prices. Prices increased during the quarter.

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



(NOK/kg)	Q1 2018		
	North Region	West Region	Farming
Operational EBIT/kg gw	32.72	21.68	24.15

VALUE ADDED PRODUCTS (VAP)

Positive VAP margin negative again

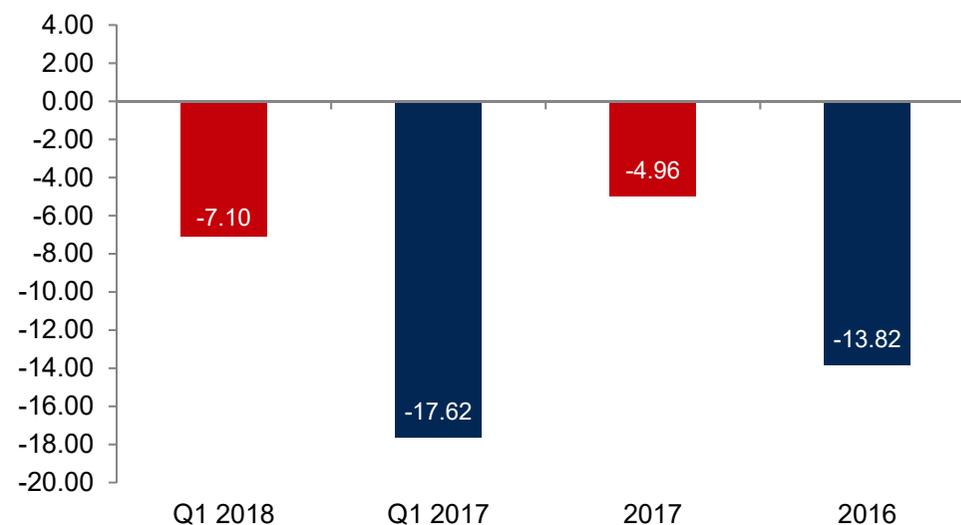
- Substantial decrease in revenue by 51% to DKK 93 million in Q1 2018, from DKK 192 million in Q1 2017
- Operating EBIT in Q1 2018 was DKK -12 million, compared with DKK -53 million in Q1 2017

(DKK million)	Q1 2018	Q1 2017	2017	2016
Operating revenues	93	192	999	881
Operational EBIT	-12	-53	-75	-201
Operational EBIT margin	-12%	-28%	-8%	-23%
VAP produced volumes (tgv)	2,115	3,636	19,067	18,120

Higher raw material prices and lower activity in Q1 2018

- The low production activity and higher salmon spot prices in Q1 2018 resulted in negative margins in the VAP segment

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



FISHMEAL, OIL AND FEED (FOF)

Margins very strong in the quarter

- EBITDA of DKK 86 million in Q1 2018, compared with DKK 45 million in Q1 2017
- EBITDA margin of 28.8% in Q1 2018, compared with 16.3% in Q1 2017
- Feed sales decreased, due to lower biomass in sea and lower sea temperatures in Q1 2018, compared with Q1 2017
- Strong performance due to external sales of fishmeal and fish oil

Raw material sourcing increased

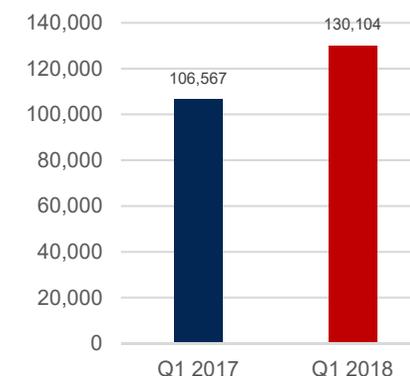
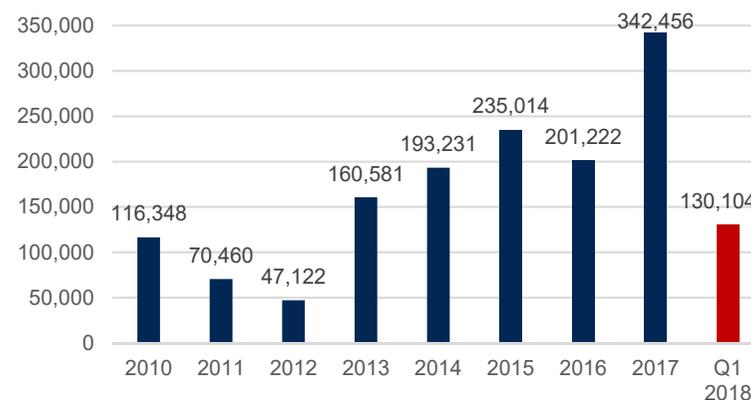
- Havsbrún sourced 22% more raw material in Q1 2018, compared to Q1 2017

* Including sales to Bakkafrost, corresponding to ~ 94% of feed volumes in Q1 2018 (Q1 2017: 96%)

Fishmeal, Oil and Feed

(DKK million)	Q1 2018	Q1 2017	2017	2016
Operating revenues	300	277	1,303	1,158
EBITDA	86	45	266	248
EBITDA margin	28.8%	16.3%	20.4%	21.4%
Feed sold (tonnes)*	13,923	19,827	78,134	84,586
Fishmeal sold external (tonnes)	11,399	7,563	59,006	23,461

Sourcing of raw material (tonnes)

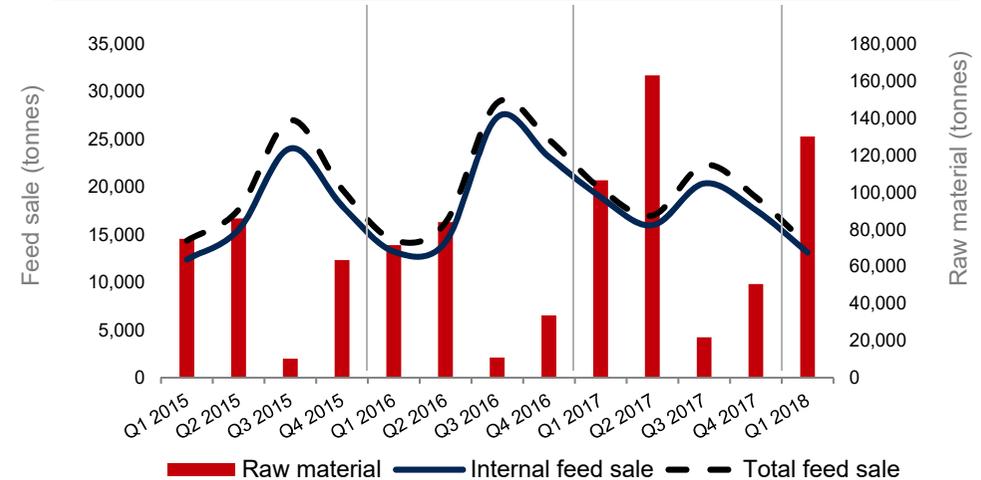


MARKET CONDITIONS FEED

Feed sales decreased

- Quantity of feed sold was 13,923 tonnes in Q1 2018, compared to 19,827 tonnes in Q1 2017
- Biomass on lower level in Q1 2018, compared to Q1 2017. At the same time the growth conditions in Q1 2017 were better than average

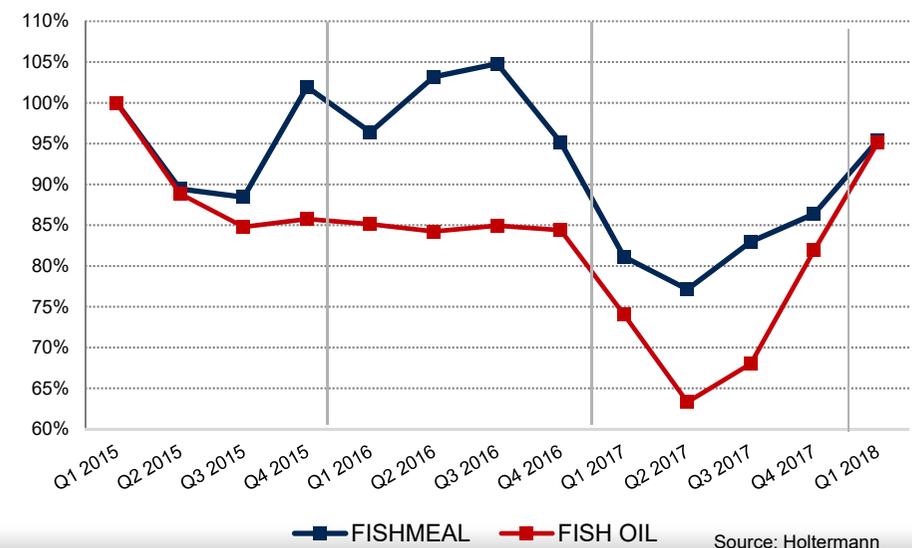
Volumes of raw material purchase and feed sale [tonnes]



The market prices for marine ingredients increased again on the spot market

- Both fishmeal and fish oil prices increased in Q1 2018, compared with Q4 2017.
- Fish oil prices in Q1 2018 were on the highest level since Q1 2015
- Fishmeal prices in Q1 2018 approached 2016 price level again

Fishmeal and fish oil price index in DKK (Q1 2015 =100)



Source: Holtermann

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Hatchery Strond, Klaksvik under construction

29 April 2018 – Intake of first eggs expected at 20 June 2018.

At full operation in 2019/2020 the hatchery is expected to produce 7 million smolts at 500 gram each.

GROUP PROFIT AND LOSS

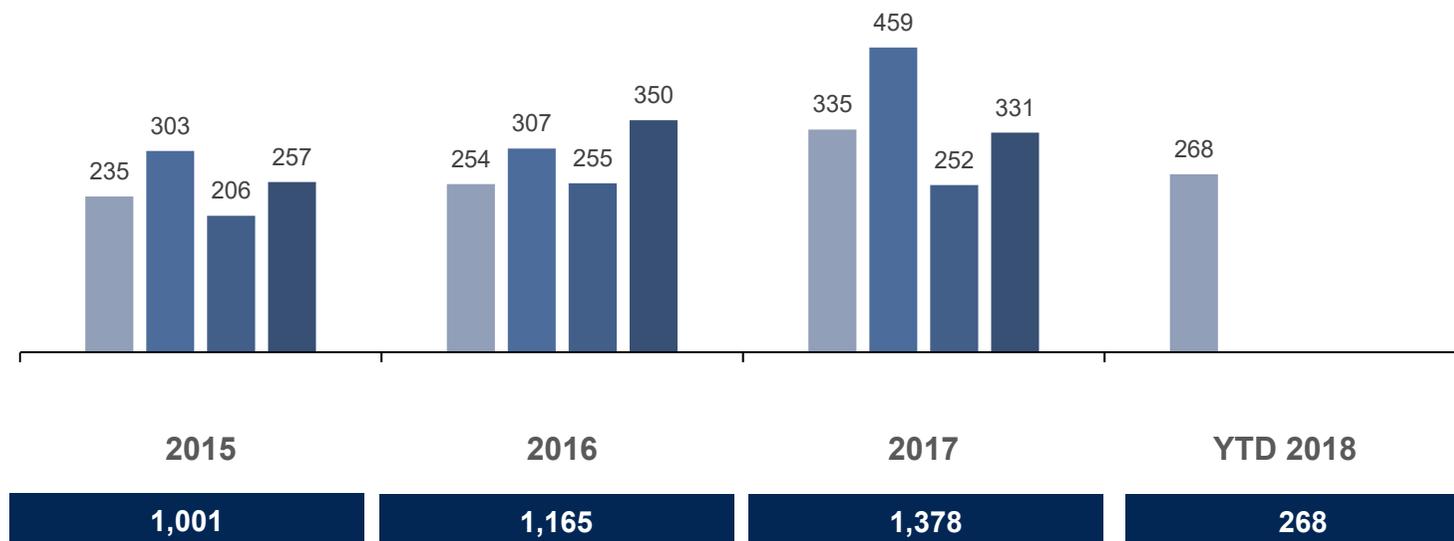
- Revenues on nearly same level as in Q1 2017 from DKK 854 million to DKK 851 million in Q1 2018.
- Operational EBIT in Q1 2018 decreased to DKK 268 million, compared to DKK 335 million in Q1 2017
- Fair value of biomass increased due to higher salmon prices, compared to the end of last quarter, and there was no provision for onerous contracts
- Revenue tax, recognized as cost, amounted to DKK -26 million in Q1 2018, compared to DKK -30 million in Q1 2017
- Financial items amounted to DKK -19 million and taxes amounted to DKK -60 million in Q1 2018
- Profit after tax for Q1 2018 was DKK 272 million, compared to DKK 79 million in Q1 2017

(DKK million)	Q1 2018	Q1 2017	2017	2016
Operating revenues	851	854	3,770	3,203
Operational EBITDA*	314	377	1,561	1,298
Operational EBIT*	268	335	1,378	1,165
Fair value adjustment of biological assets	107	-235	-694	608
Onerous contracts	0	30	67	-16
Income from associates	2	2	17	15
Revenue tax	-26	-30	-120	-108
Badwill	0	0	0	10
EBIT	351	103	649	1,674
Net Financial items	-19	-6	-25	-41
EBT	332	97	624	1,633
Taxes	-60	-18	-112	-294
Profit for the period	272	79	511	1,339
Operational EBITDA margin	36.2%	44.2%	41.4%	40.5%
Operational EBIT margin	31.5%	39.3%	36.5%	36.4%
Operational EBIT/kg (Farming and VAP) (NOK)	22.92	29.40	28.29	29.23
EBITDA margin (fishmeal, -oil and feed)	28.8%	16.3%	20.4%	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, badwill and revenue tax

BALANCE SHEET

- Intangible assets at the end of Q1 2018 are unchanged from year end 2017
- Investments in PPE of DKK 111 million in Q1 2018 and PPE amounts to DKK 2.6 billion
- Financial assets amount to DKK 79 million
- The carrying amount of biological assets amounts to DKK 1,115 million, whereof fair value adjustment amounts to DKK 294 million
- Inventory amounts to DKK 429 million at the end of Q1 2018, compared to DKK 306 million at the end of 2017
- Changes in equity because of positive results in Q1 2018. Equity ratio is 69% at the end Q1 2018
- NIBD at DKK 102 million down from DKK 258 million at end 2017

(DKK million)	Q1 2018	End 2017
Intangible assets	377	377
Property, plant and equipment	2,636	2,570
Financial assets	79	77
Long-term receivables	9	0
Biological assets	1,115	1,097
Inventory	429	306
Receivables	244	262
Other receivables	75	157
Cash and cash equivalents	668	310
Total Assets	5,632	5,156
Equity	3,892	3,626
Deferred tax and other taxes	539	455
Long-term interest bearing debt	770	147
Financial derivatives	0	127
Short-term interest bearing debt	0	379
Accounts and other payables	431	422
Total Equity and Liabilities	5,632	5,156

CASH FLOW

- Cash flow from operations on same level in Q1 2018 as in Q1 2017
- Cash flow from investments represents investments in PPE, which amounted to DKK -111 million in Q1 2018, compared to DKK -179 million in Q1 2017
- Cash flow from financing is affected by change in interest-bearing debt

(DKK million)	Q1 2018	Q1 2017	2017	2016
Cash flow from operations	368	365	1,458	850
Cash flow from investments	-111	-179	-636	-740
Cash flow from financing	102	78	-748	24
Net change in cash	359	264	75	133
Cash at the end of the period	668	499	310	235
Undrawn facilities	1,380	826	1,005	655

NET INTEREST-BEARING DEBT (NIBD)

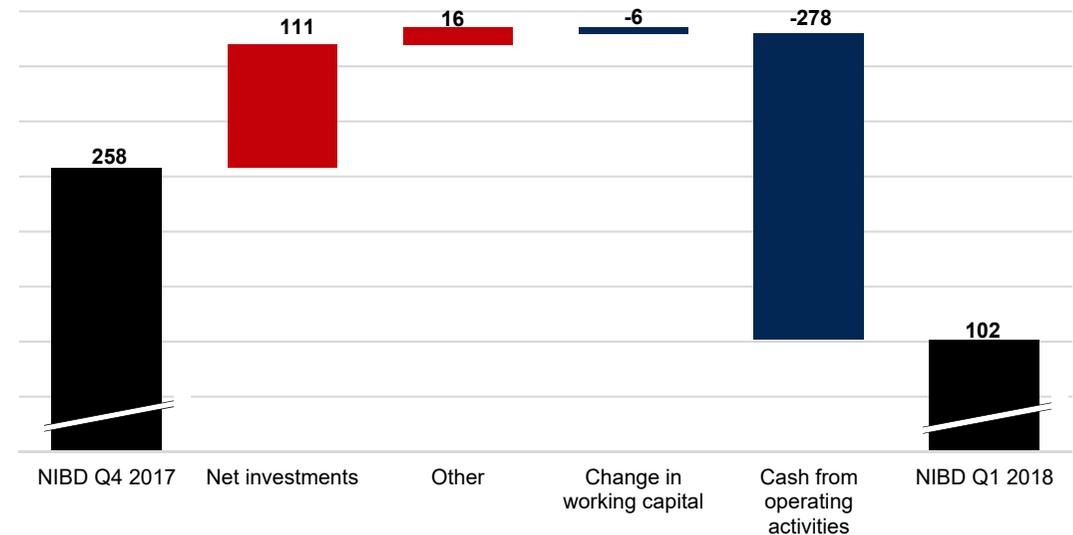
Net Interest-Bearing Debt

- Cash flow from operating activities and changes in working capital decreased the NIBD with DKK 284 million in Q1 2018
- Net investments and other in Q1 2018 increased the NIBD with DKK NIBD 127 million

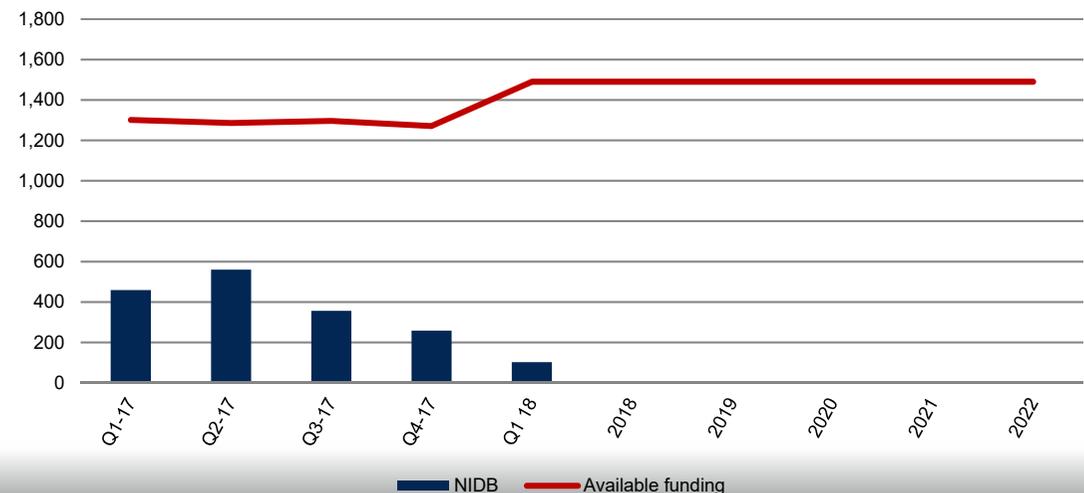
Financing end Q1 2018

- NOK 500 million bond loan repaid in Q1 2018
- New EUR 200 million bank financing in Q1 2018
- NIBD: DKK 102 million
- Undrawn loan facilities: DKK 1,380 million

Development in NIBD in DKK millions



NIBD and available funding



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Service operation with M/S Róland in progress at farming site A-11 Hvannasund April 30th 2018

OUTLOOK

Market

- Global supply in Q1 2018 estimated to increase around 10%, compared with Q1 2017
- Global harvest increase in 2018 expected to be around 4%
- Supply growth next three quarters expected to be around 2%

Farming

- Bakkafrost expects to harvest 51,000 tonnes in 2018
- Expected total smolt release in 2018 is 13.9 million pieces, compared to 9.9 million pieces in 2017 and 11.7 million pieces in 2016
- Bakkafrost has made an agreement with Fiskaaling and the Faroese Authorities to take responsibility of the Faroese broodstock program with the option to get the genome rights in 2021

VAP

- Contracted around 13% of expected harvest for the rest of 2018

Fishmeal, Oil and Feed

- Feed sales in 2018 is expected to be around 85,000 tonnes
- The new salmon fishmeal and -oil production is expected to start operation in the beginning of Q2 2018 and to have full production in the second half of 2018

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

4% harvest growth in 2018

- Inventory movements expected to add 2-3%
- Total supply growth of 7% in 2018
- Total supply growth of 2% in 2017

Global Supply of Atlantic Salmon (head on gutted - HOG)					
	2014	2015	2016	2017E	2018E
Norway	1,076	1,112	1,055	1,078	1,156
UK	153	150	142	157	140
Ireland	11	14	14	15	16
Faroese	73	68	71	72	66
Total Europe	1,314	1,344	1,281	1,322	1,378
Chile	508	529	503	490	561
Canada	86	122	131	126	134
USA	22	18	20	20	16
Total Americas	615	669	654	635	711
Other	54	64	64	77	81
Total (Sold Quantity)	1,984	2,078	2,000	2,034	2,170
Supply growth - Global	8%	5%	-4%	2%	7%
Supply growth - Europe	5%	2%	-5%	3%	4%
Supply growth - Americas	14%	9%	-2%	-3%	12%

Salmon Markets (head on gutted - HOG)					
	2014	2015	2016	2017E	2018E
EU	911	974	943	920	961
USA	336	380	380	396	418
Japan	58	54	59	58	59
Russia	131	94	70	68	74
Others	548	575	549	592	659
Total (Sold Quantity)	1,984	2,078	2,000	2,034	2,171

Notes:

All figures are in hog-equivalents and thousand tonnes.

Figures represent sold quantity of Atlantic Salmon from each producing country

Source: Kontali

Q1 2018 MARKET ENVIRONMENT

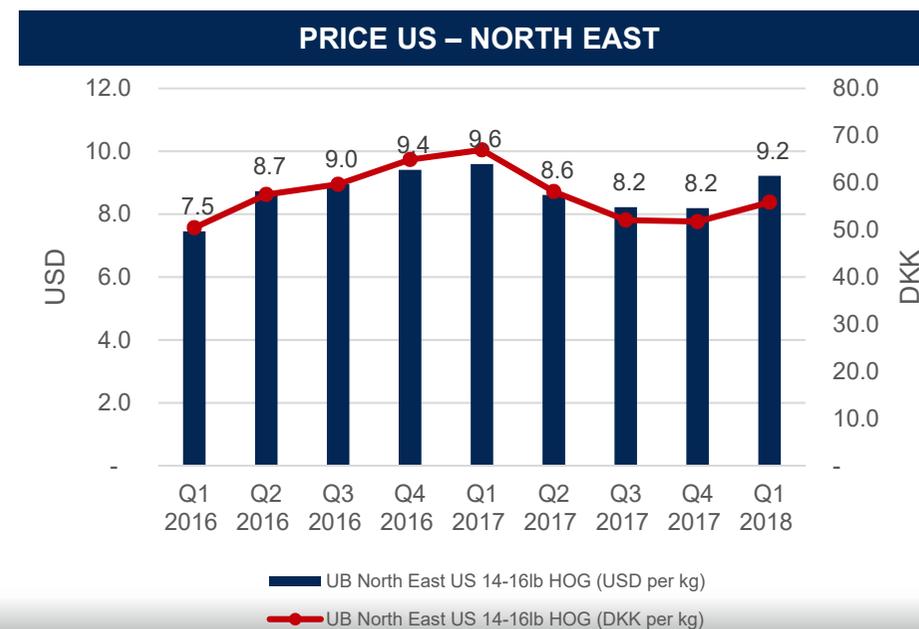
Prices higher than last quarter, but below same quarter last year

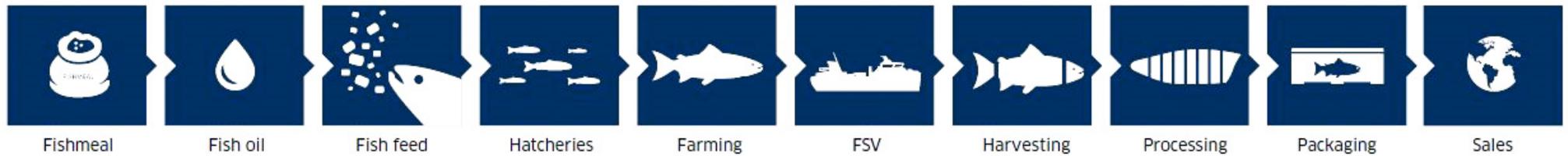
- Reduced quantities and increasing prices during the quarter
- Nasdaq Norway price EUR 6.2 in Q1 2018
 - 14% decrease, compared to Q1 2017
 - 22% increase, compared to Q4 2017
- Urner Barry East coast price close to all time high
 - Despite 23% quantity growth in Americas
 - 4% decrease, compared to Q1 2017
 - 12% increase, compared to Q4 2017

MARKET CURRENCY	Q1 2018	Q1 2017	Change %
Nasdaq Norway (EUR)	6.25	7.28	-14.1 %
UB North East US 14-16lb HOG (USD per kg)	9.22	9.59	-3.9 %

DKK	Q1 2018	Q1 2017	Change %
Nasdaq Norway	46.53	54.09	-14.0 %
UB North East US 14-16lb HOG (per kg)	55.87	66.97	-16.6 %

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

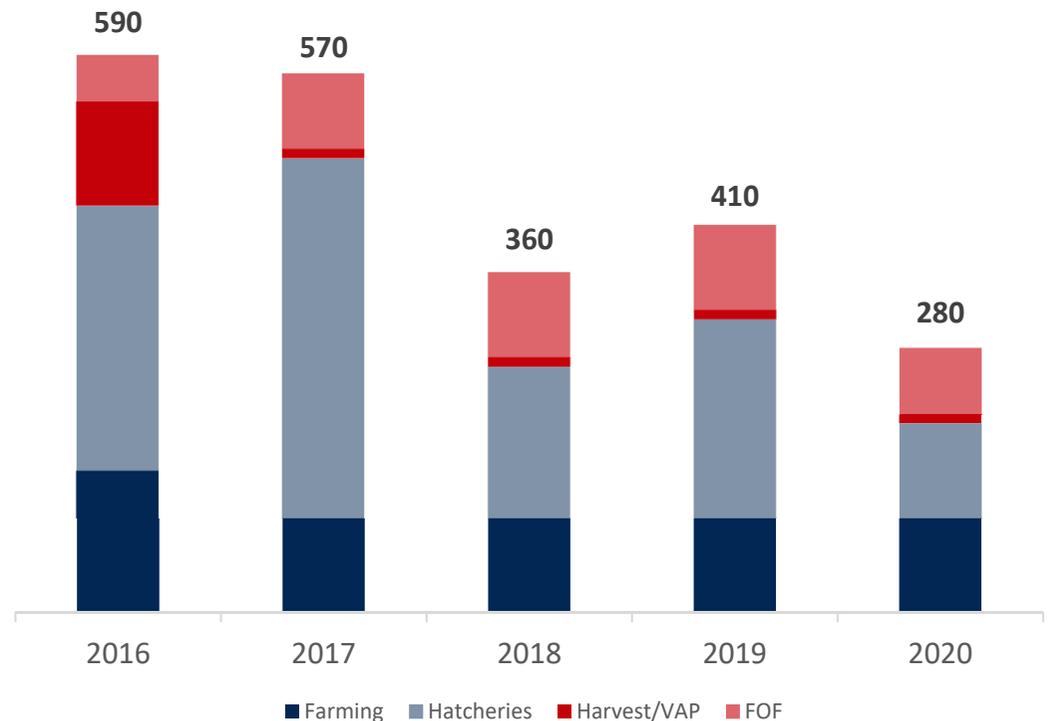
Smolt (1,130 mDKK)

- 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

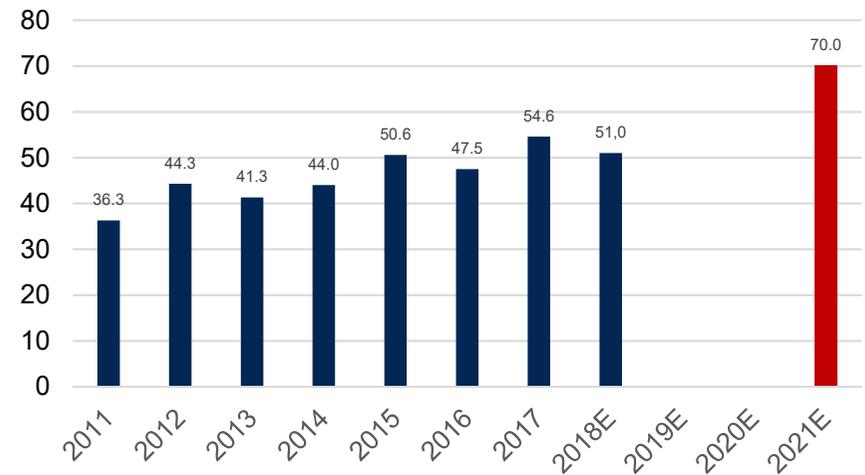
- reduced biological risk
- opportunities for organic growth
- better usage of offcuts from the salmon production
- 5-6 years pay back on investments

INCREASED SMOLT PRODUCTION LEADS TO INCREASED PRODUCTION

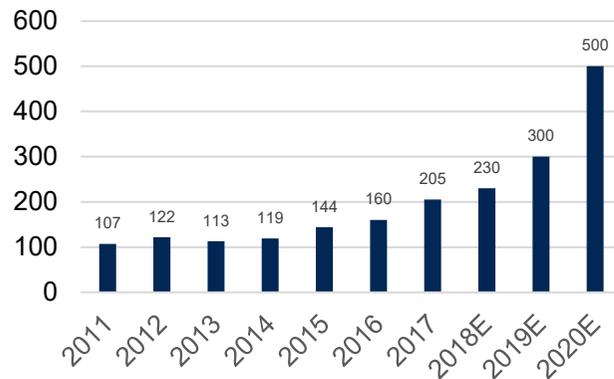
Larger smolt (PS) will reduce time of cycle in farming

- 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 ~70 thousand tonnes

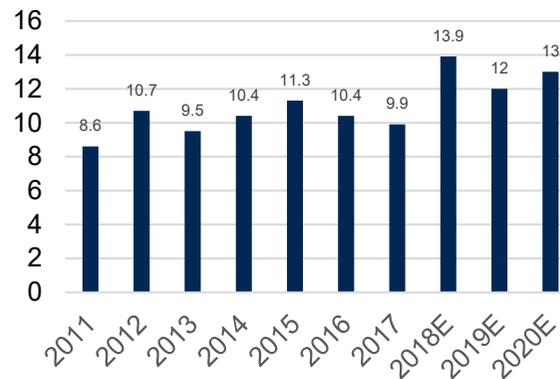
Farming volume – growth potential with PS (1,000 tonnes)



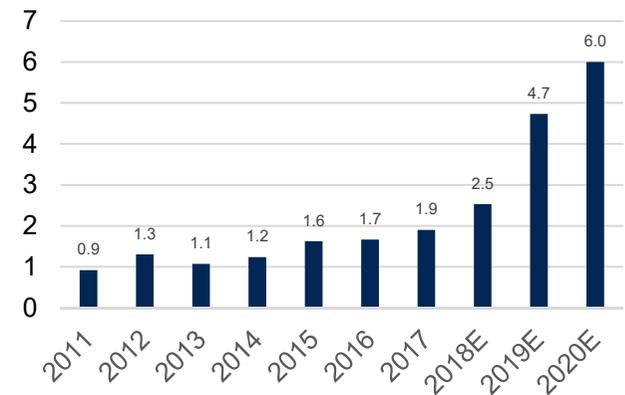
Smolt size on released fish (size gram)



Smolt release (million pcs)



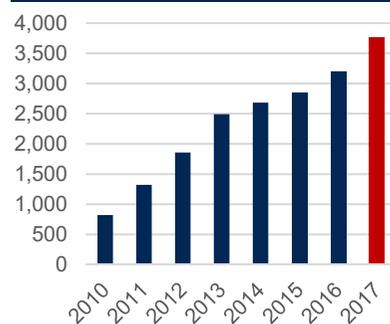
Smolt production (1,000 tonnes)



DEVELOPMENT PER QUARTER Q1 2014 – Q1 2018

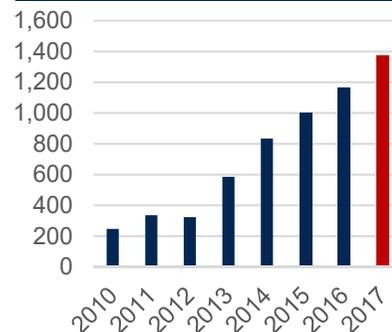
(mDKK)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenue	851	906	804	1,206	854	868	640	790	905	760	677	800	613	757	584	711	631
Operational EBIT	268	331	252	459	335	350	255	307	254	257	206	303	235	227	209	212	186
Profit/Loss	272	-22	56	398	79	555	347	224	213	319	168	191	132	222	211	126	87
Harvest (tgv)	12,237	11,470	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)	22.60	29.88	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	69%	70%	68%	64%	65%	66%	63%	61%	66%	66%	63%	61%	61%	60%	57%	53%	57%
NIBD	102	258	356	560	459	635	504	603	218	391	182	302	227	233	357	555	503

Revenue (mDKK)



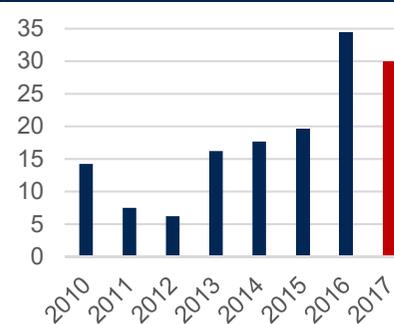
Revenue for the Bakkafrøst Group has increased from 820 mDKK in 2010 to 3.8 bDKK in 2017.

Operational EBIT (mDKK)



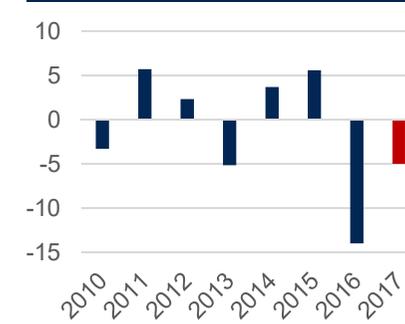
Operational EBIT for the Bakkafrøst Group has increased from 247 mDKK in 2010 to 1.4 bDKK in 2017.

Farming margin Op. EBIT (NOK/kg)



The margin in Farming was NOK 30.02 per kg in 2017.

VAP margin Op. EBIT (NOK/kg)



The margin in VAP was NOK -4.96 per kg in 2017.

DIVIDEND

Dividend

- Dividend for 2017 of DKK 10.50 (NOK 13.52) per share is paid out in Q2 2018

Dividend policy

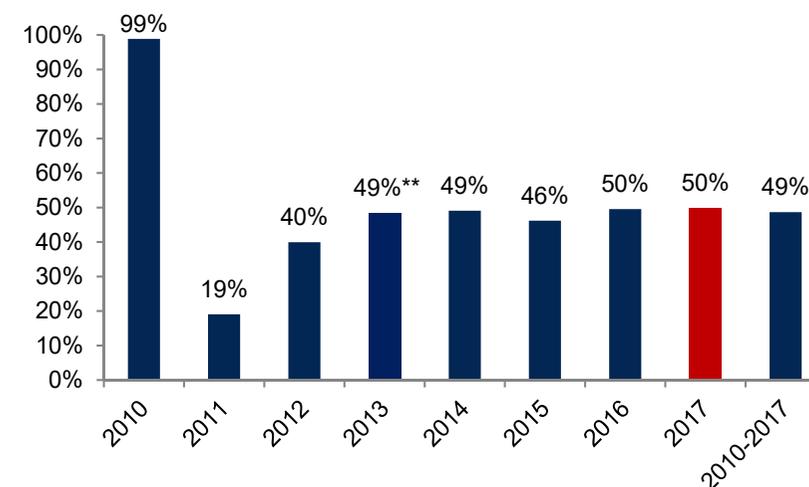
- Competitive return through:
 - Dividends
 - Increase in the value of the equity
- Generally, Bakka Frost shall pay dividend to its shareholders
- A long-term goal is that 30–50% of EPS shall be paid out as dividend

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

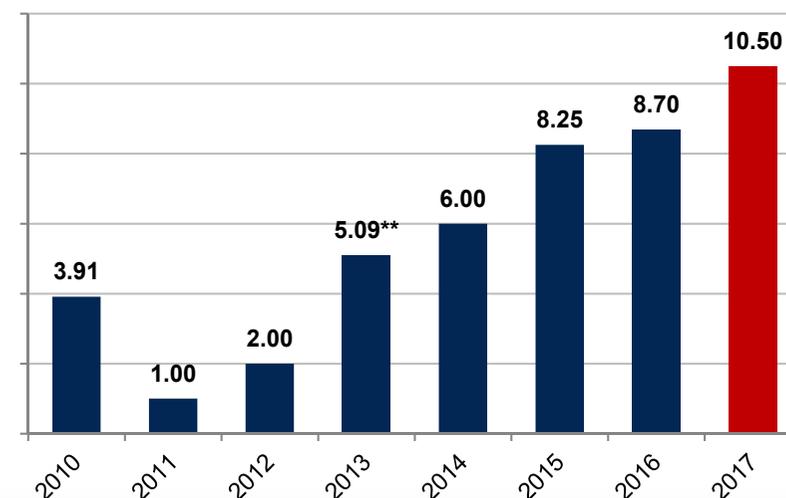
** Dividend and acquisition of treasury shares

*** Dividend is paid out the following year

Dividend per share in % of adj. EPS*



Dividend per share (DKK)***



Bakkafrost at a Glance



BAKKAFROST
Salmon, packaging, fishmeal, oil and feed producer

Location: Faroe Islands
Headquarters: Glyvrrar, Eysturoy
Listed on: Oslo Børs
Brands: Bakkafrost and Havsbrún

1,104 employees (960 full time equivalent)
Business to business
Longest integrated supply chain in the industry



FISHMEAL
450 tonnes of fishmeal daily capacity



FISH OIL
300 tonnes of fish oil daily capacity



FISH FEED
700 tonnes of fish feed daily capacity



HATCHERIES
14 million smolts annual capacity



FARMING
21 farming sites operating across 17 fjords

18% salmon sales to USA



FSV (FARMING SERVICE VESSELS)
4 live fish carriers and two service vessels



HARVESTING
54.6 thousand tonnes of salmon harvested in 2017



PROCESSING
130,000 tonnes in primary and 40,000 tonnes in secondary annual processing capacity



PACKAGING
70,000 tonnes annual salmon packaging capacity



SALES
3.8 DKK billion operating revenues for salmon, fishmeal, oil and feed



HAVSBRÚN



Map excludes farming sites not in operation in 2017

44% salmon sales to EU

21% salmon sales to Eastern Europe

17% salmon sales to Asia

FAROE ISLANDS

- 18 islands – 1,387 km²
- 50,750 inhabitants (Mar 2018)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, Danish krone (DKK)

Key sectors (% of wage earners, 2017)

- Service/public admin.: ~33%
 - Private service: ~32%
 - Construction: ~14%
 - Fishing : ~21%
 - **Unemployment rate (Mar 2018): 2.2%**
 - **Total working force (Jan 2018): 26,282**
-
- **GDP: DKK ~18.8bn (2017e)**
 - **GDP/capita: DKK 374,000 (2017e) (Norway: DKK 455,000) (2016)**

Total export of fish products (2017) 13% increase in 2017

- DKK 8,650 million
- whereof farmed fish accounts for 45%

TAXES

- **Total percent of GDP: 41.8% (2016)**
- **Corporate tax: 18%**
- **Farming revenue tax : 4.5% of revenues since 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	%	Name	Type	Nationality
4 594 437	9,40	Jacobsen ESTATE Hans v/ Oddvør M. Jacobse		FRO
4 491 217	9,19	JACOBSEN JOHAN REGIN		FRO
3 781 841	7,74	FOLKETRYGDFONDET		NOR
2 726 256	5,58	Nordea Bank AB Denmark Branch, CCA	NOM	DNK
1 055 259	2,16	CLEARSTREAM BANKING	NOM	LUX
1 013 899	2,08	State Street Bank an A/C CLIENT OMNIBUS F	NOM	USA
985 433	2,02	SWEDBANK ROBUR SMABO NORDEN		SWE
888 989	1,82	AVIVA INVESTORS JPML SA RE CLT AVIVA		LUX
821 963	1,68	JPMorgan Chase Bank, S/A NON-TREATY LENDI	NOM	GBR
660 182	1,35	NN (L) Global Sustai BROWN BROTHERS HARRI		LUX
638 436	1,31	State Street Bank an OY59-EXEMPT LUX REGI	NOM	USA
600 000	1,23	HANDELSBANKEN NORDEN NAJPMELS CLT H/BANKE		SWE
585 938	1,20	State Street Bank an A/C WEST NON-TREATY	NOM	USA
577 601	1,18	The Bank of New York c/o BNYMSANV RE BNYM	NOM	GBR
536 341	1,10	JPMorgan Chase Bank, A/C VANGUARD BBH LEN	NOM	USA
522 359	1,07	RBC Investor Service S/A CLIENT TREATY AC	NOM	GBR
500 309	1,02	State Street Bank an S/A SSB CLIENT OMNI	NOM	USA
452 307	0,93	NN PARAPLUFONDS 1 N. BNY MELLON SA/NV		NLD
441 373	0,90	STOREBRAND NORGE I V JPMORGAN EUROPE LTD,		NOR
438 579	0,90	J.P. Morgan Bank Lux JPML SA RE CLT ASSET	NOM	LUX
26.312.719	53,86			

Share development

12 months development



5 years development



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BAKKAFROST

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