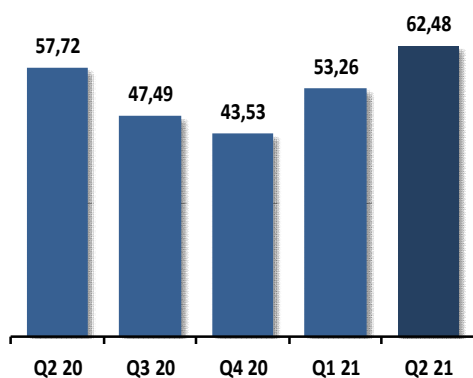


Interim Report

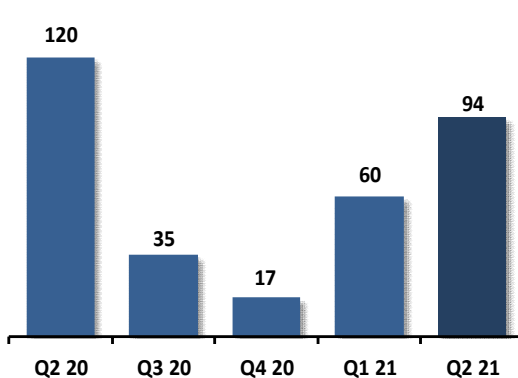
Q2-21



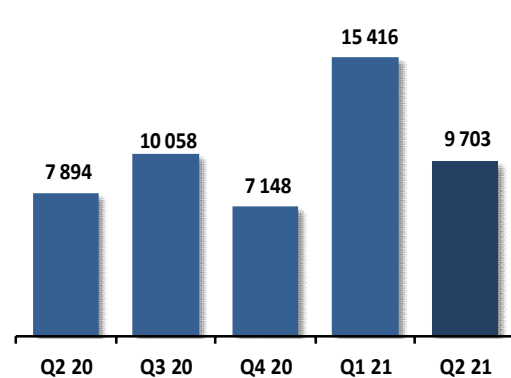
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)



HIGHLIGHTS Q2 2021

- Operational EBIT of NOK 94 million
 - Farming Norway: Operational EBIT per kg of NOK 12.22
 - Farming Iceland: Operational EBIT per kg of NOK 9.66
- High production cost due to harvesting from ISA sites
- Demand for salmon is now increasing when the markets have started to recover after the easing of Covid-restrictions
- Harvested volume was 9 703 tonnes, 23 % increase YoY. Farming Norway in line with Q2 20 and Farming Iceland with a growth of 126 %
- The production in the new smolt facility has started during the quarter and will ensure the supply of smolts and enable improved timing of smolt release, utilization of MAB and reduce production costs
- NTS has published a mandatory offer for all shares in NRS. In addition, Salmar ASA intends to launch a voluntary offer

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Operating revenues	1 336 832	1 289 333	2 764 629	2 559 247	5 118 867
Operational EBITDA	129 817	145 081	226 424	243 173	346 999
Operational EBIT	93 995	119 665	153 934	194 456	246 252
Income from associates	-743	-4 124	9 940	13 694	-1 985
EBIT	219 985	97 286	394 632	192 435	107 609
EBT	326 418	118 152	681 953	173 296	72 970
EPS (NOK) – before fair value adjustments	3,90	2,64	9,24	3,45	4,27
Net cash flow from operating activities ²⁾	239 487	183 037	397 547	214 904	384 548
Investments in fixed assets/licenses ²⁾	266 559	341 333	675 161	653 542	1 511 524
NIBD according to covenant			1 718 932	374 902	1 294 554
Equity ratio			54,9 %	62,3 %	53,8 %
Volume harvested (HOG)	9 703	7 894	25 119	13 303	30 509
Operational EBIT per kg ¹⁾	11,74	17,06	8,47	16,85	9,91

¹⁾ Operational EBIT per kg from Farming and Sales (before non-recurring items)¹⁾

FINANCIAL PERFORMANCE

(Figures in brackets = 2020, unless otherwise specified)

For the 2021 reported figures, Arctic Fish Group from Iceland is consolidated from 1 January 2021. For all corresponding figures for 2020, Arctic Fish Group was accounted as an associated company and not fully consolidated in the 2020 figures.

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 1 336.8 million (NOK 1 289.3 million) in the second quarter of 2021, an increase of 3.7 per cent from the corresponding prior-year period. The Group achieved an operational EBIT of NOK 94.0 million (NOK 119.7 million), a decrease of NOK 25.7 million. The decrease in operational EBIT is due to higher production costs. A loss on open fixed-price contracts compared to the level of Fish Pool prices of NOK 2.1 million (gain of NOK 8.9 million) was recognised in the quarter. The Group recognised a positive fair value adjustment of NOK 131.2 million (negative NOK 18.3 million), an increase of NOK 149.5 million compared to the corresponding quarter of 2020. The positive fair value adjustment is due to higher forward prices.

The farming business harvested 9 703 tonnes (7 894 tonnes) of gutted weight in the quarter, an increase of 23 per cent explained by an organic growth from Farming Iceland of 126 per cent. Farming and Sales achieved an operational EBIT per kg of NOK 11.74 (NOK 17.06). The decrease in operational EBIT per kg is due to higher production costs. Total sold volumes in the second quarter were 21 213 tonnes (20 650 tonnes).

Financial items and share of profit from associates

Result from associates totalled NOK -0.7 million (NOK -4.1 million) in the second quarter. NRS' share of fair value adjustments to the biomass after tax amounted to NOK -1.2 million (NOK -7.9 million). Associated Norwegian farming companies harvested 986 tonnes, 1 335 tonnes less than in the corresponding period last year. NRS' share of the above figure amounts to 330 tonnes, a decrease of 927 tonnes.

The gain on financial assets of NOK 132.9 million in the second quarter of 2021 is mainly due to the sale of shares in the associated company Måsøval Fishfarm AS. The transaction included all shares owned by Norway Royal Salmon in the company. See note 7 Investments in associates for further details.

Net financial expenses for the period were NOK 26.4 million (NOK 5.8 million), an increase of NOK 20.6 million. The financial items are negatively affected by a loss in foreign currency of NOK 4.3 million due to bank debt in Euro. The increase in the recurring finance expenses is explained by a higher NIBD.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 7 871.5 million, an increase of NOK 132.7 million from the prior quarter's end. The change in total assets is attributable to several factors. Licenses increased by NOK 9.5 million, property, plant and equipment increased by NOK 222.5 million and the Group's receivables increased by NOK 112.5 million. Fair value adjustments of the biomass increased by NOK 119.2 million, and inventories and biomass at cost decreased by NOK 9.7 million; hence, the total increase in inventories and biological assets was NOK 109.5 million. The bank deposits decreased by NOK 270.5 and the non-current financial assets decreased by NOK 50.9 million in the quarter.

The Group's net interest-bearing debt decreased by NOK 69.1 million, from NOK 2 063.7 million at the end of the previous quarter to NOK 1 994.6 million on 30 June 2021. The decrease is attributable to a positive operational EBITDA of NOK 129.8 million, decreased working capital items of NOK 109.3 million, received payments from the sale of shares in Måsøval Fishfarm AS of NOK 147.8 million, received dividend of NOK 5.0 from investments in associates and a decrease of net interest-bearing debt due to change in the exchange rate of NOK 4.4 million. Investments in fixed assets of NOK 271.4 million, paid dividend of 42.9 million and interest payments of NOK 12.9 million had the opposite effect on the net interest-bearing debt. The Group had an unused credit facility of NOK 1 633.3 million at the end of the quarter, and bank deposits of NOK 117.8 million.

On 30 June, the Group's equity totalled NOK 4 319.4 million, an increase of NOK 221.1 million from the end of the previous quarter. The increase is mainly attributable a total comprehensive income of NOK 263.1 million which is reduced with a cash dividend of 42.9 million. The equity ratio at the end of the quarter is 54.9 per cent.

Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 239.5 million during the quarter, which represents an increase of NOK 56.4 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to operational EBITDA of NOK 129.8 million and decreased working capital items of NOK 109.3 million.

Net cash outflows related to investing activities in the second quarter amounted to NOK 118.6 million (NOK 246.2 million). Investments in fixed assets of NOK 271.4 million had a negative effect on the cash flow. Received payments from investments in non-current financial assets of NOK 5.0 million and received payments from the sale of shares in Måsøval Fishfarm AS of NOK 147.8 million had a positive impact on the cash flow.

The cash outflows from financing activities totaled NOK 391.3 million (inflow NOK 13.4 million) in the second quarter. The negative cash outflow is attributable to a decreased overdraft facility by NOK 321.3 million, instalments and interest on the right to use liabilities of NOK 15.3 million, finance costs of NOK 11.7 million and paid dividend of NOK 42.9 million.

Profit and loss first half 2021 and summary of events YTD 2021

The Group posted operating revenues of NOK 2 764.6 million (NOK 2 559.2 million) in the first half of 2021, an increase of 8.0 per cent compared with the corresponding prior-year period. During the same period, the Group posted an operational EBIT of NOK 153.9 million (NOK 194.5 million). The group had a positive operational cash-flow of NOK 397.5 million (NOK 214.9 million) in the first half of 2021. At the end of the second quarter the Group had an equity ratio of 54.9 per cent (62.3 per cent). The Group increased its net interest-bearing debt by NOK 473.1 million in the first half of 2021 to NOK 1 994.6 million. The general meeting resolved to distribute a dividend of NOK 3.00 per share. The dividend was distributed by a cash dividend of NOK 1.00 per share (total NOK 42.9 million) and distribution of shares in NRS from the company's treasury shares.

Farming harvested 25 119 tonnes (13 303 tonnes) in the first half of 2021 and posted an EBIT per kg of NOK 8.47 (NOK 16.85). The Sales business sold 40 852 tonnes (38 550 tonnes) in the first half of 2021.

During the first quarter of 2021, NRS increased its ownership in Arctic Fish to 51.28 per cent and achieved control over the company. Consequently, the Arctic Fish Group is consolidated from 1 January 2021. For all corresponding figures for 2020, the Arctic Fish Group was accounted as an associated company and is not fully consolidated.

Gain on financial assets of MNOK 307.6 for the first half of 2021 is explained by MNOK 174.7 million from the gain when Arctic Fish was ceased as an associate company and was converted to a subsidiary and by NOK 132.9 million from the sale of shares in the associated company Måsøval Fishfarm AS.

Norway Royal Salmon has not identified any additional risk exposure beyond the risks described in the 2020 annual report. Norway Royal Salmon is exposed to the salmon price and the biological condition of the biomass in the sea. Reference is made to the Outlook section of this report for other comments to NRS's risk exposure. Transactions with related parties are made at arm length prices. Reference is made to Note 6 of this report for further information regarding related parties.

SEGMENT INFORMATION

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

During the first quarter of 2021, NRS increased its ownership in Arctic Fish to 51.28 per cent and achieved control over the company. Consequently, the Farming business was divided into two geographical segments: Farming Norway and Farming Iceland.

Norway Royal Salmon monitors the 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 sales operations in Norway is allocated to Farming Norway.

The group owns 53 885 tonnes MAB to produce salmon, divided between 36 085 tonnes MAB for salmon farming in Norway, located in Troms and Finnmark, and 17 800 tonnes MAB for salmon farming in Iceland, located in the Westfjords area. In addition, the group owns 5 300 tonnes MAB for trout farming in Iceland.

FARMING NORWAY

Operational EBIT came in at NOK 96.3 million (NOK 134.7 million), a decrease of NOK 38.4 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK 12.49 (NOK 15.94). Loss on fixed-price contracts of NOK -0,27 per kg (gain NOK 1.12) resulted in an operational EBIT per kg of NOK 12,22 (NOK 17,06).

7 879 tonnes (7 894 tonnes) were harvested in the second quarter, a decrease of 15 tonnes. The achieved price for the farming operations was NOK 8.76 higher per kg than achieved in the first quarter of 2021 and NOK 2.37 higher per kg than in the corresponding period last year. NRS harvested some small fish from ISA sites in the quarter, harvested fish had lower quality than normal and timing of harvest during the quarter had negative impact on the price achievement.

Total production cost per kg for harvested fish was NOK 46.41, which is NOK 2,39 higher than in the first quarter of 2021 and NOK 6.33 higher than in the corresponding period last year. The increase in production cost is due to harvesting small fish with high harvesting- and wellboat costs from ISA sites, as well as harvesting fish from sites with poor performance. The production cost is expected to decrease in the third quarter 2021.

The biomass in sea is seasonally reduced as normal with 2 229 tonnes (-9.5 per cent) compared to the previous quarter and decreased by 2 276 tonnes (-9.7 per cent) compared to the corresponding quarter in 2020. The production was somewhat lower than expected in the quarter due to lower biomass. NRS has previously reported the fish disease ISA at Korsnes and Kråkeberget sites. The fish in the cages with ISA have been harvested and the fish welfare on the sites are now good. All fish in the production areas for these two sites are subject to restrictions, thus harvesting- and wellboat costs are expected to be higher than normal until all the fish is harvested.

The estimated harvest volume for 2021 is 36 000 tonnes gutted weight, an increase of 18 per cent from the harvested volume of 2020.

KEY FIGURES (NOK '000)	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating revenues	980 042	1 289 333	2 463 864	2 559 220
Operational EBITDA	120 339	160 082	223 244	272 785
Operational EBIT	96 303	134 684	173 504	224 103
Investment in tangible assets/licenses	222 817	341 333	593 892	596 494
Volume harvested (tonnes HOG)	7 879	7 894	19 502	13 303
Operational EBIT per kg (ex contracts)	12,49	15,94	8,65	16,73
Gain (+)/Loss (-) on open fixed price contracts	-0,27	1,12	0,25	0,12
Operational EBIT per kg	12,22	17,06	8,90	16,85

The NRS' Sales operations experienced a decrease in sales volumes of 9 per cent compared with the corresponding prior-year period. 18 776 tonnes (20 650 tonnes) were sold in the second quarter. The NRS' Sales operations had a positive operational EBIT before open fixed price contracts of NOK 3.7 million (negative of NOK 0.4 million), which equates to NOK 0.20 (NOK -0.02) per kg sold volume in the period. 93 per cent of NRS Farming's harvested fish were sold in the spot market in the second quarter, while 7 per cent were sold at fixed prices. The fixed price contracts resulted in a loss of NOK 2.1 million compared to the level of Fish Pool prices.

The sales volumes to Western Europe decreased by 17 per cent, while volumes to Asia and Eastern Europe increased by 8 per cent in the quarter. The volumes sold in Norway decreased by 12 per cent in the quarter. In the second quarter, Western Europe accounted for 77 per cent of the export volumes, Asia 16 per cent and Eastern Europe 7 per cent. Domestic volume amounts to 19 per cent of the total sold volume.

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 facilities within RAS technology. The facility is designed so that it has the potential for further extensions. The smolt facility will ensure the supply of smolts and 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 utilisation of the Group's MAB and reduce production costs. NRS started production in the smolt facility in May 2021 and will release this fish into the sea spring 2022 and harvest this fish in summer of 2023. The production has performed well up to now.

The investment in Arctic Offshore Farming is a strategically important investment where NRS develops and builds the offshore technology of the future for the aquaculture industry. This technological solution enables aquaculture in significantly more exposed waters and will help increase the utilisation of sea areas. Two cages and a feed barge are under construction. The first fish are expected to be released at the site in September 2021.

FARMING ICELAND

(Figures in brackets = 2020. All corresponding figures from 2020 for Farming Iceland are for information purposes. The Arctic Fish Group is consolidated from 1 January 2021.)

Operational EBIT came in at NOK 17.6 million (NOK 3.1 million), an increase of NOK 14.5 million compared with the same quarter last year. Operational EBIT per kg amounted to NOK 9.66 (NOK 3.88).

1 824 tonnes (805 tonnes) were harvested in the second quarter, an increase of 1 019 tonnes. The achieved price for the farming operations was NOK 10.20 higher per kg than achieved in the first quarter of 2021 and NOK 1.79 higher per kg than in the corresponding period last year. The quality of the fish is very good in Iceland and contributed positively to the price achievement, but the timing of harvest during the quarter had negative impact on the price achievement.

Total production cost per kg for harvested fish in the second quarter of 2021 was NOK 45.06, which is NOK 6.22 higher than in the first quarter of 2021, but NOK 3.99 lower than in the corresponding period last year. Farming Iceland started to harvest from a new site in the quarter and this is the reason for the increase in production cost from the first quarter. The production cost at this site is expected to decrease, resulting in lower production cost in the third quarter. The harvesting costs are still high, but the company is currently working with a long-term project to increase the harvesting capacity.

The biomass in sea increased by 619 tonnes (+7.2 per cent) compared to the previous quarter and increased by 1 906 tonnes (+26 per cent) compared to corresponding quarter in 2020. Production so far this year has been better than expected and will increase the estimated harvest volume for 2022.

The estimated harvest volume for 2021 is 12 000 tonnes gutted weight, an increase of 61 per cent from the harvested volume of 2020.

KEY FIGURES (NOK '000)	Q2 2021	Q2 2020 *	YTD 2021	YTD 2020 *
Operating revenues	99 798	42 627	268 641	101 498
Operational EBITDA	28 832	12 984	60 743	36 776
Operational EBIT	17 621	3 126	39 142	17 773
Investment in tangible assets/licenses	43 742	51 748	81 269	57 048
Volume harvested (tonnes HOG)	1 824	805	5 617	1 668
Operational EBIT per kg	9,66	3,88	6,97	10,66

** Figures from 2020 are shown for information purposes and these are not a part of the consolidated figures for 2020.*

Arctic Fish is a fish farming company located in the Westfjords, Iceland and was listed on Euronext Growth on the Oslo Stock Exchange in February 2021. The company has an expected production cost below 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.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

Divestment of the 36.1 % stake in Måsøval Fishfarm AS completed

During the second quarter all SPA conditions were met and NRS received MNOK 148 as consideration for the shares. MNOK 30 is recognised as dividend for 2020 in the second quarter, the cash transaction of the dividend was paid primo Q3 21. See note 7 for further information.

Annual general meeting

The annual general meeting was held in Trondheim on 27 May 2021.

The general meeting granted the board of director's authority to acquire treasury shares by up to a total of 4 357 219 shares, each with a nominal value of NOK 1, which equals 10 per cent of the company's share capital. For acquisitions, the purchase price per share should be no lower than a nominal value of NOK 1, and no higher than NOK 300 per share. The authority remains in force until the ordinary general meeting in 2022, however no later than 30 June 2022.

The general meeting granted the board of director's authority to increase the Company's share capital by up to NOK 4 357 219, which equals 10 per cent of the company's share capital. The authority remains in force until the ordinary general meeting in 2022, however no later than 30 June 2022.

The following members of the board of directors stood for election this year; Marianne E. Johnsen, Eva Kristoffersen and Tom Vidar Rygh, and these board members were re-elected for 2 years. The board member Arnfinn Aunsmo resigned as a board member.

The general meeting resolved to distribute a dividend of NOK 3.00 per share. The dividend was distributed by a cash dividend of NOK 1.00 per share and distribution of shares in NRS from the company's treasury shares.

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 30.06.2021 88 per cent of our active sites are certified according to the ASC standard.

MARKET CONDITIONS

The total value of salmon exported from Norway in the second quarter was NOK 17.8 billion, an increase of NOK 1.2 billion compared to the corresponding quarter last year. The increase of 7.3 per cent from the second quarter was due to exported volume from Norway being 7.4 per cent higher than in the second quarter of 2020. The spot price (NASDAQ) in the second quarter of 2021 was NOK 62.48 per kg superior quality salmon (delivered Oslo). This is an increase of 8.2 per cent from the second quarter of 2020 and an increase of 17.3 per cent from the first quarter of 2021. The price in NOK was negatively affected by a stronger Norwegian currency in the quarter. In EUR, the prices of Norwegian salmon increased 18.1 per cent to EUR 6.19 per kg from the second quarter of 2020. The export price of NOK 64.21 was higher than the spot price and 0.2 per cent lower than in the same period last year.

The price increase in the spot market was driven by a low increased global supply together with increased demand as Covid-19 restrictions were eased in many markets. Harvested volumes from Norway increased by 6 per cent from the corresponding prior-year period. Harvested volumes from Chile decreased by 14 per cent, while the volumes from other countries increased by 9 per cent. This resulted in an increase in global harvesting volumes of 1 per cent. For Q3 2021, Kontali Analyse expects a harvesting volume 4 per cent lower than in Q3 2020.

Despite higher salmon prices sold volumes increased by 9 per cent in the quarter compared with the same period last year. This is higher than the increase in global harvest volume and indicates a lower change in frozen inventory compared to the same quarter last year. The US, Eastern Europe and Russia were the markets that grew the most.

Despite higher salmon prices, global import volumes to the EU (including the UK) increased by 2 per cent in the quarter compared to the second quarter of 2020; 80 per cent of the volume comes from Norway. The shift in demand from food service towards the retail segment caused by Covid-19 is still visible in the markets. This can be seen in the increase in the import volumes of Holland (23 %) and Denmark (4 %) in the second quarter. These markets produce processed products for the retail segments. Poland is now by far the largest market for Norwegian salmon. However, markets that have traditionally large food service segments, like Spain (increase of 14 percent) and France (increase of 5 per cent), continued to grow in the second quarter. This indicates that the adaption to and easing of Covid-19 restrictions together with mass vaccination contributed positively in these segments.

Harvest volume (tonnes wfe)	Q2/21	yr/yr	Q3/21 E	yr/yr
Norway	319 400	6 %	376 800	5 %
Chile	150 100	-14 %	140 900	-29 %
UK	53 300	17 %	55 100	0 %
Canada	38 700	2 %	33 600	-11 %
Faroe Islands	24 000	6 %	20 600	16 %
Australia	18 100	5 %	25 500	9 %
USA	3 300	-34 %	4 200	-22 %
Iceland	8 600	48 %	11 800	84 %
Others	11 800	17 %	11 900	34 %
	627 300	1 %	680 400	-4 %

Source: Kontali Analyse

Sold volumes (tonnes wfe)	Q2/21	yr/yr	Q3/21 E	yr/yr
EU (incl UK)	274 600	2 %	324 800	-1 %
USA	162 600	22 %	138 000	-5 %
Eastern Europe ex. Russia	11 700	34 %	13 900	11 %
Russia	19 400	46 %	21 800	-11 %
Asia ex. Japan	66 300	0 %	59 500	12 %
Japan	16 400	-1 %	17 800	-4 %
Others	105 800	10 %	115 400	-1 %
	656 800	9 %	691 200	-1 %

Source: Kontali Analyse

Q2/2021	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to EU:				
Poland	38 778	-14 %	1 904	-18 %
France	26 921	5 %	1 544	5 %
Denmark	27 597	4 %	1 451	7 %
UK	12 901	-12 %	720	-18 %
Spain	21 769	14 %	1 264	16 %
Holland	22 198	23 %	1 242	20 %
Others in EU	69 958	6 %	4 039	7 %
Total Norway to EU	220 122	2 %	12 164	2 %
Others to EU	54 478	2 %		
EU total	274 600	2 %		

Source: Norwegian Seafood Council

The global demand for salmon in Asia was unchanged compared to the second quarter of 2020. However, import volumes from Norway increased by 17 per cent. Norway's market share was 66 per cent in second quarter. Chile's export to this region decreased by 22 per cent. Import volumes in China increased by 8 per cent in the second quarter compared to the corresponding prior-year period. The increase in import volumes from Norway is due to less supply to these markets from other producers.

Despite higher prices, the total export of salmon to Eastern Europe increased in the second quarter. Global import volumes increased by 41 per cent, while import volumes from Norway increased by 27 per cent. Volumes to Russia from other producer nations increased by 49 per cent in the second quarter. Norway had a market share of 31 per cent in Eastern Europe.

The demand for salmon in North America increased in the second quarter. In total, imports to North America increased by 22 per cent, while volume from Norway increased by 37 per cent.

Q2/2021	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Asia				
South East Asia	12 999	36 %	790	32 %
Japan	10 675	23 %	603	5 %
Middle East	8 389	-5 %	529	-4 %
China (incl. Hong Kong)	11 865	8 %	768	21 %
South-Korea	10 418	23 %	720	28 %
Others in Asia	127	90 %	8,5	94 %
Total Norway to Asia	54 473	17 %	3 419	17 %
Others to Asia	28 227	-22 %		
Asia Total	82 700	0 %		

Source: Norwegian Seafood Council

Q2/2021	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Eastern Europe				
Ukraine	5 181	48 %	258	61 %
Turkey	1 064	47 %	59	63 %
Belarus	292	-54 %	14	-50 %
Kazakhstan	1 337	19 %	72	20 %
Others in Eastern Europe	1 627	10 %	157	10 %
Norway to Eastern Europe	9 501	27 %	560	31 %
Other to Eastern Europe	21 599	49 %		
Eastern Europe Total	31 100	41 %		

Source: Norwegian Seafood Council

Q2/2021	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to North America				
USA	19 300	33 %	1 342	13 %
Canada	1 112	172 %	89	169 %
Total Norway to North Ame	20 412	37 %	1 431	17 %
Others to North America	142 188	21 %		
North America Total	162 600	22 %		

Source: Norwegian Seafood Council

OUTLOOK

Estimated harvest volume for 2021 is 36 000 tonnes gutted weight for Farming Norway and 12 000 gutted weight for Farming Iceland. A total of 48 000 tonnes gutted weight estimated for 2021 represents an increase of 57 per cent compared with the volume in 2020. The harvest estimates for Norway are decreased by 4 000 tonnes since the Q1 21 report due to accelerated harvesting caused by ISA. For the last two quarters of 2021, 1 437 tonnes are hedged, of which 680 tonnes are hedged in the third quarter of 2021. The production cost in the third quarter is expected to decrease both for Farming Norway and Farming Iceland.

In the third quarter of 2021 Kontali Analyse expects global harvest volumes to decrease by 4 per cent compared with the third quarter of 2020. For 2021 Kontali Analyse expects a growth in global harvest volume of 3 per cent from 2020, which is a low growth when seen in a historical context. The growth in 2021 from Norway is expected to be 8 per cent while Chile is expected to reduce harvest volumes by 15 per cent compared to 2020.

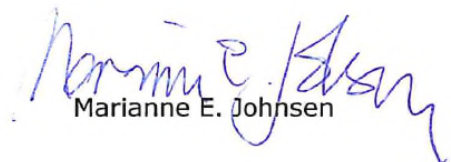
Trondheim, 22 August 2021



Helge Gåsø
Chair



Karl-Johan Bakken
Vice chair



Marianne E. Johnsen



Tom Vidar Rygh



Trude Olafsen



Eva Kristoffersen



Charles Høstlund
CEO

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

We confirm, to the best of our knowledge, that the financial report for the first half of 2021 has been prepared in accordance with IAS 34 – Interim Financial Reporting, as adopted by EU, and gives a true and fair view of the Group’s assets, liabilities, financial position and profits and loss for the period.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

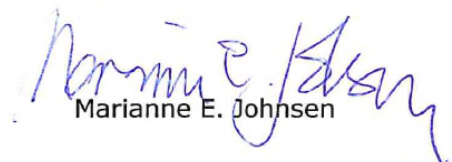
Trondheim, 22 August 2021



Helge Gåsø
Chair



Karl-Johan Bakken
Vice chair



Marianne E. Johnsen



Tom Vidar Rygh



Trude Olafsen



Eva Kristoffersen



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)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Operating revenues	1 336 832	1 289 333	2 764 629	2 559 247	5 118 867
Cost of goods sold	1 060 543	1 051 408	2 254 926	2 134 032	4 393 881
Salaries	54 018	37 189	112 353	77 627	166 995
Depreciation	35 821	25 416	72 490	48 717	100 747
Other operating costs	92 455	55 654	170 926	104 415	210 992
Operational EBIT	93 995	119 665	153 934	194 456	246 252
Fair value adjustments	131 203	-18 255	240 795	-15 715	-136 657
Production tax	-4 470	0	-10 036	0	0
Income from associates	-743	-4 124	9 940	13 694	-1 985
EBIT	219 985	97 286	394 632	192 435	107 609
Gain/loss on financial assets	132 850	26 693	307 608	-7 925	-8 165
Other net financial items	-26 418	-5 827	-20 287	-11 213	-26 474
Earnings before tax (EBT)	326 418	118 152	681 953	173 296	72 970
Taxes	-50 691	-20 365	-71 307	-36 197	1 717
Net profit/loss	275 726	97 787	610 646	137 100	74 687
Profit attributable to:					
Parent company shareholders	256 348	97 524	559 809	136 210	80 113
Minority interests	19 378	262	50 837	890	-5 426
Earnings per share (NOK)	5,96	2,25	13,03	3,15	1,86
Earnings per share - diluted	5,96	2,25	13,03	3,15	1,86

COMPREHENSIVE INCOME STATEMENT

(NOK '000)	Q2 2021	Q2 2020	YTD 2021	FY 2020	FY 2020
Net profit/loss	275 726	97 787	610 646	137 100	74 687
Items to be reclassified to profit or loss:					
Translation differences and OCI posts from associated companies	0	-14 152	-17 486	24 239	14 436
Cash Flow hedges (net of tax)	-12 661	35 279	-5 203	-12 522	15 098
Items not to be reclassified to profit or loss:					
Actuarial gains on defined benefit plans (net of tax)	0	0	0	0	4 018
Total comprehensive income	263 065	118 913	587 958	148 817	108 239
Total comprehensive income attributable to:					
Parent company shareholders	243 688	118 650	537 121	147 927	113 666
Non-controlling interests	19 378	262	50 837	890	-5 426

STATEMENT OF FINANCIAL POSITION

(NOK '000)	30.06.2021	31.03.2021	30.06.2020	31.12.2020
Intangible assets	1 649 769	1 640 259	749 515	948 616
Property, plant and equipment	3 500 647	3 278 181	1 688 150	2 351 759
Non-current financial assets	344 724	395 597	811 915	772 759
Non-current assets	5 495 140	5 314 037	3 249 580	4 073 134
Inventory and biological assets	1 785 348	1 675 818	1 326 604	1 386 281
Receivables	473 144	360 629	486 274	316 541
Bank deposits	117 818	388 279	8 663	38 753
Current assets	2 376 310	2 424 726	1 821 541	1 741 575
TOTAL ASSETS	7 871 451	7 738 763	5 071 122	5 814 710
Share capital	42 375	42 923	42 919	42 919
Other equity	3 531 720	3 329 418	3 072 541	3 048 177
Non-controlling interests	745 299	725 921	45 912	39 596
Equity	4 319 394	4 098 261	3 161 372	3 130 692
Pensions	23 703	23 703	27 638	23 703
Deferred tax	568 213	521 093	398 308	365 569
Provisions	591 917	544 797	425 946	389 272
Long-term interest-bearing debt	1 942 610	1 949 274	494 185	1 378 514
Short-term interest-bearing debt	169 848	502 712	295 049	226 819
Trade payables	689 108	492 708	614 509	617 937
Tax payable	0	0	0	3 752
Other current liabilities	158 572	151 011	80 061	67 723
Current liabilities	1 017 529	1 146 431	989 619	916 231
TOTAL EQUITY AND LIABILITIES	7 871 451	7 738 763	5 071 122	5 814 710

STATEMENT OF EQUITY

30.06.2021		Equity allocated to parent company shareholders			Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		
Equity at 01.01.2021	43 572	-653	3 048 177	3 091 095	39 596	3 130 692
Total comprehensive income	0	0	537 121	537 121	50 837	587 958
Transactions with shareholders						
Dividend	0	453	-43 375	-42 922	0	-42 922
Share based payment	0	0	1 360	1 360	0	1 360
Net purchase and sale of treasury shares	0	3	-1 045	-1 042	0	-1 042
Non-controlling interests at acquisition	0	0	0	0	500 000	500 000
Share issue	0	0	-10 736	-10 736	154 865	144 130
Equity transactions associated companies	0	0	-783	-783	0	-783
Total transactions with shareholders	0	456	-54 578	-54 122	654 865	600 744
Equity at 30.06.2021	43 572	-198	3 530 720	3 574 094	745 299	4 319 394

30.06.2020		Equity allocated to parent company shareholders			Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		
Equity at 01.01.2020	43 572	-141	3 267 659	3 311 091	45 949	3 357 040
Total comprehensive income	0	0	147 927	147 927	890	148 817
Transactions with shareholders						
Dividend	0	-545	-212 754	-213 299	-927	-214 226
Share based payment	0	0	1 833	1 833	0	1 833
Net purchase and sale of treasury shares	0	32	-132 987	-132 954	0	-132 954
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	-343 045	-343 558	-927	-344 484
Equity at 30.06.2020	43 572	-653	3 072 541	3 115 460	45 912	3 161 372

31.12.2020		Equity allocated to parent company shareholders			Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		
Equity at 01.01.2020	43 572	-141	3 267 658	3 311 089	45 949	3 357 038
Total comprehensive income	0	0	113 666	113 666	-5 425	108 240
Transactions with shareholders						
Dividend	0	449	-106 173	-105 724	-927	-106 651
Share based payment	0	0	3 100	3 100	0	3 100
Other equity transactions in the group	0	0	9 234	9 234	0	9 234
Net purchase and sale of treasury shares	0	-962	-239 308	-240 270	0	-240 270
Total transactions with shareholders	0	-513	-333 147	-333 660	-927	-334 587
Equity at 31.12.2020	43 572	-653	3 048 177	3 091 095	39 596	3 130 692

Statement of cash flow

(NOK '000)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Operational EBIT	93 995	119 665	153 934	194 456	246 252
Adjusted for:					
Taxes paid	0	0	-33 856	-38 379	-38 379
Depreciation	35 822	25 416	72 490	48 717	100 747
Share based payment	360	899	720	-4 590	3 100
Pension costs with no cash effect	0	0	0	0	1 216
Change in inventories/biological assets	56 574	-28 177	294 606	-34 032	-183 548
Change in account receivables and accounts payables	121 107	121 779	-163 661	-5 018	245 005
Change in other current assets and liabilities	-68 371	-56 545	73 315	53 750	10 154
Net cash flow from operating activities	239 487	183 037	397 547	214 904	384 548
Cash flow from investing activities					
Payments for purchase of fixed assets and licenses (MAB)	-271 433	-256 800	-575 793	-500 101	-1 416 544
Proceeds from realisation of current financial assets (TRS)	0	34 038	0	44 689	44 689
Proceeds from investments in non-current financial assets	5 030	4 372	5 030	7 015	17 625
Proceeds from sale of non-current financial assets	147 768	0	147 768	0	2 644
Net of cash acquired from Arctic Fish	0	0	79 171	0	0
Change in loans to associates and others	0	-27 765	45 000	-99 461	-98 935
Net cash flow from investing activities	-118 635	-246 155	-298 824	-547 858	-1 450 521
Cash flow from financing activities					
Receipts from new non-current debt	0	300 000	300 000	320 587	1 200 000
Non-current debt repayment	0	0	-7 723	0	0
Down payments on right to use liabilities	-14 197	-13 251	-28 544	-26 711	-53 489
Interest payments for right to use liabilities	-1 140	-2 271	-2 415	-4 159	-6 788
Net change in bank overdraft	-321 333	72 944	-353 429	246 497	178 308
Total proceeds from transactions with treasury shares	0	-127 193	-1 042	-127 160	-239 308
Share issue	0	0	144 130	0	0
Net interest payments	-11 721	-3 556	-27 715	-6 518	-20 139
Dividend payment	-42 922	-213 236	-42 922	-213 236	-106 173
Net cash flow from financing activities	-391 313	13 436	-19 659	189 299	952 411
Net increase in bank deposits	-270 461	-49 681	79 065	-143 655	-113 563
Bank deposits - opening balance	388 279	58 344	38 753	152 317	152 317
Bank deposits - closing balance	117 818	8 663	117 818	8 663	38 753

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 2020 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 2020 are available upon request from the company's head office at Ferjemannsveien 10, Trondheim or at www.norwayroyalsalmon.com.

The Group's accounting policies adopted and applied in this interim report are consistent with those applied in the Group's 2020 Annual Report as published on the Oslo Stock Exchange on 26 April 2021. No new standards under IFRS have been adopted by the Group in 2021.

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. The farming business in Norway is located in Troms and Finnmark and the farming business in Iceland is located in the Westfjords area. 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 Norway		Farming Iceland		Eliminations / other		TOTAL	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Total sales revenues	1 234 982	1 289 333	460 440	442 592	99 798		2 052	0	1 797 272	1 731 925
Internal sales revenues	0	0	460 440	442 592	0		0	0	460 440	442 592
External sales revenues	1 234 982	1 289 333	0	0	99 798		2 052	0	1 336 832	1 289 333
Operating costs	1 233 431	1 280 870	365 688	316 371	82 177		-438 460	-427 573	1 242 837	1 169 668
Operational EBIT	1 551	8 463	94 752	126 221	17 621		-19 929	-15 019	93 995	119 665
Fair value adjustments	12 028	-362	75 748	-17 893	43 427		0	0	131 203	-18 255
Production tax	0	0	-3 152	0	-1 318		0	0	-4 470	0
Income from associates	0	0	0	0	0		-743	-4 124	-743	-4 124
EBIT	13 579	8 101	167 349	108 328	59 729		-20 672	-19 143	219 985	97 286
EBT	18 495	6 557	160 265	98 082	48 040		99 617	13 513	326 418	118 152
Volume harvested (HOG)			7 879	7 894	1 824				9 703	7 894
Operational EBIT per kg			12,03	15,99	9,66				11,58	15,99
Volume sold	18 776	20 650							18 776	20 650
Operational EBIT per kg	0,08	0,41							0,08	0,41
- of which gain on fixed-price contracts per kg.	-0,11	0,43							-0,11	0,43

(NOK '000)	Sales		Farming		Farming Iceland		Eliminations / other		TOTAL	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Total sales revenues	2 463 864	2 559 220	1 037 797	778 751	268 641		32 124	27	3 802 426	3 337 999
Internal sales revenues	0	0	1 037 797	778 751	0		0	0	1 037 797	778 751
External sales revenues	2 463 864	2 559 220	0	0	268 641		32 124	27	2 764 629	2 559 247
Operating costs	2 450 853	2 559 770	877 303	554 098	229 500		-946 960	-749 077	2 610 696	2 364 791
Operational EBIT	13 010	-550	168 295	224 653	39 142		-66 513	-29 647	153 934	194 456
Fair value adjustments	23 289	3 498	133 807	-19 213	83 698		0	0	240 795	-15 715
Production tax	0	0	-7 801	0	-2 236		0	0	-10 036	0
Income from associates	0	0	0	0	0		9 940	13 694	9 940	13 694
EBIT	36 300	2 948	294 301	205 440	120 604		-56 573	-15 954	394 632	192 435
EBT	43 330	-79	280 987	183 049	128 032		229 605	-9 674	681 953	173 296
Volume harvested (HOG)			19 502	13 303	5 617				25 119	13 303
Operational EBIT per kg			8,63	16,89	6,97				8,26	16,89
Volume sold	40 852	38 550							40 852	38 550
Operational EBIT per kg	0,32	-0,01							0,32	-0,01
- of which gain / -loss on fixed-price contracts per kg.	0,12	0,04							0,12	0,04

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. For salmon, a present value model is applied to estimate fair value. For roe and smolt, historical cost provides the best estimate for fair value. 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 for Norway is 5.0 % and 4.0 % for Iceland. The discount factor for Iceland was increased from 2.0 % to 4.0 % in the second quarter. The increase is based on increased 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 at 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 are 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 tax. Adjustments for expected size differences and quality differences are also made. The adjustment in relation to the reference price is done at site level.

Book value of inventory:

(NOK '000)	30.06.2021	31.03.2021	30.06.2020	31.12.2020
Raw materials	61 540	46 868	42 503	36 372
Biological assets freshwater	32 771	41 510	0	0
Biological assets fish in sea	1 617 064	1 491 471	1 224 588	1 282 006
Finished goods	73 973	95 969	59 513	67 903
Total inventory	1 785 348	1 675 818	1 326 604	1 386 281

Specification of the biological assets fish in sea:

(NOK '000)	30.06.2021	31.03.2021	30.06.2020	31.12.2020
Biological assets at cost	1 283 686	1 277 267	1 025 533	1 172 790
Fair value adjustments of the biomass	333 379	214 204	199 055	109 216
Book value biological assets fish in sea	1 617 064	1 491 471	1 224 588	1 282 006

Specification of biological assets fish in sea

(tonnes)	Q2 2021	Q1 2021	Q2 2020	FY 2020
Opening balance biological assets	32 090	29 861	25 754	26 033
Increase due to Arctic Fish consolidation	0	10 513	0	0
Increase due to fish put in the sea	507	229	385	1 342
Increase due to production in the period	9 918	10 445	7 494	41 309
Reduction due to mortality in the period	-857	-978	-682	-2 843
Reduction due to harvesting in the period	-11 178	-17 820	-9 398	-35 980
Non-recurring events and other	0	-159	0	0
Closing balance biological assets fish in sea	30 480	32 090	23 552	29 861
Biological assets fish in sea Norway	21 276	23 505	23 552	29 861
Biological assets fish in sea Iceland	9 204	8 585	0	0

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass, continued

Specification of changes in book value of biological assets fish in sea:

(NOK '000)	Q2 2021	Q1 2021	Q2 2020	FY 2020
Opening balance biological assets	1 491 471	1 282 006	1 243 001	1 231 662
Increase due Arctic Fish consolidation	0	375 975	0	0
Increase due to production in the period	408 285	314 116	279 211	1 322 815
Non-recurring events and other at cost	0	-16 281	0	0
Reduction due to harvesting in the period	-401 866	-562 677	-279 731	-1 163 419
Fair value adjustments of the biological assets	119 175	98 332	-17 893	-109 052
Closing balance biological assets fish in sea	1 617 064	1 491 471	1 224 588	1 282 006
Closing balance biological assets fish in sea Norway	1 173 889	1 131 251	1 224 588	1 282 006
Closing balance biological assets fish in sea Iceland	443 176	360 219	0	0

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

(NOK '000)	Q2 2021	Q1 2021	Q2 2020	FY 2020
Fair value adjustments of the biological assets	231 548	237 036	150 402	115 601
Fair value adjustments of the harvested fish	112 373	87 263	168 295	224 653
Total fair value adj. of biological assets in the cons. income statement	119 175	98 332	-17 893	-109 052

Groups of biological assets fish in sea, status as of 30.06.2021	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	4 432	1 883	198 782	5 486	204 269
1-4 kg	8 183	19 408	823 517	240 690	1 064 208
Larger than 4 kg	2 152	9 188	261 386	87 203	348 588
Biological assets	14 767	30 480	1 283 686	333 379	1 617 064

Groups of biological assets fish in sea, status as of 31.03.2021	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	4 713	2 764	216 277	10 702	226 978
1-4 kg	7 665	15 447	621 922	113 000	734 922
Larger than 4 kg	3 160	13 879	439 068	90 503	529 571
Biological assets	15 538	32 090	1 277 267	214 204	1 491 471

Groups of biological assets fish in sea, status as of 30.06.2020	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book 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 fish in sea, status as of 31.12.2020	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book 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

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

30.06.2021	NOK/kg	31.03.2021	NOK/kg	30.06.2020	NOK/kg	31.12.2020	NOK/kg
Q3 21	55,77	Q2 21	62,20	Q3 20	49,72	Q1 21	50,33
Q4 21	60,97	Q3 21	53,08	Q4 20	53,08	Q2 21	58,90
Q1 22	63,65	Q4 21	56,32	Q1 21	63,20	Q3 21	53,67
Q2 22	65,15	Q1 + Q2 22	62,30	Q2 21	63,80	Q4 21	55,83
Q3 + Q4 22	56,60	Q3 + Q4 22	54,17	Q3 + Q4 21	56,50	Q1 + Q2 22	54,62

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: Non-recurring events

Costs related to the non-recurring events that cause mortality are expensed in the income statement in the period it occurs. Such costs are included in the operational result. Non-recurring events that cause mortality is defined as incidents of not normal nature that have a significant economic impact. A specific assessment is made of every incident that has caused increased mortality.

Non-recurring event 1)	Q2 2021			Q2 2020		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
	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)	YTD 2021			YTD 2020		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
Culling of fish due to winter wounds	-16 257	0	-16 257	0	0	0
Destruction of smolt	-1 451	0	-1 451	0	0	0
Biological assets	-17 708	0	-17 708	0	0	0

NOTE 5: Fair value adjustments

Fair value adjustments which are a part of the Group's EBIT, are 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)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Change in fair value adjustments of the biomass	119 175	-17 893	217 506	-19 213	-109 052
Change in provision for onerous sales contracts	3 012	-290	-10 823	3 570	3 860
Change in unrealised gains/losses on financial Fish Pool contracts	9 016	-72	34 112	-72	-31 466
Total fair value adjustments	131 203	-18 255	240 795	-15 715	-136 657

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

(NOK '000)	30.06.2021	31.03.2021	30.06.2020	31.12.2020
Fair value adjustments biomass (inventory and biological assets)	333 379	214 204	199 055	109 216
Provision for onerous sales contracts (other current liabilities)	-10 823	-13 835	-290	0
Fair value of financial Fish Pool contracts (other receivables/other current liabilities)	2 646	-6 370	-72	-31 466
Net fair value adjustments in the balance sheet	325 202	193 999	198 693	77 750

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 purchases of harvested fish and smolts. Purchase of smolt and fish are made on market terms. 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 Q2 21 associated with related parties that have in any significant way affected the Group's financial position and profit for the period.

Goods and services purchased:

(NOK '000)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Associates - products purchased	10 486	163 961	44 176	215 703	475 239
Associates - services purchased	14 559	10 604	32 371	12 195	25 661
Companies controlled by large shareholder - products purchased ¹⁾	198 629	193 897	269 410	263 958	618 361
Companies controlled by large shareholder - services purchased	6 669	10 789	10 859	20 957	46 837
Chief Executive Officer - services purchased	6	-	11	-	8
Total goods and services purchased from related parties	230 348	379 251	356 829	512 813	1 166 105

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.04.2021	Share of profit/loss in the period after tax	Other changes	Book value 30.06.2021	Share of volume harvested - tonnes HOG 30.06.2021 ¹⁾
Wilsgård Fiskeoppdrett AS	37,50 %	171 945	-1 597	0	170 347	0
Måsøval Fishfarm AS ²⁾	36,10 %	45 132	0	-45 132	0	0
Hellesund Fiskeoppdrett AS	33,50 %	131 751	902	-5 041	127 613	330
Nordnorsk Smolt AS	50,00 %	40 190	-49	0	40 141	0
Other		48	0	0	48	0
Total associates Q2 2021		389 064	-743	-50 173	338 149	330
Total associates Q2 2020		661 787	-4 124	-18 546	639 117	1 257

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

²⁾ Norway Royal Salmon sold its 36.1 % stake in the associated company Måsøval Fishfarm AS to Måsøval Fiskeoppdrett AS in the second quarter 2021. Received consideration for the shares was MNOK 148. In addition, NRS will receive MNOK 30 in dividends for 2020 in the third quarter 2021.

The Group's associated companies together own nine fish farming licenses in Norway

The consolidated financial statements include the Group's share of results from associates according to the equity method. The equity method is regarded as consolidation method. When associates own shares in Norway Royal Salmon ASA, they 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 recognised in the consolidated financial statements.

Associates that own shares in NRS as of 30 June 2021:

	NRS' shareholding in associate	Number of shares	Fair value ¹⁾	NRS' share of fair value
Hellesund Fiskeoppdrett AS	33,50 %	1 701 076	293 266	98 244
Total		1 701 076	293 266	98 244

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.

NOTE 8: Bank covenants and financing

The Group's main borrowing covenants are 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 Q2 2021 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.

Consolidating Arctic Fish as of 1 January increases the credit facilities with MNOK 670. The Arctic Fish Group has an independent financing scheme with its own covenants.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: Shareholders

Ownership structure – the 20 largest shareholders as at 30.06.2021:

Shareholder	Antall	Eierandel
NTS ASA	7 141 094	16,39 %
MIDT-NORSK HAVBRUK AS	6 299 635	14,46 %
EGIL KRISTOFFERSEN & SØNNER AS	4 577 453	10,51 %
NORWAY FRESH AS	4 496 708	10,32 %
HELLESUND FISKEOPPDRETT AS	1 701 076	3,90 %
GÅSØ NÆRINGSUTVIKLING AS	1 624 607	3,73 %
STATE STREET BANK AND TRUST COMP	1 522 989	3,50 %
NYHAMN AS	1 492 680	3,43 %
THE NORTHERN TRUST COMP, LONDON BR	1 397 663	3,21 %
HAVBRUKSINVEST AS	1 050 775	2,41 %
RBC INVESTOR SERVICES TRUST	863 108	1,98 %
BROWN BROTHERS HARRIMAN & CO.	762 706	1,75 %
STATE STREET BANK AND TRUST COMP	437 387	1,00 %
THE BANK OF NEW YORK MELLON SA/NV	343 856	0,79 %
JPMORGAN CHASE BANK, N.A., LONDON	315 284	0,72 %
JPMORGAN CHASE BANK, N.A., LONDON	308 352	0,71 %
THE BANK OF NEW YORK MELLON	304 477	0,70 %
MP PENSJON PK	293 589	0,67 %
CLEARSTREAM BANKING S.A.	261 504	0,60 %
LOVUNDLAKS AS	255 354	0,59 %
Total 20 largest shareholders	35 450 297	81,36 %
Total other shareholders	8 121 894	18,64 %
Total no. of shares	43 572 191	100,00 %
NORWAY ROYAL SALMON ASA (Treasury shares)	197 495	0,45 %
Total no. of outstanding shares	43 374 696	

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 are 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 the return on capital employed and highlights the Group's ability to take on more debt.

(NOK '000)	30.06.2021	31.03.2021	30.06.2020	31.12.2020
Reported long-term interest-bearing debt	1 942 610	1 949 274	494 185	1 378 514
Reported short-term interest-bearing debt	169 848	502 712	295 049	226 819
Interest-bearing long-term receivables	0	0	-162 931	-45 000
Reported bank deposits	-117 818	-388 279	-8 663	-38 753
Total net interest bearing debt	1 994 641	2 063 707	617 639	1 521 580
Lease liabilities (IFRS 16 effects)	-275 708	-289 759	-242 737	-227 026
NIBD according to bank covenant	1 718 932	1 773 948	374 902	1 294 554

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)	30.06.2021	31.03.2021	30.06.2020	31.12.2020
Reported equity	4 319 394	4 098 261	3 161 372	3 130 692
Reported total assets	7 871 451	7 738 763	5 071 122	5 814 710
Equity ratio	54,9 %	53,0 %	62,3 %	53,8 %

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 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)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Operational EBIT	93 995	119 665	171 642	194 456	246 252
Unallocated expenses	19 929	15 019	58 713	29 647	56 227
Non-recurring events (note 4)	0	0	-17 708	0	0
Operational EBIT	113 924	134 684	212 646	224 103	302 479
Harvested volume (tonnes)	9 703	7 894	25 119	13 303	30 509
Operation EBIT per kg	11,74	17,06	8,47	16,85	9,91

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 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 NORWAY (NOK '000)

	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Operational EBIT (segment, note 2)	94 752	126 221	168 295	224 653	215 186
Share of operational EBIT Sales allocated excl. Contracts	3 676	-416	10 171	1 037	-4 631
Operational EBIT excl. Contracts	98 428	125 805	178 466	225 690	210 555
Loss(-) / Gain(+) on open fixed-price contracts	-2 125	8 879	-4 841	-1 587	91 924
Operational EBIT	96 303	134 684	173 625	224 103	302 479
Harvested volume (tonnes)	7 879	7 894	19 502	13 303	30 509
Operational EBIT per kg excl. Contracts	12,49	15,94	9,15	16,97	6,90
Operational EBIT per kg	12,22	17,06	8,90	16,85	9,91

Operational EBIT per kg FARMING ICELAND (NOK '000)

	Q2 2021	YTD 2021
Operational EBIT (segment, note 2)	17 621	39 142
Share of operational EBIT Sales	0	0
Operational EBIT excl. Contracts	17 621	39 142
Loss(-) / Gain(+) on open fixed-price contracts	0	0
Operational EBIT	17 621	39 142
Harvested volume	1 824	5 617
Operational EBIT per kg excl. Contracts	9,66	6,97
Operational EBIT per kg	9,66	6,97

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 NORWAY (NOK '000)

	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Production cost (segment, note 2)	365 688	316 371	877 303	554 098	1 314 182
Harvested volume (tonnes)	7 879	7 894	19 502	13 303	30 509
Production cost per kg Farming Norway	46,41	40,08	44,98	41,65	43,08

Production cost per kg FARMING ICELAND (NOK '000)

	Q2 2021	YTD 2021
Production cost (segment, note 2)	82 177	229 500
Harvested volume (tonnes)	1 824	5 617
Production cost per kg Farming Iceland	45,06	40,86

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 analyses like P/E.

(NOK '000)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Majority share of net result for the period	256 348	97 524	559 809	136 210	80 113
Majority share of fair value adjustments of biomass after tax	-88 010	13 445	-153 313	13 095	79 876
Fair value of sales contracts and Fish Pool contracts after tax (in its entirety, the majority share)	-598	3 294	-9 382	283	23 847
Majority share of fair value-adjusted result for the period	167 740	114 263	397 114	149 588	183 836
Weighted average number of ordinary shares outstanding	42 978 179	43 305 235	42 978 179	43 305 235	43 076 909
Fair value-adjusted earnings per share	3,90	2,64	9,24	3,45	4,27