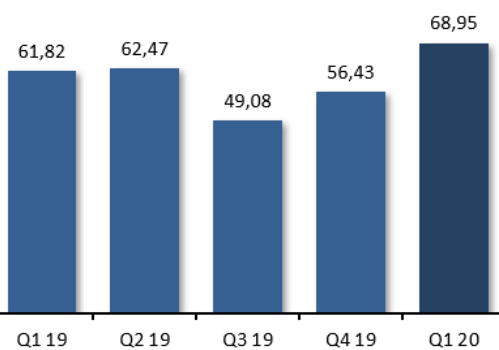


Interim Report

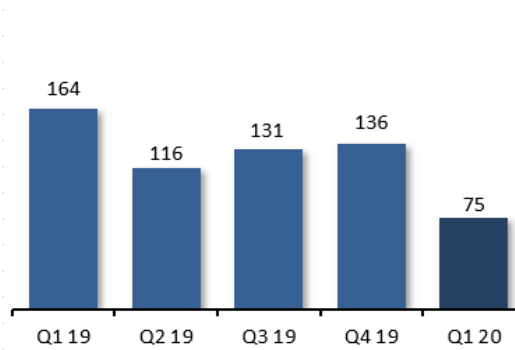
Q1-20



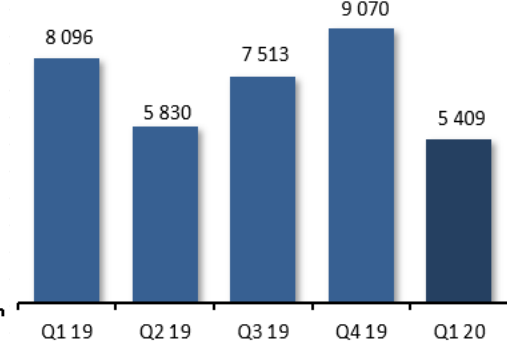
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)



HIGHLIGHTS Q1 2020

- Operational EBIT of NOK 75 million
 - Operational EBIT per kg of NOK 16.53
- Increased production costs in the quarter
- Harvested volume 5 409 tonnes, 23 % lower than corresponding period last year
- The biomass in the sea increased by 7 137 tonnes (38 %) from the first quarter of 2019
- Arctic Fish (Iceland) archived an operational EBIT of MNOK 16 and an operational EBIT per kg of NOK 18.47
- Covid-19 has not impacted the production in the quarter
- New sites ASC-certified during the quarter, 80% of the NRS sites are now ASC-certified

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q1 2020	Q1 2019	FY 2019
Operating revenues	1 269 914	1 486 570	5 586 670
Operational EBITDA	98 092	182 573	629 606
Operational EBIT	74 791	161 525	542 802
Income from associates	17 817	10 758	16 901
EBIT	95 149	137 118	423 301
EBT	55 145	168 118	474 775
EPS (NOK) – before fair value adjustments	0,49	3,96	32,47
ROCE ¹⁾	20,0 %	35,8 %	25,9 %
Net cash flow from operating activities ²⁾	31 867	318 934	223 291
Investments in fixed assets/licenses ²⁾	255 161	86 536	674 243
Net interest-bearing debt	282 714	287 943	33 073
Equity ratio	71,5 %	59,6 %	71,7 %
Volume harvested (HOG)	5 409	7 016	27 297
Operational EBIT per kg ³⁾	16,53	25,51	21,98
Volume sold - Sales	17 900	22 838	89 879

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

²⁾ Cashflow figures and investments includes discontinued operations.

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

FINANCIAL PERFORMANCE

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

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 1 269.9 million (NOK 1 486.6 million) in the first quarter of 2020, a decrease of 14.6 per cent from the corresponding prior-year period. The decrease in revenues is due to lower sold volumes. The Group achieved an operational EBIT of NOK 74.8 million (NOK 161.5 million), a decrease of NOK 86.7 million. The decrease in operational EBIT is due to lower harvested volume and increased production costs. A loss on open fixed-price contracts compared to the level of Fish Pool prices of NOK 7.3 million (gain of NOK 2.1 million) was recognised in the quarter. The Group recognised a positive fair value adjustment of NOK 2.5 million (negative NOK -35.1 million), an increase of NOK 37.7 million compared to the corresponding quarter 2019.

The farming business harvested 5 409 tonnes (7 016 tonnes) gutted weight in the quarter, a decrease of 23 per cent from the corresponding quarter last year. Farming and Sales achieved an operational EBIT per kg of NOK 16.53 (NOK 25.51). The decrease in operational EBIT per kg is due to increased production costs. The Sales business sold 17 900 tonnes (22 838 tonnes), a decrease of 22 per cent.

Financial items and share of profit from associates

Result from associates totalled NOK 17,8 million (NOK 10,8 million) in the first quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK -4,0 million (NOK -5.6 million). Arctic Fish harvested 863 tonnes in the quarter, NRS' share was 431 tonnes. Arctic Fish's farming activities archived an operational EBIT per kg of NOK 18.47 in the quarter. The Arctic Fish Group reported a result of NOK 7,3 million in the first quarter, NRS' share was NOK 3.7 million. Associated Norwegian farming companies harvested 2 143 tonnes, 1 194 tonnes less than in the corresponding period last year. NRS' share of the above figure amounts to 764 tonnes, a decrease of 424 tonnes.

As a result of the decrease of the NRS' share price from NOK 239.20 at the start of the quarter to NOK 208.00 at the end of the quarter, a loss of NOK 34.6 million (gain NOK 37.3 million) on TRS agreements on own shares was posted in the quarter. Net finance expenses for the period were NOK 5.4 million (NOK 6.3 million), a decrease of NOK 0.9 million.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 4 730.2 million, a minor increase of NOK 49.7 million from the prior quarter end. The change in total assets is attributable to several factors. As a result of MAB acquisition, the intangible assets increased by NOK 35.6 million. Property, plant and equipment increased with NOK 196.5 million. Non-current financial assets increased with NOK 130.1 million. Fair value adjustments of the biomass decreased by NOK 1.3 million, and inventories and biomass at cost increased by NOK 5.9 million. The net increase in inventories and biological assets was NOK 4.5 million. The Group's receivables decreased by NOK 223.0 million. The Group's bank deposits decreased by NOK 94.0 in the quarter.

The Group's net interest-bearing debt increased by NOK 249.6 million, from NOK 33.1 million at the end of the previous quarter to NOK 282.7 million as at 31 March 2020. The net interest bearing debt was positively impacted by an operational EBITDA of NOK 98.1 million, but increased working capital of NOK 22.4 million, investments in fixed assets of NOK 243.3

million, loans to associates and others NOK 71.2 million, share option costs of NOK 5.5 million and payment of interest and fees of NOK 5.4 million had the opposite effect on the net interest-bearing debt. The Group had an unused credit facility of NOK 1 839.7 million at the end of the quarter, and bank deposits of NOK 58.3 million.

As at 31 March, the Group's equity totalled NOK 3 381.8 million, an increase of NOK 24.7 million from the end of the previous quarter. The increase is attributable to first quarters total comprehensive income of NOK 29.3 million. The equity ratio at the end of the quarter was 71.5 per cent.

Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 31.9 million during the quarter, which represents a decrease of NOK 287.1 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to a positive operational EBITDA of NOK 98.1 million. Paid taxes of NOK 38.4 million, share based payments of NOK 5.5 million and increased working capital items of NOK 22.4 million had the opposite effect on the cash flow.

Net cash outflows related to investing activities in the first quarter amounted to NOK 301.7 million (NOK 64.2 million). Investments in fixed assets of NOK 207.7 million, investments in licenses of MNOK 35.6 million and loans to associates and others of NOK 71.7 had negative effect on the cash flow. Received payment from sold shares in Ranfjord Fiskeprodukter AS of NOK 2.6 million and realised gains on TRS-agreements of NOK 10.7 million had the opposite impact on the cash flow.

The net cash inflows from financing activities totaled NOK 175.9 million (outflow of NOK 331.4 million) in the first quarter. Leasing liabilities had a net increase of NOK 21.0 million and the overdraft facility increased by NOK 160.2 million during the period. Finance costs amounted to NOK 5.4.

SEGMENT INFORMATION

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

Norway Royal Salmon monitors overall value creation from operations based on the salmon's source of origin. Consequently, external reporting focuses on measuring the overall profitability of the harvested volume based on source of origin (Operational EBIT/kg). For this reason, the contribution from the sales operations is allocated to the Farming operations.

The Group owns 35 035 tonnes MAB, located in Troms and Finnmark.

The segments posted sales revenues of NOK 1 269.9 million in the first quarter (NOK 1 486.6 million), a decrease of 14.6 per cent from the corresponding period last year. The spot price (NASDAQ) for superior quality during the quarter was NOK 68.95 per kg gutted weight, an increase of 22.2 per cent from the fourth quarter of 2019 and an increase of 11.5 per cent compared with the first quarter of 2019. The sales operations experienced a decrease in sales volumes of 22 per cent compared with the corresponding prior-year period. 17 900 tonnes (22 838 tonnes) were sold in the first quarter. The Sales business had a negative operational EBIT before open fixed-price contracts of NOK 1.7 million (loss of NOK 4.3 million), which equates to NOK -0.09 (NOK -0.19) per kg sold volume in the period. Loss on open fixed-price



contracts compared to the level of Fish Pool prices was NOK 7.3 million (gain of NOK 2.1 million) in the quarter.

FARMING

Operational EBIT came in at NOK 89.4 million (NOK 179.0 million), a decrease of NOK 89.6 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK 17.88 (NOK 25.25). Loss on fixed-price contracts of NOK -1.35 per kg (gain NOK 0.26) contributed to an operational EBIT per kg of NOK 16.53 (NOK 25.51).

5 409 tonnes (7 016 tonnes) were harvested in the first quarter, a decrease of 22.9 per cent. The achieved price for the Farming operations was NOK 6.91 higher per kg than achieved in the fourth quarter 2019 and 1.88 higher per kg than in the corresponding period last year. The size of the harvested fish contributed positively to the price achievement, while the quality, affected by winter wounds, and the timing of harvest in the quarter had significant negative impact.

Total production cost per kg for harvested fish was NOK 43.95, which is NOK 3.51 higher than in the fourth quarter of 2019 and NOK 9.47 higher than in the corresponding period last year. The increase in the production cost is due to higher harvest and well boat costs on fish harvested from a restricted area infected by the fish disease ISA, challenges with winter wounds as well as higher feed and smolt costs. In addition, low sea water temperatures last year led to lower growth which contributed to an increase in fixed costs.

The biomass in sea is in line with the previous quarter but increased with 7 137 tonnes (38.3 per cent) compared to corresponding quarter in 2019. The production cost is expected to be on the same level in the next quarter, as we will continue to harvest fish from a restricted area. The challenges with winter wounds are expected to continue in the second quarter. The production cost is expected to decrease in the autumn 2020 when we begin to harvest fish released to the sea in 2019.

The estimated harvest volume for 2020 is 37 000 tonnes gutted weight, of which 6.5 tonnes in the second quarter.

KEY FIGURES (NOK '000)	Q1 2020	Q1 2019	FY 2019
Operating revenues	1 269 887	1 288 181	4 991 015
Operational EBITDA	112 703	200 001	686 614
Operational EBIT	89 420	179 010	599 896
Investment in tangible assets/licenses	243 106	86 379	660 877
Volume harvested (tonnes HOG)	5 409	7 016	27 297
Operational EBIT per kg (ex contracts)	17,88	25,25	20,01
Gain (+)/Loss (-) on open fixed price contracts	-1,35	0,26	1,96
Operational EBIT per kg	16,53	25,51	21,98

SHARES

As of 31 March 2020, Norway Royal Salmon ASA have 43 572 191 shares, allocated among 2 433 shareholders, a decrease of 100 from the end of the previous quarter. At the end of the quarter, the group had 108 334 treasury shares. The share price decreased from NOK 239.20 at the end of December 2019 to NOK 208.00 at the end of March 2020. 5 390 501 shares were traded during the quarter.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

MAB acquisition through traffic light growth

During the first quarter NRS acquired 1% growth of MAB on existing licenses according to the traffic light growth from the authorities. This increases our total MAB from 34 746 tonnes to 35 035 tonnes.

Contractual rights and TRS agreements for own shares

In the first quarter Norway Royal Salmon extended the TRS (Total Return Swap) agreement. After the transaction Norway Royal Salmon owns 108 334 treasury shares and has through the TRS-agreement a contractual right to 994 609 shares, which in total equates 2.53 per cent of the company's share capital.

Two new sites ASC-certified

Norway Royal Salmon is working to achieve the most stringent environmental certificates in the industry, the Aquaculture Stewardship Council (ASC) standard. ASC-certified fish are produced in a very responsible and sustainable manner within very strict requirements. In the first quarter 2020 two new sites were certified according to the ASC standard. Norway Royal Salmon is pleased to have more sites certified. The company is now certified at 80 per cent of the sites and the goal is to be 100 per cent certified at active sites by the year 2022.

MARKET CONDITIONS

The total value of salmon exported from Norway in the first quarter was NOK 18.3 billion, an increase of nearly NOK 1.7 billion compared to the corresponding quarter last year. The increase of 10.1 per cent from the first quarter of 2019 was due to exported volume from Norway being 2.2 per cent higher and that the prices was higher than in the first quarter of 2019. The spot price (NASDAQ) in the first quarter of 2020 was NOK 68.95 per kg superior quality salmon (delivered Oslo). This is an increase of 11.5 per cent from the first quarter of 2019. The price in NOK was impacted by the weakening of the Norwegian currency in the quarter. In EUR, the prices of Norwegian salmon increased 3.8 per cent to EUR 6.59 per kg. The export price of NOK 70.51 was higher than the spot price and 7.7 per cent higher than in the same period last year.

Despite the increase in global supply, prices increased from the corresponding prior-year period. Harvested volumes from Norway increased by 1 per cent from the corresponding prior-year period. Harvested volumes from Chile increased by 9 per cent, while the other producing countries had a decrease of 4 %. In total this resulted in an increase in global harvesting volumes of 2 per cent. For Q2 2020 Kontali Analyse expects a harvesting volume of 3 per cent higher than in Q2 2019.

Sold volumes decreased by 1 per cent in the quarter compared with the same period last year. This is lower than the increase in global harvest volume and indicate a higher change in frozen inventory compared to the same quarter last year. The EU and Russia were the markets that grew most.

Demand for salmon in the EU has been good in the quarter with 2 per cent higher global import volumes, 84 per cent of the volume comes from Norway. Norwegian export volume to the EU increased by 3 per cent from the corresponding prior-year period, while the export value increased by 11 per cent. Even with higher salmon prices compared with the first quarter of 2019 most of the major markets had an increase in import volumes from Norway. The smaller markets had a decrease in import volumes, among these, Italy had a reduction of 25 per cent in import volumes in the quarter. UK, Spain and Holland had the highest increase in the first quarter. That the growth in import volumes is as high as the global supply growth indicate that the underlying demand in EU still is good.

Harvest volume (tonnes)	Q1/20	yr/yr	Q2/20 E	yr/yr
Norway	300 500	1 %	313 600	2 %
Chile	188 100	9 %	166 600	5 %
Uk	34 500	-17 %	47 300	5 %
Canada	30 600	3 %	35 000	-3 %
Faroe Islands	17 400	-20 %	19 200	4 %
Australia	15 500	10 %	15 400	17 %
USA	5 000	28 %	4 400	-17 %
Iceland	9 100	38 %	6 900	41 %
Others	8 590	12 %	10 170	18 %
	609 290	2 %	618 570	3 %

Source: Kontali Analyse

Solgt volum (tonn wfe)	Q1/20	yr/yr	Q2/20 E	yr/yr
EU	252 100	2 %	274 600	5 %
USA	128 800	0 %	132 300	3 %
Øst Europa ex. Russland	8 800	-8 %	9 600	12 %
Russland	19 800	9 %	18 400	8 %
Asia ex. Japan	60 100	-11 %	64 000	2 %
Japan	14 800	-1 %	13 800	1 %
Andre	106 900	-3 %	104 000	2 %
	591 300	-1 %	616 700	4 %

Kilde: Kontali Analyse

Q1/2020	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to EU:				
Poland	40 768	4 %	2 239	6 %
France	27 164	5 %	1 743	16 %
Denmark	24 146	0 %	1 426	9 %
UK	19 752	18 %	1 210	25 %
Spain	19 227	11 %	1 211	21 %
Holland	18 129	24 %	1 139	32 %
Others in EU	61 967	-6 %	3 884	1 %
Total Norway to EU	211 153	3 %	12 851	11 %
Others to EU	40 947	-5 %		
EU total	252 100	2 %		

Source: Norsk sjømatråd



INTERIM REPORT

Q1 2020

The global demand for salmon in Asia decreased by 10 per cent in the first quarter. Import volumes from Norway decreased by 4 per cent. Norway had a market share of 64 per cent in the fourth quarter. Chile had a decrease toward this region in the quarter as well and import volumes decreased with 18 per cent. The Chinese import from Norway decreased by 30 per cent in the quarter. Much of the decrease can probably be attributed to the Covid-19 pandemic. While the markets in Japan and South-Korea increased their import from Norway with 9 per cent in the quarter.

Q1/2020	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Asia				
South East Asia	12 128	-4 %	835	7 %
Japan	10 763	9 %	721	14 %
Middle East	8 827	4 %	582	13 %
China (incl. Hong Kong)	7 835	-30 %	554	-19 %
South-Korea	7 896	9 %	569	19 %
Others in Asia	218	0 %	16	14 %
Total Norway to Asia	47 667	-4 %	3 276	6 %
Others to Asia	27 233	-18 %		
Asia Total	74 900	-10 %		

Source: Norsk sjømatråd

Despite higher prices the total export of salmon to Eastern Europe increased in the first quarter of 2020. Global import volumes increased by 3 per cent but import volumes from Norway decreased with 4 per cent. Volumes to Russia from other producer nations increased by 6 per cent in the fourth quarter. Norway had a market share of 26 per cent in Eastern Europe.

Q1/2020	Tonn	år/år	MNOK	år/år
Norway to Eastern Europe				
Ukraine	3 868	-2 %	211	5 %
Turkey	1 075	-22 %	65	-12 %
Belarus	879	-27 %	41	-37 %
Kazakhstan	1 027	30 %	60	28 %
Others in Eastern Europe	669	28 %	41	37 %
Norway to Eastern Europe	7 518	-4 %	418	0 %
Other to Eastern Europe	21 082	6 %		
Eastern Europe Total	28 600	3 %		

Source: Norsk sjømatråd

The demand for salmon in North America has developed well in the last quarters but stagnated in the first quarter of 2020. In total, import to North America was unchanged, while volume from Norway increased by 11 per cent.

Q1/2020	Tonn	år/år	MNOK	år/år
Norway to North America				
USA	18 096	10 %	1 457	19 %
Canada	986	50 %	87	53 %
Total Norway to North Ame	19 082	11 %	1 544	21 %
Others to North America	109 718	-1 %		
North America Total	128 800	0 %		

Source: Norsk sjømatråd

The first quarter was challenging for the NRS' Sales operations, low margins contributed negatively to the profitability in the quarter. The quarter started well with high prices, but the effect of the Covid-19 pandemic and volatile exchange rate significantly impacted the logistics and market for salmon later in the quarter. The sales volume was 22 per cent lower than in the same quarter last year. 69 per cent of the harvested fish were sold in the spot market in the first quarter, while 31 per cent were sold at fixed prices. The fixed price contracts resulted in a loss of NOK 7.3 million compared to the level of Fish Pool prices. The sales volumes to Eastern Europe increased by 4 per cent in the quarter, volumes to Western Europe decreased with 8 per cent and export volumes to Asia decreased with 48 per cent. The volumes sold in Norway decreased by 51 per cent in the quarter. In the first quarter, Western Europe accounted for 79 per cent of the export volumes, Asia for 13 per cent and Eastern Europe for 8 per cent. Domestic volume amounts to 14 per cent of the total sold volume.

OUTLOOK

Harvested volume for the quarter was 5 409 tonnes, which is approximately 100 tonnes lower than estimated in the last quarterly report. Estimated harvest volume for 2020 is 37 000 tonnes gutted weight, an increase of 36 per cent compared with the volume of Region North in 2019. For the last three quarters of 2020, 7 942 tonnes are hedged, of which 2 613 tonnes are hedged in the second quarter of 2020.

In the second quarter of 2020 Kontali Analyse expects global harvest volumes to increase with 3 per cent compared with the second quarter of 2019. For 2020 Kontali Analyse expects a growth in global harvest volume of 4 per cent from 2019, which is a moderate growth seen



in historical context. The growth in 2020 from Norway is expected to be 3 per cent and the growth from Chile is expected to be 5 per cent.

Over the past month, the Covid-19 pandemic has spread throughout the world and significantly impacted the logistics and market for salmon. This situation creates significant unpredictability and uncertainty both in terms of consequences and duration. Potential consequences for Norway Royal Salmon are difficult to specify, but the company is monitoring the situation closely and will take corrective action when needed. As result of the Covid-19 pandemic, the Board has proposed to reduce the dividend from NOK 10.00 to NOK 5.00 per share. With Norway Royal Salmon's solid financial foundation and highly competent staff, we are well positioned to get through these challenging times. NRS's operational goal of producing sustainable and healthy food is especially important in times like these. We will do everything we can to continue the company's production given the negative consequences of the pandemic, without compromising health and safety.

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

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

Trondheim, 11 May 2020

Helge Gåsø
Chair

Eva Kristoffersen
Vice chair

Marianne E. Johnsen

Tom Vidar Rygh

Lars Måsøval

Trude Olafsen

Charles Høstlund
CEO



CONSOLIDATED INCOME STATEMENT

(NOK '000)	Q1 2020	Q1 2019	FY 2019
Operating revenues	1 269 914	1 486 570	5 586 670
Cost of goods sold	1 082 624	1 216 135	4 586 500
Salaries	40 438	40 228	154 466
Depreciation	23 300	21 048	86 804
Other operating costs	48 761	47 634	216 098
Operational EBIT	74 791	161 525	542 802
Fair value adjustments	2 540	-35 166	-132 023
Write down of assets	0	0	-4 379
Income from associates	17 817	10 758	16 901
EBIT	95 149	137 118	423 301
Gain/loss on financial assets	-34 618	37 345	78 658
Other net financial items	-5 386	-6 345	-27 183
Earnings before tax (EBT)	55 145	168 118	474 775
Taxes	-15 831	-23 938	-84 278
Profit after tax from continuing operations	39 313	144 180	390 498
Profit after tax on discontinued operations incl. profit from sale	0	371	922 600
Net profit/loss	39 313	144 551	1 313 098
Profit attributable to:			
Parent company shareholders	38 686	143 066	1 306 722
Minority interests	627	1 485	6 376
Earnings per share, continuing operations (NOK)	0,56	3,29	8,86
Earnings per share, continuing operations - diluted	0,56	3,29	8,86
Earnings per share (NOK)	0,56	3,29	30,14
Earnings per share - diluted	0,56	3,29	30,14

COMPREHENSIVE INCOME STATEMENT

(NOK '000)	Q1 2020	Q1 2019	FY 2019
Net profit/loss	39 313	144 551	1 313 098
Items to be reclassified to profit or loss:			
Translation differences and OCI posts from associated companies	38 391	-15 176	-2 182
Cash Flow hedges (net of tax)	-47 801	11 735	18 424
Items not to be reclassified to profit or loss:			
Actuarial gains on defined benefit plans (net of tax)	0	0	-7 686
Total comprehensive income	29 904	141 110	1 321 653
Total comprehensive income attributable to:			
Parent company shareholders	29 276	139 625	1 315 277
Non-controlling interests	627	1 485	6 376

BALANCE SHEET

(NOK '000)	31.03.2020	31.03.2019	31.12.2019
Intangible assets	749 515	846 807	713 947
Property, plant and equipment	1 372 056	751 736	1 175 568
Non-current financial assets	806 819	654 240	676 723
Non-current assets	2 928 390	2 252 783	2 566 238
Inventory and biological assets	1 316 319	1 227 345	1 311 784
Receivables	427 163	394 754	650 199
Bank deposits, cash	58 344	79 006	152 317
Current assets	1 801 827	1 701 105	2 114 300
TOTAL ASSETS	4 730 217	3 953 888	4 680 538
Share capital	43 464	43 043	43 432
Other equity	3 291 716	2 268 746	3 267 659
Non-controlling interests	46 577	43 027	45 949
Equity	3 381 757	2 354 816	3 357 040
Pensions	27 638	19 005	27 638
Deferred tax	367 340	412 999	358 208
Provisions	394 978	432 004	385 847
Long-term interest-bearing debt	205 884	303 524	200 933
Short-term interest-bearing debt	210 341	144 642	47 927
Trade payables	353 475	632 510	575 895
Tax payable	0	0	42 537
Other current liabilities	183 783	86 391	70 359
Current liabilities	747 598	863 544	736 718
TOTAL EQUITY AND LIABILITIES	4 730 217	3 953 888	4 680 538

STATEMENT OF EQUITY

31.03.2020		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	29 276	29 276	627	29 904	
Transactions with shareholders							
Share based payment	0	0	933	933	0	933	
Net purchase and sale of treasury shares	0	32	-6 422	-6 390	0	-6 390	
Other equity transactions in the group	0	0	-64	-64	0	-64	
Equity transactions associated companies	0	0	333	333	0	333	
Total transactions with shareholders	0	32	-5 220	-5 187	0	-5 188	
Equity at 31.03.2020	43 572	-108	3 291 716	3 335 180	46 576	3 381 757	

31.03.2019		Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings				
Equity at 01.01.2019	43 572	-58	2 235 729	2 279 244	41 542	2 320 785	
Total comprehensive income	0	0	139 625	139 625	1 485	141 110	
Transactions with shareholders							
Share based payment	0	0	-4 566	-4 566	0	-4 566	
Net purchase and sale of treasury shares	0	-471	-102 042	-102 513	0	-102 513	
Total transactions with shareholders	0	-471	-106 608	-107 079	0	-107 079	
Equity at 31.03.2019	43 572	-529	2 268 746	2 311 790	43 027	2 354 816	

31.12.2019		Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings				
Equity at 01.01.2019	43 572	-58	2 235 729	2 279 243	41 542	2 320 785	
Total comprehensive income	0	0	1 315 277	1 315 277	6 376	1 321 653	
Transactions with shareholders							
Dividend	0	0	-258 259	-258 259	-1 969	-260 228	
Share based payment	0	0	-1 412	-1 412	0	-1 412	
Net purchase and sale of treasury shares	0	-83	-24 952	-25 035	0	-25 035	
Other equity transactions in the group	0	0	-1 441	-1 441	0	-1 441	
Equity transactions associated companies	0	0	2 719	2 719	0	2 719	
Total transactions with shareholders	0	-83	-283 346	-283 428	-1 969	-285 398	
Equity at 31.12.2019	43 572	-141	3 267 659	3 311 092	45 949	3 357 040	

Consolidated statement of cash flow

(NOK '000)	Q1 2020	Q1 2019	FY 2019
Operational EBIT	74 791	164 318	542 802
Adjusted for:			
Taxes paid	-38 379	-138 000	-138 290
Depreciation	23 300	24 133	86 804
Share based payment	-5 489	-4 566	-1 413
Pension costs with no cash effect	0	0	-1 199
Change in inventories/biological assets	-5 855	58 479	-260 491
Change in account receivables and accounts payables	-126 797	265 349	17 974
Change in other current assets and liabilities	110 295	-50 779	-22 897
Net cash flow from operating activities	31 867	318 934	223 291
Cash flow from investing activities			
Payments for purchase of fixed assets and licenses (MAB)	-243 301	-86 536	-584 237
Payments for acquisition of associated company	0	0	-43 738
Proceeds from realisation of current financial assets (TRS)	10 651	25 376	-3 809
Proceeds from investments in non-current financial assets	2 643	0	19 950
Net cash proceeds from discontinued operations	0	0	1 125 700
Change in loans to associates and others	-71 696	-3 000	-22 270
Net cash flow from investing activities	-301 703	-64 160	491 595
Cash flow from financing activities			
Receipts from new non-current debt	75 950	0	48 841
Non-current debt repayment	-54 982	-264 577	-400 404
Net change in bank overdraft	160 236	42 382	-51 611
Net proceeds from transactions with treasury shares	32	-102 513	-25 035
Net interest payments	-5 373	-6 713	-29 785
Dividend payment	0	0	-260 229
Net cash flow from financing activities	175 863	-331 421	-718 223
Net increase in cash and cash equivalents	-93 973	-76 647	-3 336
Cash and cash equivalents as of 1 January	152 317	155 653	155 653
Cash and cash equivalents as of 31 March	58 344	79 006	152 317

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting principles

These condensed, consolidated interim financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRSs) and such interpretations as are determined by the EU and published by the International Accounting Standards Board, including the interim reporting standard (IAS 34). The interim financial statements do not include all the information required of an annual financial report and must therefore be read in conjunction with the consolidated financial statements for the 2019 financial year.

The condensed consolidated interim financial statements have not been audited. As a result of rounding differences, numbers or percentages may not add up to the total.

The consolidated financial statements for the Group for the year 2019 are available upon request from the company's head office at Ferjemannsveien 10, Trondheim or at www.norwayroyalsalmon.com.

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2019.

NOTE 2: Operating segments

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

The Group's business areas are divided into the Sales and Fish farming. The Sales segment includes the purchase and sale of salmon. The fish farming business includes salmon farming and harvesting activities. All farming sites are located in Troms and Finnmark.

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 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Total sales revenues	1 269 887	1 486 446	336 159	422 856	27	124	1 606 073	1 909 426
Internal sales revenues	0	0	336 159	422 856	0	0	336 159	422 856
External sales revenues	1 269 887	1 486 446	0	0	27	124	1 269 914	1 486 570
Operating costs	1 278 900	1 488 647	237 727	241 939	-321 504	-405 541	1 195 123	1 325 045
Operational EBIT	-9 013	-2 201	98 433	180 917	-14 628	-17 191	74 791	161 525
Fair value adjustments	3 860	-897	-1 320	-34 269	0	0	2 540	-35 166
Income from associates	0	0	0	0	17 817	10 758	17 817	10 758
EBIT	-5 153	-3 097	97 113	146 648	3 189	-6 433	95 149	137 118
EBT	-6 636	-4 311	84 967	143 308	-23 187	29 120	55 145	168 118
Volume harvested (HOG)			5 409	7 016			5 409	7 016
Operational EBIT per kg			18,20	25,79			18,20	25,79
Volume sold	17 900	22 838					17 900	22 838
Operational EBIT per kg	-0,50	-0,10					-0,50	-0,10
- of which gain / -loss on fixed-price contracts per kg.	-0,41	0,09					-0,41	0,09

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass

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

The fair value of fish in the sea is calculated in the present value model as a function of the expected biomass at the time of harvest multiplied by the expected sales price. For fish that are not harvestable, estimated remaining costs to breed the fish to its harvestable weight are deducted. Cash flows are discounted monthly using a discount factor. The discount factor consists of three main components: 1) risk for events that affect cash flow, 2) hypothetical license and site rent and 3) the time value of money. The discount factor is reduced from 6.0 % in previous quarter to 5.0 % this quarter. The reduction is based on reduced expectations of profitability in the industry and impact on the hypothetical license and site rent. Expected biomass (volume) is based on the estimated number of individuals in the sea, adjusted for expected mortality until harvesting and multiplied by the expected harvest weight per individual at the time of harvest. The measuring unit is the individual fish, but for practical reasons the calculation is made on site level. Live weight of fish in the sea is translated into gutted weight to get the same measurement unit as the prices are set in.

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

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

Book value of inventory:

(NOK '000)	31.03.2020	31.03.2019	31.12.2019
Raw materials	23 882	23 461	36 453
Biological assets	1 243 001	1 133 450	1 231 662
Finished goods	49 437	70 434	43 670
Total inventory	1 316 319	1 227 345	1 311 784
Of which discontinued operations	0	116 740	0
Continued operations	1 316 319	1 110 605	1 311 784

Specification of the biological assets:

(NOK '000)	31.03.2020	31.03.2019	31.12.2019
Biological assets at cost	1 026 053	816 125	1 013 394
Fair value adjustments of the biomass	216 948	317 325	218 268
Book value biological assets	1 243 001	1 133 450	1 231 662
Of which discontinued operations	0	116 740	0
Continued operations	1 243 001	1 016 710	1 231 662

Specification of biological assets - tonnes

(NOK '000)	Q1 2020	Q1 2019	FY 2019
Opening balance biological assets	26 033	24 675	24 675
Increase due to fish put in the sea	216	0	1 555
Increase due to production in the period	6 765	6 447	43 252
Reduction due to mortality in the period	-821	-718	-2 733
Reduction due to harvesting in the period	-6 439	-9 638	-36 320
Non-recurring items	0	0	-4 396
Closing balance biological assets	25 754	20 765	26 033
Of which discontinued operations	0	2 148	
Continued operations	25 754	18 617	26 033

Specification of changes in book value of biological assets:

(NOK '000)	Q1 2020	Q1 2019	FY 2019
Opening balance biological assets	1 231 661	1 240 393	1 240 393
Increase due to production in the period	222 414	192 668	1 377 738
Non-recurring event at cost	0	0	-11 000
Reduction due to harvesting in the period	-209 755	-263 665	-1 055 101
Fair value adjustments of the biological assets	-1 320	-35 945	-125 420
Fair value adj. of the biological assets due to non-recurring event	0	0	-194 947
Closing balance biological assets	1 243 001	1 133 450	1 231 661
Of which discontinued operations	0	116 740	0
Continued operations	1 243 001	1 016 710	1 231 661

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass cont.

Groups of biological assets, status as of 31.03.2020	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	3 878	1 780	151 680	34 182	185 862
1-4 kg	7 874	16 417	649 511	144 395	793 905
Larger than 4 kg	1 551	7 557	224 862	38 371	263 233
Biological assets	13 304	25 754	1 026 053	216 947	1 243 001

Groups of biological assets, status as of 31.03.2019	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	3 141	1 607	129 244	23 510	152 754
1-4 kg	6 741	10 991	462 382	144 156	606 537
Larger than 4 kg	1 750	8 167	224 498	149 660	374 158
Biological assets	11 632	20 765	816 124	317 325	1 133 450
Of which discontinued operations	1 328	2 148	109 290	5 419	114 709
Continued operations	10 304	18 617	706 835	311 906	1 018 743

Groups of biological assets, status as of 31.12.2019	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	6 757	3 515	261 098	22 868	283 967
1-4 kg	5 357	12 734	454 350	78 241	532 591
Larger than 4 kg	2 154	9 784	297 945	117 158	415 103
Biological assets	14 268	26 032	1 013 393	218 268	1 231 662

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

31.03.2020	NOK/kg	31.03.2019	NOK/kg	31.12.2019	NOK/kg
Q2 20	53,90	Q2 19	66,35	Q1 20	66,20
Q3 20	53,50	Q3 19	58,63	Q2 20	66,80
Q4 20	54,70	Q4 19	58,90	Q3 20	54,90
Q1 + Q2 21	64,70	Q1 + Q2 20	62,95	Q4 20	56,30
Q3 + Q4 21	56,70	Q3 + Q4 20	59,75	Q1 + Q2 21	59,50

NOTE 4: Non-recurring events

Non-recurring event 1)	Q1 2020			Q1 2019		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
Biological assets	0	0	0	0	0	0

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: Fair value adjustments

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

(NOK '000)	Q1 2020	Q1 2019	FY 2019
Change in fair value adjustments of the biomass	-1 320	-35 945	-125 420
Change in provision for onerous sales contracts	3 860	-490	-2 399
Change in unrealised gains/losses on financial Fish Pool contracts	0	-406	-1 717
Total fair value adjustments	2 540	-36 842	-129 536
Of which discontinued operations	0	-1 676	2 487
Continued operations	2 540	-35 166	-132 023

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

(NOK '000)	31.03.2020	31.03.2020	FY 2019
Fair value adjustments biomass (inventory and biological assets)	216 948	317 325	218 268
Provision for onerous sales contracts (other current liabilities)	0	-1 952	-3 860
Fair value of financial Fish Pool contracts (other receivables/other current liabilities)	0	1 311	0
Net fair value adjustments in the balance sheet	216 948	316 684	214 408

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 are purchased at market terms. The table below shows figures from continued operations.

Goods and services purchased: (NOK '000)	Q1 2020	Q1 2019	FY 2019
Associates - products purchased	162 370	14 853	461 577
Associates - services purchased	5 768	22 359	33 209
Companies controlled by large shareholder - products purchased	79 930	213 734	656 566
Companies controlled by large shareholder - services purchased	9 024	8 345	32 916
Total goods and services purchased from related parties	257 092	259 291	1 184 268

Share-based incentive schemes

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

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

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

	Program introduced in 2018	Program introduced in 2019	Program introduced in 2020	All programs
Change in number of options				
At 31 December 2019	393 286	366 223	0	759 509
Exercised in the year	-379 953	0	0	-379 953
Allocated during the year (new program)	0	0	216 934	216 934
Terminated	-13 333	-34 239	0	-47 572
Number of options at 31 March 2020	0	331 984	216 934	548 918
Exercise price	150,51	197,48	202,04	
Number of employees in the program at 31 March 2020	0	21	34	55

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.01.2020	Share of profit/loss in the period after tax	Other changes	Book value 31.03.2020	Share of volume harvested - tonnes HOG 31.03.2020 ¹⁾
Arctic Fish ehf.	50,00 %	227 750	3 657	38 391	269 798	431
Wilsgård Fiskeoppdrett AS	37,50 %	180 939	1 445	0	182 384	289
Måsøval Fishfarm AS	36,10 %	26 182	4 733	0	30 916	215
Hellesund Fiskeoppdrett AS	33,50 %	111 710	9 467	336	121 513	260
Hardanger Fiskeforedling AS	31,10 %	11 799	-545	0	11 254	
Ranfjord Fiskeprodukter AS ²⁾	37,75 %	2 643	0	-2 643	0	
Skardalen Settefisk AS	30,00 %	4 569	-494	0	4 075	
Nordnorsk Smolt AS	50,00 %	42 247	-446	0	41 800	
Other		48	0	0	48	
Total associates Q1 2020		607 885	17 818	36 085	661 787	1 195
Total associates Q1 2019		568 443	10 377	-15 176	563 646	1 619

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

²⁾ The shares in Ranfjord Fiskeprodukter AS w as sold during the first quarter.

The Group's associated companies own together eleven fish farming licenses in Norway and Arctic Fish on Iceland has licenses for 11 000 tonnes.

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

Associates that own shares in NRS as at 31 March 2020:

	Shareholding	Number of shares	Fair value 1)	NRS' share of fair value
Måsøval Fishfarm AS	36,10 %	278 606	57 950	20 920
Hellesund Fiskeoppdrett AS	33,50 %	1 665 843	346 495	116 076
Totalt		1 944 449	404 445	136 996

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

Note 8: Treasury shares and TRS agreements

As at 31 March the company holds 108 334 treasury shares, corresponding to 0.25 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 31 March 994 609 shares, representing 2.28 % 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. A gain of KNOK 10 651 at realisation of the TRS-agreement w as recognised in the quarter and change in the unrealised value of the TRS agreements resulted in an unrealised loss of KNOK 45 285. Thus a net loss of KNOK 34 618 w as recognised as a financial item in the income statement in the period.

(NOK '000)	No. of shares	Exercise Price	Maturity	Market value 31.03.2020	Market value 31.12.2019	Change in market value Q1 2020
TRS entered into 19 March 2020	994 609	200,39	15.06.2020	7 569	52 854	-45 285
Totalt				7 569	52 854	-45 285

NOTE 9: Loans to credit institutions

The Group's main borrowing covenants is one requiring an equity ratio of at least 30 per cent, adjusted for IFRS 16 effects, and another requiring that the short-term credit facility shall not exceed 75 per cent of the carrying value of inventory and accounts receivables. At the end of Q1 2020 the Group is in compliance with the terms of its loan agreements.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: Shareholders

Ownership structure – the 20 largest shareholders as at 31.03.2020:

Shareholder	Antall	Eierandel
GÅSØ NÆRINGSUTVIKLING AS	6 993 188	16,05 %
MÅSØVAL EIENDOM AS	5 255 360	12,06 %
NORWAY FRESH AS	4 636 202	10,64 %
HAVBRUKSINVEST AS	4 189 204	9,61 %
EGIL KRISTOFFERSEN & SØNNER AS	3 801 689	8,73 %
HELLESUND FISKEOPPDRETT AS	1 665 843	3,82 %
NYHAMN AS	1 410 000	3,24 %
DNB MARKETS AKSJEHANDEL/-ANALYSE	1 045 314	2,40 %
BNP PARIBAS SECURITIES SERVICES	1 027 762	2,36 %
HANDELSBANKEN NORDISKA SMABOLAG	905 252	2,08 %
STATE STREET BANK AND TRUST COMP	650 000	1,49 %
BROWN BROTHERS HARRIMAN & CO.	453 981	1,04 %
MP PENSJON FK	447 090	1,03 %
THE NORTHERN TRUST COMP, LONDON BR	346 510	0,80 %
FEDERATED INTERNATIONAL EQUITY FND	327 666	0,75 %
JPMORGAN CHASE BANK, N.A., LONDON	322 072	0,74 %
STATE STREET BANK AND TRUST COMP	288 687	0,66 %
MÅSØVAL FISHFARM AS	278 606	0,64 %
LOVUNDLAKS AS	270 792	0,62 %
STATE STREET BANK AND TRUST COMP	259 606	0,60 %
Total 20 largest shareholders	34 574 824	79,35 %
Total other shareholders	8 997 367	20,65 %
Total no. of shares	43 572 191	100,00 %

Alternative performance measures

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

Net Interest-bearing debt

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

(NOK '000)	31.03.2020	31.03.2019	31.12.2019
Reported long-term interest-bearing debt	205 884	303 524	200 933
Reported short-term interest-bearing debt	210 341	144 642	47 927
Interest-bearing long-term receivables	-75 166	-81 217	-63 470
Reported bank deposits, cash	-58 344	-79 006	-152 317
Total net interest bearing debt	282 714	287 943	33 073

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)	31.03.2020	31.03.2019	31.12.2019
Reported equity	3 381 757	2 354 816	3 357 040
Reported total assets	4 730 217	3 953 888	4 680 538
Equity ratio	71,5 %	59,6 %	71,7 %

Operational EBIT per kg

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

(NOK '000)	Q1 2020	Q1 2019	FY 2019
Operational EBIT continuing operations	74 791	161 525	542 802
Unallocated expenses	14 628	17 191	46 094
Non-recurring events (note 4)	0	0	11 000
Operational EBIT	89 420	178 716	599 896
Harvested volume (tonnes)	5 409	7 016	27 297
Operation EBIT per kg	16,53	25,51	21,98

Alternative performance measures (cont.)

Operational EBIT per kg (Segment)

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

Operational EBIT per kg FARMING

(NOK '000)	Q1 2020	Q1 2019	FY 2019
Operational EBIT (segment, note 2)	98 433	180 917	616 243
Share of operational EBIT Sales allocated excl. Contracts	-1 721	-3 733	11 565
Operational EBIT excl. Contracts	96 711	177 183	627 808
Loss(-) / Gain(+) on open fixed-price contracts	-7 292	1 826	10 353
Operational EBIT	89 420	179 010	638 160
Harvested volume (tonnes)	5 409	7 016	27 297
Operational EBIT per kg excl. Contracts	17,88	25,25	23,00
Operational EBIT per kg	16,53	25,51	23,38

Production cost per kg (per segment)

Production cost per kg is defined as a central performance measure for Norway Royal Salmon ASA. The performance measure is used to evaluate the profitability of sold goods per segment. The measure is expressed per kg harvested volume (tonnes HOG)

Production cost per kg FARMING

(NOK '000)	Q1 2020	Q1 2019
Production cost (segment, note 2)	237 727	241 939
Harvested volume (tonnes)	5 409	7 016
Production cost per kg Region North	43,95	34,48

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 2020	Q1 2019	FY 2020
Majority share of net result for the period	24 525	143 066	1 306 722
Majority share of fair value adjustments of biomass after tax	-350	28 196	97 526
Fair value of sales contracts and Fish Pool contracts (in its entirety, the majority share)	-3 011	699	3 210
Majority share of value-adjusted result for the period	21 164	171 962	1 407 459
Weighted average number of ordinary shares outstanding	43 435 306	43 423 337	43 348 577
Value-adjusted earnings per share	0,49	3,96	32,47