



# Presentation Q1 2018

Oslo, 8 May 2018

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 Q1 2018

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- Operational EBIT of MNOK 193
- Strong demand and significant increase of salmon prices in the quarter
- Harvested and sold volumes are both all time high
- Low sea temperatures have led to low production
- Granted development licenses with totally 5 990 tonnes MAB
- Purchased 551 tonnes MAB from the authorities traffic light growth

# Highlights in Q1 2018



NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q1 2018	Q1 2017
Operating revenues	1 391 791	1 101 334
Operational EBITDA	213 925	222 451
Operational EBIT	192 744	205 234
Income from associates	12 380	15 460
EBIT	281 701	152 858
EBT	321 549	8 685
EPS (NOK) – before fair value adjustments	4,52	0,32
ROCE <sup>1)</sup>	37,8 %	52,4 %
Net cash flow from operating activities	316 242	-50 599
Investments in tangible fixed assets	90 465	39 282
Net interest-bearing debt	446 333	380 531
Equity ratio	55,0 %	53,3 %
Volume harvested (HOG)	10 935	7 181
Operational EBIT per kg <sup>2)</sup>	18,78	28,60
Volume sold - Sales	22 540	15 714

- Operational EBIT MNOK 193 in Q1 18
- Operational EBIT per kg NOK 18.78
- Average salmon price (NASDAQ) down NOK 5.23 per kg from Q1 last year
- Harvested volume up 52 % and sold volume up 43 % from Q1 last year
- Gain on financial assets MNOK 45
- Net cash flow from operating activities MNOK 316
- NIBD down by MNOK 187 in Q1 18



# Segment information

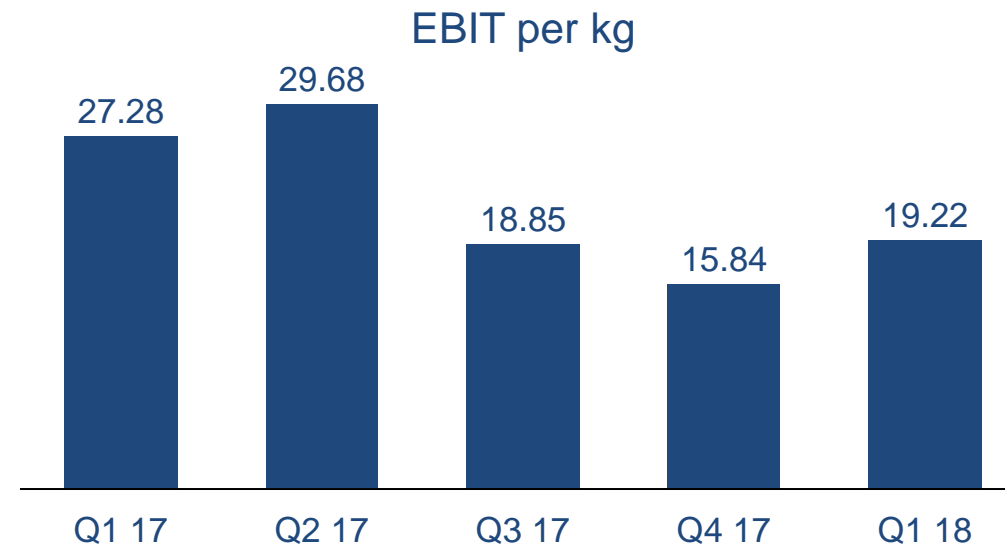


# Region North



KEY FIGURES (NOK '000)	Q1 2018	Q1 2017
Operating revenues	1 220 769	842 515
Operational EBIT *	184 448	150 059
Volume harvested (tonnes)	9 597	5 500
Operational EBIT (ex contracts)	19,44	26,85
Gain (+)/Loss (-) on open fixed price contracts	-0,22	0,43
Operational EBIT per kg	19,22	27,28

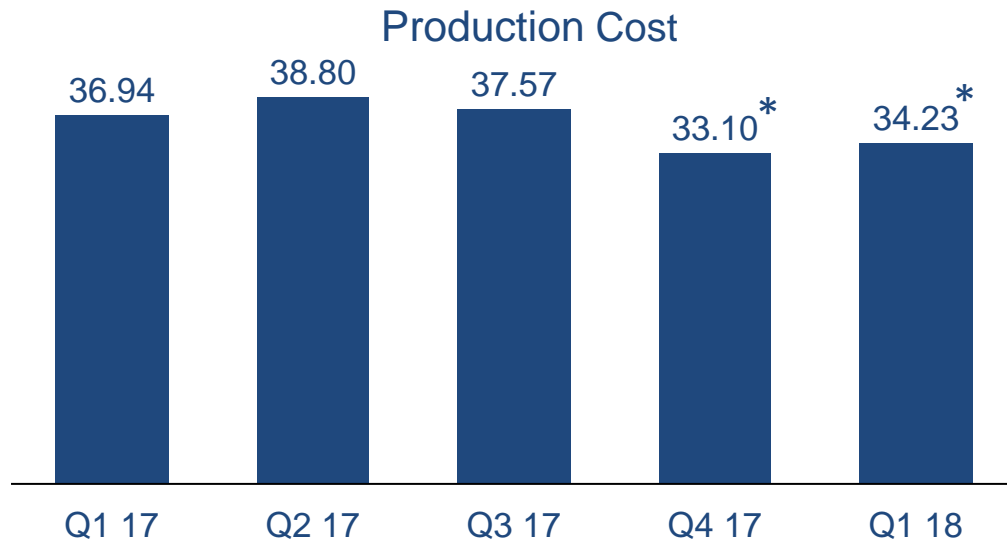
\* EBIT pre fair value adjustments and non-recurring items  
incl. allocated margin from sales



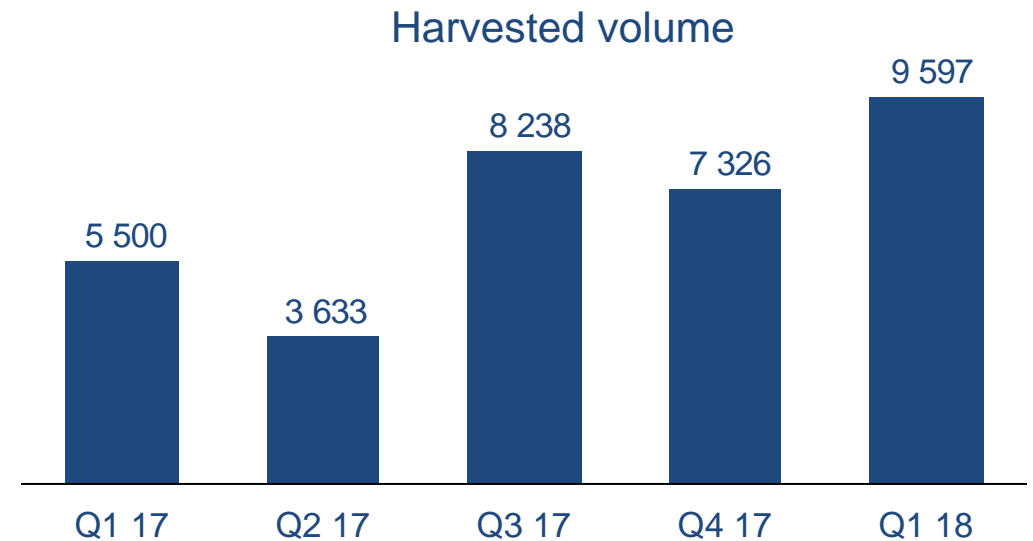
- Operational EBIT per kg NOK 19.22

- Down NOK 8.06 from Q1 17 and up NOK 3.38 from Q4 17
- Sales price FCA packing station down NOK 4.71 per kg from Q1 17 and up NOK 10.86 from Q4 17
- Suboptimal size and quality of the fish including harvested ISA fish in the quarter impacted price achievement
- Operational EBIT per kg NOK 24.26 from sites not affected by ISA

# Farming – Region North



\* Sites without ISA



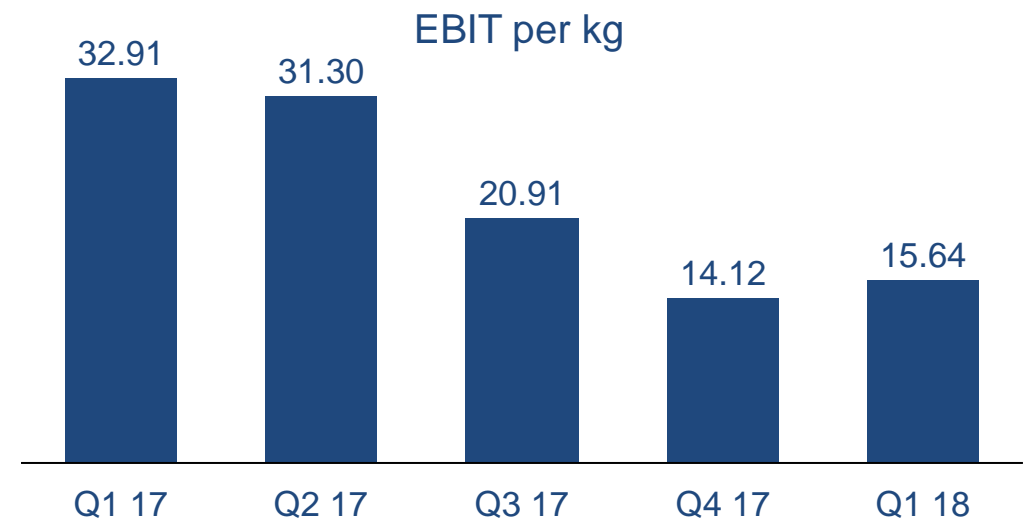
- Production cost from sites not affected by ISA of NOK 34.23 per kg
  - Production cost up by NOK 1.13 from Q4 17
  - Harvested 1 860 tonnes from sites with ISA with a high production cost, which resulted in a total production cost of NOK 37.43 per kg
- Volume up 4 097 tonnes compared to Q1 17
- Operation
  - Growth in the Q1 has been lower than expected due to low sea water temperatures
  - ISA sites emptied in January after harvested 1 860 tonnes

# Region South



KEY FIGURES (NOK '000)	Q1 2018	Q1 2017
Operating revenues	170 176	257 445
Operational EBIT *	20 927	55 316
Volume harvested (tonnes)	1 338	1 681
Operational EBIT (ex contracts)	15,86	32,48
Gain (+)/Loss (-) on open fixed price contracts	-0,22	0,43
Operational EBIT per kg	15,64	32,91

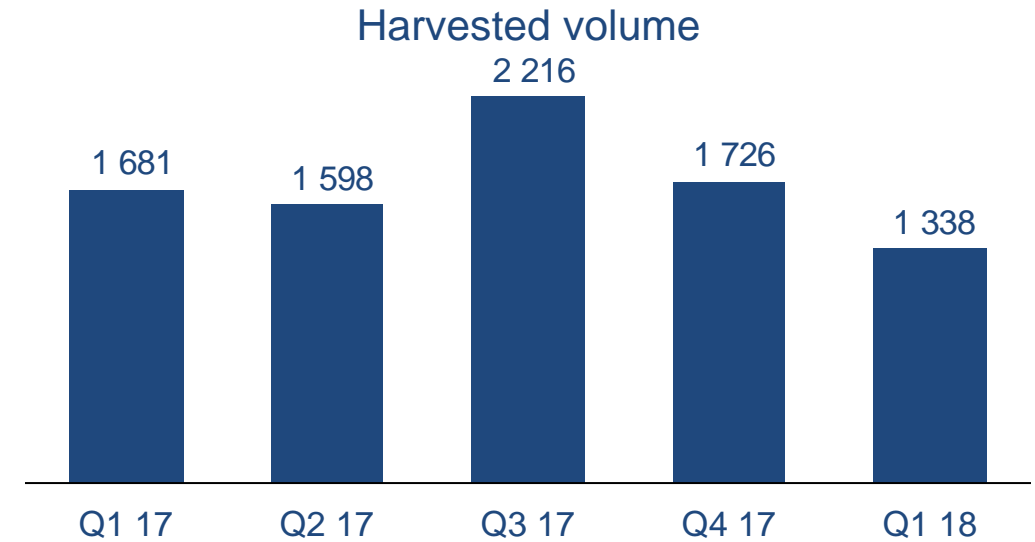
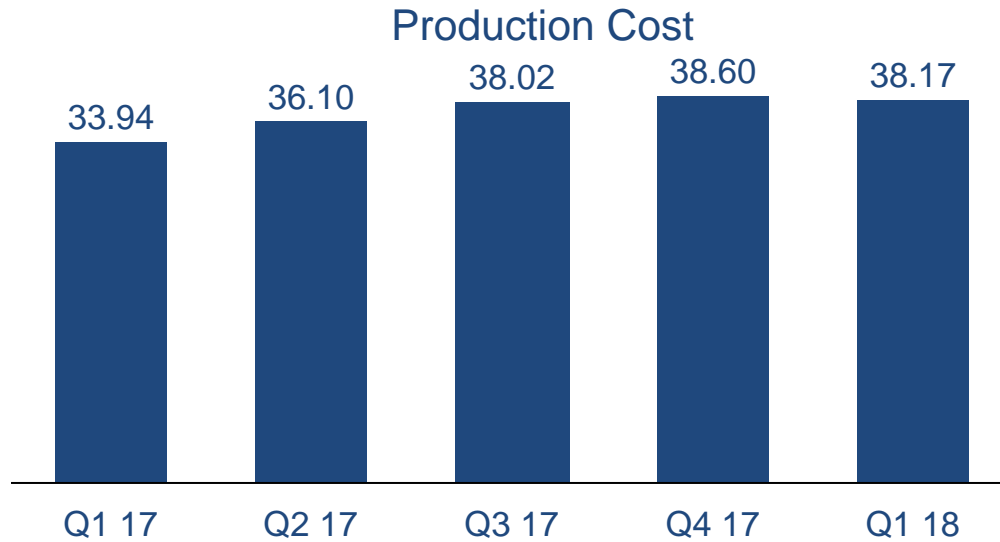
\* EBIT pre fair value adjustments and non-recurring items  
incl. allocated margin from sales



- Operational EBIT per kg NOK 15.64
  - Down NOK 17.27 from Q1 17 and up NOK 1.52 from Q4 17
  - Sales price FCA packing station down NOK 10.17 per kg from Q1 17 and up NOK 7.73 from Q4 17
  - Suboptimal size and timing of harvest volume during the quarter



# Farming – Region South



- Production cost of NOK 38.17 per kg
  - Production cost down NOK 0.43 from Q4 17
  - High production cost due to harvest from sites within a zone with temporary authority-imposed transport regulations, which has resulted in higher harvest and well boat costs. This site was empty in February and harvesting in next quarter will be from a site outside restricted area
- Volume down 343 tonnes compared to Q1 17
- Operation
  - Growth in the Q1 has been lower than expected due to low sea water temperatures

# Associated companies

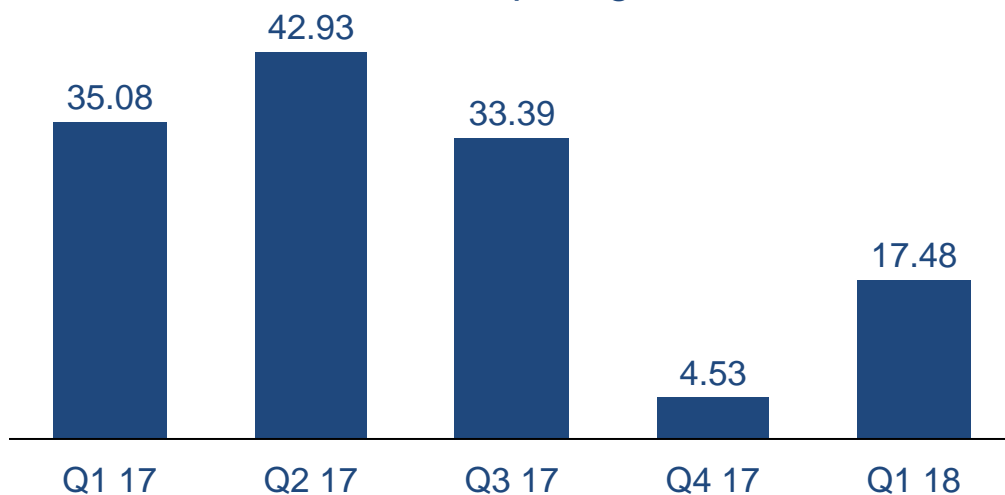


	Q1 2018		Q1 2017	
	Farming companies ex. Iceland	Other associated companies	Farming companies ex. Iceland	Other associated companies
(NOK '000)				
Operational EBIT	49 312	-1 649	146 777	-750
Fair value adjustments	12 329	-3 092	-65 117	0
EBIT	61 641	-4 741	81 660	-750
Volume harvested (tonnes)	2 821		4 184	170
Operational EBIT per kg	17,48		35,08	
NRS' share of result after tax	14 264	-1 883	16 690	-1 492
NRS' share of volume harvested (tonnes)	1 026		1 500	348

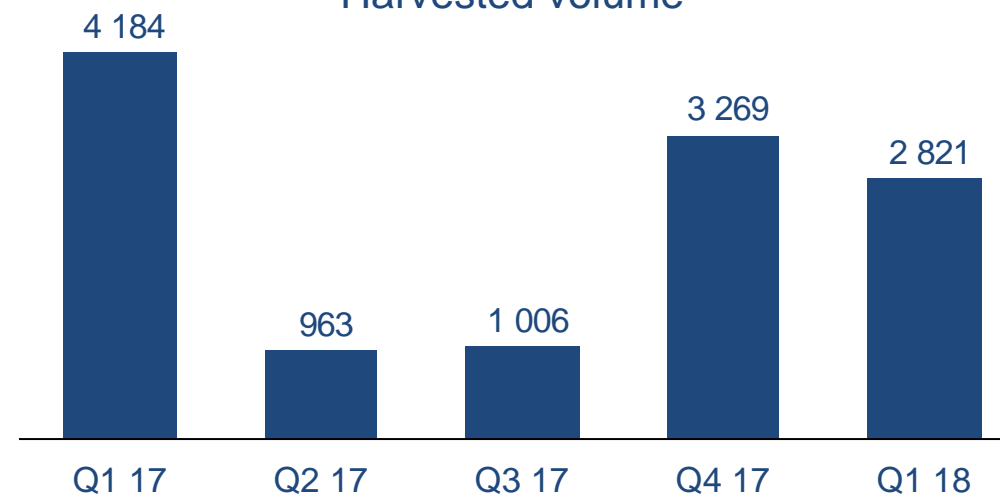
\*EBIT pre fair value adjustments

- NRS share of result after tax of MNOK 12.4
  - Fair value adjustment after tax positive by MNOK 4.5
- EBIT per kg of NOK 17.48 for Norwegian associated farming companies
- Shares in NRS owned by associated companies at the end of Q1 18
  - NRS' share of fair value MNOK 103.1
  - Not recognised in the group accounts

EBIT per kg



Harvested volume



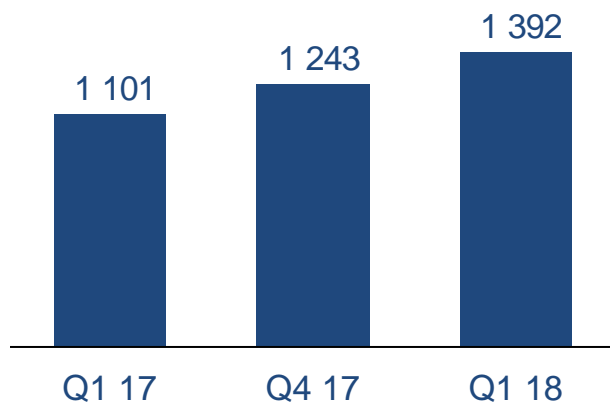
# Group financials



# Key income statement items

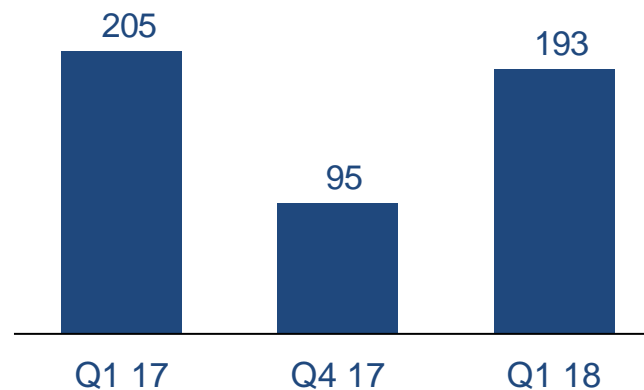


## Operating revenues



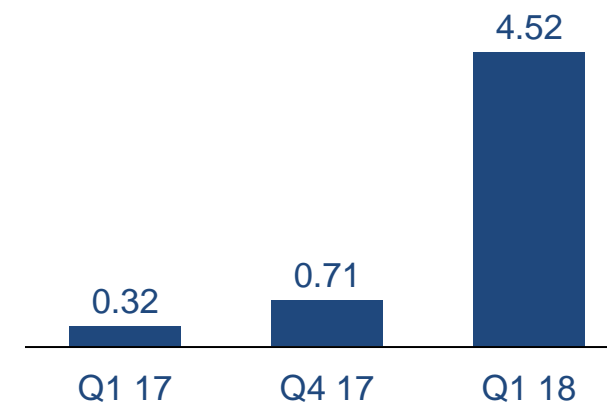
- Revenues up by MNOK 290 (26 %) from Q1 17
  - Average salmon price (NASDAQ) down NOK 5.23 per kg from Q1 17
  - Sold volume up 43 %

## Operational EBIT



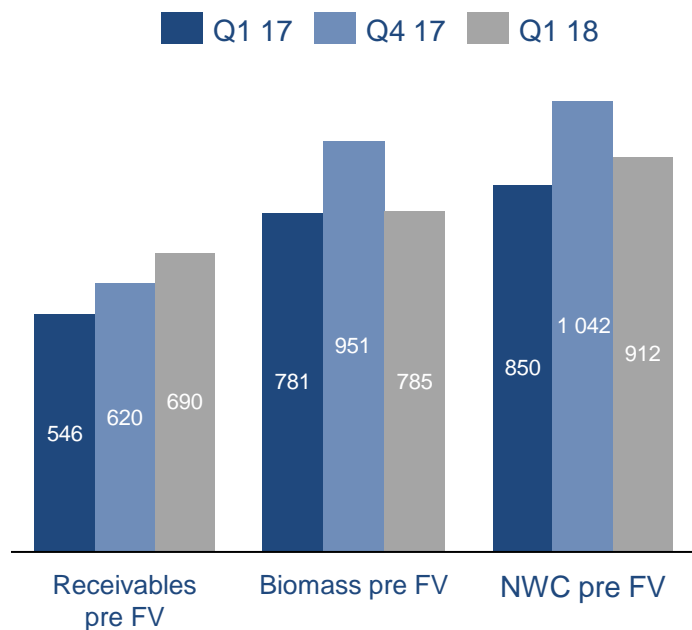
- Operational EBIT down by MNOK 12 from Q1 17
  - Farming:
    - Sales price down NOK 5.7/kg
    - Production cost up NOK 1,28/kg
    - Harvested volume up 3 754 tonnes
  - Sales:
    - Margins sold volume down by NOK 1.01/kg
    - Gain on fixed price contracts decreased by NOK 0.31/kg

## EPS pre fair value



- EPS pre FV up 4.20 per share from Q1 17
  - Gain on financial assets of MNOK 45.3 in Q1 18

# Key balance sheet items

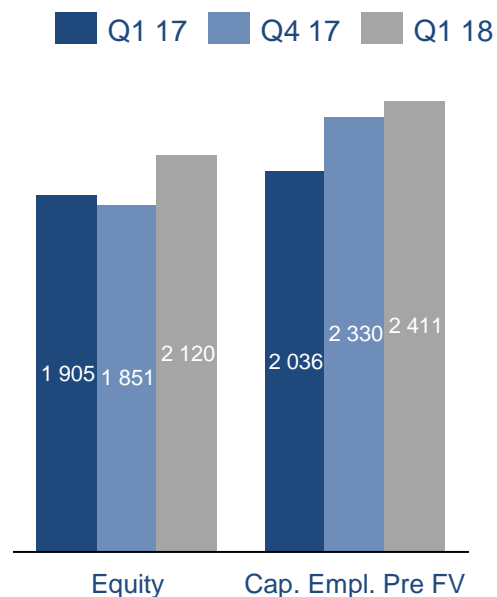


Receivables pre FV up by MNOK 70 from Q4 17

- Biomass pre FV down by MNOK 165 from Q4 17
- Biomass down by 7 130 tonnes (25 %) from Q4 17
  - Biomass up by 1 335 tonnes (6 %) from Q1 17

Working capital pre FV down by MNOK 130 from Q4 17

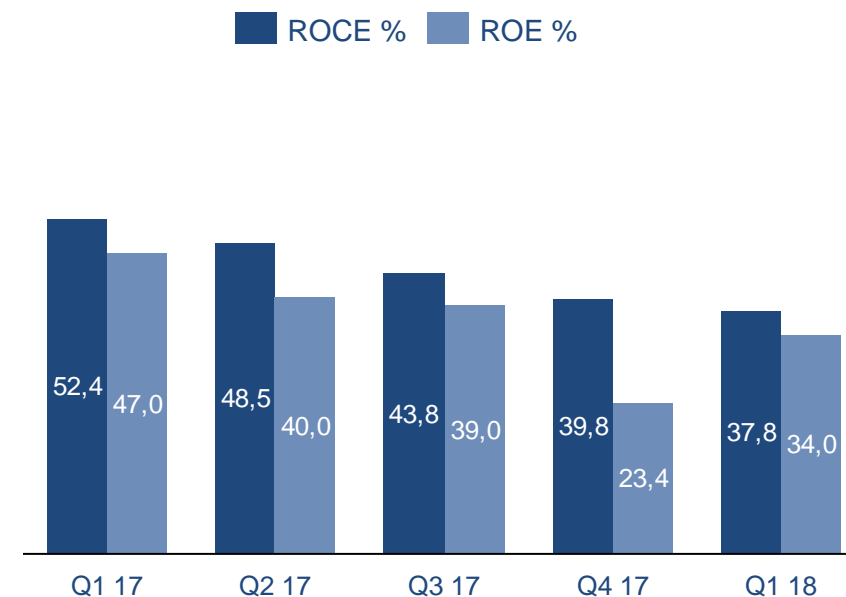
- Account payables down by MNOK 7
- Other short term liabilities up by MNOK 12
- Inventories of feed and harvested fish down MNOK 30



Equity up MNOK 269 from Q4 17

- Equity ratio 55.0 %

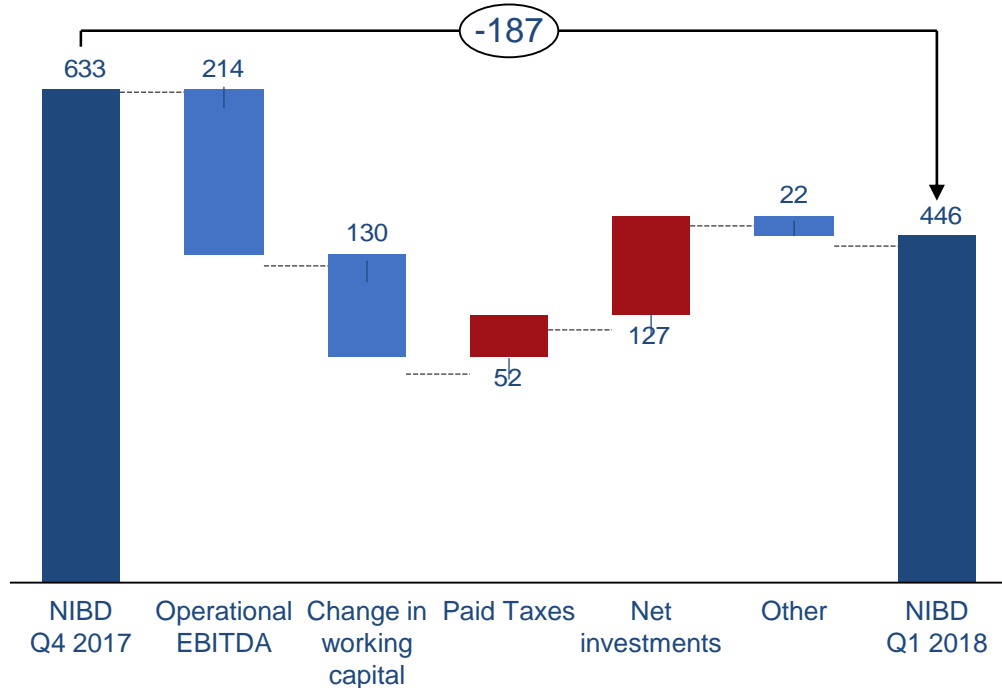
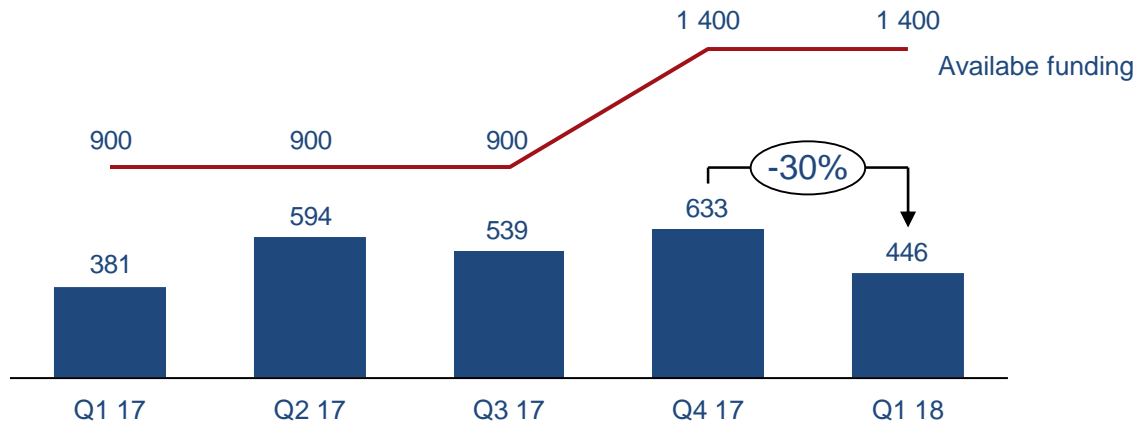
Capital employed pre FV up by MNOK 81 from Q4 17



ROCE 37.8 %  
ROE (after tax) 34,0 %



# NIBD development



- NIBD down by MNOK 187 from Q4 18
- Unused credit facility of MNOK 1 070 at end of Q1 18
- Estimated capex of MNOK 160 for 2018 ex. investment in smolt facility and offshore project
- Maintenance capex about MNOK 90 per year
- Operational cash flow positive by MNOK 316
- Working capital down MNOK 130
  - Inventory and biomass down MNOK 195
  - Net accounts receivables and payable up MNOK 52
  - Net current assets and other liabilities up MNOK 13
- Net investment MNOK 127
  - PPE and licenses MNOK 90,4
  - Realization of financial assets (TRS) MNOK 32,5
- Other MNOK 22
  - Proceeds from unrealized Fish Pool contracts MNOK 27

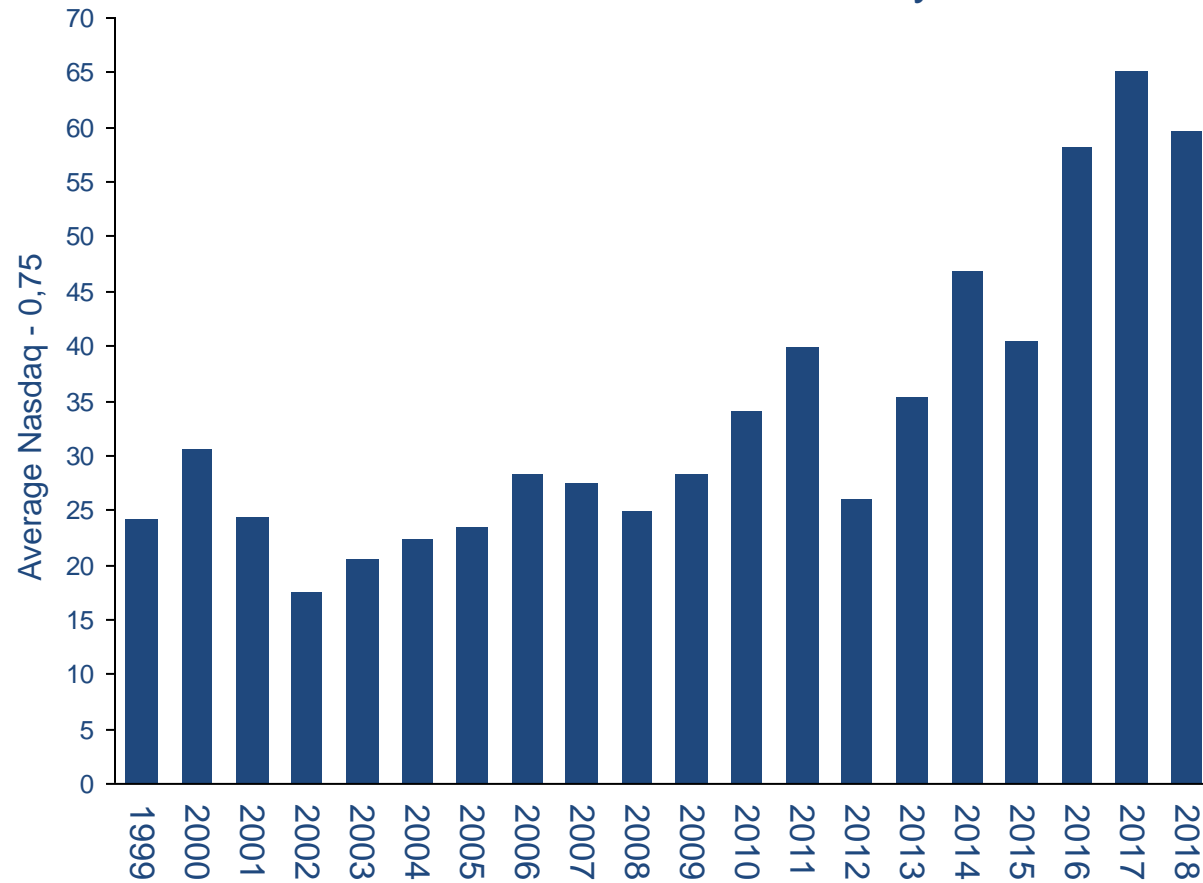
# Market



# Market outlook



Salmon Prices in Q1 the last 20 year's



- Salmon prices in NOK and EUR at the 2nd highest level the last 20 years for a first quarter
- Prices down 8 % in NOK and 14 % in EUR in Q1 18 vs Q1 17
- Harvested volume from Norway up 6 % from Q1 17 and up 9 % globally as Chile increased harvest volumes by 25 %

# Market outlook



Harvest volumes	Q1/18	Q1/17	chg.
Norway	292 500	277 000	6 %
Chile	163 900	131 200	25 %
UK	34 600	39 800	-13 %
Canada	30 500	29 300	4 %
Faroe Island	18 300	17 300	6 %
Other	30 300	27 100	12 %
	<b>570 100</b>	<b>521 700</b>	<b>9 %</b>

wfe tonnes

Source: Kontali Analyse

Market	Q1/18	Q1/17	chg.
EU	242 100	226 900	7 %
USA	118 800	111 300	7 %
Eastern Europe	31 300	23 900	31 %
Asia	77 400	68 700	13 %
Other	101 800	93 100	9 %
	<b>571 400</b>	<b>523 900</b>	<b>9 %</b>

wfe tonnes

Source: Kontali Analyse

## Harvest volumes

- Harvest volumes up 9 % in Q1 18 compared with Q1 17
- The Norwegian salmon industry has decreased the biomass during Q1 18
- Harvest volumes from Norway and especially Chile were higher than earlier expected, but lower from the other salmon producing countries

## Market

- Consumption of salmon in the world markets increased by 9 % in Q1 18 compared with Q1 17
- Both Eastern Europe and Asia showed significant growth
- Volumes from Norway to Asia decreased by 4 %

# Global harvest volumes in 2018



- We expect 4 % increase in global harvest volumes in 2018  
We expect 2 % growth in Q2 2018 and 2 % in H2 2018
- The volumes in 2018 will be all-time high

Harvest volums	Q2/18E	Q2/17	chg.	Q3/18E	Q3/17	chg.	2018E	2017E	chg.
Norway	280 000	261 300	7 %	332 400	311 900	7 %	1 280 900	1 207 800	6 %
Chile	137 200	131 000	5 %	142 700	141 300	1 %	607 100	579 100	5 %
UK	38 400	45 300	-15 %	39 300	44 400	-11 %	155 500	174 300	-11 %
Canada	37 200	34 000	9 %	40 000	38 200	5 %	148 800	140 000	6 %
Faroe Island	18 400	24 800	-26 %	15 300	17 600	-13 %	74 000	80 300	-8 %
Other	31 000	32 700	-5 %	30 300	30 300	0 %	125 800	123 300	2 %
	<b>542 200</b>	<b>529 100</b>	<b>2 %</b>	<b>600 000</b>	<b>583 700</b>	<b>3 %</b>	<b>2 392 100</b>	<b>2 304 800</b>	<b>4 %</b>

wfe tonnes

Source: Kontali Analyse



# Projects for growth



# Growth projects



Arctic Offshore



Flip Cage

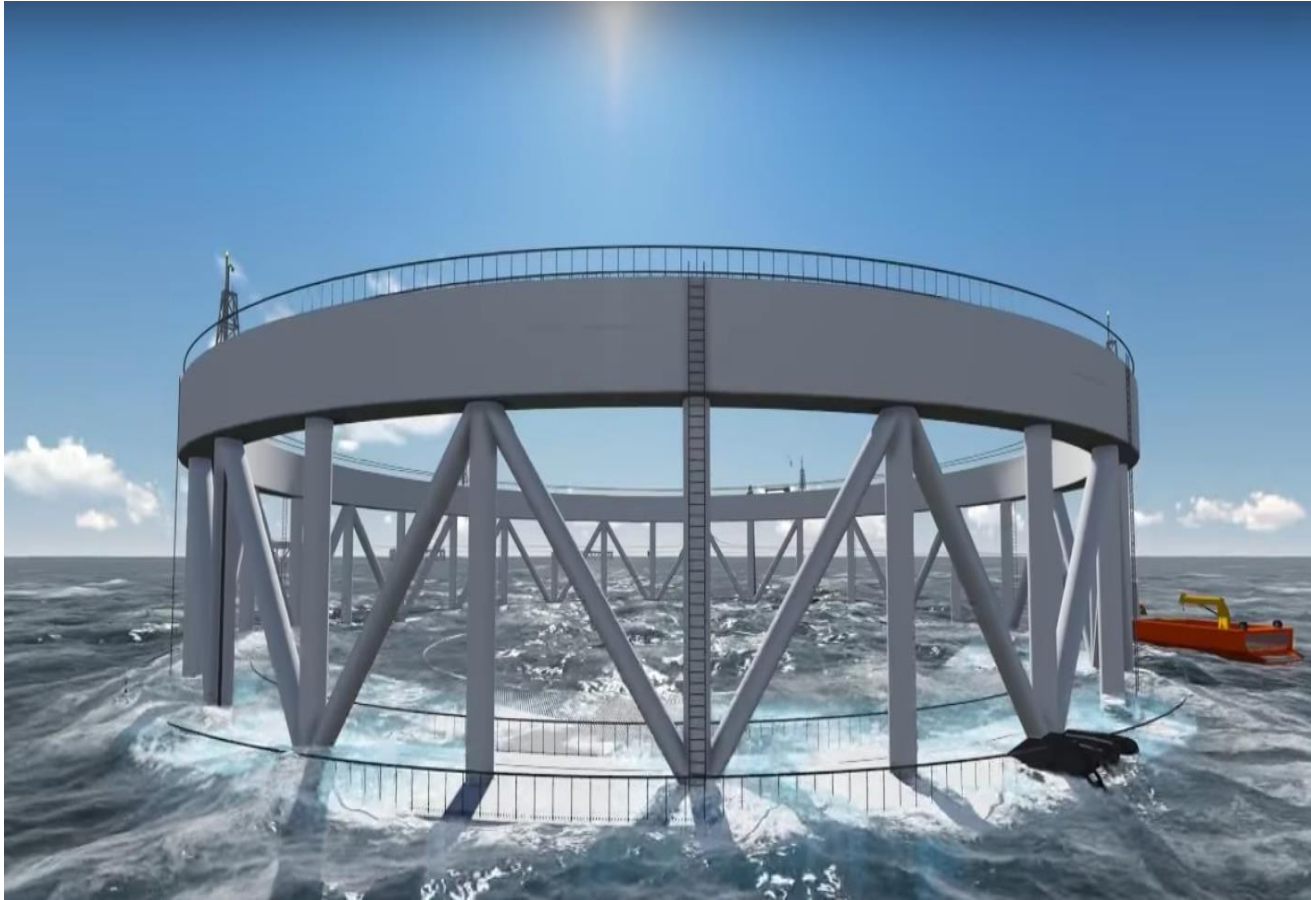


Smolt facility



Arctic Fish

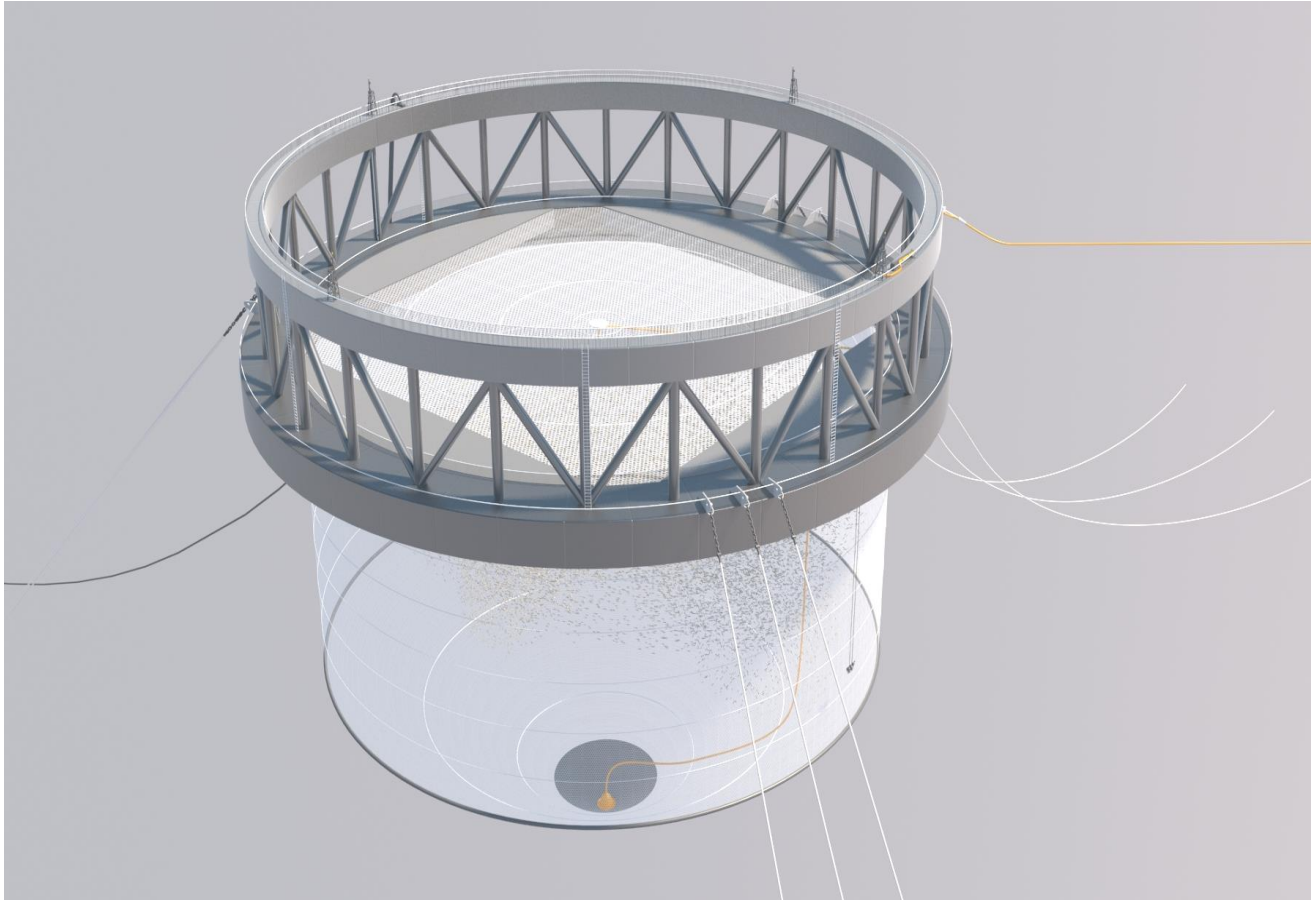
# Development licenses – Arctic Offshore Farming



- 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

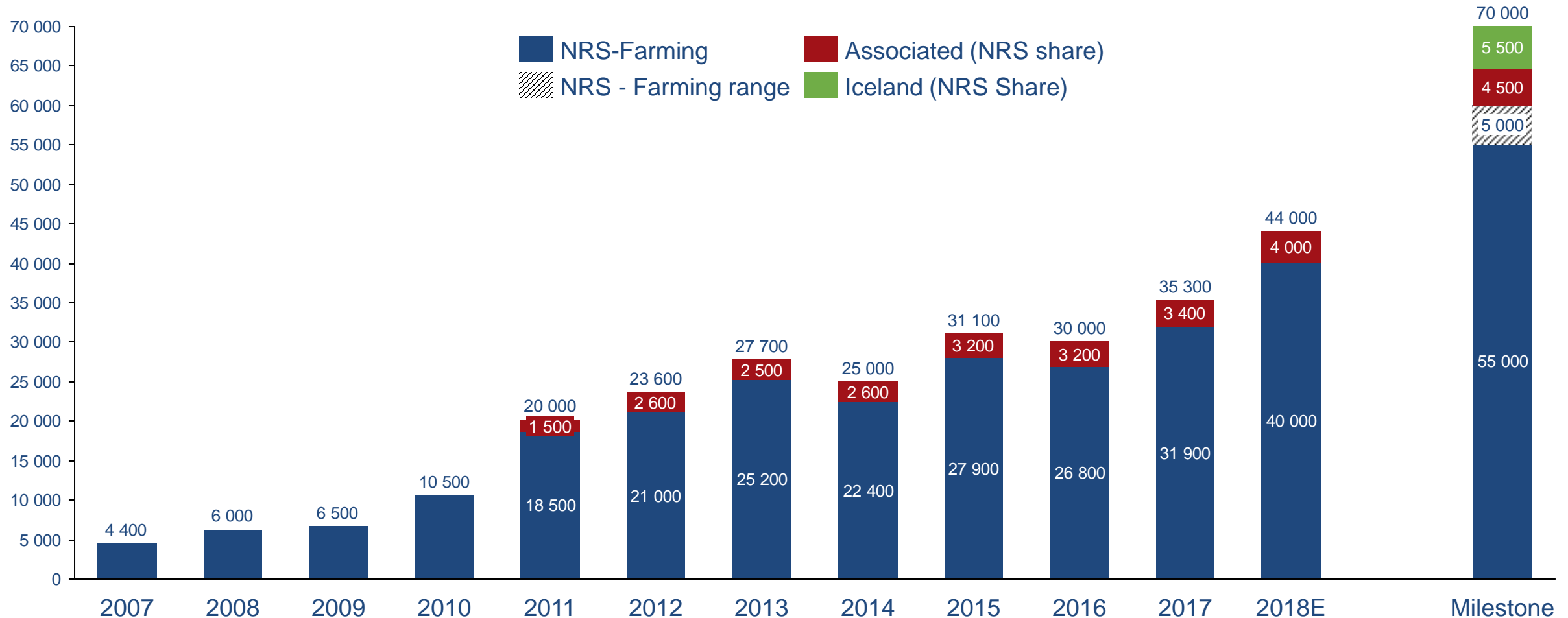


# Development licenses – Arctic Offshore Farming



- Working closely with Aker Solutions, but Arctic Offshore Farming is now 100 % NRS project
- Planned located in Øyfjorden at the island Senja
- The site is considered as ideal for the facility and significantly more exposed than today's locations
- Model testing during summer 2018
- Working with potential suppliers
- Target of releasing the fish during autumn 2020

# Norway Royal Salmon - growth history

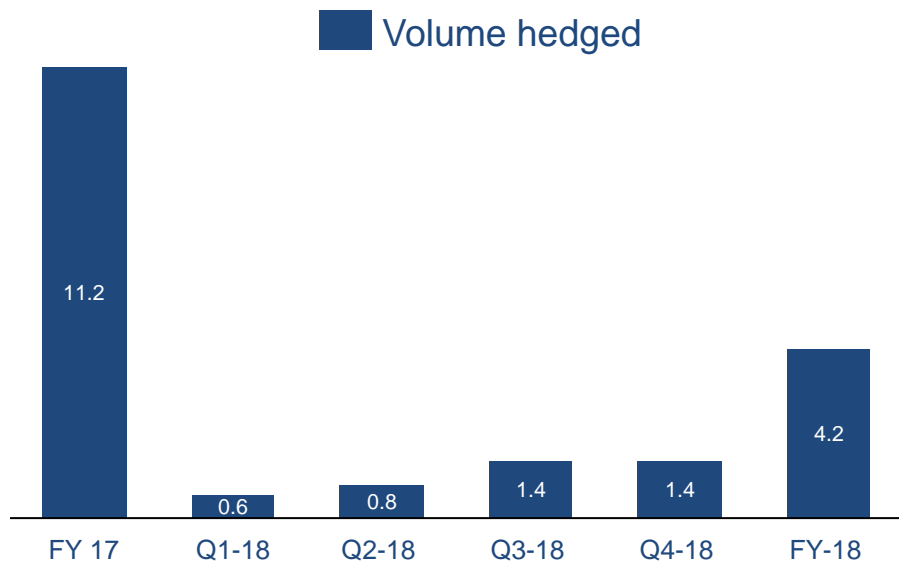
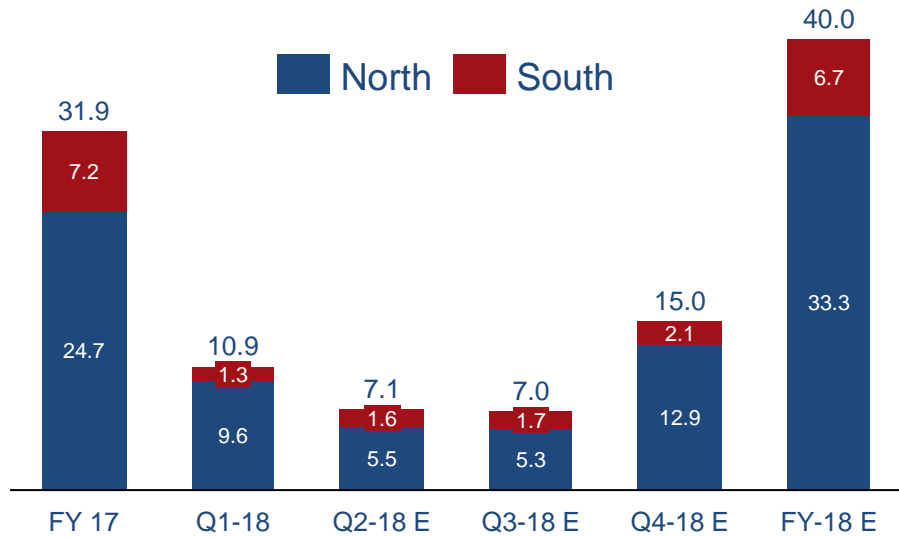




# Outlook



# Harvesting estimates 2018



## Harvest volumes

- Q1 18: 10 935 tonnes (+52 % yr/yr)
  - 935 tonnes more than estimated in Q4 17 report
- Estimate harvest volume for 2018 of 40 000 tonnes (+25 % yr/yr)
  - Down 2 500 tonnes from estimated in Q4 17 report
  - Low sea temperatures have led to low production YTD
  - Estimate higher biomass at the end of the year due to increased MAB

## Volume hedged

- 10 % of 2018 volume hedged
- Average contract price Q2-Q4 18: About NOK 58.50 (Nasdaq-equivalent)

- Focus on reduction of production costs
  - New and bigger sites with an efficient operational structure
  - Increase smolt quality and size
  - Optimizing feed consumption
- Growth
  - Acquired 2 % growth in MAB for 29 licenses, totally 551 tonnes
  - Granted development licenses with totally 5 990 tonnes MAB - Arctic Offshore Farming
  - Directorate of Fisheries has granted NRS Finnmark a demonstration facility licenses
  - Applied for 6 development licenses through our concept FlipCage – multifunctional rotatable cage
  - New and bigger sites in Region North
  - Full utilisation of the total MAB
- Price
  - Low to moderate supply growth and good demand provide the basis for a positive market outlook

# Appendix



## Appendix: Segment information

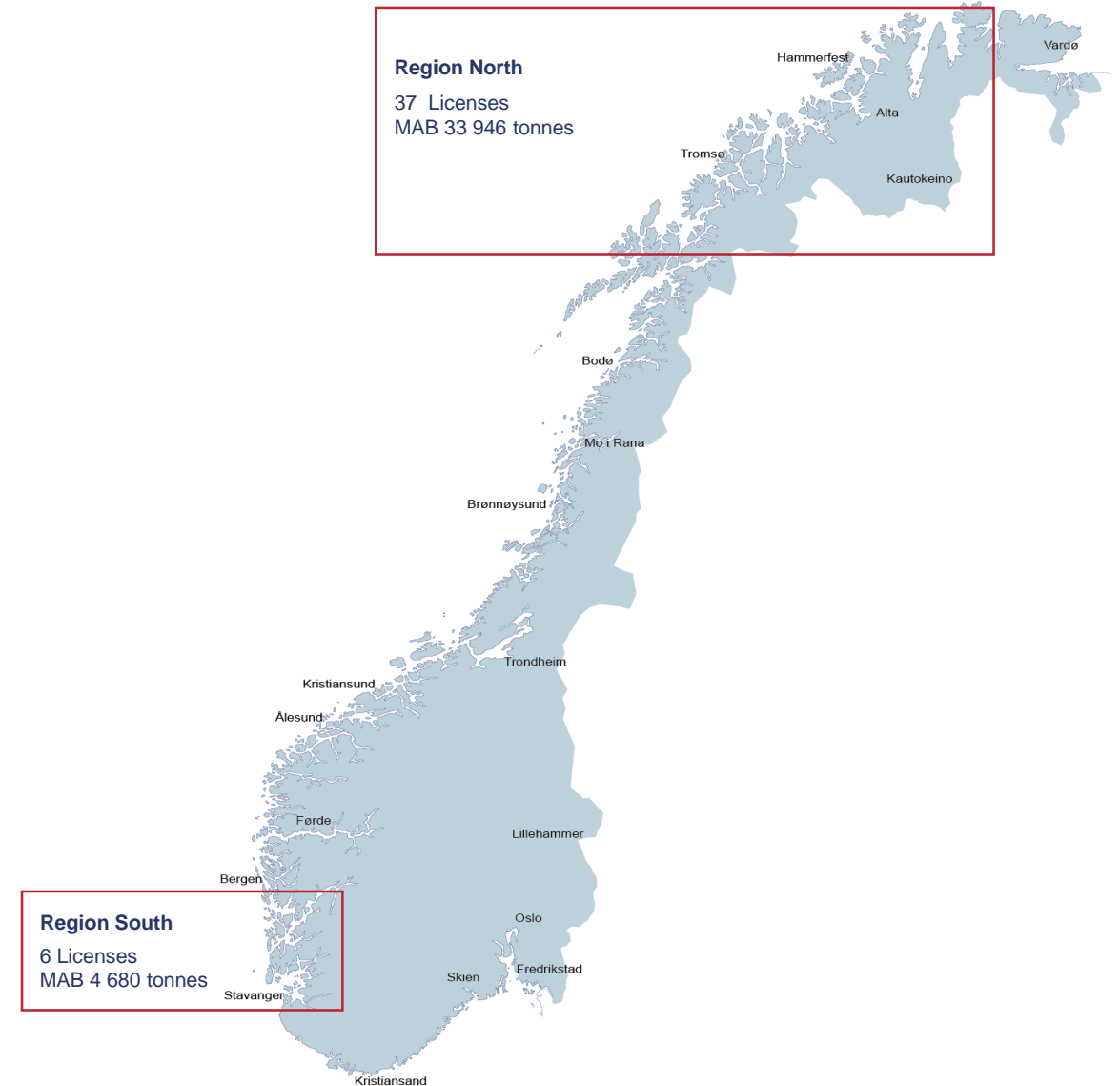




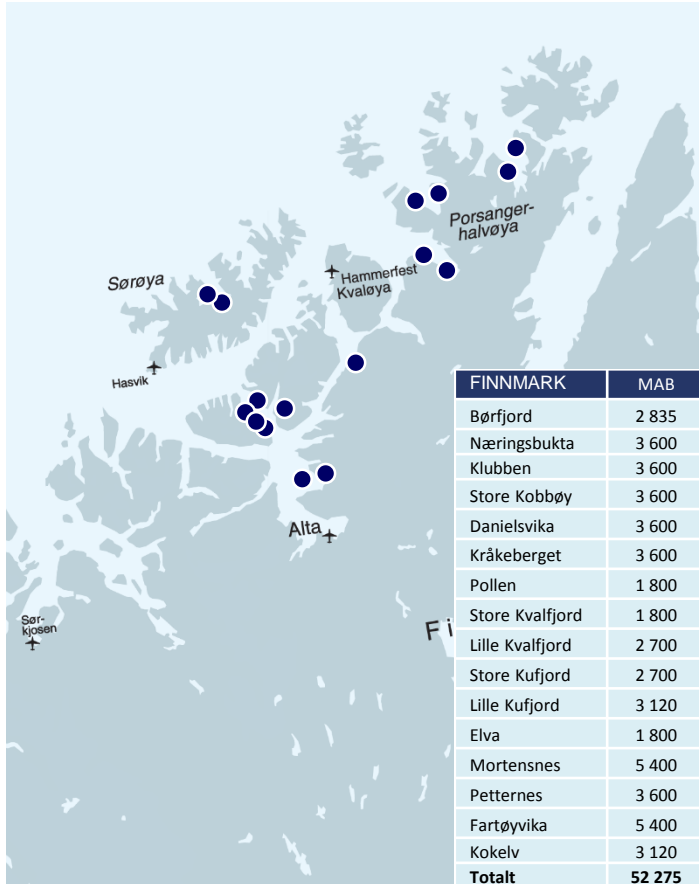
# Farming operations focused in attractive regions



**NRS with 43 licenses  
MAB 38 626 tonnes**

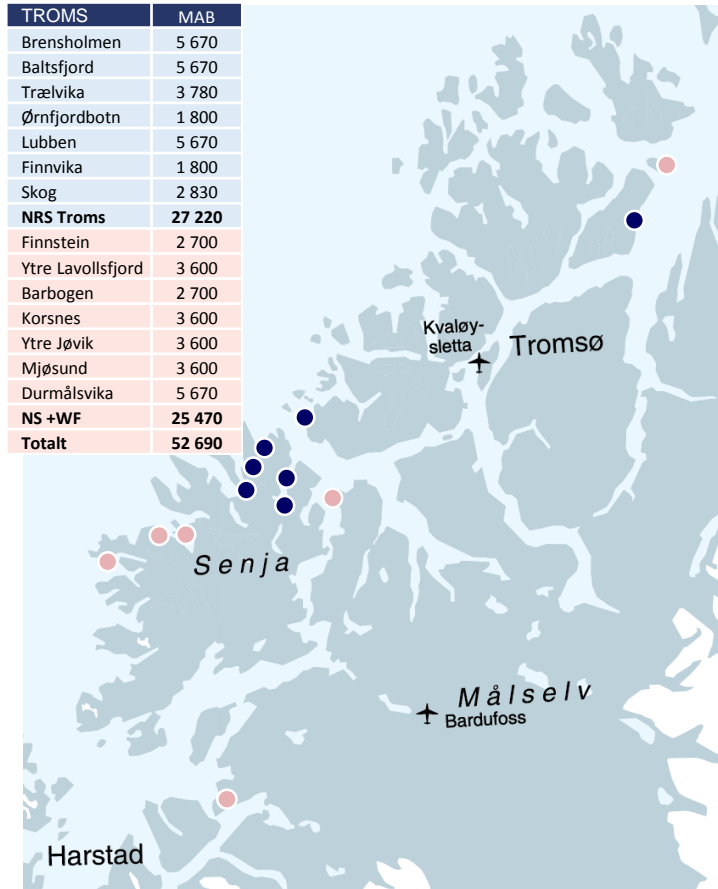


# Region North – NRS Finnmark



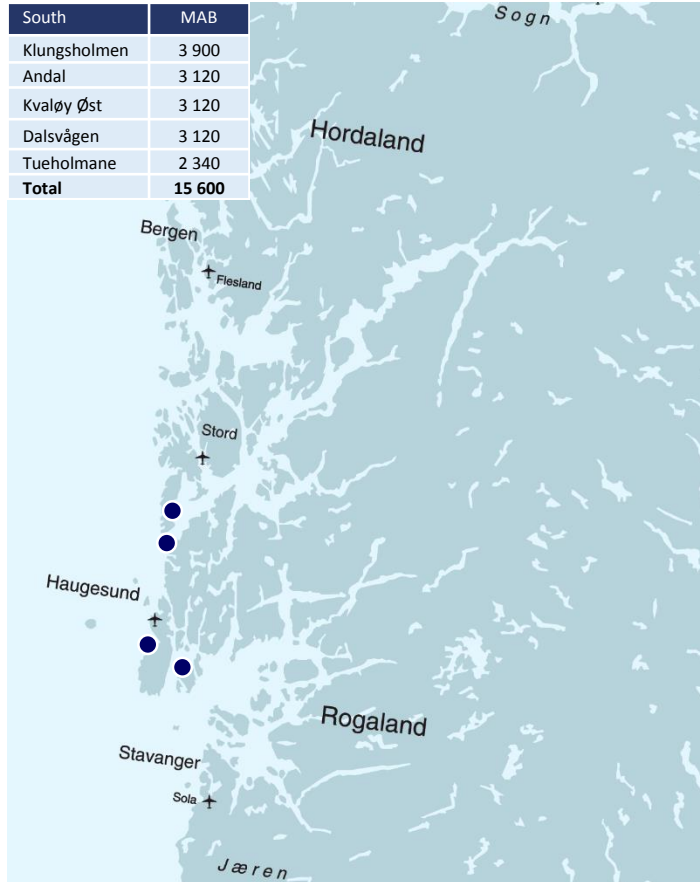
- Finnmark is an area prioritized by the authorities for growth
- MAB of 18 316 tonnes owned 100 % through NRS Finnmark
- Attractively located sites, history of good profitability
- Good biological conditions
  - Low biological risk
  - Relatively high water temperature in winter
  - Relatively low water 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
- Construction of new hatchery in Karlsøy
  - NRS has purchased land in Karlsøy where construction of a new hatchery is planned to start in 2019 when all necessary approvals are in place
  - NRS Settefisk AS has applied for permission to produce 10 million smolts

# Region North – Troms cluster



- 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
- One single MAB Zone
  - Enables smoother and better utilization of MAB
- Harvesting at Espevær Laks

## Appendix: Projects for growth





# Arctic Fish



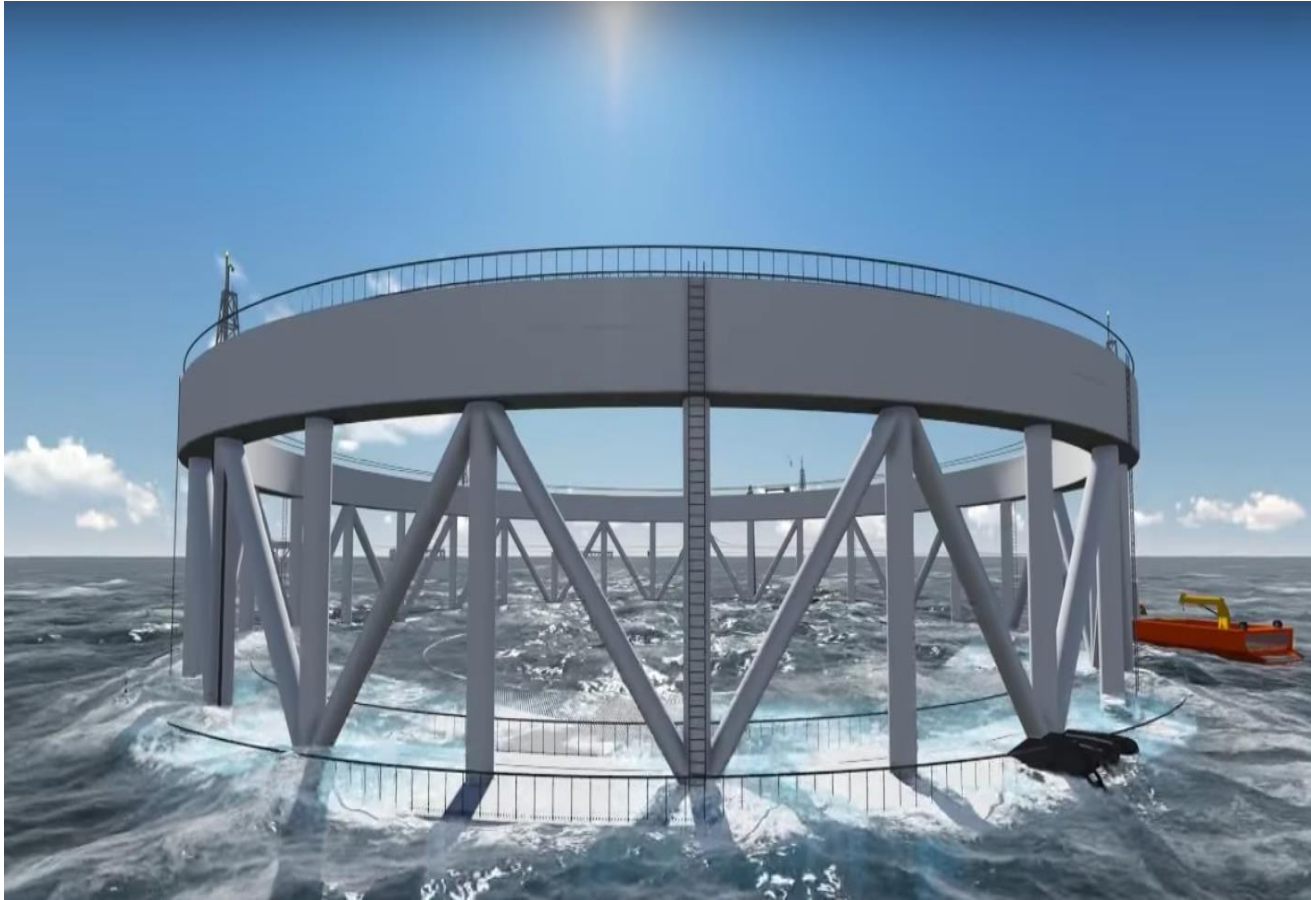
- NRS owns 50 % of Arctic Fish
  - Existing licenses: 11 000 tonnes
  - Licenses pending: 17 800 tonnes
  - Potential capacity: 28 800 tonnes
- Operation in Westfjords with good farming conditions and big potential for growth
- Estimated number of smolt release
  - 2017: 0.8 million
  - 2018: 1.5 - 2.0 million
  - 2019: 2.0 - 2.5 million
- State-of-the art hatchery with close proximity to the farming sites
  - The hatchery with RAS technology is located in Tálknafjörður and is to undergo a three phase expansion process
  - Two of three buildings almost completed

# In process with new smolt facility



- NRS is in process of building a hatchery that will produce 10 million 120 - 200 grams smolt yearly
- Strategically located in short distance to our farming sites in Region North
- Strategically important for NRS
  - The hatchery will contribute to increase the biological safety and quality of our smolt
  - Improved utilization of licenses
- Planning to start building next year

# 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 during 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

# Appendix: Group financials





# Group income statement



## INCOME STATEMENT

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

## EXTENDED INCOME STATEMENT

(NOK '000)	Q1 2018	Q1 2017	FY 2017
<b>Net profit/loss</b>	<b>260 807</b>	<b>-31 291</b>	<b>236 416</b>
Items to be reclassified to profit or loss:			
Translation differences and OCI posts from associated	-19	-19	-19
Cash Flow hedges (net)	7 278	-4 283	-7 334
Items not to be reclassified to profit or loss:			
Actuarial gains on defined benefit plans (net)	0	0	-4 623
<b>Total comprehensive income</b>	<b>268 066</b>	<b>-35 593</b>	<b>224 441</b>
<b>Total comprehensive income attributable to:</b>			
Parent company shareholders	262 373	-39 679	224 776
Non-controlling interests	5 693	2 256	7 878

# Balance Sheet



## BALANCE SHEET - ASSETS

(NOK '000)	31.03.2017	31.03.2017	31.12.2017
Intangible assets	715 007	648 887	648 887
Property, plant and equipment	547 051	439 553	544 006
Non-current financial assets	658 673	554 798	613 517
<b>Non-current assets</b>	<b>1 920 731</b>	<b>1 643 238</b>	<b>1 806 410</b>
Inventory and biological assets	1 139 227	1 227 436	1 277 004
Receivables	703 787	545 571	619 970
Bank deposits, cash	89 002	155 680	151 779
<b>Current assets</b>	<b>1 932 017</b>	<b>1 928 687</b>	<b>2 048 753</b>
<b>TOTAL ASSETS</b>	<b>3 852 748</b>	<b>3 571 925</b>	<b>3 855 163</b>

## BALANCE SHEET - EQUITY AND LIABILITIES

(NOK '000)	31.03.2017	31.03.2017	31.12.2017
Share capital	43 508	42 924	43 489
Other equity	2 032 600	1 826 361	1 769 778
Non-controlling interests	43 455	35 290	37 762
<b>Equity</b>	<b>2 119 563</b>	<b>1 904 576</b>	<b>1 851 030</b>
Pensions	16 728	11 383	16 728
Deferred tax	427 218	433 409	364 557
<b>Provisions</b>	<b>443 946</b>	<b>444 792</b>	<b>381 285</b>
<b>Long-term interest-bearing debt</b>	<b>448 336</b>	<b>403 199</b>	<b>461 241</b>
Short-term interest-bearing debt	134 370	133 012	342 617
Trade payables	542 570	423 799	549 526
Tax payable	61 909	78 531	113 485
Other current liabilities	102 055	184 018	155 980
<b>Current liabilities</b>	<b>840 903</b>	<b>819 359</b>	<b>1 161 608</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 852 748</b>	<b>3 571 925</b>	<b>3 855 163</b>

# Group cash flow statement



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

# Statement of Equity



31.03.2018						
(NOK '000)	Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings			
Equity at 01.01.2018	43 572	-82	1 769 780	1 813 271	37 762	1 851 030
					0	
Total comprehensive income	0	0	262 373	262 373	5 693	268 066
<b>Transactions with shareholders</b>						
Share based payment	0	0	-2 531	-2 531	0	-2 531
Sale of treasury shares	0	19	2 979	2 998	0	2 998
<b>Total transactions with shareholders</b>	<b>0</b>	<b>19</b>	<b>448</b>	<b>467</b>	<b>0</b>	<b>467</b>
<b>Equity at 31.03.2018</b>	<b>43 572</b>	<b>-63</b>	<b>2 032 601</b>	<b>2 076 112</b>	<b>43 455</b>	<b>2 119 563</b>

31.03.2017						
(NOK '000)	Equity allocated to parent company shareholders			Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings			
Equity at 01.01.2017	43 572	-98	1 970 509	2 013 984	33 035	2 047 016
Comprehensive income	0	0	-39 679	-39 679	2 256	-37 423
<b>Transactions with shareholders</b>						
Share based payment	0	0	-7 895	-7 895	0	-7 895
Purchase of treasury shares	0	-600	-99 900	-100 500	0	-100 500
Sale of treasury shares	0	51	8 027	8 078	0	8 078
Equity changes associated companies	0	0	-4 701	-4 701	0	-4 701
<b>Total transactions with shareholders</b>	<b>0</b>	<b>-549</b>	<b>-104 469</b>	<b>-105 018</b>	<b>0</b>	<b>-105 018</b>
<b>Equity at 31.03.2017</b>	<b>43 572</b>	<b>-647</b>	<b>1 826 361</b>	<b>1 869 287</b>	<b>35 290</b>	<b>1 904 576</b>

# Quarterly historical information



QUARTERLY HISTORICAL INFORMATION (NOK thousand, NOK per kg)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
<b>Volumes harvested (ktonnes, HOG)</b>													
Region North	9 597	7 326	8 238	3 633	5 500	2 612	7 086	5 468	6 501	6 806	6 206	3 675	6 283
Region South	1 338	1 726	2 216	1 598	1 681	2 080	451	1 912	708	1 445	312	1 945	1 231
<b>Total</b>	<b>10 935</b>	<b>9 052</b>	<b>10 454</b>	<b>5 231</b>	<b>7 181</b>	<b>4 692</b>	<b>7 537</b>	<b>7 381</b>	<b>7 209</b>	<b>8 251</b>	<b>6 519</b>	<b>5 620</b>	<b>7 514</b>
<b>Operational EBIT</b>													
Region North	184 448	116 045	155 299	107 825	150 059	75 163	220 321	165 601	173 316	98 948	60 163	20 882	64 117
Region South	20 927	24 367	46 345	50 013	55 316	50 729	8 451	21 377	10 801	5 242	76	6 282	13 334
<b>Total</b>	<b>205 375</b>	<b>140 411</b>	<b>201 644</b>	<b>157 838</b>	<b>205 375</b>	<b>125 892</b>	<b>228 772</b>	<b>186 978</b>	<b>184 117</b>	<b>104 190</b>	<b>60 238</b>	<b>27 164</b>	<b>77 451</b>
<b>Operational EBIT per kg</b>													
Region North	19,22	15,84	18,85	29,68	27,28	28,77	31,09	30,28	26,66	14,54	9,69	5,68	10,21
Region South	15,64	14,12	20,91	31,30	32,91	24,39	18,73	11,18	15,26	3,63	0,24	3,23	10,83
<b>Total</b>	<b>18,78</b>	<b>15,51</b>	<b>19,29</b>	<b>30,17</b>	<b>28,60</b>	<b>26,83</b>	<b>30,35</b>	<b>25,33</b>	<b>25,54</b>	<b>12,63</b>	<b>9,24</b>	<b>4,83</b>	<b>10,31</b>
<b>Volumes sold (ktonnes)</b>	<b>22 540</b>	<b>22 471</b>	<b>22 296</b>	<b>17 318</b>	<b>15 714</b>	<b>17 711</b>	<b>17 662</b>	<b>15 561</b>	<b>15 874</b>	<b>20 558</b>	<b>16 333</b>	<b>16 121</b>	<b>16 959</b>
<b>NRS GROUP</b>													
<b>Operational EBITDA</b>	<b>213 925</b>	<b>119 104</b>	<b>213 137</b>	<b>155 231</b>	<b>222 451</b>	<b>117 169</b>	<b>233 190</b>	<b>183 332</b>	<b>167 985</b>	<b>105 778</b>	<b>36 328</b>	<b>31 946</b>	<b>81 540</b>
<b>Operational EBIT</b>	<b>192 744</b>	<b>94 636</b>	<b>192 425</b>	<b>135 566</b>	<b>205 234</b>	<b>100 870</b>	<b>218 112</b>	<b>168 499</b>	<b>153 132</b>	<b>90 850</b>	<b>22 649</b>	<b>19 080</b>	<b>69 316</b>
<b>Net interest bearing debt</b>	<b>446 333</b>	<b>633 479</b>	<b>539 247</b>	<b>594 007</b>	<b>380 531</b>	<b>282 160</b>	<b>-13 122</b>	<b>146 852</b>	<b>271 514</b>	<b>498 541</b>	<b>558 576</b>	<b>625 244</b>	<b>586 614</b>
<b>Equity ratio</b>	<b>55,0%</b>	<b>48,0%</b>	<b>47,4%</b>	<b>45,4%</b>	<b>53,3%</b>	<b>55,1%</b>	<b>50,0%</b>	<b>48,2%</b>	<b>45,8%</b>	<b>41,3%</b>	<b>38,3%</b>	<b>38,5%</b>	<b>41,3%</b>



# Accumulated historical information



HISTORICAL INFORMATION (NOK thousand, NOK per kg)	YTD 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
<b>Volumes harvested (ktonnes, HOG)</b>									
Region North	9 597	24 697	21 667	22 971	17 987	20 491	13 944	12 871	6 001
Region South	1 338	7 221	5 151	4 932	4 369	4 700	7 218	5 910	4 677
<b>Total</b>	<b>10 935</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>10 678</b>
<b>Operational EBIT</b>									
Region North	184 448	529 227	634 401	244 110	205 683	240 330	35 195	62 822	86 623
Region South	20 927	176 041	91 358	24 933	17 461	39 795	12 354	1 934	63 677
<b>Total</b>	<b>205 375</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>150 300</b>
<b>Operational EBIT per kg</b>									
Region North	19,22	21,43	29,28	10,63	11,44	11,73	2,52	4,88	14,43
Region South	15,64	24,38	17,74	5,05	4,00	8,47	1,71	0,33	13,61
<b>Total</b>	<b>18,78</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>14,08</b>
<b>Volumes sold (ktonnes)</b>	<b>22 540</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>49 584</b>
<b>NRS GROUP</b>									
<b>Operational EBITDA</b>	<b>213 925</b>	<b>709 923</b>	<b>701 676</b>	<b>255 591</b>	<b>199 475</b>	<b>289 729</b>	<b>60 785</b>	<b>73 300</b>	<b>154 196</b>
<b>Operational EBIT</b>	<b>192 744</b>	<b>627 861</b>	<b>640 613</b>	<b>201 894</b>	<b>158 064</b>	<b>256 002</b>	<b>30 336</b>	<b>47 257</b>	<b>137 259</b>
<b>Net interest bearing debt</b>	<b>446 333</b>	<b>633 479</b>	<b>282 160</b>	<b>498 541</b>	<b>639 383</b>	<b>453 883</b>	<b>566 075</b>	<b>531 734</b>	<b>425 992</b>
<b>Equity ratio</b>	<b>55,0%</b>	<b>48,0%</b>	<b>55,1%</b>	<b>41,3%</b>	<b>39,0%</b>	<b>42,4%</b>	<b>36,3%</b>	<b>36,3%</b>	<b>39,6%</b>

# Financing



## Long term debt

(NOK '000)	31.03.2018
Long-term debt to financial institutions	250 000
Long-term finance lease	198 336
Long-term receivables	-47 370
<b>Total long-term interest bearing debt</b>	<b>400 966</b>

## Short term debt

(NOK '000)	31.03.2018
Short-term debt to financial institutions	79 957
First year's instalment long-term debt	54 413
<b>Total short-term interest bearing debt</b>	<b>134 370</b>
Cash and cash equivalents <sup>1)</sup>	-89 002
<b>Net interest bearing debt</b>	<b>446 333</b>

1) of which TNOK 88 948 are restricted cash deposits

## Credit Facility

(NOK '000)	31.03.2018
Unused long-term credit facility	550 000
Unused short-term credit facility	520 043
<b>Total unused credit facility</b>	<b>1 070 043</b>

# 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 5.20 for 2017
  - 60 % of EPS pre FV adjustment
  - Distributed as cash dividend of 3.90 per share and distribution of shares in NRS from the company's treasury shares

# Shareholders



## Ownership structure – the 20 largest shareholders as at 31.03.2018:

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

The logo for Norway Royal Salmon is a stylized, wavy banner. The top section is red with the word "NORWAY" in white, bold, sans-serif capital letters. The middle section is blue with the word "ROYAL" in white, bold, sans-serif capital letters. The bottom section is red with the word "SALMON" in white, bold, sans-serif capital letters. The banner has a slight 3D effect with a white shadow on the bottom edge.

**NORWAY  
ROYAL  
SALMON**

COMMITTED  
BY NAME

