



IntraFish Seafood Investor Forum

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AGENDA

- NRS in brief
- Highlights in Q2 17
- Iceland – what`s new?



NRS in brief

Norway Royal Salmon (NRS) is one of Norway's leading fish farming companies with 35 wholly owned and 10 partly owned salmon farming licenses

NRS is listed on Oslo Stock Exchange

NRS has 170 employees

Norway Royal Salmon is one of Norway's fastest growing fish farming companies with a great organic growth potential

NRS in brief

Farming

- 35 licenses
 - Region North 29 licenses
 - Region South 6 licenses
- Volume 2017E: 34 000 tonnes
- Associated companies
 - Norway: 10 licenses (3 companies)
 - Iceland: Arctic Fish ehf

Trading

- Own and external volume
- Over 50 countries
- Volume 2017E: 75 000 tonnes



Development licenses



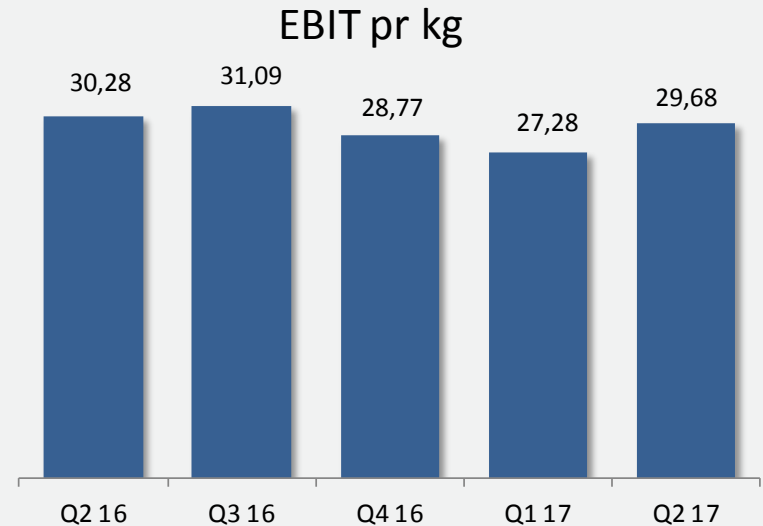
- Norway Royal Salmon and Aker ASA have applied for 15 development licenses
- The concept has a significant degree of innovation and requires a substantial investment
- The Directorate of Fisheries has informed that our application is in line with the criteria's for development licenses, still uncertainty in final approval and number of licenses

Highlights in Q2 2017

- Operational EBIT of MNOK 136
- Good performance in Region South and high production costs in Region North
- Good profitability in the Trading operation
- Good fish health and sea lice situation
- Strong salmon market driven by good demand and low supply growth
 - High salmon price in the quarter
- 48 % higher biomass than end of Q2 last year

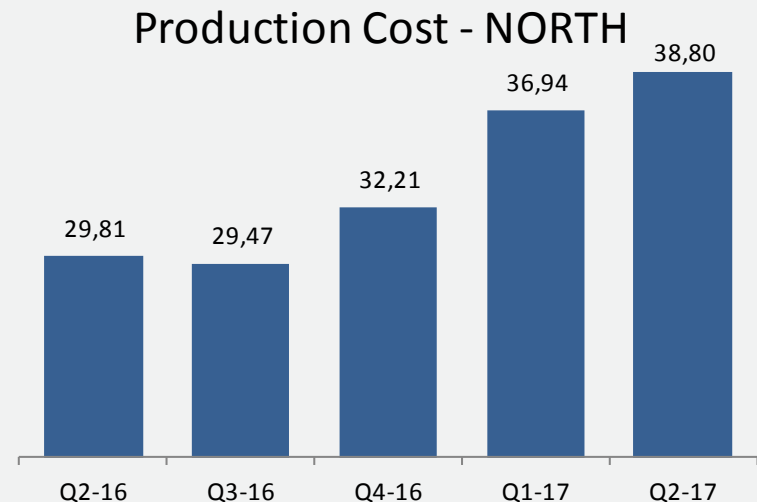
Region North

- Operational EBIT per kg NOK 29.68
- Production cost of NOK 38.80 per kg
 - The smolt purchased in 2015 to replace culled smolt due to ISA have performed weaker than normal
 - Expects improvement in production cost for the 2016-generation (Q4 17)



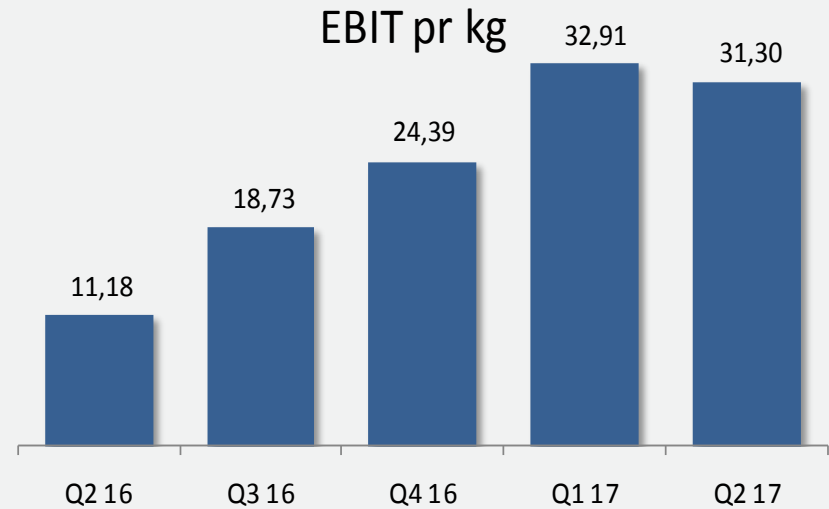
KEY FIGURES (NOK '000)	Q2 2017	Q2 2016
Operating revenues	761 164	736 566
Operational EBIT *	107 825	165 601
Volume harvested (tonnes)	3 633	5 468
Operational EBIT (ex contracts)	29,70	32,79
Gain (+)/Loss (-) on open fixed price contracts	-0,02	-2,51
Operational EBIT per kg	29,68	30,28

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



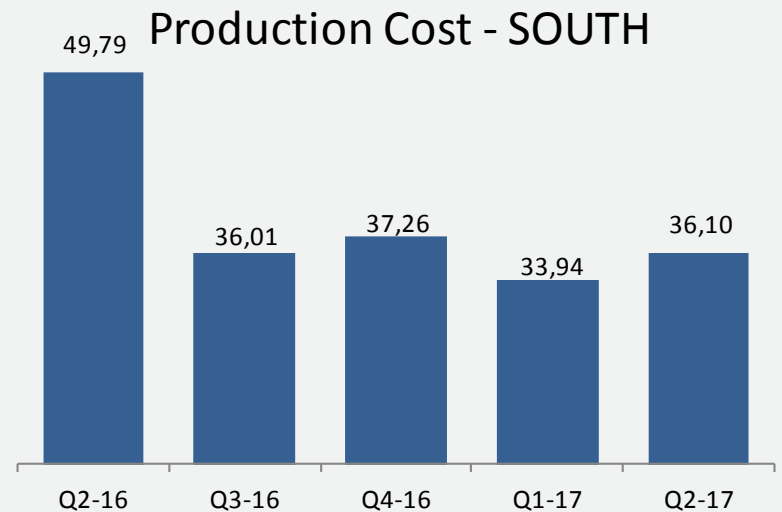
Region South

- Operational EBIT per kg NOK 31.30
 - Suboptimal timing of harvest volume during the quarter
- Production cost of NOK 36.10 per kg
 - Steady production cost the last quarters

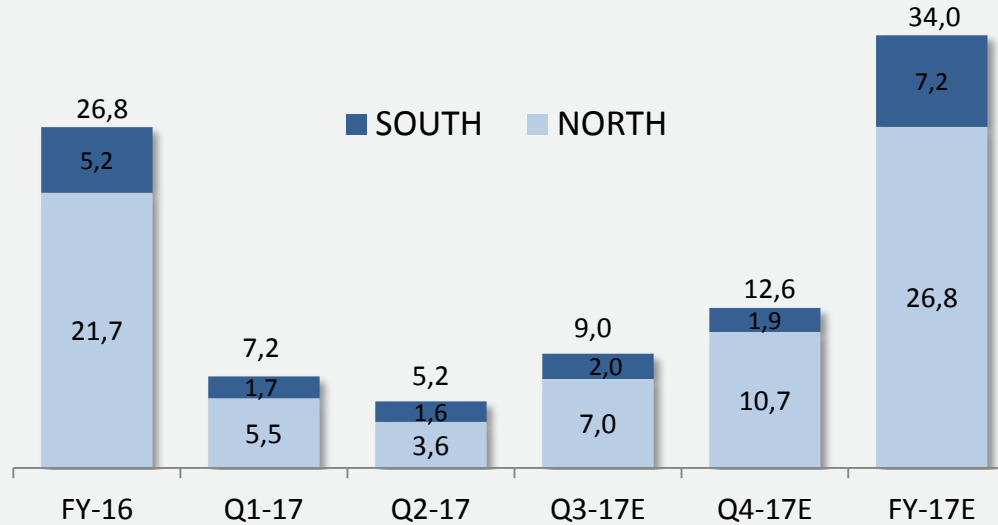


KEY FIGURES (NOK '000)	Q2 2017	Q2 2016
Operating revenues	361 730	257 602
Operational EBIT *	50 013	21 377
Volume harvested (tonnes)	1 598	1 912
Operational EBIT (ex contracts)	31,32	13,69
Gain (+)/Loss (-) on open fixed price contracts	-0,02	-2,51
Operational EBIT per kg	31,30	11,18

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



Outlook - harvesting estimates 2017



- Estimate harvest volume for 2017 of 34 000 tonnes (+27 % yr/yr)
 - Significant growth in biomass during Q3-Q4 17
 - Estimate approximately full MAB utilization through Q4 2017

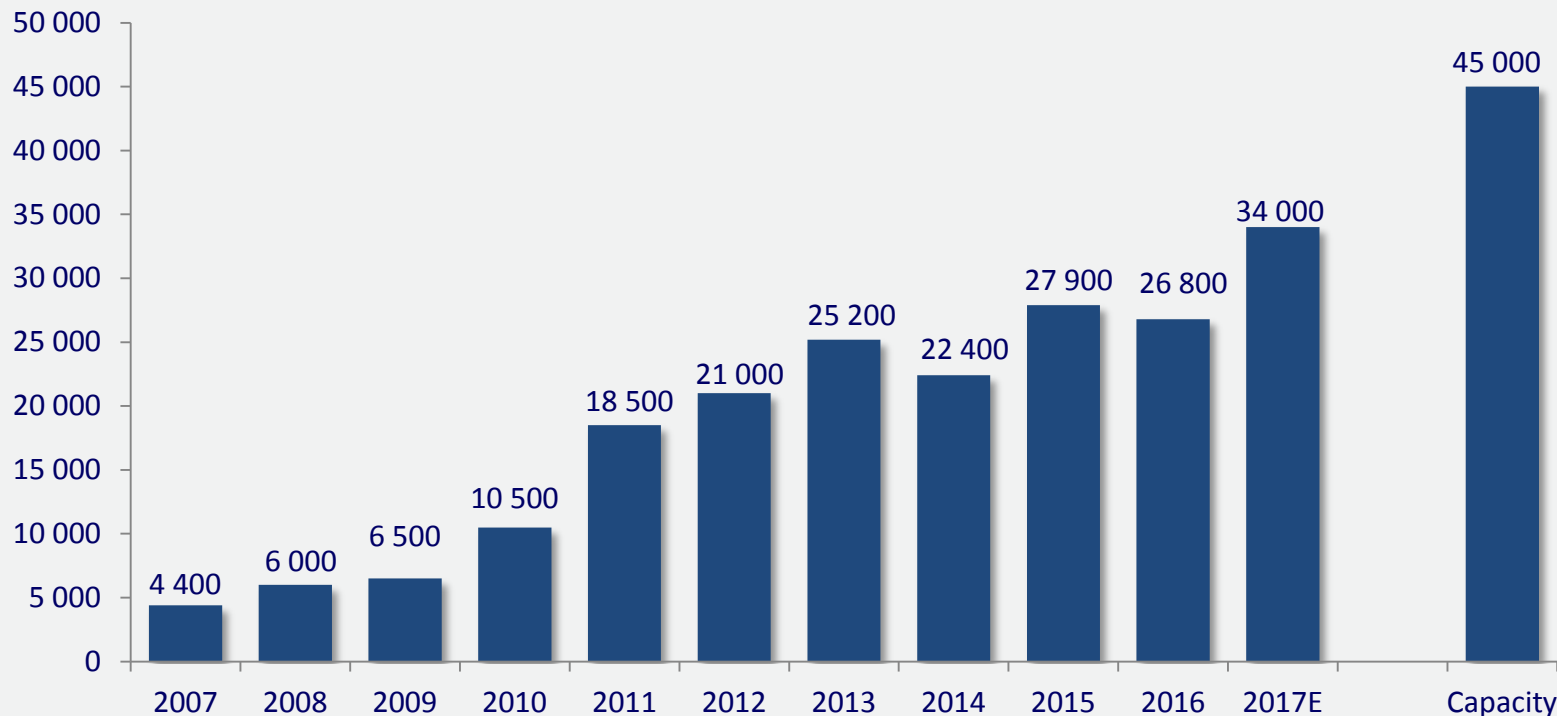
Volume hedged 2017:

	Q1	Q2	Q3	Q4	2017
Tonnes	1 953	2 154	3 741	3 461	11 308

- Average contract price Q3-Q4 2017: About NOK 66.00 (Nasdaq-equivalent)
- 11.7 million smolts are planned released in 2017



Organic growth potential for Norway Royal Salmon



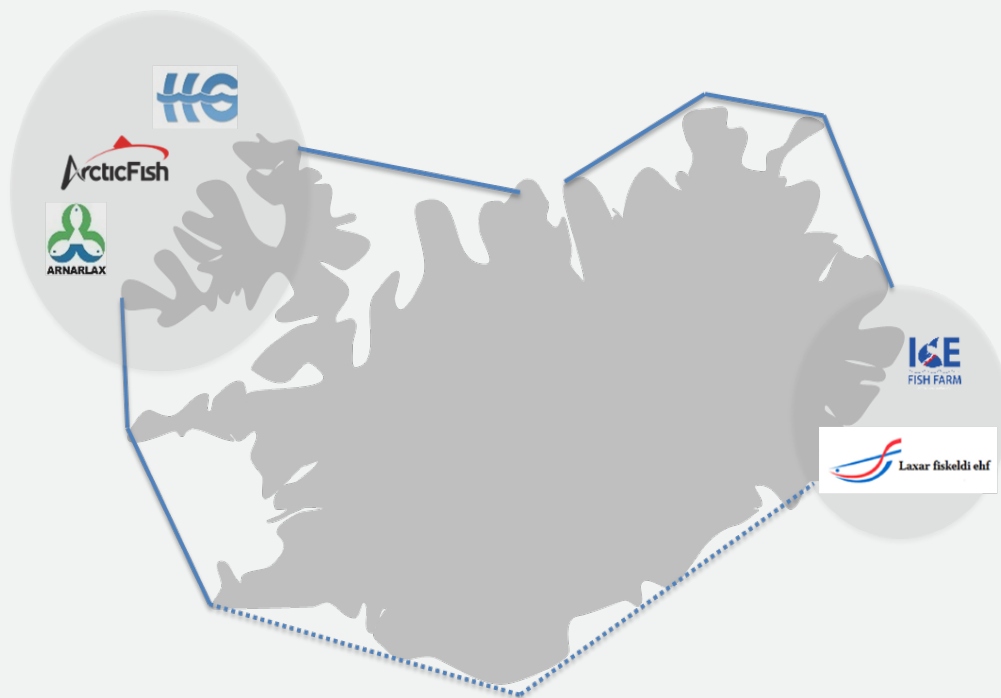
Production increase is on track

- 48 % higher biomass than end of Q2 last year
- 11.7 million smolts are planned released in 2017
- Significant growth in biomass during Q3-Q4 17
- Estimate approximately full MAB utilization through Q4 2017

Iceland – what`s new?



Iceland: The new frontier in salmon farming



- Big part of the Icelandic coastline is closed to sea-cage farming
- Two main areas for sea-cage farming: Westfjords and Eastfjords
- Only 5 farming companies
- Farming condition similar to Finnmark in Norway



Any changes in how we see the potential?

No, we still see a significant growth potential in Iceland

- Marine Research Institution (MRI) first biomass evaluation:
 - Westfjords: 80 000 tonnes
 - Eastfords: 50 000 tonnes
- New risk assessment evaluation of MRI assumes without any counter measures following yearly production volume:
 - Westfjords: 50 000 tonnes
 - Eastfords: 21 000 tonnes
- Last year: NRS assume a 80 - 100.000 tonnes potential for the industry, but it will take time to develop the industry

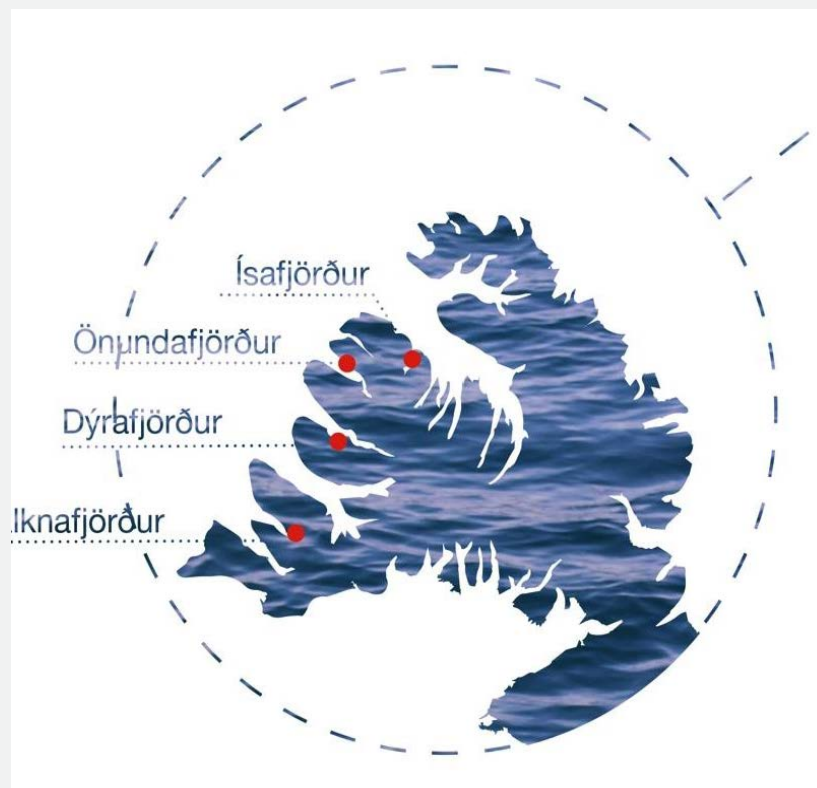
Working on government strategy

- Regulations can secure good sanitary situation
 - Arctic Fish will work for a foreseeable framework and a well-regulated aquaculture industry in Iceland
- Government still in process work on a proper political framework
 - For several years this process has been in “steady stage” in Iceland
 - Also effecting approval of new licenses
- Main goal is develop the industry on environmental bases
 - First draft: assessment based on affect of possible genetic interaction between famed and wild Atlantic salmon

Arctic Fish in brief

NRS acquire 50 % of Arctic Fish, forming a joint venture with the existing owners

- Experienced owners both within farming and processing
- All sites and pending licenses are located in the Westfjords
- Production capacity:
 - Existing licenses: 6 800 tonnes
 - Licenses pending: 22 400 tonnes
 - Potential capacity: 29 200 tonnes
- Production
 - Ended production of trout and has now put salmon smolt in the sea in June 2017



New state of the art recirculation hatchery

- Smolt capacity will be one of the major bottlenecks in terms of production for the industry today
- Arctic Fish is the first company that have stated and build up RAS hatchery in Iceland
 - The hatchery is located in Tálknafjörður and is to undergo a three phase expansion process
 - Two of three buildings almost completed
 - The last building planned to be completed in 2019
- Important step for future development of our operations in Iceland
 - Gives also possibility for farming of big smolt
- Arctic Fish estimated number of smolt release
 - 2017: 0.7-0.8 million
 - 2018: 2.0-2.5 million
 - 2019: 2.8-3.5 million





Building a team with farming experience

- Competence in place to create a sustainable platform for growth
- Recruited new CEO from NRS
 - Stein Ove Tveiten from NRS Region South has started as new CEO
 - This appointment will provide significant industry knowledge to Arctic Fish
- Recruited new fresh water manager
 - Manager with extensive experience in developing and running RAS hatchery
- Former CEO will fully focus on the development of new farming licenses
- Started training program in order to educate employees in our operation in Iceland
 - Working at NRS farming sites in region North



We are building step by step

- Recruited new management with extensive farming experience
- Arctic Fish is the first company that have stated and build up RAS hatchery in Iceland
- Few companies and we see a good and close cooperation
- We have high focus on all pending licenses

We are building the industry and company step by step, and see a significant growth potential



NORWAY ROYAL SALMON

Thank you for your attention



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