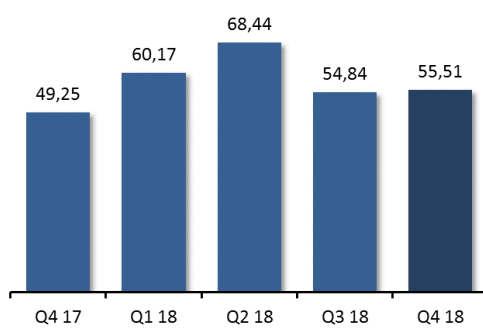


Interim Report

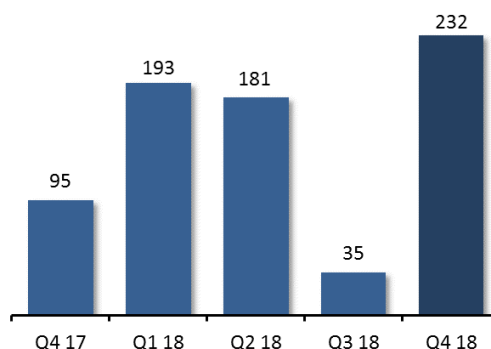
Q4-18



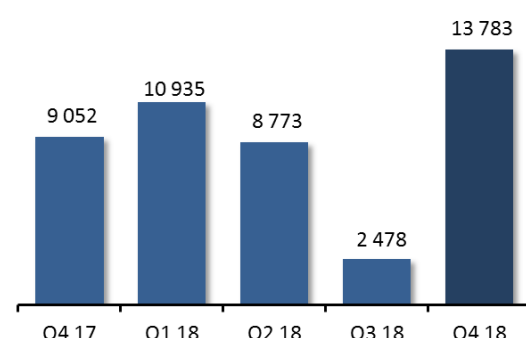
Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)





HIGHLIGHTS Q4 2018

- Operational EBIT of NOK 232 million, the highest in the history of NRS
 - Operational EBIT per kg of NOK 20.20 in Region North
 - Operational EBIT per kg of NOK 0.60 in Region South
- The highest harvested and sold volume in the history of NRS
 - Harvested volume was 52 per cent higher than in the same quarter last year
 - Sold volume was 24 per cent higher than in the same quarter last year
- Continued positive development in the production cost in Region North
- Biological challenges on harvestable fish in Region South resulted in very low margins in the region
- The Board proposes a dividend of NOK 6.00 per share

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Operating revenues	1 600 452	1 243 257	5 080 806	4 937 798
Operational EBITDA	255 865	119 104	731 024	709 923
Operational EBIT	232 436	94 636	641 726	627 861
Income from associates	32 647	1 445	13 753	52 657
EBIT	119 967	-121 145	807 739	485 719
EBT	89 686	-185 999	869 838	322 597
EPS (NOK) – before fair value adjustments	4,48	0,71	13,43	8,72
ROCE ¹⁾			36,8 %	39,8 %
Net cash flow from operating activities	129 618	-89 031	806 696	170 504
Investments in fixed assets/licenses	65 823	14 988	412 941	214 000
Net interest-bearing debt			419 698	633 479
Equity ratio			56,7 %	48,0 %
Volume harvested (HOG)	13 783	9 052	35 970	31 918
Operational EBIT per kg ²⁾	17,73	15,51	19,97	22,10
Volume sold - Sales	27 785	22 471	82 420	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 1 600.5 million (NOK 1 243.3 million) in the fourth quarter of 2018, an increase of 28.7 per cent from the corresponding prior-year period. The increase in revenues is due to higher sold volume and higher prices. The Group achieved the highest operational EBIT in the history of NRS of NOK 232.4 million (NOK 94.6 million), an increase of NOK 137.8 million. The increase in operational EBIT is due to higher harvested volume. The sales operations had weak earnings in the quarter. A gain on open fixed-price contracts compared to the level of spot prices contributed with NOK 9.9 million (NOK 52.0 million) in the quarter. The Group recognised negative fair value adjustments of NOK 145.1 million (negative NOK 217.2 million), an improvement of NOK 72.1 million.

The farming business harvested record high 13 783 tonnes (9 052 tonnes) gutted weight in the quarter, an increase of 52.3 per cent from the corresponding quarter last year. Including allocated margins from sales, Farming achieved an operational EBIT per kg of NOK 17.73 (NOK 15.51). The increase is due to higher price achievement. The Sales business sold record high 27 785 tonnes (22 471 tonnes), an increase of 23.7 per cent.

Financial items and share of profit from associates

Result from associates totalled NOK 32.6 million (NOK 1.4 million) in the fourth quarter. Arctic Fish did not harvest in the quarter as planned, but had overhead and finance costs which resulted in a loss. The start of harvest in Arctic Fish will be in the first quarter of 2019. NRS' share of fair value adjustments of the biomass after tax amounted to NOK 17.9 million (NOK 1.9 million). Associated Norwegian farming companies harvested 1 812 tonnes, 1 457 tonnes less than in the corresponding period last year. NRS share of the above figure amounts to 625 tonnes, a decrease of 570 tonnes.

As a result of the decrease of the NRS' share price from NOK 196.40 at the start of the quarter to NOK 179.0 at the end of the quarter, a loss of NOK 27.2 million (NOK 59.3 million) on TRS agreements on own shares was posted in the quarter. Net interest expenses for the period were NOK 1.3 million (NOK 5.2 million), a decrease of NOK 3.8 million because of lower interest-bearing debt.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 4 090.8 million, a decrease of NOK 24.2 million from the prior quarter end. The change in total assets is attributable to several factors. Fixed assets had a net increase of NOK 59.0 million and the Group's receivables increased by NOK 87.3 million. Financial assets decreased with NOK 5.5 million. Fair value adjustments of the biomass decreased by NOK 156.0 million, while inventories and biomass at cost decreased by NOK 83.3 million. The net decrease in inventories and biological assets was NOK 239.3 million. The Group's bank deposits increased by NOK 74.2 in the quarter.

The Group's net interest-bearing debt decreased by NOK 80.1 million, from NOK 499.8 million at the end of the previous quarter to NOK 419.7 at 31 December 2018. The decrease is mainly attributable to an operational EBITDA of NOK 255.9 million, received dividend from associates of NOK 6.9 million and received repayment on loans to suppliers of NOK 2.0 million. Investments in fixed assets of NOK 47.8 million, other investments of NOK 7.7 million, paid



taxes of NOK 36.7 million, increased working capital of NOK 84.4 million, payment of interest and fees of NOK 3.0 million and loans given to associates of NOK 2.9 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 998.4 million and bank deposits of NOK 155.7 million.

As of 31 December, the Group's equity totalled NOK 2 320.8 million, an increase of NOK 77.3 million from the end of the previous quarter. The increase is attributable a positive total comprehensive income of NOK 76.7 million. The equity ratio at the end of the quarter was 56.7 per cent.

Statement of cash flow

The Group's operating activities generated a positive cash flow of NOK 129.6 million during the quarter, which represents an increase of NOK 218.6 million compared with the corresponding prior-year quarter. The positive cash flow is attributable to a positive operational EBITDA of NOK 255.9 million, a decrease in inventories and biological assets at cost of NOK 83.3 million and a net decrease in short term posts of NOK 48.4 million. Paid taxes of NOK 36.7 million and a net reduction in accounts receivables and accounts payables of NOK 222.7 million had the opposite effect on the cash flow.

Net cash outflows related to investing activities in the fourth quarter amounted to NOK 49.5 million (NOK 18.6 million), which is attributable to investments in fixed assets of NOK 47.8 million and development projects of NOK 7.7 million as well as an increase in loans given to associated companies by NOK 0.9 million. Received dividend from an associated company of NOK 6.9 million had a positive effect on the cash flow.

The net cash outflows from financing activities totalled NOK 5.9 million (cash inflow of NOK 17.0 million) in the fourth quarter. Finance costs paid and instalments amounted to NOK 3.0 million and NOK 13.8 million respectively. The overdraft facility increased by NOK 10.9 million 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 39 426 tonnes MAB to produce farmed salmon, divided between 34 746 tonnes MAB in Region North, located in Troms and western Finnmark, and 4 680 tonnes MAB in Region South, located in the area around Haugesund.

The segments posted sales revenues of NOK 1 598.6 million in the fourth quarter (NOK 1 241.4 million), an increase of 28.8 per cent from the corresponding period last year. The spot price (NASDAQ) for superior quality during the quarter was NOK 55.51 per kg gutted weight, an increase of 1 per cent from the third quarter of 2018 and an increase of 13 per cent compared with the fourth quarter of 2017. The sales operations experienced an increase



INTERIM REPORT

Q4 2018

in sales volumes of 23.7 per cent compared with the corresponding prior-year period. 27 785 tonnes (22 471 tonnes) were sold in the fourth quarter, which is a record for NRS. The Sales business achieved an operational EBIT before open fixed-price contracts of NOK 3.4 million (NOK 5.0 million), which equates to NOK 0.12 (NOK 0.22) per kg sold volume in the period. Gain on open fixed-price contracts compared to the level of spot prices was NOK 9.9 million (NOK 52.0 million) in the quarter.

The Farming operations harvested 13 783 tonnes (9 052 tonnes) gutted weight in the fourth quarter, an increase of 52.3 per cent from the corresponding period last year. This is the highest harvest volume in a quarter for NRS. The estimated harvest volume for 2019 is 38 000 tonnes gutted weight.

REGION NORTH

Operational EBIT came in at NOK 243.3 million (NOK 116.0 million), an increase of NOK 127.3 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK 19.49 (NOK 10.10). Gain on fixed-price contracts of NOK 0.72 per kg (NOK 5.74) contributed to an operational EBIT per kg of NOK 20.20 (NOK 15.84).

12 042 tonnes (7 326 tonnes) were harvested in the region in the fourth quarter, an increase of 64.4 per cent. The achieved price for the Farming operations was NOK 6.89 higher per kg than in the corresponding period last year. The size of the harvested fish contributed positively, while the quality of the fish contributed negatively to the price achievement.

Total production costs per kg for harvested fish was NOK 33.78, which is NOK 0.91 lower than in the third quarter of 2018 and NOK 2.80 lower than in the corresponding period last year. The production cost on harvested fish from Finnmark has been low in the quarter. Harvest of fish from areas with temporary restrictions has resulted in high well boat and harvest costs in Troms.

The estimated harvest volume for 2019 is 33 000 tonnes gutted weight.

KEY FIGURES (NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Operating revenues	1 697 165	1 004 652	4 636 283	3 678 491
Operational EBITDA	263 417	133 559	714 506	576 860
Operational EBIT	243 297	116 045	638 160	529 227
Investment in tangible assets/licenses	14 317	68 217	337 843	177 800
Volume harvested (tonnes HOG)	12 042	7 326	30 384	24 697
Operational EBIT per kg (ex contracts)	19,49	10,10	20,66	18,58
Gain (+)/Loss (-) on open fixed price contracts	0,72	5,74	0,34	2,85
Operational EBIT per kg	20,20	15,84	21,00	21,43



REGION SOUTH

Operational EBIT came in at NOK 1.0 million (NOK 24.4 million), a decrease of NOK 23.3 million. Operational EBIT (ex. contracts) per kg amounted to NOK -0.12 (NOK 8.37). Gain on fixed-price contracts of NOK 0.72 per kg (NOK 5.74) contributed to an operational EBIT per kg of NOK 0.60 (NOK 14.12).

1 741 tonnes (1 726 tonnes) were harvested in the region in the fourth quarter, an increase of 0.86 per cent from the corresponding prior-year period. The Farming operations achieved a price which was NOK 4.81 per kg higher than in the corresponding prior-year period. Size and quality of the harvested fish contributed negatively to the price achievement.

The production costs for harvested fish was NOK 51.60, which is NOK 11.69 per kg higher than in the third quarter and NOK 13.00 higher than in the corresponding period last year. The high production costs are due high mortality on harvestable fish as a result of the fish disease yersiniosis. As a result of this, estimated harvest volume for 2019 is reduced to 5 000 tonnes gutted weight. Fish from the same sites are harvested until the end of July 2019, and consequently high production costs are expected until the fish have been harvested. All smolt will be vaccinated for the disease in the future.

KEY FIGURES (NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Operating revenues	210 727	236 455	747 657	1 143 760
Operational EBITDA	4 302	27 565	93 062	185 156
Operational EBIT	1 047	24 367	80 313	176 041
Investment in tangible assets	2 880	17 686	12 131	22 732
Volume harvested (tonnes HOG)	1 741	1 726	5 586	7 221
Operational EBIT per kg (ex contracts)	-0,12	8,37	14,53	21,94
Gain (+)/Loss (-) on open fixed price contracts	0,72	5,74	-0,15	2,44
Operational EBIT per kg	0,60	14,12	14,38	24,38

SHARES

As of 31 December 2018, Norway Royal Salmon ASA have 43 572 191 shares, allocated among 2 519 shareholders, an increase of 484 from the end of the previous quarter. At the end of the quarter, the group had 57 954 treasury shares. The share price decreased from NOK 196.40 at the end of September 2018 to NOK 179.00 at the end of December 2018. 7 309 016 shares were traded during the quarter.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

Contractual rights and TRS agreements for own shares

Norway Royal Salmon owns 57 954 treasury shares and has through a TRS-agreement a contractual right to 1 485 756 shares, which in total equates 3.54 per cent of the company's share capital.

Sickness absence

At 3.2 per cent, the Group's sickness absence rate increased by 1.4 per cent from the previous quarter. The long-term absenteeism represents a substantial part of the absence.

MARKET CONDITIONS

The total value of salmon exported from Norway in the fourth quarter was NOK 18.5 billion, an increase of 9.2 per cent from the fourth quarter of 2017. Exported volume from Norway was 0.3 per cent higher than in the fourth quarter of 2017, which means that value increase is due to higher prices. The spot price (NASDAQ) in the fourth quarter of 2018 was NOK 55.51 per kg superior quality salmon (delivered Oslo). This is an increase of 12.7 per cent from the fourth quarter of 2017. In EUR, the prices of Norwegian salmon increased 13.0 per cent to EUR 5.76 per kg. The export price of NOK 60.32 was higher than the spot price and 8.9 per cent higher than in the same period last year.

Despite an increase in global supply, the prices in the spot market increased from the same quarter last year. Harvested volumes from Norway are unchanged compared with the same quarter last year. From Chile the harvesting volumes increased by 17 per cent. This resulted in an increase in global harvesting volumes of 5 per cent. For Q1 2019 Kontali Analyse expects a harvesting volume which is 5 per cent higher than in Q1 2018.

Harvest volume (tonnes wfe)	Q4/18	yr/yr	Q1/19 E	yr/yr
Norway	356 700	0 %	305 000	5 %
Chile	189 500	17 %	178 500	3 %
Uk	45 100	0 %	37 400	12 %
Canada	38 900	3 %	33 200	9 %
Faroe Islands	23 900	16 %	18 700	4 %
Australia	18 300	-3 %	14 700	1 %
USA	5 600	-2 %	3 900	5 %
Iceland	3 900	50 %	4 600	5 %
Others	6 300	-5 %	8 400	50 %
	688 200	5 %	604 400	5 %

Source: Kontali Analyse

Sold volumes increased by 6 per cent in the quarter compared with the same period last year. This is higher than the increase in global harvest volume and indicate slightly lower frozen inventory increase compared to the same quarter last year. Russia and Other markets are the markets that grows most.

Sold volumes (tonnes wfe)	Q4/18	yr/yr	Q1/19 E	yr/yr
EU	306 600	3 %	248 400	4 %
USA	121 700	6 %	131 400	10 %
Eastern Europe ex. Russia	11 200	-16 %	9 800	2 %
Russia	30 700	19 %	26 500	13 %
Asia ex. Japan	71 600	6 %	70 000	3 %
Japan	17 500	-1 %	14 700	4 %
Others	120 000	13 %	107 400	3 %
	679 300	6 %	608 200	5 %

Source: Kontali Analyse



INTERIM REPORT

Q4 2018

Demand for salmon in the EU has been good in the quarter with 3 per cent higher global import volumes, 85 per cent of the volume comes from Norway. Norwegian export to the EU increased by 4 per cent in volume, while the export value increased by 12 per cent. Even with higher salmon prices in the fourth quarter, many of the major markets increased the volume of imports from Norway with more than the increase in global supply. Poland, UK and Netherland had also in the fourth quarter a substantial increase. In France and Spain import volumes were slightly reduced. Although the growth in import volumes is lower than the global growth, the development in the EU still signals continued good underlying demand development.

Q4/2018	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to EU:				
Poland	51 126	18 %	2 527	26 %
France	36 799	-1 %	1 959	7 %
Denmark	28 858	0 %	1 441	10 %
UK	21 923	8 %	1 168	12 %
Spain	20 896	-1 %	1 101	5 %
Holland	19 765	13 %	1 052	19 %
Others in EU	79 710	-1 %	4 274	7 %
Total Norway to EU	259 077	4 %	13 522	12 %
Others to EU	47 523	-2 %		
EU total	306 600	3 %		

Source: Norsk sjømatråd

Demand for salmon in Asia developed well in the fourth quarter after it stagnated in the third quarter of 2018. Import volumes increased by 5 per cent in total, but fell by 10 per cent from Norway. Norway had a market share of 55 per cent in the fourth quarter. Chile had a substantial growth in this region in the quarter. Most regions had a decrease in import volumes from Norway in the quarter.

Q4/2018	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to Asia				
South East Asia	12 627	-25 %	726	-15 %
Japan	12 023	-4 %	704	0 %
Middle East	9 169	-14 %	516	-5 %
China (incl. Hong Kong)	6 651	-2 %	403	18 %
South-Korea	8 134	20 %	528	43 %
Others in Asia	196	-79 %	12	-76 %
Total Norway to Asia	48 800	-10 %	2 888	1 %
Others to Asia	40 300	31 %		
Asia Total	89 100	5 %		

Source: Norsk sjømatråd

Export of salmon to Eastern Europe shows a global growth of 7 per cent in the fourth quarter of 2018. However, from Norway the volume decreased by 14 per cent. The volumes to the region are clearly lower than when Norway exported to Russia. Volumes to Russia from other producer nations showed an increase in the fourth quarter. Norway had a market share of 24 per cent in Eastern Europe.

Q4/2018	Tonnes (wfe)	yr/yr	MNOK	år/år
Norway to Eastern Europe				
Ukraine	4 758	10 %	226	26 %
Turkey	1 231	-32 %	61	-26 %
Belarus	1 881	-38 %	98	-28 %
Kazakhstan	1 187	-12 %	69	-6 %
Others in Eastern Europe	796	-18 %	43	-13 %
Norway to Eastern Europe	9 853	-14 %	496	-5 %
Other to Eastern Europe	32 047	16 %		
Eastern Europe Total	41 900	7 %		

Source: Norsk sjømatråd

Demand for salmon in North America continues the positive trend. In total, import to North America has increased by 6 per cent, while volume from Norway decreased by 12 per cent.

Q4/2018	Tonnes (wfe)	yr/yr	MNOK	yr/yr
Norway to North America				
USA	17 111	-11 %	1 223	8 %
Canada	862	-29 %	64	-13 %
Total Norway to North America	17 973	-12 %	1 287	6 %
Others to North America	103 727	10 %		
North America Total	121 700	6 %		

Source: Norsk sjømatråd

The fourth quarter was challenging for the NRS' Sales operations, low margins contributed negatively to the profitability in the quarter. The sales volume was 23.7 per cent higher than in the same quarter last year. 78 per cent of the harvested fish were sold in the spot market in the fourth quarter, while 22 per cent were sold at fixed prices. The fixed price contracts resulted in a gain of NOK 9.9 million compared to the level of spot prices. The sales volumes to most regions, apart from North America and Asia, increased in the quarter. The export volumes to Western Europe increased with 17 per cent in the quarter, to Eastern Europe with 17 per cent and the volumes sold in Norway increased by 70 per cent. Volumes to Asia decreased with 1 per cent. In the fourth quarter, Western Europe accounted for 81 per cent of the export volumes, Asia for 11 per cent and Eastern Europe for 7 per cent. Domestic volume amounts to 22 per cent of the total sold volume.



OUTLOOK

Harvested volume for the quarter was 13 783 tonnes, which is consistent with estimated volume in the last quarterly report. Due to biological challenges in Region South estimated harvest volume for 2019 is reduced with 2 000 tonnes to 38 000 tonnes. The farming operations hedged the price of 22 per cent of the harvested volume in the fourth quarter. In 2019, 8 216 tonnes are hedged at a Nasdaq equivalent price of around NOK 64.00 per kg.

In the first quarter of 2019 Kontali Analyse expects global harvest volumes to increase with 5 per cent compared with the first quarter of 2018. For 2019 Kontali Analyse expects a growth in global harvest volume of 6 per cent from 2018. The growth in 2019 from Norway is expected to be 6 per cent and growth from Chile is expected to be 2 per cent. Together with good demand for salmon, this provide the basis for a continued positive market outlook for the industry.

Trondheim, 11 February 2019

Helge Gåsø
Chair

Kristine Landmark
Vice Chair

Marianne E. Johnsen

John Hindar

Lars Måsøval

Trude Olafsen

Charles Høstlund
CEO



INTERIM REPORT

Q4 2018

INTERIM REPORT INCOME STATEMENT

(NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Operating revenues	1 600 452	1 243 257	5 080 806	4 937 798
Cost of goods sold	1 244 466	1 022 246	3 994 231	3 889 102
Salaries	43 774	38 398	158 341	138 596
Depreciation	23 430	24 468	89 299	82 063
Other operating costs	56 347	63 508	197 211	200 178
Operational EBIT	232 436	94 636	641 726	627 861
Fair value adjustments	-145 116	-217 225	152 260	-194 799
Income from associates	32 647	1 445	13 753	52 657
EBIT	119 967	-121 145	807 739	485 719
Gain/loss on financial assets	-27 225	-59 338	82 113	-142 185
Other net financial items	-3 056	-5 516	-20 014	-20 937
EBT	89 686	-185 999	869 838	322 597
Tax	-1 440	51 582	-160 748	-86 180
Net profit/loss	88 245	-134 417	709 091	236 416
Profit attributable to:				
Parent company shareholders	87 148	-135 415	705 311	228 538
Minority interests	1 097	998	3 780	7 878
Earnings per share (NOK)	2,00	-3,12	16,21	5,27
Earnings per share - diluted	2,00	-3,12	16,21	5,27
EXTENDED INCOME STATEMENT				
(NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Net profit/loss	88 245	-134 417	709 091	236 416
Items to be reclassified to profit or loss:				
Translation differences and OCI posts from associated companies	4 911	16 058	-15 859	8 194
Cash Flow hedges (net)	-15 337	-9 272	-2 699	-7 334
Items not to be reclassified to profit or loss:				
Actuarial gains on defined benefit plans (net)	-1 154	-4 623	-1 154	-4 623
Total comprehensive income	76 666	-132 254	689 379	232 654
Total comprehensive income attributable to:				
Parent company shareholders	75 568	-133 252	685 600	224 776
Non-controlling interests	1 097	998	3 780	7 878



BALANCE SHEET

(NOK '000)	31.12.2018	30.09.2018	31.12.2017
Intangible assets	846 807	846 807	648 887
Property, plant and equipment	672 577	613 553	544 006
Non-current financial assets	656 001	661 504	613 517
Non-current assets	2 175 385	2 121 864	1 806 410
Inventory and biological assets	1 321 769	1 561 089	1 277 004
Receivables	438 027	350 683	619 970
Bank deposits, cash	155 653	81 411	151 779
Current assets	1 915 449	1 993 184	2 048 753
TOTAL ASSETS	4 090 834	4 115 049	3 855 163
Share capital	43 514	43 514	43 489
Other equity	2 235 729	2 159 536	1 769 778
Non-controlling interests	41 542	40 445	37 762
Equity	2 320 785	2 243 495	1 851 030
Pensions	19 005	16 728	16 728
Deferred tax	385 754	529 294	364 557
Provisions	404 759	546 022	381 285
Long-term interest-bearing debt	551 054	562 547	461 241
Short-term interest-bearing debt	102 514	93 965	342 617
Trade payables	446 993	538 227	549 526
Tax payable	134 777	36 178	113 485
Other current liabilities	129 952	94 617	155 980
Current liabilities	814 236	762 986	1 161 607
TOTAL EQUITY AND LIABILITIES	4 090 834	4 115 049	3 855 163



INTERIM REPORT

Q4 2018

STATEMENT OF EQUITY

31.12.2018	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	685 600	685 600	3 780	689 379
Transactions with shareholders						
Dividend	0	0	-224 710	-224 710	0	-224 710
Share based payment	0	0	-297	-297	0	-297
Net purchase and sale of treasury shares	0	24	3 863	3 887	0	3 887
Equity changes associated companies	0	0	1 496	1 496	0	1 496
Total transactions with shareholders	0	24	-219 649	-219 624	0	-219 624
Equity at 31.12.2018	43 572	-58	2 235 729	2 279 246	41 542	2 320 785

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	2 047 017
Total comprehensive income	0	0	224 776	224 776	7 878	232 654
Transactions with shareholders						
Dividend	0	0	-407 968	-407 968	-3 150	-411 118
Share based payment	0	0	-14 609	-14 609	0	-14 609
Net purchase and sale of treasury shares	0	16	-2 702	-2 686	0	-2 686
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

Q4 2018

STATEMENT OF CASH FLOW

(NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Operational EBIT	232 436	94 636	641 726	627 861
Adjusted for:				
Tax paid	-36 668	-78 993	-112 223	-79 351
Depreciation and write-downs	23 430	24 468	89 299	82 063
Share based payment	650	0	-297	-15 376
Pension costs with no cash effect	798	-659	798	-659
Change in inventory / biomass	83 312	-9 770	81 527	-134 503
Change in debtors and creditors	-222 771	-81 779	74 678	-164 857
Change in other current assets and other liabilities	48 432	-36 934	31 190	-144 673
Net cash flow from operating activities	129 618	-89 031	806 696	170 504
Cash flow from investing activities				
Payments for purchase of PPE and licenses (MAB)	-55 506	-17 516	-412 941	-214 000
Payments(-)/proceeds(+) from realisation of non-current financial assets (TRS)	0	0	47 282	105 099
Proceeds from investments in financial assets	6 931	25	11 458	13 448
Change in loans to associates and others	-877	-1 100	-57 617	-11 600
Net cash flow from investing activities	-49 453	-18 591	-411 818	-107 053
Cash flow from financing activities				
Receipts from new long-term debt	0	417	241 189	470 992
Long-term debt repayments	-13 828	-264 842	-156 471	-305 170
Net change in overdraft	10 886	286 619	-235 008	286 619
Payment for acquisition of treasury shares	0	0	3 887	-2 686
Interest paid	-2 980	-5 210	-19 918	-19 568
Dividend payment	0	0	-224 684	-411 117
Net cash flow from financing activities	-5 923	16 984	-391 005	19 070
Net increase (+)/ decrease (-) in cash & cash equivalents	74 243	-90 638	3 873	82 522
Cash and cash equivalents - opening balance	81 410	242 417	151 779	69 257
Cash and cash equivalents - closing balance	155 653	151 779	155 653	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.

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	
	Q4 2018	Q4 2017	Region North		Region South		Q4 2018	Q4 2017	Q4 2018	Q4 2017
			Q4 2018	Q4 2017	Q4 2018	Q4 2017				
Total sales revenues	1 598 561	1 241 380	638 450	337 922	89 208	80 134	1 892	1 877	2 328 111	1 661 312
Internal sales revenues	0	0	638 451	337 922	89 208	80 134	0	0	727 659	418 056
External sales revenues	1 598 561	1 241 380	0	0	0	0	1 892	1 877	1 600 452	1 243 257
Operating costs	1 585 243	1 184 405	406 789	267 987	89 844	66 631	-713 859	-370 403	1 368 017	1 148 621
Operational EBIT	13 318	56 975	231 661	69 934	-635	13 502	-11 908	-45 775	232 436	94 636
Fair value adjustments	10 893	-30 938	-97 864	-134 941	-58 145	-51 346	0	0	-145 116	-217 225
Income from associates	0	0	0	0	0	0	32 647	1 445	32 647	1 445
EBIT	24 211	26 037	133 797	-65 007	-58 780	-37 844	20 739	-44 331	119 967	-121 145
EBT	24 212	85 043	129 410	-67 391	-60 362	-38 201	-3 574	-165 450	89 686	-185 999
Volume harvested (HOG)			12 042	7 326	1 741	1 726			13 783	9 052
Operational EBIT per kg			19,24	9,55	-0,36	7,82			16,76	9,22
Volume sold	27 785	22 471							27 785	22 471
Operational EBIT per kg	0,48	2,54							0,48	2,54
- of w hich gain on fixed-price contracts per kg.	0,36	2,31							0,36	2,31

(NOK '000)	Sales		Farming				Eliminations/other		Total	
	FY 2018	FY 2017	Region North		Region South		FY 2018	FY 2017	FY 2018	FY 2017
			FY 2018	FY 2017	FY 2018	FY 2017				
Total sales revenues	5 074 610	4 931 030	1 718 358	1 354 710	317 660	415 640	6 197	6 768	7 116 824	6 708 149
Internal sales revenues	0	0	1 718 358	1 354 711	317 660	415 640	0	0	2 036 018	1 770 351
External sales revenues	5 074 610	4 931 030	0	0	0	0	6 197	6 768	5 080 806	4 937 798
Operating costs	5 051 768	4 808 861	1 102 115	921 628	238 272	265 623	-1 953 074	-1 686 175	4 439 081	4 309 938
Operational EBIT	22 842	122 169	616 243	433 082	79 388	150 017	-76 748	-77 408	641 726	627 861
Fair value adjustments	25 968	-30 265	150 883	-115 037	-24 591	-49 496	0	0	152 260	-194 799
Income from associates	0	0	0	0	0	0	13 753	52 657	13 753	52 657
EBIT	48 810	91 904	767 126	318 044	54 797	100 521	-62 994	-24 751	807 739	485 719
EBT	48 810	145 298	755 801	309 134	53 267	99 512	11 960	-231 347	869 838	322 597
Volume harvested (HOG)			30 384	24 697	5 586	7 221			35 970	31 918
Operational EBIT per kg			20,28	17,54	14,21	20,77			19,34	18,27
Volume sold	82 420	77 799							82 420	77 799
Operational EBIT per kg	0,28	1,57							0,28	1,57
- of w hich gain on open fixed-price contracts per kg.	0,12	1,13							0,12	1,13

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)	31.12.2018	30.09.2018	31.12.2017
Raw materials	31 349	41 411	37 906
Biological assets	1 240 393	1 458 511	1 177 678
Finished goods	50 027	61 168	61 420
Total inventory	1 321 769	1 561 089	1 277 004

Specification of the biological assets:

(NOK '000)	31.12.2018	30.09.2018	31.12.2017
Biological assets at cost	887 123	949 232	950 700
Fair value adjustments of the biomass	353 270	509 279	226 978
Book value biological assets	1 240 393	1 458 511	1 177 678

Specification of biological assets - tonnes

	Q4 2018	Q4 2017	FY 2018	FY 2017
Opening balance biological assets	28 693	25 201	29 071	23 060
Increase due fish put in the sea	494	276	1 371	1 413
Increase due to production in the period	13 059	15 570	41 490	46 278
Reduction due to mortality in the period	-1 163	-954	-3 011	-3 424
Reduction due to harvesting in the period	-16 409	-10 780	-42 827	-38 015
Non-recurring items	0	-242	-1 419	-242
Closing balance biological assets	24 675	29 071	24 675	29 071

Specification of changes in book value of biological assets:

(NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Opening balance biological assets	1 458 511	1 317 585	1 177 678	1 205 399
Increase due to production in the period	377 051	398 889	1 144 419	1 266 759
Non-recurring event at cost	0	-55 000	-34 000	-65 000
Reduction due to harvesting in the period	-439 160	-297 509	-1 175 113	-1 064 947
Fair value adjustments of the biological assets	-156 009	-185 673	156 716	-163 237
Fair value adj. of the biological assets due to non-recurring event	0	-614	-29 306	-1 296
Closing balance biological assets	1 240 394	1 177 678	1 240 394	1 177 678



NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass cont.

Groups of biological assets, status as of 31.12.2018	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	4 658	1 762	142 015	39 535	181 550
1-4 kg	7 814	14 164	529 821	156 556	686 377
Larger than 4 kg	1 593	8 749	215 289	157 179	372 468
Biological assets	14 065	24 675	887 125	353 270	1 240 393

Groups of biological assets, status as of 30.09.2018	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	6 237	2 883	209 180	100 126	309 306
1-4 kg	4 962	12 693	407 844	219 187	627 031
Larger than 4 kg	3 032	13 116	332 207	189 966	522 173
Biological assets	14 231	28 693	949 231	509 279	1 458 511

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

31.12.2018	NOK/kg	30.09.2018	NOK/kg	31.12.2017	NOK/kg
Q1 19	64,02	Q4 18	62,43	Q1 18	53,85
Q2 19	65,00	Q1 19	65,67	Q2 18	53,05
Q3 19	59,52	Q2 19	66,43	Q3 18	53,05
Q4 19	61,48	Q3 19	60,60	Q4 18	55,00
Q1 + Q2 20	64,51	Q4 19	62,50	Q1 + Q2 19	57,80

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: Non-recurring events

Non-recurring event ¹⁾	Q4 2018			Q4 2017		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
The fish disease Infections Salmon Anemia (ISA)	0	0	0	55 000	614	55 614
Biological assets	0	0	0	55 000	614	55 614

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

Non-recurring event ¹⁾	FY 2018			FY 2017		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
The fish disease Infections Salmon Anemia (ISA)	32 000	28 476	60 476	55 000	614	55 614
Destruction of desmoltified fish NRS Finnmark AS	0	0	0	10 000	682	10 682
Extraordinary mortality w hen delousing	2 000	830	2 830	0	0	0
Biological assets	34 000	29 306	63 306	65 000	1 296	66 296

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



NOTES TO THE FINANCIAL STATEMENTS

NOTE5: 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)	Q4 2018	Q4 2017	FY 2018	FY 2017
Change in fair value adjustments of the biomass	-156 009	-186 287	126 292	-164 533
Change in provision for onerous sales contracts	12 689	14 398	-1 462	89 994
Change in unrealised gains/losses on financial Fish Pool contracts	-1 796	-45 336	27 429	-120 259
Total fair value adjustments	-145 116	-217 225	152 260	-194 799

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

(NOK '000)	31.12.2018	30.09.2018	31.12.2017
Fair value adjustments biomass (inventory and biological assets)	353 270	509 279	226 978
Provision for onerous sales contracts (other current liabilities)	-1 462	-14 151	0
Fair value of financial Fish Pool contracts (other receivables/other current liabilities)	1 717	3 513	-25 712
Net fair value adjustments in the balance sheet	353 526	498 641	201 266

NOTE6: 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)	Q4 2018	Q4 2017	FY 2018	FY 2017
Associates - products purchased	17 876	119 989	265 065	445 975
Associates - services purchased	24 573	16 331	66 218	58 985
Companies controlled by large shareholder - products purchased	213 734	183 867	644 289	461 970
Companies controlled by large shareholder - services purchased	8 345	1 098	22 082	12 451
Total goods and services purchased from related parties	264 529	321 285	997 655	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. The scheme covers 50 000 shares allocated to the CEO. In the quarter an income of KNOK 390 relating to the option scheme was recognised in the income statement due to a decrease in the NRS share price from NOK 196.40 at the start of the quarter to NOK 179.00 at the end of the quarter.

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 23 employees and is divided into 4 different levels. The scheme was continued in Q1 2018. The continued scheme comprises 24 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 650 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 30 September 2018	50 000	371 073	412 627	833 700
Terminated	0	-18 755	-19 341	-38 096
Exercised in the quarter	0	0	0	0
Number of options at 30 September 2018	50 000	352 318	393 286	795 604
Exercise price	31,78	149,26	150,51	
Number of employees in the program at the end of the quarter	1	22	23	46



NOTES TO THE FINANCIAL STATEMENTS

NOTE7: Investments in associates

(NOK '000)	Shareholding	Book value 01.01.2018	Share of profit/loss in the period after tax	Other changes	Book value 31.12.2018	Share of volume harvested - tonnes HOG 31.12.2018*
Arctic Fish ehf.	50,00 %	287 271	-18 019	-15 859	253 392	0
Wilsgård Fiskeoppdrett AS	37,50 %	152 875	4 035	0	156 909	1 621
Måsøval Fishfarm AS	36,10 %	18 932	15 883	-6 571	28 244	1 059
Hellesund Fiskeoppdrett AS	33,50 %	79 630	16 149	-3 390	92 390	577
Hardanger Fiskeforedling AS	31,10 %	10 369	575	0	10 944	
Espevær Laks AS	33,33 %	2 745	-960	0	1 785	
Ranfjord Fiskeprodukter AS	37,75 %	22 935	-3 680	0	19 255	
Skardalen Settefisk AS	30,00 %	5 707	-230	0	5 477	
Other		48	0	0	48	
Total associates 31.12.2018		580 510	13 752	-25 820	568 443	3 258
Total associates 31.12.2017		531 507	52 657	-3 651	580 510	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 December 2018:

	Shareholding	Number of shares	Fair value	NRS' share of fair value
Måsøval Fishfarm AS	36,10 %	257 295	46 056	16 626
Hellesund Fiskeoppdrett AS	33,50 %	1 651 015	295 532	99 003
Total		1 908 310	341 587	115 629

Note 8 Treasury shares and TRS agreements

As at 31 December the company holds 57 954 treasury shares, corresponding to 0.13 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 31 December 1 485 756 shares, representing 3.41 % 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. An unrealised loss of NOK 27 228 was recognised in the period.

(NOK '000)	No. of shares	Exercise Price	Maturity	Market value 30.09.2018	Market value 31.12.2018	Change in market value Q4 2018
TRS entered into 13 September 2018	1 485 756	199,42	18.03.2019	-2 103	-29 331	-27 228
Sum				-2 103	-29 331	-27 228

NOTE9: 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 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 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)	31.12.2018	30.09.2018	31.12.2017
Reported long-term interest-bearing debt	551 054	562 547	461 241
Reported short-term interest-bearing debt	102 514	93 965	342 617
Interest-bearing long-term receivables	-78 217	-75 340	-18 600
Reported bank deposits, cash	-155 653	-81 411	-151 779
Net interest bearing debt	419 698	499 760	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)	31.12.2018	30.09.2018	31.12.2017
Reported equity	2 320 785	2 243 495	1 851 030
Reported total assets	4 090 834	4 115 049	3 855 163
Equity ratio	56,7 %	54,5 %	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)	Q4 2018	Q4 2017	FY 2018	FY 2017
Operational EBIT	232 436	94 636	641 726	627 861
Unallocated expenses	11 827	9 213	42 433	31 064
Non-recurring events (note 4)	0	36 547	34 000	46 547
Operational EBIT	244 263	140 396	718 159	705 472
Harvested volume (tonnes)	13 783	9 052	35 970	31 918
Operation EBIT per kg	17,73	15,51	19,97	22,10

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 Region North

(NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Operational EBIT (segment, note 2)	231 661	69 934	616 243	433 082
Share of operational EBIT Sales allocated to region North excl. Contracts	2 988	4 041	11 565	25 775
Operational EBIT excl. Contracts	234 649	73 975	627 808	458 857
Loss(-) / Gain(+) on open fixed-price contracts	8 648	42 069	10 353	70 370
Operational EBIT	243 297	116 045	638 160	529 227
Harvested volume (tonnes)	12 042	7 326	30 384	24 697
Operational EBIT per kg excl. Contracts	19,49	10,10	20,66	18,58
Operational EBIT per kg	20,20	15,84	21,00	21,43



NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: Alternative performance measures (cont)

Operational EBIT per kg Region South

(NOK '000)

	Q4 2018	Q4 2017	FY 2018	FY 2017
Operational EBIT (segment, note 2)	-635	13 502	79 388	150 017
Share of operational EBIT Sales allocated to region South excl. Contracts	432	952	1 761	8 424
Operational EBIT excl. Contracts	-203	14 454	81 149	158 441
Loss(-) / Gain(+) on open fixed-price contracts	1 250	9 913	-836	17 600
Operational EBIT	1 047	24 367	80 313	176 041
Harvested volume	1 741	1 726	5 586	7 221
Operational EBIT per kg excl. Contracts	(0,12)	8,37	14,53	21,94
Operational EBIT per kg	0,60	14,12	14,38	24,38

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)

<i>Production cost per kg Region North</i>	Q4 2018	Q4 2017	Sites without
			ISA
(NOK '000)			Q4 2017
Production cost (segment, note 2)	406 789	267 987	188 692
Harvested volume (tonnes)	12 042	7 326	5 700
Production cost per kg Region North	33,78	36,58	33,10

Production cost per kg Region South

(NOK '000)

	Q4 2018	Q4 2017
Production cost (segment, note 2)	89 844	66 631
Harvested volume (tonnes)	1 741	1 726
Production cost per kg Region North	51,60	38,60

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)	Q4 2018	Q4 2017	FY 2018	FY 2017
Majority share of net result for the period	87 148	-135 415	705 311	228 538
Majority share of fair value adjustments of biomass after tax	115 999	142 635	-101 436	126 457
Fair value of sales contracts and Fish Pool contracts (in its entirety, the majority share)	-8 279	23 513	-19 735	23 002
Majority share of value-adjusted result for the period	194 868	30 733	584 139	377 996
Weighted average number of ordinary shares outstanding	43 493 529	43 344 931	43 493 529	43 344 931
Value-adjusted earnings per share	4,48	0,71	13,43	8,72



NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: Shareholders

Ownership structure – the 20 largest shareholders as at 31.12.2018:

Shareholder	No. of shares	Shareholding
GÅSØ NÆRINGSUTVIKLING AS	6 829 605	15,67 %
MÅSØVAL EIENDOM AS	5 208 581	11,95 %
NORWAY FRESH AS	5 000 000	11,48 %
HAVBRUKSINVEST AS	4 151 915	9,53 %
EGIL KRISTOFFERSEN OG SØNNER AS	3 767 850	8,65 %
NYHAMN AS	1 767 191	4,06 %
DnB NOR MARKETS, AKSJEHAND/ANALYSE	1 682 675	3,86 %
HELLESUND FISKEOPPDRETT A/S	1 651 015	3,79 %
LOVUNDLAKS AS	1 071 080	2,46 %
BNP Paribas Securities Services	790 885	1,82 %
State Street Bank and Trust Comp	535 404	1,23 %
MP PENSJON FK	315 077	0,72 %
JPMorgan Chase Bank, N.A., London	276 127	0,63 %
State Street Bank and Trust Comp	272 148	0,62 %
MÅSØVAL FISHFARM AS	257 295	0,59 %
EIKA NORGE	241 461	0,55 %
J.P. Morgan Bank Luxembourg S.A.	239 238	0,55 %
RAMSFJELL AS/ OLA LOE	225 897	0,52 %
HENDEN FISKEINDUSTRI AS	238 684	0,55 %
SVENSKA HANDELSBANKEN AB	194 145	0,45 %
Total 20 largest shareholders	34 716 273	79,68 %
Total other shareholders	8 855 918	20,32 %
Total no. of shares	43 572 191	100,00 %