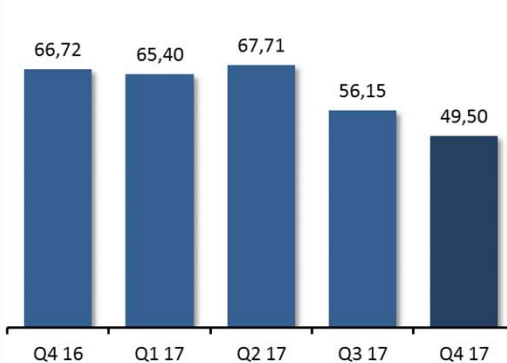


Interim Report

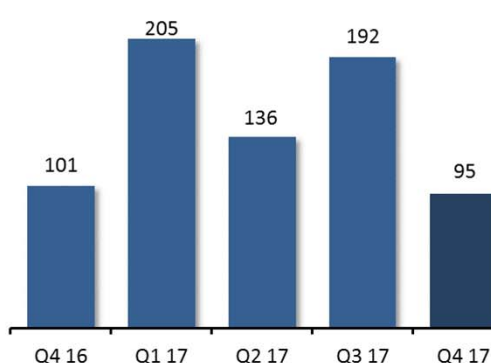
Q4-17



Salmon Price (NASDAQ) (NOK/kg)



Operational EBIT (MNOK)



Harvested volume (HOG)



HIGHLIGHTS Q4 2017

- Operational EBIT of NOK 95 million
 - Operational EBIT per kg of NOK 15.84 in Region North
 - Operational EBIT per kg of NOK 14.12 in Region South
- The highest sold volume in the history of NRS
 - Sold volume 27 per cent higher than in the same quarter last year
- Harvested volume of 9 052 tonnes
- Detection of ISA at 3 sites in Region North, resulting in a cost of NOK 55 million in the quarter
- 26 per cent higher biomass in the sea compared with the end of the same quarter last year
- The credit limits from the Group's bank connection are increased with NOK 500 million.
- The Board proposes a dividend of NOK 5.20 per share

NORWAY ROYAL SALMON - KEY FIGURES (NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Operating revenues	1 243 257	1 183 735	4 937 798	4 224 340
Operational EBITDA	119 104	117 169	709 923	701 676
Operational EBIT	94 636	100 870	627 861	640 613
Income from associates	1 445	10 733	52 657	71 865
EBIT	-121 145	342 823	485 719	876 628
EBT	-185 999	494 699	322 597	1 172 421
EPS (NOK) – before fair value adjustments	0,71	6,05	8,72	19,87
ROCE ¹⁾			39,8 %	49,6 %
Net cash flow from operating activities	-89 031	43 050	170 504	628 302
Investments in tangible fixed assets	14 988	67 208	211 470	121 423
Net interest-bearing debt			633 479	282 160
Equity ratio			48,0 %	55,1 %
Volume harvested (HOG)	9 052	4 692	31 918	26 819
Operational EBIT per kg ²⁾	15,51	26,83	22,10	27,06
Volume sold - Sales	22 471	17 711	77 799	66 808

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

2) Operational EBIT for segments before non-recurring items incl margin from sales

FINANCIAL PERFORMANCE

(Figures in brackets = 2016, unless otherwise specified)

Revenues and results

Norway Royal Salmon posted operating revenues of NOK 1 243.3 million (NOK 1 183.7 million) in the fourth quarter of 2017, an increase of 5.0 per cent from the corresponding prior-year period. The increase in revenues is due to higher sold volume. The Group achieved an operational EBIT of NOK 94.6 million (NOK 100.9 million), a reduction of NOK 6.3 million. The reduction in operational EBIT is due to lower prices and NOK 55.0 million in recognised loss due to the detection of the fish disease ISA (Infectious Salmon Anemia) at three sites in Region North. NOK 36.5 million of these are not related to fish harvested in the fourth quarter and are treated as a non-recurring cost. The non-recurring cost has not been allocated to the segments. A gain on open fixed-price contracts compared to the level of spot prices contributed positively with NOK 52.0 million (loss of NOK 32.2 million) in the quarter. The Group recognised negative fair value adjustments of NOK 217.2 million (positive NOK 231.2 million), a decrease of NOK 448.4 million because of lower forward prices.

The farming business harvested 9 052 tonnes (4 692 tonnes) gutted weight in the quarter, an increase of 92.9 per cent from the corresponding quarter last year. Including allocated margins from sales, Farming achieved an operational EBIT per kg of NOK 15.51 (NOK 26.83). The reduction is due to lower prices and the loss related to the detection of the fish disease ISA. The Sales business sold 22 471 tonnes (17 711 tonnes), an increase of 26.9 per cent. Sold volume is the highest in a quarter in the history of NRS.

Financial items and share of profit from associates

Result from associates totalled NOK 1,4. million (NOK 10.7 million) in the fourth quarter. NRS' share of fair value adjustments of the biomass after tax amounted to NOK 1.9 million (NOK 8.8 million). Associated Norwegian farming companies harvested 3 269 tonnes, 107 tonnes more than in the corresponding period last year. NRS share of the above figure amounts to 1 195 tonnes, an increase of 34 tonnes.

As a result of the decrease of the NRS' share price from NOK 167.50 at the start of the quarter to NOK 134.50 at the end of the quarter, a loss of NOK 59.3 million (gain of NOK 154.9 million) on TRS agreements on own shares was posted in the quarter. Net interest expenses for the period were NOK 5.2 million (NOK 2.6 million), an increase of NOK 2.6 million because of higher interest-bearing debt in the period.

Balance sheet

At the end of the reporting period, total assets amounted to NOK 3 855 million, a decrease of NOK 316.2 million from the prior quarter end. The change in total assets is attributable to several factors. Fair value adjustments of the biomass decreased by NOK 187.4 million, while inventories and biomass at cost increased by NOK 10.9 million. The net decrease in inventories and biological assets was NOK 176.5 million. Fixed assets had a net decrease of NOK 13.1 million and financial assets increased with NOK 30.1 million. The Group's receivables decreased by NOK 66.2 million and bank deposits by NOK 90.6.

The Group's net interest-bearing debt increased by NOK 94.3 million, from NOK 539.2 million at the end of the previous quarter to NOK 633.5 at 31 December 2017. The increase is mainly attributable to taxes paid of NOK 79.0 million, increased working capital of NOK 83.4 million, investments in fixed assets of NOK 15.0 million and cash payments on Fish Pool contracts of NOK 45.3 million. An operational EBITDA of NOK 119.1 million had the opposite effect on the net interest-bearing debt.



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At the end of the quarter, the Group had an unused overdraft facility of NOK 828.2 million after NRS was granted an increase in its credit facility from the Group's bank connection of NOK 500.0 million. The Group has bank deposits of NOK 151.8 million.

As of 31 December, the Group's equity totalled NOK 1 851.0 million, a decrease of NOK 127.2 million from the end of the previous quarter. The decrease is attributable to a negative total comprehensive income of NOK 132.3 million. The equity ratio at the end of the quarter was to 48.0 per cent.

Statement of cash flow

The Group's operating activities generated a negative cash flow of NOK 89.0 million during the quarter, which represents a decrease of NOK 132.1 million compared with the corresponding prior-year quarter. The negative cash flow is attributable to taxes paid of NOK 79.0 million, a decrease in accounts payables of NOK 127.3 million, an increase in inventories and biological assets at cost of NOK 9.8 million, and cash payments on Fish Pool contracts of NOK 45.3 million. A positive operational EBITDA of NOK 119.1 million and a decrease in accounts receivables of NOK 45.6 million had the opposite effect on the cash flow.

Net cash outflows related to investing activities in the fourth quarter amounted to NOK 18.6 million (NOK 335.7 million), which is attributable to payments of NOK 15.0 million for investments in fixed assets and NOK 2.5 million for investments in development projects. Net increase in loans given increased by NOK 1.1 million.

The net cash inflows from financing activities totalled NOK 17.0 million (cash outflow of NOK 11.5 million) in the fourth quarter. Interests paid and instalments amounted to NOK 5.2 million and NOK 14.8 million respectively. Repayment of NOK 250.0 million on the long-term credit facility and an increase in leasing liabilities NOK 0.4 million, resulted in a total reduction of NOK 249.6 million in long term debt. The overdraft facility increased by NOK 286.6 during the period.

SEGMENT INFORMATION

The Group is organised into two business areas; Farming and Sales. The performance of the two business areas is monitored with the overall objective of maximising Operational EBIT per kg and margins.

The Farming business is divided into two geographical segments; Region North and Region South. Norway Royal Salmon monitors overall value creation from operations based on the salmon's source of origin. Consequently, external reporting focuses on measuring the overall profitability of the harvested volume based on source of origin (Operational EBIT/kg). For this reason, the contribution from the sales operations is allocated to Region North and Region South based on the volume harvested in the respective segments.

The Group owns 35 licences to produce farmed salmon, divided between 29 licences in Region North, located in Troms and western Finnmark, and 6 licences in Region South, located in the area around Haugesund. In October 2017, the government announced a capacity adjustment system, where Norway is divided into different production areas. The Group's 29 licenses in Region North are within the production areas 10, 11 and 12. The Group's six licenses in Region South are within the production areas 2 and 3.

The segments posted sales revenues of NOK 1 241.4 million in the fourth quarter (NOK 1 182.3 million), an increase of 5.0 per cent from the corresponding period last year. The

spot price (NASDAQ) for superior quality during the quarter was NOK 49.25 per kg gutted weight, a decrease of 12 per cent from the third quarter of 2017 and a decrease of 26 per cent compared with the fourth quarter of 2016. The sales operations experienced an increase in sales volumes of 26.9 per cent compared with the corresponding prior-year period. 22 471 tonnes (17 711 tonnes) were sold in the fourth quarter. The Sales business achieved an operational EBIT before open fixed-price contracts of NOK 5.0 million (NOK 14.6 million), which equates to NOK 0.22 (NOK 0.82) per kg sold volume in the period. The gain on open fixed-price contracts compared to the level of spot prices was NOK 52.0 million (loss of NOK 32.2) in the quarter.

The Farming operations harvested 9 052 tonnes (4 692 tonnes) gutted weight in the fourth quarter, an increase of 92.9 per cent from the corresponding period last year. The estimated harvest volume for 2018 is 42 500 tonnes gutted weight.

REGION NORTH

Operational EBIT came in at NOK 116.0 million (NOK 75.2 million), an increase of NOK 40.9 million compared with the same quarter last year. Operational EBIT (ex. contracts) per kg amounted to NOK 10.10 (NOK 35.65). Gain on fixed-price contracts of NOK 5.74 per kg (loss of NOK 6.87) contributed to an operational EBIT per kg of NOK 15.84 (NOK 28.77). In the fourth quarter the fish disease ISA was detected at the Store Kvalfjord, Lille Kvalfjord and Pollen sites in Finnmark. 1 600 tonnes have been harvested from these sites. EBIT per kg on fish harvested from sites without ISA was NOK 22.80.

7 326 tonnes (2 612 tonnes) were harvested in the region in the fourth quarter, an increase of 180.5 per cent. The achieved price for the Farming operations was NOK 18.61 lower per kg than in the corresponding period last year. As a result of ISA, the size and the quality of the harvested fish contributed negatively to the price achievement.

Total production costs per kg for harvested fish was NOK 36.58, which is NOK 0.99 lower than in the third quarter of 2017 and NOK 4.37 higher than in the corresponding period last year. The reason for the high production cost in the quarter is that fish from sites with ISA have been harvested. This fish had high production cost per kg as a result of low average weight and high harvest and well boat costs. The production cost per kg of harvested fish from sites without ISA was NOK 33.10.

The estimated harvest volume for 2018 is 35 500 tonnes gutted weight.

KEY FIGURES (NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Operating revenues	1 004 652	658 186	3 678 491	3 279 605
Operational EBITDA	133 559	88 496	576 860	683 531
Operational EBIT	116 045	75 163	529 227	634 401
Investment in tangible assets	68 217	66 314	177 800	116 276
Volume harvested (tonnes HOG)	7 326	2 612	24 697	21 667
Operational EBIT per kg (ex contracts)	10,10	35,65	18,58	32,08
Gain (+)/Loss (-) on open fixed price contracts	5,74	-6,87	2,85	-2,80
Operational EBIT per kg	15,84	28,77	21,43	29,28

REGION SOUTH

Operational EBIT came in at NOK 24.4 million (NOK 50.7 million), a decrease of NOK 26.4 million. Operational EBIT (ex. contracts) per kg amounted to NOK 8.37 (NOK 31.26). Gain on fixed-price contracts of NOK 5.74 per kg (loss of NOK 6.87) contributed to an operational EBIT per kg of NOK 14.12 (NOK 24.39).

1 726 tonnes (2 080 tonnes) were harvested in the region in the fourth quarter, a decrease of 354 tonnes from the corresponding prior-year period. The Farming operations achieved a price which was NOK 18.98 per kg lower than in the corresponding prior-year period. The size of the harvested fish and the timing of harvest in the quarter contributed negatively to the price achievement.

The production costs for harvested fish was NOK 38.60, which is NOK 0.59 per kg higher than in the third quarter and NOK 1.35 higher than in the corresponding period last year. The increase in production costs is due to the site where the fish was harvested is located within a zone with temporary authority-imposed transport and loading regulations, which has resulted in higher harvest and well boat costs.

Estimated harvest volume for 2018 is 7 000 tonnes gutted weight.

KEY FIGURES (NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Operating revenues	236 455	524 083	1 143 760	939 925
Operational EBITDA	27 565	53 694	185 156	103 291
Operational EBIT	24 367	50 729	176 041	91 358
Investment in tangible assets	17 686	2 754	22 732	5 144
Volume harvested (tonnes HOG)	1 726	2 080	7 221	5 151
Operational EBIT per kg (ex contracts)	8,37	31,26	21,94	21,86
Gain (+)/Loss (-) on open fixed price contracts	5,74	-6,87	2,44	-4,13
Operational EBIT per kg	14,12	24,39	24,38	17,74

SHARES

As of 31 December 2017, Norway Royal Salmon ASA have 43 572 191 shares, allocated among 2 248 shareholders, an increase of 62 from the end of the previous quarter. At the end of the quarter, the group had 82 443 treasury shares. The share price decreased from NOK 167.50 at the end of September 2017 to NOK 134.50 at the end of December 2017. 5 094 130 shares were traded during the quarter.

EVENTS IN OR SUBSEQUENT TO THE QUARTER

Contractual rights and TRS agreements for own shares

Norway Royal Salmon owns 82 443 treasury shares and has through a TRS-agreement a contractual right to 1 775 377 shares, Including the TRS-agreement NRS owns or has the contractual right to a total of 1 857 820 shares in NRS, which equates 4.26 per cent of the company's share capital.

Sickness absence

At 4.0 per cent, the Group's sickness absence rate increased by 0.5 per cent from the previous quarter. The long-term absenteeism represents a substantial part of the absence.

Increased credit limits

Norway Royal Salmon was granted increased credit limits with NOK 500 million by its main bank connection; Danske Bank. The long-term revolver credit facility increased by NOK 300 million and the overdraft facility increased by NOK 200 million. The change in credit limits has not led to any changes in the covenants. Total credit facility at 31 December 2017 amounts to NOK 1 400 million.

Traffic Light System - Application for capacity increase

In October 2017, the government announced the foundation for facilitating capacity adjustments through the introduction of a new traffic light system. The traffic light system, where Norway is divided into different production areas, aims to ensure predictable growth and safeguard environmental considerations. In green areas, production capacity will increase by 6 per cent every second year. Licenses in the green production areas are initially offered a growth of 2 per cent. 29 of 35 of Norway Royal Salmon's licenses are in green production areas. An application for 2 percent growth, in total 551 tonnes, was sent for all licenses in the green production areas before the deadline of 31 January 2018. In addition, an application for another 4 per cent growth for sites that meet the stricter sea lice level requirements has been sent.

Application for development license 1

In January 2016, Norway Royal Salmon applied to the Ministry of Fisheries for development licenses for a semi-submersible offshore farm designed for harsh environments. The concept has been developed in collaboration with Aker and will help solve area challenges by utilizing areas not available for aquaculture with today's technology.

In December 2017, Norway Royal Salmon received information from the Ministry of Fisheries that the application for development licenses is still being processed. Further processing of the application will be limited to 5 990 tonnes of MAB, which corresponds to 2 offshore cages.

Application for development license 2

In November 2017, Norway Royal Salmon applied to the Ministry of Fisheries for 6 development licenses to realize the concept "FlipCage - Multifunctional Rotatable Cage". The concept includes a rotatable cage that can alternate between open operations (free contact with the water outside) and closed operations (no direct contact with the water).

Another site ASC-certified

In January, another site at NRS Finnmark received ASC (Aquaculture Stewardship Council) certification. NRS are pleased to have another site approved by the strictest international environmental standards in the industry. Eleven of sixteen sites at NRS Finnmark are now ASC-certified. ASC is a global standard for responsible farming and will together with our green licenses further reduce the influence on the environment and the society.

MARKET CONDITIONS

The total value of salmon exported from Norway in the fourth quarter was NOK 16.9 billion, a decrease of 4.8 per cent from the fourth quarter of 2016. The spot price (NASDAQ) in the fourth quarter of 2017 was NOK 49.25 per kg superior quality salmon (delivered Oslo). This is a decrease of 26.3 per cent from the fourth quarter of 2016. In EUR, the prices of Norwegian salmon fell by 31.0 per cent to EUR 5.10 per kg. The export price was higher than the spot price, which indicates that average contract prices have been higher than the spot prices in the quarter. The export price fell by 13.5 per cent compared with the same period last year.

The price decline in the spot market is largely driven by increased global supply. Harvested volumes from Norway increased by 11 per cent compared with the same quarter last year. From Chile the harvesting volumes increased by 37 per cent, which led to an increase in global harvesting volumes of 16 per cent. For the first quarter of 2018 a harvest volume over 8 per cent higher than the first quarter of 2017 is expected.

Harvest volumes (tonnes wfe)	Q4/2017	yr/yr	Q1/2018	yr/yr
Norway	357 600	11 %	289 500	5 %
Chile	175 600	37 %	149 600	14 %
UK	44 800	10 %	37 300	-6 %
Canada	38 500	7 %	35 700	22 %
Faroe Islands	20 200	-9 %	21 200	35 %
Australia	18 200	43 %	14 700	7 %
USA	5 700	-14 %	4 000	-5 %
Iceland	3 000	30 %	4 400	47 %
Others	6 800	-1 %	7 500	21 %
Total	670 400	16 %	563 900	8 %

Source : Kontali Analyse

Import volumes increased by 13 per cent in the quarter compared with the same period last year. This is lower than the increase in global harvest volume and indicates slightly higher frozen inventory. The US, Eastern Europe and Asia are the most growing markets. It is expected that these markets also will grow the most in the next quarter.

Import volumes (tonn wfe)	Q4/2017	yr/yr	Q1/2018	yr/yr
EU	298 000	7 %	243 000	7 %
US	120 100	23 %	123 700	11 %
Eastern Europe ex. Russia	10 900	23 %	9 400	15 %
Russia	25 900	16 %	20 200	29 %
Asia ex. Japan	65 500	33 %	59 000	11 %
Japan	18 000	-4 %	16 800	9 %
Others	110 900	12 %	99 600	7 %
Total	649 300	13 %	571 700	9 %

Source : Kontali Analyse

Demand for Norwegian salmon in the EU has been good in the quarter with 7 per cent higher global import volumes, 84 per cent of the volume comes from Norway. Norwegian export to the EU increased by 6 per cent, while the import values fell by 7 per cent. The high prices affect the markets differently in the fourth quarter. The volume decline in Poland, France and the UK is significant. At the same time import increased significantly to Denmark, Spain and the Netherlands. Although the growth in import volumes are weaker than the global growth, the development in the EU still signals continued good underlying demand development.

Q4/2017	Tonnes wfe	yr/yr	MNOK	yr/yr
Norway to the EU:				
Poland	43 433	-10 %	2 004	-22 %
France	37 229	-4 %	1 833	-16 %
Denmark	28 762	20 %	1 306	-2 %
UK	20 333	-10 %	1 050	-4 %
Spain	21 203	28 %	1 045	5 %
Nederland	17 453	10 %	882	2 %
Others in the EU	80 980	17 %	3 993	-1 %
Total Norway to the EU	249 393	6 %	12 112	-7 %
Others to the EU	48 607	10 %		
EU Total	298 000	7 %		

Source : Kontali Analyse



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Demand for salmon in Asia has developed well for a long time. The fourth quarter of 2017 was no exception. Import volumes increased by 23 per cent in total, and by 15 per cent from Norway. Norway had a market share of 65 per cent in the fourth quarter. Chile had a substantial growth in this region in the quarter. The trade problems with China continued in the fourth quarter, however work is being done to find a solution. The direct import in China increases steadily, which is positive. A solution to the trade challenges with China will be very positive as the long-term potential in this region is very good.

Q4/2017	Tonnes wfe	yr/yr	MNOK	yr/yr
<i>Norway to Asia:</i>				
South East Asia	21 338	12 %	1 087	-12 %
Japan	12 522	-1 %	702	-8 %
Middle East	10 617	20 %	545	-5 %
Others in Asia	10 043	49 %	536	14 %
Total Norway to Asia	54 520	15 %	2 871	-6 %
Others to Asia	28 980	40 %		
Asia Total	83 500	23 %		

Source : Kontali Analyse

Export of salmon to Eastern Europe shows a strong growth with 18 per cent global growth in the fourth quarter of 2017. From Norway the growth was 54 per cent. With such high prices it is pleasing to see strong growth in these countries. Most markets grow significantly. The volumes to the region are, however, clearly lower than when Norway exported to Russia. Volumes to Russia from other producer nations showed a slight increase in the fourth quarter. Norway had a market share of 31 per cent in Eastern Europe.

Q4/2017	Tonnes wfe	yr/yr	MNOK	yr/yr
<i>Norway to Eastern Europe:</i>				
Ukraine	4 319	77 %	180	37 %
Turkey	1 821	47 %	82	10 %
Belarus	3 060	63 %	137	57 %
Kazakhstan	1 354	40 %	73	20 %
Others in Eastern Europe	976	1 %	49	-15 %
Total Norway to Eastern Europe	11 530	54 %	520	27 %
Others to Eastern Europe	25 270	7 %		
Eastern Europe Total	36 800	18 %		

Source : Kontali Analyse

Demand for Norwegian salmon in North America continues the positive trend. In total, import to North America has increased by 23 per cent, of which volume from Norway increased by 33 per cent. It is positive that despite the substantial increase in harvest volume in Chile, the interest for Norwegian salmon is increasing.

Q4/2017	Tonnes wfe	yr/yr	MNOK	yr/yr
<i>Norway to North America:</i>				
USA	19 293	34 %	1 139	20 %
Canada	1 218	12 %	73	-11 %
Total Norway to North America	20 511	33 %	1 212	17 %
Others to North America	99 589	21 %		
North America total	120 100	23 %		

Source : Kontali Analyse

Low margins and provision for losses have contributed negatively to the profitability of the NRS' Sales operations in the quarter. The sales volume was 27 per cent higher than in the same quarter last year. 63 per cent of the harvested fish were sold in the spot market in the fourth quarter, while 37 per cent were sold at fixed prices. The fixed price contracts resulted in a profit of NOK 52.0 million compared to the level of spot prices. There were significant differences in the development of the sales volume between the regions. The export volumes to Western Europe increased with 24 per cent in the quarter, while the volumes sold in Norway increased by 71 per cent. The NRS' volumes to Asia fell by 14 per cent and to Eastern Europe with 29 per cent. In the fourth quarter, Western Europe accounted for 84 per cent of the export volumes, Asia for 13 per cent and Eastern Europe for 2 per cent. Domestic volume amounts to 16 per cent of the total sold volume.



OUTLOOK

Harvested volume for the quarter was 9 052 tonnes, which is 582 tonnes lower than estimated at the end of the last quarter. As a result of accelerated harvesting at sites with ISA, the estimated harvest volume for 2018 is reduced with 500 tonnes to 42 500 tonnes, an increase of 33 per cent from 2017.

In the fourth quarter, the global harvest volumes of salmon were 16 per cent higher than the year before. Harvest volumes from Norway were 11 per cent higher than last year, while the increase from Chile was 37 per cent. The supply to the markets increased by 13 per cent in the quarter, which indicates increased frozen goods inventories. The demand is viewed as good despite prices falling more than the supply growth.

Looking ahead, we expect global harvest volumes to decrease from the fourth quarter 2017 level compared with the same period the year before. In the first and second quarter, an increase of 8 per cent is expected before the growth will decline in the fall. Kontali Analyse expects a growth in global harvest volume for 2018 of 6 per cent. From a low or negative supply growth in recent years, supply growth for 2018 is expected to increase to a level corresponding to historical demand growth. Together with good demand for salmon, this provides the basis for a continued positive market outlook for the industry.

Trondheim, 12 February 2018

Helge Gåsø
Chair

Kristine Landmark
Vice Chair

Marianne E. Johnsen

John Hindar

Lars Måsøval

Trude Olafsen

Charles Høstlund
CEO



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INCOME STATEMENT

(NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Operating revenues	1 243 257	1 183 735	4 937 798	4 224 340
Cost of goods sold	1 022 246	972 427	3 889 102	3 230 927
Salaries	38 398	49 553	138 596	155 468
Depreciation	24 468	16 298	82 063	61 063
Other operating costs	63 508	44 585	200 178	136 269
Operational EBIT	94 636	100 870	627 861	640 613
Fair value adjustments	-217 225	231 220	-194 799	164 151
Income from associates	1 445	10 733	52 657	71 865
EBIT	-121 145	342 823	485 719	876 628
Gain/loss on financial assets	-59 338	155 070	-142 185	311 650
Other net financial items	-5 516	-3 194	-20 937	-15 857
EBT	-185 999	494 699	322 597	1 172 421
Tax	51 582	-52 692	-86 180	-167 707
Net profit/loss	-134 417	442 006	236 416	1 004 713
Profit attributable to:				
Parent company shareholders	-135 415	438 122	228 538	988 007
Minority interests	998	3 884	7 878	16 706
Earnings per share (NOK)	-3,12	10,08	5,27	22,72
Earnings per share - diluted	-3,12	10,08	5,27	22,72

EXTENDED INCOME STATEMENT

(NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Net profit/loss	-134 417	442 006	236 416	1 004 713
Items to be reclassified to profit or loss:				
Translation differences and OCI posts from associated companies	16 058	12 896	8 194	12 896
Cash Flow hedges (net)	-9 272	-27 414	-7 334	21 429
Items not to be reclassified to profit or loss:				
Actuarial gains on defined benefit plans (net)	-4 623	-1 361	-4 623	-1 361
Total comprehensive income	-132 254	426 128	232 654	1 037 678
Total comprehensive income attributable to:				
Parent company shareholders	-133 252	422 244	224 776	1 020 972
Non-controlling interests	998	3 884	7 878	16 706

BALANCE SHEET

(NOK '000)	31.12.2017	30.09.2017	31.12.2016
Intangible assets	648 887	648 887	648 887
Property, plant and equipment	544 006	557 131	417 496
Non-current financial assets	613 517	583 440	547 898
Non-current assets	1 806 410	1 789 459	1 614 281
Inventory and biological assets	1 277 004	1 453 522	1 307 035
Receivables	619 970	686 155	722 810
Bank deposits, cash	151 779	242 417	69 257
Current assets	2 048 753	2 382 094	2 099 101
TOTAL ASSETS	3 855 163	4 171 552	3 713 382
Share capital	43 489	43 489	43 473
Other equity	1 769 778	1 897 990	1 970 509
Non-controlling interests	37 762	36 765	33 034
Equity	1 851 030	1 978 244	2 047 017
Pensions	16 728	11 383	11 383
Deferred tax	364 557	533 807	394 786
Provisions	381 285	545 190	406 169
Long-term interest-bearing debt	461 241	725 401	303 781
Short-term interest-bearing debt	342 617	56 264	47 635
Trade payables	549 526	676 875	646 515
Tax payable	113 485	78 350	79 350
Other current liabilities	155 980	111 229	182 916
Current liabilities	1 161 607	922 717	956 417
TOTAL EQUITY AND LIABILITIES	3 855 163	4 171 552	3 713 382



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STATEMENT OF EQUITY

31.12.2017	<u>Equity allocated to parent company shareholders</u>				Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Total		
(NOK '000)						
Equity at 01.01.2017	43 572	-98	1 970 509	2 013 984	33 035	2 047 017
Total comprehensive income	0	0	224 776	224 776	7 878	232 654
Transactions with shareholders						
Dividend	0	0	-408 475	-408 475	-3 150	-411 625
Share based payment	0	0	-14 609	-14 609	0	-14 609
Purchase of treasury shares	0	-93	-18 154	-18 247	0	-18 247
Sale of treasury shares	0	109	15 959	16 068	0	16 068
Equity changes associated companies	0	0	-226	-226	0	-226
Total transactions with shareholders	0	16	-425 505	-425 489	-3 150	-428 639
Equity at 31.12.2017	43 572	-82	1 769 780	1 813 271	37 762	1 851 030

31.12.2016	<u>Equity allocated to parent company shareholders</u>				Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Total		
(NOK '000)						
Equity at 01.01.2016	43 572	-71	1 070 288	1 113 791	72 731	1 186 519
Total comprehensive income	0	0	1 020 972	1 020 972	16 706	1 037 678
Transactions with shareholders						
Dividend	0	0	-111 773	-111 773	0	-111 773
Share based payment	0	0	-10 702	-10 702	0	-10 702
Purchase/sale of treasury shares	0	-27	-1 540	-1 567	0	-1 567
Purchase minority interest	0	0	-13 598	-13 598	-56 402	-70 000
Equity changes associated companies	0	0	16 862	16 862	0	16 862
Total transactions with shareholders	0	-27	-120 752	-120 779	-56 402	-177 181
Equity at 31.12.2016	43 572	-98	1 970 509	2 013 984	33 035	2 047 017

STATEMENT OF CASH FLOW

(NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Operational EBIT	94 636	100 870	627 861	640 613
Adjusted for:				
Tax paid	-78 993	-3 180	-79 351	-3 180
Depreciation	24 468	16 298	82 063	61 063
Gains (-)/ losses (+) on disposal of non-current assets	0	0	0	10
Share based payment	0	189	-15 376	-10 703
Pension costs with no cash effect	-659	-2 887	-659	-2 887
Change in inventory / biomass	-9 770	-211 202	-134 503	-242 359
Change in debtors and creditors	-81 779	117 058	-164 857	138 560
Change in other current assets and other liabilities	-36 934	25 903	-144 673	47 185
Net cash flow from operating activities	-89 031	43 050	170 504	628 302
Cash flow from investing activities				
Proceeds from sale of property, plant and equipment	0	13	0	813
Payments for purchase of PPE	-14 988	-67 208	-211 470	-121 423
Payments for acquisition of associated company	0	-269 487	0	-269 487
Payments other investments	-2 528	0	-2 530	0
Proceeds from realisation of non-current financial assets (TRS)	0	0	105 099	173 787
Proceeds from investments in non-current financial assets	25	0	13 448	0
Payments for acquisition of minority interest in subsidiary	0	0	0	-70 000
Change in loans to associates and others	-1 100	1 000	-11 600	4 000
Net cash flow from investing activities	-18 591	-335 682	-107 053	-282 311
Cash flow from financing activities				
Receipts from new long-term debt	417	41 904	470 992	52 212
Long-term debt repayments	-264 842	-12 064	-305 170	-400 674
Net change in overdraft	286 619	-38 720	286 619	0
Payment for acquisition of treasury shares	0	0	-18 754	-68 985
Proceeds from sale of treasury shares	0	0	16 068	67 418
Interest paid	-5 210	-2 649	-19 568	-16 270
Dividend payment	0	0	-411 117	-111 773
Net cash flow from financing activities	16 984	-11 530	19 070	-478 073
Net increase (+)/ decrease (-) in cash & cash equivalents	-90 638	-304 162	82 522	-132 082
Cash and cash equivalents - opening balance	242 417	373 419	69 257	201 339
Cash and cash equivalents - closing balance	151 779	69 257	151 779	69 257

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting principles

These condensed, consolidated interim financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRSs) and such interpretations as are determined by the EU and published by the International Accounting Standards Board, including the interim reporting standard (IAS 34). The interim financial statements do not include all the information required of an annual financial report and must therefore be read in conjunction with the consolidated financial statements for the 2016 financial year.

The condensed consolidated interim financial statements have not been audited. As a result of rounding differences, numbers or percentages may not add up to the total.

The consolidated financial statements for the Group for the year 2016 are available upon request from the company's head office at Ferjemansveien 10, Trondheim or at www.norwayroyalsalmon.com.

The Group's accounting principles in this interim report are the same as described in the annual financial report for 2016.



NOTE 2: Segment information

The Group's business areas are divided into the Sales and Fish farming. The Sales segment includes the purchase and sale of salmon. The fish farming business includes salmon farming and harvesting activities. The fish farming business is divided into two regions: Region North, which consists of the fish farming business in Troms and West Finnmark; and Region South, which consists of the fish farming business in the area around Haugesund. Transactions between the segments are made at market terms. Group management reviews monthly reports in connection with the segments. Performance is evaluated based on operating results (EBIT) per segment.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass

Adjustments to the fair value of the biomass are presented on a separate line in the income statement. The technical model for calculating fair value changed the 31 December 2016 from a growth model to a present value model. In accordance with IFRS 13, the change of model is regarded as an estimate change. Present value is calculated for the biomass on each site/project by estimating the future sales value less remaining production costs discounted to the present value at the balance sheet date.

The fair value of fish in the sea is calculated in the present value model as a function of the expected biomass at the time of harvest multiplied by the expected sales price. For fish that are not harvestable, estimated remaining costs to breed the fish to its harvestable weight are deducted. Cash flows are discounted monthly using a discount factor. The discount factor consists of three main components: 1) risk for events that affect cash flow, 2) hypothetical license and site rent and 3) the time value of money. Expected biomass (volume) is based on the estimated number of individuals in the sea, adjusted for expected mortality until harvesting and multiplied by the expected harvest weight per individual at the time of harvest. The measuring unit is the individual fish, but for practical reasons the calculation is made on site level. Live weight of fish in the sea is translated into gutted weight to get the same measurement unit as the prices are set in.

The price is calculated based on forward prices from Fish Pool. The forward price for the month in which the fish expected to be harvested is used in the calculation of expected cash flow. The price quoted by Fish Pool adjusted for the export cost is the reference price. This price is further adjusted for expected harvest costs (well boat, harvest and packing) and transport to Oslo. Adjustments for expected size differences and quality differences are also made. The adjustment in relation to the reference price is done at site level.

The principle of highest and best use, according to IFRS 13 is the basis for the valuation and classification. In the fair value calculation, optimal harvest weight is defined as harvest weight according harvest plans.

Book value of inventory:

(NOK '000)	31.12.2017	30.09.2017	31.12.2016
Raw materials	37 906	38 506	35 512
Biological assets	1 177 678	1 317 585	1 205 399
Finished goods	61 420	97 431	66 123
Total inventory	1 277 004	1 453 522	1 307 035

Specification of the biological assets:

(NOK '000)	31.12.2017	30.09.2017	31.12.2016
Biological assets at cost	950 700	904 320	813 888
Fair value adjustments of the biomass	226 978	413 265	391 511
Book value biological assets	1 177 678	1 317 585	1 205 399

Specification of biological assets - tonnes

	Q4 2017	Q4 2016	FY 2017	FY 2016
Opening balance biological assets	25 201	17 584	23 060	22 407
Increase due fish put in the sea	276	210	1 413	1 298
Increase due to production in the period	15 570	11 290	46 278	33 714
Reduction due to mortality in the period	-954	-438	-3 424	-2 269
Reduction due to harvesting in the period	-10 780	-5 586	-38 015	-31 955
Non-recurring items	-242	0	-242	-135
Closing balance biological assets	29 071	23 060	29 071	23 060

Specification of changes in book value of biological assets:

(NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Opening balance biological assets	1 317 585	861 935	1 205 399	829 928
Increase due to production in the period	362 649	310 258	1 230 516	967 416
Non-recurring event at cost	-9 879	0	-19 879	-19 158
Reduction due to harvesting in the period	-306 390	-153 548	-1 073 825	-766 904
Fair value adjustments of the biological assets	-185 673	186 754	-163 237	194 117
Fair value adj. of the biological assets due to non-recurring event	-614	0	-1 296	0
Closing balance biological assets	1 177 678	1 205 399	1 177 678	1 205 399

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: Biomass cont.

Groups of biological assets, status as of 31.12.2017	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	6 220	3 799	203 819	70 529	274 348
1-4 kg	5 132	9 960	332 324	61 610	393 934
Larger than 4 kg	3 162	15 313	414 557	94 839	509 396
Biological assets	14 514	29 071	950 700	226 978	1 177 678

Groups of biological assets, status as of 30.09.2017	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	7 891	3 859	219 864	136 946	356 810
1-4 kg	6 740	18 293	605 972	234 681	840 653
Larger than 4 kg	641	3 050	78 484	41 637	120 122
Biological assets	15 273	25 202	904 320	413 265	1 317 585

Groups of biological assets, status as of 31.12.2016	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	7 098	4 575	255 803	109 784	365 587
1-4 kg	4 950	13 027	412 823	171 133	583 956
Larger than 4 kg	1 162	5 458	145 262	110 594	255 856
Biological assets	13 210	23 060	813 888	391 511	1 205 399

Fish Pool forward prices used in the calculation of the fair value of the biomass

31.12.2017	NOK/kg	30.09.2017	NOK/kg	31.12.2016	NOK/kg
Q1 18	53,85	Q4 17	60,52	Q1 17	74,00
Q2 18	53,05	Q1 18	63,70	Q2 17	71,80
Q3 18	53,05	Q2 18	62,98	Q3 17	64,70
Q4 18	55,00	Q3 18	57,48	Q4 17	64,50
Q1 + Q2 19	57,80	Q4 18	58,82	Q1 + Q2 18	72,90



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NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: Non-recurring events

Non-recurring event	Q4 2017			Q4 2016		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
The fish disease Infections Salmon Anemia (ISA) NRS Finnmark AS	36 547	614	37 161	0	0	0
Biological assets	36 547	614	37 161	0	0	0

Non-recurring event	FY 2017			FY 2016		
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
The fish disease Infections Salmon Anemia (ISA) NRS Finnmark AS	36 547	614	37 161	0	0	0
Destruction of desmoltified fish NRS Finnmark AS Q2	10 000	682	10 682	0	0	0
Destruction of fish with winter wounds Nor Seafood AS ¹⁾	0	0	0	11 186	0	11 186
Destruction of desmoltified fish NRS Finnmark AS ¹⁾	0	0	0	8 000	0	8 000
Biological assets	46 547	1 296	47 843	19 186	0	19 186

1) All events in 2016 are related to small fish (less than 1 kg). At the time the events occurred, cost was considered the best estimate of fair value. In Q4 2016 additional MNOK 1,1 were recognised as a non-recurring event due to the final verdict against Nord Senja Laks AS.

NOTE 5: Fair value adjustments

Fair value adjustments which are a part of the Group's EBIT, is presented on a separate line in order to give a better understanding of the Group's operating profit from goods sold. The item consists of:

(NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Change in fair value adjustments of the biomass	-186 287	186 755	-164 533	194 117
Change in provision for onerous sales contracts	14 398	34 136	89 994	-62 227
Change in unrealised gains/losses on financial Fish Pool contracts	-45 336	10 328	-120 259	32 261
Total fair value adjustments	-217 225	231 220	-194 799	164 151

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

(NOK '000)	31.12.2017	30.09.2017	31.12.2016
Fair value adjustments biomass (inventory and biological assets)	226 978	413 265	391 511
Provision for onerous sales contracts (other current liabilities)	0	-14 398	-89 994
Fair value of financial Fish Pool contracts (other receivables/other current liabilities)	-25 712	19 624	94 547
Net fair value adjustments in the balance sheet	201 266	418 491	396 064

NOTE 6: Transactions with related parties

The Norway Royal Salmon Group undertakes transactions under ordinary terms and conditions with associates and fish farmers who are also NRS shareholders. This applies to the purchase of fish from fish-farming companies, as well as the purchase of harvesting services from two of the Group's associates. Smolts are also purchased from associated companies.

Smolts from Nordland Akva AS, which is controlled by one of the largest shareholders of NRS, Egil Kristoffersen og Sønner AS, have been purchased for MNOK 19 738 in Q4 2017.

Share-based incentive schemes

A bonus program based on synthetic options was introduced for the Group's management in 2014. The bonus program gives entitlement to a cash bonus based on the NRS average share price over a period prior to respectively 29 March 2014 and 24 June 2014. Bonuses are calculated 12, 24, 36 and 45 months after these dates, and the bonus program includes an obligation to invest the net bonus after tax in Norway Royal Salmon ASA (NRS) shares at the market price on the relevant date. Shares purchased in accordance with the bonus program will be subject to a 12-month lock-up period. All bonus payments are conditional on full-time employment in the company. The bonus is calculated based on the increase in value of the share in NRS from 29 March 2014 and 24 June 2014, and in relation to price increases during the period on the number of shares covered by the program. The scheme covers 100 000 shares allocated to the CEO. In the quarter a cost reduction relating to the option scheme was recognised in the income statement in the amount of MNOK 2 115.

A bonus program based on options was introduced for senior executives and key personnel in the Group on 1 April 2017. The scheme has been approved by the Board. The scheme comprises 31 people and is divided into 4 different levels. The option scheme has a 24 months' vesting period. The bonus program is a share-based scheme that entitles shareholders to receive shares in NRS based on the price development in Norway Royal Salmon ASA's average share price for a period prior to 20 March 2018. Each employee can at most be granted rights to shares for a value of 75 per cent of the annual salary in level 1, 100 per cent of the annual salary in level 2, 50 per cent of the annual salary in level 3 and 25 per cent of the annual salary in level 4. At 30 September 2017, the program includes 419 888 options. The exercise price will be adjusted for dividends and changes in holdings of treasury shares. In the quarter, a cost of MNOK 381 related to the new option scheme was recognised in the accounts.

For further details of transactions with related parties, please see the description in the annual report.

	Program introduced in 2014	Program introduced in 2017	All programs
Change in number of options			
At 31 December 2017	100 000	0	100 000
Exercised in the quarter	0	0	0
Allocated during the year (new program)	0	419 888	419 888
Number of options at 31 December 2017	100 000	419 888	519 888
Exercise price	31,78	149,26	
Number of employees in the program at the end of the quarter	1	28	29

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: Investments in associates

(NOK '000)	Shareholding	Book value 01.01.2017	Share of profit/loss in the period after tax	Other changes	Book value 31.12.2017	Share of volume harvested - tonnes HOG 31.12.2017*
Arctic Fish ehf.	50,00 %	281 219	-2 141	8 194	287 271	611
Wilsgård Fiskeoppdrett AS	37,50 %	134 544	25 456	-7 125	152 875	1 925
Måsøval Fishfarm AS	36,10 %	10 489	9 472	-1 029	18 933	647
Hellesund Fiskeoppdrett AS	33,50 %	67 033	18 088	-5 491	79 630	836
Hardanger Fiskeforedling AS	31,10 %	9 903	466	0	10 369	
Espevær Laks AS	33,33 %	2 910	-164	0	2 745	
Ranfjord Fiskeprodukter AS	37,75 %	21 814	1 120	0	22 935	
Skardalen Settefisk AS	30,00 %	3 547	360	1 800	5 707	
Other		48	0	0	48	
Total associates 31.12.2017		531 507	52 657	-3 651	580 510	4 019
Total associates 31.12.2016		169 992	71 865	289 649	531 504	3 204

* The harvested volume comprises NRS's share of the harvested volume of associates

The Group's associates own a combined total of ten licences in Norway.

The consolidated financial statements include the Group's share of results from associates according to the equity method. The equity method is regarded as consolidation method. Some associates own shares in Norway Royal Salmon ASA, which are treated as treasury shares in the consolidated financial statements. The fair value of the shares owned by the associates in Norway Royal Salmon ASA has therefore not been recognized in the consolidated financial statements.

Associates that own shares in NRS as of 31 December 2017:

	Shareholding	Number of shares	Fair value	NRS' share of fair value
Måsøval Fishfarm AS	36,10 %	255 497	34 364	12 406
Hellesund Fiskeoppdrett AS	33,50 %	1 639 482	220 510	73 871
Total		1 894 979	254 875	86 276

Note 8 Treasury shares and TRS agreements

As at 31 December the company holds 82 443 treasury shares, corresponding to 0.19 % of the share capital of the company. Norway Royal Salmon ASA's total underlying exposures through TRS agreements is at 31 December 1 775 377 shares, representing 4.07 % of the share capital of the company. The agreement means that the Group has a result and liquidity exposure that is linked to the value development of the NRS share. TRS agreements are recorded at fair value and changes in fair value are recognized as financial items in the income statement.

(NOK '000)	No. of shares	Exercise Price	Maturity	Market value 30.09.2017	Market value 31.12.2017	Change in market value Q4 2017
TRS	1 775 377	170,81	15.03.2018	-4 740	-64 078	-59 338
Sum				-4 740	-64 078	-59 338

NOTE 9: Loans to credit institutions

The Group's main borrowing covenants is one requiring an equity ratio of at least 30 per cent and another requiring that the short-term credit facility shall not exceed 75 per cent of the carrying value of inventory and accounts receivables. At the end of the fourth quarter 2017 the Group is in compliance with the terms of its loan agreements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: Alternative performance measures

The consolidated financial statements of Norway Royal Salmon ASA are prepared in accordance with the International Financial Reporting Standards (IFRS). In addition, the management prepares alternative performance measures to provide useful and relevant information to the users of the financial statements. Alternative performance measures are designed to increase the understanding of the underlying operational performance and is not a substitute for the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS). The performance measures are regularly reviewed by the Board. The alternative performance measures can be defined and used differently by other companies.

Net interest-bearing debt

Net interest-bearing debt is defined as the net of long-term debt, short-term debt and bank deposits. The measure is useful and necessary information to investors and other users of the financial statements to assess the net of the interest-bearing external capital used to finance the group. The measure is used to calculate return on capital employed and highlights the Group's ability to take on more debt.

(NOK '000)	31.12.2017	30.09.2017	31.12.2016
Reported long-term interest-bearing debt	461 241	725 401	303 781
Reported short-term interest-bearing debt	342 617	56 264	47 635
Interest-bearing long-term receivables	18 600	0	0
Reported bank deposits, cash	151 779	242 417	69 257
Net interest bearing debt	633 479	539 247	282 160

Equity ratio

The equity ratio is defined as equity divided by total assets. The measure is expressed as a percentage. The measure is relevant to users of the financial statements to see how much of the assets are financed with equity, the measure also indicate something about the solvency of the group.

(NOK '000)	31.12.2017	30.09.2017	31.12.2016
Reported equity	1 851 030	1 978 244	2 047 017
Reported total assets	3 855 163	4 171 552	3 713 382
Equity ratio	48,0 %	47,4 %	55,1 %

Operational EBIT per kg (Group)

Operational EBIT per kg is defined as a central performance measure for Norway Royal Salmon ASA. The measure is used to evaluate the profitability of sold goods and the operations of the Group. The performance measure is useful to users of the financial statements to evaluate the profitability sold good and the production. The measure is calculated before unallocated costs and extraordinary events, fair value adjustments, income from associated companies, financial expenses and taxes. The measure is expressed per kg harvested volume.

(NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Operational EBIT	94 636	100 870	627 861	640 613
Unallocated expenses	9 213	23 885	31 064	64 824
Non-recurring events (note 4)	36 547	1 136	46 547	20 322
Operational EBIT	140 396	125 892	705 472	725 759
Harvested volume	9 052	4 692	31 918	26 819
Operation EBIT per kg	15,51	26,83	22,10	27,06

Operational EBIT per kg (Group)

Operational EBIT per kg is defined as a central performance measure for Norway Royal Salmon ASA. The measure is used to evaluate the profitability of sold goods and the operations of the segments. The performance measure is useful to users of the financial statements to evaluate the profitability of sold goods and the production. The measure is calculated before extraordinary events, fair value adjustments, income from associated companies, financial expenses and taxes. The measure is expressed per kg harvested volume. The measure is shown both before and after loss on open fixed-price contracts.

Operational EBIT per kg Region North

(NOK '000)	Q4 2017	Q4 2016	FY 2017	FY 2016
Operational EBIT (segment, note 2)	69 934	84 988	433 082	656 112
Share of operational EBIT Sales allocated to region North excl. Contracts	4 041	8 119	25 775	38 958
Operational EBIT excl. Contracts	73 975	93 107	458 857	695 070
Loss(-) / Gain(+) on open fixed-price contracts	42 069	-17 944	70 370	-60 669
Operational EBIT	116 045	75 163	529 227	634 401
Harvested volume	7 326	2 612	24 697	21 667
Operational EBIT per kg excl. Contracts	10,10	35,64	18,58	32,08
Operational EBIT per kg	15,84	28,77	21,43	29,28



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NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: Alternative performance measures (cont)

Operational EBIT per kg Region South

(NOK '000)

	Q4 2017	Q4 2016	FY 2017	FY 2016
Operational EBIT (segment, note 2)	13 502	58 553	150 017	101 914
Share of operational EBIT Sales allocated to region South excl. Contracts	952	6 466	8 424	10 717
Operational EBIT excl. Contracts	14 454	65 019	158 441	112 631
Loss(-) / Gain(+) on open fixed-price contracts	9 913	-14 290	17 600	-21 274
Operational EBIT	24 367	50 729	176 041	91 357
Harvested volume	1 726	2 080	7 221	5 151
Operational EBIT per kg excl. Contracts	8,37	31,26	21,94	21,87
Operational EBIT per kg	14,12	24,39	24,38	17,74

ROCE

Return on average capital employed (ROCE) is defined as 4-quarters rolling EBIT aligned for fair value adjustments divided by average net interest-bearing debt plus equity less financial assets. The performance measure is expressed as a percentage and is useful for users of Norway Royal Salmon ASA's financial information to evaluate its profitability.

Value-adjusted earnings per share

Earnings per share before fair value adjustments is defined as the period's result adjusted for fair value adjustments after tax. The performance measure is expressed per share and is useful for the users of Norway Royal Salmon ASA's financial information. The performance measure is used as raw data in analysis like of P/E.

(NOK '000)

	Q4 2017	Q4 2016	FY 2017	FY 2016
Majority share of net result for the period	-135 415	438 122	228 538	988 007
Majority share of fair value adjustments of biomass after tax	142 635	-142 071	126 457	-146 698
Fair value of sales contracts and Fish Pool contracts (in its entirety, the majority share)	23 513	-33 049	23 002	22 774
Majority share of value-adjusted result for the period	30 733	263 003	377 996	864 083
Weighted average number of ordinary shares outstanding	43 344 931	43 480 197	43 344 931	43 480 197
Value-adjusted earnings per share	0,71	6,05	8,72	19,87

NOTE 11: Shareholders

Ownership structure – the 20 largest shareholders as at 31.12.2017:

Shareholder	No. of shares	Shareholding
GÅSØ NÆRINGSUTVIKLING AS	6 780 149	15,56 %
GLASTAD CAPITAL AS	5 266 542	12,09 %
MÅSØVAL EIENDOM AS	5 172 196	11,87 %
EGIL KRISTOFFERSEN OG SØNNER AS	4 734 545	10,87 %
HAVBRUKSINVEST AS	4 122 912	9,46 %
DNB NOR MARKETS, AKSJEHAND/ANALYSE	1 652 633	3,79 %
HELLESUND FISKEOPPDRETT A/S	1 639 482	3,76 %
SPAREBANK 1 MARKETS AS	1 263 267	2,90 %
NYHAMN AS	1 066 694	2,45 %
LOVUNDLAKS AS	1 063 598	2,44 %
STATE STREET BANK AND TRUST COMP	532 690	1,22 %
SVENSKA HANDELSBANKEN AB	425 417	0,98 %
SEB PRIME SOLUTIONS SISSENER CANOP	330 000	0,76 %
MP PENSJON FK	287 882	0,66 %
HENDEN FISKEINDUSTRI AS	277 154	0,64 %
JPMORGAN CHASE BANK, N.A., LONDON	274 544	0,63 %
J.P. MORGAN BANK LUXEMBOURG S.A.	267 093	0,61 %
MÅSØVAL FISHFARM AS	255 497	0,59 %
HOLTA INVEST AS	206 794	0,47 %
STATE STREET BANK AND TRUST COMP	204 223	0,47 %
Total 20 largest shareholders	35 823 312	82,22 %
Total other shareholders	7 748 879	17,78 %
Total no. of shares	43 572 191	100,00 %