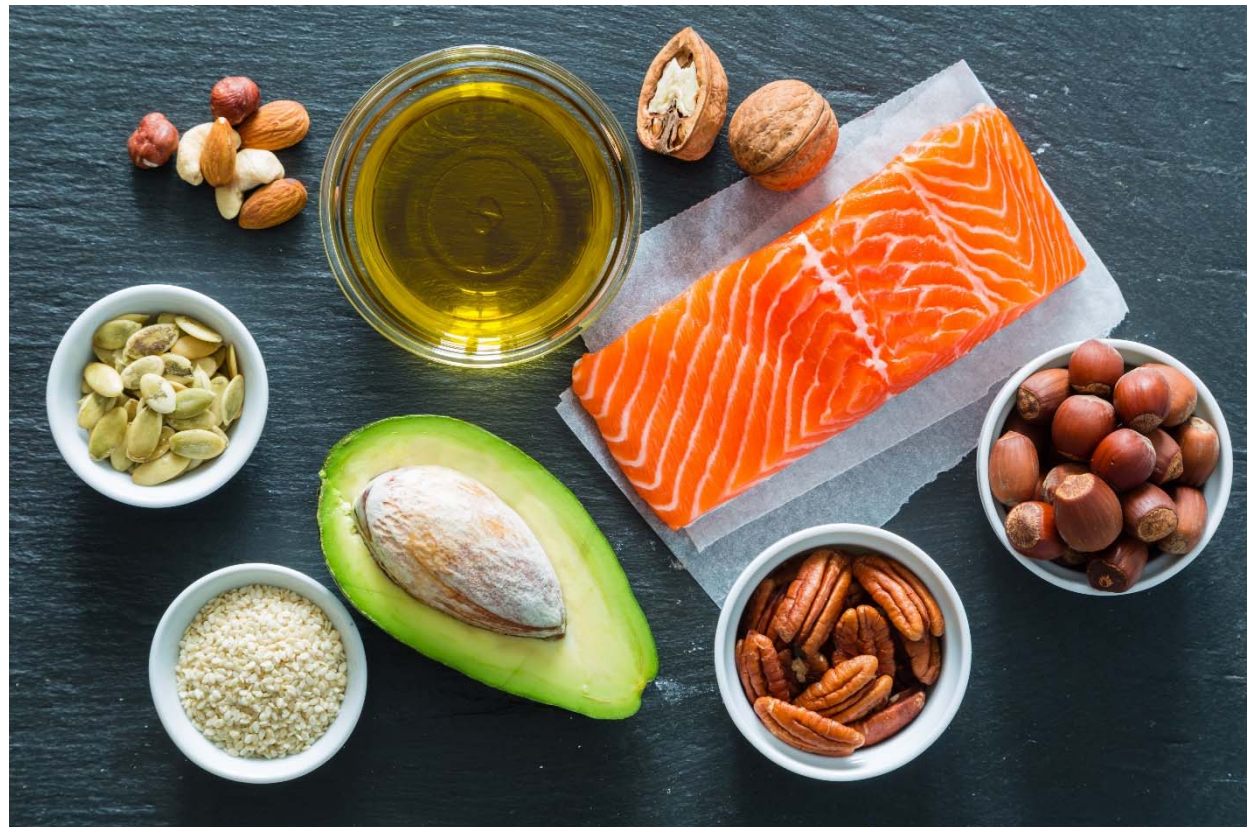


Q2 2018

BAKKAFROST GROUP
Oslo 21 August 2018

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- **SUMMARY OF Q2 2018**
- **MARKETS AND SALES**
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Operation

- **Harvested** 12,902 t_{gw} in Q2 2018 (18,402 t_{gw} in Q2 2017)
- **Feed sales** of 15,673 tonnes in Q2 2018* (17,032 tonnes in Q2 2017*)
- **Raw material purchase** of 118,387 tonnes in Q2 2018 (163,100 tonnes in Q2 2017)

Revenues and Operational EBIT

- **Revenues** of DKK 954 million in Q2 2018 (DKK 1,206 million in Q2 2017)
- **Operational EBIT**** of DKK 408 million in Q2 2018 (DKK 459 million in Q2 2017)

Cash Flow

- **Cash flow from operations** of DKK 279 million in Q2 2018 (DKK 498 million in Q2 2017)

Segments

- **Farming and FOF segments** had positive results, while **VAP segment** had a loss

Dividend

- **Dividend** of DKK 10.50 per share (NOK 13.52) paid out in April 2018

*) Including internal sales of 14,656 tonnes in Q2 2018 (16,012 tonnes in Q2 2017)

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

SUMMARY OF THE QUARTER

The result for the Farming segment decreased due to lower volumes. The VAP result was negative again, but the FOF segment had a good result.

- Farming/VAP margin increased from 29.77 NOK/kg in Q2 2017 to 37.41 NOK/kg in Q2 2018
- VAP segment had a margin of -11.00 NOK/kg in Q2 2018, compared to -13.01 NOK/kg in Q2 2017
- Farming margin was 39.09 NOK/kg in Q2 2018, compared to 33.50 NOK/kg in Q2 2017
- FOF delivered a strong EBITDA margin of 20.2% in Q2 2018, compared to 15.1% in Q2 2017
- Group Operational EBIT was DKK 408 million in Q2 2018, compared to DKK 459 million in Q2 2017

(DKK million)	Q2 2018	Q2 2017	H1 2018	H1 2017
Operating revenues	954	1,206	1,805	2,060
Operational EBITDA	456	505	770	882
Operational EBIT	408	459	676	795
Profit for the period	339	398	611	477
Operational EBITDA margin	47.8%	41.8%	42.7%	42.8%
Operational EBIT margin	42.7%	38.1%	37.4%	38.6%
Operational EBIT/Kg (Farming) (NOK)	39.09	33.50	31.85	33.71
Operational EBIT/Kg (Farming and VAP) (NOK)	37.41	29.77	30.39	29.51
Operational EBIT/Kg (VAP) (NOK)	-11.00	-13.01	-8.99	-14.88
EBITDA margin (Fishmeal, -Oil and Feed)	20.2%	15.1%	24.3%	15.6%

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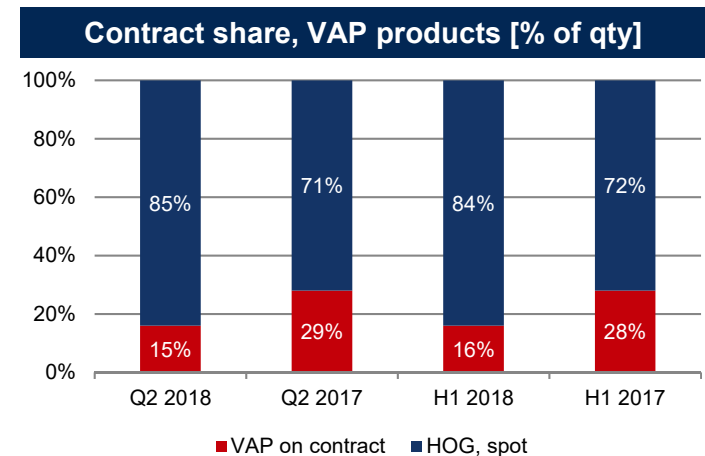
Same trend in Q2 2018 as in previous quarter. Sales to Eastern Europe and Asia increased, and sales to EU decreased. Sales to USA was nearly flat in Q2 2018, compared to Q2 2017. VAP on contract was on a low level at 16%

- EU market decreased from 46% in Q2 2017 to 27% in Q2 2018
- USA was nearly flat at 15%, compared to 16%
- Asia increased from 16% to 25%
- Eastern Europe increased from 22% to 33%
- Harvest volumes used in VAP was 15% in Q2 2018, compared to 29% in Q2 2017



Total sales of salmon by markets	Q2 2018	Q2 2017	H1 2018	H1 2017
EU	27%	46%	29%	46%
USA	15%	16%	16%	17%
Asia	25%	16%	23%	15%
Eastern Europe	33%	22%	32%	22%

Fresh salmon only by markets	Q2 2018	Q2 2017	H1 2018	H1 2017
EU	20%	28%	21%	28%
USA	15%	21%	16%	23%
Asia	28%	22%	26%	20%
Eastern Europe	37%	29%	37%	29%



ACQUISITION OF US SALMON IMPORTER – NORTH LANDING

Bakkafrost signed an agreement in Q2 2018 to acquire the business and assets in North Landing. The acquisition has been closed in Q3 2018

- North Landing – Sales office, handling and processing facilities in Clifton, New Jersey
- Market access
- Serve Bakkafrost’s customers in the US market



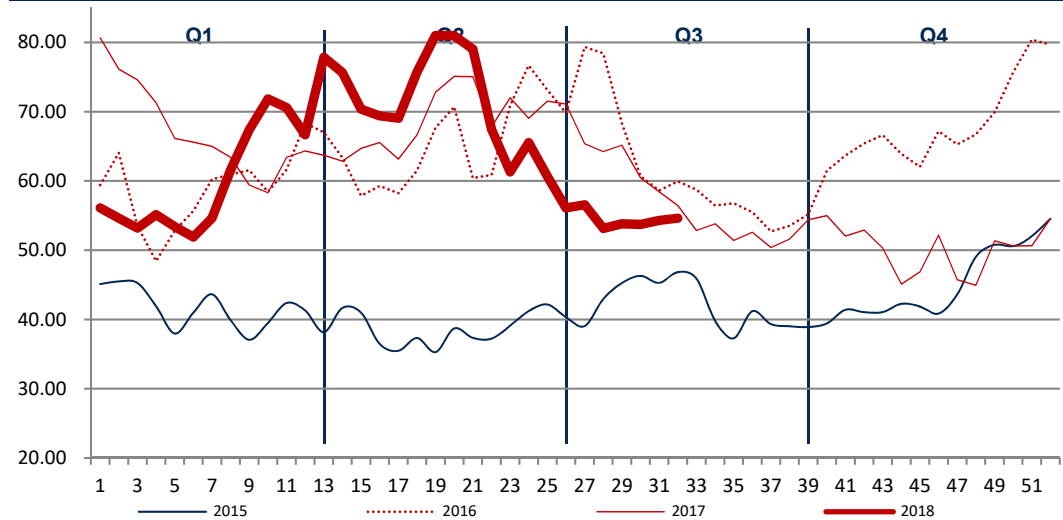
Large price reduction during Q2 2018

- Exceptionally large price change during Q2 2018
 - Price change (low/high) of NOK 24.88 ~44%
- from NOK 56.09 to NOK 80.97
 - y/y by 1.14 NOK/kg ~2%
- from NOK 69.03 to NOK 70.17
 - q/q by 9.03 NOK/kg ~15%
- from NOK 61.14 to NOK 70.17

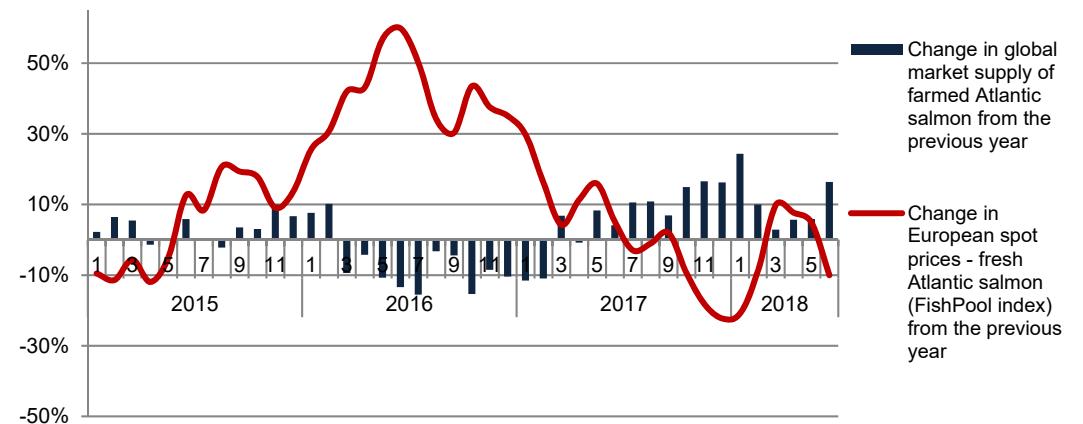
Increased global supply in Q2 2018

- 8% increased global supply in Q2 2018, compared with Q2 2017, corresponding to 37,800 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

8% supply growth in Q2 2018

- European harvest was flat
- Americas harvest increased by 16%

8% growth from **Norway**

- Increasing harvest during the quarter

Scotland low due to few individuals for harvest

Chilean growth much higher than expected

- Good productivity/increased harvest weights
- Higher than expected number of individuals
- Low comparator as Q2 2017 harvest was impacted by biological issues

SUPPLY DEVELOPMENT (HOG)	Q2 2018	Q2 2017	Change %
Norway	253.9	235.2	8.0 %
UK	32.1	40.8	-21.2 %
Ireland	2.0	5.1	-61.4 %
Faroes	16.1	22.3	-27.8 %
Total Europe	304.1	303.4	0.2 %
Chile	140.0	117.6	19.1 %
Canada	34.7	30.6	13.5 %
USA	3.9	5.8	-32.8 %
Total Americas	178.7	154.0	16.0 %
Other	18.4	18.7	-1.4 %
Total (Harvested quantity)	501.2	476.1	5.3 %
Inventory movements	2.3	-10.4	-122.6 %
Total (Sold Quantity)	503.6	465.8	8.1 %

Notes:

All figures are in hog-equivalents and thousand tonnes.

Source: Kontali

SALMON MARKETS, SOLD QUANTITY (HOG)

Strong momentum in most markets

EU performed well

- Contract prices below spot early in the quarter
- Spot demand fuelled by lower prices latter part of the quarter

Strong US growth at increased prices

- Close to all time high quarterly price

Russia – continued strong growth

- Mainly driven by Chile

Greater China/ASEAN

- Strong combined growth
- Inaccurate quarterly number – should be read in concert

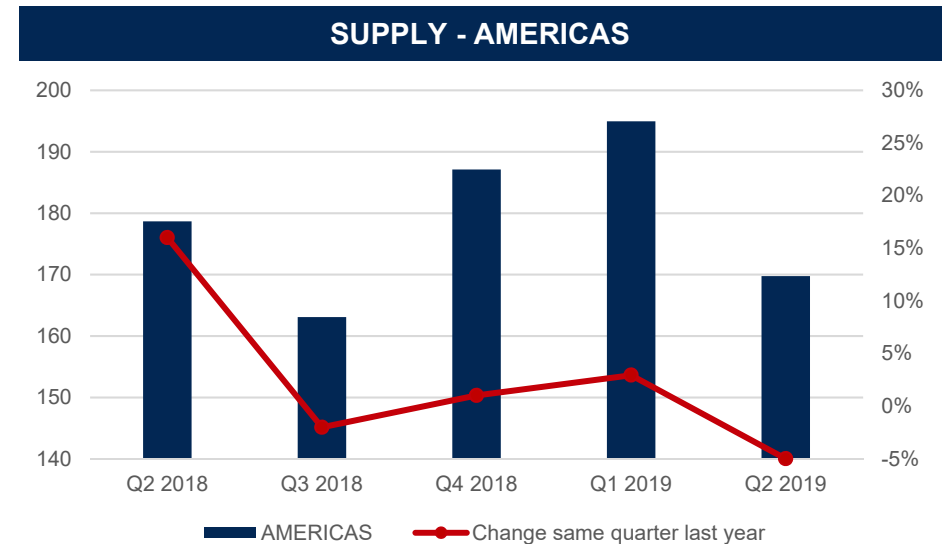
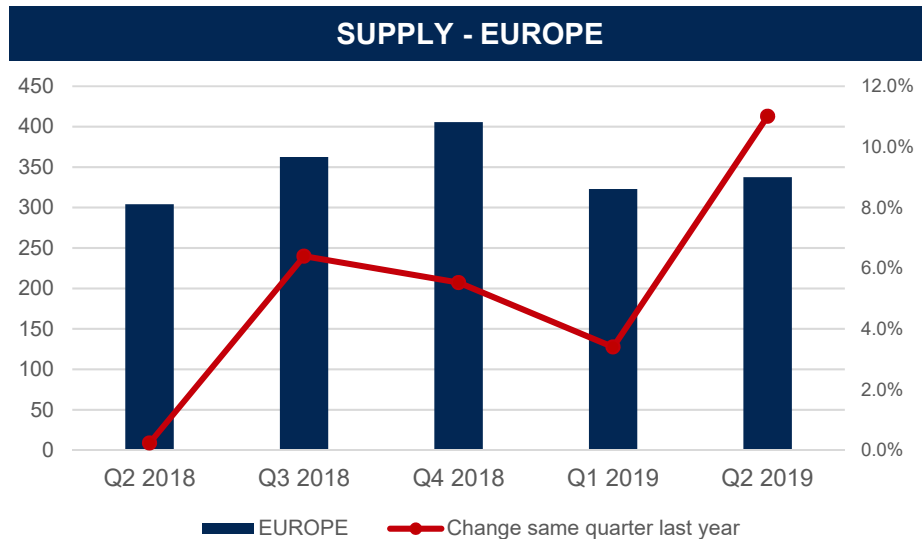
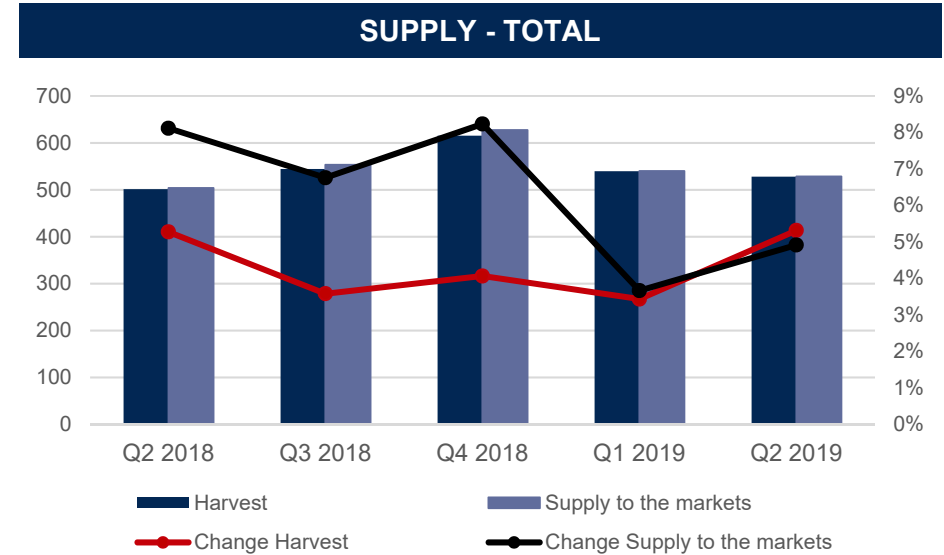
Japan impacted by currency

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

Markets	Estimated volumes				Estimated volumes			
	Q2 2018	Q2 2017	Volume	%	H1 2018	H1 2017	Volume	%
EU	217,900	204,200	13,700	6.7%	432,800	408,400	24,400	6.0%
USA	111,200	97,700	13,500	13.8%	219,800	197,900	21,900	11.1%
Russia	20,300	13,400	6,900	51.5%	42,400	27,500	14,900	54.2%
Japan	12,100	14,600	-2,500	-17.1%	24,800	28,400	-3,600	-12.7%
Greater China	32,500	23,600	8,900	37.7%	62,900	44,600	18,300	41.0%
ASEAN	14,900	20,800	-5,900	-28.4%	35,800	41,000	-5,200	-12.7%
Latin America	34,400	31,300	3,100	9.9%	75,200	66,100	9,100	13.8%
Ukraine	3,000	2,500	500	20.0%	6,500	5,500	1,000	18.2%
Other markets	57,300	57,700	-400	-0.7%	124,300	117,900	6,400	5.4%
Total all markets	503,600	465,800	37,800 	8.1%	1,024,500	937,300	87,200 	9.3%

SHORT TERM SUPPLY OUTLOOK

- Modest supply growth expected coming quarters
 - Growth rate impacted by inventory movements
 - Growth in harvest likely to be instrumental for pricing
 - Frozen products are materially sold through alternative channels
- Europe – Fairly high growth
 - Norway driven by new licences and expected improved biological performance
 - Scotland expected to recover from Q4 2018 after three weak quarters
- Americas
 - Chile expected to grow modestly due to regulatory constraints



Source: Kontali

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First salmon meal and -oil produced at Havsbrún

FARMING – HARVEST VOLUME

Harvested volumes

- Harvested volumes decreased by 30% in Q2 2018, compared with Q2 2017
- The harvest in Q2 2018 was in the North Region only
- Average weight of harvested fish in Q2 2018 was 4.8 kg head on gutted

Smolt transfer

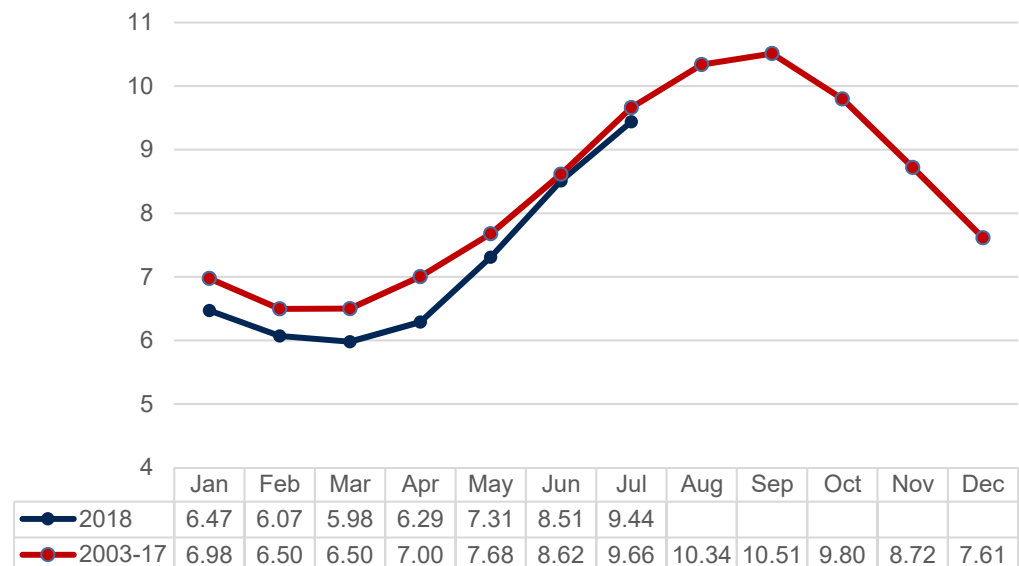
- Bakkafrost transferred 2.8 million smolts in Q2 2018 (1.9 million smolts in Q2 2017)

Seawater temperatures in the Faroe Islands

- Temperatures in Q2 2018 were 0.11°C down – from 8.53°C in Q2 2017 to 8.42°C in Q2 2018

Harvest Volumes tonnes [HOG]	Q2 2018	Q2 2017	H1 2018	H1 2017
North Region	12,902	13,581	15,638	22,705
West Region	0	4,821	9,501	8,855
Total	12,902	18,402	25,139	31,560

Seawater Temperatures in the Faroe Islands 2003 – 2018 [°C]



FARMING – OPERATIONAL PERFORMANCE

Improved production costs and higher prices had positive effect on performance, but volumes were lower in Q2 2018, compared to Q2 2017

- The operational EBIT decreased from DKK 489 million in Q2 2017 to DKK 393 million in Q2 2018
- Operational EBIT margin was 51% in Q2 2018, compared to 47% in Q2 2017

(DKK million)	Q2 2018	Q2 2017	H1 2018	H1 2017
Operating revenues	775	1,039	1,441	1,790
Operational EBIT	393	489	622	863
Operational EBIT margin	51%	47%	43%	48%

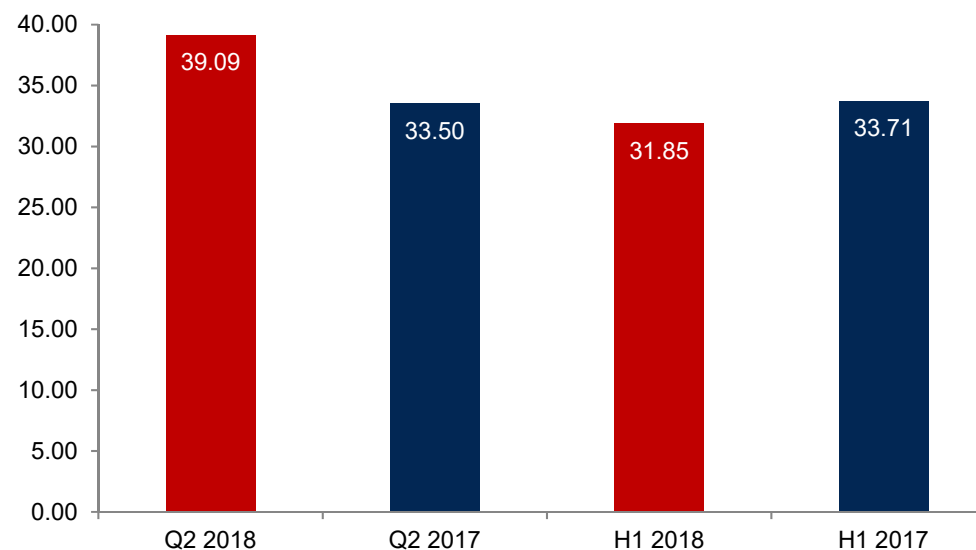


A-06 Gulin 22 July 2018

Operation

- Farming EBIT increased by NOK 5.59 per kg to NOK 39.09 in Q2 2018, compared to NOK 33.50 in Q2 2017
- Non recurring gain included in operational EBIT of DKK 1.62 per kg in Q2 2018
- Harvest in Q2 2018 was in the North Region only
- A-13 Borðoyarvík in the North Region was harvested early, because of precautionary action to maintain a good biological situation

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



(NOK/kg)	Q2 2018		
	North Region	West Region	Farming
Operational EBIT/kg gw	39.09	0.00	39.09

VALUE ADDED PRODUCTS (VAP)

VAP margin negative

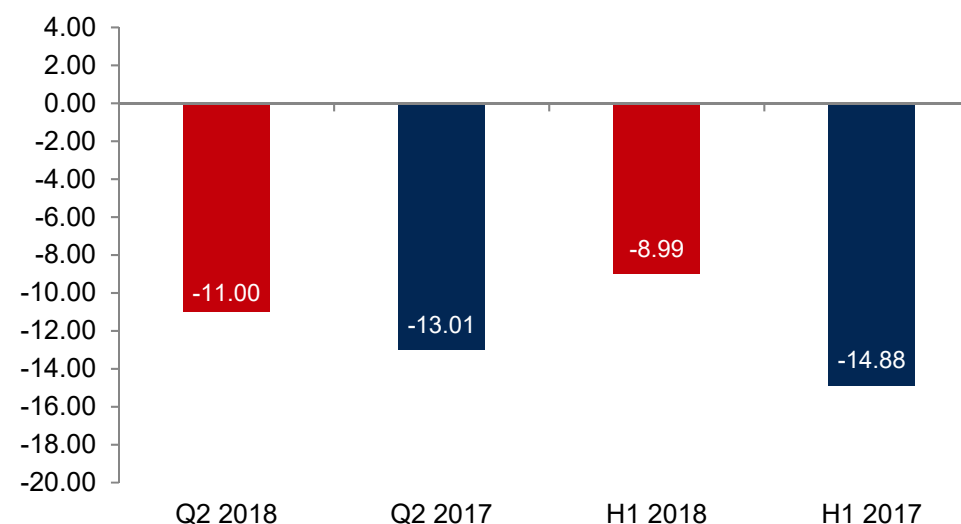
- Substantial decrease in revenue by 66% to DKK 94 million in Q2 2018, from DKK 273 million in Q2 2017
- Operating EBIT in Q2 2018 was DKK -17 million, compared with DKK -54 million in Q2 2017

(DKK million)	Q2 2018	Q2 2017	H1 2018	H1 2017
Operating revenues	94	273	187	464
Operational EBIT	-17	-54	-29	-108
Operational EBIT margin	-18%	-20%	-15%	-23%
VAP produced volumes (tgv)	1,970	5,273	4,085	8,909

High raw material prices and lower activity in Q2 2018

- The low production activity and high salmon spot prices in Q2 2018 resulted in negative margins in the VAP segment
- Operational EBIT per kg was NOK -11.00 in Q2 2018, compared to NOK -13.01 in Q2 2017

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



FISHMEAL, OIL AND FEED (FOF)

Margins reduced from previous quarter, but still strong

- EBITDA of DKK 66 million in Q2 2018, compared with DKK 48 million in Q2 2017
- EBITDA margin of 20.2% in Q2 2018, compared with 15.1% in Q2 2017
- Feed sales decreased, due to lower biomass in sea

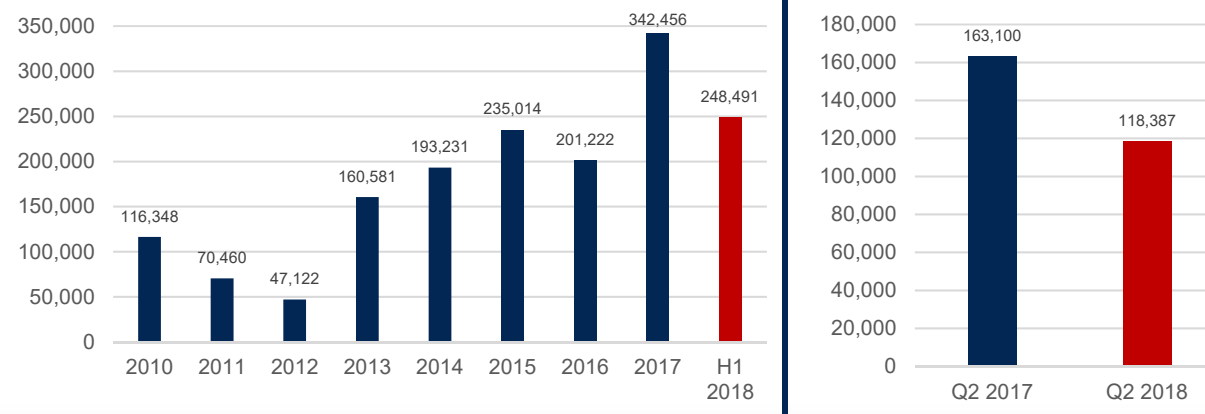
Fishmeal, Oil and Feed

(DKK million)	Q2 2018	Q2 2017	H1 2018	H1 2017
Operating revenues	326	317	627	594
EBITDA	66	48	152	93
EBITDA margin	20,2%	15.1%	24.3%	15.6%
Feed sold (tonnes)*	15,673	17,032	29,596	36,859
Fishmeal sold external (tonnes)	15,539	17,941	27,805	25,504

Raw material sourcing increased

- Havsbrún sourced 27% less raw material in Q2 2018, compared to Q2 2017

Sourcing of raw material (tonnes)



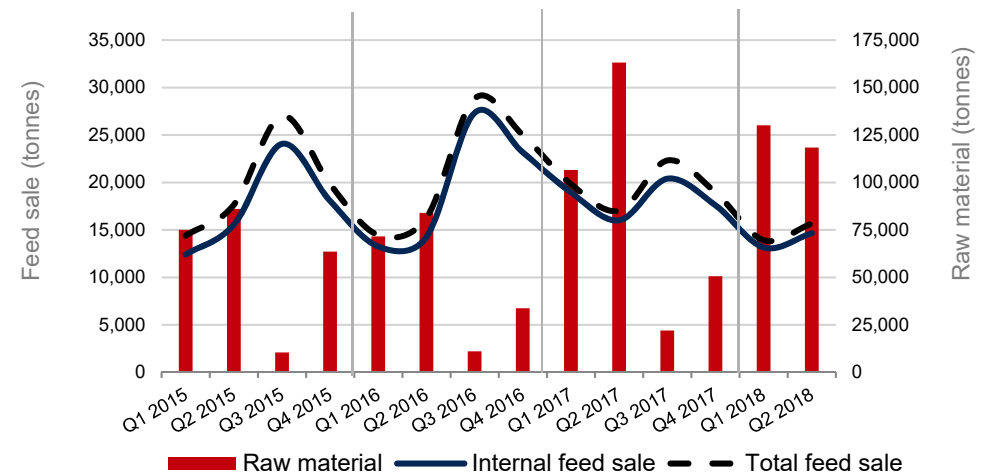
* Including sales to Bakkafrost, corresponding to ~ 94% of feed volumes in Q2 2018 (Q2 2017: 94%)

MARKET CONDITIONS FEED

Feed sales lower

- Quantity of feed sold was 15,673 tonnes in Q2 2018, compared to 17,032 tonnes in Q2 2017
- Biomass on lower level in Q2 2018, compared to Q2 2017.
- External feed sales on same level in Q2 2018, compared to Q2 2017.

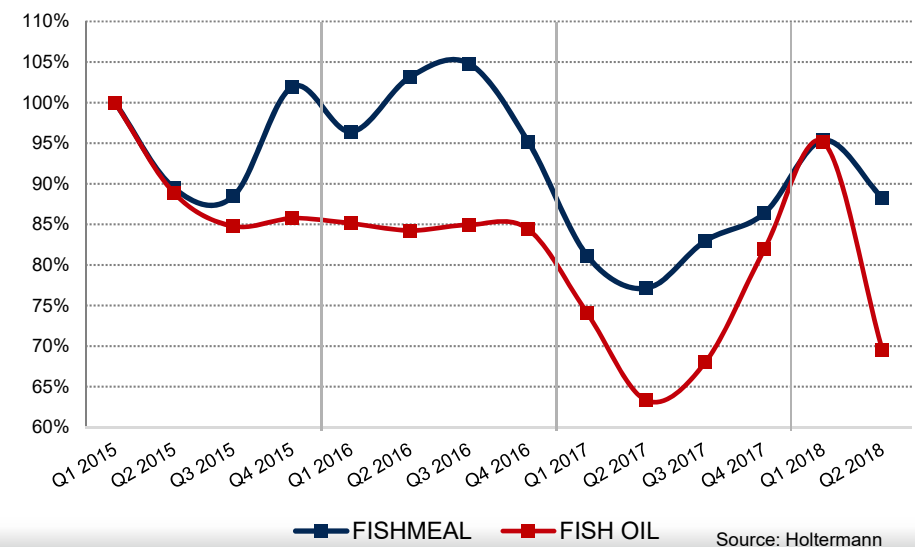
Volumes of raw material purchase and feed sale [tonnes]



The market prices for fish oil dropped significantly in the quarter

- Both fishmeal and fish oil prices decreased in Q2 2018, compared with Q1 2018
- Fishmeal prices dropped moderately, but still not on 2017 levels
- Fish oil prices in Q2 2018 approached mid 2017 prices

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



Source: Holtermann

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Bakkafrost HQ Glyvur

GROUP PROFIT AND LOSS

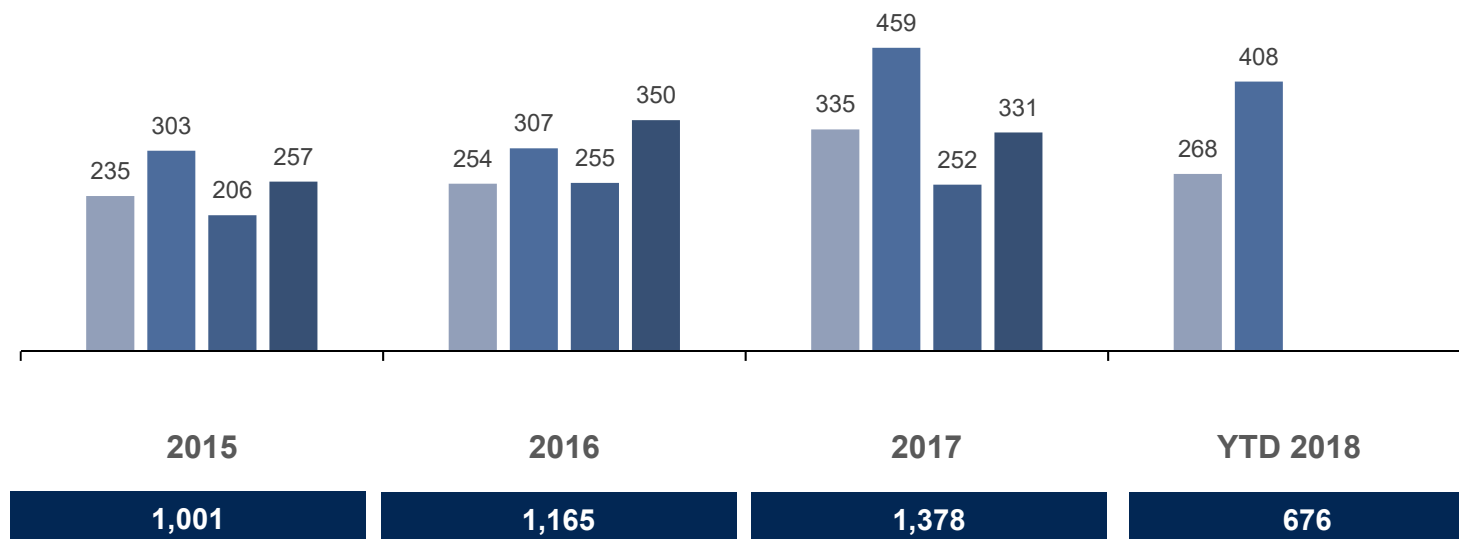
- Revenues on lower level in Q2 2018 due to lower harvest. Revenues in Q2 2018 amounted to DKK 954 million, compared to DKK 1,206 million in Q2 2017.
- Operational EBIT in Q2 2018 decreased to DKK 408 million, compared to DKK 459 million in Q2 2017
- Fair value of biomass increased due to higher salmon prices, compared to the end of last quarter and provisions for onerous contracts increased
- Revenue tax, recognized as cost, amounted to DKK -31 million in Q2 2018, compared to DKK -45 million in Q2 2017
- Financial items amounted to DKK 9 million and taxes amounted to DKK -74 million in Q2 2018
- Profit after tax for Q2 2018 was DKK 339 million, compared to DKK 398 million in Q2 2017

(DKK million)	Q2 2018	Q2 2017	H1 2018	H1 2017
Operating revenues	954	1,206	1,805	2,060
Operational EBITDA*	456	505	770	882
Operational EBIT*	408	459	676	795
Fair value adjustment of biological assets	35	55	142	-180
Onerous contracts	-6	25	-6	55
Income from associates	-2	-2	1	0
Revenue tax	-31	-45	-58	-76
EBIT	403	491	755	594
Net Financial items	9	-5	-10	-11
EBT	413	486	745	583
Taxes	-74	-88	-134	-106
Profit for the period	339	398	611	477
Operational EBITDA margin	47.8%	41.8%	42.7%	42.8%
Operational EBIT margin	42.7%	38.1%	37.4%	38.6%
Operational EBIT/kg (Farming and VAP) (NOK)	37.41	29.77	30.39	29.51
EBITDA margin (fishmeal, -oil and feed)	20.2%	15.1%	24.3%	15.6%

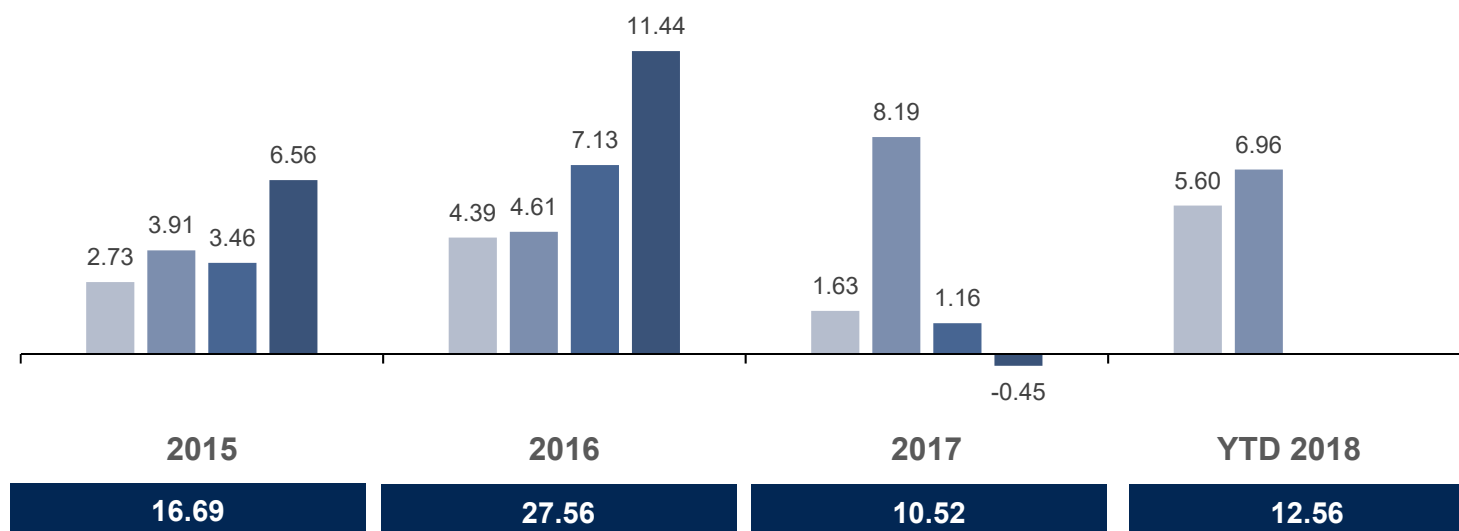
* Operational EBITDA and EBIT aligned for fair value adjustment of biomass, onerous contracts provisions, income from associates and revenue tax.

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 at the end of Q2 2018 are unchanged from year end 2017
- Investments in PPE of DKK 131 million in Q2 2018 and PPE amounts to DKK 2.7 billion
- Financial assets amount to DKK 79 million
- The carrying amount of biological assets amounts to DKK 1,107 million, whereof fair value adjustment amounts to DKK 329 million
- Inventory amounts to DKK 479 million at the end of Q2 2018, compared to DKK 306 million at the end of 2017
- Changes in equity consist primarily of the positive results and paid-out dividend in Q2 2018. Equity ratio is 68% at the end Q2 2018
- NIBD at DKK 443 million up from DKK 258 million at end 2017

(DKK million)	End H1 2018	End H1 2017	End 2017
Intangible assets	377	377	377
Property, plant and equipment	2,715	2,380	2,570
Financial assets	79	59	77
Long-term receivables	9	0	0
Biological assets	1,107	1,544	1,097
Inventory	479	460	306
Receivables	352	326	262
Other receivables	68	134	157
Cash and cash equivalents	284	353	310
Total Assets	5,470	5,633	5,156
Equity	3,725	3,599	3,626
Deferred tax and other taxes	613	648	455
Long-term interest-bearing debt	728	476	147
Financial derivatives	0	118	127
Short-term interest-bearing debt	0	388	379
Accounts and other payables	404	404	422
Total Equity and Liabilities	5,470	5,633	5,156

CASH FLOW

- Cash flow from operations amounted to DKK 279 million in Q2 2018, compared to DKK 498 million in Q2 2017
- Cash flow from investments represents net investments in PPE, which amounted to DKK -108 million in Q2 2018, compared to DKK -170 million in Q2 2017
- Cash flow from financing is affected by paid-out dividend and change in interest-bearing debt

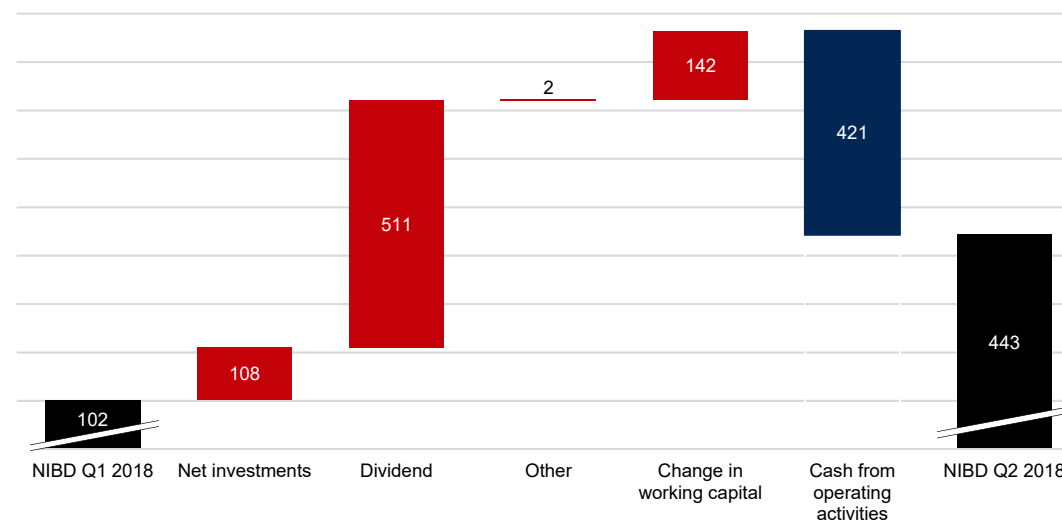
(DKK million)	Q2 2018	Q2 2017	H1 2018	H1 2017
Cash flow from operations	279	498	648	863
Cash flow from investments	-108	-170	-219	-349
Cash flow from financing	-556	-474	-453	-396
Net change in cash	-384	-146	-25	118
Cash at the end of the period	284	353	284	353
Undrawn facilities	1,039	719	1,039	719

NET INTEREST-BEARING DEBT (NIBD)

Net Interest-Bearing Debt

- Cash flow from operating activities decreased the NIBD with DKK 421 million in Q2 2018
- Dividend payment increased the NIBD with DKK 511 million in Q2 2018
- Net investments, change in working capital and other in Q2 2018 increased the NIBD with DKK 252 million

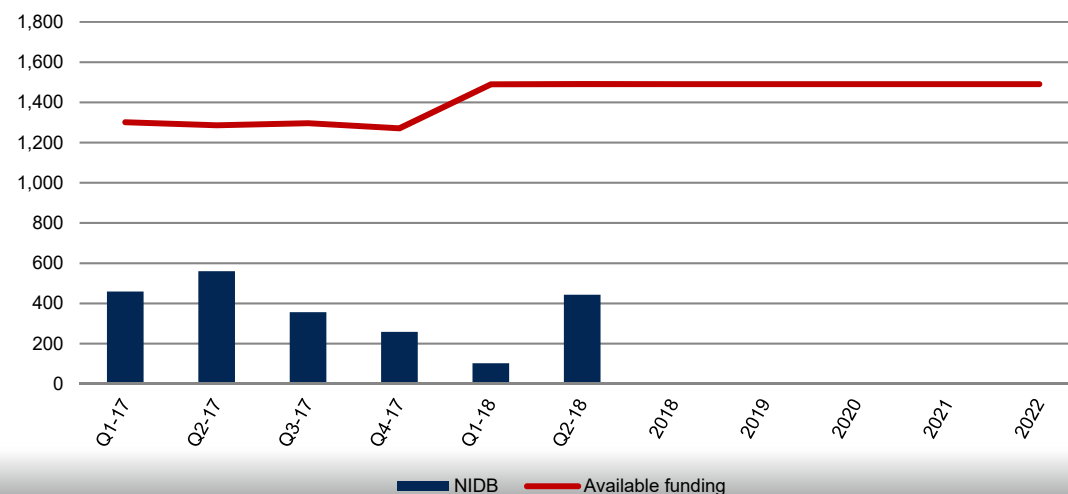
Development in NIBD in DKK millions



Financing end Q2 2018

- Bank facilities of EUR 200 million
- NIBD: DKK 443 million
- Undrawn loan facilities: DKK 1,039 million

NIBD and available funding



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A-18 Hovsfjørður - new exposed site in Suðuroy employed in June 2018

OUTLOOK

Market

- Global supply in Q2 2018 increased around 8%
- Global harvest increase in 2018 expected to be around 6-8% (4% at last presentation)
- Supply growth next three quarters expected to be between 3-5%

Farming

- Bakkafrost's harvest forecast for 2018 is reduced by 2,000 tonnes gw. Bakkafrost expects to harvest 49,000 tonnes gw in 2018
- Expected total smolt release in 2018 is 13.9 million pieces, compared to 9.9 million pieces in 2017 and 11.7 million pieces in 2016

VAP

- Contracted around 12% of expected harvest for the rest of 2018

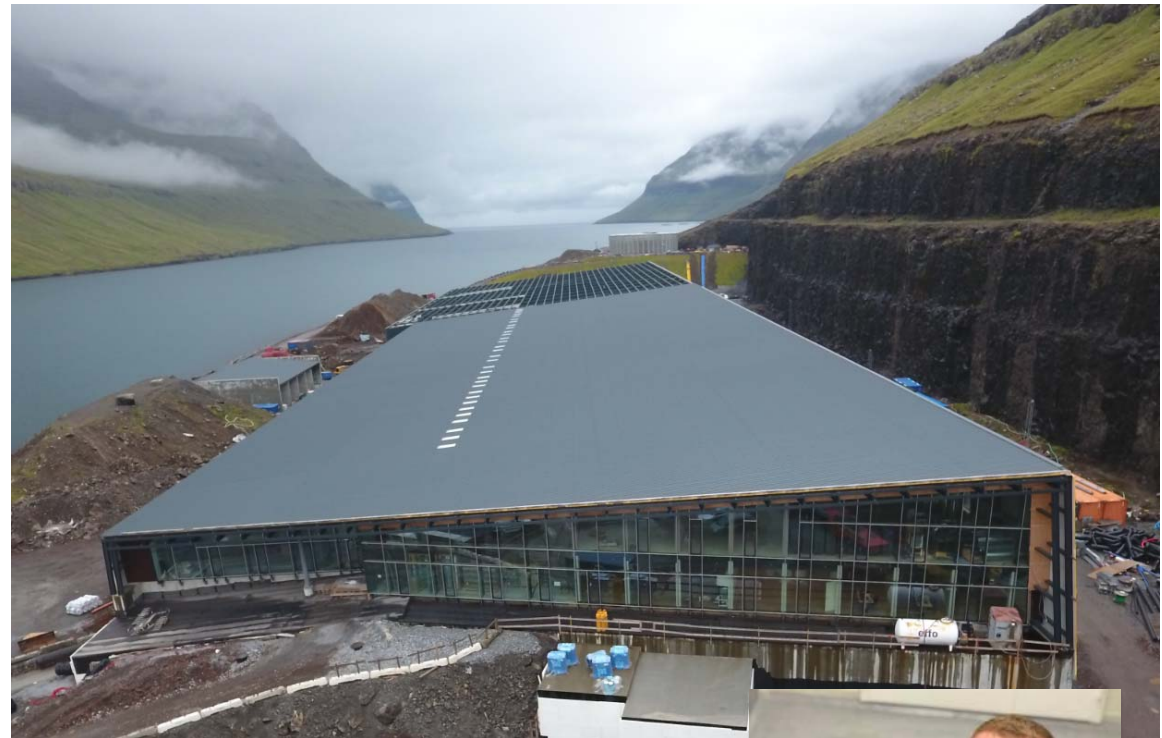
Fishmeal, Oil and Feed

- Feed sales in 2018 is expected to be around 80,000 tonnes
- The new salmon meal and -oil production started operation in Q3 2018

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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Hatchery Strond, Klaksvík under construction

First batch of eggs came into the hatchery 19 June 2018.

At full operation in 2019/2020, the hatchery is expected to produce 7 million smolts at 500 gram each.





Same aim as in previous investment programs:

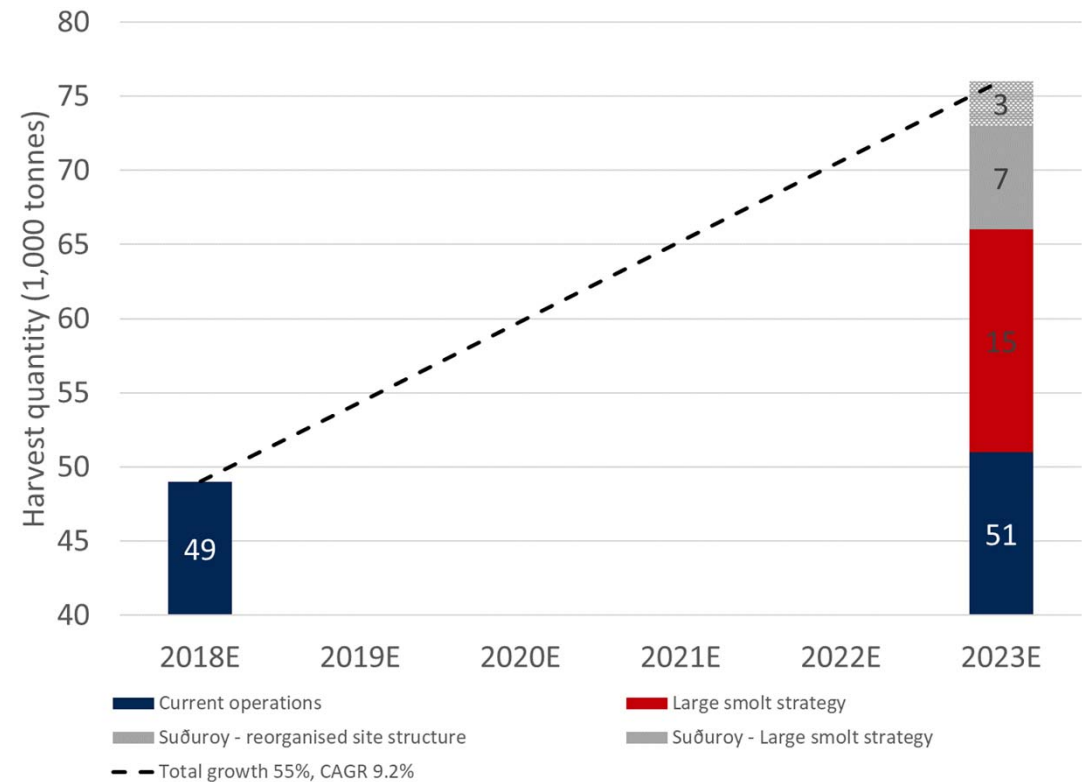
- Biological risk
- Efficiency
- Sustainable growth

And investments will be made step by step in the relevant parts of the value chain

~55% SUSTAINABLE GROWTH IN HARVEST EXPECTED BY 2023 (CAGR 9.2%)

Sustainable Growth part of Investment Program

- **New portfolio of sites in Suðuroy**
 - 10,000 tonnes expected by 2023
 - Full infrastructure to be upgraded
- **Roll-out of large smolt strategy**
 - 15,000 tonnes expected by 2022 ⁽¹⁾
- **R&D projects**
 - Aimed at identifying growth beyond current horizon

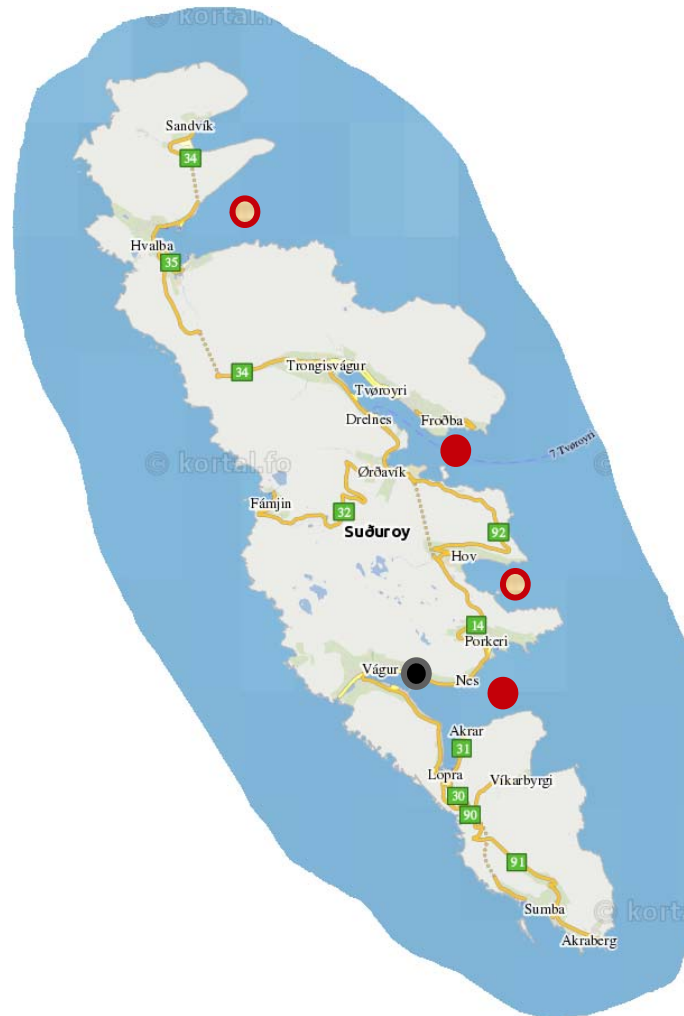


Note: (1) Full harvest effect from large smolt strategy deferred from 2021 to 2022, compared to previous communication, due delay in construction and start up of the Strond smolt plant

SUÐUROY – SOLE OPERATOR IN REORGANIZED PRODUCTION CLUSTER

- To be operated with separate infrastructure
- Harvest capacity of 15,000 tonnes annually
 - Of which 5,000 tonnes from large smolt
- Separate hatchery for large smolt
- Four farming sites
 - Only operator in area secures biological control
- Separate harvest facility in place

Suðuroy - Reorganized production cluster



- Existing farming site
- New farming site
- Harvesting facility
- Location of hatchery to be determined

PREPARING FOR THE FUTURE – UPDATED INVESTMENT PLAN (DKK 3 BILLION)

Fishmeal, oil and feed (DKK ~ 425 million)

- Increased fish oil capacity to support marine index
- Increased feed capacity and advanced feed line capabilities

Development of unique Faroese breeding program (DKK ~ 200 million)

- Support product differentiation and adaptability to local biology

Completion of existing smolt projects and new development (DKK ~ 1,000 million)

- Support growth and reduce biological risk

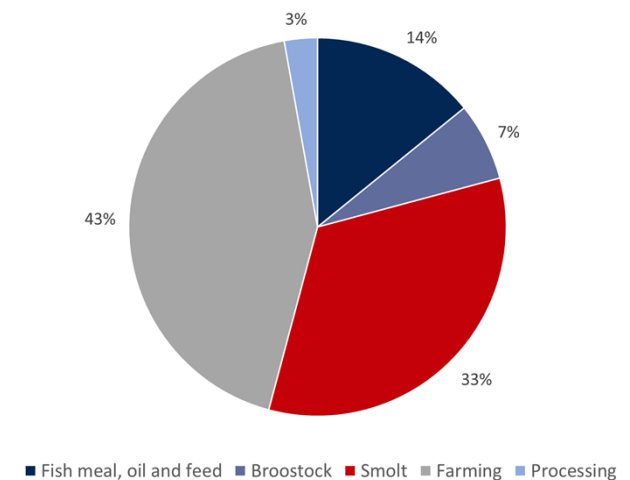
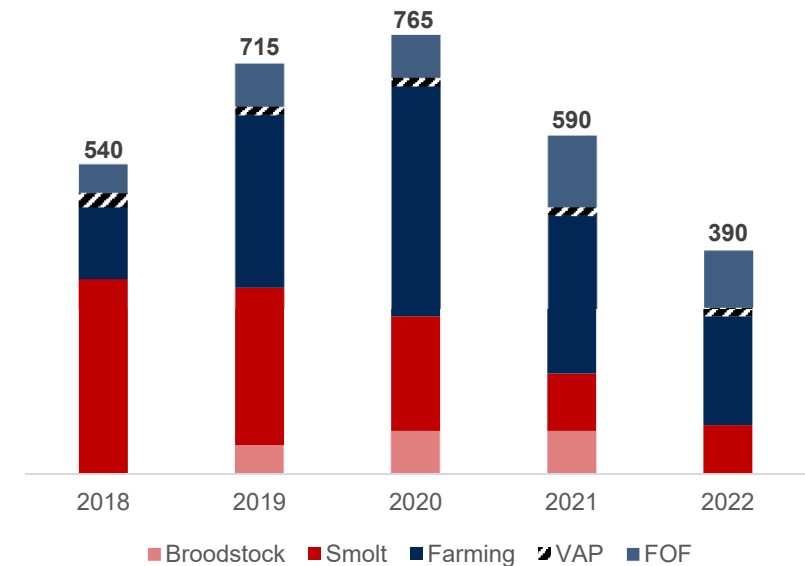
Farming investments to allow sustainable growth (DKK ~ 1,300 million)

- Farming equipment, fish transportation and biogas plant
- Selected R&D investments to cater for growth beyond current horizon

Market driven investments within processing (DKK ~ 85 million)

Note: Total aggregate spend for 2018 – 2020 increased by DKK 970 million, compared to previous investment plan

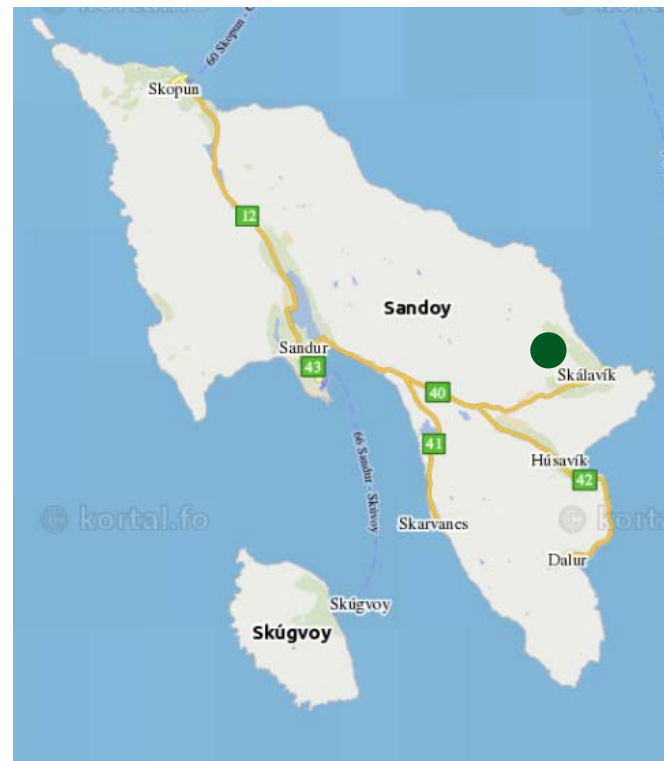
Investment program 2018 - 2022



IN-HOUSE BROODSTOCK OPERATION

- Breeding program based on gene pool of local wild salmon strain
 - Adaptability to local biology
 - Product differentiation
 - Support branding strategy
 - Independence of external suppliers
 - Veterinary control
- Location in remote area with no farming operation

Sandoy eastside – remote and good location for broodstock site

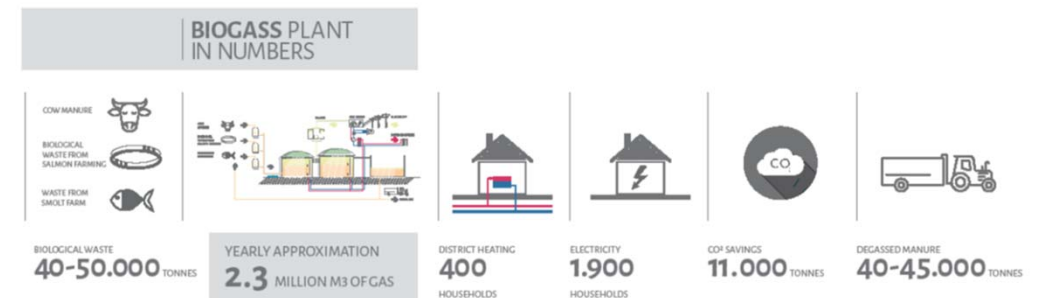
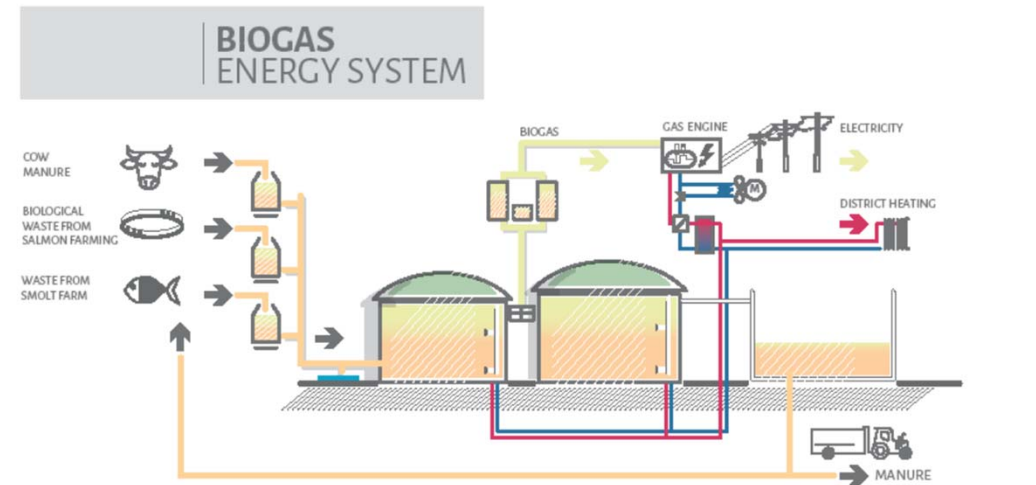


 New broodstock plant

SUSTAINABILITY UPDATE – BIOGAS PLANT INVESTMENT

Faroe Islands Biogas Plant Investment (2019-)

- **Sustainability commitment**
 - Part of Bakkafrost's 2020 Healthy Living Plan
- **Waste management**
 - 40-50,000 tonnes from salmon and dairy farms to be processed, annually
- **Heat and electricity production**
 - Enough heat for 400 homes and electricity for 1,900 homes
- **Contribution to national renewable target**
 - 100% electricity from renewable sources by 2030
- **Reducing carbon emissions**
 - Projected to save 11,000 tonnes of CO₂ emissions annually
- **Reducing fertilizer imports**
 - 40-45,000 tonnes of liquid fertilizer to be distributed annually



UPDATED INVESTMENT PROGRAM TO SUPPORT SUSTAINABLE GROWTH

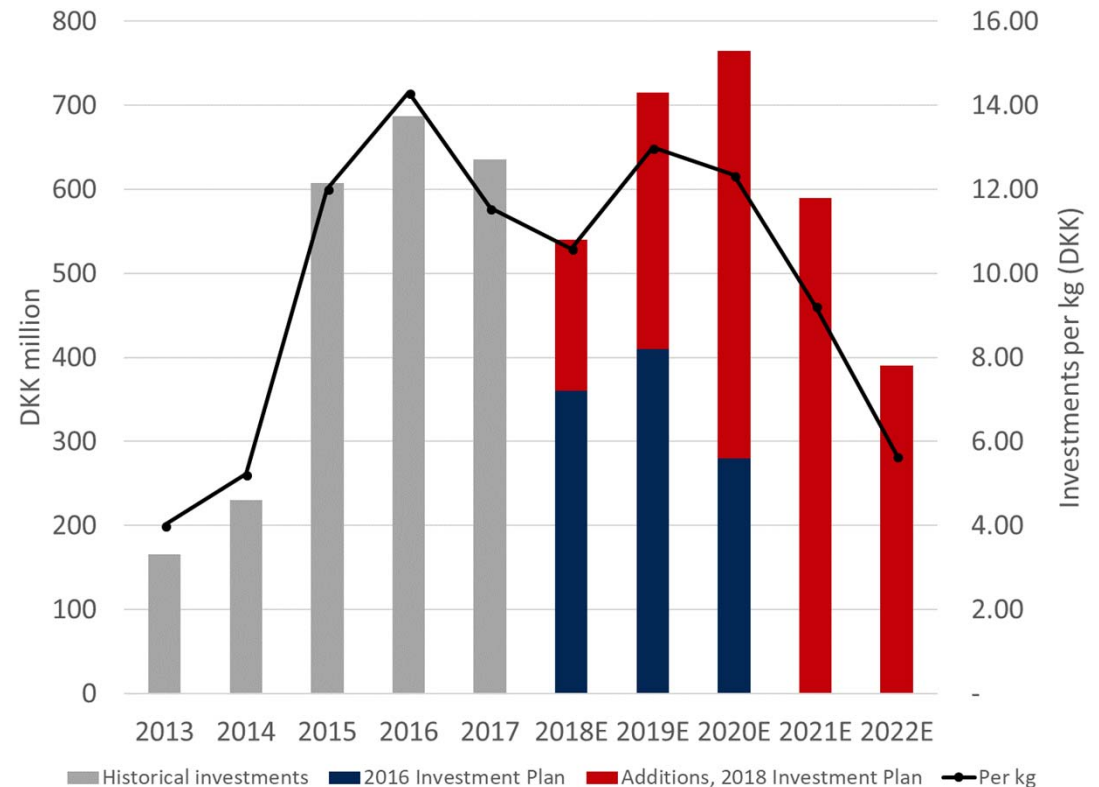
Total investments of DKK 3 billion (2018-2022)

- Front loaded average investment level of DKK 10/kg
- Incremental investments of DKK 120/kg growth (25k tgw)

Completes upgrading of entire infrastructure in value chain

- Total investments of DKK 5.3 billion (2013-2022)

Average cash conversion ratio¹ 2016-2017 > 50%



Note 1: (Adj. EBITDA – capex – delta WC) / Adj. EBITDA

- SUMMARY OF Q2 2018
- MARKETS AND SALES
- SEGMENT INFORMATION
- GROUP FINANCIALS
- OUTLOOK
- INVESTMENT PLAN 2018 - 2022
- **APPENDIX**



DEVELOPMENT IN HARVESTED AND SOLD QUANTITY BY ORIGIN

8% harvest growth in 2018

- The estimated supply growth increased during Q2 from 7% to 8%
 - Norway increased 2.4% from 1,156 to 1,184 tonnes
 - Chile increased 3.0% from 561 to 578 tonnes
- Supply growth expected to come down to 3% in 2019
- Highest share of supply growth is behind us

Global Supply of Atlantic Salmon (HOG)					
	2015	2016	2017E	2018E	2019E
Norway	1,112	1,055	1,078	1,184	1,219
UK	150	142	157	141	159
Ireland	14	14	15	13	15
Faroes	68	71	72	61	71
Total Europe	1,344	1,281	1,322	1,400	1,464
Chile	529	503	490	578	579
Canada	122	131	126	134	137
USA	18	20	20	16	16
Total Americas	669	654	635	728	732
Other	64	64	78	80	88
Total (Sold Quantity)	2,078	2,000	2,035	2,207	2,284
Supply growth - Global	5%	-4%	2%	8%	3%
Supply growth - Europe	2%	-5%	3%	6%	5%
Supply growth - Americas	9%	-2%	-3%	15%	1%

Salmon Markets (HOG)					
	2015	2016	2017	2018E	2019E
EU	974	943	920	986	1,006
USA	380	380	396	434	456
Japan	54	59	58	55	56
Russia	94	70	68	82	89
Others	575	549	593	650	676
Total (Sold Quantity)	2,078	2,000	2,035	2,207	2,284

Notes:

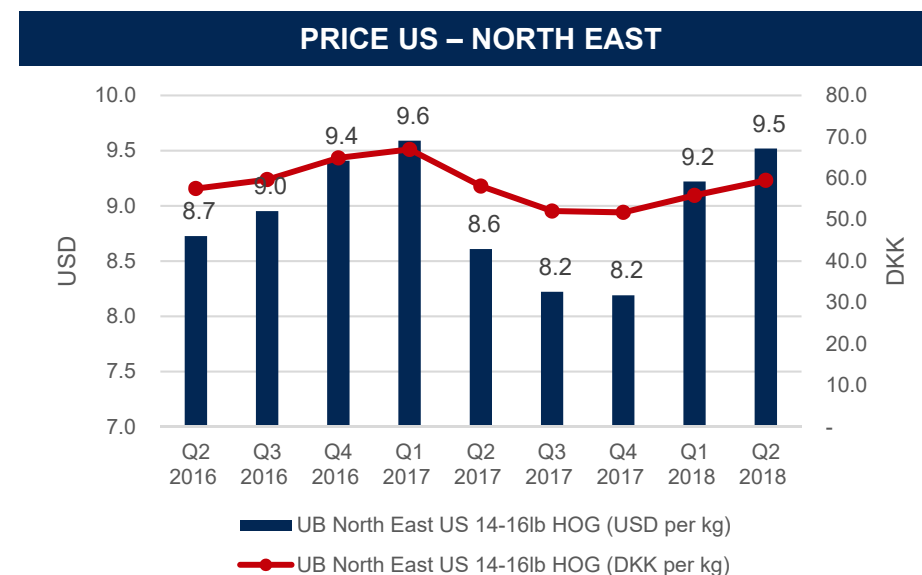
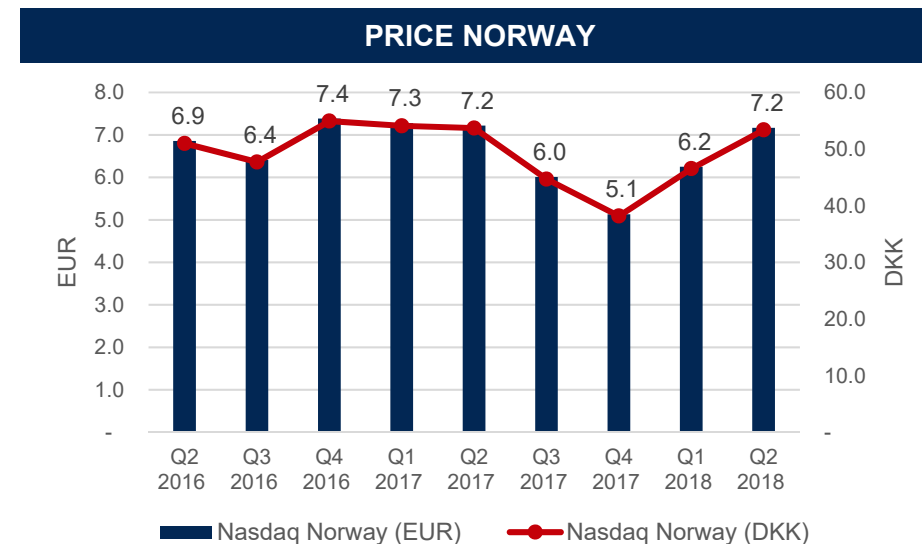
All figures are in hog-equivalents and thousand tonnes.

Figures represent sold quantity of Atlantic Salmon from each producing country

Source: Kontali

Q2 2018 MARKET ENVIRONMENT

- Sequential increase in quarterly price continued in Q2
 - Decreasing prices during the quarter
- Nasdaq Norway price EUR 7.2 in Q2 2018
 - 1% decrease, compared to Q2 2017
 - 15% increase, compared to Q1 2018
- Urner Barry East Coast price increased 11%
 - 2% increase in DKK



MARKET CURRENCY	Q2 2018	Q2 2017	Change %
Nasdaq Norway (EUR)	7.17	7.22	-0.7 %
UB North East US 14-16lb HOG (USD per kg)	9.52	8.61	10.6 %

DKK	Q2 2018	Q2 2017	Change %
Nasdaq Norway	53.37	53.70	-0.6 %
UB North East US 14-16lb HOG (per kg)	59.49	58.12	2.4 %

Source: Kontali

SUPERIOR BIOLOGY COMBINED WITH STATE OF THE ART INFRASTRUCTURE

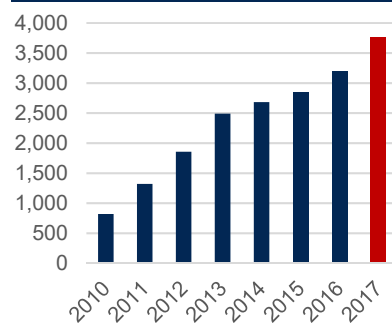
	FISHMEAL, OIL AND FEED	BROODSTOCK	SMOLT	SEA WATER	PROCESSING	SALES/MARKETING
CURRENT CAPACITY	Equivalent to 100k (tgw) annual harvest @ marine index of 44%	None	12 million @ 200 grams	21 farming sites/17 fjords 55k (tgw) @100g smolt/ 65k (tgw) @500g smolt 4 well boats 2 service vessels	130k primary (tgw) 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 Q1 2015 – Q2 2018

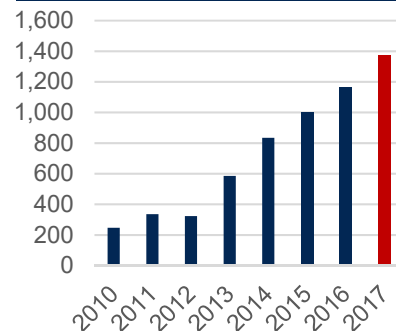
(mDKK)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Revenue	954	851	906	804	1,206	854	868	640	790	905	760	677	800	613
Operational EBIT	408	268	331	252	459	335	350	255	307	254	257	206	303	235
Profit/Loss	339	272	-22	56	398	79	555	347	224	213	319	168	191	132
Harvest (tgv)	12,902	12,237	11,470	11,585	18,402	13,158	12,940	10,664	13,004	10,934	13,675	12,982	14,182	9,726
Op. EBIT Farming & VAP (NOK/kg)	37.41	22.92	29.88	23.02	29.77	29.40	32.00	28.97	27.88	27.55	21.83	18.10	22.62	26.12
Equity ratio	68%	69%	70%	68%	64%	65%	66%	63%	61%	66%	66%	63%	61%	61%
NIBD	443	102	258	356	560	459	635	504	603	218	391	182	302	227

Revenue (mDKK)



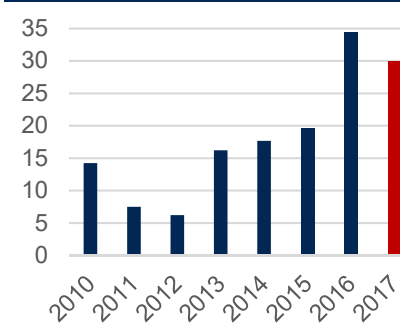
Revenue for the Bakkafrost Group has increased from 820 mDKK in 2010 to 3.8 bDKK in 2017.

Operational EBIT (mDKK)



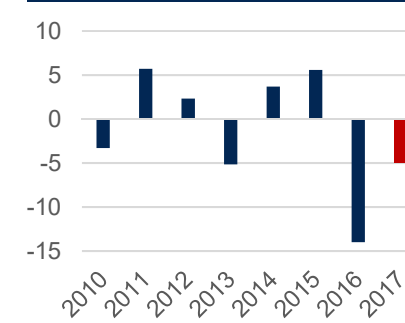
Operational EBIT for the Bakkafrost Group has increased from 247 mDKK in 2010 to 1.4 bDKK in 2017.

Farming margin Op. EBIT (NOK/kg)



The margin in Farming was NOK 30.02 per kg in 2017.

VAP margin Op. EBIT (NOK/kg)



The margin in VAP was NOK -4.96 per kg in 2017.

DIVIDEND

Dividend

- Dividend for 2017 of DKK 10.50 (NOK 13.52) per share was paid in Q2 2018

Dividend policy

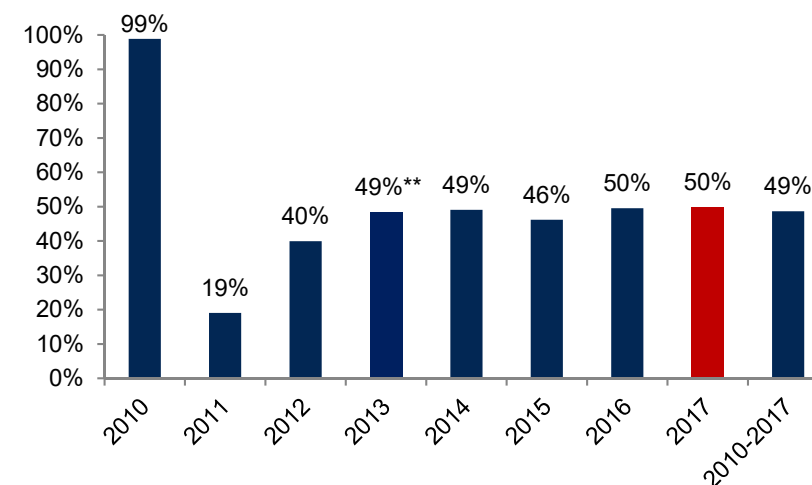
- Competitive return through:
 - Dividends
 - Increase in the value of the equity
- Generally, Bakka Frost shall pay dividend to its shareholders
- A long-term goal is that 30–50% of EPS shall be paid out as dividend

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

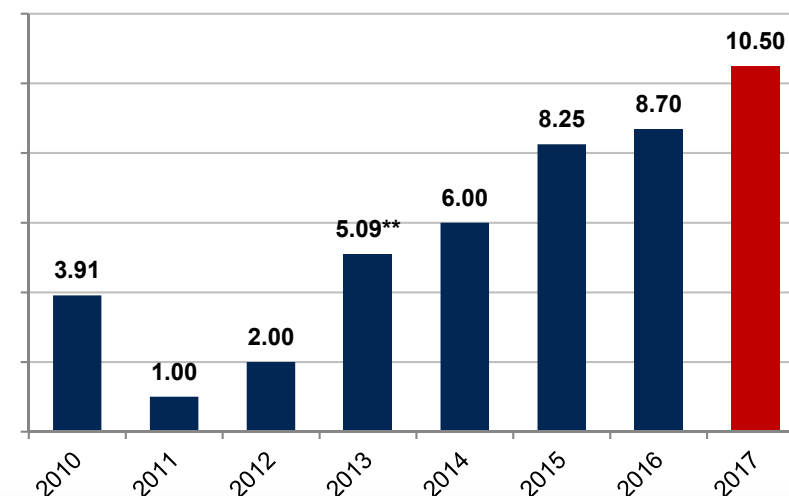
** Dividend and acquisition of treasury shares

*** 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, oil and feed producer

Location: Faroe Islands
Headquarters: Glyvrrar, Eysturoy
Listed on: Oslo Børs
Brands: Bakkafrost and Havsbrún

1,104 employees (960 full time equivalent)
Business to business
Longest integrated supply chain in the industry



FISHMEAL
450 tonnes of fishmeal daily capacity



FISH OIL
300 tonnes of fish oil daily capacity



FISH FEED
700 tonnes of fish feed daily capacity



HATCHERIES
14 million smolts annual capacity



FARMING
21 farming sites operating across 17 fjords

18% salmon sales to USA



FSV (FARMING SERVICE VESSELS)
4 live fish carriers and two service vessels



HARVESTING
54.6 thousand tonnes of salmon harvested in 2017



PROCESSING
130,000 tonnes in primary and 40,000 tonnes in secondary annual processing capacity



PACKAGING
70,000 tonnes annual salmon packaging capacity



SALES
3.8 DKK billion operating revenues for salmon, fishmeal, oil and feed



HAVSBRÚN



Map excludes farming sites not in operation in 2017

44% salmon sales to EU

21% salmon sales to Eastern Europe

17% salmon sales to Asia

FAROE ISLANDS

- 18 islands – 1,387 km²
- 50,750 inhabitants (Mar 2018)
- Home rule – within the Kingdom of Denmark
- Part of the Danish monetary union, Danish krone (DKK)

Key sectors (% of wage earners, 2017)

- Service/public admin.: ~33%
 - Private service: ~32%
 - Construction: ~14%
 - Fishing : ~21%
 - **Unemployment rate (Mar 2018): 2.2%**
 - **Total working force (Jan 2018): 26,282**
-
- **GDP: DKK ~18.8bn (2017e)**
 - **GDP/capita: DKK 374,000 (2017e) (Norway: DKK 455,000) (2016)**

Total export of fish products (2017) 13% increase in 2017

- DKK 8,650 million
- whereof farmed fish accounts for 45%

TAXES

- **Total percent of GDP: 41.8% (2016)**
- **Corporate tax: 18%**
- **Farming revenue tax : 4.5% of revenues since 1 January 2016**
more details see page 44 in Bakkafrost CMD presentation from June 2016
- **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

No of shares	%	Name	Type	Nationality
4,594,437	9.40	JACOBSEN ODDVØR MARITA Glyvravegur 30		NOR
4,491,217	9.19	JACOBSEN JOHAN REGIN		FRO
3,721,841	7.62	FOLKETRYGDFONDET		NOR
2,698,390	5.52	Nordea Bank AB Denmark Branch, CCA	NOM	DNK
1,378,808	2.82	State Street Bank an A/C CLIENT OMNIBUS F	NOM	USA
985,433	2.02	SWEDBANK ROBUR SMABO NORDEN		SWE
927,295	1.90	State Street Bank an S/A SSB CLIENT OMNI	NOM	USA
918,950	1.88	CLEARSTREAM BANKING	NOM	LUX
821,998	1.68	JPMorgan Chase Bank, S/A NON-TREATY LENDI	NOM	GBR
679,249	1.39	NN (L) Global Sustai BROWN BROTHERS HARRI		LUX
653,961	1.34	NN PARAPLUFONDS 1 N. BNY MELLON SA/NV		NLD
620,000	1.27	HANDELSBANKEN NORDEN		SWE
575,824	1.18	The Bank of New York c/o BNYMSANV RE BNYM	NOM	GBR
569,511	1.17	State Street Bank an OY59-EXEMPT LUX REGI	NOM	USA
557,168	1.14	JPMorgan Chase Bank, A/C VANGUARD BBH LEN	NOM	USA
469,621	0.96	INVESCO FUNDS BNY MELLON SA/NV		LUX
456,360	0.93	RBC Investor Service S/A CLIENT TREATY AC	NOM	GBR
441,773	0.90	STOREBRAND NORGE I V JPMORGAN EUROPE LTD,		NOR
412,549	0.84	State Street Bank an A/C WEST NON-TREATY	NOM	USA
404,818	0.83	JPMorgan Chase Bank, JPMCB RE HB SWED FUN	NOM	SWE
26,379,203	53.98			

Share development

Traded daily

12 months development



5 years development

Traded Monthly



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BAKKAFROST

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