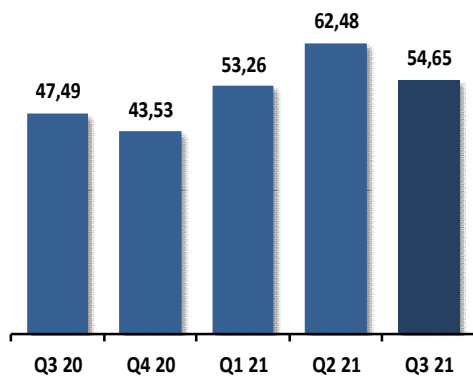


Interim Report

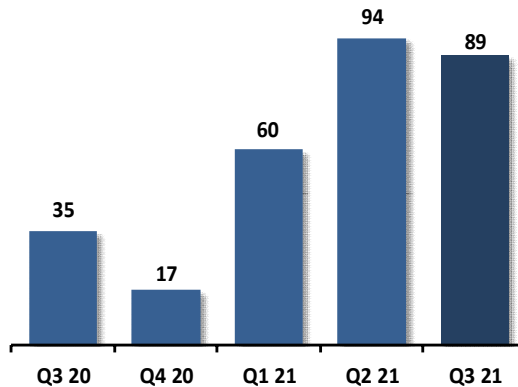
Q3-21



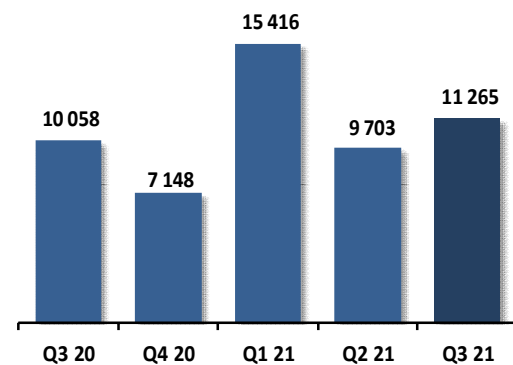
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)



HIGHLIGHTS Q3 2021

- Operational EBIT of NOK 89 million
 - Farming Norway: Operational EBIT per kg of NOK 12.69
 - Farming Iceland: Operational EBIT per kg of NOK 10.55
- Reduced production costs by 5.98 per kg from Q2 21 for Farming Norway
- Harvested volume was 11 265 tonnes, 12 % increase from Q3 20
- Increasing and strong demand during the quarter
- NTS's mandatory offer on NRS and organisational changes have led to high overhead costs in the quarter
- Incidents at external smolt suppliers have led to low smolt releases for 2021, a non-recurring cost in the quarter and a negative effect on the estimated harvest volume for 2022
- The production at the new smolt facility is performing well and will ensure the supply of smolts from spring next year
- Strategic dialogue initiated with NTS ASA regarding potential combination with SalmoNor

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Operating revenues	1 540 721	1 405 431	4 305 351	3 964 678	5 118 867
Operational EBITDA	126 194	60 344	352 617	303 517	346 999
Operational EBIT	88 696	34 799	242 630	229 255	246 252
Income from associates	9 250	30 040	19 190	43 733	-1 985
EBIT	75 009	175 560	469 641	367 995	107 609
EBT	64 023	171 611	745 977	344 907	72 970
EPS (NOK) – before fair value adjustments	1,47	1,40	10,48	4,86	4,27
Net cash flow from operating activities ²⁾	-39 529	268 098	358 018	483 002	384 548
Investments in fixed assets/licenses ²⁾	158 312	588 492	833 474	1 184 986	1 511 524
NIBD according to covenant			1 886 665	704 700	1 294 554
Equity ratio			54,9 %	58,0 %	53,8 %
Volume harvested (HOG)	11 265	10 058	36 384	23 361	30 509
Operational EBIT per kg ¹⁾	12,13	4,21	9,60	11,40	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 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 1 540.7 million (NOK 1 405.4 million) in the third quarter of 2021, an increase of 9.6 per cent from the corresponding prior-year period. The Group achieved an operational EBIT of NOK 88.7 million (NOK 34.8 million), an increase of NOK 53.9 million compared to corresponding quarter in 2020. The increase in operational EBIT is due to higher salmon prices and reduced production costs. A gain on open fixed-price contracts compared to the level of Fish Pool prices of NOK 4.2 million (NOK 40.5 million) was recognised in the quarter. The Group recognised a negative fair value adjustment of NOK 18.8 million (positive NOK 110.7 million), a decrease of NOK 129.5 million compared to the corresponding quarter in 2020.

Overhead costs for the quarter have increased to NOK 48.0 million due to several items. The strategic process related to the mandatory offer from NTS and organisational changes increased the overhead costs in the quarter. Non-recurring costs incurred in the quarter, amounted to NOK 15.9 million and is related to culling of smolt. Start-up costs of Arctic Offshore Farming and the smolt facility have also increased the overhead costs.

The farming business harvested 11 265 tonnes (10 058 tonnes) gutted weight in the quarter, an increase of 12 per cent. Farming and Sales achieved an operational EBIT per kg of NOK 12.13 (NOK 4.21). The increase in operational EBIT per kg is due to lower production costs and higher salmon prices. Total sold volumes in the third quarter were 23 092 tonnes (27 110 tonnes).

Financial items and share of profit from associates

Result from associates totalled NOK 9.3 million (NOK 30.0 million) in the third quarter. NRS' share of fair value adjustments to the biomass after tax amounted to NOK 12.5 million (NOK 19.2 million). Associated Norwegian farming companies harvested 811 tonnes, 2 925 tonnes less than in the corresponding period last year. NRS' share of the above figure amounts to 304 tonnes, a decrease of 1 082 tonnes. Non-current financial assets increased by MNOK 52 because the associated company, Hellesund Fiskeoppdrett AS, had a gain after selling its shares in NRS.

Net financial expenses for the period were NOK 11.0 million (NOK 3.7 million), an increase of NOK 7.3 million. 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 8 054.5 million, an increase of NOK 183.1 million from the prior quarter's end. The change in total assets is attributable to several factors. Licenses increased by NOK 1.2 million, property, plant and equipment increased by NOK 120.6 million and the non-current financial assets increased by NOK 61.5 million. Fair value adjustments of the biomass decreased by NOK 24.5 million, and inventories and biomass at cost increased by NOK 190.2 million; hence, the total increase in inventories and biological assets was NOK 165.7 million. The receivables decreased with 128.4 million and the bank deposits decreased by NOK 37.5 in the quarter.

The Group's net interest-bearing debt increased by NOK 190.3 million, from NOK 1 994.6 million at the end of the previous quarter to NOK 2 184.9 million on 30 September 2021. The increase is attributable to increased working capital of NOK 166.0 million, investments in fixed assets of NOK 155.9 million, interest payments of NOK 24.3 million and an increase of net interest-bearing debt due to change in the exchange rate of NOK 0.4 million. A positive operational EBITDA of NOK 126.2 million and received dividend from Måsøval Fishfarm AS of NOK 30.1 had the opposite effect on the net interest-bearing debt. The Group had an unused credit facility of NOK 1 448.3 million at the end of the quarter, and bank deposits of NOK 80.4 million.

On 30 September, the Group's equity totalled NOK 4 421.3 million, an increase of NOK 101.9 million from the end of the previous quarter. The increase is attributable a total comprehensive income of NOK 48.9 million and NOK 52.3 million as increased equity from associated companies. 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 negative cash flow of NOK 39.5 million during the quarter, which represents a decrease of NOK 307.6 million compared with the corresponding prior-year quarter. The negative cash flow is attributable to increased working capital items of NOK 166.0 million, while an operational EBITDA of NOK 126.2 million had the opposite effect.

Net cash outflows related to investing activities in the third quarter amounted to NOK 125.8 million (NOK 596.5 million). Investments in fixed assets of NOK 155.9 million had a negative effect on the cash flow and received dividend from Måsøval Fishfarm AS of NOK 30.1 million had a positive impact on the cash flow.

The cash inflows from financing activities totaled NOK 127.8 million (NOK 343.8 million) in the third quarter. The positive cash inflow is attributable to an increased overdraft facility by NOK 186.1 million. Paid instalments on non-current debt of 19.8, instalments and interest on the right to use liabilities of NOK 18.5 million and finance costs of NOK 19.8 had the opposite effect.

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 and margins.

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.

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.

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 105.8 million (NOK 42.3 million), an increase of NOK 63.5 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK 12.18 (NOK 0.18). Gain on fixed-price contracts of NOK 0.51 per kg (NOK 4.02) resulted in an operational EBIT per kg of NOK 12.69 (NOK 4.21).

8 340 tonnes (10 058 tonnes) were harvested in the third quarter, a decrease of 1 718 tonnes compared with the same quarter last year. The achieved price for the farming operations was NOK 5.83 lower per kg than achieved in the second quarter of 2021 and NOK 7.55 higher per kg than in the corresponding period last year. The size of the harvested fish contributed positively to the price achievement, while the timing of harvest during the quarter, had negative impact.

Total production cost per kg for harvested fish was NOK 40.43, which is NOK 5.98 lower than in the second quarter of 2021 and NOK 4.09 lower than in the corresponding period last year. The decrease in the production cost is due to harvesting from a site with low production cost of NOK 34.10 per kg. On the other hand there have been harvested from ISA sites with a high production costs of up to NOK 54.00 per kg in the quarter. The spread in production costs is showing the impact of biological performance and diseases. Production of fish delivered from the new smolt plant and phasing out triploid fish in the next few years are expected to lead to less spread in production costs.

The biomass in sea is increased with 4 316 tonnes (20.3 per cent) compared to the previous quarter and decreased by 789 tonnes (-3.0 per cent) compared to the corresponding quarter in 2020. Several of NRS's smolt suppliers have had incidents which have resulted in culling of smolt. These incidents have occurred either at the smolt supplier or just after the smolt have been delivered to the sea site. This has resulted in a non-recurring cost in the quarter of 15.9 million. The reduced release of smolt in 2021 will have an impact on the harvest volume for 2022. The fish disease ISA has been diagnosed in the production area Kobbefjord which consists of the sites Store Kobbøy and Kråkeberget. The fish is large and was mainly planned for harvest in the fourth quarter of 2021. In the fourth quarter NRS will mainly harvest fish from this production area with high harvesting- and wellboat costs. Hence, the production cost is expected to increase in the fourth quarter 2021.

The estimated harvest volume for 2021 is 36 500 tonnes gutted weight, an increase of 20 per cent from the harvested volume of 2020. Estimated harvest volume for 2022 is 38 500 tonnes, an increase of 5 per cent from the estimated harvested volume of 2021. Estimated number of smolt released to sea for 2021 is 8.4 million and 12.1 million for 2022.

KEY FIGURES		Q3	Q3	YTD	YTD
Farming Norway	(NOK '000)	2021	2020	2021	2020
Operating revenues		1 459 241	1 404 917	3 923 105	3 964 138
Operational EBITDA		131 091	67 613	354 335	340 398
Operational EBIT		105 837	42 302	279 342	266 405
Driftsresultat (EBIT)			0		
Investment in tangible assets/licenses		145 837	588 492	739 730	1 184 986
Volume harvested (tonnes HOG)		8 340	10 058	27 842	23 361
Operational EBIT per kg (ex contracts)		12,18	0,18	9,71	9,60
Gain (+)/Loss (-) on open fixed price contracts		0,51	4,02	0,33	1,80
Operational EBIT per kg		12,69	4,21	10,03	11,40

The NRS' Sales operations experienced a decrease in sales volumes of 26 per cent compared with the corresponding prior-year period. 20 167 tonnes (27 110 tonnes) were sold in the third quarter. The NRS' Sales operations had a positive operational EBIT before open fixed price contracts of NOK 0.1 million (negative of NOK 3.5 million), which equates to NOK 0.00 (NOK -0.13) per kg sold volume in the period. 91 per cent of NRS Farming's harvested fish were sold in the spot market in the third quarter, while 9 per cent were sold at fixed prices. The fixed price contracts resulted in a gain of NOK 4.2 million (NOK 40.5 million) compared to the level of Fish Pool prices.

The sales volumes to Western Europe decreased by 24 per cent and to Eastern Europe by 15 per cent, while volumes to Asia increased by 16 per cent in the quarter. The volumes sold in Norway decreased by 45 per cent in the quarter. In the third quarter, Western Europe accounted for 80 per cent of the export volumes, Asia 11 per cent and Eastern Europe 9 per cent. Domestic volume amounts to 14 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 with potential for further extensions. The smolt facility will ensure the supply of smolts and contribute to increased biological safety, increased quality and bigger 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. The project includes two cages and a feed barge. The first cage and the feed barge arrived the site in September 2021. The second cage is expected to arrive the site in November. The first fish are expected to be released at the site in November.

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 30.9 million (NOK 0.8 million), an increase of NOK 30.1 million compared with the same quarter last year. Operational EBIT per kg amounted to NOK 10.55 (NOK 0.30).

2 925 tonnes (2 788 tonnes) were harvested in the third quarter, an increase of 137 tonnes compared with the same quarter last year. The achieved price for the farming operations was NOK 0.33 higher per kg than achieved in the second quarter of 2021 and NOK 10.55 higher per kg than in the corresponding period last year. The quality of the fish is very good in Iceland and the size of the harvested fish contributed positively to the price achievement.

Total production cost per kg for harvested fish in the third quarter of 2021 was NOK 44.50, which is NOK 0.56 lower than in the second quarter of 2021, and NOK 0.29 higher than in the corresponding period last year. The harvesting costs are still high, but the company is currently working with a long-term project to invest in a new harvesting plant. The production

cost for the fourth quarter is expected to slightly decrease due to starting to harvest fish released to sea in 2020.

The biomass in sea increased by 1 741 tonnes (+18.9 per cent) compared to the previous quarter and increased by 740 tonnes (+0,9 per cent) compared to corresponding quarter in 2020. Production so far this year has been better than expected with low mortality.

The estimated harvest volume for 2021 is 11 500 tonnes gutted weight, an increase of 54 per cent from the harvested volume of 2020. This is a reduction of 500 tonnes from the previously estimated volume. The reduction is due to a constraint of harvesting capacity in the fourth quarter, as well as expectations of a higher price for salmon in the first quarter of 2022. Estimated harvest volume for 2022 is 13 000 tonnes, an increase of 13 per cent from the estimated harvested volume of 2021. Estimated number of smolt released to sea for 2021 is 2.8 million and 3.5 million for 2022.

KEY FIGURES Farming Iceland	(NOK '000)	Q3 2021	Q3 2020 *	YTD 2021	YTD 2020 *
Operating revenues		161 001	124 062	429 642	225 560
Operational EBITDA		42 070	10 871	91 601	47 647
Operational EBIT		30 859	827	70 001	18 600
Investment in tangible assets/licenses		12 475	13 868	93 744	70 916
Volume harvested (tonnes HOG)		2 925	2 788	8 541	4 456
Operational EBIT per kg		10,55	0,30	8,20	4,17

* 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

License update in Arctic Fish, Iceland

On the 11 October, MAST (Iceland Food and Veterinary Authority) and Umhverfisstofnun (The Environment Agency of Iceland) have both advertised their proposal of new farming licences for Arctic Fish for 4 000 tonnes (MAB) in Arnarfjordur. This is a new license in a fjord and at a site that Arctic Fish has not operated before. When the licence has been issued the company will hold, 27 100 tonnes (MAB) of licences; salmon licenses for 21 800 tonnes (MAB) and trout licenses for 5 300 tonnes (MAB) that is in the process of being converted to salmon.

NTS ASA made a mandatory offer for all shares in Norway Royal Salmon ASA

Following the completion of the Offer period, 19 July 2021 to 26 August 2021, NTS ASA holds shares corresponding to 68.14% of the total number of shares and votes in NRS.

Initiation of strategic dialogue with NTS ASA regarding potential combination with SalmoNor

NTS ASA ("NTS"), the majority owner of NRS, has notified NRS that its Board has resolved to initiate a strategic dialogue between NTS and NRS in relation to a potential combination of NRS and SalmoNor.

Salmonor is the result of the merger between Midt-Norsk Havbruk AS and SalmoNor AS, two companies which are 100% owned by NTS. Salmonor is a well-driven, fully integrated salmon farmer with its own production of smolt as well as majority ownership (74 %) in a harvesting plant and is located in an attractive production area in Trøndelag with solid operational and financial track record. Salmonor had good operational performance during first half of 2021 and estimates a total harvest volume in 2021 of approx. 37,000 tonnes head-on-gutted weight ("HOG").

Combining the two companies will create a fully integrated, large-scale salmon farmer with an attractive license portfolio in top-performing regions. Combined, NRS and Salmonor will have a harvest potential of approx. 100.000 tonnes HOG in Norway and expected 24,000 tonnes HOG in Iceland through Arctic Fish. Management in both companies see clear strategic rationale and value creation potential in combining Salmonor and NRS. NRS and NTS expect more details around a potential transaction structure and timing to be announced in due course

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. In the 3rd quarter of 2021, we achieved ASC certification on 100 per cent of our active sites.

Electrification initiatives

NRS has started transition to electrification of the feed barges at our farming locations in Norway. In this connection, the company has applied for and has been granted funds from ENOVA*. Solutions for our feed barges are partly batteries charged by fossil fuel (hybrid) and batteries charged with electricity from the onshore power grid. Over the next few years, most of our farming locations will operate on these two alternative solutions. Per 30.09.2021 approx. 89 per cent of the feed barges in Norway has installed batteries and are operating on a hybrid solution. We expect a significant reduction in carbon emissions and at the same time a more cost- efficient power supply.

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

MARKET CONDITIONS

The total value of salmon exported from Norway in the third quarter was NOK 21.5 billion, this is the highest export value in a quarter ever and an increase of NOK 4.6 billion compared to the corresponding quarter last year. The increase of 27.4 per cent from the third quarter of 2020 was due to exported volume from Norway being 16.8 per cent higher and that prices was higher than in the third quarter of 2020. The spot price (NASDAQ) in the third quarter of 2021 was NOK 54.65 per kg superior quality salmon (delivered Oslo). This is an increase of 15.1 per cent from the third quarter of 2020 and a decrease of 12.5 per cent from the second 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 18.9 per cent to EUR 5.29 per kg from the third quarter of 2020. The export price of NOK 59.48 was higher than the spot price and 9.1 per cent higher than in the same period last year.

The price increase in the spot market was again driven by a low increased global supply together with increased demand as Covid-19 restrictions continue to be eased in many countries. Harvested volumes from Norway increased by 15 per cent from the corresponding prior-year period. Harvested volumes from Chile decreased by 21 per cent, while the volumes from other countries increased by 6 per cent. This resulted in an increase in global harvesting volumes of 3 per cent. For Q4 2021, Kontali Analyse expects a harvesting volume 3 per cent lower than in Q4 2020.

Despite higher salmon prices, sold volumes increased by 6 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 decrease in frozen inventory. The Eastern Europe, US and EU were the markets that grew the most.

Harvest volume (tonnes wfe)	Q3/21	yr/yr	Q4/21 E	yr/yr
Norway	411 900	15 %	425 600	5 %
Chile	156 700	-21 %	159 200	-27 %
UK	54 700	0 %	47 900	6 %
Canada	34 400	-9 %	31 400	-8 %
Faroe Islands	21 300	20 %	31 500	38 %
Australia	24 800	6 %	26 200	0 %
USA	5 700	6 %	4 400	-4 %
Iceland	10 600	66 %	14 600	38 %
Others	11 200	39 %	13 300	29 %
	731 300	3 %	754 100	-3 %

Source: Kontali Analyse

Sold volumes (tonnes wfe)	Q3/21	yr/yr	Q4/21 E	yr/yr
EU (+UK)	349 600	6 %	365 100	5 %
USA	155 800	7 %	151 500	3 %
Eastern Europe ex. Russia	22 200	78 %	20 400	4 %
Russia	18 500	-22 %	25 500	-20 %
Asia ex. Japan	66 100	3 %	68 300	14 %
Japan	16 400	-12 %	19 400	-8 %
Others	109 500	4 %	113 900	-13 %
	738 100	6 %	764 100	1 %

Source: Kontali Analyse

Despite higher salmon prices, global import volumes to the EU +UK increased by 6 per cent in the quarter compared to the third quarter of 2020; 86 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 (25 %), Denmark (21 %) and Poland (8 %) in the third 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 20 percent) and France (increase of 11 per cent), continued to grow in the third quarter. This indicates that the adaption to and easing of Covid-19 restrictions contributed positively in these segments.

The global demand for salmon in Asia increased by 15 per cent compared to the third quarter of 2020. Import volumes from Norway increased by 36 per cent. Norway's market share increased to 75 per cent in third quarter. Chile's export to this region decreased by 21 per cent. Import volumes in China increased by 119 per cent in the third quarter compared to the corresponding prior-year period. The increase in import volumes is strongly connected to the easing of Covid 19 restrictions.

Despite higher prices, the total export of salmon to Eastern Europe increased in the third quarter. Global import volumes increased by 12 per cent, while import volumes from Norway increased by 69 per cent. Volumes to Russia from other producer nations decreased by 6 per cent in the third quarter. Norway had a market share of 36 per cent in Eastern Europe.

The demand for salmon in North America increased in the third quarter. In total, imports to North America increased by 7 per cent, while volume from Norway increased by 26 per cent.

Q3/2021	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to EU:				
Poland	65 504	8 %	3 067	18 %
France	35 454	11 %	1 877	17 %
Denmark	40 602	21 %	1 922	35 %
UK	18 220	5 %	952	8 %
Spain	26 061	20 %	1 398	28 %
Holland	28 820	25 %	1 493	34 %
Others in EU	85 624	6 %	4 558	17 %
Total Norway to EU	300 285	11 %	15 267	21 %
Others to EU	49 315	-17 %		
EU total	349 600	6 %		

Source: Norwegian Seafood Council

Q3/2021	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Asia				
South East Asia	14 319	31 %	817	42 %
Japan	12 837	26 %	723	25 %
Middle East	11 623	8 %	679	21 %
China (incl. Hong Kong)	11 648	119 %	786	164 %
South-Korea	11 441	34 %	736	42 %
Others in Asia	187	60 %	10	37 %
Total Norway to Asia	62 055	36 %	3 752	48 %
Others to Asia	20 445	-21 %		
Asia Total	82 500	15 %		

Source: Norwegian Seafood Council

Q3/2021	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Eastern Europe				
Ukraine	7 874	77 %	381	119 %
Turkey	2 106	78 %	91	88 %
Belarus	1 067	18 %	52	43 %
Kazakhstan	2 430	112 %	137	128 %
Others in Eastern Europe	1 104	14 %	89	15 %
Norway to Eastern Europe	14 581	69 %	750	89 %
Other to Eastern Europe	26 119	-6 %		
Eastern Europe Total	40 700	12 %		

Source: Norwegian Seafood Council

Q3/2021	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to North America				
USA	19 786	22 %	1 342	13 %
Canada	1 221	135 %	89	169 %
Total Norway to North Ame	21 007	26 %	1 431	17 %
Others to North America	134 793	5 %		
North America Total	155 800	7 %		

Source: Norwegian Seafood Council

OUTLOOK

Harvested volume for the quarter was 11 265 tonnes, which is equal to the estimated volume in the last quarterly report. Estimated harvest volume for 2021 is 48 000 tonnes gutted weight, an increase of 57 per cent compared with the volume for 2020. For the fourth quarter of 2021, 996 tonnes are hedged. The production cost for the fourth quarter is expected to increase for Farming Norway and slightly decrease for Farming Iceland. Estimated number of smolt released to sea for 2021 is 11.2 million and 15.6 million for 2022. Estimated harvest volume for 2022 is 51 500 tonnes gutted weight, an increase of 7 per cent compared with the estimated volume for 2021.

In the fourth quarter of 2021 Kontali Analyse expects global harvest volumes to decrease by 3 per cent compared with the fourth quarter of 2020. For 2021 Kontali Analyse expects a growth in global harvest volume of 4 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 10 per cent while Chile is expected to reduce harvest volumes by 14 per cent compared to 2020. For 2022 Kontali Analyse expects a growth in global harvest volume of 5 per cent from 2021. The growth in 2022 from Norway is expected to be 4 per cent and the growth from Chile is expected to be 9 per cent.

Trondheim, 08 November 2021

Helge Gåsø
Chair

Trude Olafsen
Vice chair

Grete Rekkebo Brovold

Lillian Bondø

Karl-Johan Bakken

Dagfinn Eliassen

Ingri Marie Sivertsen

Roald Dolmen

Klaus Hatlebrekke
Interim CEO

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COMPREHENSIVE INCOME STATEMENT
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STATEMENT OF EQUITY
STATEMENT OF CASH FLOW

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ALTERNATIVE PERFORMANCE MEASURES

CONSOLIDATED INCOME STATEMENT

(NOK '000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Operating revenues	1 540 721	1 405 431	4 305 351	3 964 678	5 118 867
Cost of goods sold	1 238 918	1 255 950	3 493 844	3 389 982	4 393 881
Salaries	67 779	40 924	180 132	118 551	166 995
Depreciation	37 497	25 545	109 988	74 262	100 747
Other operating costs	107 831	48 214	278 757	152 629	210 992
Operational EBIT	88 696	34 799	242 630	229 255	246 252
Fair value adjustments	-18 783	110 722	222 011	95 007	-136 657
Production fees	-4 154	0	-14 190	0	0
Income from associates	9 250	30 040	19 190	43 733	-1 985
EBIT	75 009	175 560	469 641	367 995	107 609
Gain/loss on financial assets	0	-240	307 528	-8 165	-8 165
Other net financial items	-10 986	-3 710	-31 193	-14 923	-26 474
Earnings before tax (EBT)	64 023	171 611	745 977	344 907	72 970
Taxes	-7 926	-24 235	-79 233	-60 431	1 717
Net profit	56 097	147 376	666 743	284 476	74 687
Profit attributable to:					
Parent company shareholders	55 314	147 875	615 123	284 085	80 113
Minority interests	783	-499	51 621	390	-5 426
Earnings per share (NOK)	1,28	3,43	14,27	6,58	1,86
Earnings per share - diluted	1,28	3,43	14,27	6,58	1,86

COMPREHENSIVE INCOME STATEMENT

(NOK '000)	Q3 2021	Q3 2020	YTD 2021	FY 2020	FY 2020
Net profit	56 097	147 376	666 743	284 476	74 687
Items to be reclassified to profit or loss:					
Translation differences and OCI posts from associated companies	0	4 986	-17 486	29 225	14 436
Cash Flow hedges (net of tax)	-7 160	-2 329	-12 362	-14 851	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	48 938	150 033	636 896	298 849	108 239
Total comprehensive income attributable to:					
Parent company shareholders	48 154	150 532	585 275	298 459	113 666
Non-controlling interests	783	-499	51 621	390	-5 426

STATEMENT OF FINANCIAL POSITION

(NOK '000)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Intangible assets	1 650 942	1 649 769	948 616	948 616
Property, plant and equipment	3 621 206	3 500 647	2 051 178	2 351 759
Non-current financial assets	406 234	344 724	848 414	772 759
Non-current assets	5 678 382	5 495 140	3 848 208	4 073 134
Inventory and biological assets	1 951 024	1 785 348	1 477 594	1 386 281
Receivables	344 773	473 144	359 547	316 541
Bank deposits	80 365	117 818	24 080	38 753
Current assets	2 376 163	2 376 310	1 861 221	1 741 575
TOTAL ASSETS	8 054 545	7 871 451	5 709 429	5 814 710
Share capital	43 375	43 375	42 919	42 919
Other equity	3 631 794	3 530 720	3 223 786	3 048 177
Non-controlling interests	746 082	745 299	45 413	39 596
Equity	4 421 251	4 319 394	3 312 118	3 130 692
Pensions	23 703	23 703	27 638	23 703
Deferred tax	574 120	568 213	421 888	365 569
Provisions	597 823	591 917	449 526	389 272
Long-term interest-bearing debt	1 910 733	1 942 610	790 347	1 378 514
Short-term interest-bearing debt	354 558	169 848	346 252	226 819
Trade payables	632 848	689 108	647 097	617 937
Tax payable	0	0	0	3 752
Other current liabilities	137 332	158 572	164 089	67 723
Current liabilities	1 124 738	1 017 529	1 157 438	916 231
TOTAL EQUITY AND LIABILITIES	8 054 545	7 871 451	5 709 429	5 814 710

STATEMENT OF EQUITY

30.09.2021		Equity allocated to parent company shareholders		Total	Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings			
Equity at 01.01.2021	43 572	-653	3 048 177	3 091 095	39 596	3 130 692
Total comprehensive income	0	0	585 275	585 275	51 621	636 896
Transactions with shareholders						
Dividend	0	453	-43 375	-42 922	0	-42 922
Share based payment	0	0	2 019	2 019	0	2 019
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	51 477	51 477	0	51 477
Total transactions with shareholders	0	456	-1 659	-1 203	654 865	653 663
Equity at 30.09.2021	43 572	-197	3 631 794	3 675 167	746 082	4 421 251

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	449	-212 752	-212 302	-927	-213 230
Share based payment	0	0	2 242	2 242	0	2 242
Net purchase and sale of treasury shares	0	-962	-132 685	-133 647	0	-133 647
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

31.12.2020		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	3 267 658	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)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Operational EBIT	88 696	34 799	242 630	229 255	246 252
Adjusted for:					
Taxes paid	0	0	-33 856	-38 379	-38 379
Depreciation	37 498	25 545	109 987	74 262	100 747
Share based payment	240	711	960	-3 879	3 100
Pension costs with no cash effect	0	0	0	0	1 216
Change in inventories/biological assets	-190 219	-39 738	104 387	-73 770	-183 548
Change in account receivables and accounts payables	15 651	210 957	-148 010	205 939	245 005
Change in other current assets and liabilities	8 605	35 824	81 920	89 574	10 154
Net cash flow from operating activities	-39 529	268 098	358 018	483 002	384 548
Cash flow from investing activities					
Payments for purchase of fixed assets and licenses (MAB)	-155 902	-595 034	-731 695	-1 064 857	-1 416 544
Proceeds from realisation of current financial assets (TRS)	0	0	0	0	44 689
Proceeds from investments in non-current financial assets	30 142	3 750	35 172	44 689	17 625
Proceeds from sale of non-current financial assets	0	0	147 768	10 765	2 644
Net of cash acquired from Arctic Fish	0	0	79 171	0	0
Change in loans to associates and others	0	-5 180	45 000	-104 641	-98 935
Net cash flow from investing activities	-125 760	-596 465	-424 584	-1 114 045	-1 450 521
Cash flow from financing activities					
Receipts from new non-current debt	0	309 691	300 000	600 000	1 200 000
Non-current debt repayment	-19 832	0	-27 555	0	0
Instalments on right to use liabilities	-14 069	-12 573	-42 613	-39 284	-53 489
Interest payments for right to use liabilities	-4 477	-1 424	-6 892	-5 583	-6 788
Net change in bank overdraft	186 060	50 437	-167 369	296 934	178 308
Total proceeds from transactions with treasury shares	0	0	-1 042	-127 160	-239 308
Share issue	0	0	144 130	0	0
Net interest payments	-19 845	-2 346	-47 560	-8 864	-20 139
Dividend payment	0	0	-42 922	-213 236	-106 173
Net cash flow from financing activities	127 837	343 784	108 178	502 805	952 411
Net increase in bank deposits	-37 452	15 417	41 612	-128 238	-113 563
Bank deposits - opening balance	117 818	8 663	38 753	152 317	152 317
Bank deposits - closing balance	80 365	24 080	80 365	24 080	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 review 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	
	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020	Q3 2021	Q3 2020
Total sales revenues	1 214 600	1 404 917	438 747	453 151	161 001		165 109	514	1 979 456	1 858 582
Internal sales revenues	0	0	438 734	453 151	0		0	0	438 734	453 151
External sales revenues	1 214 600	1 404 917	13	0	161 001		165 109	514	1 540 721	1 405 431
Operating costs	1 210 284	1 367 936	337 225	447 831	130 142		-225 626	-445 134	1 452 025	1 370 632
Operational EBIT	4 316	36 982	101 522	5 320	30 859		-48 000	-7 503	88 696	34 799
Fair value adjustments	5 760	-530	-359	111 252	-24 184		0	0	-18 783	110 722
Production tax	0	0	-3 336	0	-818		0	0	-4 154	0
Income from associates	0	0	0	0	0		9 250	30 040	9 250	30 040
EBIT	10 075	36 452	97 826	116 572	5 857		-38 750	22 537	75 009	175 560
EBT	13 053	38 980	65 451	109 336	-3 755		-10 726	23 295	64 023	171 611
Volume harvested (HOG)			8 340	10 058	2 925				11 265	10 058
Operational EBIT per kg			12,17	0,53	10,55				11,75	0,53
Volume sold	20 167	27 110							20 167	27 110
Operational EBIT per kg	0,21	1,36							0,21	1,36
- of which gain on fixed-price contracts per kg.	0,21	1,49							0,21	1,49

(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	3 678 463	3 964 138	1 476 544	1 231 902	429 642		197 246	541	5 781 894	5 196 580
Internal sales revenues	0	0	1 476 544	1 231 902	0		0	0	1 476 544	1 231 902
External sales revenues	3 678 463	3 964 138	0	0	429 642		197 246	541	4 305 351	3 964 678
Operating costs	3 661 137	3 927 706	1 214 528	1 001 929	359 641		-1 172 586	-1 194 212	4 062 721	3 735 423
Operational EBIT	17 326	36 432	262 016	229 973	70 001		-106 713	-37 150	242 630	229 255
Fair value adjustments	29 049	2 968	133 448	92 039	59 515		0	0	222 011	95 007
Production tax	0	0	-11 137	0	-3 054		0	0	-14 190	0
Income from associates	0	0	0	0	0		19 190	43 733	19 190	43 733
EBIT	46 375	39 400	395 464	322 012	126 462		-98 659	6 583	469 641	367 995
EBT	56 383	38 901	349 774	292 385	128 748		211 072	13 621	745 977	344 907
Volume harvested (HOG)			27 842	23 361	8 541				36 384	23 361
Operational EBIT per kg			9,41	9,84	8,20				9,13	9,84
Volume sold	61 019	65 660							61 019	65 660
Operational EBIT per kg	0,28	0,55							0,28	0,55
- of which gain / -loss on fixed-price contracts per kg.	0,15	0,64							0,15	0,64

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass

In accordance with IAS 41, the biomass is recognised at fair value. The fair value is calculated in accordance with IFRS 13. 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)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Raw materials	59 393	61 540	41 972	36 372
Biological assets freshwater	45 063	32 771	0	0
Biological assets fish in sea	1 782 133	1 617 064	1 382 489	1 282 006
Finished goods	64 436	73 973	53 133	67 903
Total inventory	1 951 024	1 785 348	1 477 594	1 386 281

Specification of the biological assets fish in sea:

(NOK '000)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Biological assets at cost	1 473 297	1 283 686	1 072 182	1 172 790
Fair value adjustments of the biomass	308 836	333 379	310 307	109 216
Book value biological assets fish in sea	1 782 133	1 617 064	1 382 489	1 282 006

Specification of biological assets fish in sea

(tonnes)	Q3 2021	Q2 2021	Q3 2020	FY 2020
Opening balance biological assets	30 480	32 090	23 552	26 033
Increase due to fish put in the sea	643	507	445	1 342
Increase due to production in the period	19 099	9 918	14 789	41 309
Reduction due to mortality in the period	-515	-857	-482	-2 843
Reduction due to harvesting in the period	-12 987	-11 178	-11 914	-35 980
Non-recurring events and other	-182	0	0	0
Closing balance biological assets fish in sea	36 537	30 480	26 391	29 861
Biological assets fish in sea Norway	25 592	21 276	26 391	29 861
Biological assets fish in sea Iceland	10 945	9 204	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)	Q3 2021	Q2 2021	Q3 2020	FY 2020
Opening balance biological assets	1 617 065	1 491 471	1 224 588	1 231 662
Increase due to production in the period	594 239	408 285	443 529	1 322 815
Non-recurring events and other at cost	-15 931	0	0	0
Reduction due to harvesting in the period	-388 697	-401 866	-396 879	-1 163 419
Fair value adjustments of the biological assets	-24 543	119 175	111 252	-109 052
Closing balance biological assets fish in sea	1 782 133	1 617 065	1 382 489	1 282 006
Closing balance biological assets fish in sea Norway	1 315 907	1 173 889	1 382 489	1 282 006
Closing balance biological assets fish in sea Iceland	471 786	443 176	0	0

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

(NOK '000)	Q3 2021	Q2 2021	Q3 2020	FY 2020
Fair value adjustments of the biological assets	107 838	231 548	373 268	120 921
Fair value adjustments of the harvested fish	-132 381	-112 373	-262 016	-229 973
Total fair value adj. of biological assets in the cons. income statement	-24 543	119 175	111 252	-109 052

NOTE 3: Biomass cont.

Groups of biological assets fish in sea, status as of 30.09.2021	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book value
Smaller than 1 kg	6 593	3 832	267 260	62 016	329 276
1-4 kg	8 221	23 146	884 061	166 082	1 050 143
Larger than 4 kg	2 163	9 559	321 976	80 738	402 714
Biological assets	16 977	36 537	1 473 297	308 836	1 782 133

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	1 617 065

Groups of biological assets fish in sea, status as of 30.09.2020	Number of fish (1000)	Biomass (tonnes)	Costs	Fair value adjustments	Book 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 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

30.09.2021	NOK/kg	30.06.2021	NOK/kg	30.09.2020	NOK/kg	31.12.20120	NOK/kg
Q4 21	60,50	Q3 21	55,77	Q4 20	54,47	Q1 21	50,33
Q1 22	64,80	Q4 21	60,97	Q1 21	63,60	Q2 21	58,90
Q2 22	66,00	Q1 22	63,65	Q2 21	65,10	Q3 21	53,67
Q3 + Q4 22	59,15	Q2 22	65,15	Q3+Q4 21	55,65	Q4 21	55,83
Q1 + Q2 23	63,25	Q3 + Q4 22	56,60	Q1 + Q2 22	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)	Q3 2021			Q3 2020		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
Culling of smolt	-15 931	0	-15 931	0	0	0
Biological assets	-15 931	0	-15 931	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
Culling of smolt	-17 382	0	-17 382	0	0	0
Biological assets	-33 639	0	-33 639	0	0	0

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

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)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Change in fair value adjustments of the biomass	-24 543	111 252	192 963	-19 213	-109 052
Change in provision for onerous sales contracts	1 554	-1 111	-9 269	3 570	3 860
Change in unrealised gains/losses on financial Fish Pool contracts	4 206	581	38 317	-72	-31 466
Total fair value adjustments	-18 783	110 722	222 012	-15 715	-136 657

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

(NOK '000)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Fair value adjustments biomass (inventory and biological assets)	308 836	333 379	310 307	109 216
Provision for onerous sales contracts (other current liabilities)	-9 269	-10 823	-1 401	0
Fair value of financial Fish Pool contracts (other receivables/other current liabilities)	6 852	2 646	509	-31 466
Net fair value adjustments in the balance sheet	306 419	325 202	309 415	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.

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 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)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Associates - products purchased	49 124	126 159	93 300	341 862	475 239
Associates - services purchased	27 176	4 605	59 548	16 800	25 661
Companies controlled by large shareholder - products purchased	113 397	228 286	396 973	492 244	618 361
Companies controlled by large shareholder - services purchased	8 245	13 353	19 105	34 311	46 837
Total goods and services purchased from related parties	197 942	372 403	568 925	885 217	1 166 098

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.07.2021	Share of profit/loss in the period after tax	Other changes	Book value 30.09.2021	Share of volume harvested - tonnes HOG 30.09.2021 ¹⁾
Wilsgård Fiskeoppdrett AS	37,50 %	170 347	4 955	0	175 302	304
Hellesund Fiskeoppdrett AS ²⁾	33,50 %	127 613	7 702	52 260	187 575	0
Nordnorsk Smolt AS	50,00 %	40 141	-3 407	0	36 734	0
Other		48	0	0	48	0
Total associates Q3 2021		338 148	9 250	52 260	399 659	304
Total associates Q3 2020		639 117	30 040	-2 299	666 858	2 779

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

²⁾ Other changes regarding Hellesund Fiskeoppdrett AS relates to a gain due to the fact that the company sold its shares in NRS in the quarter.

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 September 2021:

	NRS' shareholding in associate	Number of shares	Fair value ¹⁾	NRS' share of fair value
Hellesund Fiskeoppdrett AS	33,50 %	1 051 076	188 353	63 098
Totalt		1 051 076	188 353	63 098

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 Q3 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.

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 30.09.2021:

Shareholder	Antall	Eierandel
NTS ASA	29 688 820	68,14 %
STATE STREET BANK AND TRUST COMP	1 173 295	2,69 %
MORGAN STANLEY & CO. INT. PLC.	1 107 070	2,54 %
HELLESUND FISKEOPPDRETT AS	1 051 076	2,41 %
RBC INVESTOR SERVICES TRUST	904 307	2,08 %
BROWN BROTHERS HARRIMAN & CO.	872 213	2,00 %
HAVBRUKSINVEST AS	700 775	1,61 %
THE NORTHERN TRUST COMP, LONDON BR	599 520	1,38 %
STATE STREET BANK AND TRUST COMP	457 664	1,05 %
J.P. MORGAN SECURITIES PLC	425 506	0,98 %
THE BANK OF NEW YORK MELLON SA/NV	417 856	0,96 %
JPMORGAN CHASE BANK, N.A., LONDON	337 713	0,78 %
THE BANK OF NEW YORK MELLON	324 687	0,75 %
JPMORGAN CHASE BANK, N.A., LONDON	266 980	0,61 %
THE BANK OF NEW YORK MELLON	214 816	0,49 %
NORWAY ROYAL SALMON ASA	197 495	0,45 %
FORTE NORGE	159 000	0,36 %
STATE STREET BANK AND TRUST COMP	158 751	0,36 %
MORGAN STANLEY & CO. INTERNATIONAL	126 136	0,29 %
J.P. MORGAN BANK LUXEMBOURG S.A.	125 447	0,29 %
Total 20 largest shareholders	39 309 127	90,22 %
Total other shareholders	4 263 064	9,78 %
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)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Reported long-term interest-bearing debt	1 910 733	1 942 610	790 347	1 378 514
Reported short-term interest-bearing debt	354 558	169 848	346 252	226 819
Interest-bearing long-term receivables	0	0	-162 931	-45 000
Reported bank deposits	-80 365	-117 818	-24 080	-38 753
Total net interest bearing debt	2 184 925	1 994 641	949 588	1 521 580
Lease liabilities (IFRS 16 effects)	-298 260	-275 708	-239 665	-227 026
NIBD according to bank covenant	1 886 665	1 718 932	709 923	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)	30.09.2021	30.06.2021	30.09.2020	31.12.2020
Reported equity	4 421 251	4 319 394	3 312 118	3 130 692
Reported total assets	8 054 545	7 871 451	5 709 429	5 814 710
Equity ratio	54,9 %	54,9 %	58,0 %	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)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Operational EBIT	88 696	34 799	242 630	229 255	246 252
Unallocated expenses	32 069	7 503	73 074	37 150	56 227
Non-recurring events (note 4)	15 931	0	33 639	0	0
Operational EBIT	136 696	42 302	349 342	266 405	302 479
Harvested volume (tonnes)	11 265	10 058	36 384	23 361	30 509
Operation EBIT per kg	12,13	4,21	9,60	11,40	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)

	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Operational EBIT (segment, note 2)	101 522	5 320	262 016	229 973	215 186
Share of operational EBIT Sales allocated excl. Contracts	92	-3 482	8 262	-5 623	-4 631
Operational EBIT excl. Contracts	101 614	1 838	270 278	224 350	210 555
Loss(-) / Gain(+) on open fixed-price contracts	4 223	40 464	9 064	42 051	91 924
Operational EBIT	105 837	42 302	279 342	266 401	302 479
Harvested volume (tonnes)	8 340	10 058	27 842	23 361	30 509
Operational EBIT per kg excl. Contracts	12,18	0,18	9,71	9,60	6,90
Operational EBIT per kg	12,69	4,21	10,03	11,40	9,91

Operational EBIT per kg FARMING ICELAND (NOK '000)

	Q3 2021	YTD 2021
Operational EBIT (segment, note 2)	30 859	70 001
Share of operational EBIT Sales	0	0
Operational EBIT excl. Contracts	30 859	70 001
Loss(-) / Gain(+) on open fixed-price contracts	0	0
Operational EBIT	30 859	70 001
Harvested volume	2 925	8 541
Operational EBIT per kg excl. Contracts	10,55	8,20
Operational EBIT per kg	10,55	8,20

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)

	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Production cost (segment, note 2)	337 225	447 831	1 214 528	554 098	1 314 182
Harvested volume (tonnes)	8 340	10 058	27 842	23 361	30 509
Production cost per kg Farming Norway	40,43	44,52	43,62	23,72	43,08

Production cost per kg FARMING ICELAND (NOK '000)

	Q3 2021	YTD 2021
Production cost (segment, note 2)	130 142	359 641
Harvested volume (tonnes)	2 925	8 541
Production cost per kg Farming Iceland	44,50	42,11

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)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
Majority share of net result for the period	55 314	147 875	615 123	284 085	80 113
Majority share of fair value adjustments of biomass after tax	12 684	-87 785	-140 629	-74 690	79 876
Fair value of sales contracts and Fish Pool contracts after tax (in its entirety, the majority share)	-4 493	131	-22 658	413	23 847
Majority share of fair value-adjusted result for the period	63 505	60 221	451 836	209 808	183 836
Weighted average number of ordinary shares outstanding	43 111 804	43 150 613	43 111 804	43 150 613	43 076 909
Fair value-adjusted earnings per share	1,47	1,40	10,48	4,86	4,27