

Interim Report

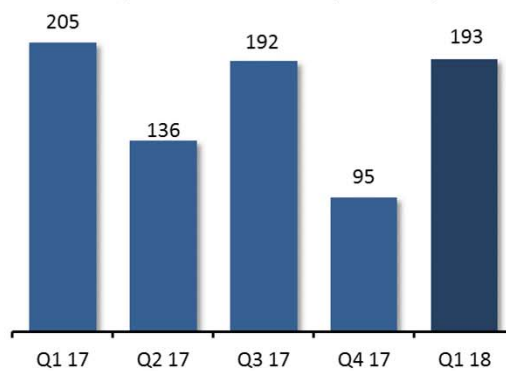
Q1-18



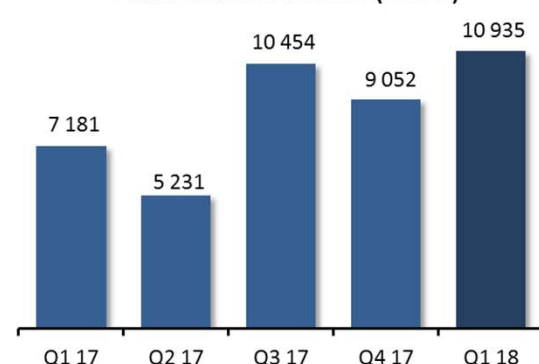
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)





HIGHLIGHTS Q1 2018

- Operational EBIT of NOK 193 million
 - Operational EBIT per kg of NOK 19.22 in Region North
 - Operational EBIT per kg of NOK 15.64 in Region South
- The highest sold and harvested volume in the history of NRS
 - Harvested volume 52 per cent higher than in the same quarter last year
 - Sold volume 43 per cent higher than in the same quarter last year
- Strong demand for salmon and substantial increase in salmon prices in the quarter
- Low sea temperatures resulted in lower production
- Awarded 5 990 tonnes MAB in development permits and acquired 551 tonnes MAB through the traffic light system for growth

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q1 2018	Q1 2017	FY 2017
Operating revenues	1 391 791	1 101 334	4 937 798
Operational EBITDA	213 925	222 451	709 923
Operational EBIT	192 744	205 234	627 861
Income from associates	12 380	15 460	52 657
EBIT	281 701	152 858	485 719
EBT	321 549	8 685	322 597
EPS (NOK) – before fair value adjustments	4,52	0,32	8,72
ROCE ¹⁾	37,8 %	52,4 %	39,8 %
Net cash flow from operating activities	316 242	-50 599	170 504
Investments in fixed assets/licenses	90 465	39 282	211 470
Net interest-bearing debt	446 333	380 531	633 479
Equity ratio	55,0 %	53,3 %	48,0 %
Volume harvested (HOG)	10 935	7 181	31 918
Operational EBIT per kg ²⁾	18,78	28,60	22,10
Volume sold - Sales	22 540	15 714	77 799

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

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

FINANCIAL PERFORMANCE

(Figures in brackets = 2017, unless otherwise specified)

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 1 391.8 million (NOK 1 101.3 million) in the first quarter of 2018, an increase of 26.4 per cent from the corresponding prior-year period. The increase in revenues is due to higher sold volume. The Group achieved an operational EBIT of NOK 192.7 million (NOK 205.2 million), a reduction of NOK 12.5 million. The reduction in operational EBIT is due to lower prices and harvesting of the remaining salmon infected with the fish disease ISA (Infectious Salmon Anemia) at three sites in January. In addition, the sales operations had a weak result in the quarter. A loss on open fixed-price contracts compared to the level of spot prices contributed negatively with NOK 2.4 million (gain of NOK 3.2 million) in the quarter. The Group recognised positive fair value adjustments of NOK 76.6 million (negative NOK 67.8 million), an increase of NOK 144.4 million because of increasing forward prices.

The farming business harvested 10 935 tonnes (7 181 tonnes) gutted weight in the quarter, an increase of 52.3 per cent from the corresponding quarter last year. The harvested volume is the highest harvest volume in a quarter in the history of NRS. Including allocated margins from sales, Farming achieved an operational EBIT per kg of NOK 18.78 (NOK 28.60). The reduction is due to lower prices and harvesting of 1 860 tonnes of salmon with the fish disease ISA. The Sales business sold 22 540 tonnes (15 714 tonnes), an increase of 43.4 per cent. Sold volume is the highest in a quarter in the history of NRS.

Financial items and share of profit from associates

Result from associates totalled NOK 12.4 million (NOK 15.5 million) in the first quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK 4.5 million (NOK -23.7 million). Associated Norwegian farming companies harvested 2 821 tonnes, 1 364 tonnes less than in the corresponding period last year. NRS share of the above figure amounts to 1 026 tonnes, a decrease of 473 tonnes.

As a result of the increase of the NRS' share price from NOK 134.50 at the start of the quarter to NOK 160.80 at the end of the quarter, a gain of NOK 45.2 million (loss of NOK 139.5 million) on TRS agreements on own shares was posted in the quarter. Net interest expenses for the period were NOK 4.7 million (NOK 4.4 million), an increase of NOK 0.3 million because of increased interest-bearing debt.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 3 853 million, an increase of NOK 2.4 million from the prior quarter end. The change in total assets is attributable to several factors. Intangible assets increased by NOK 66.1 million after purchase of licences (MAB) equivalent to 551 tonnes in Region North. Fixed assets had a net increase of NOK 3.0 million, financial assets increased with NOK 45.2 million and the Group's receivables increased by NOK 83.8 million. Fair value adjustments of the biomass increased by NOK 57.5 million, while inventories and biomass at cost decreased by NOK 195.3 million. The net decrease in inventories and biological assets was NOK 137.8 million. The Group's bank deposits decreased by NOK 62.8.

The Group's net interest-bearing debt decreased by NOK 187.2 million, from NOK 633.5 million at the end of the previous quarter to NOK 446.3 at 31 March 2018. The decrease is



mainly attributable to an operational EBITDA of NOK 213.9 million, cash payments from Fish Pool contracts of NOK 26.9 million and decreased working capital of NOK 129.9 million. Taxes paid of NOK 51.8 million, realised loss on TRS agreements of NOK 32.5 million, investments in fixed assets of NOK 94.4 million and changes to current items of NOK 8.5 million had the opposite effect on the net interest-bearing debt.

At the end of the quarter, the Group had an unused credit facility of NOK 1 070.0 million and bank deposits of NOK 89.0 million.

As of 31 March, the Group's equity totalled NOK 2 119.6 million, an increase of NOK 268.5 million from the end of the previous quarter. The increase is attributable to a positive total comprehensive income of NOK 268.1 million. The equity ratio at the end of the quarter was to 55.0 per cent.

Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 316.2 million during the quarter, which represents an increase of NOK 366.8 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to a positive operational EBITDA of NOK 213.9 million, a decrease in inventories and biological assets at cost of NOK 195.3 million and cash payments from Fish Pool contracts of NOK 26.9 million. Taxes paid of NOK 51.8 million, an increase in accounts receivables of NOK 45.0 million and a decrease in accounts payables of NOK 6.9 million had the opposite effect on the cash flow.

Net cash outflows related to investing activities in the first quarter amounted to NOK 155.8 million (cash inflow of NOK 50.4 million), which is attributable to investments in licenses (MAB) of NOK 66.1 million, investments in fixed assets of NOK 24.3 million and investments in development projects of NOK 4.0 million. Proceeds from realisation of TRS agreements amounted to NOK 32.5 million and loans given to associated companies increased by NOK 28.8 million.

The net cash outflows from financing activities totalled NOK 223.3 million (cash inflow of NOK 86.6 million) in the first quarter. Interests paid and instalments amounted to NOK 5.1 million and NOK 14.5 million respectively. Proceeds from sale of treasury shares amounted to NOK 3.0 million. The overdraft facility decreased by NOK 206.7 during the period.

SEGMENT INFORMATION

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

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

The Group owns 43 licences (38 626 tonnes MAB) to produce farmed salmon, divided between 37 licences (33 946 tonnes MAB) in Region North, located in Troms and western Finnmark, and 6 licences (4 680 tonnes MAB) in Region South, located in the area around Haugesund.



The segments posted sales revenues of NOK 1 390.9 million in the first quarter (NOK 1 099.9 million), an increase of 26.5 per cent from the corresponding period last year. The spot price (NASDAQ) for superior quality during the quarter was NOK 60.17 per kg gutted weight, an increase of 22 per cent from the fourth quarter of 2017 and a decrease of 8.0 per cent compared with the first quarter of 2017. The sales operations experienced an increase in sales volumes of 43.4 per cent compared with the corresponding prior-year period. 22 540 tonnes (15 714 tonnes) were sold in the first quarter. The Sales business achieved a negative operational EBIT before open fixed-price contracts of NOK 1.3 million (positive of NOK 15.0 million), which equates to NOK -0.06 (NOK 0.96) per kg sold volume in the period. Loss on open fixed-price contracts compared to the level of spot prices was NOK 2.4 million (gain of NOK 3.1) in the quarter.

The Farming operations harvested 10 935 tonnes (7 181 tonnes) gutted weight in the first quarter, an increase of 52.3 per cent from the corresponding period last year. The estimated harvest volume for 2018 is 40 000 tonnes gutted weight.

REGION NORTH

Operational EBIT came in at NOK 184.4 million (NOK 150.1 million), an increase of NOK 34.4 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK 19.44 (NOK 26.85). Loss on fixed-price contracts of NOK 0.22 per kg (gain of NOK 0.43) contributed to an operational EBIT per kg of NOK 19.22 (NOK 27.28).

9 597 tonnes (5 500 tonnes) were harvested in the region in the first quarter, an increase of 74.5 per cent. The achieved price for the Farming operations was NOK 4.71 lower per kg than in the corresponding period last year. The size and the quality of the harvested fish including ISA fish contributed negatively to the price achievement.

Total production costs per kg for harvested fish was NOK 37.43, which is NOK 0.85 higher than in the fourth quarter of 2017 and NOK 0.49 higher than in the corresponding period last year. The reason for the high production cost in the quarter is that the remaining fish from the sites with ISA was harvested. This fish had high production cost per kg because of low average weight and high harvest and well boat costs. The production cost per kg of harvested fish from sites without ISA was NOK 34.23.

The estimated harvest volume for 2018 is 33 300 tonnes gutted weight.

KEY FIGURES (NOK '000)	Q1 2018	Q1 2017	FY 2017
Operating revenues	1 220 769	842 515	3 678 491
Operational EBITDA	201 962	163 393	576 860
Operational EBIT	184 448	150 059	529 227
Investment in tangible assets/licenses	87 964	35 865	177 800
Volume harvested (tonnes HOG)	9 597	5 500	24 697
Operational EBIT per kg (ex contracts)	19,44	26,85	18,58
Gain (+)/Loss (-) on open fixed price contracts	-0,22	0,43	2,85
Operational EBIT per kg	19,22	27,28	21,43



REGION SOUTH

Operational EBIT came in at NOK 20.9 million (NOK 55.3 million), a decrease of NOK 34.4 million. Operational EBIT (ex. contracts) per kg amounted to NOK 15.86 (NOK 32.48). Loss on fixed-price contracts of NOK 0.22 per kg (gain of NOK 0.43) contributed to an operational EBIT per kg of NOK 15.64 (NOK 32.91).

1 338 tonnes (1 681 tonnes) were harvested in the region in the first quarter, a decrease of 20.4 per cent from the corresponding prior-year period. The Farming operations achieved a price which was NOK 10.17 per kg lower than in the corresponding prior-year period. The size of the harvested fish and the timing of harvest in the quarter contributed negatively to the price achievement.

The production costs for harvested fish was NOK 38.17, which is NOK 0.43 per kg lower than in the fourth quarter of 2017 and NOK 4.23 higher than in the corresponding period last year. The high production costs are due to the site where the fish was harvested is located within a zone with temporary authority-imposed transport and loading regulations. This has caused higher harvest and well boat costs. The site was emptied in February and the production cost in the coming quarter will not be charged with such extra costs.

Estimated harvest volume for 2018 is 6 700 tonnes gutted weight.

KEY FIGURES (NOK '000)	Q1 2018	Q1 2017	FY 2017
Operating revenues	170 176	257 445	1 143 760
Operational EBITDA	24 125	58 281	185 156
Operational EBIT	20 927	55 316	176 041
Investment in tangible assets	2 209	3 416	22 732
Volume harvested (tonnes HOG)	1 338	1 681	7 221
Operational EBIT per kg (ex contracts)	15,86	32,48	21,94
Gain (+)/Loss (-) on open fixed price contracts	-0,22	0,43	2,44
Operational EBIT per kg	15,64	32,91	24,38

SHARES

As of 31 March 2018, Norway Royal Salmon ASA have 43 572 191 shares, allocated among 2 350 shareholders, an increase of 102 from the end of the previous quarter. At the end of the quarter, the group had 63 188 treasury shares. The share price increased from NOK 134.50 at the end of December 2017 to NOK 160.80 at the end of March 2018. 7 121 324 shares were traded during the quarter.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

Contractual rights and TRS agreements for own shares

In the first quarter Norway Royal Salmon extended the TRS-agreement. After the transaction Norway Royal Salmon owns 63 188 treasury shares and has through the TRS-agreement a contractual right to 1 775 377 shares, which equates 4.22 per cent of the company's share capital.

Sickness absence

At 2.9 per cent, the Group's sickness absence rate decreased by 1.1 per cent from the previous quarter. The long-term absenteeism represents a substantial part of the absence.

Arctic Offshore Farming awarded development permits

In 2016 Norway Royal Salmon ASA and Aker ASA applied for development permits for the farming of salmon. In March 2018 the Directorate of Fisheries granted 7.68 development permits (5 990 tonnes MAB) for the development of Arctic Offshore Farming to Norway Royal Salmon. The permits were a recognition of a long and good development process in which Norway Royal Salmon, Aker ASA and Aker Solutions have developed a semi-submersible offshore fish farm designed for harsh areas. The facility will provide significantly increased area utilization of Norwegian sea waters when more exposed areas can be used. The concept will, in addition, have a small environmental footprint.

Traffic Light System - Application for 2 % capacity increase approved

In October 2017, the government announced the foundation for facilitating capacity adjustments through the introduction of a new traffic light system. The traffic light system, where Norway is divided into different production areas, aims to ensure predictable growth and safeguard environmental considerations. In green areas, production capacity will increase by 6 per cent every second year. Licenses in the green production areas were initially offered a growth of 2 per cent. This resulted in an increased MAB of 551 tonnes in the quarter. Norway Royal Salmon has after the capacity increase a total MAB of 38 626 tonnes.

Another site ASC-certified

In January, another site at NRS Finnmark received ASC (Aquaculture Stewardship Council) certification. NRS are pleased to have another site approved by the strictest international environmental standards in the industry. NRS now have eleven sites that are ASC-certified. ASC is a global standard for responsible farming and will together with our green licenses further reduce the influence on the environment and the society.



MARKET CONDITIONS

The total value of salmon exported from Norway in the first quarter was NOK 15.7 billion, a decrease of 0.4 per cent from the first quarter of 2017. The spot price (NASDAQ) in the first quarter of 2018 was NOK 60.17 per kg superior quality salmon (delivered Oslo). This is a decrease of 8.0 per cent from the first quarter of 2017. In EUR, the prices of Norwegian salmon fell by 14.1 per cent to EUR 6.25 per kg. The export price was higher than the spot price, which indicates that average contract prices have been higher than the spot prices in the quarter. The export price fell by 5.5 per cent compared with the same period last year.

The price decline in the spot market is largely driven by increased global supply. Harvested volumes from Norway increased by 6 per cent compared with the same quarter last year. From Chile the harvesting volumes increased by 25 per cent, which led to an increase in global harvesting volumes of 9 per cent.

Harvest volume (tonnes wfe)	Q1/18	yr/yr	Q2/18 E	yr/yr
Norway	292 500	6 %	280 000	7 %
Chile	163 900	25 %	137 200	5 %
UK	34 600	-13 %	38 400	-15 %
Canada	30 500	4 %	37 200	9 %
Faroe Islands	18 300	6 %	18 400	-26 %
Australia	14 700	7 %	14 200	5 %
USA	3 700	-12 %	4 300	-33 %
Iceland	4 400	52 %	4 000	5 %
Others	7 500	21 %	8 500	-6 %
	570 100	9 %	542 200	2 %

Source: Kontali Analyse

Sold volumes increased by 9 per cent in the quarter compared with the same period last year. This is identical with the increase in global harvest volume. Eastern Europe and Asia (excl. Japan) are the most growing markets. It is expected that these markets also will have the highest growth in the next quarter.

Sold volumes (tonnes wfe)	Q1/18	yr/yr	Q2/18 E	yr/yr
EU	242 100	7 %	237 800	5 %
USA	118 800	7 %	113 800	5 %
Eastern Europe ex. Russia	9 600	17 %	8 900	25 %
Russia	21 700	38 %	17 600	18 %
Asia ex. Japan	62 300	17 %	63 300	11 %
Japan	15 100	-2 %	16 000	-1 %
Others	101 800	9 %	90 800	5 %
	571 400	9 %	548 200	6 %

Source: Kontali Analyse

Demand for Norwegian salmon in the EU has been good in the quarter with 7 per cent higher global import volumes, 84 per cent of the volume comes from Norway. Norwegian export to the EU increased by 9 per cent, while the import values increased with 3 per cent. Lower prices compared to the first quarter of 2017 seems to have had a positive effect on most markets in the EU. The volume increase in France and the UK was substantial. Denmark were the only country that experienced a decline in volume in the quarter. Although the growth in import volumes are weaker than the global growth, the development in the EU still signals continued good underlying demand development.

Q1/2018	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to EU:				
Poland	36 797	9 %	1 926	3 %
France	30 136	14 %	1 649	10 %
Denmark	19 502	-2 %	1 021	-9 %
UK	18 373	21 %	1 022	15 %
Spain	16 447	7 %	902	-2 %
Holland	14 899	9 %	832	2 %
Others in EU	67 565	9 %	3 861	3 %
Total Norway to EU	203 719	9 %	11 213	3 %
Others to EU	38 381	-5 %		
EU total	242 100	7 %		

Source: Norsk sjematråd



INTERIM REPORT

Q1 2018

Demand for salmon in Asia has developed well for a long time. The first quarter of 2018 was no exception. Import volumes increased by 13 per cent in total, but fell by 4 per cent from Norway. Norway had a market share of 61 per cent in the first quarter. Chile had a substantial growth in this region in this quarter as well. The trade problems with China continued in the first quarter, however there are indications of improvements. Sales to China increases steadily, which is positive. A solution to the trade challenges with China will be very positive as the long-term potential in this region is very good.

Export of salmon to Eastern Europe shows a strong global growth of 31 per cent in the first quarter of 2018. From Norway the growth was 23 per cent. With such high prices it is pleasing to see strong growth in these countries. Most markets grow significantly. The volumes to the region are, however, clearly lower than when Norway exported to Russia. Volumes to Russia from other producer nations showed an increase in the first quarter. Norway had a market share of 27 per cent in Eastern Europe.

Demand for salmon in North America continues the positive trend. In total, import to North America has increased by 7 per cent, but volume from Norway decreased by 13 per cent.

The first quarter was challenging for the NRS' Sales operations, low margins contributed negatively to the profitability in the quarter. The sales volume was 43 per cent higher than in the same quarter last year. 95 per cent of the harvested fish were sold in the spot market in the first quarter, while 5 per cent were sold at fixed prices. The fixed price contracts resulted in a loss of NOK 2.4 million compared to the level of spot prices. The sales volumes to all regions, apart from North-America, increased in the quarter. The export volumes to Western Europe increased with 26 per cent in the quarter, while the volumes sold in Norway increased by 111 per cent, volumes to Asia increased with 21 per cent and to Eastern Europe with 50 per cent. In the first quarter, Western Europe accounted for 76 per cent of the export volumes, Asia for 16 per cent and Eastern Europe for 7 per cent. Domestic volume amounts to 19 per cent of the total sold volume.

Q1/2018	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Asia				
South East Asia	18 033	-21 %	1 062	-26 %
Japan	9 773	-5 %	585	-6 %
Middle East	7 732	-14 %	447	-23 %
Others in Asia	11 769	66 %	719	50 %
Total Norway to Asia	47 307	-4 %	2 813	-10 %
Others to Asia	30 093	54 %		
Asia Total	77 400	13 %		

Source: Norsk sjematråd

Q1/2018	Tonnes (wfe)	yr/yr	MNOK	år/år
Norway to Eastern Europe				
Ukraine	3 281	28 %	159	21 %
Turkey	1 787	28 %	96	19 %
Belarus	1 515	-10 %	75	-6 %
Kazakhstan	1 284	151 %	67	108 %
Others in Eastern Europe	594	-22 %	29	-34 %
Norway to Eastern Europe	8 461	23 %	427	16 %
Other to Eastern Europe	22 839	34 %		
Eastern Europe Total	31 300	31 %		

Source: Norsk sjematråd

Q1/2018	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to North America				
USA	16 879	-12 %	1 039	-22 %
Canada	973	-18 %	64	-14 %
Total Norway to North America	17 852	-13 %	1 103	-22 %
Others to North America	100 948	11 %		
North America Total	118 800	7 %		

Source: Norsk sjematråd



OUTLOOK

Harvested volume for the quarter was 10 935 tonnes, which was 935 tonnes higher than estimated at the end of the last quarter. Low sea temperatures so far this year have resulted in lower production than previously estimated. Norway Royal Salmon purchased 551 tonnes of MAB in January 2018 and was granted a demonstration facility license of 780 tonnes of MAB, which means that the group will increase the biomass in the sea with more than previously estimated. Because of lower sea temperatures and higher buildup of the biomass than previously estimated, the harvest volume for 2018 is adjusted down with 2 500 tonnes to 40 000 tonnes. This is an increase of 25 per cent from 2017. The farming operations hedged the price of 5.1 per cent of the harvested volume in the first quarter. For remaining quarters of 2018, 3 590 tonnes are hedged at a Nasdaq equivalent price of around NOK 58.50 per kg.

In the first quarter, the global harvest volumes of salmon were 9 per cent higher than the year before. Harvest volumes from Norway were 6 per cent higher than last year, while the increase from Chile was 25 per cent. The supply to the markets also increased by 9 per cent in the quarter. The demand is seen as good and the prices increased significantly in the quarter.

Looking ahead, we expect global harvest volumes to decrease from the first quarter 2018 level compared with the same period the year before. In the next three quarters, an average increase of 2 per cent is expected. Kontali Analyse expects a growth in global harvest volume for 2018 of 4 per cent, which is a low to moderate growth in a historical context. Together with good demand for salmon, this provide the basis for a continued positive market outlook for the industry.

Trondheim, 7 May 2018

Helge Gåsø
Chair

Kristine Landmark
Vice Chair

Marianne E. Johnsen

John Hindar

Lars Måsøval

Trude Olafsen

Charles Høstlund
CEO



INTERIM REPORT
INCOME STATEMENT

(NOK '000)	Q1 2018	Q1 2017	FY 2017
Operating revenues	1 391 791	1 101 334	4 937 798
Cost of goods sold	1 093 129	811 975	3 889 102
Salaries	44 306	28 992	138 596
Depreciation	21 181	17 216	82 063
Other operating costs	40 431	37 917	200 178
Operational EBIT	192 744	205 234	627 861
Fair value adjustments	76 578	-67 836	-194 799
Income from associates	12 380	15 460	52 657
EBIT	281 701	152 858	485 719
Gain/loss on financial assets	45 264	-139 499	-142 185
Other net financial items	-5 416	-4 674	-20 937
EBT	321 549	8 685	322 597
Tax	-60 742	-39 976	-86 180
Net profit/loss	260 807	-31 291	236 416
Profit attributable to:			
Parent company shareholders	255 114	-33 547	228 538
Minority interests	5 693	2 256	7 878
Earnings per share (NOK)	5,87	-0,77	5,27
Earnings per share - diluted	5,87	-0,77	5,27

EXTENDED INCOME STATEMENT

(NOK '000)	Q1 2018	Q1 2017	FY 2017
Net profit/loss	260 807	-31 291	236 416
Items to be reclassified to profit or loss:			
Translation differences and OCI posts from associated companies	-19	-1 849	8 194
Cash Flow hedges (net)	7 278	-4 283	-7 334
Items not to be reclassified to profit or loss:			
Actuarial gains on defined benefit plans (net)	0	0	-4 623
Total comprehensive income	268 066	-37 423	232 654
Total comprehensive income attributable to:			
Parent company shareholders	262 373	-39 679	224 776
Non-controlling interests	5 693	2 256	7 878



INTERIM REPORT

Q1 2018

BALANCE SHEET

(NOK '000)	31.03.2018	31.03.2017	31.12.2017
Intangible assets	715 007	648 887	648 887
Property, plant and equipment	547 051	439 553	544 006
Non-current financial assets	658 673	554 798	613 517
Non-current assets	1 920 731	1 643 238	1 806 410
Inventory and biological assets	1 139 227	1 227 436	1 277 004
Receivables	703 787	545 571	619 970
Bank deposits, cash	89 002	155 680	151 779
Current assets	1 932 017	1 928 687	2 048 753
TOTAL ASSETS	3 852 748	3 571 925	3 855 163
Share capital	43 508	42 924	43 489
Other equity	2 032 600	1 826 361	1 769 778
Non-controlling interests	43 455	35 290	37 762
Equity	2 119 563	1 904 576	1 851 030
Pensions	16 728	11 383	16 728
Deferred tax	427 218	433 409	364 557
Provisions	443 946	444 792	381 285
Long-term interest-bearing debt	448 336	403 199	461 241
Short-term interest-bearing debt	134 370	133 012	342 617
Trade payables	542 570	423 799	549 526
Tax payable	61 909	78 531	113 485
Other current liabilities	102 055	184 018	155 980
Current liabilities	840 904	819 359	1 161 607
TOTAL EQUITY AND LIABILITIES	3 852 748	3 571 925	3 855 163



INTERIM REPORT

Q1 2018

STATEMENT OF EQUITY

31.03.2018	Equity allocated to parent company shareholders					
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 01.01.2018	43 572	-82	1 769 780	1 813 271	37 762	1 851 030
					0	
Total comprehensive income	0	0	262 373	262 373	5 693	268 066
Transactions with shareholders						
Share based payment	0	0	-2 531	-2 531	0	-2 531
Sale of treasury shares	0	19	2 979	2 998	0	2 998
Total transactions with shareholders	0	19	448	467	0	467
Equity at 31.03.2018	43 572	-63	2 032 600	2 076 112	43 455	2 119 563
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31.03.2017	Equity allocated to parent company shareholders					
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 01.01.2017	43 572	-98	1 970 509	2 013 984	33 035	2 047 016
Comprehensive income	0	0	-39 679	-39 679	2 256	-37 423
Transactions with shareholders						
Share based payment	0	0	-7 895	-7 895	0	-7 895
Purchase of treasury shares	0	-600	-99 900	-100 500	0	-100 500
Sale of treasury shares	0	51	8 027	8 078	0	8 078
Equity changes associated companies	0	0	-4 701	-4 701	0	-4 701
Total transactions with shareholders	0	-549	-104 469	-105 018	0	-105 018
Equity at 31.03.2017	43 572	-648	1 826 361	1 869 287	35 290	1 904 576
<hr/>						
31.12.2017	Equity allocated to parent company shareholders					
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 01.01.2017	43 572	-98	1 970 509	2 013 984	33 035	2 047 015
Total comprehensive income	0	0	224 776	224 776	7 878	232 654
Transactions with shareholders						
Dividend	0	0	-408 475	-408 475	-3 150	-411 625
Share based payment	0	0	-14 609	-14 609	0	-14 609
Purchase of treasury shares	0	-93	-18 154	-18 247	0	-18 247
Sale of treasury shares	0	109	15 959	16 068	0	16 068
Equity changes associated companies	0	0	-226	-226	0	-226
Total transactions with shareholders	0	16	-425 505	-425 489	-3 150	-428 639
Equity at 31.12.2017	43 572	-82	1 769 780	1 813 271	37 762	1 851 030



INTERIM REPORT

Q1 2018

STATEMENT OF CASH FLOW

(NOK '000)	Q1 2018	Q1 2017	FY 2017
Operational EBIT	192 744	205 234	627 861
Adjusted for:			
Tax paid	-51 833	-605	-79 351
Depreciation and write-downs	21 181	17 216	82 063
Share based payment	-2 531	-7 895	-15 376
Pension costs with no cash effect	0	0	-659
Change in inventory / biomass	195 255	6 838	-134 503
Change in debtors and creditors	-51 977	-203 647	-164 857
Change in other current assets and other liabilities	13 403	-67 740	-144 673
Net cash flow from operating activities	316 242	-50 599	170 504
Cash flow from investing activities			
Payments for purchase of PPE and licenses	-90 465	-39 282	-211 470
Payments other investments	-4 025	0	-2 530
Payments(-)/proceeds(+) from realisation of non-current financial assets (TRS)	-32 507	89 189	105 099
Proceeds from investments in financial assets	0	2 012	13 448
Change in loans to associates and others	-28 770	-1 500	-11 600
Net cash flow from investing activities	-155 767	50 419	-107 053
Cash flow from financing activities			
Receipts from new long-term debt	0	110 224	470 992
Long-term debt repayments	-14 490	-12 721	-305 170
Net change in overdraft	-206 662	85 613	286 619
Payment for acquisition of treasury shares	0	-100 500	-18 754
Proceeds from sale of treasury shares	2 998	8 078	16 068
Interest paid	-5 098	-4 091	-19 568
Dividend payment	0	0	-411 117
Net cash flow from financing activities	-223 252	86 603	19 070
Net increase (+)/ decrease (-) in cash & cash equivalents	-62 777	86 423	82 522
Cash and cash equivalents - opening balance	151 779	69 257	69 257
Cash and cash equivalents - closing balance	89 002	155 680	151 779

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 2017 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 2017 are available upon request from the company's head office at Ferjemannsveien 10, Trondheim or at www.norwayroyalsalmon.com.

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2017.



INTERIM REPORT

Q1 2018

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: Segment information

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

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

(NOK '000)	Sales		Farming				Eliminations/other		Total	
	Q1 2018	Q1 2017	Region North Q1 2018	Region North Q1 2017	Region South Q1 2018	Region South Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Total sales revenues	1 390 945	1 099 952	546 926	339 349	72 449	108 110	846	1 374	2 011 166	1 548 785
Internal sales revenues	0	0	546 926	339 349	72 449	108 110	0	0	619 375	447 459
External sales revenues	1 390 945	1 099 952	0	0	0	0	846	1 374	1 391 791	1 101 326
Operational EBIT	-3 685	18 156	187 682	136 152	21 378	51 067	-12 631	-141	192 744	205 234
Fair value adjustments	19 099	4 924	27 993	-61 555	29 485	-11 205	0	0	76 578	-67 836
Income from associates	0	0	0	0	0	0	12 380	15 460	12 380	15 460
EBIT	15 415	23 081	215 675	74 597	50 863	39 862	-251	15 319	281 701	152 858
EBT	15 401	22 576	212 902	72 542	50 753	39 475	42 494	-125 907	321 549	8 685
Volume harvested (HOG)			9 597	5 500	1 338	1 681			10 935	7 181
Operational EBIT per kg			19,56	24,75	15,98	30,39			19,12	26,07
Volume sold	22 540	15 714							22 540	15 714
Operational EBIT per kg	-0,16	1,16							-0,16	1,16
- of which loss (-)/gain (+) on open fixed-price contracts per kg.	-0,11	0,20							-0,11	0,20

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass

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

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

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

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

Book value of inventory:

(NOK '000)	31.03.2018	31.03.2017	31.12.2017
Raw materials	21 717	25 218	37 906
Biological assets	1 069 942	1 099 549	1 177 678
Finished goods	47 568	102 669	61 420
Total inventory	1 139 227	1 227 436	1 277 004

Specification of the biological assets:

(NOK '000)	31.03.2018	31.03.2017	31.12.2017
Biological assets at cost	785 486	780 798	950 700
Fair value adjustments of the biomass	284 456	318 751	226 978
Book value biological assets	1 069 942	1 099 549	1 177 678

Specification of biological assets - tonnes

	Q1 2018	Q1 2017	FY 2017
Opening balance biological assets	29 071	23 060	23 060
Increase due fish put in the sea	100	48	1 413
Increase due to production in the period	6 851	6 990	46 278
Reduction due to mortality in the period	-787	-941	-3 424
Reduction due to harvesting in the period	-13 024	-8 550	-38 015
Non-recurring items	-271	0	-242
Closing balance biological assets	21 941	20 606	29 071

Specification of changes in book value of biological assets:

(NOK '000)	Q1 2018	Q1 2017	FY 2017
Opening balance biological assets	1 177 678	1 205 399	1 205 399
Increase due to production in the period	196 582	200 077	1 230 516
Non-recurring event at cost	-17 000	0	-19 879
Reduction due to harvesting in the period	-345 914	-233 167	-1 073 825
Fair value adjustments of the biological assets	60 951	-72 760	-163 237
Fair value adj. of the biological assets due to non-recurring event	-2 355	0	-1 296
Closing balance biological assets	1 069 942	1 099 549	1 177 678



NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass cont.

Groups of biological assets, status as of 31.03.2018	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	3 844	2 290	146 727	52 132	198 859
1-4 kg	5 629	9 453	332 934	91 531	424 465
Larger than 4 kg	2 134	10 199	305 827	140 793	446 620
Biological assets	11 607	21 941	785 488	284 456	1 069 942

Groups of biological assets, status as of 31.03.2017	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	4 664	3 527	203 062	69 347	272 409
1-4 kg	5 670	13 212	461 649	189 732	651 381
Larger than 4 kg	889	3 869	116 088	59 671	175 759
Biological assets	11 222	20 608	780 799	318 751	1 099 549

Groups of biological assets, status as of 31.12.2017	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	6 220	3 799	203 819	70 529	274 348
1-4 kg	5 132	9 960	332 324	61 610	393 934
Larger than 4 kg	3 162	15 313	414 557	94 839	509 396
Biological assets	14 514	29 071	950 700	226 978	1 177 678

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

31.03.2018	NOK/kg	31.03.2017	NOK/kg	31.12.2017	NOK/kg
Q2 18	63,55	Q2 17	62,78	Q1 17	53,85
Q3 18	55,25	Q3 17	58,47	Q2 18	53,05
Q4 18	56,12	Q4 17	60,13	Q3 18	53,05
Q1 + Q2 19	57,52	Q1 + Q2 18	61,97	Q4 18	55,00
Q3 + Q4 19	55,48	Q3 + Q4 18	56,43	Q1 + Q2 19	57,80



INTERIM REPORT

Q1 2018

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: Non-recurring events

Non-recurring event ¹⁾	Q1 2018		FY 2017			
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
The fish disease Infections Salmon Anemia (ISA) NRS Finnmark AS				36 547	614	37 161
Destruction of desmoltified fish NRS Finnmark AS				10 000	682	10 682
Biological assets				46 547	1 296	47 843

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

NOTE 5: Fair value adjustments

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

(NOK '000)	Q1 2018	Q1 2017	FY 2017
Change in fair value adjustments of the biomass	57 478	-72 760	-164 533
Change in provision for onerous sales contracts	-7 804	63 081	89 994
Change in unrealised gains/losses on financial Fish Pool contracts	26 903	-58 156	-120 259
Total fair value adjustments	76 578	-67 836	-194 799

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

(NOK '000)	31.03.2018	31.03.2017	31.12.2017
Fair value adjustments biomass (inventory and biological assets)	284 456	318 751	226 978
Provision for onerous sales contracts (other current liabilities)	-7 804	-26 913	0
Fair value of financial Fish Pool contracts (other receivables/other current liabilities)	1 191	36 390	-25 712
Net fair value adjustments in the balance sheet	277 843	328 228	201 266

NOTE 6: Transactions with related parties

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

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

Goods and services purchased:

(NOK '000)	Q1 2018	Q1 2017	FY 2017
Associates - products purchased	102 553	288 610	445 975
Associates - services purchased	15 134	12 768	58 985
Companies controlled by large shareholder - products purchased	90 620	25 792	461 970
Companies controlled by large shareholder - services purchased	3 812	0	12 451
Total goods and services purchased from related parties	212 119	327 170	979 381

Share-based incentive schemes

A bonus program based on synthetic options was introduced for the Group's management in 2014. The bonus program gives entitlement to a cash bonus based on the NRS average share price over a period prior to respectively 29 March 2014 and 24 June 2014. Bonuses are calculated 12, 24, 36, 45 and 57 months after these dates, and the bonus program includes an obligation to invest the net bonus after tax in Norway Royal Salmon ASA (NRS) shares at the market price on the relevant date. Shares purchased in accordance with the bonus program will be subject to a 12-month lock-up period. All bonus payments are conditional on full-time employment in the company. The bonus is calculated based on the increase in value of the share in NRS from 29 March 2014 and 24 June 2014, and in relation to price increases during the period on the number of shares covered by the program. After 50 000 options being realised in the first quarter, the scheme covers 50 000 shares allocated to the CEO. In the quarter a cost relating to the option scheme was recognised in the income statement in the amount of KNOK 1 986.

A bonus program based on options was introduced for senior executives and key personnel in the Group on 1 April 2017. The scheme has been approved by the Board. The scheme comprises 28 employees and is divided into 4 different levels. The scheme was continued on Q1 2018. The continued scheme comprises 27 employees. The option scheme has a 24 months' vesting period. The bonus program is a share-based scheme that entitles shareholders to receive shares in NRS based on the price development in Norway Royal Salmon ASA's average share price for a period prior to 20 March 2018 for the scheme introduced in 2017 and 20 March 2019 for the scheme introduced in 2018. Each employee can at most be granted rights to shares for a value in the interval between 25 per cent to 100 per cent of annual salary. The exercise price will be adjusted for dividends and changes in holdings of treasury shares. In the quarter, a cost of KNOK 490 related to the new option scheme was recognised in the accounts.

	Program introduced in 2014	Program introduced in 2017	Program introduced in 2018	All programs
Change in number of options				
At 31 December 2017	100 000	419 888	0	519 888
Terminated	0	-18 702	0	-18 702
Exercised in the quarter	-50 000	0	0	-50 000
Allocated during the year (new program)	0	0	426 058	426 058
Number of options at 31 December 2017	50 000	401 186	426 058	877 244
Exercise price	31,78	149,26	155,71	
Number of employees in the program at the end of the quarter	1	27	27	55



NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.01.2018	Share of profit/loss in the period after tax	Other changes	Book value 31.03.2018	Share of volume harvested - tonnes HOG 31.03.2018*
Arctic Fish ehf.	50,00 %	287 271	-815	-19	286 436	0
Wilsgård Fiskeoppdrett AS	37,50 %	152 875	3 211	0	156 086	618
Måsøval Fishfarm AS	36,10 %	18 932	4 515	0	23 448	212
Hellesund Fiskeoppdrett AS	33,50 %	79 630	6 537	0	86 167	197
Hardanger Fiskeføredling AS	31,10 %	10 369	34	0	10 403	
Espevær Laks AS	33,33 %	2 745	218	0	2 963	
Ranfjord Fiskeprodukter AS	37,75 %	22 935	-466	0	22 469	
Skardalen Settefisk AS	30,00 %	5 707	-854	0	4 853	
Other		48	0	0	48	
Total associates 31.03.2018		580 510	12 380	-19	592 871	1 027
Total associates 31.12.2017		531 507	52 657	-3 651	580 511	4 019

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

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

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

Associates that own shares in NRS as of 31 March 2018:

	Shareholding	Number of shares	Fair value	NRS' share of fair value
Måsøval Fishfarm AS	36,10 %	255 497	41 084	14 831
Hellesund Fiskeoppdrett AS	33,50 %	1 639 482	263 629	88 316
Total		1 894 979	304 713	103 147

Note 8 Treasury shares and TRS agreements

As at 31 March the company holds 63 188 treasury shares, corresponding to 0.15 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 31 March 1 775 377 shares, representing 4.07 % of the share capital of the company. The agreement means that the Group has a result and liquidity exposure that is linked to the value development of the NRS share. TRS agreements are recorded at fair value and changes in fair value are recognized as financial items in the income statement. Norway Royal Salmon realised previous entered into TRS agreements in the period. A loss at realisation was NOK 32 506 and an unrealised gain of NOK 77 377 was recognised in the period. Thus a net gain of NOK 45 230 was recognised as a financial item in the income statement in the period.

(NOK '000)	No. of shares	Exercise Price	Maturity	Market value 31.12.2017	Market value 31.03.2018	Change in market value Q1 2018
TRS	1 775 377	170,81	15.03.2018	-64 078	0	64 078
TRS	1 775 377	154,39	13.09.2018	0	13 658	13 658
Sum				-64 078	13 658	77 737

NOTE 9: Loans to credit institutions

The Group's main borrowing covenants is one requiring an equity ratio of at least 30 per cent and another requiring that the short-term credit facility shall not exceed 75 per cent of the carrying value of inventory and accounts receivables. At the end of the first quarter 2018 the Group is in compliance with the terms of its loan agreements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: Alternative performance measures

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

Net Interest-bearing debt

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

(NOK '000)	31.03.2018	31.03.2017	31.12.2017
Reported long-term interest-bearing debt	448 336	403 199	461 241
Reported short-term interest-bearing debt	134 370	133 012	342 617
Interest-bearing long-term receivables	-47 370	0	-18 600
Reported bank deposits, cash	-89 002	-155 680	-151 779
Net interest bearing debt	446 333	380 531	633 479

Equity ratio

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

(NOK '000)	31.03.2018	31.03.2017	31.12.2017
Reported equity	2 119 563	1 904 576	1 851 030
Reported total assets	3 852 748	3 571 925	3 855 163
Equity ratio	55,0 %	53,3 %	48,0 %

Operational EBIT per kg (Group)

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

(NOK '000)	Q1 2018	Q1 2017	FY 2017
Operational EBIT	192 744	205 234	627 861
Unallocated expenses	12 500	133	31 064
Non-recurring events (note 4)	0	0	46 547
Operational EBIT	205 243	205 367	705 472
Harvested volume	10 935	7 181	31 918
Operation EBIT per kg	18,78	28,60	22,10

Operational EBIT per kg (Group)

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

Operational EBIT per kg Region North

(NOK '000)	Q1 2018	Q1 2017	FY 2017
Operational EBIT (segment, note 2)	187 682	136 152	433 082
Share of operational EBIT Sales allocated to region North excl. Contracts	-1 114	11 516	25 775
Operational EBIT excl. Contracts	186 567	147 668	458 857
Loss(-) / Gain(+) on open fixed-price contracts	-2 120	2 391	70 370
Operational EBIT	184 448	150 059	529 227
Harvested volume	9 597	5 500	24 697
Operational EBIT per kg excl. Contracts	19,44	26,85	18,58
Operational EBIT per kg	19,22	27,28	21,43



NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: Alternative performance measures (cont)

Operational EBIT per kg Region South

(NOK '000)

	Q1 2018	Q1 2017	FY 2017
Operational EBIT (segment, note 2)	21 378	51 067	150 017
Share of operational EBIT Sales allocated to region South excl. Contracts	-155	3 519	8 424
Operational EBIT excl. Contracts	21 222	54 585	158 441
Loss(-) / Gain(+) on open fixed-price contracts	-296	731	17 600
Operational EBIT	20 927	55 316	176 041
Harvested volume	1 338	1 681	7 221
Operational EBIT per kg excl. Contracts	15,86	32,48	21,94
Operational EBIT per kg	15,64	32,91	24,38

ROCE

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

Value-adjusted earnings per share

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

(NOK '000)

	Q1 2018	Q1 2017	FY 2017
Majority share of net result for the period	255 114	-33 547	228 538
Majority share of fair value adjustments of biomass after tax	-43 737	51 014	126 457
Fair value of sales contracts and Fish Pool contracts (in its entirety, the majority share)	-14 706	-3 742	23 002
Majority share of value-adjusted result for the period	196 671	13 724	377 996
Weighted average number of ordinary shares outstanding	43 492 101	43 368 376	43 344 931
Value-adjusted earnings per share	4,52	0,32	8,72



NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: Shareholders

Ownership structure – the 20 largest shareholders as at 31.03.2018:

Shareholder	No. of shares	Shareholding
GÅSØ NÆRINGSUTVIKLING AS	6 780 149	15,56 %
GLASTAD CAPITAL AS	5 266 542	12,09 %
MÅSØVAL EIENDOM AS	5 172 196	11,87 %
EGIL KRISTOFFERSEN OG SØNNER AS	4 734 545	10,87 %
HAVBRUKSINVEST AS	4 122 912	9,46 %
DNB NOR MARKETS, AKSJEHAND/ANALYSE	1 730 449	3,97 %
HELLESUND FISKEOPPDRETT A/S	1 639 482	3,76 %
SPAREBANK 1 MARKETS AS	1 233 703	2,83 %
NYHAMN AS	1 066 694	2,45 %
LOVUNDLAKS AS	1 063 598	2,44 %
STATE STREET BANK AND TRUST COMP	595 471	1,37 %
BNP PARIBAS SECURITIES SERVICES	425 353	0,98 %
SVENSKA HANDELSBANKEN AB	302 340	0,69 %
HENDEN FISKEINDUSTRI AS	277 154	0,64 %
JPMORGAN CHASE BANK, N.A., LONDON	274 544	0,63 %
MÅSØVAL FISHFARM AS	255 497	0,59 %
RAMSFJELL AS/ OLA LOE	224 318	0,51 %
EIKA NORGE	214 262	0,49 %
MP PENSJON PK	209 382	0,48 %
STATE STREET BANK AND TRUST COMP	204 223	0,47 %
Total 20 largest shareholders	35 792 814	82,15 %
Total other shareholders	7 779 377	17,85 %
Total no. of shares	43 572 191	100,00 %