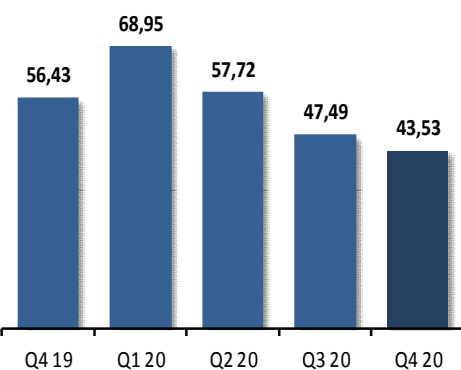


Interim Report

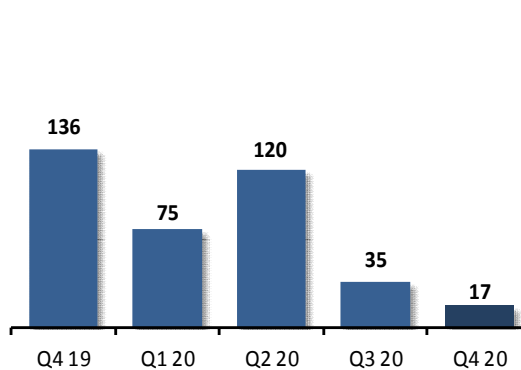
Q4-20



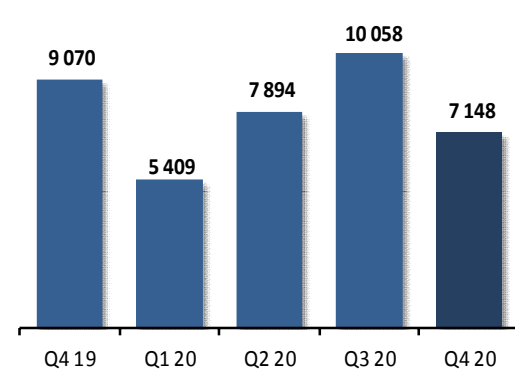
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)



HIGHLIGHTS Q4 2020

- Operational EBIT of NOK 17 million
 - Operational EBIT per kg of NOK 5.05
- The production costs decreased slightly from Q3 2020
- Low salmon price impacted by Covid-19
- Harvested volume 7 148 tonnes, 13 % less than corresponding period last year
- The biomass in the sea increased by 3 828 tonnes (+15 %) from Q4 2019
- Strengthened financial capacity of NOK 800 million as sustainability funding
- Artic Fish successfully completed a MNOK 600 private placement, whereof MNOK 350 was gross primary proceed to the company to fund growth initiatives. Subsequently NRS has increased its stake to 51.3 %
- The Board proposes a dividend of NOK 3.00 per share

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q4 2020	Q4 2019	FY 2020	FY 2019
Operating revenues	1 154 189	1 496 436	5 118 867	5 586 670
Operational EBITDA	43 482	158 984	346 999	629 606
Operational EBIT	16 997	136 358	246 252	542 802
Income from associates	-45 719	-12 536	-1 985	16 901
EBIT	-260 387	154 707	107 609	423 301
EBT	-271 937	190 636	72 970	474 775
EPS (NOK) – before fair value adjustments	-0,60	24,20	4,27	32,47
ROCE ¹⁾			8,5 %	25,9 %
Net cash flow from operating activities ²⁾	-103 993	-81 515	379 010	223 291
Investments in fixed assets/licenses ²⁾	326 852	241 580	1 511 524	660 877
NIBD according to covenant			1 294 554	-215 787
Equity ratio			53,8 %	71,7 %
Volume harvested (HOG)	7 148	8 243	30 509	27 297
Operational EBIT per kg ³⁾	5,05	17,71	9,91	21,98
Volume sold - Sales	23 244	24 726	88 904	89 879

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

²⁾ Cashflow figures and investments includes discontinued operations.

³⁾ Operational EBIT per kg from Farming and Sales (before non-recurring items)

FINANCIAL PERFORMANCE

(Figures in brackets = 2019, unless otherwise specified. All income statement items are restated and adjusted for discontinued operations for comparison periods)

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 1 154.2 million (NOK 1 496,4 million) in the fourth quarter of 2020, a decrease of 22.9 per cent from the corresponding prior-year period. The Group achieved an operational EBIT of NOK 17.0 million (NOK 136.4 million), a decrease of NOK 119.4 million. The decrease in operational EBIT is due to lower salmon prices, higher production costs and lower harvested volumes. A gain on open fixed-price contracts compared to the level of Fish Pool prices of NOK 49.9 million (NOK 14.1 million) was recognised in the quarter. The Group recognised a negative fair value adjustment of NOK 231.7 million (positive NOK 35.3 million), a decrease of NOK 266.9 million compared to the corresponding quarter 2019. The negative fair adjustment is due to lower forward prices.

The farming business harvested 7 148 tonnes (8 243 tonnes) gutted weight in the quarter, a decrease of 13 per cent from the corresponding quarter last year. Farming and Sales achieved an operational EBIT per kg of NOK 5.05 (NOK 17.71). The decrease in operational EBIT per kg is due to lower salmon prices and higher production costs. The Sales business sold 23 244 tonnes (24 726 tonnes), a decrease of 6 per cent.

Financial items and share of profit from associates

Result from associates totalled NOK -45.7 million (NOK -12.5 million) in the fourth quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK -26.7 million (NOK -6.1 million). Arctic Fish harvested 2 988 tonnes in the quarter, NRS' share was 1 494 tonnes. Arctic Fish achieved an operational EBIT per kg of NOK -4.32 in the quarter. Arctic Fish Group reported a negative result of NOK 67.3 million in the fourth quarter, NRS' share was NOK -33.7 million. Associated Norwegian farming companies harvested 4 804 tonnes, 187 tonnes more than in the corresponding period last year. NRS' share of the above figure amounts to 1 748 tonnes, an increase of 114 tonnes.

Net finance expenses for the period were NOK 11.6 million (NOK 8.5 million), an increase of NOK 3.1 million, due to higher NIBD and additional finance cost from the increased loan facility during the quarter.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 5 814.7 million, an increase of NOK 105.3 million from the prior quarter end. The change in total assets is attributable to several factors. Property, plant and equipment increased with NOK 300.6 million. Non-current financial assets decreased with NOK 75.7 million. Fair value adjustments of the biomass decreased by NOK 201.1 million, and inventories and biomass at cost increased by NOK 109.8 million, hence the total decrease in inventories and biological assets was NOK 91.3 million. The Group's receivables decreased by NOK 43.0 million. The Group's bank deposits increased by NOK 14.7 in the quarter.

The Group's net interest-bearing debt increased by NOK 577.2 million, from NOK 944.4 million at the end of the previous quarter to NOK 1 521.6 million at 31 December 2020. The increase is attributable to investments in fixed assets of NOK 365.7 million, increased working capital items of NOK 148.3 million, reduced interest-bearing receivables of NOK 110.2 million and payment of interest and fees of NOK 11.6 million. A positive operational EBITDA of NOK 43.5 million, received dividend from associates of NOK 8.8 and received payments on loans to

associates and others of NOK 6.4 million had the opposite effect on the net interest-bearing debt. The Group had an unused credit facility of NOK 1 421.7 million at the end of the quarter, and bank deposits of NOK 38.8 million.

At 31 December, the Group's equity totalled NOK 3 130.7 million, a decrease of NOK 181.4 million from the end of the previous quarter. The decrease is mainly attributable to fourth quarter total comprehensive income of NOK -190.6 million. The equity ratio at the end of the quarter was 53.8 per cent.

Statement of cash flow

The Group's operating activities generated a negative cash flow of NOK 104,0 million during the quarter, which represents a decrease of NOK 22.5 million compared with the corresponding prior-year quarter. The negative cash flow is attributable to increased working capital items of NOK 148.3 million. A positive operational EBITDA of NOK 43.5 million had the opposite effect.

Net cash outflows related to investing activities in the fourth quarter amounted to NOK 350.5 million (positive NOK 983.8 million). Investments in fixed assets of NOK 365.7 million had negative effect on the cash flow. Received dividends from associates of NOK 8.8 million and received payments on loans to associates and others of NOK 6.4 million had the opposite impact on the cash flow.

The net cash inflows from financing activities totaled NOK 469.2 million (negative NOK 815.9 million) in the fourth quarter. The positive cash inflow is attributable to increased long term debt of NOK 600.0 million. Decreased overdraft facility by NOK 105.3 million, instalments and interests on right to use liabilities of NOK 15.2 million and finance costs of NOK 10.3 million had the opposite impact on the net cash inflow from financing activities.

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.

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 the Farming operations.

The Group owns 36 085 tonnes MAB, located in Troms and Finnmark.

The segments posted sales revenues of NOK 1 144.4 million in the fourth quarter (NOK 1 496.4 million), a decrease of 23.5 per cent from the corresponding period last year. The spot price (NASDAQ) for superior quality during the quarter was NOK 43.53 per kg gutted weight, a decrease of 8.3 per cent from the third quarter of 2020 and a decrease of 22.9 per cent compared with the fourth quarter of 2019. The sales operations experienced a decrease in sales volumes of 6 per cent compared with the corresponding prior-year period. 23 244 tonnes (24 726 tonnes) were sold in the fourth quarter. The Sales business had a positive operational EBIT before open fixed-price contracts of NOK 1.0 million (NOK 12.3 million), which equates to NOK 0.04 (NOK 0.50) per kg sold volume in the period. Gain on open fixed-price contracts compared to the level of Fish Pool prices was NOK 49.9 million (NOK 14.1 million) in the quarter.



FARMING

Operational EBIT came in at NOK 36.1 million (NOK 146.0 million), a decrease of NOK 109.9 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK -1.93 (NOK 16.15). Gain on fixed-price contracts of NOK 6.98 per kg (gain NOK 1.56) resulted in an operational EBIT per kg of NOK 5.05 (NOK 17.71).

7 148 tonnes (8 243 tonnes) were harvested in the fourth quarter, a decrease of 13.3 per cent. The achieved price for the Farming operations was NOK 3.44 lower per kg than achieved in the third quarter of 2020 and NOK 13.6 lower per kg than in the corresponding period last year.

Total production cost per kg for harvested fish was NOK 43.69, which is NOK 0.84 lower than in the third quarter of 2020 and NOK 3.25 higher than in the corresponding period last year. The production cost in the fourth quarter is higher than earlier estimated due to harvesting from other sites than initially planned with smaller fish and high harvesting and wellboat costs. The production cost is expected to decrease in the next quarter.

The biomass in sea is increased with 3 470 tonnes (+13.1 per cent) compared to the previous quarter and increased with 3 828 tonnes (+14.5 per cent) compared to corresponding quarter in 2019.

The estimated harvest volume for 2021 is 40 000 tonnes gutted weight, an increase of 31 % tonnes from the harvested volume of 2020. This is due to increased MAB and almost full utilization of the MAB (excluding development MAB) at the end of 2020.

KEY FIGURES (NOK '000)	Q4 2020	Q4 2019	YTD 2020	FY 2019
Operating revenues	1 144 439	1 360 047	5 108 577	4 991 015
Operational EBITDA	59 319	168 568	401 814	686 614
Operational EBIT	36 074	145 964	302 479	599 896
Investment in tangible assets/licenses	326 852	241 580	1 511 524	660 877
Volume harvested (tonnes HOG)	7 148	8 243	30 509	27 297
Operational EBIT per kg (ex contracts)	-1,93	16,15	6,90	20,01
Gain (+)/Loss (-) on open fixed price contracts	6,98	1,56	3,01	1,96
Operational EBIT per kg	5,05	17,71	9,91	21,98

SHARES

As of 31 December 2020, Norway Royal Salmon ASA has totally 43 572 191 shares, allocated among 2 651 shareholders, an increase of 48 from the end of the previous quarter. At the end of the quarter, the group had 653 459 treasury shares. The share price increased from NOK 214.00 at the end of September 2020 to NOK 214.60 at the end of December 2020. 1 755 020 shares were traded during the quarter.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

Increased financial headroom

NRS entered into a new bank agreement. The existing NOK 400 million facility is replaced by NOK 1 200 million as a new term loan with sustainability KPI's. The instalment profile is over 8.5 years and the term loan expire 31.12.25. The strengthened total financial capacity from NOK 2 000 million to NOK 2 800 million adds financial headroom going forward.

IPO process for Arctic Fish ehf

After the end of the fourth quarter, NRS has surpassed majority ownership of Arctic Fish. Hence, Arctic Fish will from the first quarter of 2021 be consolidated into the Norway Royal Salmon Group. Arctic Fish is a fish farming company located in Westfjords, Iceland and is expected to be listed on Euronext Growth on the Oslo Stock Exchange during February 2021. The company estimates to harvest 12 000 tonnes of salmon in 2021 and currently has a production cost in line with the average for Norwegian fish farming companies. Arctic Fish has substantial growth potential and estimates a harvest volume of approximately 24 000 tonnes in 2025.

Environmental certificates

Norway Royal Salmon is working to achieve the most stringent environmental certificates in the industry, the Aquaculture Stewardship Council (ASC) standard. ASC-certified fish are produced in a highly responsible and sustainable manner within very strict requirements. Per 31.12.2020 88 per cent of our active sites are certified according to the ASC standard.

Electrification initiatives

NRS have started the transition to electrification of the feed barges at our farming locations in Norway. In this connection, the company has applied for and has been granted funds from ENOVA*. Solutions for our feed barges are partly batteries charged by fossil fuel (hybrid) and batteries charged with electricity from the onshore network. Over the next few years, most of our farming locations will operate on these two alternative solutions. We expect a significant reduction in carbon emissions and at the same time a more cost- efficient power supply.

*Enova SF is owned by the Norwegian Ministry of Climate and Environment and contributes to reduced greenhouse gas emissions, development of energy and climate technology and a strengthened security of supply.

NRS and COVID-19

Covid-19 has not impacted the production in the quarter. The declined demand in the food service market is partly compensated from retail customers. Due to this and weak demand from China, it has been a high pressure on the salmon price in the quarter. Covid-19 has had a negative impact on the progress of the ongoing growth initiatives.

MARKET CONDITIONS

Covid-19 and the extensive restrictions due to Covid-19 has continued to affect both consumption patterns and overall demand in the global markets for salmon during the quarter.

The total value of salmon exported from Norway in the fourth quarter was NOK 18.3 billion, a decrease of NOK 1.9 billion compared to the corresponding quarter last year. The decrease of 9.5 per cent from the fourth quarter of 2019 was due to lower prices. The spot price (NASDAQ) in the fourth quarter of 2020 was NOK 43.53 per kg superior quality salmon (delivered Oslo). This is a decrease of 22.9 per cent from the fourth quarter of 2019. The price in NOK was positively impacted by a weak Norwegian currency in the quarter. In EUR, the prices of Norwegian salmon decreased 27.6 per cent to EUR 4.05 per kg. The export price of NOK 51.51 was higher than the spot price and 17.0 per cent lower than in the same period last year.

The price reduction in the spot market is driven by increased global supply, Covid-19 restrictions, and the shift in demand from food service to retail due to Covid-19. Harvested volumes from Norway increased by 9 per cent from the corresponding prior-year period. Harvested volumes from Chile increased by 20 per cent, which resulted in an increase in global harvesting volumes of 11 per cent. For Q1 2021 Kontali Analyse expects a harvesting volume which is 4 per cent higher than in Q1 2020.

Harvest volume (tonnes wfe)	Q4/20	yr/yr	Q1/21 E	yr/yr
Norway	405 300	9 %	322 200	6 %
Chile	217 700	20 %	170 100	-9 %
UK	49 700	17 %	38 900	21 %
Canada	35 000	-6 %	33 100	15 %
Faroe Islands	23 000	-12 %	20 900	21 %
Australia	23 300	11 %	20 400	25 %
USA	5 000	-4 %	3 800	-24 %
Iceland	10 600	23 %	8 600	2 %
Others	9 440	3 %	10 850	77 %
	779 040	11 %	628 850	4 %

Source: Kontali Analyse

Sold volumes increased by 10 per cent in the quarter compared with the same period last year. This is slightly lower than the increase in global harvest volume and indicate a higher change in frozen inventory compared to the same quarter last year. EU, Japan and Eastern Europe were the markets that grew the most. The Asian market (ex. Japan) had a decrease of 17 per cent compared to the same quarter last year.

Sold volumes (tonnes wfe)	Q4/20	yr/yr	Q1/21 E	yr/yr
EU	348 800	13 %	274 200	12 %
USA	147 200	10 %	135 900	0 %
Eastern Europe ex. Russia	19 600	29 %	9 800	7 %
Russia	30 800	8 %	21 800	20 %
Asia ex. Japan	58 800	-17 %	64 000	9 %
Japan	21 400	30 %	17 300	17 %
Others	133 400	14 %	116 400	5 %
	760 000	10 %	639 400	8 %

Source: Kontali Analyse

Significantly lower salmon prices resulted in an increase in global import volumes to the EU of 13 per cent in the quarter compared to the fourth quarter of 2019, 85 per cent of the volume comes from Norway. Norwegian export volume to the EU increased by 12 per cent from the corresponding prior-year period, while the export value decreased by 7 per cent. However, Covid-19 continued to cause a significant shift in demand from food service towards the retail segment.

Q4/2020	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to EU:				
Poland	63 640	24 %	2 650	2 %
France	36 802	4 %	1 719	-12 %
Denmark	40 513	29 %	1 579	1 %
UK	22 295	4 %	1 094	-6 %
Spain	25 950	14 %	1 228	-2 %
Holland	25 435	14 %	1 182	-1 %
Others in EU	82 702	1 %	3 727	-17 %
Total Norway to EU	297 337	12 %	13 179	-7 %
Others to EU	51 463	21 %		
EU total	348 800	13 %		

Source: Norwegian Seafood Council

This can clearly be seen in the substantial increase in the import volumes of Poland (29 %) and

Denmark (24 %) in the fourth quarter. These markets produce processed products for the retail segments. Poland is now by far the largest market for Norwegian salmon. France, which traditionally has a large food service segment, had a growth in import volumes of only 4 per cent. Although the demand from the retail segment has been strong in the quarter, it has not been strong enough to offset the weak demand in the food service segment.

The global demand for salmon in Asia decreased by 8 per cent in the fourth quarter. Import volumes from Norway decreased by 1 per cent. Norway's market share increased to 72 per cent in fourth quarter. Chile's export to this region decreased with 22 per cent. Affected by Covid-19, import volumes in China decreased by 14 per cent in the fourth quarter compared to the corresponding prior-year period. The markets in South East Asia decreased their import from Norway with 10 per cent. The South-Korean market increased by 14 per cent and the Japanese market by 7 per cent.

The lower prices in the fourth quarter led to an increase in the total export of salmon to Eastern Europe. Global import volumes increased by 15 per cent, while import volumes from Norway increased with 16 per cent. Volumes to Russia from other producer nations increased by 15 per cent in the third quarter. Norway had a market share of 28 per cent in Eastern Europe.

The demand for salmon in North America increased in the fourth quarter. In total, import to North America increased by 10 per cent, while volume from Norway increased by 2 per cent.

The fourth quarter was challenging for the NRS' Sales operations, low margins contributed negatively to the profitability in the quarter but were higher than in the previous quarter. The effect of the Covid-19 pandemic continued to significantly impact the logistics and market for salmon in the fourth quarter. The sales volume was 6 per cent lower than in the same quarter last year. 63 per cent of the harvested fish were sold in the spot market in the fourth quarter, while 37 per cent were sold at fixed prices. The fixed price contracts resulted in a gain of NOK 49.9 million compared to the level of Fish Pool prices. The sales volumes to Western Europe increased with 4 per cent and volumes to Eastern Europe increased by 4 per cent in the quarter, export volumes to Asia decreased with 21 per cent. The volumes sold in Norway decreased by 5 per cent in the quarter. In the fourth quarter, Western Europe accounted for 82 per cent of the export volumes, Asia for 10 per cent and Eastern Europe for 7 per cent. Domestic volume amounts to 15 per cent of the total sold volume.

Q4/2020	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Asia				
South East Asia	12 587	-10 %	585	-30 %
Japan	13 440	7 %	726	-14 %
Middle East	12 343	0 %	610	-12 %
China (incl. Hong Kong)	8 347	-14 %	380	-35 %
South-Korea	10 820	14 %	563	-12 %
Others in Asia	409	-34 %	21	-43 %
Total Norway to Asia	57 946	-1 %	2 882	-21 %
Others to Asia	22 254	-22 %		
Asia Total	80 200	-8 %		

Source: Norwegian Seafood Council

Q4/2020	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Eastern Europe				
Ukraine	7 844	37 %	307	6 %
Turkey	1 568	-13 %	63	-24 %
Belarus	2 732	-5 %	112	-21 %
Kazakhstan	1 582	18 %	79	5 %
Others in Eastern Europe	601	6 %	29	2 %
Norway to Eastern Europe	14 327	16 %	590	-5 %
Other to Eastern Europe	36 073	15 %		
Eastern Europe Total	50 400	15 %		

Source: Norwegian Seafood Council

Q4/2020	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to North America				
USA	19 307	3 %	1 304	-4 %
Canada	675	-21 %	52	-23 %
Total Norway to North Ame	19 982	2 %	1 357	-5 %
Others to North America	127 218	11 %		
North America Total	147 200	10 %		

Source: Norwegian Seafood Council

OUTLOOK

Harvested volume for the quarter was 7 148 tonnes, which is lower than the 9 100 tonnes that was the estimated volume in the last quarterly report. The reduced harvested volume is explained by not approved utilisation of the Arctic Offshore Farming MAB for ordinary production and postponing harvesting to 2021 as much as possible. Estimated harvest volume for 2021 is 40 000 tonnes gutted weight, an increase of 31 per cent compared with the volume in 2020. For 2021, 2 316 tonnes are hedged, of which 846 tonnes are hedged in the first quarter of 2021.

After the end of the fourth quarter, NRS has surpassed majority ownership of Arctic Fish. Hence, Arctic Fish will from the first quarter of 2021 be consolidated into the Norway Royal Salmon Group. Arctic Fish is a fish farming company located in Westfjords, Iceland and is expected to be listed on Euronext Growth on the Oslo Stock Exchange during February 2021. The company estimates to harvest 12 000 tonnes of salmon in 2021 and currently has a production cost in line with the average for Norwegian fish farming companies. Arctic Fish has substantial growth potential and estimates a harvest volume of approximately 24 000 tonnes in 2025.

In the first quarter of 2021 Kontali Analyse expects global harvest volumes to increase with 4 per cent compared with the first quarter of 2020. For 2021 Kontali Analyse expects a growth in global harvest volume of 2 per cent from 2020, which is a low growth seen in historical context. The growth in 2021 from Norway is expected to be 7 per cent while Chile is expected to reduce harvest volumes by 12 per cent compared to 2020.

During 2020, the Covid-19 pandemic has spread throughout the world and significantly impacted the logistics and market for salmon. This situation creates significant unpredictability and uncertainty both in terms of consequences and duration. Potential consequences for Norway Royal Salmon are difficult to specify, but the company is monitoring the situation closely and will take corrective action when needed. With Norway Royal Salmon's solid financial foundation and highly competent staff, we are well positioned to get through these challenging times. NRS's operational goal of producing sustainable and healthy food is especially important in times like these. We will do everything we can to continue the company's production given the negative consequences of the pandemic, without compromising health and safety. NRS is prepared for a reduced demand and continued price pressure for salmon in the first quarter 2021 but anticipates an improved market situation during 2021.

NRS has two major investment projects in progress, a new smolt facility and Arctic Offshore Farming. The investment in a new smolt facility is strategically important for NRS and the facility is centrally located in relation to the fish farming sites. When the facility is finished in 2021, it will be one of the world's largest and most modern smolt facility within RAS technology. The facility is designed so that it has the potential for further extensions. The smolt facility will contribute to increased biological safety, increased quality and greater smolt, as well as improve the timing of smolt releases into the sea. This will improve the utilization of the Group's MAB and reduce production costs. NRS expects to start up production during the spring 2021.



The investment in Arctic Offshore Farming is also a strategically important investment in which NRS develops and builds offshore technology of the future for the aquaculture industry. This technological solution enables aquaculture in significantly more exposed waters and will help increase the utilization of sea areas. Two cages and a feed barge are under construction. The first fish is expected to be released at the site in the summer of 2021. NRS has recognized that implementing the development project is complex, which has resulted in an increase in the estimated total investment cost of MNOK 150 and delay due to Covid-19 from third quarter 2020 report.

Trondheim, 15 February 2021

Helge Gåsø
Chair

Eva Kristoffersen
Vice chair

Marianne E. Johnsen

Tom Vidar Rygh

Trude Olafsen

Arnfinn Aunsmo

Karl-Johan Bakken

Charles Høstlund
CEO



Consolidated financial statements

CONSOLIDATED INCOME STATEMENT
COMPREHENSIVE INCOME STATEMENT
STATEMENT OF FINANCIAL POSITION
STATEMENT OF EQUITY
STATEMENT OF CASH FLOW

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ALTERNATIVE PERFORMANCE MEASURES



INTERIM REPORT

Q4 2020

CONSOLIDATED INCOME STATEMENT

(NOK '000)	Q4 2020	Q4 2019	FY 2020	FY 2019
Operating revenues	1 154 189	1 496 436	5 118 867	5 586 670
Cost of goods sold	1 003 899	1 246 498	4 393 881	4 586 500
Salaries	48 444	40 162	166 995	154 466
Depreciation	26 485	22 625	100 747	86 804
Other operating costs	58 363	50 792	210 992	216 098
Operational EBIT	16 997	136 358	246 252	542 802
Fair value adjustments	-231 665	35 264	-136 657	-132 023
Write down of assets	0	-4 379	0	-4 379
Income from associates	-45 719	-12 536	-1 985	16 901
EBIT	-260 387	154 707	107 609	423 301
Gain/loss on financial assets	0	44 457	-8 165	78 658
Other net financial items	-11 550	-8 527	-26 474	-27 183
Earnings before tax (EBT)	-271 937	190 636	72 970	474 775
Taxes	62 148	-35 321	1 717	-84 278
Profit after tax from continuing operations	-209 789	155 316	74 687	390 498
Profit after tax on discontinued operations incl. profit from sale	0	923 114	0	922 600
Net profit/loss	-209 789	1 078 430	74 687	1 313 098
Profit attributable to:				
Parent company shareholders	-203 972	1 077 389	80 113	1 306 722
Minority interests	-5 817	1 040	-5 426	6 376
Earnings per share, continuing operations (NOK)	-4,74	3,57	1,86	8,86
Earnings per share, continuing operations - diluted	-4,74	3,57	1,86	8,86
Earnings per share (NOK)	-4,74	24,85	1,86	30,14
Earnings per share - diluted	-4,74	24,85	1,86	30,14

COMPREHENSIVE INCOME STATEMENT

(NOK '000)	Q4 2020	Q4 2019	FY 2020	FY 2019
Net profit/loss	-209 789	1 078 430	74 687	1 313 098
Items to be reclassified to profit or loss:				
Translation differences and OCI posts from associated companies	-14 788	-645	14 436	-2 182
Cash Flow hedges (net of tax)	29 950	10 675	15 098	18 424
Items not to be reclassified to profit or loss:				
Actuarial gains on defined benefit plans (net of tax)	4 018	-7 686	4 018	-7 686
Total comprehensive income	-190 610	1 080 774	108 239	1 321 653
Total comprehensive income attributable to:				
Parent company shareholders	-184 793	1 079 734	113 666	1 315 277
Non-controlling interests	-5 817	1 040	-5 426	6 376

STATEMENT OF FINANCIAL POSITION

(NOK '000)	31.12.2020	30.09.2020	31.12.2019
Intangible assets	948 616	948 616	713 947
Property, plant and equipment	2 351 759	2 051 178	1 175 568
Non-current financial assets	772 759	848 414	676 723
Non-current assets	4 073 134	3 848 208	2 566 238
Inventory and biological assets	1 386 281	1 477 594	1 311 784
Receivables	316 541	359 547	650 199
Bank deposits	38 753	24 080	152 317
Current assets	1 741 575	1 861 221	2 114 300
TOTAL ASSETS	5 814 710	5 709 429	4 680 538
Share capital	42 919	42 919	43 432
Other equity	3 048 177	3 223 786	3 267 659
Non-controlling interests	39 596	45 413	45 949
Equity	3 130 692	3 312 118	3 357 040
Pensions	23 703	27 638	27 638
Deferred tax	365 569	421 888	358 208
Provisions	389 272	449 526	385 847
Long-term interest-bearing debt	1 378 514	790 347	200 933
Short-term interest-bearing debt	226 819	346 252	47 927
Trade payables	617 937	647 097	575 895
Tax payable	3 752	0	42 537
Other current liabilities	67 723	164 089	70 359
Current liabilities	916 231	1 157 438	736 718
TOTAL EQUITY AND LIABILITIES	5 814 710	5 709 429	4 680 538



INTERIM REPORT

Q4 2020

STATEMENT OF EQUITY

31.12.2020 (NOK '000)	Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings			
Equity at 01.01.2020	43 572	-141	3 267 659	3 311 091	45 949	3 357 040
Total comprehensive income	0	0	113 666	113 666	-5 426	108 239
Transactions with shareholders						
Dividend	0	-545	-212 752	-213 297	-927	-214 224
Share based payment	0	0	3 100	3 100	0	3 100
Net purchase and sale of treasury shares	0	32	-132 730	-132 698	0	-132 698
Other equity transactions in the group	0	0	-64	-64	0	-64
Equity transactions associated companies	0	0	9 298	9 298	0	9 298
Total transactions with shareholders	0	-513	-333 148	-333 661	-927	-334 588
Equity at 31.12.2020	43 572	-653	3 048 177	3 091 096	39 596	3 130 692

31.12.2019 (NOK '000)	Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
	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	1 315 277	1 315 277	6 376	1 321 653
Transactions with shareholders						
Dividend	0	0	-258 259	-258 259	-1 969	-260 228
Share based payment	0	0	-1 412	-1 412	0	-1 412
Net purchase and sale of treasury shares	0	-83	-24 952	-25 035	0	-25 035
Other equity transactions in the group	0	0	-1 441	-1 441	0	-1 441
Equity transactions associated companies	0	0	2 719	2 719	0	2 719
Total transactions with shareholders	0	-83	-283 346	-283 428	-1 969	-285 398
Equity at 31.12.2019	43 572	-141	3 267 659	3 311 092	45 949	3 357 040

Statement of cash flow

(NOK '000)	Q4 2020	Q4 2019	FY 2020	FY 2019
Operational EBIT	16 997	136 358	246 252	542 802
Adjusted for:				
Taxes paid	0	-290	-38 379	-138 290
Depreciation	26 485	22 625	100 747	86 804
Share based payment	858	971	-3 020	-1 413
Pension costs with no cash effect	0	-1 199	0	-1 199
Change in inventories/biological assets	-109 778	9 843	-183 548	-260 491
Change in account receivables and accounts payables	39 066	-242 993	245 005	17 974
Change in other current assets and liabilities	-77 621	-6 831	11 953	-22 897
Net cash flow from operating activities	-103 993	-81 515	379 010	223 291
Cash flow from investing activities				
Payments for purchase of fixed assets and licenses (MAB)	-365 715	-145 182	-1 416 544	-535 396
Payments for acquisition of associated company	0	0	0	-43 738
Proceeds from realisation of current financial assets (TRS)	0	0	44 689	-3 809
Proceeds from investments in non-current financial assets	8 844	11 732	19 609	19 950
Net cash proceeds from discontinued operations	0	1 125 700	0	1 125 700
Change in loans to associates and others	6 366	-8 500	-98 275	-22 270
Net cash flow from investing activities	-350 505	983 750	-1 450 521	540 436
Cash flow from financing activities				
Receipts from new non-current debt	600 000	0	1 200 000	0
Non-current debt repayment	0	-700 000	0	-350 000
Down payments on right to use liabilities	-14 016	-12 417	-53 489	-50 404
Interest payments for right to use liabilities	-1 205	-2 290	-6 788	-7 930
Net change in bank overdraft	-105 309	-92 012	178 308	-51 611
Total proceeds from transactions with treasury shares	0	0	-127 160	-25 035
Net interest payments	-10 299	-7 252	-19 686	-21 855
Dividend payment	0	-1 970	-213 236	-260 229
Net cash flow from financing activities	469 171	-815 940	957 948	-767 064
Net increase in bank deposits	14 673	86 295	-113 563	-3 337
Bank deposits as of start of period	24 080	66 022	152 317	155 653
Bank deposits as of 31 December	38 753	152 317	38 753	152 317



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 2019 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 2019 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 2019.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: Operating segments

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. All farming sites are located in Troms and Finnmark. All transactions between the segments are made at arm length prices. Group management reviews monthly reports in connection with the segments. Performance is evaluated based on operating results (EBIT) per segment.

(NOK '000)	Sales		Farming		Eliminations / other		TOTAL	
	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019
Total sales revenues	1 144 439	1 496 364	297 466	455 325	9 749	72	1 451 654	1 951 761
Internal sales revenues	0	0	297 466	455 325	0	72	297 466	455 397
External sales revenues	1 144 439	1 496 364	0	0	9 749	0	1 154 189	1 496 364
Operating costs	1 093 578	1 469 953	312 253	333 366	-268 639	-443 240	1 137 192	1 360 078
Operational EBIT	50 862	26 411	-14 788	121 959	-19 077	-12 011	16 997	136 358
Fair value adjustments	-30 574	-2 463	-201 091	37 727	0	0	-231 665	35 264
Write down of assets	0	0	0	-4 379	0	0	0	-4 379
Income from associates	0	0	0	0	-45 719	-12 536	-45 719	-12 536
EBIT	20 288	23 948	-215 879	155 307	-64 796	-24 548	-260 387	154 707
EBT	15 210	22 994	-212 214	144 406	-74 933	23 236	-271 937	190 636
Volume harvested (HOG)			7 148	8 243			7 148	8 243
Operational EBIT per kg			-2,07	14,79			-2,07	14,79
Volume sold	23 244	24 726					23 244	24 726
Operational EBIT per kg	2,19	1,07					2,19	1,07
- of which gain on fixed-price contracts per kg.	2,15	0,57					2,15	0,57

(NOK '000)	Sales		Farming		Eliminations / other		TOTAL	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Total sales revenues	5 108 577	5 586 475	1 529 368	1 540 978	10 290	129 213	6 648 235	7 256 665
Internal sales revenues	0	0	1 529 368	1 540 978	0	129 017	1 529 368	1 669 995
External sales revenues	5 108 577	5 586 475	0	0	10 290	196	5 118 867	5 586 670
Operating costs	5 021 284	5 516 910	1 314 182	1 005 225	-1 462 850	-1 478 266	4 872 615	5 043 868
Operational EBIT	87 293	69 565	215 186	535 753	-56 227	-62 516	246 252	542 802
Fair value adjustments	-27 605	-4 116	-109 052	-127 907	0	0	-136 657	-132 023
Write down of assets	0	0	0	-4 379	0	0	0	-4 379
Income from associates	0	0	0	0	-1 985	16 901	-1 985	16 901
EBIT	59 688	65 449	106 134	403 467	-58 213	-45 615	107 609	423 301
EBT	54 111	61 643	80 171	381 815	-61 312	31 317	72 970	474 775
Volume harvested (HOG)			30 509	27 297			30 509	27 297
Operational EBIT per kg			7,05	19,63			7,05	19,63
Volume sold	88 904	89 879					88 904	89 879
Operational EBIT per kg	0,98	0,77					0,98	0,77
- of which gain / -loss on fixed-price contracts per kg.	1,03	0,64					1,03	0,64

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: 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. The discount factor was in Q1-20 reduced from 6.0 % in previous quarters to 5.0 %, and the reduced discount factor is used in the subsequent periods. The reduction is based on reduced expectations of profitability in the industry and impact on the hypothetical license and site rent. 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 period 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), transport to Oslo and the governmental production fee. 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

Book value of inventory:

(NOK '000)	31.12.2020	30.09.2020	31.12.2019
Raw materials	36 372	41 972	36 453
Biological assets	1 282 006	1 382 489	1 231 662
Finished goods	67 903	53 133	43 670
Total inventory	1 386 281	1 477 594	1 311 784

Specification of the biological assets:

(NOK '000)	31.12.2020	30.09.2020	31.12.2019
Biological assets at cost	1 172 790	1 072 182	1 013 394
Fair value adjustments of the biomass	109 216	310 307	218 268
Book value biological assets	1 282 006	1 382 489	1 231 662

Specification of biological assets - tonnes

(NOK '000)	Q4 2020	Q4 2019	FY 2020	FY 2019
Opening balance biological assets	26 391	27 892	26 033	24 675
Increase due to fish put in the sea	297	538	1 342	1 555
Increase due to production in the period	12 260	13 576	41 309	43 252
Reduction due to mortality in the period	-858	-848	-2 843	-2 733
Reduction due to harvesting in the period	-8 229	-10 797	-35 980	-36 320
Non-recurring events and other	0	-4 327	0	-4 396
Closing balance biological assets	29 861	26 033	29 861	26 033

Specification of changes in book value of biological assets:

(NOK '000)	Q4 2020	Q4 2019	FY 2020	FY 2019
Opening balance biological assets	1 382 488	1 318 339	1 231 662	1 240 393
Increase due to production in the period	377 661	413 141	1 322 815	1 377 738
Non-recurring events and other at cost	0	0	0	-11 000
Reduction due to harvesting in the period	-277 053	-342 598	-1 163 419	-1 055 101
Fair value adjustments of the biological assets	-201 091	37 727	-109 052	-125 420
Closing balance biological assets	1 282 005	1 426 609	1 282 005	1 426 609
Of which discontinued operations	0	-194 947	0	-194 947
Continued operations	1 282 006	1 231 662	1 282 006	1 231 662

Fair value adj. of biological assets in the consolidated income statement

(NOK '000)	Q4 2020	Q4 2019	FY 2020	FY 2019
Fair value adjustments of the biological assets	-215 879	159 686	106 134	410 333
Fair value adjustments of the harvested fish	-14 788	121 959	215 186	535 753
Total fair value adj. of biological assets in the consolidated income statement	-201 091	37 727	-109 052	-125 420

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass cont.

Groups of biological assets, status as of 31.12.2020	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	5 794	3 385	236 187	60 956	297 143
1-4 kg	7 675	20 155	756 759	31 724	788 483
Larger than 4 kg	1 006	6 320	179 845	16 535	196 380
Biological assets	14 475	29 861	1 172 790	109 216	1 282 006

Groups of biological assets, status as of 30.09.2020	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	6 723	4 491	291 665	71 034	362 699
1-4 kg	6 047	13 935	548 222	146 959	695 181
Larger than 4 kg	1 662	7 964	232 294	92 315	324 609
Biological assets	14 432	26 391	1 072 182	310 307	1 382 489

Groups of biological assets, status as of 31.12.2019	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	6 757	3 515	261 098	22 868	283 967
1-4 kg	5 357	12 734	454 350	78 241	532 591
Larger than 4 kg	2 154	9 784	297 945	117 158	415 103
Biological assets	14 268	26 033	1 013 393	218 268	1 231 662

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

31.12.2020	NOK/kg	30.09.2020	NOK/kg	31.12.2019	NOK/kg
Q1 21	50,33	Q4 20	54,47	Q1 20	66,20
Q2 21	58,90	Q1 21	63,60	Q2 20	66,80
Q3 21	53,67	Q2 21	65,10	Q3 20	54,90
Q4 21	55,83	Q3+Q4 21	55,65	Q4 20	56,30
Q1 + Q2 22	54,62	Q1 + Q2 22	56,50	Q1 + Q2 21	59,50

NOTE 4: Non-recurring events

Non-recurring event 1)	Q4 2020			Q4 2019		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
Incidents occurred 2020	0	0	0	0	0	0
Biological assets	0	0	0	0	0	0

1) Non-recurring events are not allocated to the segments.

Non-recurring event 1)	FY 2020			FY 2019		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
Culling of fish due to wounds Nor Seafood AS	0	0	0	11 000	0	11 000
Biological assets	0	0	0	11 000	0	11 000

1) Non-recurring events are not allocated to the segments.

NOTES TO THE FINANCIAL STATEMENTS

NOTE5: 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)	Q4 2020	Q4 2019	FY 2020	FY 2019
Change in fair value adjustments of the biomass	-201 091	37 727	-109 052	-125 420
Change in provision for onerous sales contracts	1 401	-3 860	3 860	-2 399
Change in unrealised gains/losses on financial Fish Pool contracts	-31 975	1 398	-31 466	-1 717
Total fair value adjustments	-231 665	35 264	-136 657	-129 536
Of which discontinued operations	0	0	0	2 487
Continued operations	-231 665	35 264	-136 657	-132 023

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

(NOK '000)	31.12.2020	30.09.2020	31.12.2019
Fair value adjustments biomass (inventory and biological assets)	109 216	310 307	218 268
Provision for onerous sales contracts (other current liabilities)	0	-1 401	-3 860
Fair value of financial Fish Pool contracts (other receivables/other current liabilities)	-31 466	509	0
Net fair value adjustments in the balance sheet	77 750	309 415	214 408

NOTE6: 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 one 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. The Group rents a private car parking space from CEO Charles Høstlund.

All services and goods are purchased at arm length prices. The table below shows figures from continued operations. The Board is not aware of any changes or transactions in Q4 20 associated with related parties that in any significant way have an impact on the Group's financial position and profit for the period.

Goods and services purchased:
(NOK '000)

	Q4 2020	Q4 2019	FY 2020	FY 2019
Associates - products purchased	126 159	162 370	475 239	461 577
Associates - services purchased	4 605	5 768	25 661	33 209
Companies controlled by large shareholder - products purchased	228 286	79 930	618 361	656 566
Companies controlled by large shareholder - services purchased	13 353	9 024	46 837	32 916
Chief Executive Officer - services purchased	7 520	0	7 520	0
Total goods and services purchased from related parties	379 923	257 092	1 173 618	1 184 268

Share-based incentive schemes

Norway Royal Salmon has a share-based bonus scheme for the Group Management and key personnel and has been approved by the Board. The bonus scheme confers the right to receive shares in the company based on the price performance of the company's shares on the Oslo Stock Exchange. The exercise price will be adjusted for dividends and changes in holdings of treasury shares.

The scheme introduced in 2018 ceased as on 20 March 2020, the scheme from 2019 runs until 20 March 2021. These schemes shall not exceed a year's salary.

The scheme introduced on 20 March 2020 has a vesting period until 20 March 2021 and is paid 50 % in March 2022 and 50% in March 2023. This scheme shall not exceed 25 % of an annual salary.

	Program introduced in 2018	Program introduced in 2019	Program introduced in 2020	All programs
Change in number of options				
At 31 December 2019	393 286	366 223	0	759 509
Exercised in the year	-379 953	0	0	-379 953
Allocated during the year (new program)	0	0	216 934	216 934
Terminated	-13 333	-43 790	-14 813	-71 936
Number of options at 31 December 2020	0	322 433	202 121	524 554
Exercise price	150,51	197,48	197,04	
Number of employees in the program at 31 December 2020	0	19	31	50

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.07.2020	Share of profit/loss in the period after tax	Other changes	Book value 31.12.2020	Share of volume harvested - tonnes HOG 31.12.2020 ¹⁾
Arctic Fish ehf.	50,00 %	275 126	-33 658	101 236	342 703	1 494
Wilsgård Fiskeoppdrett AS	37,50 %	178 835	-10 294	0	168 541	1 104
Måsøval Fishfarm AS	36,10 %	35 072	-1 687	11 525	44 909	283
Hellesund Fiskeoppdrett AS	33,50 %	124 647	-255	0	124 392	360
Hardanger Fiskeforedling AS ²⁾	17,20 %	12 046	0	-12 046	0	0
Nordnorsk Smolt AS	50,00 %	41 087	176	0	41 263	0
Other		48	0	0	48	0
Total associates Q4 2020		666 860	-45 719	100 715	721 856	3 241
Total associates Q4 2019		589 921	-12 536	30 501	607 887	2 053

¹⁾ The harvested volume comprises NRS's share of the harvested volume of associates

²⁾ As a result of a restructuring process during the fourth quarter in Hardanger Fiskeforedling AS, NRS was diluted and the ownership was reduced to 17.20%. Hence the investment will no longer be accounted as an associate going forward.

The Group's associated companies own together eleven fish farming licenses in Norway and Arctic Fish on Iceland has licenses for salmon farming of 11 800 tonnes in MAB

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. When 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 at 31 December 2020:

	NRS's shareholding in associate	Number of shares	Fair value ¹⁾	NRS' share of fair value
Måsøval Fishfarm AS ²⁾	36,10 %	-	-	-
Hellesund Fiskeoppdrett AS	33,50 %	1 683 406	361 259	121 022
Total		1 683 406	361 259	121 022

¹⁾ Fair value is calculated as the closing price of <https://live.euronext.com/en/markets/oslo> on the balance sheet date for the Norway Royal Salmon share multiplied by the number of shares.

²⁾ Måsøval Fishfarm AS sold 262 343 NRS shares during the fourth quarter 2020.

Note 8: Treasury shares and TRS agreements

As at 31 December the company holds 653 459 treasury shares, corresponding to 1.50 % of the share capital of the company. Per 31 December all TRS-agreements (Total Return Swap) is ceased and NRS holds no further TRS-agreements. After the realisation in the second quarter, a net loss of KNOK 8 165 is recognised as a financial item in the income statement per 31 December 2020.

NOTE 9: Bank covenants and financing

The Group's main borrowing covenants is one requiring an equity ratio of at least 30 per cent, adjusted for IFRS 16 effects, 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 Q4 2020 the Group is in compliance with the terms of its loan agreements. Please refer to a specification shown in the alternative performance measures for the NIBD composition.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: Shareholders

Ownership structure – the 20 largest shareholders as at 31.12.2020:

Shareholder	Antall	Eierandel
FRØY GRUPPEN AS	6 015 079	13,80 %
MÅSØVAL EIENDOM AS	5 573 111	12,79 %
NORWAY FRESH AS	4 500 000	10,33 %
HAVBRUKSINVEST AS	4 233 371	9,72 %
EGIL KRISTOFFERSEN & SØNNER AS	3 841 770	8,82 %
HELLESUND FISKEOPPDRETT AS	1 683 406	3,86 %
STATE STREET BANK AND TRUST COMP	1 522 552	3,49 %
NYHAMN AS	1 407 782	3,23 %
THE NORTHERN TRUST COMP, LONDON BR	1 270 865	2,92 %
NTS ASA	1 051 838	2,41 %
RBC INVESTOR SERVICES TRUST	930 952	2,14 %
BROWN BROTHERS HARRIMAN & CO.	682 599	1,57 %
NORWAY ROYAL SALMON ASA	653 398	1,50 %
BNP PARIBAS SECURITIES SERVICES	450 000	1,03 %
STATE STREET BANK AND TRUST COMP	448 600	1,03 %
STATE STREET BANK AND TRUST COMP	411 001	0,94 %
JPMORGAN CHASE BANK, N.A., LONDON	307 660	0,71 %
MP PENSJON PK	290 539	0,67 %
JPMORGAN CHASE BANK, N.A., LONDON	281 543	0,65 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	241 614	0,55 %
Total 20 largest shareholders	35 797 680	82,16 %
Total other shareholders	7 774 511	17,84 %
Total no. of shares	43 572 191	100,00 %
NORWAY ROYAL SALMON ASA (Treasury shares)	653 398	1,50 %
Total no. of outstanding shares	42 918 793	

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 measures can be defined and used differently by other companies.

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)	31.12.2020	30.09.2020	31.12.2019
Reported long-term interest-bearing debt	1 378 514	790 347	200 933
Reported short-term interest-bearing debt	226 819	346 252	47 927
Interest-bearing long-term receivables	-45 000	-168 154	-63 470
Reported bank deposits	-38 753	-24 080	-152 317
Total net interest bearing debt	1 521 580	944 365	33 073
Lease liabilities (IFRS 16 effects)	-227 026	-239 665	-248 860
NIBD according to bank covenant	1 294 554	704 700	-215 787

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)	31.12.2020	30.09.2020	31.12.2019
Reported equity	3 130 692	3 312 118	3 357 040
Reported total assets	5 814 710	5 709 429	4 680 538
Equity ratio	53,8 %	58,0 %	71,7 %

Operational EBIT per kg

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 goods. 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)	Q4 2020	Q4 2019	FY 2020	FY 2019
Operational EBIT continuing operations	16 997	136 358	246 252	542 802
Unallocated expenses (Adjusted for discontinued operations in 2019 figures)	19 077	9 602	56 227	46 094
Non-recurring events (note 4)	0		0	11 000
Operational EBIT	36 075	145 960	302 479	599 896
Harvested volume (tonnes)	7 148	8 243	30 509	27 297
Operation EBIT per kg	5,05	17,71	9,91	21,98



Alternative performance measures (cont.)

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. 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 shown both before and after loss on open fixed-price contracts.

Operational EBIT per kg FARMING (NOK '000)

	Q4 2020	Q4 2019	FY 2020	FY 2019
Operational EBIT (segment, note 2)	-14 788	121 959	215 186	535 753
Share of operational EBIT Sales allocated excl. Contracts	989	11 171	-4 631	10 466
Operational EBIT excl. Contracts	-13 799	133 130	210 555	546 219
Loss(-) / Gain(+) on open fixed-price contracts	49 873	12 834	91 924	53 677
Operational EBIT	36 074	145 964	302 479	599 896
Harvested volume (tonnes)	7 148	8 243	30 509	27 297
Operational EBIT per kg excl. Contracts	(1,93)	16,15	6,90	20,01
Operational EBIT per kg	5,05	17,71	9,91	21,98

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)

Production cost per kg FARMING (NOK '000)

	Q4 2020	Q4 2019	FY 2020	FY 2019
Production cost (segment, note 2)	312 253	333 366	1 314 182	1 005 225
Harvested volume (tonnes)	7 148	8 243	30 509	27 297
Production cost per kg Region North	43,69	40,44	43,08	36,83

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.

Fair 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)	Q4 2020	Q4 2019	FY 2020	FY 2020
Majority share of net result for the period	-203 972	1 077 386	80 113	1 306 719
Majority share of fair value adjustments of biomass after tax	154 566	-30 143	79 876	97 526
Fair value of sales contracts and Fish Pool contracts (in its entirety, the majority share)	23 434	1 921	23 847	3 210
Majority share of fair value-adjusted result for the period	-25 972	1 049 164	183 837	1 407 456
Weighted average number of ordinary shares outstanding	43 076 909	43 348 577	43 076 909	43 348 577
Fair value-adjusted earnings per share	-0,60	24,20	4,27	32,47