Q2 2020

BAKKAFROST GROUP

Glyvrar 25 August 2020

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SUMMARY OF Q2 2020

MARKETS AND SALES

SEGMENT INFORMATION

FINANCIALS & ESG

OUTLOOK

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Faroe Islands, Gøtuvík

HIGHLIGHTS

Operation

- **Harvest in the Faroe Islands (FO):** 12,941 tgw in Q2 2020 (12,609 tgw in Q2 2019)
- **Harvest in Scotland (SCT):** 7,937 tgw in Q2 2020
- **Feed sales** of 22,121 tonnes in Q2 2020* (18,872 tonnes in Q2 2019*)
- **Raw material purchase** of 122,512 tonnes in Q2 2020 (110,109 tonnes in Q2 2019)

Revenues and Operational EBIT

- **Revenues** of DKK 1,134 million in Q2 2020 (DKK 947 million in Q2 2019)
- **Operational EBIT**** of DKK 182 million in Q2 2020 (DKK 339 million in Q2 2019)

Cash Flow

- **Cash flow from operations** of DKK 111 million in Q2 2020 (DKK 327 million in Q2 2019)

Segments

- **Positive operational EBIT** for all segments

*) Including internal sales of 16,159 tonnes in Q2 2020 (15,689 tonnes in Q2 2019)

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

SUMMARY OF THE QUARTER

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Farming/VAP (FO)*

31.31 (Q2 2019) → 15.34 (Q2 2020)

Farming (FO)*

31.31 (Q2 2019) → 9.79 (Q2 2020)

Farming (SCT)*

N/A → 5.36 (Q2 2020)

VAP*

-0.01 (Q2 2019) → 11.19 (Q2 2020)

FOF**

20.6% (Q2 2019) → 18.6% (Q2 2020)

** Operational EBIT in NOK/kg*

*** EBITDA margin*

(DKK million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Operating revenue	1,134	947	2,389	1,910
Operational EBITDA	298	397	665	718
Operational EBIT	**182**	**339**	**430**	**606**
Profit for the period	**472**	**189**	**324**	**401**
Operational EBITDA margin	**26.2%**	**41.9%**	**27.8%**	**37.6%**
Operational EBIT margin	**16.0%**	**35.8%**	**18.0%**	**31.8%**
Operational EBIT/Kg (Farming FO) (NOK)	**9.79**	**31.31**	**17.54**	**26.39**
Operational EBIT/Kg (Farming FO and VAP) (NOK)	**15.34**	**31.31**	**19.83**	**26.46**
Operational EBIT/Kg (VAP) (NOK)	**11.19**	**-0.01**	**4.59**	**0.19**
Operational EBIT/Kg (Scotland Farming SCT) (NOK)	**5.36**	**N/A**	**5.52**	**N/A**
EBITDA margin (Fishmeal, -oil and Feed)	**18.6%**	**20.6%**	**15.6%**	**21.8%**

Group Operational EBIT was DKK 182 million in Q2 2020, compared to DKK 339 million in Q2 2019

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MARKETS & SALES

SALES TO WESTERN EUROPE INCREASED – OTHER MARKETS DECREASED

Sales & volume (FO only)

Western Europe

43% (Q2 2019) → **64%** (Q2 2020)

North America

25% (Q2 2019) → **16%** (Q2 2020)

Asia

25% (Q2 2019) → **19%** (Q2 2020)

Eastern Europe

7% (Q2 2019) → **1%** (Q2 2020)

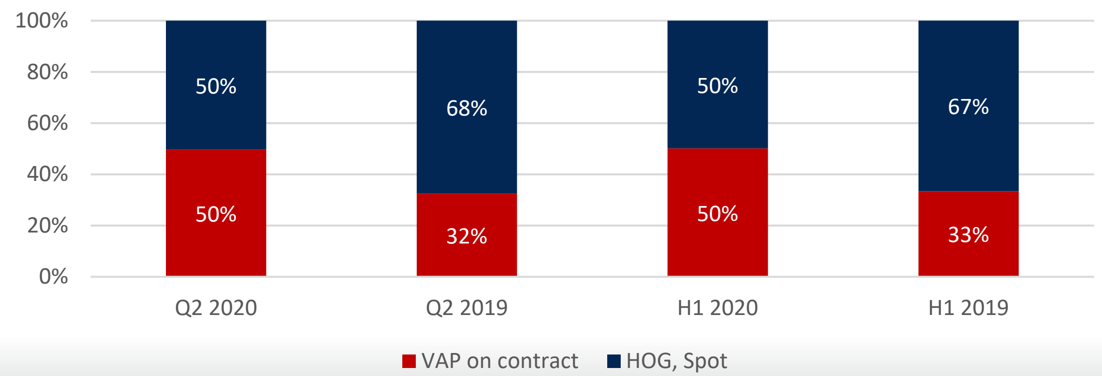
Harvest volumes used in the VAP

32% (Q2 2019) → **50%** (Q2 2020)

Total sales of salmon by markets	Q2 2020			Q2 2019			H1 2020			H1 2019		
	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total
Western Europe	64%	82%	73%	43%	N/A	43%	56%	87%	70%	46%	N/A	46%
North America	16%	8%	12%	25%	N/A	25%	24%	6%	16%	24%	N/A	24%
Asia	19%	3%	10%	25%	N/A	25%	15%	1%	9%	25%	N/A	25%
Eastern Europe	1%	0%	0%	7%	N/A	7%	4%	0%	2%	5%	N/A	5%
Rest of world	0%	7%	4%	0%	N/A	0%	0%	5%	2%	0%	N/A	0%
Total	100%	100%	100%	100%	N/A	100%	100%	100%	100%	100%	N/A	100%

Fresh salmon only by markets	Q2 2020			Q2 2019			H1 2020			H1 2019		
	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total	FO	SCT	Total
Western Europe	30%	82%	67%	23%	N/A	23%	24%	87%	63%	26%	N/A	26%
North America	32%	8%	15%	33%	N/A	33%	43%	6%	21%	32%	N/A	32%
Asia	37%	3%	13%	36%	N/A	36%	26%	1%	11%	36%	N/A	36%
Eastern Europe	0%	0%	0%	8%	N/A	8%	7%	0%	3%	6%	N/A	6%
Rest of world	0%	7%	5%	0%	N/A	0%	0%	5%	3%	0%	N/A	0%
Total	100%	100%	100%	100%	N/A	100%	100%	100%	100%	100%	N/A	100%

Contract share FO, VAP products [% of qty]



GLOBAL MARKETS
LOWER PRICES AND MODERATE GROWTH IN GLOBAL HARVEST

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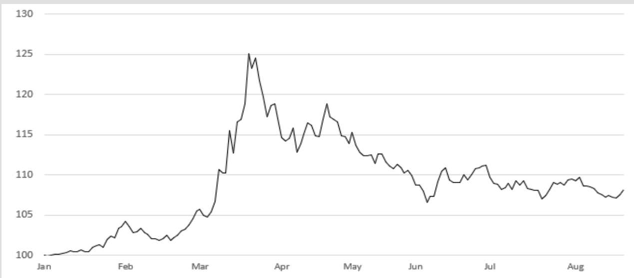
Average spot prices increased in Q2 2020
(NOK/KG)

y/y:	64.02 (Q2 2019)	-7.3% -4.67	59.36 (Q2 2020)
q/q:	69.92 (Q1 2020)	-15.1% -10.56	59.36 (Q2 2020)

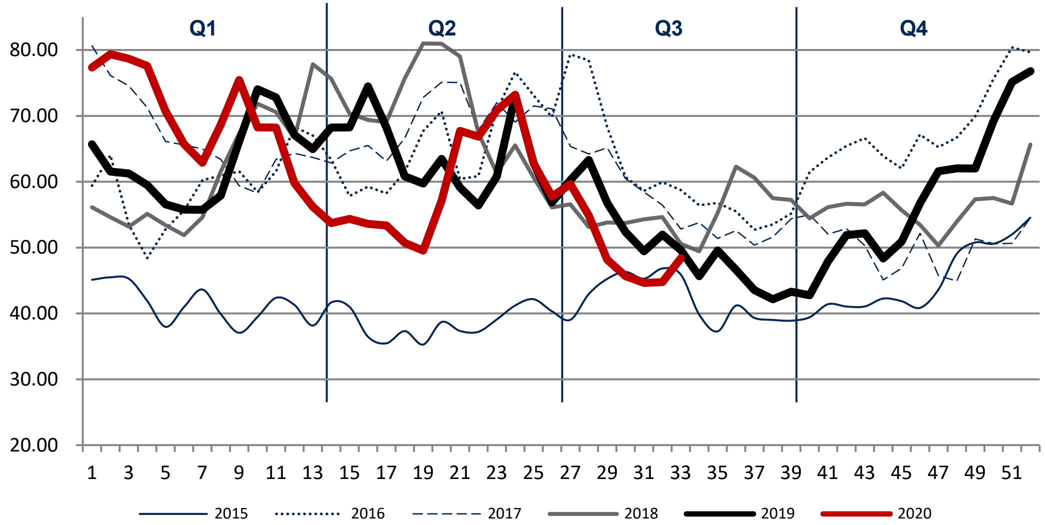
Spot prices were lower in Q2 2020 - especially in the first half of the quarter (mainly a Covid-19 effect)

Global harvest grew 3% y/y

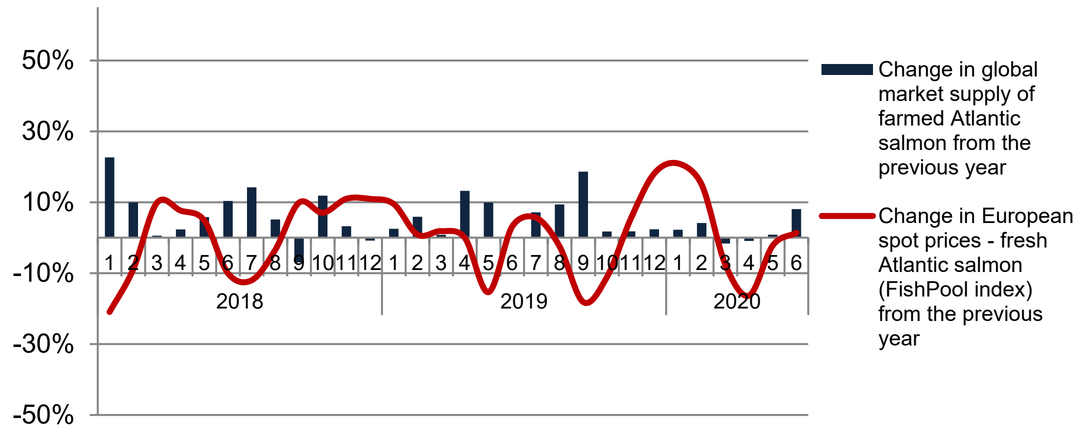
FX: NOK still weak



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



Change in global market [volume harvested and market price]



Source: Kontali

DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

MODERATE INCREASE IN SUPPLY

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Global growth of 1.4%

Europe flat development – down 0.3%

- Norway down 6kt
- UK modest growth
- Faroes up by 4kt

Americas up 8%

- Chile up 14kt
  - Indications of liquidity driven harvest

Other up 31.8%

Inventory

- Build-up of frozen inventory 11kt

Harvest & Supply Development [Head On Gutted 1,000 tonnes]	**Q2 2020**	**Q2 2019**	**Change %**
Norway	271	277	-2.5 %
UK	41	41	0.7 %
Faroes	21	17	23.2 %
Iceland	5	4	14.3 %
Ireland	5	4	30.2 %
Total Europe	**342**	**343**	**-0.3 %**
Chile	157	143	9.7 %
Canada	34	32	4.2 %
USA	4	5	-17.0 %
Total Americas	**195**	**181**	**8.0 %**
Other	21	16	31.8 %
Total (Harvested quantity)	**558**	**539**	**3.4 %**
Inventory movements	-15	-4	292.3 %
Total (Sold Quantity)	**543**	**536**	**1.4 %**

Source: Kontali

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

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Global growth of 1.3%

EU & USA growth of 3%
- Increased supply through retail chain

Russia down 18%
- Reduced frozen supply from Chile

Latin America down 18%
- High proportion normally sold through food service

Asia
- Generally strong growth

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

	Estimated volumes		Q2 comparison		Estimated volumes		H1 comparison	
Markets	**Q2 2020**	**Q2 2019**	**Volume**	**%**	**H1 2020**	**H1 2019**	**Volume**	**%**
EU	242,500	236,300	6,200	3%	464,200	459,000	5,200	1%
USA	118,500	115,200	3,300	3%	240,500	230,600	9,900	4%
Russia	12,600	15,400	-2,800	-18%	30,400	31,700	-1,300	-4%
Japan	14,800	12,300	2,500	20%	28,200	25,700	2,500	10%
Greater China	35,500	31,800	3,700	12%	61,100	66,300	-5,200	-8%
ASEAN	17,000	16,300	700	4%	35,300	35,000	300	1%
Latin America	30,900	37,500	-6,600	-18%	72,900	80,600	-7,700	-10%
Ukraine	4,200	3,600	600	17%	8,600	8,300	300	4%
Other markets	66,600	67,100	-500	-1%	137,900	134,700	3,200	2%
Total all markets	**542,600**	**535,500**	**7,100**	**1.3 %**	**1,079,100**	**1,071,900**	**7,200**	**0.7 %**

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

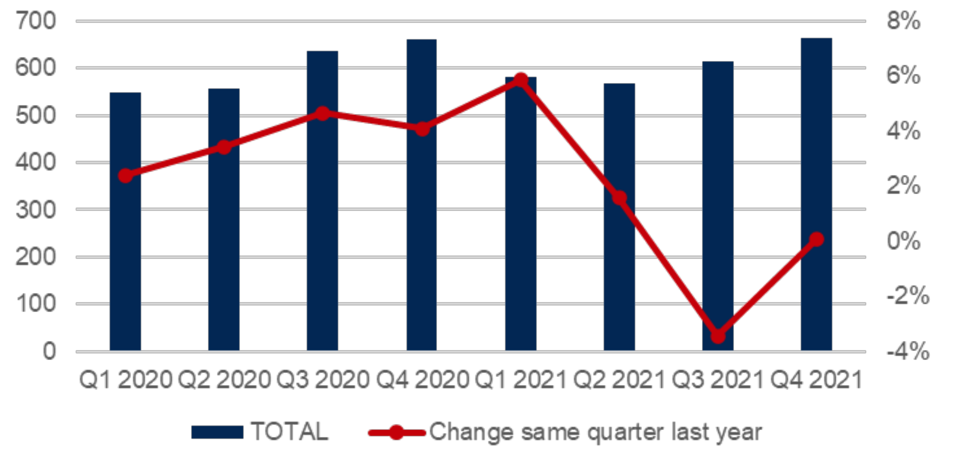
Source: Kontali

SHORT TERM SUPPLY OUTLOOK

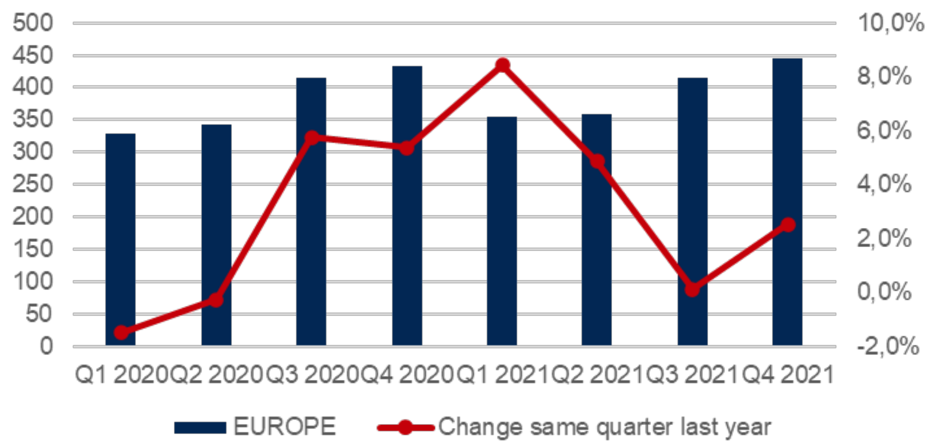
Moderate global supply growth

- Moderate European supply in 2020, drop in 2021
  - Reduced output expected in Norway and Scotland
  - Significant drop in Americas driven by Chile
- Outlook for tighter supply from medio 2021

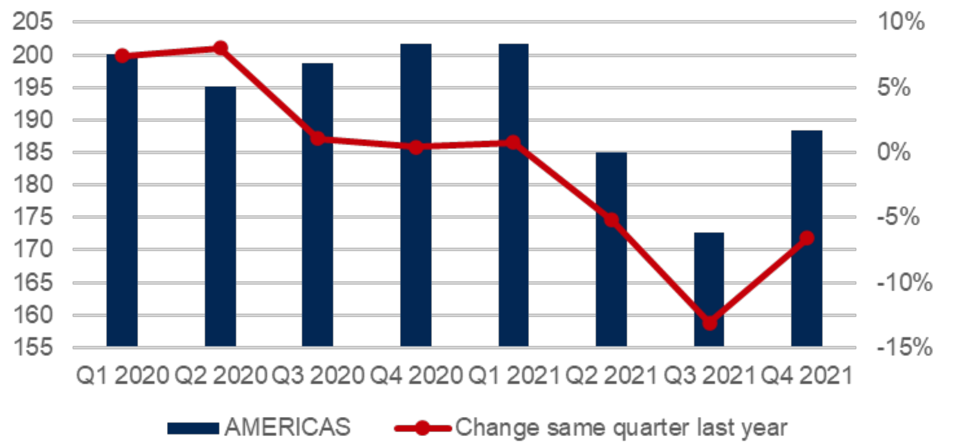
SUPPLY - TOTAL



SUPPLY - EUROPE



SUPPLY - AMERICAS



Source: Kontali

NATIVE HEBRIDEAN
SMOKED SCOTTISH SALMON
Hand Cured and Freshly Smoked
the Hebridean Islands of Scotland

FARMING – HARVEST VOLUME

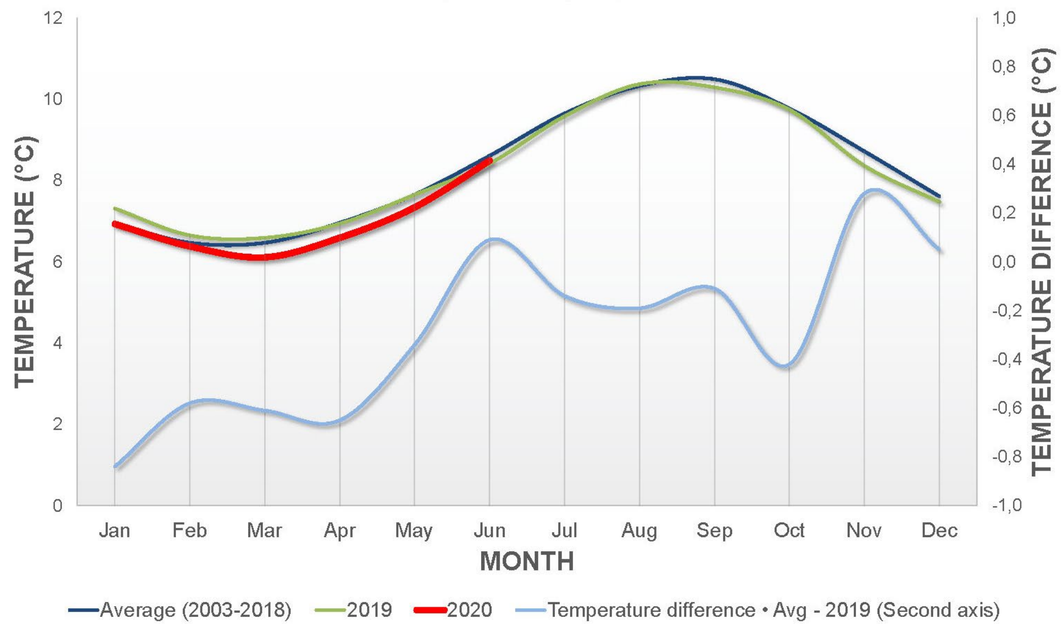
INCREASED HARVEST IN THE FAROE ISLANDS – INCREASED AVG. SMOLT SIZE

	Q2 2019		Q2 2020
Harvested volumes (tonnes HOG)			
FO:	12,609	3%	12,941
SCT:	N/A		7,937
Average harvest weight (kg)			
FO:	5.43		5.43
SCT:	N/A		4.45
Smolt transfer (million pcs.)			
FO:	3.6	-18%	2.9
SCT:	N/A		2.8
Smolt transfer (gram per pcs.)			
FO:	242	18%	286
SCT:	N/A		76
Avg. Seawater temperatures (°C)			
FO:	7.67	-0.20	7.47

North: 100%
West: 0%
South: 0%

Harvest Volumes tonnes [HOG]	Q2 2020	Q2 2019	H1 2020	H1 2019
FO - North Region	12,941	7,858	19,206	14,601
FO - West Region	0	4,751	2,769	11,715
FO - South Region	0	0	1,633	0
FO – Total	**12,941**	**12,609**	**23,608**	**26,316**
SCT	7,937	n/a	15,205	n/a
Total (FO & SCT)	**20,878**	**12,609**	**38,813**	**26,316**

Seawater Temperatures at 18m depth in the Faroe Islands



FARMING – OPERATIONAL PERFORMANCE
REVENUE AND OPERATIONAL EBIT DECREASED IN THE FAROE ISLANDS

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Faroe Islands (FO)

Operational EBIT (mDKK)

303 (Q2 2019) → **86** (Q2 2020)

Operational EBIT margin (%)

40 (Q2 2019) → **15** (Q2 2020)

Operating revenue (mDKK)

759 (Q2 2019) → **574** (Q2 2020)

Scotland (SCT)

Compared to the Faroe Islands, Scotland had a lower operational EBIT and EBIT margin.

Compared to Q1 2020, SCT's operational EBIT margin increased from 7.2% to 7.6%.

Skálafjørður, Faroe Islands - (view from Bakkafrost's Headquarters)

Farming FO (DKK million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Operating revenue	574	759	1,207	1,514
Operational EBIT	86	303	289	533
Operational EBIT margin	14.9%	40.0%	23.9%	35.2%

Farming SCT (DKK million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Operating revenue	377	N/A	790	N/A
Operational EBIT	29	N/A	59	N/A
Operational EBIT margin	7.6%	N/A	7.4%	N/A

FARMING – OPERATIONAL PERFORMANCE

Operational EBIT per kg

FO: **31.31** NOK (Q2 2019) → -21.52 NOK → **9.79** NOK (Q2 2020)

SCT: **5.36** NOK (Q2 2020)

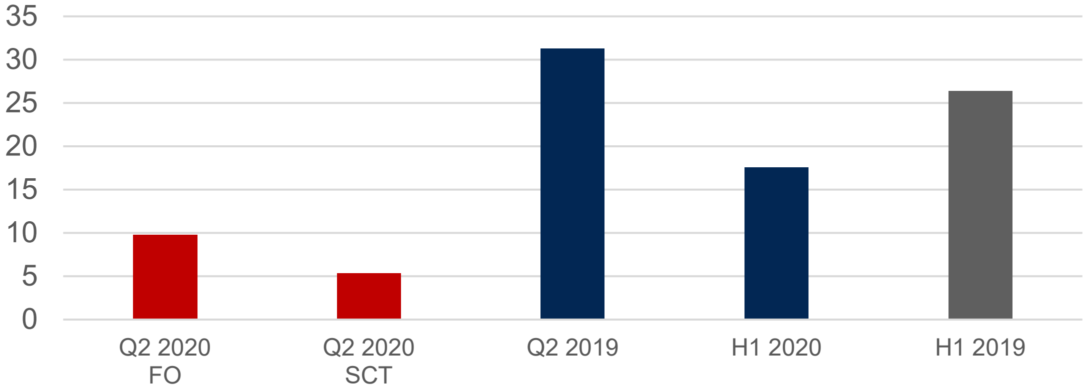
Average weights (HOG):

FO (North):	5.43 kg
FO (West):	-
FO (South):	-
SCT:	4.45 kg

The biological performance was very good in the quarter, good growth and low mortality rate on harvested fish.

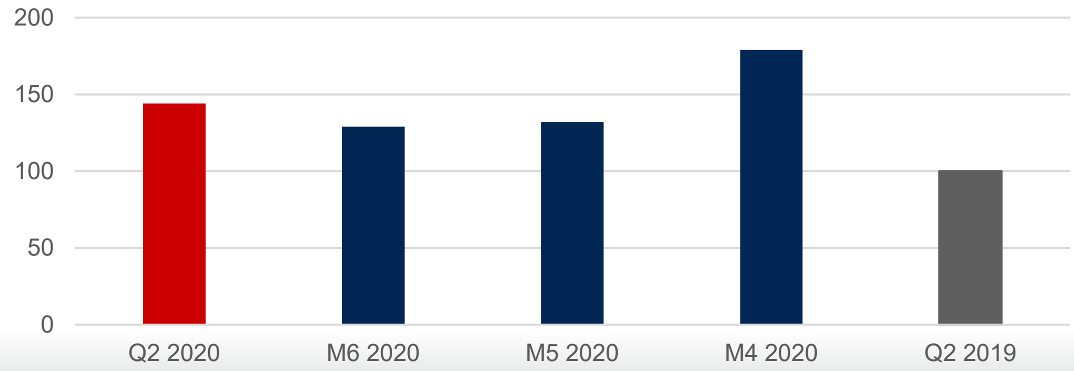
The market conditions were significantly affected by the Covid-19 during the quarter.

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



(NOK/kg)	Q2 2020				
	FO				SCT
	North	*West*	*South*	*Total*	*Total*
Operational EBIT/kg gw	9.79	-	-	9.79	5.36

Freight per kilo sold fresh salmon (FO) [Q2 2019 = Index 100]



VALUE ADDED PRODUCTS (VAP)
HIGHER VOLUMES AND HIGHER OPERATIONAL EBIT

Volumes (tonnes)

4,088 (Q2 2019) → **6,420** (Q2 2020)

Revenue (mDKK)

238 (Q2 2019) → **308** (Q2 2020)

Operational EBIT (mDKK)

0 (Q2 2019) → **49** (Q2 2020)

Operational EBIT/kg (NOK)

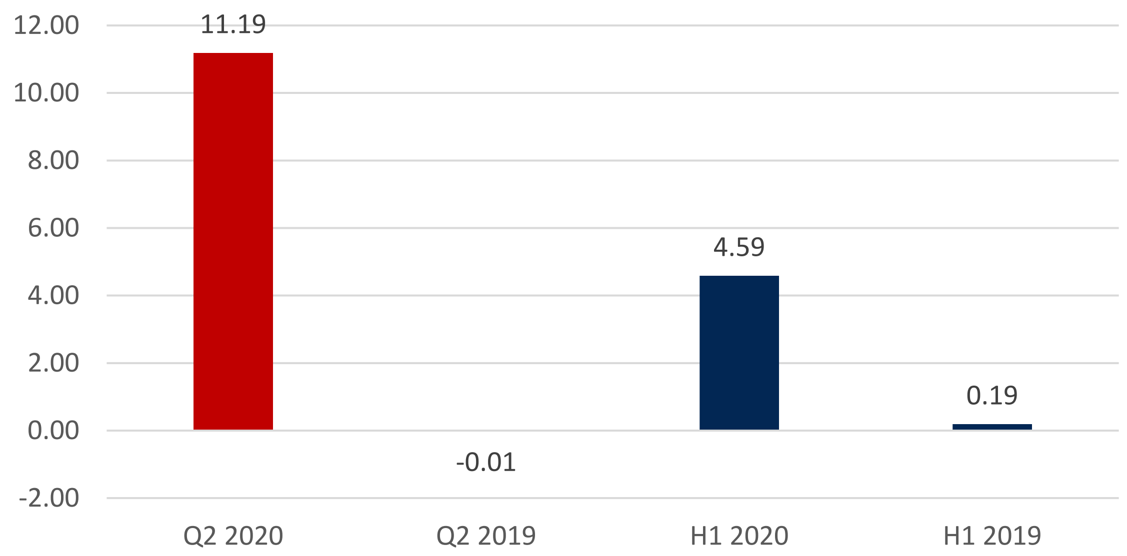
-0.01 (Q2 2019) → **11.19** (Q2 2020)

% of harvest volume for VAP

32% (Q2 2019) → **50%** (Q2 2020)

(DKK million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Operating revenue	308	238	582	498
Operational EBIT	49	0	38	1
Operational EBIT margin	15.8%	0.0%	6.5%	0.3%
VAP produced volumes (tgw)	6,420	4,088	11,828	8,777

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



FISHMEAL, OIL AND FEED (FOF)
HIGHER RAW MATERIAL SOURCING, BUT LOWER EXTERNAL SALES OF FISHMEAL

EBITDA (mDKK)

58 (Q2 2019) → **50** (Q2 2020)

EBITDA margin (%)

20.6 (Q2 2019) → **18.6** (Q2 2020)

External fishmeal sold (tonnes)

7,371 (Q2 2019) → **2,702** (Q2 2020)

Raw material sourced (tonnes)

110,109 (Q2 2019) → **122,512** (Q2 2020)

(DKK million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Operating revenue	269	283	579	567
EBITDA	50	58	90	124
EBITDA margin	18.6%	20.6%	15.6%	21.8%
Feed sold (tonnes)*	22,121	18,872	41,244	35,136
Fishmeal sold external (tonnes)	2,702	7,371	14,474	17,358

** Including internal sales, corresponding to 73% of feed volumes in Q2 2020 (Q2 2019: 83%)*

Sourcing of raw material (tonnes)

MARKET CONDITIONS FEED
SIGNIFICANT INCREASE IN FEED SALES

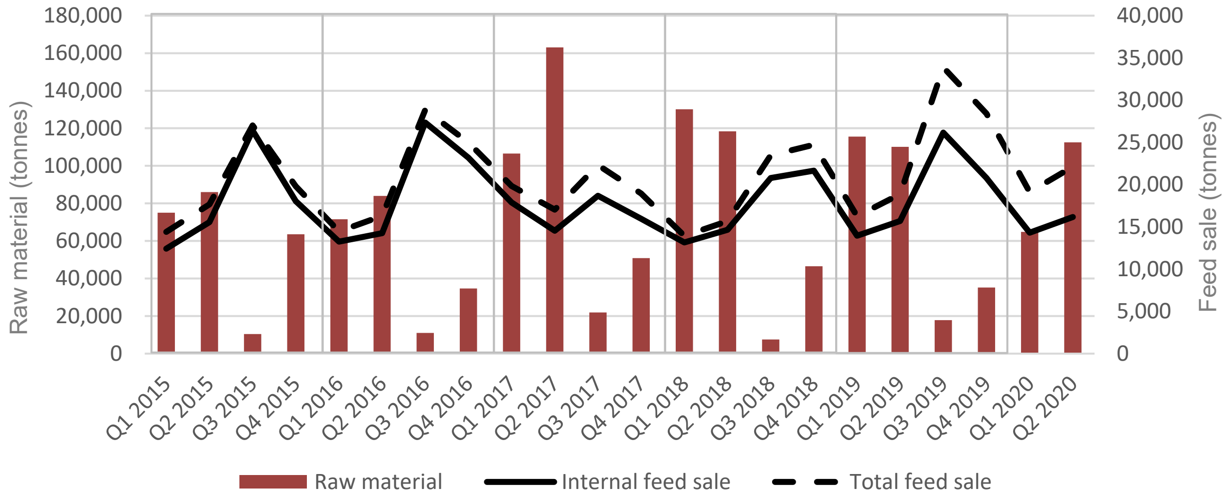
Total feed sales increased (tonnes)

18,872 (Q2 2019) → **17%** → **22,121** (Q2 2020)

External feed sale increased (tonnes)

3,183 (Q2 2019) → **87%** → **5,962** (Q2 2020)

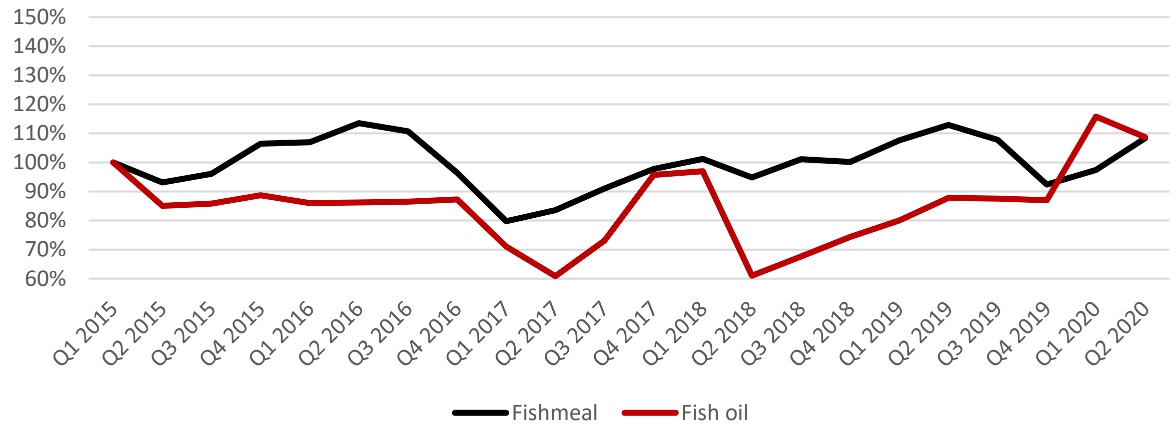
Volumes of raw material purchase and feed sale [tonnes]



Market fluctuations

The fishmeal price increased whereas fish oil price decreased in Q2 2020, compared to previous quarter

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



Source: Holtermann

SUMMARY OF Q2 2020

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Scotland, Loch Torridon

GROUP PROFIT AND LOSS
HIGHER REVENUE, BUT REDUCED OPERATIONAL EBIT

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Revenue (mDKK)

947 (Q2 2019) → **1,134*** (Q2 2020)

*** FO: 757**

Operational EBIT (mDKK)

339 (Q2 2019) → **182*** (Q2 2020)

*** FO: 153**

Fair Value of biomass (mDKK)

Higher forward prices **427** (Q2 2020)

Revenue tax (mDKK)

-32 (Q2 2019) → **-23** (Q2 2020)

Taxes

-41 (Q2 2019) → **-100** (Q2 2020)

Profit after tax (mDKK)

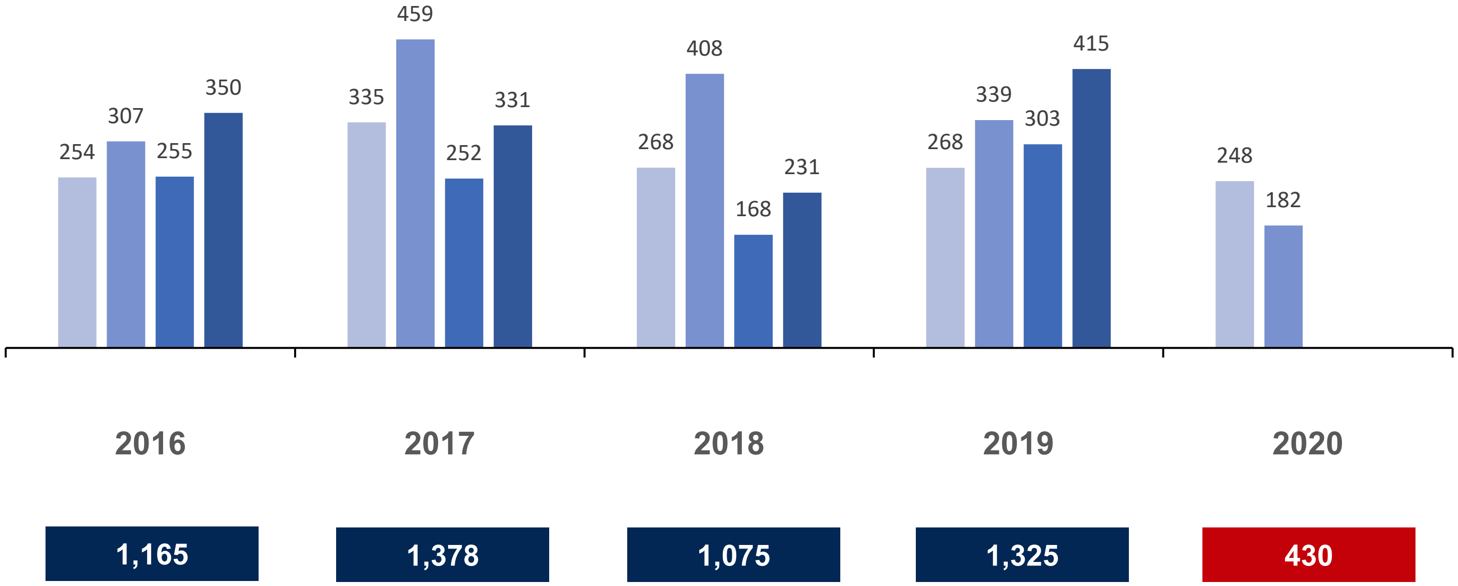
189 (Q2 2019) → **472** (Q2 2020)

(DKK million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Operating revenue	1,134	947	2,389	1,910
Operational EBITDA	**298**	**397**	**665**	**718**
Operational EBIT	**182**	**339**	**430**	**606**
Fair value adjustment of biological assets	427	-66	16	-48
Onerous contracts	0	0	0	0
Income from associates	0	-4	0	3
Revenue tax	-23	-32	-42	-64
EBIT	**586**	**237**	**404**	**497**
Net financial items	-15	-8	-14	-9
EBT	**571**	**229**	**390**	**488**
Taxes	-100	-41	-67	-87
Profit for the period	**472**	**189**	**324**	**401**
Operational EBITDA margin	**26.2%**	**41.9%**	**27.8%**	**37.6%**
Operational EBIT margin	**16.0%**	**35.8%**	**18.0%**	**31.7%**
Operational EBIT/kg (Farming FO and VAP) (NOK)	**15.34**	**31.31**	**19.83**	**26.46**
Operational EBIT/kg (Farming SCT) (NOK)	**5.36**	**N/A**	**5.52**	**N/A**
EBITDA margin (fishmeal, oil and feed)	**18.6%**	**20.6%**	**15.6%**	**21.8%**

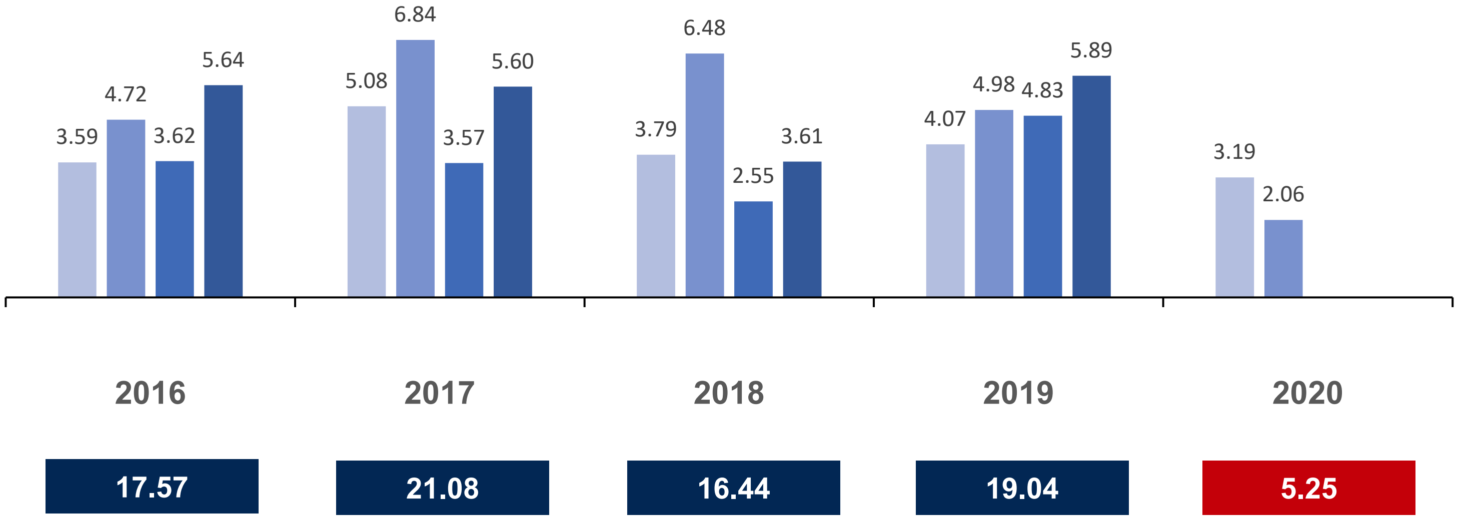
* Operational EBITDA and EBIT aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax.

OPERATIONAL EBIT* AND ADJUSTED EARNINGS PER SHARE

Operational EBIT*
(mDKK)



Adjusted EPS
(DKK)



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

BALANCE SHEET

Headlines (mDKK)

Intangible assets: 4,378 (Q2 2020)

PPE: 3,894 (Q2 2020)

Biological assets: 1,902 (end of 2019) → 2 → 1,903 * (Q2 2020)
(whereof mDKK 427 are fair value adjustments)

Inventory: 721 (Q2 2020)

Receivables: 563 (Q2 2020)

Cash & cash equiv.: 1,310 (end of 2019) → -855 → 454 (Q2 2020)

Equity: 8,497 (end of 2019) → 85 → 8,581 (Q2 2020)

Equity ratio: 69% (Q2 2020)

(DKK million)	Q2 2020	End 2019
Intangible assets	4,378	4,396
Property, plant and equipment	3,894	3,780
Right of use assets	432	333
Financial assets	117	119
Long-term receivables	4	4
Deferred tax assets	36	38
Biological assets	1,903	1,902
Inventory	721	549
Receivables	563	626
Other receivables	11	46
Cash and cash equivalents	454	1,310
Total Assets	**12,514**	**13,101**
Equity	8,581	8,497
Deferred tax and other taxes	1,182	1,124
Long-term interest-bearing debt	1,571	2,328
Long-term leasing debt	249	226
Financial derivatives	19	15
Short-term leasing debt	195	108
Accounts and other payables	716	804
Total Equity and Liabilities	**12,514**	**13,101**

CASH FLOW

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Cash flow, operations (mDKK)

327 (Q2 2019)	**111** (Q2 2020)

Cash flow, investments (mDKK)

-157 (Q2 2019)	**-196** (Q2 2020)

Cash flow, financing (mDKK)

-189 (Q2 2019)	**-262** (Q2 2020)

(DKK million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Cash flow from operations	111	327	477	403
Cash flow from investments	-196	-157	-297	-263
Cash flow from financing	-262	-189	-1,034	-135
Net change in cash	-347	-19	-855	6
Cash at the end of the period	454	323	454	323
Undrawn facilities	2,323	742	2,323	742

NET INTEREST-BEARING DEBT (NIBD)
NIBD IN Q2 2020 SLIGHTLY HIGHER THAN IN Q1 2020

NIBD was increased by:

- Net investments (mDKK 196)
- Change in working capital (mDKK 187)

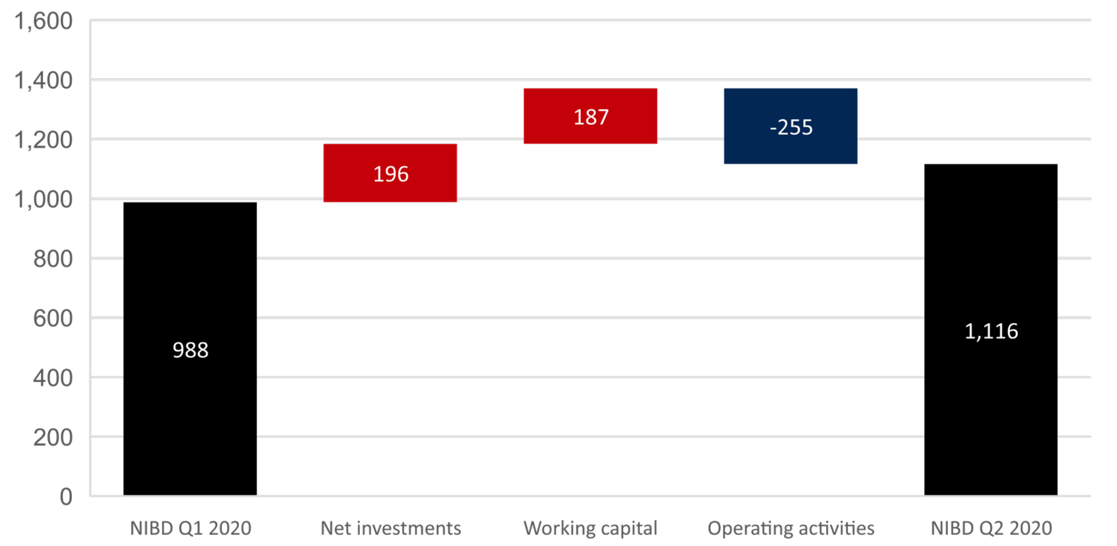
NIBD was decreased by:

- Cash flow, operating activities (mDKK -255)

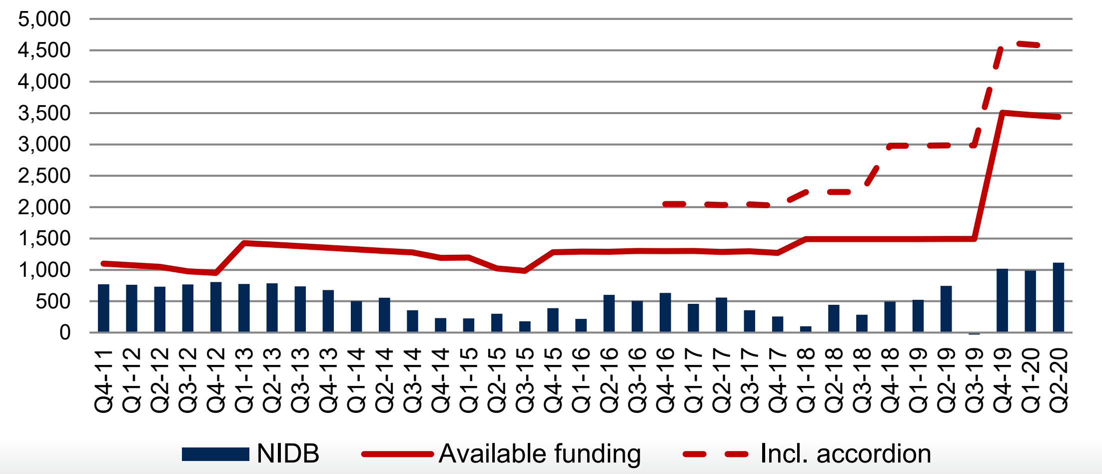
Financing end Q2 2020

- NIBD: DKK 1,116 million
- Bank facilities of EUR 352 and GBP 100 million
- Undrawn credit facilities: DKK 2,323 million

Development in NIBD in DKK millions



NIBD and available funding



Q2 ESG Update

Healthy Living Plan

We believe that by investing in the health of our business, our people, our salmon, the environment and the communities in which we operate, we will enable healthy living for millions of people globally.

See more by visiting www.bakkafrost.com/sustainability

THE GLOBAL GOALS

UN SUSTAINABLE DEVELOPMENT GOALS
Bakkafrost is contributing towards to the achievement of the UN SDGs through the Healthy Living Plan.

Healthy **Business**

Grow efficiently and responsibly

Bakkafrost signed up as TCFD supporter

Healthy **People**

To be a preferred employer

5,600+ free Covid-19 tests offered to employees in Faroe Islands – all negative

Healthy **Salmon**

To exceed leading standards

Regin Jacobsen announced as Co-Chair of Global Salmon Initiative

Healthy **Environment**

To minimise our environmental impact

2,000 trees planted by employees to mark World Environment Day

Healthy **Communities**

To create shared value

Havsbrún supplier event engaging marine ingredient suppliers in CO_2 reduction

SUMMARY OF Q2 2020

MARKETS AND SALES

SEGMENT INFORMATION

FINANCIALS & ESG

OUTLOOK

APPENDIX

BAKKAFROST

ESTABLISHED 1968

OUTLOOK

Market

- 4% increase expected in global harvest in H2-2020
- 2% increase in global harvest expected in 2021

Contracts

- Contracted around 33% of expected H2 2020 harvest volume
- Long-term strategy is to sell around 40% of the harvested volumes at fixed price contracts

Farming

- In 2020, Bakkafrost expects to harvest HOG 50,000 tonnes in the Faroe Islands and HOG 39,000 tonnes in Scotland
- In 2021, Bakkafrost expects to harvest HOG 62,500 tonnes in the Faroe Islands and HOG 44,000 tonnes in Scotland
- Bakkafrost expects to release 15.0 million smolts in 2020 in the Faroe Islands
- The smolt release in Scotland is expected to be 10.7 million smolts in 2020

Fishmeal, Oil and Feed

- Feed sales are expected to be around 110,000 tonnes in 2020. Fishmeal and fish oil volumes are expected to be lower than in 2019

Business development / Investment programme

- Pursuing sustainable organic growth
- For the remaining period 2020 – 2022 of the investment programme ~ DKK 1.8 billion will be invested in the Faroe Islands
- In Scotland the yearly investments for 2020-2024 are expected to be around DKK 350 million per year

APPENDIX

BAKKAFROST

ESTABLISHED 1968

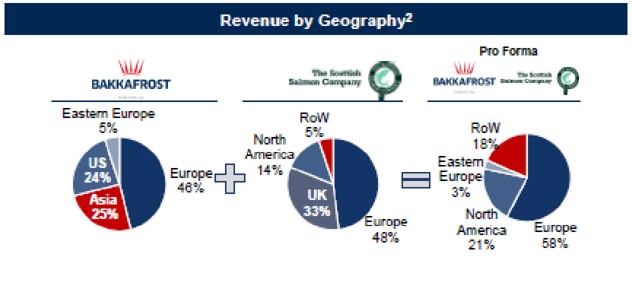
SCOTLAND – STRATEGIC RATIONALE

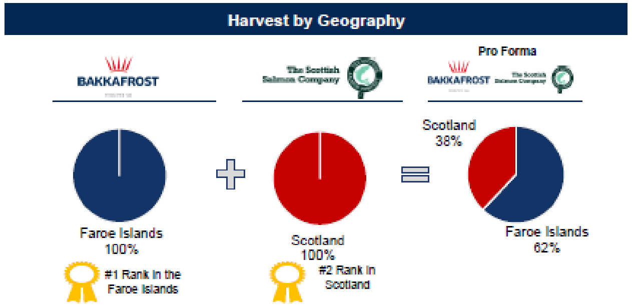
1. Provides access to the attractive Scottish farming region
   - Niche and differentiated region
   - High quality salmon from Scottish Provenance priced at a premium
2. Creating a differentiated global leader in premium salmon
   - Exposure to two geographies, Faroe Islands and Scotland
   - Premium brands

Bakkafrost Brand		Scottish Salmon Brands
BAKKAFROST	+	The Scottish Salmon Company TARTAN SALMON LOCHLANDER SALMON HARRIS LEWIS

SCOTLAND – STRATEGIC RATIONALE

3. Potential for significant improvement
   - Scottish Salmon profitability to improve over a five-year period through transfer of best practices
   - Synergies
   - Targeted investment programmes
4. Financially attractive, acquiring the business at a reasonable value, multiple to the sector and Bakkafrost





Source: Company filings, company website, Mowi Salmon Farming Industry Handbook 2019.
[1] Harvest figures reflect total harvest in European region comprising of Norway, United Kingdom / Scotland and Faroe Islands as per Mowi Salmon Farming Handbook.
[2] Geographic breakdown of revenue based on H1 2019 data for both companies.

SCOTLAND SITE OVERVIEW

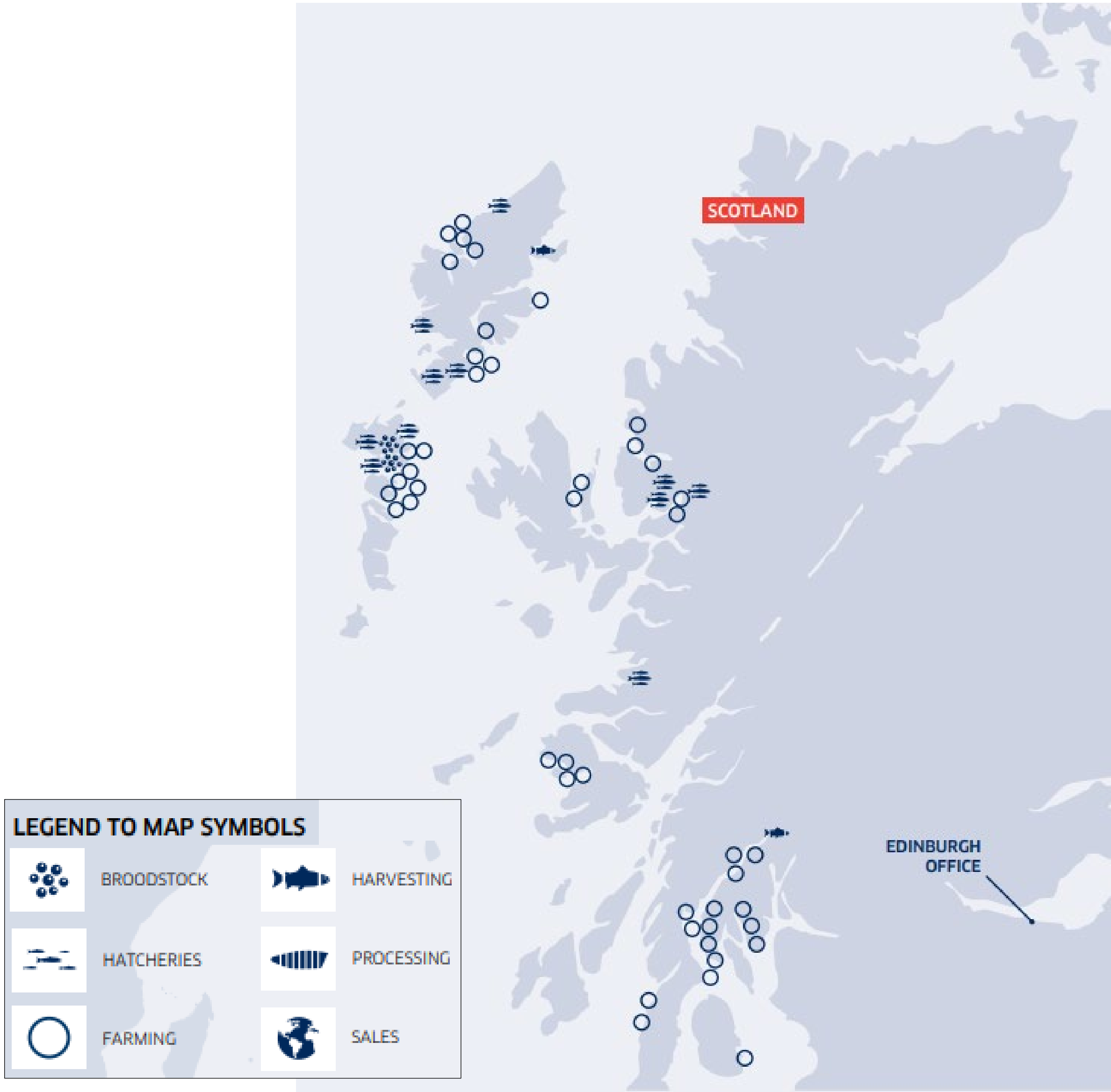
43 farming sites / 67,023T consent

South

- 20 sites / 29,205T consent
  - Mull and Gigha, 6 sites
  - Loch Striven and Arran, 4 sites
  - Loch Fyne, 10 sites

North

- 23 sites / 37,818T consent
  - Uist, 5 sites
  - Sky & mainland, 7 sites
  - Loch Roag, 6 sites
  - East Lewis & Harris, 5 sites



FAROE ISLANDS - GROWING TO 100KT

SUPERIOR BIOLOGY COMBINED WITH STATE-OF-THE-ART INFRASTRUCTURE

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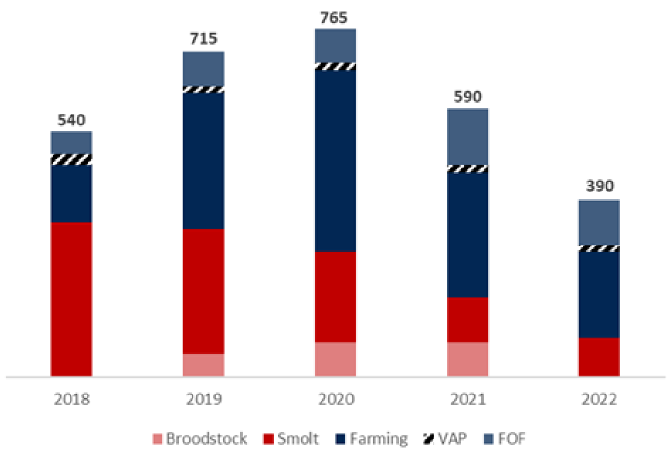
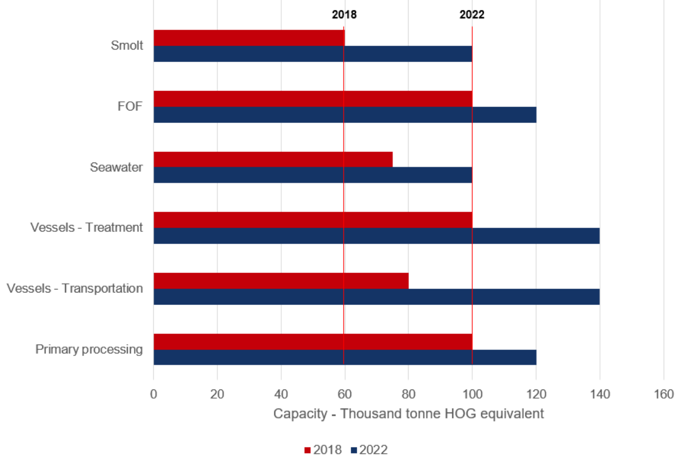
	FISHMEAL, OIL AND FEED	BROODSTOCK	SMOLT	SEA WATER	PROCESSING	SALES/MARKETING
CAPACITY 2018	Equivalent to 100k (tgw) annual harvest @ marine index of 44%	None	12 million @ 200 grams	21 farming sites/17 fjords 55k (tgw) @100g smolt/ 65k (tgw) @500g smolt 4 well boats & 2 FSVs	130k primary (tgw) 40k secondary (tgw) 80k packaging material (tgw)	Central sales Faroes UK sales office US sales office Branding
CMD ANOUNCED INVESTMENTS	Additional 65k (tgw) annual harvest @ marine index of 44%	Own breeding programme Full self sufficiency	19 million @ 500 grams	Upgraded infrastructure Fish transportation R&D	Selected upgrading, efficiency and functionality	Marketing/sales initiatives Market penetration
PURPOSE	Sustainable Growth Flexibility Efficiency, streamlining & innovation Environmental improvement Food safety	Adaptability to local biology Product differentiation Support branding strategy (immaterial property) Less dependency of suppliers Veterinary control	Sustainable growth Reduced exposure in sea	>76k (tgw) @ 500g smolt	Product quality Product presentation Product differentiation Fresh premium product capability	Premium price achievement Reduced spot price sensitivity Maintain low exposure to single markets

2018 Capex programme



Development in capacity constraints



DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

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Expected supply growth in 2021

- 2% growth in Global supply
- 4% growth in European supply
- -4% growth in supply from Americas

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

	2017	2018	2019	2020E	2021E
Norway	1,078	1,129	1,198	1,228	1,274
UK	159	138	165	166	169
Ireland	15	13	14	14	15
Faroes	72	64	78	77	85
Total Europe	**1,325**	**1,344**	**1,455**	**1,484**	**1,543**
Chile	490	598	601	645	610
Canada	123	132	124	125	132
USA	20	17	19	18	16
Total Americas	**633**	**747**	**744**	**788**	**758**
Other	78	79	98	120	136
Total (Sold Quantity)	**2,035**	**2,170**	**2,297**	**2,392**	**2,437**
Supply growth - Global	**2%**	**7%**	**6%**	**4%**	**2%**
Supply growth - Europe	3%	1%	8%	2%	4%
Supply growth - Americas	-3%	18%	0%	6%	-4%

Salmon Markets (head on gutted - HOG)

	2017	2018	2019	2020E	2021E
EU	918	950	1,011	1,063	1,096
USA	402	436	469	498	492
Japan	58	54	53	57	57
Russia	70	89	79	77	80
Others	588	641	685	697	712
Total (Sold Quantity)	**2,035**	**2,171**	**2,297**	**2,392**	**2,437**

Comments:
All figures are in hog-equivalents and thousand tonnes.
Figures represents sold quantity of Atlantic Salmon from each producing country

Source: Kontali

DECREASING MARKET PRICES

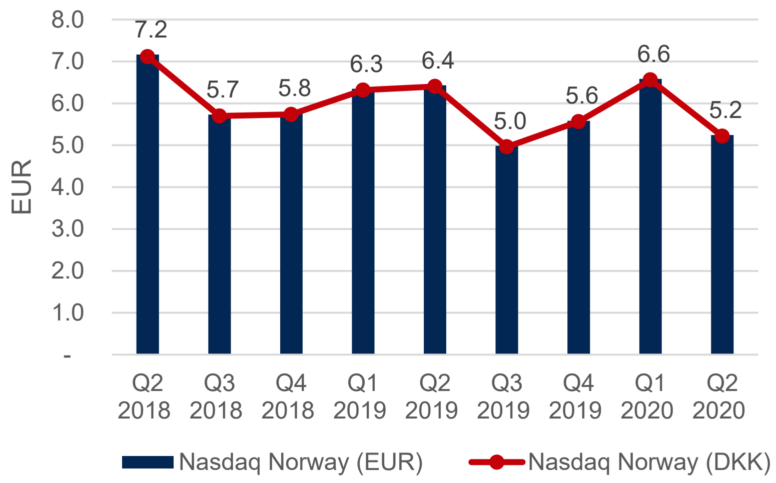
- Decreasing market prices during the quarter
  - Significant demand disruption (Covid-19)
  - Limited supply growth
- Nasdaq Norway price EUR 5.2 in Q2 2020
  - 18% down vs. Q2 2019
  - 20% down vs. Q1 2020
  - Urner Barry East Coast price USD 6.9 per kg in Q2 2019
    - 22% down vs. Q2 2019
    - 25% down vs. Q1 2020

MARKET CURRENCY	Q2 2020	Q2 2019	Change %
Nasdaq Norway (EUR)	5.24	6.43	-18.4 %
UB North East US 14-16lb HOG (USD per kg)	6.93	8.84	-21.6 %

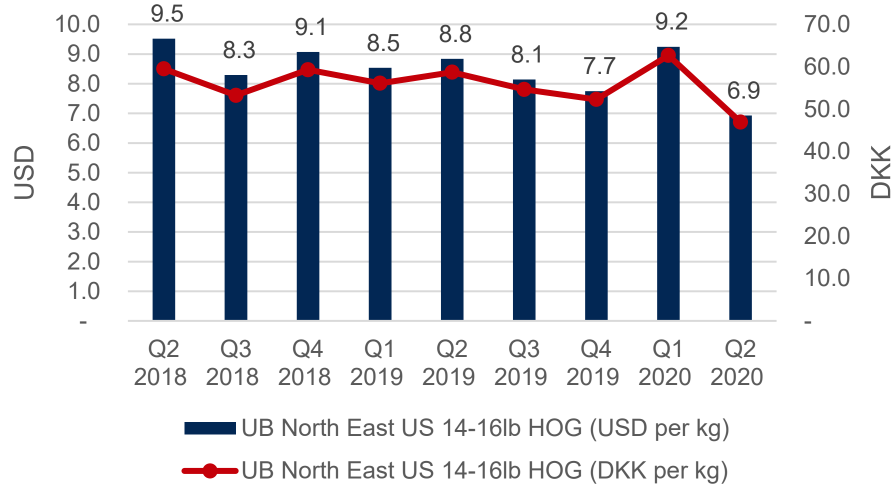
DKK	Q2 2020	Q2 2019	Change %
Nasdaq Norway	39.12	48.02	-18.5 %
UB North East US 14-16lb HOG (per kg)	46.95	58.71	-20.0 %

Source: Kontali

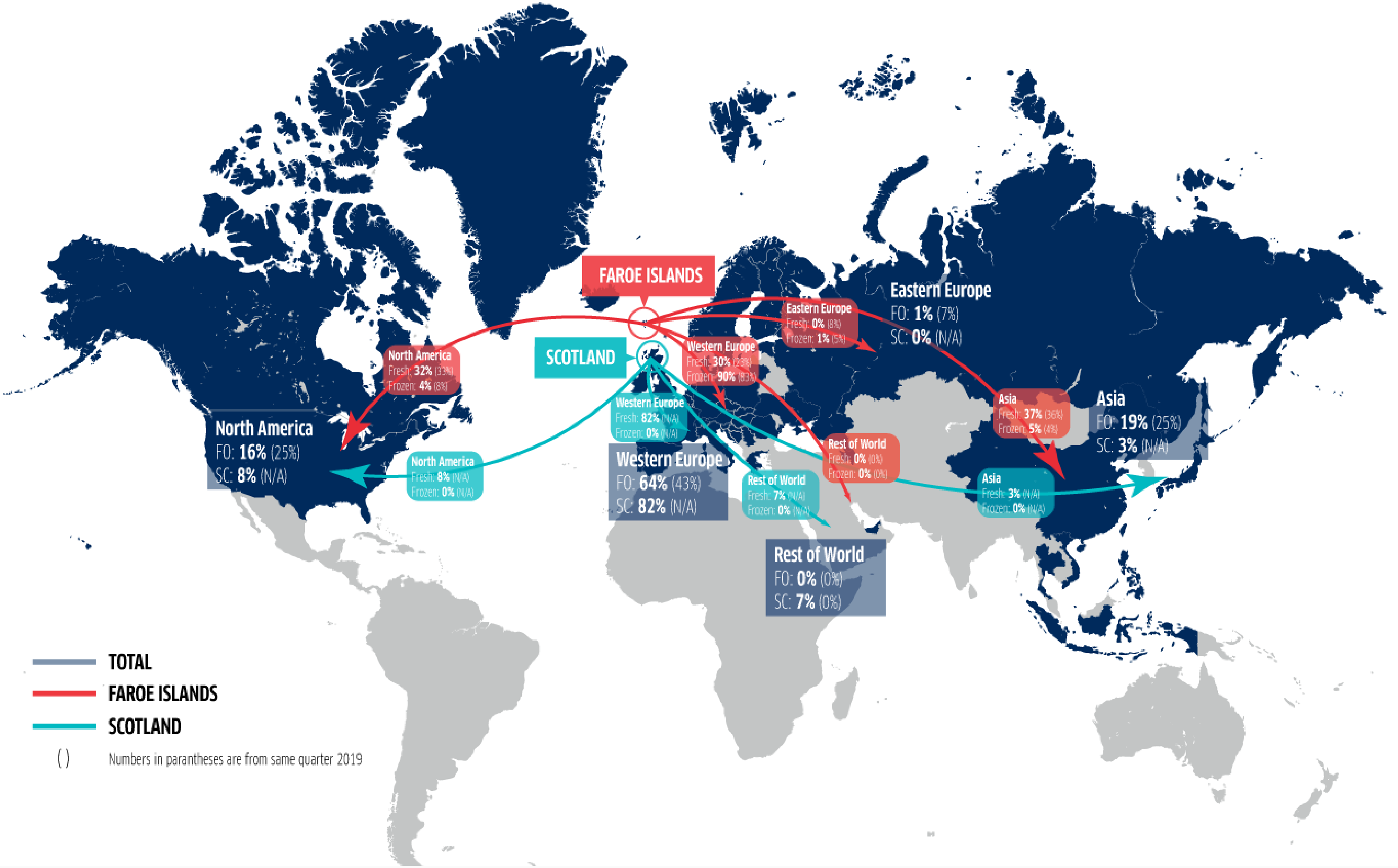
PRICE NORWAY



PRICE US – NORTH EAST



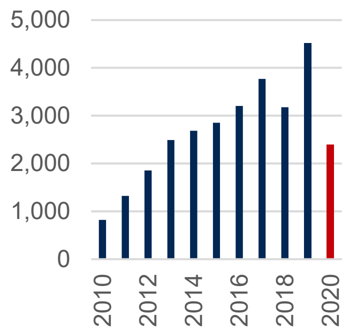
Q2 2020 MARKET ENVIRONMENT – COVID-19 EFFECTS



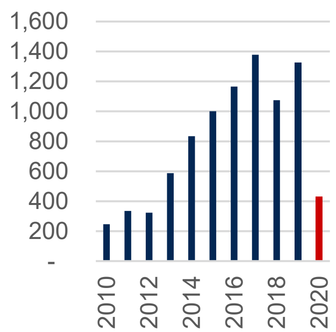
DEVELOPMENT PER QUARTER

(mDKK)	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Revenue	954	622	750	964	947	996	1,605	1,255	1,134
Operational EBIT	408	168	231	268	339	303	415	248	182
Profit/Loss	339	356	-7	213	189	181	220	-148	472
Harvest FO (tgw)	12,902	7,217	12,234	13,707	12,609	12,938	17,930	10,667	12,941
Harvest SCT (tgw)							7,925	7,268	7,937
Op. EBIT Farming FO & VAP (NOK/kg)	37.41	25.34	21.91	21.99	31.31	26.25	28.25	25.10	15.34
Op. EBIT Farming FO (NOK/kg)	39.09	24.85	21.56	21.86	31.31	23.61	25.49	26.51	9.79
Op. EBIT VAP (NOK/kg)	-11.00	2.49	1.51	0.37	-0.01	9.23	11.72	-2.78	11.19
Op. EBIT Farming SCT (NOK/kg)							3.09	5.70	5.36
Equity ratio	68%	70%	70%	70%	65%	68%	65%	66%	69%
NIBD	443	286	495	522	744	-1,271	1,019	988	1,116

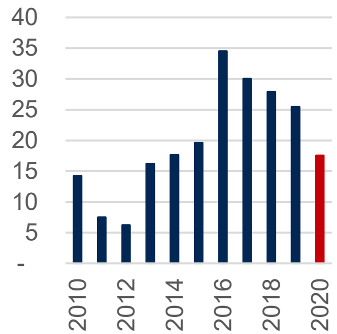
Revenue (mDKK)



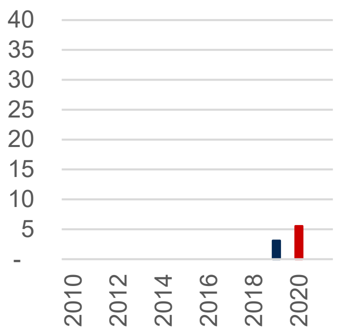
Operational EBIT (mDKK)



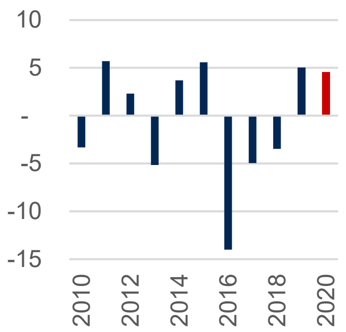
Farming FO margin Op. EBIT (NOK/kg)



Farming SCT margin Op. EBIT (NOK/kg)



VAP FO margin Op. EBIT (NOK/kg)



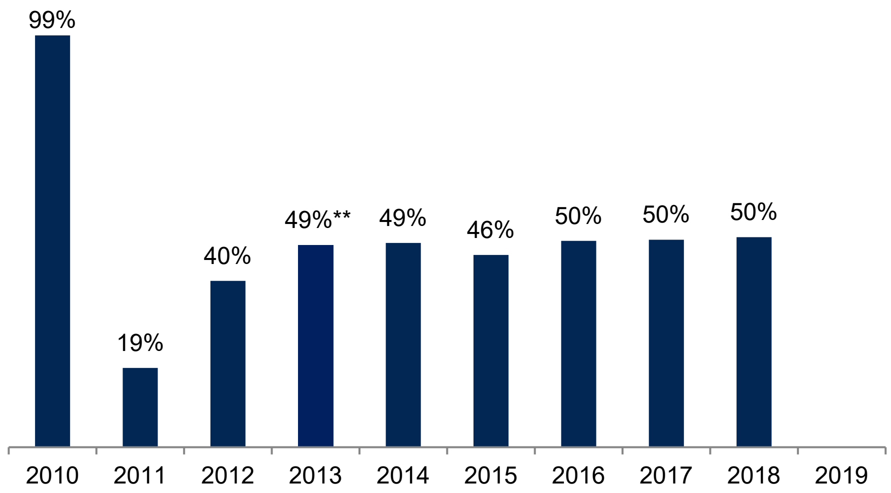
Dividend

- No dividend for 2019 because of the disruption and uncertainty caused by Covid-19

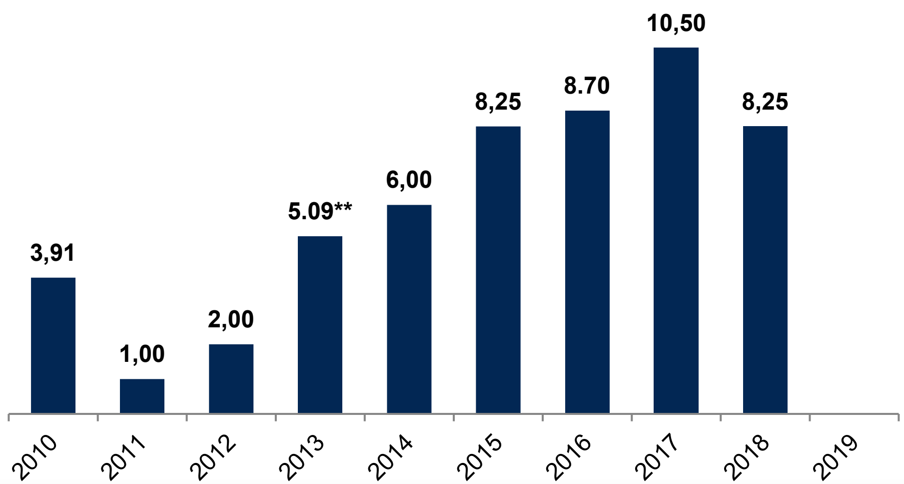
Dividend policy

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

Dividend per share in % of adj. EPS*



Dividend per share (DKK)***

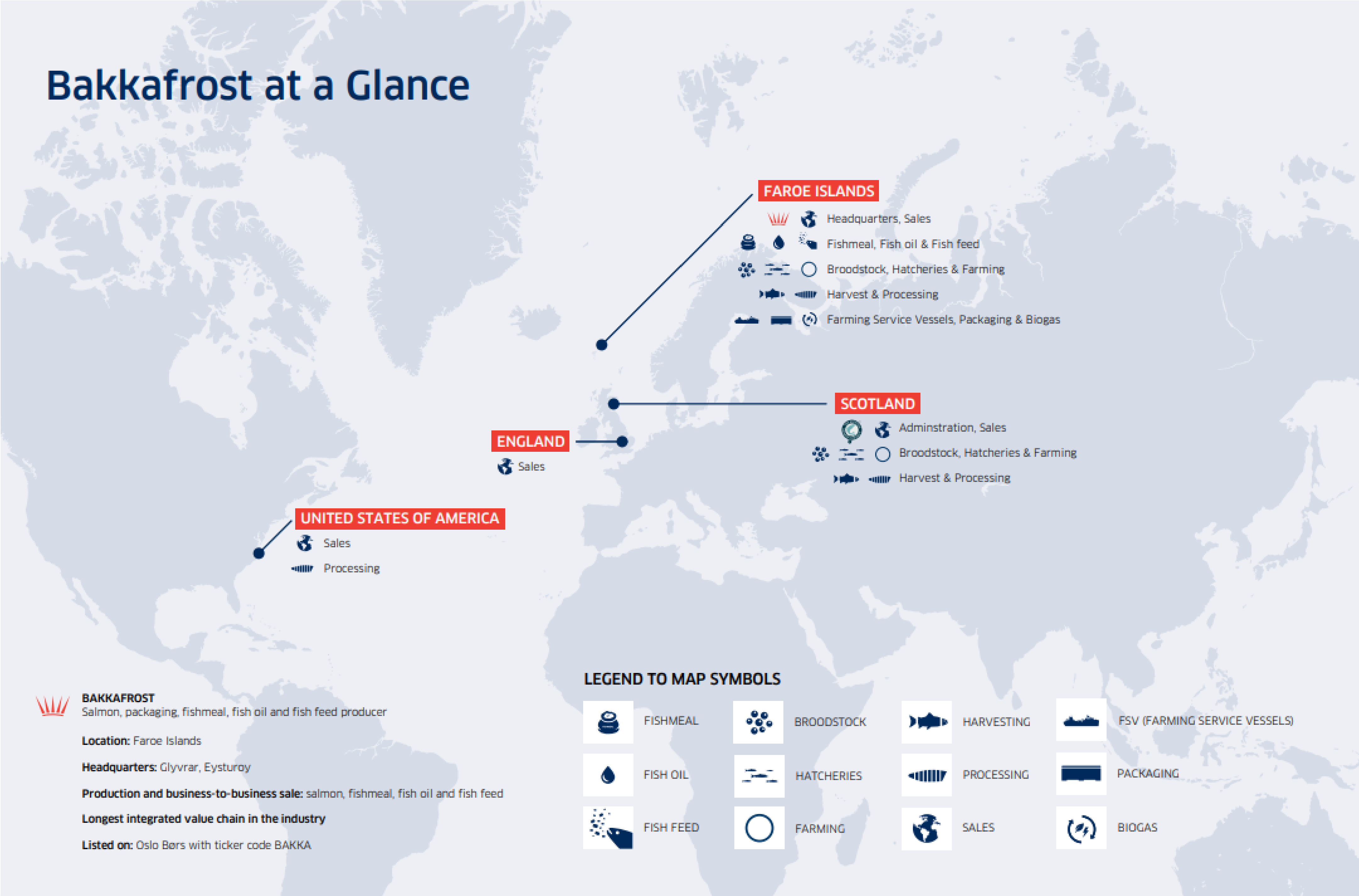


* Adjusted EPS is EPS adjusted for fair value adjustments of biomass and onerous contracts provisions

** Dividend and acquisition of treasury shares

*** Dividend is paid out the following year

Bakkafrost at a Glance



BAKKAFROST
Salmon, packaging, fishmeal, fish oil and fish feed producer

Location: Faroe Islands

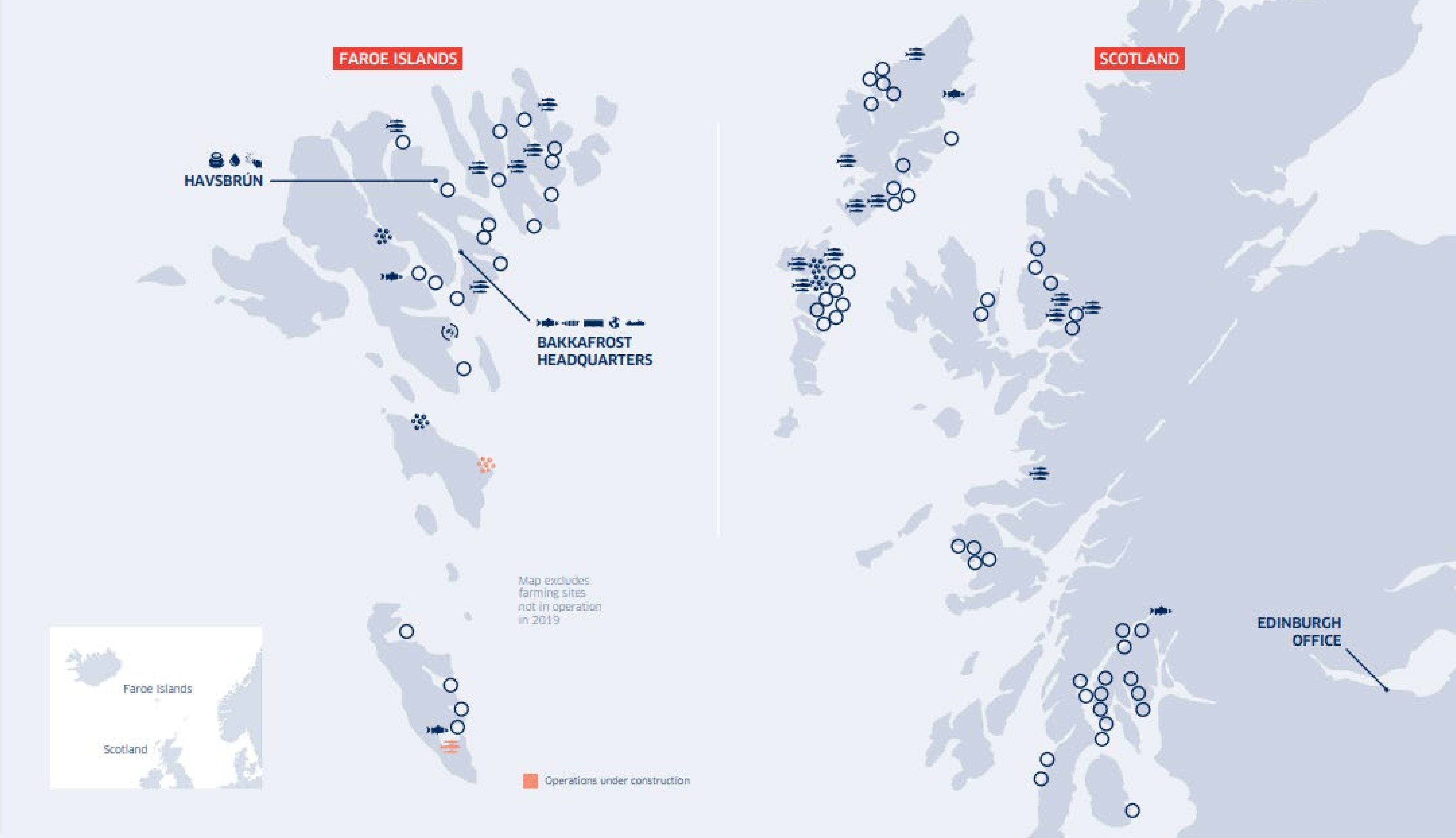
Headquarters: Glyvrar, Eysturoy

Production and business-to-business sale: salmon, fishmeal, fish oil and fish feed

Longest integrated value chain in the industry

Listed on: Oslo Børs with ticker code BAKKA

Facilities and locations



FAROE ISLANDS

- **18 islands – 1,387 km^2**
- **52,656 inhabitants (July 2020)**
- **Home rule – within the Kingdom of Denmark**
- **Part of the Danish monetary union, Danish krone (DKK)**

Key sectors (% of wage earners, M7 2020)
- Service/public admin.: ~34%
- Private service: ~31%
- Construction: ~18%
- Fish & aquaculture: ~17%
- Unemployment rate (May 2020)**:** 1.8%
- Total working force (July 2020): 27,308

- **GDP:** DKK ~20.5bn (2019e)
- **GDP/capita:** DKK 394,000 (2019e)
  - (Norway: DKK 463,000) (2017)

Total export of fish products (2019)
- DKK 8,937 million - whereof farmed fish accounts for 45%

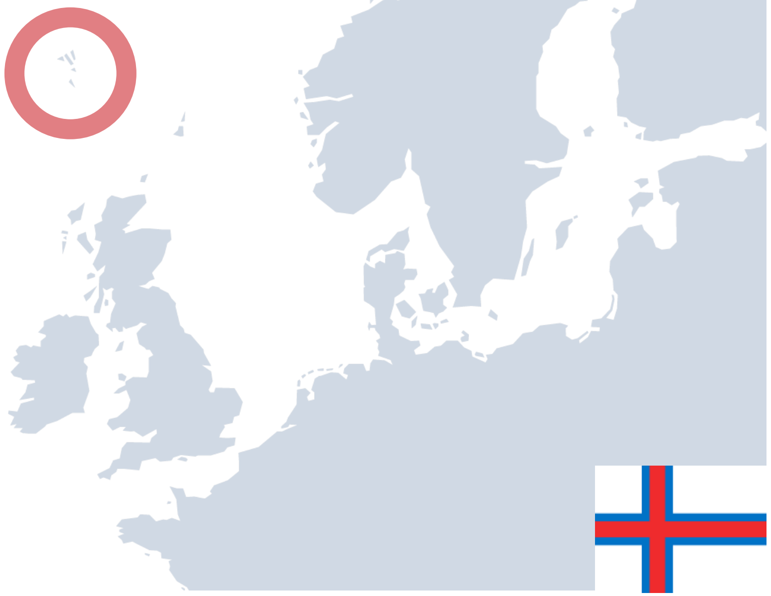
TAXES
- **Total percent of GDP: 41.8% (2016)**
- **Corporate tax: 18%**
- **Farming revenue tax: 5.0% of revenues after 1 January 2019**

The tax is applied as follows (IMP ~ International market price):

- If the IMP is above DKK 36 per kilo, the tax is 5%
- If the IMP is between DKK 32 and DKK 36 per kilo, the tax is 2.5%
- If the IMP is lower than DKK 32 per kilo, the tax is 0.5%

Restriction on single foreign ownership of 20% in farming companies

One company may max. control 50% of the licences in the Faroe Islands



Source: Hagstova Føroya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