



# Presentation Q4 2018

Oslo, 12 February 2018

Charles Høstlund, CEO

Ola Loe, CFO

# Agenda

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1. Highlights for the period
2. Segment information
3. Production of triploid (sterile) salmon
4. Group financials
5. Markets
6. Projects for growth
7. Outlook

# Highlights in Q4 2018

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- All time high operational EBIT of MNOK 232
- All time high harvested and sold volume in a quarter
- Continued positive development of the production cost in Region Nord
- Biological challenges in Region South on fish ready to harvest, has resulted in very low achieved margins
- The Board proposes a dividend of NOK 6.00 per share



# Highlights in Q4 2018



NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Operating revenues	1 600 452	1 243 257	5 080 806	4 937 798
Operational EBITDA	255 865	119 104	731 024	709 923
Operational EBIT	232 436	94 636	641 726	627 861
Income from associates	32 647	1 445	13 753	52 657
EBIT	119 967	-121 145	807 739	485 719
EBT	89 686	-185 999	869 838	322 597
EPS (NOK) – before fair value adjustments	4,48	0,71	13,43	8,72
ROCE <sup>1)</sup>	36,8 %	39,8 %	36,8 %	39,8 %
Net cash flow from operating activities	129 618	-89 031	806 696	170 504
Investments in tangible fixed assets/licenses	65 823	14 988	412 941	214 000
Net interest-bearing debt			419 698	633 479
Equity ratio			56,7 %	48,0 %
Volume harvested (HOG)	13 783	9 052	35 970	31 918
Operational EBIT per kg <sup>2)</sup>	17,73	15,51	19,97	22,10
Volume sold - Sales	27 785	22 471	82 420	77 799

- Operational EBIT MNOK 232 in Q4 18
- Operational EBIT per kg NOK 17.73
- Average salmon price (NASDAQ) up NOK 6.26 per kg from Q4 last year
- Harvested volume up 52 % and sold volume up 24 % from Q4 last year
- Loss on financial assets MNOK 27
- Positive operational cash flow of MNOK 130
- NIBD down MNOK 80 in Q4 18

# Segment information

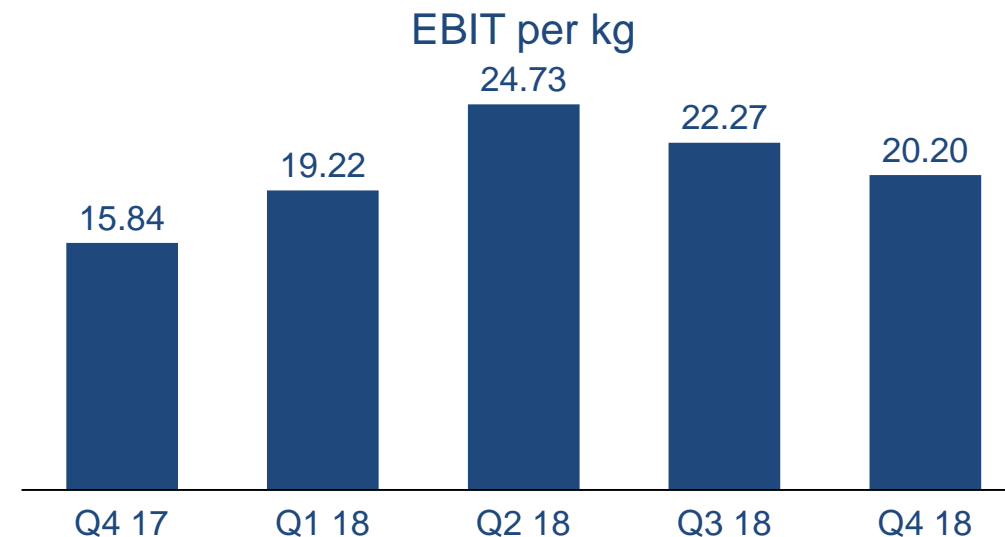


# Region North



KEY FIGURES (NOK '000)	Q4 2018	Q4 2017
Operating revenues	1 697 165	1 004 652
Operational EBIT *	243 297	116 045
Volume harvested (tonnes)	12 042	7 326
Operational EBIT (ex contracts)	19,49	10,10
Gain (+)/Loss (-) on open fixed price contracts	0,72	5,74
Operational EBIT per kg	20,20	15,84

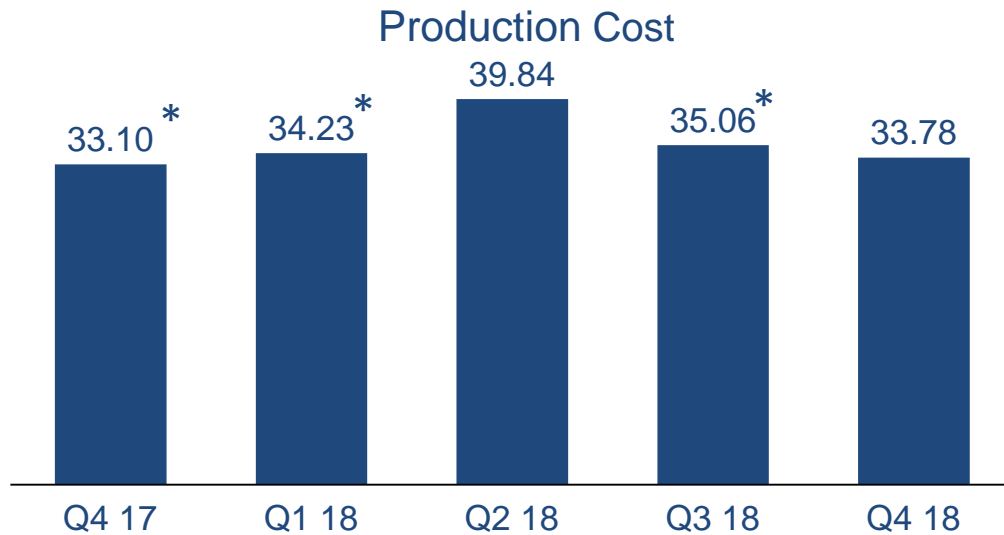
\* EBIT pre fair value adjustments and non-recurring items  
incl. allocated margin from sales



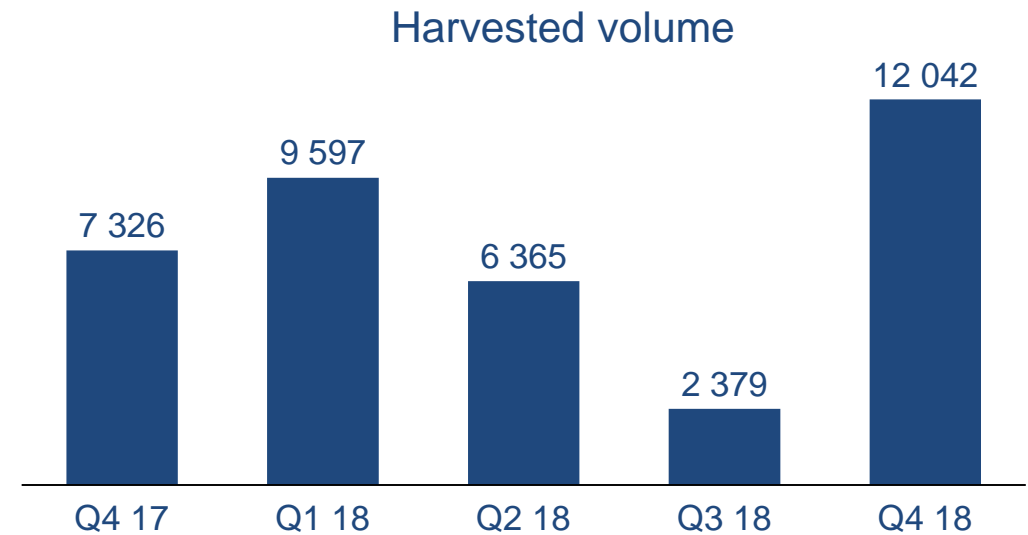
- Operational EBIT per kg NOK 20.20

- Up NOK 4.36 from Q4 17 and down NOK 2.07 from Q3 18
- Sales price FCA packing station up NOK 6.89 per kg from Q4 17 and up NOK 2.89 from Q3 18
- The size of the fish impacted price achievement positive and the quality negative

# Farming – Region North



\* Sites without ISA



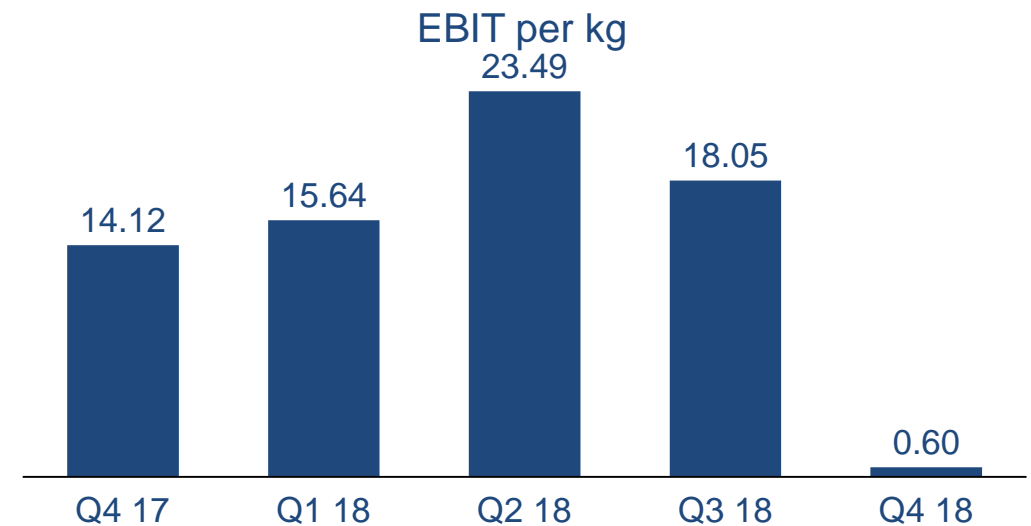
- Production cost of NOK 33.78 per kg
  - Production cost down by NOK 1.28 from Q3 18
  - Low production cost on harvested fish from Finnmark
  - Harvest of fish from areas with temporary restrictions has resulted in high well boat and harvest costs in Troms
- Volume up 4 717 tonnes compared to Q4 17
- Operation
  - Growth in Q4 has been as expected
  - Low utilization of MAB in Troms due to ILA incidents in prior quarters

# Region South



KEY FIGURES (NOK '000)	Q4 2018	Q4 2017
Operating revenues	210 727	236 455
Operational EBIT *	1 047	24 367
Volume harvested (tonnes)	1 741	1 726
Operational EBIT (ex contracts)	-0,12	8,37
Gain (+)/Loss (-) on open fixed price contracts	0,72	5,74
Operational EBIT per kg	0,60	14,12

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



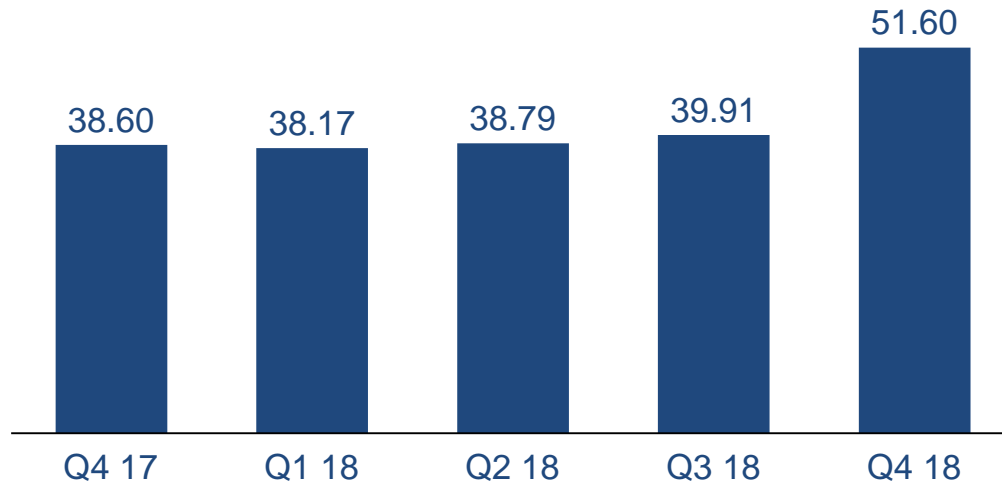
- Operational EBIT per kg NOK 0.60
  - Down NOK 13.52 from Q4 17 and down NOK 17.45 from Q3 18
  - Sales price FCA packing station up NOK 4.81 per kg from Q4 17 and down NOK 0.05 from Q3 18
  - The size of the fish and the quality impacted price achievement negatively



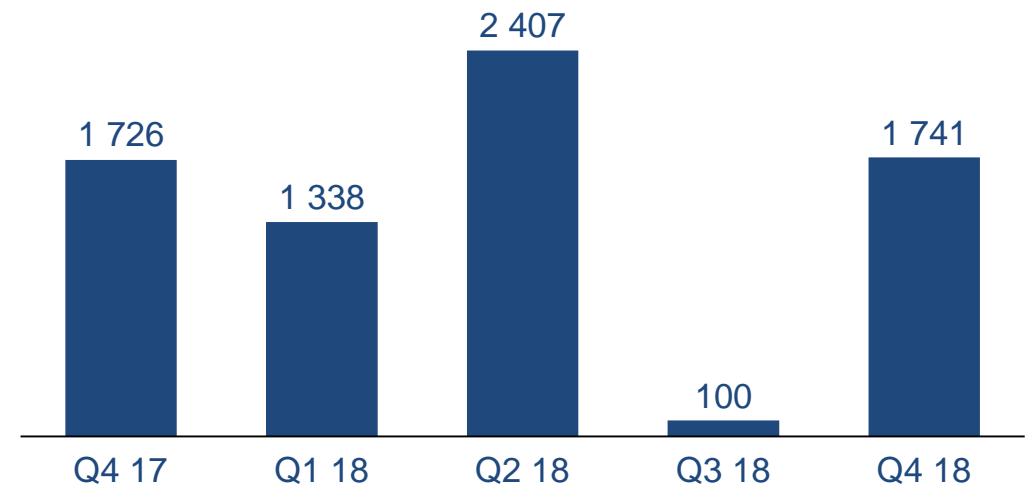
# Farming – Region South



Production Cost



Harvested volume



- Production cost of NOK 51.60 per kg
  - Production cost up NOK 11.69 from Q3 18
  - High production cost due to fish disease yersinioses, which resulted in high mortality of large size fish at one site
- Volume up 15 tonnes compared to Q4 17
- Operation
  - Challenging quarter regarding fish health at one site
    - All smolt will be vaccinated for yersinioses from 2019 and forward
  - Low utilization of MAB in the last part of the quarter results in reduction of production in Q4 18 and Q1 19
  - High production costs expected until end of July

# Associated companies

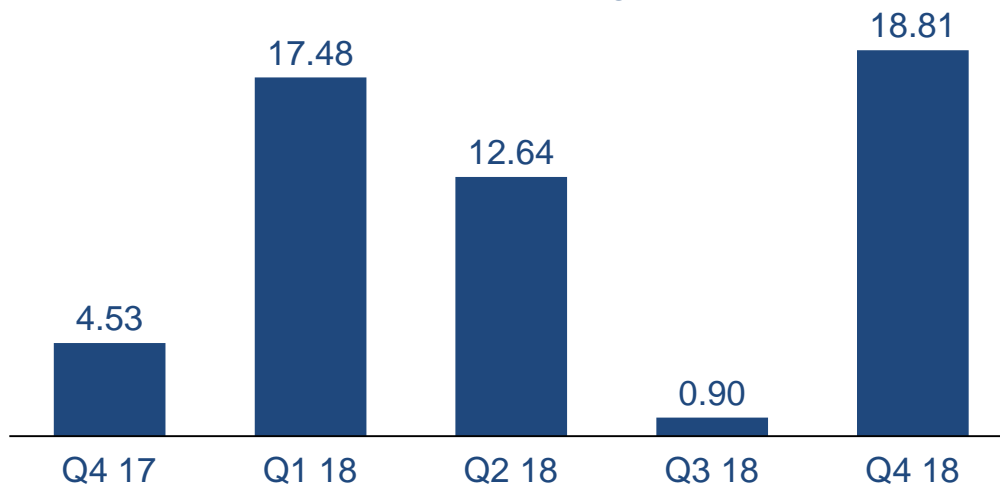


	Q4 2018		Q4 2017	
	Farming companies ex. Iceland	Other associated companies	Farming companies	Other associated companies
Operational EBIT	33 402	2 937	14 803	-7 386
Fair value adjustment	48 492	0	4 549	0
EBIT	81 894	2 937	19 352	-7 386
Volume harvested (tonnes)	1 812	0	3 269	
Operational EBIT per kg *	18,43	0	4,53	
NRS' share of result after tax	35 391	-2 745	2 745	-1 301
NRS' share of harvested (tonnes)	625	0	1 195	

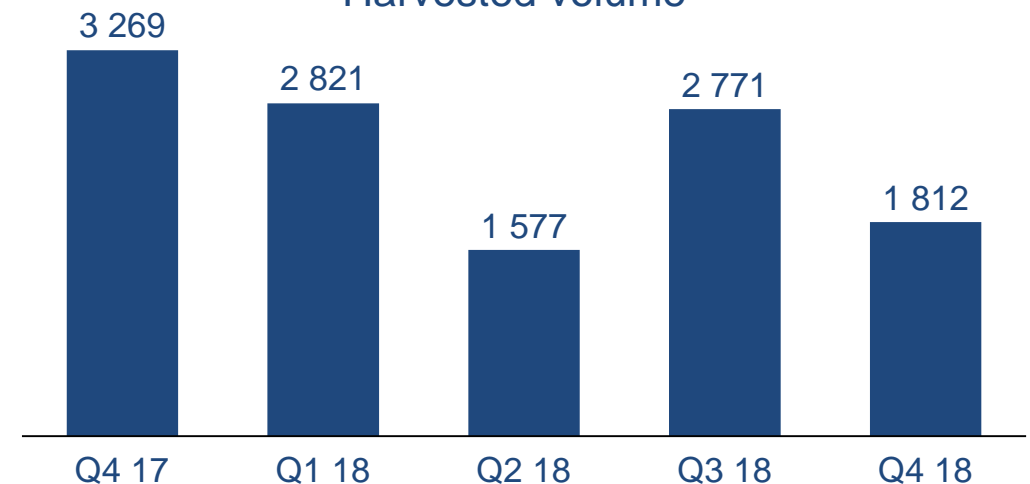
\*EBIT pre fair value adjustments

- NRS share of result after tax of MNOK 32.6
  - Fair value adjustment after tax positive by MNOK 17.9
  - Loss at Arctic Fish due to no harvesting and overhead and finance costs
- EBIT per kg of NOK 18.43 for Norwegian associated farming companies
- Shares in NRS owned by associated companies at the end of Q418
  - NRS' share of fair value MNOK 116
  - Not recognised in the group accounts

EBIT per kg



Harvested volume



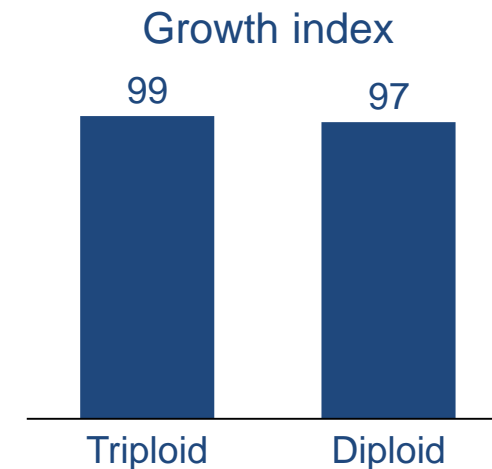
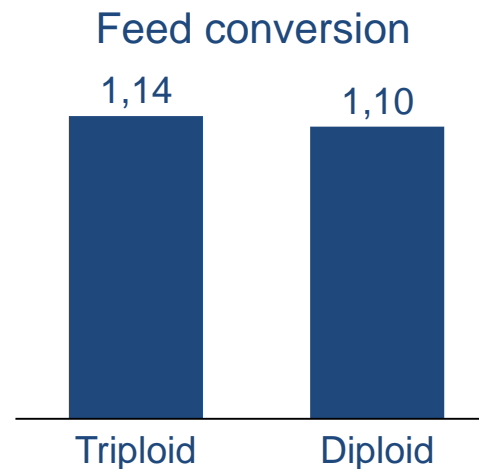
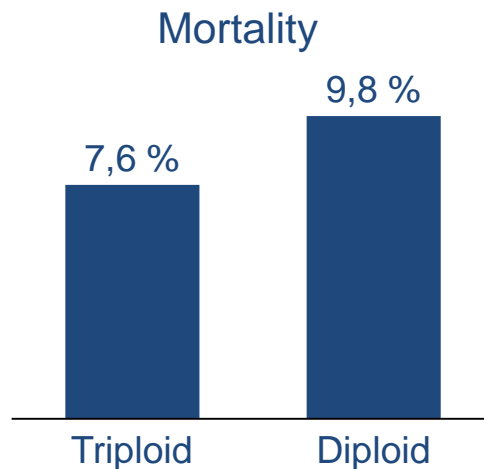
## Production of triploid (sterile) salmon



# Production of triploid (sterile) salmon



- Experience from production of 15G and 16G
  - Increased competence during the period
  - Variations in numbers of the release and mixed experience with the production
    - Wound problems the first winter for fish released to the sea in the autumn
    - Higher degree of deformity
    - Culling of fish due to fish welfare for some cages or sites
    - Positive development in the fresh water production
- Experience from production of 17G (spring and summer release)
  - Generation almost completely harvested
  - Biological performance for survival and growth is similar to the reference projects, but lower quality



- Future focus area
  - Work with partners related to skin health during the first winter in the sea and deformities
  - Continue to develop competence and utilize it in the production



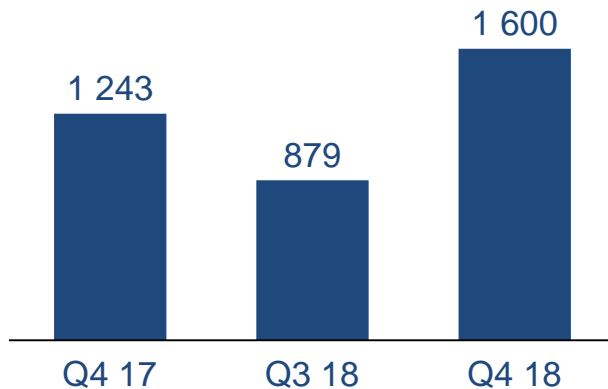
# Group financials



# Key income statement items

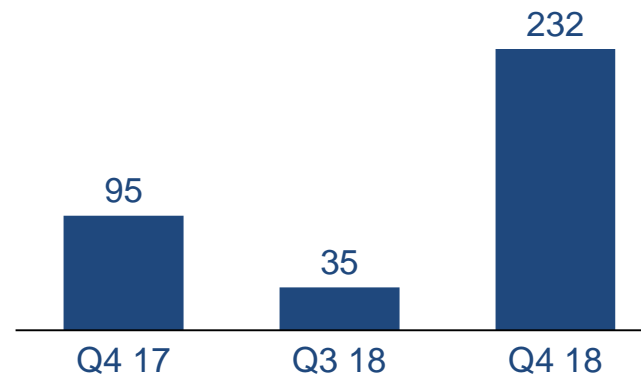


## Operating revenues



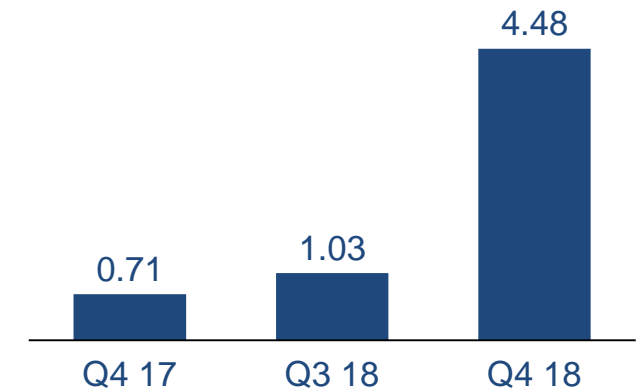
- Revenues up MNOK 357 (29 %) from Q4 17
  - Average salmon price (NASDAQ) up NOK 6.26 per kg from Q4 17
  - Sold volume up 24 %

## Operational EBIT



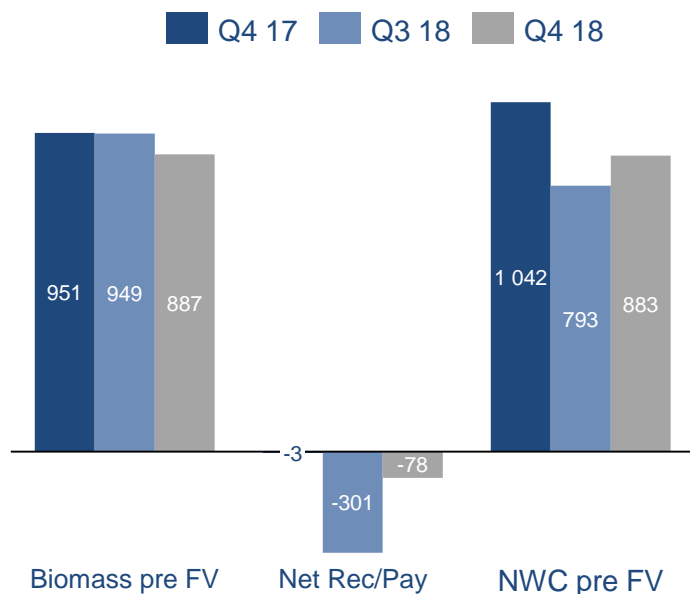
- Operational EBIT up by MNOK 138 from Q4 17
  - Farming:
    - Sales price up NOK 6.6/kg
    - Production cost down NOK 0.9/kg
    - Harvested volume up 4 732 tonnes
  - Sales:
    - Margins sold volume down NOK 0.10/kg
    - Gain on fixed price contracts down NOK 1.96/kg

## EPS pre fair value



- EPS pre FV up NOK 3.8 per share from Q4 17
  - Loss on financial assets of MNOK 27.2 in Q4 18

# Key balance sheet items



Biomass pre FV down by MNOK 62 from Q3 18

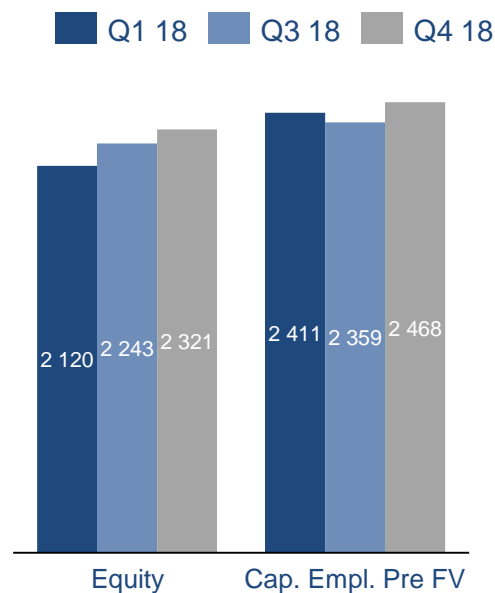
- Biomass down by 4 018 tonnes (14 %) from Q3 18
- Biomass down 4 396 tonnes (15 %) from Q4 17

Net account receivables and account payable up by MNOK 223 from Q3 18

- Account receivable up MNOK 142
- Account payables down by MNOK 81

Working capital pre FV up by MNOK 90 from Q3 18

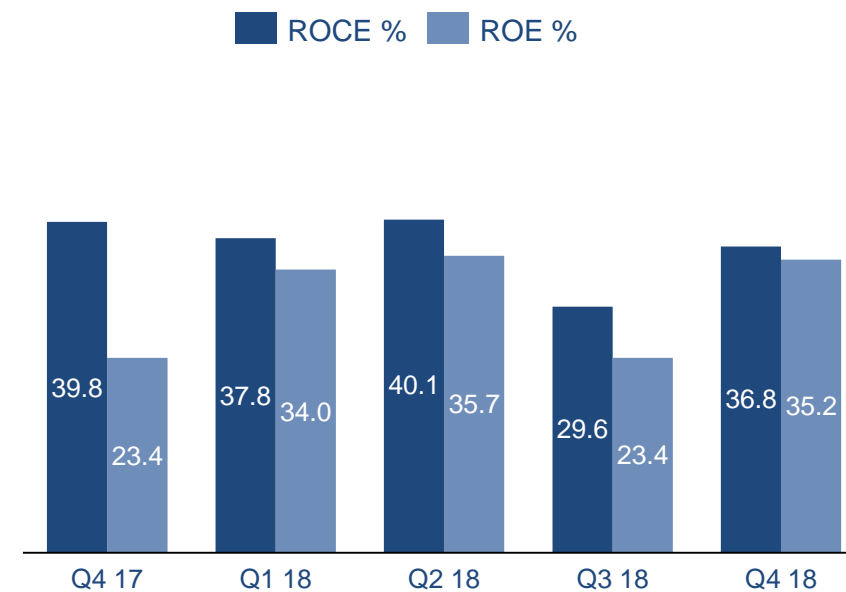
- Inventories of feed and harvested fish down MNOK 21



Equity up MNOK 78 from Q3 18

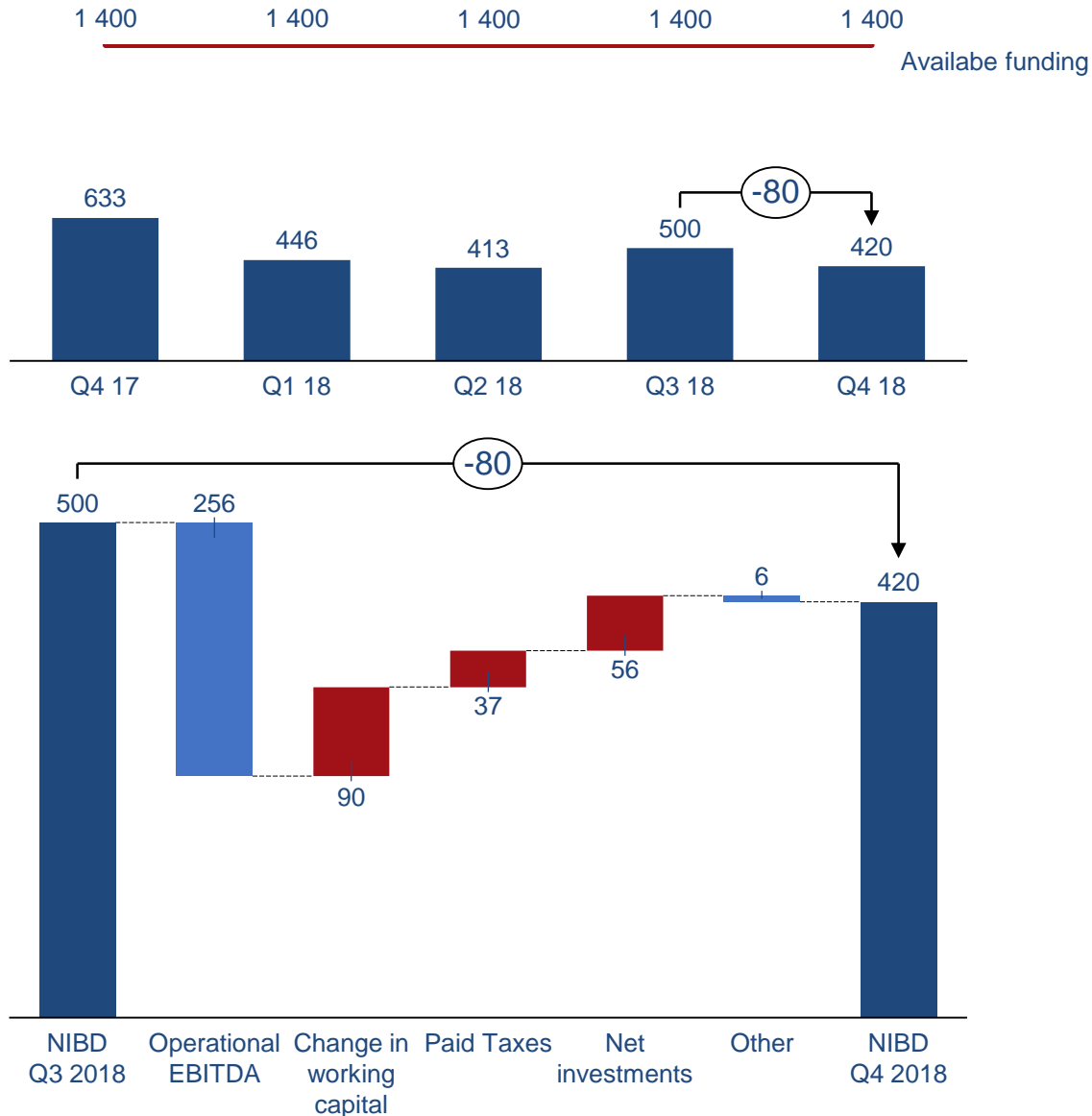
- Equity ratio 56.7 %

Capital employed pre FV up by MNOK 109 from Q3 18



ROCE 36.8 %  
ROE (after tax) 35.2 %

# NIBD development



- NIBD down MNOK 80 from Q3 18
- Unused credit facility of MNOK 998 and bank deposits of MNOK 152 at end of Q4 18
- Total capex of MNOK 413 for 2018
  - PPE of MNOK 164
  - Licenses for MNOK 198
  - Smolt facility and offshore project of MNOK 51
- 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 256
- Working capital up MNOK 90
  - Inventory and biomass down MNOK -83
  - Net accounts receivables and payable up MNOK 223
  - Net other current assets and liabilities down MNOK -50



# 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 6.00 per share for 2018
  - 45 % of EPS pre FV adjustment
  - Below 60 % due to significant capex in 2019

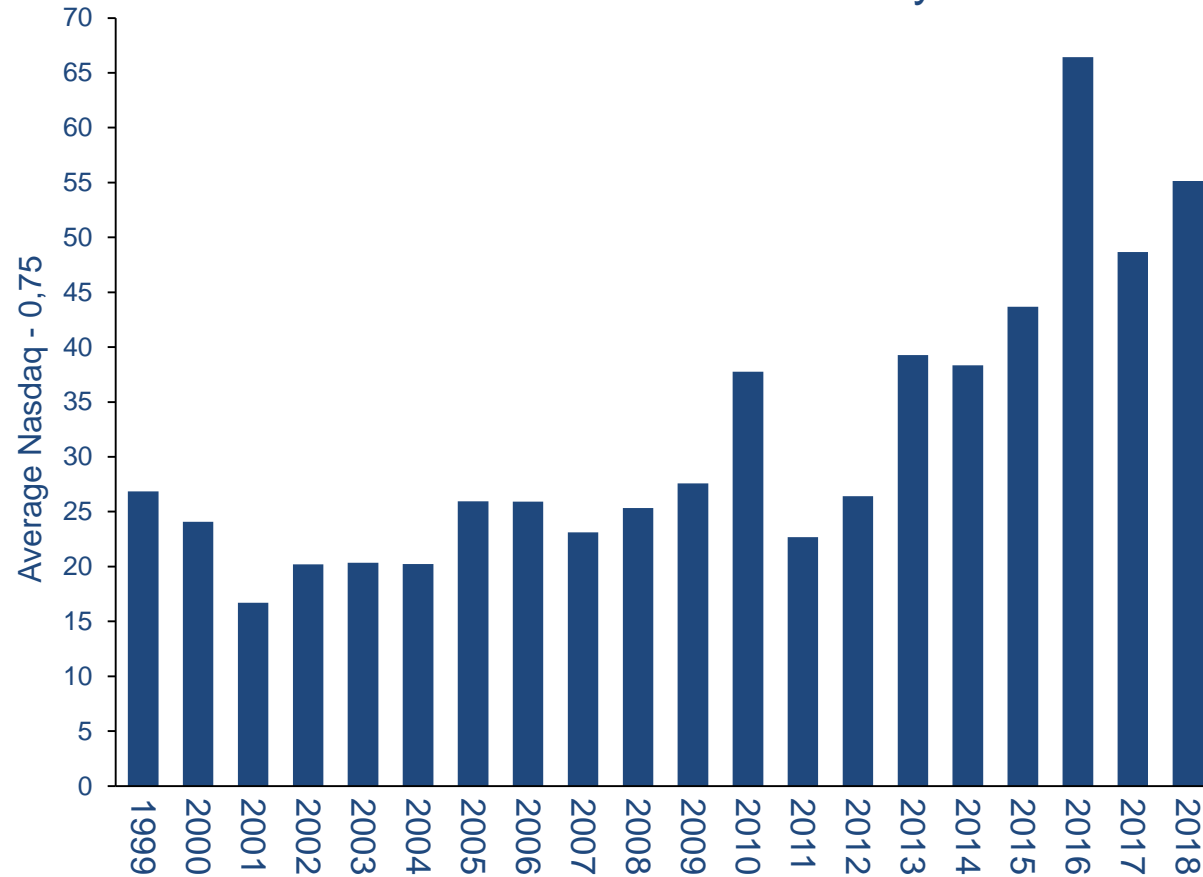
# Market



# Market outlook



Salmon Prices in Q4 the last 20 year's



- Prices up 13 % in NOK and up 13 % in EUR in Q4 18 vs Q4 17
- Harvested volume from Norway unchanged and up 17 % from Chile vs Q4 17. Global harvesting volumes increased 5 %

# Market outlook



Harvest volumes	Q4/18	Q4/17	chg.
Norway	356 700	357 600	0 %
Chile	189 500	161 600	17 %
UK	45 100	44 900	0 %
Canada	38 900	37 700	3 %
Faroe Island	23 900	20 600	16 %
Other	34 100	33 700	1 %
	<b>688 200</b>	<b>656 100</b>	<b>5 %</b>

wfe tonnes

Source: Kontali Analyse

Market	Q4/18	Q4/17	chg.
EU	306 600	297 800	3 %
USA	121 700	114 400	6 %
Eastern Europe	41 900	39 200	7 %
Asia	89 100	85 200	5 %
Other	120 000	106 400	13 %
	<b>679 300</b>	<b>643 000</b>	<b>6 %</b>

wfe tonnes

Source: Kontali Analyse

## Harvest volumes

- Harvest volumes up 5 % in Q4 18 compared with Q4 17
- Harvest volumes from Norway were as earlier expected
- Harvest volumes from Chile were higher than earlier expected

## Market

- Consumption of salmon in the world markets increased by 6 % in Q4 18 compared with Q4 17
- Volumes from Norway to EU increased by 4 %, but declined in all other regions



# Global harvest volumes in 2019



- Expect 6 % increase in global harvest volumes in 2019, same as at Q3 2018 reporting
- Expect 5% growth in Q1 and 4 % in Q2 2019
- The volumes in 2018 were all-time high

Harvest volumes	Q1/19E	Q1/18	chg.	Q2/19E	Q2/18	chg.	2019E	2018	chg.
Norway	305 000	290 800	5 %	290 700	283 700	2 %	1 328 000	1 253 400	6 %
Chile	178 500	173 400	3 %	157 500	152 500	3 %	689 600	678 900	2 %
UK	37 400	33 400	12 %	39 800	35 400	12 %	178 200	153 600	16 %
Canada	33 200	30 500	9 %	36 400	38 600	-6 %	147 000	144 900	1 %
Faroe Island	18 700	17 900	4 %	17 600	17 500	1 %	74 300	71 700	4 %
Other	31 600	28 200	12 %	32 400	26 900	20 %	136 800	117 400	17 %
	<b>604 400</b>	<b>574 200</b>	<b>5 %</b>	<b>574 400</b>	<b>554 600</b>	<b>4 %</b>	<b>2 553 900</b>	<b>2 419 900</b>	<b>6 %</b>

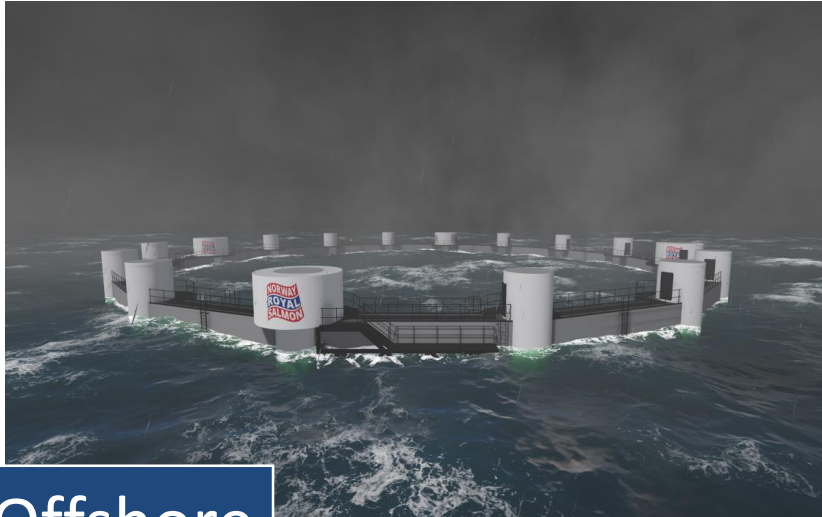
wfe tonnes

Source: Kontali Analyse

# Projects for growth



# Growth projects



Arctic Offshore



Flip Cage

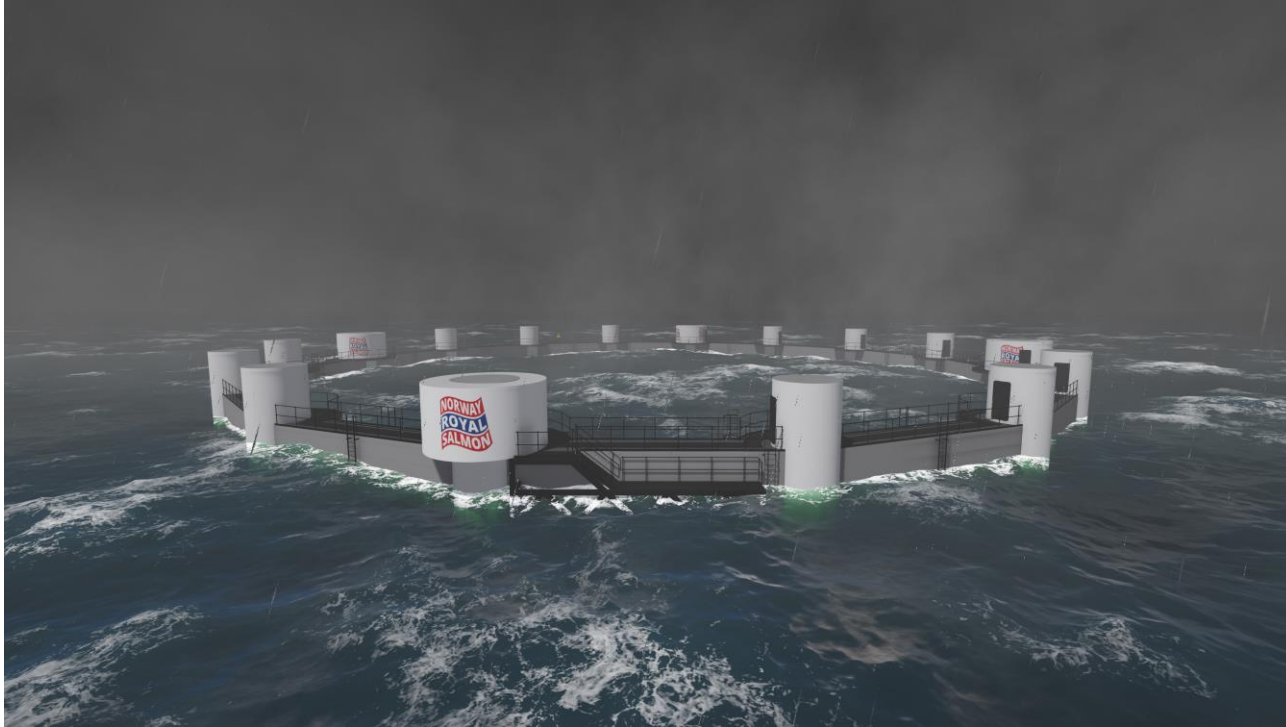


Smolt facility



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
- Target of releasing the fish during autumn 2020



# In process with new smolt facility

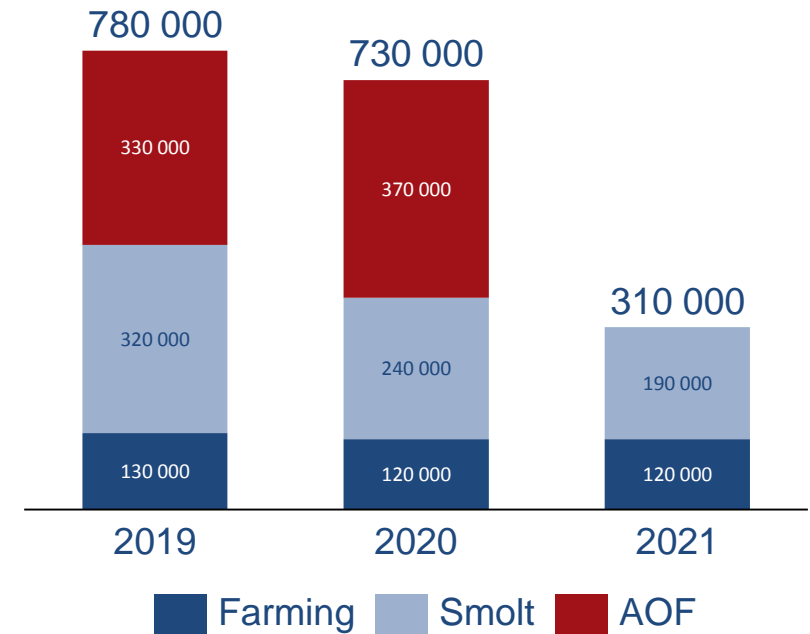


- Strategically important for NRS
  - The hatchery will contribute to increase the biological safety, quality and size of our smolt
  - Will improve timing of smolt release and utilization of MAB
- Strategically located in short distance to our farming sites in Region North
- Production capacity of 2 400 tonnes
  - About 10 million numbers of 100 - 400 grams smolt yearly
- Work with ground and pipes started in 2018
- Construction of building starts Q3 19

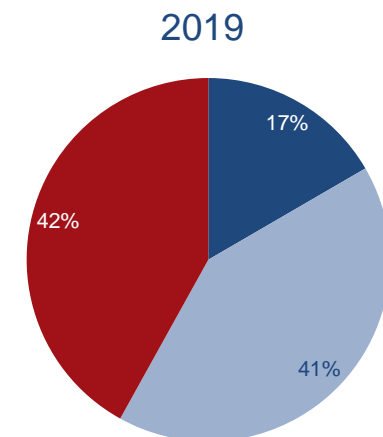
# NRS invests in future sustainable growth



- 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

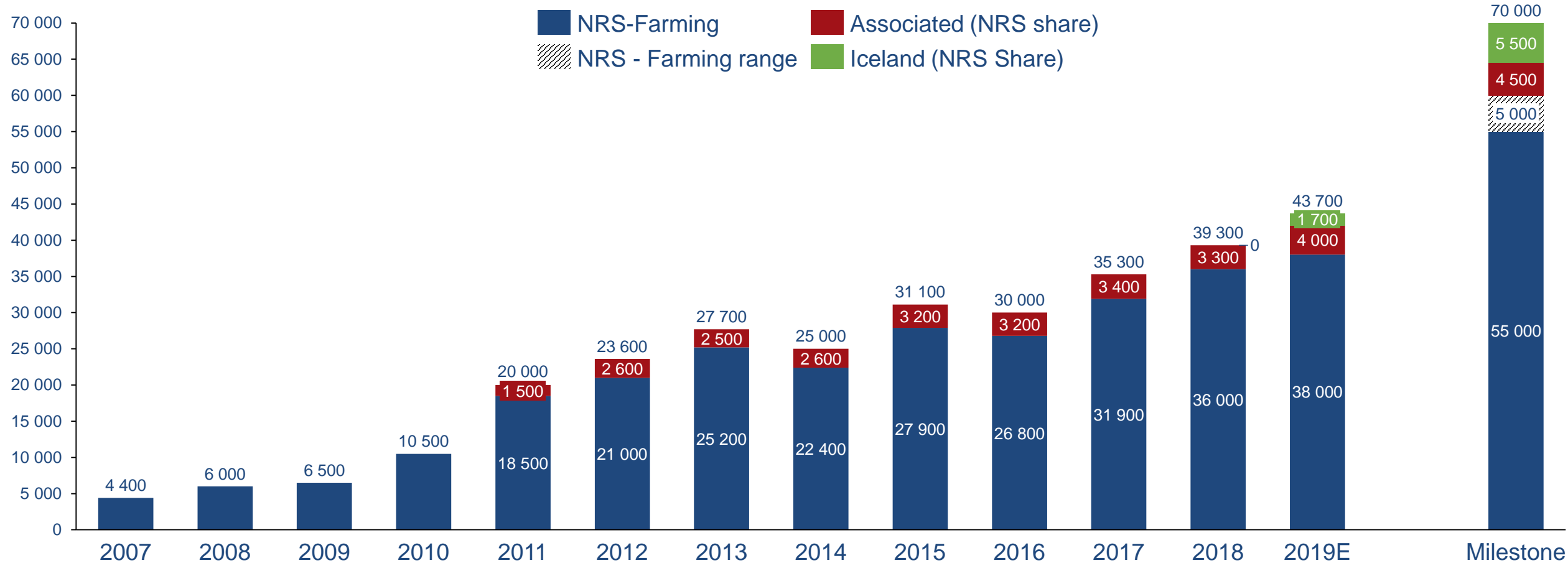


«Offshore farming - big potential for sustainable growth»





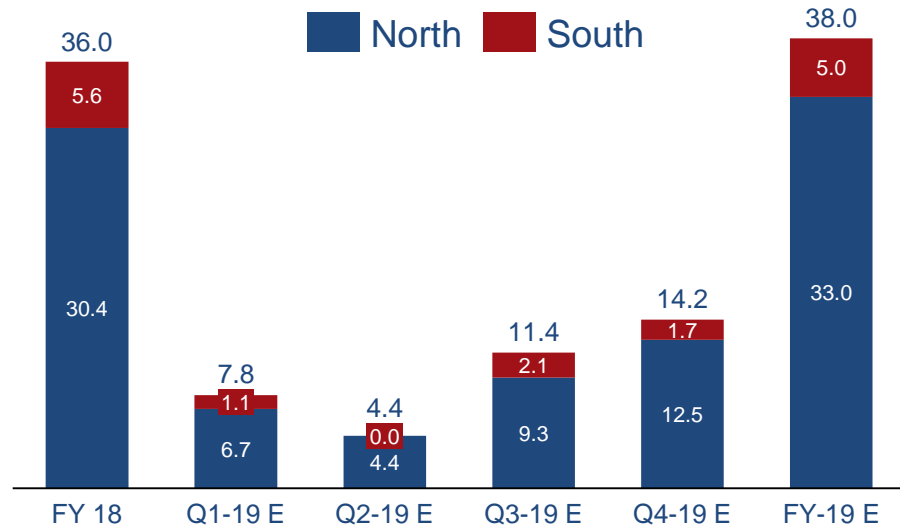
# Norway Royal Salmon - growth history



# Outlook

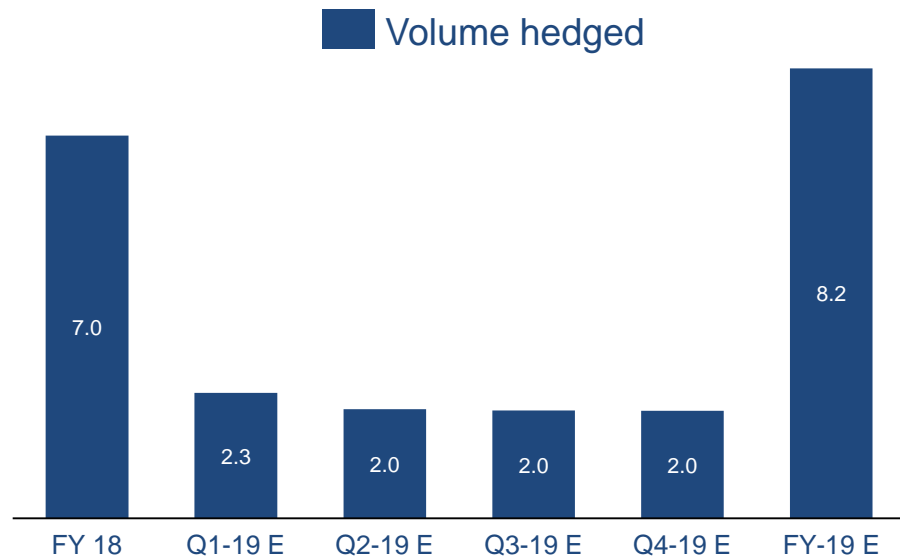


# Harvesting estimates 2019



## Harvest volumes

- Q4 18: 13 783 tonnes (+52 % yr/yr)
  - Same as estimated in Q3 18 report
- Estimate harvest volume for 2019 of 38 000 tonnes (+ 6 % yr/yr)
  - Down 2 000 tonnes from estimated in Q3 18 report
  - Biological issues in Region South
- 10.6 million smolt released in 2018



## Volume hedged

- 22 % of 2019 volume hedged
- Average contract price 2019: About NOK 64.00 (Nasdaq-equivalent)

# Outlook

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- Continuing a 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

# Appendix





## Appendix: Segment information

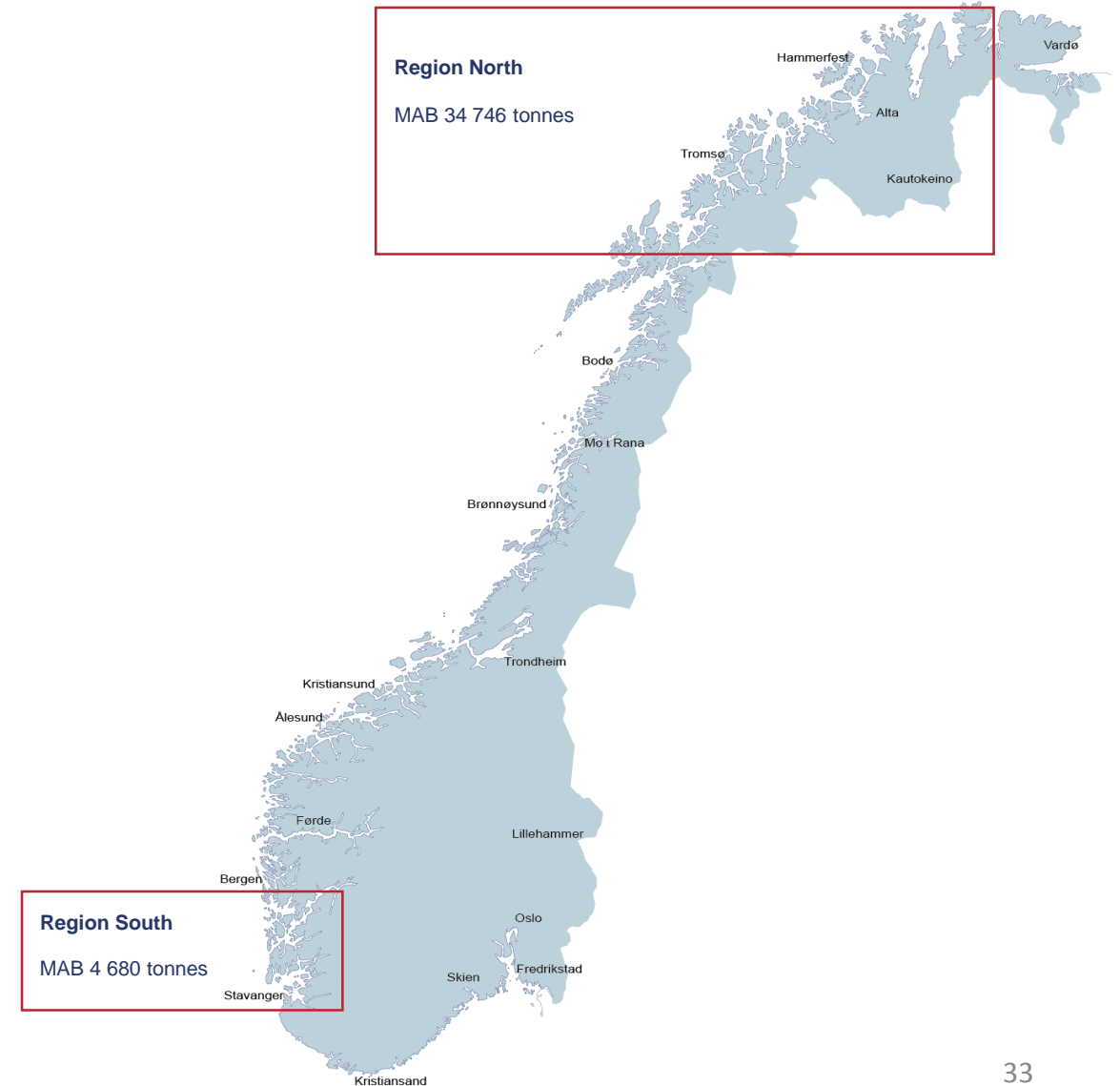




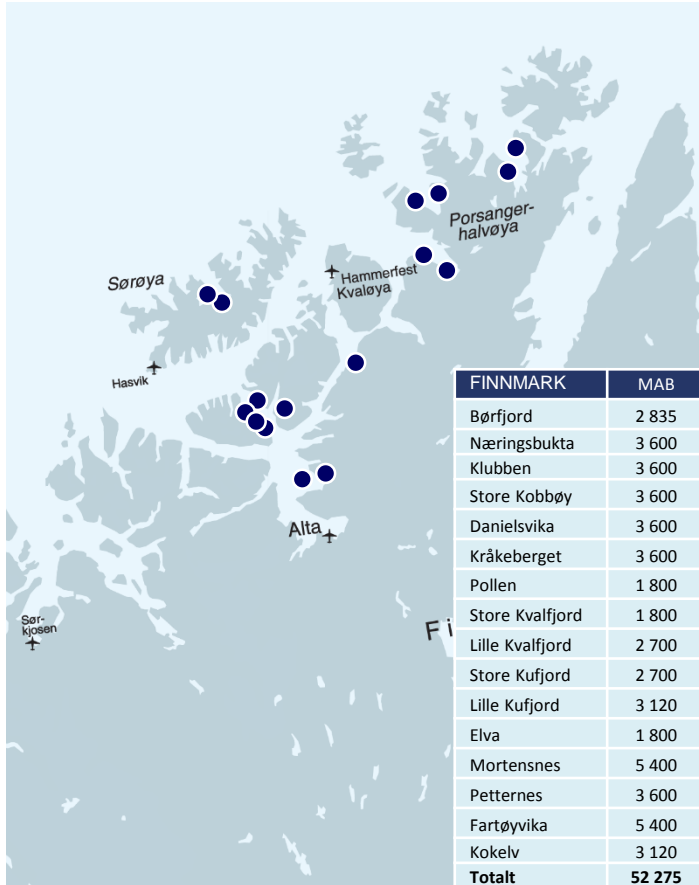
# Farming operations focused in attractive regions



**NRS with  
MAB 39 426 tonnes**

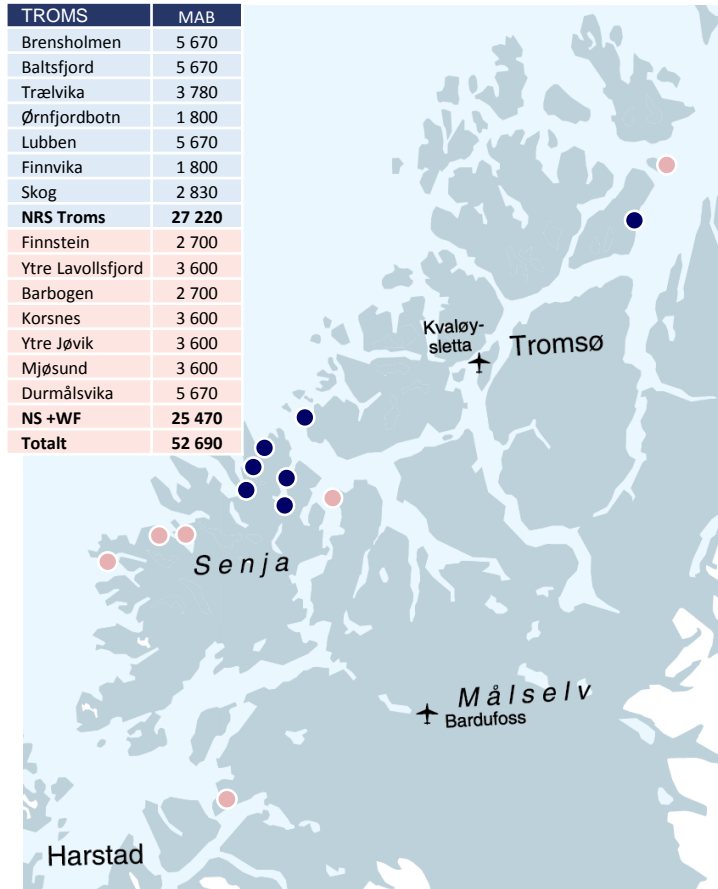


# Region North – NRS Finnmark



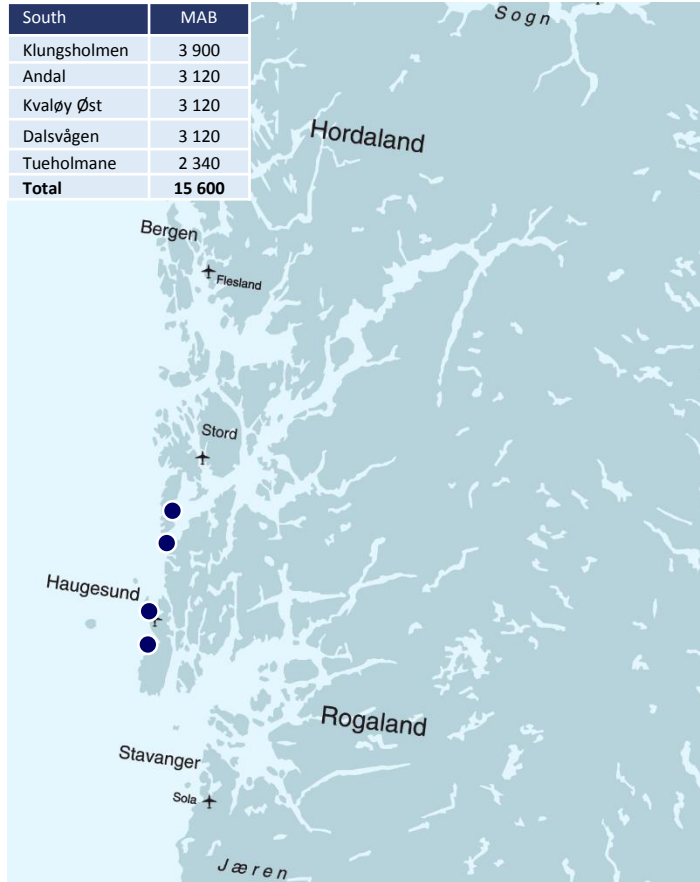
- Finnmark is an area prioritized by the authorities for growth
- MAB of 19 116 tonnes owned 100 %
- Attractively located sites, history of good profitability
- Good biological conditions
  - Low biological risk
  - Relatively high water temperature in winter
  - Relatively low water temperature in summer
- 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 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







- 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: 1.8 million
  - 2019: 2.5 – 3.0 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 completed

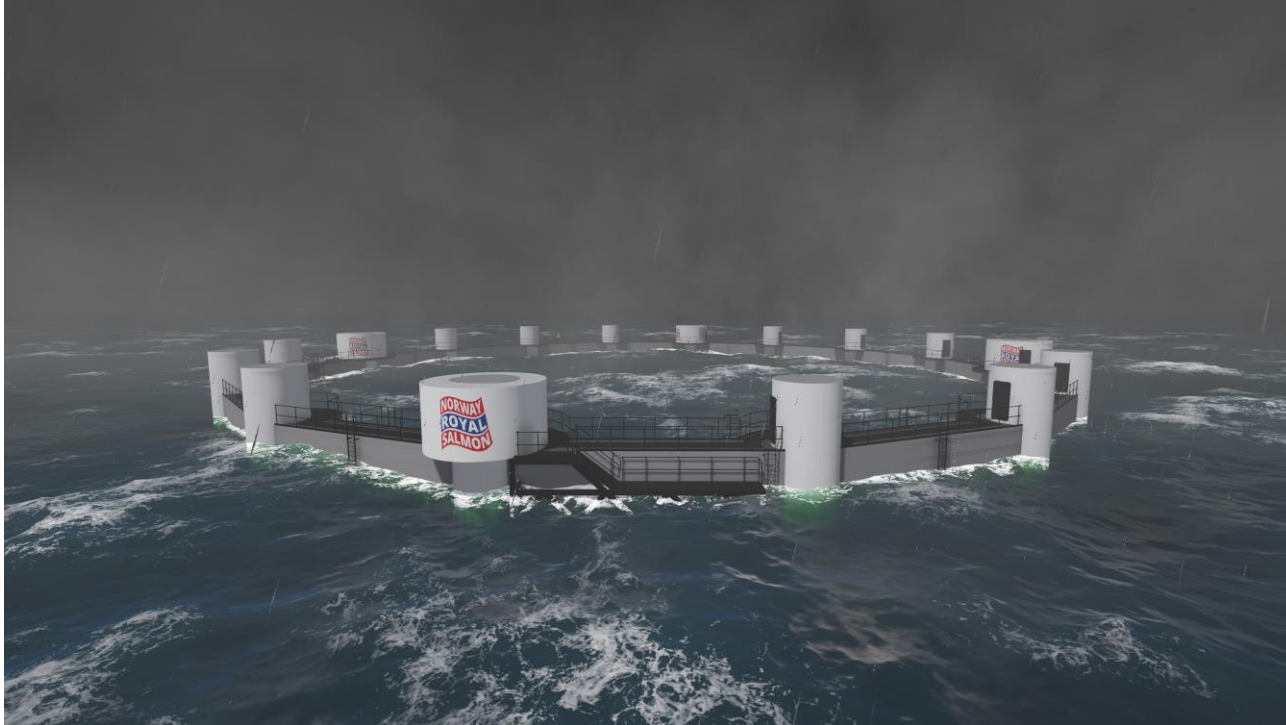


# In process with new smolt facility



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# Development licenses – Arctic Offshore Farming



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- 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 autumn 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

# Appendix: Group financials



# Group income statement



## INCOME STATEMENT

(NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
<b>Operating revenues</b>	<b>1 600 452</b>	<b>1 243 257</b>	<b>5 080 806</b>	<b>4 937 798</b>
Cost of goods sold	1 244 466	1 022 246	3 994 231	3 889 102
Salaries	43 774	38 398	158 341	138 596
Depreciation	23 430	24 468	89 299	82 063
Other operating costs	56 347	63 508	197 211	200 178
<b>Operational EBIT</b>	<b>232 436</b>	<b>94 636</b>	<b>641 726</b>	<b>627 861</b>
Fair value adjustments	-145 116	-217 225	152 260	-194 799
Income from associates	32 647	1 445	13 753	52 657
<b>EBIT</b>	<b>119 967</b>	<b>-121 145</b>	<b>807 739</b>	<b>485 719</b>
Gain/loss on financial assets	-27 225	-59 338	82 113	-142 185
Other net financial items	-3 056	-5 516	-20 014	-20 937
<b>EBT</b>	<b>89 686</b>	<b>-185 999</b>	<b>869 838</b>	<b>322 597</b>
Tax	-1 440	51 582	-160 748	-86 180
<b>Net profit/loss</b>	<b>88 245</b>	<b>-134 417</b>	<b>709 091</b>	<b>236 416</b>
<b>Profit attributable to:</b>				
Parent company shareholders	87 148	-135 415	705 311	228 538
Minority interests	1 097	998	3 780	7 878
Earnings per share (NOK)	2,00	-3,12	16,21	5,27
Earnings per share - diluted	2,00	-3,12	16,21	5,27

## EXTENDED INCOME STATEMENT

(NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
<b>Net profit/loss</b>	<b>88 245</b>	<b>-134 417</b>	<b>709 091</b>	<b>236 416</b>
Items to be reclassified to profit or loss:				
Translation differences and OCI posts from associated	4 911	16 058	-15 859	8 194
Cash Flow hedges (net)	-15 337	-9 272	-2 699	-7 334
Items not to be reclassified to profit or loss:				
Actuarial gains on defined benefit plans (net)	-1 154	-4 623	-1 154	-4 623
<b>Total comprehensive income</b>	<b>76 666</b>	<b>-132 254</b>	<b>689 379</b>	<b>232 654</b>
<b>Total comprehensive income attributable to:</b>				
Parent company shareholders	75 568	-133 252	685 600	224 776
Non-controlling interests	1 097	998	3 780	7 878



# Balance Sheet



## BALANCE SHEET - ASSETS

(NOK '000)	31.12.2018	30.09.2018	31.12.2017
Intangible assets	846 807	846 807	648 887
Property, plant and equipment	672 577	613 553	544 006
Non-current financial assets	656 001	661 504	613 517
<b>Non-current assets</b>	<b>2 175 385</b>	<b>2 121 864</b>	<b>1 806 410</b>
Inventory and biological assets	1 321 769	1 561 089	1 277 004
Receivables	438 027	350 683	619 970
Bank deposits, cash	155 653	81 411	151 779
<b>Current assets</b>	<b>1 915 449</b>	<b>1 993 184</b>	<b>2 048 753</b>
<b>TOTAL ASSETS</b>	<b>4 090 834</b>	<b>4 115 049</b>	<b>3 855 163</b>

## BALANCE SHEET - EQUITY AND LIABILITIES

(NOK '000)	31.12.2018	30.09.2018	31.12.2017
Share capital	43 514	43 514	43 489
Other equity	2 235 729	2 159 536	1 769 778
Non-controlling interests	41 542	40 445	37 762
<b>Equity</b>	<b>2 320 785</b>	<b>2 243 495</b>	<b>1 851 030</b>
Pensions	19 005	16 728	16 728
Deferred tax	385 754	529 294	364 557
<b>Provisions</b>	<b>404 759</b>	<b>546 022</b>	<b>381 285</b>
<b>Long-term interest-bearing debt</b>	<b>551 054</b>	<b>562 547</b>	<b>461 241</b>
Short-term interest-bearing debt	102 514	93 965	342 617
Trade payables	446 993	538 227	549 526
Tax payable	134 777	36 178	113 485
Other current liabilities	129 952	94 617	155 980
<b>Current liabilities</b>	<b>814 235</b>	<b>762 986</b>	<b>1 161 608</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 090 834</b>	<b>4 115 049</b>	<b>3 855 163</b>



# Group cash flow statement



## STATEMENT OF CASH FLOW

(NOK '000)	Q4 2018	Q4 2017	FY 2018	FY 2017
<b>Operational EBIT</b>	<b>232 436</b>	<b>94 636</b>	<b>641 726</b>	<b>627 861</b>
Adjusted for:				
Tax paid	-36 668	-78 993	-112 223	-79 351
Depreciation and write-downs	23 430	24 468	89 299	82 063
Share based payment	650	0	-297	-15 376
Pension costs with no cash effect	798	-659	798	-659
Change in inventory / biomass	83 312	-9 770	81 527	-134 503
Change in debtors and creditors	-222 771	-81 779	74 678	-164 857
Change in other current assets and other liabilities	48 432	-36 934	31 190	-144 673
<b>Net cash flow from operating activities</b>	<b>129 618</b>	<b>-89 031</b>	<b>806 696</b>	<b>170 504</b>
<b>Cash flow from investing activities</b>				
Payments for purchase of PPE and licenses (MAB)	-55 506	-17 516	-412 941	-214 000
Payments(-)/proceeds(+) from realisation of non-current financial assets	0	0	47 282	105 099
Proceeds from investments in financial assets	6 931	25	11 458	13 448
Change in loans to associates and others	-877	-1 100	-57 617	-11 600
<b>Net cash flow from investing activities</b>	<b>-49 453</b>	<b>-18 591</b>	<b>-411 818</b>	<b>-107 053</b>
<b>Cash flow from financing activities</b>				
Receipts from new long-term debt	0	417	241 189	470 992
Long-term debt repayments	-13 828	-264 842	-156 471	-305 170
Net change in overdraft	10 886	286 619	-235 008	286 619
Payment for acquisition of treasury shares	0	0	3 887	-2 686
Interest paid	-2 980	-5 210	-19 918	-19 568
Dividend payment	0	0	-224 684	-411 117
<b>Net cash flow from financing activities</b>	<b>-5 923</b>	<b>16 984</b>	<b>-391 005</b>	<b>19 069</b>
Net increase (+)/ decrease (-) in cash & cash equivalents	74 243	-90 638	3 873	82 521
Cash and cash equivalents - opening balance	81 410	242 417	151 779	69 257
<b>Cash and cash equivalents - closing balance</b>	<b>155 653</b>	<b>151 779</b>	<b>155 653</b>	<b>151 779</b>

# Statement of Equity



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

31.12.2017	Equity allocated to parent company shareholders				Non-controlling interests	Total equity
(NOK '000)	Share capital	Treasury shares	Retained earnings	Total		
<b>Equity at 01.01.2017</b>	43 572	-98	1 970 509	2 013 984	33 035	2 047 017
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>224 776</b>	<b>224 776</b>	<b>7 878</b>	<b>232 654</b>
<b>Transactions with shareholders</b>						
Dividend	0	0	-407 968	-407 968	-3 150	-411 118
Share based payment	0	0	-14 609	-14 609	0	-14 609
Net purchase and sale of treasury shares	0	16	-2 702	-2 686	0	-2 686
Equity changes associated companies	0	0	-226	-226	0	-226
<b>Total transactions with shareholders</b>	<b>0</b>	<b>16</b>	<b>-425 505</b>	<b>-425 489</b>	<b>-3 150</b>	<b>-428 639</b>
<b>Equity at 31.12.2017</b>	<b>43 572</b>	<b>-82</b>	<b>1 769 780</b>	<b>1 813 271</b>	<b>37 762</b>	<b>1 851 030</b>

# Quarterly historical information



QUARTERLY HISTORICAL INFORMATION (NOK thousand, NOK per kg)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
<b>Volumes harvested (ktonnes, HOG)</b>														
Region North	12 042	2 379	6 365	9 597	7 326	8 238	3 633	5 500	2 612	7 086	5 468	6 501	6 806	6 206
Region South	1 741	100	2 407	1 338	1 726	2 216	1 598	1 681	2 080	451	1 912	708	1 445	312
<b>Total</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>4 692</b>	<b>7 537</b>	<b>7 381</b>	<b>7 209</b>	<b>8 251</b>	<b>6 519</b>
<b>Operational EBIT</b>														
Region North	243 297	52 981	157 434	184 448	116 045	155 299	107 825	150 059	75 163	220 321	165 601	173 316	98 948	60 163
Region South	1 047	1 798	56 541	20 927	24 367	46 345	50 013	55 316	50 729	8 451	21 377	10 801	5 242	76
<b>Total</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>125 892</b>	<b>228 772</b>	<b>186 978</b>	<b>184 117</b>	<b>104 190</b>	<b>60 238</b>
<b>Operational EBIT per kg</b>														
Region North	20,20	22,27	24,73	19,22	15,84	18,85	29,68	27,28	28,77	31,09	30,28	26,66	14,54	9,69
Region South	0,60	18,05	23,49	15,64	14,12	20,91	31,30	32,91	24,39	18,73	11,18	15,26	3,63	0,24
<b>Total</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>26,83</b>	<b>30,35</b>	<b>25,33</b>	<b>25,54</b>	<b>12,63</b>	<b>9,24</b>
<b>Volumes sold (ktonnes)</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>17 711</b>	<b>17 662</b>	<b>15 561</b>	<b>15 874</b>	<b>20 558</b>	<b>16 333</b>
<b>NRS GROUP</b>														
<b>Operational EBITDA</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>117 169</b>	<b>233 190</b>	<b>183 332</b>	<b>167 985</b>	<b>105 778</b>	<b>36 328</b>
<b>Operational EBIT</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>100 870</b>	<b>218 112</b>	<b>168 499</b>	<b>153 132</b>	<b>90 850</b>	<b>22 649</b>
<b>Net interest bearing debt</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>282 160</b>	<b>-13 122</b>	<b>146 852</b>	<b>271 514</b>	<b>498 541</b>	<b>558 576</b>
<b>Equity ratio</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>	<b>55,1%</b>	<b>50,0%</b>	<b>48,2%</b>	<b>45,8%</b>	<b>41,3%</b>	<b>38,3%</b>

# Accumulated historical information



HISTORICAL INFORMATION (NOK thousand, NOK per kg)	FY 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	30 384	24 697	21 667	22 971	17 987	20 491	13 944	12 871	6 001
Region South	5 586	7 221	5 151	4 932	4 369	4 700	7 218	5 910	4 677
<b>Total</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>10 678</b>
<b>Operational EBIT</b>									
Region North	638 160	529 227	634 401	244 110	205 683	240 330	35 195	62 822	86 623
Region South	80 313	176 041	91 358	24 933	17 461	39 795	12 354	1 934	63 677
<b>Total</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>150 300</b>
<b>Operational EBIT per kg</b>									
Region North	21,00	21,43	29,28	10,63	11,44	11,73	2,52	4,88	14,43
Region South	14,38	24,38	17,74	5,05	4,00	8,47	1,71	0,33	13,61
<b>Total</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>14,08</b>
<b>Volumes sold (ktonnes)</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>49 584</b>
<b>NRS GROUP</b>									
<b>Operational EBITDA</b>	<b>731 024</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>641 726</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>419 698</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>56,7%</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)	31.12.2018
Long-term debt to financial institutions	350 000
Long-term finance lease	201 054
Long-term receivables	-78 217
<b>Total long-term interest bearing debt</b>	<b>472 837</b>

## Short term debt

(NOK '000)	31.12.2018
Short-term debt to financial institutions	51 611
First year's instalment long-term debt	50 903
<b>Total short-term interest bearing debt</b>	<b>102 514</b>
Cash and cash equivalents <sup>1)</sup>	-155 653
<b>Net interest bearing debt</b>	<b>419 698</b>

1) of which TNOK 105 486 are restricted cash deposits

## Unused credit Facility

(NOK '000)	31.12.2018
Unused long-term credit facility	450 000
Unused short-term credit facility	548 389
<b>Total unused credit facility</b>	<b>998 389</b>



# Shareholders



## Ownership structure – the 20 largest shareholders as at 31.12.2018:

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