

Q4 2019

BAKKAFROST GROUP
Oslo 25 February 2020

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SUMMARY OF Q4 2019

MARKETS AND SALES

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Operation

- **Harvest in Faroe Islands (FO):** 17,930 t_{gw} in Q4 2019 (12,234 t_{gw} in Q4 2018)
- **Harvest in Scotland (SCO):** 7,925 t_{gw} in Q4 2019
- **Feed sales** of 28,398 tonnes in Q4 2019* (24,711 tonnes in Q4 2018*)
- **Raw material purchase** of 35,180 tonnes in Q4 2019 (46,478 tonnes in Q4 2018)

Revenues and Operational EBIT

- **Revenues** of DKK 1,605 million in Q4 2019 (DKK 750 million in Q4 2018)
- **Operational EBIT**** of DKK 415 million in Q4 2019 (DKK 231 million in Q4 2018)

Cash Flow

- **Cash flow from operations** of DKK -150 million in Q4 2019 (DKK -59 million in Q4 2018)

Segments

- **Positive operational EBIT** for all segments

*) Including internal sales of 20,778 tonnes in Q4 2019 (21,649 tonnes in Q4 2018)

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

SUMMARY OF THE QUARTER

POSITIVE MARGINS IN ALL SEGMENTS

Farming/VAP (FO)*



Farming (FO)*



Farming (SCO)*



VAP*



FOF**



* Operational EBIT in NOK/kg

** EBITDA margin

(DKK million)	Q4 2019	Q4 2018	2019	2018
Operating revenue	1,605	750	4,511	3,177
Operational EBITDA	544	282	1,635	1,274
Operational EBIT	415	231	1,325	1,075
Profit for the period	220	-7	802	960
Operational EBITDA margin	33.9%	37.6%	36.2%	40.1%
Operational EBIT margin	25.9%	30.7%	29.4%	33.8%
Operational EBIT/Kg, Farming (FO) & VAP (NOK)	28.25	21.91	26.91	27.24
Operational EBIT/Kg, Farming (FO) (NOK)	25.49	21.56	25.44	27.89
Operational EBIT/Kg, Farming (SCO) (NOK)	2.29	n/a	2.29	n/a
Operational EBIT/Kg (VAP) (NOK)	11.72	1.51	5.04	-3.46
EBITDA margin (Fishmeal, -Oil and Feed)	17.1%	21.0%	19.9%	20.0%

Group Operational EBIT was DKK 415 million in Q4 2019, compared to DKK 231 million in Q4 2018

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MARKETS & SALES

SALES TO EASTERN EUROPE INCREASED – ALL OTHER MARKETS DECREASED

Sales & volume (FO only)

EU



USA



Asia



Eastern Europe



Harvest volumes used in the VAP

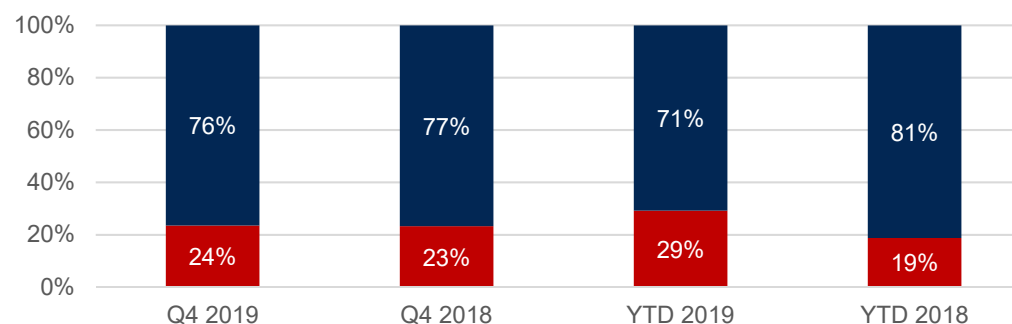


Numbers outside parenthesis are FO-only
Numbers in parenthesis include FO & SCO

Total sales of salmon by markets	Q4 2019	Q4 2018	2019	2018
EU	43% (59%)	44%	44% (50%)	31%
USA	20% (17%)	26%	22% (21%)	20%
Asia	23% (15%)	24%	24% (21%)	24%
Eastern Europe	14% (9%)	6%	10% (8%)	25%

Fresh salmon only by markets	Q4 2019	Q4 2018	2019	2018
EU	28% (53%)	35%	25% (37%)	23%
USA	26% (19%)	30%	29% (25%)	21%
Asia	29% (18%)	28%	33% (28%)	27%
Eastern Europe	17% (10%)	7%	13% (10%)	29%

Contract share, VAP products [% of qty]



■ VAP on contract ■ HOG, Spot

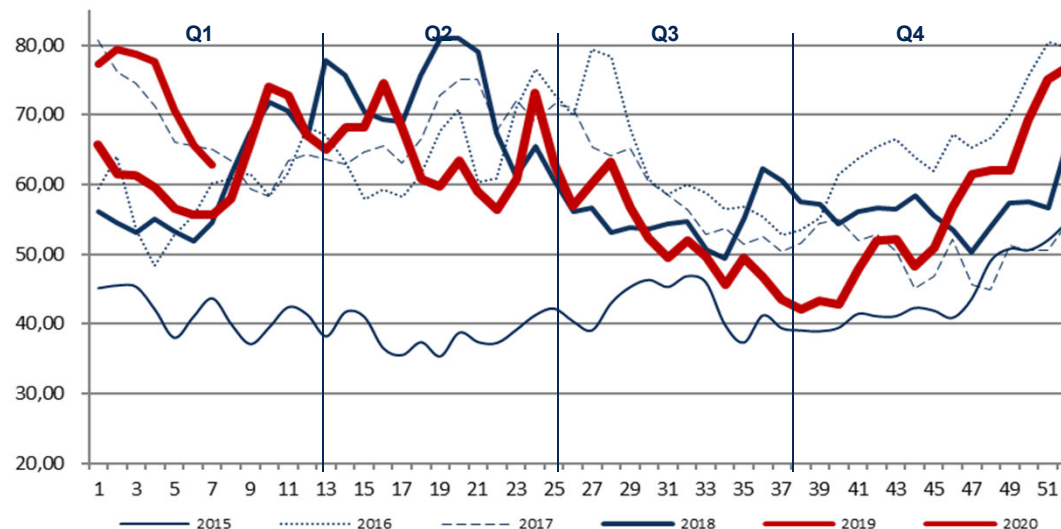
Significant price increase during Q4 2019

- y/y 3.4% up 1.92 NOK/kg
- from NOK 56.36 to NOK 58.28
- q/q 15.7% up 7.93 NOK/kg
- from NOK 50.35 to NOK 58.28

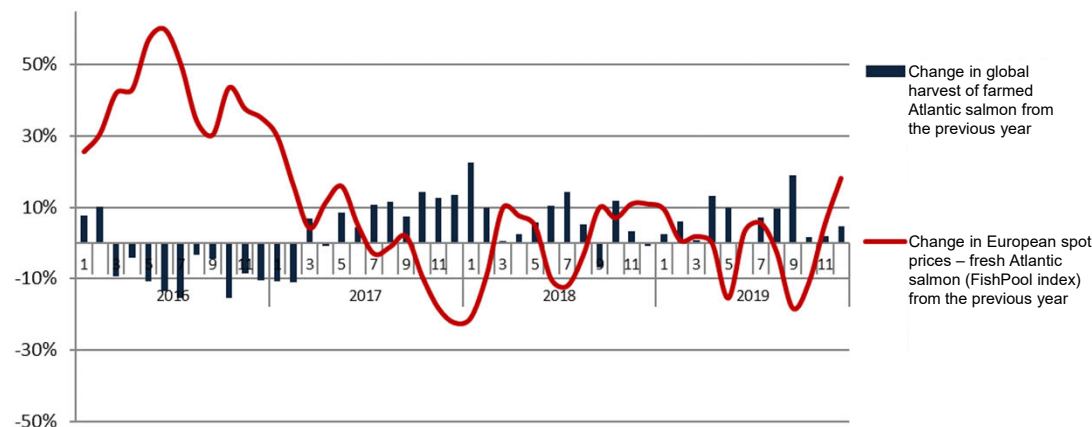
Growth in global harvest in Q4 2019

- 3% increased global harvest in Q4 2019, compared with Q4 2018, corresponding to 17,700 tonnes

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



Change in global market harvest and market price



Source: Kontali

DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

MODERATE SUPPLY GROWTH

- **Global:** 3% supply growth in Q4 2019

- **Europe:** 4% harvest growth
 - Norway had declining growth and low harvest weights during the quarter
 - UK had modest growth

- **Americas:** 1% harvest decline
 - Chile decreased harvest by 3%
 - Logistical issues due to civil unrest
 - Chile had some inventory build up

- **Other:** 23.8% harvest growth
 - Icelandic harvest grew significantly

Harvest & Supply Development [Head On Guttet 1,000 tonnes]	Q4 2019	Q4 2018	Change %
Norway	335	321	4.5 %
UK	41	41	1.8 %
Ireland	4	4	2.3 %
Faroes	24	22	9.6 %
Total Europe	404	387	4.4 %
Chile	163	168	-3.0 %
Canada	36	33	9.6 %
USA	5	5	-7.1 %
Total Americas	203	206	-1.1 %
Other	31	25	23.8 %
Total (Harvested quantity)	639	618	3.4 %
Inventory movements	-12	-11	7.3 %
Total (Sold Quantity)	627	607	3.3 %

Source: Kontali

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

GOOD MOMENTUM IN MOST MARKETS

EU - Balance between growth in supply and sale

US - High growth at declining prices

Russia - Positive Q4

Greater China

- Good quarterly development
 - Major current effect of Corona virus

Latin America

- Strong demand in Brazil (11% growth)
- Mexico continuing strong performance

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

Markets	Estimated volumes		Q4 comparison			Estimated volumes		FY comparison		
	Q4 2019E	Q4 2018	Volume	%		FY 2019E	FY 2018	Volume	%	
EU	280.600	273.600	7.000	↑	3%	1.012.100	951.600	60.500	↑	6%
USA	119.900	110.200	9.700	↑	9%	467.800	434.300	33.500	↑	8%
Russia	26.500	24.800	1.700	↑	7%	81.500	89.400	-7.900	↓	-9%
Japan	14.900	16.400	-1.500	↓	-9%	53.200	54.000	-800	↓	-1%
Greater China	37.200	31.400	5.800	↑	18%	136.300	122.800	13.500	↑	11%
ASEAN	19.300	21.700	-2.400	↓	-11%	73.100	71.600	1.500	↑	2%
Latin America	43.600	39.900	3.700	↑	9%	163.600	152.500	11.100	↑	7%
Ukraine	6.400	5.400	1.000	↑	19%	20.400	15.900	4.500	↑	28%
Other markets	78.500	83.300	-4.800	↓	-6%	294.700	277.500	17.200	↑	6%
Total all markets	626.900	606.700	20.200	↑	3,3 %	2.302.700	2.169.600	133.100	↑	6,1 %

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)

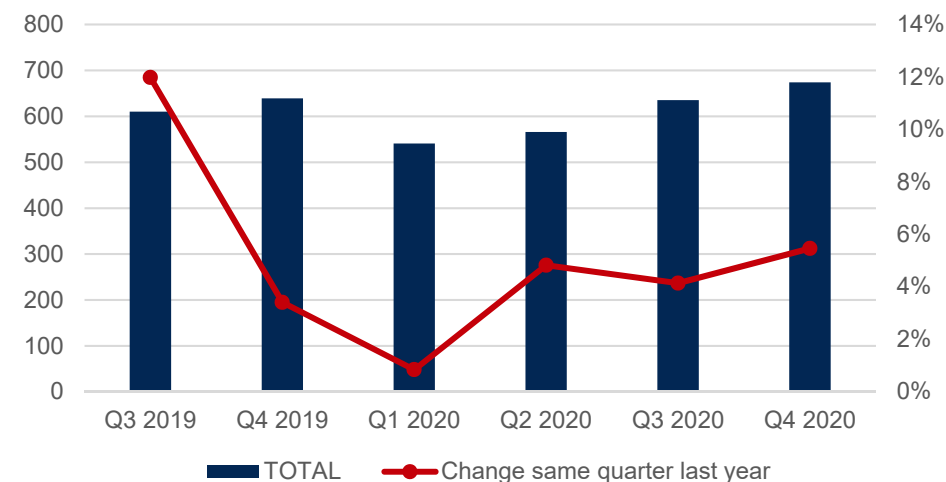
Latin America (including both Mexico and Caribbean + domestic consumption in Chile)

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

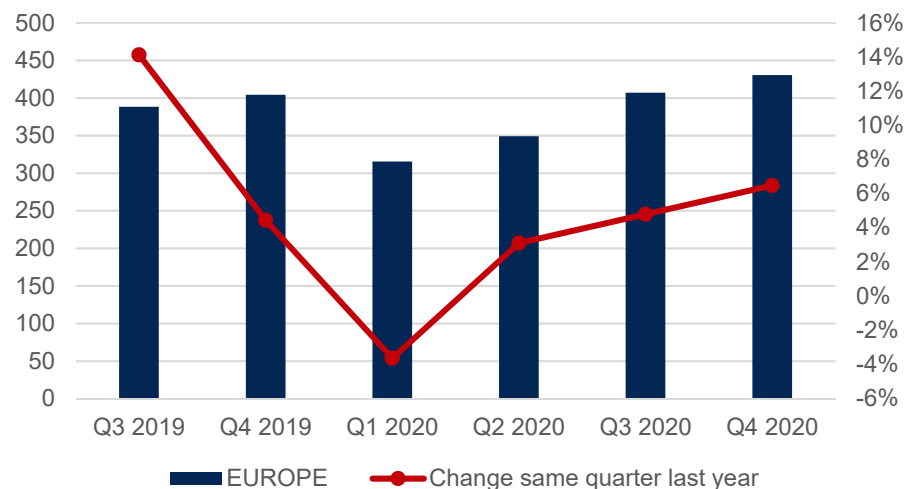
SHORT TERM SUPPLY OUTLOOK

- **Global** - Expectation of low single digit supply growth
- **Europe** – Moderate growth
- **Americas** – Moderate growth – Some volatility

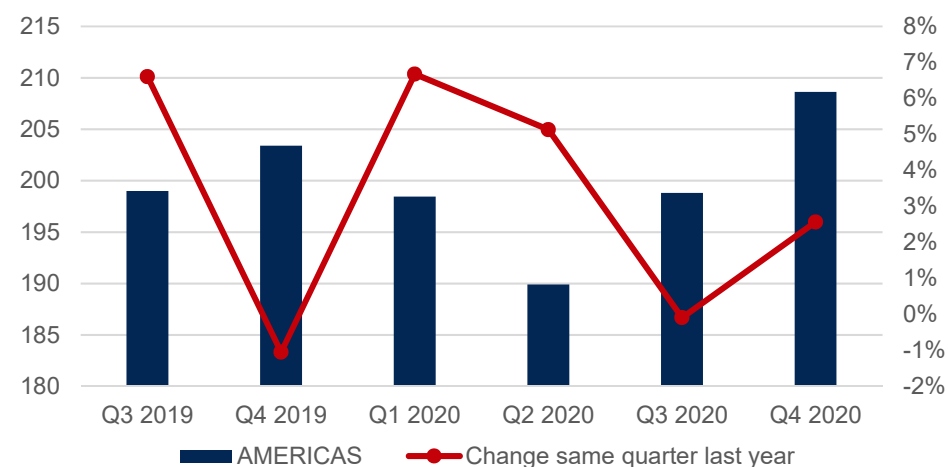
SUPPLY - TOTAL




SUPPLY - EUROPE



SUPPLY - AMERICAS



Source: Kontali



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FARMING – HARVEST VOLUME

Harvested volumes

- Harvest (FO) in 2019 was 57,184 tonnes HOG
 - North Region: 31.9%
 - West Region: 56.3%
 - South Region: 11.8%
- Harvest (FO) increased by 46.6% in Q4 2019, compared with Q4 2018
- Harvest (SCO) was 7,925 tonnes HOG in Q4 2019
- Average weight (FO) of harvested fish increased 0.6 kg in Q4 2019 to 5.9 kg head on gutted from 5.3 kg in Q4 2018

Harvest Volumes tonnes [HOG]	Q4 2019	Q4 2018	2019	2018
FO - North Region	0	3,996	18,252	25,888
FO - West Region	13,155	5,894	32,210	14,088
FO - South Region	4,775	2,344	6,722	4,615
FO – Total	17,930	12,234	57,184	44,591
SCO	7,925	n/a	7,925	n/a
Total (FO & SCO)	25,855	12,234	65,109	44,591

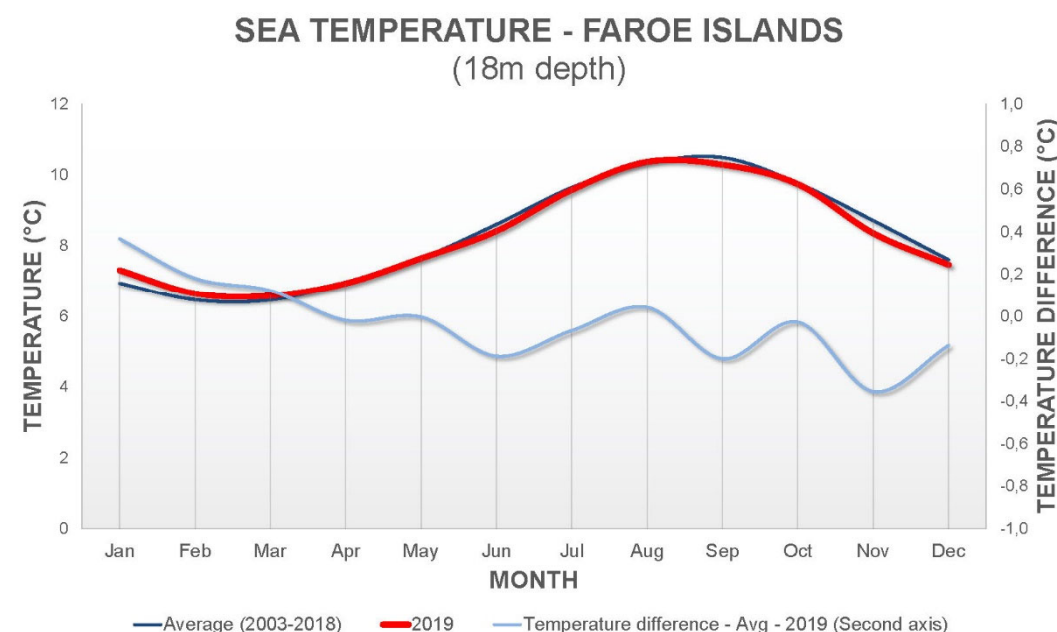
Smolt transfer in Q4 2019

- FO: 5.0 million (vs. 3.3 million in Q4 2018)
- SCO: 5.7 million (vs. 3.5 million in Q4 2018)

Seawater temperatures in the Faroe Islands

- Average temperatures increased 0.03 °C – from 8.49 °C in Q4 2018 to 8.52 °C in Q4 2019

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



FARMING – OPERATIONAL PERFORMANCE Q4 2019

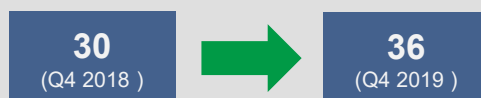
OPERATIONAL EBIT INCREASED 66% IN THE FAROE ISLANDS

Faroe Islands (FO)

Operational EBIT (mDKK)



Operational EBIT margin (%)



Operating revenue (mDKK)



Scotland (SCO)

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

(DKK million)	Q4 2019	Q4 2018	2019	2018
Faroe Islands:				
- Operating revenue	945	682	3,152	2,568
- Operational EBIT	338	204	1,103	966
- Operational EBIT margin	36%	30%	35%	38%
Scotland:				
- Operating revenue	437			
- Operational EBIT	18			
- Operational EBIT margin	4.1%			



FARMING – OPERATIONAL PERFORMANCE Q4 2019

Operational EBIT per kg



Average weights (HOG)

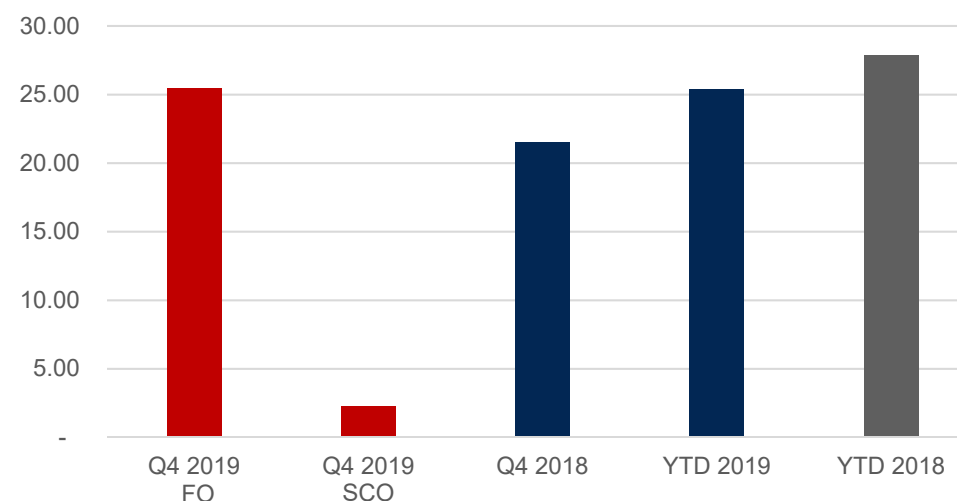
- FO (West): 5.91 kg
- FO (South): 6.02 kg
- SCO: 3.65 kg

Operational EBIT per kg

- FO (West): NOK 24.47
- FO (South): NOK 28.31
- SCO: NOK 3.09

In the Faroe Islands the biological performance on harvested was very good in the quarter

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



(NOK/kg)	Q4 2019				
	FO				SCO
	North	West	South	Total	Total
Operational EBIT/kg gw	0	24.47	28.31	25.49	3.09

VALUE ADDED PRODUCTS (VAP) Q4 2019

STRONG QUARTER FROM VAP

Volumes (tonnes)

2,845 t
(Q4 2018)



4,219 t
(Q4 2019)

Revenue (mDKK)

109
(Q4 2018)



249
(Q4 2019)

Operational EBIT (mDKK)

3
(Q4 2018)



37
(Q4 2019)

Operational EBIT/kg (NOK)

1.51
(Q4 2018)



11.72
(Q4 2019)

% of harvest volume for VAP

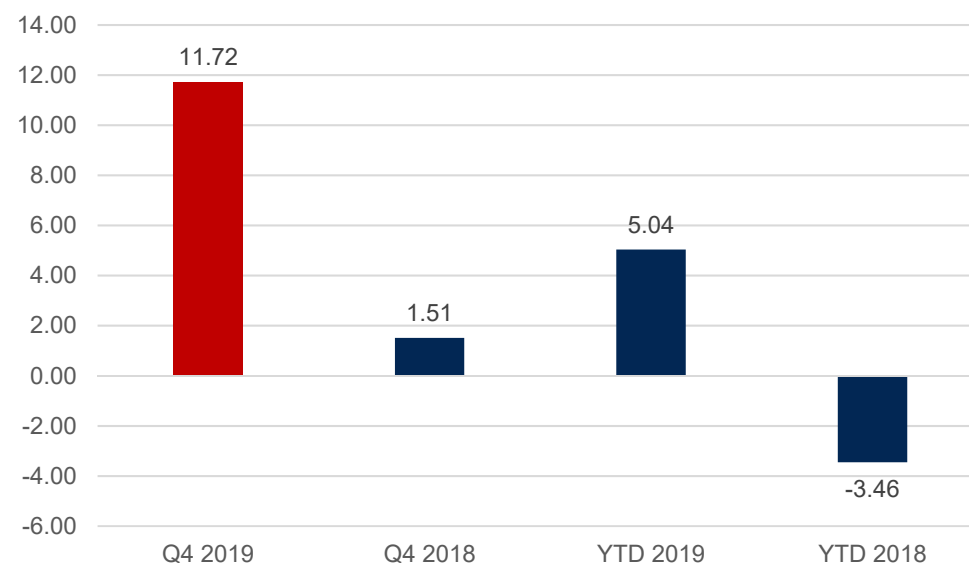
23%
(Q4 2018)



24%
(Q4 2019)

(DKK million)	Q4 2019	Q4 2018	2019	2018
Operating revenue	249	109	964	365
Operational EBIT	37	3	64	-22
Operational EBIT margin	15%	3%	7%	-6%
VAP produced volumes (tgv)	4,219	2,845	16,690	8,355

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



FISHMEAL, OIL AND FEED (FOF) Q4 2019

HIGH RAW MATERIAL SOURCING IN 2019, BUT LESS ACTIVITY IN Q4

EBITDA (mDKK)



EBITDA margin (%)



External fishmeal sale (tonnes)



Raw material sourced (tonnes)

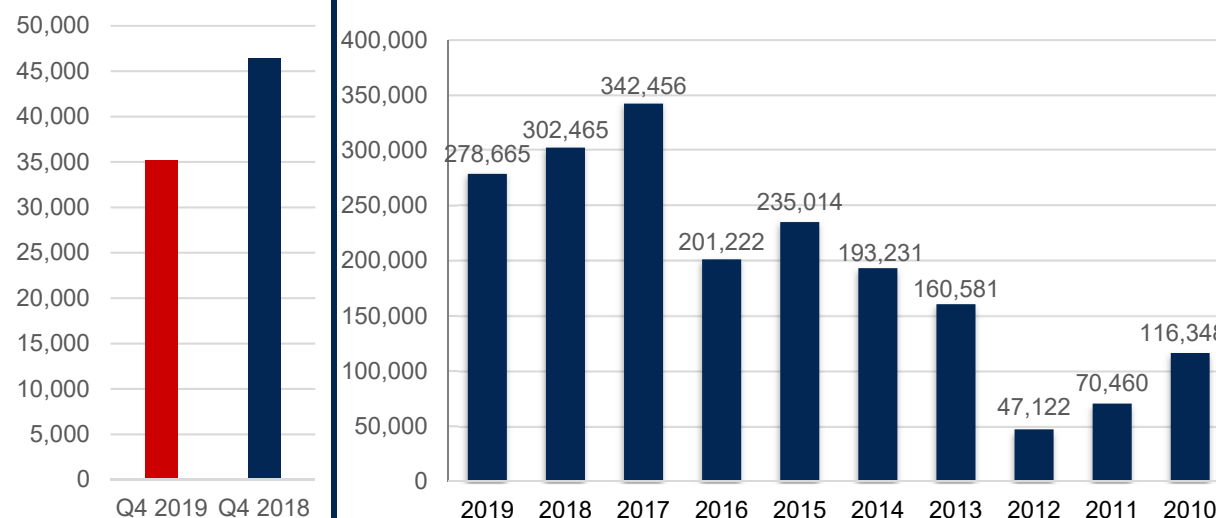


2019 was the third highest raw material sourcing year, since Havsbrún became part of the Bakkafrost Group.

(DKK million)	Q4 2019	Q4 2018	2019	2018
Operating revenue	338	288	1,388	1,269
EBITDA	58	60	276	254
EBITDA margin	17.1%	21.0%	19.9%	20.0%
Feed sold (tonnes)*	28,398	24,711	97,408	77,775
Fishmeal sold external (tonnes)	4,123	3,782	31,769	43,235

* Including internal sales FO, corresponding to 73% of feed volumes in Q4 2019 (Q4 2018: 88%)

Sourcing of raw material (tonnes)



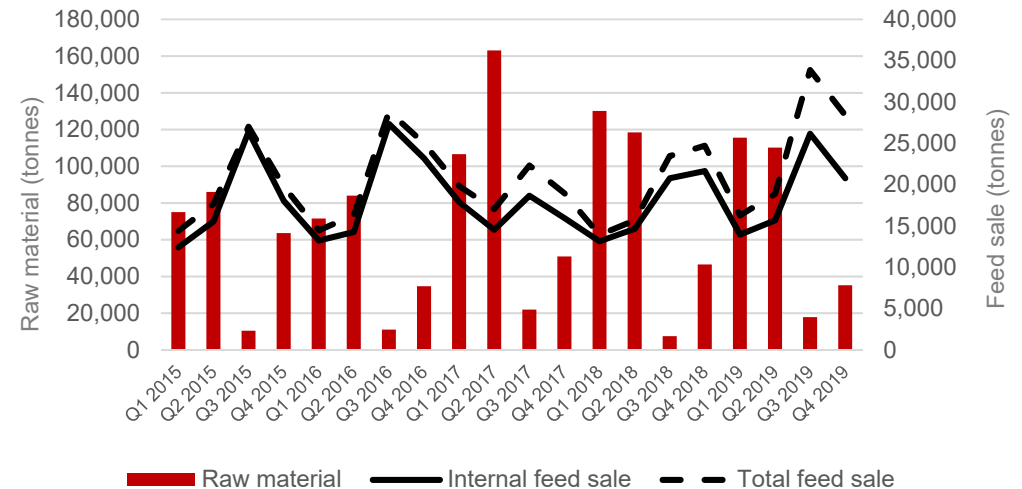
MARKET CONDITIONS FEED Q4 2019

SIGNIFICANT INCREASE IN FEED SALES

15% Increased feed sales

- Quantity of feed sold was 28,398 tonnes in Q4 2019, compared to 24,711 tonnes in Q4 2018
- External feed sales 149% higher in Q4 2019, compared to Q4 2018

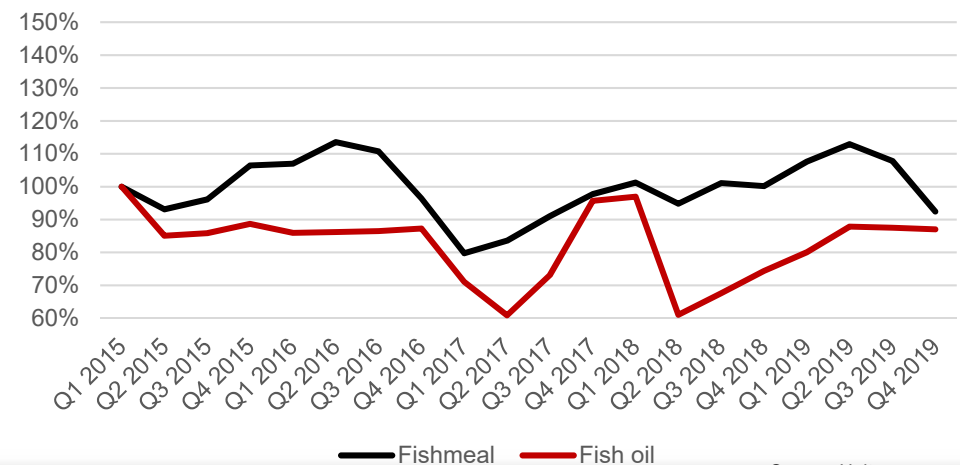
Volumes of raw material purchase and feed sale [tonnes]



Market fluctuations

- Both fishmeal and fish oil prices decreased in Q4 2019, compared to previous quarter

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



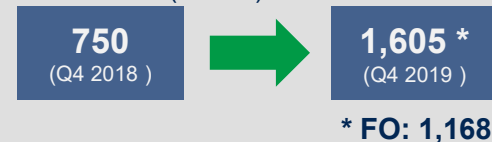
Source: Holtermann

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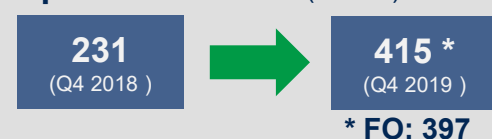
GROUP PROFIT AND LOSS

STRONG QUARTER WITH SIGNIFICANTLY HIGHER REVENUE & OPERATIONAL EBIT

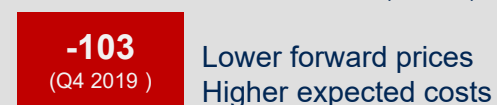
Revenue (mDKK)



Operational EBIT (mDKK)



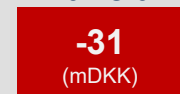
Fair Value of biomass (mDKK)



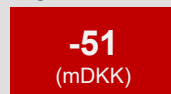
Revenue tax (mDKK)



Financial items



Tax



Profit after tax (mDKK)

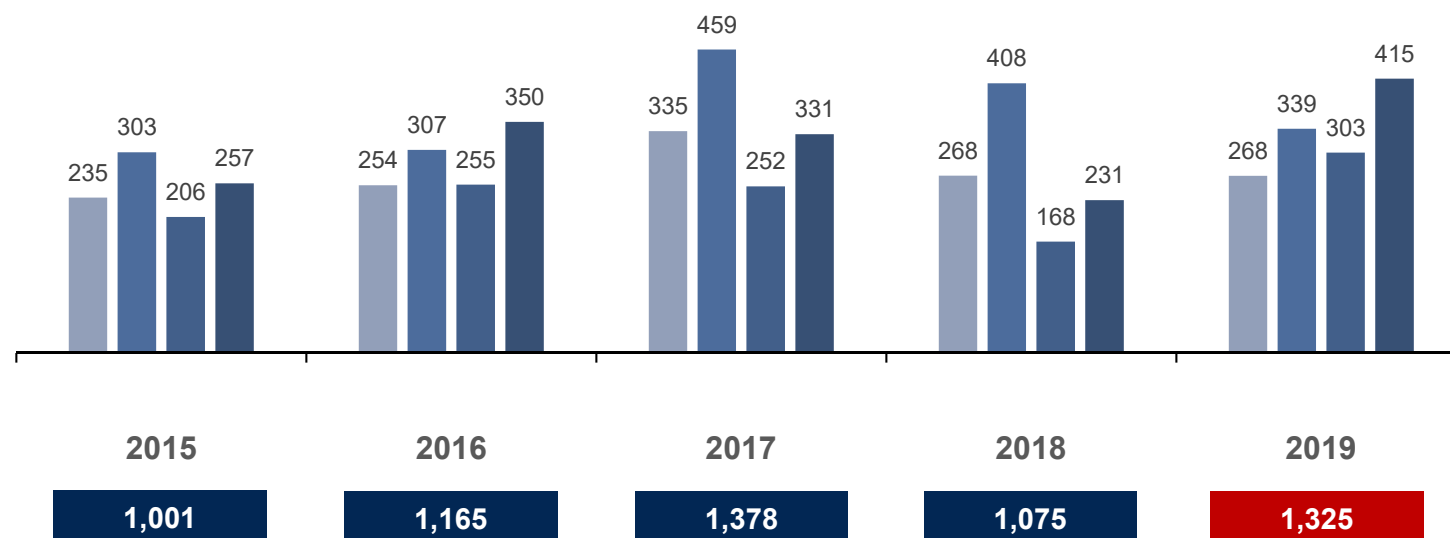


(DKK million)	Q4 2019	Q4 2018	2019	2018
Operating revenue	1,605	750	4,511	3,177
Operational EBITDA*	544	282	1,635	1,274
Operational EBIT*	415	231	1,325	1,075
Fair value adjustment of biological assets	-103	-240	-221	196
Onerous contracts	0	17	0	0
Income from associates	4	11	14	9
Revenue tax	-14	-24	-99	-96
EBIT	301	-5	1,019	1,184
Net Financial items	-31	-2	-37	-12
EBT	271	-7	982	1,172
Taxes	-51	0	-180	-212
Profit for the period	220	-7	802	960
Operational EBITDA margin	33.9%	37.6%	36.2%	40.1%
Operational EBIT margin	25.9%	30.7%	29.4%	33.8%
Operational EBIT/kg (Farming and VAP) (NOK)	28.25	21.91	26.91	27.24
EBITDA margin (fishmeal, oil and feed)	17.1%	21.0%	19.9%	20.0%

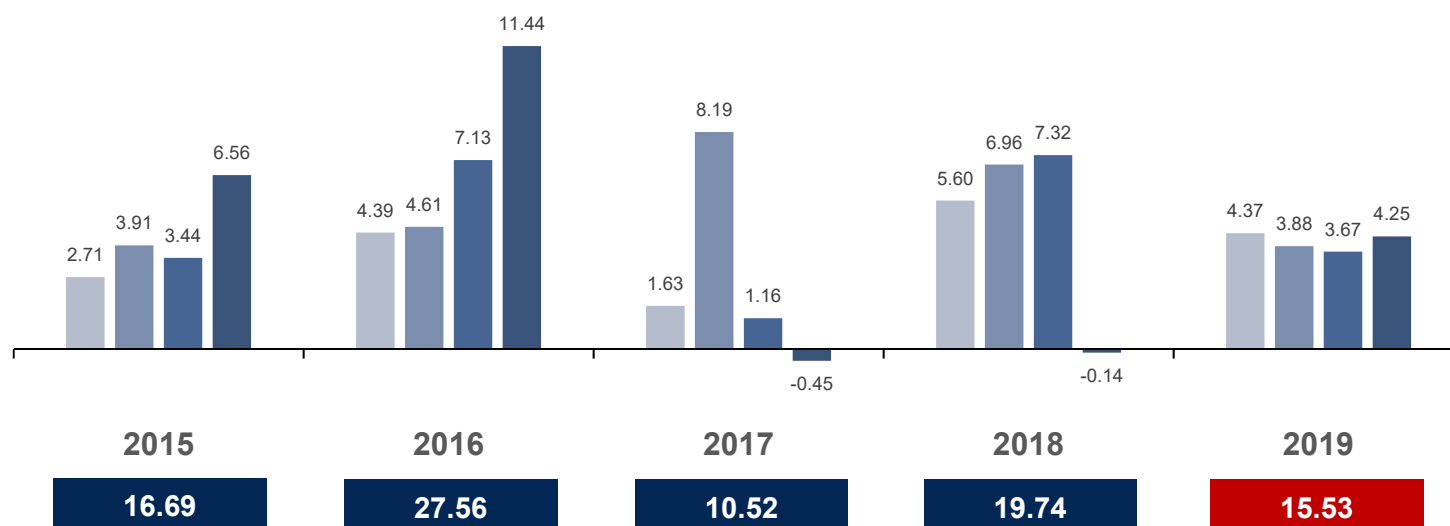
* Operational EBITDA and EBIT aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax.

OPERATIONAL EBIT* AND EARNINGS PER SHARE

Operational EBIT* (mDKK)



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 amount to DKK 4,396 million at the end of Q4 2019
- Investments in PPE of DKK 214.2 million in Q4 2019 and PPE amount to DKK 3.8 billion
- Financial assets amount to DKK 119 million at the end of Q4 2019
- The carrying amount of biological assets amounts to DKK 1,902 million, whereof fair value adjustment amounts to DKK 27.7 million
- Inventory amounts to DKK 549 million at the end of Q4 2019
- Changes in equity consist primarily of the positive results in 2019 and paid out dividend, but are also affected by the emission amounting to DKK 3,731 million
- Equity ratio was 65% at the end of Q4 2019
- NIBD is DKK 1,019 million at the end of Q4 2019, compared with DKK 495 million at the end of 2018

(DKK million)	Q4 2019	End 2018
Intangible assets	4,396	390
Property, plant and equipment	3,780	2,884
Right of use assets	333	0
Financial assets	119	113
Long-term receivables	4	9
Biological assets	1,902	1,358
Inventory	549	439
Accounts receivables	626	269
Other receivables and deferred tax assets	83	23
Cash and cash equivalents	1,310	317
Total Assets	13,101	5,803
Equity	8,497	4,077
Deferred tax and other taxes	1,124	534
Long-term interest-bearing debt	2,328	812
Other debt	226	0
Financial derivatives	15	0
Accounts and other payables	911	379
Total Equity and Liabilities	13,101	5,803

FAIR VALUE

1. SSC changes fair value estimates to Bakkafrost and branch* estimates

- Change of discount factor from 4.7% per year to 6% per month (equalling to 101% per year)

2. Group fair value adjustment Q3-2019 → Q4-2019

(DKK million)	30-09-2019	31-12-2019	Change
Bakkafrost	265,306	404,622	139,316
SSC	-138,739	-376,929	-238,189
Currency translation differences			-4,225
Total	126,567	27,693	-103,098

3. Main elements and their effects on the fair value adjustment from Q3-2019 to Q4-2019

	BAKKA	SSC
Price	↑	→
Cost	→	↓
Biomass volume	↑	↓
Remaining time at sea	→	↓

*Branch: Salmar, Lerøy, Norwegian Royal Salmon, Grieg Seafood

CASH FLOW

Cash flow, operations (mDKK)



Cash flow, investments* (mDKK)



* including immaterial assets related to the acquisition of SSC

Cash flow, financing ** (mDKK)



** 2019 YTD was mDKK 4,557 – primarily affected by increased share capital of mDKK 3,731

(DKK million)	Q4 2019	Q4 2018	2019	2018
Cash flow from operations	-150	-59	1,033	913
Cash flow from investments	-3,791	-147	-4,598	-531
Cash flow from financing	2,639	216	4,557	-375
Net change in cash	-1,302	11	993	7
Cash at the end of the period	1,310	317	1,310	317
Undrawn facilities	2,470	998	2,470	998

NET INTEREST-BEARING DEBT (NIBD)

NIBD INCREASED DURING Q4 2019, PRIMARY LINKED TO THE ACQUISITION OF SSC

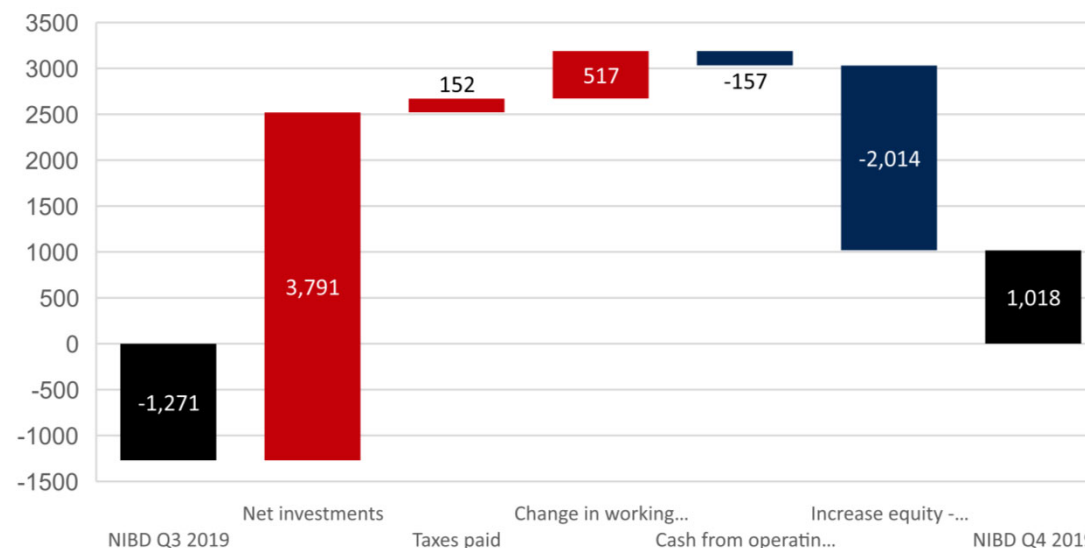
NIBD was increased by:

- Net investments (mDKK 3,791)
- Taxes paid (mDKK 152)
- Working capital change (mDKK 517)

NIBD was decreased by:

- Cash flow, operating activities (mDKK 157)
- Cash flow, capital raise (mDKK 2,014)

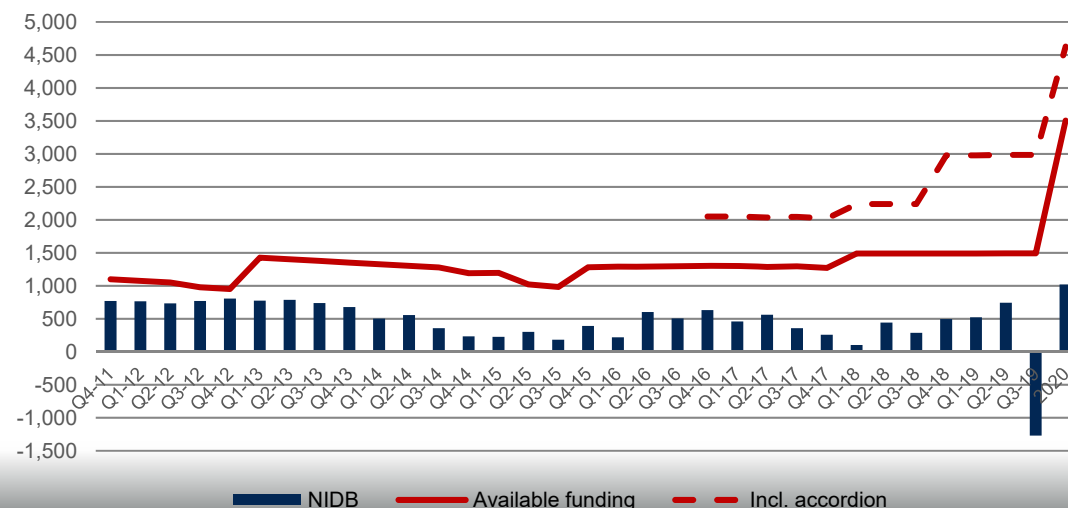
Development in NIBD in DKK millions



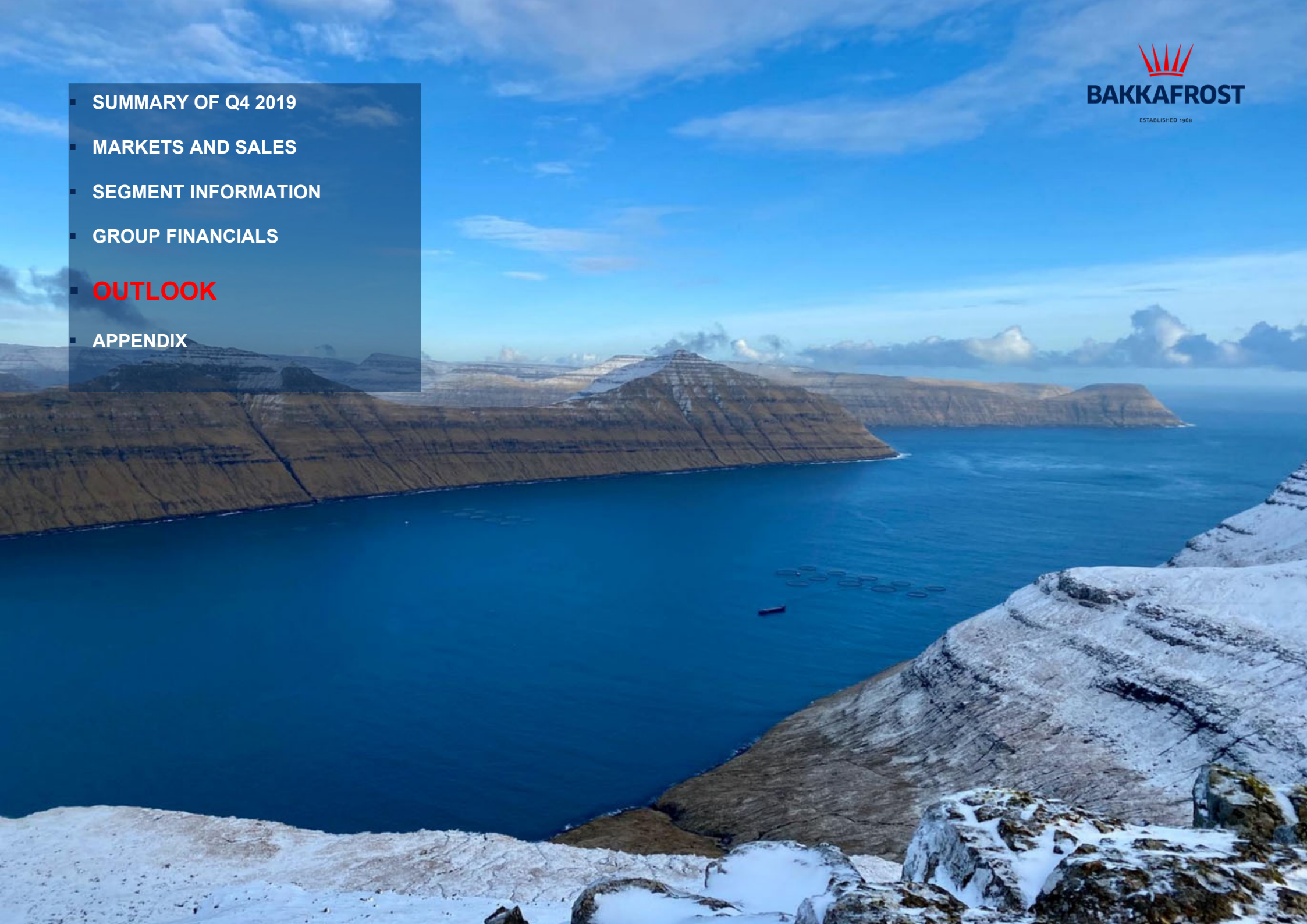
Financing end Q4 2019

- NIBD: DKK 1,019 million
- Bank facilities of EUR 352 and GBP 100 million
- Undrawn credit facilities: DKK 2,470 million

NIBD and available funding



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Market

- Global supply in Q4 2019 increased around 3%, compared to Q4 2018
- Global harvest in Q1 2020 is expected to increase around 1%, compared to Q1 2019
- Global harvest growth 2020 is expected to be around 4%, compared to 2019

Farming

- Bakkafrost harvested 57,184 tonnes HOG in 2019
- In 2020, Bakkafrost expects to harvest 57,000 tonnes HOG in the Faroe Islands and 35,000 tonnes HOG in Scotland
- Bakkafrost expects to release 15.0 million smolts in 2020 in the Faroe Islands, compared to 12.7 million smolts in 2019 and 12.6 million smolts in 2018
- The smolt release in Scotland is expected to be 10.7 million smolts in 2020, compared to 12.4 million smolts in 2019 and 8.6 million smolts in 2018

VAP

- Contracted around 40% of expected Q1 2020 harvest volume and 30% of the harvest volume in the Faroe Islands for 2020
- Long-term strategy is to sell 40-50% of the harvested volumes in the Faroe Islands at fixed price contracts

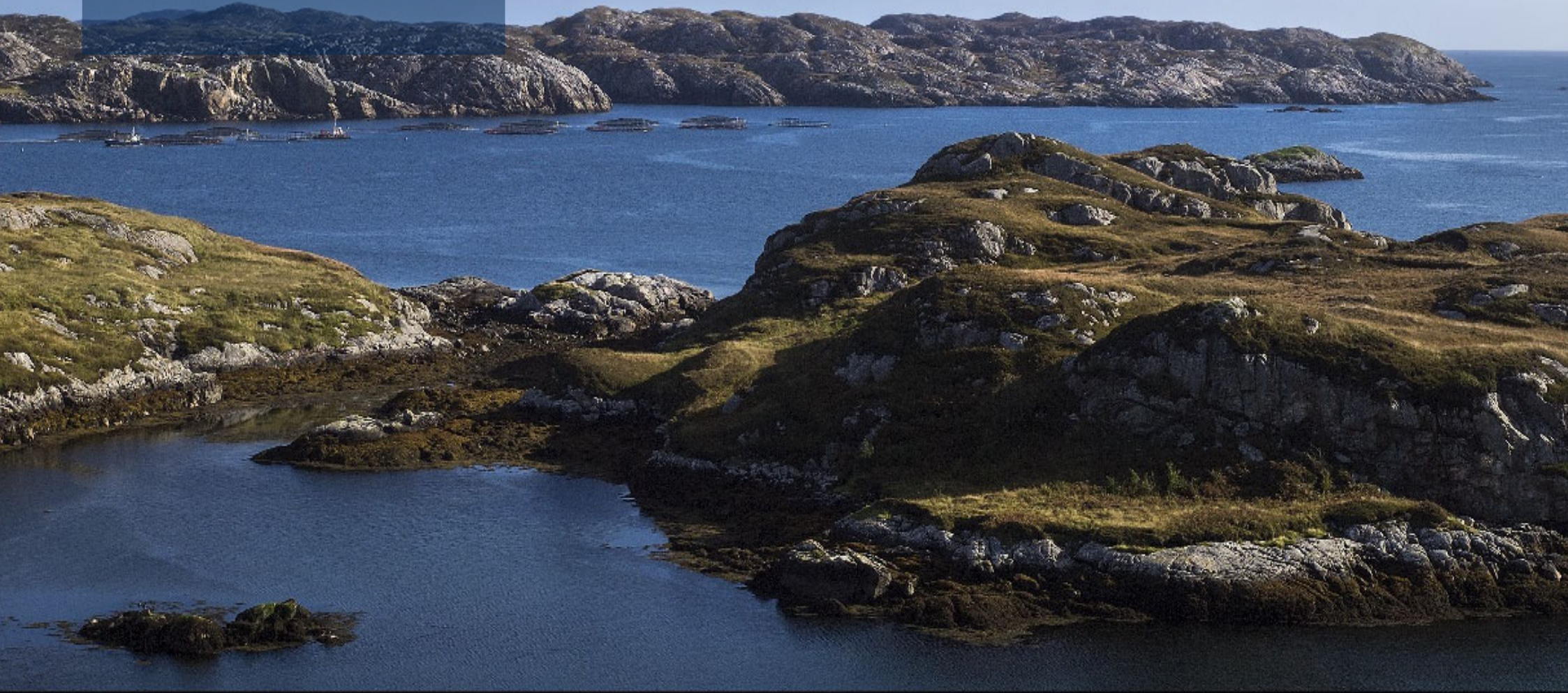
Fishmeal, Oil and Feed

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

Business development / Investment programme

- Pursuing sustainable organic growth in the Faroes
- For the remaining period 2020 – 2022 of the investment programme ~ DKK 1.8 billion will be invested in the Faroe Islands
- In Scotland the yearly capex for 2020-2024 is expected to be around 350 mDKK per year
- Financial flexibility enables M&A like the recent acquisition of SSC
- Bakkafrost intends to acquire 100% of SSC during Q1 2020

- SUMMARY OF Q4 2019
- MARKETS AND SALES
- SEGMENT INFORMATION
- GROUP FINANCIALS
- OUTLOOK
- **APPENDIX**



ENTERING SCOTLAND

Strategic rationale

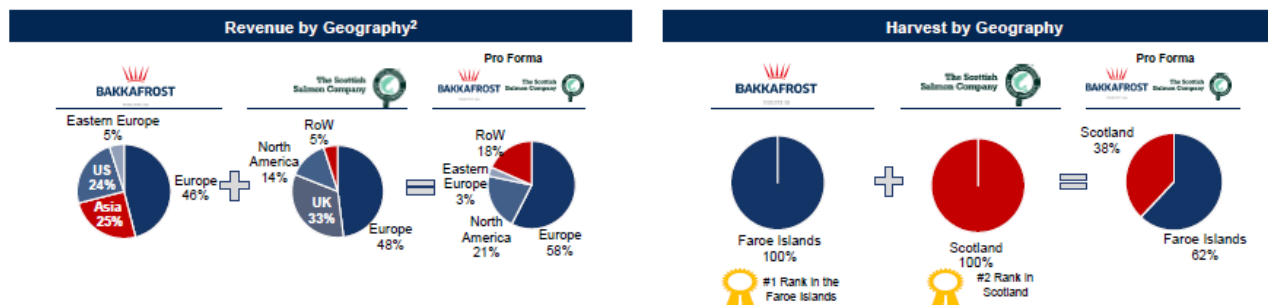
1. Provides **access** to the attractive Scotland farming region
 - **Niche** and differentiated region
 - **High quality** salmon from Scottish Provenance priced at a premium
2. Creating a differentiated **global leader in premium salmon**
 - Exposure to **two geographies**, Faroe Islands and Scotland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



ENTERING SCOTLAND

Strategic rationale

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



Source: Company filings, company website, Mowi Salmon Farming Industry Handbook 2019.

¹ Harvest figures reflect total harvest in European region comprising of Norway, United Kingdom / Scotland and Faroe Islands as per Mowi Salmon Farming Handbook.

² Geographic breakdown of revenue based on H1 2019 data for both companies.

SCOTLAND SITE OVERVIEW

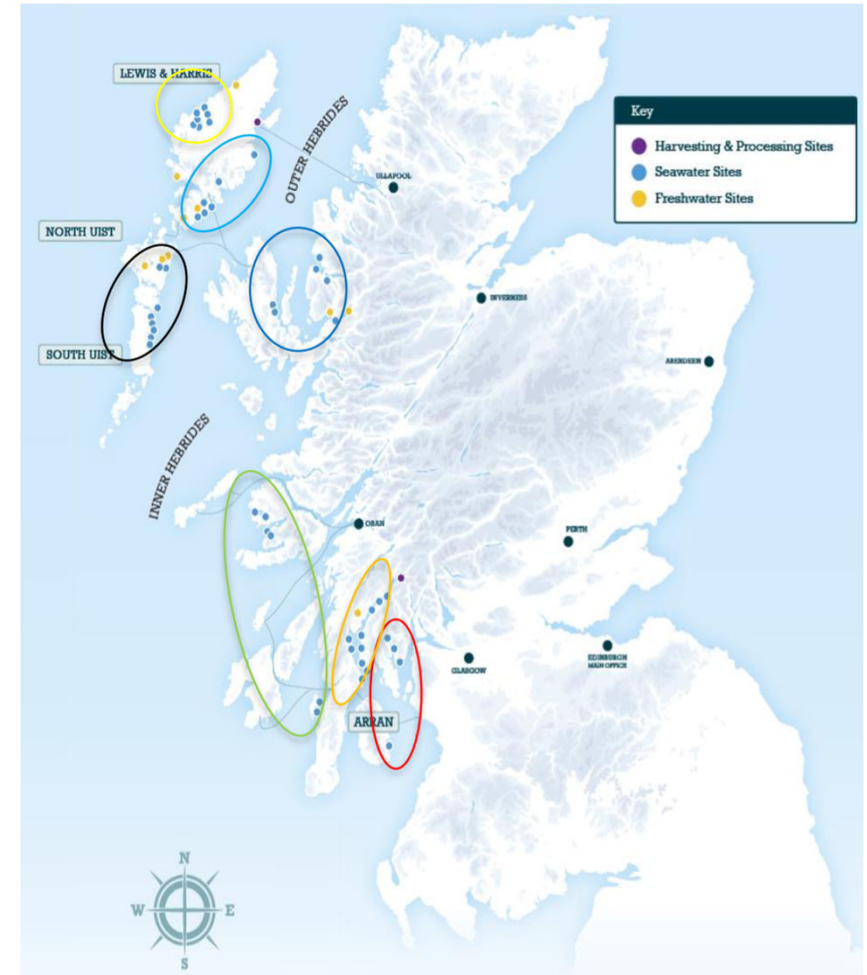
43 farming sites / 67,023T consent

South

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

North

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



DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

Supply growth in 2019

- 6% growth in global supply
- 8% growth in European supply
- No growth in supply from Americas

Expected supply growth in 2020

- 5% growth in Global supply
- 3% growth in European supply
- 7% growth in supply from Americas

Comments:

All figures are in hog-equivalents and thousand tonnes.

Figures represents sold quantity of Atlantic Salmon from each producing country

Source: Kontali

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

	2016	2017	2018	2019E	2020E
Norway	1.055	1.078	1.129	1.198	1.236
UK	142	159	138	165	167
Ireland	14	15	13	15	15
Faroes	71	72	64	78	86
Total Europe	1.281	1.325	1.344	1.456	1.505
Chile	503	490	598	601	656
Canada	131	123	132	129	131
USA	20	20	17	18	16
Total Americas	655	633	747	749	803
Other	60	77	78	98	118
Total (Sold Quantity)	1.996	2.035	2.169	2.303	2.425
Supply growth - Global	-4%	2%	7%	6%	5%
Supply growth - Europe	-5%	3%	1%	8%	3%
Supply growth - Americas	-2%	-3%	18%	0%	7%

Salmon Markets (head on gutted - HOG)

	2016	2017	2018	2019E	2020E
EU	937	918	952	1.012	1.054
USA	385	402	434	468	497
Japan	59	58	54	53	54
Russia	68	70	89	82	86
Others	548	588	640	688	734
Total (Sold Quantity)	1.997	2.034	2.170	2.303	2.425

Q4 MARKET ENVIRONMENT

REDUCED MARKET PRICES, COMPARED TO Q4 2018

Nasdaq Norway price EUR 5.6 per kg in Q4 2019

- Increasing prices during the quarter
- 3% down vs. Q4 2018
- 12% up vs. Q3 2019

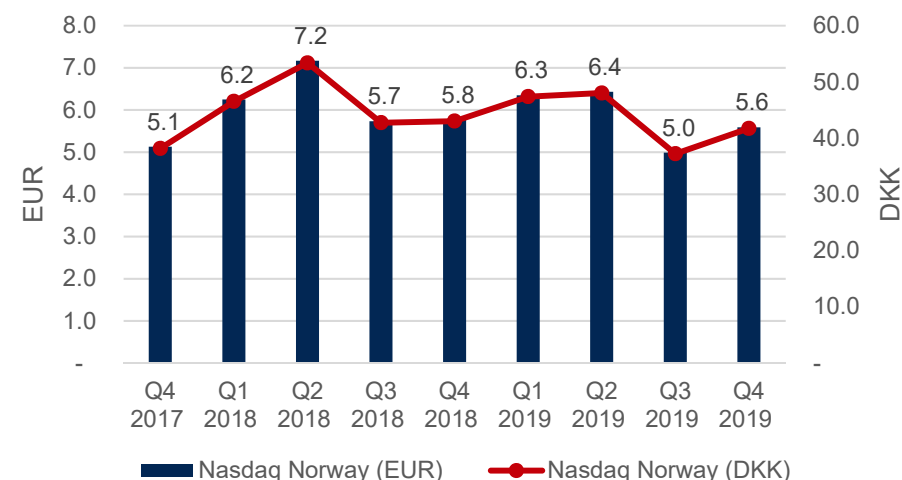
Urner Barry East Coast price USD 7.7 per kg in Q4 2019

- Increased import from Europe
- Biology driven accelerated harvest on East Coast
- 15% down vs. Q4 2018
- 5% down vs. Q3 2019

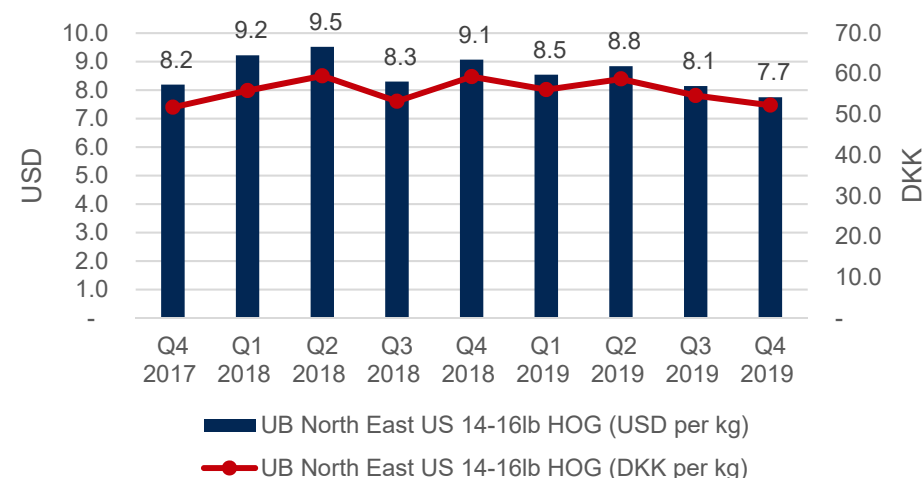
MARKET CURRENCY	Q4 2019	Q4 2018	Change %
Nasdaq Norway (EUR)	5.59	5.77	-3.1 %
UB North East US 14-16lb HOG (USD per kg)	7.75	9.07	-14.6 %

DKK	Q4 2019	Q4 2018	Change %
Nasdaq Norway	41.74	43.03	-3.0 %
UB North East US 14-16lb HOG (per kg)	52.28	59.29	-11.8 %

PRICE NORWAY



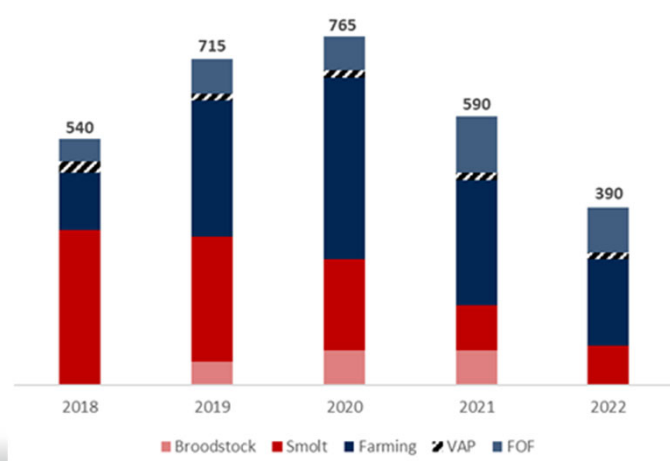
PRICE US – NORTH EAST



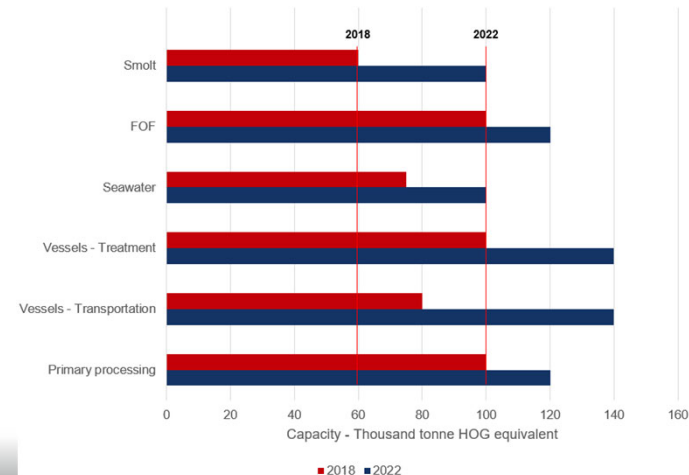
SUPERIOR BIOLOGY COMBINED WITH STATE OF THE ART INFRASTRUCTURE

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

2018 Capex programme



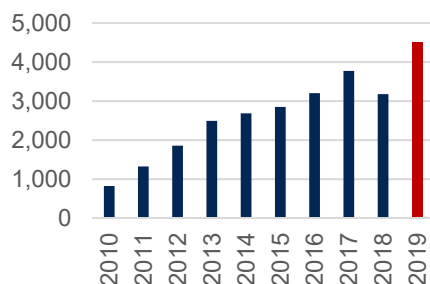
Development in capacity constraints



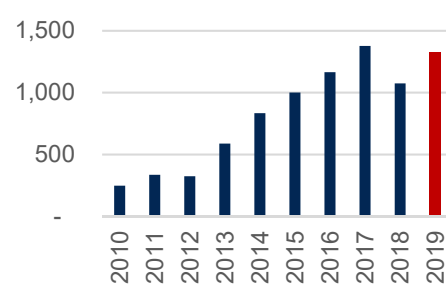
DEVELOPMENT PER QUARTER

(mDKK)	2017				2018				2019				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 FO	Q4 SCO
Revenue	854	1,206	804	906	851	954	622	750	964	947	996	1,168	437
Operational EBIT	335	459	252	331	268	408	168	231	268	339	303	397	18
Profit/Loss	79	398	56	-22	272	339	356	-7	213	189	181	220	
Harvest (tgv)	13,158	18,402	11,585	11,470	12,238	12,902	7,217	12,234	13,707	12,609	12,938	17.930	7,925
Op. EBIT Farming & VAP (NOK/kg)	29.40	29.77	23.02	29.88	22.92	37.41	25.34	21.91	21.99	31.31	26.25	28.25	
Op. EBIT Farming (NOK/kg)	34.27	33.50	23.51	25.76	24.15	39.09	24.85	21.56	21.86	31.31	23.61	25.49	3.09
Op. EBIT VAP (NOK/kg)	-17.62	-13.01	-1.08	9.54	-7.10	-11.00	2.49	1.51	0.37	-0.01	9.23	11.72	N/A
Equity ratio	65%	64%	68%	70%	69%	68%	70%	70%	70%	65%	68%	65%	
NIBD	459	560	356	258	102	443	286	495	522	744	-1,271	1,019	

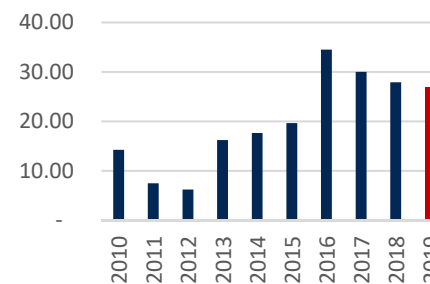
Revenue (mDKK)



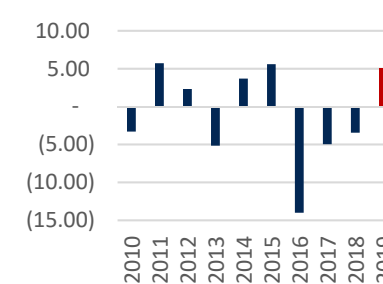
Operational EBIT (mDKK)



Farming margin Op. EBIT (NOK/kg)



VAP margin Op. EBIT (NOK/kg)



DIVIDEND

Dividend

- Dividend for 2019 of DKK 8.31 (NOK 11.23 ***) per share will be paid out in Q2 2020

Dividend policy

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

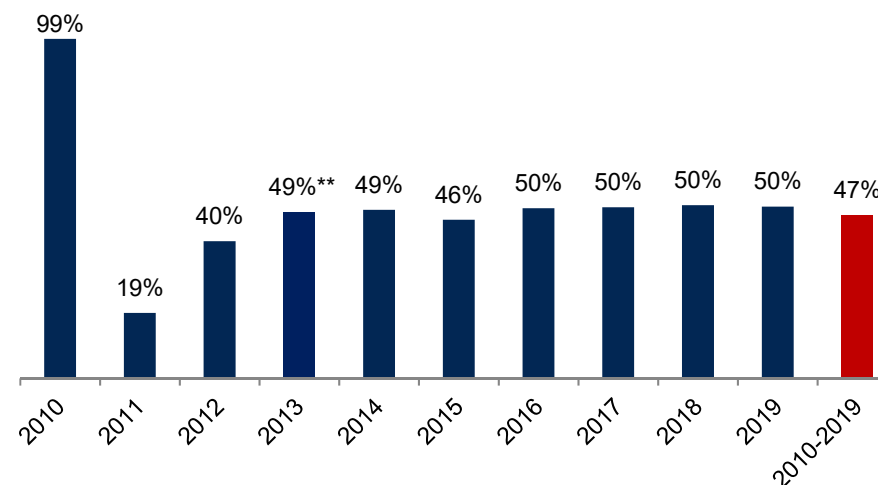
* Adjusted EPS is EPS adjusted for fair value adjustments of biomass and onerous contracts provisions

** Dividend and acquisition of treasury shares

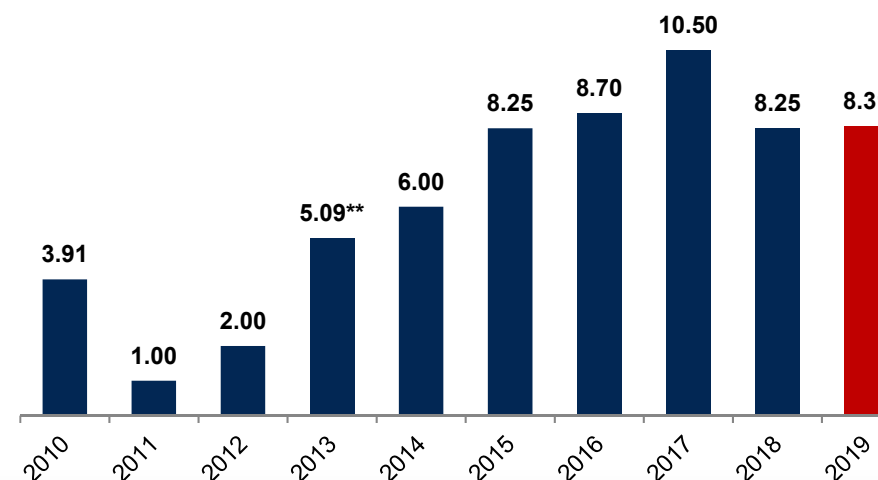
*** Dividend is paid out the following year

**** 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



- 18 islands – 1,387 km²
- 52,122 inhabitants (1 August 2019)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, Danish krone (DKK)

Key sectors (% of wage earners, M9 2019)

- Service/public admin.: ~34%
 - Private service: ~31%
 - Construction: ~16%
 - Fish & aquaculture: ~19%
 - Unemployment rate (July 2019): 1.3%
 - Total working force (July 2019): 28,147
-
- **GDP:** DKK ~20.5bn (2019e)
 - **GDP/capita:** DKK 394,000 (2019e)
 - (Norway: DKK 463,000) (2017)

Total export of fish products (2018)

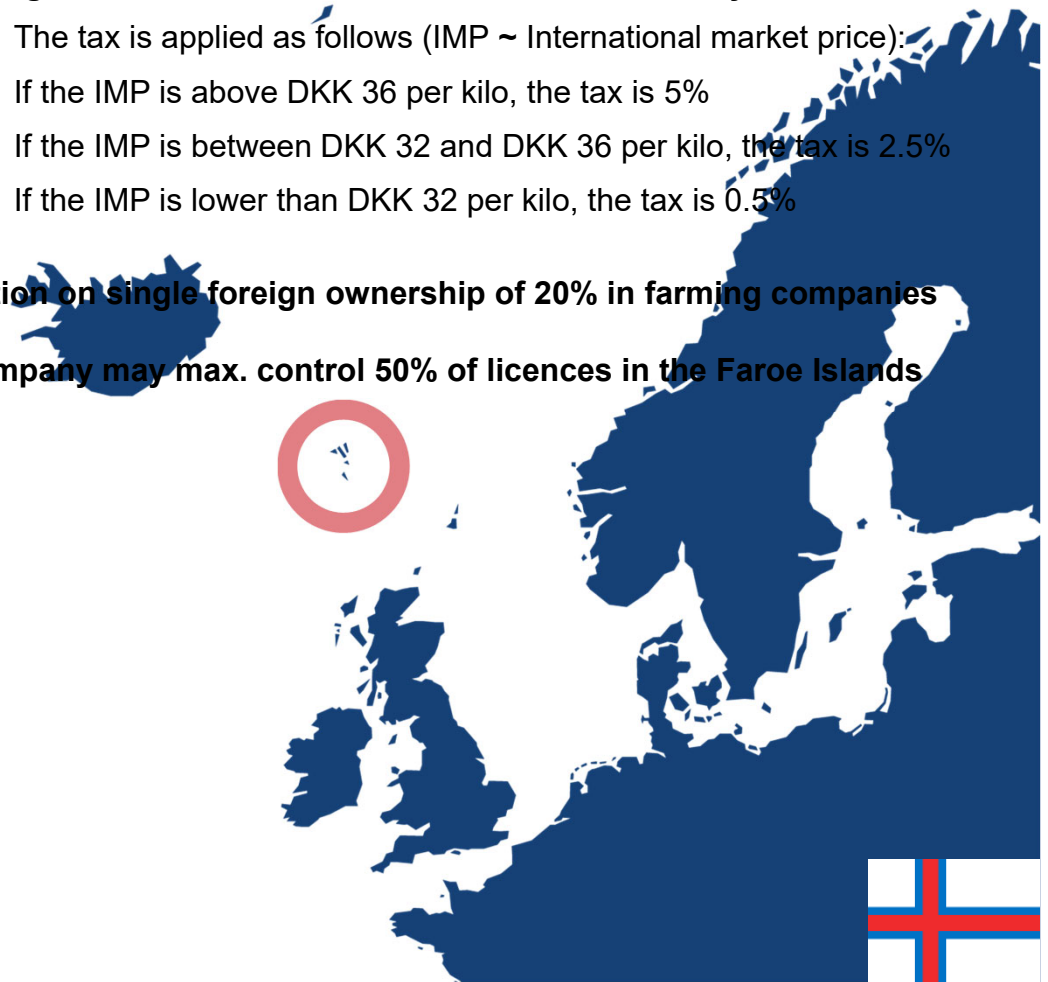
- DKK 7,487 million 11% decrease from 2017
- whereof farmed fish accounts for 45%

TAXES

- Total percent of GDP: 41.8% (2016)
- Corporate tax: 18%
- Farming revenue tax: 5.0% of revenues after 1 January 2019
 - The tax is applied as follows (IMP ~ International market price):
 - If the IMP is above DKK 36 per kilo, the tax is 5%
 - If the IMP is between DKK 32 and DKK 36 per kilo, the tax is 2.5%
 - If the IMP is lower than DKK 32 per kilo, the tax is 0.5%

Restriction on single foreign ownership of 20% in farming companies

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



Source: Hagstova Føroya

LARGEST SHAREHOLDERS AND SHARE DEVELOPMENT

20 largest shareholders

Rank	Holding	Stake	Name	Citizenship	Type of account
1	5.153.004	8,71%	FOLKETRYGDFONDET	Norway	Ordinary
2	4.611.217	7,80%	JACOBSEN, JOHAN REGIN	Faroe Islands	Ordinary
3	4.594.437	7,77%	JACOBSEN, ODDVØR MARITA	Faroe Islands	Ordinary
4	2.571.578	4,35%	State Street Bank and Trust Comp	United States	Nominee
5	2.256.470	3,82%	DOLFIN FINANCIAL (UK) LTD	United Kingdom	Ordinary
6	1.821.705	3,08%	State Street Bank and Trust Comp	United States	Nominee
7	1.821.440	3,08%	Nordea Bank Abp	Denmark	Nominee
8	1.065.194	1,80%	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee
9	912.823	1,54%	NN PARAPLUFONDS 1 N.V.	The Netherlands	Ordinary
10	894.071	1,51%	The Bank of New York Mellon SA/NV	United Kingdom	Nominee
11	840.563	1,42%	VERDIPAPIRFONDET DNB NORGE	Norway	Ordinary
12	826.346	1,40%	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee
13	776.334	1,31%	JPMorgan Chase Bank, N.A., London	United States	Nominee
14	751.631	1,27%	RBC INVESTOR SERVICES TRUST	Canada	Nominee
15	677.897	1,15%	CLEARSTREAM BANKING S.A.	Luxembourg	Nominee
16	671.818	1,14%	State Street Bank and Trust Comp	United States	Nominee
17	661.901	1,12%	NN (L) Global Sustainable Equity	Luxembourg	Ordinary
18	646.514	1,09%	HANDELSBANKEN NORDEN SELEKTIV	Sweden	Ordinary
19	564.166	0,95%	JPMorgan Chase Bank, N.A., London	United Kingdom	Nominee
20	554.024	0,94%	DANSKE BANK A/S	Sweden	Nominee
	32.673.133	55,24%	Holding of 20 largest accounts		
	59.143.000	100,00%	Total number of outstanding shares		

Share development

12 months development



5 years development



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