



**BAKKAFROST**

ESTABLISHED 1968

# Q1 2019

**BAKKAFROST GROUP**  
Oslo 6 May 2019



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- **SUMMARY OF Q1 2019**
- **MARKETS AND SALES**
- **SEGMENT INFORMATION**
- **GROUP FINANCIALS**
- **OUTLOOK**
- **APPENDIX**





## HIGHLIGHTS

### Operation

- **Harvested** 13,707 tgw in Q1 2019 (12,237 tgw in Q1 2018)
- **Feed sales** of 16,264 tonnes in Q1 2019\* (13,923 tonnes in Q1 2018\*)
- **Raw material purchase** of 115,530 tonnes in Q1 2019 (130,104 tonnes in Q1 2018)

### Revenues and Operational EBIT

- **Revenues** of DKK 964 million in Q1 2019 (DKK 851 million in Q1 2018)
- **Operational EBIT\*\*** of DKK 268 million in Q1 2019 (DKK 268 million in Q1 2018)

### Cash Flow

- **Cash flow from operations** of DKK 77 million in Q1 2019 (DKK 368 million in Q1 2018)

### Segments

- **Positive operational EBIT for all segments**

\*) Including internal sales of 13,960 tonnes in Q1 2019 (13,152 tonnes in Q1 2018)

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



## SUMMARY OF THE QUARTER

**Operational EBIT for the Farming segment at the same level. Positive operational EBIT for the VAP segment, but lower EBITDA margin for the FOF segment.**

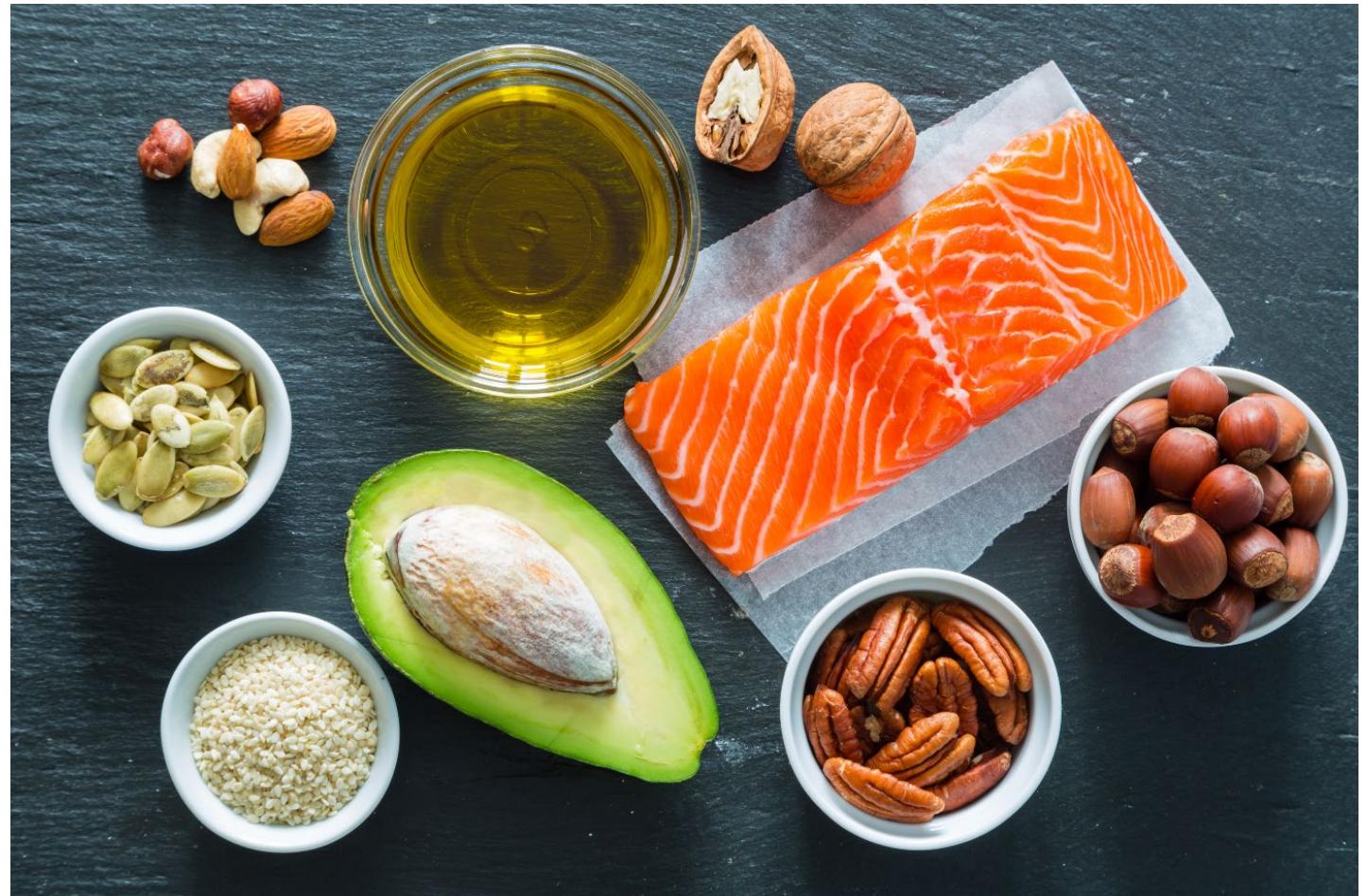
- Farming/VAP margin decreased from 22.92 NOK/kg in Q1 2018 to 21.99 NOK/kg in Q1 2019
- VAP segment had a positive margin of 0.37 NOK/kg in Q1 2019, compared to -7.10 NOK/kg in Q1 2018
- Farming margin was 21.86 NOK/kg in Q1 2019, compared to 24.15 NOK/kg in Q1 2018
- FOF margin was 23.0% in Q1 2019, compared to 28.8% in Q1 2018, which was a strong quarter
- Group Operational EBIT was DKK 268 million in Q1 2019, equalling Q1 2018

(DKK million)	Q1 2019	Q1 2018	2018	2017
Operating revenue	964	851	3,177	3,770
Operational EBITDA	321	314	1,274	1,561
<b>Operational EBIT</b>	<b>268</b>	<b>268</b>	<b>1,075</b>	<b>1,378</b>
<b>Profit for the period</b>	<b>213</b>	<b>272</b>	<b>960</b>	<b>511</b>
Operational EBITDA margin	33.4%	36.9%	40.0%	41.4%
Operational EBIT margin	27.8%	31.5%	33.8%	36.5%
Operational EBIT/Kg (Farming) (NOK)	21.86	24.15	27.89	30.02
Operational EBIT/Kg (Farming and VAP) (NOK)	21.99	22.92	27.24	28.29
Operational EBIT/Kg (VAP) (NOK)	0.37	-7.10	-3.46	-4.96
EBITDA margin (Fishmeal, -Oil and Feed)	23.0%	28.8%	20.0%	20.4%



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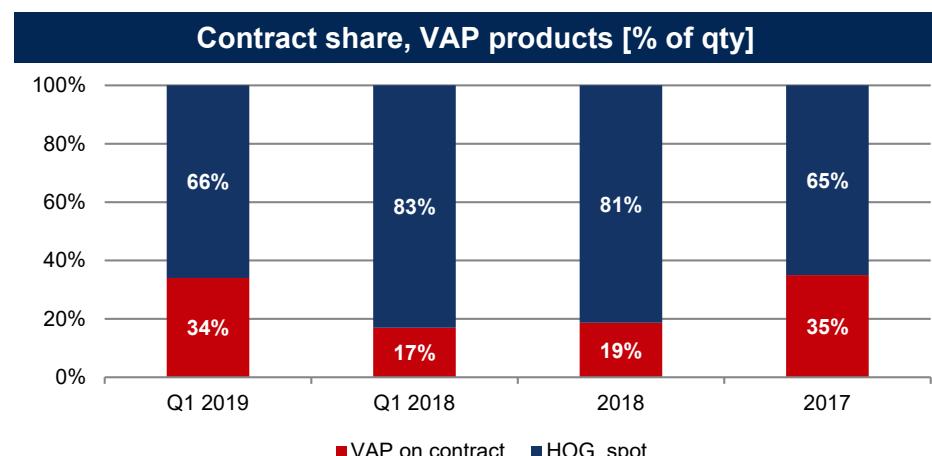
## MARKETS & SALES

**Sales distribution changed in Q1 2019, compared with Q1 2018, 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 compared to target**

- EU market increased from 31% in Q1 2018 to 50% in Q1 2019
- USA increased from 16% to 23%
- Asia increased from 21% to 24%
- Eastern Europe decreased from 32% to 3%
- Harvest volumes used in the VAP segment were 34% in Q1 2019, compared to 17% in Q1 2018
- Market strategy disruption from Q4-2018 scaled down by end of Q1-2019

Total sales of salmon by markets	Q1 2019	Q1 2018	2018	2017
EU	50%	31%	31%	45%
USA	23%	16%	20%	18%
Asia	24%	21%	24%	16%
Eastern Europe	3%	32%	25%	21%

Fresh salmon only by markets	Q1 2019	Q1 2018	2018	2017
EU	28%	22%	23%	23%
USA	31%	17%	21%	24%
Asia	37%	23%	27%	23%
Eastern Europe	4%	38%	29%	30%





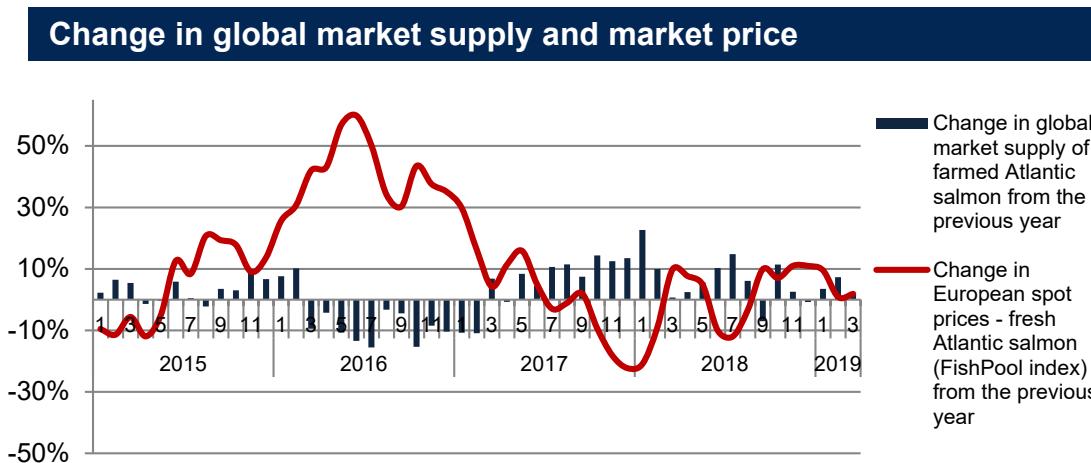
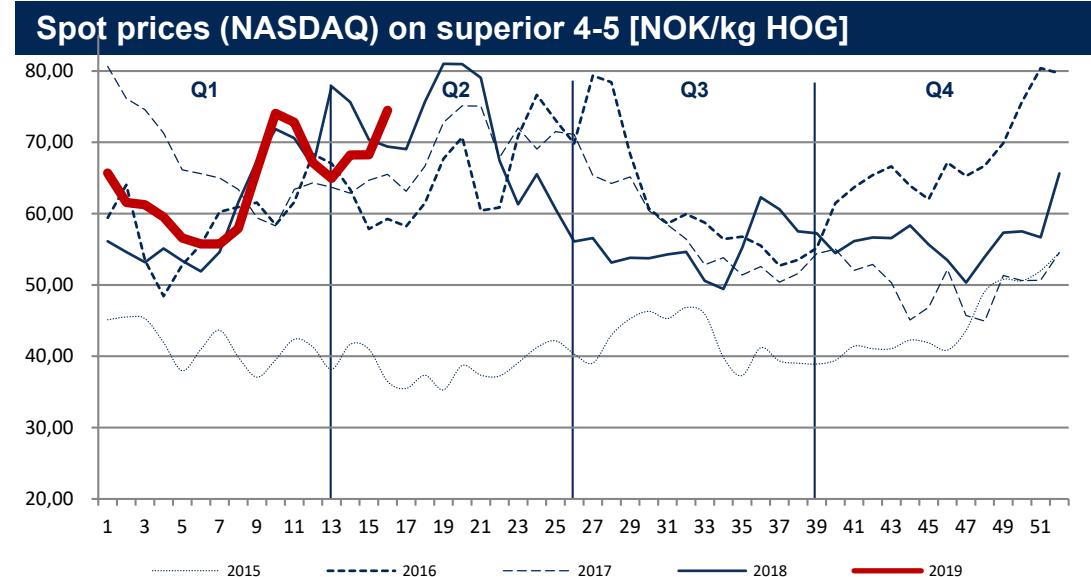
## GLOBAL MARKETS

### Higher prices in Q1 2019

- Prices increased 12%, compared with Q4-2018
  - y/y by 2.40 NOK/kg ~4%  
- from NOK 60.94 to NOK 63.34
  - q/q by 5.33 NOK/kg ~9%  
- from NOK 58.01 to NOK 63.34

### Growth in global supply in Q1 2019

- 5% increased global supply in Q1 2019, compared with Q1 2018, corresponding to 18,000 tonnes



Source: Kontali



## DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

### 5% global supply growth in Q1 2019

### 5% growth in European harvest

- Norway impacted by low harvest weights and reduced growth in northern areas

### American harvest increased by 3%

- Chile** increased harvest by 2%
  - Increased average harvest weights
- Canada** increased harvest by 7% and the **USA** by 5%

SUPPLY DEVELOPMENT (HOG - 1,000 tonnes)	Q1 2019	Q1 2018	Change %
Norway	267	262	2.0 %
UK	37	30	24.6 %
Ireland	3	3	22.6 %
Faroes	20	16	21.8 %
<b>Total Europe</b>	<b>327</b>	<b>311</b>	<b>5.4 %</b>
Chile	159	156	1.7 %
Canada	29	27	7.2 %
USA	4	3	5.4 %
<b>Total Americas</b>	<b>192</b>	<b>187</b>	<b>2.6 %</b>
Other	23	19	17.8 %
<b>Total (Harvested quantity)</b>	<b>542</b>	<b>517</b>	<b>4.8 %</b>
Inventory movements	-4	3	-232.7 %
<b>Total (Sold Quantity)</b>	<b>538</b>	<b>520</b>	<b>3.4 %</b>

Source: Kontali



## SALMON MARKETS, SOLD QUANTITY (HOG)

### Good momentum in most markets

- EU and US growth largely in line with global supply growth
- Russia declined due to trade restrictions
- Strong growth in Greater China
- Strong growth in Latin America

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

Markets	Estimated volumes		Q1 comparison		Estimated volumes		FY comparison	
	Q1 2019E	Q1 2018	Volume	%	FY 2018	FY 2017	Volume	%
EU	221,300	214,600	6,700	3%	956,600	921,100	35,500	4%
USA	111,200	108,100	3,100	3%	427,800	397,700	30,100	8%
Russia	18,000	21,200	-3,200	-15%	86,900	69,800	17,100	24%
Japan	13,100	12,800	300	2%	54,000	57,600	-3,600	-6%
Greater China	35,300	30,400	4,900	16%	122,800	108,100	14,700	14%
ASEAN	19,400	21,000	-1,600	-8%	71,600	79,000	-7,400	-9%
Latin America	44,300	41,200	3,100	8%	152,600	135,400	17,200	13%
Ukraine	4,600	3,500	1,100	31%	15,900	13,600	2,300	17%
Other markets	70,600	67,000	3,600	5%	279,300	255,500	23,800	9%
<b>Total all markets</b>	<b>537,800</b>	<b>519,800</b>	<b>18,000 </b>	<b>3.5 %</b>	<b>2,167,500</b>	<b>2,037,800</b>	<b>129,700 </b>	<b>6.4 %</b>

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)

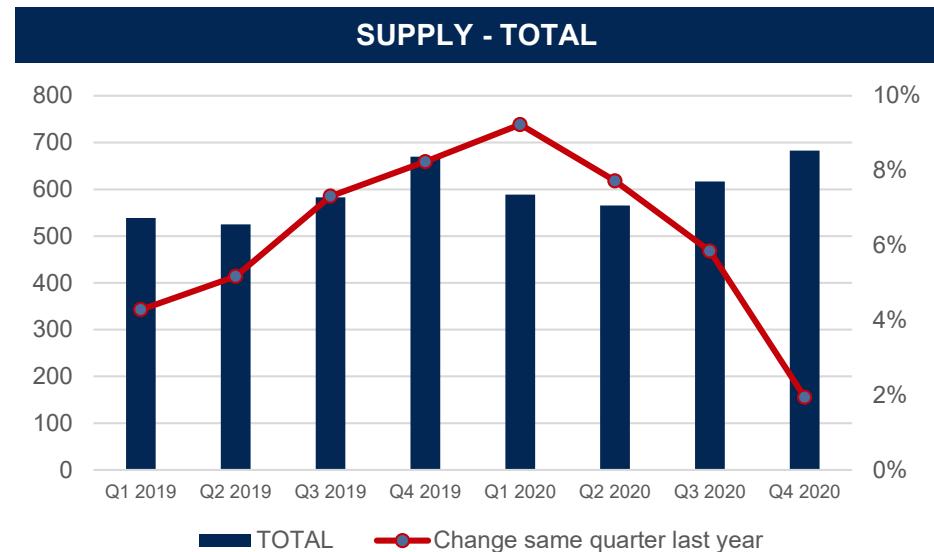
All figures above are in tonnes hog, and are rounded to the nearest 100 tonnes.

Source: Kontali



## SHORT TERM SUPPLY OUTLOOK

- **Temporary increase in global supply ahead**
  - Sharp decline, however, expected from mid 2020
- **Europe expected to average 7-8% growth in 2019/20**
  - Uncertainty linked to biological performance in Norway
  - Strong growth in Scotland – recovery from low 2017 harvest levels
- **Americas – Modest growth in coming quarters**
  - Increased output from East Coast of Canada
  - High smolt release in Chile 2H 2018



Source: Kontali



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## FARMING – HARVEST VOLUME

### Harvested volumes

- The expected harvest for 2019 is 54,500 tonnes gutted weight
- Harvested volumes increased by 12% in Q1 2019, compared with Q1 2018
- The harvest in the North Region was 49.2%, and the harvest in the West Region was 50.8% in Q1 2019
- Average weight of harvested fish increased 0.5 kg in Q1 2019 to 5.2 kg head on gutted from 4.7 kg in Q1 2018

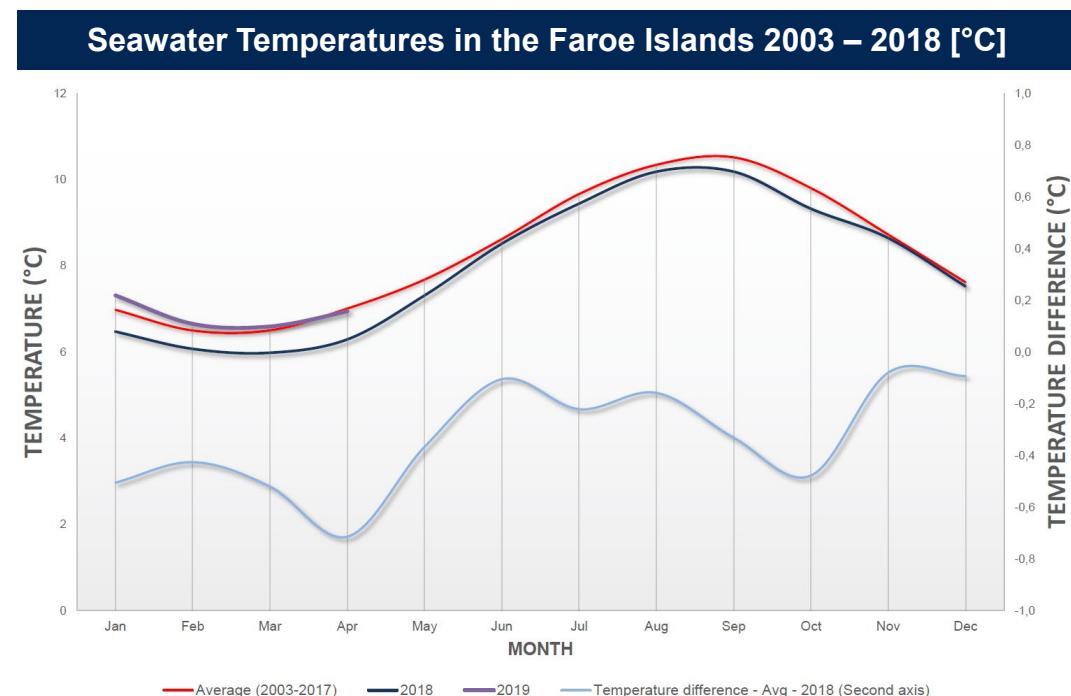
### Smolt transfer

- Bakkafrost transferred 1.7 million smolts in Q1 2019 (3.1 million smolts in Q1 2018)

### Seawater temperatures in the Faroe Islands

- Average temperatures increased 0.53 °C in Q1 2019 – from 6.17 °C in Q1 2018 to 6.70 °C in Q1 2019

Harvest Volumes tonnes [HOG]	Q1 2019	Q1 2018	2018	2017
North Region	6,743	2,736	25,889	24,364
West Region	6,964	9,501	18,702	30,251
Total	13,707	12,237	44,591	54,615





## FARMING – OPERATIONAL PERFORMANCE

### Increasing volumes drove up revenue

- Operating revenue increased from DKK 667 million in Q1 2018 to DKK 755 million in Q1 2019 – mainly because of higher volume
- Operational EBIT increased from DKK 228 million in Q1 2018 to DKK 230 million in Q1 2019
- Operational EBIT margin was 30% in Q1 2019, compared to 34% in Q1 2018
- Operating costs down by 1.16 DKK/kg from Q1 2018
- Average weight West 5.7 kg and North 4.9 kg HOG
- Performance improved in the quarter

(DKK million)	Q1 2019	Q1 2018	2018	2017
Operating revenue	755	667	2,568	2,987
Operational EBIT	230	228	966	1,308
Operational EBIT margin	30%	34%	38%	44%

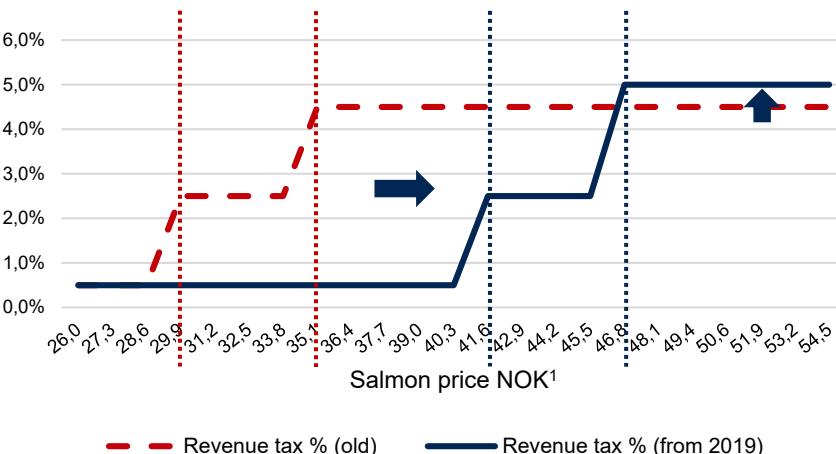




## FARMING – OPERATIONAL PERFORMANCE

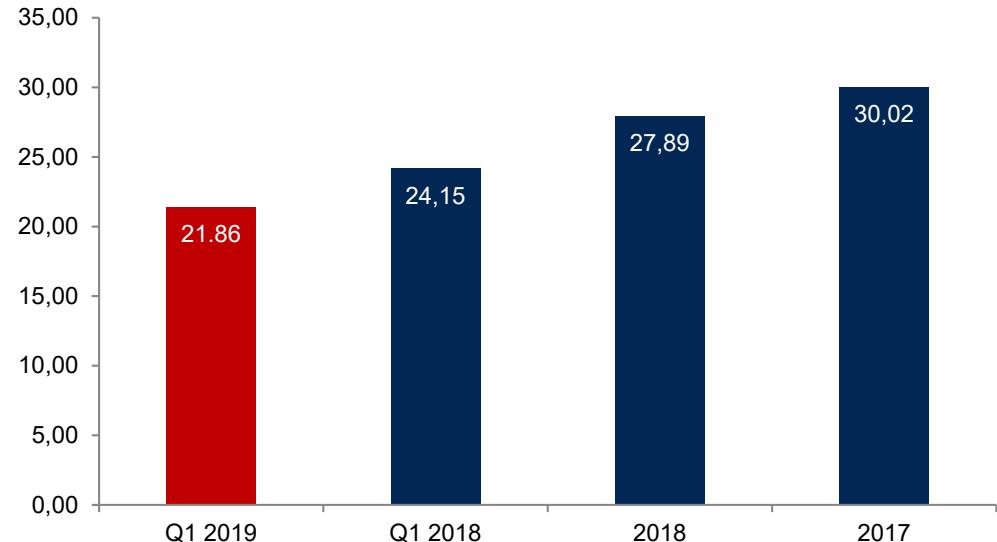
### Operation

- Farming operational EBIT decreased by NOK 2.29 per kg from NOK 24.15 in Q1 2018 to NOK 21.86 in Q1 2019
- Operational EBIT per kg in the North Region was NOK 22.78 and in the West Region NOK 19.97 in Q1 2019
- Change in revenue tax from 1<sup>st</sup> January 2019:



1) Currency rate NOK/DKK: 77,00

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



(NOK/kg)	Q1 2019		
	North Region	West Region	Farming
Operational EBIT/kg gw	22,78	19,97	21,86

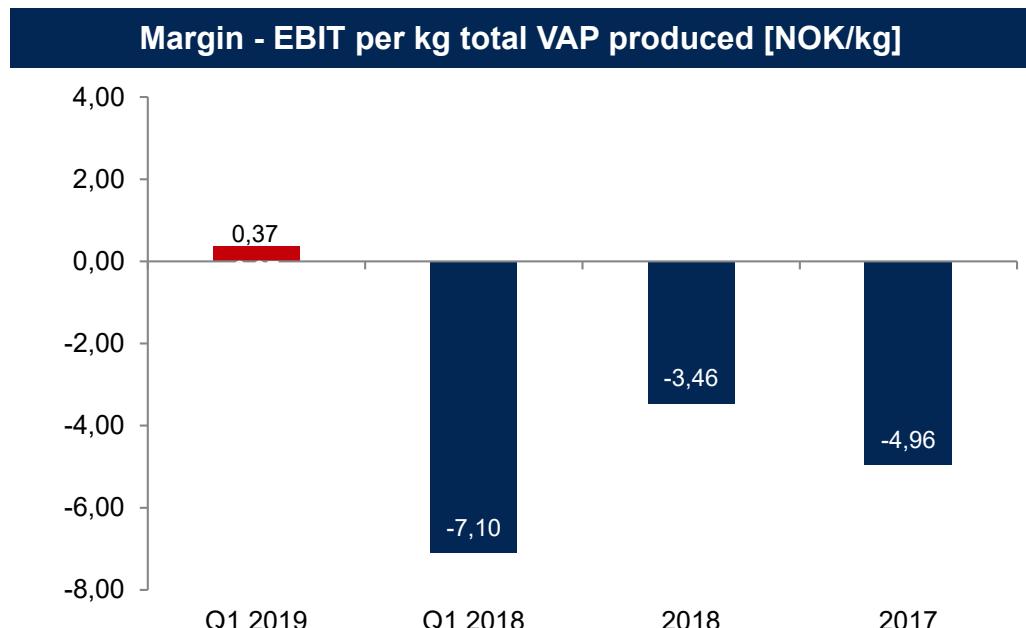


## VALUE ADDED PRODUCTS (VAP)

### VAP operational EBIT margin

- Higher prices and higher volumes in Q1 2019
- Revenue nearly tripled to DKK 261 million in Q1 2019, from DKK 93 million in Q1 2018
- Operating EBIT in Q1 2019 was DKK 1 million, compared with DKK -12 million in Q1 2018
- Operational EBIT per kg was NOK 0.37 in Q1 2019, compared to NOK -7.10 in Q1 2018
- Higher ratio of total harvested volumes went to VAP production (34% in Q1 2019 vs. 17% in Q1 2018)

(DKK million)	Q1 2019	Q1 2018	2018	2017
Operating revenue	261	93	365	999
Operational EBIT	1	-12	-22	-75
Operational EBIT margin	0.5%	-12%	-6%	-8%
VAP produced volumes (tgw)	4,689	2,115	8,355	19,067





## FISHMEAL, OIL AND FEED (FOF)

### Reduced EBITDA margin

- EBITDA of DKK 65 million in Q1 2019, compared with DKK 86 million in Q1 2018
- EBITDA margin of 23.0% in Q1 2019, compared with 28.8% in Q1 2018
- Feed sales increased by 17%, but external fishmeal sales decreased by 19% in Q1 2019, compared to Q1 2018

### Fishmeal, Oil and Feed

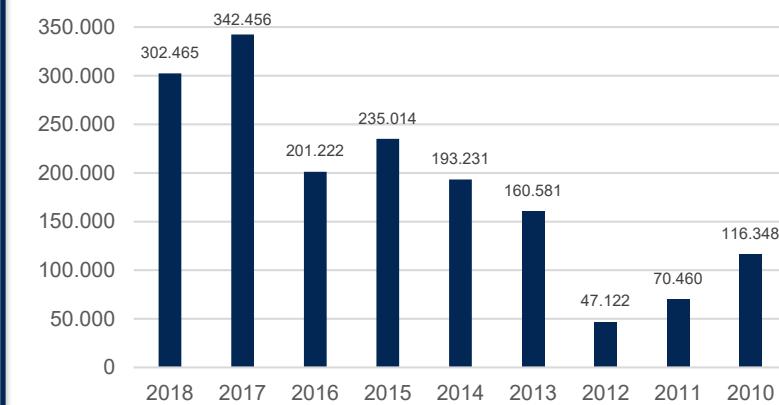
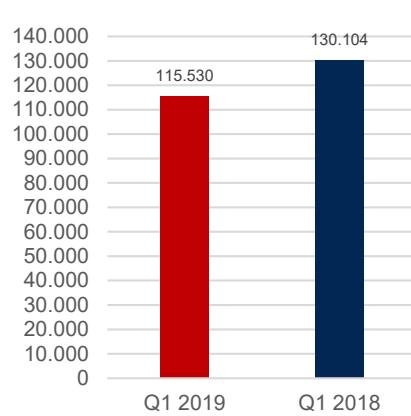
(DKK million)	Q1 2019	Q1 2018	2018	2017
Operating revenue	283	300	1,269	1,303
EBITDA	65	86	254	266
EBITDA margin	23.0%	28.8%	20.0%	20.4%
Feed sold (tonnes)*	16,264	13,923	77,775	78,134
Fishmeal sold external (tonnes)	9,987	12,266	43,235	59,006

### Good raw material sourcing in the quarter

- Havsbrún sourced 11% less raw material in Q1 2019, compared to Q1 2018
- 2018 was the second highest raw material sourcing year since Havsbrún became part of Bakkafrost Group

\* Including sales to Bakkafrost, corresponding to ~ 86% of feed volumes in Q1 2019 (Q1 2018: 94%)

### Sourcing of raw material (tonnes)

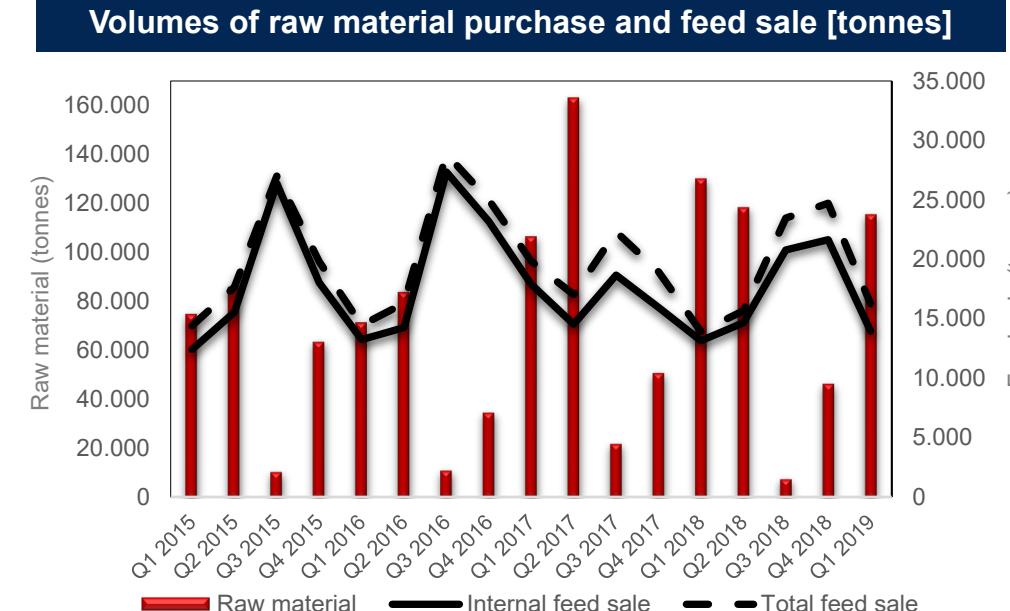




## MARKET CONDITIONS FEED

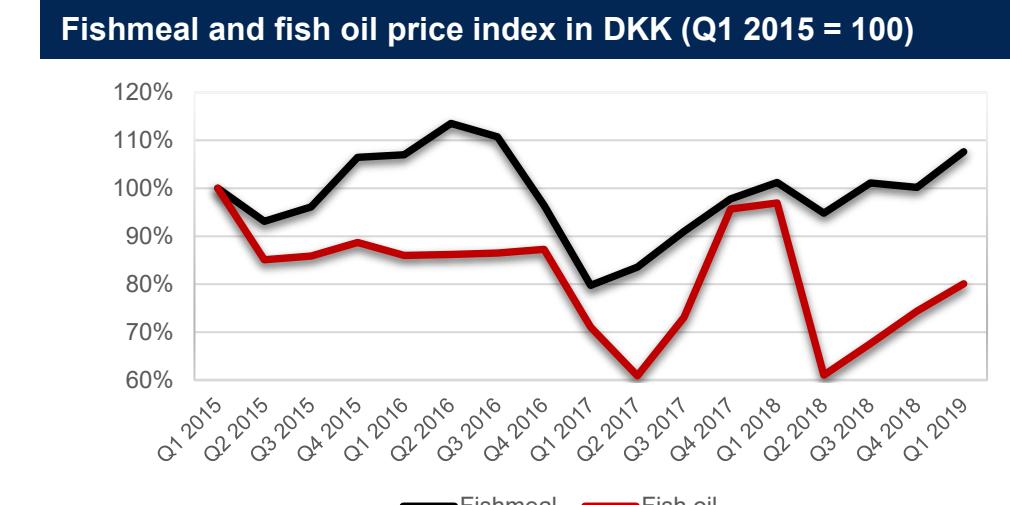
### Increase in feed sales

- Quantity of feed sold was 16,264 tonnes in Q1 2019, compared to 13,923 tonnes in Q1 2018
- External feed sales 199% higher in Q1 2019, compared to Q1 2018



### Market fluctuations

- Both fishmeal and fish oil prices increased in Q1 2019, compared to previous quarter



Source: Holtermann



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## GROUP PROFIT AND LOSS

- Revenue higher in Q1 2019, due to higher volume in the Farming and VAP segments. Revenue in Q1 2019 amounted to DKK 964 million, compared to DKK 851 million in Q1 2018
- Operational EBIT in Q1 2019 was on par with Q1 2018, amounting to DKK 268 million
- Fair value of biomass increased due to higher salmon prices
- Revenue tax, recognized as cost, amounted to DKK -32 million in Q1 2019, compared to DKK -26 million in Q1 2018 (tax rate was raised from 4.5% to 5.0% from Jan 1 2019)
- Financial items amounted to DKK -1 million and taxes amounted to DKK -46 million in Q1 2019
- Profit after tax for Q1 2019 was DKK 213 million, compared to DKK 272 million in Q1 2018

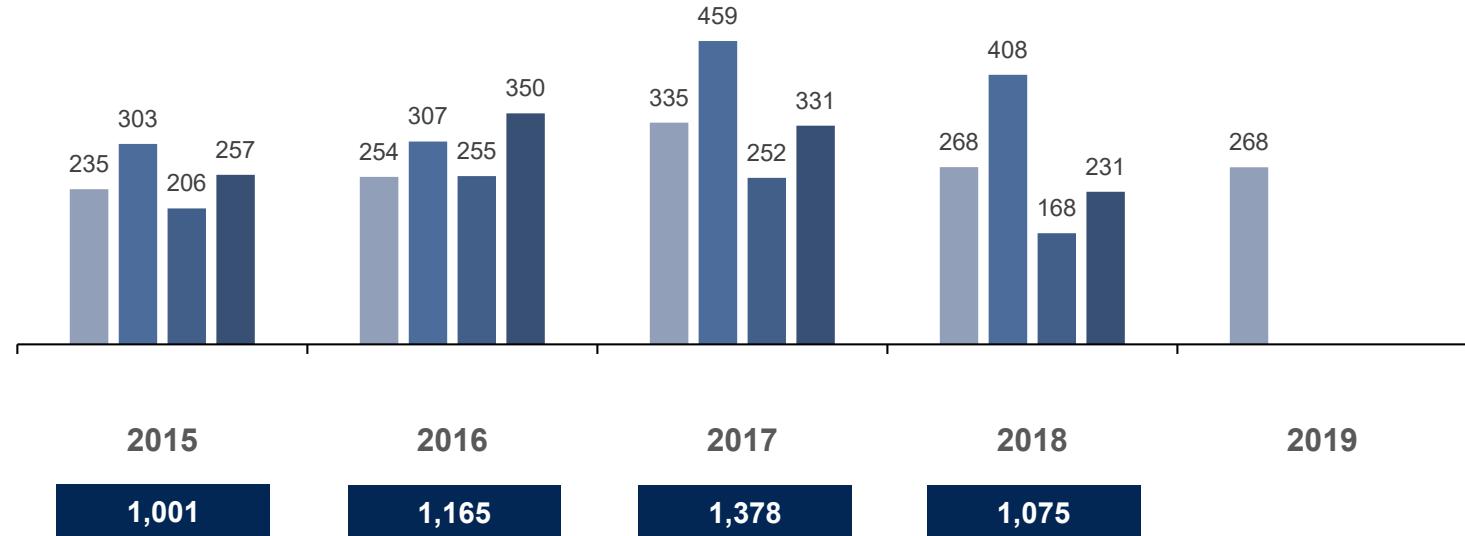
(DKK million)	Q1 2019	Q1 2018	2018	2017
Operating revenue	964	851	3,177	3,770
<b>Operational EBITDA*</b>	<b>321</b>	<b>314</b>	<b>1,274</b>	<b>1,561</b>
<b>Operational EBIT*</b>	<b>268</b>	<b>268</b>	<b>1,075</b>	<b>1,378</b>
Fair value adjustment of biological assets	18	107	196	-694
Onerous contracts	0	0	0	67
Income from associates	7	2	9	17
Revenue tax	-32	-26	-96	-120
<b>EBIT</b>	<b>261</b>	<b>351</b>	<b>1,184</b>	<b>649</b>
Net Financial items	-1	-19	-12	-25
<b>EBT</b>	<b>259</b>	<b>333</b>	<b>1,172</b>	<b>624</b>
Taxes	-46	-60	-212	-112
<b>Profit for the period</b>	<b>213</b>	<b>272</b>	<b>960</b>	<b>511</b>
<b>Operational EBITDA margin</b>	<b>33.4%</b>	<b>36.9%</b>	<b>40.1%</b>	<b>41.4%</b>
<b>Operational EBIT margin</b>	<b>27.8%</b>	<b>31.5%</b>	<b>33.8%</b>	<b>36.5%</b>
<b>Operational EBIT/kg (Farming and VAP) (NOK)</b>	<b>21.99</b>	<b>22.92</b>	<b>27.24</b>	<b>28.29</b>
<b>EBITDA margin (fishmeal, oil and feed)</b>	<b>23.0%</b>	<b>28.8%</b>	<b>20.0%</b>	<b>20.4%</b>

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

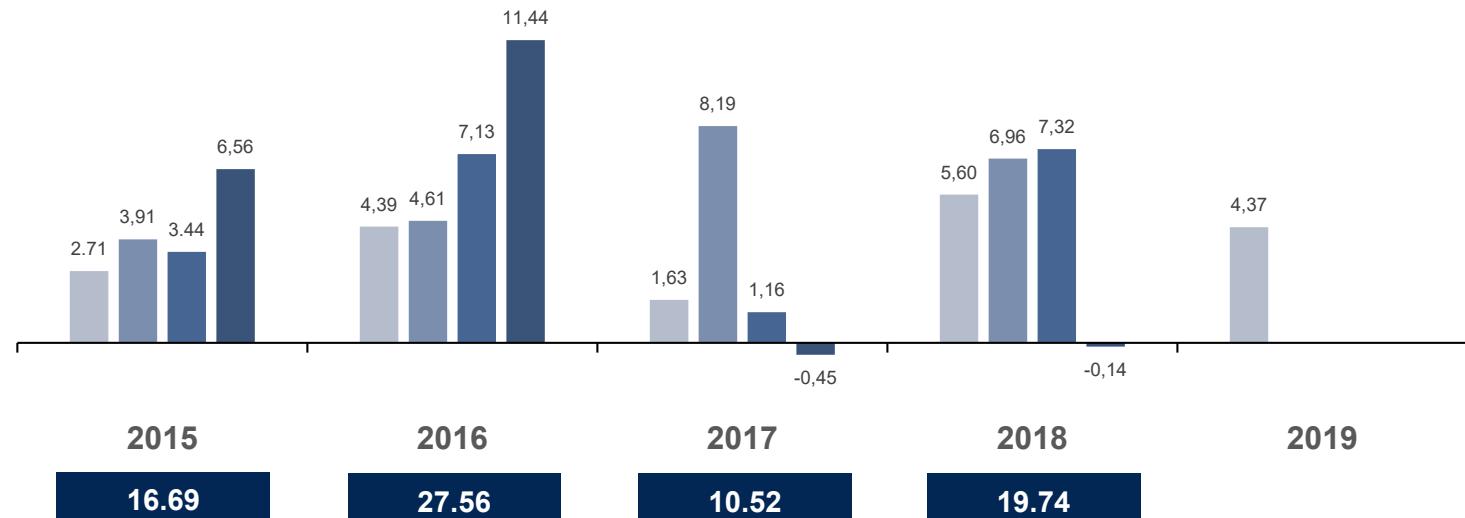


## OPERATIONAL EBIT\* AND EARNINGS PER SHARE

**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 1 million during the year and amounts to DKK 391 million at the end of Q1 2019
- Investments in PPE of DKK 120 million in Q1 2019 and PPE amounts to DKK 3.0 billion
- Financial assets amount to DKK 116 million
- The carrying amount of biological assets amounts to DKK 1,291 million, whereof fair value adjustment amounts to DKK 401 million
- Inventory amounts to DKK 563 million at the end of Q1 2019
- Changes in equity consist primarily of the positive results in Q1 2019. Equity ratio is 70% at the end of Q1 2019
- NIBD is DKK 522 million at the end of Q1 2019, compared with DKK 495 million at end 2018

(DKK million)	Q1 2019	End 2018
Intangible assets	391	390
Property, plant and equipment	3,005	2,884
Financial assets	116	113
Long-term receivables	8	9
Biological assets	1,291	1,358
Inventory	563	439
Receivables	430	269
Other receivables	22	23
Cash and cash equivalents	342	317
<b>Total Assets</b>	<b>6,166</b>	<b>5,803</b>
Equity	4,290	4,077
Deferred tax and other taxes	581	534
Long-term interest-bearing debt	863	812
Other debt	61	0
Financial derivatives	1	0
Short-term interest-bearing debt	0	378
Accounts and other payables	371	379
<b>Total Equity and Liabilities</b>	<b>6,166</b>	<b>5,803</b>



## CASH FLOW

- Cash flow from operations amounted to DKK 77 million in Q1 2019, compared to DKK 368 million in Q1 2018
- Cash flow from investments amounted to DKK -106 million in Q1 2019, compared to DKK -111 million in Q1 2018
- Cash flow from financing is affected by change in interest-bearing debt

(DKK million)	Q1 2019	Q1 2018	2018	2017
Cash flow from operations	77	368	913	1,458
Cash flow from investments	-106	-111	-531	-636
Cash flow from financing	54	102	-375	-748
Net change in cash	25	359	7	75
Cash at the end of the period	342	668	317	310
Undrawn facilities	971	1,380	998	1,005

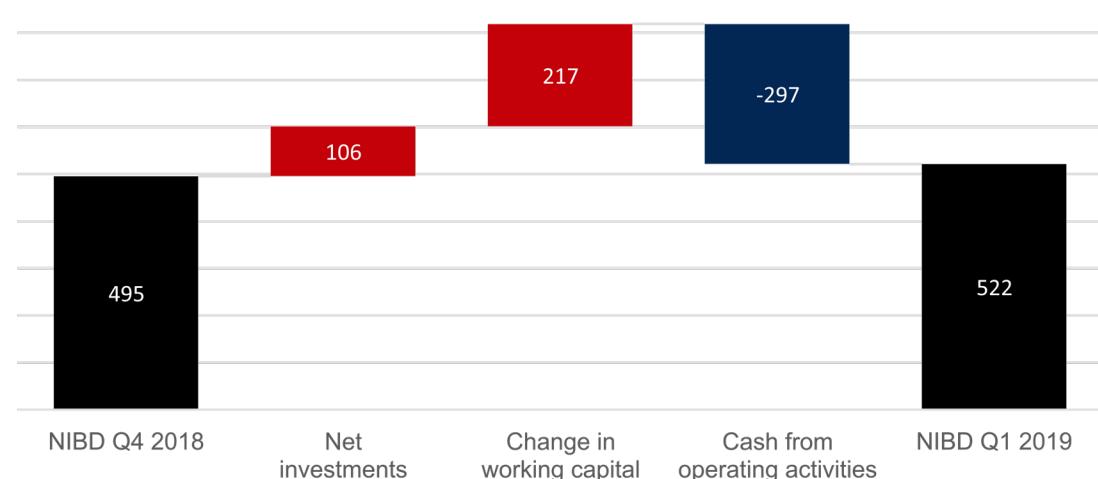


## NET INTEREST-BEARING DEBT (NIBD)

### Net interest-bearing debt

- Cash flow from operating activities decreased the NIBD with DKK 297 million in Q1 2019
- Net investments increased the NIBD with DKK 106 million in Q1 2019
- Change in working capital in Q1 2019 increased the NIBD with DKK 217 million

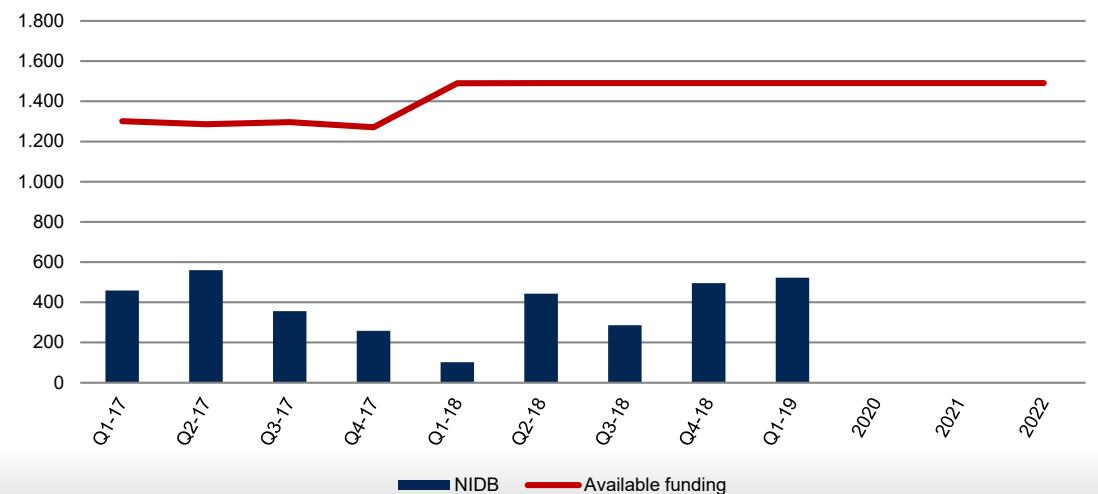
### Development in NIBD in DKK millions



### Financing end Q1 2019

- Bank facilities of EUR 200 million
- NIBD: DKK 522 million
- Undrawn loan facilities: DKK 971 million

### NIBD and available funding





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## OUTLOOK

### Market

- Global supply in Q1 2019 increased around 5%, compared to Q1 2018
- Global harvest in Q2 2019 is expected to increase 5%, compared to Q2 2018
- Global harvest growth in 2019 is expected to be around 5-7%, compared to 2018

### 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

### 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

### 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% global supply growth in Q1 2019
- 5% growth in European harvest in Q1 2019
- American harvest increased by 3% in Q1 2019

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

	2016	2017	2018	2019E	2020E
Norway	1,054	1,087	1,128	1,190	1,291
UK	142	159	138	164	169
Ireland	14	15	13	15	15
Faroes	70	72	65	72	74
<b>Total Europe</b>	<b>1,279</b>	<b>1,334</b>	<b>1,344</b>	<b>1,441</b>	<b>1,548</b>
Chile	454	508	610	635	646
Canada	131	125	132	132	138
USA	20	20	17	15	15
<b>Total Americas</b>	<b>606</b>	<b>652</b>	<b>758</b>	<b>782</b>	<b>798</b>
Other	61	78	76	96	107
<b>Total (harvested quantity)</b>	<b>1,946</b>	<b>2,065</b>	<b>2,178</b>	<b>2,319</b>	<b>2,454</b>
Inventory movements	51	-27	-10	4	-1
<b>Total (sold quantity)</b>	<b>1,997</b>	<b>2,038</b>	<b>2,167</b>	<b>2,323</b>	<b>2,453</b>
<b>Growth in sold quantity - Global</b>	<b>2%</b>	<b>6%</b>	<b>7%</b>	<b>6%</b>	
Supply growth - Global	6%	5%	6%	6%	
Supply growth - Europe	4%	1%	7%	7%	
Supply growth - Americas	8%	16%	3%	2%	

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

	2016	2017	2018	2019E	2020E
EU	945	921	957	1,009	1,088
USA	378	398	428	458	482
Japan	59	58	54	56	59
Russia	67	70	87	94	93
Others	548	591	642	706	730
<b>Total (Sold Quantity)</b>	<b>1,997</b>	<b>2,038</b>	<b>2,167</b>	<b>2,323</b>	<b>2,453</b>

Comments:

All figures are in hog-equivalents and thousand tonnes.

Figures represents sold quantity of Atlantic Salmon from each producing country

Source: Kontali



## Q1 MARKET ENVIRONMENT

- Minor price changes compared to Q1 2018
- Nasdaq Norway price EUR 6.3 in Q1 2019
  - 2% up vs. Q1 2018
  - 10% up vs. Q4 2018
- Urner Barry East Coast price USD 8.5 per kg in Q1 2019
  - 7% down vs. Q1 2018
  - 6% down vs. Q4 2018

MARKET CURRENCY	Q1 2019	Q1 2018	Change %
Nasdaq Norway (EUR)	6.35	6.25	1.6 %
UB North East US 14-16lb HOG (USD per kg)	8.54	9.22	-7.4 %
DKK	Q1 2019	Q1 2018	Change %
Nasdaq Norway	61.84	60.21	2.7 %
UB North East US 14-16lb HOG (per kg)	73.23	72.29	1.3 %



Source: Kontali



## SUPERIOR BIOLOGY COMBINED WITH STATE OF THE ART INFRASTRUCTURE

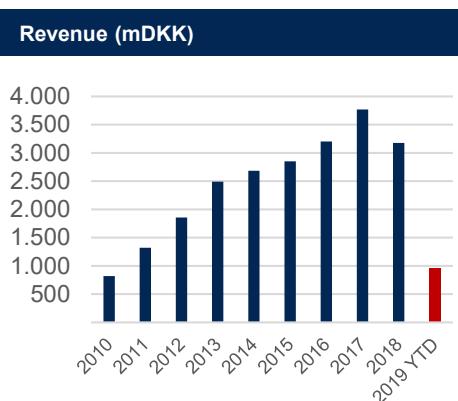
	FISHMEAL, OIL AND FEED	BROODSTOCK	SMOLT	SEA WATER	PROCESSING	SALES/MARKETING
CURRENT CAPACITY	Equivalent to 100k (tgw) annual harvest @ marine index of 44%	None	12 million @ 200 grams	21 farming sites/17 fjords 55k (tgw) @100g smolt/ 65k (tgw) @500g smolt 4 well boats 2 service vessels	130k primary (tgw) 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

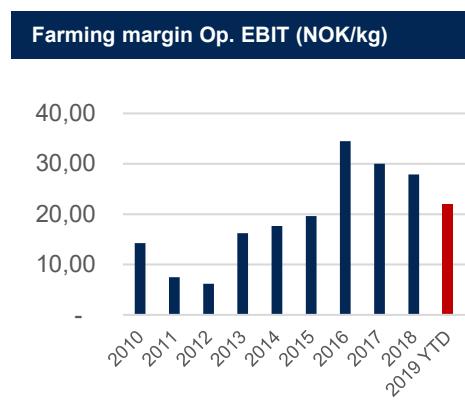
(mDKK)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	2015	2015	2015	2015	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018	2018	2018	2019
Revenue	613	800	677	760	905	790	640	868	854	1206	804	906	851	954	622	750	964
Operational EBIT	235	303	206	257	254	307	255	350	335	459	252	331	268	408	168	231	268
Profit/Loss	132	191	168	319	213	224	346	555	79	398	56	-22	272	339	356	-7	213
Harvest (tgw)	9,726	14,182	12,982	13,675	10,934	13,004	10,664	12,940	13,158	18,402	11,585	11,470	12,237	12,903	7,217	12,234	13,707
Op. EBIT Farming & VAP (NOK/kg)	26.12	22.62	18.10	21.83	27.55	27.88	28.97	32.00	29.40	29.77	23.02	29.88	22.92	37.40	25.34	21.91	21.99
Op. EBIT Farming (NOK/kg)	23.49	20.07	17.25	19.67	30.45	34.47	34.44	37.70	34.27	33.50	23.51	25.76	24.15	39.08	24.85	21.56	21.86
Op. EBIT VAP (NOK/kg)	5.66	7.13	2.95	6.09	-10.03	-18.37	-14.15	-11.95	-17.62	-13.01	-1.08	9.54	-7.10	-11.00	2.49	1.51	0.37
Equity ratio	61%	61%	63%	66%	66%	61%	63%	66%	65%	64%	68%	70%	69%	68%	70%	70%	70%
NIBD	227	302	182	392	218	603	504	635	459	560	356	258	102	443	286	495	522



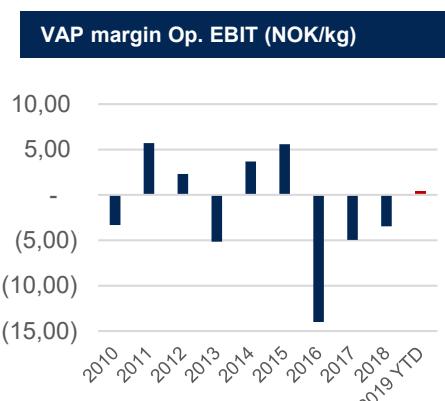
Revenue for the Bakkafrost Group has increased from 820 mDKK in 2010 to 3.2 bDKK in 2018.



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



The margin in Farming was NOK 21.86 per kg in Q1 2019.



The margin in VAP was NOK 0.37 per kg in Q1 2019.



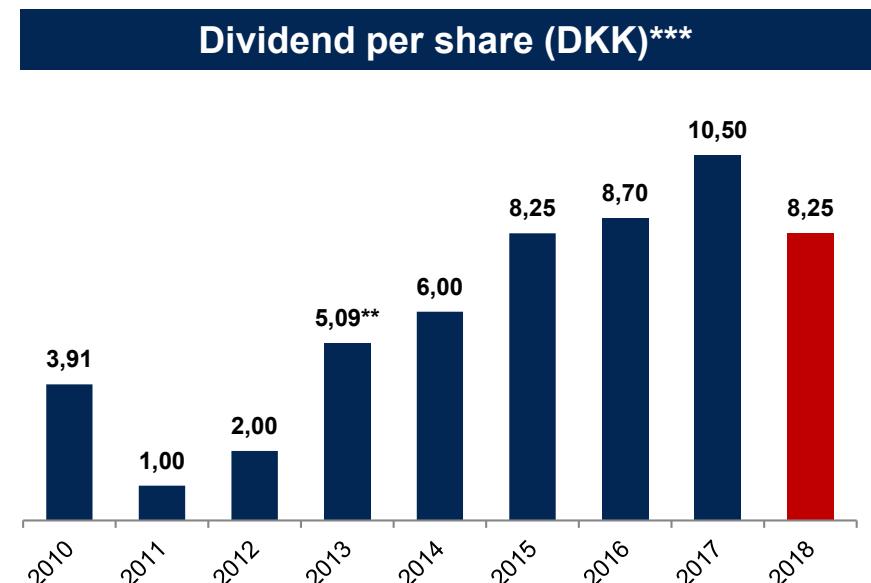
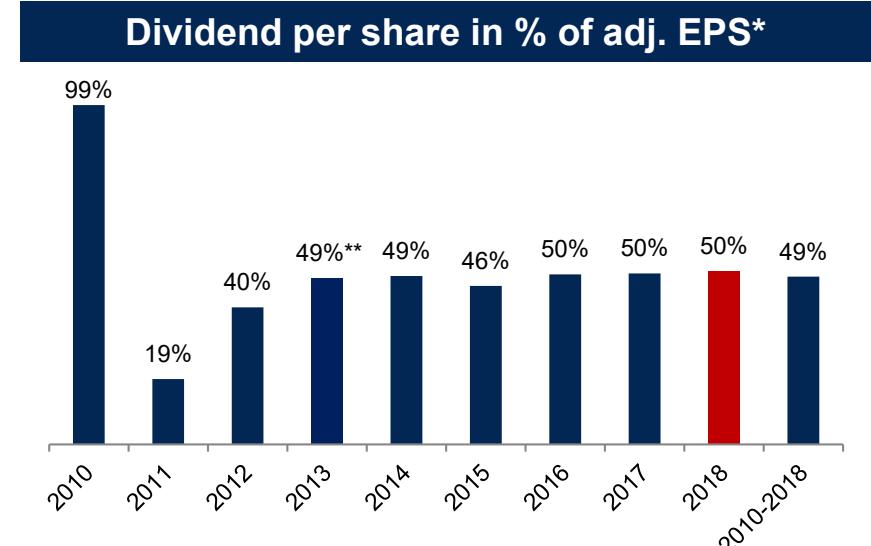
## DIVIDEND

### Dividend

- Dividend for 2018 of DKK 8.25 (NOK 10.65) per share is paid out on 26 April 2019. Totalling 403.1 DKK million (NOK 520.3 million)

### 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



\* 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

**Employees:** 1,073 (824 full time equivalent)

**Markets served:** Western Europe (31%), North America (20%),  
Asia (24%), Eastern Europe (25%)



Map excludes  
farming sites  
not in operation  
in 2018



## LEGEND TO MAP SYMBOLS



FISHMEAL



BROODSTOCK



HARVESTING



FSV (FARMING SERVICE VESSELS)



FISH OIL



HATCHERIES



PROCESSING



PACKAGING



FISH FEED



FARMING



SALES



## FAROE ISLANDS

- 18 islands – 1,387 km<sup>2</sup>
- 51,540 inhabitants (Mar 2019)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, Danish krone (DKK)

### Key sectors (% of wage earners, 2018)

- Service/public admin.: ~36%
- Private service: ~33%
- Construction: ~15%
- Fish & aquaculture: ~16%
- Unemployment rate (Jan 2019): 1.2%
- Total working force (Dec 2018): 28,851
- GDP: DKK ~19.2bn (2018e)
- GDP/capita: DKK 380,000 (2018e) (Norway: DKK 463,000) (2017)

### Total export of fish products (2018)

- DKK 7,487 million 11% decrease from 2017
- 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
- 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

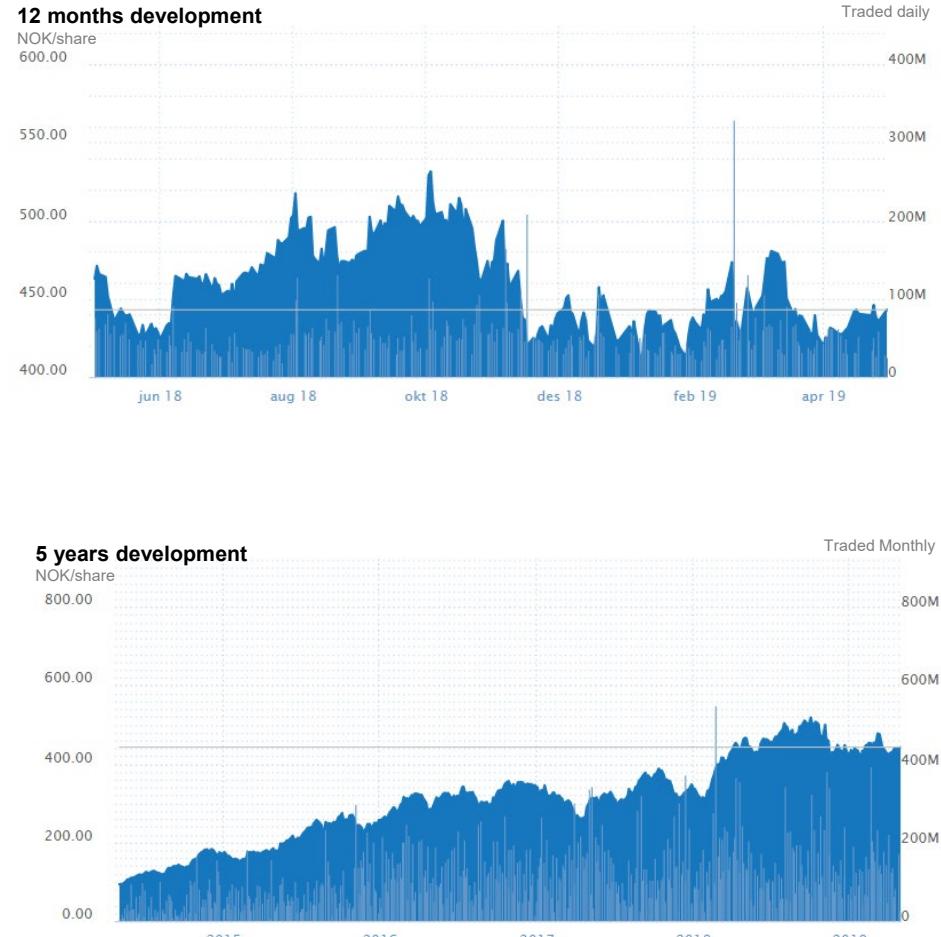


## LARGEST SHAREHOLDERS

### 20 largest shareholders

Rank	Holding	Percentage	Name	Citizenship	Type of account
1	4.594.437	9,40	JACOBSEN Oddvør	Faroe Islands	Ordinary
2	4.495.669	9,19	JACOBSEN Regin	Faroe Islands	Ordinary
3	4.477.627	9,16	FOLKETRYGDFONDEN	Norway	Ordinary
4	2.566.341	5,25	Nordea Bank Abp	Faroe Islands	Nominee
5	1.067.130	2,18	State Street Bank and Trust Comp	United States	Nominee
6	1.054.730	2,16	The Bank of New York Mellon SA/NV	United Kingdom	Nominee
7	891.089	1,82	SWEDBANK ROBUR SMABOLAGSFOND	Sweden	Ordinary
8	825.095	1,69	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee
9	801.514	1,64	HANDELSBANKEN NORDEN SELEKTIV	Sweden	Ordinary
10	767.046	1,57	CLEARSTREAM BANKING S.A.	Luxembourg	Nominee
11	703.201	1,44	State Street Bank and Trust Comp	United States	Nominee
12	696.148	1,42	State Street Bank and Trust Comp	United States	Nominee
13	649.982	1,33	NN PARAPLUFONDS 1 N.V.	The Netherlands	Ordinary
14	625.196	1,28	JPMorgan Chase Bank, N.A., London	United States	Nominee
15	539.411	1,10	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee
16	516.870	1,06	State Street Bank and Trust Comp	United States	Nominee
17	503.212	1,03	NN (L) Global Sustainable Equity	Luxembourg	Ordinary
18	478.068	0,98	STOREBRAND NORGE I VERDIPAPIRFOND	Norway	Ordinary
19	468.527	0,96	State Street Bank and Trust Comp	United States	Nominee
20	460.393	0,94	RBC INVESTOR SERVICES TRUST	Canada	Nominee

### Share development



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