

Q2 2019

BAKKAFROST GROUP
Oslo 20 August 2019

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- **SUMMARY OF Q2 2019**
- **MARKETS AND SALES**
- **SEGMENT INFORMATION**
- **GROUP FINANCIALS**
- **OUTLOOK**
- **APPENDIX**



Operation

- **Harvested** 12,609 t_{gw} in Q2 2019 (12,902 t_{gw} in Q2 2018)
- **Feed sales** of 18,872 tonnes in Q2 2019* (15,673 tonnes in Q2 2018*)
- **Raw material purchase** of 110,109 tonnes in Q2 2019 (118,387 tonnes in Q2 2018)

Revenues and Operational EBIT

- **Revenues** of DKK 947 million in Q2 2019 (DKK 954 million in Q2 2018)
- **Operational EBIT**** of DKK 339 million in Q2 2019 (DKK 408 million in Q2 2018)

Cash Flow

- **Cash flow from operations** of DKK 327 million in Q2 2019 (DKK 279 million in Q2 2018)

Segments

- **Positive operational EBIT** for the Farming and FOF segment and break-even for the VAP segment

*) Including internal sales of 15,689 tonnes in Q2 2019 (14,656 tonnes in Q2 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 lower. Operational EBIT for the VAP segment almost zero and higher EBITDA margin in the FOF segment.

- Farming/VAP margin decreased:
31.31 NOK/kg in Q2 2019
vs. 37.41 NOK/kg in Q2 2018
- Margin in the VAP segment increased:
-0.01 NOK/kg in Q2 2019
vs. -11.00 NOK/kg in Q2 2018
- Farming margin decreased:
31.31 NOK/kg in Q2 2019
vs. 39.09 NOK/kg in Q2 2018
- FOF margin increased:
20.6% in Q2 2019
vs. 20.2% in Q2 2018 (strong quarter)

Group Operational EBIT was DKK 339 million in Q2 2019, compared to DKK 408 million in Q2 2018

(DKK million)	Q2 2019	Q2 2018	H1 2019	H1 2018
Operating revenue	947	954	1,910	1,805
Operational EBITDA	397	456	718	770
Operational EBIT	339	408	606	676
Fair value adjustment of biological assets	-66	35	-48	142
Onerous contracts	0	-6	0	-6
Income from associates	-4	-2	3	1
Revenue tax	-32	-31	-64	-58
EBIT	237	403	497	755
Net Financial items	-8	9	-9	-10
EBT	229	413	488	745
Taxes	-41	-74	-87	-134
Profit for the period	189	339	401	611
Operational EBITDA margin	41.9%	47.8%	37.6%	42.7%
Operational EBIT margin	35.8%	42.7%	31.7%	37.4%
Operational EBIT/kg (Farming and VAP) (NOK)	31.31	37.41	26.46	30.39
EBITDA margin (fishmeal, oil and feed)	20.6%	20.2%	21.8%	24.3%

- SUMMARY OF Q2 2019
- **MARKETS AND SALES**
- SEGMENT INFORMATION
- GROUP FINANCIALS
- OUTLOOK
- APPENDIX



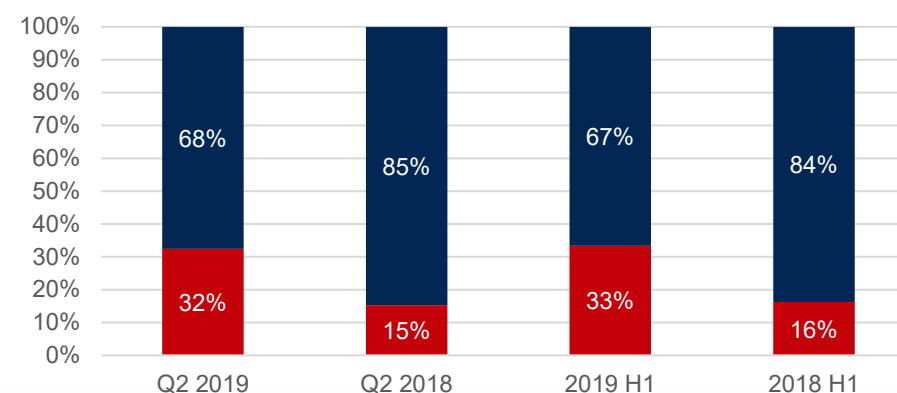
Sales distribution was different in Q2 2019, compared with Q2 2018, especially regarding sales of fresh salmon. Sales to Eastern Europe decreased significantly, and all other markets increased

- EU market increased from 27% in Q2 2018 to 42% in Q2 2019
- USA increased from 15% to 25%
- Asia increased from 25% to 26%
- Eastern Europe decreased from 33% to 7%
- Harvest volumes used in the VAP segment were 32% in Q2 2019, compared to 15% in Q2 2018

Total sales of salmon by markets	Q2 2019	Q2 2018	H1 2019	H1 2018
EU	42%	27%	46%	29%
USA	25%	15%	24%	16%
Asia	26%	25%	25%	23%
Eastern Europe	7%	33%	5%	32%

Fresh salmon only by markets	Q2 2019	Q2 2018	H1 2019	H1 2018
EU	23%	20%	26%	21%
USA	33%	15%	32%	16%
Asia	36%	28%	36%	26%
Eastern Europe	8%	37%	6%	37%

Contract share, VAP products [% of qty]



■ VAP on contract ■ HOG, Spot

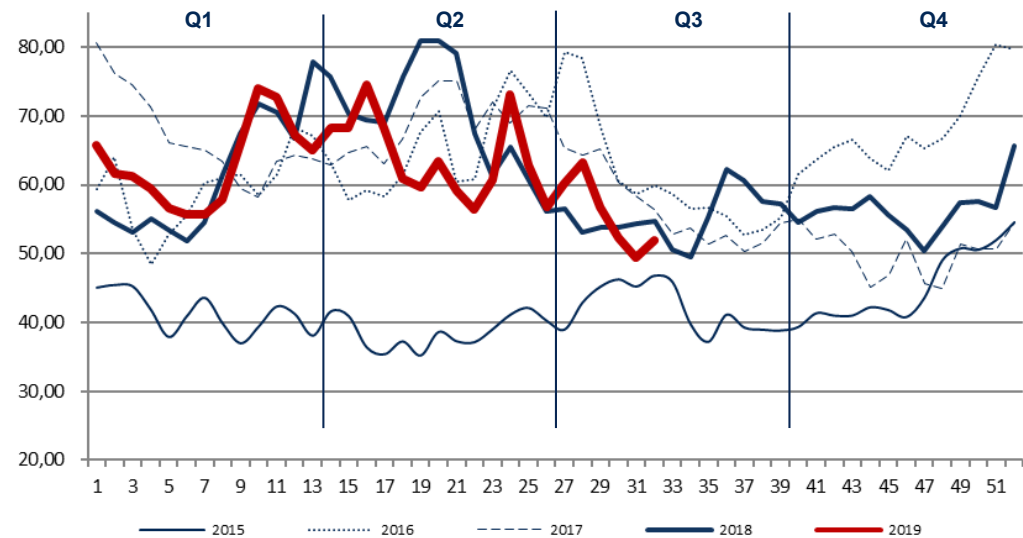
Slightly higher prices in Q2 2019

- Prices increased 1.6%, compared with Q1-2019
 - y/y by 6.15 NOK/kg ~-8.8%
- from NOK 70.17 to NOK 64.02
 - q/q by 1.01 NOK/kg ~1.6%
- from NOK 63.01 to NOK 64.02

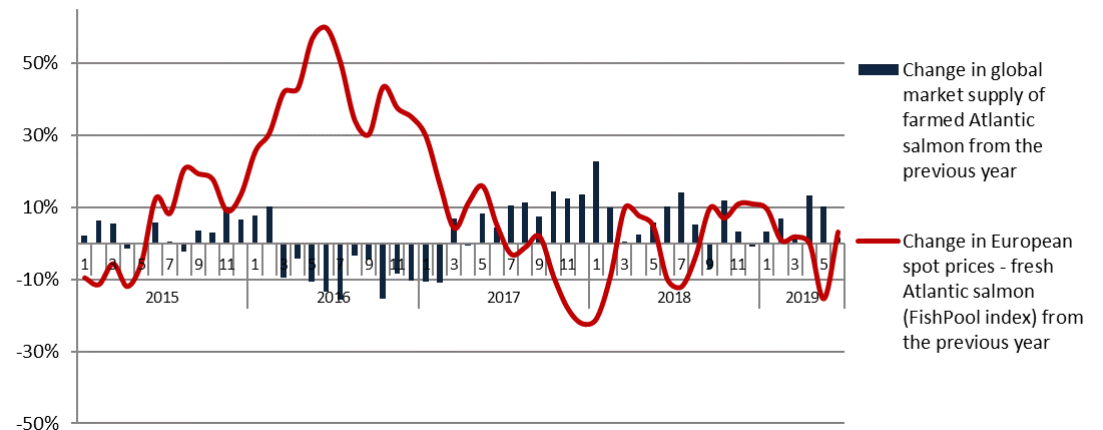
Growth in global supply in Q2 2019

- 8% increased global supply in Q2 2019, compared with Q2 2018, corresponding to 42,000 tonnes

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



Change in global market supply and market price



Source: Kontali

DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

10% growth in **European harvest**

Norway 8.6% increase

- Higher incoming biomass and improved growth
- Accelerated harvest due to algae bloom

UK 20.3% increase

- Strong growth and increased harvest weight

American harvest increased by 4%

Chile 6% increase

- Declining harvest weights and increased lice issues
- Some inventory build up in Chile

Natural variation driver for changes in North America

SUPPLY DEVELOPMENT (HOG - 1,000 tonnes)	Q2 2019	Q2 2018	Change %
Norway	277	255	8.6%
UK	38	32	20.3%
Ireland	3	3	22.6%
Faroes	16	16	4.6%
Total Europe	335	306	9.7%
Chile	146	137	6.1%
Canada	32	35	-6.5%
USA	5	4	20.9%
Total Americas	183	176	3.9%
Other	22	18	27.7%
Total (Harvested quantity)	541	499	8.3%
Inventory movements	-5	4	-213.0%
Total (Sold Quantity)	536	503	6.5%

Source: Kontali

SALMON MARKETS, SOLD QUANTITY (HOG)

Good momentum in most markets

- EU – Strong demand
- US – Increased share from Chile
- Russia – Decline in volumes
 - Reduced volumes from the Faroe Islands and Chile
- Greater China – Reduced demand
- Asean – Increased demand
- Other markets
 - Growth driven by Canada, Israel and Norway

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

Markets	Estimated volumes		Q2 comparison			Estimated volumes		FY comparison		
	Q2 2019	Q2 2018	Volume	%		H1 2019	H1 2018	Volume	%	
EU	234,800	217,800	17,000	↑	8%	456,800	431,400	25,400	↑	6%
USA	114,600	110,900	3,700	↑	3%	230,100	220,200	9,900	↑	4%
Russia	17,700	20,000	-2,300	↓	-12%	35,600	41,800	-6,200	↓	-15%
Japan	12,300	12,100	200	↔	2%	25,700	24,800	900	↑	4%
Greater China	32,000	31,300	700	↔	2%	66,500	61,800	4,700	↑	8%
ASEAN	16,000	14,300	1,700	↑	12%	34,700	35,300	-600	↔	-2%
Latin America	37,400	34,500	2,900	↑	8%	80,600	75,700	4,900	↑	6%
Ukraine	3,600	3,200	400	↑	13%	8,300	6,700	1,600	↑	24%
Other markets	67,400	59,100	8,300	↑	14%	137,400	125,900	11,500	↑	9%
Total all markets	535,800	503,200	32,600	↑	6.5 %	1,075,700	1,023,600	52,100	↑	5.1 %

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.

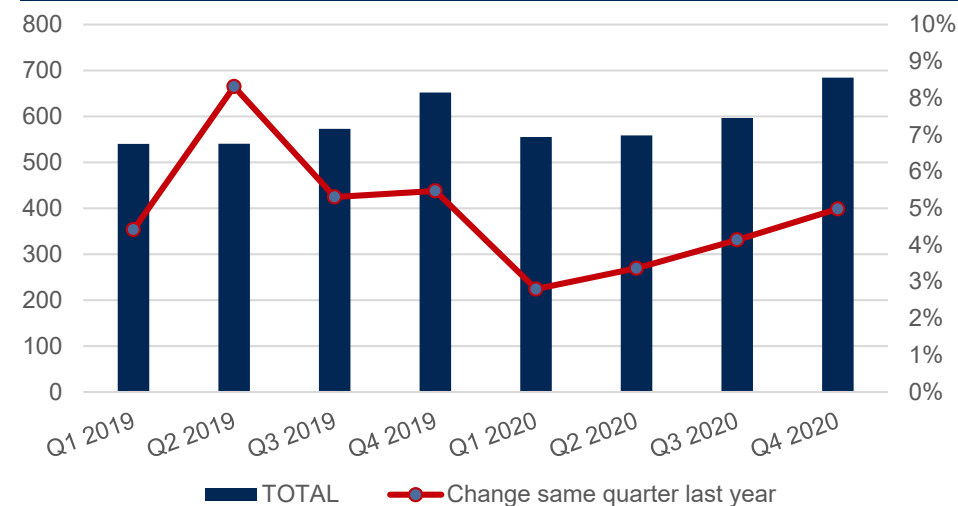
Source: Kontali

SHORT TERM SUPPLY OUTLOOK

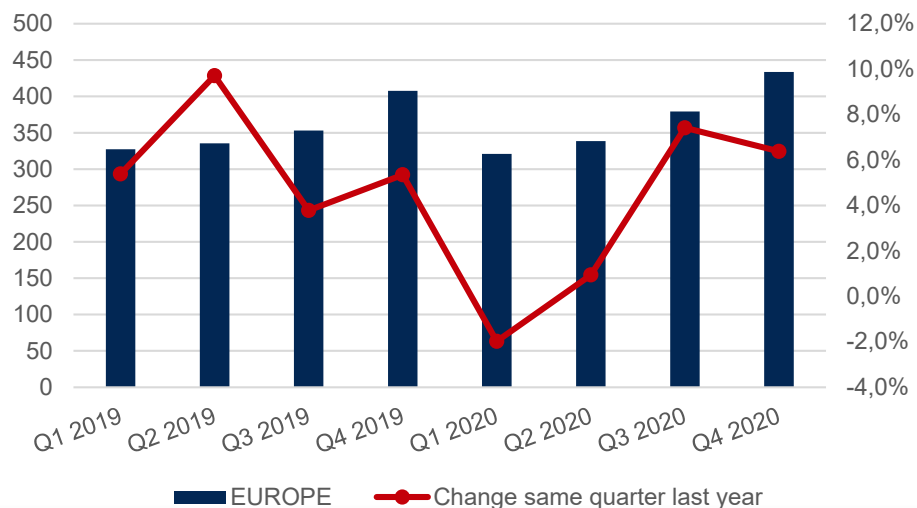
Downtrend on supply growth

- Diminishing growth expected in global supply
- Europe impacted by algae bloom in Norway
- Americas – downside risk due to biology in Chile

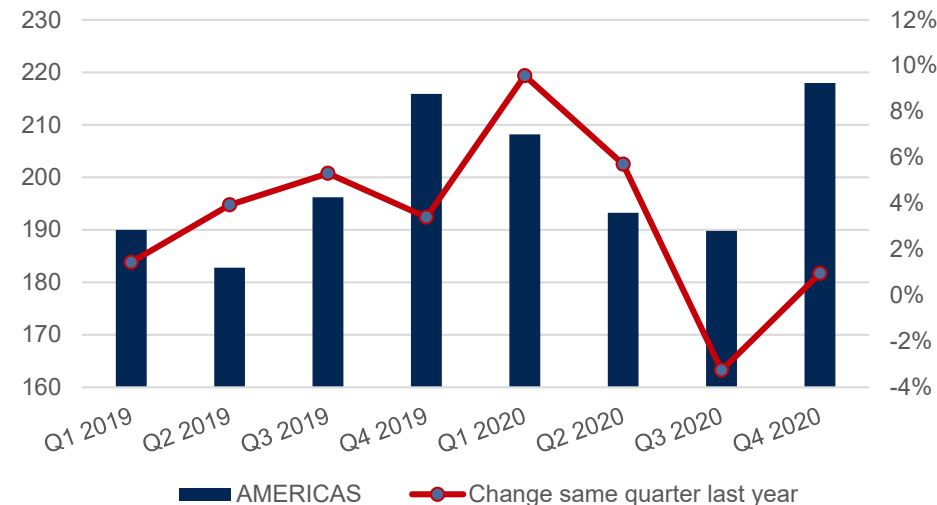
SUPPLY - TOTAL



SUPPLY - EUROPE



SUPPLY - AMERICAS



Source: Kontali

- SUMMARY OF Q2 2019
- MARKETS AND SALES
- **SEGMENT INFORMATION**
- GROUP FINANCIALS
- OUTLOOK
- APPENDIX

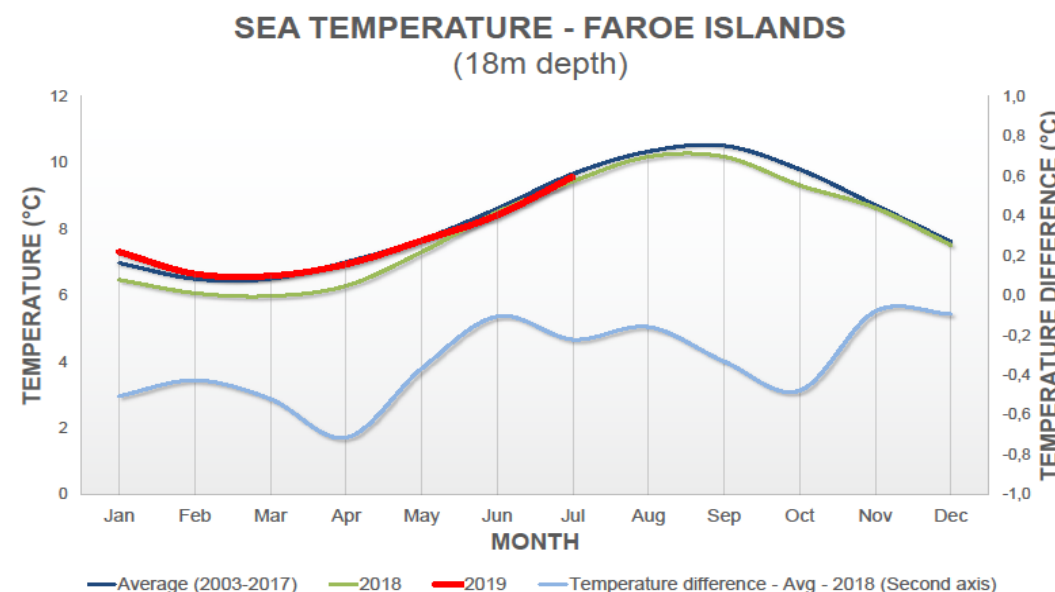


Harvested volumes

- The expected harvest for 2019 is 54,500 tonnes gutted weight
- Harvested volumes decreased by 2% in Q2 2019, compared with Q2 2018
- The harvest in the North Region was 62%, and the harvest in the West Region was 38% in Q2 2019
- Average weight of harvested fish increased 0.6 kg in Q2 2019 to 5.4 kg head on gutted from 4.8 kg in Q2 2018

Harvest Volumes tonnes [HOG]	Q2 2019	Q2 2018	H1 2019	H1 2018
North Region	7,858	12,902	14,601	15,638
West Region	4,751	0	11,715	9,501
Total	12,609	12,902	26,316	25,139

Seawater Temperatures in the Faroe Islands 2003 – 2019 [°C]



Smolt transfer

- Bakkafrost transferred 3.6 million smolts in Q2 2019 (2.8 million smolts in Q2 2018)

Seawater temperatures in the Faroe Islands

- Average temperatures decreased 0.75 °C in Q2 2019 – from 8.42 °C in Q2 2018 to 7.67 °C in Q2 2019

Reduced volume and revenue down

- Operating revenue decreased from DKK 775 million in Q2 2018 to DKK 759 million in Q2 2019
- Operational EBIT decreased from DKK 393 million in Q2 2018 to DKK 303 million in Q2 2019, mainly because of lower prices
- Operational EBIT margin was 40% in Q2 2019, compared to 51% in Q2 2018
- Average weight West 5.48 kg and North 5.40 kg HOG

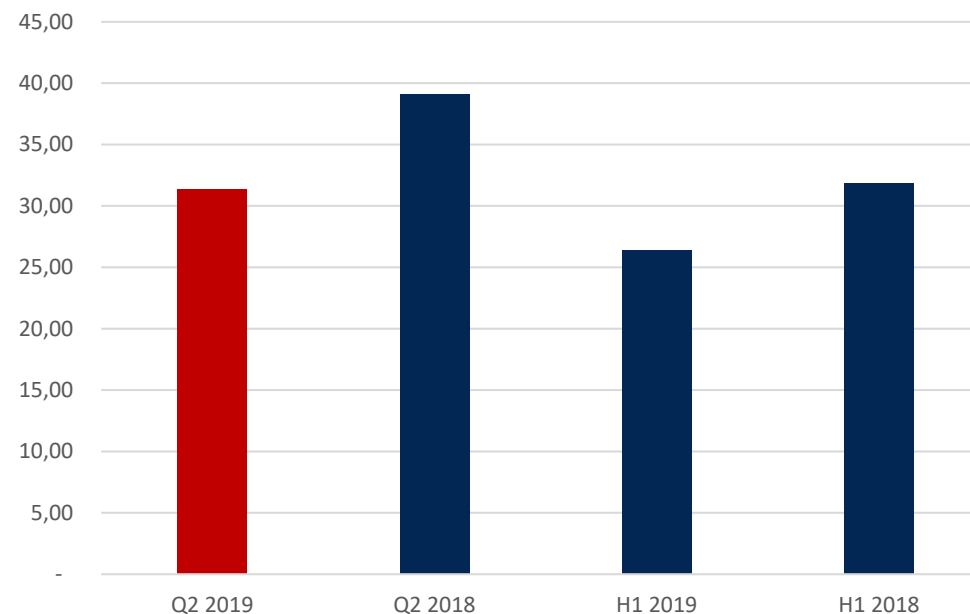
(DKK million)	Q2 2019	Q2 2018	H1 2019	H1 2018
Operating revenue	759	775	1,514	1,441
Operational EBIT	303	393	533	622
Operational EBIT margin	40%	51%	35%	43%



Operation

- Farming operational EBIT decreased by NOK 7.77 per kg from NOK 39.09 in Q2 2018 to NOK 31.31 in Q2 2019
- Operational EBIT per kg in the North Region was NOK 30.23 and in the West Region NOK 33.10 in Q2 2019
- The biological performance was strong during the quarter

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



(NOK/kg)	Q2 2019		
	North Region	West Region	Farming
Operational EBIT/kg gw	30.23	33.10	31.31

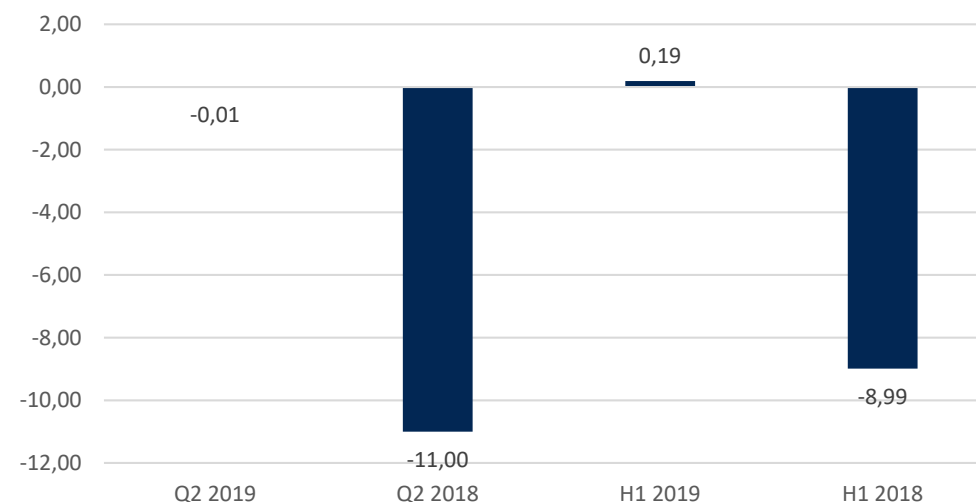
VALUE ADDED PRODUCTS (VAP)

VAP operational EBIT margin

- Higher prices and higher volumes in Q2 2019, compared to Q2 2018
- Revenue increased to DKK 238 million in Q2 2019, from DKK 94 million in Q2 2018
- Operating EBIT in Q2 2019 was DKK 0 million, compared with DKK -17 million in Q2 2018
- Operational EBIT per kg was NOK -0,01 in Q2 2019, compared to NOK -11.00 in Q2 2018
- Higher ratio of total harvested volumes went to VAP production (32% in Q2 2019 vs. 15% in Q2 2018)

(DKK million)	Q2 2019	Q2 2018	H1 2019	H1 2018
Operating revenue	238	94	498	187
Operational EBIT	0	-17	1	-29
Operational EBIT margin	0%	-18%	0%	-15%
VAP produced volumes (tgv)	4,088	1,970	8,777	4,085

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



Better EBITDA margin

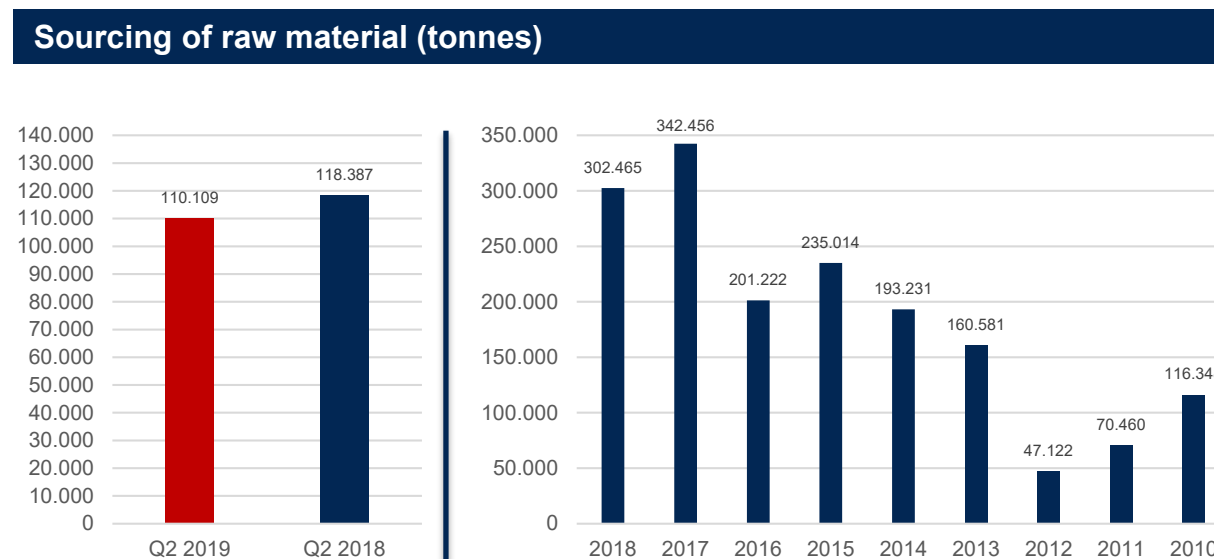
- Lower EBITDA of DKK 58 million in Q2 2019, compared with DKK 66 million in Q2 2018
- EBITDA margin increased to 20.6% in Q2 2019, compared with 20.2% in Q2 2018
- Total feed sales (tonnes) increased by 20%, but external fishmeal sales decreased by 53% in Q2 2019, compared to Q2 2018

(DKK million)	Q2 2019	Q2 2018	2019 H1	2018 H1
Operating revenue	283	326	567	627
EBITDA	58	66	124	152
EBITDA margin	20.6%	20.2%	21.8%	24.3%
Feed sold (tonnes)*	18,872	15,673	35,136	29,596
Fishmeal sold external (tonnes)	7,371	15,539	17,358	27,805

Good raw material sourcing in the quarter

- Havsbrún sourced 7% less raw material in Q2 2019, compared to Q2 2018
- 2018 was the second highest raw material sourcing year, since Havsbrún became part of the Bakkafrost Group

* Including sales to Bakkafrost, corresponding to ~ 83% of feed volumes in Q2 2019 (Q2 2018: 94%)



MARKET CONDITIONS FEED

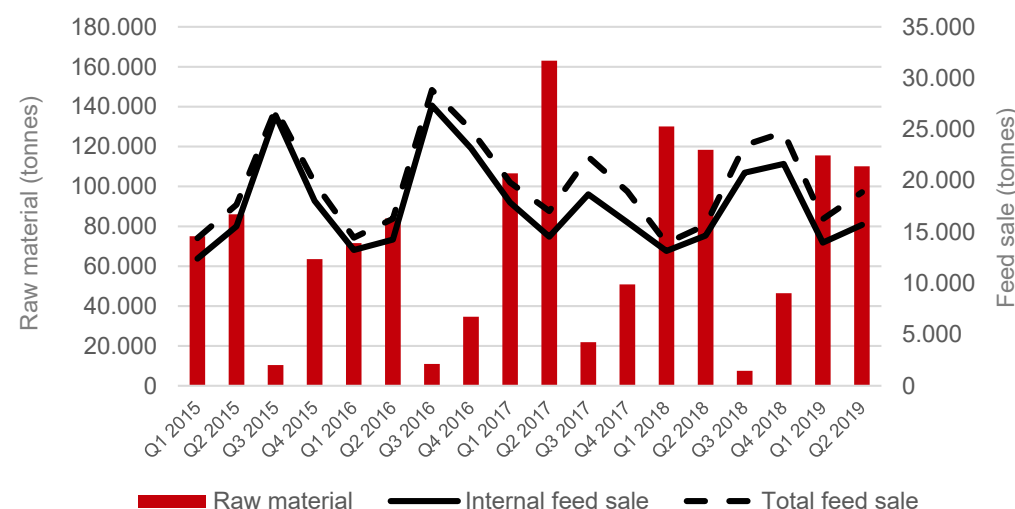
Increase in feed sales

- Quantity of feed sold was 18,872 tonnes in Q2 2019, compared to 15,673 tonnes in Q2 2018
- External feed sales 213% higher in Q2 2019, compared to Q2 2018

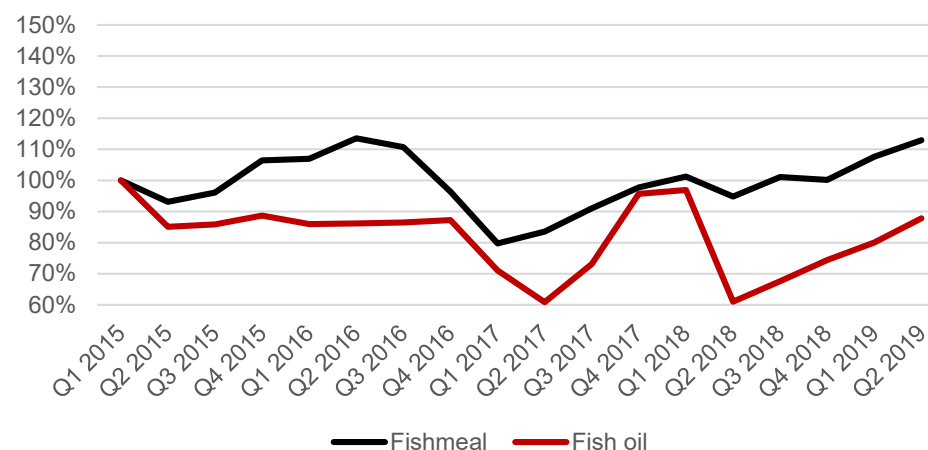
Market fluctuations

- Both fishmeal and fish oil prices increased in Q2 2019, compared to previous quarter

Volumes of raw material purchase and feed sale [tonnes]



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



Source: Holtermann

- SUMMARY OF Q2 2019
- MARKETS AND SALES
- SEGMENT INFORMATION
- **GROUP FINANCIALS**
- OUTLOOK
- APPENDIX



GROUP PROFIT AND LOSS

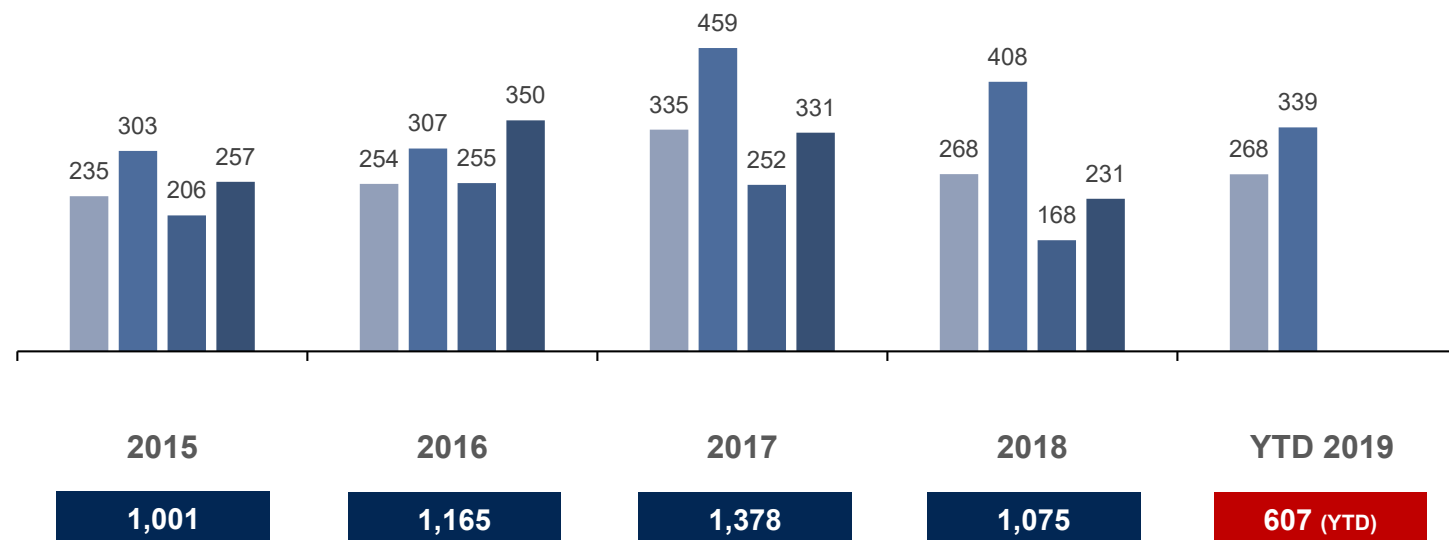
- Revenue in Q2 2019 amounted to DKK 947 million, compared to DKK 954 million in Q2 2018
- Operational EBIT in Q2 2019 was lower compared with Q2 2018, amounting to DKK 339 million (DKK 408 million)
- Fair value of biomass decreased due to lower salmon prices
- Revenue tax, recognized as cost, amounted to DKK -32 million in Q2 2019, compared to DKK -31 million in Q2 2018 (tax rate was raised from 4.5% to 5.0% from Jan 1 2019)
- Financial items amounted to DKK -8 million and taxes amounted to DKK -41 million in Q2 2019
- Profit after tax for Q2 2019 was DKK 189 million, compared to DKK 339 million in Q2 2018

(DKK million)	Q2 2019	Q2 2018	H1 2019	H1 2018
Operating revenue	947	954	1,910	1,805
Operational EBITDA*	397	456	718	770
Operational EBIT*	339	408	606	676
Fair value adjustment of biological assets	-66	35	-48	142
Onerous contracts	0	-6	0	-6
Income from associates	-4	-2	3	1
Revenue tax	-32	-31	-64	-58
EBIT	237	403	497	755
Net Financial items	-8	9	-9	-10
EBT	229	413	488	745
Taxes	-41	-74	-87	-134
Profit for the period	189	339	401	611
Operational EBITDA margin	41.9%	47.8%	37.6%	42.7%
Operational EBIT margin	35.8%	42.7%	31.7%	37.4%
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EBITDA margin (fishmeal, oil and feed)	20.6%	20.2%	21.8%	24.3%

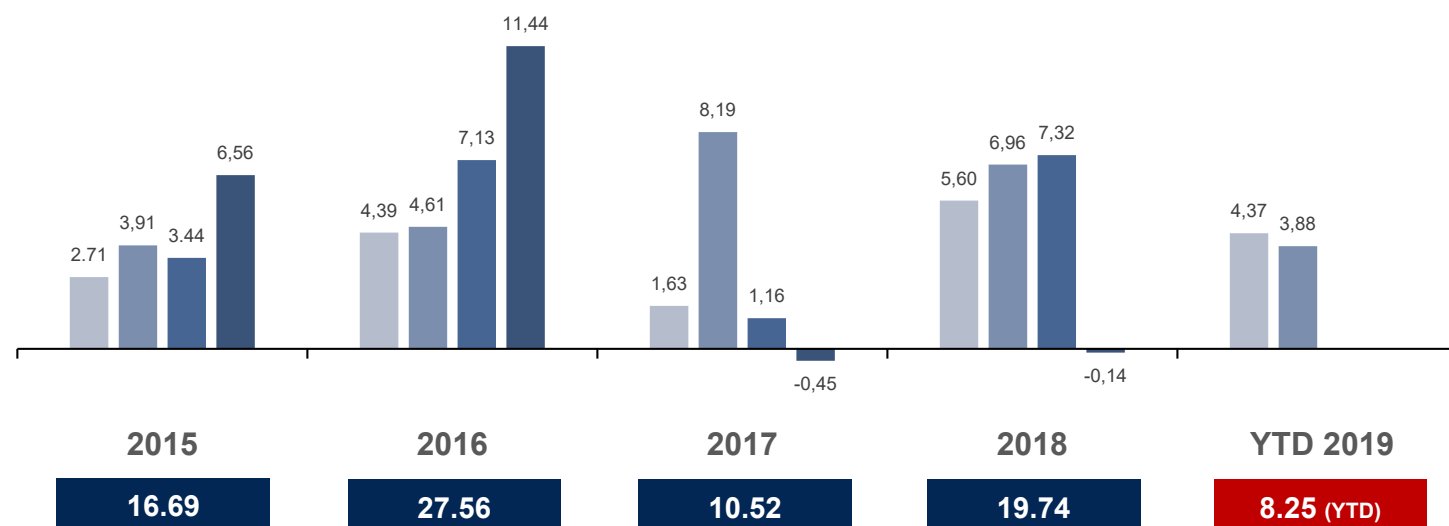
* Operational EBITDA and EBIT aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax.

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 amounts to DKK 390 million at the end of Q2 2019
- Investments in PPE of DKK 157 million in Q2 2019 and PPE amounts to DKK 3.1 billion
- Financial assets amount to DKK 111 million
- The carrying amount of biological assets amounts to DKK 1,231 million, whereof fair value adjustment amounts to DKK 335 million
- Inventory amounts to DKK 697 million at the end of Q2 2019
- Changes in equity consist primarily of the positive results in Q1 2019 and paid out dividend. Equity ratio is 65% at the end of Q2 2019
- NIBD is DKK 744 million at the end of Q2 2019, compared with DKK 495 million at end 2018

(DKK million)	Q2 2019	End 2018
Intangible assets	390	390
Property, plant and equipment	3,112	2,884
Financial assets	111	113
Long-term receivables	3	9
Biological assets	1,231	1,358
Inventory	697	439
Receivables	372	269
Other receivables	29	23
Cash and cash equivalents	323	317
Total Assets	6,270	5,803
Equity	4,084	4,077
Deferred tax and other taxes	623	534
Long-term interest-bearing debt	1,066	812
Other debt	71	0
Financial derivatives	0	0
Short-term interest-bearing debt	0	1
Accounts and other payables	426	379
Total Equity and Liabilities	6,270	5,803

CASH FLOW

- Cash flow from operations amounted to DKK 327 million in Q2 2019, compared to DKK 279 million in Q2 2018
- Cash flow from investments amounted to DKK -157 million in Q2 2019, compared to DKK -108 million in Q2 2018
- Cash flow from financing is affected by paying out dividend and change in interest-bearing debt

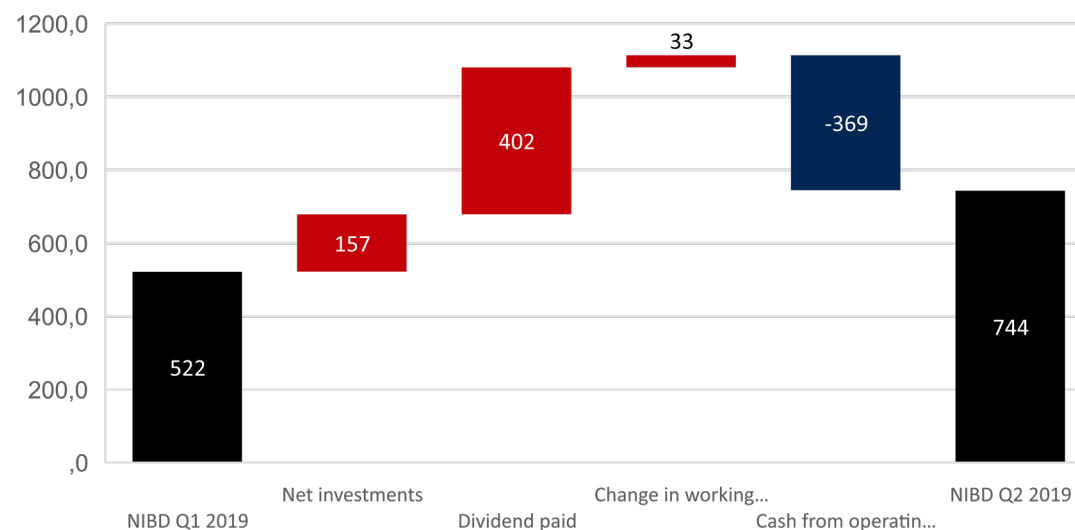
(DKK million)	Q2 2019	Q2 2018	H1 2019	H1 2018
Cash flow from operations	327	279	403	648
Cash flow from investments	-157	-108	-263	-219
Cash flow from financing	-189	-556	-135	-453
Net change in cash	-19	-384	6	-25
Cash at the end of the period	323	284	323	284
Undrawn facilities	742	1,039	742	1,039

NET INTEREST-BEARING DEBT (NIBD)

Net interest-bearing debt

- Cash flow from operating activities decreased the NIBD with DKK 369 million in Q2 2019
- Net investments increased the NIBD with DKK 157 million in Q2 2019
- Change in working capital in Q2 2019 increased the NIBD with DKK 33 million
- Paid dividend DKK 402 million increased the NIBD

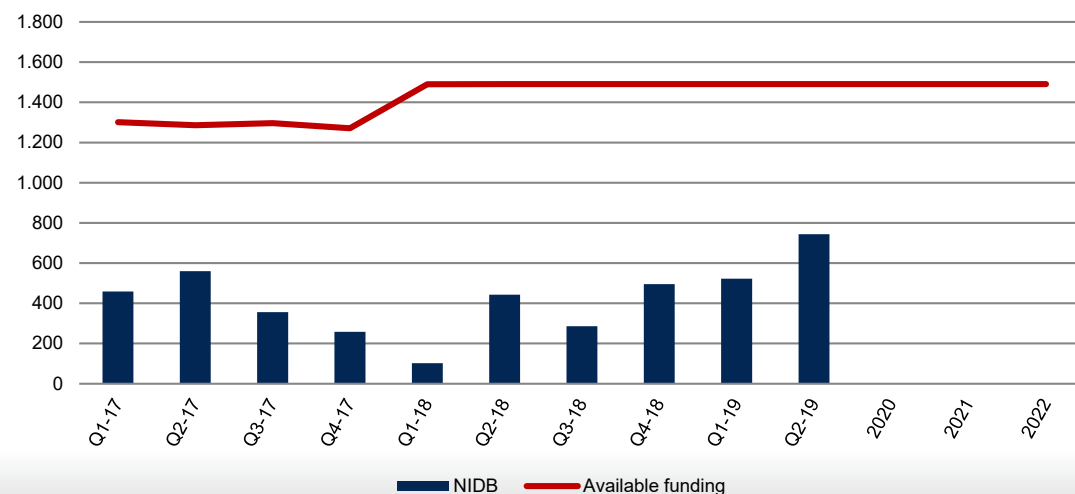
Development in NIBD in DKK millions



Financing end Q2 2019

- Bank facilities of EUR 200 million
- NIBD: DKK 744 million
- Undrawn loan facilities: DKK 742 million

NIBD and available funding



- SUMMARY OF Q2 2019
- MARKETS AND SALES
- SEGMENT INFORMATION
- GROUP FINANCIALS
- **OUTLOOK**
- APPENDIX



Market

- Global supply in Q2 2019 increased around 8%, compared to Q2 2018
- Global harvest in Q3 2019 is expected to increase 5%, compared to Q3 2018
- Global harvest growth in 2019 is expected to be around 5-6%, compared to 2018, and 4% in 2020, compared to 2019.

Farming

- Bakkafrost expects to harvest 54,500 tonnes gw in 2019
- Bakkafrost expect to release 13.5 million smolts in 2019, compared with 12.6 million smolts in 2018 and 9.9 million smolts in 2017

VAP

- Contracted around 35% 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

- SUMMARY OF Q2 2019
- MARKETS AND SALES
- SEGMENT INFORMATION
- GROUP FINANCIALS
- OUTLOOK
- **APPENDIX**



DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

- 8% global supply growth in Q2 2019
- 10% growth in European harvest in Q2 2019
- American harvest increased by 4% in Q2 2019

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

	2016	2017	2018	2019E	2020E
Norway	1,055	1,078	1,130	1,176	1,215
UK	142	159	138	161	168
Ireland	14	15	13	15	15
Faroes	71	72	64	73	74
Total Europe	1,281	1,325	1,345	1,426	1,473
Chile	503	490	598	629	655
Canada	131	125	131	132	140
USA	20	20	17	17	15
Total Americas	654	634	747	778	809
Other	60	79	77	97	114
Total (Sold Quantity)	1,996	2,038	2,168	2,301	2,396
Supply growth - Global	-4%	2%	6%	6%	4%
Supply growth - Europe	-5%	3%	2%	6%	3%
Supply growth - Americas	-2%	-3%	18%	4%	4%

Salmon Markets (head on gutted - HOG)

	2016	2017	2018E	2019E	2020E
EU	937	918	952	998	1,031
USA	385	402	434	469	489
Japan	59	58	54	55	56
Russia	68	70	89	87	90
Others	548	591	639	692	730
Total (Sold Quantity)	1,997	2,038	2,168	2,301	2,396

Comments:

All figures are in hog-equivalents and thousand tonnes.

Figures represents sold quantity of Atlantic Salmon from each producing country

Source: Kontali

Q2 MARKET ENVIRONMENT

- Reduced market prices, compared to Q2 2018
 - Increase vs. Q1 2019

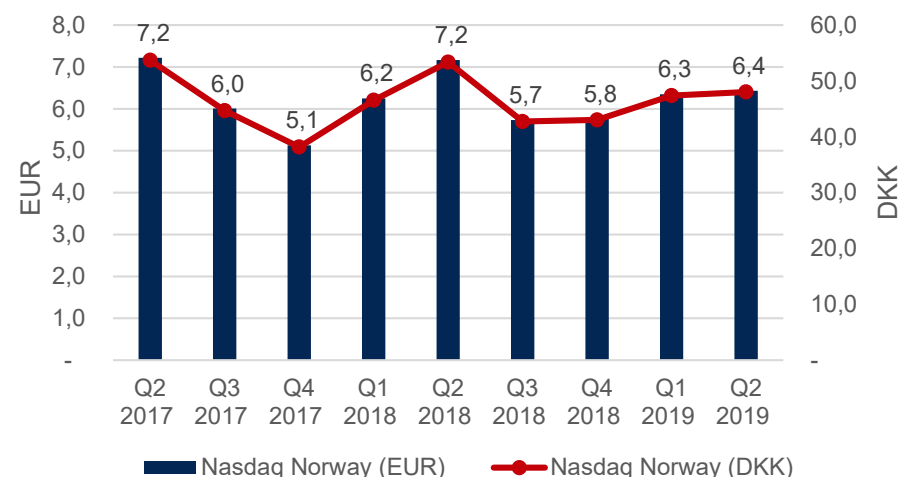
- Nasdaq Norway price EUR 6.4 in Q2 2019
 - 10% down vs. Q2 2018
 - 1% up vs. Q1 2019

- Urner Barry East Coast price USD 8.8 per kg in Q2 2019
 - 7% down vs. Q2 2018
 - 4% up vs. Q1 2019

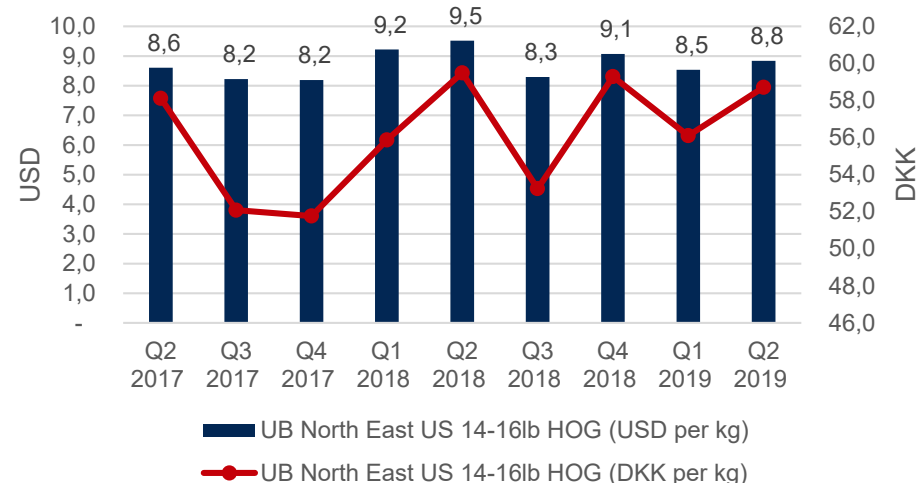
MARKET CURRENCY	Q2 2019	Q2 2018	Change %
Nasdaq Norway (EUR)	6.43	7.17	-10.2 %
UB North East US 14-16lb HOG (USD per kg)	8.84	9.52	-7.2 %

DKK	Q2 2019	Q2 2018	Change %
Nasdaq Norway	48.02	53.37	-10.0 %
UB North East US 14-16lb HOG (per kg)	58.71	59.49	-1.3 %

PRICE NORWAY



PRICE US – NORTH EAST



Source: Kontali

SUPERIOR BIOLOGY COMBINED WITH STATE OF THE ART INFRASTRUCTURE

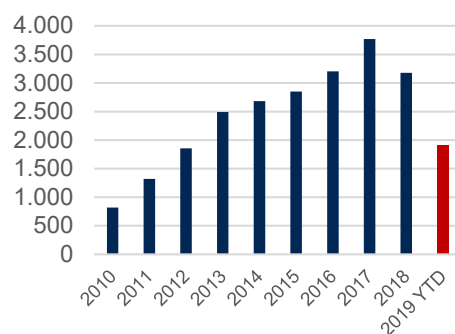
	FISHMEAL, OIL AND FEED	BROODSTOCK	SMOLT	SEA WATER	PROCESSING	SALES/MARKETING
CURRENT CAPACITY	Equivalent to 100k (tgw) annual harvest @ marine index of 44%	None	12 million @ 200 grams	21 farming sites/17 fjords 55k (tgw) @100g smolt/ 65k (tgw) @500g smolt 4 well boats 2 service vessels	130k primary (tgw)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

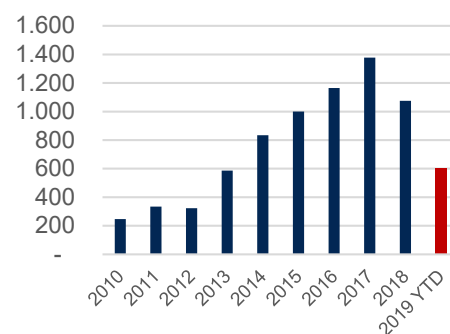
(mDKK)	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Revenue	800	677	760	905	790	640	868	854	1206	804	906	851	954	622	750	964	947
Operational EBIT	303	206	257	254	307	255	350	335	459	252	331	268	408	168	231	268	339
Profit/Loss	191	168	319	213	224	346	555	79	398	56	-22	272	339	356	-7	213	189
Harvest (tgv)	14,182	12,982	13,675	10,934	13,004	10,664	12,940	13,158	18,402	11,585	11,470	12,237	12,902	7,217	12,234	13,707	12,609
Op. EBIT Farming & VAP (NOK/kg)	22.62	18.10	21.83	27.55	27.88	28.97	32.00	29.40	29.77	23.02	29.88	22.92	37.41	25.34	21.91	21.99	31.31
Op. EBIT Farming (NOK/kg)	20.07	17.25	19.67	30.45	34.47	34.44	37.70	34.27	33.50	23.51	25.76	24.15	39.09	24.85	21.56	21.86	31.31
Op. EBIT VAP (NOK/kg)	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	-0.01
Equity ratio	61%	63%	66%	66%	61%	63%	66%	65%	64%	68%	70%	69%	68%	70%	70%	70%	65%
NIBD	302	182	392	218	603	504	635	459	560	356	258	102	443	286	495	522	744

Revenue (mDKK)



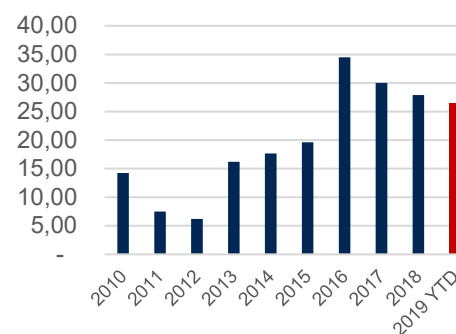
Revenue for the Bakkafrost Group has increased from 820 mDKK in 2010 to 3.2 bDKK in 2018.

Operational EBIT (mDKK)



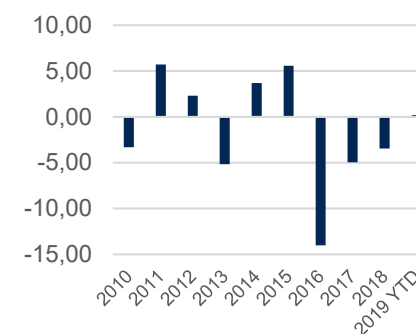
Operational EBIT for the Bakkafrost Group has increased from 247 mDKK in 2010 to 1.1 bDKK in 2018.

Farming margin Op. EBIT (NOK/kg)



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

VAP margin Op. EBIT (NOK/kg)



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

Dividend

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

Dividend policy

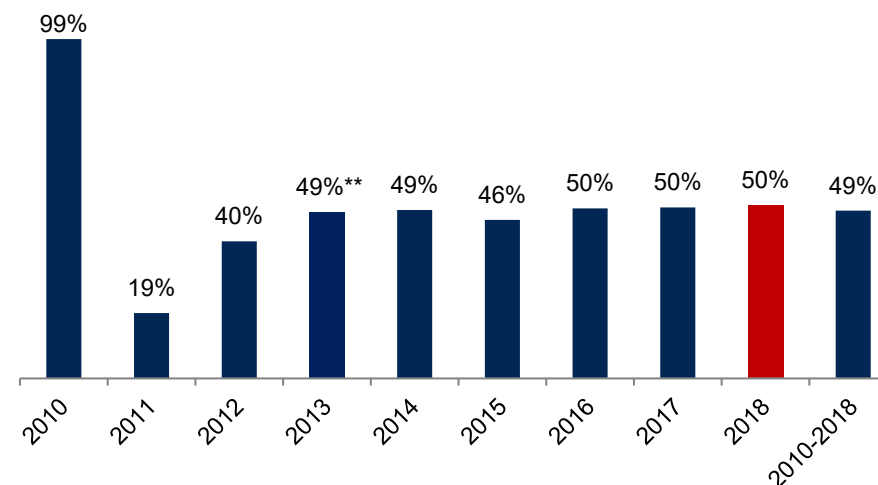
- Competitive return through:
 - Dividends
 - Increase in the value of the equity
- Generally, Bakkafrøst shall pay dividend to its shareholders
- A long-term goal is that 30–50% of EPS shall be paid out as dividend

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

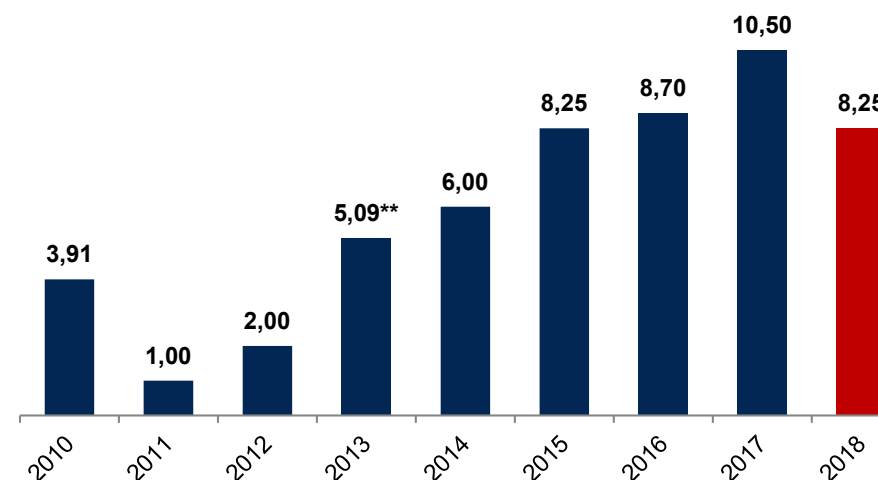
** Dividend and acquisition of treasury shares

*** Dividend is paid out the following year

Dividend per share in % of adj. EPS*



Dividend per share (DKK)***



Bakkafrost at a Glance



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

Location: Faroe Islands
Headquarters: Glyvrrar, 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%)

BAKKAFROST US

FAROE ISLANDS

BAKKAFROST UK

HAVSBRÚN

BAKKAFROST HEADQUARTERS

LEGEND TO MAP SYMBOLS

	FISHMEAL		BROODSTOCK		HARVESTING		FSV (FARMING SERVICE VESSELS)
	FISH OIL		HATCHERIES		PROCESSING		PACKAGING
	FISH FEED		FARMING		SALES		BIOGAS

Map excludes
 farming sites
 not in operation
 in 2018

- 18 islands – 1,387 km²
- 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	Share	Name	Citizenship	Type of account
1	4,594,437	9,4%	JACOBSEN, ODDVØR MARITA	FRO	Ordinary
2	4,495,846	9,2%	JACOBSEN, JOHAN REGIN	FRO	Ordinary
3	4,005,869	8,2%	FOLKETRYGDFONDET	NOR	Ordinary
4	1,996,776	4,1%	Nordea Bank Abp	DNK	Nominee
5	1,300,425	2,7%	State Street Bank and Trust Comp	USA	Nominee
6	1,101,509	2,3%	The Bank of New York Mellon SA/NV	BEL	Nominee
7	926,634	1,9%	State Street Bank and Trust Comp	USA	Ordinary
8	825,28	1,7%	JPMorgan Chase Bank, N.A., London	GBR	Nominee
9	824,218	1,7%	NN PARAPLUFONDS 1 N.V.	BEL	Ordinary
10	759,979	1,6%	State Street Bank and Trust Comp	USA	Ordinary
11	701,514	1,4%	HANDELSBANKEN NORDEN SELEKTIV	GBR	Ordinary
12	679,624	1,4%	CLEARSTREAM BANKING S.A.	LUX	Nominee
13	670,496	1,4%	NN (L) Global Sustainable Equity	LUX	Ordinary
14	667,258	1,4%	State Street Bank and Trust Comp	USA	Nominee
15	645,314	1,3%	JPMorgan Chase Bank, N.A., London	GBR	Nominee
16	626,452	1,3%	SWEDBANK ROBUR SMABOLAGSFOND	GBR	Ordinary
17	550,081	1,1%	DANSKE BANK A/S	DNK	Nominee
18	525,805	1,1%	JPMorgan Chase Bank, N.A., London	GBR	Nominee
19	518,175	1,1%	State Street Bank and Trust Comp	USA	Nominee
20	502,94	1,0%	VERDIPAPIRFONDET DNB NORGE (IV)	NOR	Nominee

Share development

12 months development



5 years development



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