



HOFSETH
BioCare®



QUARTERLY REPORT

Q1 2019

THIS IS HOFSETH BIOCARE ASA

HBC is a Norwegian biotech company that offers high-value ingredients and finished products for humans and pets.

The company is founded on the core values of sustainability, traceability and optimal utilization of natural resources. Through an innovative hydrolysis technology, HBC can preserve the quality of salmon oil, proteins and calcium, prepared of fresh salmon off-cuts.






HBC's objective is to contribute to the efficient use of marine resources and deliver quality products for ingredients and finished consumer products in the nutrition market.

Hofseth BioCare's headquarters are in Ålesund, Norway with branches in Oslo, Chicago, Mumbai, Palo Alto and Tokyo. HBC is listed on Oslo Stock Exchange Axess list with ticker "HBC". More information about Hofseth BioCare at hofsethbiocare.com and facebook.com/hofsethbiocare

OUR VISION

Sustainable production of premium bioactive marine ingredients with documented health effects

OUR PRODUCTS AND INGREDIENTS

Ingredient	About	Finished products
	Fresh unrefined salmon oil. Produced with 4 years shelf life, full specter of omegas and natural antioxidants.	Cardio Salmon Oil™ for human consumption and Brilliant Salmon Oil for pets
	Salmon protein hydrolysate. Peptides for fast uptake, and documented BMI reduction, hemoglobin increase and energy increase	Endurance Protein™ series as sports nutrition for athletes, active and people looking for a high quality, hypoallergenic protein source
	Marine bone powder, as hydroxyapatite form of calcium for best bone growth and density increase	Strength Calcium™ as tablets for human consumption
	Partially hydrolyzed salmon protein produced as salmon meal for feed and pet food industry	
	Salmon peptides with more than 25 % collagen type I & III for skin, hair and nails.	Collagen Peptides for human consumption as drink

HIGHLIGHTS IN THE FIRST QUARTER 2019

- Nøre™ Marine Calcium launched in the Norwegian market, with marketing campaigns in the B2C social media channels
- Production record set at the Berkåk spray-drying facility last week of January 2019
- Growth in Brilliant™ Salmon Oil sales after market activities last few months
- OmeGo® as a private brand launched in the Indian market in late January 2019
- HBC published a Study to Evaluate the Efficacy of CollaGo® (a new HBC Salmon Protein Hydrolysate Powder product) on Energy Increase and Anti-inflammatory Modulation in Healthy Males and Females. The study showed that 128-day supplementation with CollaGo® resulted in significant improvements in perceived total and average energy levels.

EVENTS AFTER THE FIRST QUARTER 2019

- The single largest order of Brilliant. Salmon Oil was received in April and the bottles will be shipped to the customer in Shanghai in April. The total volume of Brilliant. sold in 2019 has now surpassed the total volumes sold from launch in 2016 to end of 2018.
- Completed a successful Zoomark 2019 trade show in Bologna, Italy with meetings with several new potential distributors of Brilliant® Salmon Oil in Europe and Middle East.

OUTLOOK

- Continued product development on finished products is expected to have positive effects on our results going forward. Focus will be ProGo®, CollaGo™ and CalGo® product series.
- HBC will continue to increase the average price mix on OmeGo®, with higher sales of salmon oil to pets and human nutrition.

KEY FIGURES

	Q1 2019	Q1 2018	2018
Sales revenue	14 681	14 768	60 740
Gross operating revenue	14 681	14 768	60 740
EBITDA	-12 912	-14 851	-55 658
Operating profit/loss	-19 306	-20 597	-77 699
Profit/loss before taxes	-20 638	-22 161	-84 527
Earnings per share (NOK)	-0.07	-0.09	-0.33
Net cash flow	-12 125	-18 276	6 573
Interest-bearing liabilities	125 760	66 026	58 300
Total assets	245 098	151 709	187 945
Equity ratio	27.3%	9.8%	45.8%

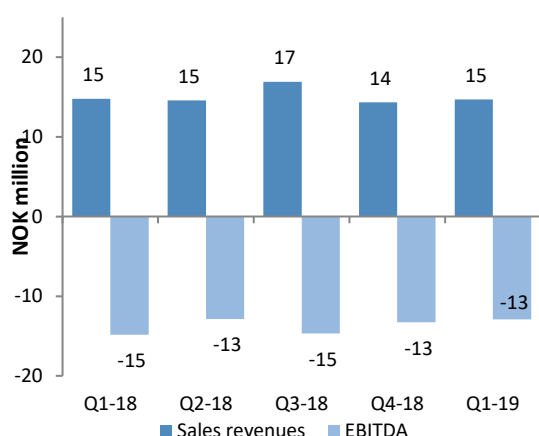
FINANCIAL REVIEW

In the financial review, figures for the corresponding periods in 2018 are given in brackets.

PROFIT AND LOSS FIRST QUARTER

Hofseth BioCare had operating revenues of NOK 14.7m (14.8m) in the first quarter of 2019.

Cost of Goods Sold (CoGS) amounted to NOK 10.9m (12.3m) in the period. Operational profit (EBITDA) for the first quarter 2019 was negative NOK 12.9m (14.9m).



Net financial items in the first quarter were negative NOK 1.3m (negative 1.6m).

Loss before tax was NOK 20.6m in the period, compared to a loss of NOK 22.2m during first quarter 2018.

CASH FLOW

Cash flow from operations during the first quarter was negative by NOK 5.9m compared to negative NOK 11.7m in the same quarter last year.

Net cash flow from investment activities was negative by NOK 2.9m in the first quarter of 2019, compared to negative NOK 4.9m for the corresponding period last year.

Cash flow from the financing activities amounted to negative NOK 3.3m in the first quarter 2019, compared to negative NOK 1.6m in the first quarter of 2018.

Cash and cash equivalents decreased by NOK 12.1m during the quarter, leaving total holding of cash and cash equivalents at NOK 36.5m by the end of the period.

FINANCIAL POSITIONS

Total assets for the company were NOK 245.1m at the end of first quarter of 2019 (NOK 151.7m). Deferred tax assets are not posted in the balance sheet. Estimated value is NOK 128.9m.

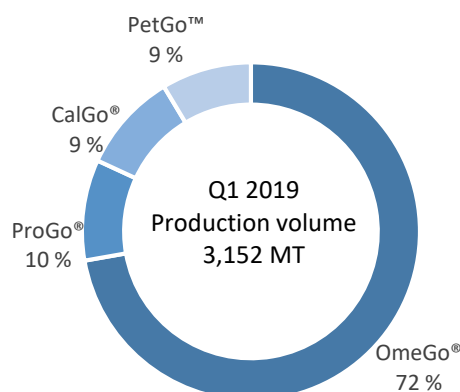
Total equity amounted to NOK 66.8m (NOK 14.9m) giving an equity ratio of 27.3% (9.8%) for the group.

As described in the annual report for 2018, IFRS 16 has come in effect from 1.1.19. The Group has therefore recognized their leased buildings and other lease agreements as a fixed assets(66m) and as a lease liability(66m). Furthermore, operational rental cost is reduced (1.9m), depreciations is increased (0.8m) and interest expense is increased (1.1m) compared to the last quarter.

PRODUCTION UPDATE

Hofseth BioCare produces Soluble Protein Hydrolysate (ProGo®), Partly Hydrolyzed Protein (PetGo™), fresh Salmon Oil (OmeGo®) and Marine Calcium (CalGo®).

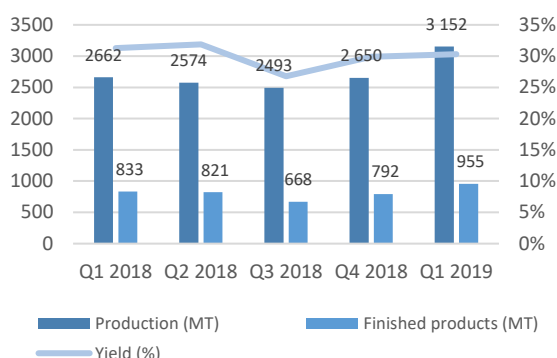
The products are based on fresh off-cuts from the Norwegian salmon and trout processing industry. The proprietary production process with enzymatic hydrolysis splits the four fractions of the salmon raw material.



HBC operates two plants; The hydrolysis plant in Midsund and the spray-drying plant in Berkåk. In the first quarter 2019, HBC Midsund processed 3,152 tons of salmon and trout raw materials, which is 502 tons more than the previous quarter (an increase of 18,9%), and 490 tons more than first quarter in 2018 (an increase of 18,4%).

Raw material availability from our core suppliers is good and increasing. We expect the processed raw material to continue increasing during 2019.

HBC Berkåk produced 419 tons of finished products in the first quarter 2019, including the capacity lease manufactured products. ProGo production alone was 94,2 tons. Total production at Berkåk in previous quarter was 361 tons, which gives an increase of 16,1%.

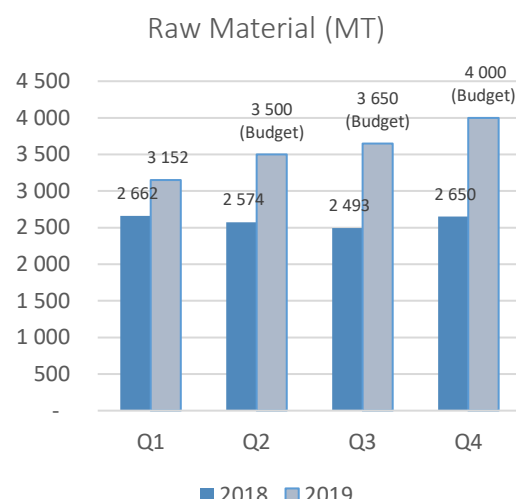


A total of 1,280 tons of finished goods were manufactured at all HBC plants, including the capacity lease volumes, compared to 1,067 tons in previous quarter. This gives an increase of 20%.

The overall yield of finished products from our plants are stable at > 30.0 % based on raw material inlet.

Increase of raw material intake are expected from first quarter 2019 after a few minor upgrades to improve efficiency and capacity at

the Midsund plant in first quarter 2019.



We continue to push the weekly manufacturing throughput, in order to reach an overall weekly average of 350 tons of raw material.

RESEARCH & DEVELOPMENT

The first quarter of 2019 has seen us continue to work on the current R&D projects that are of highest commercial priority while continuing to push into new areas of research to expand the market for our products in future years.

Process Development

Three critical areas of Process Development research remain our priority in 2019.

1) Reduction of fish odor in ProGo®/CollaGo® powder - our efforts in the past 3 months have yielded good results that have been verified on commercial scale production runs on both new powder as well as reduction of odor in stored powder batches. The reduction in odor is a ~10-fold decrease and this has been verified by human panels as well as a new quantification assay developed for this use by us. This assay now allows our production people a repeatable and quantifiable way to assess not only the odor level of the final ProGo®/CollaGo® produced but also be able to assess odor formation at different points in the production cycle for better manufacturing controls. We will

continue to add to this odor removal effort by carrying out research on other mechanisms of action that contribute to odor.

2) Yield Improvement - this quarter, together with the production team, we have found several stages of potential physical material yield loss that are being addressed. Although each contributes only a very minor loss, together the losses can be substantial. These are being addressed in the next two quarters. We also completed a hydrolysis study to assess the impact of temperature on the rate of hydrolysis as well as on deactivation of enzyme. The new enzyme deactivation protocol has been implemented at Midsund while the new hydrolysis temperature protocols will be implemented shortly. Our efforts in this area are next focused on minute pH changes that will also increase yield and reduce odor and should be ready in the fall.

3) Cost reduction - a. Enzyme optimization - enzymes from a new source have been qualified and received for lab trials in Q2. b. Water use reduction - using our patented turbine mixing technology with higher hydrolysis speeds and production output are ready for implementation this summer. We continue to look for other process improvement ways to reduce the cost of producing all four of primary products.

CollaGo® Powder

Our randomised clinical trial on the impact of CollaGo® powder on several health parameters was successfully completed and this quarter we have applied for a unique (only our product can make use of it) health claim label with Health Canada.

- Recommended Uses
- Contributes to higher energy levels
- Helps support hemoglobin production
- Helps promote and maintain healthy hair, skin and nails
- Provides antioxidants for the maintenance of good health

The full results of this 200+ page clinical study have been reviewed and submitted to the US based, [clinicaltrials.gov](http://www.clinicaltrials.gov) for publication. (http://www.hofsethbiocare.com/upload_images/BE451834DD9B4925A9B1E39247EEADF6.pdf)

ProGo® Powder

a) Development towards a Gastro-Intestinal (GI) Protective Medical Food:

Inflammation and oxidative damage of the cells in the GI tract is a growing health issue globally. Besides drugs, diseases such as IBS, Crohn's Disease and Ulcerative need balanced medical food supplementation to heal these inflamed tissues.

ProGo® consists of bioactive peptides that are orally active and have shown significant bio-efficacy in several clinical studies. In the final quarter of 2018, we published our first GI protection based invitro human endothelial cell assay results that showed that peptides in our ProGo® powder were able to improve inflammation and oxidation protection by upregulating the HMOX1 / ALOX12 genes in HGEPP and HIEC-6 cells. We believe that such a salmon peptide powder will find utility in the modulation of gastrointestinal damage in irritable bowel syndrome and enterocolitis. Our first commercial disease target for GI protection is to develop an orally administered formulation of salmon protein peptides to protect the GI in infants that are at risk of enterocolitis and necrotising enterocolitis (NEC). We are collaborating with Stanford University School of Medicine in this project.

This quarter, we have completed our first study, in collaboration with Prof. Karl Sylvester, in which his lab showed that ProGo® powder was able to protect human gastrointestinal cells from oxidative damage. This result is significant since this invitro test mimics the damage seen in NEC infants at a very plausible delivered dose of 100 micrograms/ml.

We are now progressing to a specially developed mouse model to investigate the

performance of ProGo® powder when given orally to GI damaged mice that mimic NEC. Histopathology, blood biomarkers and gene regulation will all be measured in this pre-clinical trial.

b) Development towards a Medical Food to help treat age-related Sarcopenia (muscle mass loss):

Sarcopenia is a syndrome characterized by progressive and generalized loss of skeletal muscle mass and strength and it is strictly correlated with physical disability, poor quality of life and death. Our research is focused on using salmon protein peptides to reverse this condition and assist sarcopenia patients with muscle building. This quarter our first significant in-vitro result was found.

OmeGo® Oil

Acne, asthma and rheumatoid arthritis are three chronic health issues which are research targets for HBC to develop medical food therapeutic agents.

In 2018, we carried out our first preclinical trial with OmeGo® Oil that showed daily supplementation with OmeGo® oil reduced circulating proinflammatory CRP, TNF- α and (IL)-1 β , IL-6, IL-8, and IL-10 cytokines in a mouse model.

In this quarter we have focused our efforts to developing a new, proprietary label for OmeGo® Oil soft gels to be used in conjunction with antibiotic topical creams and tablets, to improve acne vulgaris (common acne) treatment outcomes.

Acne is one of the most common skin diseases worldwide and results in major health care costs and significant morbidity to severely affected individuals. The outdated model of acne progression proposed that increased sebum production promotes over-proliferation of C. acnes bacteria in a plugged hair follicle. This is treated with high doses of general antimicrobial and antibiotic creams which mostly fail to give permanent control results.

Our R&D is based on more recent studies that show an alternative mechanism where inflammation of the sebaceous-rich skin and follicles leads to degradation and an imbalance in bacterial infections, which leads to further inflammation that perpetuates the acne cycle.

ShrimpGo® Feed Pellets

In 4Q 2018 we successfully completed of our first commercial trial for improved late-stage shrimp growth with one of our partners in Malaysia. This quarter we are running a small pond trial for early-stage shrimp feed pellets. Our scientific collaborators are more certain of seeing even greater effects on shrimp mortality and growth rates for these small juvenile shrimp (< 4g in size). We collaborated with the NMBU in Oslo to produce 750kg of Early-Stage Shrimp pellets. These will be used to run two commercial trials, one with our current partner and a second with a new partner that is ready to start trials in the summer.

Salmon Bone Collagen Powder (CalGo®) Powder

In 2019, we are focused on showing the efficacy of our Salmon Bone Collagen Powder in improving joint health. One of every 3 people over the age of 60 suffers from osteoarthritis. It is a natural wear and tear of joint cartilage which occurs as we age, and the body's ability to replace the primary joint protein, type II collagen, slows down. This is exactly the protein needed to maintain and rebuild cartilage tissue which is present as a large fraction of our CalGo® powder, and uniquely as compared to other products. It is present with calcium hydroxyapatite and other bone growth factors. In 4Q 2018 we published the invitro study that showed these contribute to increased bone resorption and deposition with human osteoblast cells. This quarter we have started preparations into an invitro coculture assay that involves the use of human Chondrocytes & Synovial Fibroblasts from osteoarthritic patients and compares the cytokine and inflammatory response to different doses of CalGo. We will use these results to decide on

the parameters such as dose and particle size, needed in a follow-on preclinical mouse trial.

Our R&D department continues to support new and continuing Patents/Trademark applications and Marketing/Sales efforts with specific research, documentation and meetings.

SALES & MARKETING

In accordance with the Company's strategy, OmeGo® continues to be sold straight from the factory, with no inventory time and cost. The volumes are mainly being sold into the feed and pet food industry to secure higher revenues and continued cashflow. The Company increases its focuses on building volumes in existing and new markets with its pet food supplement Brilliant Salmon Oil™, where the year ended on an all-time high. First quarter sees more sales and incoming ordered than last year combined, and with the upcoming tradeshow Zoomark in Bologna, the Company aims to secure new distributors in the global market for its Brilliant Salmon Oil™ product.

The Company also aims to further strengthen its position in the Norwegian market together with its distributor Morene Produkter AS and is putting more time and resources into marketing the product in Norway. The Company has started a bigger market push for Brilliant Salmon Oil™ in Norway, and this is starting to pay off. Brilliant Salmon Oil™ should continue to see good growth throughout 2019.

Brilliant Salmon Oil™ is continuing to see increased interest also in global market with increased sales from existing customers, and new customers on the way. The product is being sold both under its own label, and as a white-labeled (OEM) product.

The Company's fourth ingredient, PetGo™, is being produced as expected and is, as OmeGo®, being sold straight from the factory, with no inventory time and cost. PetGo™ is today being sold only to the pet food industry as a high-quality fish meal at premium pricing.

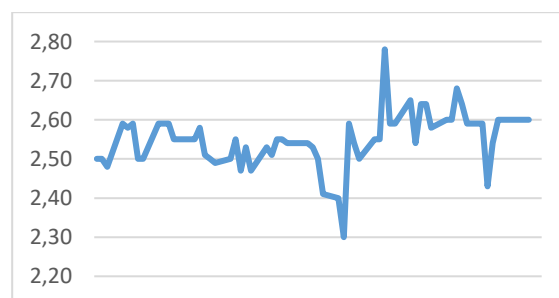
The company's fifth ingredient, CollaGo™, a Salmon Collagen Tripeptide, with more than 25 % collagen Type I & III, will continue to be sold as a separate ingredient upon request from customers as the process focuses on producing ProGo® as the main protein fraction.

Sales in the quarter showed a more even spread among the products, still OmeGo® and PetGo™ as the strongest revenue fractions.

The Company released a new calcium brand in last year for a bigger marketing push of the ingredient. The market strategy is currently to successfully establish the product in the Norwegian market, and later the global market with the Company eyeing China as a potentially interesting market and is currently applying for a Blue Hat registration on a new calcium product for the Chinese market. The sales platform has been set up so that it can be replicated into different markets.

SHARE INFORMATION

The Hofseth BioCare share (HBC) was traded between NOK 2.30 and 2.78 per share in the first quarter and the last closing price on 29 March 2019 was NOK 2.54.



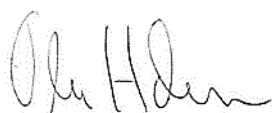
Based on 294,836,829 outstanding shares, this values the company's equity at approximately NOK 749 million.

As of 31 March 2019, the company had 709 shareholders. The 20 largest shareholders controlled 89.34 per cent of the shares.

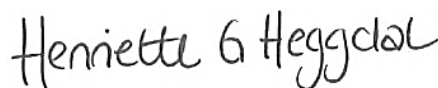
RELATED PARTY TRANSACTIONS

There are no significant new types of transactions with related parties during 2019.

Hofseth BioCare ASA Board of Directors
Ålesund, 10 May 2019



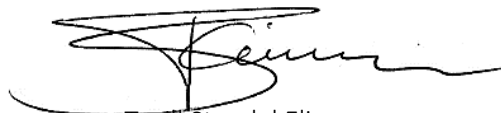
Ola Holen
Chairman of the Board



Henriette G. Heggdal
Board member



Christoph Baldegger
Board member



Torill Standal Eliassen
Board member



Roger Hofseth
CEO

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(figures in NOK 1 000, except earnings per share)</i>	<i>Q1 2019</i>	<i>Q1 2018</i>	<i>2018</i>	<i>Notes</i>
Sales revenue	14 681	14 768	60 740	7
Gross operating revenue	14 681	14 768	60 740	
Cost of sales	10 917	12 298	48 361	8
Salaries and other payroll costs	8 252	9 066	31 402	
Other operating expenses	8 424	8 254	36 485	
EBITDA	-12 912	-14 851	-55 508	
Depreciation and Write-down	6 395	5 745	22 190	6
Operating profit/loss (EBIT)	-19 306	-20 597	-77 699	6
Financial income	1 632	401	3 036	10
Financial expenses	2 964	1 965	9 825	10
Net financial items	-1 332	-1 564	-6 829	10
Profit/loss before taxes	-20 638	-22 161	-84 527	
Tax expense	0	0	249	
Profit for the period	-20 638	-22 161	-84 776	
Other comprehensive income/expenses	0	0	0	
Total comprehensive income	-20 638	-22 161	-84 776	
Total comprehensive income for the period attributable to:				
Non-controlling interests	-0	0	-8	
Shareholders in HBC (majority)	-20 638	-22 161	-84 768	
Total	-20 638	-22 161	-84 776	
Earnings per share				
Basic earnings per share (NOK)	-0.07	-0.09	-0.33	

The interim financial information has not been subject to audit.

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

<i>(figures in NOK 1 000)</i>	<i>2019</i>	<i>2018</i>	<i>Notes</i>
Research, patents etc.	16 944	17 357	5
Property, plant and equipment	133 623	67 361	6
Financial fixed assets	2 681	2 909	
Total non-current assets	153 248	87 626	
Inventories	35 849	29 402	9
Trade receivables	12 480	14 697	
Other current assets	7 004	7 578	
Cash and cash equivalents	36 517	48 641	
Total current assets	91 850	100 319	
Total assets	245 098	187 945	
Share capital	294 837	294 837	11
Other Paid in equity (+) Uncovered losses (-)	-227 372	-208 120	
Non-controlling interests	-673	-673	
Total equity	66 792	86 044	
Non-current liabilities interest bearing	95 515	30 387	
Total non-current liabilities	95 515	30 387	
Other Interest-bearing loans, leasing and borrowings	30 245	27 912	
Trade payables	44 494	32 112	
Other current liabilities	8 052	11 490	
Total current liabilities	82 791	71 514	
Total equity and liabilities	245 098	187 945	

The interim financial information has not been subject to audit.

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

<i>(figures in NOK 1 000)</i>	<i>Q1 2019</i>	<i>Q1 2018</i>	<i>2018</i>
Equity at start of period	86 044	37 083	37 083
Issue new shares 1 st August 2018	0	0	120 283
Issue new shares 26 th September	0	0	13 461
Profit/loss for the period	-20 638	-22 409	-84 776
Other comprehensive income/expenses	0	0	0
Total comprehensive income	-20 638	-22 409	-84 776
Equity at the end of period	66 792	15 853	86 044

EARNINGS PER SHARE

<i>(figures in NOK 1 000, except earnings per share)</i>	Q1 2019	Q1 2018	2018
Number of shares end of period	294 837	233 500	294 837
Weighted average number of shares	294 837	233 500	258 098
Effect of empl. stock options and warrants	0	0	0
Weighted average number of shares diluted	294 837	233 500	258 098
Basic earnings per share (NOK)	-0.07	-0.09	-0.33
Diluted earnings per share (NOK)	-0.07	-0.09	-0.33

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>NOK 1000</i>	Q1 2019	Q1 2018	2018
Cash flow from operational activities			
Profit before taxes	-20 638	-22 161	-84 527
Paid taxes	0	0	-249
Depreciation and write-off	6 395	5 745	22 190
Changes in Inventory	-6 446	-3 721	-12 544
Changes in trade debtors	2 217	17 020	12 066
Changes in trade creditors	13 702	-765	-19 817
Changes in other current bal. sheet items	-3 309	-9 057	50 695
Classified as financial activities	2 159	1 193	3 621
Net cash flow from operational activities	-5 921	-11 744	-28 625
Cash flow from investing activities			
Investments in non-current tangible assets	-2 644	-4 547	-7 529
Investments in non-current intangible assets	-300	-377	-2 308
Other investments	0	17	0
Net cash flow from investing activities	-2 944	-4 906	-9 837
Cash flow from financing activities			
Issuance of share capital	0	0	72 219
Transaction cost on issue of shares	0	0	-4 265
Payment of interest	-2 159	-1 193	-3 621
Proceeds from borrowings	278	718	14 612
Repayment of borrowings	-1 379	-1 151	-33 919
Net cash flow from financing activities	-3 260	-1 626	45 035
Net change in cash and cash equivalents	-12 125	-18 276	6 573
Cash and cash equivalents at the beginning of the period	48 641	42 068	42 068
Cash and cash equivalents at the end of the period	36 517	23 792	48 641
Significant transactions in the accounts without cash flow:			
New shares subscribed from debt	0	0	65 790
Proceeds from financial lease	4 448	0	11 169
Proceeds from financial lease buildings	66 078	0	0

SELECTED NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS FOR PREPARATION

This report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the standard for interim reporting (IAS 34). The same accounting principles and calculation methods used in the last Financial statements (IFRS) 2014 has been used here.

2. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates based on professional judgement and assumptions considered realistic. There may be situations or changes in market conditions that can lead to changes in

estimates, but management do not consider it to be significant estimation uncertainty associated with estimates and reported figures for the company's assets, liabilities, equity and profits.

3. TAXES

Deferred tax assets are not posted in the balance sheet. Estimated value is NOK 128.9m.

4. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are governed by market terms and conditions in accordance with the "arm's length principle".

5. INTANGIBLE ASSETS

NOK 1 000	R&D	Trademarks	Patents	Other	Total
Book value at 31.12.2018	15 562	15	1 376	506	17 530
Additions	300	0	0	0	300
Depreciations for the period	513	2	68	27	610
Book value at 31.03.2019	15 074	13	1 308	479	16 945
Economic life	10 years	5 years	5-10 years	10 years	

6. PROPERTY, PLANT AND EQUIPMENT

<i>NOK 1 000</i>	Property plant and equipment	Machines and Equipment	Fixtures and fittings	Total
Book value at 31.12.2018	0	64 886	1 135	67 360
Additions	66 078	5 921	0	71 998
Depreciations for the period	1 326	4 281	129	5 737
Book value at 31.03.2019	64 752	66 526	1 006	133 623
Economic life		5-10 years	3-10 years	
Method of depreciation		straight line	straight line	

7. SEGMENTS

<i>NOK 1000</i>	Q1 2019	Q1 2018	2018
Per product			
Salmon oil	7 099	5 143	21 049
Protein	509	3 341	7 196
Calcium	1 821	49	947
PHP	1 864	3 564	12 045
By-product/other	3 389	2 670	19 503
Profit from sold PPE	0	0	0
Total revenues	14 681	14 768	60 740

8. COST OF SALES

<i>NOK 1000</i>	Q1 2019	Q1 2018	2018
Cost of goods sold	10 917	10 051	48 361
Write-downs inventory	0	2 247	0
Allocation of cost prod. calc.	0	0	0
Net cost of sales	10 917	12 298	48 361

9. INVENTORY

<i>NOK 1000</i>	Q1 2019	Q1 2018	2018
Per product			
Raw material	1 871	1 012	1 826
Goods in process	48	0	0
Finished goods	33 930	19 567	27 576
Total inventory	35 849	20 579	29 402

10. FINANCE

NOK 1000	Q1 2019	Q1 2018	2018
Interest expense	2 171	1 193	3 830
Interest income	12	10	209
Net currency exchange	827	-381	-2 391
Net financial items	-1 332	-1 564	-6 789

11. SHAREHOLDERS

Largest shareholders

Shareholder	# of shares	% share
SIX SIS AG (DEEP BLUE VENTURES FUND/BONAFIDE GLOBAL FISH FUND)	73 697 907	25.00
ROGER HOFSETH AS	47 639 998	16.16
ALLIANCE SEAFOODS INC.	40 951 333	13.89
HOFSETH AS	32 403 409	10.99
HOFSETH INTERNATIONAL AS	19 585 905	6.64
SEAFOOD FARMERS OF NORWAY AS	10 574 921	3.59
HOFSETH AALESUND AS	4 860 718	1.65
NORDEA BANK ABP	4 601 000	1.56
SWELANDIA INTERNATIONAL AB	4 430 000	1.50
STOREBRAND VEKST VERDIPAPIRFOND	3 813 369	1.29
VARMA MUTUAL PENSION INSURANCE CO.	3 492 249	1.18
CREDIT SUISSE(SWITZERLAND)LTD.	2 824 201	0.96
HOFSETH LOGISTICS AS	2 456 825	0.83
UBS SWITZERLAND AG	2 256 510	0.76
ØDEGÅRD PROSJEKT AS	2 104 039	0.71
BNP PARIBAS SECURITIES SERVICES	1 850 855	0.63
SINKABERG-HANSEN AS	1 764 107	0.60
JAN PETTERSSON	1 553 137	0.53
ENTRANS INVEST AS	1 275 088	0.43
LFC AS	1 270 000	0.43
Total 20 largest	263 405 571	89.34
Total other	31 431 258	11.66
Total no. of outstanding shares	294 836 829	100.00
Total no. of shareholders: 709		