

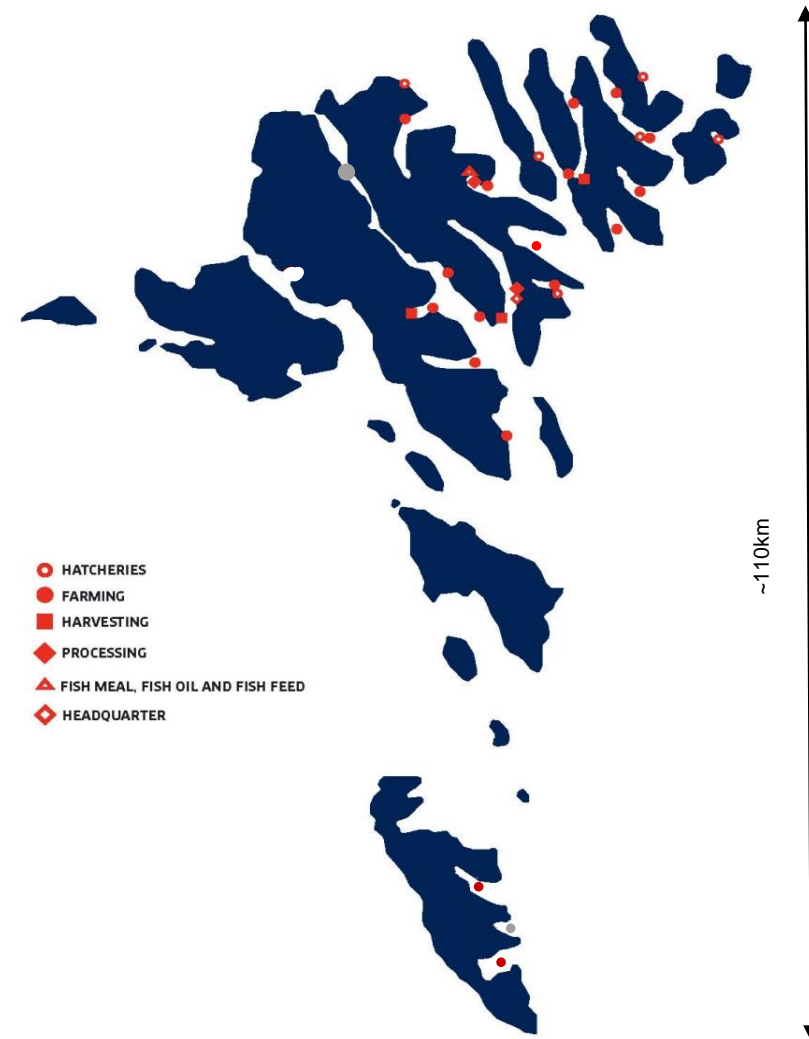
# Q2 2017

**BAKKAFROST GROUP**  
Oslo 22 August 2017

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## ■ SUMMARY OF Q2 2017

- MARKETS AND SALES
- SEGMENT INFORMATION
- GROUP FINANCIALS
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- APPENDIX



## Operation

- **Harvested** 18,402 t<sub>gw</sub> in Q2 2017 (13,004 t<sub>gw</sub> in Q2 2016)
- **Feed sales** of 17,032 tonnes in Q2 2017\* (16,295 tonnes in Q2 2016\*)
- **Raw material purchase** of 163,100 tonnes in Q2 2017 (83,970 tonnes in Q2 2016)

## Revenues and Margins

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

## Cash Flow

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

## Segments

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

## Dividend

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

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

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

# SUMMARY OF THE QUARTER

## Record high results

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

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



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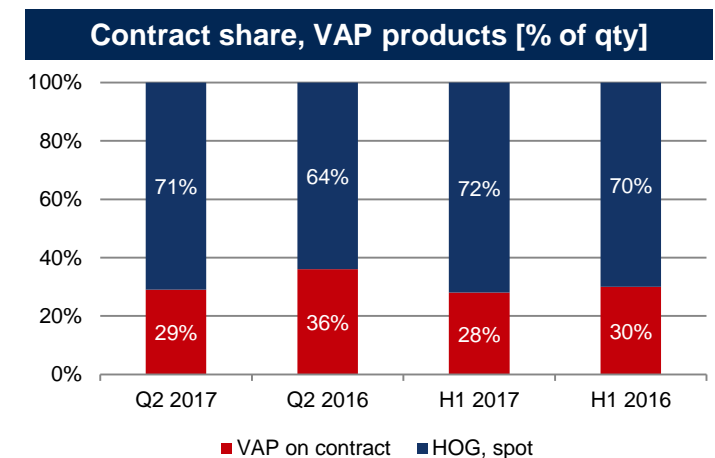
**Same trend as in Q1 2017, sales to Europe and Eastern Europe increased, as sales to USA and Asia decreased**

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



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

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



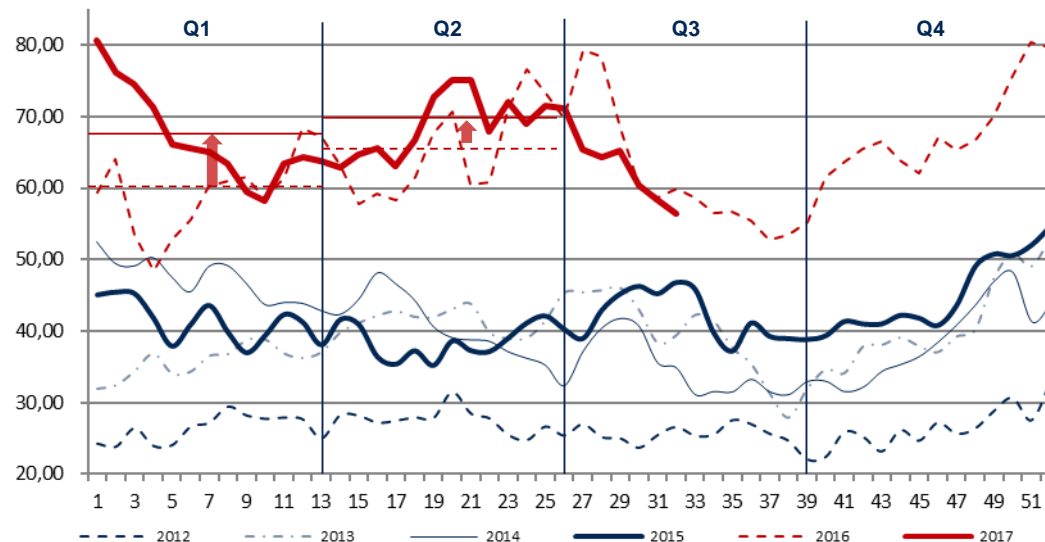
## High salmon prices continued in Q2 2017

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

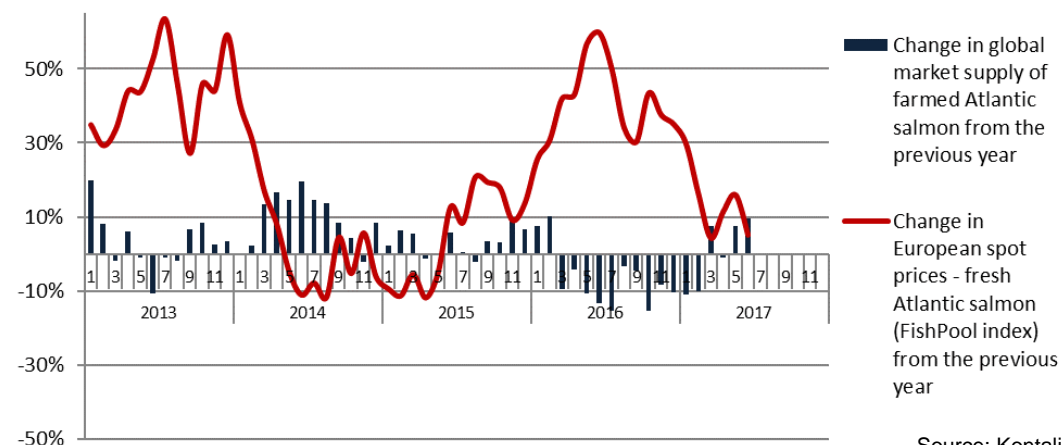
## Reduced global supply in Q2 2017

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

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



Change in global market supply and market price



Source: Kontali



## DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

### Decreased market supply in Q2 2017 vs. Q2 2016

Global supply down 2.8% despite 3.9% increase in harvest

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

European supply decreased by 1.4%

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

American supply increased by 14.3%

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

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

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

### EU

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

### USA

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

### Russia

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

### Japan and ASEAN

- Strong demand despite high price environment

### Greater China

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

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

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

Comments:

Greater China = China / Hong Kong / Taiwan (incl. estimated re-export from Vietnam)

ASEAN = Association of Southeast Asian Nations (estimated re-export from Vietnam subtracted)

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

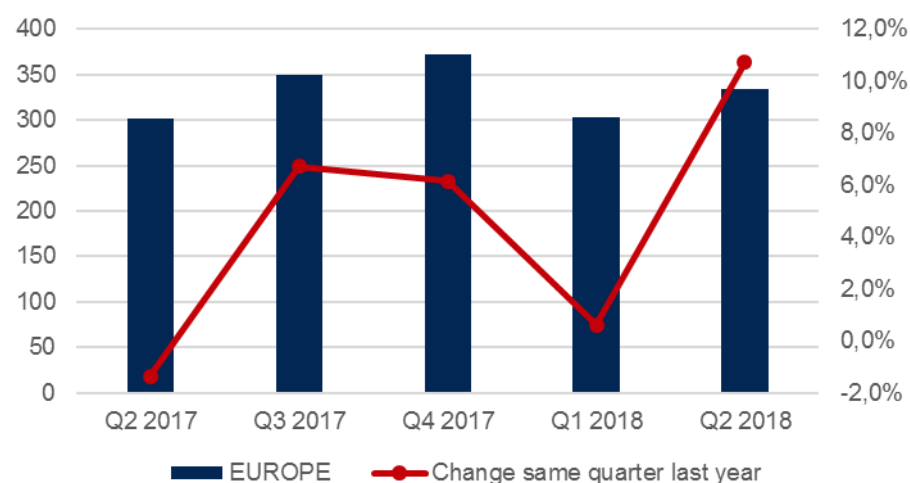
All figures above are in tonnes hog, and are rounded to the nearest 100 tonnes.

## SHORT TERM SUPPLY OUTLOOK

### Increased supply expected in the coming quarters

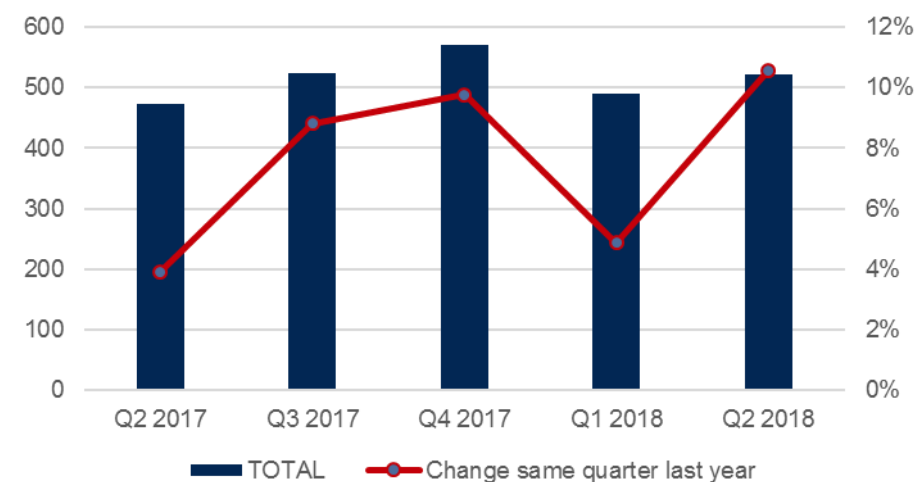
- Both Europe and Americas contributing in H2 2017
- Increasing supply from Chile
  - 2016 impacted by mass mortality due to Algae bloom

### SUPPLY - EUROPE

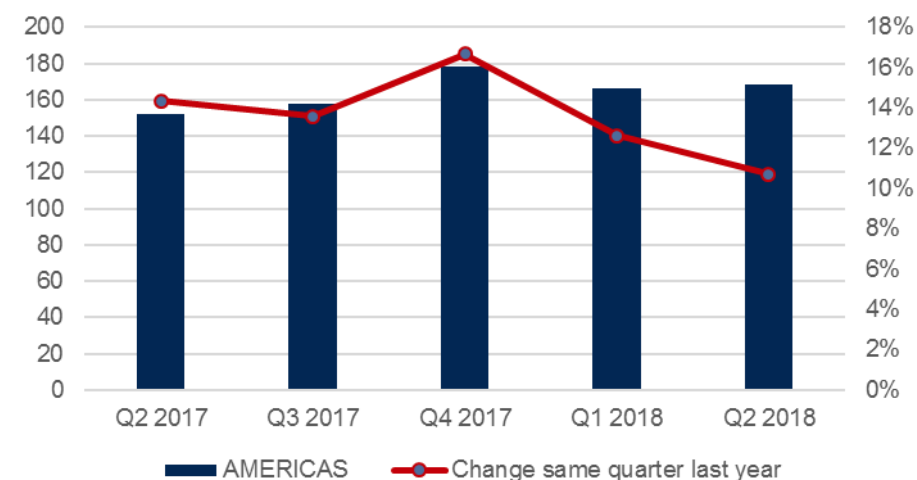


Source: Kontali

### SUPPLY - TOTAL



### SUPPLY - AMERICAS



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## Harvested volumes

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

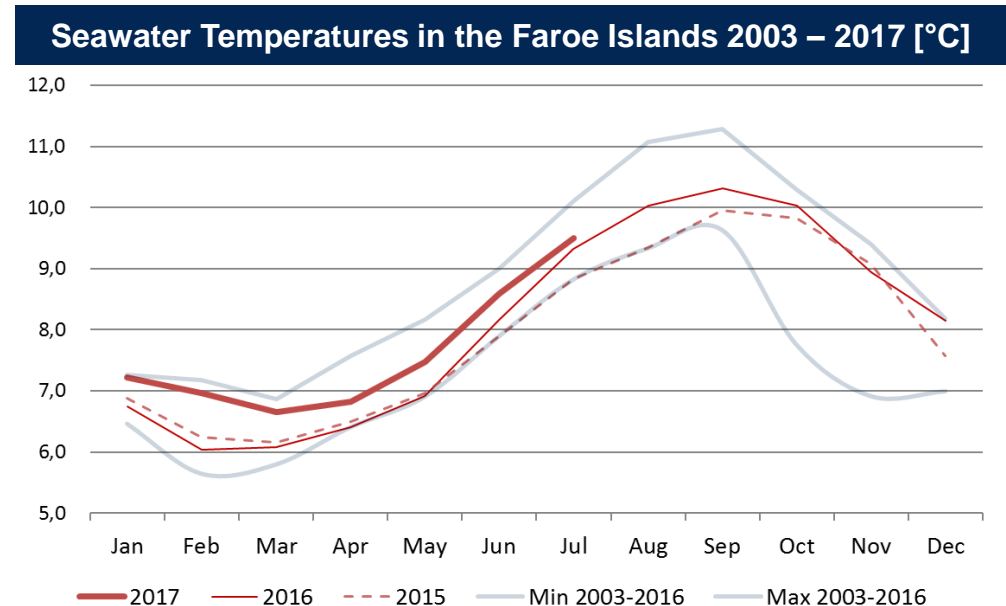
## Smolt transfer

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

## Seawater temperatures in the Faroe Islands

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

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





## High harvested volumes and strong performance with some challenges

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

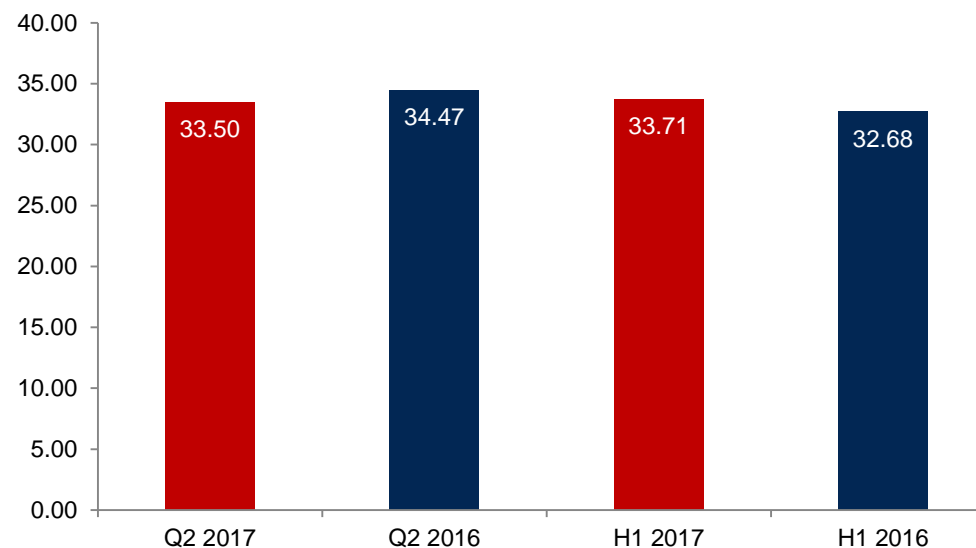
(DKK million)	Q2 2017	Q2 2016	H1 2017	H1 2016
Operating revenues	1,039	752	1,790	1,453
Operational EBIT	489	358	863	619
Operational EBIT margin	47%	48%	48%	43%



## Operation

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

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



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

# VALUE ADDED PRODUCTS (VAP)

## VAP revenues and margin

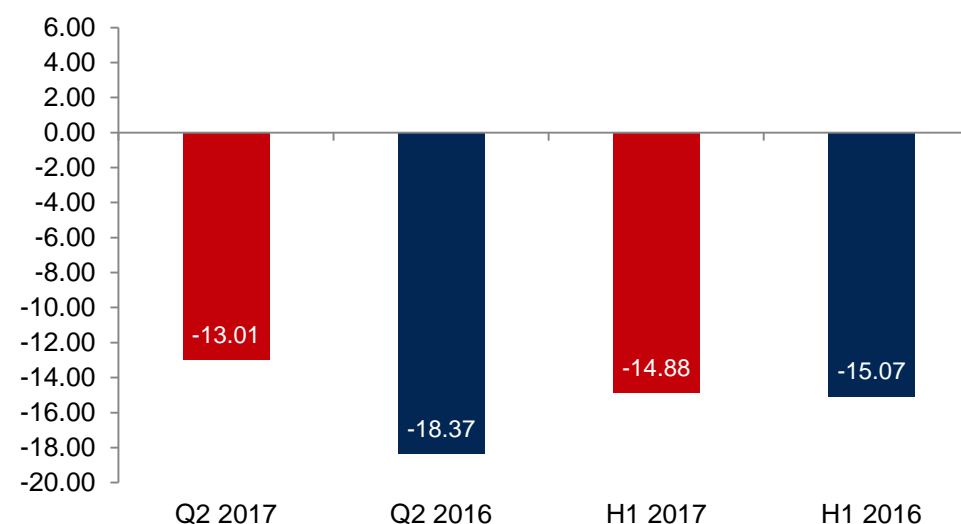
- Revenues increased by 45% to DKK 273 million in Q2 2017, from DKK 187 million in Q2 2016
- Operating EBIT in Q2 2017 was DKK -54 million, compared with DKK -68 million in Q2 2016

## Performance moved in the right direction in Q2 2017

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

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

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



## Record high activity and satisfactory performance

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

## Fishmeal, Oil and Feed

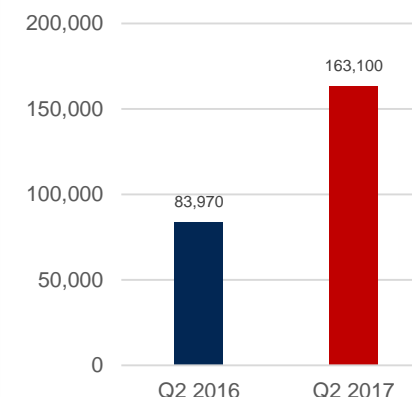
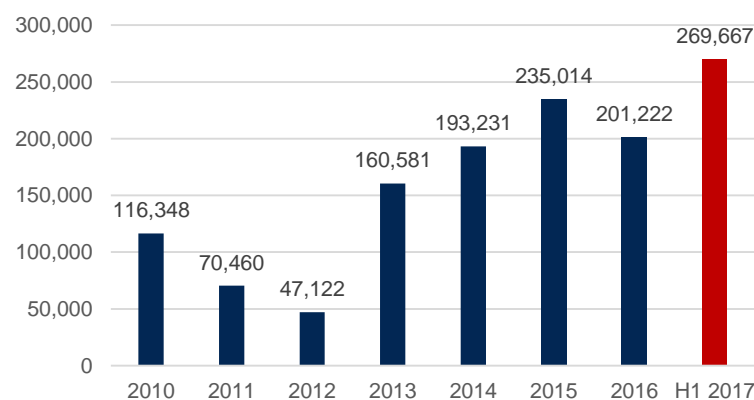
(DKK million)	Q2 2017	Q2 2016	H1 2017	H1 2016
Operating revenues	317	220	594	508
EBITDA	48	45	93	114
EBITDA margin	15.1%	20.7%	15.6%	22.5%
Feed sold (tonnes)*	17,032	16,295	36,859	30,749
Fishmeal sold external (tonnes)	17,941	4,063	25,504	15,779

## Highest quarterly sourced raw material since Havsbrún became part of Bakkafrost

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

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

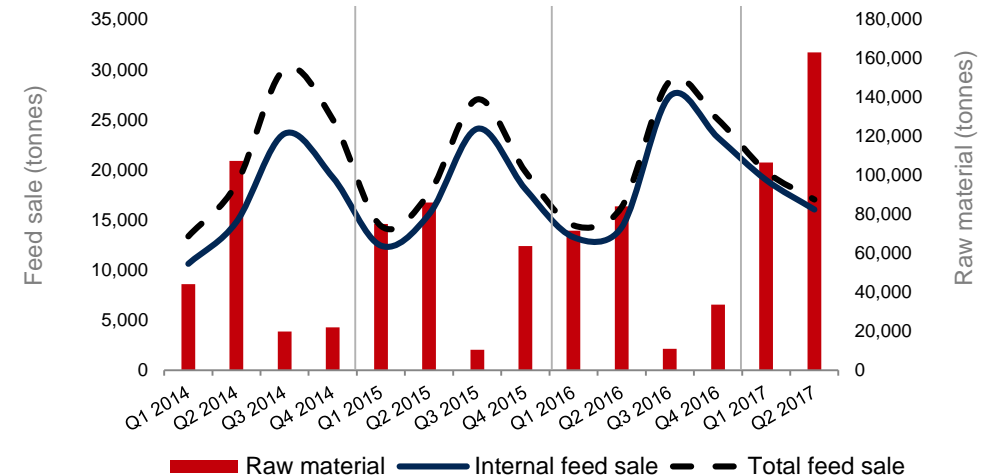
## Sourcing of raw material (tonnes)



## Feed sales increasing

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

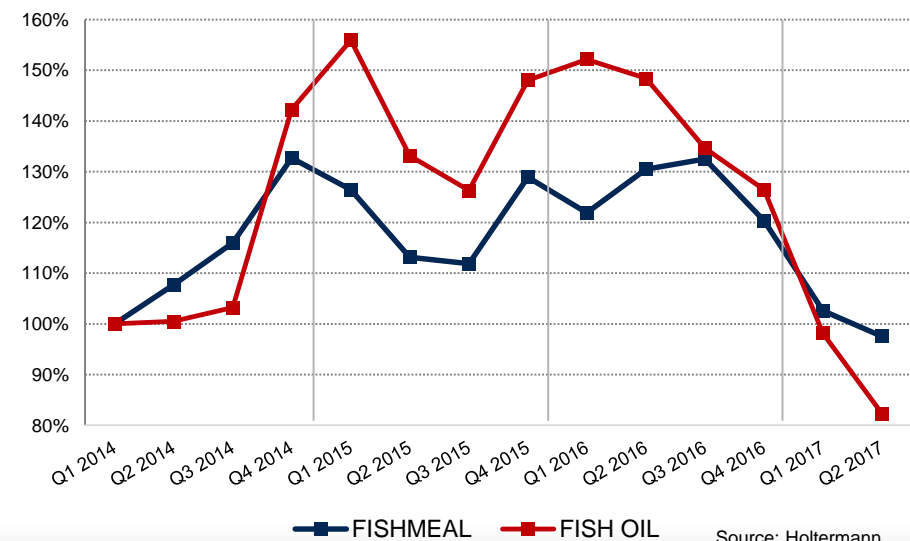
## Volumes of raw material purchase and feed sale [tonnes]



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

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

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



Source: Holtermann



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# GROUP PROFIT AND LOSS

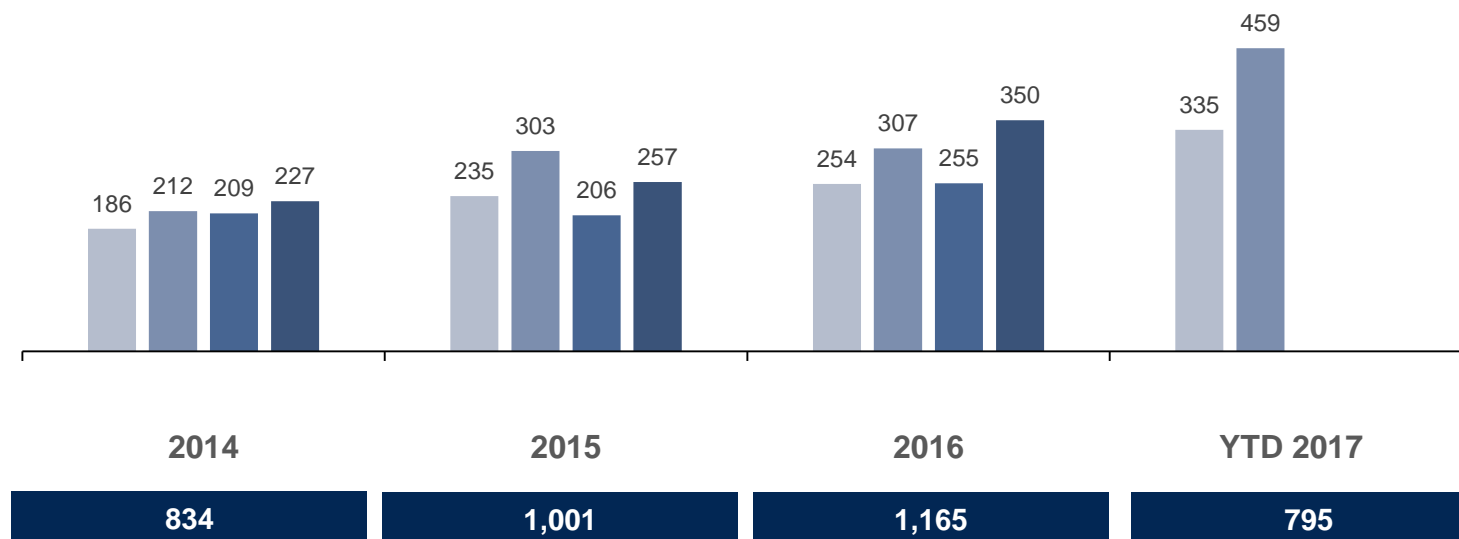
- Revenues increased from DKK 790 million in Q2 2016 to DKK 1,206 million in Q2 2017. Higher activity and volumes in all segments
- Operational EBIT increased from DKK 307 million to DKK 459 million
- Fair value of biomass increased due to higher prices, compared to the end of last quarter
- Provision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

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

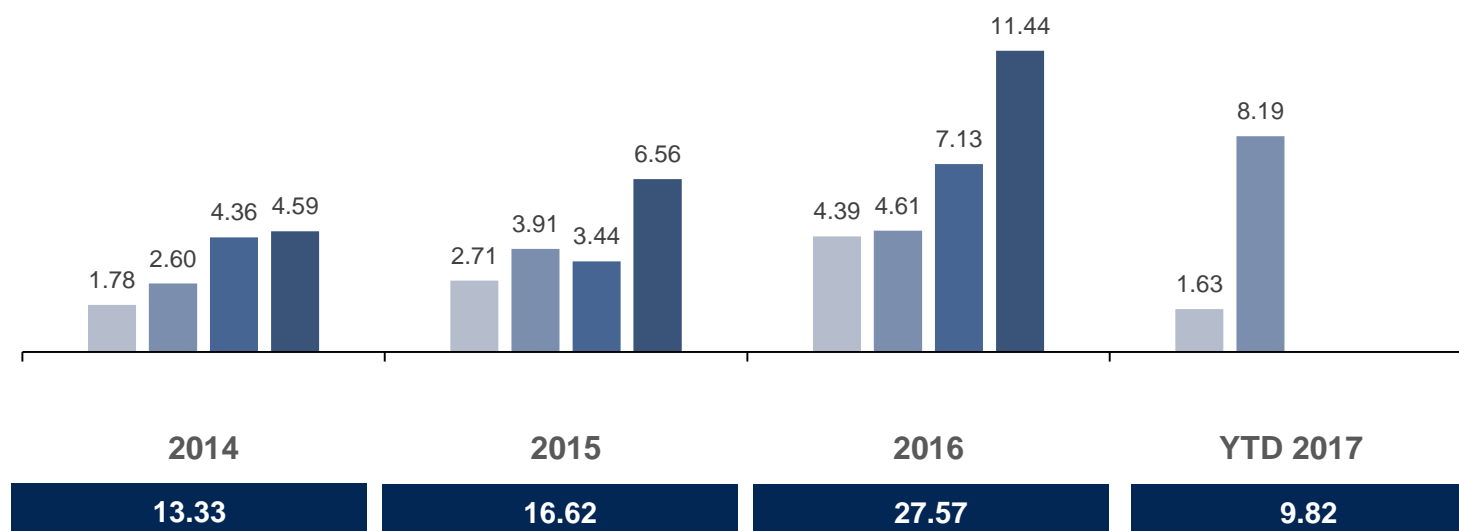
\* Operational EBITDA and EBIT adjusted for fair value adjustment of biomass, onerous contracts, income from associates, badwill and revenue tax.

# OPERATIONAL EBIT\* AND EARNINGS PER SHARE

## Operational EBIT (DKK million)



## Earnings per share (DKK)



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

# BALANCE SHEET

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

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

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

## CASH FLOW

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

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



# NET INTEREST BEARING DEBT (NIBD)

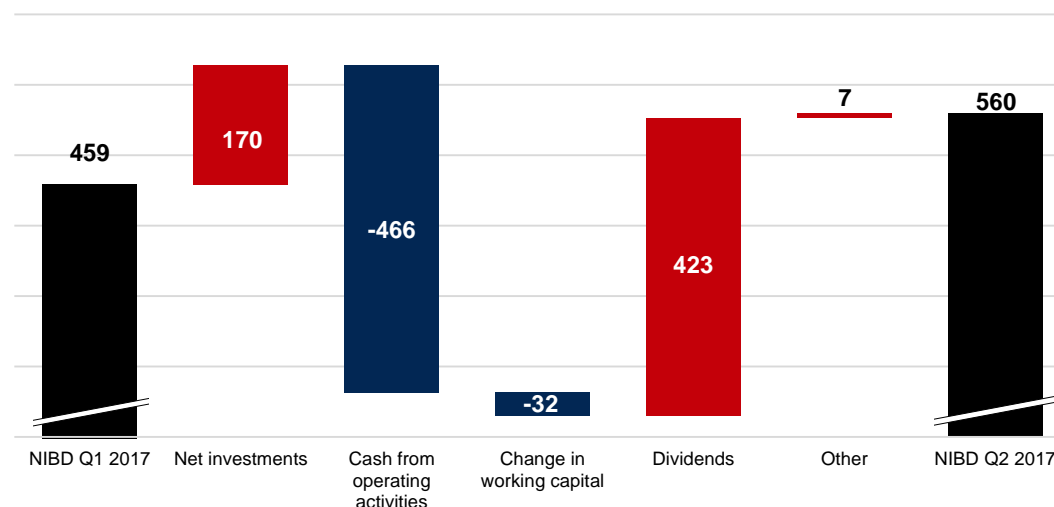
## Net Interest Bearing Debt

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

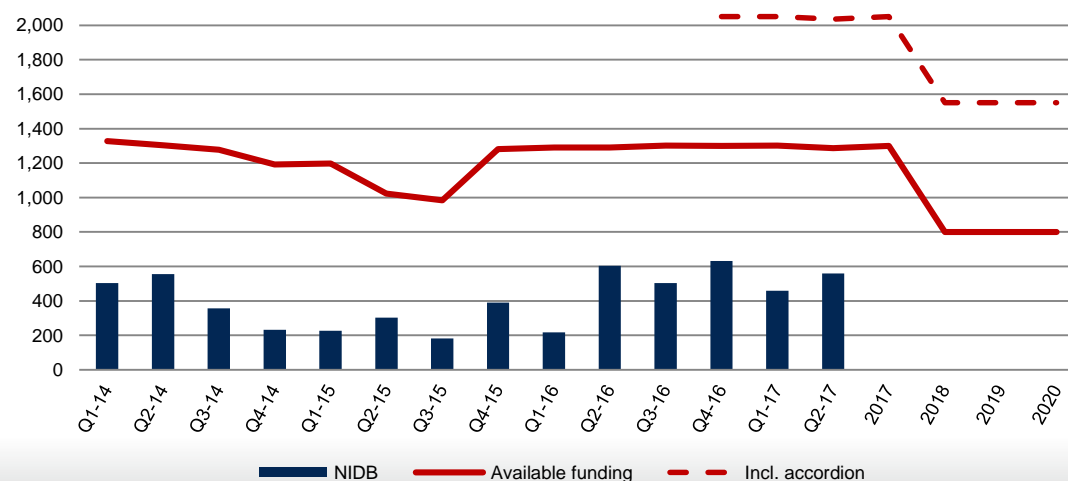
## Financing end Q2 2017

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

## Development in NIBD in DKK millions



## NIBD and available funding



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# OUTLOOK

## Market

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

## Farming

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

## VAP

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

## Fishmeal, Oil and Feed

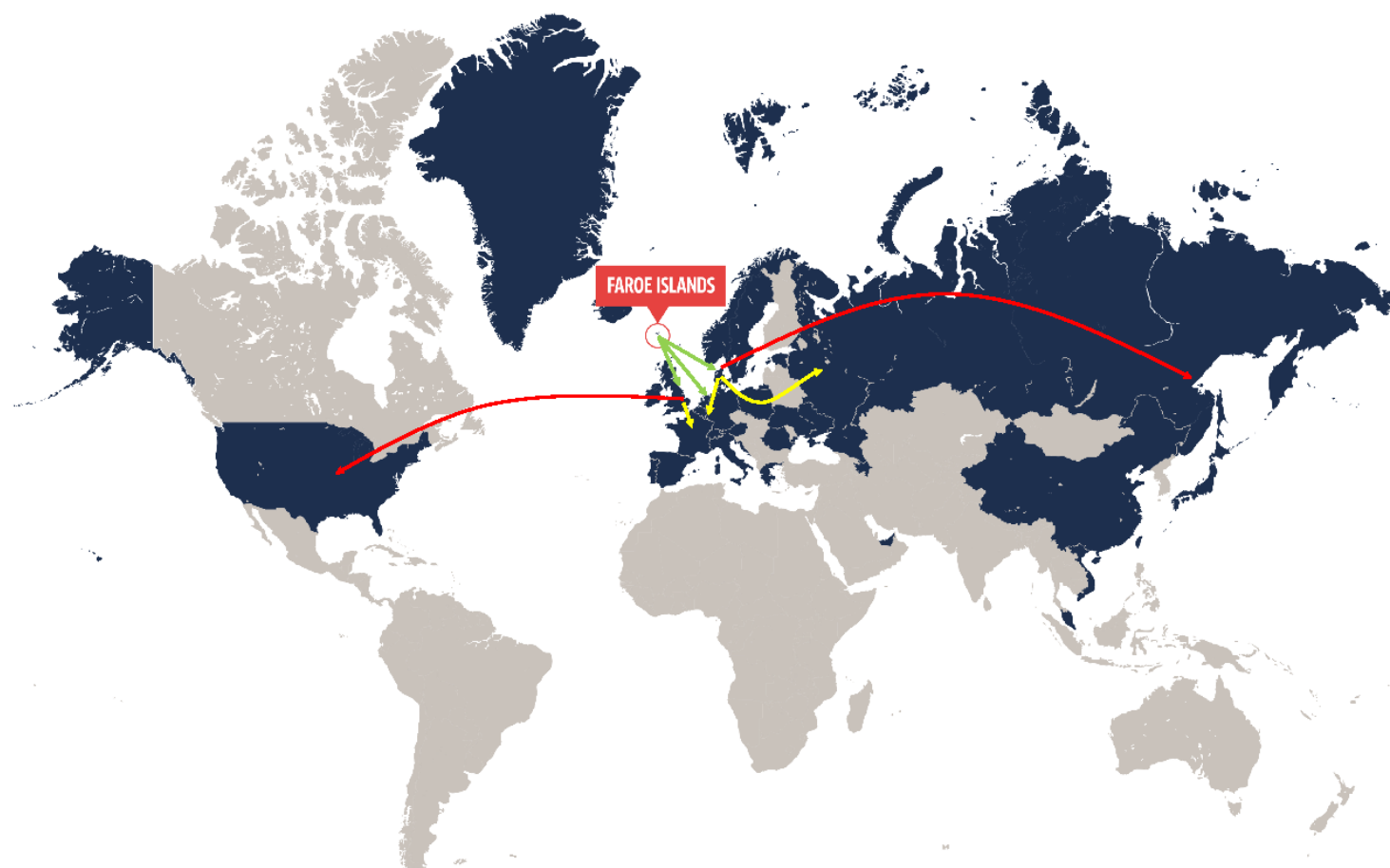
- Forecast for feed sales in 2017 is 85,000 tonnes

## Business development

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

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## DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

### 7% supply increase in 2018

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

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

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

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

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

#### Salmon Markets (head on gutted - HOG)

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

#### Notes:

All figures are in hog-equivalents and thousand tonnes.

Figures represent sold quantity of Atlantic Salmon from each producing country

Source: Kontali



## Q2 MARKET ENVIRONMENT

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

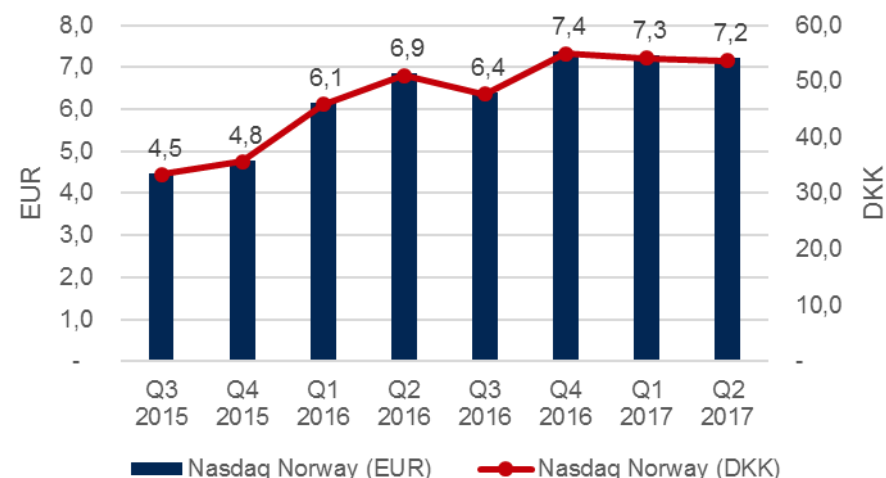
- Nasdaq Norway price EUR 7.2 in Q2 2017
  - 5.3% increase vs. Q2 2016
  - 0.8% decrease, compared to Q1 2017
- Generally high price realization on fixed contracts
- Chilean supply increase impacted US prices
  - UB North East US
    - 1.3% decrease vs. Q2 2016
    - 10.2% decrease, compared to Q1 2017

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

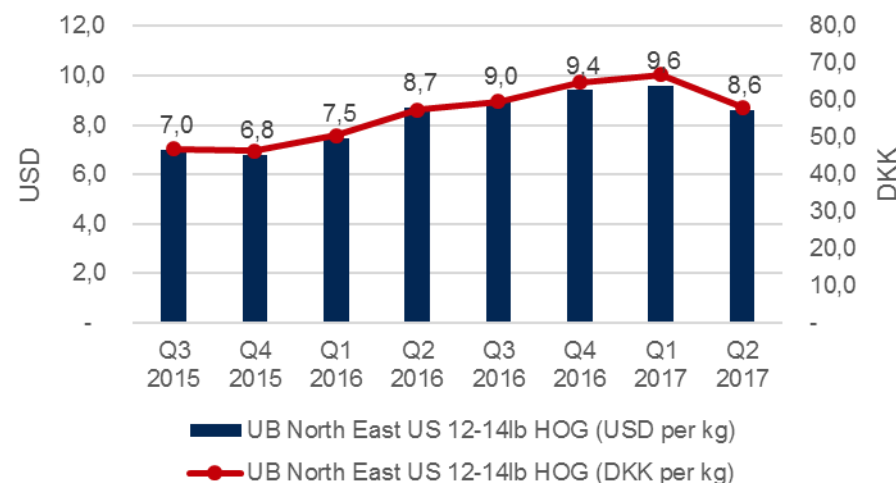
  

DKK	Q2 2017	Q2 2016	Change %
Nasdaq Norway	53.70	51.00	5.3 %
UB North East US 12-14lb HOG (per kg)	58.12	57.51	1.1 %

### PRICE NORWAY



### PRICE US – NORTH EAST

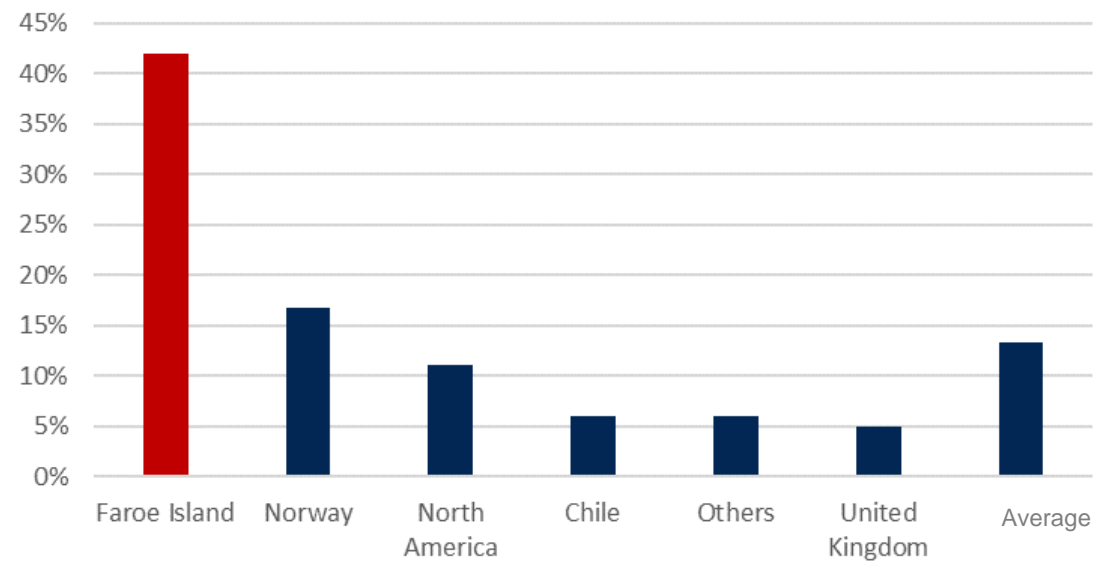


Source: Kontali

### Share of large fish increased

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

### Share of large fish (>6kg)



#### Notes:

All figures are in hog-equivalents and thousand tonnes.

Figures represent sold quantity of Atlantic Salmon from each producing country

Source: Kontali



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

- Biological risk
- Efficiency
- Organic growth

## Investment program of DKK 2.2b from 2016 to 2020

### Fishmeal, Oil & Feed (380 mDKK)

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

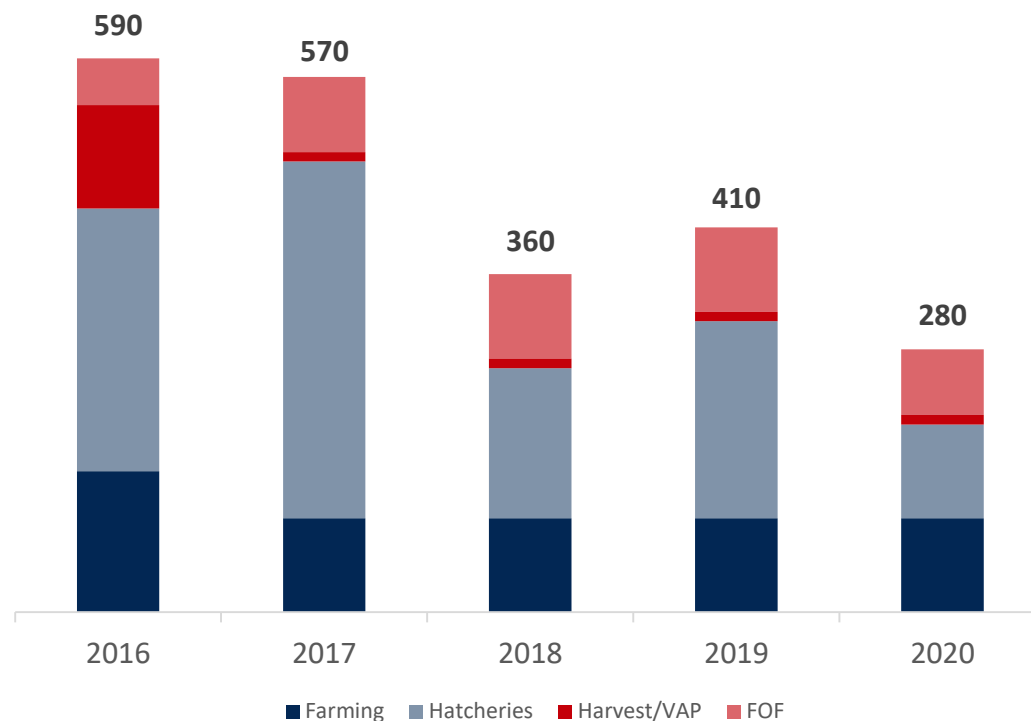
### Smolt (1,130 mDKK)

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

### Harvest/VAP Finalizing new plant (160 mDKK)

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

Investment Programme 2016 – 2020 (mDKK)

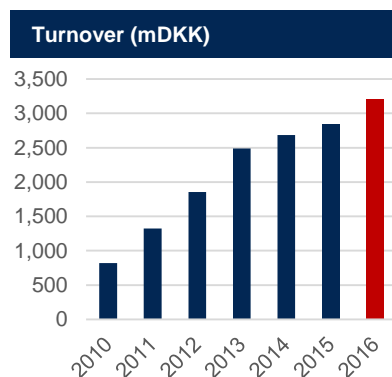


### Results in

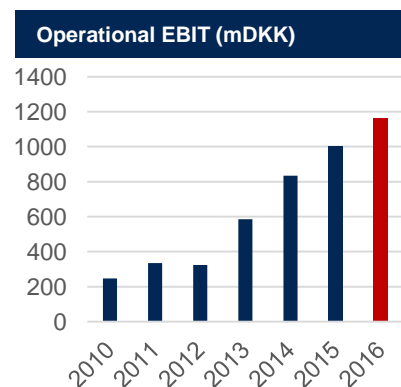
- reduced biological risk
- opportunities for organic growth
- better usage of off-cuts from the salmon production
- 5-6 years pay back on investments

## DEVELOPMENT PER QUARTER Q1 2014 – Q2 2017

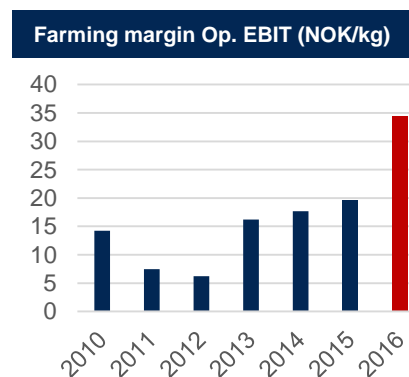
(mDKK)	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenue	1,206	854	868	640	790	905	760	677	800	613	757	584	711	631
Operational EBIT	459	335	350	255	307	254	257	206	303	235	227	209	212	186
Profit/Loss	398	79	555	347	224	213	319	168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



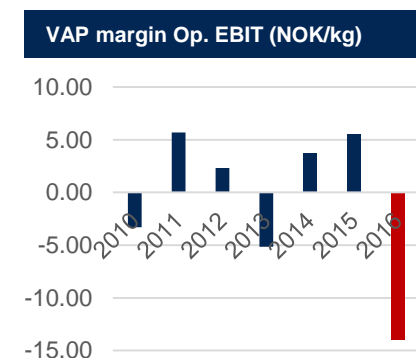
Turnover for the Bakkafrost Group has increased from 820 mDKK in 2010 to 3.2 bDKK in 2016.



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



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



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

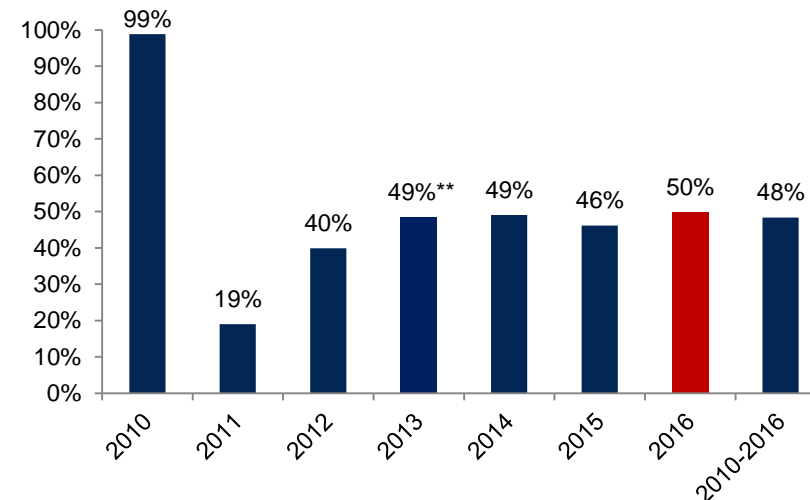
- Competitive return through:
  - Dividends
  - Increase in the value of the equity
- Generally, BakkaFrost shall pay dividend to its shareholders
- A long-term goal is that 30–50% of EPS shall be paid out as dividend

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

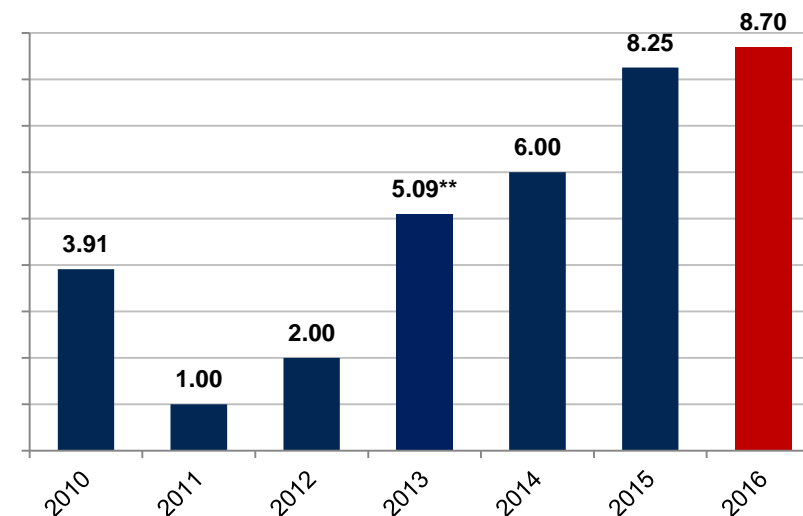
\*\* Dividend and acquisition of treasury shares

\*\*\* Dividend is paid out the following year

## Dividend per share in % of adj. EPS \*



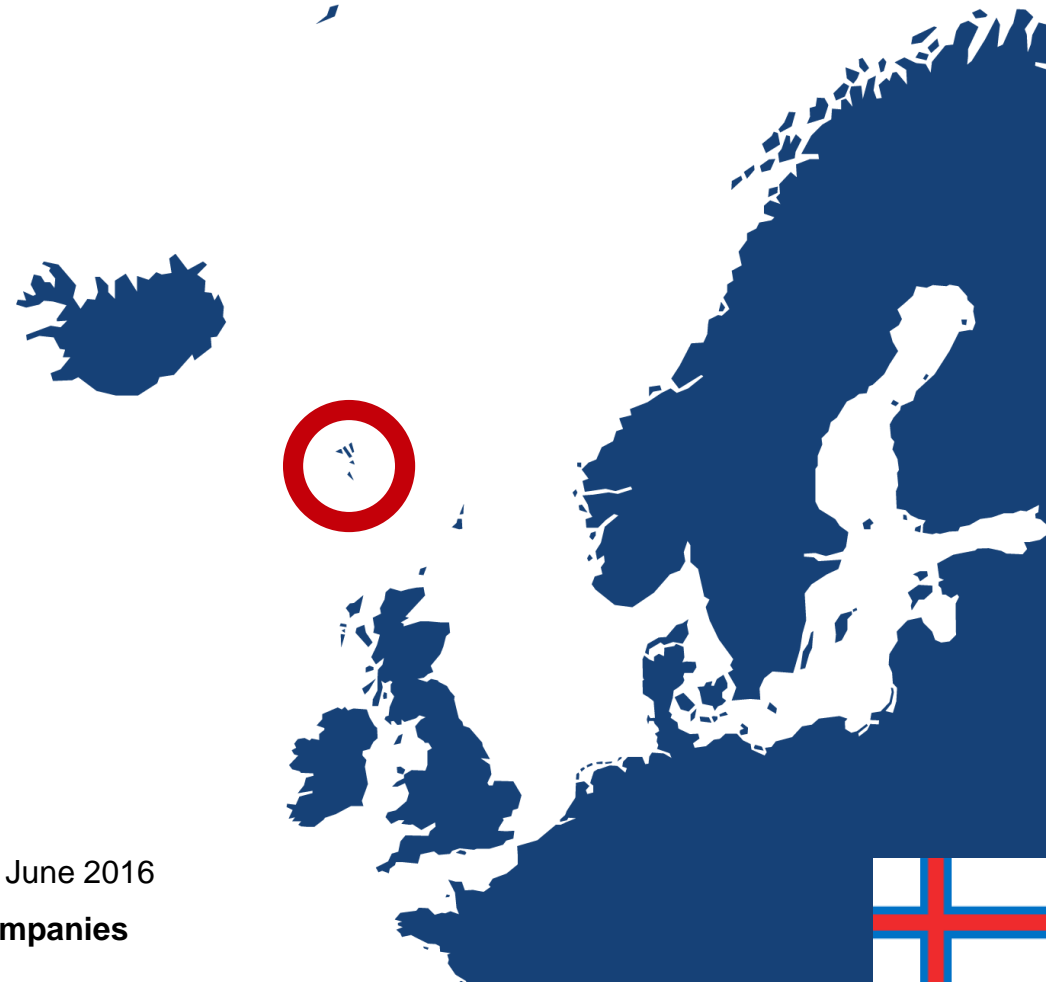
## Dividend per share (DKK) \*\*\*



- 18 islands – 1,387 km<sup>2</sup>
- 50,250 inhabitants (July 2017)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, Danish krone (DKK)

## Key sectors (% of wage earners, 2016)

- Service/public admin.: ~34%
  - Private service: ~31%
  - Construction: ~13%
  - Fishing : ~21%
  - **Unemployment rate (June 2017): 2.2%**
  - **Total working force (July 2017): 26,029**
- 
- **GDP: DKK ~18bn (2016)**
  - **GDP/capita: DKK 360,000 (2016) (Norway: DKK 455,000) (2016)**
- 
- ## Total export of fish products (2016) 15% increased
- DKK 7,680 million
  - whereof farmed fish accounts for 48%
- 
- ## TAXES
- **Total percent of GDP: 42.4% (2013)**
  - **Corporate tax: 18%**
  - **Farming revenue tax : 4.5% of revenues from 1 January 2016**  
more details see page 44 in Bakkafrost CMD presentation from June 2016
  - **Restriction on single foreign ownership of 20% in farming companies**
  - **One company may max. control 50% of licences in the Faroe Islands**



Source: Hagstova Føroya



# LARGEST SHAREHOLDERS

## 20 largest shareholders

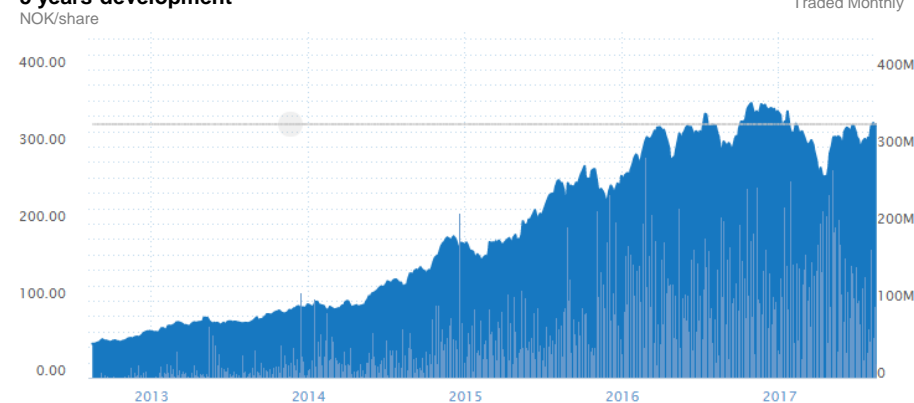
No of shares		Account name	type	Citizenship
4.594.437	9,4%	Jacobsen Oddvør		FRO
4.494.174	9,2%	JACOBSEN JOHAN REGIN		FRO
3.681.562	7,5%	Nordea Bank AB Denmark Branch, CCA	NOM	DNK
3.322.931	6,8%	FOLKETRYGDFONDET		NOR
1.460.757	3,0%	CLEARSTREAM BANKING	NOM	LUX
1.413.660	2,9%	VERDIPAPIRFONDET DNB		NOR
1.073.369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

## Share development

### 12 months development



### 5 years development



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