



# Presentation Q4 2019

Oslo, 11 February 2020

Charles Høstlund, CEO

Ola Loe, CFO

# Agenda

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1. Highlights for the period
2. Segment information
3. Group financials
4. Markets
5. Projects for growth
6. Outlook

# Highlights in Q4 2019

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- Operational EBIT of MNOK 136
- Increased production costs in the quarter
- The biomass in the sea increased by 4 244 tonnes (19.5 %) from Q4 2018
- Sale of Region South completed 16<sup>th</sup> December with a profit after tax of MNOK 922
- Granted MNOK 400 in green financing from Danske Bank
- 75 % of the sites are ACS-certified and NRS aims to be 100 % certified by the year 2022
- The Board proposes a dividend of NOK 10.00 per share

# Highlights in Q4 2019



NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q4 2019	Q4 2018	FY 2019	FY 2018
Operating revenues	1 496 435	1 600 452	5 586 670	5 080 806
Operational EBITDA <sup>1)</sup>	158 983	253 246	629 606	640 887
Operational EBIT <sup>1)</sup>	136 358	233 071	542 802	564 337
Income from associates <sup>1)</sup>	-12 536	32 845	16 901	14 713
EBIT <sup>1)</sup>	154 707	178 945	423 301	755 901
EBT <sup>1)</sup>	190 636	150 246	474 775	819 531
EPS (NOK) – before fair value adjustments	24,20	4,48	32,47	13,43
ROCE <sup>2)</sup>			25,9 %	36,8 %
Net cash flow from operating activities	-81 515	129 618	180 803	806 696
Investments in tangible fixed assets/licenses	238 832	65 823	674 243	412 941
Net interest-bearing debt			33 073	419 698
Equity ratio			71,7 %	56,7 %
Volume harvested (GWT)	9 070	13 783	30 509	35 970
Operational EBIT per kg <sup>3)</sup>	16,71	17,73	19,92	19,97
Volume sold - Sales	24 726	27 785	89 879	82 420

<sup>1)</sup> Operational performance are for continuing operations. Discontinued operations, Region South, is not included in these figures.

<sup>2)</sup> ROCE: Return on average capital employed based on 4-quarters rolling EBIT aligned for fair value adjustments / average (NIBD + Equity - Financial assets)

<sup>3)</sup> Operational EBIT for segments incl. Margin from Sales (before non-recurring items)

- Operational EBIT MNOK 136 in Q4 19
- Operational EBIT per kg NOK 16.71
  - Operational EBIT per kg Region North of NOK 17.71
  - Operational EBIT per kg Region South of NOK 6.77
- Average salmon price 56.43 (NASDAQ) up NOK 0.92 per kg from Q4 last year
- Harvested volume down 34 % and sold volume down 11 % from Q4 last year
- NIBD significantly down by MNOK 893 in Q4 19 as a result of net cash proceeds from sale of Region South

# Increased focus in Region North



**“We increase our focus in Region North because this is the world's best arena for developing a sustainable aquaculture industry”**

- After selling Region South, NRS now only farm salmon in Troms and Finnmark (Region North)
- Continued large organic growth potential
  - 50 000 tonnes of annual harvest volume as target from owned licenses today after the sale of Region South
- Good environmental conditions for salmon farming in Region North
  - Both for traditional farming and offshore farming
- Substantial investments for organic growth through hatchery and offshore farming
- Expects Region North to have low production costs
- Expects substantial growth on Iceland as harvest volumes for 2020 are expected to increase by 150 %

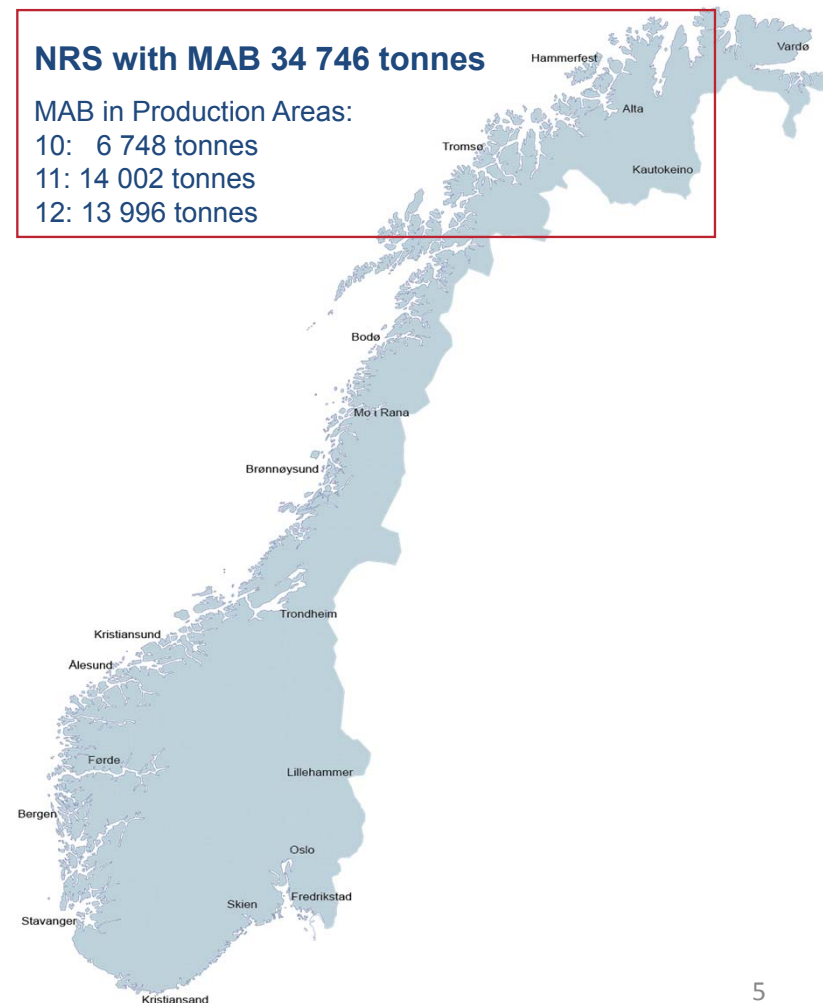
## NRS with MAB 34 746 tonnes

MAB in Production Areas:

10: 6 748 tonnes

11: 14 002 tonnes

12: 13 996 tonnes

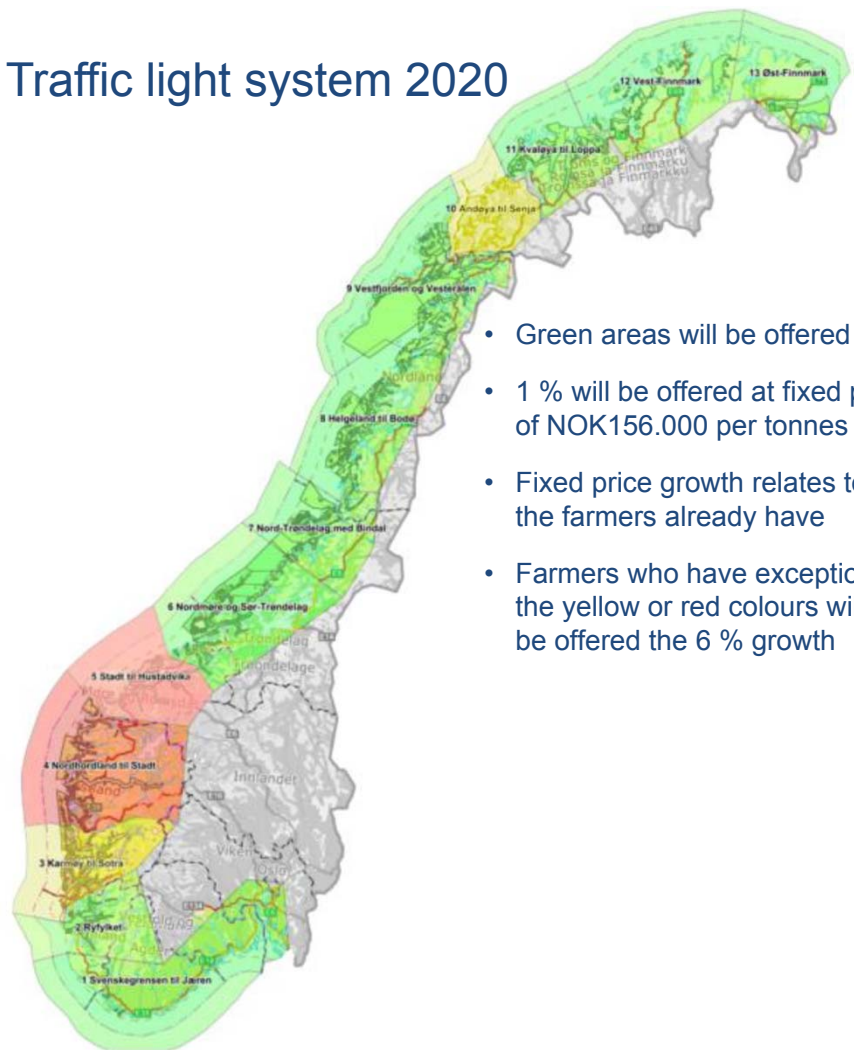




# Farming operations focused in an attractive region



## Traffic light system 2020



- Green areas will be offered 6 % growth
- 1 % will be offered at fixed price of NOK156.000 per tonnes
- Fixed price growth relates to licenses the farmers already have
- Farmers who have exceptions from the yellow or red colours will also be offered the 6 % growth

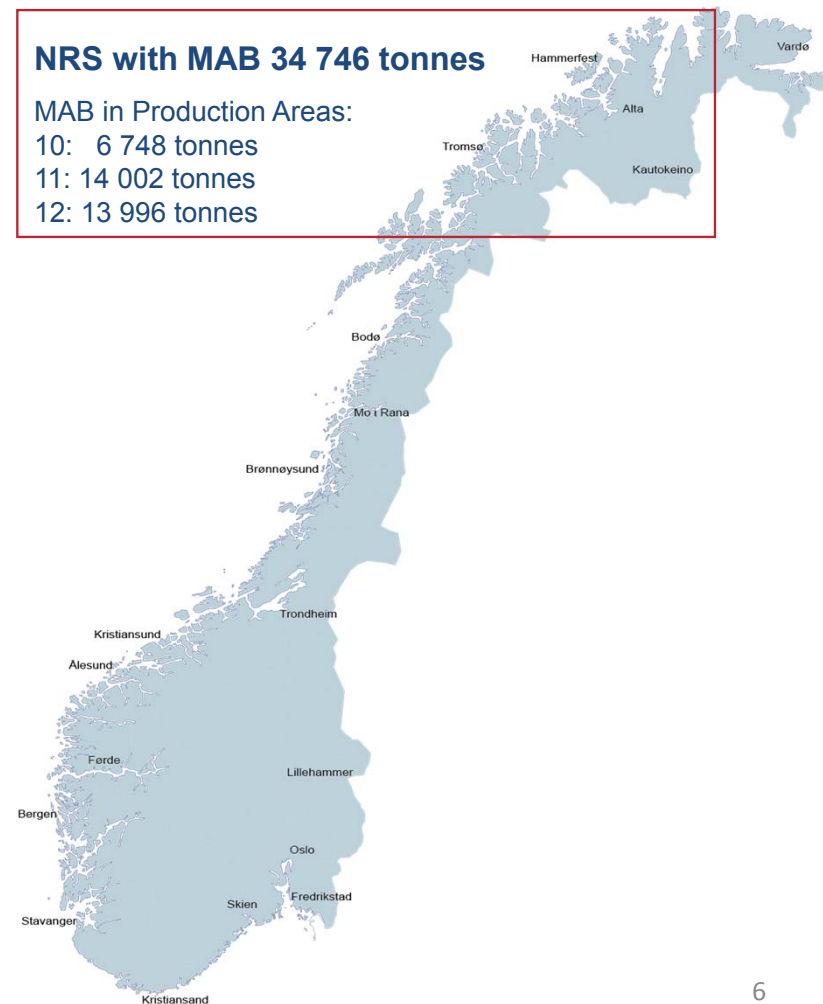
## NRS with MAB 34 746 tonnes

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## Segment information

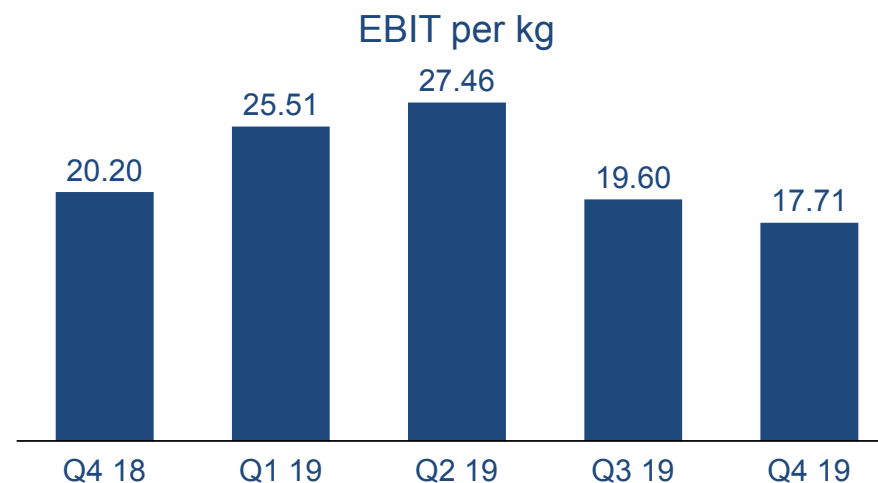


# Region North



KEY FIGURES (NOK '000)	Q4 2019	Q4 2018
Operating revenues	1 360 047	1 697 165
Operational EBIT *	145 964	243 297
Volume harvested (tonnes)	8 243	12 042
Operational EBIT (ex contracts)	16,15	19,49
Gain (+)/Loss (-) on open fixed price contracts	1,56	0,72
Operational EBIT per kg	17,71	20,20

\* EBIT pre fair value adjustments and non-recurring items  
incl. allocated margin from sales



- Operational EBIT per kg NOK 17.71

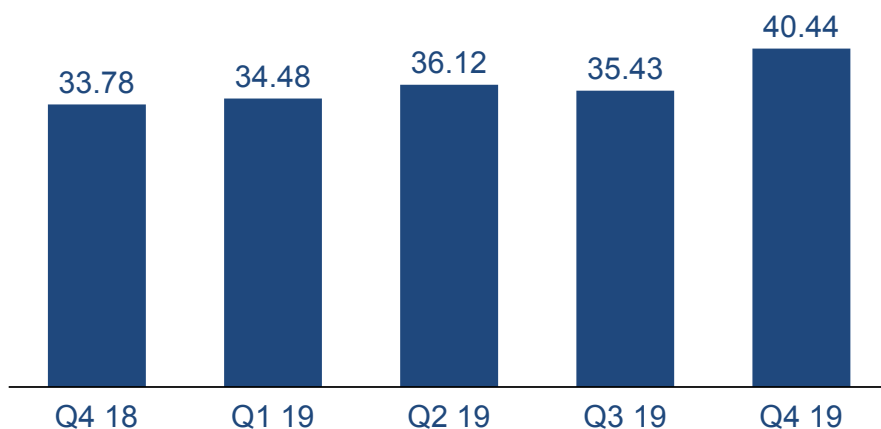
- Down NOK 2.49 from Q4 18 and down NOK 1.89 from Q3 19
- Sales price FCA packing station up NOK 2.22 per kg from Q4 18 and up NOK 5.26 from Q3 19
- The size of the fish impacted the price achievement positively, but the timing of the harvesting during the quarter had a negative impact



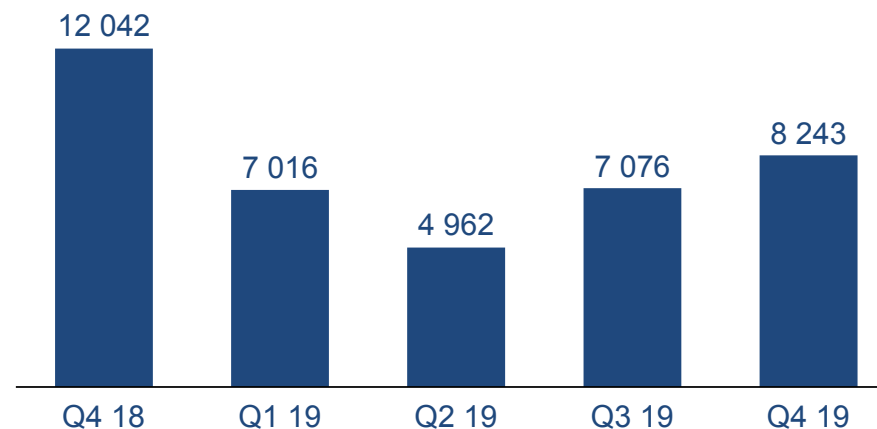
# Region North



Production Cost



Harvested volume



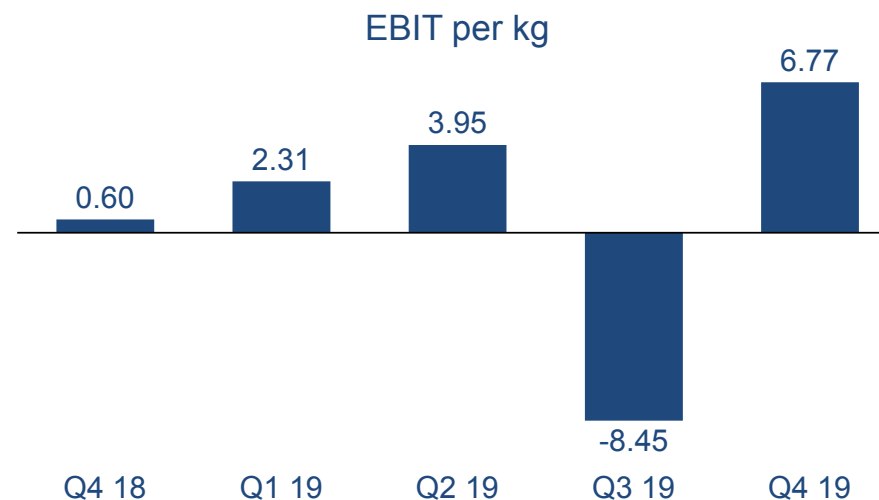
- Production cost of NOK 40.44 per kg
  - Production cost up with NOK 5.01 from Q3 19
  - Higher production cost on fish released to the sea in 2018
    - Higher harvest and well boat costs on fish infected by the ISA-disease as well as increased costs on feed and smolt
    - Growth has been lower than expected due to low sea water temperatures in 2019
- Harvested volume down 3 799 tonnes compared to Q4 18
- Operation
  - Biomass in sea increased with 1 358 tonnes (6.2 %) during the quarter and by 4 244 tonnes (19.5 %) from Q4 18
  - The production cost is expected to be approximately on the same level for the next quarter

# Region South



KEY FIGURES (NOK '000)	Q4 2019	Q4 2018
Operating revenues	136 317	210 727
Operational EBIT *	5 590	1 047
Volume harvested (tonnes)	826	1 741
Operational EBIT (ex contracts)	5,21	-0,12
Gain (+)/Loss (-) on open fixed price contracts	1,56	0,72
Operational EBIT per kg	6,77	0,60

\* EBIT pre fair value adjustments and non-recurring items  
incl. allocated margin from sales



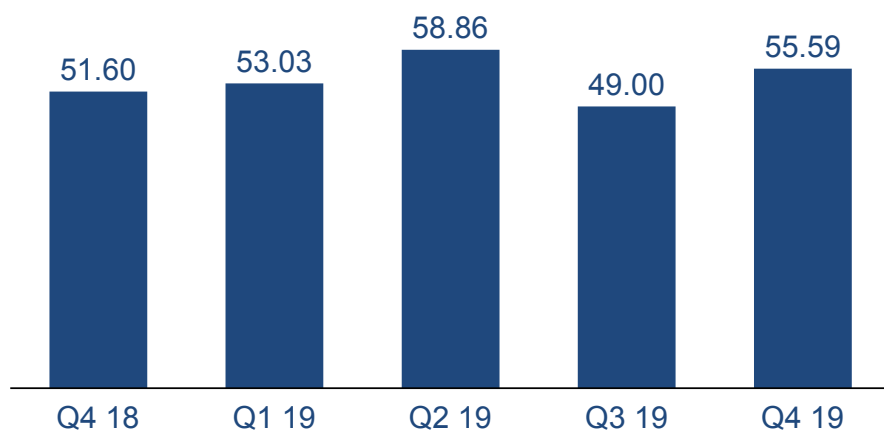
- Operational EBIT per kg NOK 6.77

- Up NOK 6.17 from Q4 18 and up NOK 15.22 from Q3 19
- Sales price FCA packing station up by NOK 8.20 per kg from Q4 18 and up by NOK 23.94 from Q3 19
- The reported figures represents the period 1st Oct – 15th Dec 2019

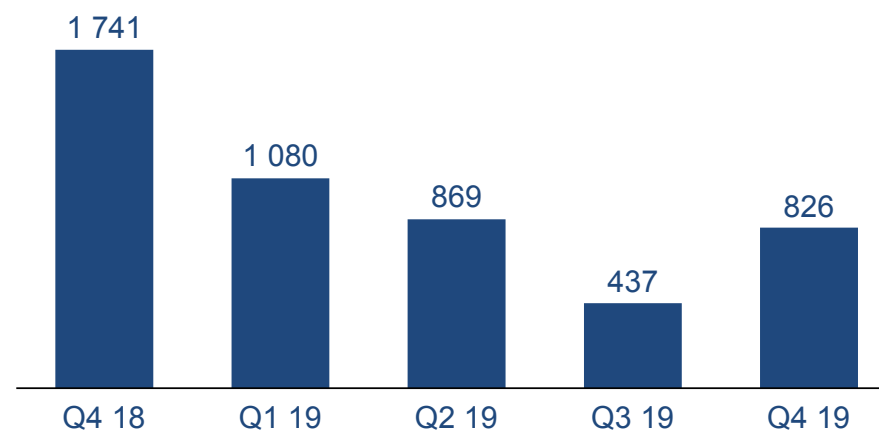
# Region South



Production Cost



Harvested volume



- Production cost of NOK 55.59 per kg
  - Production up by NOK 6.59 from Q3 19
- Harvested volume down 915 tonnes compared to Q4 18
- Operation
  - Sale of Region South completed 16th December with a profit after tax of MNOK 922

# Associated companies - total

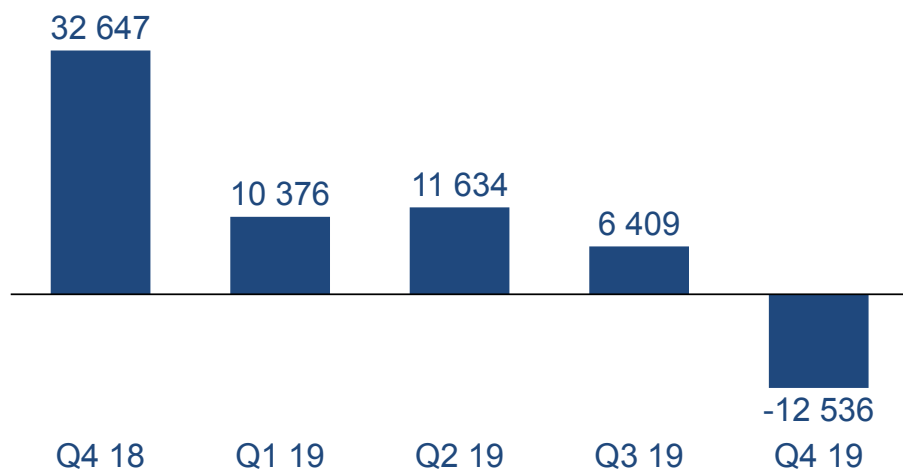


(NOK 1000)	Q4 2019	Q4 2018
Operational EBIT	72 394	36 339
Fair value adjustment	-19 081	48 492
EBIT	53 313	84 831
Volume harvested (tonnes)	5 457	1 812
Operational EBIT per kg *	13,27	18,43
NRS' share of result after tax	-12 536	32 647
NRS' share of harvested (tonnes)	2 053	625

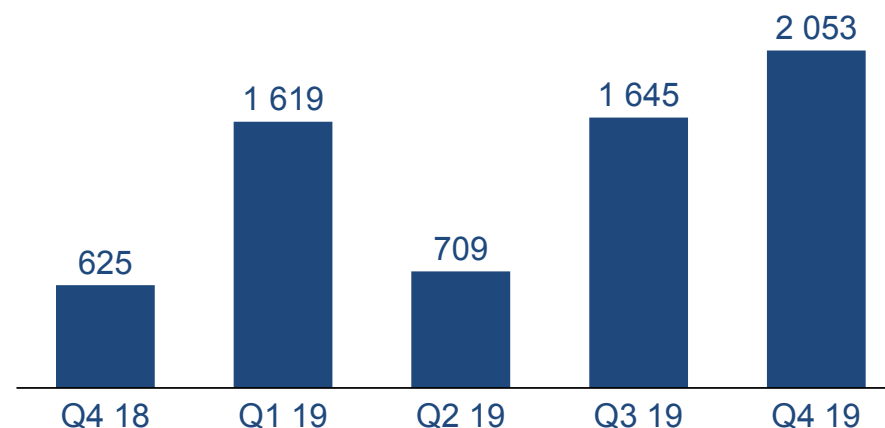
\*EBIT pre fair value adjustments farming companies

- NRS share of result after tax of MNOK -12,5
  - Fair value adjustment after tax MNOK -6,1
  - Signed SPA for the shares in Ranfjord Fiskeprodukter AS, this has lead to an impairment of MNOK 18.1 in the quarter. The transaction will be completed in Q1 20
- Shares in NRS owned by associated companies at the end of Q4 19
  - NRS' share of fair value MNOK 156
  - Not recognised in the group accounts

NRS' share of result after tax



NRS' share of harvested volume



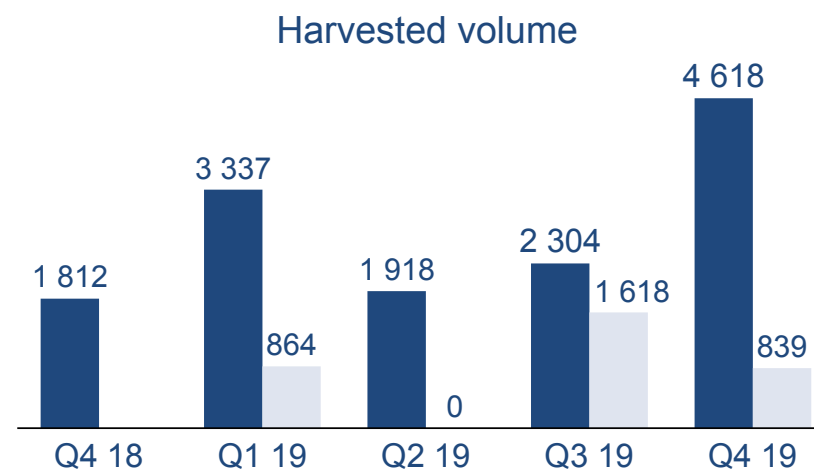
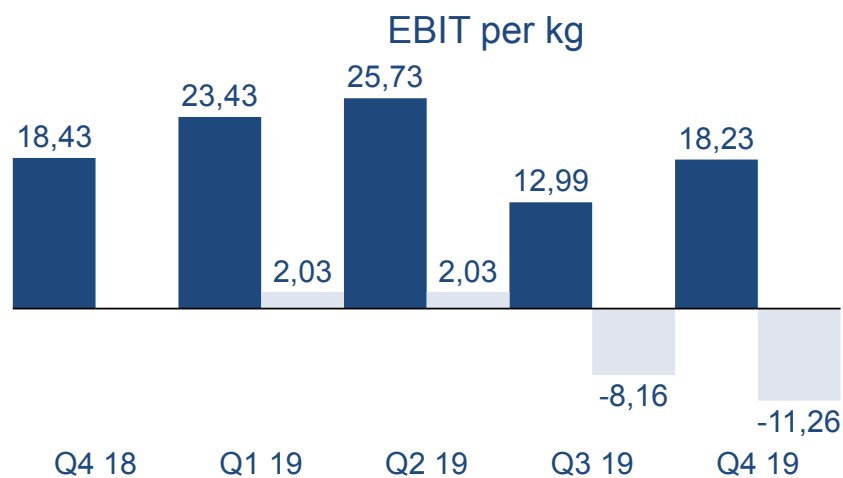
# Associated farming companies



(NOK 1000)	Q4 2019		Q4 2018	
	Farming companies Norway	Arctic Fish Iceland	Farming companies Norway	Arctic Fish Iceland
Operational EBIT	84 178	-9 449	33 402	1 098
Fair value adjustment	-19 081	0	48 492	0
EBIT	65 097	-9 449	81 894	1 098
Volume harvested (tonnes)	4 618	839	1 812	0
Operational EBIT per kg *	18,23	-11,26	18,43	-
NRS' share of result after tax	16 419	-9 891	35 391	-4 230
NRS' share of harvested (tonnes)	1 634	420	625	0

\*EBIT pre fair value adjustments

- Norwegian farming companies
  - Operational EBIT of MNOK 84.2
  - EBIT per kg of NOK 18.23
- Arctic Fish
  - Operational EBIT of MNOK -9.4
  - EBIT per kg of NOK -11.26



■ Norwegian farming companies ■ Arctic Fish



# Arctic Fish – farming operations



## Arctic Fish

(NOK 1000)	Q4 2019
<b><u>Group:</u></b>	
Operational EBIT	-9 449
Operational EBIT per kg	-11,26
<b><u>Farming:</u></b>	
Operational EBIT	401
Operational EBIT per kg	0,48
Volume harvested (tonnes)	839

- Satisfactory production cost in sea based on a start up period and the harvest volumes ramping up rapidly
- Very high well boat and harvesting costs
  - The main difference in production cost compared with Norway
  - High as long as the harvest volumes in the Westfjords is low, but will decrease step by step
- Low price achievement
  - Gradually decrease in harvest volume during the quarter when the price increased
- Harvesting estimates for 2020
  - 750 tonnes in Q1 20
  - Total 8 200 tonnes in 2020, up 150 % from 2019
- Operations
  - Good operations for sea water production
  - Released 2.7 million smolt in 2019



## Group financials



-Committed by name-

# Sale of Region South completed

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- Sales transaction completed 16<sup>th</sup> December as planned. Reported figures for the Region includes the period 1<sup>st</sup> October – 15<sup>th</sup> December
- Region South presented as Discontinued Operations in the Group Income Statement and the profit after tax on discontinued operations for the fourth quarter on MNOK 923 is explained below :

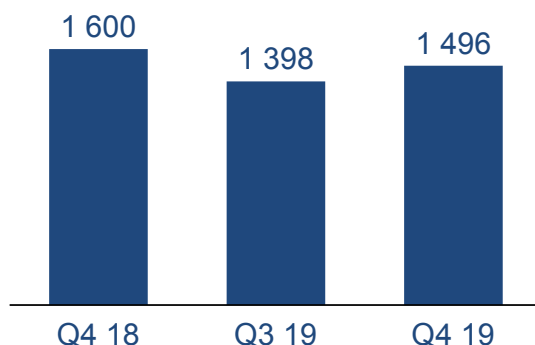
Forth Quarter Discontinued Operations profit	MNOK	1.1
<u>Gain from disposal of discontinued operations</u>	<u>MNOK</u>	<u>922.0</u>
Net profit after tax discontinued operations	MNOK	923.1

- From Q1 20 NRS will report one segment

# Key income statement items

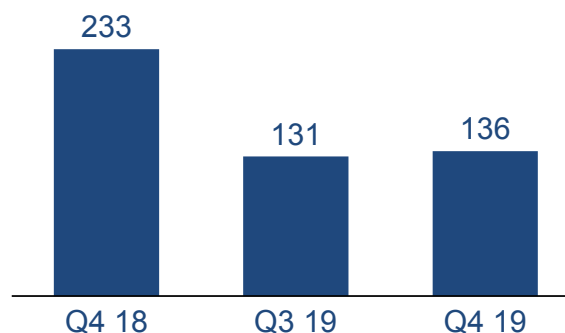


Operating revenues



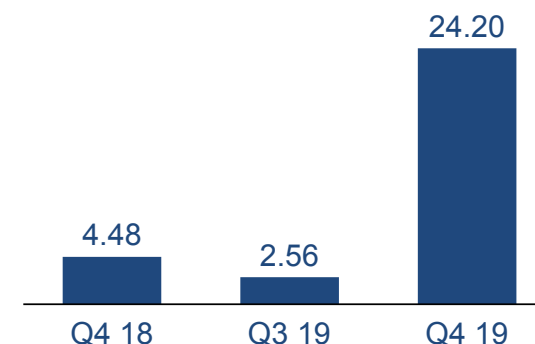
- Revenues down MNOK 104 (6.5 %) from Q4 18
  - Average salmon price (NASDAQ) up NOK 0.92 per kg
  - Sold volume down 11 %

Operational EBIT



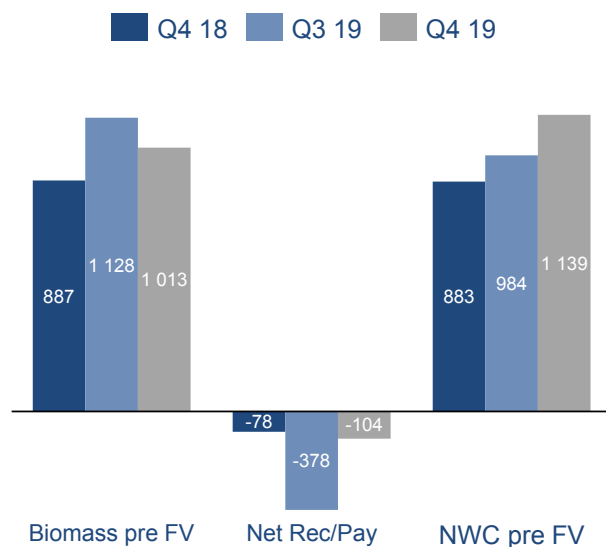
- Operational EBIT down by MNOK 96.7 from Q4 18
  - Farming :
    - Sales price up NOK 2.82/kg
    - Production cost up NOK 5.79/kg
    - Harvested volume down 4 713 tonnes
  - Sales:
    - Margins sold volume up NOK 0.38/kg
    - Gain on fixed price contracts up NOK 0.21/kg

EPS pre fair value



- EPS pre FV up NOK 19.72 per share from Q4 18
  - Mainly explained by gain from sale of discontinued operations (Region South) on MNOK 922

# Key balance sheet items



- Biomass pre FV down by MNOK 115 from Q3 19
- Biomass up by 1 358 tonnes (6 %) from Q3 19 in Region North
  - Biomass up 4 244 tonnes (20 %) from Q4 18 in Region North

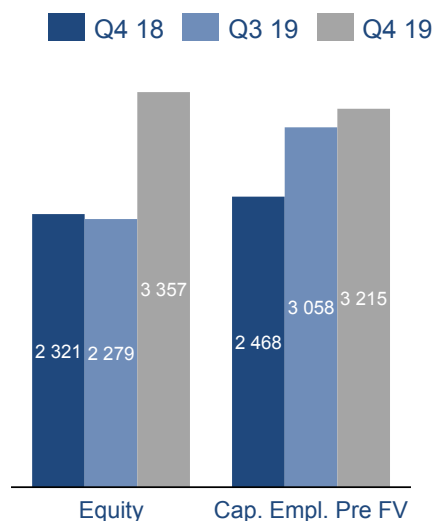
Net account receivables and account payables up by MNOK 274 from Q3 19

- Account receivable up MNOK 168
- Account payables down by MNOK 106

Working capital pre FV up by MNOK 155 from Q3 19

- Inventories of feed and harvested fish down MNOK 66

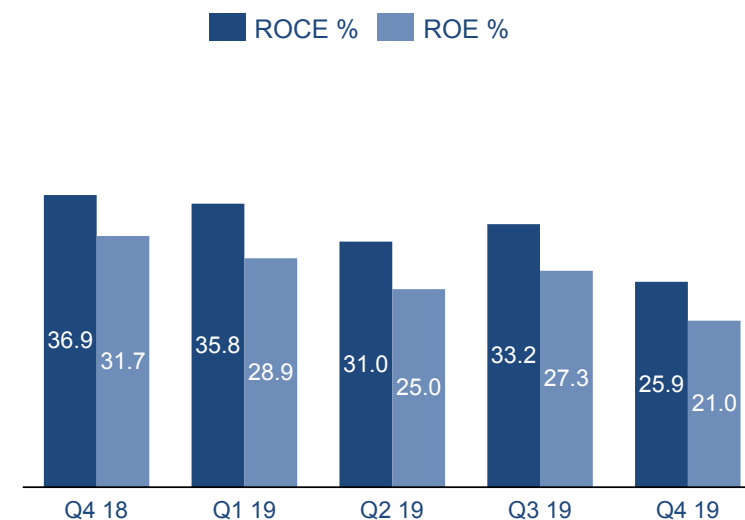
Region South incl in Q4 opening balance in the figures



Equity up MNOK 1 078 from Q3 19

- Equity ratio 71.7 %

Capital employed pre FV up by MNOK 158 from Q3 19



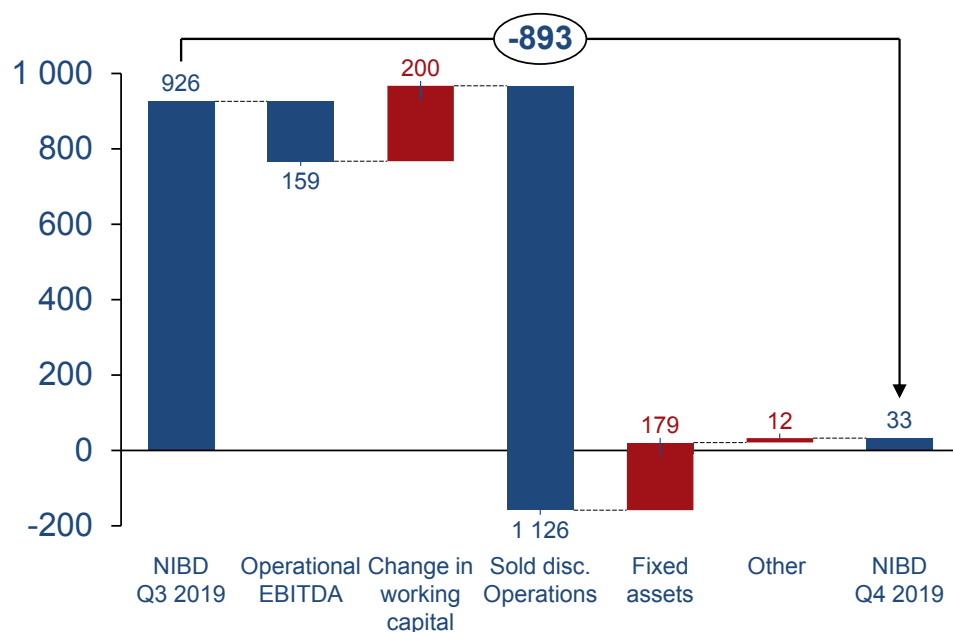
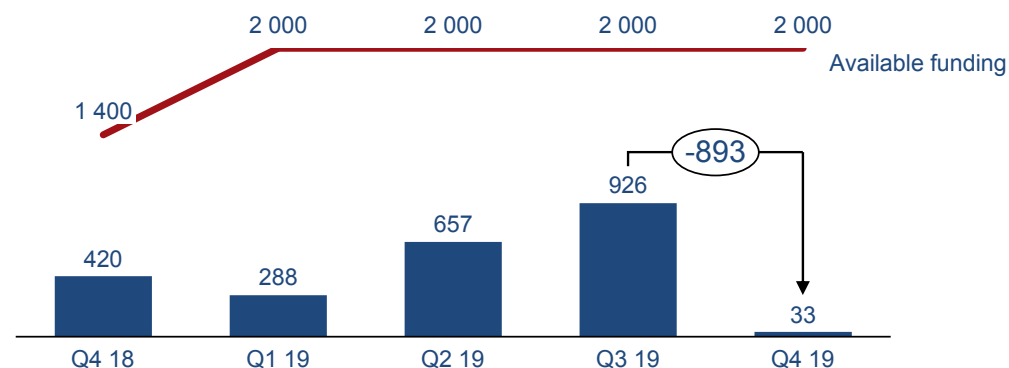
ROCE 25.9 %

- Increased capital employed due to investment projects, which will not contribute with positive cash flows before 2021 - 2023

ROE (after tax) 21.0 %



# NIBD development



- NIBD down with 893 from MNOK 926 from Q3 19
- Unused credit facility of MNOK 2 000 and bank deposits of MNOK 152 at end of Q4 19
- Total capex of MNOK 674 for 2019
  - PPE of MNOK 147
  - Smolt facility and Arctic Offshore project of MNOK 527
- Estimated total capex of MNOK 1 225 for 2020
  - PPE of MNOK 80
  - Smolt facility and Arctic offshore project of MNOK 1 145
- Maintenance capex about MNOK 100 per year
- Q4-19 change in working capital MNOK 200 is impacted by MNOK 45 to reconcile with NWC

# Credit facilities and sustainability

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## Green financing

- During the fourth quarter MNOK 400 of the Group's total credit limit of MNOK 2 000 was converted to a green loan
- The green loan will help finance the two major investment projects in progress, Arctic Offshore Farming and the new smolt facility

## Sustainable aquaculture

- Norway Royal Salmon believes that sustainable production of salmon is very important for our long-term financial value creation. We will supply high-quality nutritious salmon with the help of safe and committed employees while ensuring minimal environmental impact.
- Norway Royal Salmon is working to put in place the strictest environmental certificates within our industry, the Aquaculture Stewardship Council (ASC) standard. ASC-certified fish are produced in a responsible and sustainable manner within very strict requirements.
- Norway Royal Salmon is already **certified on 75 % of the sites** and aims to be 100 % certified on active sites by the year 2022

# Dividend

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- Dividend policy
  - The company aims to provide a dividend level that reflects the company's value creation in the form of dividends and increases in the company's share price
  - At least 60 % of the profit shall be distributed as dividends, provided that the company's equity ratio is above 40 % and that the company's own capital requirements have been satisfied
- The board proposes a dividend of **NOK 10.00** per share for 2019
  - 88 % of EPS pre FV adjustment and gain from sale of discontinued operations (Region South)
  - The proposed dividend is above the policy on 60 % due to sale of Region South

## Market



# Market outlook



Harvest volumes	Q4/19	Q4/18	chg.
Norway	372 600	356 700	4 %
Chile	175 500	186 300	-6 %
UK	46 900	45 100	4 %
Canada	40 000	36 500	10 %
Faroe Island	26 500	23 900	11 %
Other	43 700	38 000	15 %
	<b>705 200</b>	<b>686 500</b>	<b>3 %</b>

wfe tonnes

Source: Kontali Analyse

Market	Q4/19	Q4/18	chg.
EU	311 700	304 000	3 %
USA	139 500	122 400	14 %
Eastern Europe	43 000	39 100	10 %
Asia	91 000	88 800	2 %
Other	119 300	119 800	0 %
	<b>704 500</b>	<b>674 100</b>	<b>5 %</b>

wfe tonnes

Source: Kontali Analyse

## Harvest volumes

- Harvest volumes up 3 % in Q4 19 compared with Q4 18
- Harvest volumes from Norway higher than earlier expected
- Harvest volumes from Chile lower than earlier expected
- Total harvest volumes 3 000 tonnes lower than earlier expected

## Market

- Prices up 1.7 % in NOK and down 0.7 % in EUR in Q4 19 compared with Q4 18
- Consumption of salmon in the world markets increased by 5 % in Q4 19 compared with Q4 18
- Volumes from Norway to EU increased by 3 %, by 20 % to Asia, 29 % to Eastern Europe and 7 % to North America



# Global harvest volumes in 2020



- Expect 4 % growth in global harvest volumes in 2020, same as Q3 2019 reporting
- Expect 2 % growth in Q1 and 5 % in Q2 2019
- The volumes in 2019 were all-time high

Harvest volumes	Q1/20E	Q1/18	chg.	Q2/20E	Q2/19	chg.	2020E	2019	chg.
Norway	285 000	296 200	-4 %	320 200	308 200	4 %	1 370 800	1 333 400	3 %
Chile	187 100	173 200	8 %	175 500	159 300	10 %	719 600	685 500	5 %
UK	41 000	41 600	-1 %	43 300	45 200	-4 %	185 900	184 600	1 %
Canada	35 200	29 600	19 %	35 700	36 100	-1 %	146 000	143 500	2 %
Faroe Island	21 900	21 800	0 %	18 900	18 500	2 %	90 100	86 900	4 %
Other	37 010	33 300	11 %	38 330	32 400	18 %	166 000	145 200	14 %
	<b>607 210</b>	<b>595 700</b>	<b>2 %</b>	<b>631 930</b>	<b>599 700</b>	<b>5 %</b>	<b>2 678 400</b>	<b>2 579 100</b>	<b>4 %</b>

wfe tonnes

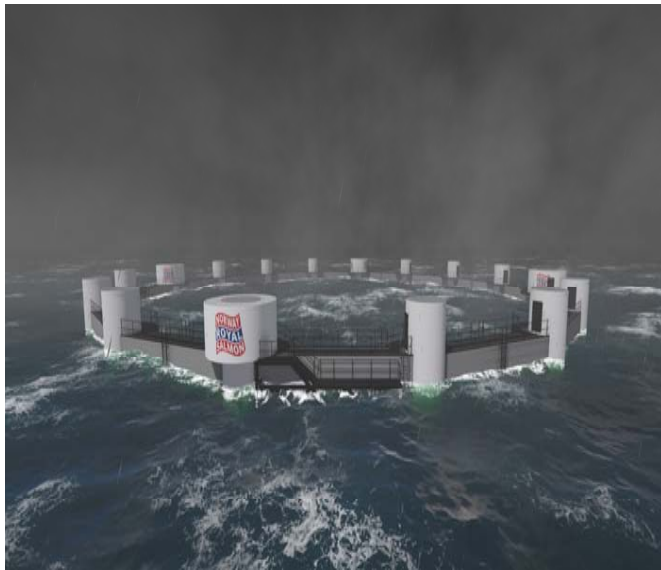
Source: Kontali Analyse



## Projects for growth



# Growth projects



Arctic Offshore



Smolt facility



Arctic Fish

# In process with new smolt facility



- Strategically important for NRS
  - The hatchery will contribute to increase the biological safety, quality and size of our smolt
  - Will improve timing of smolt release, utilization of MAB and reduce production costs
- Strategically located in short distance to our farming sites in Region North
- Among the world's largest and most modern smolt facilities
  - Production capacity of 2 400 tonnes
  - Licenses to produce up to 10 million numbers of up to 400 grams smolt yearly
- Delivery of first smolts autumn 2021



# Development licenses – Arctic Offshore Farming



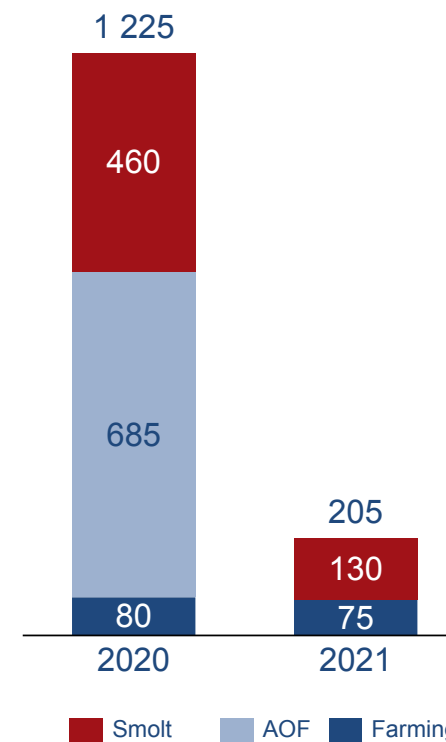
- Arctic Offshore Farming - the offshore technology for the future aquaculture industry
- NRS has been granted 8 development licenses (5 990 tonnes MAB)
- Semi-submersible offshore fish farms designed for harsh environments
- Provide significantly increased area utilization of Norwegian sea waters when more exposed areas can be used and will have a small environmental footprint
- NRS has recognised that implementing the development project is complex, which has resulted in an increase in the estimated total investment cost
- Target of starting releasing the fish at the site during the autumn 2020



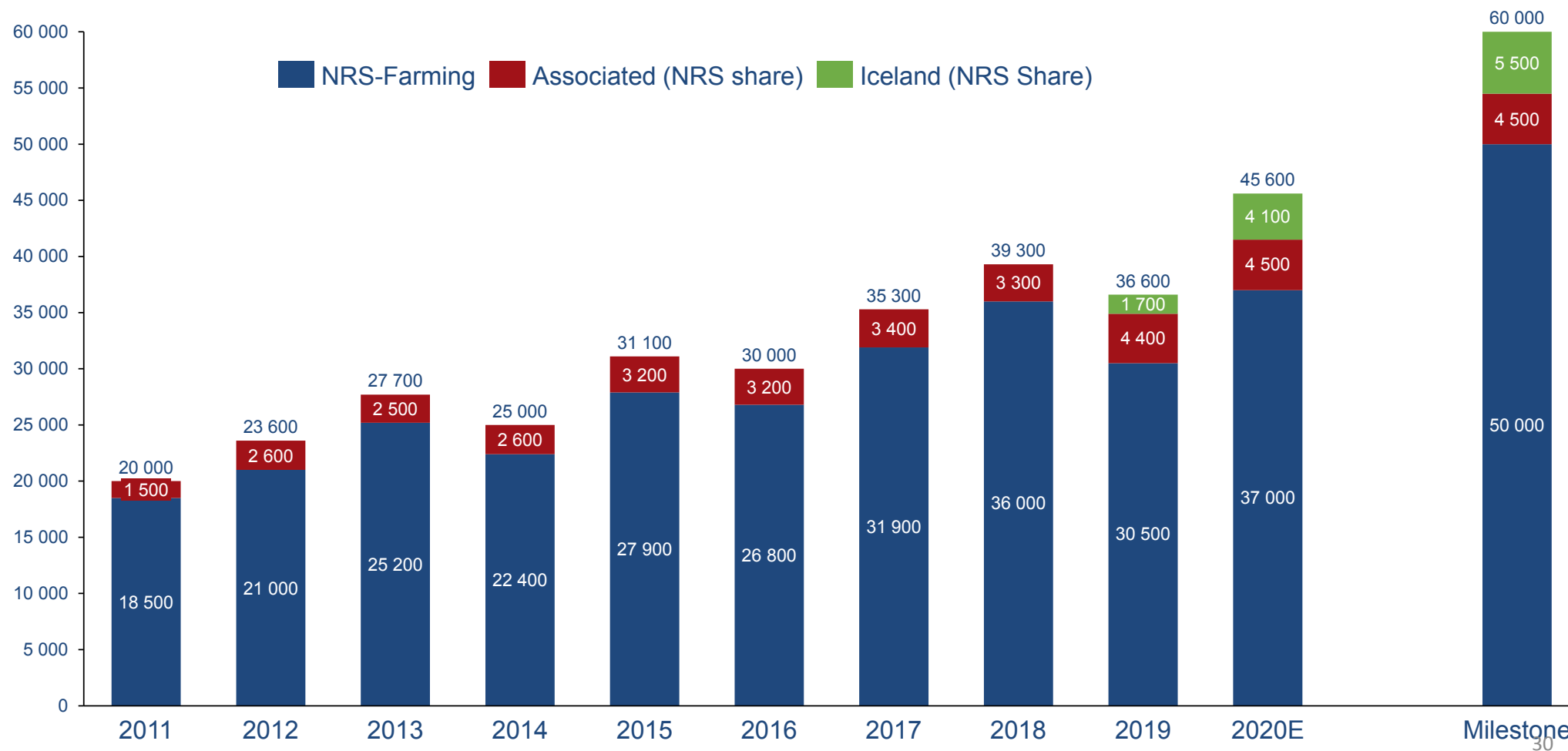
# NRS invests in future sustainable growth



- Farming - Optimize existing operations
  - Farming equipment
- New Smolt facility - Reduce biological risk and optimization of production
  - Reduce production cost
    - Lower smolt cost
    - Reduce shipping cost
    - Reduce production cost at sea
- Arctic Offshore Farming - Support future sustainable growth
  - Future growth requires use of new areas - New areas requires new technology
  - NRS is active in development of technology that support future sustainable growth
  - NRS will be a pioneer in offshore farming



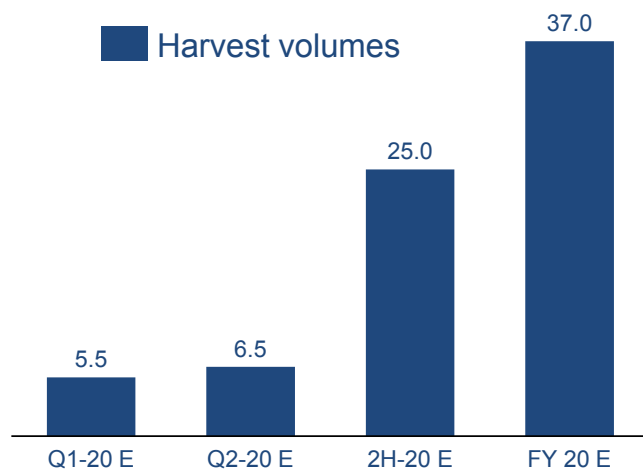
# Norway Royal Salmon - growth history



## Outlook

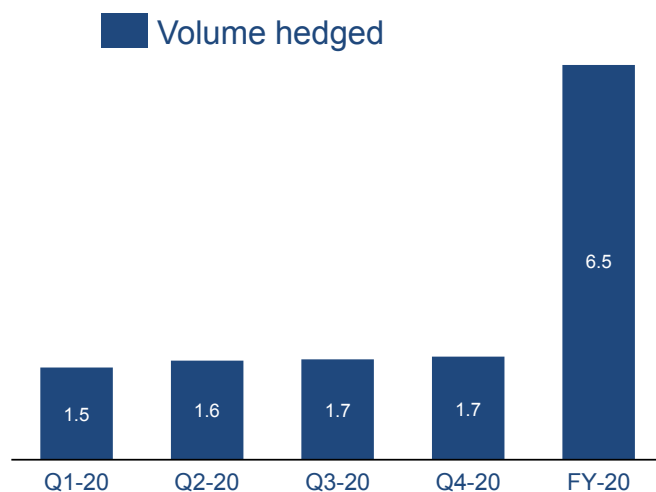


# Harvesting estimates 2019 and 2020



## Harvest volumes

- Q4 19: 9 070 tonnes (-34 % yr/yr)
  - 400 tonnes less than estimated in Q3 19
- Estimate a harvest volume for 2020 of 37 000 tonnes



## Volume hedged

- 18 % of 2020 volume hedged

# Outlook

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- Organic growth throughout utilization of MAB and new smolt facility
- Ongoing cost saving program
- Moderate supply growth and good demand provide the basis for a positive market outlook
- We will supply high-quality nutritious salmon with the help of safe and committed employees while ensuring minimal environmental impact

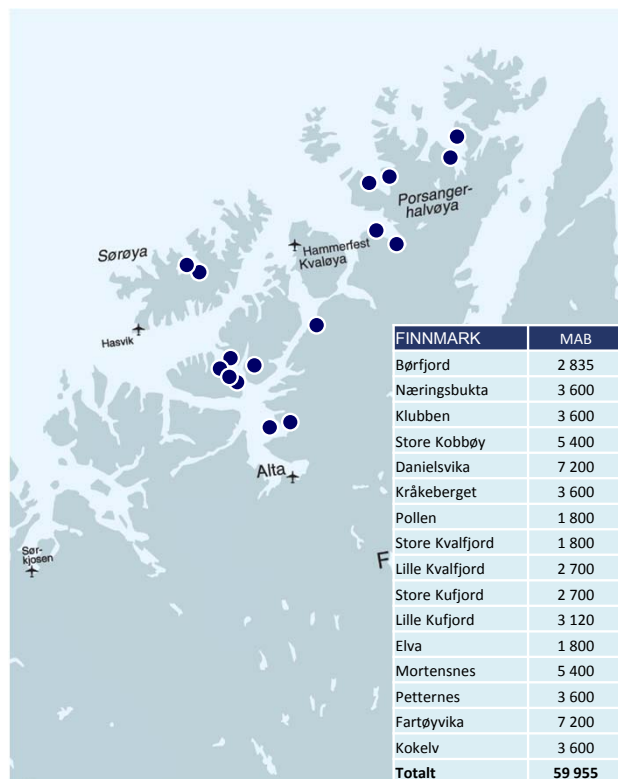
## Appendix



## Appendix: Segment information



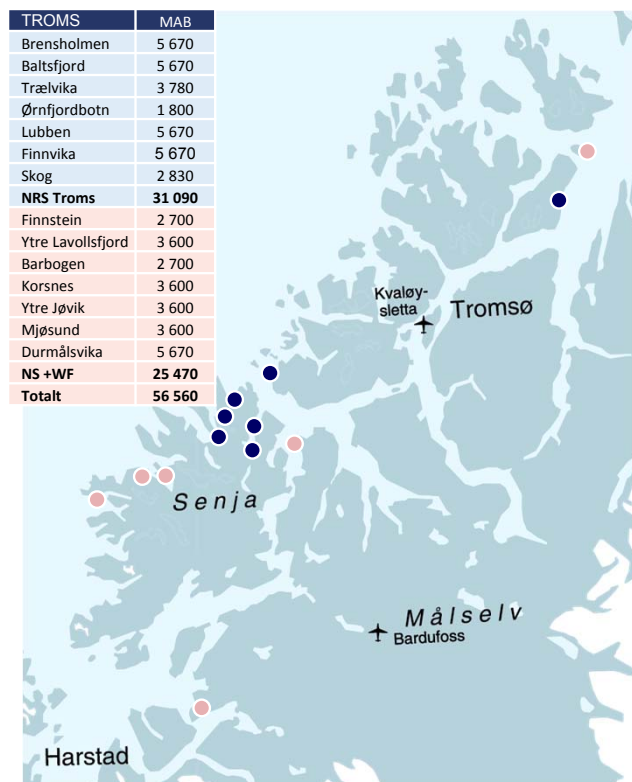
# Region North – Finnmark



- Finnmark is an area prioritized by the authorities for growth
- MAB of 19 116 tonnes owned 100 %
- Attractively located sites, history of good profitability
- Good biological conditions
  - Low biological risk
  - Relatively high water temperature in winter
  - Relatively low water temperature in summer
- Long term harvesting agreement
- Smolt production through Nordnorsk Smolt, Ranfjorden Fiskeprodukter and other partners
  - NRS own 50 % of Nordnorsk Smolt AS, capacity of 3.2 million big size smolt
  - Long term agreement with other smolt suppliers
- New hatchery in Karlsøy
  - Production capacity of 2 400 tonnes
    - About 10 million numbers of 100-400 grams smolt yearly
  - Delivery of first smolt in autumn 2021



# Region North – Troms



- Troms is an area prioritized by the authorities for growth
- MAB of 15 630 tonnes owned in Troms
  - NRS owns 82.5 % of Nor Seafood AS (MAB 3 856)
  - NRS owns 100 % of NRS Troms (MAB 5 784)
  - NRS owns 100 % of Arctic Offshore Farming (MAB 5 990)
  - Operated in co-operation with Wilsgård Fiskeoppdrett in a MAB 20 450 tonnes cluster
  - NRS owns 37.5 % of Wilsgård
- Attractive area with a history of good profitability
- Good conditions for salmon farming in the area
  - Optimal sea temperatures during the summer
  - Good growth conditions
  - Shorter production time than Finnmark
- Harvesting at Wilsgård
- Smolt production through Skardalen Settefisk
  - Smolt producer with capacity of 2.5 million smolt
  - Owned together with associated company Wilsgård Fiskeoppdrett (70 %, NRS subsidiaries 30 %)

## Appendix: Projects for growth



# Arctic Fish



- NRS owns 50 % of Arctic Fish
  - Existing licenses: 11 000 tonnes
  - Licenses pending: 17 800 tonnes
  - Potential capacity: 28 800 tonnes
- Number of smolt release
  - 2017: 0.8 million
  - 2018: 1.8 million
  - 2019: 2.7 million
- State-of-the art hatchery with close proximity to the farming sites
  - Hatchery with RAS technology
- Operation in Westfjords with good farming conditions and big potential for growth

# In process with new smolt facility



- Strategically important for NRS
  - The hatchery will contribute to increase the biological safety, quality and size of our smolt
  - Will improve timing of smolt release, utilization of MAB and reduce production costs
- Strategically located in short distance to our farming sites in Region North
- Among the world's largest and most modern smolt facilities
  - Production capacity of 2 400 tonnes
  - Licenses to produce up to 10 million numbers of up to 400 grams smolt yearly
- Delivery of first smolts autumn 2021



# Development licenses – Arctic Offshore Farming



- Arctic Offshore Farming - the offshore technology for the future aquaculture industry
- NRS has been granted 8 development licenses (5 990 tonnes MAB)
- Semi-submersible offshore fish farms designed for harsh environments
- Provide significantly increased area utilization of Norwegian sea waters when more exposed areas can be used and will have a small environmental footprint
- NRS has recognised that implementing the development project is complex, which has resulted in an increase in the estimated total investment cost
- Target of starting releasing the fish at the site during the autumn 2020

## Appendix: Group financials



# Group income statement



## INCOME STATEMENT

(NOK '000)	Q4 2019	Q4 2018	FY 2019	FY 2018
<b>Operating revenues</b>	<b>1 496 435</b>	<b>1 600 452</b>	<b>5 586 670</b>	<b>5 080 806</b>
Cost of goods sold	1 246 498	1 260 542	4 586 500	4 132 850
Salaries	40 162	37 738	154 466	139 279
Depreciation	22 625	20 174	86 804	76 550
Other operating costs	50 792	48 927	216 098	167 790
<b>Operational EBIT</b>	<b>136 358</b>	<b>233 071</b>	<b>542 802</b>	<b>564 337</b>
Fair value adjustments	35 264	-86 971	-132 023	176 851
Write down of assets	-4 379	0	-4 379	0
Income from associates	-12 536	32 845	16 901	14 713
<b>EBIT</b>	<b>154 707</b>	<b>178 945</b>	<b>423 301</b>	<b>755 901</b>
Gain/loss on financial assets	44 457	-26 265	78 658	82 576
Other net financial items	-8 527	-2 434	-27 183	-18 946
<b>EBT</b>	<b>190 636</b>	<b>150 246</b>	<b>474 775</b>	<b>819 531</b>
Tax	-35 321	-15 415	-84 278	-149 398
Profit after tax from continuing operations	155 316	134 831	390 498	670 133
Profit after tax on discontinued operations incl. profit fr	923 114	-46 586	922 600	38 957
<b>Net profit/loss</b>	<b>1 078 430</b>	<b>88 245</b>	<b>1 313 098</b>	<b>709 091</b>
<b>Profit attributable to:</b>				
Parent company shareholders	1 077 389	87 148	1 306 722	705 311
Minority interests	1 040	1 097	6 376	3 780
Earnings per share, continuing operations (NOK)	24,81	3,07	30,11	15,31
Earnings per share, continuing operations - diluted	24,81	3,07	30,11	15,31
Earnings per share (NOK)	24,85	2,00	30,14	16,21
Earnings per share - diluted	24,85	2,00	30,14	16,21

## EXTENDED INCOME STATEMENT

(NOK '000)	Q4 2019	Q4 2018	FY 2019	FY 2018
<b>Net profit/loss</b>	<b>1 078 429</b>	<b>88 245</b>	<b>1 313 098</b>	<b>709 091</b>
Items to be reclassified to profit or loss:				
Translation differences and OCI posts from associated	-645	4 911	-2 182	-15 859
Cash Flow hedges (net)	10 675	-15 337	18 424	-2 699
Items not to be reclassified to profit or loss:				
Actuarial gains on defined benefit plans (net)	-7 686	-1 154	-7 686	-1 154
<b>Total comprehensive income</b>	<b>1 080 772</b>	<b>76 666</b>	<b>1 321 653</b>	<b>689 379</b>
<b>Total comprehensive income attributable to:</b>				
Parent company shareholders	1 079 732	75 568	1 315 277	685 600
Non-controlling interests	1 040	1 097	6 376	3 780

# Balance Sheet



## BALANCE SHEET - ASSETS

(NOK '000)	31.12.2019	30.09.2019	31.12.2018
Intangible assets	713 947	741 896	846 807
Property, plant and equipment	1 175 568	991 113	672 577
Non-current financial assets	676 723	692 231	656 001
<b>Non-current assets</b>	<b>2 566 238</b>	<b>2 425 240</b>	<b>2 175 385</b>
Inventory and biological assets	1 311 784	1 283 902	1 321 769
Receivables	650 199	381 643	438 027
Bank deposits, cash	152 317	66 022	155 653
<b>Current assets</b>	<b>2 114 300</b>	<b>1 731 567</b>	<b>1 915 449</b>
Assets discontinued operations	0	377 429	0
<b>TOTAL ASSETS</b>	<b>4 680 538</b>	<b>4 534 236</b>	<b>4 090 834</b>

## BALANCE SHEET - EQUITY AND LIABILITIES

(NOK '000)	31.12.2019	30.09.2019	31.12.2018
Share capital	43 432	43 431	43 514
Other equity	3 267 659	2 188 338	2 235 729
Non-controlling interests	45 949	46 878	41 542
<b>Equity</b>	<b>3 357 040</b>	<b>2 278 647</b>	<b>2 320 785</b>
Pensions	27 638	19 005	19 005
Deferred tax	358 208	387 422	385 754
<b>Provisions</b>	<b>385 847</b>	<b>406 426</b>	<b>404 759</b>
<b>Long-term interest-bearing debt</b>	<b>200 933</b>	<b>874 857</b>	<b>551 054</b>
Short-term interest-bearing debt	47 927	56 500	102 514
Trade payables	575 895	624 306	446 993
Tax payable	42 537	0	134 777
Other current liabilities	70 359	96 789	129 952
<b>Current liabilities</b>	<b>736 718</b>	<b>777 595</b>	<b>814 236</b>
Liabilities discontinued operations	0	196 710	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 680 538</b>	<b>4 534 236</b>	<b>4 090 834</b>



# Group cash flow statement



## STATEMENT OF CASH FLOW

(NOK '000)	Q4 2019	Q4 2018	FY 2019	FY 2018
<b>Operational EBIT</b>	<b>136 358</b>	<b>232 436</b>	<b>542 802</b>	<b>641 726</b>
Adjusted for:				
Tax paid	-290	-36 668	-138 290	-112 223
Depreciation	22 625	23 430	86 804	89 299
Share based payment	971	650	-1 413	-297
Pension costs with no cash effect	-1 199	798	-1 199	798
Change in inventory / biomass	9 843	83 312	-260 491	81 527
Change in debtors and creditors	-242 993	-222 771	17 974	74 678
Change in other current assets and other liabilities	-6 831	48 432	-65 385	31 190
<b>Net cash flow from operating activities</b>	<b>-81 515</b>	<b>129 618</b>	<b>180 803</b>	<b>806 696</b>
<b>Cash flow from investing activities</b>				
Payments for purchase of PPE and licenses (MAB)	-179 329	-55 506	-584 237	-412 941
Payments for acquisition of associated company	0	0	-1 250	0
Payments(-)/proceeds(+) from realisation of non-current financial assets (TRS)	0	0	-3 809	47 282
Proceeds from investments in financial assets	11 732	6 931	19 950	11 458
Net cash proceeds from discontinued operations	1 125 681	0	1 125 681	0
Change in loans to associates and others	-8 500	-877	-22 251	-57 617
<b>Net cash flow from investing activities</b>	<b>949 584</b>	<b>-49 453</b>	<b>534 083</b>	<b>-411 818</b>
<b>Cash flow from financing activities</b>				
Receipts from new long-term debt	34 147	0	48 841	241 189
Long-term debt repayments	-712 417	-13 828	-400 404	-156 471
Net change in overdraft	-92 012	10 886	-51 611	-235 008
Payment for acquisition of treasury shares	0	0	-25 035	3 887
Interest paid	-9 523	-2 980	-29 785	-19 918
Dividend payment	-1 970	0	-260 229	-224 684
<b>Net cash flow from financing activities</b>	<b>-781 774</b>	<b>-5 923</b>	<b>-718 223</b>	<b>-391 005</b>
Net increase (+)/ decrease (-) in cash & cash equivalents	86 295	74 243	-3 336	3 873
Cash and cash equivalents - opening balance	66 022	81 410	155 653	151 780
<b>Cash and cash equivalents - closing balance</b>	<b>152 316</b>	<b>155 651</b>	<b>152 316</b>	<b>155 653</b>

# Statement of Equity



31.12.2019	Equity allocated to parent company shareholders				Non-controlling interests	
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		Total equity
<b>Equity at 01.01.2019</b>	43 572	-58	2 235 729	2 279 243	41 542	2 320 785
<b>Total comprehensive income</b>	0	0	1 315 277	1 315 277	6 376	1 321 653
<b>Transactions with shareholders</b>						
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
<b>Total transactions with shareholders</b>	0	-83	-283 346	-283 428	-1 969	-285 398
<b>Equity at 31.12.2019</b>	43 572	-141	3 267 660	3 311 092	45 950	3 357 040

31.12.2018	Equity allocated to parent company shareholders				Non-controlling interests	
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		Total equity
<b>Equity at 01.01.2018</b>	43 572	-82	1 769 780	1 813 271	37 762	1 851 030
<b>Comprehensive income</b>	0	0	685 600	685 600	3 780	689 379
<b>Transactions with shareholders</b>						
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 transactions associated companies	0	0	1 496	1 496	0	1 496
<b>Total transactions with shareholders</b>	0	24	-219 649	-219 624	0	-219 624
<b>Equity at 31.12.2018</b>	43 572	-58	2 235 729	2 279 246	41 542	2 320 785

# Quarterly historical information



QUARTERLY HISTORICAL INFORMATION (NOK thousand, NOK per kg)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b>Volumes harvested (ktonnes, HOG)</b>												
Region North	8 243	7 076	4 962	7 016	12 042	2 379	6 365	9 597	7 326	8 238	3 633	5 500
Region South	826	437	869	1 080	1 741	100	2 407	1 338	1 726	2 216	1 598	1 681
<b>Total</b>	<b>9 070</b>	<b>7 513</b>	<b>5 830</b>	<b>8 096</b>	<b>13 783</b>	<b>2 478</b>	<b>8 773</b>	<b>10 935</b>	<b>9 052</b>	<b>10 454</b>	<b>5 231</b>	<b>7 181</b>
<b>Operational EBIT</b>												
Region North	145 964	138 694	136 229	179 010	243 297	52 981	157 434	184 448	116 045	155 299	107 825	150 059
Region South	5 590	-3 692	3 430	2 500	1 047	1 798	56 541	20 927	24 367	46 345	50 013	55 316
<b>Total</b>	<b>151 554</b>	<b>135 002</b>	<b>139 659</b>	<b>181 509</b>	<b>244 344</b>	<b>54 779</b>	<b>213 976</b>	<b>205 375</b>	<b>140 411</b>	<b>201 644</b>	<b>157 838</b>	<b>205 375</b>
<b>Operational EBIT per kg</b>												
Region North	17,71	19,60	27,46	25,51	20,20	22,27	24,73	19,22	15,84	18,85	29,68	27,28
Region South	6,77	-8,45	3,95	2,31	0,60	18,05	23,49	15,64	14,12	20,91	31,30	32,91
<b>Total</b>	<b>16,71</b>	<b>17,97</b>	<b>23,95</b>	<b>22,42</b>	<b>17,73</b>	<b>22,10</b>	<b>24,39</b>	<b>18,78</b>	<b>15,51</b>	<b>19,29</b>	<b>30,17</b>	<b>28,60</b>
<b>Volumes sold (ktonnes)</b>	<b>24 726</b>	<b>24 736</b>	<b>17 579</b>	<b>22 838</b>	<b>27 785</b>	<b>14 945</b>	<b>17 150</b>	<b>22 540</b>	<b>22 471</b>	<b>22 296</b>	<b>17 318</b>	<b>15 714</b>
<b>NRS GROUP <sup>1)</sup></b>												
<b>Operational EBITDA</b>	<b>158 983</b>	<b>153 351</b>	<b>140 112</b>	<b>188 451</b>	<b>255 865</b>	<b>58 265</b>	<b>202 969</b>	<b>213 925</b>	<b>119 104</b>	<b>213 137</b>	<b>155 231</b>	<b>222 451</b>
<b>Operational EBIT</b>	<b>136 358</b>	<b>131 436</b>	<b>115 812</b>	<b>164 318</b>	<b>232 436</b>	<b>35 459</b>	<b>181 087</b>	<b>192 744</b>	<b>94 636</b>	<b>192 425</b>	<b>135 566</b>	<b>205 234</b>
<b>Net interest bearing debt</b>	<b>33 073</b>	<b>926 355</b>	<b>656 854</b>	<b>287 943</b>	<b>419 698</b>	<b>499 760</b>	<b>413 099</b>	<b>446 333</b>	<b>633 479</b>	<b>539 247</b>	<b>594 007</b>	<b>380 531</b>
<b>Equity ratio</b>	<b>71,7 %</b>	<b>50,3 %</b>	<b>53,2 %</b>	<b>59,6 %</b>	<b>56,7 %</b>	<b>54,5 %</b>	<b>52,1 %</b>	<b>55,0 %</b>	<b>48,0 %</b>	<b>47,4 %</b>	<b>45,4 %</b>	<b>53,3 %</b>

<sup>1)</sup> The NRS Group figures includes Region South and will vary from the reported figures 2018 and 2019

# Accumulated historical information



HISTORICAL INFORMATION (NOK thousand, NOK per kg)	FY <sup>1)</sup> 2019	FY <sup>1)</sup> 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
<b>Volumes harvested (ktonnes, HOG)</b>									
Region North	27 297	30 384	24 697	21 667	22 971	17 987	20 491	13 944	12 871
Region South	3 212	5 586	7 221	5 151	4 932	4 369	4 700	7 218	5 910
<b>Total</b>	<b>30 509</b>	<b>35 970</b>	<b>31 918</b>	<b>26 819</b>	<b>27 903</b>	<b>22 356</b>	<b>25 191</b>	<b>21 162</b>	<b>18 781</b>
<b>Operational EBIT</b>									
Region North	599 896	638 160	529 227	634 401	244 110	205 683	240 330	35 195	62 822
Region South	7 828	80 313	176 041	91 358	24 933	17 461	39 795	12 354	1 934
<b>Total</b>	<b>607 724</b>	<b>718 473</b>	<b>705 268</b>	<b>725 759</b>	<b>269 043</b>	<b>223 144</b>	<b>280 125</b>	<b>47 548</b>	<b>64 756</b>
<b>Operational EBIT per kg</b>									
Region North	21,98	21,00	21,43	29,28	10,63	11,44	11,73	2,52	4,88
Region South	2,44	14,38	24,38	17,74	5,05	4,00	8,47	1,71	0,33
<b>Total</b>	<b>19,92</b>	<b>19,97</b>	<b>22,10</b>	<b>27,06</b>	<b>9,64</b>	<b>9,98</b>	<b>11,12</b>	<b>2,25</b>	<b>3,45</b>
<b>Volumes sold (ktonnes)</b>	<b>89 879</b>	<b>82 420</b>	<b>77 799</b>	<b>66 808</b>	<b>69 971</b>	<b>59 110</b>	<b>62 141</b>	<b>57 673</b>	<b>50 428</b>
<b>NRS GROUP <sup>1)</sup></b>									
Operational EBITDA	640 897	731 024	709 923	701 676	255 591	199 475	289 729	60 785	73 300
Operational EBIT	547 925	641 726	627 861	640 613	201 894	158 064	256 002	30 336	47 257
Net interest bearing debt	33 073	419 698	633 479	282 160	498 541	639 383	453 883	566 075	531 734
Equity ratio	71,7 %	56,7 %	48,0 %	55,1 %	41,3 %	39,0 %	42,4 %	36,3 %	36,3 %

<sup>1)</sup> The NRS Group figures includes Region South and will vary from the reported figures 2018 and 2019

# Credit facilities from bank of MNOK 2 000

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- Revolving credit facility of MNOK 1 000
  - Duration: 5 years with an annual credit rating for further 5 years
- Overdraft facility of MNOK 400 granted as green financing from Danske Bank
  - Duration: Expires 30 June 2022
- Overdraft facility of MNOK 600
  - Duration: 1 year with annual renewal
- Covenants
  - Equity ratio at least 30 %
  - Drawn amount of the overdraft facility of MNOK 600 shall not exceed 75 per cent of the carrying value of inventory and accounts receivables adjusted for IFRS 16 impacts.

# Financing



## Long term debt

(NOK '000)	31.12.2019	30.09.2019	31.12.2018
Long-term debt to financial institutions	0	700 000	350 000
Long-term finance lease	200 933	198 922	201 054
Long-term receivables	-63 470	-51 313	-78 217
<b>Total long-term interest bearing debt</b>	<b>137 463</b>	<b>847 609</b>	<b>472 837</b>

## Short term debt

(NOK '000)	31.12.2019	30.09.2019	31.12.2018
Short-term debt to financial institutions	0	92 012	51 611
First year's instalment long-term debt	47 927	52 756	50 903
<b>Total short-term interest bearing debt</b>	<b>47 927</b>	<b>144 768</b>	<b>102 514</b>
Cash and cash equivalents <sup>1)</sup>	-152 317	-66 022	-155 653
<b>Net interest bearing debt</b>	<b>33 073</b>	<b>926 355</b>	<b>419 698</b>

<sup>1)</sup> of which TNOK 38 458 are restricted cash deposits

## Unused credit Facility

(NOK '000)	31.12.2019	30.09.2019	31.12.2018
Unused long-term credit facility	1 400 000	700 000	450 000
Unused short-term credit facility	600 000	507 988	548 389
<b>Total unused credit facility</b>	<b>2 000 000</b>	<b>1 207 988</b>	<b>998 389</b>

# Shareholders



## Ownership structure – the 20 largest shareholders as at 31.12.2019:

Shareholder	No. of shares	Shareholding
GÅSØ NÆRINGSUTVIKLING AS	6 993 188	16,05 %
MÅSØVAL EIENDOM AS	5 255 360	12,06 %
NORWAY FRESH AS	5 000 000	11,58 %
HAVBRUKSINVEST AS	4 189 204	9,61 %
EGIL KRISTOFFERSEN & SØNNER AS	3 801 689	8,73 %
HELLESUND FISKEOPPDRETT AS	1 665 843	4,09 %
NYHAMN AS	1 460 340	3,82 %
DNB Markets Aksjehandel/-analyse	981 230	2,08 %
BNP Paribas Securities Services	525 000	1,54 %
HANDELSBANKEN Nordiska Smabolag	432 918	1,12 %
State Street Bank and Trust Comp	394 027	0,71 %
Brown Brothers Harriman & Co.	352 907	0,64 %
MP PENSJON PK	319 471	0,60 %
The Northern Trust Comp, London Br	311 898	0,59 %
FEDERATED INTERNATIONAL EQUITY FND	295 905	0,57 %
JPMorgan Chase Bank, N.A., London	278 606	0,54 %
State Street Bank and Trust Comp	272 213	0,54 %
MÅSØVAL FISHFARM AS	259 606	0,53 %
LOVUNDLAKS AS	252 821	0,53 %
State Street Bank and Trust Comp	246 163	0,53 %
<b>Total 20 largest shareholders</b>	<b>33 288 389</b>	<b>76,40 %</b>
Total other shareholders	10 283 802	23,60 %
<b>Total no. of shares</b>	<b>43 572 191</b>	<b>100,00 %</b>





COMMITTED  
BY NAME

