



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 864 234 232
Organisasjonsform: Allmennaksjeselskap
Foretaksnavn: NORWAY ROYAL SALMON ASA
Forretningsadresse: Ferjemannsveien 10
7042 TRONDHEIM

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ingrid Rønning
Dato for fastsettelse av årsregnskapet: 06.04.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 31.08.2022



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	5 172 881 000	5 108 586 000
Sum inntekter		5 172 881 000	5 108 586 000
Kostnader			
Cost of goods sold	13	5 118 295 000	4 984 257 000
Lønnskostnad	3,15	64 443 000	56 934 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7	2 239 000	967 000
Annen driftskostnad	4	32 612 000	24 916 000
Sum kostnader		5 217 589 000	5 067 074 000
Driftsresultat		-44 708 000	41 512 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	6,8	358 846 000	139 872 000
Gain on financial assets	6,17	28 994 000	13 223 000
Sum finansinntekter		387 840 000	153 095 000
Net interest expenses	6,13	-34 730 000	-32 137 000
Net other financial expenses	6,17	7 889 000	11 416 000
Sum finanskostnader		-26 841 000	-20 721 000
Netto finans		414 681 000	173 816 000
Ordinært resultat før skattekostnad		369 973 000	215 328 000
Skattekostnad på ordinært resultat	12	8 532 000	-4 157 000
Ordinært resultat etter skattekostnad		361 441 000	219 485 000
Årsresultat		361 441 000	219 485 000
Overføringer og disponeringer			
Ordinært utbytte	11		130 717 000
Udekket tap	11	159 995 000	-64 320 000
Allocated from/to reserve for valuation variances	11	201 446 000	153 089 000
Sum overføringer og disponeringer		361 441 000	219 486 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
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Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	12	4 624 000	9 000 000
Sum immaterielle eiendeler		4 624 000	9 000 000
Varige driftsmidler			
Other operating assets	7,15	7 511 000	9 603 000
Sum varige driftsmidler		7 511 000	9 603 000
Finansielle anleggsmidler			
Investering i datterselskap	8	1 932 489 000	1 175 889 000
Investeringer i tilknyttet selskap	8	352 787 000	672 655 000
Investments in other shares		1 000	12 048 000
Other non-current receivables	9	2 159 000	46 904 000
Sum finansielle anleggsmidler		2 287 436 000	1 907 496 000
Sum anleggsmidler		2 299 571 000	1 926 099 000
Omløpsmidler			
Varer			
Inventory	10,15	57 085 000	67 903 000
Sum varer		57 085 000	67 903 000
Fordringer			
Accounts receivables	13,15	269 106 000	127 376 000
Other Group receivables	13,15	0	20 292 000
Other receivables		53 340 000	90 864 000
Sum fordringer		322 446 000	238 532 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	16	2 955 242 000	2 372 047 000
Sum bankinnskudd, kontanter og lignende		2 955 242 000	2 372 047 000
Sum omløpsmidler		3 334 773 000	2 678 482 000



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		5 634 344 000	4 604 581 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	11	43 572 000	43 572 000
Beholdning av egne aksjer	11	-198 000	-653 000
Annen innskutt egenkapital	11	82 030 000	82 030 000
Sum innskutt egenkapital		125 404 000	124 949 000
Opptjent egenkapital			
Reserve for valuation variances	11	1 308 510 000	1 142 237 000
Annen egenkapital	11	1 804 739 000	1 488 450 000
Sum opptjent egenkapital		3 113 249 000	2 630 687 000
Sum egenkapital		3 238 653 000	2 755 636 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	5	24 817 000	23 703 000
Sum avsetninger for forpliktelser		24 817 000	23 703 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14,15	1 814 706 000	1 200 000 000
Long-term leasing liabilities		7 304 000	9 023 000
Sum annen langsiktig gjeld		1 822 010 000	1 209 023 000
Sum langsiktig gjeld		1 846 827 000	1 232 726 000
Kortsiktig gjeld			
Leverandørgjeld	13	525 489 000	442 341 000
Betalbar skatt	12	0	2 803 000
Public charges payable		4 848 000	6 315 000
Utbytte	11	0	130 717 000
Annen kortsiktig gjeld	13	18 526 000	34 043 000
Sum kortsiktig gjeld		548 863 000	616 219 000



Balanse

Beløp i: NOK	Note	2021	2020
Sum gjeld		2 395 690 000	1 848 945 000
SUM EGENKAPITAL OG GJELD		5 634 343 000	4 604 581 000
POSTER UTENOM BALANSEN			
Garantistillelser	15	1 567 000	1 567 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	5 800 895 000	5 118 867 000
Sum inntekter		5 800 895 000	5 118 867 000
Kostnader			
Varekostnad		4 683 289 000	4 393 881 000
Lønnskostnad	19,20	242 616 000	166 995 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3,7,8	149 897 000	100 747 000
Annen driftskostnad	6,13,2 5,26	380 833 000	210 992 000
Fair value adjustment	15	-111 668 000	136 657 000
Production fees		19 106 000	
Income from associates	11	-35 356 000	1 985 000
Sum kostnader		5 328 717 000	5 011 257 000
Driftsresultat		472 178 000	107 610 000
Finansinntekter og finanskostnader			
Gain financial assets	17,21	307 528 000	-8 165 000
Sum finansinntekter		307 528 000	-8 165 000
Net interest expenses	21	60 395 000	13 276 000
Net other finansial income/expences	21	-15 934 000	13 198 000
Sum finanskostnader		44 461 000	26 474 000
Netto finans		263 067 000	-34 639 000
Ordinært resultat før skattekostnad			
Skattekostnad på ordinært resultat	14	41 836 000	-1 717 000
Ordinært resultat etter skattekostnad		693 409 000	74 688 000
Årsresultat		693 409 000	74 688 000
Minoritetsinteresser	4	76 047 000	-5 426 000
Årsresultat etter minoritetsinteresser		617 362 000	80 114 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Translation differences from associated companies		-17 486 000	14 436 000
Cash flow hedges (net of tax)	17	-13 276 000	15 098 000
Actuarial gains/losses on defined benefit plans (net of tax)	20	-1 462 000	4 018 000
Sum resultatkomponenter for IFRS-foretak		-32 224 000	33 552 000
Totalresultat		585 138 000	113 666 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Licences incl. other intangibles	3,10	1 653 720 000	948 616 000
Utsatt skattefordel	14	19 479 000	0
Sum immaterielle eiendeler		1 673 199 000	948 616 000
Varige driftsmidler			
Buildings, boats, fleets & other operating assets	7,10	3 493 100 000	2 042 887 000
Right-of-use assets	8,10	379 764 000	308 872 000
Sum varige driftsmidler		3 872 864 000	2 351 759 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	11	427 352 000	721 856 000
Other financial assets		4 628 000	3 999 000
Other long-term receivables	6,16,2 7	2 159 000	46 904 000
Sum finansielle anleggsmidler		434 139 000	772 759 000
Sum anleggsmidler		5 980 202 000	4 073 134 000
Omløpsmidler			
Varer			
Inventories	10,24	139 304 000	104 275 000
Biological assets	5,10,1 5	1 785 781 000	1 282 006 000
Sum varer		1 925 085 000	1 386 281 000
Fordringer			
Accounts receivables	6,10,1 6	327 543 000	150 539 000
Other short-term receivables and prepayments	6,16,1 7	144 215 000	166 002 000
Sum fordringer		471 758 000	316 541 000
Bankinnskudd, kontanter og lignende			



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Bank deposits	9,16,1 8	18 484 000	7 302 000
Restricted bank deposits	9,16,1 8	46 705 000	31 451 000
Sum bankinnskudd, kontanter og lignende		65 189 000	38 753 000
Sum omløpsmidler		2 462 032 000	1 741 575 000
SUM EIENDELER		8 442 234 000	5 814 709 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	22,23	43 572 000	43 572 000
Treasury shares	22,23	-198 000	-653 000
Retained earnings	22,23	3 629 466 000	3 048 177 000
Sum innskutt egenkapital		3 672 840 000	3 091 096 000

Minoritetsinteresser		770 509 000	39 596 000
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Sum egenkapital		4 443 349 000	3 130 692 000
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Gjeld

Langsiktig gjeld

Pensjonsforpliktelser	20	24 817 000	23 703 000
Utsatt skatt	14	555 392 000	365 569 000
Sum avsetninger for forpliktelser		580 209 000	389 272 000

Annen langsiktig gjeld

Long-term leasing liabilities	9,10,2 5	237 150 000	178 514 000
Non-current interest bearing debt	9,10,1 6	1 991 682 000	1 200 000 000
Sum annen langsiktig gjeld		2 228 832 000	1 378 514 000

Sum langsiktig gjeld		2 809 041 000	1 767 786 000
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Konsernets balanse

Beløp i: NOK	Note	2021	2020
Kortsiktig gjeld			
Current interest bearing debt	9,10,1 6	362 092 000	178 307 000
Short-term leasing liabilities	9,10,2 5	55 703 000	48 512 000
Accounts payables	16	660 870 000	617 937 000
Betalbar skatt	14	140 000	3 752 000
Annen kortsiktig gjeld	12,16, 17	111 038 000	67 723 000
Sum kortsiktig gjeld		1 189 843 000	916 231 000
Sum gjeld		3 998 884 000	2 684 017 000
SUM EGENKAPITAL OG GJELD		8 442 233 000	5 814 709 000



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To the General Meeting of Norway Royal Salmon ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norway Royal Salmon ASA, which comprise:

- The financial statements of the parent company Norway Royal Salmon ASA (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Norway Royal Salmon ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 3 years from the election by the general meeting of the shareholders on 6 June 2019 for the accounting year 2019.

2021 års regnskap for foretaket, samt årsregnskap for konsernet, er godkjent i samsvar med de gjeldende regnskapsregler og regnskapspraksis.

2021 års regnskap for foretaket, samt årsregnskap for konsernet, er godkjent i samsvar med de gjeldende regnskapsregler og regnskapspraksis.



Independent Auditor's Report - Norway Royal Salmon ASA

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Measurement and valuation of biological assets

Reference is made to Note 1.4 Summary of important accounting principles, Note 1.5 Important accounting estimates and judgements and Note 5. Biological assets.

The key audit matter	How the matter was addressed in our audit
<p>Norway Royal Salmon ASA measure biological assets at fair value in accordance with IAS 41. As per 31 December 2021, the book value of biological assets is TNDK 1 785 781. This constitute 21 % of the Group's total assets.</p> <p>The book value of biological assets consists of biological assets measured at cost of TNDK 1 573 278, and a fair value adjustment of TNDK 212 503. The change in fair value in 2021 was TNDK 96 631.</p> <p>Biological assets consists of the Group's live fish stock held at sea/larvae, roe and smolt in the operating segment Fish Farming – Farming Norway and Farming Iceland.</p> <p>In accordance with IAS 41, biological assets should be measured at fair value. Fair value is determined in accordance with IFRS 13. Effective markets for the sale of live fish stock do not exist, and the valuation of biological assets imply an estimation of fair value in a hypothetical market for live fish stock. This estimate is based on several assumptions, including:</p> <ul style="list-style-type: none"> The stock of biological assets Future prices Monthly discounting factor Mortality and quality of the live fish stock Estimated time of harvest <p>The estimation of fair value of biological assets is complex and requires the exercise of judgement by management.</p> <p>Based on the size of biological assets, measurement of fair value, the exercise of judgement by management both of model and assumptions, and the impact of the fair value adjustment on the net result for the year, we consider the measurement and valuation of biological assets to be a key audit matter.</p>	<p>We have established an understanding of the control environment and the Group's process for accounting for biological assets.</p> <p>We have reconciled the period's movement in the stock of live fish both in numbers and in biomass. For a sample of smolt releases, we tested the number of fish registered in the biomass system against external invoices.</p> <p>For the operating segment Fish Farming – Farming Norway, we have compared the accumulated feed factor on a project level with industry statistics. We have furthermore evaluated the Group's routines for the reconciliation of stock of feed and controlled a selection of feed purchases in the period.</p> <p>We assessed the accuracy of biomass estimates by comparing the actual harvested biomass on projects harvested in 2021 with estimated biomass.</p> <p>We have tested the Group's model for measurement and valuation of biological assets at fair value for mathematical accuracy.</p> <p>Our assessment of the assumptions included a comparison of prices used with observable market prices on the estimated time of harvest. We have furthermore assessed the monthly discounting factor used against industry practice.</p> <p>Expected mortality and quality of live fish stock was evaluated on the basis of historical data. The estimated time of harvest was reconciled to the Group's budgets. We recalculated the Group's disclosed sensitivities of biological assets for changes in price, discounting factor, biomass, estimated time of harvest and production cost.</p> <p>We assessed the Group's notes related to measurement and valuation of biological assets, included in Note 1.4 Summary of important accounting principles, Note 1.5 Important accounting estimates and judgements and Note 5. Biological assets.</p>



Independent Auditor's Report - Norway Royal Salmon ASA

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other accompanying information otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance and the statement of Corporate Social Responsibility as included in the Board of Directors' report.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and

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Independent Auditor's Report - Norway Royal Salmon ASA

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements**Report on compliance with Regulation on European Single Electronic Format (ESEF)****Opinion**

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 59670071IEEXZKGB0870-2021-12-31-en have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Vedtatt på handelen) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

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Independent Auditor's Report - Norway Royal Salmon ASA

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

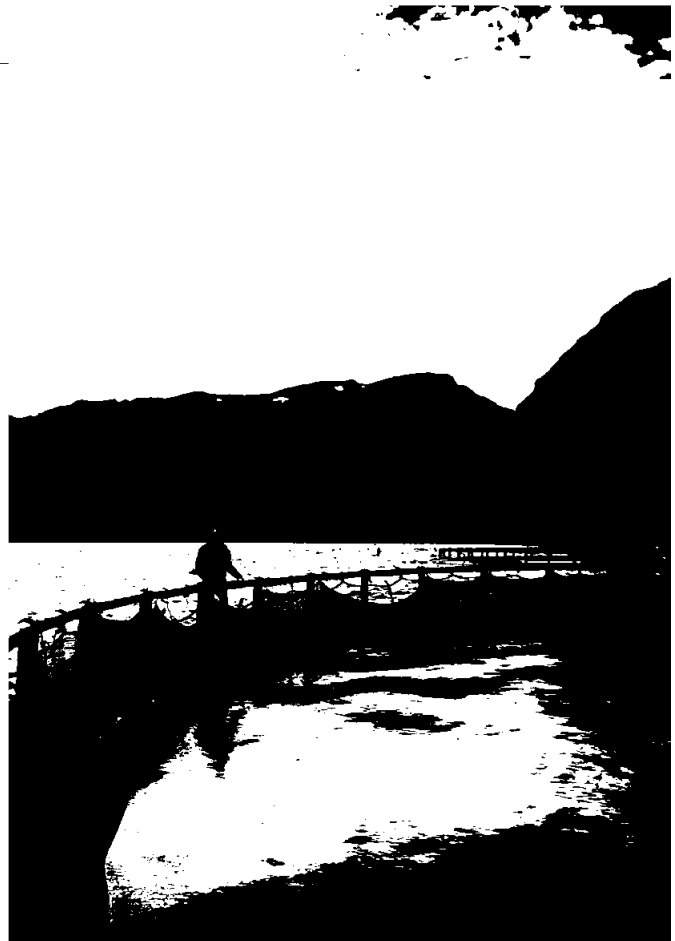
Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the XBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Tromsø, 6 April 2022
KPMG AS


Yngve Olsen

Yngve Olsen
State Authorised Public Accountant





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HOPWAY ROYAL SALMON

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Income statement

(NOK 1 000)	Note	2021	2020
Sales revenues	2	5 172 881	5 108 586
Sales revenue		5 172 881	5 108 586
Cost of goods sold	13	5 118 295	4 984 257
Personnel expenses	3.5	64 443	56 934
Depreciation	7	2 239	967
Other operating expenses	4	32 612	24 916
Total operating expenses		5 217 589	5 067 073
Net operating result		-44 708	41 513
Financial items			
Income from associates and subsidiaries	6.8	358 846	139 872
Gain in financial assets	6.17	28 994	13 223
Net interest expenses	6.13	34 730	32 137
Net other financial expenses	6.17	-7 888	-11 416
Net financial items		414 682	173 816
Result before tax		369 973	215 329
Tax	12	-8 532	4 157
Net result for the year		361 441	219 485
Allocations:			
Allocated to dividend	11	0	130 717
Allocated from/to reserve for valuation variances	11	201 446	153 089
Allocated to other equity	11	159 995	-64 320
Total allocations		361 441	219 485

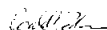


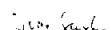
Balance sheet

ASSETS (NOK: 1 000)	Note	31.12.2021	31.12.2020
Non-current assets			
Intangible assets			
Deferred tax assets	12	4 624	9 000
Total intangible assets		4 624	9 000
Property, plant and equipment			
Other operating assets	7.15	7 511	9 603
Total property, plant and equipment		7 511	9 603
Non-current financial assets			
Investments in subsidiaries	8	1 932 489	1 175 889
Investments in associates	8	352 787	672 655
Investments in other shares		1	12 048
Other non-current receivables	9	2 159	46 904
Total non-current financial assets		2 287 436	1 907 495
Total non-current assets		2 299 571	1 926 098
Current assets			
Inventory			
Inventory	10.15	57 085	67 903
Total inventory		57 085	67 903
Receivables			
Accounts receivables	13.15	269 106	127 376
Other Group receivables	13.15	0	20 292
Other receivables		53 340	90 864
Total receivables		322 446	238 532
Bank deposits and cash	16	2 955 242	2 372 047
Total current assets		3 334 773	2 678 482
Total assets		5 634 344	4 604 580

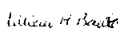
EQUITY AND LIABILITIES (NOK: 1 000)	Note	31.12.2021	31.12.2020
Paid-in capital			
Share capital	11	43 572	43 572
Treasury shares	11	-196	-653
Other paid-in equity	11	82 030	82 030
Total paid-in capital		125 405	124 949
Retained earnings			
Reserve for valuation variances	11	1 306 510	1 142 237
Other equity	11	1 804 739	1 488 450
Total retained earnings		3 113 249	2 630 687
Total equity		3 238 654	2 755 636
Liabilities			
Provisions			
Pension liabilities	5	24 817	23 703
Total provisions		24 817	23 703
Non-current liabilities			
Long-term leasing liabilities		7 304	9 023
Debt to credit institutions	14.15	1 814 706	1 200 000
Total non-current liabilities		1 822 010	1 209 023
Current liabilities			
Accounts payables	13	525 489	442 341
Public charges payable		4 848	6 315
Tax payable	12	0	2 800
Dividend	11	0	130 717
Other current liabilities	13	18 526	34 043
Total current liabilities		548 862	616 218
Total liabilities		2 395 689	1 848 945
Total equity and liabilities		5 634 344	4 604 580
Guarantee liabilities	15	1 567	1 567

Trondheim, 6 April 2022


 Rolf Dolmen
 Chair


 Rolf Sandnes
 Vice Chair


 Kristine Lundnes


 Lilian Margrete Bonde


 Ingrid Marie Svendsen


 Klaus Håbebrekke
 Interim CEO



Cash flow

(NOK 1 000)	Note	2021	2020
Operating result		-44 708	41 513
Taxes paid		-2 803	0
Depreciation and write-downs	7	2 239	967
Pension costs with no cash effect		-761	1 216
Share based payment		1 675	3 100
Change in inventories		10 818	-24 234
Change in accounts receivables		-141 730	265 251
Change in accounts payables		83 148	-81 691
Change in other current assets and other liabilities		52 491	73 883
Net cash flow from operating activities		-39 432	280 005
Cash flow from investing activities			
Payments for purchase of property, plant and equipment	7	0	-9 690
Payments and proceeds from investments in current financial assets (TRIS)	8	0	44 689
Proceeds from sale of shares in associate	8	147 768	0
Payments for acquisition of subsidiary	8	-200 008	0
Dividend from subsidiaries and associated companies	8	35 172	21 997
Proceeds from sale of share in associated company	8	0	2 643
Group contribution from subsidiaries		0	0
Change in loans/investments associates and others		45 000	-103 208
Net cash flow from investing activities		27 933	-43 669
Cash flow from financing activities			
New non-current borrowings		650 000	1 200 000
Non-current debt repayments		-37 014	0
Net proceeds from sale of treasury shares and payments for purchase of treasury shares		-1 953	-239 208
Net interest received		26 783	20 683
Dividend payment		-42 922	-106 173
Net cash flow from financing activities		594 895	849 893
Net increase/reduction in cash and cash equivalents		583 195	1 086 229
Cash and cash equivalents as of 1 January		2 372 047	1 285 818
Cash and cash equivalents as of 31 December		2 955 242	2 372 047

Notes to the Financial Statements

Note 1. Accounting principles

The financial statements for Norway Royal Salmon ASA have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting practice in Norway.

Principle for valuation and classification of assets and liabilities

Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. Similar criteria are used when classifying non-current and current liabilities.

Current assets are valued at the lower of acquisition cost and fair value.

Non-current assets are valued at acquisition cost, but are written down to their recoverable value if this is lower than book value and the impairment is expected to be permanent. Non-current assets with a limited useful economic life are systematically depreciated or amortized.

Other long-term and current liabilities are valued at nominal value.

Revenues

Revenues are recognized as they are accrued, when most of both risk and control have been transferred to the customer. This will normally be the case when the goods are delivered to the customer. Revenues are recognized at the value of the consideration on the date of the transaction.

Expenses

Expenses are generally recognized in the same period as the corresponding revenue. In cases where there is no clear connection between expenses and revenue, the allocation is determined based on an informed estimate. Other exceptions to the matching principle are specified where relevant.

Functional and presentation currency

The functional and presentation currency is NOK.

Assets and liabilities in foreign currencies

Transactions in foreign currencies are translated at the exchange rate in effect on the date of the transaction. Monetary items, receivables and liabilities in foreign

currencies are translated into NOK at the exchange rate in effect on the balance sheet date. Changes in exchange rates are recognized in the accounting period as an operational item.

The company reduces its foreign exchange risk on receivables by entering into forward contracts and raising loans for a corresponding amount in the same currency. As of 31 December, both trade receivables and withdrawals from currency accounts are valued at the day rate. See the description of forward currency contracts in the Derivatives section.

Derivatives

Currency Forward contracts are capitalized at their fair value on the date the contract was signed. Changes in fair value are recognized in the income statement, unless they qualify for hedge accounting. A derivative qualifying for hedge accounting is classified directly against equity. The instrument is derecognised when the contractual rights expire or contractual rights and obligations are transferred. Derivative financial instruments are classified as current assets or liabilities.

Commodity derivatives entered into by the company do not meet the requirements for hedge accounting, and gains and losses are recognized in the income statement on the date they are realized. The effect is classified as an operating item in the company's financial statements.

Property, plant and equipment

Property, plant and equipment are capitalized at historical cost and depreciated in a straight line over the asset's expected useful economic life. If the recoverable value of an operating asset is lower than its book value, it is written down to its recoverable value. Recoverable value is the higher of net sales value and value in use. Value in use is the net present value of the future cash flow if the asset is expected to generate.

Shares in subsidiaries and associates

Subsidiaries are defined as companies in which the shareholder has a controlling influence, normally where the shareholding exceeds 50 per cent. Associates are defined as companies in which the Group has a significant, but not controlling, influence. This is normally reversed the case where the shareholding is between 20 and 50 per cent.



Investments in subsidiaries and associates are recognized in accordance with the equity method. The company's share of the profit/losses from subsidiaries and associates will be its share of their profit/loss after tax less any amortization of excess values on the date of acquisition. Shares of profit/loss are presented net on a separate line under financial flows in the income statement. Investments in subsidiaries and associates are presented as non-current assets in the balance sheet.

Other investments in shares classified as non-current assets

Shares and other securities intended for long-term ownership are classified as non-current assets and recognized at their original cost price. A write-down is performed if the fair value is lower than cost price, and this situation is not of a temporary nature. Dividends received from these companies are recognized as other financial income.

Inventory

Inventory is recognized at the lower of acquisition cost and net sales price. The cost price of purchased goods is their acquisition cost plus freight charges.

Receivables

Trade and other receivables are recognized at nominal value less provisions for bad debts. Trade receivables are monitored continuously and it is the company's policy to insure all material trade receivables. Provisions for bad debts are based on an individual assessment of each receivable.

Bank deposits, cash and cash equivalents

Bank deposits, cash and cash equivalents include cash, bank deposits and other means of payment which can be immediately and with negligible exchange rate risk converted into cash.

Pensions

Defined contribution pension schemes
A defined contribution plan is a pension plan under which the employer pays fixed contributions. The employer has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees' service in the current and prior periods. In a defined contribution scheme, the company pays what they have committed to in accordance with an agreement, committed by law or voluntarily contributes. The company has no further obligations beyond this payment. Liabilities to pay contributions to defined contribution pension schemes are recognized as costs in the income statement as they accrue.

Defined benefit pension schemes

Pension schemes that are not defined contribution schemes are defined benefit schemes. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using a linear accrual method. Pension obligations are calculated based on long-term discount rate and long-term expectations of future salary growth, inflation and pension increases. Pension assets are valued at fair value. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the equity.

Statement of cash flow

The statement of cash flow has been prepared using the indirect method. The statement of cash flow shows a breakdown of the Company's total cash flow by operating activities, investing activities and financing activities. Cash flow associated with the acquisition and divestment of businesses is presented net under investing activities after deductions for cash reserves held by the acquired company.

Tax

The tax expenses are matched to the result before tax. Tax relating to equity transactions is recognized in equity. The tax expense comprises tax payable and any change in net deferred tax. Deferred tax liabilities and assets are presented net in the balance sheet.

Note 2. Sales revenues

Specification of sales by region:

(NOK 1 000)	2021	2020
Norway	688 740	658 157
Western Europe	3 485 483	3 540 272
Eastern Europe	299 724	296 334
Asia & Middle East	696 853	610 409
Other countries	2 080	3 415
Total operating revenues	5 172 881	5 108 586

Note 3. Personnel expenses and benefits

(NOK 1 000)	2021	2020
Wages and salaries	46 867	41 904
Payroll tax	9 419	8 410
Pension costs – defined benefits scheme	5 672	6 055
Other benefits	2 483	5 65
Total salary and personnel expenses	64 441	56 934

Average number of full-time equivalents

2021	46
2020	46

For details of the salary and other benefits payable to the Board of Directors, CEO and other senior executives, see Note 19 to the consolidated financial statements.

Note 4. Auditor's fee

(NOK 1 000)	2021	2020
Statutory auditing services	648	572
Other attestation services	61	60
Tax advisory services	0	0
Other services	107	31
Total auditor's fees	816	663

All auditing costs are exclusive of VAT.



Note 5. Pension costs and pension liabilities

The company has a statutory obligation to provide an occupational pension scheme under the Norwegian Mandatory Occupational Pension Schemes Act. The company's pension scheme complies with the requirements of this legislation.

The company operates a defined benefits pension scheme and a defined contribution scheme.

The company's defined benefit scheme entitles the 28 members to defined future benefits. These are mainly dependent on the number of years of entitlement, level of salary upon reaching retirement age and the size of the pension benefits paid by the National Insurance Scheme.

The liability is funded through an insurance company. The defined contribution scheme includes 18 employees.

As a result of the application of IAS 19R, the period's net interest expense is now calculated by applying the discount rate for the liability at the beginning of the period to the net liabilities. Net interest expense therefore consists of interest on the obligation and return on assets, both calculated at the same discount rate. The change in the net pension obligation as a result of premium payments and pension payments are taken into account. The difference between the actual return on plan assets and the return recognised in the profit and loss accounts is expensed as incurred against equity.

Pension costs: (NOK 1 000)	2021	2020
Current service cost	4 010	4 343
Interest expenses	334	480
Payroll tax	629	694
Administrational expenses	117	101
Net pension cost – defined benefit scheme	5 090	5 618
Employee contributions to scheme	-810	-482
Costs of defined contribution pension scheme	1 392	918
Total pension costs	5 672	6 055
Assumptions	2021	2020
Discount rate	1.50 %	1.50 %
Future salary increases	2.50 %	2.00 %
Inflation rate	1.50 %	1.75 %
Future pension increase	0.00 %	0.00 %
Demographic factors:		
Disability table	IR02	IR02
Mortality table	K2013 BE	K2013 BE
Number of employees in the scheme		
Active	28	29
Pensioners	8	9
Total	36	38
	2021	2020
Paid into scheme during the year	5 128	3 858
Forecast payment to scheme next year	5 782	4 329

Note 5. cont.

Calculation of amount recognised in the balance sheet:

(NOK 1 000)	31.12.2021	31.12.2020
Present value of funded obligations	84 596	78 757
Fair value of plan assets	-59 779	-55 053
Net pension liabilities in balance sheet	24 817	23 703

Change in present value pension liabilities:

(NOK 1 000)	2021	2020
Pension liabilities as of 1 January	78 757	78 097
Current service cost	4 644	5 045
Interest expense	1 188	1 410
Payroll tax on this year's payment	-723	-544
Pension payments	-600	-599
Actuarial gains/losses over other comprehensive income	1 331	-4 652
Pension liabilities as of 31 December	84 596	78 757

Change in estimated fair value of plan assets:

(NOK 1 000)	2021	2020
Estimated fair value of plan assets as of 1 January	55 053	50 458
Return on plan assets	742	836
Contributions paid	5 851	4 402
Pension payments	-723	-544
Payroll tax on this year's payment	-600	-599
Actuarial losses/(gain) over other comprehensive income	-544	500
Plan assets as of 31 December	59 779	55 053

Pension funds are made up as follows:

(NOK 1 000)	2021	2020
Shares	9.7%	7.2%
Short-term bonds	19.6%	20.4%
Money market fund	10.6%	10.6%
Long-term bonds	26.7%	30.8%
Loans and receivables	19.1%	17.0%
Property	13.6%	13.6%
Other	0.7%	0.4%
Total	100.0%	100.0%



Note 5. cont.

Sensitivity calculations

The Group's pension liabilities and costs are based on assumptions as described above. Changes in these assumptions will result in changes in liability. A 1 per cent increase in the discount rate would result in a gross pension liability of KNOK 6 698 (2020: 6 688). Conversely, reducing the discount rate by 1 per cent would result in a gross pension liability of KNOK 49 059 (2020: 46 510). An 1 per cent increase in the future salary increases would result in a gross pension liability of KNOK 38 018 (2020: 35 331). Conversely, reducing the future salary increases by 1 per cent would result in a gross pension liability of KNOK 13 129 (2020: 13 011).

Note 6. Financial income and financial expenses

Finansposter innregnet i resultatet:

(NOK 1 000)	2021	2020
Income from associates and subsidiaries	233 276	139 872
(Gain on sale of subsidiary (see specification below)) [*]	137 617	0
Write-down of financial assets ^{**}	-12 048	0
Net result from investment in associates and subsidiaries	358 846	139 872
Realised gains on TRS-agreements	0	44 689
Reversal of unrealised losses on Fish Pool contracts	28 994	-31 466
Gain on financial assets	28 994	13 223
Interest income	63 511	36 042
Interest expenses	-28 781	-3 904
Net interest expenses	34 730	32 137
Other financial expenses	-7 947	-11 454
Inefficiency cash flow hedging	59	38
Net financial expenses	-7 888	-11 416
Net financial items	414 682	173 816

* Hopway Royal Salmon ASA sold its 36.1% stake in the associated company Mikoval Fiskeoppdrett AS in the second quarter of 2021.

** Write-down of financial assets is explained by payment of the 1.2% per cent shares in Helsepost Norge Holding AS.

Note 7. Property, plant and equipment

(NOK 1 000)	Other operating assets
Acquisition cost 1 January 2021	11 042
Additions	147
Acquisition cost 31 December 2021	11 189

Accumulated depreciation 1 January 2021	1 438
Depreciation for the year	2 239
Accumulated depreciation 31 December 2021	3 677
Book value 31 December 2021	7 511

Useful economic life	5 years
Depreciation method	Straight-line

(NOK 1 000)	Other operating assets
Acquisition cost 1 January 2020	37 523
Additions	9 690
Disposals	-36 171
Acquisition cost 31 December 2020	11 042

Accumulated depreciation 1 January 2020	471
Depreciation for the year	967
Accumulated depreciation 31 December 2020	1 438
Book value 31 December 2020	9 603

Useful economic life	5 years
Depreciation method	Straight-line



Note 8. Subsidiaries and associated companies

Company	Consolidated	Registered office	Last acquisition date	Voting and shareholding	Book value
Nor Seafood AS	Yes	Senja	10.08.2007	82.50%	181 701
NRS Farming AS	Yes	Alta	01.08.2008	100.00%	918 669
Arctic Offshore Farming AS	Yes	Trondheim	01.08.2018	100.00%	235 886
Arctic Fish Holding AS*	Yes	Trondheim	09.11.2020	100.00%	596 234
Total investment in subsidiaries					1 932 488

* On 11.11.2020, the 2021 Norway consolidated ASAs were merged by Arctic Fish Holding AS into Arctic Fish Holding AS. For more information, please refer to the consolidated financial statements for further information.

Company	Consolidated	Registered office	Last acquisition date	Voting and shareholding	Book value
Wilgård Fiskeoppdrett AS	No	Senja	19.08.2008	37.50%	170 206
Måsoval Fiskfarm AS*	No	Freya	03.01.2003	0.00%	0
Hellesund Fiskeoppdrett AS	No	Lillesand	21.02.2004	33.50%	182 534
Other	No				48
Total investment in associates					352 787

* Norway Royal Salmon ASA sold its 36.1% stake in the associated company Måsoval Fiskfarm AS to Måsoval Fiskeoppdrett AS in the second quarter of 2021.

Note 8. cont.

Subsidiaries:

(NOK 1 000)	Nor Seafood AS	NRS Farming AS	NRS Settefisk AS	Arctic Offshore Farming AS	Arctic Fish Holding AS*	Total
Acquisition cost	23 691	1 666 111	988	50 000	4 694 837	
Paid excess value	14 045	102 297	0	0	122 430	
Opening balance 1 January 2021	191 681	934 424	1 017	48 742	24	1 175 889
Combination following merger of subsidiaries	0	1 017	-1 017	0	0	0
Additions due to Arctic Fish consolidation	0	0	0	0	340 038	340 038
Additions	0	0	0	0	200 008	200 008
Share of profit/loss for the year	-9 980	202 479	0	-32 308	59 201	219 593
Group contribution between subsidiaries	0	-219 252	0	219 252	0	0
Equity adjustments and dividend	0	0	0	0	-3 037	-3 037
Closing balance 31 December 2021	181 701	918 669	0	235 886	596 234	1 932 489

* From 1.11.2020, the 2021 Norway consolidated ASAs were merged by Arctic Fish Holding AS into Arctic Fish Holding AS. For more information, please refer to the consolidated financial statements for further information.

Paid excess value is almost entirely related to the value of licences and is not amortised, but is tested annually for impairment.

(NOK 1 000)	Nor Seafood AS	NRS Farming AS	NRS Settefisk AS	Arctic Offshore Farming AS	Arctic Fish Holding AS	Total
Acquisition cost	23 691	1 666 111	988	50 000	24	
Paid excess value	14 045	102 297	0	0	0	
Opening balance 1 January 2020	196 820	794 650	1 000	47 665	0	1 040 135
Additions	0	0	0	0	24	24
Share of profit/loss for the year	-767	153 711	-11 882	-12 377	0	128 885
Group contribution between subsidiaries	0	-13 938	683	13 254	0	0
Group contribution to subsidiary	0	0	11 216	0	0	11 216
Equity adjustments and dividend	-4 373	0	0	0	0	-4 373
Closing balance 31 December 2020	191 681	934 424	1 017	48 742	24	1 175 889

Paid excess value is almost entirely related to the value of licences and is not amortised, but is tested annually for impairment.



Note 8. cont.

Associated companies:

(NOK 1 000)	Arctic Fish ehf	Willgård Fiskeoppdrett AS	Måseval Fiskfarm AS**	Hellesund Fiskeoppdrett AS**	Other	Total
Acquisition cost at 31.12.2021	269 487	25 011	10 977	17 472	48	
Paid excess value	102 519	17 205	7 699	11 807	0	
Excess value and goodwill as of 31 December 2021	102 519	17 205	7 699	11 807	0	
Opening balance 1 January 2021	340 039	168 541	41 385	122 642	48	672 655
Disposal	-340 039	0	-10 141	0	0	-350 179
Share of profit/loss for the year	0	2 979	-1 102	14 812	0	16 689
Conversion differences	0	0	0	0	0	0
Dividend	0	0	-30 142	-50 300	0	-35 172
Equity adjustments	0	-1 313	0	50 110	0	48 797
Closing balance 31 December 2021	0	170 207	0	182 534	48	352 787

* During the first quarter of 2021, Norway Royal Salmon ASA disposed of its shares in Arctic Fishfarm AS. From 1 January 2021 fully consolidated into the Norway Royal Salmon Group as a subsidiary.
 ** The change directly against equity, relate to a share of the gain on the sale of shares in Norway Royal Salmon ASA.
 *** Norway Royal Salmon ASA sold its 36.1 % stake in the associated company Måseval Fiskfarm AS to Hønsdal Fiskeoppdrett AS in the second quarter of 2021.

Paid excess value is almost entirely related to the value of licences and is not amortised, but is tested annually for impairment.

Note 8. cont.

Associated companies:

(NOK 1 000)	Arctic Fish ehf	Willgård Fiskeoppdrett AS	Måseval Fiskfarm AS	Hellesund Fiskeoppdrett AS	Nordnorsk Smolt AS	Other**	Total
Acquisition cost at 31.12.2020	269 487	25 011	10 977	17 472	19 241	21 777	
Paid excess value	102 519	17 205	7 699	11 807	17 022	12 211	
Of which amortisable excess value/ goodwill	0	0	0	0	17 022	12 211	
Excess value and goodwill as of 31 December 2020	102 519	17 205	7 699	11 807	16 171	1404	
Opening balance 1 January 2020	227 750	1 700 27	20 653	111 481	42 247	14 490	586 649
Disposal***	0	0	0	0	-43 738	-14 690	-58 428
Share of profit/loss for the year	-18 172	2 264	9 943	15 213	1 491	247	10 986
Conversion differences	14 436	0	0	0	0	0	14 436
Dividend	0	-3 750	-8 845	-5 030	0	0	-17 625
Equity adjustments	116 024	0	19 634	977	0	0	136 634
Closing balance 31 December 2020	340 039	1 68 541	41 385	122 642	0	48	672 655

* The changes directly against equity is due to a share of the gain on the sale of shares in Norway Royal Salmon ASA.
 ** Due to a restructuring in Hønsdal Fiskeoppdrett AS Norway Royal Salmon was diluted and the owner's share was reduced to 17.2%. The investment in the company (NOK 12 047) will no longer be recognised as an investment in an associated company, but as an investment in shares. Disposal includes NOK 2 643 paid for the sale of shares in Hønsdal Fiskeoppdrett AS.
 *** Disposal of NOK 43 738 is related to the investment in Nordnorsk Smolt AS which in 2020 was sold to the 100% owned subsidiary HRS Farming AS. Paid excess value is almost entirely related to the value of licences and is not amortised, but is tested annually for impairment.

Income from subsidiaries and associates	2021	2020
Share of profit/loss for the year from associated companies and subsidiaries	233 276	139 872
Gain on sale of shares in associate (Måseval Fiskfarm AS)*	137 617	0
Write down of financial assets**	-12 048	0
Net result from investment in associates and subsidiaries	358 846	139 872

* Norway Royal Salmon ASA sold its 36.1 % stake in the associated company Måseval Fiskfarm AS to Hønsdal Fiskeoppdrett AS in the second quarter of 2021.

** A purchase of financial assets in equity but with a net cost of 12 048 due to the sale of shares in Hønsdal Fiskeoppdrett AS.



Note 9. Receivables due in more than one year

(NOK 1 000)	31.12.2021	31.12.2020
Other long-term receivables	2 159	46 904
Total receivables due in more than one year	2 159	46 904

Note 10. Inventory

(NOK 1 000)	31.12.2021	31.12.2020
Goods in transit	52 085	54 899
Finished goods	5 000	13 004
Total inventory	57 085	67 903

Note 11. Share capital and shareholders

Share capital as at 31 December 2021 comprises the following classes of share:	Number of shares	Nominal value	Book value
Ordinary shares	43 572 191	1 000	43 572 191

Norway Royal Salmon ASA had 3 114 shareholders as at 31 December 2021. All shares afford the same rights in the company.

In 2021 an ordinary dividend of NOK 130 716 573 (NOK 3 000 per share) was paid based on the annual accounts for the financial year 2020. The dividend was partly distributed in cash, 1.60 per share, totalling NOK 49 922 081 and partly by distribution of 452 615 shares. The dividend was transferred in June 2021.

For details of the largest shareholders and shares owned by board members, the CEO and other senior executives, see Note 22 to the consolidated financial statements.

Note 11. cont.

(NOK 1 000)	Share capital	Treasury shares	Other paid-in equity	Reserve for valuation variances	Other equity	Total
Equity as of 31 December 2020	43 572	-653	82 030	1 342 237	1 488 450	2 755 636
Change in the year:						
Net result for the year	0	0	0	201 446	159 995	361 441
Dividend associates and subsidiaries	0	0	0	-35 172	35 172	0
Other changes from subsidiaries and associates	0	0	0	0	48 797	48 797
Excess provision of dividends	0	0	0	0	-452	-452
Deposited not distributed dividend	0	0	0	0	130 717	130 717
Cash flow: hedging	0	0	0	0	-132 76	-132 76
Share based payment	0	3	0	0	-281	-278
Actuarial gains (losses)	0	0	0	0	-1462	-1462
Cash dividend	0	0	0	0	-42 922	-42 922
Net purchase and sale of treasury shares/dividend shares	0	459	0	0	0	459
Equity as of 31 December 2021	43 572	-198	82 030	1 308 510	1 804 739	3 238 654

For additional information on purchase and sale of treasury shares, please see Note 22 in the consolidated accounts.

Note 12. Taxation

(NOK 1 000)	2021	2020
Tax payable	0	-5 966
Change in deferred tax	-8 532	10 183
Adjustments from previous years	0	-59
Tax related to profit/loss for the year	-8 532	4 157

Tax payable in the balance sheet:

(NOK 1 000)	31.12.2021	31.12.2020
Tax payable	0	5 966
Tax on group contributions	0	-3 163
Tax payable	0	2 803

**Note 12. cont.****Specification of temporary differences and deferred tax:**

(NOK 1 000)	31.12.2021	31.12.2020	Change
Property, plant and equipment	379	300	79
Inventories and trade receivables	72	2 957	-2 885
Long term receivables and liabilities in foreign currency	169	67	102
Financial instruments	-104 59	12 521	-22 980
Pensions	24 817	23 703	1 114
Other temporary differences	174	1 359	-1 185
Tax losses carried forward	5 865	0	5 865
Basis for deferred tax	21 018	40 907	-19 889
Deferred tax assets	4 624	9 000	-4 376

Tax on items recognised directly in equity:

(NOK 1 000)	31.12.2021	31.12.2020
Actuarial losses	1 875	5 151
Cash flow hedging	17 020	19 357
Basis deferred tax	18 895	24 508
Deferred tax on items recognised directly against equity (22 %)	4 157	5 392

Reconciliation of nominal and actual tax rates:

(NOK 1 000)	2021	2020
Result before tax	369 973	215 329
Expected tax after nominal tax rate (22 % in 2019 and 23 % in 2018)	81 394	47 972
Actual tax	8 532	-4 159
Difference	-72 862	-51 529

Explanation of difference

Non-deductible expenses	234	154
Permanent differences related to the equity method	-48 671	-30 772
Realised and unrealised TRS gains/losses		-9 832
Gain from sale of associated company	-30 276	0
Share-based share of the option scheme	5	-15 98
Tax effect of items recognised directly in equity	5 846	-9 481
Tax on ordinary result	-72 862	-51 529

Effective tax rate	2,3 %	-1,9 %
---------------------------	--------------	---------------

Note 13. Intra-group transactions and balances**Intra-group balances:**

Current Group receivables (NOK 1 000)	2021	2020
Other short term receivables group companies	0	20 292
Loan to associated company	0	-14 379
Total current Group receivables	0	5 913

Group trade payables

(NOK 1 000)	2021	2020
Group companies	215 913	84 153
Associated companies	6 398	90 598
Total Group trade payables	222 311	1 74 751

Transactions with group companies:

(NOK 1 000)	2021	2020
Cost of goods sold	2 053 595	1 529 368
Other interest income	63 505	34 383



Note 14. Non current liabilities

Non current liabilities (NOK 1 000)	2021	2020
Long term liabilities for right-to-use assets	7 304	9 023
Debit to credit institutions, Danske Bank	1 814 706	1 200 000
Total non current liabilities	1 822 010	1 209 023

Group loan agreements

Per 31.12.2021 the credit facilities to banks in Norway is total NOK 2,800,000. NOK 1,000,000 is a revolving loan facility that is instalment-free and expires 17 March 2025. NOK 1,200,000 is a sustainability linked term loan that has an 8.5 year instalment profile with the first instalment Q4-21 with a duration until 31.12.2025. The sustainability link is explained by the fact that the bank's margin is adjusted in accordance with the company's ESG contribution development as well as the progression of electrification of the company's barges.

In addition a multi-currency overdraft facility of NOK 600,000 is committed and covers all the group's companies in Norway.

Interest on the non current debt is floating and linked to the 3-month NIBOR plus a margin. Interest on the multi-currency credit line is 3-month NIBOR/ 1-week LIBOR/ Danish BOR plus a margin.

Financial covenants

The main loan terms (covenants) are based on standard ratios. The agreement has a financial requirement for a minimum 30% equity ratio where the right-of-use assets and lease obligations have been deducted (see calculation in Alternative Profit Measures). Withdrawals from the short-term credit facility shall not exceed 75% of the book value of inventories and accounts receivable. At the end of 2021, the company complies with the loan terms in accordance with the loan agreement.

Note 15. Assets pledged as securities, guarantees, etc.

Capitalised secured liabilities (NOK 1 000)	31.12.2021	31.12.2020
Long-term debt to credit institutions	1 814 706	1 200 000
Total secured liabilities	1 814 706	1 200 000

Book value of assets pledged as security

(NOK 1 000)	31.12.2021	31.12.2020
Other operating assets	7 511	9 603
Inventories	57 085	67 903
Accounts receivables	2 69 106	327 376
Total secured liabilities	333 702	204 882

Guarantee liabilities

	1 567	1 567
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In addition to the above-mentioned guarantees, the company had the following liabilities as of 31 December 2021:

- 1) Norway Royal Salmon ASA has given guarantees to credit institutions with respect to some of its subsidiaries' leasing liabilities. As of 31 December 2021 the total recognised leasing liabilities for which NRS has pledged security amounted to NOK 288 292.
- 2) Norway Royal Salmon ASA has joint liability up to a maximum of NOK 600 000 for the group overdraft arrangement.
- 3) In connection with Group funding the company's assets are pledged as security for the liabilities of the subsidiaries.



Note 16. Liquidity

As at 31 December 2021 the company had restricted deposits of KNOK 18 994 (2020: KNOK 31 451). The funds have been pledged as security for the company's trading activities on Fish Pool.

The company is part of the group's cash pool. For information on unutilized overdraft please see Note 9 to the consolidated financial statements.

Note 17. Derivatives

Forward currency contracts

Forward currency contracts are recognised at fair value at the balance sheet date. At 31 December 2021 forward currency contracts was nominated in EUR, USD and GBP. These contracts mature between 5 January 2022 and 22 December 2022 and are used to hedge cash flows expected to arise during this period.

and reduce foreign currency exposure on receivables. The cash flow hedging satisfy the demands for hedge accounting and the changes in unrealised value are recognised directly against equity. Inefficient hedging is recognised as a financial loss. Realised profit/loss on the contract are recognised in revenues.

As of 31 December 2021 (NOK 1 000)	Type	Currency	Cur- rency amount	Currency period	Exchange rate range	Book value
Forward currency contracts - cash flow hedging	Sale	EUR	33 997	10.01.22-22.12.22	9.7383-11.0558	9 480
Forward currency contracts - cash flow hedging	Sale	USD	9 585	10.01.22-15.12.22	8.3799-9.1430	-630
Forward currency contracts - cash flow hedging	Sale	GBP	3 105	20.01.22-20.12.22	11.9918-12.0058	349
Forward currency contracts - fair value hedging	Sale	EUR	20 000	05.01.2022	10.034-10.072	1 260
Total forward currency contracts						10 459

As of 31 December 2020 (NOK 1 000)	Type	Currency	Cur- rency amount	Currency period	Exchange rate range	Book value
Forward currency contracts - cash flow hedging	Sale	EUR	45 184	15.01.21-20.01.22	10.515-11.959	19 841
Forward currency contracts - cash flow hedging	Sale	USD	6 608	05.01.21-15.12.21	8.965-9.061	3 023
Forward currency contracts - cash flow hedging	Sale	GBP	24 36	15.01.21-22.03.21	12.591-13.493	3 350
Forward currency contracts - cash flow hedging	Sale	JPY	80 444	08.01.21-15.03.21	0.0827-0.0830	-54
Forward currency contracts - fair value hedging	Sale	USD	5 000	06.01.21	9.304	3 872
Forward currency contracts - fair value hedging	Sale	EUR	24 000	07.01.21	10.877	9 768
Total forward currency contracts						39 800

Note 17. cont.

Financial Fish Pool contracts

A contract has been signed to purchase 125 tonnes on the Fish Pool salmon exchange. The contract prices is NOK 59.60 and cover the period January 2022. The sales department enters into the contracts with the aim of hedging margins related to deliveries of fixed-price contracts to customers. In addition, the group has entered into an agreement to sell 3 510 tonnes on Fish Pool. The contract prices are in the range NOK 58.75- NOK 60.00 and cover the period from January 2022

to December 2022. Realised Fish Pool contracts are posted in the accounts under operational result and the unrealised value changes to the Fish Pool contracts are posted as a financial loss in the accounts. Realised Fish Pool contracts classified under the operational result amounted to a gain of KNOK 1 977 in 2021 (2020: cost of KNOK 4 619). Unrealised change in the value of Fish Pool contracts was KNOK 28 994 in 2021 (2020: KNOK -31 466).

As of 31 December 2021

(NOK 1 000)	Type	Currency	Volume (tonnes)	Period	Price range	Book value
Fish Pool contracts	Purchase	NOK	125	01.01.22-31.01.22	59.60	1 063
Fish Pool contracts	Sale	NOK	3 510	01.01.22-31.12.22	58.75-60.00	-3 534
Total						-2 472

As of 31 December 2020

(NOK 1 000)	Type	Currency	Volume (tonnes)	Period	Price range	Book value
Fish Pool contracts	Purchase	NOK	8 209	01.01.21-31.01.22	55.00-62.00	-32 501
Fish Pool contracts	Sale	NOK	300	01.01.21-30.06.21	57.00	1 035
Total						-31 466

Total return swap

In 2020 Norway Royal Salmon ASA exercised its contractual right to purchase 994 609 own shares at a price of NOK 235.00 per share. Consequently, the TRS (Total Return Swap) agreement for the corresponding number of shares terminated. As of 31 December 2020, Norway Royal Salmon had no underlying exposure through TRS agreements. The gain on realisation amounted to NOK 44 689 and is posted as a financial loss in the accounts.

Note 18. Financial risk

For further information relating to the management of financial risk in the parent company and group, see Note 16 to the consolidated financial statements.



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Consolidated income statement

(NOK 1 000)	Note	2021	2020
Operating revenues	2	5 800 895	5 118 867
Cost of materials		4 683 289	4 393 881
Personnel expenses	19.20	242 636	166 995
Depreciation	3.7.8	149 897	100 747
Other operating expenses	6.13.25.2.6	380 833	210 992
Total operating expenses		5 456 635	4 872 615
Operational EBIT		344 260	246 252
Fair value adjustments	15	111 668	-136 657
Production fees		-19 106	0
Income from associates	11	35 356	-1 985
Net operating result		472 178	107 609
Financial items			
Gain financial assets	17.21	307 528	-8 165
Net interest expenses	21	-60 395	-13 276
Net other financial income (expenses)	21	35 934	-13 198
Net financial items		283 068	-34 639
Result before tax		755 245	72 970
Tax	14	-41 836	1 717
Net profit/loss		693 410	74 687
Profit attributable to:			
Owners of the parent company		617 362	80 113
Non-controlling interests	4	76 047	-5 426
Net result for the year		693 410	74 687
Earnings per share (NOK)	23	14.30	1.86
Earnings per share - diluted	23	14.30	1.86

Consolidated statement of comprehensive income

(NOK 1 000)	Note	2021	2020
Net result for the year		693 410	74 687
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Translation differences from associated companies		-17 486	14 436
Cash flow hedges (net of tax)	17	-13 276	15 098
Total items that may be reclassified to profit or loss		-30 761	29 535
Items not to be reclassified to profit or loss:			
Actuarial gains/losses on defined benefit plans (net of tax)	20	-1 462	4 018
Total items not to be reclassified to profit or loss		-1 462	4 018
Comprehensive income for the year		661 186	108 240
Comprehensive income attributable to:			
Owners of the parent company		585 139	113 666
Non-controlling interests	4	76 047	-5 426
Comprehensive income for the year		661 186	108 240

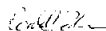


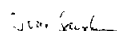
Statement of financial position

ASSETS (NOK 1 000)	Note	31.12.2021	31.12.2020
Non-current assets			
Intangible assets			
Licences incl. other intangibles	3.10	1 653 720	948 616
Deferred tax assets	14	19 479	0
Total intangible assets		1 673 199	948 616
Property, plant and equipment			
Buildings, boats, fleets & other operating assets	7.10	3 493 100	2 042 887
Right-of-use assets	8.10	379 764	308 872
Total property plant and equipment		3 872 863	2 351 759
Non-current financial assets			
Investments in associates	11	427 352	721 856
Other financial assets		4 408	3 999
Other long-term receivables	6.16.27	2 159	46 904
Total non-current financial assets		434 119	772 759
Total non-current assets		5 980 201	4 073 134
Current assets			
Inventories	10.24	139 304	104 275
Biological assets	5.10.15	1 785 781	1 282 006
Total inventory		1 925 085	1 386 281
Receivables			
Accounts receivables	6.10.16	327 543	190 539
Other short-term receivables and prepayments	6.16.17	144 217	166 002
Total short-term receivables		471 760	316 541
Bank deposits	9.16.18	18 484	7 302
Restricted bank deposits	9.16.18	46 705	31 451
Total current assets		2 462 033	1 741 574
Total assets		8 442 234	5 814 710

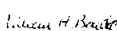
EQUITY AND LIABILITIES (NOK 1 000)	Note	31.12.2021	31.12.2020
Equity			
Share capital	2.2.23	43 572	43 572
Treasury shares	2.2.23	-198	-653
Retained earnings	2.2.23	3 629 466	3 048 177
Total equity attributable to owners of the parent company		3 672 841	3 091 096
Non-controlling interests			
		770 509	39 596
Total equity		4 443 350	3 130 692
Non-current liabilities			
Pension liabilities	20	24 817	23 703
Deferred tax liabilities	14	555 392	365 569
Non-current interest bearing debt	9.10.16	1 997 682	1 200 000
Long-term leasing liabilities	9.10.25	237 150	178 514
Total non-current liabilities		2 809 041	1 767 786
Current liabilities			
Current interest bearing debt	9.10.16	362 092	178 307
Short-term leasing liabilities	9.10.25	55 703	48 512
Accounts payables	16	660 870	617 937
Tax payable	14	140	3 752
Other current liabilities	12.16.17	111 038	67 723
Total current liabilities		1 189 843	916 231
Total liabilities		3 998 884	2 684 018
Total equity and liabilities		8 442 234	5 814 710

Trondheim, 6 April 2022


 Rolf Dolmen
 Chair


 Nør Rolf Sandnes
 Vice Chair


 Kristine Landmark


 Lilian Margrete Bonde


 Ingrid Marie Sivertsen


 Klaus Haabebrøkke
 Interim CEO



Consolidated statement of cash flow

(NOK 1 000)	Note	2021	2020
Operational EBIT		344 260	246 252
Adjusted for:			
Taxes paid	14	-36 659	-38 379
Depreciation	7.8	149 897	100 747
Share based payment		1 675	3 100
Pension costs with no cash effect		-761	1 216
Change in inventories/biological assets	5	33 994	-183 548
Change in account receivables and accounts payables		-238 796	245 005
Change in other current assets and other current liabilities		21 813	10 154
Net cash flow from operating activities		275 423	384 548
Cash flow from investing activities			
Payments for purchase of fixed assets and licenses (FAH)	7	-1 003 710	-1 416 544
Investment in associated company		-12 500	0
Proceeds from realisation of current financial assets (CRS)	17.21	0	44 489
Proceeds from investments in non-current financial assets	11	35 172	17 625
Proceeds from sale of non-current financial assets	11	147 758	2 644
Net of cash acquired from Arctic Fish		79 171	0
Change in loans/issue associates and others		45 000	-98 935
Net cash flow from investing activities		-709 059	-1 450 521
Cash flow from financing activities			
Receipts from new non-current debt	9	650 000	1 200 000
Installments non-current debt	9	-32 527	0
Installments right to use liabilities	9.25	-57 931	-53 489
Interest payments for right to use liabilities	25	-11 504	-6 788
Net change in bank overdraft	9	-95 181	178 308
Total proceeds from transactions with treasury shares	22	-1 953	-239 308
Share issue		144 130	0
Net interest payments		-66 958	-20 139
Dividend payment	22	-42 922	-106 173
Realised currency effects		-25 044	0
Net cash flow from financing activities		460 111	952 411
Net increase in bank deposits		26 435	-113 563
Bank deposits as of 1 January		38 753	152 317
Cash and cash equivalents as of 31 December		65 188	38 753

Consolidated statement of changes in equity

Equity attributable to owners of the parent company

(NOK 1 000)	Note	Share capital	Treasury shares	Cash-flow hedges reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity as of 1 January 2021		43 572	-653	20 375	17 486	3 010 316	3 091 096	39 596	3 130 692
Net result for the year		0	0	0	0	617 362	617 362	76 047	693 410
Actuarial losses on defined benefits plans		0	0	0	0	-1 462	-1 462	0	-1 462
Foreign currency translation		0	0	0	-17 486	0	-17 486	0	-17 486
Cash flow hedges (net of tax)		0	0	-13 276	0	0	-13 276	0	-13 276
Total comprehensive income		0	0	-13 276	-17 486	615 900	585 139	76 047	661 186
Transactions with shareholders									
Dividend	22	0	453	0	0	-43 374	-42 921	0	-42 921
Share based payment	19	0	0	0	0	1 675	1 675	0	1 675
Net purchase and sale of treasury shares		0	3	0	0	-1 956	-1 953	0	-1 953
Non-controlling interests at acquisition		0	0	0	0	0	0	500 000	500 000
Share issue		0	0	0	0	-10 700	-10 700	154 865	144 165
Equity transactions associated companies*	22	0	0	0	0	50 505	50 505	0	50 505
Total transactions with shareholders		0	456	0	0	-3 850	-3 394	654 865	651 471
Equity as of 31 December 2021		43 572	-198	7 100	0	3 622 366	3 672 861	770 509	4 443 350

*Equity transactions in associated companies of 864234232 are related to gifts on the sale of 185 shares in an associated company. See note 11 for further explanation.



Consolidated statement of changes in equity cont.

Equity attributable to owners of the parent company

(NOK 1 000)	Note	Share capital	Treasury shares	Cash-flow hedges reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity as of 1 January 2020		43 572	-141	5 277	3 049	3 259 333	3 311 090	45 949	3 357 039
Net result for the year	0	0	0	0	0	80 113	80 113	-5 425	74 687
Actuarial gain on defined benefit plans	0	0	0	0	0	4 018	4 018	0	4 018
Foreign currency translation	0	0	0	0	14 436	0	14 436	0	14 436
Cash flow hedges (net of tax)	0	0	15 098	0	0	15 098	0	0	15 098
Total comprehensive income	0	0	15 098	14 436	84 131	113 666	-5 425	108 240	
Transactions with shareholders									
Dividend	22	0	449	0	0	-106 173	-105 724	-927	-106 651
Share based payment	19	0	0	0	0	3 100	3 100	0	3 100
Other equity transactions in the Group*	0	0	0	0	0	9 234	9 234	0	9 234
Net purchase and sale of treasury shares	22	0	-962	0	0	-239 308	-240 270	0	-240 270
Total transactions with shareholders	0	-513	0	0	0	-333 148	-333 660	-927	-334 587
Equity as of 31 December 2020		43 572	-653	20 375	17 486	3 010 316	3 091 096	39 596	3 130 692

* Other equity transactions of NOK 9234 are related to gains on the sale of IFRS shares in an associated company and dilution of shares in an associated company. See note 11 for further explanation.

Notes to the annual financial statements

Note 1. Accounting principles

1.1 General information

Norway Royal Salmon ASA is a public limited company based in Norway and has its head office in Trondheim. The company's shares are listed on the Oslo Stock Exchange, code NRS.

The consolidated financial statements for 2021 include the parent company, subsidiaries and the Group's shareholdings in associates. The Group's core business is linked to salmon farming and sales.

The annual financial statements were approved by the board on 6 April 2022.

1.2 Basis of preparation

The most important accounting principles applied in preparing the consolidated financial statements are described below. These principles apply in the same way in all periods presented unless indicated otherwise.

Statement of compliance

The consolidated financial statements of Norway Royal Salmon ASA have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and relevant interpretations that are mandatory for annual financial statements, presented as of 31 December 2021.

The consolidated financial statements have been prepared on a going concern basis.

Basis for measurement

The consolidated financial statements have been prepared on the principle of historic cost, except for the following assets and liabilities, which are presented at fair value:

- Biological assets valued at fair value (Note 5)
- Derivatives valued at fair value (Note 16)
- Pension liabilities (Note 20)

The principles used to determine fair value are described in more detail in the following principles and relevant notes.

1.3 Introduction of new and amended standards

Norway Royal Salmon has not applied any new standards in 2021. The most significant changes in the IFRS standards in 2021 are:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2

None of these changes have had any effect on the financial statements of Norway Royal Salmon ASA in 2021.

1.4 Summary of important accounting principles

Basis of consolidation

Subsidiaries
Subsidiaries are entities controlled by the company. Control over a company arises when the Group is exposed to variability in the return of a company and has the ability to influence this return through its influence over the company. Annual financial statements of subsidiaries are included in the consolidated financial statements from the date control is achieved until the date control ceases.

Business combinations are recognized using the acquisition method. The consideration paid is measured as the fair value of the assets transferred, liabilities assumed, equity instruments issued and the fair value of contingent assets or liabilities resulting from the contract. Costs in connection with business combinations are expensed as they are incurred. Identifiable assets and liabilities are recognized at fair value at the time of acquisition. Non-controlling shareholdings in acquired companies are measured on a case-by-case basis either at fair value or as the respective share of the net assets of the company acquired.

Should the total of the consideration, carrying amounts of non-controlling owners and fair value at the time of acquisition of previous shareholdings exceed the fair



value of identifiable net assets of the company acquired, the difference is recognised in the balance sheet as goodwill. Should this total be less than the company's net assets, the difference is recognised in income immediately.

Eliminations

Intra-group transactions and balances have been eliminated. Any unrealised profits or losses associated with intra-group transactions are eliminated during the preparation of the consolidated financial statements.

Non-controlling interests

Transactions with non-controlling owners of subsidiaries are treated as equity capital transactions. When acquiring shares from non-controlling owners, the difference between the price paid and the shares' pro rata share of the reported balance sheet value of the subsidiary's net assets is recognised in the equity of the parent company's owners. Profits or losses on sales to non-controlling owners are similarly recognised in equity.

If the Group no longer has control, any remaining interest is valued at fair value with changes in value being recognised through profit or loss. Fair value then represents the cost in subsequent recognition, either as an investment in associates, joint ventures or as a financial asset. Amounts previously recognised in comprehensive income relating to this company are treated as if the Group had disposed of the underlying assets and liabilities. This could mean that amounts previously recognised in comprehensive income are reclassified to the income statement.

Associates

Associates are entities over which the Group exercises considerable influence but not controlling influence. A considerable influence normally applies to investments in which the Group owns between 20% and 50% of the voting rights. The consolidated financial statements include the Group's share of profits or losses in accordance with the equity method from the time considerable influence is achieved and until such influence ceases. Should the Group's share of losses exceed the investment in an associate, the Group's carrying amount is reduced to zero and no further losses are recognised unless the Group has assumed legal or constructive obligations or made payments on the company's behalf. The Group determines a catch reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

The equity method is regarded as a consolidation method. By cross-ownership, the associates'

investments in Norway Royal Salmon ASA are treated as treasury shares.

Classification of accounting items

Assets and liabilities associated to the production cycle or which are held for sale, and items due for payment within one year of the balance sheet date are classified as current assets or short-term liabilities. Liquid funds are also classified as current assets. Other assets are classified as non-current assets. Other liabilities and provisions for long-term obligations are classified as long-term liabilities. The next year's instalments of long-term debt are classified as current liabilities.

Proposed dividends are recognised as liabilities in the balance sheet when the company is obliged irrevocably to pay dividends, normally when they have been approved at the Annual General Meeting.

NRS's key measurement is operational EBIT before fair value adjustments. Fair value adjustments are presented on separate lines within the income statement. This presentation has been chosen to clearly identify earnings on sales during the period.

Statement of cash flow

The statement of cash flow has been prepared using the indirect method. The statement of cash flow shows a breakdown of the Group's total cash flow by operating activities, investing activities, and financing activities. Cash flow associated with the acquisition and divestment of businesses is presented net under investing activities after deductions for cash reserves held by the acquired or divested company.

Segment reporting

An operating segment is part of the Group that engages in business which can generate revenues and costs, including revenues and costs deriving from transactions with other Group segments. Operating segments are identified based on the report flagged by Group management to assess performance and profitability at a strategic level. The Group management is defined as the chief operating decision-makers. The financial performance of all operating segments is reviewed monthly by group management. Performance is evaluated based on operating results (EBIT) per segment. See Note 2.

Revenues

Sale of goods
The Group's operating revenues derive mainly from the sale of fish. Revenues from the sale of goods are recognised in income when control has been transferred to the customer. This is normally the delivery date. The timing of the transfer of risk to the customer depends on the delivery terms specified in the sales contract

and varies from customer to customer. The normal credit term is 30 days net. The transaction price is the consideration that Norway Royal Salmon expects to be entitled to in exchange for the transfer of agreed goods to the customer, except for amounts received on behalf of third parties. The consideration agreed upon in a contract with a customer may include fixed amounts, variable amounts or both.

Interest income

Interest income is recognised when the income is earned.

Dividends

Dividend income is recognised when the entitlement to receive payment arises.

Fish-farming licences

Licences acquired by the Group are capitalised at cost. Fish-farming licences are deemed to have an indefinite useful life and are not amortised, but are tested annually for impairment or more frequently if there is indication of impairment.

In Iceland, licences are granted for a period of 10 years and must then be renewed. Licences will be renewed if the applicant meets the prevailing statutory and regulatory requirements at the time the licence comes up for renewal. A small charge must be paid for the licence's renewal. Because licences have a 10-year lifespan, with the possibility of renewal, NRS has elected to presume that these licences have an indeterminate usable life. They are therefore not depreciated, but tested annually for impairment.

Below is a detailed description of the Group's assessments in situations where the Group has established that an asset has an indefinite useful life, cf. IAS 38.122. Intangible assets with an indefinite useful life are not amortised, but tested for impairment once a year as a minimum.

The licence scheme for production of salmon and trout in Norway is implemented by the Norwegian Parliament and adopted in the Norwegian Act relating to aquaculture (Aquaculture Act). The Ministry of Trade, Industry and Fisheries is responsible for allocation of aquaculture permits (licences). All activities involving aquaculture require a licence. It is prohibited to farm salmon without a licence from the authorities, cf. section 4 of the Aquaculture Act. All licences are governed by the same regulations (current Aquaculture Act with provisions) irrespective of when the licence was allocated. NRS's aquaculture permit entitles the Group to produce salmon in a confined geographical area (sites) subject to the prevailing limitations established at any given time regarding the scope of the permit. The Ministry may prescribe detailed

provisions relating to the content of the aquaculture licences by administrative decision or regulations. The Ministry of Trade, Industry and Fisheries administers the Aquaculture Act centrally, and the Directorate of Fisheries is the supervisory authority. Regionally, there are several sector authorities that together represent the total administrative and supervisory authority within the area governed by the Aquaculture Act. The individual county is the regional administrative body, and the Directorate of Fisheries is the appellate body for issues involving locations and licences.

Since January 2005, the limitations on production established for aquaculture licences for salmon and trout have been governed according to a scheme known as *Maxim um Aflivj á Binnvass (MAB)*. This specifies the maximum biomass in the sea that a licence holder can have at any given time. The following regulations regarding production limitations apply to the different types of licences held by the Group:

Licences are limited in number, i.e. the enterprises are only granted new licences (more production volume) subsequent to politically adopted allocation rounds.

Section 5, second paragraph of the Aquaculture Act reads: "The Ministry may prescribe detailed provisions relating to the content of the aquaculture licences, including the scope, time limitations etc. by administrative decision or regulations." In the legislative background to the Aquaculture Act, White Paper no. 6/2004-2005, the following statement can be found on page 59: "It will remain the case that licences are normally allocated, without any specific time limitation. Implementation of such limitations should be reserved for those issues where a time limitation, based on the specific situation, provides for a more complete fulfilment of the Act than if the licences were to be allocated without a time limitation." The duration of licences, also as set forth by the Aquaculture Act, which in its most recent revision underlined ownership of licences by allowing the licences to be mortgaged to the benefit of the lender.

There are no time limitations specified in NRS's terms for grow-out licences, and they are therefore deemed to be time-independent production rights according to the prevailing regulations. As the licences are not bound by limited period, there is no need to apply for their renewal. All licences are deemed valid pursuant to the Aquaculture Act, unless they are revoked in accordance with the Act. Section 9 of the Aquaculture Act describes the grounds for revocation of a licence. Section 9 states that licences may be revoked due to gross contravention of the provisions of the Act. Historically, no operative licences for salmon and trout have ever been revoked in Norway.



According to past and present legislation and the general interpretation and practice in the industry, Norwegian fish farming licenses are not a time-limited right, and licenses should therefore not be subject to amortisation.

Write-downs

The Group's assets are reviewed at the end of each accounting period to assess whether there are any indications that their value has fallen below book value. If such indications exist an assessment is made of the asset's recoverable amount. If the recoverable amount is lower than book value, the asset is written down to the recoverable amount. The recoverable amount is the higher of the expected sales value and value in use (present value of expected future cash flows).

Licenses are defined as having indefinite useful economic lives and are not amortised, but tested annually for impairment. This assessment is done by calculating the estimated present value of future cash flows (recoverable amount) from each cash-flow generating unit and comparing these with the book value of the cash flow generating unit. If the recoverable amount is lower than book value, the asset is written down.

Previous write-downs are reversed if the estimated recoverable amount subsequently exceeds book value. The upper limit for reversal is cost less amortisation.

Biological assets

Biological assets comprise live fish stocks. Under IAS 41, biological assets are recognized and measured at fair value. Fair value is determined in accordance with IFRS 13. There are no different markets for the sale of live fish, and valuing live fish involves estimating their fair value in a live fish market. Norway Royal Salmon recognises the production cost incurred at the balance sheet date.

For very small and young fish are valued at historic cost. Historic cost is deemed to be the best estimate of fair value for these assets due to little biological conversion.

The technical model for calculating fair value is a present value model. 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 (sales price from Oslo) adjusted for the export cost is the reference price. This rate is further adjusted for expected harvest costs (vessel, boat, harvest and packing) and transport to Oslo. Adjustments for expected size and quality differences are also made. The adjustment in relation to the reference price is done at site level. Estimated remaining production costs to breed the fish to harvestable weight represents the cost estimate a rational operator would assume, if he wanted to buy the immature fish with the purpose to breed to harvestable size.

The present value model used for valuing the biological assets stipulates that compensation for license rent is deducted from the inventory value in the form of a premium in the monthly discount factor, rather than a separate cost item. In this way rent cost will be correlated with the price and the value of the license.

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 to harvest plans.

Changes in fair value adjustments are recognised in the income statement on a separate line for fair value adjustments. Fair value adjustments are included in the consolidated net operating results.

Costs related to the non-recurring events that cause mortality are expensed in the income statement in the period it occurs. Such costs are included in the operational result. Non-recurring events that cause mortality is defined as an incident of non-normal nature that has a significant economic impact. A specific assessment is made of every incident that has caused increased mortality. This assessment is done by the regional management in close dialogue with the group management in Norway Royal Salmon within the Group. Events defined as non-recurring are, for example, outbreaks of disease, algae attack, treatment losses, extreme weather, statutory orders of destruction of salmon and escapes that amounts to a significant value for the Group.

Costs related to what is considered normal mortality are included in the carrying amount of biomass in the balance sheet. Normal mortality is considered part of the production process of fish and added to the production cost.

The Group enters into contracts for future delivery of salmon. Biological assets are recognised at fair value. The fair value adjustment in the income statement includes the change in fair value of the biological assets, expected cost for fulfilling the sales contracts and financial Fish Pool contracts. The Group may have onerous contracts under IAS 37 even if the contract price for physical delivery contracts is higher than the actual production cost of the products. In that case, a provision is made for the estimated negative value. The provisions are classified as other current liabilities.

Fair value adjustment recognised in the financial accounts in the period include 1) changes in the fair value of biological assets, 2) changes in fair value (liabilities) related to onerous contracts and 3) change in an estimate of the expected production and sales contracts. Derivatives at Fish Pool. Fish Pool contracts are treated as financial instruments in the balance sheet, where unrealised gains are classified as other receivables and unrealised losses are classified as other current liabilities.

Financial instruments

Financial instruments are classified in three measurement categories: hedge accounting, fair value through P&L and amortised cost. The measurement categories are decided when recognising the assets for the first time. The basis of classification depends on Norway Royal Salmon's business model and the contractual cash flow characteristics of the financial asset.

Financial liabilities at fair value through P&L

Forward currency contracts

The Group uses forward currency contracts to hedge against foreign currency fluctuations arising from operating activities. The contracts are measured at fair value. Changes in fair value of derivatives are recognised through profit and loss as financial items, except for currency contracts qualifying for hedge accounting.

Total Return Swaps

The Group uses a Total Return Swaps (TRS)-agreements to get a result and liquidity exposures that are linked to the value of Norway Royal Salmon's shares. The TRS-agreement is recognised at fair value and changes in fair value are recognised in financial items. The Group has no TRS-agreements as of 31 December 2021.

Fish Pool - Purchase contracts

The Group also derivatives to hedge margins connected to deliveries in the sales department. In cases where

fixed-price contracts have been entered into and the sales department does not wish to hedge the Group's volume from the farming operations, agreements are made to purchase financial Fish Pool contracts to hedge the margins. The derivatives are measured at fair value at the time they are entered into with subsequent changes in value recognised on a separate line for fair value adjustment. Fair value adjustments are included in the consolidated operating results. Realized gains and losses are recognised in cost of sales.

Fish Pool - Sales contracts

The Group enters into Financial Fish Pool contracts in order to hedge prices of future deliveries. Derivatives are measured at fair value at the time they are entered into with subsequent changes in value being recognised on a separate line for fair value adjustments. Fair value adjustments are included in the consolidated operating result. Realized gains and losses are recognised in sales revenues.

Hedge accounting

Forward currency contracts - hedge accounting

The Group uses forward currency contracts which qualify for hedge accounting to hedge against foreign currency fluctuations arising from operating activities. The contracts are measured at fair value. Changes in fair value of forward currency contracts qualifying for hedge accounting are recognised in OCI.

The Group's criteria for classifying a derivative as a hedging instrument for accounting purposes follows specific guidance in IFRS 9 and is as follows. There is adequate documentation when the hedge is entered into that the hedge is effective. The hedge is expected to be highly effective in that it counteracts changes in cash flows from an identified object. For cash flow hedges, the forthcoming transaction must be highly probable, and the effectiveness of the hedge can be reliably measured. The hedge is evaluated regularly.

For hedge accounting, hedges are classified as cash flow hedges where they hedge exposure to variability in cash flows caused by variations in currency rates. For cash flow hedges, which meet the conditions for hedge accounting, any unrealised gain or loss on the contract that is determined to be an effective hedge is recognised temporarily in other comprehensive income until the hedged cash flow materialises and affects the profit or loss. All financial instruments are recognised in the balance sheet at fair value when the entity becomes a party to the contractual provisions of the instrument. The instrument is derecognised when the contractual rights expire or contractual rights and obligations are transferred. Derivative financial instruments are classified as either assets or liabilities. If a cash flow



hedge expires, gains and losses in the hedging reserve within equity are recycled through profit or loss in accordance with the above principle. If the hedged transaction is no longer expected to occur, accumulated unrealised gains and losses previously recognised in other comprehensive income is immediately reversed and recycled through profit or loss.

Financial liabilities at amortised cost

Liabilities

Current and non-current interest-bearing debt and trade payables are initially recognised at fair value less directly attributable transaction costs. In subsequent periods, interest-bearing debt is recognised at amortised cost. Trade payables do not generate interest and are recognised at nominal value in the balance sheet.

Financial assets at amortised cost

Loans and receivables

Loans and receivables, including trade receivables, are financial assets with fixed payments or inflows in a fair market. Financial assets of this kind are initially recognised at fair value plus directly attributable transaction costs. Following initial recognition, loans and receivables are recognised at amortised cost less any impairment.

Accounts receivable

Accounts receivable are amounts outstanding from customers as a result of ordinary sales of goods as part of ordinary activities. Accounts receivable have ordinary credit term between 30 and 60 days and are classified as current assets. Accounts receivable are initially recognised at the transaction price as defined in IFRS 15. After initial recognition, trade receivables are measured at amortized cost, less any impairment losses. Accounts receivable are valued at face value less any expected losses.

Bank deposits

Bank deposits comprise cash in hand, bank deposits and other current investments that may immediately be converted into cash amounts without material risk of loss on the transaction.

Property, plant and equipment

Property, plant and equipment are capitalised at cost, less accumulated depreciation and impairments. If material individual parts of a unit of property, plant or equipment have different useful lives, they are recognised as separate components with varying depreciation schedules. Ongoing maintenance costs to be charged to expenses as they arise.

Assets are depreciated over their estimated useful economic lives. The depreciable amount is the asset's cost less its residual value. Land is not depreciated.

When assessing the recoverable amount or reassessing useful economic lives, significant future developments are considered including technological, economic, market and climate changes.

Onerous contracts

Physical fixed-price sales contracts whose price is less than the price used as the basis for adjusting the fair value of the biomass are recognised as liabilities in the financial statements. The amount recognised as a liability is the difference between the market price at the balance sheet date plus costs to sell and the contract price. Changes in provisions are recognised in a separate line for fair-value adjustment. Fair value adjustments are included in the consolidated operating results.

Tax

Tax on the profit/loss for the year comprises tax payable and deferred tax. Tax is recognised in the income statement except for tax on items that have been recognised in comprehensive income or directly in equity. The tax impact of these latter items is recognised in comprehensive income or directly in equity.

Tax payable comprises expected tax payable on the taxable profit for the year at the tax rates in effect at the balance sheet date, and any corrections of tax payable for previous years.

Deferred tax is calculated to take account of temporary differences between the book value of assets and liabilities and their value for tax purposes. Provisions for deferred tax are based on expectations relating to the realisation or utilisation of the book value of assets and liabilities and are calculated at the nominal tax rates applicable at the balance sheet date.

Deferred tax assets are only recognised in the balance sheet to the extent that it is probable that the asset will be utilised through future taxable profits. Deferred tax assets are reduced to the extent that it is no longer probable that the tax asset will be utilised.

Pensions

Defined contribution pension schemes

A defined contribution plan is a pension plan under which the group pays fixed contributions. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees' service in the current and prior periods. In a defined contribution scheme, the company pays what they have committed in accordance with an agreement, committed by law or voluntarily only contributes. The company has no further obligations beyond this payment. Liabilities to pay contributions to defined contribution pension schemes are recognised as costs in the income statement as they accrue.

Defined benefit pension schemes

Pension schemes that are not defined contribution schemes are defined benefit schemes. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using a linear actuarial method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Share price-based bonus scheme

The Group has a share price-based bonus scheme for senior executives and key personnel in the Group. The bonus program is a share-based scheme that entitles the employees to receive shares in NRS based on the price development in Norway Royal Salmon ASA's average share price for a predetermined period. Each employee can at most be granted rights to shares for a value in the interval between 25 per cent to 100 per cent of annual salary. The exercise price will be adjusted for dividends and changes in holdings of treasury shares.

The fair value of bonus scheme is calculated at the time of allocation and is recognised linearly in the vesting period.

Equity

Treasury shares

On the repurchase of treasury shares, the purchase price including directly attributable costs is recognised as a charge in equity. Treasury shares are recognised as a reduction in equity. When treasury shares are sold, any consideration received is included in equity attributable to the company's equity holders.

Dividends

Dividends are recognised as liabilities in the period they are adopted.

Inventory

Inventories comprise raw materials of which is mainly feed for the fish farming business. Finished goods in

transit and stocks of finished goods, largely frozen salmon for sale.

Inventory is valued at the lower of cost and net realisable value. The net realisable value is the estimated ordinary sales price less estimated sales costs. Raw material inventory is recognised in accordance with the FIFO principle.

Fish produced in-house and which is placed in storage awaiting sale by the sales business is recognised at the fair value of own production which is deemed to be the acquisition cost for the sales business.

Leases

Leases with a term of more than twelve months are booked as a right-of-use asset and liability according to IFRS 16 as long as the underlying value is not low. For agreements that fall under the exception for right-of-use assets, the rental cost is recognised in the income statement on an accrual basis. The group rents office space, machinery, equipment, boats and rafts. The duration of the leases is different, and at expiration the group will purchase or lease the underlying hardware. Purchases are not applicable for other premises. Purchase options that are likely to be exercised are included in the lease payments used to recognise assets and liabilities.

Right-of-use assets are measured at acquisition cost, taking into account accumulated depreciation, write-downs and revaluations. The asset is depreciated on a straight-line basis over the lower of the lease term and the useful life of the underlying asset. The lease liability is measured by the present value of the lease payments to be paid over the lease term, discounted at an interest rate approximately equal to the group's external loan terms.

See notes 7, 8 and 25 for more information.

Foreign currency

Presentation currency

The consolidated financial statements are presented in Norwegian kroner (NOK) which is the functional currency. All amounts are stated in thousands of kroner unless indicated otherwise.

Transactions and balance-sheet items

Transactions in foreign currency are translated at the exchange rate in effect at the transaction date. Monetary items in foreign currency are translated to NOK at the rate in effect at the balance sheet date. The Group reduces its foreign currency risks on receivables by drawing the same amount in the same currency on its overdraft facility. Other non-monetary assets and liabilities, which are recognised at historical cost in a foreign currency, are translated at the rate in effect at the transaction date. Foreign exchange gains and



losses deriving from the settlement and translation of monetary items in foreign currencies; to the exchange rate in effect on the balance sheet date are recognised and classified as operating items.

Exceptional items

Fair value adjustments are disclosed separately in the financial statement under operational result and in notes to provide further understanding of the financial performance of the group. Exceptional items are fair value adjustment of biomass (note 5), provision for onerous contracts and changes in fair value of Fish Pool contracts (note 17).

Events after the balance sheet date

New information regarding the company's financial position on the balance sheet date which is received after the balance sheet date has been accounted for in the year-end financial statements. Events after the balance sheet date which do not affect the company's financial position on the balance sheet date, but which will affect the company's future financial position are reported if material.

Accounting standards and interpretations issued but not applied

There are no IFRSs or IFRIC interpretations that are not yet effective for the financial year ending 31 December 2021 that would be expected to have a material impact on the Group.

1.5 Important accounting estimates and judgments

Preparation of annual financial statements in accordance with IFRSs involves the use of judgements, estimates and assumptions. These affect both the application of accounting principles and the recognised values of assets, liabilities, revenues and expenses. Actual figures may deviate from those estimated.

Estimates and underlying assumptions are reviewed and evaluated on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in all future periods affected. Valuations and estimates that are of most significance for the Group are as follows:

Valuation of the biological assets

Biological assets are fish in the sea. In accordance with IAS 41 and IFRS 13, the biological assets are valued at fair value. The difference between the fair value adjustment of live inventory at the beginning and the end of the period is recognised as a fair value adjustment in the income statement. The technical model for calculating fair value is a present value model. The inventory to be valued is in

the sea and are exposed to operational risk. All harvest is in the future, normally within the next 1 to 24 months. The following factors affecting the calculation of fair value of biomass are uncertain: volume, growth rate, price, cost and discount factor.

The volume of fish may be lower or higher than expected. The calculation of fair value is done for each site and specifying the biomass in litres both the number of fish and the estimated average weight. This estimate includes considerable uncertainty. Estimated produced biomass is based on assumptions about growth and mortality from the date the fish is put to sea, adjusted for any catch/loss during the production period until the fish is harvested. Uncertainty about the growth rate affect the time of harvest and the period of discounting. Changes in regulatory conditions and forced harvest or destruction required by the authorities cause uncertainty about the harvest volume.

The prices are subject to change and this estimate contains considerable uncertainty. The forward prices used to calculate the fair value of the biomass can change. In addition, can growth rate and changes in regulatory issues lead to changes to the harvest plans, which in turn results in harvesting at different times with other prices than the valuation model assumes. Achieved price is also affected by the quality distribution of the fish, which only to a limited extent can be observed and assessed before harvest. The estimate of the quality distribution will be subject to considerable uncertainty and affect the price assumption used when estimating the fair value of the biomass.

There is considerable uncertainty associated with the estimate for the remaining production costs. Biological changes greater than expected with respect to disease or sea lice, results in higher costs. Changes in exchange rates and the market prices of the input factors related to feed intake changed remaining production costs. Change in regulatory conditions, which can enforce higher cost, represent an uncertainty in the estimation of fair value of biomass.

The discount factor used in the model consists of several components. The valuation model implies that the license rent is deducted from the inventory value in the form of an additional premium in the discount factor. There is uncertainty about the charge for the license rent because it will be influenced and correlated with the market price of salmon and value of the license.

The discount factor for Norway is 5.0% and 4.0% for Iceland. The discount factor for Iceland was increased from 2.0% to 4.0% in the second quarter of 2021. The increase is based on increased expectations of profitability in the industry and impact on the hypothetical license- and site rent.

The principles used for valuation are described in the section describing biological assets and in Note 5 to the financial statements.

1.6 Financial risk

The Group's main financial obligations comprise liabilities to financial institutions and current liabilities connected to the company's operations. These financial liabilities account for the bulk of the Group's debt capitalisation. The Group has several financial assets, such as cash, trade receivables and short-term receivables connected to the company's operations. The company also has some forward currency contracts and Fish Pool contracts for hedging purposes. The main risks to which the company is exposed are connected to interest rate risk, foreign currency risk, liquidity risk and credit risk. This note gives details of exposure to each of these risks and aims and procedures for dealing with risk. Further quantitative details can be found elsewhere in the consolidated financial statements.

Foreign exchange risk

The bulk of the Group's transaction risk is linked to sales in currencies other than the functional currency of its sales business. The exposure is largely connected to EUR, USD and GBP. Hedging of contracted currency revenues is managed through forward currency contracts. Hedging of the currency exposure deriving from trade receivables is managed through forward currency contracts and by drawing on the overdraft facility in the same currency. In addition, Arctic Fish use forward currency contracts in ISK to hedge payables due in ISK. Details of the Group's exposure in foreign currency can be found in Notes 6 and 8. Forward currency contracts, see Note 17. Given the financial instruments in effect on 31 December 2021, a 2 per cent reduction in the value of the NOK towards USD would decrease the Group's profit by NOK 1 667, a 7 per cent reduction in the value of the NOK towards EUR would decrease the Group's profit by NOK 6 784, a 2 per cent reduction in the value of the NOK towards GBP would decrease the Group's profit by NOK 1 738 and a 2 per cent reduction in the value of the NOK towards ISK would increase the Group's profit by NOK 13 629. The contractual future revenues that the instrument hedge (hedged items) are not recognized in the accounts.

Interest rate risk

The Group's interest-bearing debt is currently exposed to variable interest rates. This means that the Group is exposed to changes in interest rates. The Group's interest-bearing debt is capitalized at a amortized cost. Given the financial instruments in effect on 31 December 2021, an increase of 100 basis points in the interest rates level would increase the Group's profit by NOK 25 814, assuming all other variables are constant.

Credit risk

The Group's exposure to credit risk is affected largely by circumstances related to each individual customer. The Group is not materially exposed to any single counterparty. Historically, bad debts have been small – see Note 6 for further details. Trade receivables are monitored continuously and the Group's policy is to insure all major trade receivables against non-payment. In addition to trade receivables, the Group is exposed in connection with the derivatives entered into by the Group. The counterparty in the agreements are major financial institutions and the credit risk associated with the counterparty is very low.

Price/liquidity risk

Liquidity risk is the risk that the Group will have trouble meeting those financial obligations which must be settled in cash or cash equivalents. Liquidity management shall, as far as possible, ensure that available liquidity is sufficient to meet such obligations as they fall due.

The Group monitors its liquidity continuously and estimates expected future developments through budgets and updated forecasts. The Group's liquidity depends in large measure on developments in the price of salmon, making it significantly exposed to changes in salmon prices. Other key risks include fluctuations in production and harvested volumes.

The farming business, to a certain extent, enters fixed price contracts with the ship to hedge fluctuations in the spot price. If the sales business enters fixed price contracts, the margin is locked at the same time by concluding financial contracts to buy fish to an equivalent volume at Fish Pool or possible physical contracts with suppliers. In 2021 Norway Royal Salmon entered into agreements to secure the price of self-produced fish in the Group, 6 per cent of harvested volume were hedged. The Group had a net exposure on Fish Pool contracts for sale of 3 310 tonnes at 31 December 2021 (2020: 300 tonnes). Given the financial instruments in effect on 31 December 2021, a reduction of NOK 5 000 in the price would increase the Group's profit by NOK 17 551. See note 17 for more information.

The Group's objective is to maintain a balance between long-term funding and flexibility through the use of overdraft facilities. The maturity profile of the company's interest-bearing debt is presented in Note 9.

Capital structure and equity

The Group's objectives when managing capital are to safeguard the continued operation of the Group's objectives when managing capital are to safeguard the continued operation of the Group. Have a reasonable debt ratio to ensure adequate returns for shareholders



and other stakeholders, as well as maintain an optimal capital structure to reduce the cost of capital. The Group manages its capital structure and adjusts in the light of changes in underlying economic conditions. Capital structure can in addition to organisation of the operations, be affected through dividends to shareholders, repayment of capital to shareholders, issuing of new shares or sale of assets to reduce debt.

The company's main borrowing covenants are important indicators for measuring risk of the capital structure. The main loan terms (covenants) are based on standard ratios and the Group has two independent financing schemes, one for the Norwegian operations and a separate for the Icelandic operations.

The loan agreement in Norway has a financial requirement for a minimum 30% equity ratio where the right-of-use assets and lease obligations have been deducted (see calculation in Alternative Performance Measures). Withdrawals from the short-term credit facility shall not exceed 75% of the book value of inventories and accounts receivable.

The bank agreement in Iceland has a financial requirement for 40% equity ratio. 12 months rolling EBITDA has to be at least 30 MNOK and the leverage ratio NIBD/12 months EBITDA needs to be lower than 5.

At the end of 2021, the Group complies with all loan terms in accordance with the loan agreements.

The Group's principal financial liabilities apart from bank liabilities consist of trade payables and derivatives. These financial liabilities constitute the majority of the Group's debt financing. The Group has various financial assets such as cash, accounts receivable and shares. The Group also uses financial derivatives, principally forward currency contracts. The purpose is to manage

currency risks arising from the operations of the Group. Derivatives of this type are not entered into for speculation purposes.

Equity not considered necessary for further growth will be returned to shareholders through dividends. At 31 December 2021, the Group had equity of NOK 4 442 million. The equity ratio, defined as equity divided by total assets, was at the same time 52.6 per cent. Net interest-bearing debt, defined as total debt, less cash and cash equivalents and interest-bearing receivables were NOK 2 581 million at year-end.

The Company's dividend policy is to distribute at least 40% of profit after tax, provided that the Group's equity ratio is above 40 per cent and that the Group's own capital requirements have been satisfied. The shareholders should obtain a current yield directly correlated with the results. The board has not proposed dividend distribution based on the financial statements of 2021. See Note 22 for further information regarding dividend and shareholder information.

The board of Norway Royal Salmon ASA has received the following powers from the General Meeting:

The board is authorised to purchase up to 4 357 219 treasury shares with a face value of NOK 4 357 219. For acquisitions, the purchase price per share should be no lower than a nominal value of NOK 1.00 and no higher than NOK 300.00 per share. The mandate runs until the date of the next Annual General Meeting; this should not, however, be later than 30 June 2022. The Group owns 197 495 treasury shares at the end of 2021.

The board is authorised to issue up to 4 357 219 shares. The mandate runs until the date of the next Annual General Meeting; this should not, however, be later than 30 June 2022. See Note 22 for further information.

Note 2. Segment reporting

Operating segments are identified based on the reporting used by Group management to assess performance and profitability at a strategic level. The Group management is defined as the chief operating decision-makers.

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 farming business in Norway is located in Troms and Finnmark, and the farming business in Iceland is located in the Westfjords area. All transactions between the segments are made at arm length prices.

Group management reviews monthly reports in connection with the segments. Performance is evaluated based on operating results (EBIT) per segment.

(NOK 1 000)	Sales		Fish farming				Total	
	2021	2020	Farming Norway		Farming Iceland		2021	2020
			2021	2020	2021	2020		
Total segment revenues	5 172 881	5 108 577	2 085 714	1 539 658	595 895	7 854 450	6 648 235	
Revenues between segments	0	0	-2 053 595	-1 529 368	0	-2 053 595	-1 529 368	
Revenues from external customers	5 172 881	5 108 577	32 119	10 290	595 895	5 800 895	5 118 867	
Cost of materials	5 118 295	4 984 257	1 289 751	939 026	299 189	6 707 235	5 923 283	
Depreciation	400	253	99 280	99 335	46 501	144 181	99 588	
Other costs	37 948	36 774	338 140	286 111	150 678	524 766	322 885	
Operating result before fair value adjustments	16 237	87 293	338 544	215 186	99 527	474 308	302 479	
Fair value adjustments	19 576	-27 605	50 517	-109 052	45 574	111 648	-136 657	
Production fees	0	0	-15 263	0	-3 843	-19 106	0	
Operating result	31 814	59 688	393 797	106 134	141 258	566 869	165 822	
Interest income	0	0	636	868	10	645	868	
Interest expenses	0	0	-67 472	-24 305	-21 067	-88 539	-24 305	
Other financial items	-4 451	-5 577	-1 349	1	23 638	18 038	-5 576	
Segment result before tax	27 362	54 110	325 811	82 696	143 838	497 014	136 808	
Total assets	1 062 097	513 264	3 718 836	2 748 489	1 382 679	6 163 612	3 261 754	



Note 2. cont.

Reconciliation of reported segment result before tax with Group result before tax
(NOK 1 000)

	2021	2020
Segment result before tax for operating segments	4 970 14	13 680 8
Unallocated income statement items:		
Profit before tax NRS Selt-fisk AS	-16 355	-15 233
Profit before tax Arctic Offshore Farming AS	-41 163	-16 958
Unallocated expenses (operations)	-62 991	-47 825
Income from associates	35 356	-1 985
Gain on realisation of financial assets	307 529	44 689
Unrealised gains (-)/losses (+) on financial assets	0	-52 854
Unallocated interest (finance)	15 855	26 328
Result before tax	7 85 245	72 970

Reconciliation of reported segment assets to total assets:
(NOK 1 000)

	2021	2020
Segment assets for reportable segments:	6 163 612	3 261 754
Unallocated assets:		
Investments in associates	427 352	721 856
Investments in other shares	1	1
Assets in NRS Selt-fisk AS	0	653 907
Assets in Arctic Offshore Farming AS	1 651 270	1 132 192
Other long-term receivables	0	45 000
Total assets in the balance sheet	8 442 234	5 814 710

Geographical market sales:
(NOK 1 000)

	2021	2020
Norway	720 859	668 436
Iceland	595 895	9 298
Western Europe	3 485 483	3 580 974
Eastern Europe	299 724	296 334
Asia & Middle East	696 853	610 409
Other countries	2 081	3 415
Total operating revenues	5 800 895	5 118 867

Countries that generates more than 10 % of total operating revenues:
(NOK 1 000)

	2021	2020
Spain	635 784	709 296
France	638 461	420 837

Note 3. Intangible assets

Cost (NOK 1 000)	2021			2020		
	Fish farming licenses	Other intangible assets	TOTAL	Fish farming licenses	Other intangible assets	TOTAL
Acquisition cost as of 1 January	948 616	0	948 616	713 947	0	713 947
Additions during the year ^{1,2}	703 495	2 010	705 505	234 669	0	234 669
Depreciation		-401	-401			0
Acquisition cost as of 31 December	1 652 111	1 609	1 653 720	948 616	0	948 616

¹The additions in licenses during 2021 are NOK 685 791 as acquisition cost in Q1 2021 from the initial consolidation of Arctic Fish and NOK 17 704 as capitalised license related to application costs for new and extended licenses in Iceland.
²The additions in other intangible assets are NOK 519 as capitalised RGD costs in Iceland and NOK 1 491 as other intangibles in Farming Norway.

Specification of fish farming licenses by region:

(NOK 1 000)	Licenses tonnes MAB	Cost	Book value 31.12.2021
Farming Norway	36 065	948 616	948 616
Farming Iceland	23 300	703 495	703 495
Total	59 365	1 652 111	1 652 111

Licenses

NRS has licenses in Norway equivalent to a MAB of 26 065 tonnes and the licenses are capitalised at cost. Licenses granted in Norway are deemed to have an indefinite useful life and are therefore not depreciated, but tested annually for impairment. All licenses in Norway are managed by the Norwegian Department of Trade, Industry and Fisheries.

In Iceland NRS has licenses equivalent to 17 800 tonnes MAB for salmon farming and 5 300 MAB for trout farming through the subsidiary Arctic Fish. In Iceland, licenses are granted for a period of 16 years and must then be renewed. Licenses will be renewed if the applicant meets the prevailing statutory and regulatory requirements at the time the license comes up for renewal. A small charge must be paid for the license's renewal. Because licenses have a 16-year lifespan, with the possibility of renewal, NRS has chosen to assume that these licenses have an indeterminate useful life. They are therefore not depreciated, but tested annually for impairment.

The main condition for all ordinary licenses is that they shall be operated in accordance with current laws and regulations. Serious breaches of the terms of the licenses may give rise to loss of the licenses.

Annual impairment test

Fish farming licenses are viewed as having an indefinite useful economic life and are not amortized, but are tested for impairment annually or more frequently when there is an indication that an asset may be impaired. This is done by comparing assets' recoverable amounts with their book values. Licenses are considered to have an indefinite life because ownership of licenses has no time limit as long as the owner complies with significant statutory requirements regarding the use of them. See note 1.4 for further details on the Group's assessment that the licenses have an indefinite life.

Impairment testing is performed for each cash flow generating unit (CGU). After the acquisition of Arctic Fish in Q1 2021 the Group has two CGUs: Farming Norway and Farming Iceland. All production management, evaluation of harvesting plans, etc. are treated as one within these two separate farming operations.

The impairment test is carried out by calculating the present value of estimated future cash flows, (re-estimated value in use) for the cash flow generating unit and comparing this with the book value of the unit's net assets. Impairments are recognised if the book value exceeds the estimated value in use.



Note 3. cont.

Estimated future cash flows are based on budgets and forecasts for the next four years. After that a terminal value is used. The terminal value is calculated using a growth rate of 2.0 per cent, which reflects future estimated inflation.

The impairment test did not give indications for write-downs of the book value of the licenses at 31 December 2021. There are significant positive differences between estimated recoverable amounts and book values in both Farming Norway and Farming Iceland.

Key assumptions

Calculations are based mainly on EBIT margin per kg (salmon prices and production costs per kg), investment levels, discount rates and harvesting volumes.

As a result of the current Covid-19 situation, all significant estimates are being continuously reviewed in light of this situation, including estimates of key assumptions included in the impairment test on intangible assets. As at 31.12.2021, no significant changes in estimates have been performed and NRS has not identified or experienced a Covid-19 impact that has significant impact on the impairment test as at 31 December 2021.

EBIT margin per kg

EBIT per kg is highly volatile due to the fluctuations in the price of salmon. Costs can under normal

circumstances be forecasted with a relatively high level of accuracy. Due to expectations of continued high salmon prices the next years a higher EBIT margin per kg than average achieved in the period between 2018 and 2021 is applied for the period 2022 to 2025. After this period the margin has been reduced to a normalized EBIT per kg of approximate NOK 15 000. Necessary investments to meet anticipated growth has been taken into consideration. In the latter part of the forecast period the investments will equal the depreciations and represents maintenance investments.

Discount rate

The estimated value in use is based on a discount rate after tax. The discount rate is an estimated average capital cost for the Group (WACC). Capital costs are calculated by considering the risk-free interest rate, the market risk premium in the equity market and the company's average interest rate on borrowing. Capital costs are adjusted for relevant conditions at individual cash flow generating units, such as particular risks and interest rate differentials.

Harvest volume

Future production are estimated on the basis of current production and harvest plan, adjusted for expected increases in future output given current licenses. The table below shows the production capacity used in the calculation.

	Farming Iceland		Farming Norway	
	2021	2020	2021	2020
EBIT margin per kg (NOK)	15.00		15.00	15.00
Discount rates after tax	7.8 %		7.0 %	7.5 %
Harvest volume	24 300		55 000	52 000

Sensitivity analysis

Sensitivity analysis have been performed by examining changes in discount rates, EBIT per kg and harvesting volume. The following table shows how much each key assumption can change before book value is lower than estimated value in use.

	Farming Iceland		Farming Norway	
	2021	2020	2021	2020
EBIT margin per kg (NOK)	-4.37		-5.33	-6.18
Discount rates after tax *	+14.2 %		+17.4 %	+22.8 %
Harvest volume (tonnes)	-7 144		-19 035	-19 468

Note 4. Companies in Group

The consolidated financial statements for 2021 include the following companies:

(NOK 1 000)	Owner	Registered Office	Nominal share capital	Share holding %	
				2021	2020
Parent company					
Norway Royal Salmon ASA		Trondheim	43 572		
Subsidiaries					
NRS Farming AS	Norway Royal Salmon ASA	Alta	9 429	100.00%	100.00%
NRS Sjøtok AS*	Norway Royal Salmon ASA	Trondheim			100.00%
Arctic Offshore Farming AS	Norway Royal Salmon ASA	Trondheim	50 000	100.00%	100.00%
Nor Seafood AS	Norway Royal Salmon ASA	Senja	205	82.50%	82.50%
Arctic Fish Holding AS	Norway Royal Salmon ASA	Trondheim	30	100.00%	100.00%
Arctic Fish ehf	Arctic Fish Holding AS	Ísafjörður	689	51.28%	50.00%
Arctic Oddi ehf	Arctic Fish ehf	Ísafjörður	39	100.00%	100.00%
Arctic Seafarm ehf	Arctic Fish ehf	Ísafjörður	628	100.00%	100.00%
Arctic Smolt ehf	Arctic Fish ehf	Ísafjörður	403	100.00%	100.00%

* In 2021, NRS Seafarm AS is registered in NRS Farming AS with a shareholding of 100.00%.

All subsidiaries are included in the consolidation. The proportion of the voting rights in the subsidiary held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company does not have any shareholdings in the preference shares of subsidiaries in the group.

Summarised financial information on subsidiaries with material non-controlling interests:

Summarised balance sheet	Nor. Seafood AS		Arctic Fish
	2021	2020	2021
Current			
Assets	189 809	164 113	701 626
Liabilities	-40 073	-18 794	-13 6010
Total current net assets	149 736	145 319	565 616
Non-current			
Assets	109 363	114 240	1 385 317
Liabilities	-29 807	-33 297	-453 120
Total non-current net assets	79 556	80 943	932 197
Net assets	229 292	226 262	1 497 813

**Note 4. cont.**

Summarised income statement	Nor Seafood AS		Arctic Fish
	2021	2020	2021
Operating revenues	50037	64432	595 895
Operational EBIT	-15 849	-841	83 301
Result before tax	3 884	-39 025	133 125
Tax	(854)	8 472	21 877
Total comprehensive income	3 030	-30 553	155 002
Total comprehensive income allocated to non-controlling interests	530	-5 425	75 517
Dividends paid to non-controlling interests	-	927	-

Summarised cash flows	Nor Seafood AS		Arctic Fish
	2021	2020	2021
Cash flows from operating activities			
Cash generated from operations	40 615	9 034	273 872
Interest paid	208	526	-22 444
Income tax paid	-949	-11 050	0
Net cash generated from operating activities	39 874	-1 490	251 408
Net cash used in investing activities	0	-3 337	-160 846
Net cash used in financing activities	-1 894	-11 059	-131 607
Net increase in cash and cash equivalents	37 980	-15 886	-41 045
Cash and cash equivalents at beginning of year	111 951	127 836	79 171
Cash and cash equivalents at end of year	149 931	111 951	38 126

Note 5. Biological assets

Book value of inventory:	(NOK 1 000)	
	31.12.2021	31.12.2020
Raw materials	82 219	36 372
Finished goods	5 708	67 903
Total other inventory	139 304	104 275
Biological assets	1 785 781	1 282 006
Total inventory	1 925 085	1 386 281

Note 5. cont.

Book value of biological assets recognised at fair value:	(NOK 1 000)	
	31.12.2021	31.12.2020
Biological assets held at sea farms at cost	1 503 988	1 172 790
Fair value adjustments of biological assets	212 503	109 216
Total biological assets held at sea farms at fair value	1 716 491	1 282 006
Roe and smolt at cost	69 290	0
Total biological assets	1 785 781	1 282 006

Changes in book value of biological assets:	(NOK 1 000)	
	2021	2020
Biological assets as of 1 January	1 282 006	1 231 662
Increase due to Arctic Fish consolidation	402 191	0
Increase due to production/purchase in the period	1 938 094	1 322 815
Non-recurring events and other costs	-26 144	0
Reduction due to harvesting/sale in the period	-1 906 997	-1 163 419
Fair value adjustments of biological assets	96 631	-109 052
Biological assets as of 31 December	1 785 781	1 282 006
Biological assets: Norway	1 272 016	1 282 006
Biological assets: Iceland	513 765	0

Specification of biological assets held at sea farms – tonnes (ungutted weight)	2021		2020	
Biological assets as of 1 January	29 861	26 033		
Increase due to Arctic Fish consolidation	10 513	0		
Increase due to smolt releases in the period	1 715	1 342		
Increase due to production in the period	55 189	41 309		
Reduction due to mortality in the period	-34 300	-2 843		
Reduction due to harvesting in the period	-57 239	-35 980		
Non-recurring event	-341	0		
Biological assets fish in sea as of 31 December	36 268	29 861		
Biological assets held at sea farms: Norway	24 823	29 861		
Biological assets held at sea farms: Iceland	11 444	0		



Note 5. cont.

Biological assets 31 December 2021

	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	4 791	2 084	178 047	31 214	209 261
1-4 kg	8 060	17 908	763 646	38 695	802 341
Larger than 4 kg	3 502	16 276	562 295	142 594	704 890
Biological assets held at sea farms	16 353	36 268	1 503 988	212 503	1 716 491
Roe and smolt at cost			69 290	0	69 290
Biological assets			1 573 278	212 503	1 785 781

Biological assets 31 December 2020

	Number of fish (1000)	Biomass (tonnes)	Acquisition costs	Fair value adjustments	Accounted value
Smaller than 1 kg	5 794	3 385	236 187	60 956	297 143
1-4 kg	7 675	20 155	756 759	31 724	788 483
Larger than 4 kg	1 006	6 320	179 845	16 535	196 380
Biological assets held at sea farms	14 475	29 861	1 172 790	109 216	1 282 006
Roe and smolt at cost			0	0	0
Biological assets			1 172 790	109 216	1 282 006

Fair value of biological assets

In accordance with IAS 41, biological assets have to be valued at fair value. Fair value is calculated in accordance with IFRS 13. Changes to valuation adjustments are recognised in the income statement on an ongoing basis and classified on a separate line in order to highlight operating results before and after fair value adjustments. The valuation model for biomass makes the fair value within level 3 in the fair value hierarchy.

Valuation model

Efficient markets for sale of live fish do not exist and the valuation of biological assets involves estimating fair value in a theoretical market for live fish.

The technical model for calculating fair value is a present value model. 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 harvest 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) fish for events that affect cash flows; 2) hypothesis of live rate and site level 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 period 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 rate is further adjusted for expected harvest costs

Note 5. cont.

(live) 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, the expected weight is determined as harvest weight according harvest plans.

The valuation model uses the following forward prices:

Fish Pool forward prices 31.12.2021	NOK/kg	Fish Pool forward prices 31.12.2020	NOK/kg
Q1 22	68.67	Q1 21	50.33
Q2 22	68.23	Q2 21	58.90
Q3 22	56.43	Q3 21	53.67
Q4 22	62.27	Q4 21	55.83
Q1 + Q2 22	68.45	Q1 + Q2 21	61.85
Y 2023	60.50	Y 2022	58.00

The following discount factor is used in the valuation model:

	31.12.2021	31.12.2020
Discount factor Norway	5%	5%
Discount factor Iceland	4%	

Sensitivity analysis:

Based on the Group's biomass at 31 December 2021, a change in some factors will affect the book value of the biomass in sea in the following manner:

		Effect on biomass value at 31		Effect on biomass value at 31	
		Increase	December 2021	Reduction	December 2021
Change in price	NOK 5- per kg	-228 449		NOK -5- per kg	228 449
Change in production cost on finished projects, gutted weight	NOK 1- per kg	45 690		NOK -1- per kg	-45 689
Change in discount factor	0.5%	-69 710		-0.5%	73 981
Change in discount factor	1%	-135 459		-1%	152 569
Change in time of harvest	1 month earlier	52 810		1 month later	-158 348
Biomass at 31 December 2021	1%	6 996		-1%	-6 996
Biomass at 31 December 2021	5%	34 979		-5%	-34 979

**Note 5. cont.**

Non-recurring events recognised in the income statement ¹⁾	2021		2020			
	Cost	Fair value adjustments	Fair value	Cost	Fair value adjustments	Fair value
Culling of fish due to genes						
NOR Seafood AS	16 257	0	16 257	0	0	0
Culling of smelt in NRS Farming AS	17 382	0	17 382			0
Biological assets	33 639	0	33 639	0	0	0

1) Non-recurring events recognised in the income statement include the culling of fish and the culling of smelt, which are not expected to occur regularly.

Note 6. Accounts receivables, other receivables and prepayments

Specification of accounts receivables, other receivables and prepayments: (NOK 1 000)	31.12.2021	31.12.2020
Account receivables	327 985	152 282
Provision for bad debts	-441	-1 742
Net accounts receivables	327 543	150 539
Other short-term receivables and prepayments	144 217	166 002
Other long-term receivables	2 159	1 904
Other long-term interest-bearing receivables	0	45 000
Total accounts receivables, other receivables and prepayments	473 919	363 445

Other short-term receivables and prepayments comprise:

(NOK 1 000)	31.12.2021	31.12.2020
Fair value derivatives	12 695	39 800
Prepayments	30 133	15 319
Value added tax repayable	90 973	90 591
Insurance settlements	3 000	0
Other receivables	7 416	20 292
Total other short-term receivables and prepayments	144 217	166 002

Note 6. cont.

At 31 December 2021, accounts receivables of KNOK 88 470 (2020: KNOK 90 828) were past their due date but not impaired. These relate to a number of different customers that have not previously defaulted on their obligations to the group. The age distribution of these receivables are:

(NOK 1 000)	31.12.2021	31.12.2020
Less than 1 month	68 005	75 920
Between 1 and 3 months	17 199	11 653
More than 3 months	3 264	3 254
Accounts receivables past due date, but not impaired	88 470	90 828

Change in provision for bad debts:

(NOK 1 000)	2021	2020
Provision for bad debts as of 1 January	-1 793	-2 623
Bad debts recorded in the year	1 235	3 016
Change in provision for bad debts	117	-2 136
Provision for bad debts as of 31 December	-441	-1 742

At 31 December 2021 was nominal accounts receivables of KNOK 2 842 (2020: KNOK 6 946) written down. The size of the provision was KNOK 441 at 31 December 2021 (2020: KNOK 1 742). The individually impaired receivables relate to customers who have had financial problems and the provision covers not utilised and expected losses. Accounts receivables are insured with a deductible mainly between 10 and 20 per cent. The age distribution of the written down receivables are:

(NOK 1 000)	31.12.2021	31.12.2020
2 to 6 months	1 076	379
More than 6 months	1 766	6 567
Accounts receivables written down	2 842	6 946

Foreign currency exposure on receivables:

(NOK 1 000)	31.12.2021	31.12.2020
CHF	376	0
EUR	127 967	60 967
GBP	7 381	4 082
JPY	9 402	7 141
PLN	179	0
USD	45 957	31 334
NOK	136 281	47 015
Total book value trade receivables	327 543	150 539



Note 7. Property, plant and equipment

(NOK 1 000)	Land and buildings	Machinery and equipment	Boats and barges	Other operating assets	Total
Acquisition cost as of 1 January 2020	65 460	882 983	117 345	46 132	1 111 917
Acquisition cost purchased right-of-use assets	0	21 552	0	0	21 552
Acquisition cost as of 1 January 2020 including purchased right-of-use assets	65 460	904 535	117 345	46 132	1 134 469
Additions	12 095	1 256 044	9 329	4 290	1 281 758
Disposals*	0	-40 248	-11 926	-326	-52 500
Acquisition cost as of 31 December 2020	77 555	2 120 332	114 745	50 095	2 962 727
Acquisition cost as of 1 January 2021	77 555	2 120 332	114 745	50 095	2 962 727
Acquisition cost purchased right-of-use assets	0	20 225	35 016	0	55 240
Acquisition cost as of 1 January 2021 including purchased right-of-use assets	77 555	2 140 557	149 760	50 095	2 417 967
Additions due to Arctic Fish consolidation	293 374	218 319	142 484	10 183	664 360
Reclassification	548 325	-548 325	0	0	0
Additions	288 298	618 562	57 665	21 416	985 942
Disposals	-4 185	-13 661	-5 965	-1 769	-25 580
Acquisition cost as of 31 December 2021	1 203 368	2 415 452	343 944	79 925	4 042 689
Accumulated depreciation as of 1 January 2020	13 914	155 114	56 459	27 856	253 343
Depreciation purchased right-of-use assets	0	13 234	0	0	13 234
Accumulated depreciation as of 1 January 2020 including purchased right-of-use assets	13 914	168 348	56 459	27 856	265 577
Depreciation for the year	4 275	45 497	11 442	8 066	69 280
Disposals*	0	-3 772	-11 926	-326	-16 025
Accumulated depreciation as of 31 December 2020	18 189	210 073	55 974	35 596	319 832
Accumulated depreciation as of 1 January 2021	18 189	210 073	55 974	35 596	319 832
Depreciation purchased right-of-use assets	0	9 599	20 328	0	29 927
Accumulated depreciation as of 1 January 2021 including purchased right-of-use assets	18 189	219 673	76 302	35 596	349 759
Depreciation as of 1 January due to Arctic Fish consolidation	19 796	67 423	11 693	5 459	104 371
Depreciation for the year	15 139	71 876	24 595	9 115	120 726
Disposals	-4 185	-13 661	-5 665	-1 755	-25 266
Accumulated depreciation as of 31 December 2021	48 939	345 311	106 925	48 415	549 590
Book value as of 1 January 2020	51 546	727 869	60 886	18 276	858 576
Book value as of 31 December 2020	59 366	1 910 259	58 768	14 497	2 042 897
Book value as of 31 December 2021	1 154 428	2 070 141	237 019	31 510	3 493 100

The Group's consolidated financial statements for the period are prepared on the basis of the accounting principles set out in the financial reporting policy. The Group's consolidated financial statements are prepared on the basis of the accounting principles set out in the financial reporting policy. Significant changes to the accounting principles have consequently not been necessary to include in the calculations.

Economic life: 20-33 years 3-40 years 5-15 years 3-5 years
 Depreciation method: Straight-line Straight-line Straight-line Straight-line

Note 8. Right-of-use assets

(NOK 1 000)	Land and buildings	Machinery and equipment	Boats and barges	Other operating assets	Total
Acquisition cost as of 1 January 2020	3 725	120 493	302 846	0	427 064
Additions	9 691	1 378	20 587	0	31 656
Disposals*	0	-21 552	0	0	-21 552
Acquisition cost as of 31 December 2020	13 416	100 318	323 433	0	437 165
Acquisition cost as of 1 January 2021	13 416	100 318	323 433	0	437 165
Additions	10 981	4 644	108 011	0	123 636
Disposals*	0	-20 225	-35 016	0	-55 240
Acquisition cost as of 31 December 2021	24 397	84 737	396 428	0	505 560
Accumulated depreciation as of 1 January 2020	186	48 735	61 141	0	110 060
Depreciation for the year	1 479	8 332	21 656	0	31 467
Disposals*	0	-13 234	0	0	-13 234
Accumulated depreciation as of 31 December 2020	1 665	43 833	82 797	0	128 295
Accumulated depreciation as of 1 January 2021	1 665	43 833	82 797	0	128 295
Depreciation for the year	3 563	5 391	19 816	0	28 770
Disposals*	0	-10 939	-20 328	0	-31 267
Accumulated depreciation as of 31 December 2021	5 228	38 285	82 285	0	125 797
Book value as of 1 January 2020	3 538	71 758	241 707	0	317 001
Book value as of 31 December 2020	11 750	56 485	240 636	0	308 872
Book value as of 31 December 2021	19 169	46 452	314 143	0	379 764

* Disposal right-of-use assets are related to the purchase of these.

Economic life: 5-10 years 3-15 years 5-20 years
 Depreciation method: Straight-line Straight-line Straight-line



Note 9. Interest bearing debt

Non current interest bearing debt:			
(NOK 1 000)	31.12.2021	31.12.2020	
Debt to financial institutions	1 991 682	1 200 000	
Non current liabilities for right-of-use assets	237 150	178 514	
Other long-term debt	0	0	
Total non current interest bearing debt	2 228 832	1 378 514	
Current interest bearing debt:			
(NOK 1 000)	31.12.2021	31.12.2020	
Liabilities to financial institutions	184 905	178 307	
First year's instalment liabilities for non-current debt	177 187	0	
First year's instalment liabilities for right-of-use assets	55 703	48 512	
Total current interest bearing debt	417 796	226 819	
Total interest bearing debt	2 646 628	1 605 334	
Other non-current interest bearing receivables	0	45 000	
Cash and bank deposits	65 188	38 753	
Net interest bearing debt	2 581 439	1 521 581	
Total long-term financial facilities	2 916 138	2 200 000	
Used credit facility long-term debt	-2 168 869	-1 200 000	
Limit overdraft facilities	630 000	600 000	
Used overdraft facilities	-184 905	-178 307	
Unutilised credit rights	1 192 364	1 421 693	

The Group has two independent financing schemes, one for the Norwegian operations and one for the Icelandic operations.

Loan agreements Norway

At 31.12.2021 the credit facilities to banks in Norway is total NOK 2 800 000. KNOK 1 000 000 is a revolving loan facility that is instalment-free and expires 17 March 2025. KNOK 1 200 000 is a sustainability term loan that has an 8.5 year instalment profile with the first instalment paid in Q4-21 and a duration until 31.12.2025. The sustainability loan's margin is adjusted in accordance with the Group's ASC certification (down payment as well as the progression of electrification of the Group's barges). In addition a multi-currency overdraft facility of KNOK 600 000 is committed and covers all the group's companies in Norway.

Interest on the debt is floating and linked to the 3-month

NIBOR plus a margin. Interest on the multi-currency credit line is 3-month NIBOR/3-week LIBOR/Danish BOR plus a margin.

Financial covenants Norway

The main loan terms (covenants) are based on standard ratios. The agreement has a financial requirement for a minimum 30% equity ratio where the right-of-use assets and lease obligations have been deducted (see calculation in Alternative Performance Measures). Withdrawals from the short-term credit facility shall not exceed 75% of the book value of inventories and accounts receivable. At the end of 2021, the company complies with the loan terms in accordance with the loan agreement.

Note 9. cont.

Loan agreements Iceland

Per 31.12.2021 the credit facilities to banks in Iceland is total KNOK 781 000. The existing loan agreement has the following components: KNOK 300 000 revolving facility for Biomass, KNOK 301 000 long term loan and a KNOK 30 000 overdraft facility. An additional KNOK 150 000 construction facility has been approved by the bank, and is to be finalized in line with the ongoing construction project. The loan agreement expires in December 2023 and has an optional add-on for one year.

Financial covenants Iceland

The main loan terms (covenants) are based on standard ratios. The agreement has a financial requirement for 40% equity ratio, 12 month EBITDA has to be at least 30 MNOK and the leverage ratio NIBD/12 month EBITDA needs to be lower than 5. At the end of 2021, the company complies with the loan terms in accordance with the loan agreement.

At 31 December 2021 the book value of the Group's liabilities for right-of-use assets amounted to KNOK 292 854. Interest rates on these liabilities are typical three-month NIBOR plus a margin.

Foreign currency exposure in connection with company's interest bearing debt at 31 December 2021:

(NOK 1 000)	NOK	EUR	USD	GBP	JPY	Other	Total
Long term liabilities to financial institutions	1 679 529	318 152	0	0	0	0	1 991 682
First year's instalment liabilities for non-current debt	141 176	3 601	0	0	0	0	177 187
Non current liabilities for right-of-use assets	237 150	0	0	0	0	0	237 150
Short term liabilities to financial institutions*	264 635	4 65	-58 734	-12 356	-9 437	332	184 905
First year's instalment for right-of-use assets	52 280	3 423	0	0	0	0	55 703
Total interest bearing debt	2 368 771	358 052	-58 734	-12 356	-9 437	332	2 646 628

* Short-term liabilities to financial institutions are the result of currency exchange rate fluctuations in the current period.

Short-term foreign exchange liabilities are hedging currency exposure on trade receivables.

Foreign currency exposure in connection with company's interest bearing debt at 31 December 2020:

(NOK 1 000)	NOK	EUR	USD	GBP	JPY	Other	Total
Long term liabilities to financial institutions	1 200 000	0	0	0	0	0	1 200 000
Non current liabilities for right-of-use assets	178 514	0	0	0	0	0	178 514
Short term liabilities to financial institutions*	156 800	33 717	2 508	-5 659	-7 748	-1 311	178 307
First year's instalment for right-of-use assets	48 512	0	0	0	0	0	48 512
Total interest bearing debt	1 583 826	33 717	2 508	-5 659	-7 748	-1 311	1 605 334

* Short-term liabilities to financial institutions are the result of currency exchange rate fluctuations in the current period.

Short-term foreign exchange liabilities are hedging currency exposure on trade receivables.



Note 9.cont.

Maturity structure of Group's interest-bearing debt

(NOK 1 000)	2022	2023	2024	2025	2026	After 2026	TOTAL
Non current liabilities to financial institutions	177 187	458 930	141 203	1 391 205	27	337	2 168 869
Interest on non current liabilities	53 179	48 290	43 492	38 755	15 581	9	199 246
Non current liabilities for right-of-use assets	0	47 996	41 937	39 367	34 767	73 085	237 150
Interest on liabilities for right-of-use assets	4 373	3 517	2 775	2 104	1 493	603	14 865
Current liabilities for right-of-use assets	55 703	0	0	0	0	0	55 703
TOTAL	290 442	558 653	229 407	1 471 431	51 867	74 033	2 675 833

Maturity structure of Group's interest-bearing debt

(NOK 1 000)	2021	2022	2023	2024	2025	After 2025	TOTAL
Non current liabilities to financial institutions	35 294	141 176	141 176	141 176	741 176	0	1 200 000
Interest on non current liabilities	21 401	19 804	17 248	14 493	17 568	0	90 713
Non current liabilities for right-of-use assets	0	42 292	36 485	28 219	25 319	46 199	178 514
Interest on liabilities for right-of-use assets	3 726	2 891	2 171	1 576	1 083	425	11 871
Current liabilities for right-of-use assets	48 512	0	0	0	0	0	48 512
TOTAL	108 933	206 163	197 080	185 664	785 146	46 624	1 529 610

Note 9.cont.

Financing activities - changes in liabilities 31.12.2021

(NOK 1 000)	Cashflow			Non-cash generating effects			31.12.2021
	Receipts from new debt	Installments		Consolidation of Arctic Fish	New leasing contracts	Reclassification short/long term & other	
Long term liabilities to financial institutions	1 200 000	650 000	-32 527	357 994	0	-177 187	1 996 280
Short term liabilities to financial institutions	178 307	0	0	0	0	177 187	355 494
Total liabilities to financial institutions	1 378 307	650 000	-32 527	357 994	0	0	2 353 774
Non current liabilities for right-of-use assets	178 514	0	0	0	123 757	-65 121	237 150
First year's instalment for right-of-use assets	48 512	0	-57 931	0	0	65 121	55 703
Total liabilities for right-of-use assets	227 028	0	-57 931	0	123 757	0	292 854
Total interest bearing debt	1 605 334	650 000	-90 458	357 994	123 757	0	2 646 628

Financing activities - changes in liabilities 31.12.2020

(NOK 1 000)	Cashflow			Non-cash generating effects			31.12.2020
	Receipts from new debt	Installments		Other	New leasing contracts	Reclassification short/long term & other	
Long term liabilities to financial institutions	0	1 200 000	0	0	0	0	1 200 000
Short term liabilities to financial institutions	0	178 307	0	0	0	0	178 307
Total liabilities to financial institutions	0	1 378 307	0	0	0	0	1 378 307
Non current liabilities for right-of-use assets	200 933	0	0	0	31 656	-54 074	178 514
First year's instalment for right-of-use assets	47 927	0	-53 489	0	0	54 074	48 512
Total liabilities for right-of-use assets	248 861	0	-53 489	0	31 656	0	227 028
Total interest bearing debt	248 861	1 378 307	-53 489	0	31 656	0	1 605 334



Note 10. Pledges and guarantees etc.

Reported liabilities secured by pledge: (NOK 1 000)	31.12.2021	31.12.2020
Non-current liabilities to financial institutions	1 991 682	1 200 000
Non-current liabilities for right-of-use assets	237 150	178 514
Current liabilities for right-of-use assets	55 708	48 512
Total liabilities secured by pledges	2 284 535	1 427 026
Guarantee obligations and guarantor liabilities	1 567	1 567
Book value of assets pledged: (NOK 1 000)	31.12.2021	31.12.2020
Licenses	1 652 111	948 616
Property, plant and equipment	3 872 863	2 351 759
Inventories and biological assets	1 925 085	1 386 281
Trade receivables	327 543	190 539
Total book value of pledged assets	7 777 602	4 837 195

Note 11. Investments in associates

The Group accounts include the Group's share of result from associates by using the equity method. The equity method is considered a consolidation method. One associate own shares in Norway Royal Salmon ASA. These are treated as treasury shares in the Group accounts. The fair value of the shares that the associate company owns is thus not included in the Group accounts.

2021 (NOK 1 000)	Business local authority	Share- holding	Book value 31.12.2020	Share of result for the year	Dividend received	Equity changes	Book value 31.12.2021
Company							
Witgård Fiskeoppdrett AS	Serje	37.50%	168 540	19 782	0	-1 313	187 009
Måsoval Fiskfarm AS**	Froya	36.10%	44 909	223	-30 142	-14 990	0
Hellesund Fiskeoppdrett AS***	Lillesand	33.50%	124 393	21 846	-5030	51 816	193 026
Arctic Fish*	Isafjörður	50.00%	342 703	0	0	-342 703	0
Nordnorsk Smelt AS	Hasvik	50.00%	41 263	-6495	0	12 500	47 268
Other			48	0	0	0	48
Total associates			721 856	35 356	-35 172	-294 690	427 352

* Largest shareholder in 2021. NRS was sold from the company in Arctic Fish. Hellesund AS is the largest shareholder in the Norway Royal Salmon Group.

** Norway Royal Salmon sold the 36.1% stake in Måsoval Fiskfarm to Hellesund Fiskeoppdrett in the second quarter of 2021. Received consideration for the share was NOK 147 768. In addition, NRS received NOK 20142 dividends for 2020.

*** Equity change related to gain because the associate sold NRS shares in 2021.

Witgård Fiskeoppdrett, Måsoval Fiskfarm, Hellesund Fiskeoppdrett and Arctic Fish are engaged in fish farming activities. 38 494 as of 31 December 2021. The fair value adjustments at the start of the year was KNOK 12 449. The increase of KNOK 26 045 less tax is included in income from associates.

The Group's share of fair value adjustments in connection with biomass at associates was KNOK

Associate that own shares in NRS as of 31 December 2021:

(NOK 1 000)	Shareholding	Number of shares	Fair value 31.12.2021	NRS' share of fair value adjustment 31.12.2021
Hellesund Fiskeoppdrett AS	33.50%	1 051 076	171 746	57 535
Total		1 051 076	171 745	57 535



Note 11. cont.

2020 (NOK 1 000)	Business local authority	Share- holding	Book value 01.01.2020	Share of result for the year	Dividend received	Equity changes	Book value 31.12.2020
Company							
Wilsgård Fiskeoppdrett AS	Senja	37.50%	180 939	-8 648	-3 750		168 541
Måsavall Fishfarm AS****	Freya	36.10%	2 6182	7 202	-8 844	20369	44 909
Hellesund Fiskeoppdrett AS	Lillesand	33.50%	111 710	16 739	-5 030	972	124 392
Arctic Fish*	Isafjörður	50.00%	227 750	-15 507		130 461	342 703
Hardanger Fiskeforedling AS**	Kvam	17.20%	11 799	247		-12 046	0
Ranfjord Fiskeprodukter AS****	Rana	0.00%	2 644	0		-2 644	0
Skarblaten Settefisk AS****	Kåfjord	16.90%	4 569	-1 034		-3 535	0
Nordnorsk Smolt AS	Hasvik	50.00%	42 247	-983		0	41 263
Other			48	0	0	0	48
Total associates			607 885	-1 986	-17 624	133 577	721 856

* The changes directly against equity (i.e. translation differences) and debt converted to equity.
 ** As a result of restructuring in Hardanger Fiskeforedling AS, Norway Royal Salmon was diluted and the shareholding was reduced to 17.2%.
 *** The investment will no longer be accounted as an investment in associates.
 **** As a result of restructuring in Skarblaten Settefisk AS, Norway Royal Salmon was diluted and the shareholding was reduced to 16.9%.
 ***** The investment will no longer be accounted as an investment in associates.
 ***** In 2019 a sale agreement was entered into for HRS's shares in Ranfjord Fiskeprodukter AS and in 2020 the shareholding was sold at book value.
 ***** The changes directly against equity is due to a share of the gain on sale of shares in Norway Royal Salmon ASA.

Wilsgård Fiskeoppdrett, Måsavall Fishfarm, Hellesund Fiskeoppdrett and Arctic Fish are engaged in fish farming activities. Hardanger Fiskeforedling operates harvesting plants. Nordnorsk Smolt, Ranfjord Fiskeprodukter and Skarblaten Settefisk are smolt producers.

The Group's share of fair value adjustments in connection with biomass at associates was NOK 12 449 as of 31 December 2020. The fair value adjustments at the start of the year were NOK 27 996. The decrease of NOK 15 547 less tax is included in income from associates.

Associates that own shares in NRS as of 31 December 2020:

	Shareholding	Number of shares	Fair value 31.12.2020	NRS' share of fair value adjustment 31.12.2020
Hellesund Fiskeoppdrett AS	33.50%	1 683 406	361 259	121 022
Total		1 683 406	361 258	121 022

Note 11. cont.

Summary of financial information for investments (100% basis) – converted to IFRS:

2021 (NOK 1 000)	Wilsgård Fiskeoppdrett AS	Hellesund Fiskeoppdrett AS	Other
Operating revenues	378 023	137 892	72 624
Depreciation	17 639	9 409	5 506
Net interest expenses	-892	890	2 259
Result before tax	10 183	208 211	-3 344
Net result for the year	-4 6861	65 213	-1 966
Translation differences and OCI posts	0	0	0
Comprehensive income	-4 6861	65 213	-1 966
Current assets			
Non-current assets	407 661	571 490	15 907
Current liabilities	325 248	80 279	90 995
Non-current liabilities	110 772	96 753	30 192
Net assets	169 334	5 961	23 121
Net assets	452 803	549 055	53 589
Net interest bearing debt	102 939	-3 60 157	30 272

2020 (NOK 1 000)	Wilsgård Fiske- oppdrett AS	Måsavall Fish farm AS	Hellesund Fiske- oppdrett AS	Arctic Fish	Other
Operating revenues	4 79 282	151	89 099	385 051	72 624
Depreciation	15 791	77	6 642	14 24	5 506
Net interest expenses	-2 614	-27	2 138	-39 809	2 259
Result before tax	7 740	35 310	62 479	-16 578	-3 344
Net result for the year	-23 062	19 950	49 968	-16 578	-1 966
Translation differences and OCI posts	0	0	0	0	0
Comprehensive income	-23 062	19 950	49 968	-16 578	-1 966
Current assets					
Non-current assets	382 381	138 515	296 805	536 998	15 907
Current liabilities	312 698	14 588	70 863	588 660	90 995
Non-current liabilities	137 577	33 098	13 659	132 679	30 192
Net assets	153 947	16 930	4 795	520 700	23 121
Net assets	403 555	103 075	349 274	4 72 279	53 589
Net interest bearing debt	14 721	-29 378	-189 279	504 278	30 272



Note 12. Other current liabilities

Specification of other short-term liabilities: (NOK 1 000)	31.12.2021	31.12.2020
Official taxes due	27 333	12 179
Holiday pay	20 502	17 277
Provision for onerous sales contracts*	13 956	0
Provision for unrealized derivatives - Fish Pool contracts	0	4 262
Other short-term liabilities and accruals	49 245	34 004
Total other short-term liabilities	111 038	67 723

* Right of return contracts are liable to be shown as other short-term liabilities for the value of the contracts, as well as for the total liability to the customer (NOK 1 000).

Note 13. Operating expenses

Specification of other operating expenses: (NOK 1 000)	2021	2020
Short-term rental of equipment and offices	58 576	33 861
Maintenance	109 425	75 122
Fuel	14 370	13 610
External fees	53 932	30 857
Off-balance sheet equipment	27 765	16 967
Insurance	18 687	2 136
Bad debts	216	6 745
Other	97 662	31 495
Total other operating expenses	380 833	210 992

Note 14. Taxation

Tax on the result is as follows: (NOK 1 000)	2021	2020
Tax payable	140	3 752
Change in deferred tax	41 696	1 970
Corrections from previous years		-7439
Tax	41 836	-1 717

Tax on items recognised in comprehensive income:

(NOK 1 000)	2021			2020		
	Before tax	Tax expense	After tax	Before tax	Tax expense	After tax
Cash flow hedges	-17020	3 744	-13 276	19357	-4 259	15 098
Actuarial losses on benefits pension scheme	-1875	412	-1 462	5 151	-1 133	4 018
Total	-18 895	4 158	-14 738	24 508	-5 392	19 116

Reconciliation of nominal and actual tax rates:

(NOK 1 000)	2021	2020
Result before tax	735 245	72 970
Tax calculated at nominal tax rate (22 %)	161 754	16 053
Effect of different tax rates compared with nominal rates	-2 761	
Permanent differences:		
Equity method associates	-5 093	437
Gain/Loss Total Return Swap (TRS)		-9 832
Expenses not deductible for tax purposes	289	-877
Other deductions and income	-33 978	
Gain from exit of associated company	-30 276	
Tax loss carry-forwards	-48 101	-60
Corrections from previous years		-7439
Tax on the result	41 836	-1 717
Effective tax rate	6%	-2%



Note 14 - cont.

Deferred tax liabilities

Breakdown of deferred tax and basis for deferred tax:
(NOK 1 000)

	31.12.2021	31.12.2020	Change
Intangible assets	962 670	311 376	651 294
Property, plant and equipment	415 171	27 716	387 455
Property, plant and equipment under financial leasing	380 593	295 498	85 095
Debt under financial leasing	-283 683	-213 653	-70 030
Current assets	1324 183	1 279 090	45 133
Pension liabilities	-24 817	-23 703	-1 114
Short-term liabilities	-3 497	-12 521	9 023
Other temporary differences	10 613	-2 085	12 698
Tax losses carried forward	-295 632	0	-295 632
Total temporary differences	2 485 801	1 661 675	824 124

Estimated deferred tax liabilities	555 392	365 569
Estimated deferred tax asset	-19 479	
Tax rate used to calculate deferred tax in Norway	22 %	22 %
Tax rate used to calculate deferred tax in Iceland	20 %	

Change in deferred tax liabilities in balance sheet:

(NOK 1 000)	2021	2020
Book value as of 1 January	365 569	358 208
Deferred tax associated with acquisitions	132 806	
Deferred tax posted in income statement	61 175	1 970
Tax posted over OCI	-4 158	5 392
Book value 31 December	555 392	365 569

Change in deferred tax assets in balance sheet:

(NOK 1 000)	2021
Book value as of 1 January	0
Deferred tax associated with acquisitions	
Deferred tax posted in income statement	-19 479
Book value 31 December	-19 479

Specification of tax payables:

(NOK 1 000)	2021	2020
Tax payable basis for tax expense	140	3 752
Tax payable	140	3 752

Note 15. Fair value adjustments

Fair value is part of consolidated EBIT, but is presented on a separate line to give a better understanding of the Group's operating results on goods sold.

Specification of fair value adjustments in the income statement:

(NOK 1 000)	Note	2021	2020
Change in fair value adjustments of biomass	5	96 631	-109 052
Change in provision for sales contracts	12	-13 956	3 860
Change in fair value on financial Fish Pool contracts	17	28 594	-314 666
Total fair value adjustments		111 668	-136 657

Specification of fair value adjustments in the balance sheet:

(NOK 1 000)		31.12.2021	31.12.2020	Change
Fair value adjustments biomass (biological assets)	5	212 503	109 216	103 287
Provision for onerous sales contracts (other current liabilities)	12	-13 956	0	-13 956
Fair value of financial Fish Pool contracts (other current liabilities)	17	-2 472	-314 666	28 994
Total fair value adjustments		196 075	77 750	118 325

Note 16. Financial instruments by category

The principles applied for subsequent measurement of financial instruments in the balance sheet are as follows:

As of 31 December 2021

(NOK 1 000)	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Hedge accounting	Total
Cash flow hedging	17	0	0	9 199	9 199
Fair value hedging	17	0	3 465	0	3 465
Trade and other receivables*	6	443 786	0	0	443 786
Cash and cash equivalents	18	65 188	0	0	65 188
Total		508 974	3 465	9 199	521 638

*Trade and other receivables exclude prepayments.

(NOK 1 000)	Note	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedge accounting	Total
Loans (excluding finance leases)	9	2 353 774	0	0	2 353 774
Finance leases	9	292 854	0	0	292 854
Fish Pool contracts**	17	0	2 472	0	2 472
Trade and other payables	12	769 436	0	0	769 436
Total		3 416 064	2 472	0	3 418 536

** Unrealised value of Fish Pool contracts: here daily cash settlements against a bank account. Unrealised value of KRAOK (2 502) is drawn from a bank account which is part of the Group's cash pool.

**Note 16. cont.**

As of 31 December 2020

(NOK 1 000)	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Hedge accounting	Total
Cash flow hedging	17	0	0	26 160	26 160
Fair value hedging	17	0	13 640	0	13 640
Trade and other receivables*	6	348 126	0	0	348 126
Cash and cash equivalents	18	38 753	0	0	38 753
Total		386 879	13 640	26 160	426 679

* Trade and other receivables exclude prepayments.

(NOK 1 000)	Note	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedge accounting	Total
Loans (excluding finance leases)	9	1 378 307	0	0	1 378 307
Finance leases	9	227 026	0	0	227 026
Fish Pool contracts**	17	0	31 466	0	31 466
Trade and other payables*	12	653 980	0	0	653 980
Total		2 259 313	31 466	0	2 290 779

* Trade and other payables excluding statutory liabilities.

** Unrealised value of Fish Pool contracts have daily cash settlements against a bank account. Unrealised value of NOK -27 004 is drawn from a bank account which is part of the Group's cash pool.

Fair value of financial instruments**Fair value of financial instruments recognised at amortised cost**

The Group assumes that the recognised value of financial assets and liabilities that are recognised at amortised cost is approximately equal to the fair value of those instruments.

Fair value measurement of financial instruments

Financial instruments which are valued at fair value at the balance sheet date under IFRS 7 are grouped according to a valuation hierarchy based on the level of observability of the market value for establishment and disclosure of fair value of financial instruments:

Level 1: Listed price in an active market for an identical asset or liability

Level 2: Valuation based on other observable factors either directly (price) or indirectly (price-derived) than listed price (used in level 1) for assets or liabilities

Level 3: Valuation based on factors not taken from observable markets (non-observable assumptions)

Note 16. cont.The table below shows the Group's assets and liabilities measured at fair value as of 31 December 2021:
(NOK 1 000)

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
- Forward currency contracts	0	3 465	0	3 465
Hedge accounting				
- Forward currency contracts	0	9 199	0	9 199
Total assets	0	12 664	0	12 664

Liabilities

Financial liabilities at fair value through profit or loss

- Fish Pool contracts	0	2 472	0	2 472
Hedge accounting				
- Forward currency contracts	0	0	0	0
Total liabilities	0	2 472	0	2 472

The table below shows the Group's assets and liabilities measured at fair value as of 31 December 2020:
(NOK 1 000)

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
- Forward currency contracts	0	13 640	0	13 640
Hedge accounting				
- Forward currency contracts	0	26 160	0	26 160
Total assets	0	39 800	0	39 800

Liabilities

Financial liabilities at fair value through profit or loss

- Forward currency contracts	0	31 466	0	31 466
Hedge accounting				
- Forward currency contracts	0	0	0	0
Total liabilities	0	31 466	0	31 466



Note 17. Derivatives

The Group uses derivatives to reduce risk and to add desired risk exposure.

As of 31 December 2021

(NOK 1 000)	Bank overdrafts	Other short-term receivables	Other current liabilities
Forward currency contracts		12 664	0
Financial Fish Pool contracts*	-2 502	31	0
Total	-2 502	12 695	0

* Unrealized value of Fish Pool contracts: here daily cash settlements against a bank account. Unrealized value of NOK -2 502 is drawn from a bank account which is part of the Group's cash pool.

As of 31 December 2020

(NOK 1 000)	Bank overdrafts	Other short-term receivables	Other current liabilities
Forward currency contracts		39 800	0
Financial Fish Pool contracts*	-27 204	0	-4 262
Total	-27 204	39 800	-4 262

* Unrealized value of Fish Pool contracts: here daily cash settlements against a bank account. Unrealized value of NOK -27 204 is drawn from a bank account which is part of the Group's cash pool.

Derivatives used to reduce risk

The Group uses forward currency contracts to hedge against currency fluctuations. The Group uses derivatives to hedge margins related to deliveries. In those cases where it is entered into purchase contracts with customers without being hedged by physical contracts, the Group enters into agreements to purchase financial Fish Pool contracts to hedge margins. The Group enters into financial Fish Pool contracts to hedge prices for future deliveries.

Forward currency contracts

Forward currency contracts are recognised at fair value at the balance sheet date. At 31 December 2021 forward currency contracts were nominated in EUR, USD, GBP and ISK. These contracts mature between 10 January 2022 and 22 December 2022 and are used to hedge cash flows expected in a far-flung risk period and reduce foreign currency exposure on receivables. In addition, the Group has entered into a forward currency contract to reduce foreign currency exposure related to payments in Iceland.

Note 17. cont.

As of 31 December 2021

(NOK 1 000)	Type	Currency	Currency amount	Currency period	Exchange rate range	Book value
Forward currency contracts – cash flow hedging	Sale	EUR	33 997	10.01.22-22.12.22	9.7383-11.0558	9 480
Forward currency contracts – cash flow hedging	Sale	USD	9 585	10.01.22-15.12.22	8.3799-9.3430	+630
Forward currency contracts – cash flow hedging	Sale	GBP	3 105	20.01.22-20.12.22	11.9918-12.0058	349
Total forward currency contracts – cash flow hedging						9 199
Forward currency contracts – fair value hedging	Sale	EUR	20 000	05.01.2022	10.034-10.072	1 260
Forward currency contracts – fair value hedging	Buy	ISK	875 342	14.01.22-27.10.22	0.0649-0.0652	2 205
Total forward currency contracts – fair value hedging						3 465
Total forward currency contracts						12 664

As of 31 December 2020

(NOK 1 000)	Type	Currency	Currency amount	Currency period	Exchange rate range	Book value
Forward currency contracts – cash flow hedging	Sale	EUR	45 184	15.01.21-20.01.22	10.515-11.959	19 841
Forward currency contracts – cash flow hedging	Sale	USD	6 608	05.01.21-15.12.21	8.965-9.061	3 023
Forward currency contracts – cash flow hedging	Sale	GBP	2 436	15.01.21-22.09.21	12.591-13.493	3 350
Forward currency contracts – cash flow hedging	Sale	JPY	80 444	08.01.21-15.09.21	0.0827-0.0830	-54
Total forward currency contracts – cash flow hedging						26 160
Forward currency contracts – fair value hedging	Sale	USD	5 000	06.01.2021	9.304	3 872
Forward currency contracts – fair value hedging	Sale	EUR	24 000	07.01.2021	108.77	9 768
Total forward currency contracts – fair value hedging						13 640
Total forward currency contracts						39 800



Note 17. cont.

The cash flow hedging costs (the demands for hedging) and the changes in unrealised value are recognised in other comprehensive income. Inefficient hedges are recorded as a net expense in the P&L. Realised profit/loss on the contracts are recognised in revenues. The change in value of the fair value hedge is recognised in the P&L in operating revenues.

Specification of cash flow hedges over OCI

	Cash flow hedges per 01.01	Cash flow hedges per 31.12	Inefficiency	Gross change	Tax	Over OCI
2021	2 6160	9 199	-59	-16 961	3 744	-13 276
2020	6 765	26 160	-38	19 395	-4 259	15 098

Financial Fish Pool contracts

A contract has been signed to purchase 125 tonnes on the Fish Pool salmon exchange. The contract price is NOK 59 60 and cover the period January 2022. The sales department enters into the contracts with the aim of hedging margins linked to deliveries of live fish to customers. In addition, the group has entered into an agreement to sell 3 510 tonnes on Fish Pool. The contract prices are in the range NOK 58.75-NOK 63.00 and cover the period from January 2022 to December 2022. Realised Fish Pool contracts are posted in the accounts under operational result and the unrealised value changes to the Fish Pool contracts are posted under fair value adjustments in the accounts. Realised Fish Pool contracts classified under the operational result amounted to a gain of KNOK 1 977 in 2021 (2020: a cost of KNOK 4 619). Unrealised change in the value of Fish Pool contracts was KNOK 28 994 in 2021 (2020: KNOK -31 466).

As of 31 December 2021

(NOK 1 000)	Type	Currency	Volume (tonnes)	Period	Price range	Book value
Fish Pool contracts	Purchase	NOK	125	01.01.22-31.01.22	59 60	1 063
Fish Pool contracts	Sale	NOK	3 510	01.01.22-31.12.22	58.75-63.00	-3 534
Total						-2 472

As of 31 December 2020

(NOK 1 000)	Type	Currency	Volume (tonnes)	Period	Price range	Book value
Fish Pool contracts	Purchase	NOK	8 209	01.01.21-31.01.22	55.00-62.00	-32 501
Fish Pool contracts	Sale	NOK	300	01.01.21-30.06.21	57.00	1 035
Total						-31 466

Note 18. Bank deposits

(NOK 1 000)	31.12.2021	31.12.2020
Bank deposits	18 484	7 302
Restricted bank deposits	46 705	31 451
Bank deposits	65 188	38 753

Of the restricted deposits KNOK 18 934 (2020: KNOK 31 451) is pledged as collateral related to the company's trading at Fish Pool and KNOK 19 746 (2020: 0) are payment guarantees for investment contracts in Iceland.

Note 19. Personnel expenses and benefits

Wages and personnel expenses

(NOK 1 000)	2021	2020
Wages and salaries	194 871	135 006
Payroll tax	11 694	10 572
Pension costs defined contribution scheme	10 296	4 218
Pension costs defined benefit scheme	4 280	5 137
Other benefits	21 476	12 064
Total wages and personnel expenses	242 616	166 995

Average full-time equivalents

2021	217
2020	217

REMUNERATION TO SENIOR MANAGEMENT AND BOARD OF DIRECTORS

Senior management

2021 (NOK 1 000)	Salary	Fees ¹⁾	Bonus payments	Share-based payments in kind	Total	Accrued pension costs ²⁾
Charles Hestlund, CEO ³⁾	2 893	40	213	595	164	3 905
Ola Loe, CFO	2 409	20	173	451	11	3 064
Arve Olav Lervåg, COO Farming	1 699	127	337	11	2 174	123
Klaus Hatlebrekke, interim CEO ⁴⁾	2 092	142	373	11	2 618	289
Tore Evjen, COO Freshwater	1 578	117	310	11	2 016	127
Anne-Sofie Utne, COO Business Development ⁵⁾	1 389		92	0	1 492	132
Total	12 060	60	864	2 066	219	15 269

¹⁾ Fees are directors' fees paid by subsidiaries.

²⁾ Amount of accrued pension costs under the defined benefit plan is based on the average salary of the employees over three years, but not exceeding the employee's gross salary, has not been deducted.

³⁾ Charles Hestlund resigned as CEO as of 30 September 2021 and was replaced by Klaus Hatlebrekke, interim CEO.

⁴⁾ Anne-Sofie Utne was appointed as CEO as of 1 September 2021.



Benefits to senior executives have been calculated in accordance with guidelines on the determination of salaries and other remuneration to senior executives in Norway Royal Salmon published in Norway Royal Salmon's Annual Report for 2020. For guidelines for executive salaries for future periods, see page 104.

2020 (NOK 1 000)	Salary	Fees ¹⁾	Bonus payments	Share-based payments in kind	Payments in kind	Total	Accrued pension cost ²⁾
Charles Hestlund, CEO	2 855	40	213	2 743	231	6 082	323
Ola Lee, CFO	2 238	20	162	2 080	11	4 511	315
Arve Olav Lervåg, COO Farming	1 654	0	123	1 552	11	3 338	85
Klaus Hatlebakk, COO Business Development	1 844	0	134	1 718	11	3 707	317
Tore Evjen, COO Freshwater	1 487	0	109	0	11	1 607	88
Total	10 078	60	739	8 093	275	19 245	1 128

¹⁾ Fees are director fees paid by outside clients.

²⁾ Accrued pension cost on 31 December 2020 is based on the amount paid to the pension funds in 2020.

The employee's own share of 2 percent of gross salary has not been deducted.

Directors' fee: (NOK 1 000)	2021	2020
Helge Gåse, Board Chair	454	445
Trude Olafsen, Vice Chair	291	285
Karl-Johan Bakken	331	0
Tom Vidar Rygh*	331	324
Marianne E. Johnsen*	357	350
Eva Maria Kristoffersen*	352	345
Astrid Aunevold**	291	0
Lars Mårvald**	0	324
Total	2 407	2 073

* Tom Vidar Rygh, Marianne E. Johnsen and Eva Maria Kristoffersen resigned from the board of directors at the Extraordinary General Assembly 30 September 2021.

** Astrid Aunevold resigned from the board of directors at the General Assembly 27. Mar 2021.

*** Lars Mårvald resigned from the board of directors at the General Assembly 4. June 2020.

Note 19. cont.

Share-based incentive scheme

In 2017 a share-based bonus program was introduced for senior executives and key personnel. The scheme continued in 2018, 2019 and in 2020. The bonus program entitles the shareholders the right to receive shares based on the price development of the company's shares on the Oslo Stock Exchange. The scheme introduced in 2018 was paid out in 2020 and the schemes introduced in 2019 and 2020 were paid out in 2021. The scheme has been approved by the board, is divided into 4 different levels and has a service period of 24 months. The bonus program is a share-based scheme that gives the right to receive shares in Norway Royal Salmon based on the price development in Norway Royal Salmon ASA's volume-weighted average share price in

the ten trading days prior to 20 March 2019, 20 March 2020 and 20 March 2021.

The schemes introduced in 2018 and 2019 shall not exceed an annual salary. The scheme introduced in 20 March 2020 had a vesting period until 20 March 2021 but was exercised in September 2021. This scheme did not exceed 25% of an annual salary. None of the optionholders are entitled to exercise their options as of 31.12.2021.

The exercise price will be adjusted for dividends and changes in the holding of treasury shares. In 2021, a cost of TNOK 776 (2020: TNOK 3 100) was recognized in the income statement related to the option schemes. The Black-Scholes model has been used to calculate this cost.

Assumptions for calculation	Program introduced in 2019	Program introduced in 2020
Allocation date	20 March 2019	20 March 2020
Share price on the allocation date	203.48	202.04
Adjustments based on equity transactions	6.00	5.00
Share price increase from allotment price for full earnings	20%	20%
Expected volatility	29.00%	30.90%
Risk-free interest rate	1.14%	0.10%
Lifespan of the option	1.0 year	1.0 year
Model employed for fair value calculation	Black-Scholes	Black-Scholes

Change in number of options	Program introduced in 2019	Program introduced in 2020	All programs
At 31 December 2020	322 433	202 121	524 554
Exercised in the year	-305 847	-185 896	-491 743
Allocated during the year (new program)	0	0	0
Terminated	-16 586	-16 225	-32 811
Number of options at 31 December 2021	0	0	0
Exercise price	214.79	214.79	
Number of employees in the program at 31 December 2021	18	28	28



Note 20. Pension costs and liabilities

The Group is required to operate occupational pension schemes under the Norwegian Mandatory Occupational Pensions Act. The schemes offered by all Group companies meet statutory requirements.

The subsidiaries have defined contribution schemes for the employees. In addition, some employees participate in an early retirement scheme (AFS). The scheme is funded through grants from the participating companies and is a defined benefit multi-employer plan. There is currently insufficient information to estimate the proportionate share of the liability for the AFS scheme and fees are therefore recognized in the same way as contribution schemes. The scheme is accounted for as a defined contribution scheme until available and sufficient information that enables the Group can recognize its proportionate share of pension costs, pension obligations and pension funds in the scheme.

The parent company operates a defined benefits pension scheme and a defined contribution scheme. The defined benefits scheme covers 28 people. The pension scheme provides an entitlement to defined future benefits, the size of which is largely dependent on the number of years' entitlement, salary upon retirement and state

pension benefits. The scheme is financed externally through an insurance company.

As a result of the application of IAS 19R, the period's net interest expense is now calculated by applying the discount rate for the liability at the beginning of the period to the net liabilities. Net interest expense therefore consists of interest on the obligation and return on assets, both calculated at the same discount rate. The change in the net pension obligation as a result of premium payments and pension payments are taken into account. Actuarial losses on defined benefit plans (net of tax) is recognized in the consolidated statement of comprehensive income.

The Norwegian Accounting Standards Board has announced that the market interest rate for covered bonds (OMF) can be used as the discount rate when estimating the future pension liabilities. Norway Royal Salmon finds it appropriate to use the market interest rate for covered bonds as the discount rate for its pension liability. Norway Royal Salmon believes there is a deep market in covered bonds that satisfy the requirements of high quality. Norway Royal Salmon have in their calculations per 31.12.2021 used a discount rate of 1.5 per cent (2020: 1.5 per cent).

Pension costs: (NOK 1 000)	2021	2020
Current service cost	4 010	4 343
Interest cost	334	480
Payroll tax	629	694
Administration cost	117	101
Net pension costs service - defined benefit scheme	5 090	5 618
Cost of defined benefit pension scheme	5 090	5 618
Cost of defined contribution pension scheme	10 296	4 218
Early retirement scheme	1 854	1 439
Employee contributions to scheme	-810	-482
Total pension costs	16 429	10 793

Note 20. cont.

Assumptions defined benefit scheme:	2021	2020
Discount rate	1.50%	1.50%
Future salary increases	2.50%	2.00%
Inflation rate	1.50%	1.50%
Future pension increase	0.00%	0.00%

Demographic factors:	2021	2020
Disability table	IR02	IR02
Mortality table	K2013 BE	K2013 BE

Number of employees in the scheme	2021	2020
Active	28	29
Pensioners	8	9
Total	36	38

	2021	2020
Paid into the scheme during the year	5 128	3 858
Forecast payment to the scheme next year	5 782	4 329

Calculation of amount recognised in the balance sheet: (NOK 1 000)	31.12.2021	31.12.2020
Present value of funded obligations	84 596	78 757
Fair value of plan assets	-59 779	-55 053
Net pension liabilities in balance sheet	24 817	23 703

Change in present value pension liabilities: (NOK 1 000)	2021	2020
Pension liabilities as of 1 January	78 757	78 097
Current service cost	4 644	5 045
Interest expense	1 188	1 410
Payroll tax on this year's payment	-723	-544
Pension payments	-600	-599
Actuarial losses over other comprehensive income	1 331	-4 652
Pension liabilities as of 31 December	84 596	78 757

**Note 20. cont.****Change in estimated fair value of plan assets:**
(NOK 1 000)

	2021	2020
Estimated fair value of plan assets as of 1 January	55 053	50 458
Return on plan assets	742	836
Contributions paid	5 851	4 402
Pension payments	-723	-544
Payroll tax on this year's payment	-600	-599
Actuarial losses/ (gain) over other comprehensive income	-544	900
Plan assets as of 31 December	59 779	55 053

Pension funds are made up as follows:
(NOK 1 000)

	2021	2020
Shares	9.7%	7.2%
Short-term bonds	19.6%	20.4%
Money market fund	10.6%	10.6%
Long-term bonds	26.7%	30.8%
Loans and receivables	19.1%	17.0%
Property	13.6%	13.6%
Other	0.7%	0.4%
Total	100.0%	100.0%

Sensitivity calculations

The Group's pension liabilities and costs are based on assumptions as described above. Changes in these assumptions will result in changes in liability. A 1 per cent increase in the discount rate would result in a gross pension liability of NOK: 6 668 (2020: 6 688). Conversely, reducing the discount rate by 1 per cent

would result in a gross pension liability of NOK: 49 059 (2020: 46 510). An 1 per cent increase in the future salary increases, would result in a gross pension liability of NOK: 38 018 (2020: 35 331). Conversely, reducing the future salary increases by 1 per cent, would result in a gross pension liability of NOK: 13 129 (2020: 13 011).

Note 21. Financial income and financial expenses

(NOK 1 000)

	2021	2020
Gain when Arctic Fish was converted from an associate to a subsidiary*	177 424	0
Gain on sale of shares in associate**	130 105	0
Realised gains on TRS agreements	0	44 689
Unrealised losses on TRS agreements	0	-52 854
Loss/Gain financial assets	307 528	-8 165
Interest income	629	2 503
Interest expenses	-61 024	-15 779
Net interest expenses	-60 395	-13 276
Other financial income	270	16
Agio	23 561	-1 782
Other financial expenses	-7 956	-114 69
Inefficiency cash flow hedging	59	38
Net other financial expenses	15 934	-13 198
Net financial items	263 067	-34 639

* On 1st January 2021, Arctic Fish was converted from an associate to a subsidiary. Arctic Fish was previously a subsidiary of the Hopway Royal Salmon Group.

** Hopway Royal Salmon AS holds a 36.1% stake in the associated company, NÅkval Fiskerim AS. NÅkval Fiskerim AS is a subsidiary of Hopway Royal Salmon AS.



Note 22. Share capital and shareholder information

Share capital in parent company as of 31 December 2021:	No. of shares	Nominal	Value
Ordinary shares	43 572 191	1 00	43 572 191

The company only has one class of shares. All shares confer the same rights in the company.

Ownership structure – the 20 largest shareholders as of 31 December 2021:

Shareholder	No. of shares	Shareholding	Voting rights
NTS ASA	29 688 820	68.14%	68.14%
BROWN BROTHERS HARRIMAN & CO.	1 169 013	2.68%	2.68%
HELLESUND FISKEOPPDRETT AS	1 051 076	2.41%	2.41%
HANBRUKSINVEST AS	700 775	1.61%	1.61%
THE NORTHERN TRUST COMP. LONDON BR	682 534	1.45%	1.45%
STATE STREET BANK AND TRUST COMP	624 192	1.43%	1.43%
MORGAN STANLEY & CO. INT. PLC.	615 934	1.41%	1.41%
RBC INVESTOR SERVICES TRUST	573 573	1.32%	1.32%
BNP PARIBAS SECURITIES SERVICES	457 856	1.05%	1.05%
JPMORGAN CHASE BANK, N.A. LONDON	388 466	0.89%	0.89%
THE BANK OF NEW YORK MELLON	363 087	0.83%	0.83%
JPMORGAN CHASE BANK, N.A. LONDON	266 980	0.61%	0.61%
THE BANK OF NEW YORK MELLON	218 631	0.50%	0.50%
J.P. MORGAN BANK LUXEMBOURG S.A.	215 934	0.50%	0.50%
EUROCLEAR BANK S.A./N.V.	208 990	0.48%	0.48%
NORWAY ROYAL SALMON ASA	197 495	0.45%	0.45%
FORTE NORGE	190 000	0.44%	0.44%
RBC INVESTOR SERVICES TRUST	186 895	0.43%	0.43%
NVHAMN AS	171 000	0.39%	0.39%
STATE STREET BANK AND TRUST COMP	140 108	0.32%	0.32%
Total 20 largest shareholders	38 061 321	87.35%	87.35%
Total other shareholders	5 510 870	12.65%	12.65%
Total no. of shares	43 572 191	100.00%	100.00%
NORWAY ROYAL SALMON ASA (Treasury shares)	197 495	0.45%	0.45%
Total no. of outstanding shares	43 374 696		

Note 22. cont.

Shares held by members of the board, CEO and senior executives:

Position	No. of shares	Shareholding	Voting rights
Tore Evjen	COO Freshwater	518	0.00%

Treasury shares:

The board is authorized to acquire treasury shares up to a total nominal value of NOK 4 357 219. This authority runs until the Annual General Meeting in 2022, however not later than 30 June 2022. On the acquisition of such

shares, the purchase price per share may not be less than a nominal value of NOK 1.00 and not more than NOK 300.00. The group owns 197 495 treasury shares at the end of 2021, representing 0.45 per cent of the share capital in the company.

Treasury shares	2021		2020	
	No. of shares	Payment (NOK 1 000)	No. of shares	Payment (NOK 1 000)
Book value as of 1 January	653 398		140 811	
Net purchase and sale of own shares	-3 288	-706	962 071	240 270
Distribution of dividend shares	-452 615	-42 922	-449 484	-106 586
Book value 31 December	197 495		653 398	

Board mandates

The board is authorized to increase the share capital by up to NOK 4 357 219. This authority runs until the Annual General Meeting in 2022, however not later than 30 June 2022.

shares. The dividend was transferred in June 2021. The board has not proposed dividend distribution based on the financial statements of 2021.

Dividend

In 2021 an ordinary dividend of NOK 130 716 573 (NOK 3.00 per share) was paid based on the annual accounts for the financial year 2020. The dividend was partly distributed in cash, 1.00 per share, totalling NOK 42 922 081 and partly by distribution of 452 615

In 2020 an ordinary dividend of NOK 217 860 955 (NOK 5.00 per share) was paid based on the annual accounts for the financial year 2019. The dividend was partly distributed in cash, 2.50 per share, totalling NOK 106 172 120 and partly by distribution of 449 484 shares. The dividend was transferred in June 2020.



Note 23. Earnings per share

Basic earnings per share is based on the earnings attributable to shareholders of the company and the weighted average number of ordinary shares outstanding for the year, less ordinary shares purchased by the company and held as treasury shares.

Result allocated to majority shareholders: (NOK 1 000)	2021	2020
Majority share of net result for the year	617 362	80 113
The majority's share of fair value adjustments on biomass after tax	-69 000	79 876
The majority's share of fair value adjustments on onerous contracts and Fish Pool contracts after tax	-11 730	21 532
Majority share of value-adjusted result for the year	536 632	183 521
Number of shares per 1 January	42 918 793	43 431 380
Effect of distribution of dividend of treasury shares	256 689	215 285
Effect of sale and purchase of treasury shares	2 585	-569 757
Weighted average number of ordinary shares outstanding	43 178 067	43 076 909

Earnings per share:	2021	2020
Basis	1430	186
Diluted	1430	186
Earnings per share, continuing operations (NOK)	1430	186
Earnings per share, continuing operations - diluted	1430	186
Earnings per share shows the majority's share		

Earnings per share pre fair value adjustments:	2021	2020
Basis	1243	427
Diluted	1243	427

Earnings per share pre fair value adjustments shows the majority's share

Shares outstanding: (NOK 1 000)	2021	2020
Shares outstanding as of 1 January	42 918 793	43 431 380
Effect of purchase of treasury shares	0	-962 071
Effect of sale / distribution of dividend of treasury shares	455 903	449 484
Shares outstanding as of 31 December	43 374 696	42 918 793

Note 24. Inventory

(NOK 1 000)	31.12.2021	31.12.2020
Raw materials	82 219	36 372
Goods in transit	52 085	54 899
Finished goods	5 000	13 004
Total inventory	139 304	104 275

Raw materials mainly comprise feed for the farming business. Finished products comprise fresh and frozen salmon for resale. Goods in transit to customers are goods where risk and control over the goods have not been transferred to the customer.

Note 25. Leasing liabilities

According to IFRS 16 Norway Royal Salmon ASA has booked the right-to-use assets and leases with a term of more than twelve months as long as the underlying value is not insignificant. Payment of short-term and leases with low value is expensed directly over the lease term. These are leases that are recognized in the income statement on an ongoing basis. The group has defined assets with low value to be assets where the rental cost is less than NOK 50 000 per year. The group owns office space, machinery equipment, boats and barges. The duration of the leases is different, and at expiration the group often carries out a purchase of the underlying fixed

assets. Purchases are not applicable for office premises. Call options are included in lease payments that are used to recognise assets and liabilities. The discount rate used is approximately the company's external borrowing rate. The discount rate will vary depending on the type of fixed asset. The leasing obligation is linked to short-term/long-term. There have been no facilitations related to leasing with regards to the Covid-19 pandemic.

Information on leases where the group is the lessee is presented in the table below, see also note 8 for an overview of the right-to-use assets:

	2021	2020
Opening balance	227 026	248 860
Additions	123 636	31 655
Disposal from purchase	0	0
Disposal from discontinued operations	0	0
Other effects	122	0
Interest on leasing obligation	11 504	6 788
Cash flow effect: Rent payments (instalments and interest)	-69 434	-60 277
Book value 31.12.	292 854	227 026

**Note 25. cont.**

Distribution of short-term and long-term debt to right-to-use assets	2021	2020
Long term debt	237 150	178 514
Short-term debt	55 703	48 512
Total debt for right-to-use assets	292 854	227 026

Cash flow effect on leasing obligation	2021	2020
Interest	-11 504	-6 788
Instalment	-57 931	-53 489
Total cash flow from leasing	-69 434	-60 277

In the period from 1 January 2022 to the presentation of the annual report, two leasing contracts have been signed for respectively 5.7 MNOK and 1.1 MNOK from January 2022. The cash flow effect of these two will be a total of approximately 8 MNOK in instalments and interest per month over the rental period.

Note 26. Auditor's fees

(NOK 1 000)	2021	2020
Statutory auditing services	1 514	713
Other attestation services	85	90
Tax advisory services	0	42
Other services	107	40
Total auditor's fees	1 706	885

All auditor's fees are exclusive VAT.

Note 27. Related parties**Group transactions with related parties:**

Goods and services purchased:	2021	2020
(NOK 1 000)		
Associates - products purchased	195 925	475 239
Associates - services purchased	67 610	25 661
Enterprise controlled by large shareholder - purchase of products	438 619	618 561
Enterprise controlled by board members - purchase of services	36 028	46 837
Total goods and services purchased from related parties	738 181	1 166 098

Note 27. cont.

The Group conducts transactions on normal terms with associates and suppliers who are also shareholders in NRS. This applies to the purchase of harvested fish and smolts from smolts. Purchases of smolt and harvested fish are made at market price.

The Group purchase harvesting services from one of its associates. Harvesting services are purchased at market

terms. Administrative services are also purchased from one of the Group's associates.

All goods and services are purchased at an arm's length distance. The board is not aware of any transactions with related parties in 2021 that in any way have a significant impact on the Group's financial position or result for the period.

Trade receivables due to goods and services sold:	2021	2020
(NOK 1 000)		
Associates	0	30 457

Trade payables due to goods and services purchased:	2021	2020
(NOK 1 000)		
Associates	9 930	89 883
Shareholders in Norway Royal Salmon ASA	19 721	44 019
Total trade payables related parties	29 650	133 902

Loans to related parties:	2021	2020
(NOK 1 000)		
Loans to associate, Arctic Fish AS:		
Book value 1 January	0	63 470
Loans given during the year		49 065
Interest added to loan		3 489
Loans converted to equity		-116 024
As of 31. December	0	0



Note 28. Business combinations

Listing of Arctic Fish on Euronext Growth and full consolidation from Q1-2021

The shareholders in Arctic Fish ehf. transferred their shareholdings to Arctic Fish Holding AS at the beginning of February 2021 and received a corresponding shareholding in Arctic Fish Holding AS. As Norway Royal Salmon ASA was the sole shareholder in Arctic Fish Holding AS before the contribution in kind with shares in Arctic Fish ehf. Norway Royal Salmon achieved control over the company (ownership over 50 percent). The transaction will for accounting purposes be treated as a business transfer and consolidated in NRS from 1 January 2021. Previously the company has been treated

according to the equity method as an associated company. At the time of control the entire equity investment in Arctic Fish Holding AS is considered as realised and a new cost price established. The allocation is shown below.

Arctic Fish is a fish farming company located in Vestfirði, Iceland and was listed on Euronext Growth on the Oslo Stock Exchange on 19 February 2021. The company estimates to harvest 12 000 tonnes of salmon in 2021 and currently has production cost below the average for Norwegian fish farming companies. Arctic Fish has a significant growth potential and estimates a harvest volume of 24 000 tonnes in 2025.

(NOK 1 000)	01.01.2021
Book value of shares in Arctic Fish before the time of control	342 703
Fair value	500 000
Net change related to book value of shares	157 297
Of this (profit) before tax	174 783
OCI translation difference reclassified to profit or loss	-17 486

Effect on the balance sheet after business transfer	Book value* 01.01.2021	Adjustment to fair value	Fair value 01.01.2021
Licences	34 297	651 494	685 791
Property, plant & equipment	559 988		559 988
Other non-current assets	626		626
Biological assets	429 237		429 237
Other current assets	34 528		34 528
Cash & cash equivalents	79 171		79 171
Deferred tax assets/liabilities	-2 506	-130 299	-132 805
Other non-current liabilities	-245 184		-245 184
Current liabilities	-411 352		-411 352
Net identifiable assets and liabilities	478 805	521 195	1 000 000

* Book value 01.01.2021 have been restated to IFRS and converted to NOK

Fair value of controlling interest	500 000
Non-controlling interests	500 000

On 19 February 2021, Arctic Fish Holding AS was listed at Euronext Growth on the Oslo Stock Exchange. Before the listing, a share issue of MNOK 350 was carried out, in which NRS participated with MNOK 200 and increased its ownership interest to 51.28%.

Note 29. Events after balance sheet date

Biological challenges in Dyrafjörður for the subsidiary Arctic Fish in Iceland

Arctic Fish has been experiencing severe biological issues in two of its sites. These biological issues and mortalities are thought to have been caused by several factors. The highest mortality is related to cages with the highest average weight. Examination of the fish shows mortality related to circulation problems, suspect malgill conditions and Heat and Skeletal Muscle Inflammation (HSMI). HSMI is defined as an enteric, in Iceland. Limitations on the harvesting capacity has increased the loss for the company, both as a preventive measurement and to reduce the loss when the situation occurred. Further examinations and analysis are ongoing to secure a sufficient evaluation and conclusions, and finding implementation of relevant measurement to avoid similar incidents.

The situation is now considered to be stable. All efforts were made to handle this efficiently and minimize losses, which includes speeding up harvesting at these two sites. The current assessment of total mortality is about 3 000 tonnes LW, representing an estimated non-recurring cost of NOK 106 million in Q1 2022. Due to this incident the estimated harvest volumes for 2022 is reduced from 12 000 tonnes to 10 100 tonnes for Farming Iceland.

Acquisition of SalmoNor

On 11 January 2022, Norway Royal Salmon ASA (NRS) and NRS Farming AS entered into a legally binding Share Purchase Agreement (SPA) for NRS Farming AS to acquire 100% of the shares in SalmoNor AS from NTS ASA (NTS).

NTS representatives in the Board of Directors in NRS have declared themselves disqualified and have as a consequence not participated in the evaluation of the Transaction.

On 31 March 2022, NRS announced that a Private Placement had been successfully placed and that the independent Board of Directors has allocated 94 306 693 Offer Shares in the Private Placement at a subscription price of NOK 202.00 per share (the "Subscription Price"), raising gross proceeds of NOK 1 905 million.

NRS intends to use the proceeds from the Private Placement to finance the Cash Consideration of the Company's contemplated acquisition of SalmoNor AS from NTS ASA, where the purchase price is agreed financed through €68.14% consideration shares in NRS and 31.86% as cash.

Pursuant to the SPA, NRS' largest shareholder, NTS has undertaken to vote in favour of the private placement and to subscribe for the consideration shares to complete the acquisition of SalmoNor.

The completion of the Private Placement is subject to the resolution of an Extraordinary General Meeting of the Company (the "EGM"), to be held on 7 April 2022, to increase the share capital of the Company by the issuance of the Offer Shares and the Share Consideration. In addition the private placement is subject to that NRS' agreement with NTS to acquire all the shares in SalmoNor AS have not been validly terminated before or at the date of the EGM. The independent Board of Directors proposes that the EGM on 7 April 2022 adopts the Private Placement and the Share Consideration on the final terms as set out in the proposed resolution.

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, bank deposits and interest-bearing receivables. 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.



Alternative performance measures cont.

(NOK 1 000)	31.12.2021	31.12.2020
Reported long-term interest-bearing debt	2 228 832	1 378 514
Reported short-term interest-bearing debt	417 796	226 819
Total interest-bearing debt	2 646 628	1 605 334
Reported long-term interest-bearing receivables	0	-45 000
Reported bank deposits, cash	-65 188	-38 753
Net interest-bearing debt (NIBD)	2 581 439	1 521 580
Leasing (IFRS 16 effects)	-292 854	-227 026
NIBD according to bank covenant	2 288 586	1 294 554

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 1 000)	31.12.2021	31.12.2020
Reported equity	4 443 350	3 130 692
Reported total assets	8 442 234	5 814 710
Equity ratio	52,6 %	53,8 %
Total assets adjusted for Right-of-use-assets	8 062 471	5 505 838
Total liabilities adjusted for leasing liabilities	3 706 030	2 456 991
Equity ratio according to bank covenant	54,0 %	55,4 %

Operational EBIT per kg

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 of sold goods and the production. The measure is calculated before unallocated costs and non-recurring events, fair value adjustments, income from associated companies, from oil expenses and taxes. The measure is expressed per kg harvested volume.

Operational EBIT per kg - Group (NOK 1 000)	2021	2020
Operational EBIT continued operations	344 260	246 252
Unallocated expenses	96 409	56 227
Non-recurring events (note 5)	33 639	0
Operational EBIT	474 308	302 479
Harvested volume	49 640	30 509
Operational EBIT per kg	9,55	9,91

Alternative performance measures cont.

Operational EBIT per kg FARMING NORWAY (NOK 1 000)	2021	2020
Operational EBIT (segment, note 2)	358 544	215 186
Share of operational EBIT Sales allocated excl. Contracts	6 297	-4 631
Operational EBIT excl. Contracts	364 840	210 555
Losses of "Gullin" from open fixed-price contracts	9 941	91 924
Operational EBIT	374 781	302 479
Harvested volume	38 161	30 509
Operational EBIT per kg excl. Contracts	9,56	6,90
Operational EBIT per kg	9,82	9,91

Operational EBIT per kg FARMING ICELAND

(NOK 1 000)	2021	2020
Operational EBIT	99 527	
Harvested volume	11 479	
Operational EBIT per kg	8,67	

Fair 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 a data in an analysis like of D/E.

(NOK 1 000)	2021	2020
Majority share of net result for the period	617 362	80 113
Majority share of fair value adjustments of biomass after tax	-69 000	79 876
Majority share of fair value of sales contracts and Fish Pool contracts after tax	-11 730	23 847
Majority share of value-adjusted result for the period	536 632	183 836
Weighted average number of ordinary shares outstanding	43 178 067	43 076 909
Fair value-adjusted earnings per share	12,43	4,27



Board of Directors report for 2021

Group operations and locations

Norway Royal Salmon's business is divided into three segments: Farming Norway, Farming Iceland and Sales. The Sales segment includes the purchase and sale of salmon. The fish farming business includes salmon farming and harvesting activities. The farming business in Norway is located in Troms and Finnmark and the farming business in Iceland is located in the Westfjords area. The headquarters is in Trondheim.

The Group's business idea is to supply the market with healthy salmon of high quality. Efforts are made to sell all products under the Norway Royal Salmon brand name. The Group's strategy is to run effective fish farming operations, as well as to sell the output of our own production and production from external producers. Future growth in the Icelandic and Norwegian fish farming industry must be based on sustainable criteria. Norway Royal Salmon wishes to be a leader in the effort to develop the industry in a more sustainable direction.

The Norway Royal Salmon group owns 36 085 tonnes MAB for salmon farming located in Troms and Finnmark, and 17 800 tonnes MAB for salmon farming and 5 300 MAB for trout farming in Iceland through the company Arctic Fish. The group has minority interest in two associated Norwegian fish farming companies which together own 9 fish farming licenses. In addition, the group owns 50 per cent of the molt producer Nordnorsk Smelt AS. Sales operations are conducted from the company's office in Trondheim.

Highlights in 2021

In 2021, Norway Royal Salmon confirms its role as a forward-looking and growth-ambitious salmon farming company characterized by high sales volumes and strategic measures for sustainable growth investments.

- Norway Royal salmon sold 96 370 tonnes in 2021, represented by 84 891 tonnes from the sales operation in Norway and 11 479 from Farming Iceland.

- The farming operations harvested 49 640 tonnes in 2021. This is an increase of 63 per cent compared to 2020. Farming Norway harvested 38 161 tonnes and Farming Iceland harvested 11 479 tonnes.
- The Norwegian Directorate of Fisheries granted Farming Norway an interregional MAB distributed between all 3 production areas in 2021. This increases the potential for better MAB utilisation and higher production.
- In June, Norway Royal Salmon ASA distributed an ordinary dividend of NOK 3.00 per share.
- In 2021 we participated in CDP's annual disclosure and scoring process for environmental transparency for the third time. Our efforts were awarded with the score B for handling climate change and score A- for handling deforestation risks in our supply chain. CDP has rated NRS as one of the leading companies with score A- in its Supplier Engagement Rating (SER). The SER provides a rating for how effectively companies are engaging their suppliers on climate change.
- All sites at Norway Royal Salmon are GLOBALG.A.P. certified.
- Additional sites were ASC certified in 2021, and as of 31 December 2021 all active sites are ASC certified.
- NRS has started installation and deactivation of the feed barges at our farming sites in Norway. The company has been granted funds from ENOVA. Solutions for our feed barges are partly batteries charged by fossil fuel (hybrid) and partly batteries charged with electricity from the onshore power grid. As of 31 December 2021, 89 per cent of the feed barges in Norway have installed batteries and are operating on a hybrid solution.
- Divestment of the 36.1% stake in Måsevald Fishfarm AS was completed during the second quarter. NRS received MNOK 148 as consideration for the shares.

Sustainable focus and organic growth potential

Arctic Offshore Farming and offshore fish farms

The investment in Arctic Offshore Farming is a strategically important investment, where NRS develops and builds the offshore technology of the future for the aquaculture industry. The technological solution enables aquaculture in



significantly more exposed waters and will help to increase the utilisation of sea areas. The site Fellesholmen is per date the most exposed salmon farming site in Norway. We have now gained experience on the harsh winter conditions on the site and lowering the cages to submerged position works well. Both cages are installed on site and are ready to receive fish. Due to a significant drop in sea temperatures and harsh weather conditions, moving the fish into the cages was postponed. The next generation smolt suitable for release into the offshore cages will be ready from the new smolt facility in August 2022 and are expected to be harvested in Q4 2022 and Q1 2024.

Increased harvesting capacity in Iceland

To reduce the current harvesting limitations Arctic Fish is planning to build a brand new processing facility. The project has interest from other farmers that want to secure services from the new planned facility, this can create more economies of scale. This will secure capacity to lower the current high harvesting costs to competitive levels. The target is to substantially bring down the cost levels of harvesting from 2023 onwards.

Investing in in-house smolt facility

The investment in a new smolt facility in Norway is strategically important for NRS. The facility is centrally located in relation to the fish farming sites. When the facility is completed in the first quarter of 2022, it will be one of the world's largest and most modern smolt facilities with RAS technology. The facility is designed with potential for further extensions. The smolt facility will ensure the supply of smolts and contribute to increased biological safety, increased quality and bigger smolt, as well as improve the timing of smolt release into the sea. This will improve the utilisation of the Group's MAB and reduce production costs. NRS started production in the smolt facility in May 2021 and will release fish into the sea in the spring of 2022 and harvest this including the summer of 2023. The production has performed well up to now.

In Iceland Arctic Fish has started the expansion of the existing smolt facility. The expansion is expected to be completed in Q2 2023. The smolt facility has a proven track record of smolt production, with roughly 12 million smolt produced at the facility since 2017. With the planned expansion, the yearly smolt capacity will be around 1 000 tonnes, 5 million smolt at 200 grams.

Certifications

The future growth of the aquaculture industry will be through sustainable solutions. Ahead, the company will have full focus on utilising the Group's organic growth potential and sustainable production. All Norway Royal Salmon sites are Global A.P. certified. In addition, dedicated efforts have been made towards getting the Group certified by the ASC (Aquaculture Stewardship Council) standard. It sets strict standards for how fish

are produced and requires documentation of laws and regulations, animal diversity, animal welfare, genetic impact on wild populations, responsible feed, control of fish illnesses, socially responsible production of fish, good relations with neighbours and that our suppliers meet critical and essential criteria in the standard. 100 per cent of the active sites in Norway Royal Salmon are ASC certified as of 31 December 2021.

The income statement

Norway Royal Salmon generated a consolidated operating revenue of NOK 5 800.9 million in 2021, compared with NOK 5 138.9 million in 2020. Operational EBIT totalled NOK 344.3 million (2020: NOK 246.3 million). The Group had a consolidated operating result of NOK 472.2 million (2020: NOK 307.6 million). The Group consolidated net result for the year totalled NOK 492.4 million (2020: NOK 74.7 million). The main reason for the increase in net result is higher salmon prices, a gain of NOK 130.1 million due to the sale of shares in the associated company Måsoval Fiskfarm AS and a gain of NOK 177.4 million on financial assets when Arctic Fish was converted from an associated company to a subsidiary.

The Group recognised a positive share of result from associates of NOK 35.4 million in 2021 (2020: negative of NOK 2.0 million). The Group's associates harvested 5 796 tonnes in 2021, compared with 20 447 tonnes in 2020. The Group's share of the volume was 2 070 tonnes compared with 8 474 in 2020. In 2021, the Group had net interest expenses of NOK 60.4 million (2020: NOK 13.8 million). Gain on financial assets in 2021 was NOK 307.5 million (2020: loss of NOK 8.2 million).

The parent company made a net result for the year of NOK 361.4 million in 2021 (2020: NOK 219.5 million). Operating result totalled negative NOK 44.7 million (2020: positive NOK 41.3 million). Profit on fixed price contracts of NOK 9.9 million (2020: NOK 91.9 million) reduces the operating result with NOK 22.0 million. The volume sold by the parent company of 84 891 tonnes in 2021 represents a decrease of 4.5 per cent compared to the 88 904 tonnes sold in 2020. The increase in net result for the year is attributable to the increase by NOK 219.0 million in share of the profits from investments in subsidiaries and associates from NOK 139.9 million in 2020 to NOK 356.8 million in 2021, increased gain on financial assets of NOK 15.0 million and increase in net interests and other financial items of NOK 6.1 million.

Fish Farming Norway

The fish farming operations in Norway generated operating revenue of NOK 2 085.7 million in 2021 (2020: NOK 1 539.7 million). The segment harvested 38 161 tonnes in 2021, compared with 30 509 tonnes the year before, an increase of 24.0 per cent. The Group has fish farming licenses equivalent to 36 085 tonnes MAB (including

developing permits). The farming operations including sales made an operational EBIT of NOK 374.8 million (2020: NOK 302.5 million). Operational EBIT came to NOK 9.82 per kg harvested in 2021 (2020: NOK 9.91). Operational EBIT decreased because of higher prices and volumes but was offset by a lower gain on fixed price contracts.

Fish Farming Iceland

The fish farming operations generated operating revenues of NOK 595.9 million in 2021 (2020: NOK 339.4 million). The segment harvested 11 479 tonnes in 2021, compared with 7 443 tonnes the year before, an increase of 54.2 per cent. The Group's fish farming sales are in services equivalent to 17 800 tonnes MAB. The farming operations made an operational EBIT of NOK 99.5 million (2020: NOK 4.8 million). Operational EBIT came to NOK 8.67 per kg harvested in 2021 (2020: NOK 0.64). Operational EBIT increased because of higher prices and lower production costs compared to 2020.

Sales Norway

Sales operating revenues increased from NOK 5 308.6 million in 2020 to NOK 5 172.9 million in 2021. The increase was due to higher sales prices. The segment sold 84 891 tonnes during the year, compared with 88 904 tonnes the year before, a decrease of 4.5 per cent. Sales had an operational EBIT of NOK 16.2 million in 2021 (2020: NOK 87.3 million) and a result before tax of NOK 27.4 million (2020: NOK 54.1 million). The sales operations operational EBIT mainly decreased due to the gain on fixed price contracts decreasing from NOK 91.9 million in 2020 to NOK 9.9 million in 2021. However, the underlying operations had a positive development compared to 2020.

Balance sheet

At the close of 2021, the Group had total assets of NOK 8 442.2 million (2020: NOK 5 814.7 million).

The change in total assets is attributable to several factors. Deferred tax assets increased by NOK 19.5 million, licenses increased by NOK 705.1 million, property plant and equipment increased by NOK 1 521.1 million. The biomass at fair value increased from NOK 1 282.0 million to NOK 1 785.8 million during the year. The increase in the value of the biomass is due to increased biomass at cost of NOK 400.5 million and increased fair value adjustments of NOK 103.3 million which gives a total increase of NOK 503.8 million.

Inventory increased by NOK 35.0 million. Receivables increased by NOK 155.2 million. The total farming operation's biomass increased by 6 407 tonnes to 36 268 tonnes at the end of the year.

The financial assets of the Group decreased by NOK 338.6 million, mainly because Arctic Fish was converted from an associated company to a subsidiary and the sale the

associated company Måsoval Fiskfarm AS. Bank deposits increased by NOK 26.4 million.

The Group's net interest bearing debt as of 31 December 2021 totalled NOK 2 581.4 million, compared with NOK 1 521.6 million at the close of the previous year. The increase in interest-bearing debt is due to investments in fixed assets and licenses of NOK 1 003.8 million, increased working capital of NOK 183.0 million, payment of dividend of NOK 42.9 million, investments in associates of NOK 12.5 million, loans paid of NOK 36.7, and interest paid of NOK 78.5 million. The consolidation of Arctic Fish increased the net interest-bearing debt with NOK 523.9 million. A positive operational EBITDA of NOK 494.2 million, dividends and gains received from associated companies of NOK 182.9 million and received payment from the share issue of Arctic Fish of NOK 144.1 million had the opposite effect.

The net increase in equity of NOK 1 312.7 million was mainly due to a positive total comprehensive income for the period of NOK 661.2 million, consolidated Arctic Fish of NOK 644.2 million and NOK 50.5 million as equity transactions from associated companies. Paid dividend of NOK 42.9 million had the opposite effect on equity. At the close of 2021, the Group had an equity ratio of 52.6 per cent, compared with 53.8 per cent at the close of 2020.

The parent company's total assets stood at NOK 5 634.9 million at the close of the year (2020: NOK 4 604.6 million). Total financial assets increased by NOK 379.9 million from the end of 2020 due to positive results in subsidiaries and associates. Bank deposits increased by NOK 583.2 million. Total receivables increased by NOK 83.9 million, this was due to higher accounts receivables of NOK 341.7 million while decreased other receivables of NOK 57.8 million had the opposite effect. Deferred tax decreased by NOK 19.5 million, fixed assets decreased by NOK 2.1 million and inventory decreased by NOK 10.8 million. As of 31 December 2021, the parent company's equity ratio was 57.5 per cent (2020: 59.8 per cent).

Cash flow

The Group's cash flow from operating activities in 2021 was NOK 275.4 million (2020: NOK 384.5 million). The positive cash flow is mainly due to a positive EBITDA of NOK 494.2 million, net decrease in inventory and biological assets at cost of NOK 34.0 million and net decrease in other current working capital items of NOK 21.1 million. A net increase in accounts receivables and payables of NOK 238.8 million and paid taxes of NOK 36.7 million had a negative effect on the cash flow.

Net cash outflow relating to investing activities in 2021 totalled NOK 709.1 million (2020: NOK 1 450.5 million). Investments in operating assets and licenses of NOK 1 003.7 million and investments in associated companies of NOK 12.5 million had a negative effect on the cash flow.



Received dividends from associates of NOK 35.2 million, received payment from the sale of shares in Mjøsalv Fishfarm AS of NOK 147.8 million, received payments on loans to others of NOK 45.0 million and net of cash acquired from Arctic Fish of NOK 79.2 million and had the opposite impact on the cash flow.

The Group distributed a dividend of NOK 42.9 million in 2021 (2020: NOK 106.2 million). The bank deposits at the close of the year was NOK 65.2 million (2020: NOK 38.8 million). At 31 December 2021 the Group had a net interest-bearing debt of NOK 2 581.4 million (2020: NOK 1 521.6 million).

The parent company had a negative cash flow from operating activities of NOK 39.6 million (2020: positive cash flow of NOK 280.0 million). The negative cash flow is a result of a negative operational result of NOK 44.7 million and increased accounts receivables of NOK 141.7 million. Decreased inventory of NOK 10.8 million, increased payables of NOK 83.1 million and change in other current assets and other liabilities of NOK 52.5 million had a positive effect on the cash flow.

The parent company had a positive cash flow from investing activities of NOK 27.9 million (2020: negative of NOK 43.7 million). Proceeds from sale of shares in associate of NOK 147.8 million, received dividend from associated companies of NOK 35.2 million and received loan instalments from other of NOK 45.0 million had a positive cash flow effect. Investments in subsidiary of NOK 200.0 million had the opposite effect.

The parent company had a positive cash flow from financing activities of NOK 364.9 million (2020: NOK 849.9 million). Payment received from increased long-term debt to the bank of NOK 650.0 million and received net interest of NOK 26.8 million had a positive effect. Paid loan instalments of NOK 37.0 million, payment of dividend of NOK 42.9 million and payments for purchase of treasury shares of NOK 2.0 million had negative effect.

The total positive cash flow of NOK 583.0 million has resulted in net bank deposits totalling NOK 2 955.2 million (2020: NOK 2 372.0 million) for the parent company at the close of the year.

Going concern

Norway Royal Salmon ASA's board of directors confirms that the year-end financial statements have been prepared on the basis that the enterprise is a going concern, in accordance with Section 3-3a of the Norwegian Accounting Act. This assessment rests on the Group's results, financial position and outlook.

Research and development

Norway Royal Salmon has a strong focus on sustainable biological production and fish welfare and has initiated or is participating in the following projects:

- Arctic Offshore Farming. Project to develop an offshore aquaculture farming concept that facilitates sustainable growth in areas that the aquaculture technology thus far has not been able to exploit. Norway Royal Salmon has in relation to the project received development permits equivalent to 5 990 tonnes MAB. The construction of the farms is completed and are located at Fellesholmen in Troms. The farm will be put in operation in August 2022 when the first smolt will be released into the offshore cages. At 31 December 2021 NOK 1 629 million have been invested in the project.
- The Norwegian Food Safety Authority has given its acceptance to our triploid project, NRS TRIPWELL. The project is run by NRS with the Norwegian Institute of Marine Research as a professional project partner. The project is researching and mapping the welfare of triploid salmon in commercial farming.
- Participation in steering or reference committees on several FHF projects in areas such as sea lice prevention, nutrition, sterile fish and infectious diseases.
- Collaboration project with ABB and Microsoft. The project aims to develop a system that can estimate biomass, count lice and detect pellets during feeding using cameras and AI (Artificial Intelligence).
- Participates as an industry partner in CRIMAC - a research-driven innovation program over eight years led by the Institute of Marine Research. The program is supported by the Research Council of Norway through the scheme with SFI (Center for Research-Based Innovation). The program aims to promote the development of acoustic methodology and associated optical technologies for use in both research, management and the fish and aquaculture industry.

Operational risk and risk management

Fish Farming
The greatest risks for Norway Royal Salmon are associated with the biological production of salmon in the sea. The biological challenges are related to smolt quality, mortality, disease, sea lice, parasites, algae blooms, low oxygen levels, fluctuations in sea temperature and the quality of the fish harvested. Norway Royal Salmon has had incidents with ISA (Infectious Salmon Anemia) in Norway and challenges with the salmon's skin health. The Group has paid special attention on identifying the reasons for biological challenges as well as implementing

necessary measures. An additional risk in Iceland relates to the access to sufficient harvesting capacity. As the Icelandic operations is not in full control of wellboat and harvesting operations, these important constraints influence production planning and if there are issues or incidents, there is a risk that it will impact the production plans of the Group. Actions have already been made to address this risk with the investments that have started in 2021.

Although Norway Royal Salmon develops and implements sound routines for its own operations, the industry is such that it is important to coordinate much of this effort with other stakeholders in the geographical locations in which we operate.

To enhance smolt quality, Norway Royal Salmon work continuously to follow up smolt and smolt suppliers in Norway. The construction of our own smolt facility in Døljord is nearly finished and will further strengthen the focus. In Iceland, the Group is self-sufficient with smolt from the facility in Tálknafjörður. Like all other Icelandic salmon farmers, the Icelandic operations is particularly reliant on its supply of eggs from Benchmark, the only broodstock company in Iceland. Contracts for egg supply is used to mitigate this risk and secure the ongoing operations.

Norway Royal Salmon has through the year increased its own fish health staff. Available fish health services are used to improve conditions for the promotion of fish health, and for disease prevention measures. All employees in the fish farming segment have attended full-scale courses.

Assessment of all sites is continuously carried out to ensure that sites are optimal to produce salmon.

Sites located in relatively open water have recently been put into operation, since these areas have favourable conditions for fish farming. This is demanding for both conditions and equipment. The production facilities are subjected to powerful natural forces, which represents a risk of damage to the equipment and subsequent risk of fish escaping. Norway Royal Salmon has invested in new equipment of a high standard which can meet our own and the public authorities' requirements with respect to fish escapes.

Risk management is a key aspect of the management team's duties. The Group has implemented routines and systems for the monitoring of risk factors in all business areas. Auditing the production facilities in accordance with the quality handbook and defined site standards will be strongly emphasised.

The Group has risk in relation to licenses and demands from public authorities. For the Group to continue its growth and improve the efficiency of production, Norway Royal Salmon is dependent on getting new sites and being able to expand existing sites. The Group

depends on predictable terms and permissions for production. Divergent views on production criteria for green licenses in various administrative agencies, may have a material impact on the production. Norway Royal Salmon seeks to reduce this risk by continuous dialogue with the various relevant administrative bodies.

The Group's financial position and future development depends significantly on the price of salmon, which has historically been subject to significant fluctuations. Farmed salmon is a raw material and it is therefore reasonable to assume that the market will continue to follow a cyclical pattern, but less than historically. The balance between the total supply and demand for salmon is a key parameter. Increased supply can cause prices to decline. This may have an impact on the company's profitability and liquidity. However, a moderate supply growth of salmon is expected in the next years.

Feed costs constitute a considerable proportion of the total production cost of salmon. Fluctuations in feed prices can therefore have a major impact on profitability. Today's recipes consist of a combination of vegetables and marine raw materials. All raw materials are volatile and affected by availability and demand, but also the exchange rates. The greatest price driver in 2021 has been price of most raw materials due to instability in the market and logistical challenges caused during Covid-19. Norway Royal Salmon only buys soy protein concentrate from producers that are guaranteed deforestation-free throughout its value chain. However, the prices are not affected by this strategy.

The war in Ukraine can affect both the availability and prices of several raw materials and other input factors for fish farming. Energy prices are critical, logistics are challenging, and we expect there will be an imbalance in the flow of goods in the global market. These are factors that are likely to affect Norway Royal Salmon in 2022, however the consequences are still uncertain.

Sales

Operational risk in the sales segment is more limited than in the farming operations, and includes trade margins, contract risk and credit risk. Norway Royal Salmon believes in positive sales growth in the coming years, but we might face challenges. Although the price of salmon has been volatile, the trade margins are normally not grossly affected. Margins are more influenced by the general competitive situation between farmers, exporters and customers. Economic downturns have normally affected the sale of salmon in a relatively small degree. However, a strong weakening of the economy in our key export markets can have negative impact. It might result in lower sales and a price reduction in general, but also the risk of insolvency of some customers. The risk of the sales operations with regard to insolvency is limited, as most sales are covered by credit insurance.



The salmon industry has experienced trade barriers in several markets and over longer periods. Significant changes and aggravating conditions involve risk for the Group. In 2020 and 2021, we have seen how a pandemic can involve risk. In the beginning of 2022, we have seen that geopolitical crisis can affect risk. The sales operations sold fish to 48 countries in 2021 and such sales good limits the risk associated with trade barriers and other conditions. Despite Covid-19, the sales operations have delivered almost the same volume as in 2020.

The sales operations are responsible for fixed price sales contracts. The main objective entering sales contracts is to achieve rates that are favourable for the Group. In addition, the contracts reduce price movements for the Group. The contracts are usually entered for 3-12 months and normally constitute 0-40 per cent of the Group's own harvest. Contracts are bilateral against customers or financial against Fish Feed. The sales business enters both financial purchase and sales contracts to hedge margins. The company enters contracts with solid and good counter parties.

Climate risk
Climate change can present some challenges for Norway Royal Salmon and the aquaculture industry in general. The Group evaluates the exposure to climate risk and wants to be proactive in adjusting the business to meet the challenges that may arise. The company may become vulnerable to physical risks such as extreme weather, increase in temperatures that can cause illness, at the same time as we face several transitional risks associated with regulation, technology, market and reputation. The company has identified several opportunities related to climate change, such as the transition to low emission energy sources, the development of new production equipment and initiatives for waste management. Such opportunities contribute to the company being more robust to meet possible challenges. Climate-related risk has been mapped in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD report is attached in the company's annual report.

Financial risk and risk management

The Group's financial risks include those relating to foreign exchange, interest rates, credit and liquidity. It is crucial that the Group constantly assesses its level of risk and which procedures to be implemented to reduce that risk to an acceptable level.

Foreign exchange risk
Around 77 per cent of the Group's sales are in foreign currencies, with the largest exposure being to the EUR, USD and GBP. The Group's exposure to exchange rate

fluctuations is a major part of the business activities affecting the Group's cash flows and profits. In accordance with the Group's guidelines, the Group employs both forward contracts and borrows in foreign currencies to reduce its exposure to foreign exchange risk.

Interest rate risk
The Group's debt is based on floating interest rates, which means that the Group is exposed to movements in interest rates.

Credit risk
At any given time, the Group has substantial sums outstanding, with receivables distributed over several different regions. To reduce this risk, trade receivables are monitored constantly, and it is the Group's policy to hedge its trade receivables through credit insurance and other hedging instruments.

Liquidity risk
Liquidity risk is a product of the Group's earnings, financial position and access to financing in the capital markets, and is defined as the risk that the Group will not be able to meet its day-to-day financial obligations. The largest single factor affecting liquidity risk is represented by fluctuations in the price of salmon. There are covenants associated with the Group's borrowings, which at the closed 2021 Norway Royal Salmon meet with good margins. Overall, the Group's liquidity risk is at an acceptable level.

Corporate Social Responsibility

Norway Royal Salmon will ensure long-term profitability through sustainable food production. Social responsibility is exercised as part of our everyday operations and focus on sustainability.

An overview of how Norway Royal Salmon takes social responsibility is available in the annual report in the chapter "Committed by name".

Issues described in the chapter "Committed by name" with regards to Corporate social responsibility are:

- The external environment and our climate impact - "Committed to nature"
- Employee rights, diversity and social issues - "Committed to people"
- Human rights - "Committed to people"
- Anti-Corruption

External environment
Norway Royal Salmon's farming operations are based on renewable resources and are located along

the coast. Norway Royal Salmon's value chain is dependent on sustainability where natural resources are not consumed. This is a prerequisite, so Norway Royal Salmon can continue to farm fish. The desire and need for long-term solutions are the foundation for the company's approach to environmental issues. The Group invests to minimize its impact on the external environment, the development of Arctic Offshore Farming, which will provide increased area utilization, and electrification of the feed barges, are examples of this.

Anti-Corruption
Norway Royal Salmon has established the following anti-corruption principles:

Norway Royal Salmon shall strive for a culture of transparency in all areas concerning customer care, relationship building, sponsorships, gifts, entertainment, travel, etc. The Group's employees shall act in accordance with the Group's guidelines for giving and receiving gifts, travel and other benefits, and clearly denounce all forms of corruption. All costs related to travel arrangements should be recognized transparent and correct and be approved by a superior. The company always require dual approval when paying invoices.

Work environment
On 31 December 2021, the Group had 273 full-time employees, 46 of whom are employed by the parent company Norway Royal Salmon ASA. The head office of Norway Royal Salmon is in Trondheim.

The aquaculture industry has traditionally been a male-dominated workplace. On 31 December 2021, women made up 24 per cent of the Group's workforce. The corresponding figure for Norway Royal Salmon ASA was 40 per cent. In the Group management one of the five members is a woman. Three of the five Board of Directors members are women. The Group shall have a working environment in which women and men enjoy complete equality. There shall be no gender-based discrimination with respect to pay, promotion or recruitment, or in any other matter. There must be no discrimination at NRS on the grounds of ethnicity, race, age, disability, sexual orientation, language, religious persuasion, political affiliation or any other situation where a person is not treated as an individual.

The Group had a sickness absence rate of 3.6 per cent in 2021 (2020: 5.5 per cent). The corresponding figure for the parent company was 3.7 per cent in 2021 (2020: 1.2 per cent). Ten injuries, which led to absence in 2021, and fifteen injuries which did not lead to absence were registered in 2021.

The share and shareholders

As of 31 December 2021, Norway Royal Salmon ASA had 43 572 191 shares divided between 3 114 shareholders. At the closed of the year, the Group held 197 495 treasury shares. The share price at the end of the year was NOK 163.4 (2020: NOK 214.6).

Corporate Governance

The board and management of Norway Royal Salmon review the company's corporate governance policies annually in order to be able to allocate roles between shareholders, the board and general management in an optimal fashion. A presentation of these policies and how the Group stands in this respect, is included in a separate section of the annual report, in accordance with Section 3-3b of the Norwegian Accounting Act.

The Board of Norway Royal Salmon ASA has adopted ethical guidelines for the Group. The purpose of the guidelines is to create a healthy business culture and uphold the Group's integrity by helping employees to set high standards for good business practice. The guidelines are further intended to serve as a tool for self-evaluation and to develop the Group's identity.

Norway Royal Salmon ASA has signed global Directors and Officers liability insurance. The insurance covers board members and senior executives with overall management responsibility, their personal liability for property damage caused to third parties in connection with their role or position. The insurance applies to the board of NRS with subsidiaries, as well as employees with board positions in other companies in the group.

Market conditions and future outlook

2021 was a challenging, but good year for Norway Royal Salmon and the salmon industry. The market has been as in 2020, affected by restrictions due to Covid-19. However, as we write 2022, these restrictions are significantly eased, and markets are not as affected as earlier. The value of Norwegian salmon exports was NOK 81.3 billion, NOK 11.2 billion higher than in 2020. Export volumes were 1 484 843 tonnes (round weight), 13 per cent higher than in 2020. This is the highest export volume of Norwegian Salmon ever. The export price was NOK 602.1 per kg (rounded weight, IFC Norway's limit) against NOK 59.23 the year before. Prices increased mainly due to increased demand as the restrictions related to Covid-19 was eased. In 2020 we saw that more people started preparing food at home, and demand shifted significantly from hotels, restaurants, and catering (HoReCa) and to the retail segment. The restrictions



continued into 2021 but was eased during the year and the HoReCa segment has recovered some of the market share it lost in 2020. However, we expect the shift we saw in 2020 to also affect the markets in the future, although the HoReCa segment will continue its recovery. Mainly the prices rose because of strong demand. With higher harvest volumes, exporters have worked well to develop the value of salmon in a challenging situation.

Norway Royal Salmon ASA's sales business sold 84 891 tonnes gutted weight, a decrease of 4.5 per cent. Most of this was fresh gutted salmon. The share of in-house produced salmon sold through the sales business totaled 45 per cent. Revenues were divided on 48 countries, of which 68 per cent were sold in Western Europe. Apart from this, the export was divided between Asia (30 per cent) and Eastern Europe (6 per cent), while the rest was sold in Norway. Our subsidiary in Iceland, Arctic Fish, sold 11 479 tonnes of salmon in 2021.

Kontali Analyse expects harvest volumes in Norway in 2022 to be 1 per cent higher than in 2021 and harvest volumes intended to be 36 per cent higher than in 2021. The harvest volumes of Atlantic salmon from Chile and other smaller producer nations are expected to remain on the same level or slightly below 2021, which results in Kontali to expect that global harvest volume will remain on the same level as 2021.

Although the market in 2022 might be affected by both the pandemic and the economic consequences of the war in Ukraine, Norway Royal Salmon believes in a positive sales

development in most countries in the longer term. The shift from HoReCa to retail we saw in 2020 and 2021 is expected to be reversed at some point but may also lead to permanent changes in consumer behavior. Historically it has been shown that economic downturns normally do not weaken demand for salmon significantly. Salmon is now established as a nutritious and good alternative for consumers.

The strong demand we have seen in 2023 provides good prospects for the market conditions for salmon products in the long term. Sales at the beginning of 2022 were characterised by high prices and high volumes. However, the uncertainty about future development is now greater than normal. The market is still affected by Covid-19 and its consequences, and it is still too early to say the pandemic has ended. In addition, at the time of the publication of the annual report, the world is seeing a war in Ukraine that we do not know the consequences of. Potential consequences for Norway Royal Salmon are difficult to specify, but the company is monitoring the situation closely and will take corrective action when needed. With Norway Royal Salmon's solid financial foundation and highly competent staff, we are well positioned to get through these challenging times. Production and delivery of food is an activity critical to society and must be protected in every way. NRS's operational goal of producing sustainable and healthy food is especially important in times like these. The Board of Directors and the company have during the year given and will continue to give the highest priority to the work to take the necessary measures in a situation of uncertainty. NRS's operational goal of producing sustainable and healthy food is especially important in times like this.

Allocation of profit for the year

The parent company, Norway Royal Salmon ASA, made a net profit for the year of KNOK 361 441 in 2021. The Board of Directors proposes the following allocation of the net profit for the year:

Transferred to the reserve for valuation variances:	KNOK: 201 446
Transferred from other equity:	KNOK: 159 995
Total allocation of funds:	KNOK: 361 441

Trondheim, 6 April 2022

Rolf Dahmen
Chair

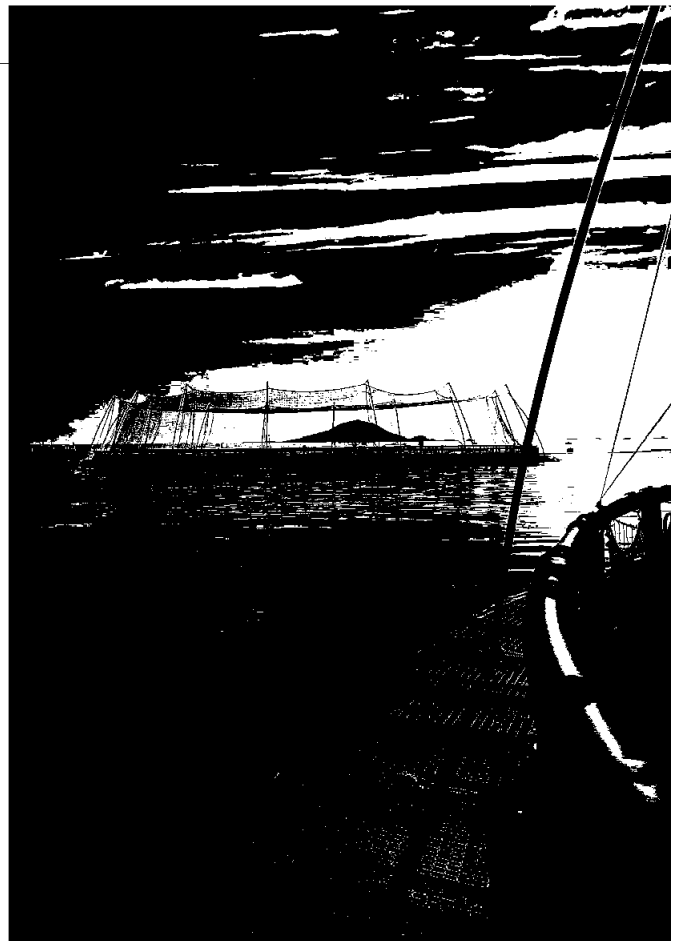
Ivar Rolf Sandnes
Vice Chair

Kristine Landmark

Lillian Margrete Bonda

Ingrid Marie Sivertsen

Klaus Holtebrekke
Interim CEO





S. Ingrid + Bjørn 23/8-21.



Skatteetaten

Vår dato 16.08.2021	Din/Deres dato	Saksbehandler Kjetil Solbø Zahl
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon
Org.nr 974761076	Vår referanse 2021/6004341	Postadresse Postboks 9200 Grønland 0134 OSLO

NORWAY ROYAL SALMON ASA
Postboks 2608
7414 TRONDHEIM

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Norway Royal Salmon ASA (org.nr. 864 234 232) sin søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres utdrag:

Selskapet anvender engelsk for at alle aksjonærer skal forstå regnskapet. Pr. 21.05.2021 har Norway Royal Salmon ASA totalt 2 959 aksjonærer hvorav 11 % er hjemmehørende utenfor Norge. Eierandelen på aksjonærer hjemmehørende utenfor Norge er på 26 % og dette er i all hovedsak (98 %) profesjonelle/institusjonelle eiere.

I løpet av første kvartal 2021 oppnådde Norway Royal Salmon ASA kontroll over underkonsernet Arctic Fish Group hjemmehørende på Island og det benyttes engelsk som rapporteringsspråk.

Norway Royal Salmon ASA er notert på Oslo Børs og har fått innvilget dispensasjon fra verdipapirhandelloven § 5-13. Selskapets kvartalsrapporter og kvartalspresentasjoner publiseres kun på engelsk.

Norway Royal Salmon produserer og selger oppdrettslaks, og selskapet er rettet mot et internasjonalt marked som er globalt. For 2020 er 87 % av all omsetning mot kunder hjemmehørende utenfor Norge. All kommunikasjon med selskapets utenlandske kunder foregår på et utenlandsk språk og hovedsakelig på engelsk.



Etter dette anser vi at det ikke foreligger mulige brukere av selskapets regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon etter regnskapsloven § 3-4 tredje ledd.

Dispensasjon til selskapet vil gi utenlandske eiere samt selskapets internasjonale kunder muligheten til å forstå regnskapsinformasjonen. Samtidig er det klart at bruk av engelsk som språk ikke vil redusere muligheten for norske investorer og kunder til å forstå regnskapsinformasjonen. Engelsk er et språk som de aller fleste nordmenn forstår godt, og som etter bokføringsloven § 12 kan benyttes i stedet for norsk i salgs- og kjøpsdokumentasjon, i dokumentasjon av kontrollsporet, dokumentasjon av balansen og i spesifikasjoner av pliktig regnskapsrapportering.

Utarbeidelse av årsregnskapet både på norsk og engelsk øker arbeidsomfanget vesentlig og forlenger tiden til rapportering. For et børsnotert selskap hvor det er viktig å rapportere regnskapsinformasjon så raskt som mulig etter uløpet av rapporteringsperioden vil rapportering av årsregnskapet kun på engelsk være en viktig faktor for dette.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at engelsk brukes som rapporteringsspråk i konsernet,



at 87 % av selskapets kunder er utenlandske, at 26 % av selskapet eies av aksjonærer hjemmehørende utenfor Norge og at selskapet har fått innvilget dispensasjon fra bestemmelsene om språk i verdipapirhandelloven § 5-13. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Camilla Reinertsen
underdirektør
Innsats, storbedrift
Skatteetaten

Kjetil Solbø Zahl

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.