

Q1 2020

BAKKAFROST GROUP

Glyvrar 5 May 2020

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SUMMARY OF Q1 2020

MARKETS AND SALES

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Operation

- **Harvest in the Faroe Islands (FO):** 10,667 t_{gw} in Q1 2020 (13,707 t_{gw} in Q1 2019)
- **Harvest in Scotland (SCT):** 7,268 t_{gw} in Q1 2020
- **Feed sales** of 19,123 tonnes in Q1 2020* (16,264 tonnes in Q1 2019*)
- **Raw material purchase** of 64,807 tonnes in Q1 2020 (115,530 tonnes in Q1 2019)

Revenues and Operational EBIT

- **Revenues** of DKK 1,255 million in Q1 2020 (DKK 964 million in Q1 2019)
- **Operational EBIT**** of DKK 248 million in Q1 2020 (DKK 268 million in Q1 2019)

Cash Flow

- **Cash flow from operations** of DKK 365 million in Q1 2020 (DKK 77 million in Q1 2019)

Segments

- **Positive operational EBIT** for Farming Faroe Islands, Scotland and FOF segments, and negative operational EBIT for the VAP segment

*) Including internal sales of 14,317 tonnes in Q1 2020 (13,960 tonnes in Q1 2019)

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

SUMMARY OF THE QUARTER

Farming/VAP (FO)*

21.99
(Q1 2019) → **25.10**
(Q1 2020)

Farming (FO)*

21.86
(Q1 2019) → **26.51**
(Q1 2020)

Farming (SCT)*

N/A → **5.70**
(Q1 2020)

VAP*

0.37
(Q1 2019) → **-2.78**
(Q1 2020)

FOF**

23.0%
(Q1 2019) → **13.0%**
(Q1 2020)

* Operational EBIT in NOK/kg

** EBITDA margin

(DKK million)	Q1 2020	Q1 2019
Operating revenue	1,255	964
Operational EBITDA	367	321
Operational EBIT	248	268
Profit for the period	-148	213
Operational EBITDA margin	29.2%	33.4%
Operational EBIT margin	19.8%	27.8%
Operational EBIT/Kg (Farming Faroe Islands) (NOK)	26.51	21.86
Operational EBIT/Kg (Farming Faroe Islands and VAP) (NOK)	25.10	21.99
Operational EBIT/Kg (VAP) (NOK)	-2.78	0.37
Operational EBIT/Kg (Farming Scotland) (NOK)	5.70	N/A
EBITDA margin (Fishmeal, -Oil and Feed)	13.0%	23.0%

Group Operational EBIT was DKK 248 million in Q1 2020, compared to DKK 268 million in Q1 2019

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MARKETS & SALES

SALES TO WESTERN EUROPE DECREASED – OTHER MARKETS INCREASED

Sales & volume (FO only)

Western Europe



North America



Asia



Eastern Europe



Harvest volumes used in the VAP



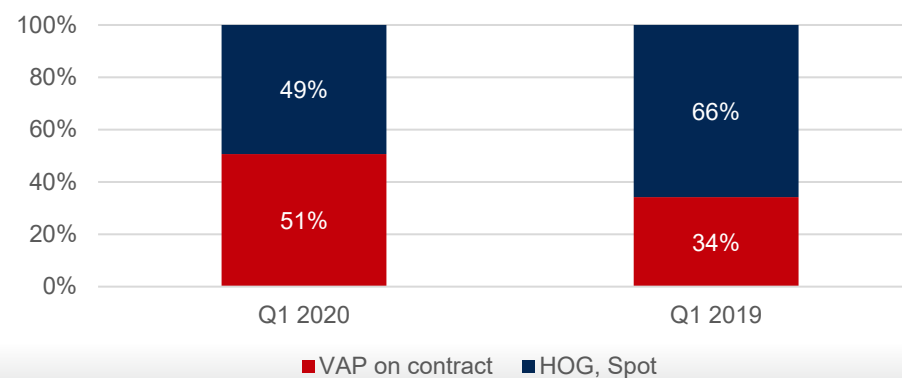
Total sales of salmon by markets (by value)

	Q1 2020			Q1 2019		
	FO	SCT	Total	FO	SCT	Total
Western Europe	52%	91%	67%	50%	N/A	50%
North America	28%	1%	18%	23%	N/A	23%
Asia	14%	5%	10%	24%	N/A	24%
Eastern Europe	6%	0%	4%	3%	N/A	3%
Rest of world	0%	3%	1%	0%	N/A	0%
Total	100%	100%	100%	100%	N/A	100%

Fresh salmon only by markets (by value)

	Q1 2020			Q1 2019		
	FO	SCT	Total	FO	SCT	Total
Western Europe	21%	91%	59%	28%	N/A	28%
North America	48%	1%	22%	31%	N/A	31%
Asia	21%	5%	12%	37%	N/A	37%
Eastern Europe	10%	0%	5%	4%	N/A	4%
Rest of world	0%	3%	2%	0%	N/A	0%
Total	100%	100%	100%	100%	N/A	100%

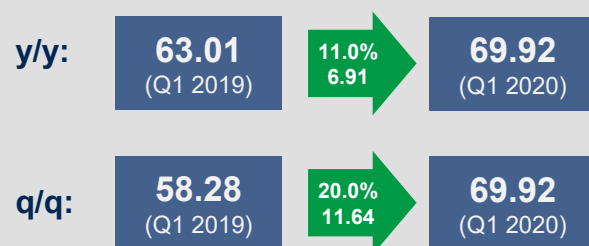
Contract share FO, VAP products [% of qty]



GLOBAL MARKETS

HIGHER PRICES AND GROWTH IN GLOBAL HARVEST

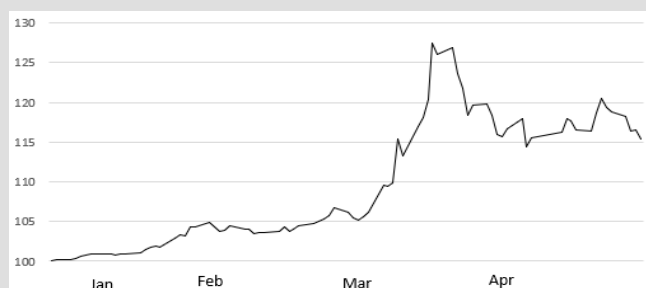
Average spot prices increased in Q1 2020 (NOK/KG)



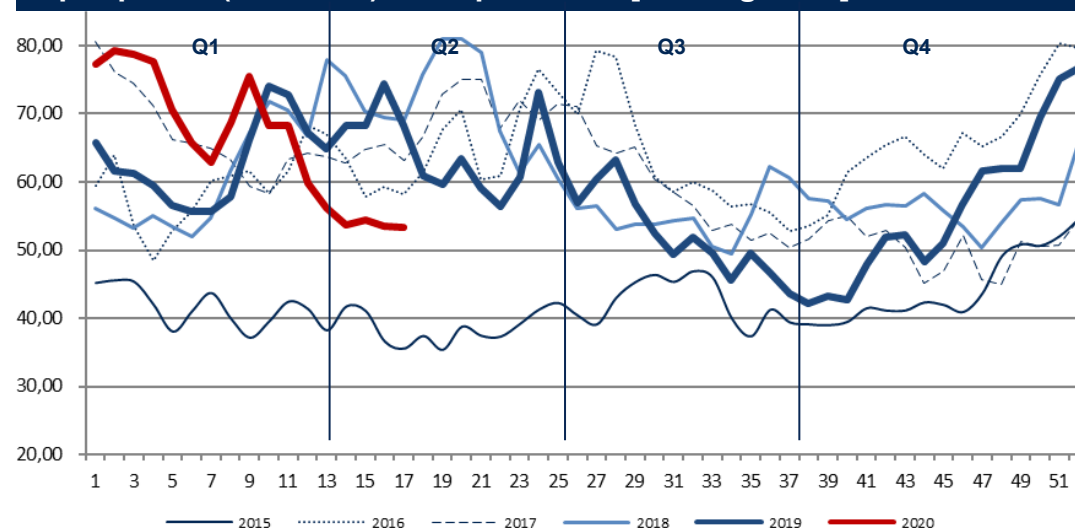
Spot prices decreased significantly by the end of the quarter (mainly a Covid-19 effect)

Global harvest grew 3% y/y

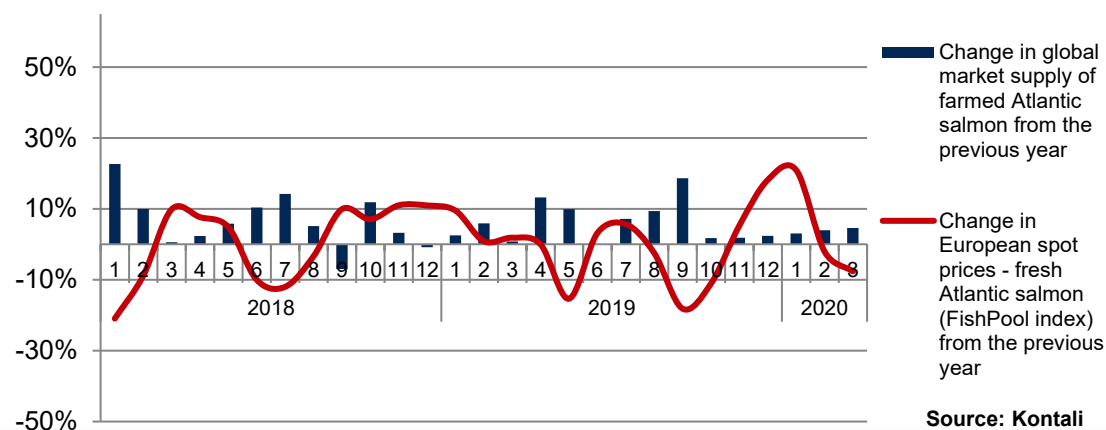
FX: NOK weakened 25% during Q1 2020



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 DECLINE IN SUPPLY

Global: 2.3% growth in harvest in Q1 2020

- **Europe:** 1.9% decline in harvest
 - Norway 1.5% harvest growth
 - UK 17.1% decline in harvest
 - *Lower harvest weights & reduced numbers*
- **Americas:** 8.2% harvest growth
 - Chile harvest growth 8.6%
- **Other:** 20.5% harvest growth

Harvest & Supply Development [Head On Guttled 1,000 tonnes]	Q1 2020	Q1 2019	Change %
Norway	270	267	1.5 %
UK	31	37	-17.1 %
Faroese	16	20	-20.6 %
Iceland	8	6	27.3 %
Ireland	2	3	-42.1 %
Total Europe	327	333	-1.9 %
Chile	169	156	8.6 %
Canada	28	27	3.0 %
USA	5	4	28.2 %
Total Americas	201	186	8.2 %
Other	20	16	20.5 %
Total (Harvested quantity)	547	535	2.3 %
Inventory movements	-9	1	-848.8 %
Total (Sold Quantity)	539	536	0.4 %

Source: Kontali

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

COVID-19 MAIN DRIVER

Global: 0.4% more absorbed by the market in Q1 2020

- EU – Growth despite quarterly drop in European harvest
- USA – Growth significantly below American quarterly harvest
- Russia – Another strong quarter
- Significant drop in many Asian markets
 - Covid-19 main driver

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

Markets	Estimated volumes		Q1 comparison			Estimated volumes		FY comparison		
	Q1 2020E	Q1 2019	Volume	%		FY 2019	FY 2018	Volume	%	
EU	227,400	222,700	4,700	↑	2%	1,012,400	950,900	61,500	↑	6%
USA	121,400	115,400	6,000	↑	5%	467,600	435,000	32,600	↑	7%
Russia	17,700	16,300	1,400	↑	9%	78,600	89,400	-10,800	↓	-12%
Japan	13,300	13,400	-100	↓	-1%	53,200	54,000	-800	↓	-1%
Greater China	26,000	34,500	-8,500	↓	-25%	135,700	122,800	12,900	↑	11%
ASEAN	17,500	18,700	-1,200	↓	-6%	72,500	71,600	900	↑	1%
Latin America	41,900	43,000	-1,100	↓	-3%	163,600	152,500	11,100	↑	7%
Ukraine	4,200	4,700	-500	↓	-11%	20,500	15,900	4,600	↑	29%
Other markets	69,300	67,700	1,600	↑	2%	292,700	278,400	14,300	↑	5%
Total all markets	538,700	536,400	2,300	↑	0.4 %	2,296,800	2,170,500	126,300	↑	5.8 %

Comments:

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

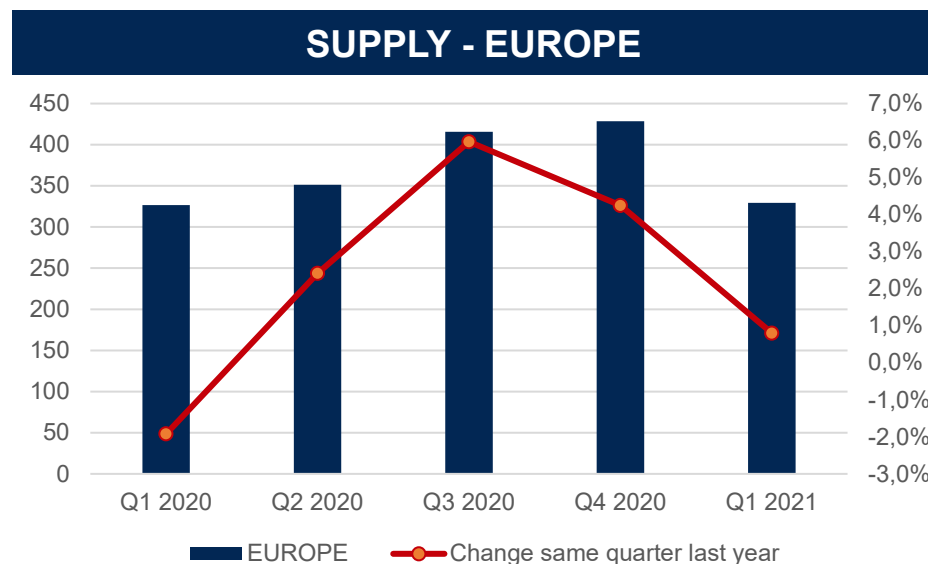
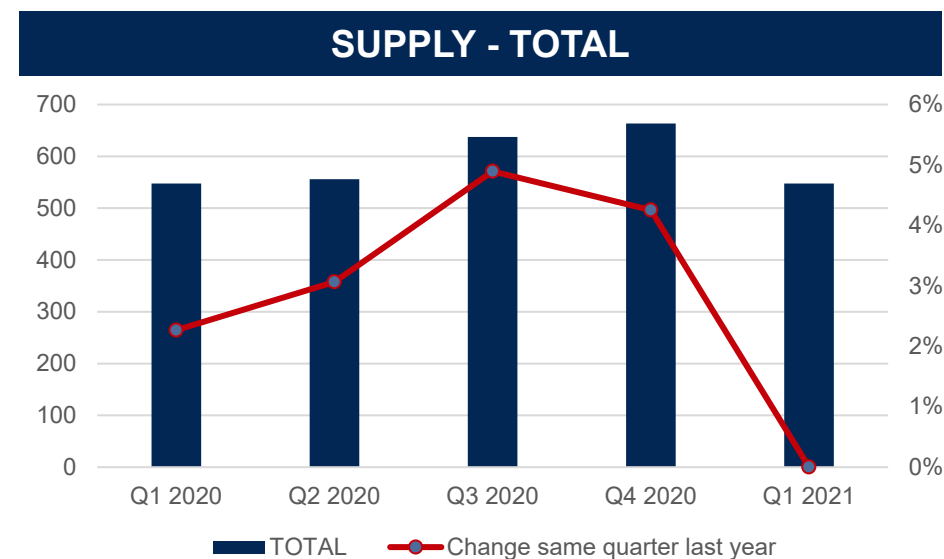
ASEAN = Association of Southeast Asian Nations (estimated re-export from Vietnam & Thailand subtracted)

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

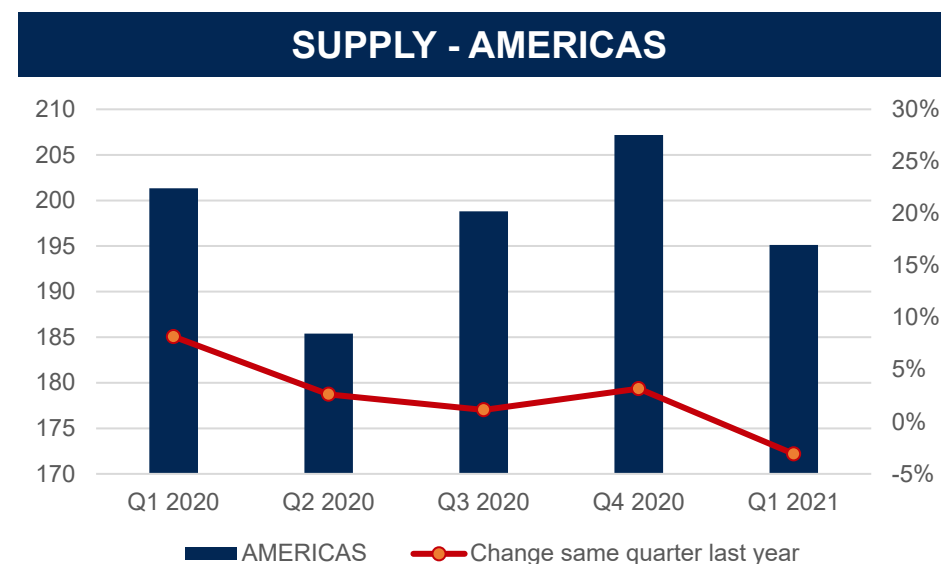
All figures above are in tonnes hog, and are rounded to the nearest 100 tonnes.

SHORT TERM SUPPLY OUTLOOK

- Expectation of low single digit global supply growth
- Europe – Moderate growth
- Americas – Moderate growth – Some volatility
- Outlook for modest longer term supply growth intact



Source: Kontali



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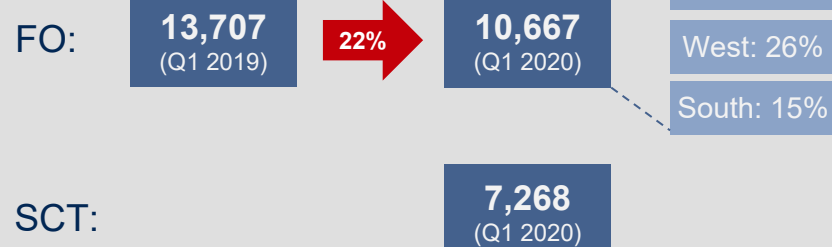
APPENDIX



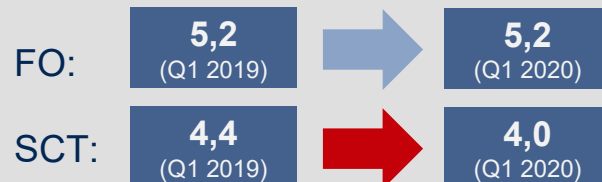
FARMING – HARVEST VOLUME

LOWER HARVEST VOLUMES IN THE FAROE ISLANDS – INCREASED SMOLT TRANSFER

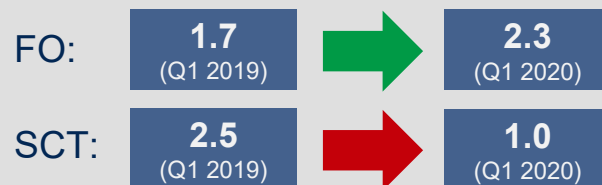
Harvested volumes (tonnes HOG)



Average harvest weight (kg)



Smolt transfer (million pcs)



Avg. seawater temperatures, Faroe Islands (°C)



Harvest Volumes tonnes [HOG]	Q1 2020	Q1 2019
FO - North Region	6,265	6,743
FO - West Region	2,769	6,964
FO - South Region	1,633	0
FO – Total	10,667	13,707
SCT	7,268	N/A
Total (FO & SCT)	17,935	13,707

Seawater Temperatures at 18m depth in the Faroe Islands



FARMING – OPERATIONAL PERFORMANCE

OPERATIONAL EBIT MARGIN INCREASED IN THE FAROE ISLANDS

Faroe Islands (FO)

Operational EBIT (mDKK)



Operational EBIT margin (%)

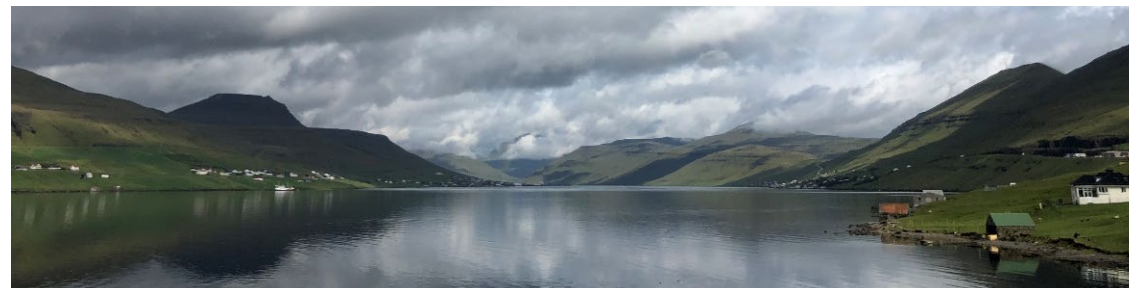


Operating revenue (mDKK)



Scotland (SCT)

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



Skálafjørður, Faroe Islands
View from Bakkafrost's Headquarters

Farming FO (DKK million)	Q1 2020	Q1 2019
Operating revenue	633	755
Operational EBIT	203	230
Operational EBIT margin	32%	30%

Farming SCT (DKK million)	Q1 2020	Q1 2019
Operating revenue	412	N/A
Operational EBIT	30	N/A
Operational EBIT margin	7%	N/A

FARMING – OPERATIONAL PERFORMANCE

EBIT/KG IN THE FAROE ISLANDS DOWN 3.07 NOK/KG BY LOSSES FROM STORM

Operational EBIT per kg

FO: 21.86 NOK (Q1 2019) → 26.51 NOK (Q1 2020)
4.65 NOK

SCT: 5.70 NOK (Q1 2020)

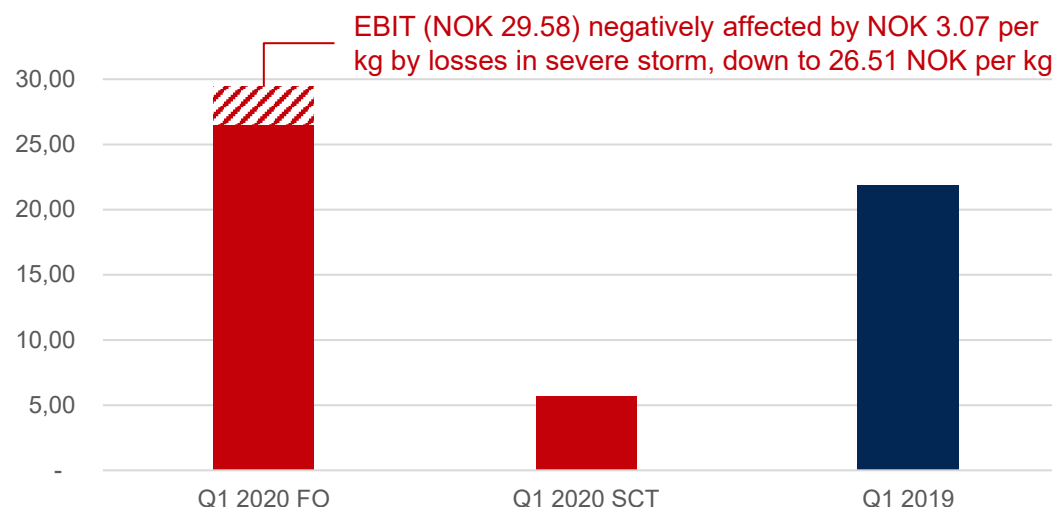
Average weights (HOG):

FO (North): 4.91 kg
FO (West): 5.26 kg
FO (South): 6.52 kg
SCT: 4.00 kg

The biological performance was very good in the quarter, good growth and low mortality rate, but was negatively affected by severe storm.

During Q1, the market conditions deteriorated with lower market prices and negative FX-effect.

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



(NOK/kg)	Q1 2020				
	FO				SCT
	North	West	South	Total	Total
Operational EBIT/kg gw	17.94	38.85	38.47	26.51	5.70

VALUE ADDED PRODUCTS (VAP)

HIGHER VOLUMES AT HIGHER RAW MATERIAL PRICES

Volumes (tonnes)

4,689 t
(Q1 2019)



5,408 t
(Q1 2020)

Revenue (mDKK)

261
(Q1 2019)



274
(Q1 2020)

Operational EBIT (mDKK)

1
(Q1 2019)



-11
(Q1 2020)

Operational EBIT/kg (NOK)

0.37
(Q1 2019)



-2.78
(Q1 2020)

% of harvest volume for VAP

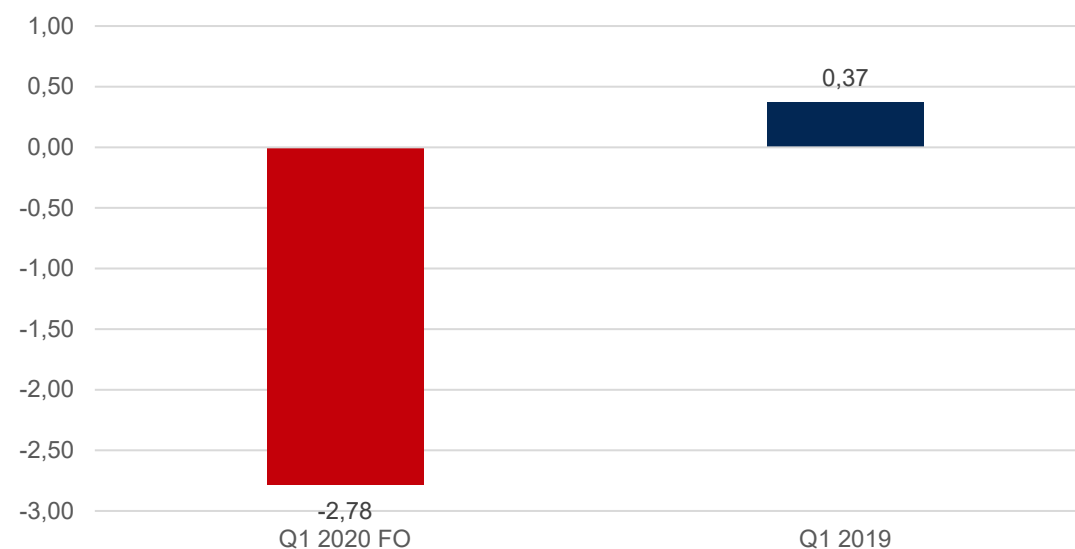
34%
(Q1 2019)



51%
(Q1 2020)

(DKK million)	Q1 2020	Q1 2019
Operating revenue	274	261
Operational EBIT	-11	1
Operational EBIT margin	-4%	1%
VAP produced volumes (tgv)	5,408	4,689

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



FISHMEAL, OIL AND FEED (FOF)

REDUCED RAW MATERIAL SOURCING IN Q1

EBITDA (mDKK)



EBITDA margin (%)



External fishmeal sale (tonnes)



Raw material sourced (tonnes)



Bad weather in January reduced fishery and sourcing of raw material for Havsbrún

(DKK million)	Q1 2020	Q1 2019
Operating revenue	310	283
EBITDA	40	65
EBITDA margin	13.0%	23.0%
Feed sold (tonnes)*	19,123	16,264
Fishmeal sold external (tonnes)	11,772	9,987

* Including internal sales FO, corresponding to 75% of feed volumes in Q1 2020 (Q1 2019: 86%)

Sourcing of raw material (tonnes)



MARKET CONDITIONS FEED

SIGNIFICANT INCREASE IN FEED SALES

Total feed sales increased (tonnes)

16,264
(Q1 2019)

18%

19,123
(Q1 2020)

External feed sale increased (tonnes)

2,304
(Q1 2019)

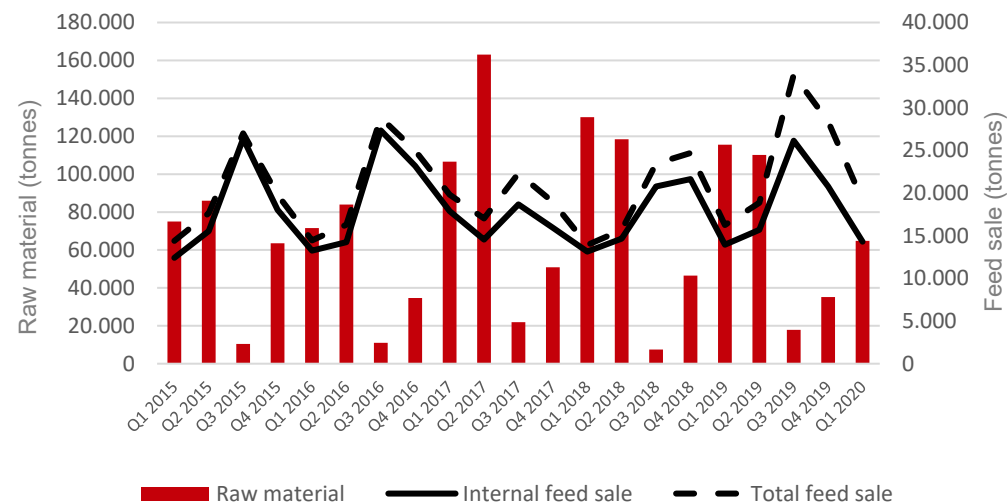
109%

4,806
(Q1 2020)

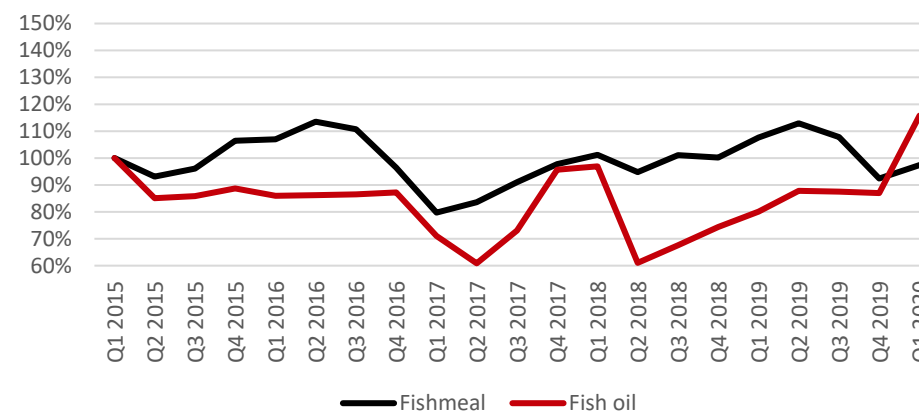
Market fluctuations

Both fishmeal and fish oil prices increased in Q1 2020, 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

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GROUP PROFIT AND LOSS

SIGNIFICANTLY HIGHER REVENUE, BUT REDUCED OPERATIONAL EBIT

Revenue (mDKK)



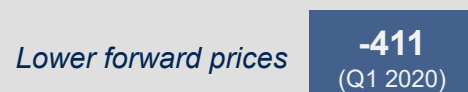
* FO: 843

Operational EBIT (mDKK)



* FO: 218

Fair Value of biomass (mDKK)



Revenue tax (mDKK)



Taxes



Profit after tax (mDKK)

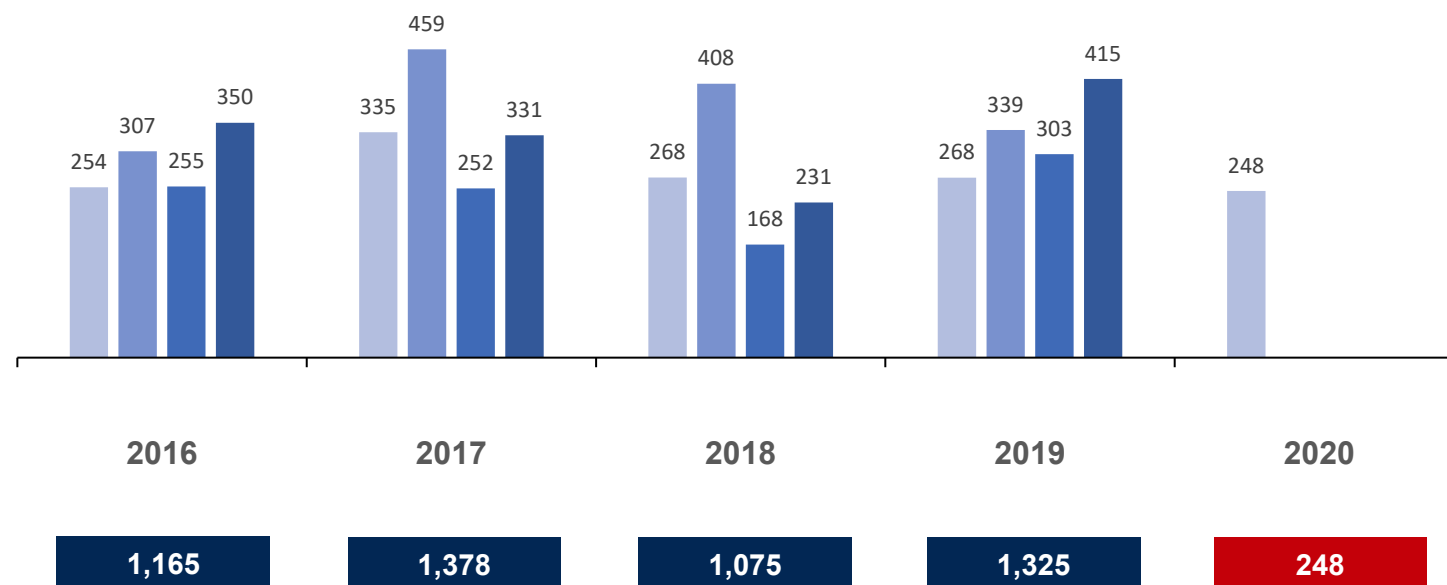


(DKK million)	Q1 2020	Q1 2019
Operating revenue	1,255	964
Operational EBITDA*	367	321
Operational EBIT*	248	268
Fair value adjustment of biological assets	-411	18
Onerous contracts	0	0
Income from associates	0	7
Revenue tax	-19	-32
EBIT	-182	261
Net Financial items	1	-1
EBT	-181	259
Taxes	33	-46
Profit for the period	-148	213
Operational EBITDA margin	29.2%	33.4%
Operational EBIT margin	19.8%	27.8%
Operational EBIT/kg (Farming Faroe Islands and VAP) (NOK)	25.10	21.99
EBITDA margin (fishmeal, oil and feed)	13.0%	23.0%

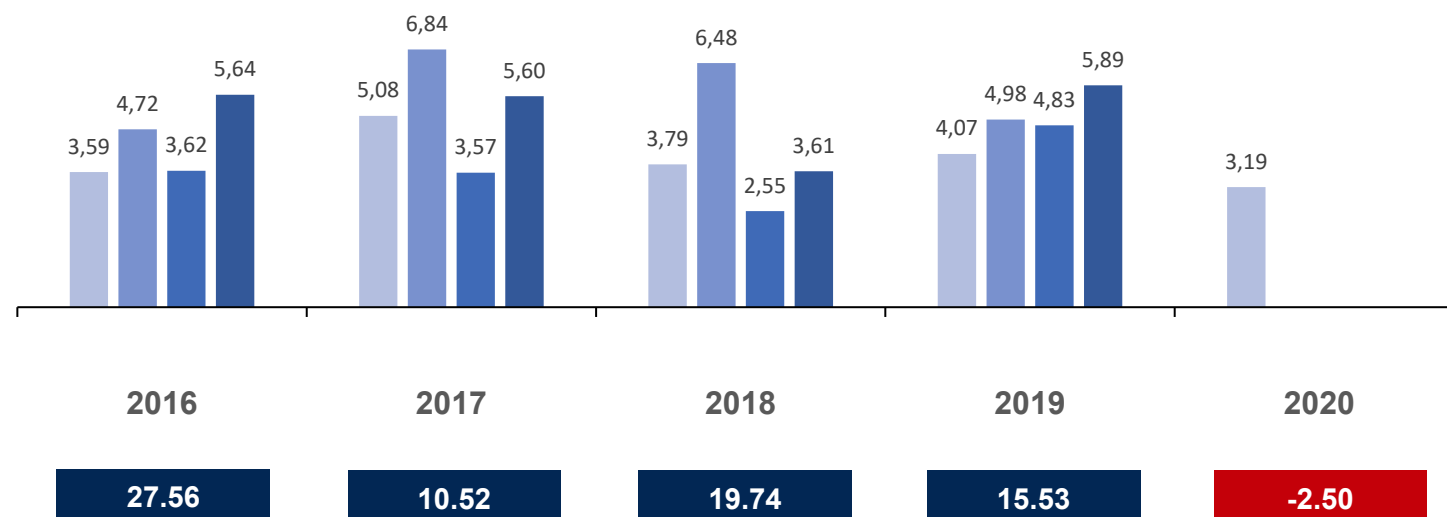
* Operational EBITDA and EBIT aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax.

OPERATIONAL EBIT* AND ADJUSTED EARNINGS PER SHARE

Operational EBIT* (mDKK)



Adjusted EPS (DKK)



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

BALANCE SHEET

Headlines (mDKK)

Intangible assets:

4,386
(Q1 2020)

PPE:

3,763
(Q1 2020)

Biological assets:

*(whereof mDKK 411 are
fair value adjustments)*

1,902
(end of 2019)



1,492 *
(Q1 2020)

Inventory:

524
(Q1 2020)

Receivables:

629
(Q1 2020)

Cash & cash equiv.:

1,310
(end of 2019)



801
(Q1 2020)

Equity:

*(mDDK 168 related to
acquisition of minorities)*

8,497
(end of 2019)



8,129
(Q1 2020)

NIBD:

1,018
(end of 2019)



988
(Q1 2020)

Equity ratio:

66%
(Q1 2020)

(DKK million)	Q1 2020	End 2019
Intangible assets	4,386	4,396
Property, plant and equipment	3,763	3,780
Right of use assets	480	333
Financial assets	119	119
Long-term receivables	4	4
Deferred tax assets	38	38
Biological assets	1,492	1,902
Inventory	524	549
Receivables	629	626
Other receivables	23	46
Cash and cash equivalents	801	1,310
Total Assets	12,260	13,101
Equity	8,129	8,497
Deferred tax and other taxes	1,097	1,124
Long-term interest-bearing debt	1,790	2,328
Long-term leasing debt	261	226
Financial derivatives	15	15
Short-term leasing debt	201	108
Accounts and other payables	766	804
Total Equity and Liabilities	12,260	13,101

CASH FLOW

Cash flow, operations (mDKK)



Cash flow, investments (mDKK)



Cash flow, financing * (mDKK)



* Q1 2020 affected by minorities acquisition of mDKK 168

(DKK million)	Q1 2020	Q1 2019
Cash flow from operations	365	77
Cash flow from investments	-101	-106
Cash flow from financing	-772	54
Net change in cash	-508	25
Cash at the end of the period	801	342
Undrawn facilities	2,465	971

NET INTEREST-BEARING DEBT (NIBD)

NIBD IN Q1 2020 AROUND SAME LEVEL AS IN Q4 2019

NIBD was increased by:

- Net investments (mDKK 101)
- Acquisition of minorities (mDKK 168)

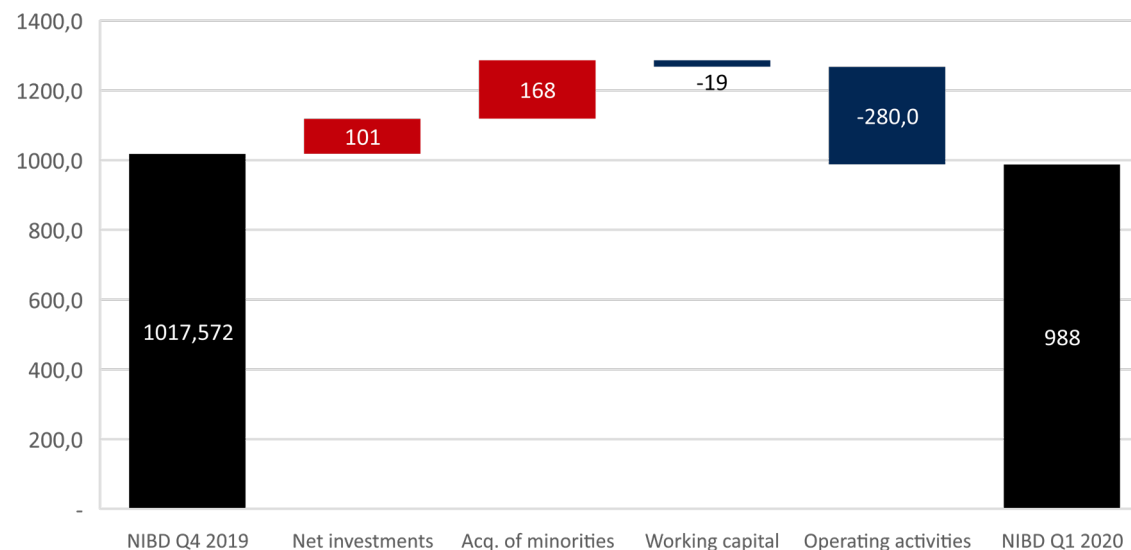
NIBD was decreased by:

- Cash flow, operating activities (mDKK -280)
- Cash flow, working capital (mDKK -19)

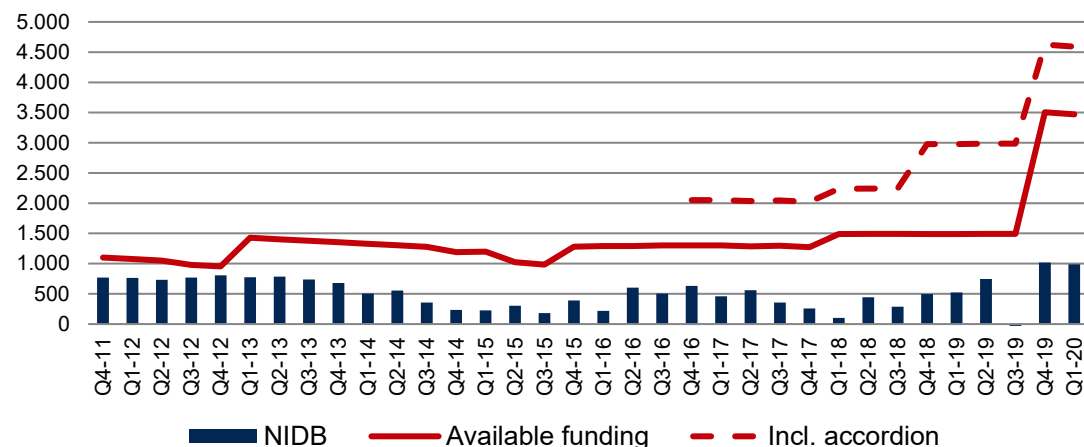
Financing end Q1 2020

- NIBD: DKK 988 million
- Bank facilities of EUR 352 and GBP 100 million
- Undrawn credit facilities: DKK 2,465 million

Development in NIBD in DKK millions



NIBD and available funding





Q1 ESG Update

Healthy Living Plan

We believe that by investing in the health of our business, our people, our salmon, the environment and the communities in which we operate, we will enable healthy living for millions of people globally.

See more by visiting
www.bakkafrost.com/sustainability



THE GLOBAL GOALS

UN SUSTAINABLE DEVELOPMENT GOALS

Bakkafrost is contributing towards to the achievement of the UN SDGs through the Healthy Living Plan.



Healthy Business

Grow efficiently and responsibly

309g average weight of smolt released in Q1



Healthy Salmon

To exceed leading standards

15 ASC certified farms in total



Healthy Communities

To create shared value

3rd GRI Healthy Living Sustainability Report launched



Healthy People

To be a preferred employer

800+ employees tested for COVID-19



Healthy Environment

To minimise our environmental impact

5,000 tonnes of manure collected for biogas plant

COVID-19 RESPONSE

Robust preventative measures rolled out across Bakkafrost to minimise risk:

- Free COVID-19 screening test offered fortnightly to all employees in the Faroe Islands.
- Homeworking, staggered working and split shifts, strict hygiene measures and mental health support offered in Scotland.
- Legal requirements and strict additional response measures rolled out across operations in US.

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Market

- Global harvest in Q1 2020 increased around 2.3%, compared to Q1 2019
- Global harvest in Q2 2020 is expected to increase around 2-4%, compared to Q2 2019
- Global harvest growth 2020 is expected to be around 2-4%, compared to 2019

Farming

- In 2020, Bakkafrost expects to harvest 50,000 tonnes HOG in the Faroe Islands and 39,000 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 47% of expected Q2 2020 harvest volume and 40% 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
- 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 investments for 2020-2024 are expected to be around 350 mDKK per year

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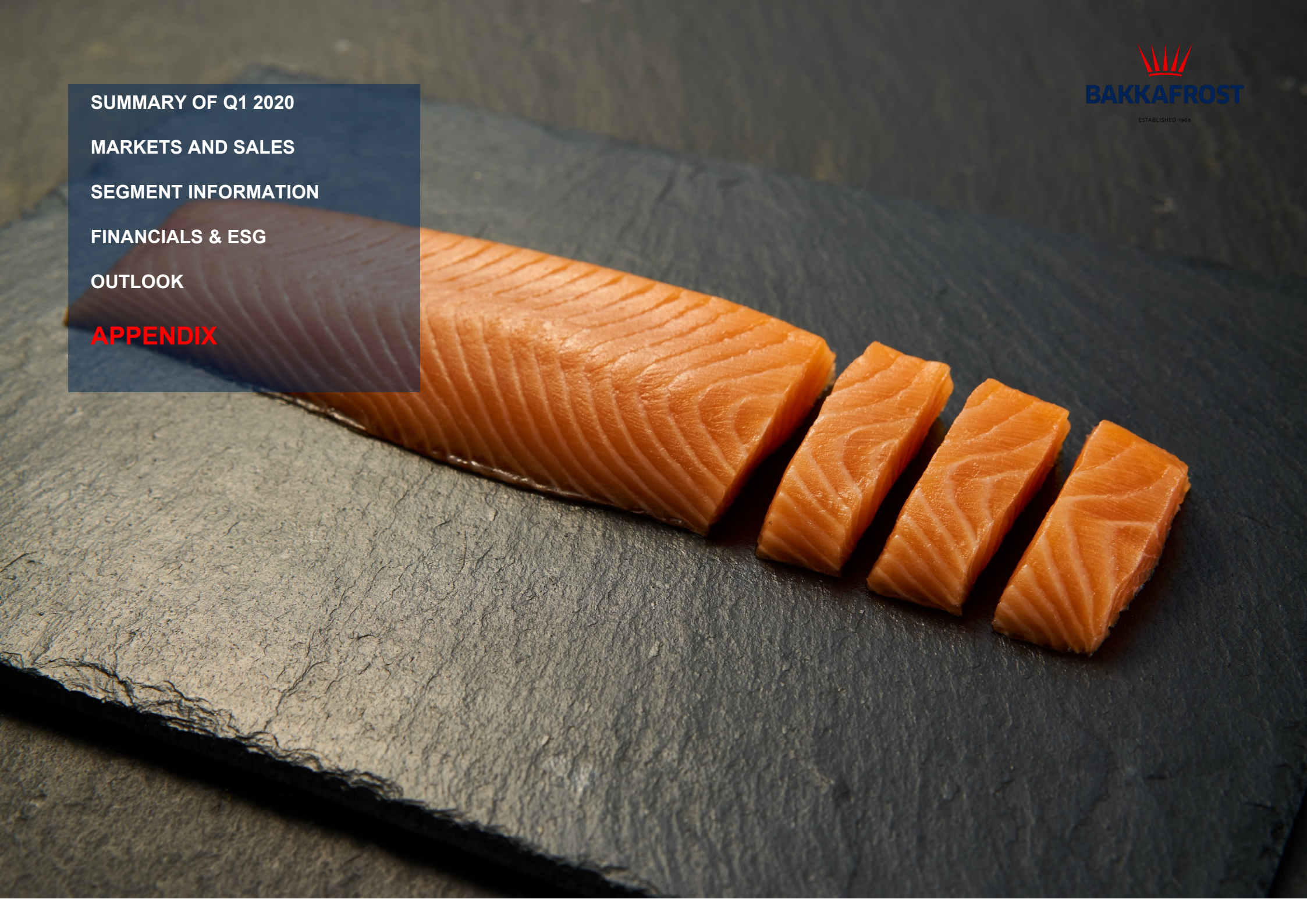
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ENTERING SCOTLAND

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**



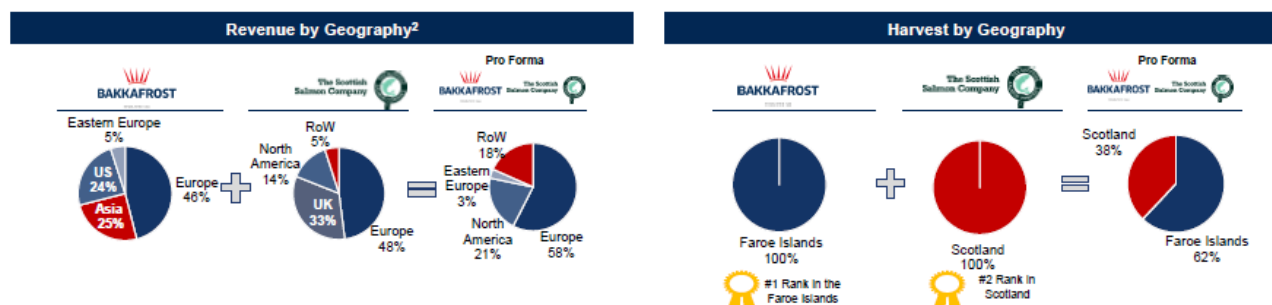
ENTERING SCOTLAND

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

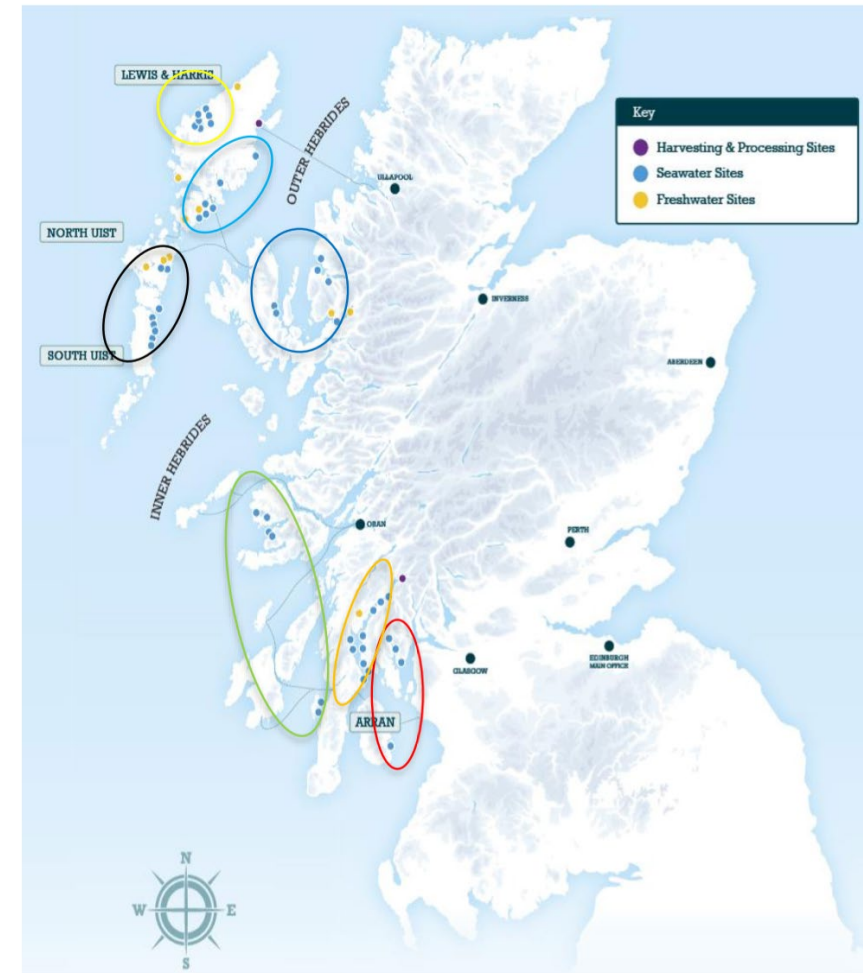
43 farming sites / 67,023T consent

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

Expected supply growth in 2020

- 4% growth in Global supply
- 2% growth in European supply
- 6% growth in supply from Americas

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

	2016	2017	2018	2019E	2020E
Norway	1.055	1.078	1.129	1.198	1.238
UK	142	159	138	165	164
Ireland	14	15	13	14	13
Faroes	71	72	64	78	75
Total Europe	1.281	1.325	1.344	1.455	1.490
Chile	503	490	598	601	649
Canada	131	123	132	124	124
USA	20	20	17	19	18
Total Americas	655	633	747	744	791
Other	62	78	79	98	119
Total (Sold Quantity)	1.998	2.035	2.170	2.297	2.400
Supply growth - Global	-4%	2%	7%	6%	4%
Supply growth - Europe	-5%	3%	1%	8%	2%
Supply growth - Americas	-2%	-3%	18%	0%	6%

Salmon Markets (head on gutted - HOG)

	2016	2017	2018E	2019E	2020E
EU	937	918	951	1.012	1.057
USA	385	402	435	468	488
Japan	59	58	54	53	54
Russia	68	70	89	79	85
Others	549	588	641	685	716
Total (Sold Quantity)	1.998	2.035	2.171	2.297	2.400

Comments:

All figures are in hog-equivalents and thousand tonnes.

Figures represents sold quantity of Atlantic Salmon from each producing country

Source: Kontali

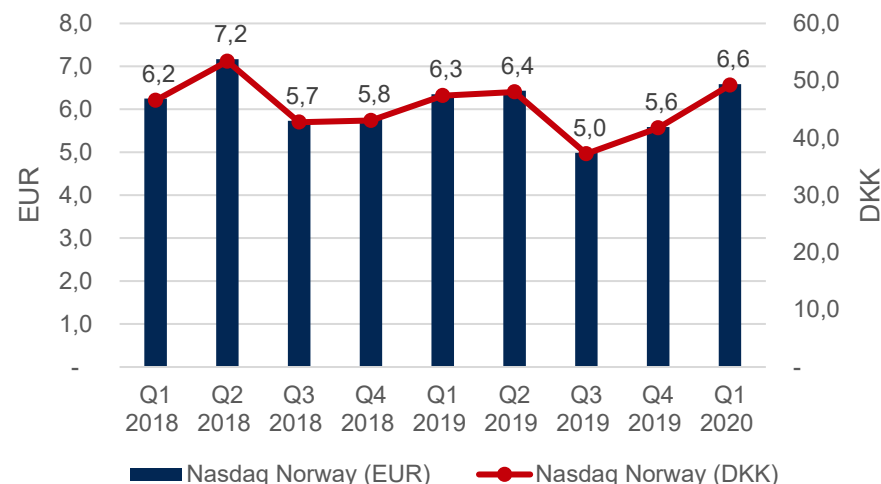
Q1 2020 MARKET ENVIRONMENT

HIGHER MARKET PRICES, COMPARED TO Q1 2019

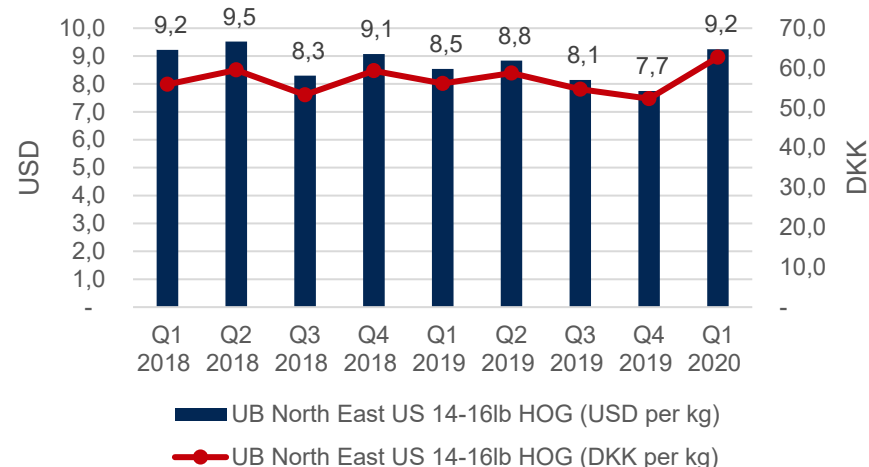
- Increased market prices compared to Q1 2019
- Nasdaq Norway price EUR 6.6 in Q1 2020
 - 4% up vs. Q1 2019
 - 18% up vs. Q4 2019
- Urner Barry East Coast price USD 9.3 per kg in Q1 2020
 - COMMENT
 - 4% up vs. Q1 2019
 - 19% up vs. Q4 2019
- Covid-19 related issues led to significant drop towards the end of the quarter

MARKET CURRENCY	Q1 2020	Q1 2019	Change %
Nasdaq Norway (EUR)	6.59	6.35	3.7 %
UB North East US 14-16lb HOG (USD per kg)	9.25	8.54	8.3 %
DKK	Q1 2020	Q1 2019	Change %
Nasdaq Norway	49.20	47.38	3.9 %
UB North East US 14-16lb HOG (per kg)	62.67	56.10	11.7 %

PRICE NORWAY



PRICE US – NORTH EAST



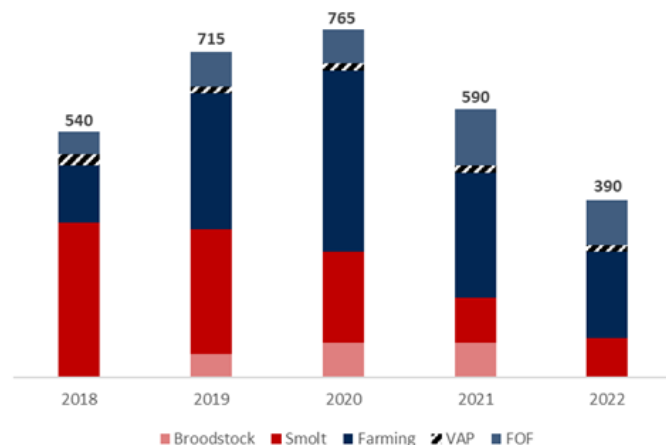
Source: Kontali

GROWING TO 100KT

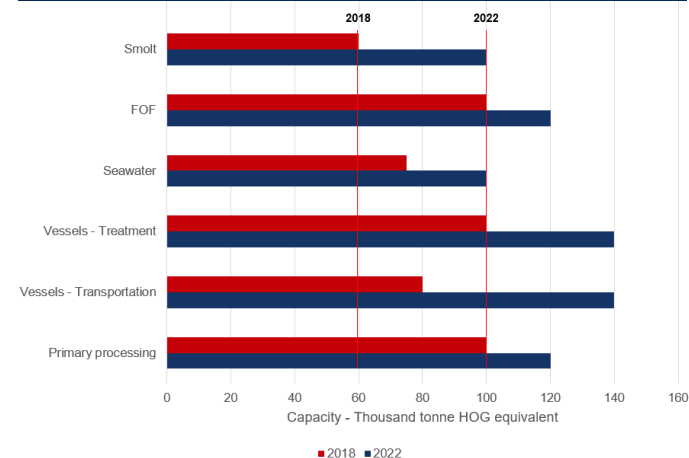
SUPERIOR BIOLOGY COMBINED WITH STATE OF THE ART INFRASTRUCTURE

	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



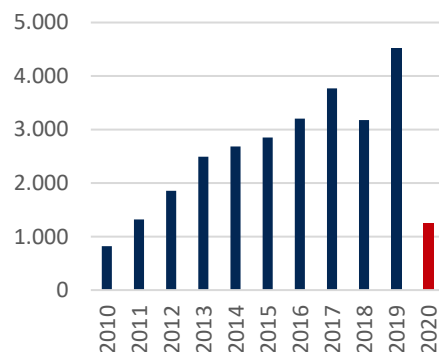
Development in capacity constraints



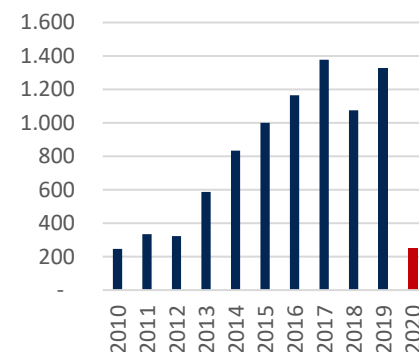
DEVELOPMENT PER QUARTER

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
(mDKK)	2018	2018	2018	2018	2019	2019	2019	2019	2020
Revenue	851	954	622	750	964	947	996	1605	1255
Operational EBIT	268	408	168	231	268	339	303	415	248
Profit/Loss	272	339	356	-7	213	189	181	220	-148
Harvest FO (tgv)	12,238	12,902	7,217	12,234	13,707	12,609	12,938	17,930	10,667
Harvest SCT (tgv)								7,925	7,268
Op. EBIT Farming FO & VAP (NOK/kg)	22.92	37.41	25.34	21.91	21.99	31.31	26.25	28.25	25.10
Op. EBIT Farming FO (NOK/kg)	24.15	39.09	24.85	21.56	21.86	31.31	23.61	25.49	26.51
Op. EBIT VAP (NOK/kg)	-7.10	-11.00	2.49	1.51	0.37	-0.01	9.23	11.72	-2.78
Op. EBIT Farming SCT (NOK/kg)								3.09	5.70
Equity ratio	69%	68%	70%	70%	70%	65%	68%	65%	66%
NIBD	102	443	286	495	522	744	-1,271	1,019	988

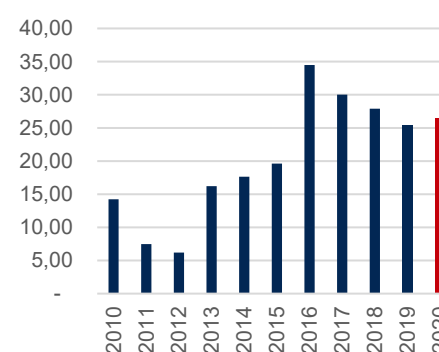
Revenue (mDKK)



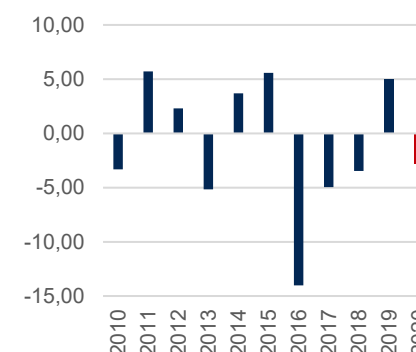
Operational EBIT (mDKK)



Farming FO margin Op. EBIT (NOK/kg)



VAP FO margin Op. EBIT (NOK/kg)



Dividend

- Dividend for 2019 - decision postponed until August 2020 because of the disruption caused by Covid-19

Dividend policy

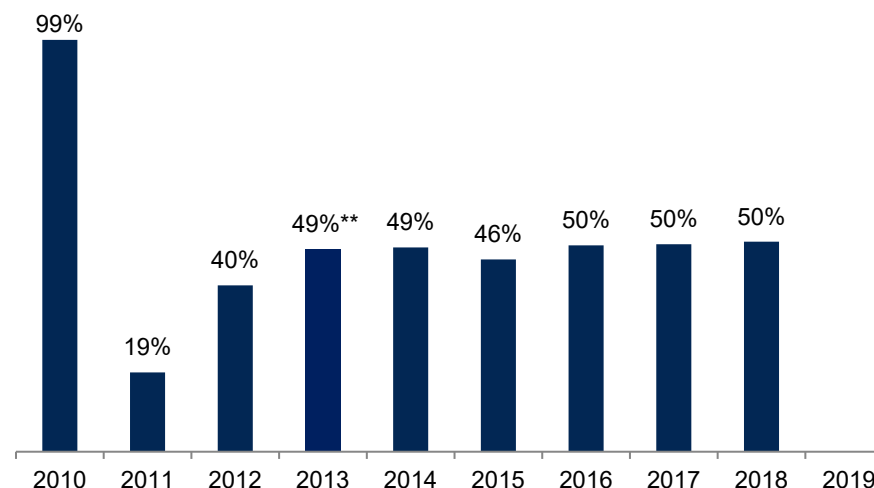
- Competitive return through:
 - Dividends
 - Increase in the value of the equity
- Generally, Bakkafrøst shall pay dividend to its shareholders
- A long-term goal is that 30–50% of adjusted EPS shall be paid out as dividend

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

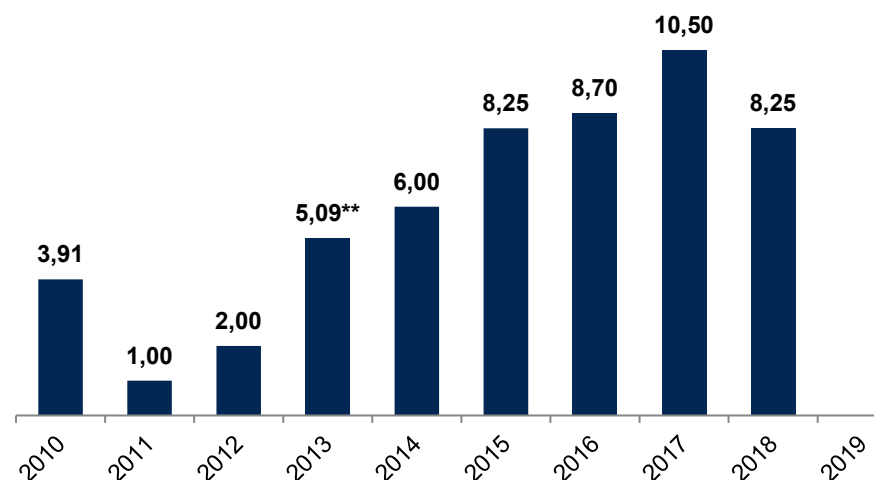
** Dividend and acquisition of treasury shares

*** Dividend is paid out the following year

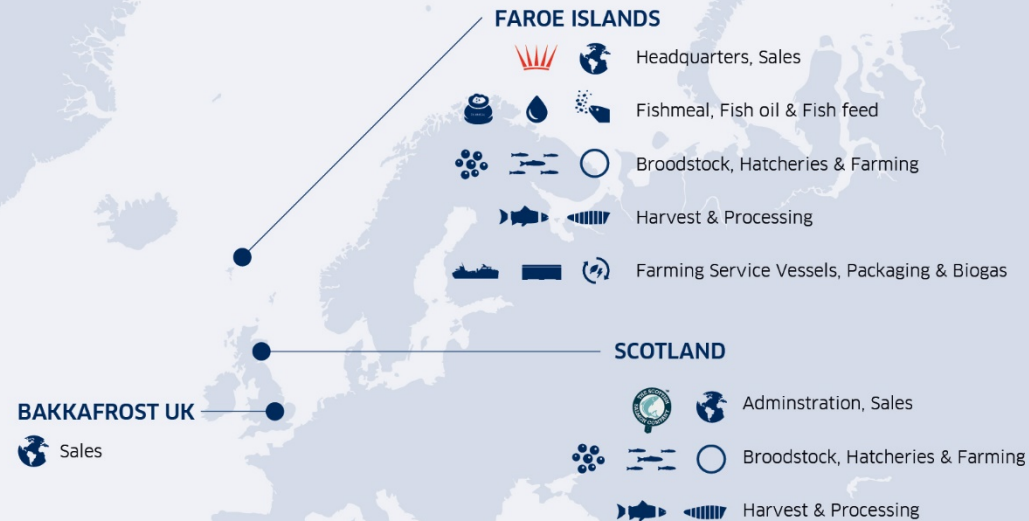
Dividend per share in % of adj. EPS*



Dividend per share (DKK)***



Bakkafrost at a Glance



LEGEND TO MAP SYMBOLS

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

- 18 islands – 1,387 km²
- 52,337 inhabitants (March 2020)
- 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 (2019)

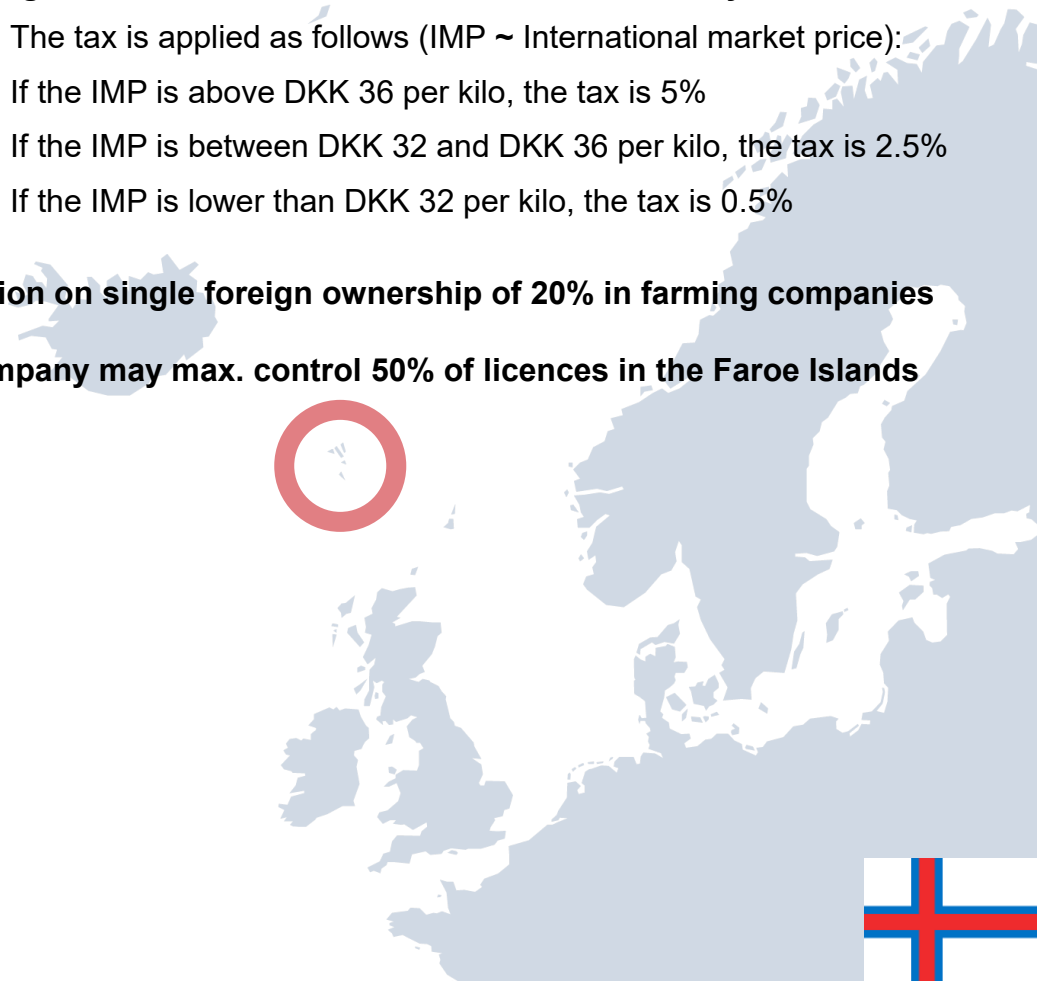
- DKK 8,937 million
- whereof farmed fish accounts for 45%

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



BAKKAFROST

ESTABLISHED 1968