



Presentation Q2 2019

Oslo, 27 August 2019

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Agenda



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

Highlights in Q2 2019

- Operational EBIT of MNOK 116
- Stable and good performance in Region North
- 26 % higher biomass in sea compared with the end of Q2 18
- Good price achievement and results for the sales operations
- Lower production due to low sea water temperatures in Region North and preventive measures due to algae bloom

Highlights in Q2 2019



NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q2 2019	Q2 2018
Operating revenues	1 205 197	1 209 524
Operational EBITDA	140 112	202 969
Operational EBIT	115 812	181 087
Income from associates	11 634	-23 343
EBIT	176 646	237 515
EBT	151 492	270 355
EPS (NOK) – before fair value adjustments	1,74	3,39
ROCE ¹⁾	31,0 %	40,1 %
Net cash flow from operating activities	-63 032	324 819
Investments in tangible fixed assets/licenses	207 689	62 861
Net interest-bearing debt	656 854	413 099
Equity ratio	53,2 %	52,1 %
Volume harvested (HOG)	5 830	8 773
Operational EBIT per kg ²⁾	23,95	24,39
Volume sold - Sales	17 579	17 150

- Operational EBIT MNOK 116 in Q2 19
- Operational EBIT per kg NOK 23.95
- Average salmon price (NASDAQ) down NOK 5.97 per kg from Q2 last year
- Harvested volume down 34 % and sold volume up 3 % from Q2 last year
- NIBD up MNOK 369 in Q2 19
- Distributed dividend of MNOK 258 in Q2 19

Segment information

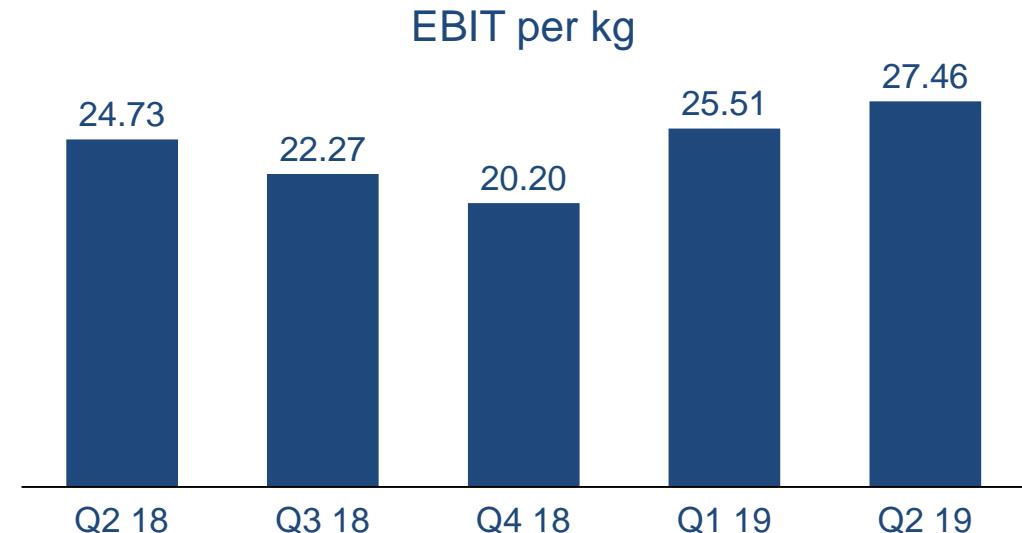


Region North



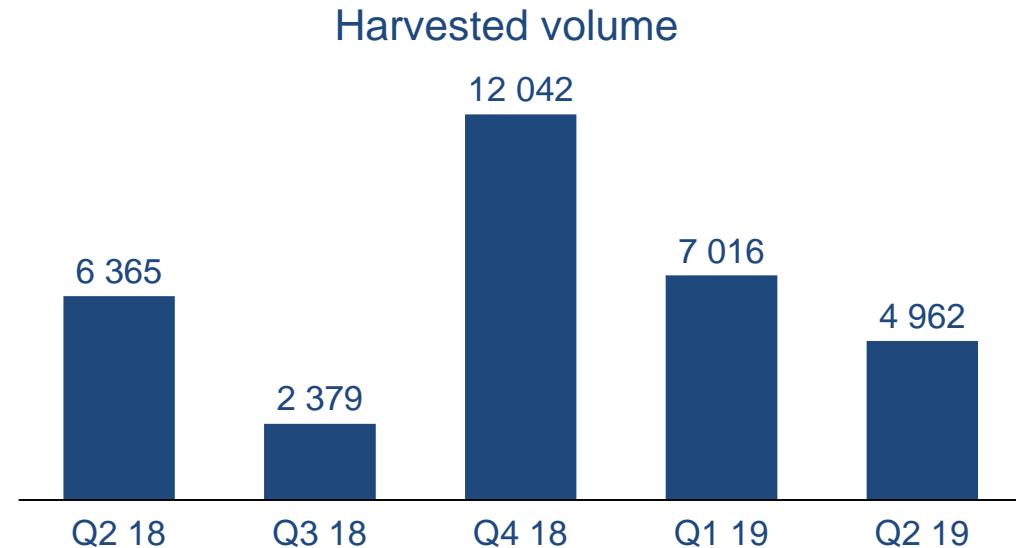
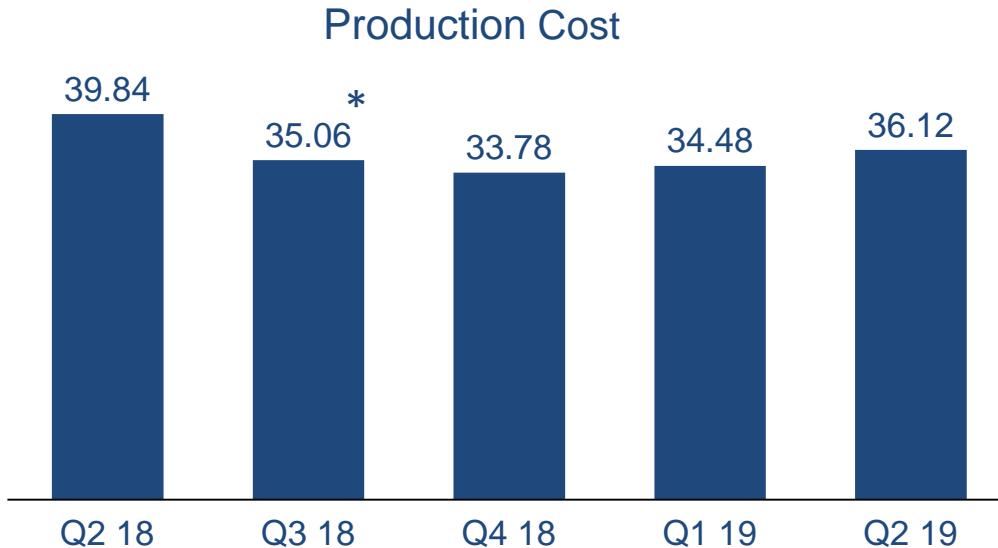
KEY FIGURES (NOK '000)	Q2 2019	Q2 2018
Operating revenues	1 025 654	876 617
Operational EBIT *	136 229	157 434
Volume harvested (tonnes)	4 962	6 365
Operational EBIT (ex contracts)	27,78	25,64
Gain (+)/Loss (-) on open fixed price contracts	-0,32	-0,91
Operational EBIT per kg	27,46	24,73

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



- Operational EBIT per kg NOK 27.46
 - Up NOK 2.73 from Q2 18 and up NOK 1.95 from Q1 19
 - Sales price FCA packing station down NOK 2.67 per kg from Q2 18 and up NOK 2.04 from Q1 19
 - Size and timing of the harvested volumes within the quarter impacted the price achievement positively

Region North



* Sites without ISA

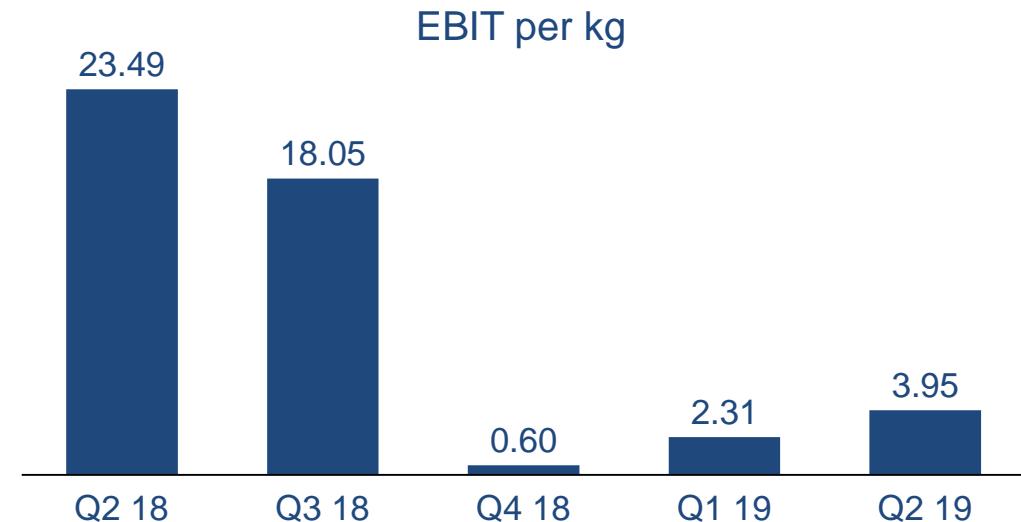
- Production cost of NOK 36.12 per kg
 - Production cost up by NOK 1.64 from Q1 19. The share of harvested volume from Troms has increased from Q1 19
 - Still low production cost on harvested fish from Finnmark
 - Harvest of fish from areas with temporary restrictions has resulted in high well boat and harvest costs in Troms.
All the fish in these areas have been harvested in the quarter
- Volume down 1 403 tonnes compared to Q2 18
- Operation
 - Due to the culling of fish in two cages because of winter wounds, a non-recurring cost of MNOK 11 was recognised in the quarter
 - Growth has been lower than expected due to low sea water temperatures and preventive measures due to algae bloom

Region South



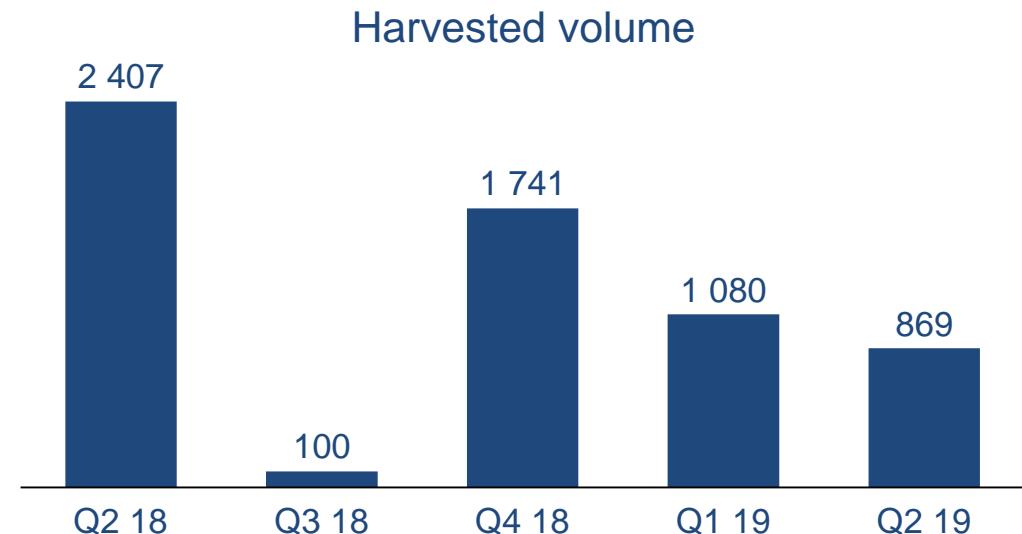
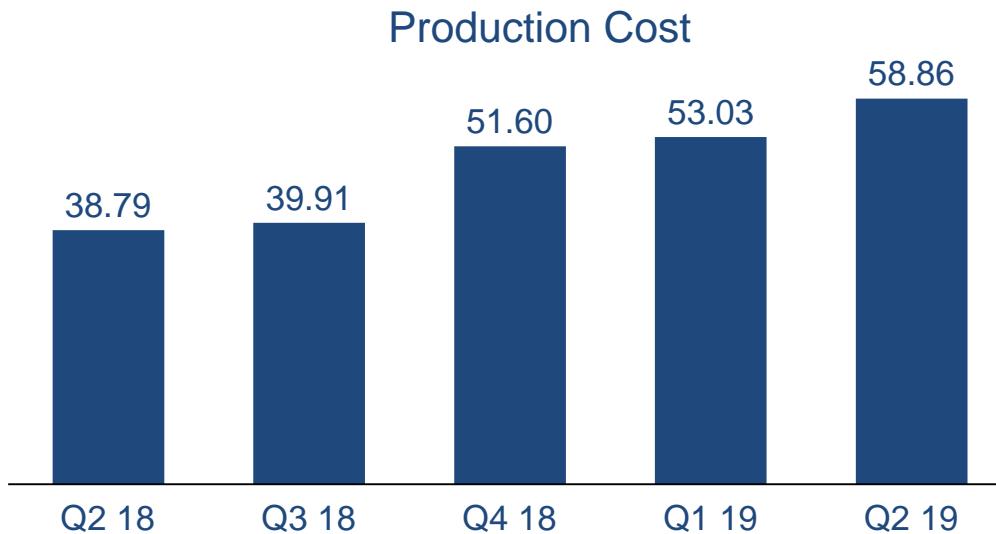
KEY FIGURES (NOK '000)	Q2 2019	Q2 2018
Operating revenues	179 543	331 506
Operational EBIT *	3 430	56 541
Volume harvested (tonnes)	869	2 407
Operational EBIT (ex contracts)	4,27	24,40
Gain (+)/Loss (-) on open fixed price contracts	-0,32	-0,91
Operational EBIT per kg	3,95	23,49

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



- Operational EBIT per kg NOK 3.95
 - Down NOK 19.54 from Q2 18 and up NOK 1.64 from Q1 19
 - Sales price FCA packing station down NOK 1.15 per kg from Q2 18 and up NOK 5.92 from Q1 19
 - Timing of the harvested volumes within the quarter impacted price achievement positively and size of the fish had a negative impact

Region South



- Production cost of NOK 58.86 per kg
 - Production cost up NOK 5.83 from Q1 19
 - The remaining fish from the site harvested in Q4 18 and Q1 19 with high production costs were harvested in Q2 19
- Volume down 1 538 tonnes compared to Q2 18
- Operation
 - Good growth
 - Production costs are expected to decrease significantly for the next generation to be harvested
 - The process to assess strategic alternatives for the company's operations in Region South is progressing as planned

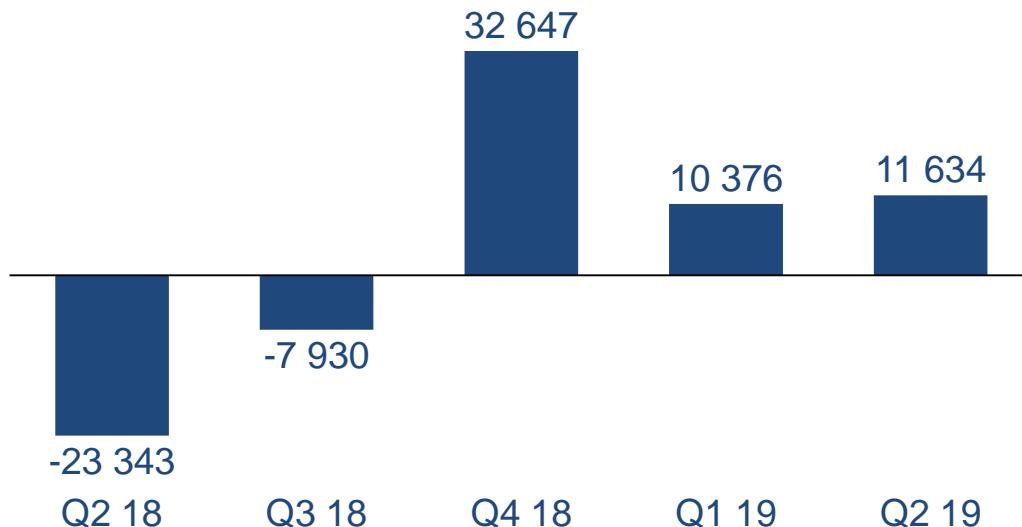
Associated companies - total

(NOK 1000)	Q2 2019	Q2 2018
Operational EBIT	46 771	67 152
Fair value adjustment	-7 814	-50 508
EBIT	38 957	-30 583
Volume harvested (tonnes)	1 918	1 577
Operational EBIT per kg *	25,73	12,64
NRS' share of result after tax	11 634	-23 343
NRS' share of harvested (tonnes)	709	583

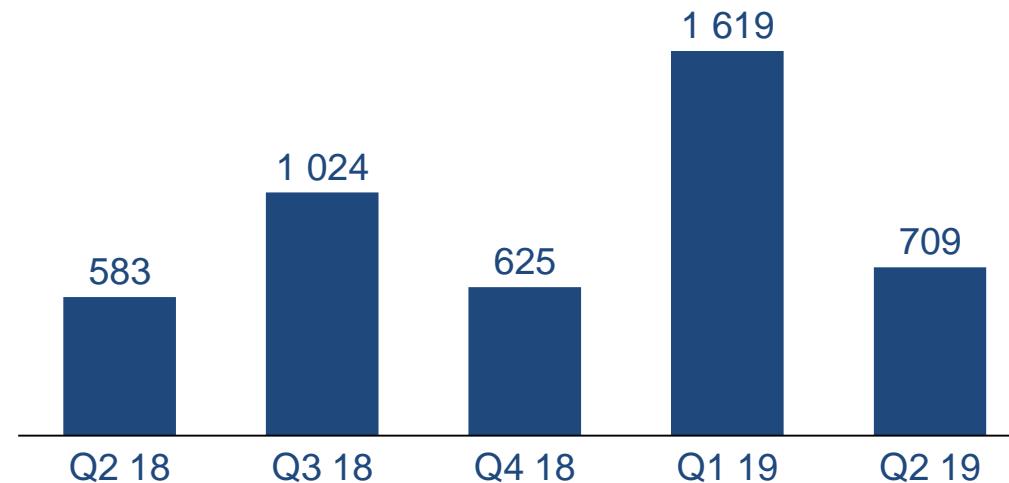
*EBIT pre fair value adjustments farming companies

- NRS share of result after tax of MNOK 11.6
 - Fair value adjustment after tax negative by MNOK 3.8
- Shares in NRS owned by associated companies at the end of Q2 19
 - NRS' share of fair value MNOK 130
 - Not recognised in the group accounts

NRS' share of result after tax



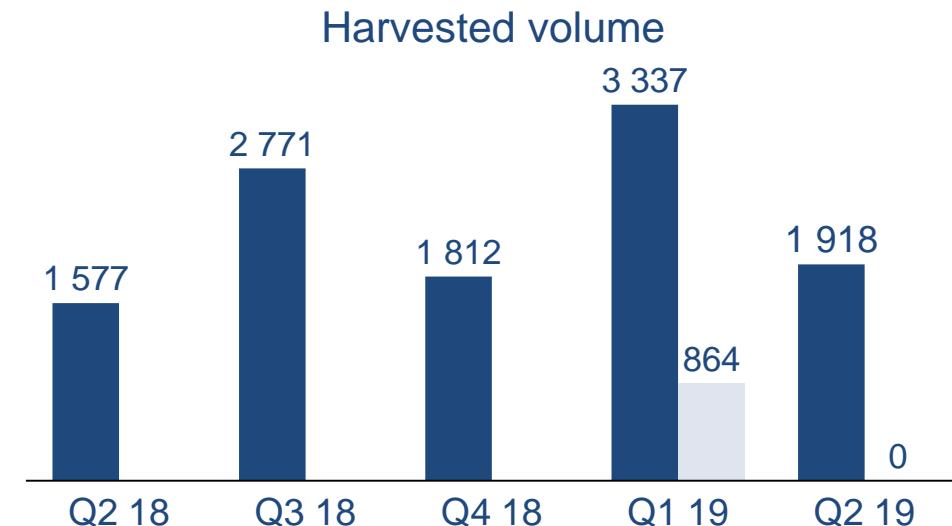
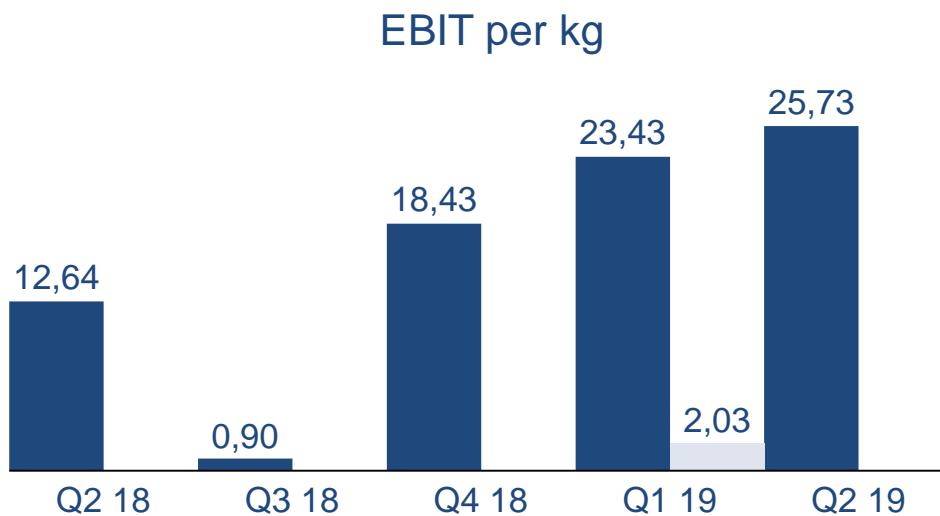
NRS' share of harvested volume



Associated farming companies

(NOK 1000)	Q2 2019		Q2 2018	
	Farming companies Norway	Arctic Fish Iceland	Farming companies Norway	Arctic Fish Iceland
Operational EBIT	49 351	-1 258	19 925	-4 869
Fair value adjustment	-7 814	0	-50 508	0
EBIT	41 537	-1 258	-30 583	-4 869
Volume harvested (tonnes)	1 918	0	1 577	0
Operational EBIT per kg *	25,73	-	12,64	-
NRS' share of result after tax	11 785	327	-18 324	-5 258
NRS' share of harvested (tonnes)	709	0	583	0
*EBIT pre fair value adjustments				

- Norwegian farming companies
 - Operational EBIT of MNOK 49.4
 - EBIT per kg of NOK 25.73
- Arctic Fish
 - Operational EBIT of MNOK -1.3
 - No harvesting in the quarter
 - Changed functional currency for accounting to EUR
 - Estimate to harvest 2 500 tonnes in H2 19
 - Good production both for fresh water and sea water in Q2
 - Expect to release 2.7 - 2.8 million smolt this year



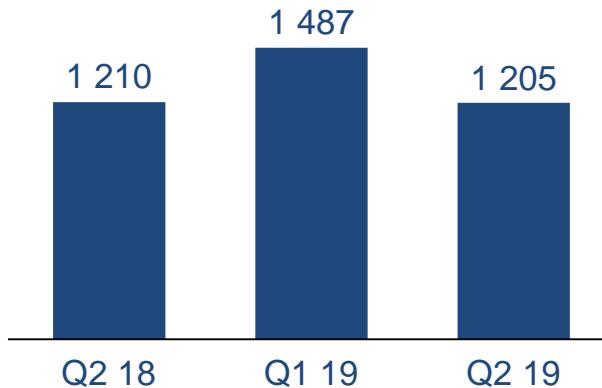
Group financials



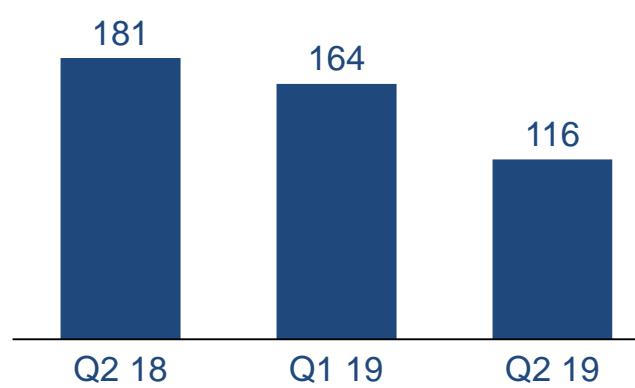
-Committed by name-

Key income statement items

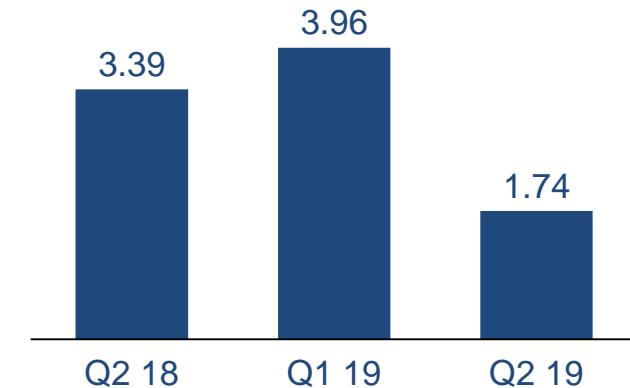
Operating revenues



Operational EBIT



EPS pre fair value

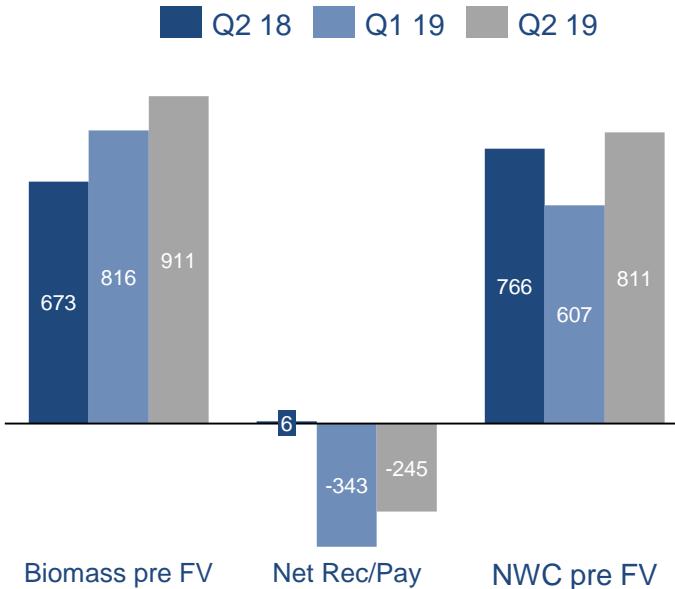


- Revenues down MNOK 5 (0.4 %) from Q2 18
 - Average salmon price (NASDAQ) down NOK 5.97 per kg from Q2 18
 - Sold volume up 2.5 %

- Operational EBIT down by MNOK 65 from Q2 18
 - Farming:
 - Sales price down NOK 2.15/kg
 - Production cost down NOK 0.04/kg
 - Harvested volume down 2 942 tonnes
 - Sales:
 - Margins sold volume up NOK 0.27/kg
 - Loss on fixed price contracts down NOK 0.36/kg

- EPS pre FV down NOK 1.65 per share from Q1 18
 - Loss on financial assets of MNOK 18 in Q2 19 vs profit of MNOK 39 in Q2 18

Key balance sheet items



Biomass pre FV up by MNOK 95 from Q1 19

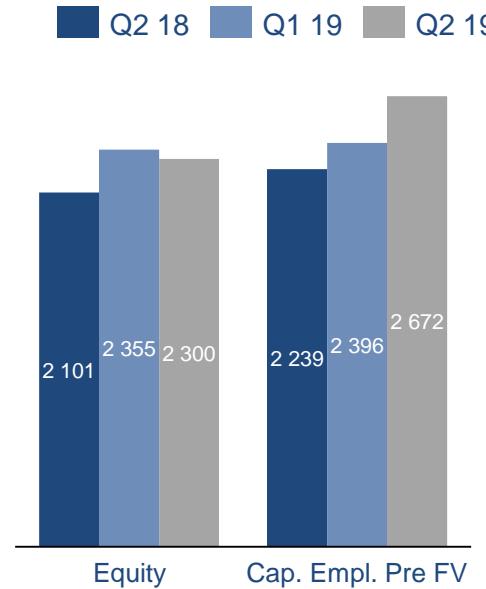
- Biomass up by 378 tonnes (2 %) from Q1 19
- Biomass up 4 377 tonnes (26 %) from Q2 18

Net account receivables and account payables up by MNOK 98 from Q1 19

- Account receivable down MNOK 20
- Account payables up by MNOK 118

Working capital pre FV up by MNOK 204 from Q1 19

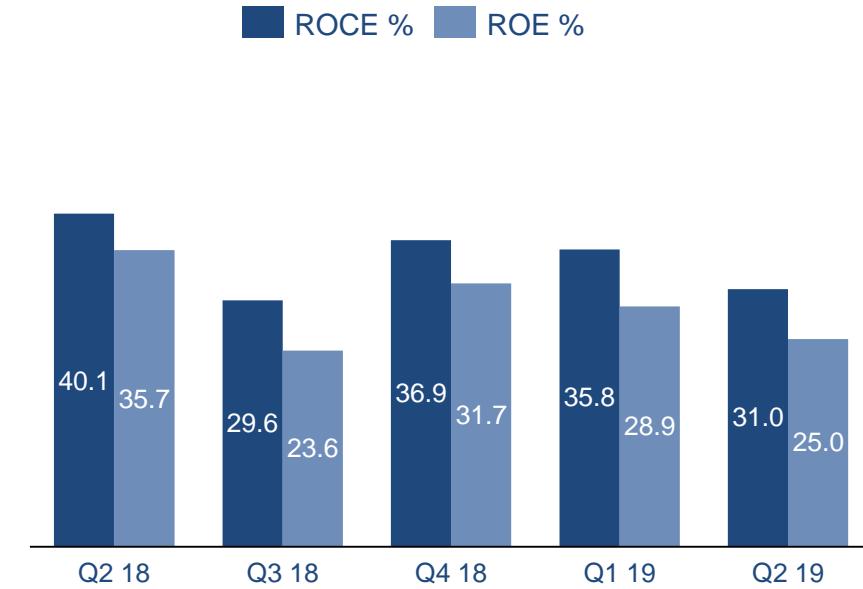
- Inventories of feed and harvested fish down MNOK 10



Equity down MNOK 55 from Q1 19

- Equity ratio 53.2 %

Capital employed pre FV up by MNOK 276 from Q1 19

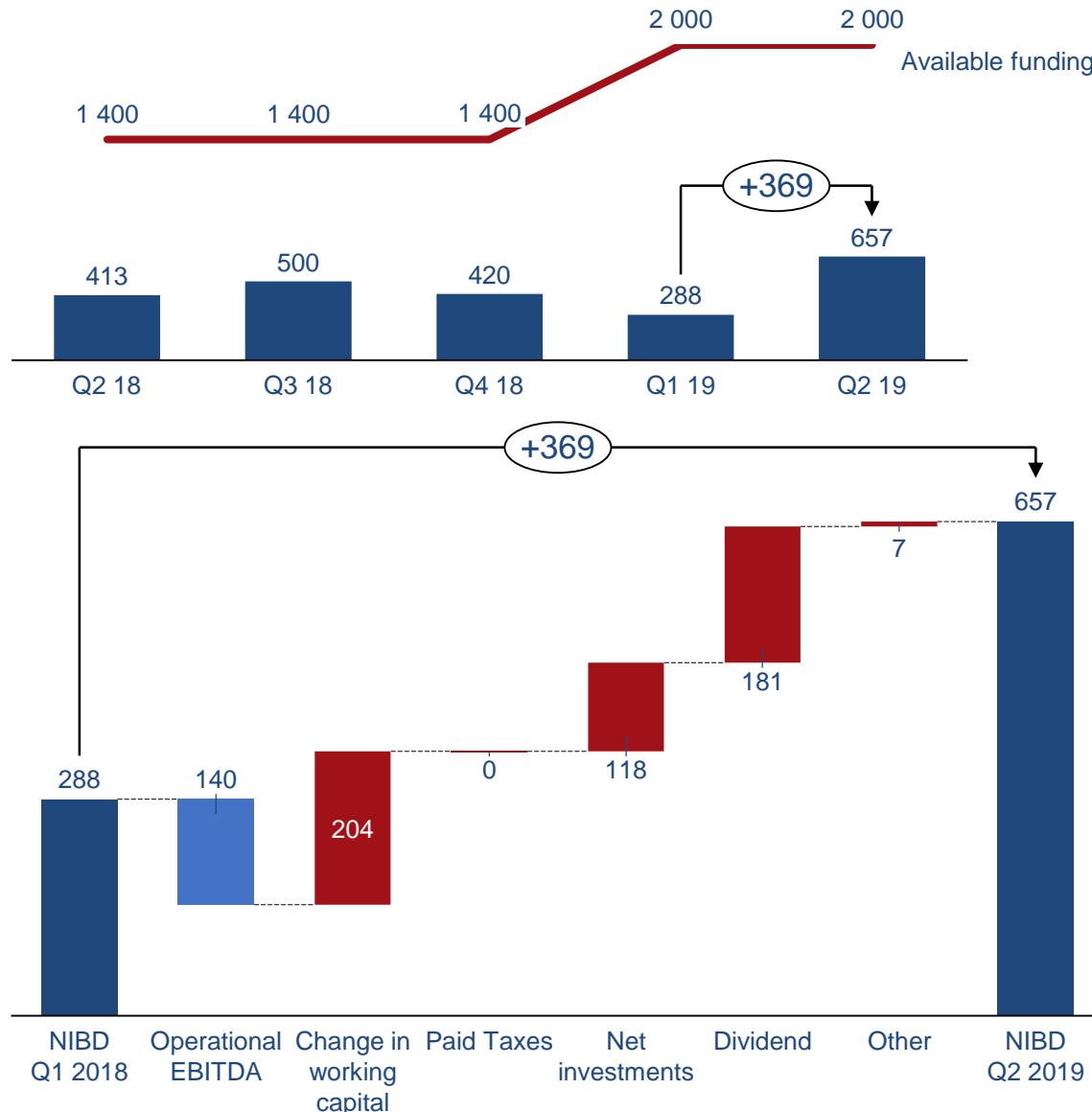


ROCE 31.0 %

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

ROE (after tax) 25.0 %

NIBD development



- NIBD up MNOK 369 from Q1 19
- Unused credit facility of MNOK 1 418 and bank deposits of MNOK 97 at end of Q2 19
- Estimated total capex of MNOK 780 for 2019
 - PPE of MNOK 130
 - Smolt facility and offshore project of MNOK 650
- Maintenance capex about MNOK 90 per year
- Operational EBITDA positive by MNOK 140
- Working capital up MNOK 204
 - Inventory and biomass up MNOK 85
 - Net accounts receivables and payable up MNOK 98
 - Net other current assets and liabilities up MNOK 20
- Net investments
 - PPE of MNOK 36
 - Smolt facility and offshore project of MNOK 172
 - Received dividend from associated company of MNOK 5

Market



Market outlook

Harvest volumes	Q2/19	Q2/18	chg.
Norway	308 000	283 700	9 %
Chile	161 800	152 500	6 %
UK	42 600	35 400	20 %
Canada	36 100	38 600	-6 %
Faroe Island	18 300	17 500	5 %
Other	33 900	26 900	26 %
	600 700	554 600	8 %

wfe tonnes

Source: Kontali Analyse

Market	Q2/19	Q2/18	chg.
EU	260 900	242 000	8 %
USA	127 300	123 200	3 %
Eastern Europe	28 600	29 700	-4 %
Asia	76 900	73 200	5 %
Other	101 600	91 000	12 %
	595 300	559 100	6 %

wfe tonnes

Source: Kontali Analyse

Harvest volumes

- Harvest volumes up 8 % in Q2 19 compared with Q2 18
- Harvest volumes from Norway higher than earlier expected
- Harvest volumes from Chile higher than earlier expected
- Harvest volumes from other producing countries as earlier expected

Market

- Prices down 8.7 % in NOK and down 10.3 % in EUR in Q2 19 vs Q2 18
- Consumption of salmon in the world markets increased by 6 % in Q2 19 compared with Q2 18
- Volumes from Norway to EU increased by 5 %, by 25 % to Asia and 22 % to Eastern Europe, and declined in North America by 5 %

Global harvest volumes in 2019

- Expect 6 % growth in global harvest volumes in 2019, 1 % down from Q1 2019 reporting
- Expect 5 % growth both in Q3 and Q4 2019
- The volumes in 2019 will be all-time high
- Expect 4 % growth in global harvest volumes in 2020

Harvest volumes	Q3/19E	Q3/18	chg.	Q4/19E	Q4/18	chg.	2019E	2018	chg.
Norway	328 500	322 200	2 %	372 600	356 700	4 %	1 305 300	1 253 400	4 %
Chile	174 200	163 500	7 %	194 600	188 000	4 %	707 000	677 400	4 %
UK	46 000	39 700	16 %	48 900	45 100	8 %	179 100	153 600	17 %
Canada	39 500	38 100	4 %	40 200	38 400	5 %	146 600	146 100	0 %
Faroe Island	13 200	12 400	6 %	27 000	23 900	13 %	80 300	71 700	12 %
Other	35 400	28 800	23 %	41 200	34 800	18 %	143 800	118 700	21 %
	636 800	604 700	5 %	724 500	686 900	5 %	2 562 100	2 420 900	6 %

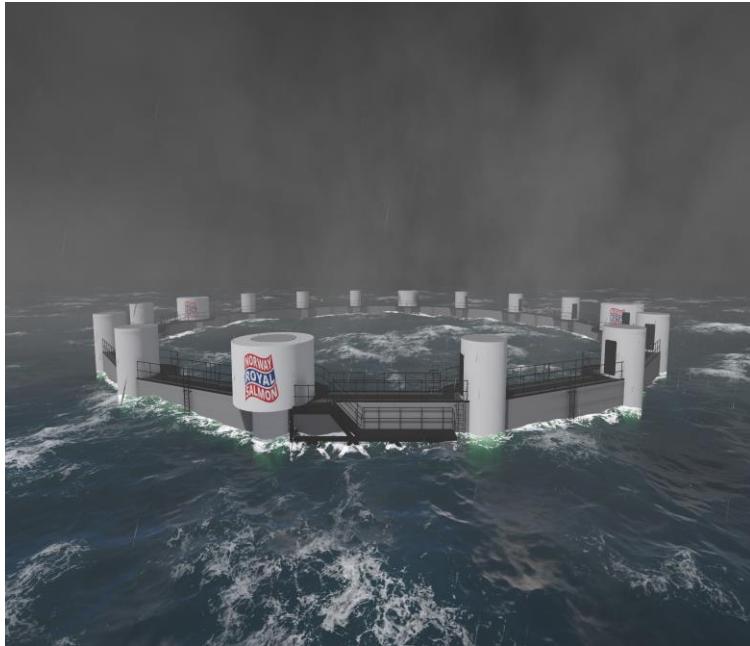
wfe tonnes

Source: Kontali Analyse

Projects for growth



Growth projects



Arctic Offshore

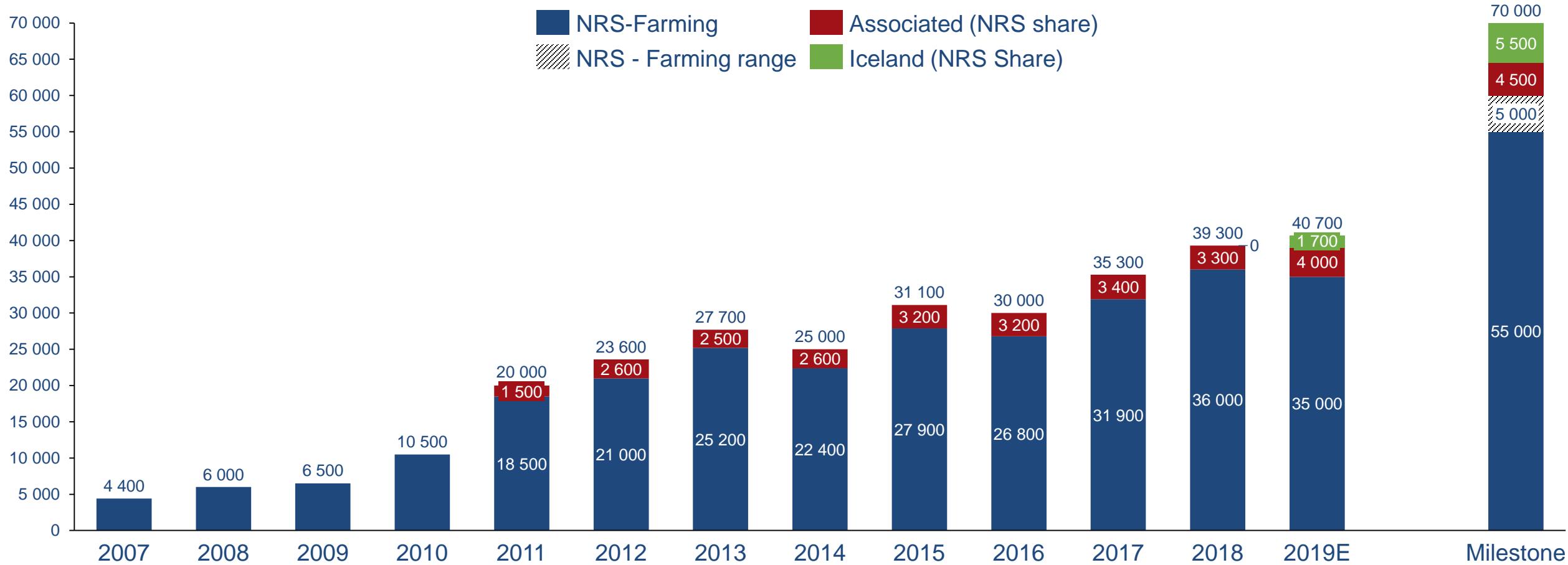


Smolt facility



Arctic Fish

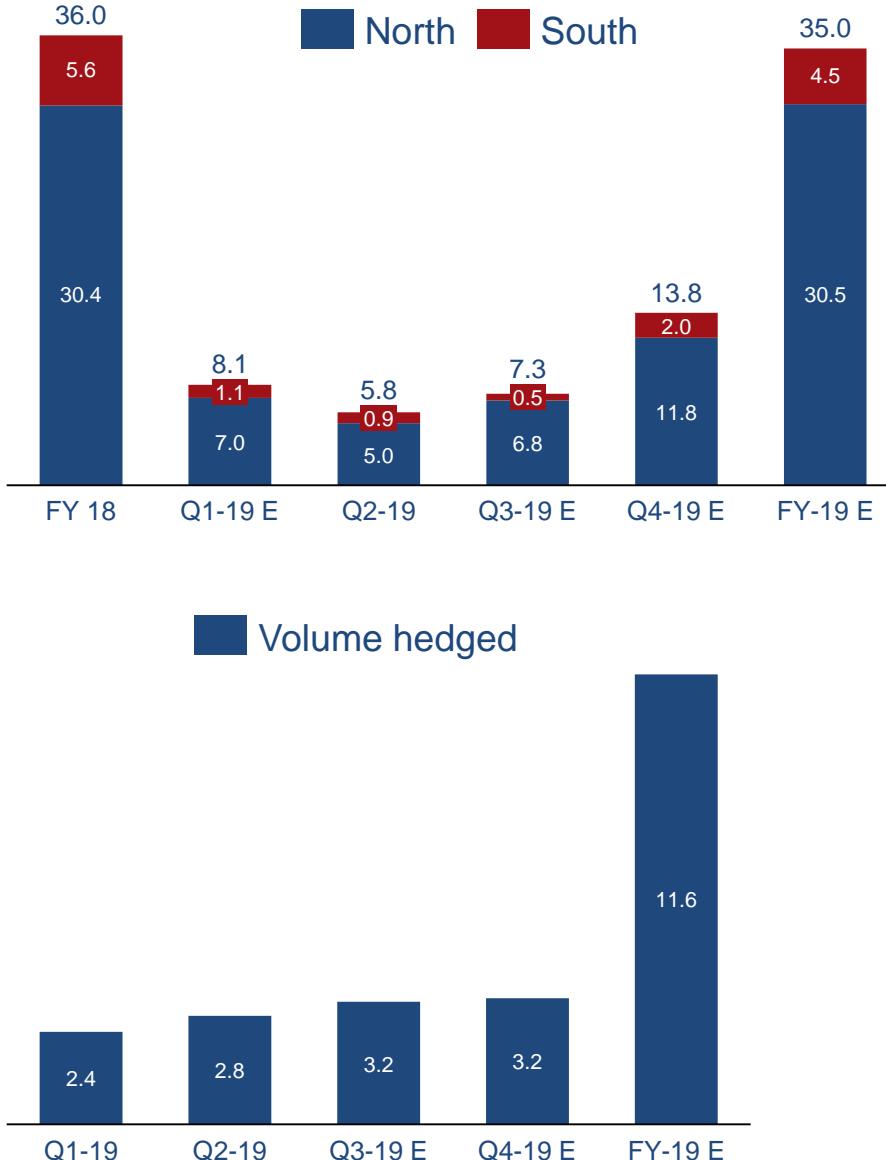
Norway Royal Salmon - growth history



Outlook



Harvesting estimates 2019



Harvest volumes

- Q2 19: 5 830 tonnes (-34 % yr/yr)
 - 700 tonnes less than estimated in Q1 19 report due to postponed harvesting to Q3 19
- Estimate harvest volume for 2019 of 35 000 tonnes (- 3 % yr/yr)
 - Down 2 500 tonnes from estimated in Q1 19 report
 - Growth has been lower than expected due to low sea water temperatures YTD in Region North and preventive measures due to algae bloom

Volume hedged

- 33 % of 2019 volume hedged
- Average contract price Q3-Q4 19
 - About NOK 62.75 (Nasdaq-equivalent)

Outlook



- Continuing the cost saving program
- Organic growth throughout utilization of MAB and new smolt facility
- Moderate supply growth and good demand provide the basis for a positive market outlook
- The process to assess strategic alternatives for the company's operations in Region South is progressing as planned
- The growth projects, Arctic Offshore Farming and the new smolt facility, are progressing as planned

Appendix



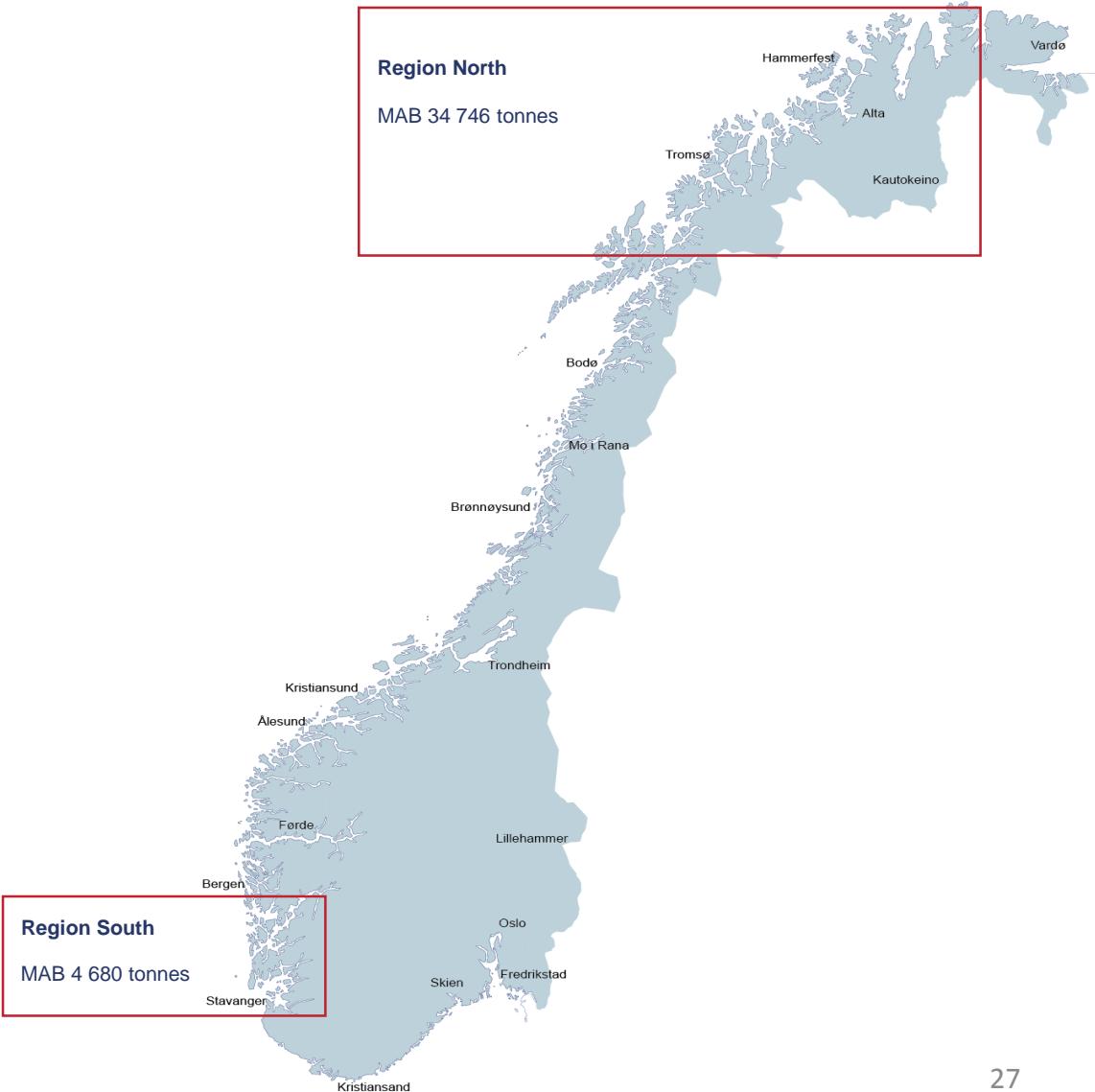
Appendix: Segment information



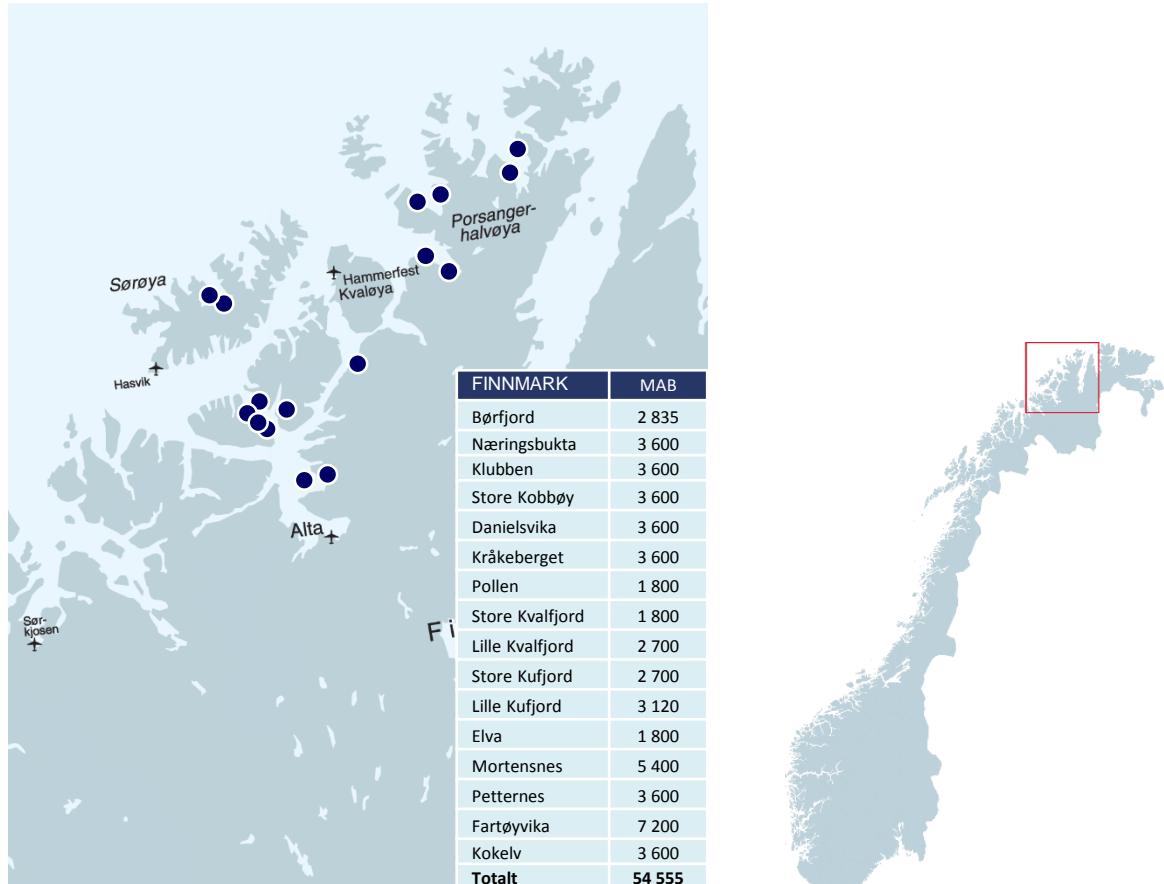
Farming operations focused in attractive regions



**NRS with
MAB 39 426 tonnes**



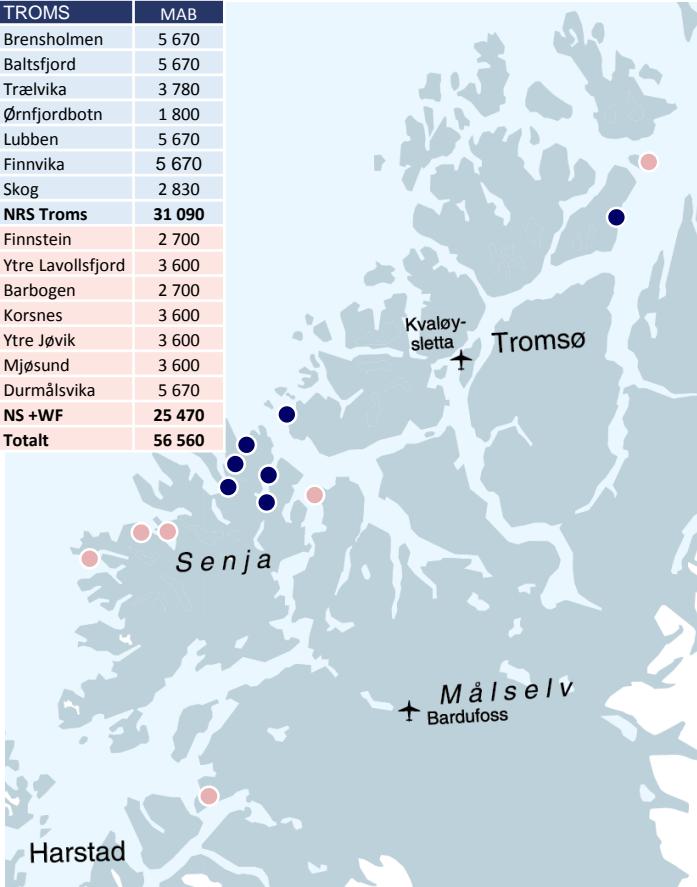
Region North – NRS Finnmark



- 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
 - NRS own 37.75 % of Ranfjorden Fiskeprodukter, capacity of 5.5 million 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
 - Construction of building starts Q3 19

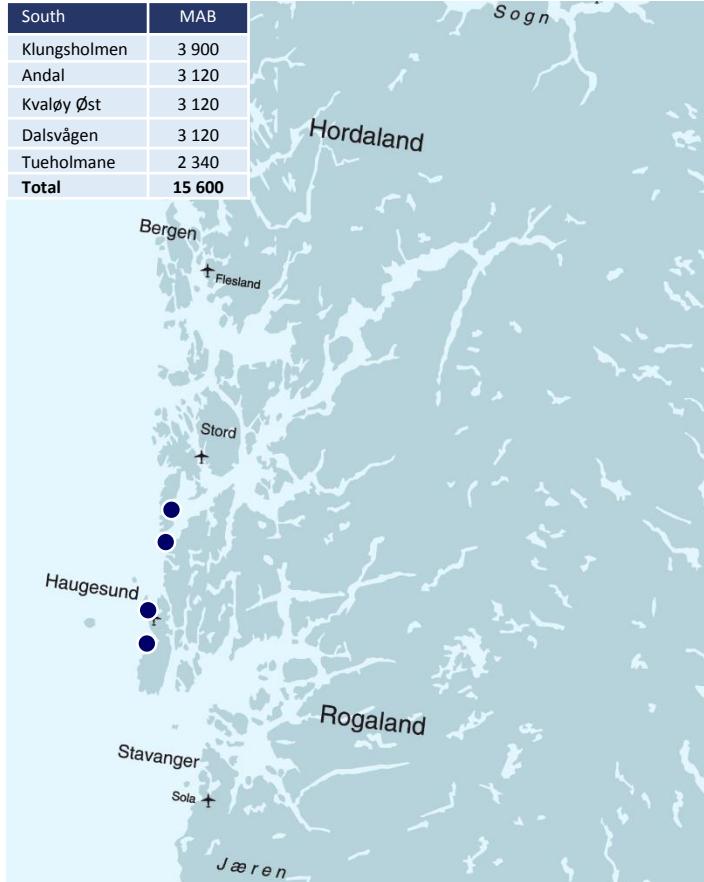
Region North – Troms cluster

TROMS	MAB
Brensholmen	5 670
Baltsfjord	5 670
Trælvika	3 780
Ørnfjordbotn	1 800
Lubben	5 670
Finnvika	5 670
Skog	2 830
NRS Troms	31 090
Finnstein	2 700
Ytre Lavolls fjord	3 600
Barbogen	2 700
Korsnes	3 600
Ytre Jøvik	3 600
Mjøsund	3 600
Durmålsvíka	5 670
NS +WF	25 470
Totalt	56 560



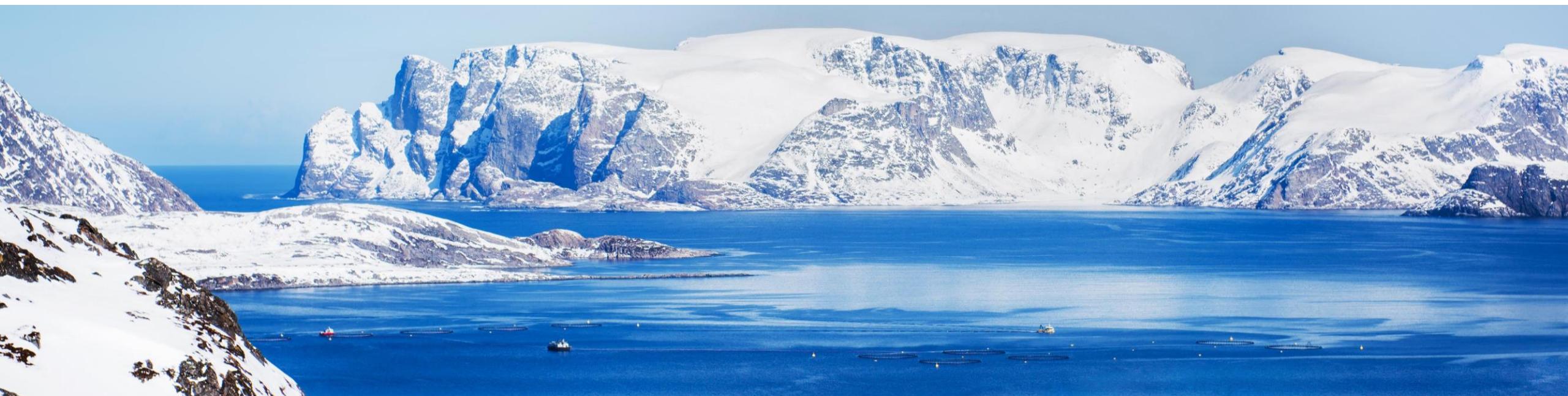
- Troms is an area prioritized by the authorities for growth
- MAB of 15 630 tonnes owned in Troms
 - NRS owns 82.5 % of Nor Seafood AS (MAB 3 856)
 - NRS owns 100 % of NRS Troms (MAB 5 784)
 - NRS owns 100 % of Arctic Offshore Farming (MAB 5 990)
 - Operated in co-operation with Wilsgård Fiskeoppdrett 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 %)

Region South



- Operates in the Haugesund area, both in Rogaland and Hordaland county
- Region South holds a total MAB of 4 680 tonnes
 - Owned 100 % through NRS Feøy AS
- Harvesting at Espevær Laks

Appendix: Projects for growth



Arctic Fish



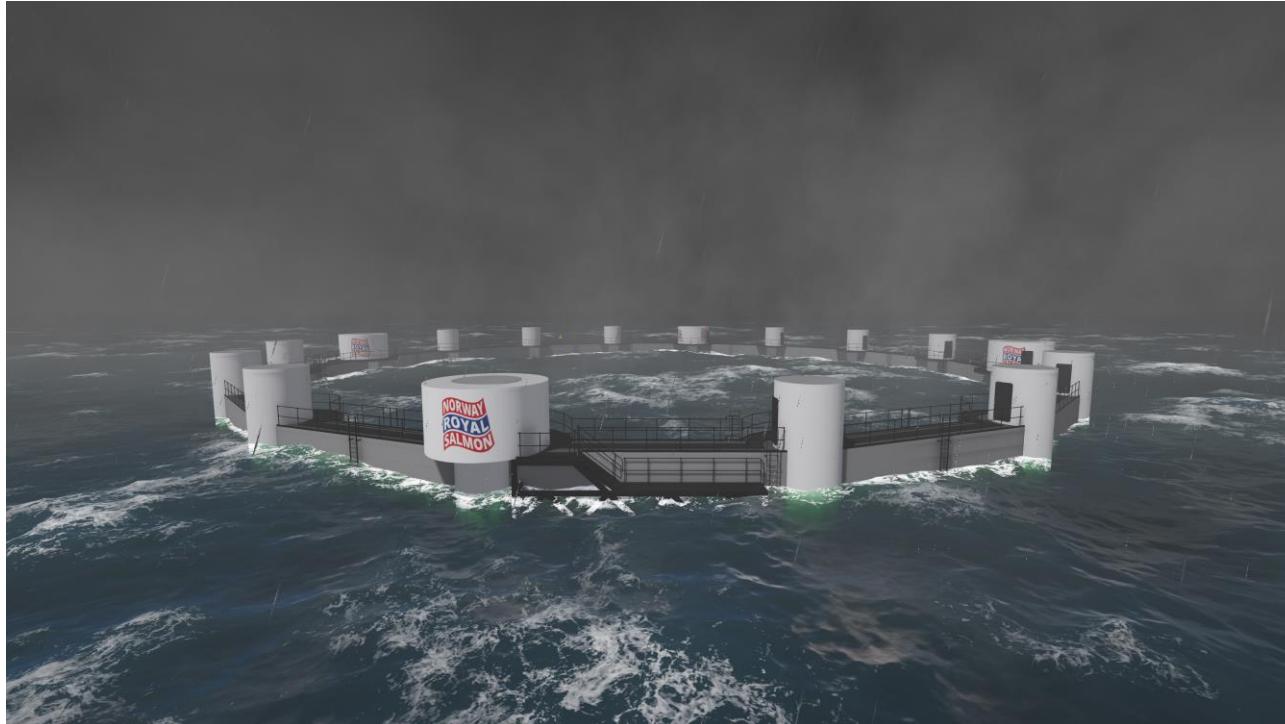
- NRS owns 50 % of Arctic Fish
 - Existing licenses: 11 000 tonnes
 - Licenses pending: 17 800 tonnes
 - Potential capacity: 28 800 tonnes
- Operation in Westfjords with good farming conditions and big potential for growth
- Number of smolt release
 - 2017: 0.8 million
 - 2018: 1.8 million
 - 2019E: 2.7 – 2.8 million
- State-of-the art hatchery with close proximity to the farming sites
 - Hatchery with RAS technology

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 and utilization of MAB
- Strategically located in short distance to our farming sites in Region North
- Production capacity of 2 400 tonnes
 - Licenses to produce up to 10 million numbers of up to 400 grams smolt yearly
- Work with ground and pipes started in 2018
- Construction of building starts September 2019
- 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
- Target of releasing the fish in Q3 2020

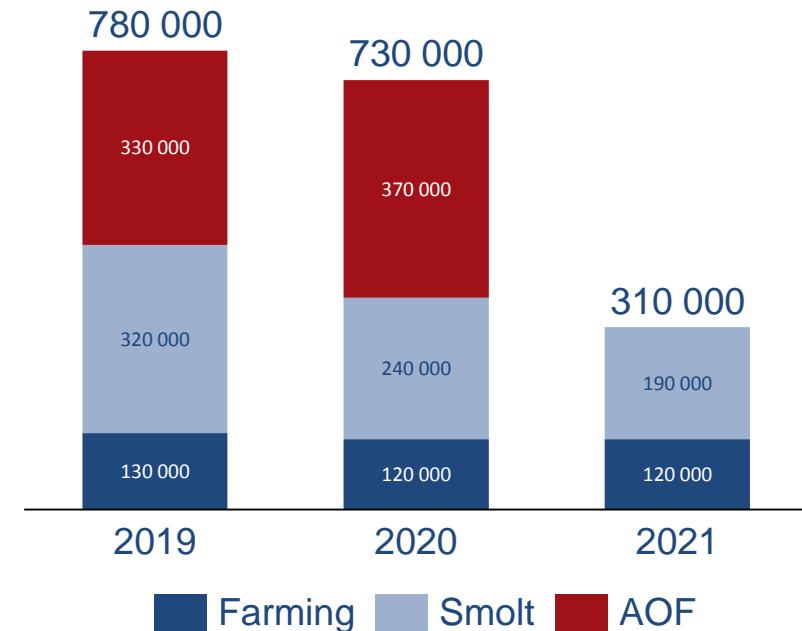
Development licenses – FlipCage



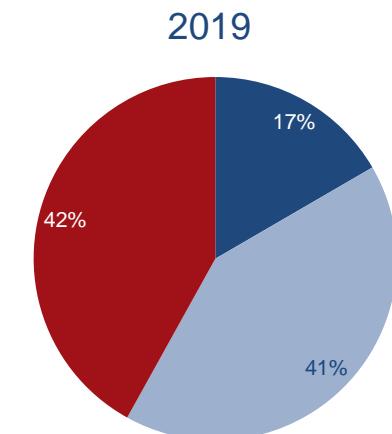
- NRS has applied for 6 development licenses
- FlipCage is a multifunctional rotatable cage
- The concept includes a rotatable cage that can alternate between open operations and closed operations
- The application has been rejected, but NRS has appealed

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



«Offshore farming - big potential for sustainable growth»



Appendix: Group financials



Group income statement



INCOME STATEMENT

(NOK '000)	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Operating revenues	1 205 197	1 209 524	2 691 767	2 601 316	5 080 806
Cost of goods sold	950 292	914 683	2 148 847	2 007 812	3 994 231
Salaries	43 829	37 093	88 542	81 399	158 341
Depreciation	24 299	21 882	48 432	43 063	89 299
Other operating costs	70 964	54 779	125 816	95 210	197 211
Operational EBIT	115 812	181 087	280 131	373 831	641 726
Fair value adjustments	49 200	79 771	12 358	156 349	152 260
Income from associates	11 634	-23 343	22 010	-10 963	13 753
EBIT	176 646	237 515	314 499	519 216	807 739
Gain/loss on financial assets	-18 022	38 722	19 323	83 986	82 113
Other net financial items	-7 131	-5 882	-13 844	-11 298	-20 014
EBT	151 492	270 355	319 978	591 904	869 838
Tax	-37 371	-62 773	-61 306	-123 515	-160 748
Net profit/loss	114 121	207 582	258 672	468 389	709 091
Profit attributable to:					
Parent company shareholders	110 537	210 314	253 603	465 428	705 311
Minority interests	3 584	-2 732	5 069	2 961	3 780
Earnings per share (NOK)	2,55	4,84	5,86	10,70	16,21
Earnings per share - diluted	2,55	4,84	5,86	10,70	16,21

EXTENDED INCOME STATEMENT

(NOK '000)	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Net profit/loss	114 121	207 582	258 672	468 389	709 091
Items to be reclassified to profit or loss:					
Translation differences and OCI posts from associated	7 291	-8 293	-7 884	-8 311	-15 859
Cash Flow hedges (net)	1 220	4 014	12 955	11 292	-2 699
Items not to be reclassified to profit or loss:					
Actuarial gains on defined benefit plans (net)	0	0	0	0	-1 154
Total comprehensive income	122 632	203 303	263 743	471 370	689 379
Total comprehensive income attributable to:					
Parent company shareholders	119 048	206 036	258 674	468 409	685 600
Non-controlling interests	3 584	-2 732	5 069	2 961	3 780

Balance Sheet



BALANCE SHEET - ASSETS

(NOK '000)	30.06.2019	31.03.2019	30.06.2018	31.12.2018
Intangible assets	846 807	846 807	846 807	846 807
Property, plant and equipment	934 878	751 736	588 030	672 577
Non-current financial assets	681 873	654 240	644 716	656 001
Non-current assets	2 463 558	2 252 783	2 079 553	2 175 385
Inventory and biological assets	1 361 671	1 227 345	1 120 709	1 321 769
Receivables	405 470	394 754	589 932	438 027
Bank deposits, cash	97 196	79 006	243 661	155 653
Current assets	1 864 337	1 701 105	1 954 302	1 915 449
TOTAL ASSETS	4 327 896	3 953 888	4 033 856	4 090 834

BALANCE SHEET - EQUITY AND LIABILITIES

(NOK '000)	30.06.2019	31.03.2019	30.06.2018	31.12.2018
Share capital	43 431	43 043	43 514	43 514
Other equity	2 210 375	2 268 746	2 017 055	2 235 729
Non-controlling interests	46 611	43 027	40 723	41 542
Equity	2 300 418	2 354 816	2 101 291	2 320 785
Pensions	19 005	19 005	16 728	19 005
Deferred tax	457 983	412 999	493 099	385 754
Provisions	476 988	432 004	509 827	404 759
Long-term interest-bearing debt	752 238	303 524	658 307	551 054
Short-term interest-bearing debt	83 029	144 642	54 073	102 514
Trade payables	598 595	632 510	577 047	446 993
Tax payable	0	0	36 178	134 777
Other current liabilities	116 627	86 391	97 133	129 952
Current liabilities	798 251	863 544	764 431	814 236
TOTAL EQUITY AND LIABILITIES	4 327 896	3 953 888	4 033 856	4 090 834

Group cash flow statement



STATEMENT OF CASH FLOW

(NOK '000)	Q2 2019	Q2 2018	YTD 2019	FY 2018	FY 2018
Operational EBIT	115 812	181 087	280 131	373 831	641 726
Adjusted for:					
Tax paid	0	-23 722	-138 000	-75 555	-112 223
Depreciation and write-downs	24 299	21 882	48 432	43 063	89 299
Share based payment	1 091	726	-3 475	-1 805	-297
Pension costs with no cash effect	0	0	0	0	798
Change in inventory / biomass	-85 352	100 824	-26 873	296 079	81 527
Change in debtors and creditors	-98 245	42 291	167 104	-9 686	74 678
Change in other current assets and other liabilities	-20 638	1 731	-71 418	15 134	31 190
Net cash flow from operating activities	-63 032	324 819	255 902	641 061	806 696
Cash flow from investing activities					
Payments for purchase of PPE and licenses (MAB)	-122 997	-75 321	-209 533	-169 811	-412 941
Payments(-)/proceeds(+) from realisation of non-current financial assets (TRS)	0	9 122	25 376	-23 384	47 282
Proceeds from investments in financial assets	5 030	4 527	5 030	4 527	11 458
Change in loans to associates and others	0	-8 250	-3 000	-37 020	-57 617
Net cash flow from investing activities	-117 967	-69 922	-182 126	-225 689	-411 818
Cash flow from financing activities					
Receipts from new long-term debt	464 415	223 540	214 415	223 540	241 189
Long-term debt repayments	-14 357	-13 909	-28 934	-28 399	-156 471
Net change in overdraft	-62 957	-79 957	-20 575	-286 619	-235 008
Payment for acquisition of treasury shares	0	889	-25 035	3 887	3 887
Interest paid	-7 131	-6 115	-13 844	-11 213	-19 918
Dividend payment	-180 781	-224 687	-258 259	-224 687	-224 684
Net cash flow from financing activities	199 189	-100 238	-132 232	-323 491	-391 005
Net increase (+)/ decrease (-) in cash & cash equivalents	18 191	154 659	-58 457	91 881	3 873
Cash and cash equivalents - opening balance	79 006	89 002	155 653	151 780	151 780
Cash and cash equivalents - closing balance	97 196	243 661	97 197	243 662	155 653

Statement of Equity



30.06.2019						
Equity allocated to parent company shareholders						
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 01.01.2019	43 572	-58	2 235 729	2 279 243	41 542 0	2 320 785
Total comprehensive income	0	0	258 674	258 674	5 069	263 743
Transactions with shareholders						
Dividend	0	0	-258 259	-258 259	0	-258 259
Share based payment	0	0	-3 475	-3 475	0	-3 475
Net purchase and sale of treasury shares	0	-83	-24 952	-25 035	0	-25 035
Equity changes associated companies	0	0	2 659	2 659	0	2 659
Total transactions with shareholders	0	-83	-284 027	-284 110	0	-284 110
Equity at 30.06.2019	43 572	-141	2 210 376	2 253 807	46 612	2 300 418

30.06.2018						
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
Comprehensive income	0	0	468 409	468 409	2 961	471 370
Transactions with shareholders						
Dividend	0	0	-224 687	-224 687	0	-224 687
Share based payment	0	0	-1 805	-1 805	0	-1 805
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	-221 133	-221 108	0	-221 108
Equity at 30.06.2018	43 572	-58	2 017 054	2 060 571	40 723	2 101 291

Quarterly historical information



QUARTERLY HISTORICAL INFORMATION (NOK thousand, NOK per kg)	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Volumes harvested (ktonnes, HOG)														
Region North	4 962	7 016	12 042	2 379	6 365	9 597	7 326	8 238	3 633	5 500	2 612	7 086	5 468	6 501
Region South	869	1 080	1 741	100	2 407	1 338	1 726	2 216	1 598	1 681	2 080	451	1 912	708
Total	5 830	8 096	13 783	2 478	8 773	10 935	9 052	10 454	5 231	7 181	4 692	7 537	7 381	7 209
Operational EBIT														
Region North	136 229	179 010	243 297	52 981	157 434	184 448	116 045	155 299	107 825	150 059	75 163	220 321	165 601	173 316
Region South	3 430	2 500	1 047	1 798	56 541	20 927	24 367	46 345	50 013	55 316	50 729	8 451	21 377	10 801
Total	139 659	181 509	244 344	54 779	213 976	205 375	140 411	201 644	157 838	205 375	125 892	228 772	186 978	184 117
Operational EBIT per kg														
Region North	27,46	25,51	20,20	22,27	24,73	19,22	15,84	18,85	29,68	27,28	28,77	31,09	30,28	26,66
Region South	3,95	2,31	0,60	18,05	23,49	15,64	14,12	20,91	31,30	32,91	24,39	18,73	11,18	15,26
Total	23,95	22,42	17,73	22,10	24,39	18,78	15,51	19,29	30,17	28,60	26,83	30,35	25,33	25,54
Volumes sold (ktonnes)	17 579	22 838	27 785	14 945	17 150	22 540	22 471	22 296	17 318	15 714	17 711	17 662	15 561	15 874
NRS GROUP					,	,	,	,	,	,	,			
Operational EBITDA	140 112	188 451	255 865	58 265	202 969	213 925	119 104	213 137	155 231	222 451	117 169	233 190	183 332	167 985
Operational EBIT	115 812	164 318	232 436	35 459	181 087	192 744	94 636	192 425	135 566	205 234	100 870	218 112	168 499	153 132
Net interest bearing debt	656 854	287 943	419 698	499 760	413 099	446 333	633 479	539 247	594 007	380 531	282 160	-13 122	146 852	271 514
Equity ratio	53,2 %	59,6 %	56,7 %	54,5 %	52,1 %	55,0 %	48,0 %	47,4 %	45,4 %	53,3 %	55,1 %	50,0 %	48,2 %	45,8 %

Accumulated historical information

HISTORICAL INFORMATION (NOK thousand, NOK per kg)	YTD 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Volumes harvested (ktonnes, HOG)									
Region North	11 978	30 384	24 697	21 667	22 971	17 987	20 491	13 944	12 871
Region South	1 948	5 586	7 221	5 151	4 932	4 369	4 700	7 218	5 910
Total	13 926	35 970	31 918	26 819	27 903	22 356	25 191	21 162	18 781
Operational EBIT									
Region North	315 238	638 160	529 227	634 401	244 110	205 683	240 330	35 195	62 822
Region South	5 930	80 313	176 041	91 358	24 933	17 461	39 795	12 354	1 934
Total	321 168	718 473	705 268	725 759	269 043	223 144	280 125	47 548	64 756
Operational EBIT per kg									
Region North	26,32	21,00	21,43	29,28	10,63	11,44	11,73	2,52	4,88
Region South	3,04	14,38	24,38	17,74	5,05	4,00	8,47	1,71	0,33
Total	23,06	19,97	22,10	27,06	9,64	9,98	11,12	2,25	3,45
Volumes sold (ktonnes)	40 417	82 420	77 799	66 808	69 971	59 110	62 141	57 673	50 428
NRS GROUP									
Operational EBITDA	328 563	731 024	709 923	701 676	255 591	199 475	289 729	60 785	73 300
Operational EBIT	280 131	641 726	627 861	640 613	201 894	158 064	256 002	30 336	47 257
Net interest bearing debt	656 854	419 698	633 479	282 160	498 541	639 383	453 883	566 075	531 734
Equity ratio	53,2%	56,7%	48,0%	55,1%	41,3%	39,0%	42,4%	36,3%	36,3%

Credit facilities from bank of MNOK 2 000



- Revolving credit facility increased by MNOK 200 to MNOK 1 000
 - Duration: 5 years with an annual credit rating for further 5 years
- New overdraft facility of MNOK 400
 - Duration: 30 June 2022
 - After 30 June 2022, Norway Royal Salmon can request the bank to convert the facility to an installment loan
- Overdraft facility of MNOK 600
 - Duration: 2 years 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

Financing



Long term debt

(NOK '000)	30.06.2019
Long-term debt to financial institutions	550 000
Long-term finance lease	202 238
Long-term receivables	-81 217
Total long-term interest bearing debt	671 021

Short term debt

(NOK '000)	30.06.2019
Short-term debt to financial institutions	31 035
First year's instalment long-term debt	51 994
Total short-term interest bearing debt	83 029
Cash and cash equivalents ¹⁾	-97 196
Net interest bearing debt	656 854

1) of which TNOK 97 093 are restricted cash deposits

Unused credit Facility

(NOK '000)	30.06.2019
Unused long-term credit facility	850 000
Unused short-term credit facility	568 965
Total unused credit facility	1 418 965

Dividend



- 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

Shareholders



Ownership structure – the 20 largest shareholders as at 30.06.2019:

Shareholder	No. of shares	Shareholding
GÅSØ NÆRINGSUTVIKLING AS	6 893 188	15,82 %
MÅSØVAL EIENDOM AS	5 255 360	12,06 %
NORWAY FRESH AS	5 044 905	11,58 %
HAVBRUKSINVEST AS	4 189 204	9,61 %
EGIL KRISTOFFERSEN OG SØNNER AS	3 801 689	8,73 %
NYHAMN AS	1 783 062	4,09 %
HELLESUND FISKEOPPDRETT A/S	1 665 843	3,82 %
DNB Markets Aksjehandel/-analyse	1 523 532	3,50 %
LOVUNDLAKS AS	677 107	1,55 %
BNP Paribas Securities Services	428 817	0,98 %
MP PENSJON PK	324 969	0,75 %
EIKA SPAR	312 589	0,72 %
JPMorgan Chase Bank, N.A., London	278 606	0,64 %
PNC INTERNATIONAL EQUITY FUND	267 079	0,61 %
MÅSØVAL FISHFARM AS	259 606	0,60 %
Citibank, N.A.	232 066	0,53 %
EIKA NORGE	231 285	0,53 %
HENDEN FISKEINDUSTRI AS	229 653	0,53 %
The Northern Trust Comp, London Br	217 829	0,50 %
NATIXIS	200 000	0,46 %
Total 20 largest shareholders	33 816 389	77,61 %
Total other shareholders	9 755 802	22,39 %
Total no. of shares	43 572 191	100,00 %



**NORWAY
ROYAL
SALMON**

COMMITTED
BY NAME

