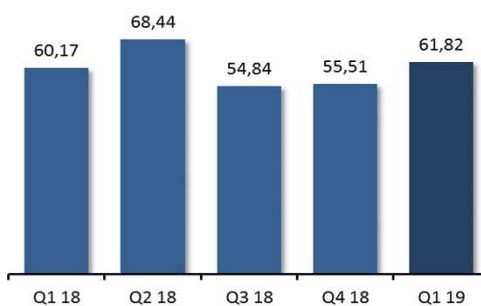


Interim Report

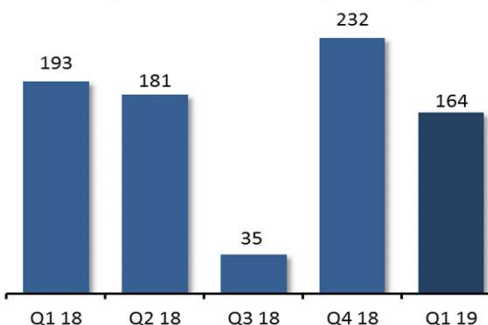
Q1-19



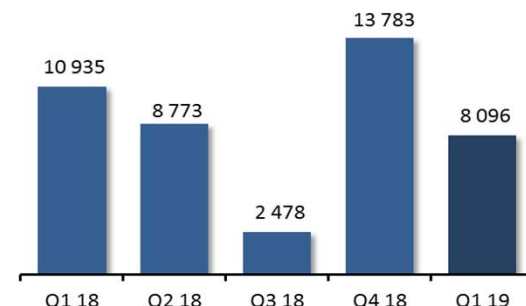
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)



HIGHLIGHTS Q1 2019

- Operational EBIT of NOK 164 million
 - Operational EBIT per kg of NOK 25.51 in Region North
 - Operational EBIT per kg of NOK 2.31 in Region South
- Harvested volume 26 % lower than corresponding prior-year period
- Arctic Fish on Iceland harvested its two first cages with salmon in the quarter
- The credit limits from the Group's bank increased by NOK 600 million to NOK 2 000 million
- Considering strategic alternatives for Region South

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q1 2019	Q1 2018	FY 2018
Operating revenues	1 486 570	1 391 791	5 080 806
Operational EBITDA	188 451	213 925	731 024
Operational EBIT	164 318	192 744	641 726
Income from associates	10 376	12 380	13 753
EBIT	137 853	281 701	807 739
EBT	168 486	321 549	869 838
EPS (NOK) – before fair value adjustments	3,96	4,52	13,43
ROCE ¹⁾	35,8 %	37,8 %	36,8 %
Net cash flow from operating activities	318 934	316 242	806 696
Investments in fixed assets/licenses	86 536	90 465	412 941
Net interest-bearing debt	287 943	446 333	419 698
Equity ratio	59,6 %	55,0 %	56,7 %
Volume harvested (HOG)	8 096	10 935	35 970
Operational EBIT per kg ²⁾	22,42	18,78	19,97
Volume sold - Sales	22 838	22 540	82 420

1) ROCE: Return on average capital employed based on 4-quarters rolling EBIT aligned for fair value adjustments / average (NIBD + Equity - Financial assets)

2) Operational EBIT for segments before non-recurring items incl margin from sales

FINANCIAL PERFORMANCE

(Figures in brackets = 2018, unless otherwise specified)

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 1 486.6 million (NOK 1 391.8 million) in the first quarter of 2019, an increase of 6.8 per cent from the corresponding prior-year period. The increase in revenues is mainly due to higher prices. The Group achieved an operational EBIT of NOK 164.3 million (NOK 192.7 million), a decrease of NOK 28.4 million. The decrease in operational EBIT is mainly due to lower harvested volume. The sales operations had weak earnings in the quarter. A gain on open fixed-price contracts compared to the level of spot prices contributed with NOK 2.1 million (loss of NOK 2.4 million) in the quarter. The Group recognised negative fair value adjustments of NOK 36.8 million (positive NOK 76.6 million), a decrease of NOK 113.4 million.

The farming business harvested 8 096 tonnes (10 935 tonnes) gutted weight in the quarter, a decrease of 26.0 per cent from the corresponding quarter last year. Including allocated margins from sales, Farming achieved an operational EBIT per kg of NOK 22.42 (NOK 18.78). The increase is mainly due to higher prices. The Sales business sold 22 838 tonnes (22 540 tonnes), an increase of 1.3 per cent.

Financial items and share of profit from associates

Result from associates totalled NOK 10.4 million (NOK 12.4 million) in the first quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK -5.6 million (NOK 4.5 million). Arctic Fish harvested 864 tonnes in the quarter, NRS share was 432 tonnes. Arctic Fish's farming activities had a profit in the quarter, but as a result of high currency costs due to the weakening of the Icelandic currency and other financial expenses, the Arctic Fish Group had a negative result in the first quarter. Associated Norwegian farming companies harvested 3 337 tonnes, 516 tonnes more than in the corresponding period last year. NRS share of the above figure amounts to 1 188 tonnes, an increase of 161 tonnes.

As a result of the increase of the NRS' share price from NOK 179.00 at the start of the quarter to NOK 200.00 at the end of the quarter, a gain of NOK 37.3 million (NOK 45.3 million) on TRS agreements on own shares was posted in the quarter. Net finance expenses for the period were NOK 6.7 million (NOK 5.4 million), an increase of NOK 1.3 million because of establishment costs in connection with refinancing of the credit facility.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 3 953.9 million, a decrease of NOK 136.9 million from the prior quarter end. The change in total assets is attributable to several factors. Fixed assets had a net increase of NOK 79.2 million. Financial assets decreased with NOK 1.8 million. Fair value adjustments of the biomass decreased by NOK 35.9 million, and inventories and biomass at cost decreased by NOK 58.5 million. The net decrease in inventories and biological assets was NOK 94.4 million. The Group's receivables decreased by NOK 43.3 million. The Group's bank deposits decreased by NOK 76.6 in the quarter.

The Group's net interest-bearing debt decreased by NOK 131.8 million, from NOK 419.7 million at the end of the previous quarter to NOK 287.9 at 31 March 2019. The decrease is attributable to an operational EBITDA of NOK 188.4 million, decreased working capital of NOK 270.2 million and a realised gain of NOK 25.4 million on the TRS-agreement. Net purchase of own shares of NOK 102,5million, investments in fixed assets of NOK 86.5 million, paid taxes



of NOK 138.0 million, payment of interest and fees of NOK 6.7 million and loans given to associates of NOK 3.0 million as well as an effect of the implementation of IFRS 16 of NOK 16.8 million had the opposite effect on the net interest-bearing debt. After the Group received increased credit facilities, the Group had an unused credit facility of NOK 1 806 million at the end of the quarter, and bank deposits of NOK 79 million.

As of 31 March, the Group's equity totalled NOK 2 354.8 million, an increase of NOK 34.0 million from the end of the previous quarter. The increase is attributable a positive total comprehensive income of NOK 141.1 million. Net purchase of own shares decreased the equity by NOK 102.5 million. The equity ratio at the end of the quarter was 59.6 per cent.

Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 318.9 million during the quarter, which represents an increase of NOK 2.7 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to a positive operational EBITDA of NOK 188.5 million, a decrease in inventories and biological assets at cost of NOK 58.5 million and a net reduction in accounts receivables and accounts payables of NOK 265.3 million. Paid taxes of NOK 138.0 million and a net increase in short term posts of NOK 50.8 million had the opposite effect on the cash flow.

Net cash outflows related to investing activities in the first quarter amounted to NOK 64.2 million (NOK 155.8 million), which is attributable to investments in fixed assets of NOK 86.5 million and an increase in loans given to associated companies by NOK 3.0 million. Realised gains on TRS-agreements of NOK 25.4 million had a positive effect on the cash flow.

The net cash outflows from financing activities totalled NOK 331.4 million (NOK 223.3 million) in the first quarter. The long-term credit facility has been repaid with NOK 250.0 million. Finance costs paid and instalments amounted to NOK 6.7 million and NOK 14.6 million respectively. Net payment of purchase and sale of own shares amounted to NOK 102.5 million. The overdraft facility increased by NOK 42.4 million during the period.

SEGMENT INFORMATION

The Group is organised into two business areas; Farming and Sales. The performance of the two business areas is monitored with the overall objective of maximising Operational EBIT per kg and margins.

The Farming business is divided into two geographical segments; Region North and Region South. Norway Royal Salmon monitors overall value creation from operations based on the salmon's source of origin. Consequently, external reporting focuses on measuring the overall profitability of the harvested volume based on source of origin (Operational EBIT/kg). For this reason, the contribution from the sales operations is allocated to Region North and Region South based on the volume harvested in the respective segments.

The Group owns 39 426 tonnes MAB to produce farmed salmon, divided between 34 746 tonnes MAB in Region North, located in Troms and western Finnmark, and 4 680 tonnes MAB in Region South, located in the area around Haugesund.

The segments posted sales revenues of NOK 1 486.4 million in the first quarter (NOK 1 390.9 million), an increase of 6.9 per cent from the corresponding period last year. The spot price (NASDAQ) for superior quality during the quarter was NOK 61.82 per kg gutted weight, an increase of 11 per cent from the fourth quarter of 2018 and an increase of 3 per cent compared



with the first quarter of 2018. The sales operations experienced an increase in sales volumes of 1.3 per cent compared with the corresponding prior-year period. 22 838 tonnes (22 540 tonnes) were sold in the first quarter. The Sales business achieved a negative operational EBIT before open fixed-price contracts of NOK 4.3 million (NOK 1.3 million), which equates to NOK -0.19 (NOK -0.06) per kg sold volume in the period. Gain on open fixed-price contracts compared to the level of spot prices was NOK 2.1 million (loss of NOK 2.4 million) in the quarter.

The Farming operations harvested 8 096 tonnes (10 335 tonnes) gutted weight in the first quarter, a decrease of 26.0 per cent from the corresponding period last year. The estimated harvest volume for 2019 is 37 500 tonnes gutted weight.

REGION NORTH

Operational EBIT came in at NOK 179.0 million (NOK 184.4 million), a decrease of NOK 5.4 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK 25.25 (NOK 19.44). Gain on fixed-price contracts of NOK 0.26 per kg (loss of NOK -0.22) contributed to an operational EBIT per kg of NOK 25.51 (NOK 19.22).

7 016 tonnes (9 597 tonnes) were harvested in the region in the first quarter, a decrease of 26.9 per cent. The achieved price for the Farming operations was NOK 3.28 higher per kg than in the corresponding period last year. The size of the harvested fish contributed positively, while the timing of harvest of fish contributed negatively to the price achievement.

Total production cost per kg for harvested fish was NOK 34.48, which is NOK 0.70 higher than in the fourth quarter of 2018 and NOK 2.95 lower than in the corresponding period last year. The production cost on harvested fish from Finnmark has been low in the quarter. Harvest of fish from areas with temporary restrictions has resulted in high well boat and harvest costs in Troms.

Production costs are expected to increase slightly in the second quarter of 2019, mainly due to a further increase in the proportion of harvesting volumes from Troms. In addition, a one-off cost of MNOK 11 is estimated in the second quarter of 2019 related to the culling of fish in two cages as a result of winter wounds. The estimated harvest volume for 2019 is 33 000 tonnes gutted weight.

KEY FIGURES (NOK '000)	Q1 2019	Q1 2018	FY 2018
Operating revenues	1 288 181	1 220 769	4 636 283
Operational EBITDA	200 001	201 962	714 506
Operational EBIT	179 010	184 448	638 160
Investment in tangible assets/licenses	86 379	87 964	337 843
Volume harvested (tonnes HOG)	7 016	9 597	30 384
Operational EBIT per kg (ex contracts)	25,25	19,44	20,66
Gain (+)/Loss (-) on open fixed price contracts	0,26	-0,22	0,34
Operational EBIT per kg	25,51	19,22	21,00



REGION SOUTH

Operational EBIT came in at NOK 2.5 million (NOK 20.9 million), a decrease of NOK 18.4 million. Operational EBIT (ex. contracts) per kg amounted to NOK 2.05 (NOK 15.86). Gain on fixed-price contracts of NOK 0.26 per kg (loss of NOK -0.22) contributed to an operational EBIT per kg of NOK 2.31 (NOK 15.64).

1 080 tonnes (1 338 tonnes) were harvested in the region in the first quarter, a decrease of 19.3 per cent from the corresponding prior-year period. The Farming operations achieved a price which was NOK 1.46 per kg higher than in the corresponding prior-year period. The size of the fish and the timing of harvest contributed negatively to the price achievement.

The production costs for harvested fish was NOK 53.03, which is NOK 1.42 per kg higher than in the fourth quarter and NOK 14.85 higher than in the corresponding period last year. During the quarter, fish were harvested from the same site as in the previous quarter. The high production costs at this site are caused by high mortality on harvestable fish in the previous quarter due to the fish disease yersinosis. The remaining fish at this site have been harvested in the second quarter and the operational EBIT is expected to be virtually zero with regards to this fish. As a result of the accelerated harvesting of the fish at this site, the estimated harvest volume for 2019 has been reduced to 4,500 tonnes gutted weight. All smolt will be vaccinated for the disease in the future.

The Board of Directors of Norway Royal Salmon ASA has decided to engage a financial advisor to assess strategic alternatives for the Group's operations in Region South.

KEY FIGURES (NOK '000)	Q1 2019	Q1 2018	FY 2018
Operating revenues	198 265	170 176	747 657
Operational EBITDA	5 585	24 125	93 062
Operational EBIT	2 500	20 927	80 313
Investment in tangible assets	0	2 209	12 131
Volume harvested (tonnes HOG)	1 080	1 338	5 586
Operational EBIT per kg (ex contracts)	2,05	15,86	14,53
Gain (+)/Loss (-) on open fixed price contracts	0,26	-0,22	-0,15
Operational EBIT per kg	2,31	15,64	14,38

SHARES

As of 31 March 2019, Norway Royal Salmon ASA have 43 572 191 shares, allocated among 2 654 shareholders, an increase of 135 from the end of the previous quarter. At the end of the quarter, the group had 528 961 treasury shares. The share price increased from NOK 179.00 at the end of December 2018 to NOK 200.00 at the end of March 2019. 6 755 193 shares were traded during the quarter.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

Contractual rights and TRS agreements for own shares

In the first quarter Norway Royal Salmon extended the TRS-agreement and used its contractual right to purchase 500 000 shares. After these transactions Norway Royal Salmon owns 528 961 treasury shares and has through the TRS-agreement a contractual right to 985 756 shares, which in total equates 4.22 per cent of the company's share capital.

Sickness absence

At 2.4 per cent, the Group's sickness absence rate decreased by 0.8 per cent from the previous quarter.

Increased credit limits

Norway Royal Salmon increased its credit facilities with the Group's bank. The long-term limit related to the Group loan agreement increased by MNOK 200 to MNOK 1 000. This limit is installment-free until 2024 and has an annual credit rating for further 5 years duration. In addition, the Group has been granted a NOK 400 million limit with duration until 30.06.2022. Norway Royal Salmon can then request the bank to convert the facility to an installment loan. The Group's multi-currency overdraft facility with a limit of NOK 600 million will be continued. The loan agreement covers all the Group's companies. The total limit to the Group's bank after the refinancing is MNOK 2 000. The refinancing does not entail any significant changes in the applicable requirements for covenants.

Arctic Fish harvested its first salmon in the quarter

In the first quarter, Arctic Fish harvested 864 tonnes of salmon. These are the first two cages with salmon that the Icelandic company has harvested. The production has been good and the survival rate from the fish were released in sea to harvest was 93.5 per cent. The production cost in gutted weight before harvest and well boat costs was NOK 39.49 per kg. The harvest and well boat costs are high in the start-up phase on Iceland, thus total production cost was NOK 49.39 per kg. Arctic Fish estimates to harvest 3 400 tonnes gutted weight with salmon this year.



MARKET CONDITIONS

The total value of salmon exported from Norway in the first quarter was NOK 16.7 billion, an increase of 6.5 per cent from the first quarter of 2018. Exported volume from Norway was 0.9 per cent higher than in the first quarter of 2018, which means that value increase is due to higher prices. The spot price (NASDAQ) in the first quarter of 2019 was NOK 61.82 per kg superior quality salmon (delivered Oslo). This is an increase of 2.8 per cent from the first quarter of 2018. In EUR, the prices of Norwegian salmon increased 1.6 per cent to EUR 6.35 per kg. The export price of NOK 65.52 was higher than the spot price and 5.6 per cent higher than in the same period last year.

Despite an increase in global supply, the prices in the spot market increased from the same quarter last year. Harvested volumes from Norway and Chile increased by 2 per cent from the corresponding prior-year period. Many of the other producing countries experienced a substantial increase in harvest volumes. This resulted in an increase in global harvesting volumes of 5 per cent. For Q2 2019 Kontali Analyse expects a harvesting volume which is 6 per cent higher than in Q2 2018.

Harvest volume (tonnes wfe)	Q1/19	yr/yr	Q2/19 E	yr/yr
Norway	296 500	2 %	297 200	5 %
Chile	176 400	2 %	159 700	5 %
Uk	41 600	25 %	42 600	20 %
Canada	32 700	7 %	36 400	-6 %
Faroe Islands	21 800	22 %	17 900	2 %
Australia	14 700	1 %	14 000	2 %
USA	3 900	5 %	4 000	-7 %
Iceland	5 900	34 %	5 500	90 %
Others	8 400	50 %	10 000	67 %
	601 900	5 %	587 300	5 %

Source: Kontali Analyse

Sold volumes increased by 4 per cent in the quarter compared with the same period last year. This is lower than the increase in global harvest volume and indicate slightly higher frozen inventory increase compared to the same quarter last year. Japan and Other markets are the markets that grows the most.

Sold volumes (tonnes wfe)	Q1/19	yr/yr	Q2/19 E	yr/yr
EU	250 300	5 %	257 300	6 %
USA	126 100	5 %	124 900	2 %
Eastern Europe ex. Russia	9 600	0 %	8 000	7 %
Russia	20 000	-15 %	24 700	13 %
Asia ex. Japan	69 300	2 %	66 300	11 %
Japan	15 000	6 %	14 900	11 %
Others	110 900	7 %	97 400	7 %
	601 200	4 %	593 500	6 %

Source: Kontali Analyse

Demand for salmon in the EU has been good in the quarter with 5 per cent higher global import volumes, 82 per cent of the volume comes from Norway. Norwegian export volume to the EU was unchanged, while the export value increased by 4 per cent. Even with higher salmon prices in the first quarter, many of the major markets increased the volume of imports from Norway with more than the increase in global supply. Poland, Denmark and Spain had the highest increase in the first quarter. Other markets were more affected by higher prices, France and UK had a reduction in import volumes. That the growth in import volumes is equal to the global growth indicate that the underlying demand in EU still is good.

Q1/2019	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to EU:				
Poland	39 268	7 %	2 102	9 %
France	25 877	-14 %	1 501	-9 %
Denmark	24 205	25 %	1 311	29 %
UK	16 716	-9 %	967	-5 %
Spain	17 359	6 %	1 003	11 %
Holland	14 655	-1 %	861	4 %
Others in EU	66 094	-2 %	3 861	2 %
Total Norway to EU	204 174	0 %	11 607	4 %
Others to EU	46 126	32 %		
EU total	250 300	5 %		

Source: Norsk sjømatråd



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Demand for salmon in Asia developed well in the first quarter. Import volumes increased by 3 per cent in total and by 5 per cent from Norway. Norway had a market share of 59 per cent in the fourth quarter. Chile had a decrease toward this region in the quarter. Most regions had an increase in import volumes from Norway in the quarter.

Q1/2019	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Asia				
South East Asia	12 590	-1 %	779	5 %
Japan	9 912	2 %	634	9 %
Middle East	8 491	10 %	516	16 %
China (incl. Hong Kong)	11 210	15 %	685	19 %
South-Korea	7 267	6 %	477	11 %
Others in Asia	217	-44 %	14	-38 %
Total Norway to Asia	49 687	5 %	3 106	11 %
Others to Asia	34 613	-1 %		
Asia Total	84 300	3 %		

Source: Norsk sjømatråd

Higher prices cause export of salmon to Eastern Europe to decline in the first quarter of 2019. Global import volumes decreased by 11 per cent and import volumes from Norway declined with 8 per cent. The volumes to the region are clearly lower than when Norway exported to Russia. Volumes to Russia from other producer nations showed a substantial decrease in the first quarter. Norway had a market share of 26 per cent in Eastern Europe.

Q1/2019	Tonnes (wfe)	yr/yr	MNOK	år/år
Norway to Eastern Europe				
Ukraine	3 921	22 %	202	29 %
Turkey	1 374	-23 %	74	-23 %
Belarus	1 117	-26 %	64	-14 %
Kazakhstan	787	-39 %	46	-31 %
Others in Eastern Europe	523	-12 %	30	1 %
Norway to Eastern Europe	7 722	-8 %	416	-2 %
Other to Eastern Europe	21 878	-11 %		
Eastern Europe Total	29 600	-11 %		

Source: Norsk sjømatråd

Demand for salmon in North America continues the positive trend. In total, import to North America has increased by 5 per cent, while volume from Norway decreased by 3 per cent.

Q1/2019	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to North America				
USA	16 575	-1 %	1 234	20 %
Canada	658	-31 %	57	-10 %
Total Norway to North America	17 233	-3 %	1 291	18 %
Others to North America	108 867	6 %		
North America Total	126 100	5 %		

Source: Norsk sjømatråd

The first quarter was challenging for the NRS' Sales operations, low margins contributed negatively to the profitability in the quarter. The sales volume was 1.3 per cent higher than in the same quarter last year. 71 per cent of the harvested fish were sold in the spot market in the first quarter, while 29 per cent were sold at fixed prices. The fixed price contracts resulted in a gain of NOK 2.1 million compared to the level of spot prices. The sales volumes to Asia increased by 34 per cent and the volumes sold in Norway increased by 24 per cent in the quarter. The export volumes to Western Europe decreased with 6 per cent in the quarter, and export volumes to Eastern Europe with 3 per cent. In the first quarter, Western Europe accounted for 72 per cent of the export volumes, Asia for 21 per cent and Eastern Europe for 6 per cent. Domestic volume amounts to 22 per cent of the total sold volume.



OUTLOOK

Harvested volume for the quarter was 8 096 tonnes, which is 300 tonnes higher than estimated in the last quarterly report. The biological challenges at the site in Region South where harvesting started last quarter have continued. The harvest on this site has therefore been accelerated. As a result of this, estimated harvest volume for 2019 is reduced with 500 tonnes to 37 500 tonnes. The farming operations hedged the price of 29 per cent of the harvested volume in the first quarter. For the last three quarters of 2019, 8 291 tonnes are hedged at a Nasdaq equivalent price of around NOK 63.00 per kg.

In the second quarter of 2019 Kontali Analyse expects global harvest volumes to increase with 6 per cent compared with the second quarter of 2018. For 2019 Kontali Analyse expects a growth in global harvest volume of 7 per cent from 2018, which is a moderate growth seen in historical context. The growth in 2019 from Norway is expected to be 5 per cent and growth from Chile is expected to be 5 per cent. Together with good demand for salmon, this provide the basis for a continued positive market outlook for the industry.

Trondheim, 20 May 2019

Helge Gåsø
Chair

Kristine Landmark
Vice Chair

Marianne E. Johnsen

John Hindar

Lars Måsøval

Trude Olafsen

Charles Høstlund
CEO



INTERIM REPORT
INCOME STATEMENT

(NOK '000)	Q1 2019	Q1 2018	FY 2018
Operating revenues	1 486 570	1 391 791	5 080 806
Cost of goods sold	1 198 556	1 093 129	3 994 231
Salaries	44 713	44 306	158 341
Depreciation	24 133	21 181	89 299
Other operating costs	54 851	40 431	197 211
Operational EBIT	164 318	192 744	641 726
Fair value adjustments	-36 842	76 578	152 260
Income from associates	10 376	12 380	13 753
EBIT	137 853	281 701	807 739
Gain/loss on financial assets	37 345	45 264	82 113
Other net financial items	-6 713	-5 416	-20 014
EBT	168 486	321 549	869 838
Tax	-23 935	-60 742	-160 748
Net profit/loss	144 551	260 807	709 091
Profit attributable to:			
Parent company shareholders	143 066	255 114	705 311
Minority interests	1 485	5 693	3 780
Earnings per share (NOK)	3,29	5,87	16,21
Earnings per share - diluted	3,29	5,87	16,21
EXTENDED INCOME STATEMENT			
(NOK '000)	Q1 2019	Q1 2018	FY 2018
Net profit/loss	144 551	260 807	709 091
Items to be reclassified to profit or loss:			
Translation differences and OCI posts from associated companies	-15 176	-19	-15 859
Cash Flow hedges (net)	11 735	7 278	-2 699
Items not to be reclassified to profit or loss:			
Actuarial gains on defined benefit plans (net)	0	0	-1 154
Total comprehensive income	141 110	268 066	689 379
Total comprehensive income attributable to:			
Parent company shareholders	139 625	262 373	685 600
Non-controlling interests	1 485	5 693	3 780



BALANCE SHEET

(NOK '000)	31.03.2019	31.03.2018	31.12.2018
Intangible assets	846 807	715 007	846 807
Property, plant and equipment	751 736	547 051	672 577
Non-current financial assets	654 240	658 673	656 001
Non-current assets	2 252 783	1 920 731	2 175 385
Inventory and biological assets	1 227 345	1 139 227	1 321 769
Receivables	394 754	703 787	438 027
Bank deposits, cash	79 006	89 002	155 653
Current assets	1 701 105	1 932 017	1 915 449
TOTAL ASSETS	3 953 888	3 852 748	4 090 834
Share capital	43 043	43 508	43 514
Other equity	2 268 746	2 032 600	2 235 729
Non-controlling interests	43 027	43 455	41 542
Equity	2 354 816	2 119 563	2 320 785
Pensions	19 005	16 728	19 005
Deferred tax	412 999	427 218	385 754
Provisions	432 004	443 946	404 759
Long-term interest-bearing debt	303 524	448 336	551 054
Short-term interest-bearing debt	144 642	134 370	102 514
Trade payables	632 510	542 570	446 993
Tax payable	0	61 909	134 777
Other current liabilities	86 391	102 055	129 952
Current liabilities	863 544	840 904	814 236
TOTAL EQUITY AND LIABILITIES	3 953 888	3 852 748	4 090 834



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STATEMENT OF EQUITY

31.03.2019		Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings				
Equity at 01.01.2019	43 572	-58	2 235 729	2 279 243	41 542	2 320 785	
Total comprehensive income	0	0	139 625	139 625	1 485	141 110	
Transactions with shareholders							
Share based payment	0	0	-4 566	-4 566	0	-4 566	
Net purchase and sale of treasury shares	0	-471	-102 042	-102 513	0	-102 513	
Equity changes associated companies	0	0	0	0	0	0	
Total transactions with shareholders	0	-471	-106 608	-107 079	0	-107 079	
Equity at 31.03.2019	43 572	-529	2 268 746	2 311 790	43 027	2 354 816	
31.03.2018							
31.03.2018		Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings				
Equity at 01.01.2018	43 572	-82	1 769 780	1 813 271	37 762	1 851 030	
Comprehensive income	0	0	262 373	262 373	5 693	268 066	
Transactions with shareholders							
Share based payment	0	0	-2 531	-2 531	0	-2 531	
Net purchase and sale of treasury shares	0	19	2 979	2 998	0	2 998	
Total transactions with shareholders	0	19	448	467	0	467	
Equity at 31.03.2018	43 572	-63	2 032 600	2 076 112	43 455	2 119 563	
31.12.2018							
31.12.2018		Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings				
Equity at 01.01.2018	43 572	-82	1 769 780	1 813 271	37 762	1 851 030	
Total comprehensive income	0	0	685 600	685 600	3 780	689 379	
Transactions with shareholders							
Dividend	0	0	-224 710	-224 710	0	-224 710	
Share based payment	0	0	-297	-297	0	-297	
Net purchase and sale of treasury shares	0	24	3 863	3 887	0	3 887	
Equity changes associated companies	0	0	1 496	1 496	0	1 496	
Total transactions with shareholders	0	24	-219 649	-219 624	0	-219 624	
Equity at 31.12.2018	43 572	-58	2 235 729	2 279 246	41 542	2 320 785	



STATEMENT OF CASH FLOW

(NOK '000)	Q1 2019	Q1 2 018	FY 2018
Operational EBIT	164 318	192 744	641 726
Adjusted for:			
Tax paid	-138 000	-51 833	-112 223
Depreciation and write-downs	24 133	21 181	89 299
Share based payment	-4 566	-2 531	-297
Pension costs with no cash effect	0	0	798
Change in inventory / biomass	58 479	195 255	81 527
Change in debtors and creditors	265 349	-51 977	74 678
Change in other current assets and other liabilities	-50 779	13 403	31 190
Net cash flow from operating activities	318 934	316 242	806 696
Cash flow from investing activities			
Payments for purchase of PPE and licenses (MAB)	-86 536	-94 490	-412 941
Payments(-)/proceeds(+) from realisation of non-current financial assets (TRS)	25 376	-32 507	47 282
Proceeds from investments in financial assets	0	0	11 458
Change in loans to associates and others	-3 000	-28 770	-57 617
Net cash flow from investing activities	-64 160	-155 767	-411 818
Cash flow from financing activities			
Receipts from new long-term debt	0	0	241 189
Long-term debt repayments	-264 577	-14 490	-156 471
Net change in overdraft	42 382	-206 662	-235 008
Payment for acquisition of treasury shares	-102 513	2 998	3 887
Interest paid	-6 713	-5 098	-19 918
Dividend payment	0	0	-224 684
Net cash flow from financing activities	-331 421	-223 252	-391 005
Net increase (+)/ decrease (-) in cash & cash equivalents	-76 647	-62 777	3 873
Cash and cash equivalents - opening balance	155 653	151 779	151 779
Cash and cash equivalents - closing balance	79 006	89 002	155 653

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting principles

These condensed, consolidated interim financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRSs) and such interpretations as are determined by the EU and published by the International Accounting Standards Board, including the interim reporting standard (IAS 34). The interim financial statements do not include all the information required of an annual financial report and must therefore be read in conjunction with the consolidated financial statements for the 2018 financial year.

The condensed consolidated interim financial statements have not been audited. As a result of rounding differences, numbers or percentages may not add up to the total.

The consolidated financial statements for the Group for the year 2018 are available upon request from the company's head office at Ferjemannsveien 10, Trondheim or at www.norwayroyalsalmon.com.

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2018 with the exemption that IFRS 16 has been implemented from 1 January 2019. See Note 3.



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NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: Segment information

Operating segments are identified based on the reporting used by Group management to assess performance and profitability at a strategic level. The Group management is defined as the chief operating decision-makers.

The Group's business areas are divided into the Sales and Fish farming. The Sales segment includes the purchase and sale of salmon. The fish farming business includes salmon farming and harvesting activities. The fish farming business is divided into two regions: Region North, which consists of the fish farming business in Troms and West Finnmark; and Region South, which consists of the fish farming business in the area around Haugesund. Transactions between the segments are made at market terms. Group management reviews monthly reports in connection with the segments. Performance is evaluated based on operating results (EBIT) per segment.

(NOK '000)			Region North		Region South		Eliminations/other		Total	
	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Total sales revenues	1 486 446	1 390 945	422 856	546 926	60 056	72 449	124	846	1 969 482	2 011 166
Internal sales revenues	0	0	422 856	546 926	60 056	72 449	0	0	482 911	619 375
External sales revenues	1 486 446	1 390 945	0	0	0	0	124	846	1 486 570	1 391 791
Operating costs	1 488 647	1 394 630	241 939	359 244	57 262	51 071	-465 596	-605 897	1 322 252	1 199 048
Operational EBIT	-2 201	-3 685	180 917	187 682	2 793	21 378	-17 191	-12 631	164 318	192 744
Fair value adjustments	-897	19 099	-34 269	27 993	-1 676	29 485	0	0	-36 842	76 578
Income from associates	0	0	0	0	0	0	10 376	12 380	10 376	12 380
EBIT	-3 097	15 415	146 648	215 675	1 117	50 863	-6 815	-251	137 853	281 701
EBT	-4 311	15 401	143 308	212 902	750	50 753	28 738	42 494	168 486	321 549
Volume harvested (HOG)			7 016	9 597	1 080	1 338			8 096	10 935
Operational EBIT per kg			25,79	19,56	2,59	15,98			22,69	19,12
Volume sold	22 838	22 540							22 838	22 540
Operational EBIT per kg	-0,10	-0,16							-0,10	-0,16
- of w hich gain on open fixed-price contracts per kg.	0,09	-0,11							0,09	-0,11

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: Biomass

In accordance with IAS 41, the biomass is recognised at fair value. The fair value is calculated in accordance with IFRS 13. Adjustments to the fair value of the biomass are presented on a separate line in the income statement. The technical model for calculating fair value is a present value model. Present value is calculated for the biomass on each site/project by estimating the future sales value less remaining production costs discounted to the present value at the balance sheet date.

The fair value of fish in the sea is calculated in the present value model as a function of the expected biomass at the time of harvest multiplied by the expected sales price. For fish that are not harvestable, estimated remaining costs to breed the fish to its harvestable weight are deducted. Cash flows are discounted monthly using a discount factor. The discount factor consists of three main components: 1) risk for events that affect cash flow, 2) hypothetical license and site rent and 3) the time value of money. For this quarter a discount factor of 6.0 % has been used. Expected biomass (volume) is based on the estimated number of individuals in the sea, adjusted for expected mortality until harvesting and multiplied by the expected harvest weight per individual at the time of harvest. The measuring unit is the individual fish, but for practical reasons the calculation is made on site level. Live weight of fish in the sea is translated into gutted weight to get the same measurement unit as the prices are set in.

The price is calculated based on forward prices from Fish Pool. The forward price for the month in which the fish expected to be harvested is used in the calculation of expected cash flow. The price quoted by Fish Pool adjusted for the export cost is the reference price. This price is further adjusted for expected harvest costs (well boat, harvest and packing) and transport to Oslo. Adjustments for expected size differences and quality differences are also made. The adjustment in relation to the reference price is done at site level.

The principle of highest and best use, according to IFRS 13 is the basis for the valuation and classification. In the fair value calculation, optimal harvest weight is defined as harvest weight according harvest plans.

Book value of inventory:

(NOK '000)	31.03.2019	31.03.2018	31.12.2018
Raw materials	23 461	21 717	31 349
Biological assets	1 133 450	1 069 942	1 240 393
Finished goods	70 434	47 568	50 027
Total inventory	1 227 345	1 139 227	1 321 769

Specification of the biological assets:

(NOK '000)	31.03.2019	31.03.2018	31.12.2018
Biological assets at cost	816 125	785 486	887 123
Fair value adjustments of the biomass	317 325	284 456	353 270
Book value biological assets	1 133 450	1 069 942	1 240 393

Specification of biological assets - tonnes

	Q1 2019	Q1 2018	FY 2018
Opening balance biological assets	24 675	29 071	29 071
Increase due fish put in the sea	0	100	1 371
Increase due to production in the period	6 447	6 851	41 490
Reduction due to mortality in the period	-718	-787	-3 011
Reduction due to harvesting in the period	-9 638	-13 024	-42 827
Non-recurring items	0	-271	-1 419
Closing balance biological assets	20 765	21 941	24 675

Specification of changes in book value of biological assets:

(NOK '000)	Q1 2019	Q1 2018	FY 2018
Opening balance biological assets	1 240 394	1 177 678	1 177 678
Increase due to production in the period	192 668	196 582	1 144 419
Non-recurring event at cost	0	-17 000	-34 000
Reduction due to harvesting in the period	-263 665	-345 914	-1 175 113
Fair value adjustments of the biological assets	-35 945	60 951	156 716
Fair value adj. of the biological assets due to non-recurring event	0	-2 355	-29 306
Closing balance biological assets	1 133 450	1 069 942	1 240 394

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: Biomass cont.

Groups of biological assets, status as of 31.03.2019	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	3 141	1 607	129 244	23 510	152 754
1-4 kg	6 741	10 991	462 382	144 156	606 537
Larger than 4 kg	1 750	8 167	224 498	149 660	374 158
Biological assets	11 632	20 765	816 124	317 325	1 133 450

Groups of biological assets, status as of 31.03.2018	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	3 844	2 290	146 727	52 132	198 859
1-4 kg	5 629	9 453	332 934	91 531	424 465
Larger than 4 kg	2 134	10 199	305 827	140 793	446 620
Biological assets	11 607	21 942	785 488	284 456	1 069 942

Groups of biological assets, status as of 31.12.2018	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	4 658	1 762	142 015	39 535	181 550
1-4 kg	7 814	14 164	529 821	156 556	686 377
Larger than 4 kg	1 593	8 749	215 289	157 179	372 468
Biological assets	14 065	24 674	887 125	353 270	1 240 393

Fish Pool forward prices used in the calculation of the fair value of the biomass

31.03.2019	NOK/kg	31.03.2018	NOK/kg	31.12.2018	NOK/kg
Q2 19	66,35	Q2 18	63,55	Q1 19	64,02
Q3 19	58,63	Q3 18	55,25	Q2 19	65,00
Q4 19	58,90	Q4 18	56,12	Q3 19	59,52
Q1 + Q2 20	62,95	Q1 + Q2 19	57,52	Q4 19	61,48
Q3 + Q4 20	59,75	Q3 + Q4 19	55,48	Q1 + Q2 20	64,51

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: Non-recurring events

Non-recurring event ¹⁾	Cost	Q1 2019	Fair value	Cost	Q1 2018
		Fair value adjustments			Fair value adjustments
Biological assets					

1) Non-recurring event not allocated to the segments.

Non-recurring event ¹⁾	Cost	FY 2018	Fair value
		Fair value adjustments	
The fish disease Infections Salmon Anemia (ISA)	32 000	28 476	60 476
Destruction of desmoltified fish	2 000	830	2 830
Biological assets	34 000	29 306	63 306

1) Non-recurring event not allocated to the segments.



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NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: Fair value adjustments

Fair value adjustments which are a part of the Group's EBIT, is presented on a separate line in order to give a better understanding of the Group's operating profit from goods sold. The item consists of:

(NOK '000)	Q1 2019	Q1 2018	FY 2018
Change in fair value adjustments of the biomass	-35 945	57 478	90 347
Change in provision for onerous sales contracts	-490	-7 804	-1 952
Change in unrealised gains/losses on financial Fish Pool contracts	-406	26 903	27 023
Total fair value adjustments	-36 842	76 578	115 418

The fair value adjustments has the following effect in the balance sheet:

(NOK '000)	31.03.2019	31.03.2018	31.12.2018
Fair value adjustments biomass (inventory and biological assets)	317 325	284 456	353 270
Provision for onerous sales contracts (other current liabilities)	-1 952	-7 804	-1 462
Fair value of financial Fish Pool contracts (other receivables/other current liabilities)	1 311	1 191	1 717
Net fair value adjustments in the balance sheet	316 684	277 843	353 526

NOTE 7: Transactions with related parties

The Group conducts transactions on normal terms with associates and suppliers who are also Norway Royal Salmon shareholders. This applies to the purchase of harvested fish and smolts. Purchase of smolt and fish are made at market price. The group purchase harvesting services from two of the Group's associates. Harvesting services are purchased at market terms. Administrative services are also purchased from one of the Group's associated companies.

Services and well boat services are purchased from companies controlled by the family of the company's Chair Helge Gåsø. The services from Gåsø Næringsutvikling AS and Frøy Akvaservice AS are purchased at market terms.

Goods and services purchased:

(NOK '000)	Q1 2019	Q1 2018	FY 2018
Associates - products purchased	91 449	102 553	265 065
Associates - services purchased	12 779	15 134	66 218
Companies controlled by large shareholder - products purchased	64 374	90 620	644 289
Companies controlled by large shareholder - services purchased	6 284	3 812	22 082
Total goods and services purchased from related parties	174 885	212 119	997 655

Share-based incentive schemes

A bonus program based on synthetic options was introduced for the CEO in 2014. The bonus program gives entitlement to a cash bonus based on the NRS average share price over a period prior to 24 June 2014. Bonuses is calculated 57 months after this date, and the bonus program includes an obligation to invest the net bonus after tax in Norway Royal Salmon ASA (NRS) shares at the market price on the relevant date. All bonus payments are conditional on full-time employment in the company. The bonus is calculated based on the increase in value of the share in NRS from 24 June 2014, and in relation to price increases during the period on the number of shares covered by the program. The scheme was completed in the quarter after the last 50 000 options allocated to the CEO were realised.

A bonus program based on options was introduced for senior executives and key personnel in the Group on 1 April 2017, 20 March 2018 and 20 March 2019. The scheme has been approved by the Board. The scheme is divided into 4 different levels. The option scheme has a 24 months' vesting period. The bonus program is a share-based scheme that entitles the employees to receive shares in NRS based on the price development in Norway Royal Salmon ASA's average share price for a period prior to 20 March 2018, 20 March 2019 and 20 March 2020. Each employee can at most be granted rights to shares for a value in the interval between 25 per cent to 100 per cent of annual salary. The exercise price will be adjusted for dividends and changes in holdings of treasury shares.

	Program introduced in 2014	Program introduced in 2017	Program introduced in 2018	Program introduced in 2019	All programs
Change in number of options					
At 30 December 2018	50 000	352 318	393 286	0	795 604
Terminated	0	-12 897	-13 333	0	-26 230
Exercised in the quarter	-50 000	-339 421	0	0	769 374
Allocated during the year (new program)	0	0	0	366 223	366 223
Number of options at 31 March 2019	0	0	379 953	366 223	746 176
Exercise price	31,78	149,26	150,51	203,48	
Number of employees in the program at the end of the quarter	0	0	21	27	48

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: Investments in associates

(NOK '000)	Shareholding	Book value 01.01.2019	Share of profit/loss in the period after tax	Other changes	Book value 31.03.2019	Share of volume harvested - tonnes HOG 31.03.2019*
Arctic Fish ehf.	50,00 %	253 393	-4 793	-15 176	233 423	432
Wilsgård Fiskeoppdrett AS	37,50 %	156 909	7 075	0	163 984	501
Måsøval Fishfarm AS	36,10 %	28 244	6 211	0	34 455	224
Hellesund Fiskeoppdrett AS	33,50 %	92 390	2 198	0	94 588	462
Hårdanger Fiskeforedling AS	31,10 %	10 944	527	0	11 471	
Espevær Laks AS	33,33 %	1 785	-382	0	1 403	
Ranfjord Fiskeprodukter AS	37,75 %	19 255	-459	0	18 796	
Skardalen Settefisk AS	30,00 %	5 477	0	0	5 477	
Other		48	0	0	48	
Total associates 31.03.2019		568 443	10 376	-15 176	563 644	1 619
Total associates 31.12.2018		580 510	13 753	-25 820	568 440	3 258

* The harvested volume comprises NRS's share of the harvested volume of associates

The Group's associates own a combined total of ten licences in Norway.

The consolidated financial statements include the Group's share of results from associates according to the equity method. The equity method is regarded as consolidation method. Some associates own shares in Norway Royal Salmon ASA, which are treated as treasury shares in the consolidated financial statements. The fair value of the shares owned by the associates in Norway Royal Salmon ASA has therefore not been recognized in the consolidated financial statements.

Associates that own shares in NRS as of 31 March 2019:

	Shareholding	Number of shares	Fair value	NRS' share of fair value
Måsøval Fishfarm AS	36,10 %	257 295	51 459	18 577
Hellesund Fiskeoppdrett AS	33,50 %	1 651 015	330 203	110 618
Total		1 908 310	381 662	129 195

Note 9 Treasury shares and TRS agreements

As at 31 March the company holds 528 961 treasury shares, corresponding to 1.21 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 31 March 985 756 shares, representing 2.26 % of the share capital of the company. The agreement means that the Group has a result and liquidity exposure that is linked to the value development of the NRS share. TRS agreements are recorded at fair value and changes in fair value are recognized as financial items in the income statement. Norway Royal Salmon realised previously entered into TRS agreements in the period. Gain at realisation was KNOK 25 376 and an unrealised gain of KNOK 11 969 was recognised in the period. Thus a net gain of KNOK 37 345 was recognised as a financial item in the income statement in the period.

(NOK '000)	No. of shares	Exercise Price	Maturity	Market value 31.12.2018	Market value 31.03.2019	Change in market value Q1 2019
TRS entered into 14 March 2019	985 756	219,46	17.09.2019	0	-17 362	-17 362
TRS entered into 13 September 2018	1 485 756	199,42	18.03.2019	-29 331	0	29 331
Sum				-29 331	-17 362	11 969

NOTE 10: Loans to credit institutions

The Group's main borrowing covenants is one requiring an equity ratio of at least 30 per cent and another requiring that the short-term credit facility shall not exceed 75 per cent of the carrying value of inventory and accounts receivables. At the end of Q1 2019 the Group is in compliance with the terms of its loan agreements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: Alternative performance measures

The consolidated financial statements of Norway Royal Salmon ASA are prepared in accordance with the International Financial Reporting Standards (IFRS). In addition, the management prepares alternative performance measures to provide useful and relevant information to the users of the financial statements. Alternative performance measures are designed to increase the understanding of the underlying operational performance and is not a substitute for the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS). The performance measures are regularly reviewed by the Board. The alternative performance

Net interest-bearing debt

Net interest-bearing debt is defined as the net of long-term debt, short-term debt and bank deposits. The measure is useful and necessary information to investors and other users of the financial statements to assess the net of the interest-bearing external capital used to finance the group. The measure is used to calculate return on capital employed and highlights the Group's ability to take on more debt.

(NOK '000)	31.03.2019	31.03.2018	31.12.2018
Reported long-term interest-bearing debt	303 524	448 336	551 054
Reported short-term interest-bearing debt	144 642	134 370	102 514
Interest-bearing long-term receivables	-81 217	-47 370	-78 217
Reported bank deposits, cash	-79 006	-89 002	-155 653
Net interest bearing debt	287 943	446 333	419 698

Equity ratio

The equity ratio is defined as equity divided by total assets. The measure is expressed as a percentage. The measure is relevant to users of the financial statements to see how much of the assets are financed with equity, the measure also indicate something about the solvency of the group.

(NOK '000)	31.03.2019	31.03.2018	31.12.2017
Reported equity	2 354 816	2 119 563	2 320 785
Reported total assets	3 953 888	3 852 748	4 090 834
Equity ratio	59,6 %	55,0 %	56,7 %

Operational EBIT per kg (Group)

Operational EBIT per kg is defined as a central performance measure for Norway Royal Salmon ASA. The measure is used to evaluate the profitability of sold goods and the operations of the Group. The performance measure is useful to users of the financial statements to evaluate the profitability sold good and the production. The measure is calculated before unallocated costs and extraordinary events, fair value adjustments, income from associated companies, financial expenses and taxes. The measure is expressed per kg harvested volume.

(NOK '000)	Q1 2019	Q1 2018	FY 2018
Operational EBIT	164 318	192 744	641 726
Unallocated expenses	17 191	12 631	42 433
Non-recurring events (note 4)	0	0	34 000
Operational EBIT	181 509	205 375	718 159
Harvested volume (tonnes)	8 096	10 935	35 970
Operation EBIT per kg	22,42	18,78	19,97

Operational EBIT per kg (Segment)

Operational EBIT per kg is defined as a central performance measure for Norway Royal Salmon ASA. The measure is used to evaluate the profitability of sold goods and the operations of the segments. The performance measure is useful to users of the financial statements to evaluate the profitability of sold goods and the production. The measure is calculated before extraordinary events, fair value adjustments, income from associated companies, financial expenses and taxes. The measure is expressed per kg harvested volume. The measure is

Operational EBIT per kg Region North

(NOK '000)	Q1 2019	Q1 2018	FY 2018
Operational EBIT (segment, note 2)	180 917	187 682	616 243
Share of operational EBIT Sales allocated to region North excl. Contracts	-3 733	-1 114	11 565
Operational EBIT excl. Contracts	177 183	186 567	627 808
Loss(-) / Gain(+) on open fixed-price contracts	1 826	-2 120	10 353
Operational EBIT	179 010	184 448	638 160
Harvested volume (tonnes)	7 016	9 597	30 384
Operational EBIT per kg excl. Contracts	25,25	19,44	20,66
Operational EBIT per kg	25,51	19,22	21,00



NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: Alternative performance measures (cont)

Operational EBIT per kg Region South

(NOK '000)

	Q1 2019	Q1 2018	FY 2018
Operational EBIT (segment, note 2)	2 793	21 378	79 388
Share of operational EBIT Sales allocated to region South excl. Contracts	-575	-155	1 761
Operational EBIT excl. Contracts	2 219	21 222	81 149
Loss(-) / Gain(+) on open fixed-price contracts	281	-296	-836
Operational EBIT	2 500	20 927	80 313
Harvested volume	1 080	1 338	5 586
Operational EBIT per kg excl. Contracts	2,05	15,86	14,53
Operational EBIT per kg	2,31	15,64	14,38

Production cost per kg (per segment)

Production cost per kg is defined as a central performance measure for Norway Royal Salmon ASA. The performance measure is used to evaluate the profitability of sold goods per segment. The measure is expressed per kg harvested volume (tonnes HOG)

<i>Production cost per kg Region North</i> (NOK '000)	Q1 2019	Q1 2018	Sites without
			ISA Q1 2018
Production cost (segment, note 2)	241 939	359 244	264 821
Harvested volume (tonnes)	7 016	9 597	7 737
Production cost per kg Region North	34,48	37,43	34,23

Production cost per kg Region South

(NOK '000)

	Q1 2019	Q1 2018
Production cost (segment, note 2)	57 262	51 071
Harvested volume (tonnes)	1 080	1 338
Production cost per kg Region North	53,03	38,17

ROCE

Return on average capital employed (ROCE) is defined as 4-quarters rolling EBIT aligned for fair value adjustments divided by average net interest-bearing debt plus equity less financial assets. The performance measure is expressed as a percentage and is useful for users of Norway Royal Salmon ASA's financial information to evaluate its profitability.

Value-adjusted earnings per share

Earnings per share before fair value adjustments is defined as the period's result adjusted for fair value adjustments after tax. The performance measure is expressed per share and is useful for the users of Norway Royal Salmon ASA's financial information. The performance measure is used as raw data in analysis like of P/E.

(NOK '000)	Q1 2019	Q1 2018	FY 2018
Majority share of net result for the period	143 066	143 066	143 066
Majority share of fair value adjustments of biomass after tax	28 196	28 196	28 196
Fair value of sales contracts and Fish Pool contracts (in its entirety, the majority share)	699	699	699
Majority share of value-adjusted result for the period	171 962	171 962	171 962
Weighted average number of ordinary shares outstanding	43 423 337	43 492 101	43 493 529
Value-adjusted earnings per share	3,96	4,52	13,43



NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: Shareholders

Ownership structure – the 20 largest shareholders as at 31.03.2019:

Shareholder	No. of shares	Shareholding
GÅSØ NÆRINGSUTVIKLING AS	6 829 605	15,67 %
MÅSØVAL EIENDOM AS	5 208 581	11,95 %
NORWAY FRESH AS	5 000 000	11,48 %
HAVBRUKSINVEST AS	4 151 915	9,53 %
EGIL KRISTOFFERSEN OG SØNNER AS	3 767 850	8,65 %
NYHAMN AS	1 767 191	4,06 %
HELLESUND FISKEOPPDRETT A/S	1 651 015	3,79 %
DNB Markets Aksjehandel	1 500 885	3,44 %
LOVUNDLAKS AS	671 080	1,54 %
NORWAY ROYAL SALMON ASA	528 961	1,21 %
BNP Paribas Securities Services	500 000	1,15 %
MP PENSJON FK	322 077	0,74 %
State Street Bank and Trust Comp	296 267	0,68 %
EIKA SPAR	291 821	0,67 %
JPMorgan Chase Bank, London	276 127	0,63 %
VERDIPAPIRFONDET DNB NORGE SELEKTI	265 742	0,61 %
MÅSØVAL FISHFARM AS	257 295	0,59 %
HENDEN FISKEINDUSTRI AS	256 684	0,59 %
Citibank, N.A.	230 000	0,53 %
EIKA NORGE	229 226	0,53 %
Total 20 largest shareholders	34 002 322	78,04 %
Total other shareholders	9 569 869	21,96 %
Total no. of shares	43 572 191	100,00 %