

Q4 2018

BAKKAFROST GROUP
Oslo 19 February 2019

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- **SUMMARY OF Q4 2018**
- **MARKETS AND SALES**
- **SEGMENT INFORMATION**
- **GROUP FINANCIALS**
- **OUTLOOK**
- **APPENDIX**



Operation

- **Harvested** 12,234 t_{gw} in Q4 2018 (11,470 t_{gw} in Q4 2017)
- **Feed sales** of 24,711 tonnes in Q4 2018* (18,955 tonnes in Q4 2017*)
- **Raw material purchase** of 46,478 tonnes in Q4 2018 (50,852 tonnes in Q4 2017)

Revenues and Operational EBIT

- **Revenues** of DKK 750 million in Q4 2018 (DKK 906 million in Q4 2017)
- **Operational EBIT**** of DKK 231 million in Q4 2018 (DKK 331 million in Q4 2017)

Cash Flow

- **Cash flow from operations** of DKK -59 million in Q4 2018 (DKK 261 million in Q4 2017)

Segments

- **Positive operational EBIT for all segments**

Dividends

- **Proposed dividend** of DKK 8.25 per share for 2018 (DKK 10.50 per share for 2017)

*) Including internal sales of 21,649 tonnes in Q4 2018 (17,597 tonnes in Q4 2017)

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

SUMMARY OF THE QUARTER

Operational EBIT for the Farming segment decreased due to lower achieved prices. Positive operational EBIT for the VAP segment, but lower EBITDA margin for the FOF segment.

- Farming/VAP margin decreased from 29.88 NOK/kg in Q4 2017 to 21.91 NOK/kg in Q4 2018
- VAP segment had a positive margin of 1.51 NOK/kg in Q4 2018, compared to 9.54 NOK/kg in Q4 2017
- Farming margin was 21.56 NOK/kg in Q4 2018, compared to 25.76 NOK/kg in Q4 2017
- FOF margin was 21.0% in Q4 2018, compared to 25.5% in Q4 2017
- Group Operational EBIT was DKK 231 million in Q4 2018, compared to DKK 331 million in Q4 2017

(DKK million)	Q4 2018	Q4 2017	2018	2017
Operating revenue	750	906	3,177	3,770
Operational EBITDA	282	378	1,274	1,561
Operational EBIT	231	331	1,075	1,378
Profit for the period	-7	-22	960	511
Operational EBITDA margin	37.6%	41.7%	40.0%	41.4%
Operational EBIT margin	30.7%	36.6%	33.8%	36.5%
Operational EBIT/Kg (Farming) (NOK)	21.56	25.76	27.89	30.02
Operational EBIT/Kg (Farming and VAP) (NOK)	21.91	29.88	27.24	28.29
Operational EBIT/Kg (VAP) (NOK)	1.51	9.54	-3.46	-4.96
EBITDA margin (Fishmeal, -Oil and Feed)	21.0%	25.5%	20.0%	20.4%

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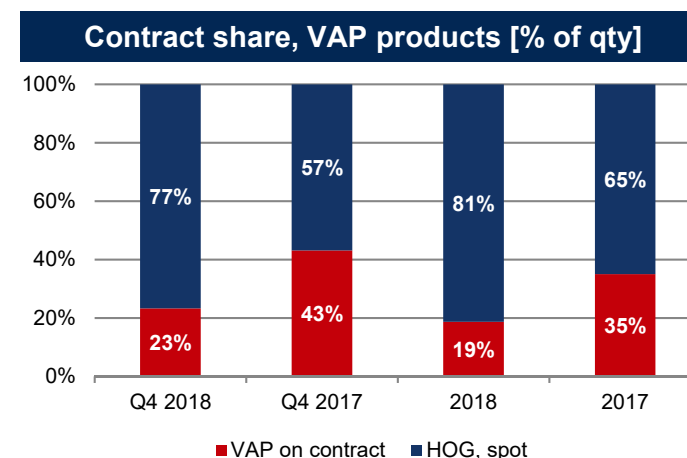
Sales distribution changed in Q4 2018, compared with Q4 2017 and the previous quarter, especially sales of fresh salmon. Sales to Eastern Europe decreased significantly, and all other markets increased in the fresh salmon sales. VAP on contract is still on a low level

- EU market decreased from 45% in Q4 2017 to 44% in Q4 2018
- USA increased from 17% to 26%
- Asia increased from 15% to 24%
- Eastern Europe decreased from 23% to 6%
- Harvest volumes used in the VAP segment were 23% in Q4 2018, compared to 43% in Q4 2017



Total sales of salmon by markets	Q4 2018	Q4 2017	2018	2017
EU	44%	45%	31%	45%
USA	26%	17%	20%	18%
Asia	24%	15%	24%	16%
Eastern Europe	6%	23%	25%	21%

Fresh salmon only by markets	Q4 2018	Q4 2017	2018	2017
EU	35%	12%	23%	23%
USA	30%	25%	21%	24%
Asia	28%	23%	27%	23%
Eastern Europe	7%	40%	29%	30%

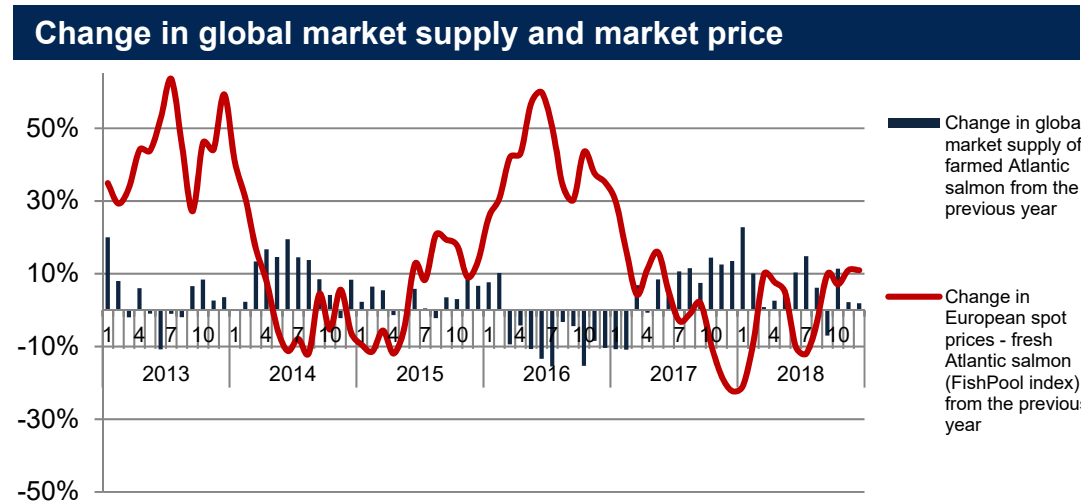
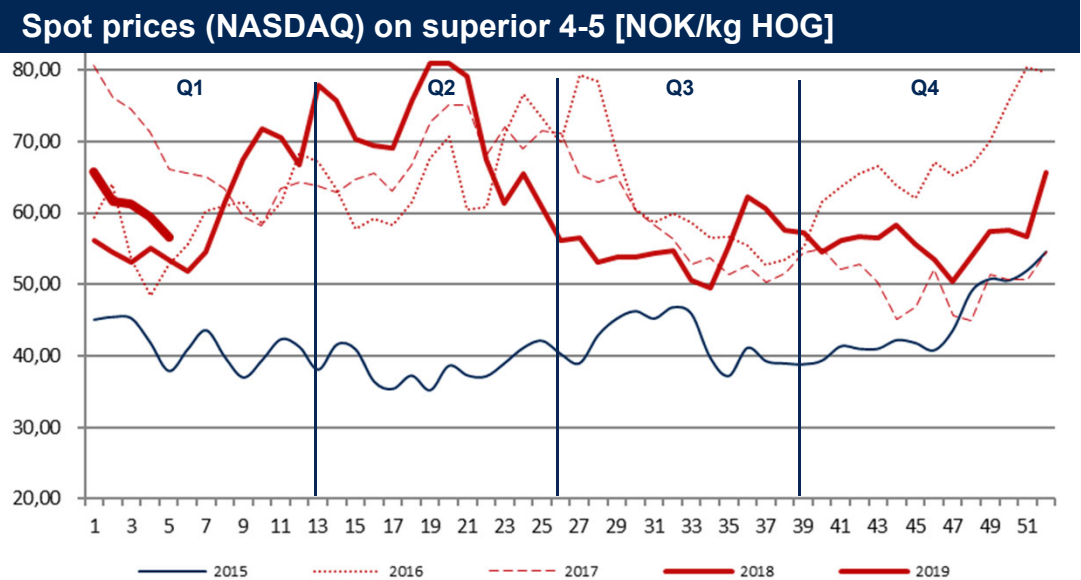


Higher prices in Q4 2018

- Prices increased 12%, compared with Q4-2017
 - y/y by 6.20 NOK/kg ~12%
- from NOK 50.16 to NOK 56.36
 - q/q by 1.05 NOK/kg ~2%
- from NOK 55.31 to NOK 56.36

Increased global supply in Q4 2018

- 4.7% increased global supply in Q4 2018, compared with Q4 2017, corresponding to 27,500 tonnes



Source: Kontali

DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

5% global supply growth in Q4 2018

1% growth in **European harvest**

- Low average harvest weights in **Norway**
 - Sea lice issues
 - Stable disease situation
- Stable output but strong underlying growth in **the UK**
 - 35% increase in feed consumption during Q4 2018

American harvest increased by 13%

- **Chile** increased harvest by 16%
 - High harvest weight – strong biological performance
- Minor changes in **Canada** and the **USA**
- Build-up of frozen inventory in **Chile**

SUPPLY DEVELOPMENT (HOG - 1,000 tonnes)	Q4 2018	Q4 2017	Change %
Norway	321.0	321.8	-0.3 %
UK	40.6	40.4	0.4 %
Ireland	3.9	3.7	4.9 %
Faroes	21.5	18.5	16.0 %
Total Europe	387.0	384.5	0.7 %
Chile	169.2	145.4	16.3 %
Canada	35.0	33.9	3.2 %
USA	5.0	5.1	-1.8 %
Total Americas	209.3	184.5	13.4 %
Other	21.8	21.5	1.3 %
Total (Harvested quantity)	618.0	590.5	4.7 %

Source: Kontali

SALMON MARKETS, SOLD QUANTITY (HOG)

Strong momentum in most markets

EU growth 2% higher than European harvest

- Demand fuelled by price pressure on small sized fish

Solid US growth at increased prices

- Lower growth than previous quarters
- Very low presence of European fish in the market

Declining growth rate in Russia

- 25% growth in 2018
- Chile major contributor to the growth

Greater China/ASEAN

- Chile has taken larger share of large fish markets

Strong growth in Latin America

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

Markets	Estimated volumes		Q4 comparison			Estimated volumes		FY comparison		
	Q4 2018E	Q4 2017	Volume	%		FY 2018E	FY 2017	Volume	%	
EU	275,000	268,000	7,000	↑	2.6%	955,600	921,100	34,500	↑	3.75 %
USA	107,700	103,000	4,700	↑	4.6%	427,700	397,700	30,000	↑	7.54 %
Russia	24,300	23,300	1,000	↑	4.3%	87,100	69,800	17,300	↑	24.79 %
Japan	16,200	15,900	300	↑	1.9%	53,800	57,600	-3,800	↓	-6.60 %
Greater China	30,600	33,000	-2,400	↓	-7.3%	122,000	108,100	13,900	↑	12.86 %
ASEAN	22,100	20,300	1,800	↑	8.9%	72,000	79,000	-7,000	↓	-8.86 %
Latin America	40,100	36,100	4,000	↑	11.1%	152,600	135,400	17,200	↑	12.70 %
Ukraine	5,100	4,800	300	↑	6.3%	15,700	13,600	2,100	↑	15.44 %
Other markets	84,000	74,300	9,700	↑	13.1%	278,400	255,500	22,900	↑	8.96 %
Total all markets	605,100	578,700	26,400	↑	4.6%	2,164,900	2,037,800	127,100	↑	6.24 %

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)

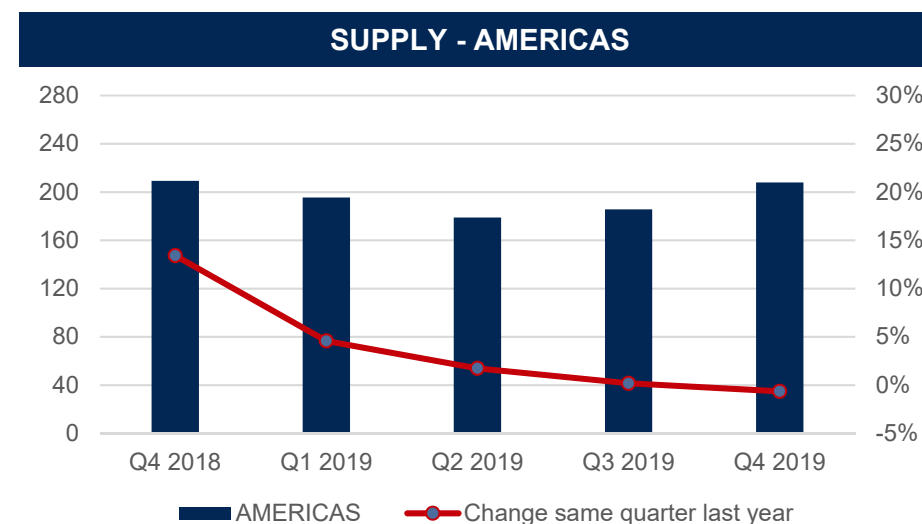
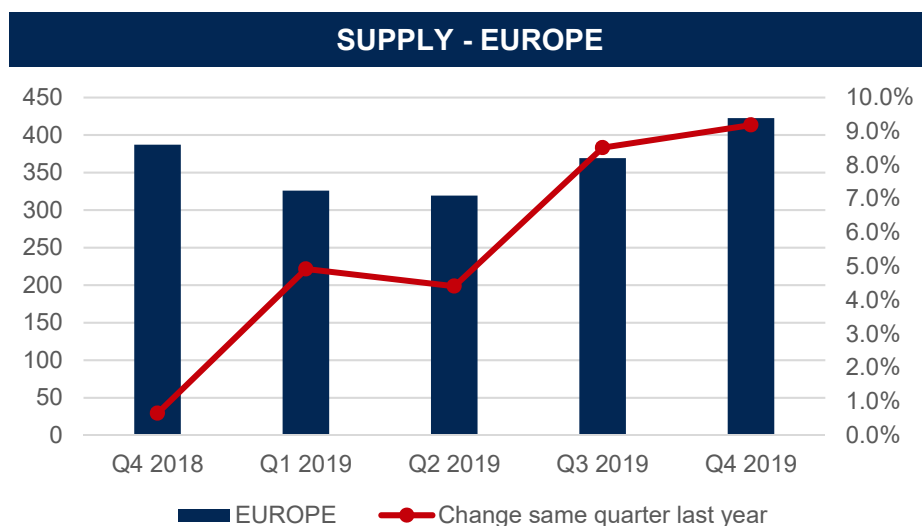
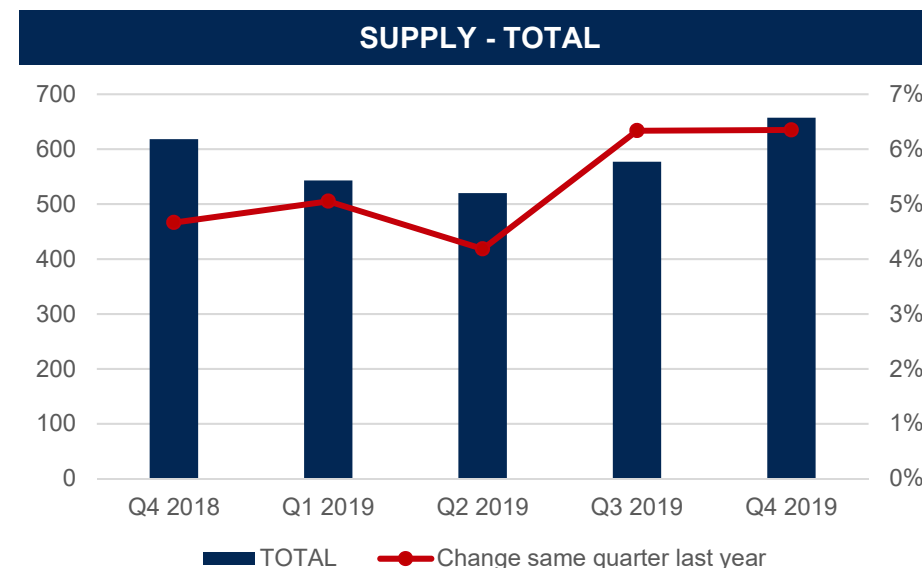
All figures above are in tonnes hog, and are rounded to the nearest 100 tonnes.

Source: Kontali

SHORT TERM SUPPLY OUTLOOK

4 - 6% supply growth expected in 2019

- Europe – Increasing growth
 - Uncertainty linked to biological performance in Norway
 - Strong growth in Scotland – recovery to 2017 harvest levels
- Americas – Limited growth
 - Chile expected to grow modestly due to regulatory constraints
 - Growth must be driven by increased smolt as yield per smolt is historic high levels
 - 2H 2018 smolt release in Chile is up 13%



Source: Kontali

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Bakkafrost's hatchery at Viðareiði viewed from the top of the mountain

FARMING – HARVEST VOLUME

Harvested volumes

- Harvested volumes increased by 7% in Q4 2018, compared with Q4 2017
- 1,500 tonnes moved to 2019, increases expected harvest in 2019 from 53,000 to 54,500 tonnes gutted weight
- The harvest in the North Region was 33%, and the harvest in the West Region was 67% in Q4 2018
- Average weight of harvested fish increased 0.2kg in Q4 2018 to 5.3 kg head on gutted from 5.1 kg in Q4 2017

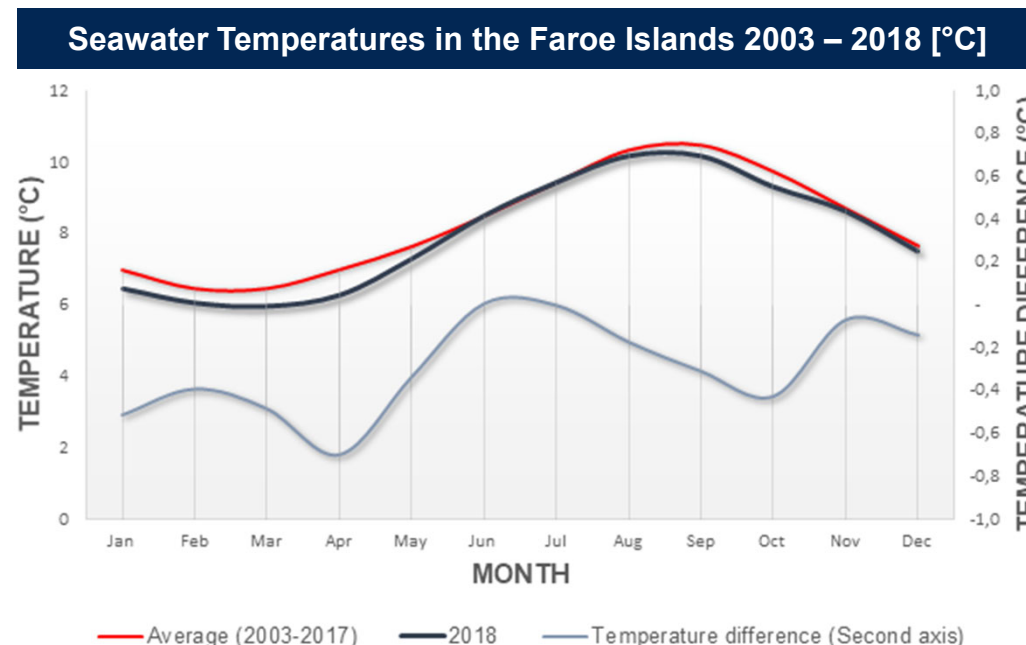
Harvest Volumes tonnes [HOG]	Q4 2018	Q4 2017	2018	2017
North Region	3,996	0	25,889	24,364
West Region	8,238	11,470	18,702	30,251
Total	12,234	11,470	44,591	54,615

Smolt transfer

- Bakkafrost transferred 3.3 million smolts in Q4 2018 (3.4 million smolts in Q4 2017)

Seawater temperatures in the Faroe Islands

- Average temperatures in Q4 2018 were 0.26 °C down – from 8.75 °C in Q4 2017 to 8.49 °C in Q4 2018

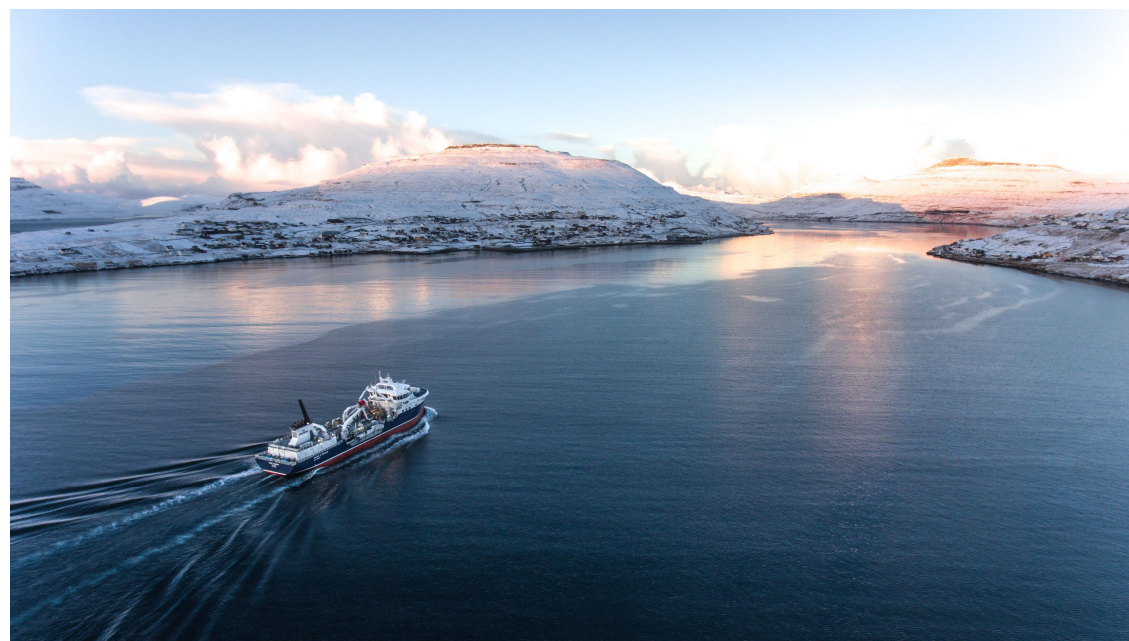


FARMING – OPERATIONAL PERFORMANCE

A challenging quarter

- Operational EBIT decreased from DKK 229 million in Q4 2017 to DKK 204 million in Q4 2018
- Operational EBIT margin was 30% in Q4 2018, compared to 40% in Q4 2017
- Costs stable
- Pricing negatively affected by combination of various circumstances
 - Market access
 - New harvesting plant in Suðuroy delayed certification and access to markets
 - Market strategy temporarily disrupted

(DKK million)	Q4 2018	Q4 2017	2018	2017
Operating revenue	682	577	2,568	2,987
Operational EBIT	204	229	966	1,308
Operational EBIT margin	30%	40%	38%	44%

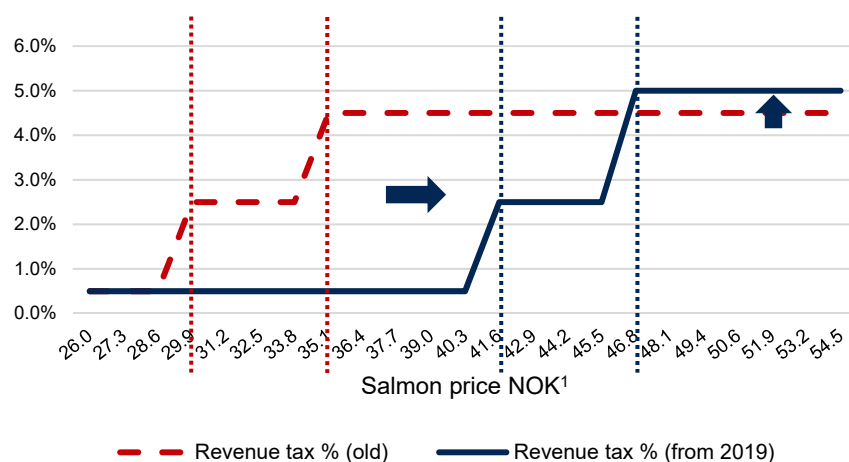


M/S Hans á Bakka

FARMING – OPERATIONAL PERFORMANCE

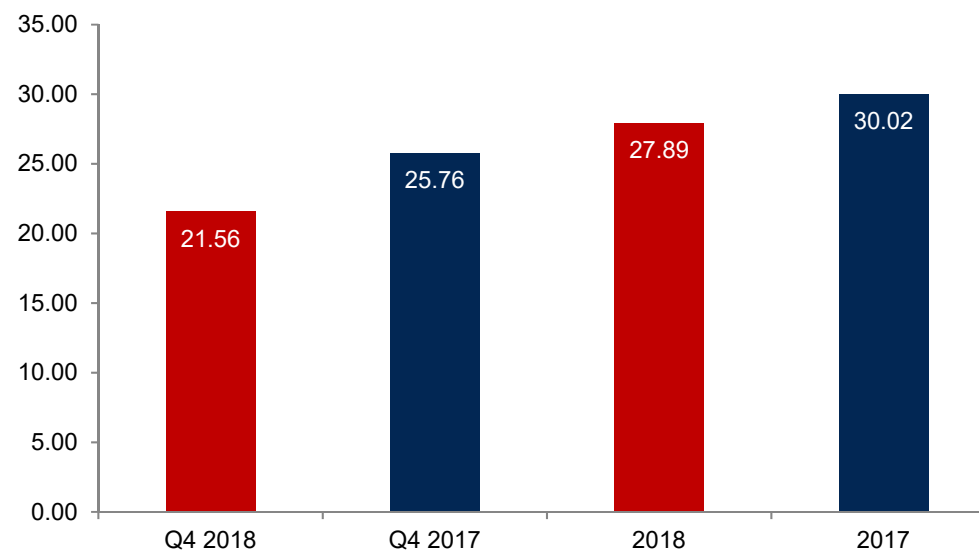
Operation

- Farming operational EBIT decreased by NOK 4.20 per kg from NOK 25.76 in Q4 2017 to NOK 21.56 in Q4 2018
- Operational EBIT per kg in the North Region was NOK 14.90 and in the West Region NOK 24.79 in Q4 2018
- Change in revenue tax from 1st January 2019:



1) Currency rate NOK/DKK: 77.00

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



(NOK/kg)	Q4 2018		
	North Region	West Region	Farming
Operational EBIT/kg gw	14.90	24.79	21.56

VALUE ADDED PRODUCTS (VAP)

VAP operational EBIT margin

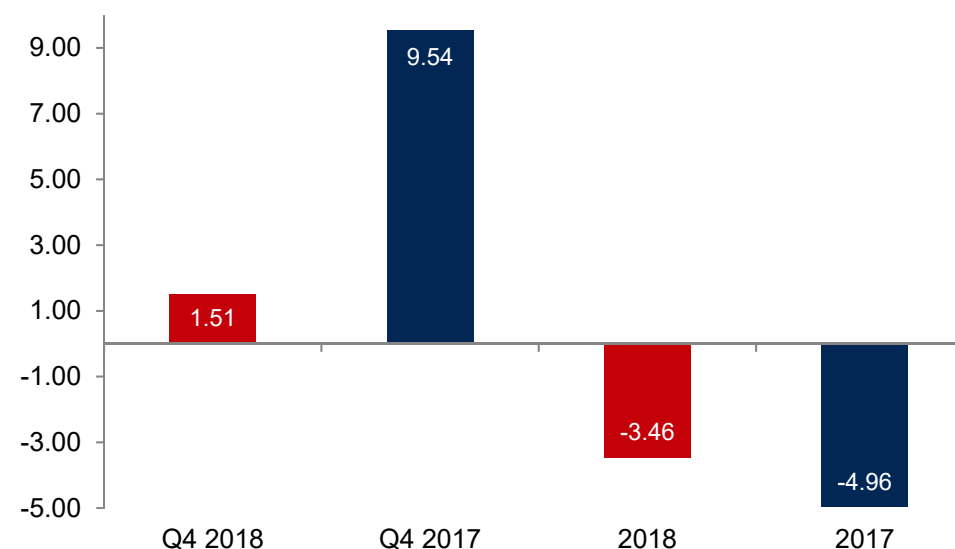
- Same trend as in the previous quarter with substantial decrease in revenue by 62% to DKK 109 million in Q4 2018, from DKK 288 million in Q4 2017
- Operating EBIT in Q4 2018 was DKK 3 million, compared with DKK 37 million in Q4 2017

(DKK million)	Q4 2018	Q4 2017	2018	2017
Operating revenue	109	288	365	999
Operational EBIT	3	37	-22	-75
Operational EBIT margin	3%	13%	-6%	-8%
VAP produced volumes (tgv)	2,845	4,949	8,355	19,067

Lower raw material prices and lower activity in Q4 2018

- The low salmon spot prices in Q4 2018 affected the margin in the VAP segment positively, but the low production activity had a negative effect on the margin
- Operational EBIT per kg was NOK 1.51 in Q4 2018, compared to NOK 9.54 in Q4 2017
- Contract level increased substantially from 14% in 2018 to 33% in 2019

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



Reduced EBITDA margin

- EBITDA of DKK 60 million in Q4 2018, compared with DKK 94 million in Q4 2017
- EBITDA margin of 21.0% in Q4 2018, compared with 25.5% in Q4 2017
- Feed sales increased by 30%, but external fishmeal sales decreased by 80% in Q4 2018, compared to Q4 2017

Fishmeal, Oil and Feed

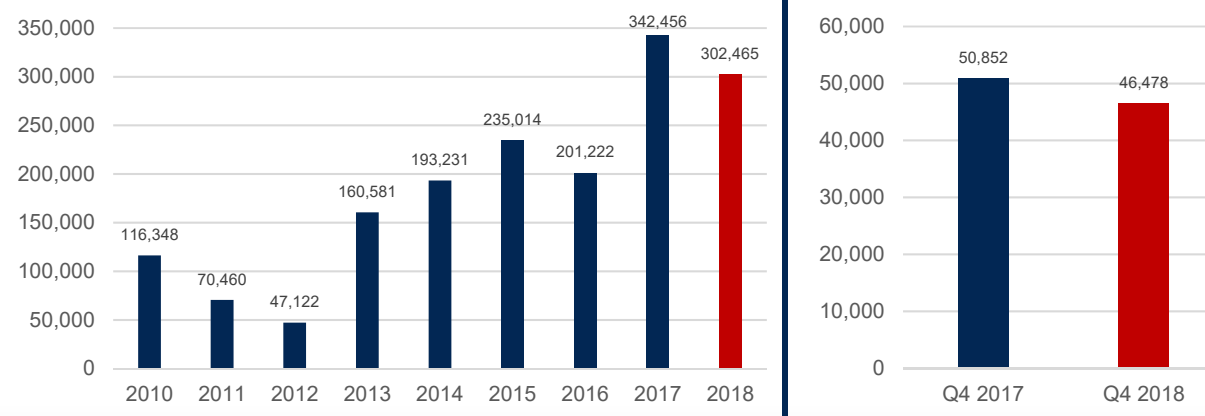
(DKK million)	Q4 2018	Q4 2017	2018	2017
Operating revenue	288	367	1,269	1,303
EBITDA	60	94	254	266
EBITDA margin	21.0%	25.5%	20.0%	20.4%
Feed sold (tonnes)*	24,711	18,955	77,775	78,134
Fishmeal sold external (tonnes)	3,782	18,955	43,235	59,006

Good raw material sourcing in the quarter

- Havsbrún sourced 9% less raw material in Q4 2018, compared to Q4 2017
- 2018 is the second highest raw material sourcing year since Havsbrún became part of Bakkafrost Group

* Including sales to Bakkafrost, corresponding to ~ 88% of feed volumes in Q4 2018 (Q4 2017: 93%)

Sourcing of raw material (tonnes)

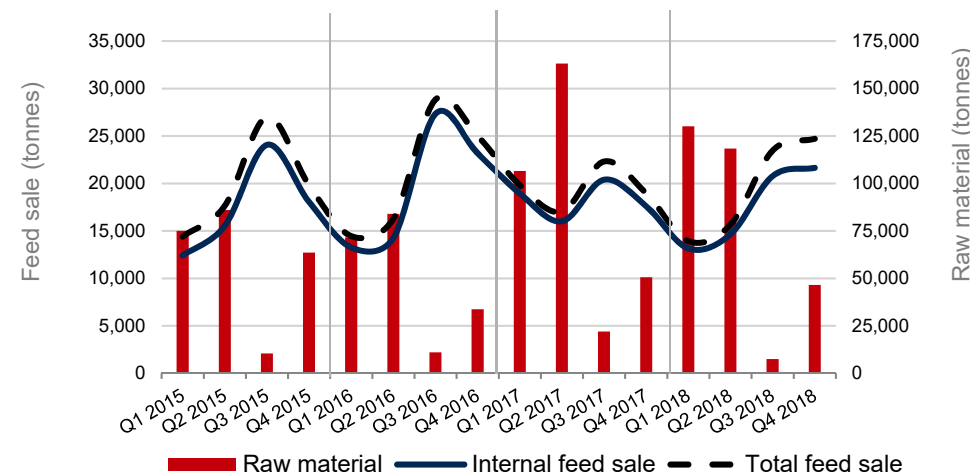


MARKET CONDITIONS FEED

Increase in feed sales

- Quantity of feed sold was 24,711 tonnes in Q4 2018, compared to 18,955 tonnes in Q4 2017
- External feed sales higher in Q4 2018, compared to Q4 2017

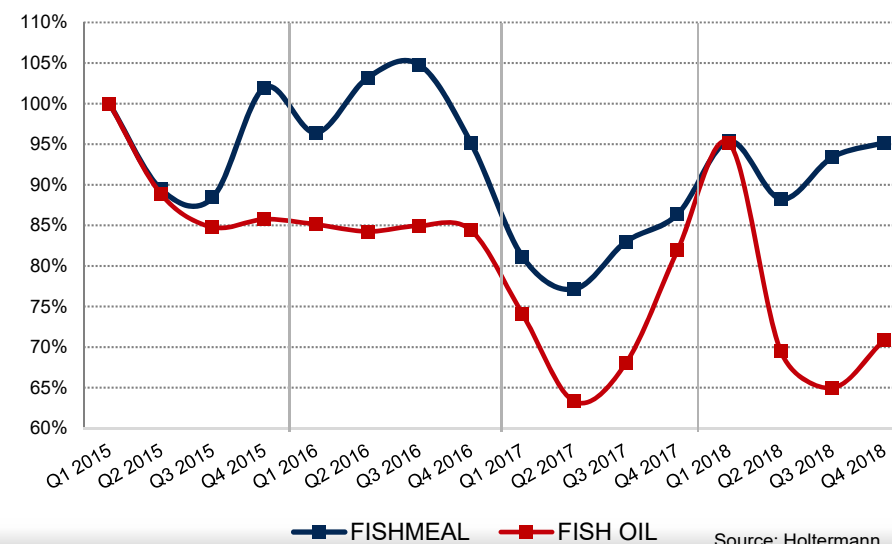
Volumes of raw material purchase and feed sale [tonnes]



Market fluctuations

- Both fishmeal and fish oil prices increased in Q4 2018, compared to previous quarter

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



Source: Holtermann

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Bakkafrost in Glyvrrar at night

GROUP PROFIT AND LOSS

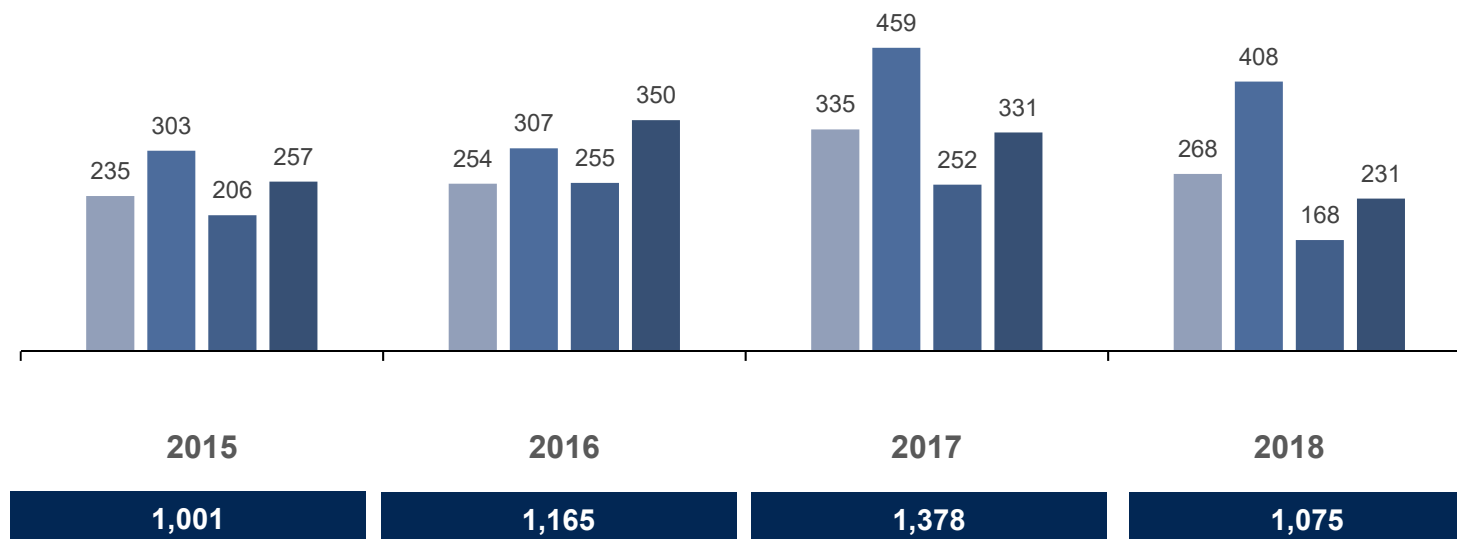
- Revenue on lower level in Q4 2018, due to lower prices and lower external sales in FOF segment. Revenue in Q4 2018 amounted to DKK 750 million, compared to DKK 906 million in Q4 2017.
- Operational EBIT in Q4 2018 decreased to DKK 231 million, compared to DKK 331 million in Q4 2017
- Fair value of biomass decreased due to lower salmon prices, compared to Q3 2018
- Revenue tax, recognized as cost, amounted to DKK -24 million in Q4 2018, compared to DKK -20 million in Q4 2017
- Financial items amounted to DKK -2 million and taxes amounted to DKK 0 million in Q4 2018
- Profit after tax for Q4 2018 was DKK -7 million, compared to DKK -22 million in Q4 2017

(DKK million)	Q4 2018	Q4 2017	2018	2017
Operating revenue	750	906	3,177	3,770
Operational EBITDA*	282	378	1,274	1,561
Operational EBIT*	231	331	1,075	1,378
Fair value adjustment of biological assets	-240	-359	196	-694
Onerous contracts	17	0	0	67
Income from associates	11	18	9	17
Revenue tax	-24	-20	-96	-120
EBIT	-5	-29	1,184	649
Net Financial items	-2	2	-12	-25
EBT	-7	-27	1,172	624
Taxes	0	5	-212	-112
Profit for the period	-7	-22	960	511
Operational EBITDA margin	37.6%	41.7%	40.1%	41.4%
Operational EBIT margin	30.7%	36.6%	33.8%	36.5%
Operational EBIT/kg (Farming and VAP) (NOK)	21.91	29.88	27.24	28.29
EBITDA margin (fishmeal, -oil and feed)	21.0%	25.5%	20.0%	20.4%

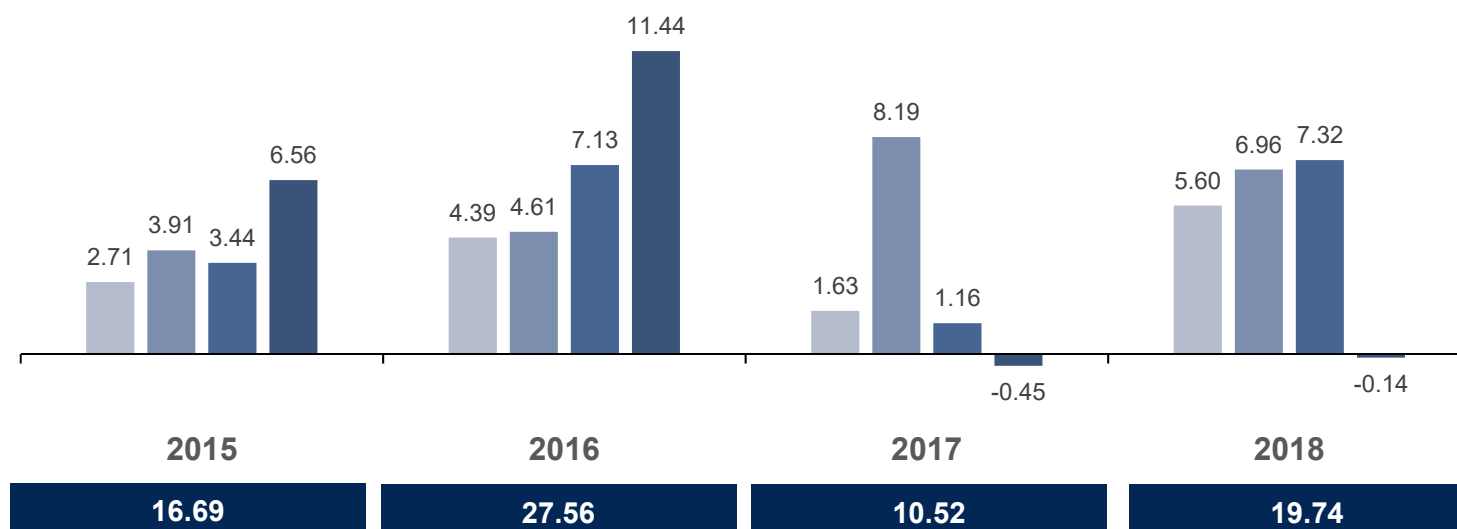
* Operational EBITDA and EBIT aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax.

OPERATIONAL EBIT* AND EARNINGS PER SHARE

Operational EBIT* (DKK million)



Earnings per share (DKK)



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

BALANCE SHEET

- Intangible assets increased by DKK 13 million during the year and amounts to DKK 390 million at the end of Q4 2018
- Investments in PPE of DKK 147 million in Q4 2018 and PPE amounts to DKK 2.9 billion
- Financial assets amount to DKK 113 million
- The carrying amount of biological assets amounts to DKK 1,358 million, whereof fair value adjustment amounts to DKK 383 million
- Inventory amounts to DKK 439 million at the end of Q4 2018
- Changes in equity consist primarily of the positive results in 2018. Equity ratio is 70% at the end of Q4 2018
- NIBD is DKK 495 million at the end of Q4 2018, compared with DKK 258 million at end 2017

(DKK million)	2018	2017
Intangible assets	390	377
Property, plant and equipment	2,884	2,570
Financial assets	113	77
Long-term receivables	9	0
Biological assets	1,358	1,097
Inventory	439	306
Receivables	269	262
Other receivables	23	157
Cash and cash equivalents	317	310
Total Assets	5,803	5,156
Equity	4,077	3,626
Deferred tax and other taxes	534	455
Long-term interest-bearing debt	812	147
Financial derivatives	0	127
Short-term interest-bearing debt	0	378
Accounts and other payables	379	421
Total Equity and Liabilities	5,803	5,156

CASH FLOW

- Cash flow from operations amounted to DKK -59 million in Q4 2018, compared to DKK 261 million in Q4 2017
- Cash flow from investments amounted to DKK -147 million in Q4 2018, compared to DKK -169 million in Q4 2017
- Cash flow from financing is affected by change in interest-bearing debt

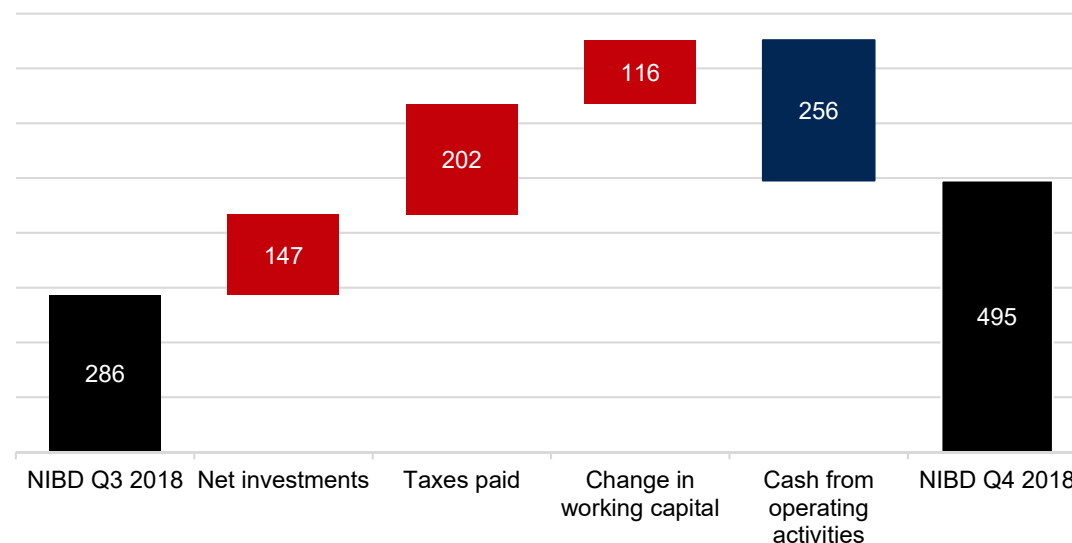
(DKK million)	Q4 2018	Q4 2017	2018	2017
Cash flow from operations	-59	261	913	1,458
Cash flow from investments	-147	-169	-531	-636
Cash flow from financing	216	-130	-375	-748
Net change in cash	11	-38	7	75
Cash at the end of the period	317	310	317	310
Undrawn facilities	998	1,005	998	1,005

NET INTEREST-BEARING DEBT (NIBD)

Net interest-bearing debt

- Cash flow from operating activities decreased the NIBD with DKK 256 million in Q4 2018
- Net investments increased the NIBD with DKK 147 million in Q4 2018
- Taxes paid increased the NIBD with DKK 202 million in Q4 2018
- Change in working capital in Q4 2018 increased the NIBD with DKK 116 million

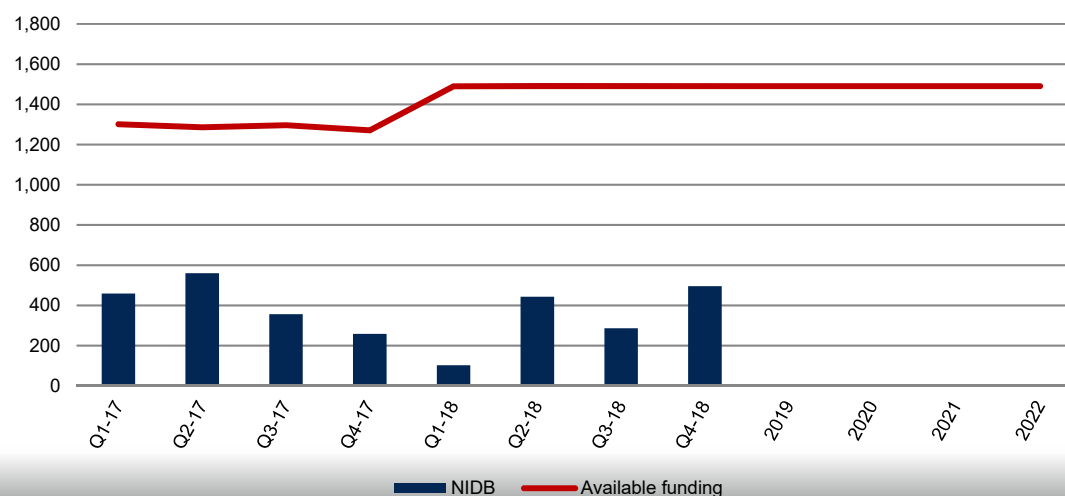
Development in NIBD in DKK millions



Financing end Q4 2018

- Bank facilities of EUR 200 million
- NIBD: DKK 495 million
- Undrawn loan facilities: DKK 998 million

NIBD and available funding



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Market

- Global supply in Q4 2018 increased around 5%, compared to Q4 2017
- Global harvest in Q1 2019 is expected to increase 5%, compared to Q1 2018
- Global supply growth in 2019 is expected to be around 4-6%, compared to 2018

Farming

- Bakkafrost expects to harvest 54,500 tonnes gw in 2019
- Bakkafrost expect to release 13.5 million smolts in 2019, compared with 12.5 million smolts in 2018 and 9.9 million smolts in 2017.

VAP

- Contracted around 33% of expected harvest for 2019
- Bakkafrost's long-term strategy is to sell 40-50% of the harvested volumes as VAP products at fixed price contracts

Fishmeal, Oil and Feed

- Feed sales in 2019 are expected to be around 85,000 tonnes

Business development / Investment program

- Pursuing sustainable organic growth
- Financial flexibility enables M&A
- New 2018 – 2022 investment program
 - Totalling ~ DKK 3 billion over five years

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DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

- 5.4% supply growth expected in 2018
 - 1% in Europe
 - 16% in Americas
- 5.5% supply growth expected in 2019
 - 7% in Europe
 - 1% in Americas

Global Supply of Atlantic Salmon (head on gutted - HOG)					
	2015	2016	2017	2018E	2019E
Norway	1,111	1,054	1,087	1,128	1,195
UK	150	142	159	138	160
Ireland	14	14	15	13	15
Faroes	68	70	72	65	67
Total Europe	1,343	1,279	1,334	1,344	1,437
Chile	538	454	508	610	620
Canada	122	131	125	130	132
USA	18	20	20	17	15
Total Americas	678	606	652	757	768
Other	66	61	78	76	92
Total (harvested quantity)	2,087	1,946	2,065	2,177	2,297
Supply growth - Global	4.0%	-6.8%	6.1%	5.4%	5.5%
Supply growth - Europe	2.3%	-4.7%	4.3%	0.7%	6.9%
Supply growth - Americas	7.4%	-10.7%	7.7%	16.1%	1.4%

Salmon Markets (head on gutted - HOG)					
	2015	2016	2017	2018E	2019E
EU	972	945	921	956	1,005
USA	381	378	398	428	464
Japan	54	59	58	54	56
Russia	97	67	70	87	98
Others	575	548	592	641	684
Total (Sold Quantity)	2,080	1,997	2,038	2,165	2,307

Comments:

All figures are in hog-equivalents and thousand tonnes.

Figures represents sold quantity of Atlantic Salmon from each producing country

Source: Kontali

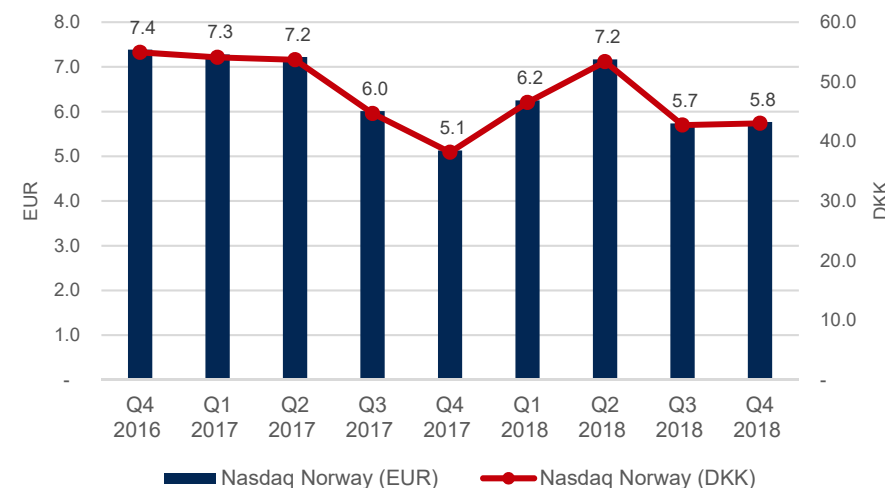
Q4 2018 MARKET ENVIRONMENT

- Increased prices, compared to Q4 2017
- Nasdaq Norway price EUR 5.8 in Q4 2018
 - 12% up vs. Q4 2017; 1% up vs. Q3 2018
 - Low average harvest weight in Norway
- 11% increase in Urner Barry East Coast price
 - High average harvest weights in Chile
 - Chile replaced Norway as supplier of large fish
 - US and Asia

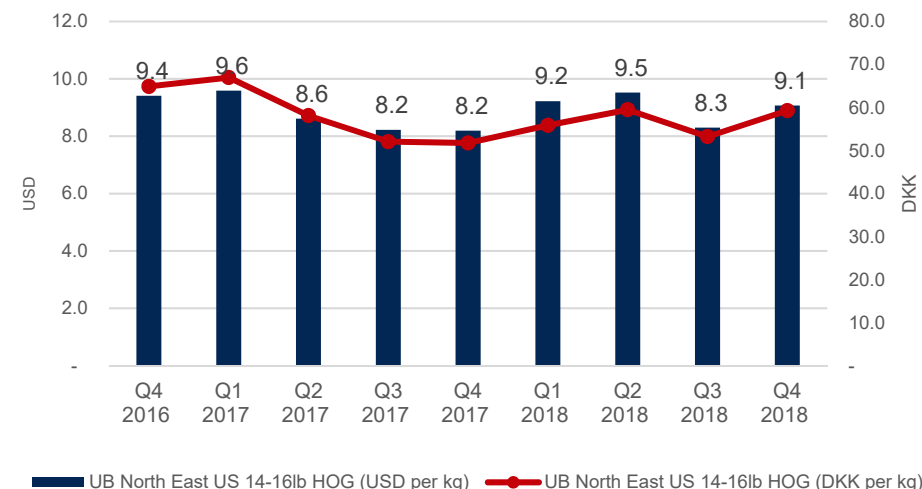
MARKET CURRENCY	Q4 2018	Q4 2017	Change %
Nasdaq Norway (EUR)	5.77	5.13	12.4 %
UB North East US 14-16lb HOG (USD per kg)	9.07	8.19	10.7 %

DKK	Q4 2018	Q4 2017	Change %
Nasdaq Norway	43.03	38.17	12.7 %
UB North East US 14-16lb HOG (per kg)	59.29	51.77	14.5 %

PRICE NORWAY



PRICE US – NORTH EAST



SUPERIOR BIOLOGY COMBINED WITH STATE OF THE ART INFRASTRUCTURE

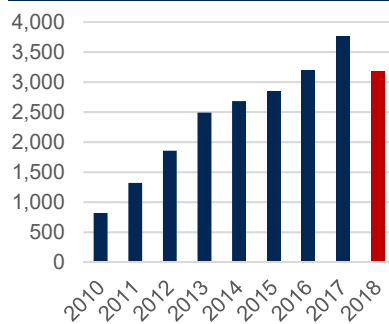
	FISHMEAL, OIL AND FEED	BROODSTOCK	SMOLT	SEA WATER	PROCESSING	SALES/MARKETING
CURRENT CAPACITY	Equivalent to 100k (tgw) annual harvest @ marine index of 44%	None	12 million @ 200 grams	21 farming sites/17 fjords 55k (tgw) @100g smolt/ 65k (tgw) @500g smolt 4 well boats 2 service vessels	130k primary (tgw) 40k secondary (tgw) 80k packaging material (tgw)	Central sales Faroes UK sales office US sales office Branding
ONGOING/ PLANNED 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) Independence of external 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

- Entire infrastructure wholly owned and on balance sheet

DEVELOPMENT PER QUARTER Q1 2015 – Q4 2018

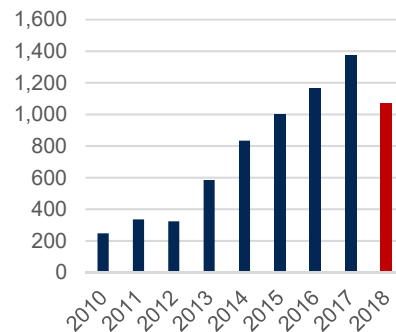
(mDKK)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Revenue	750	622	954	851	906	804	1,206	854	868	640	790	905	760	677	800	613
Operational EBIT	231	168	408	268	331	252	459	335	350	255	307	254	257	206	303	235
Profit/Loss	-7	356	339	272	-22	56	398	79	555	346	224	213	319	168	191	132
Harvest (tgv)	12,234	7,217	12,902	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
Op. EBIT Farming & VAP (NOK/kg)	21.91	25.34	37.41	22.92	29.88	23.02	29.77	29.40	32.00	28.97	27.88	27.55	21.83	18.10	22.62	26.12
Equity ratio	70%	70%	68%	69%	70%	68%	64%	65%	66%	63%	61%	66%	66%	63%	61%	61%
NIBD	495	286	443	102	258	356	560	459	635	504	603	218	391	182	302	227

Revenue (mDKK)



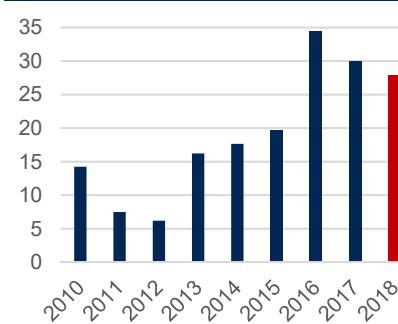
Revenue for the Bakkafrost Group has increased from 820 mDKK in 2010 to 3.2 bDKK in 2018.

Operational EBIT (mDKK)



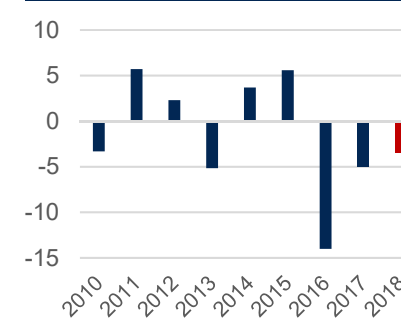
Operational EBIT for the Bakkafrost Group has increased from 247 mDKK in 2010 to 1.1 bDKK in 2018.

Farming margin Op. EBIT (NOK/kg)



The margin in Farming was NOK 27.89 per kg in 2018.

VAP margin Op. EBIT (NOK/kg)



The margin in VAP was NOK -3.46 per kg in 2018.

Dividend

- Dividend for 2018 of DKK 8.25 (NOK 10.70****) per share will be paid out in Q2 2019

Dividend policy

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

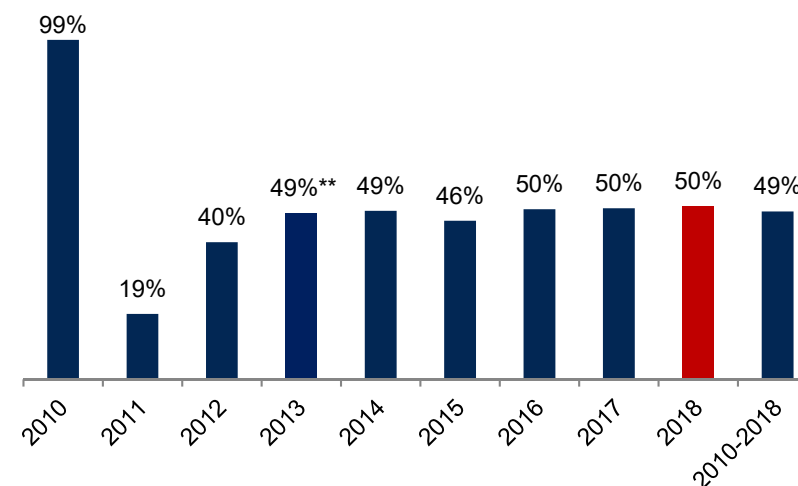
* Adjusted EPS is EPS adjusted for fair value adjustments of biomass and onerous contracts provisions

** Dividend and acquisition of treasury shares

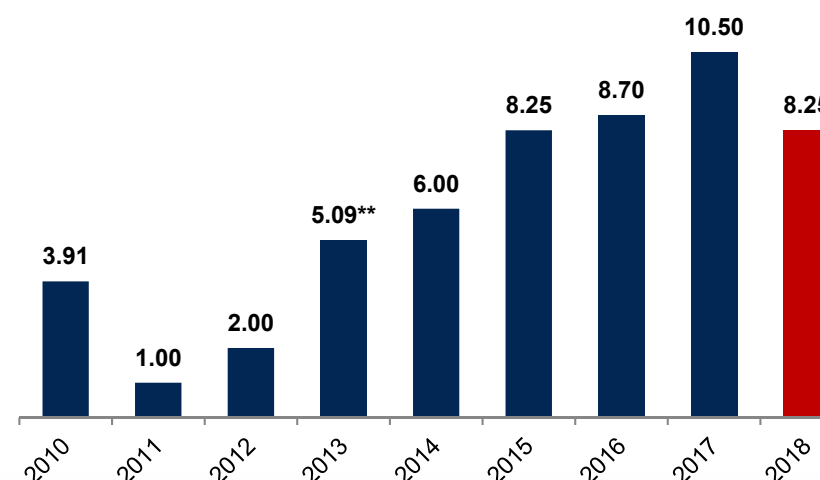
*** Dividend is paid out the following year

**** The dividend per share in NOK is subject to changes depending on the exchange rate between DKK and NOK, which will be announced after the Annual General Meeting.

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: Glyvvar, 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



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

18% salmon sales to USA

44% salmon sales to EU

21% salmon sales to Eastern Europe

17% salmon sales to Asia



HAVSBRÚN



BAKKAFROST HEADQUARTERS

Map excludes farming sites not in operation in 2017

- 18 islands – 1,387 km²
- 51,371 inhabitants (Jan 2019)
- 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.: ~36%
 - Private service: ~33%
 - Construction: ~16%
 - Fish & aquaculture: ~15%
 - Unemployment rate (Nov 2018): 1.3%
 - Total working force (Nov 2018): 27,165
-
- **GDP:** DKK ~19.2bn (2018e)
 - **GDP/capita:** DKK 380,000 (2018e) (Norway: DKK 463,000) (2017)

Total export of fish products (2017)

- DKK 8,412 million 10% increase from 2016
- whereof farmed fish accounts for 46%

TAXES

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

Ranking	Holding	Percentage	Name	Citizenship
1	4.594.437	9,40	JACOBSEN ODDVØR	Faroe Islands
2	4.491.217	9,19	JACOBSEN REGIN	Faroe Islands
3	3.765.640	7,71	FOLKETRYGDFONDET	Norway
4	2.528.383	5,17	Nordea Bank Abp	Denmark
5	1.181.218	2,42	State Street Bank and Trust Comp	United States
6	1.154.624	2,36	The Bank of New York Mellon SA/NV	United Kingdom
7	891.089	1,82	SWEDBANK ROBUR SMABOLAGSFOND	Sweden
8	870.547	1,78	State Street Bank and Trust Comp	United States
9	830.000	1,70	HANDELSBANKEN NORDEN SELEKTIV	Sweden
10	828.242	1,70	JPMorgan Chase Bank, N.A., London	United Kingdom
11	818.564	1,68	CLEARSTREAM BANKING S.A.	Luxembourg
12	665.982	1,36	NN PARAPLUFONDS 1 N.V.	The Netherlands
13	606.294	1,24	JPMorgan Chase Bank, N.A., London	United States
14	578.911	1,18	State Street Bank and Trust Comp	United States
15	503.212	1,03	NN (L) Global Sustainable Equity	Luxembourg
16	476.184	0,97	RBC INVESTOR SERVICES TRUST	Canada
17	447.248	0,92	STOREBRAND NORGE I VERDIPAPIRFOND	Norway
18	419.752	0,86	JPMorgan Chase Bank, N.A., London	United Kingdom
19	415.969	0,85	KLP AKSJENORGE INDEKS	Norway
20	411.263	0,84	State Street Bank and Trust Comp	United States

Share development

12 months development



5 years development



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BAKKAFROST

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