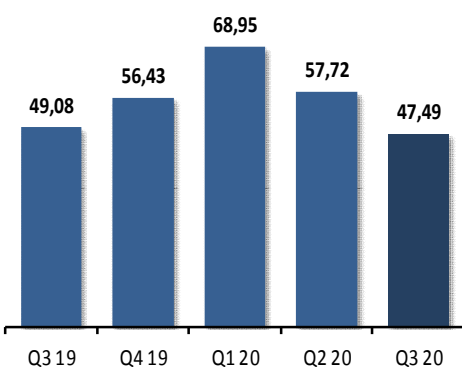


Interim Report

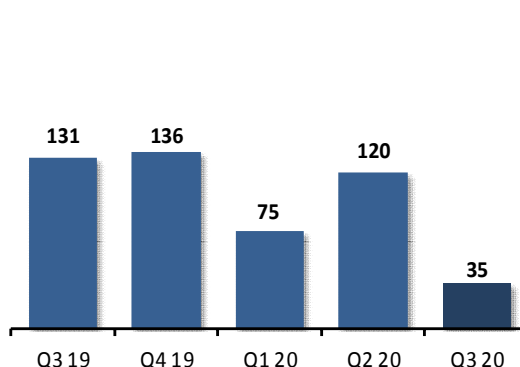
Q3-20



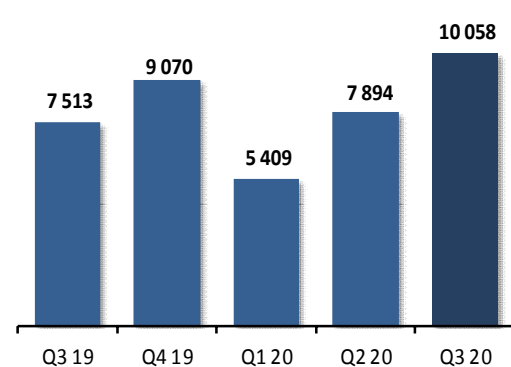
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)



HIGHLIGHTS Q3 2020

- Operational EBIT of NOK 35 million
 - Operational EBIT per kg of NOK 4.21
- The production costs increased from Q2 2020
- Harvested volume 10 058 tonnes, 42 % higher than corresponding period last year
- Solid growth rate on the biomass in the sea in the quarter
- The biomass in the sea increased by 1 883 tonnes (+8 %) from the third quarter of 2019
- Strengthened financial capacity of NOK 800 million as sustainability funding
- Initialized IPO process of Arctic Fish on Merkur Market, subsequently NRS will surpass majority ownership

| NORWAY ROYAL SALMON - KEY FIGURES (NOK '000) | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|---|------------|------------|-------------|-------------|------------|
| Operating revenues | 1 405 431 | 1 398 467 | 3 964 678 | 4 090 235 | 5 586 670 |
| Operational EBITDA | 60 344 | 153 351 | 303 517 | 470 624 | 629 606 |
| Operational EBIT | 34 799 | 131 436 | 229 255 | 406 445 | 542 802 |
| Income from associates | 30 040 | 6 409 | 43 733 | 29 437 | 16 901 |
| EBIT | 175 560 | -28 914 | 367 995 | 268 595 | 423 301 |
| EBT | 171 611 | -19 816 | 344 907 | 284 140 | 474 775 |
| EPS (NOK) – before fair value adjustments | 1,40 | 2,56 | 4,86 | 8,27 | 32,47 |
| ROCE ¹⁾ | | | 13,5 % | 33,2 % | 25,9 % |
| Net cash flow from operating activities ²⁾ | 268 098 | 15 209 | 483 002 | 271 111 | 223 291 |
| Investments in fixed assets/licenses ²⁾ | 588 492 | 210 388 | 1 184 986 | 442 369 | 674 243 |
| NIBD according to covenant | | | 704 700 | 582 665 | -215 787 |
| Equity ratio | | | 58,0 % | 50,3 % | 71,7 % |
| Volume harvested (HOG) | 10 058 | 7 076 | 23 361 | 19 054 | 27 297 |
| Operational EBIT per kg ³⁾ | 4,21 | 19,60 | 11,40 | 23,82 | 21,98 |
| Volume sold - Sales | 27 110 | 24 736 | 65 660 | 65 153 | 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 1 405.4 million (NOK 1 398.5 million) in the third quarter of 2020, in line with the corresponding prior-year period. The Group achieved an operational EBIT of NOK 34.8 million (NOK 131.4 million), a decrease of NOK 96.6 million. The decrease in operational EBIT is due to lower salmon prices and higher production costs. A gain on open fixed-price contracts compared to the level of Fish Pool prices of NOK 40.5 million (NOK 43.0 million) was recognised in the quarter. The Group recognised a positive fair value adjustment of NOK 110.7 million (negative NOK 166.8 million), an increase of NOK 277.5 million compared to the corresponding quarter 2019.

The farming business harvested 10 058 tonnes (7 076 tonnes) gutted weight in the quarter, an increase of 42 per cent from the corresponding quarter last year. Farming and Sales achieved an operational EBIT per kg of NOK 4.21 (NOK 19.60). The decrease in operational EBIT per kg is due to lower salmon prices and higher production costs. The Sales business sold 27 110 tonnes (24 736 tonnes), an increase of 10 per cent.

Financial items and share of profit from associates

Result from associates totalled NOK 30.0 million (NOK 6.4 million) in the third quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK +29.2 million (NOK +2.5 million). Arctic Fish harvested 2 788 tonnes in the quarter, NRS' share was 1 394 tonnes. Arctic Fish achieved an operational EBIT per kg of NOK -0.44 in the quarter. Arctic Fish Group reported a positive result of NOK 33.0 million in the third quarter, NRS' share was NOK 16.5 million. Associated Norwegian farming companies harvested 3 736 tonnes, 1 432 tonnes more than in the corresponding period last year. NRS' share of the above figure amounts to 1 386 tonnes, an increase of 550 tonnes.

Net finance expenses for the period were NOK 3.7 million (NOK 5.8 million), a decrease of NOK 2.1 million.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 5 709.4 million, an increase of NOK 638.3 million from the prior quarter end. The change in total assets is attributable to several factors. Intangible assets increased with NOK 199.1 million after acquisition of MAB, property, plant and equipment increased with NOK 363.0 million and non-current financial assets increased with NOK 36.5 million. Fair value adjustments of the biomass increased by NOK 111.3 million, and inventories and biomass at cost increased by NOK 39.7 million, hence the total increase in inventories and biological assets was NOK 150.9 million. The Group's receivables decreased by NOK 126.7 million. The Group's bank deposits increased by NOK 15.4 in the quarter.

The Group's net interest-bearing debt increased by NOK 326.7 million, from NOK 617.6 million at the end of the previous quarter to NOK 944.4 million at 30 September 2020. The increase is attributable to investments in fixed assets of NOK 595.0 million and payment of interest and fees of NOK 2.8 million. A positive operational EBITDA of NOK 60.3 million, received dividend from associates of NOK 3.8 million and decreased working capital items of NOK 207.0 million had the opposite effect on the net interest-bearing debt. The Group had an unused

credit facility of NOK 1 103.1 million at the end of the quarter, and bank deposits of NOK 24.1 million.

At 30 September, the Group's equity totalled NOK 3 312.1 million, an increase of NOK 150.7 million from the end of the previous quarter. The increase is attributable to third quarter profit after tax of NOK 147.4 million. The equity ratio at the end of the quarter was 58.0 per cent.

Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 268.1 million during the quarter, which represents an increase of NOK 252.9 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to a positive operational EBITDA of NOK 60.3 million, and decreased working capital items of NOK 207.0 million.

Net cash outflows related to investing activities in the third quarter amounted to NOK 596.5 million (NOK 248.4 million). Investments in fixed assets of NOK 595.0 million, loans to associates and others of NOK 5.2 million had negative effect on the cash flow. Received dividends from associates of NOK 3.8 million had the opposite impact on the cash flow.

The net cash inflows from financing activities totaled NOK 343.8 million (NOK 202.0 million) in the third quarter. The positive cash inflow is attributable to increased long term debt of NOK 300.0 million and increased overdraft facility by NOK 50.4 million. Net decreased leasing liabilities of NOK 2.9 million and finance costs of NOK 3.8 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 1 404.9 million in the third quarter (NOK 1 398.5 million), an increase of 0.5 per cent from the corresponding period last year. The spot price (NASDAQ) for superior quality during the quarter was NOK 47,49 per kg gutted weight, a decrease of 17.7 per cent from the second quarter of 2020 and a decrease of 3.2 per cent compared with the third quarter of 2019. The sales operations experienced an increase in sales volumes of 10 per cent compared with the corresponding prior-year period. 27 110 tonnes (24 736 tonnes) were sold in the third quarter. The Sales business had a negative operational EBIT before open fixed-price contracts of NOK 3.5 million (NOK 5.1 million), which equates to NOK -0.13 (NOK -0.20) per kg sold volume in the period. Gain on open fixed-price contracts compared to the level of Fish Pool prices was NOK 40.5 million (gain of NOK 43.0 million) in the quarter.

FARMING

Operational EBIT came in at NOK 42.3 million (NOK 138.7 million), a decrease of NOK 96.4 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK 0.18 (NOK 13.87). Gain on fixed-price contracts of NOK 4.02 per kg (gain NOK 5.73) contributed to an operational EBIT per kg of NOK 4.21 (NOK 19.60).

10 058 tonnes (7 076 tonnes) were harvested in the third quarter, an increase of 42.1 per cent. The achieved price for the Farming operations was NOK 11.01 lower per kg than achieved in the second quarter of 2020 and NOK 4.93 lower per kg than in the corresponding period last year.

Total production cost per kg for harvested fish was NOK 44.52, which is NOK 4.45 higher than in the second quarter of 2020 and NOK 9.09 higher than in the corresponding period last year.

The biomass in sea is seasonally increased as normal with 2 839 tonnes (+12.1 per cent) compared to the previous quarter and increased with 1 883 tonnes (+7.7 per cent) compared to corresponding quarter in 2019.

In the beginning of July NRS's farming operations reported suspicion of the fish disease ISA in the operating area Dønnesfjord, consisting of the sites Næringsbukta, Klubben and Børfjord. NRS had 1.5 million fish with an average weight of 4.8 kg in this operating area at the end of September 2020. The Food Safety Authorities has only confirmed the disease in one of the three sites and this site was harvested during the third quarter. The fish welfare and the growth in the other two sites are good and mortality has been very low. Harvesting of the two remaining sites are scheduled as initially planned, but harvesting- and wellboat costs are expected to be higher than normal.

The production cost is expected to decrease in the next quarter, since NRS will only harvest fish released to the sea in 2019.

The estimated harvest volume for 2020 is 32 500 tonnes gutted weight, a decrease of 2 500 tonnes from the estimate at Q2 report. This is due to increased MAB and postponed harvest into 2021 when we expect a higher market price. Estimated number of smolt put to sea for 2020 is 10.0 million.

Farming

| KEY FIGURES (NOK '000) | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 |
|---|------------|------------|-------------|-------------|
| Operating revenues | 1 404 917 | 1 317 132 | 3 964 138 | 3 630 967 |
| Operational EBIT * | 42 302 | 138 694 | 266 405 | 453 932 |
| Volume harvested (tonnes) | 10 058 | 7 076 | 23 361 | 19 054 |
| Operational EBIT (ex contracts) | 0,18 | 13,87 | 9,60 | 21,69 |
| Gain (+)/Loss (-) on open fixed price contracts | 4,02 | 5,73 | 1,80 | 2,14 |
| Operational EBIT per kg | 4,21 | 19,60 | 11,40 | 23,82 |

* EBIT pre fair value adjustments and non-recurring items incl. allocated margin from sales

SHARES

As of 30 September 2020, Norway Royal Salmon ASA has totally 43 572 191 shares, allocated among 2 603 shareholders, an increase of 31 from the end of the previous quarter. At the end of the quarter, the group had 653 459 treasury shares. The share price decreased from NOK 250.80 at the end of June 2020 to NOK 214.00 at the end of September 2020. 1 328 623 shares were traded during the quarter.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

Increased financial headroom

NRS will enter into a new bank agreement. The existing NOK 400 million will be 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 expires 31.12.25. The strengthened total financial capacity from NOK 2 000 to NOK 2 800 million adds financial headroom going forward.

IPO process for Arctic Fish ehf

An initial public offering process for listing Arctic Fish ehf on Merkur Market has started, and NRS will subsequently surpass majority ownership.

One new site ASC-certified

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 very responsible and sustainable manner within very strict requirements. During the third quarter 2020 the site Kokelv was certified according to the ASC standard.

Strategic review

Reference is made to media reports related to a possible merger between Norway Royal Salmon ASA and Midt-Norsk Havbruk AS. Discussions are taking place, but the outcome of these is currently unclear. Any additional information will be published at an appropriate time.

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 pressure on the salmon price in the quarter.

MARKET CONDITIONS

The total value of salmon exported from Norway in the third quarter was NOK 16.9 billion, a decrease of NOK 0.9 billion compared to the corresponding quarter last year. The decrease of 5.1 per cent from the third quarter of 2019 was due to lower prices. The spot price (NASDAQ) in the third quarter of 2020 was NOK 47,49 per kg superior quality salmon (delivered Oslo). This is a decrease of 3.2 per cent from the third 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 10.7 per cent to EUR 4.45 per kg. The export price of NOK 54.46 was higher than the spot price and 5.1 per cent lower than in the same period last year.

The price reduction in the spot market is driven by increased global supply and the impact of the Covid-19 on the markets around the world. Harvested volumes from Norway were unchanged from the corresponding prior-year period. However, the harvested volumes from Chile increased by 9 per cent and other producing countries increased their harvested volumes by 5 per cent. In total this resulted in an increase in global harvesting volumes of 4 per cent. For Q4 2020 Kontali Analyse expects a harvesting volume of 3 per cent higher than in Q4 2019.

| Harvest volume (tonnes wfe) | Q3/20 | yr/yr | Q4/20 E | yr/yr |
|-----------------------------|----------------|------------|----------------|------------|
| Norway | 357 900 | 0 % | 385 500 | 3 % |
| Chile | 193 000 | 9 % | 183 300 | 1 % |
| UK | 52 700 | 4 % | 51 600 | 12 % |
| Canada | 36 700 | 5 % | 37 200 | 0 % |
| Faroe Islands | 18 000 | -10 % | 25 000 | -5 % |
| Australia | 19 400 | 24 % | 23 200 | 10 % |
| USA | 5 400 | -16 % | 5 100 | -2 % |
| Iceland | 5 600 | 27 % | 10 400 | 21 % |
| Others | 10 520 | 17 % | 9 500 | 3 % |
| | 699 220 | 4 % | 730 800 | 3 % |

Source: Kontali Analyse

Sold volumes increased by 5 per cent in the quarter compared with the same period last year. This is higher than the increase in global harvest volume and indicate a lower change in frozen inventory compared to the same quarter last year. Japan, USA and EU were the markets that grew most.

| Sold volumes (tonnes wfe) | Q3/20 | yr/yr | Q4/20 E | yr/yr |
|---------------------------|----------------|------------|----------------|------------|
| EU | 327 400 | 9 % | 342 000 | 10 % |
| USA | 144 500 | 11 % | 144 700 | 8 % |
| Eastern Europe ex. Russia | 12 400 | -6 % | 15 500 | 2 % |
| Russia | 23 800 | 1 % | 25 900 | -9 % |
| Asia ex. Japan | 56 200 | -15 % | 75 500 | 6 % |
| Japan | 17 300 | 26 % | 16 600 | 1 % |
| Others | 114 300 | -2 % | 118 900 | 1 % |
| | 695 900 | 5 % | 739 100 | 6 % |

Source: Kontali Analyse

Demand for salmon in the EU has been good in the quarter with 9 per cent higher global import volumes, 82 per cent of the volume comes from Norway. Norwegian export volume to the EU increased by 6 per cent from the corresponding prior-year period, while the export value increased by 2 per cent. Except for Spain, lower salmon prices compared with the third quarter of 2019 led to most markets increasing their import volumes from Norway. Again, Poland had by far the highest increase in import volumes in the third quarter. The substantial increase in Poland is probably linked to a shift to more processed products in the EU due to Covid-19. That the growth in import volumes is higher than the global supply growth indicates that the underlying demand in EU still is good.

| Q3/2020 | Tonnes (wfe) | yr/yr | MNOK | yr/yr |
|----------------------|--------------|-------|--------|-------|
| Norway to EU: | | | | |
| Poland | 60 864 | 20 % | 2 589 | 7 % |
| France | 31 808 | 10 % | 1 598 | 10 % |
| Denmark | 33 490 | 5 % | 1 424 | -3 % |
| UK | 17 415 | 1 % | 878 | 4 % |
| Spain | 21 787 | -1 % | 1 093 | -1 % |
| Holland | 23 602 | 12 % | 1 135 | 9 % |
| Others in EU | 80 599 | -1 % | 3 866 | -3 % |
| Total Norway to EU | 269 565 | 6 % | 12 584 | 2 % |
| Others to EU | 57 835 | 20 % | | |
| EU total | 327 400 | 9 % | | |

Source: Norwegian Seafood Council

The global demand for salmon in Asia decreased by 8 per cent in the third quarter. Import volumes from Norway decreased by 19 per cent. Norway's market share is 62 per cent in the third quarter. On the other hand, Chile's export to this region increased with 18 per cent. After a significant decrease in the volume in the first quarter, the Chinese market seemed to recover from the effects of the Covid-19 pandemic in April and May. However, at the end of the second quarter import volumes in China decreased again, and in the third quarter import decreased by 55 per cent compared to the corresponding prior-year period. The markets in South East Asia and Middle East decreased their import from Norway with 22 per cent and 12 per cent in the quarter. The South-Korean market increased by 11 per cent.

Despite lower prices the total export of salmon to Eastern Europe decreased in the third quarter of 2020. Global import volumes decreased by 1 per cent, while import volumes from Norway decreased with 28 per cent. Volumes to Russia from other producer nations increased by 11 per cent in the third quarter. Norway had a market share of 23 per cent in Eastern Europe.

The demand for salmon in North America increased in the third quarter. In total, import to North America was increased by 11 per cent, while volume from Norway decreased by 6 per cent.

The third quarter was challenging for the NRS' Sales operations, low margins contributed negatively to the profitability in the quarter. The effect of the Covid-19 pandemic continued to significantly impact the logistics and market for salmon in the third quarter. The sales volume was 10 per cent higher than in the same quarter last year. 74 per cent of the harvested fish were sold in the spot market in the third quarter, while 26 per cent were sold at fixed prices. The fixed price contracts resulted in a gain of NOK 40.5 million compared to the level of Fish Pool prices. The sales volumes to Western Europe increased with 11 per cent and volumes to Eastern Europe increased by 1 per cent in the quarter, export volumes to Asia decreased with 56 per cent. The volumes sold in Norway increased by 65 per cent in the quarter. In the third quarter, Western Europe accounted for 84 per cent of the export volumes, Asia for 7 per cent and Eastern Europe for 8 per cent. Domestic volume amounts to 19 per cent of the total sold volume.

| Q3/2020 | Tonnes (wfe) | yr/yr | MNOK | yr/yr |
|-------------------------|--------------|-------|-------|-------|
| Norway to Asia | | | | |
| South East Asia | 10 904 | -22 % | 575 | -26 % |
| Japan | 10 162 | -4 % | 576 | -14 % |
| Middle East | 10 809 | -12 % | 564 | -13 % |
| China (incl. Hong Kong) | 5 313 | -55 % | 298 | -58 % |
| South-Korea | 8 525 | 11 % | 519 | 6 % |
| Others in Asia | 116 | -55 % | 8 | -47 % |
| Total Norway to Asia | 45 829 | -19 % | 2 540 | -23 % |
| Others to Asia | 27 671 | 18 % | | |
| Asia Total | 73 500 | -8 % | | |

Source: Norwegian Seafood Council

| Q3/2020 | Tonnes (wfe) | yr/yr | MNOK | yr/yr |
|---------------------------------|--------------|-------|------|-------|
| Norway to Eastern Europe | | | | |
| Ukraine | 4 429 | -19 % | 175 | -24 % |
| Turkey | 1 184 | -38 % | 48 | -39 % |
| Belarus | 905 | -52 % | 36 | -56 % |
| Kazakhstan | 1 147 | -16 % | 60 | -21 % |
| Others in Eastern Europe | 781 | -23 % | 42 | -28 % |
| Norway to Eastern Europe | 8 446 | -28 % | 361 | -31 % |
| Other to Eastern Europe | 27 754 | 11 % | | |
| Eastern Europe Total | 36 200 | -1 % | | |

Source: Norwegian Seafood Council

| Q3/2020 | Tonnes (wfe) | yr/yr | MNOK | yr/yr |
|--------------------------------|--------------|-------|-------|-------|
| Norway to North America | | | | |
| USA | 16 188 | -5 % | 1 133 | -10 % |
| Canada | 520 | -37 % | 46 | -33 % |
| Total Norway to North Ame | 16 708 | -6 % | 1 179 | -11 % |
| Others to North America | 127 792 | 13 % | | |
| North America Total | 144 500 | 11 % | | |

Source: Norwegian Seafood Council

OUTLOOK

Harvested volume for the quarter was 10 058 tonnes, which is in line with the estimated volume in the last quarterly report. Estimated harvest volume for 2020 is 32 500 tonnes gutted weight, an increase of 19 per cent compared with the volume of Region North in 2019. For the fourth quarter of 2020, 2 573 tonnes are hedged. Estimated number of smolt put to sea for 2020 is 10.0 million. Estimated harvest volume for 2021 is 40 000 tonnes gutted weight, an increase of 23 per cent compared with the volume in 2020.

In the fourth quarter of 2020 Kontali Analyse expects global harvest volumes to increase with 3 per cent compared with the fourth quarter of 2019. For 2020 Kontali Analyse expects a growth in global harvest volume of 3 per cent from 2019, which is a moderate growth seen in historical context. The growth in 2020 from Norway is expected to be 1 per cent and the growth from Chile is expected to be 7 per cent. For 2021 Kontali Analyse expects a growth in global harvest volume of 4 per cent from 2020.

Over the past months, 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 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.

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 spring of 2021. NRS has recognized that implementing the development project is complex, which has resulted in an increase in the estimated total investment cost from the start of the project and delay due to Covid-19.

Trondheim, 2 November 2020

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

CONSOLIDATED INCOME STATEMENT

| (NOK '000) | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|--|------------------|------------------|------------------|------------------|------------------|
| Operating revenues | 1 405 431 | 1 398 467 | 3 964 678 | 4 090 235 | 5 586 670 |
| Cost of goods sold | 1 255 950 | 1 153 787 | 3 389 982 | 3 340 002 | 4 586 500 |
| Salaries | 40 924 | 34 986 | 118 551 | 114 304 | 154 466 |
| Depreciation | 25 545 | 21 915 | 74 262 | 64 179 | 86 804 |
| Other operating costs | 48 214 | 56 343 | 152 629 | 165 306 | 216 098 |
| Operational EBIT | 34 799 | 131 436 | 229 255 | 406 445 | 542 802 |
| Fair value adjustments | 110 722 | -166 759 | 95 007 | -167 287 | -132 023 |
| Write down of assets | 0 | 0 | 0 | 0 | -4 379 |
| Income from associates | 30 040 | 6 409 | 43 733 | 29 437 | 16 901 |
| EBIT | 175 560 | -28 914 | 367 995 | 268 595 | 423 301 |
| Gain/loss on financial assets | -240 | 14 877 | -8 165 | 34 201 | 78 658 |
| Other net financial items | -3 710 | -5 779 | -14 923 | -18 656 | -27 183 |
| Earnings before tax (EBT) | 171 611 | -19 816 | 344 907 | 284 140 | 474 775 |
| Taxes | -24 235 | 8 898 | -60 431 | -48 957 | -84 278 |
| Profit after tax from continuing operations | 147 376 | -10 918 | 284 476 | 235 182 | 390 498 |
| Profit after tax on discontinued operations incl. profit from sale | 0 | -13 085 | 0 | -514 | 922 600 |
| Net profit/loss | 147 376 | -24 003 | 284 476 | 234 669 | 1 313 098 |
| Profit attributable to: | | | | | |
| Parent company shareholders | 147 875 | -24 270 | 284 085 | 229 333 | 1 306 722 |
| Minority interests | -499 | 267 | 390 | 5 336 | 6 376 |
| Earnings per share, continuing operations (NOK) | 3,43 | -0,28 | 6,58 | 5,29 | 8,86 |
| Earnings per share, continuing operations - diluted | 3,43 | -0,28 | 6,58 | 5,29 | 8,86 |
| Earnings per share (NOK) | 3,43 | -0,56 | 6,58 | 5,29 | 30,14 |
| Earnings per share - diluted | 3,43 | -0,56 | 6,58 | 5,29 | 30,14 |

COMPREHENSIVE INCOME STATEMENT

| (NOK '000) | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|---|----------------|----------------|----------------|----------------|------------------|
| Net profit/loss | 147 376 | -24 003 | 284 476 | 234 669 | 1 313 098 |
| Items to be reclassified to profit or loss: | | | | | |
| Translation differences and OCI posts from associated companies | 4 986 | 6 347 | 29 225 | -1 537 | -2 182 |
| Cash Flow hedges (net of tax) | -2 329 | -5 207 | -14 851 | 7 749 | 18 424 |
| Items not to be reclassified to profit or loss: | | 0 | | | |
| Actuarial gains on defined benefit plans (net of tax) | 0 | 0 | 0 | 0 | -7 686 |
| Total comprehensive income | 150 033 | -22 862 | 298 849 | 240 880 | 1 321 653 |
| Total comprehensive income attributable to: | | | | | |
| Parent company shareholders | 150 532 | -23 129 | 298 459 | 235 544 | 1 315 277 |
| Non-controlling interests | -499 | 267 | 390 | 5 336 | 6 376 |

STATEMENT OF FINANCIAL POSITION

| (NOK '000) | 30.09.2020 | 30.06.2020 | 30.09.2019 | 31.12.2019 |
|--|------------------|------------------|------------------|------------------|
| Intangible assets | 948 616 | 749 515 | 741 896 | 713 947 |
| Property, plant and equipment | 2 051 178 | 1 688 150 | 991 113 | 1 175 568 |
| Non-current financial assets | 848 414 | 811 915 | 692 231 | 676 723 |
| Non-current assets | 3 848 208 | 3 249 580 | 2 425 240 | 2 566 238 |
| Inventory and biological assets | 1 477 594 | 1 326 604 | 1 283 902 | 1 311 784 |
| Receivables | 359 547 | 486 274 | 381 643 | 650 199 |
| Bank deposits, cash | 24 080 | 8 663 | 66 022 | 152 317 |
| Current assets | 1 861 221 | 1 821 541 | 1 731 567 | 2 114 300 |
| Assets held for sale | | | 377 429 | |
| TOTAL ASSETS | 5 709 429 | 5 071 122 | 4 534 236 | 4 680 538 |
| Share capital | 42 919 | 42 919 | 43 431 | 43 432 |
| Other equity | 3 223 786 | 3 072 541 | 2 188 338 | 3 267 659 |
| Non-controlling interests | 45 413 | 45 912 | 46 878 | 45 949 |
| Equity | 3 312 118 | 3 161 372 | 2 278 647 | 3 357 040 |
| Pensions | 27 638 | 27 638 | 19 005 | 27 638 |
| Deferred tax | 421 888 | 398 308 | 387 422 | 358 208 |
| Provisions | 449 526 | 425 946 | 406 426 | 385 847 |
| Long-term interest-bearing debt | 790 347 | 494 185 | 874 857 | 200 933 |
| Short-term interest-bearing debt | 346 252 | 295 049 | 56 500 | 47 927 |
| Trade payables | 647 097 | 614 509 | 624 306 | 575 895 |
| Tax payable | 0 | 0 | 0 | 42 537 |
| Other current liabilities | 164 089 | 80 061 | 96 789 | 70 359 |
| Current liabilities | 1 157 438 | 989 619 | 777 594 | 736 718 |
| Liabilities held for sale | | | 196 710 | |
| TOTAL EQUITY AND LIABILITIES | 5 709 429 | 5 071 122 | 4 534 236 | 4 680 538 |

STATEMENT OF EQUITY

| 30.09.2020 | | | | | | |
|---|---------------|-----------------|-------------------|------------------|---------------------------|------------------|
| Equity allocated to parent company shareholders | | | | Total | Non-controlling interests | Total equity |
| (NOK '000) | 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 | 298 459 | 298 459 | 390 | 298 849 |
| Transactions with shareholders | | | | | | |
| Dividend | 0 | -545 | -212 752 | -213 297 | -927 | -214 224 |
| Share based payment | 0 | 0 | 2 242 | 2 242 | 0 | 2 242 |
| Net purchase and sale of treasury shares | 0 | 32 | -132 685 | -132 653 | 0 | -132 653 |
| Other equity transactions in the group | 0 | 0 | -64 | -64 | 0 | -64 |
| Equity transactions associated companies | 0 | 0 | 927 | 927 | 0 | 927 |
| Total transactions with shareholders | 0 | -513 | -342 332 | -342 845 | -927 | -343 772 |
| Equity at 30.09.2020 | 43 572 | -653 | 3 223 786 | 3 266 705 | 45 413 | 3 312 118 |

| 30.09.2019 | | | | | | |
|---|---------------|-----------------|-------------------|------------------|---------------------------|------------------|
| 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 | 2 279 244 | 41 542 | 2 320 785 |
| Total comprehensive income | 0 | 0 | 235 544 | 235 544 | 5 336 | 240 880 |
| Transactions with shareholders | | | | | | |
| Dividend | 0 | 0 | -258 259 | -258 259 | 0 | -258 259 |
| Share based payment | 0 | 0 | -2 383 | -2 383 | 0 | -2 383 |
| Net purchase and sale of treasury shares | 0 | -83 | -24 952 | -25 035 | 0 | -25 035 |
| Equity transactions associated companies | 0 | 0 | 2 659 | 2 659 | 0 | 2 659 |
| Total transactions with shareholders | 0 | -83 | -282 935 | -283 018 | 0 | -283 018 |
| Equity at 30.09.2019 | 43 572 | -141 | 2 188 338 | 2 231 770 | 46 878 | 2 278 647 |

| 31.12.2019 | | | | | | |
|---|---------------|-----------------|-------------------|------------------|---------------------------|------------------|
| 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 | 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) | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|---|-----------------|-----------------|-------------------|-----------------|-----------------|
| Operational EBIT | 34 799 | 125 536 | 229 255 | 405 667 | 542 802 |
| Adjusted for: | | | | | |
| Taxes paid | 0 | 0 | -38 379 | -138 000 | -138 290 |
| Depreciation | 25 545 | 25 188 | 74 262 | 73 620 | 86 804 |
| Share based payment | 711 | 1 091 | -3 879 | -2 384 | -1 413 |
| Pension costs with no cash effect | 0 | 0 | 0 | 0 | -1 199 |
| Change in inventories/biological assets | -39 738 | -278 846 | -73 770 | -305 719 | -260 491 |
| Change in account receivables and accounts payables | 210 957 | 133 125 | 205 939 | 300 229 | 17 974 |
| Change in other current assets and liabilities | 35 824 | 9 115 | 89 574 | -62 303 | -22 897 |
| Net cash flow from operating activities | 268 098 | 15 209 | 483 002 | 271 111 | 223 291 |
| Cash flow from investing activities | | | | | |
| Payments for purchase of fixed assets and licenses (MAB) | -595 034 | -210 388 | -1 095 135 | -419 921 | -584 237 |
| Payments for acquisition of associated company | 0 | -1 250 | 0 | -1 250 | -43 738 |
| Payments at realisation of current financial assets (TRS) | 0 | -29 185 | 44 689 | -3 809 | -3 809 |
| Proceeds from investments in non-current financial assets | 3 750 | 3 188 | 10 765 | 8 218 | 19 950 |
| Net cash proceeds from discontinued operations | 0 | 0 | 0 | 0 | 1 125 700 |
| Change in loans to associates and others | -5 180 | -10 751 | -104 641 | -13 751 | -22 270 |
| Net cash flow from investing activities | -596 465 | -248 387 | -1 144 323 | -430 514 | 491 595 |
| Cash flow from financing activities | | | | | |
| Receipts from new non-current debt | 309 691 | 161 078 | 630 278 | 375 493 | 48 841 |
| Non-current debt repayment | -12 573 | -13 631 | -39 284 | -42 565 | -400 404 |
| Net change in bank overdraft | 50 437 | 60 976 | 296 934 | 40 401 | -51 611 |
| Total proceeds from transactions with treasury shares | 0 | 0 | -127 160 | -25 035 | -25 035 |
| Net interest payments | -3 770 | -6 418 | -14 447 | -20 262 | -29 785 |
| Dividend payment | 0 | 0 | -213 236 | -258 259 | -260 229 |
| Net cash flow from financing activities | 343 784 | 202 005 | 533 084 | 69 773 | -718 223 |
| Net increase in cash and cash equivalents | 15 417 | -31 173 | -128 237 | -89 630 | -3 336 |
| Cash and cash equivalents as of 1 January | 8 663 | 97 196 | 152 317 | 155 653 | 155 653 |
| Cash and cash equivalents as of 30 June | 24 080 | 66 022 | 24 080 | 66 022 | 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 | |
|--|------------------|------------------|----------------|----------------|----------------------|---------------|------------------|------------------|
| | Q3 2020 | Q3 2019 | Q3 2020 | Q3 2019 | Q3 2020 | Q3 2019 | Q3 2020 | Q3 2019 |
| Total sales revenues | 1 404 917 | 1 398 467 | 453 151 | 353 644 | 514 | 15 511 | 1 858 582 | 1 767 622 |
| Internal sales revenues | 0 | 0 | 453 151 | 353 644 | 0 | 15 511 | 453 151 | 369 155 |
| External sales revenues | 1 404 917 | 1 398 467 | 0 | 0 | 514 | 0 | 1 405 431 | 1 398 467 |
| Operating costs | 1 367 936 | 1 360 506 | 447 831 | 250 703 | -445 134 | -344 178 | 1 370 632 | 1 267 031 |
| Operational EBIT | 36 982 | 37 961 | 5 320 | 102 941 | -7 503 | -9 466 | 34 799 | 131 436 |
| Fair value adjustments | -530 | -982 | 111 252 | -165 777 | 0 | 0 | 110 722 | -166 759 |
| Income from associates | 0 | 0 | 0 | 0 | 30 040 | 6 455 | 30 040 | 6 455 |
| EBIT | 36 452 | 36 979 | 116 572 | -62 836 | 22 537 | -3 010 | 175 560 | -28 868 |
| EBT | 38 980 | 35 932 | 109 336 | -66 592 | 23 295 | 10 844 | 171 611 | -19 816 |
| Volume harvested (HOG) | | | 10 058 | 7 076 | | | 10 058 | 7 076 |
| Operational EBIT per kg | | | 0,53 | 14,55 | | | 0,53 | 14,55 |
| Volume sold | 27 110 | 24 736 | | | | | 27 110 | 24 736 |
| Operational EBIT per kg | 1,36 | 1,53 | | | | | 1,36 | 1,53 |
| - of which gain on fixed-price contracts per kg. | 1,49 | 1,74 | | | | | 1,49 | 1,74 |

| (NOK '000) | Sales | | Farming | | Eliminations / other | | TOTAL | |
|--|------------------|------------------|----------------|----------------|----------------------|----------------|------------------|------------------|
| | YTD 2020 | YTD 2019 | YTD 2020 | YTD 2019 | YTD 2020 | YTD 2019 | YTD 2020 | YTD 2019 |
| Total sales revenues | 3 964 138 | 4 090 111 | 1 231 902 | 1 085 653 | 541 | 129 141 | 5 196 580 | 5 304 905 |
| Internal sales revenues | 0 | 0 | 1 231 902 | 1 085 653 | 0 | 129 017 | 1 231 902 | 1 214 670 |
| External sales revenues | 3 964 138 | 4 090 111 | 0 | 0 | 541 | 124 | 3 964 678 | 4 090 235 |
| Operating costs | 3 927 706 | 4 046 957 | 1 001 929 | 671 859 | -1 194 212 | -1 035 026 | 3 735 423 | 3 683 790 |
| Operational EBIT | 36 432 | 43 154 | 229 973 | 413 794 | -37 150 | -50 503 | 229 255 | 406 445 |
| Fair value adjustments | 2 968 | -1 653 | 92 039 | -165 634 | 0 | 0 | 95 007 | -167 287 |
| Income from associates | 0 | 0 | 0 | 0 | 43 733 | 28 465 | 43 733 | 28 465 |
| EBIT | 39 400 | 41 501 | 322 012 | 248 160 | 6 583 | -22 038 | 367 995 | 267 623 |
| EBT | 38 901 | 38 649 | 292 385 | 237 409 | 13 621 | 8 081 | 344 907 | 284 140 |
| Volume harvested (HOG) | | | 23 361 | 19 054 | | | 23 361 | 19 054 |
| Operational EBIT per kg | | | 9,84 | 21,72 | | | 9,84 | 21,72 |
| Volume sold | 65 660 | 65 153 | | | | | 65 660 | 65 153 |
| Operational EBIT per kg | 0,55 | 0,66 | | | | | 0,55 | 0,66 |
| - of which gain / -loss on fixed-price contracts per kg. | 0,64 | 0,66 | | | | | 0,64 | 0,66 |

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 continued in this quarter. 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 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)

| | 30.09.2020 | 30.06.2020 | 30.09.2019 | 31.12.2019 |
|----------------------------------|------------------|------------------|------------------|------------------|
| Raw materials | 41 972 | 42 503 | 47 906 | 36 453 |
| Biological assets | 1 382 489 | 1 224 588 | 1 318 339 | 1 231 662 |
| Finished goods | 53 133 | 59 513 | 98 096 | 43 670 |
| Total inventory | 1 477 594 | 1 326 604 | 1 464 341 | 1 311 784 |
| Of which discontinued operations | 0 | 0 | 180 439 | 0 |
| Continued operations | 1 477 594 | 1 326 604 | 1 283 902 | 1 311 784 |

Specification of the biological assets: (NOK '000)

| | 30.09.2020 | 30.06.2020 | 30.09.2019 | 31.12.2019 |
|---------------------------------------|------------------|------------------|------------------|------------------|
| Biological assets at cost | 1 072 182 | 1 025 533 | 1 128 216 | 1 013 394 |
| Fair value adjustments of the biomass | 310 307 | 199 055 | 190 123 | 218 268 |
| Book value biological assets | 1 382 489 | 1 224 588 | 1 318 339 | 1 231 662 |
| Of which discontinued operations | 0 | 0 | 177 260 | 0 |
| Continued operations | 1 382 489 | 1 224 588 | 1 141 079 | 1 231 662 |

Specification of biological assets - tonnes (NOK '000)

| | Q3 2020 | Q2 2020 | Q3 2019 | FY 2019 |
|---|---------------|---------------|---------------|---------------|
| Opening balance biological assets | 23 552 | 25 754 | 21 143 | 24 675 |
| Increase due to fish put in the sea | 445 | 385 | 423 | 1 555 |
| Increase due to production in the period | 14 789 | 7 494 | 16 078 | 43 252 |
| Reduction due to mortality in the period | -482 | -682 | -807 | -2 733 |
| Reduction due to harvesting in the period | -11 914 | -9 398 | -8 944 | -36 320 |
| Non-recurring items | 0 | 0 | 0 | -4 396 |
| Closing balance biological assets | 26 391 | 23 552 | 27 892 | 26 033 |
| Of which discontinued operations | 0 | 0 | 3 384 | 0 |
| Continued operations | 26 391 | 23 552 | 24 508 | 26 033 |

Specification of changes in book value of biological assets: (NOK '000)

| | Q3 2020 | Q2 2020 | Q3 2019 | FY 2019 |
|---|------------------|------------------|------------------|------------------|
| Opening balance biological assets | 1 224 588 | 1 243 001 | 1 277 551 | 1 240 393 |
| Increase due to production in the period | 443 529 | 279 211 | 461 122 | 1 377 738 |
| Non-recurring event at cost | 0 | 0 | 0 | -11 000 |
| Reduction due to harvesting in the period | -396 879 | -279 731 | -244 159 | -1 055 101 |
| Fair value adjustments of the biological assets | 111 252 | -17 893 | -176 176 | -125 420 |
| Fair value adj. of the biological assets due to non-recurring event | 0 | 0 | 0 | -194 947 |
| Closing balance biological assets | 1 382 489 | 1 224 588 | 1 318 338 | 1 231 662 |
| Of which discontinued operations | 0 | 0 | 177 260 | 0 |
| Continued operations | 1 382 489 | 1 224 588 | 1 141 078 | 1 231 662 |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass cont.

| 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 30.06.2020 | Number of fish (1000) | Biomass (tonnes) | Acquisition costs | Fair value adjustments | Accounted value |
|--|--------------------------|------------------|-------------------|---------------------------|------------------|
| Smaller than 1 kg | 6 570 | 3 225 | 274 083 | 85 181 | 359 264 |
| 1-4 kg | 5 774 | 13 479 | 515 450 | 133 608 | 649 058 |
| Larger than 4 kg | 1 652 | 6 848 | 236 000 | -19 734 | 216 266 |
| Biological assets | 13 996 | 23 552 | 1 025 533 | 199 055 | 1 224 588 |

| Groups of biological assets, status as of 30.09.2019 | Number of fish (1000) | Biomass (tonnes) | Acquisition costs | Fair value adjustments | Accounted value |
|--|--------------------------|------------------|-------------------|---------------------------|------------------|
| Smaller than 1 kg | 4 234 | 1 378 | 151 617 | 23 390 | 175 007 |
| 1-4 kg | 10 762 | 24 971 | 931 020 | 147 856 | 1 078 877 |
| Larger than 4 kg | 365 | 1 543 | 45 578 | 18 876 | 64 454 |
| Biological assets | 15 361 | 27 892 | 1 128 215 | 190 123 | 1 318 340 |
| Of which discontinued operations | 2 240 | 3 384 | 167 679 | 9 582 | 177 260 |
| Continued operations | 13 121 | 24 508 | 960 537 | 180 541 | 1 141 079 |

| 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 | 26 032 | 1 013 393 | 218 268 | 1 231 662 |

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

| 30.09.2020 | NOK/kg | 30.06.2020 | NOK/kg | 30.09.2019 | NOK/kg | 31.12.2019 | NOK/kg |
|------------|--------|------------|--------|------------|--------|------------|--------|
| Q4 20 | 54,47 | Q3 20 | 49,72 | Q4 19 | 51,83 | Q1 20 | 66,20 |
| Q1 21 | 63,60 | Q4 20 | 53,08 | Q1 20 | 63,55 | Q2 20 | 66,80 |
| Q2 21 | 65,10 | Q1 21 | 63,20 | Q2 20 | 64,85 | Q3 20 | 54,90 |
| Q3+Q4 21 | 55,65 | Q2 21 | 63,80 | Q3 + Q4 20 | 57,80 | Q4 20 | 56,30 |
| Q1 + Q2 22 | 56,50 | Q3 + Q4 21 | 56,50 | Q1 + Q2 21 | 59,75 | Q1 + Q2 21 | 59,50 |

NOTE 4: Non-recurring events

| | Q3 2020 | | | Q3 2019 | | |
|--------------------------|----------|---------------------------|------------|----------|---------------------------|------------|
| Non-recurring event 1) | 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.

| | YTD 2020 | | | YTD 2019 | | |
|--|----------|---------------------------|------------|---------------|---------------------------|---------------|
| Non-recurring event 1) | 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

NOTE 5: 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) | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|--|----------------|-----------------|---------------|-----------------|-----------------|
| Change in fair value adjustments of the biomass | 111 252 | -176 176 | 92 039 | -163 147 | -125 420 |
| Change in provision for onerous sales contracts | -1 111 | 706 | 2 460 | 1 462 | -2 399 |
| Change in unrealised gains/losses on financial Fish Pool contracts | 581 | -1 689 | 509 | -3 115 | -1 717 |
| Total fair value adjustments | 110 722 | -177 158 | 95 007 | -164 800 | -129 536 |
| Of which discontinued operations | 0 | -10 399 | 0 | 2 487 | 2 487 |
| Continued operations | 110 722 | -166 759 | 95 007 | -167 287 | -132 023 |

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

| (NOK '000) | 30.09.2020 | 30.06.2020 | 30.09.2019 | 31.12.2019 |
|---|----------------|----------------|----------------|----------------|
| Fair value adjustments biomass (inventory and biological assets) | 310 307 | 199 055 | 190 123 | 218 268 |
| Provision for onerous sales contracts (other current liabilities) | -1 401 | -290 | 0 | -3 860 |
| Fair value of financial Fish Pool contracts (other receivables/other current liabilities) | 509 | -72 | -1 398 | 0 |
| Net fair value adjustments in the balance sheet | 309 415 | 198 693 | 188 725 | 214 408 |
| Of which discontinued operations | 0 | 0 | 9 582 | 0 |
| Continued operations | 309 415 | 198 693 | 179 143 | 214 408 |

NOTE 6: 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.

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 Q3 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) | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|--|----------------|----------------|----------------|----------------|------------------|
| Associates - products purchased | 126 159 | 97 914 | 341 862 | 299 207 | 461 577 |
| Associates - services purchased | 4 605 | 5 269 | 16 800 | 27 441 | 33 209 |
| Companies controlled by large shareholder - products purchased | 228 286 | 305 494 | 492 244 | 576 636 | 656 566 |
| Companies controlled by large shareholder - services purchased | 13 353 | 8 589 | 34 311 | 23 892 | 32 916 |
| Total goods and services purchased from related parties | 372 403 | 417 266 | 885 216 | 927 176 | 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 | -34 239 | -14 813 | -62 385 |
| Number of options at 30 September 2020 | 0 | 331 984 | 202 121 | 534 105 |
| Exercise price | 150,51 | 197,48 | 197,04 | |
| Number of employees in the program at 30 September 2020 | 0 | 21 | 34 | 55 |

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 ² | Other changes | Book value 30.09.2020 | Share of volume harvested - tonnes HOG 30.09.2020 ¹⁾ |
|--------------------------------------|--------------|--------------------------|---|---------------|--------------------------|--|
| Arctic Fish ehf. | 50,00 % | 253 616 | 16 524 | 4 986 | 275 126 | 1 394 |
| Wilsgård Fiskeoppdrett AS | 37,50 % | 176 450 | 6 135 | -3 750 | 178 835 | 990 |
| Måsøval Fishfarm AS | 36,10 % | 33 457 | 1 615 | 0 | 35 072 | 396 |
| Hellesund Fiskeoppdrett AS | 33,50 % | 118 297 | 6 350 | 0 | 124 647 | 0 |
| Hardanger Fiskeforedling AS | 31,10 % | 11 712 | 333 | 0 | 12 046 | 0 |
| Skardalen Settefisk AS ³⁾ | 16,86 % | 3 535 | 0 | -3 535 | 0 | 0 |
| Nordnorsk Smolt AS | 50,00 % | 42 004 | -917 | 0 | 41 087 | 0 |
| Other | | 48 | 0 | 0 | 48 | 0 |
| Total associates Q3 2020 | | 639 117 | 30 040 | -2 299 | 666 857 | 2 779 |
| Total associates Q3 2019 | | 581 118 | 6 455 | 3 160 | 590 731 | 1 645 |

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

²⁾ Share of profit/loss in the period after tax for associates Q3 2019 varies from the consolidated income statement with KNOK 46 due to discontinued operations.

³⁾ NRS's ownership in Skardalen Settefisk AS is reduced to 16.86% on account of a privat placement that NRS choose not to participate in. 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. 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 at 30 September 2020:

| | NRS's shareholding in associate | Number of shares | Fair value ¹⁾ | NRS' share of fair value |
|----------------------------|---------------------------------------|---------------------|--------------------------|-----------------------------|
| Måsøval Fishfarm AS | 36,10 % | 262 343 | 56 141 | 20 267 |
| Hellesund Fiskeoppdrett AS | 33,50 % | 1 683 406 | 360 249 | 120 683 |
| Totalt | | 1 945 749 | 416 390 | 140 950 |

¹⁾ Fair value is calculated as the closing price of OSE on the balance sheet date for the Norway Royal Salmon share multiplied by the number of shares.

Note 8: Treasury shares and TRS agreements

As at 30 September the company holds 653 459 treasury shares, corresponding to 1.50 % of the share capital of the company. Per 30 September all TRS-agreements (Total Return Swap) is ceased and NRS holds no further TRS-agreements. After the realisation in the previous quarter, a net loss of KNOK 8 165 is recognised as a financial item in the income statement per 30 September 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 Q3 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 30.09.2020:

| Shareholder | Antall | Eierandel |
|---|-------------------|-----------------|
| FRØY GRUPPEN AS | 7 066 917 | 16,22 % |
| MÅSØVAL EIENDOM AS | 5 310 768 | 12,19 % |
| 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 | 1 538 872 | 3,53 % |
| NYHAMN AS | 1 425 929 | 3,27 % |
| THE NORTHERN TRUST COMP, LONDON BR | 1 147 334 | 2,63 % |
| RBC INVESTOR SERVICES TRUST | 780 360 | 1,79 % |
| BNP PARIBAS SECURITIES SERVICES | 685 000 | 1,57 % |
| NORWAY ROYAL SALMON ASA | 653 398 | 1,50 % |
| BROWN BROTHERS HARRIMAN & CO. | 530 388 | 1,22 % |
| VERDIPAPIRFONDET ALFRED BERG GAMBA | 441 614 | 1,01 % |
| STATE STREET BANK AND TRUST COMP | 419 503 | 0,96 % |
| STATE STREET BANK AND TRUST COMP | 347 571 | 0,80 % |
| CLEARSTREAM BANKING S.A. | 334 066 | 0,77 % |
| QUINTET PRIVATE BANK (EUROPE) S.A. | 298 280 | 0,68 % |
| JPMORGAN CHASE BANK, N.A., LONDON | 281 543 | 0,65 % |
| MÅSØVAL FISHFARM AS | 262 343 | 0,60 % |
| Total 20 largest shareholders | 35 782 433 | 82,12 % |
| Total other shareholders | 7 789 758 | 17,88 % |
| 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) | 30.09.2020 | 30.06.2020 | 30.09.2019 | 31.12.2019 |
|---|----------------|----------------|----------------|-----------------|
| Reported long-term interest-bearing debt | 790 347 | 494 185 | 874 857 | 200 933 |
| Reported short-term interest-bearing debt | 346 252 | 295 049 | 56 500 | 47 927 |
| Interest-bearing long-term receivables | -168 154 | -162 931 | -51 313 | -63 470 |
| Reported bank deposits, cash | -24 080 | -8 663 | -66 022 | -152 317 |
| Total net interest bearing debt | 944 365 | 617 639 | 814 021 | 33 073 |
| Lease liabilities (IFRS 16 effects) | -239 665 | -242 737 | -231 357 | -248 860 |
| NBD according to bank covenant | 704 700 | 374 902 | 582 664 | -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) | 30.09.2020 | 30.06.2020 | 30.09.2019 | 31.12.2019 |
|-----------------------|---------------|---------------|---------------|---------------|
| Reported equity | 3 312 118 | 3 161 372 | 2 278 647 | 3 357 040 |
| Reported total assets | 5 709 429 | 5 071 122 | 4 534 236 | 4 680 538 |
| Equity ratio | 58,0 % | 62,3 % | 50,3 % | 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 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) | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2019 |
|---|---------------|----------------|----------------|----------------|----------------|
| Operational EBIT continuing operations | 34 799 | 131 436 | 229 255 | 406 445 | 542 802 |
| Unallocated expenses (Adjusted for discontinued operations in 2019 figures) | 7 503 | 7 256 | 37 150 | 36 487 | 46 094 |
| Non-recurring events (note 4) | 0 | | 0 | 11 000 | 11 000 |
| Operational EBIT | 42 303 | 138 692 | 266 405 | 453 932 | 599 896 |
| Harvested volume (tonnes) | 10 058 | 7 076 | 23 361 | 19 054 | 27 297 |
| Operation EBIT per kg | 4,21 | 19,60 | 11,40 | 23,82 | 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 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 shown both before and after loss on open fixed-price contracts.

Operational EBIT per kg FARMING

(NOK '000)

| | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 |
|---|---------------|----------------|----------------|----------------|
| Operational EBIT (segment, note 2) | 5 320 | 102 941 | 229 973 | 413 794 |
| Share of operational EBIT Sales allocated excl. Contracts | -3 482 | 7 902 | 78 483 | 4 169 |
| Operational EBIT excl. Contracts | 1 838 | 110 843 | 308 456 | 417 963 |
| Loss(-) / Gain(+) on open fixed-price contracts | 40 464 | -1 610 | -42 051 | 216 |
| Operational EBIT | 42 302 | 109 233 | 266 405 | 418 179 |
| Harvested volume (tonnes) | 10 058 | 7 076 | 23 361 | 19 054 |
| Operational EBIT per kg excl. Contracts | 0,18 | 15,66 | 13,20 | 21,94 |
| Operational EBIT per kg | 4,21 | 15,44 | 11,40 | 21,95 |

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)

| | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 |
|--|--------------|--------------|--------------|--------------|
| Production cost (segment, note 2) | 447 831 | 250 703 | 1 001 929 | 671 859 |
| Harvested volume (tonnes) | 10 058 | 7 076 | 23 361 | 19 054 |
| Production cost per kg Region North | 44,51 | 35,43 | 42,89 | 35,26 |

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)

| | Q3 2020 | Q3 2019 | YTD 2020 | YTD 2019 | FY 2020 |
|---|---------------|----------------|----------------|----------------|------------------|
| Majority share of net result for the period | 147 875 | -24 270 | 284 085 | 618 163 | 1 306 722 |
| Majority share of fair value adjustments of biomass after tax | -87 785 | 134 472 | -74 690 | -217 435 | 97 526 |
| Fair value of sales contracts and Fish Pool contracts (in its entirety, the majority share) | 131 | 766 | 413 | -11 456 | 3 210 |
| Majority share of value-adjusted result for the period | 60 221 | 110 968 | 209 809 | 389 271 | 1 407 459 |
| Weighted average number of ordinary shares outstanding | 43 150 613 | 43 320 672 | 43 150 613 | 43 493 529 | 43 348 577 |
| Value-adjusted earnings per share | 1,40 | 2,56 | 4,86 | 8,27 | 32,47 |