

QUARTERLY REPORT

First quarter 2021

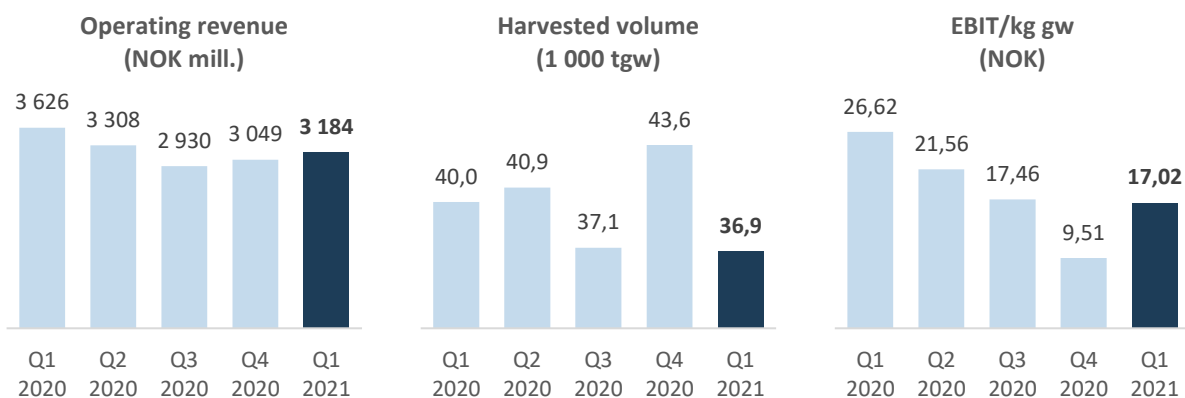


HIGHLIGHTS IN THE FIRST QUARTER

- Good results due to continued solid operational performance and increasing salmon prices
- Operational EBIT totalled NOK 624 million overall and NOK 18.18 per kg in Norway. Including Icelandic Salmon, total Operational EBIT came to NOK 627 million and NOK 17.02 per kg.
- Fish Farming Central Norway and Fish Farming Northern Norway with stable development and good results.
- Sales and Industry delivers a strong result, driven by a strong operational performance, good capacity utilisation and positive contributions from fixed-price contracts.
- Icelandic Salmon with positive results and lower costs compared to previous quarters
- SalMar still expects to harvest 163,000 tonnes in Norway and 14,000 tonnes in Iceland in 2021.
- The company secured NOK 7.5 billion in green financing to finance continued sustainable growth.
- The upgrade at Vikenco was completed. Construction of InnovaNor is in its final stages, before start-up in the summer.

KEY FIGURES – GROUP

NOK million	Q1 2021	Q1 2020	FY 2020
Operating revenue	3,184	3,626	12,912
Operational EBIT	627	1,066	3,009
Operational EBIT %	19.7%	29.4 %	23.3 %
Production tax	-14	-0.5	-1.4
Fair value adjustments	298	-480	-180
Profit/loss from associates	49	-22	42
Profit/loss before tax	937	395	2,572
EPS – diluted	6.32	3.57	17.49
NIBD incl. leasing liabilities	6,228	2,838	5,826
Equity ratio %	50.9 %	55.7 %	49.9 %
Harvested volume (1,000 t _{gw})	36.9	40.0	161.5
EBIT/kg gw (NOK)	17.02	26.62	18.63





FINANCIAL PERFORMANCE

Revenues and results for the first quarter 2021

In the first quarter 2021, the SalMar Group achieved a good operational EBIT on the back of strong underlying operations and rising spot prices for salmon.

The Sales and Industry segment posted strong results, driven by good capacity utilisation and positive contributions from fixed-price contracts. Both Fish Farming Central Norway and Fish Farming Northern Norway continued their positive development and posted good results.

Icelandic Salmon made an operating profit, driven by good capacity utilisation, improved biological performance and rising salmon prices.

In the first quarter 2021, the SalMar Group harvested 36,900 tonnes of salmon, compared with 43,600 tonnes in the fourth quarter 2020 and 40,000 in the first quarter 2020.

In addition, Norskott Havbruk (Scottish Sea Farms) harvested 5,900 tonnes during the quarter. By comparison, it harvested 6,400 tonnes the quarter before and 2,900 tonnes in the corresponding period last year. SalMar owns 50 per cent of Norskott Havbruk.

The price of salmon (NASDAQ Salmon Index) in the first quarter 2021 averaged NOK 52.78 per kg, up from an average of NOK 43.69 per kg in the previous quarter, but down from NOK 68.50 per kg in the same period in 2020.

SalMar generated gross operating revenues of NOK 3,184 million in the first quarter 2021, compared with NOK 3,049 million in the fourth quarter 2020 and NOK 3,626 million in the first quarter 2020.

The Group made an Operational EBIT of NOK 627 million in the quarter, up from NOK 414 million in the fourth quarter 2020, but down from NOK 1,066 million in the same quarter last year. The difference is largely attributable to changes in the price of salmon.

The SalMar Group made an Operational EBIT per kg of NOK 17.02 in the first quarter 2021, up from NOK 9.51 in the fourth quarter 2020, but down from NOK 26.62 in the first quarter last year.

Please see the segment results for further details.

SalMar's most important key figure for measuring its performance under IFRS is Operational EBIT. This shows the result of the Group's underlying operations during the period. Specific items not associated with underlying operations are presented on separate lines.

A production tax of NOK 0.40 per kg was imposed on SalMar's Norwegian business with effect from 1 January 2021. The production tax in Norway and resource tax in Iceland reduced profits by NOK 14 million in the first quarter 2021. Fair value adjustments boosted operating profit by NOK 298 million in the quarter. See the notes to the financial statements for further details.

SalMar therefore recognised an operating profit of NOK 911 million in the first quarter 2021, an increase of NOK 826

million compared with the previous quarter, and NOK 326 million more than in the same quarter last year. Operating profit in the first quarter 2020 was negatively affected by fair value adjustments totalling NOK -480 million.

Associates contributed NOK 49 million during the period, compared with NOK 9 million in the fourth quarter and NOK -22 million in the first quarter 2020. The contribution in the quarter derives primarily from SalMar's share of the profit from Norskott Havbruk, which came to NOK 46 million.

Net interest expenses totalled NOK -36 million in the quarter, up from NOK -30 million in the previous quarter, but down from NOK -42 million in the corresponding quarter in 2020.

Other financial items totalled NOK 13 million, the same as the previous quarter, but an increase on the NOK -125 million posted in the first quarter 2020. The negative figure in the first quarter 2020 was due primarily to negative currency effects caused by a weakening of the NOK towards the end of the quarter.

SalMar made a profit before tax of NOK 937 million in the first quarter 2021, compared with NOK 77 million in the fourth quarter 2020 and NOK 395 million in the corresponding period last year.

A tax expense of NOK 199 million has been calculated for the period. The Group therefore made a net profit for the quarter of NOK 739 million. In the first quarter 2020, the Group recognised a tax expense of NOK 91 million and a net profit of NOK 304 million.

Cash flow

The SalMar Group generated a cash flow from operating activities of NOK 137 million in the first quarter 2021, compared with NOK 1,293 million in the same period in 2020.

Net cash flow from investing activities came to NOK -490 million in the quarter, compared with NOK -434 million in the first quarter last year.

During the quarter, NOK 122 million was invested in maintenance and the expansion of SalMar's smolt capacity, while NOK 204 million was invested in the construction of InnovaNor, the expansion of Vikenco and upgrades to InnovaMar. Day-to-day investments in maintenance and R&D investments relating to offshore fish farming totalled NOK 145 million in the period, while NOK 7 million was spent on day-to-day maintenance investments in Iceland. Other investments came to NOK 12 million.

The Group's net cash flow from financing activities totalled NOK 343 million in the quarter, compared with NOK -907 million in the same quarter in 2020.

The Group's net interest-bearing debt rose by NOK 425 million in the quarter, with instalments on leasing liabilities and net interest paid totalling NOK 82 million. In the same quarter last year, net interest-bearing debt was reduced by NOK 825 million and instalments on leasing liabilities and net interest paid totalled NOK 83 million.

This gave SalMar a net cash flow of NOK -10 million in the period, compared with NOK -48 million in the same period in 2020. Adjusted for NOK 8 million in negative currency effects, this reduced the Group's overall holding of cash and cash equivalents by NOK 18 million in the period. As a result, cash and cash equivalents stood at NOK 206 million at the close of the quarter.

Financial position

At the close of the first quarter 2021, SalMar's balance sheet totalled NOK 22,881 million, up from NOK 21,998 million at the close of 2020 and NOK 18,608 million at the close of the first quarter last year.

SalMar had non-current assets totalling NOK 14,362 million at the close of the quarter, up from NOK 14,080 million at the close of 2020 and from NOK 11,081 million at the close of the first quarter last year.

The book value of the Group's property, plant and equipment rose by NOK 283 million in the quarter to total NOK 5,837 million at 31 March 2021. Investments are being made in line with previously adopted plans, including the expansion of smolt capacity, the new harvesting plant in Northern Norway, InnovaNor, and general maintenance.

At the close of the first quarter 2021, SalMar had total current assets of NOK 8,519 million, up from NOK 7,918 million at the close of the previous quarter and from NOK 7,527 million at the same point last year.

At the close of the first quarter, the book value of inventory stood at NOK 6,922 million. See the notes to the financial statements for further details. The Group had trade receivables of NOK 758 million as at 31 March 2021, while other current receivables totalled NOK 633 million. As at 31 March 2021, the SalMar Group had cash and cash equivalents of NOK 206 million.

As at 31 March 2021, the Group had a total equity of NOK 11,640 million, corresponding to an equity ratio of 50.9 per cent. This is an increase of NOK 653 million compared with the close of 2020. See the separate presentation of movements in equity for further details.

As at 31 March 2021, the SalMar Group's net interest-bearing debt totalled NOK 5,531 million. Of this amount, long-term debt accounted for NOK 4,339 million, while short-term debt accounted for NOK 1,191 million. In addition the Group had leasing liabilities of NOK 903 million at the close of the quarter.

Other current liabilities were reduced by NOK 223 million in the quarter to end at NOK 2,911 million. This is attributable primarily to a NOK 534 million reduction in trade payables. The quarter's reduction was somewhat offset by an increase in tax and public charges payable.

As at 31 March 2021, the SalMar Group had a net interest-bearing debt, including leasing liabilities, of NOK 6,228 million, up from NOK 5,826 million at the close of 2020 and from NOK 2,838 million at the same point last year.



OPERATIONAL PERFORMANCE

SalMar reports its operations in four segments: Fish Farming Central Norway, Fish Farming Northern Norway, Icelandic Salmon, and Sales and Industry.

Fish Farming Central Norway

Fish Farming Central Norway is SalMar's largest business segment. It covers the Group's operations in Møre & Romsdal and Trøndelag.

NOK million	Q1 2021	Q1 2020	2020
Operating revenue	1,169	1,584	5,895
Operational EBIT	386	742	2,218
Operational EBIT %	33.0%	46.8%	37.6%
Harvested volume (1 000 tgw)	20.8	22.2	100.4
EBIT/kg gw (NOK)	18.54	33.50	22.10

Fish Farming Central Norway harvested 20,800 tonnes of salmon in the first quarter 2021, compared with 22,200 tonnes in the first quarter 2020.

The segment generated gross operating revenues of NOK 1,169 million, compared with NOK 1,584 million in the corresponding period last year. The decrease is primarily attributable to lower salmon prices.

The segment continued to post solid results in the period, driven by solid operations and stable costs. The bulk of the volume was harvested in the quarter's last month, when the price of salmon was at its highest.

Salmon transferred to sea farms in the autumn of 2019 accounted for 70 per cent of the volume harvested in the first quarter, while the remaining 30 per cent derived from the spring-2020 generation, which is now starting to be harvested.

Harvesting of the autumn-2019 generation will come to an end in the second quarter 2021. At the same time, harvesting of the spring-2020 generation will continue. In the second quarter 2021, both harvested volume and costs are expected to remain at the same level as in the first quarter.

Fish Farming Central Norway still expects to harvest 107,000 tonnes of salmon in 2021.

Fish Farming Northern Norway

Fish Farming Northern Norway covers the Group's operations in Troms & Finnmark.

NOK million	Q1 2021	Q1 2020	2020
Operating revenue	700	896	2,613
Operational EBIT	195	389	848
Operational EBIT %	27.8%	43.4%	32.4%
Harvested volume (1 000 tgw)	13.5	13.6	49.9
EBIT/kg gw (NOK)	14.45	28.68	16.99

Fish Farming Northern Norway harvested around 13,500 tonnes in the first quarter 2021, compared with 13,600 tonnes in the same period last year.

The segment generated gross operating revenues of NOK 700 million in the quarter, compared with NOK 896 million in the first quarter 2020. The decrease is primarily attributable to lower salmon prices.

The segment continued to post good results. The bulk of the volume was harvested in the quarter's last month, when the price of salmon was at its highest.

The autumn-2019 generation of salmon, which accounted for the volume harvested in the period, has had a slightly higher cost at harvest than the spring-2019 generation, which posted strong results. The cost at harvest was also affected by high harvesting and wellboat costs, which will largely be avoided when InnovaNor goes into operation later this year.

Harvesting of the autumn-2019 generation will come to an end in the second quarter, while harvesting of the spring-2020 generation will commence. Compared with the first quarter, slightly lower costs and a similar harvested volume are expected in the second quarter.

Fish Farming Northern Norway still expects to harvest around 56,000 tonnes of salmon in 2021.



Icelandic Salmon

Icelandic Salmon is Iceland's largest producer and processor of farmed salmon. The company is fully vertically integrated, with its own smolt facilities, sea farms, harvesting plant and sales force.

NOK million	Q1 2021	Q1 2020	2020
Operating revenue	178	280	662
Operational EBIT	4	22	-49
Operational EBIT %	2.1%	7.7%	-7.4%
Harvested volume (1 000 tgw)	2.5	4.3	11.2
EBIT/kg gw (NOK)	1.48	5.05	-4.36

Icelandic Salmon harvested 2,500 tonnes of salmon in the first quarter 2021, compared with 4,300 tonnes in the same period last year. The company generated gross operating revenues of NOK 178 million in the quarter, compared with NOK 173 million the quarter before and NOK 280 million in the first quarter 2020.

The volume harvested in the first quarter 2021 came exclusively from the generation of salmon transferred to sea farms in 2019. Biologically, this generation has performed significantly better than previous generations, which resulted in lower costs at harvest than in previous years.

Combined with rising salmon prices and good capacity utilisation, this resulted in an Operational EBIT of NOK 4 million. EBIT per kg gutted weight came to NOK 1.48 in the quarter, compared with NOK -5.38 per kg in the previous quarter and NOK 5.05 per kg in the first quarter 2020

Harvesting of the 2019-generation will continue in the second quarter, with both volume and costs expected to remain on a par with the first quarter.

Icelandic Salmon still expects to harvest 14,000 tonnes in 2021.

Sales and Industry

The Sales and Industry segment sells all the fish that the Group harvests in Norway. The harvested volume is sold primarily to markets in Europe, Asia and America. The Group has two harvesting and secondary processing plants in Central Norway: InnovaMar in Frøya and in Vikenco in Aukra. In Northern Norway, construction of the InnovaNor facility in Senja is currently underway.

NOK million	Q1 2021	Q1 2020	2020
Operating revenue	3,032	3,350	12,393
Operational EBIT	118	-17	282
Operational EBIT %	3.9%	-0.5%	2.3%

Sales and Processing generated gross operating revenues of NOK 3,032 million in the first quarter 2021, compared with NOK 3,350 million in the corresponding period last year. The segment sells the Group's entire volume harvested in Norway.

The segment made an Operational EBIT of NOK 118 million in the first quarter 2021, an increase of NOK 135 million compared with the same period in 2020. The increase in profit is due to a combination of solid operational performance and good capacity utilization from the harvesting and processing activities, in addition to positive contributions from fixed-price contracts.

Experiences during the Covid-19 pandemic has strengthened SalMar's belief in the strategic importance of local value creation through local secondary processing.

A total of 33,100 tonnes was harvested at InnovaMar in the period, compared with around 29,800 tonnes the quarter before and 26,000 tonnes in the first quarter 2020.

Around 24 per cent of the volume harvested in the first quarter was sold under fixed-price contracts. The contract rate for the second quarter stands at 25 per cent, while for the year as a whole is predicted to come to 20 per cent.

Construction of InnovaNor, which will be Northern Norway's largest and most modern harvesting and secondary processing plant, is nearing completion. The facility is scheduled to go into operation this summer. The company is looking forward to harvesting the first fish at its own plant in Senja.

Eliminations

Research and development (R&D) costs are included as eliminations in the segments' reported results. Of a total harvested volume of 36,900 tonnes in the first quarter 2021, R&D costs accounted for NOK 1.43 per kg.



Associates

Norskott Havbruk (Scottish Sea Farms)

Norskott Havbruk is recognised as an associate, with SalMar's share (50 per cent) of the company's profit/loss after tax (and fair value adjustment of the biomass) being recognised as financial income. The figures in the table below reflect the company's overall performance.

NOK million	Q1 2021	Q1 2020	2020
Operating revenues	396	264	1,699
Operational EBIT	74	42	308
Operational EBIT %	18.6 %	15.9 %	18.2 %
Fair value adj. biomass	47	-74	-143
Profit/loss before tax	116	-38	143
SalMar's share after tax	46	-27	49
Harvested volume (1 000 t _{gw})	5.9	2.9	24.0
EBIT/kg gw (NOK)	12.39	14.36	12.87

Norskott Havbruk generated gross operating revenues of NOK 396 million in the first quarter 2021, compared with NOK 264 million in the same period last year. The increase is attributable to a larger volume harvested.

Norskott Havbruk harvested around 5,900 tonnes of salmon in the quarter, up from 2,900 tonnes in the first quarter last year.

EBIT per kg gutted weight came to NOK 12.39 in the first quarter 2021, compared with NOK 14.36 per kg in the same period last year. The decrease is attributable to lower salmon prices, partly offset by lower costs at harvest.

The contract rate for the quarter came to 50 per cent.

SalMar's share of Norskott Havbruk's profit before tax came to NOK 116 million in the first quarter.

There is good status of the standing biomass with low sea lice levels in all regions.

Norskott Havbruk still expects to harvest 36,000 tonnes of salmon in 2021.

MARKETS

Supply and biomass

The global supply of Atlantic salmon totalled approx. 690,700 tonnes in the first quarter 2021, up 14 per cent on the same period last year.

Output in Norway increase with 16 per cent compared with the first quarter 2020, and ended at 351 800 tonnes.

Output increased by 8 per cent in Chile, UK increased with 23 per cent, North America increased with 3 per cent, Faroe Island increased with 31 per cent and other markets increased with 33 per cent.

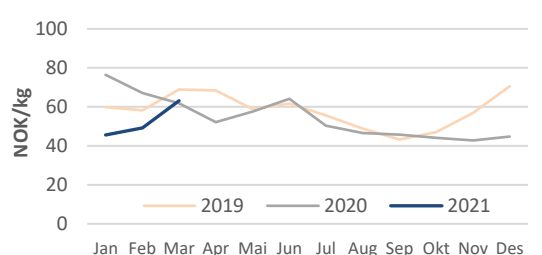
At the close of the first quarter 2021, the standing biomass in Norway is estimated to be 6.5 per cent up on the same point in 2020. Correspondingly, the standing biomass in Chile is estimated to be down by 22.4 per cent, while in the UK and the Faeroe Islands it is respectively estimated to be 5.0 per cent and 13.2 per cent higher, according to data from Kontali.

Prices and foreign exchange rates

Atlantic salmon was traded at a low of NOK 45.80 per kg at the start of 2021 (NASDAQ Salmon Index). In January and February, the price fluctuated between NOK 44 and NOK 55 per kg, before gradually rising to NOK 68.61 per kg at the end of March.

The price of salmon averaged NOK 52.78 per kg in the quarter, 23 per cent less than the average price of NOK 68.50 per kg achieved in the same period last year.

NASDAQ Salmon Index NOK/kg



Mass vaccination, the gradual reopening of society and rising oil prices helped to strengthen the NOK somewhat during the quarter in relation to the most important trading currencies for fish, with the exception of the GBP. Compared with the close of the previous quarter, the NOK strengthened by 4.5 per cent against the USD and 0.1 per cent against the EUR, but fell by 0.7 per cent against the GBP.

Norwegian exports

Norway exported around 343,000 tonnes (round weight) of salmon in the first quarter 2021, up 19 per cent on the 287,000 tonnes exported in the same period last year. Exports were valued at NOK 17.6 billion, down 4 per cent on the year before, when the price of salmon was considerably higher.

A substantial secondary processing industry makes Poland the largest individual market for Norwegian salmon. In the first quarter 2021, around 55,900 tonnes were exported to this market, an increase of 37 per cent compared with the same quarter in 2020. Exports to the USA rose by 9 per cent in the same period, while exports to the UK fell by 19 per cent. Exports to France rose by 16 per cent, while Spain imported 24 per cent more. Vietnam/China/Hong Kong increased their purchases most of all during the period, with a rise of 44 per cent compared with the first quarter 2020.



OTHER MATTERS

Covid-19

The spread of the virus and the many public health measures implemented worldwide have heightened market uncertainty.

Throughout the pandemic, SalMar has demonstrated that it is well equipped to handle challenging situations. The company has good financial flexibility, good local secondary processing capacity and, not least, a corporate culture of working even harder when the going gets tough. A few employees contracted Covid-19 around the start of the year, but good contingency procedures and a robust response ensured that the infection did not spread.

Even though Covid-19 has created increased market uncertainty, SalMar views the future in an extremely positive light, thanks in part to the effective roll-out of vaccination programmes around the world during the first quarter. The company is therefore continuing construction work on the new hatchery in Senja, which got underway in May 2020, and aims to complete its new InnovaNor harvesting plant this summer.

Expansion of smolt production capacity

Access to high-quality smolt of an optimal size is crucial to secure good performance throughout the salmon production process. The SalMar Group currently has projects underway to expand capacity at several of its smolt facilities.

In October 2019, it was decided to expand the Senja facility, and construction got underway in May 2020. The new building is situated adjacent to the existing facility and will create a major competence centre for RAS technology and smolt production.

The company is planning to build a new smolt facility in Tjuin, Trøndelag. Proximity to the company's existing facility at Follafooss will enable the creation of an even more powerful competence centre and give SalMar greater capacity and flexibility to produce the right kind of smolt, with the right quality at the right time.

SalMar has also constructed a new closed net pen. The installation is now in position at one of the company's sea farms, where the first transfer of smolt to the unit took place early in February 2021.

Expansion of harvesting- and processing capacity

SalMar's construction of a new harvesting and processing facility in Northern Norway, called InnovaNor, is proceeding as planned. This is an important strategic and industrial investment for SalMar. It will strengthen the company's position in Northern Norway and pave the way for increased value creation and employment in the region. It will also provide SalMar with a considerable secondary processing capacity in this part of the country and the flexibility to harvest fish stocks at the biologically optimal time. Construction work is nearing completion and SalMar expects the plant to go into operation in this summer.

At the same time in the beginning of 2021 upgrade of Vikenco, the harvesting- and processing facility on Aukra in Møre og Romsdal was completed.

The challenges created by Covid-19 also demonstrate the importance of good harvesting and processing capacity, which gives the company the flexibility to produce precisely the products that the various markets demand.

Offshore strategy

The establishment of salmon farming in the open ocean is an important element in SalMar's strategy to secure sustainable growth. To strengthen and concentrate its endeavours in the field of offshore aquaculture, SalMar has established the subsidiary SalMar Ocean AS.

The Group's ambition is to retain its leading position in this area, both with respect to technology development and biological production, and thereby contribute to the environmentally sustainable development of the Norwegian aquaculture industry.

In January 2021, SalMar Ocean applied for a site permit for the Smart Fish Farm facility, which will take the production of farmed salmon far out into the open sea. In the same application, SalMar outlined plans to build a series of offshore fish farming facilities through the further development of both its Smart Fish Farm technology and its Ocean Farm technology. The company has already obtained eight development licences, each of 780 tonnes MAB, for the further advancement of the Smart Fish Farm, which will have more than twice the capacity of SalMar's Ocean Farm 1 facility.

Offshore fish farming has many advantages. The most important benefits are that production can take place under optimal biological conditions in the salmon's natural habitat, and that nature's bounty can be made use of in a sustainable way. The Gulf Stream supplies a continuous flow of high-quality fresh seawater at the right temperature to the area where permission to site the Smart Fish Farm has been sought. There is no need for any further input of energy or fresh water where the Gulf Stream flows because it draws its power from the sun, wind and other deep ocean currents, which provide optimal biological conditions.

SalMar has conducted studies which show that offshore aquaculture will have significant ripple effects in the form of value creation and jobs, on land as well. SalMar's investment in this area marks the start of a new era in aquaculture. Offshore fish farming will open up vast new areas for the sustainable production of food for the world's growing population.

Green financing

So far in 2021, SalMar has secured NOK 7.5 billion in green financing, at attractive terms, through a NOK 4 billion sustainability linked credit facility and the issue of a green bond worth NOK 3.5 billion in April 2021. This provides the company with a solid foundation and the flexibility to pursue further sustainable investments throughout its value chain – from roe to plate.

The company has also been awarded an A- rating by Nordic Credit Rating. See the section "Events after the reporting date" for further details.



SHARES AND SHAREHOLDERS

At the close of the first quarter 2021, SalMar had a total of 113,299,299 shares outstanding, divided between 11,157 shareholders.

The company's major shareholder, Kverva Industrier AS, owns 52.46 per cent of the shares. The 20 largest shareholders own a total of 74.01 per cent of the shares. SalMar ASA is now the 46th largest shareholder with 232,071 shares, corresponding to 0.20 per cent of the total number of shares outstanding as at 31 March 2021.

SalMar's share price fluctuated between NOK 483.10 and NOK 609.80 in the first quarter 2021. The final price at the close of the quarter was NOK 590.00, compared with NOK 503.60 at the close of 2020. This corresponds to an increase in value of 17.3 per cent during the period.

A total of 10.2 million shares were traded in the quarter, which corresponds to 9 per cent of the total number of shares outstanding. The volume of shares traded daily averaged 161,200.

In February 2021, the board of directors recommended a dividend of NOK 20 per share for the 2020 financial year. This recommendation will be put to the AGM in June for final approval.

SalMar plans to hold its 2021 AGM on 8 June at its offices in Frøya. Due to the Covid-19 pandemic, shareholders are urged not to attend in person, but to exercise their rights by voting digitally, appointing a proxy or voting in advance. See www.salmar.no for further details.

EVENTS AFTER THE REPORTING DATE

Award of an A- credit rating

On 7 April 2021, Nordic Credit Rating awarded SalMar a long-term initial corporate credit rating of A-.

The credit rating reflects SalMar's high rate of profitability relative to comparable companies, as a result of cost-effective operations at high-performing farming locations. The rating is also a mark of the company's strong cash flow and moderate gearing ratio.

Issue of a green bond

On 13 April 2021, SalMar announced that the company had successfully placed a new senior, unsecured green bond in the amount of NOK 3.5 billion, maturing on 22 January 2027. The bond is the largest ever issued by a Norwegian company.

The bond issue, at an interest rate of 3-months' NIBOR + 1.35 per cent per annum, was substantially oversubscribed.

In connection with the bond issue, SalMar received a Medium Green classification from Cicero, the world's leading provider of second opinions on green financing.

Recommendation for new chairman of the board of SalMar ASA

SalMar ASA's nomination committee has given notice of Atle Eide's decision not to seek re-election as the company's chair.

After a thorough review, the nomination committee has recommended that Leif Inge Nordhammer replace Atle Eide as the board's chair. Furthermore, Magnus Dybvad is proposed as a new board member representing the majority shareholder Kverva. The nomination committee recommends that the board's vice chair Margrethe Hauge be re-elected. The seats held by the other shareholder-elected board members, Tonje E. Foss and Linda Litlekalsøy Aase, are not up for re-election at this time.

The nomination committee's recommendation will be put to SalMar's AGM, which will be held on 8 June 2021.

OUTLOOK

Markets

A moderate increase in the global supply of Atlantic salmon is expected in 2021. Although the Covid-19 pandemic has created market uncertainty, the end of the first quarter and the start of the second quarter have shown how robust the salmon market is. Furthermore, the roll-out of vaccines around the world gives considerable grounds for optimism about the future.

Compared with same period last year volume is expected to decrease with 2 per cent in the second quarter 2021, according to data from Kontali. Increase in Norway of 6 per cent, decrease in Chile of 23 per cent, increase in UK of 16 per cent, decrease in North-America of 12 per cent, increase in Faroe Island of 9 per cent and increase in other markets with 19 per cent. The global supply of Atlantic salmon is expected to rise by 2 per cent from 2020 to 2021, corresponding to an increase of around 61,000 tonnes. Year-on-year, output in Norway is expected to increase by 8 per cent, while it is expected to fall by 15 per cent in Chile.

As at 10 May 2021, Fish Pool forward prices indicate an average salmon price of NOK 61.25 per kg in June and NOK 56.25 per kg in July. The price forecast for the third quarter 2021 is NOK 54.02 per kg, while the price forecast for the second half of 2021 is NOK 56.25 per kg.

Company

Around 25 per cent of SalMar's volume will be sold under fixed-price contracts in the second quarter 2021, while the contract rate for 2021 as a whole comes to 20 per cent.

Cost and volume levels in the second quarter are expected to remain at the same level as in the first. This applies to both Icelandic Salmon and Fish Farming Central Norway, while Fish Farming Northern Norway expects to post slightly lower costs in the second quarter.

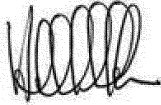
SalMar still expects to harvest a total of 163,000 tonnes in Norway and 14,000 tonnes in Iceland in 2021.

This year, SalMar celebrates its 30th anniversary, and is continuing to pursue its plans for sustainable growth on the salmon's terms, with investments along the entire value chain from roe to plate.

SalMar is well placed to continue growing sustainably, not for growth's sake alone, but because salmon is a sustainable marine protein which is needed by Norway and the rest of the world.

Board of Directors and CEO of SalMar ASA
Frøya, 11 May 2021

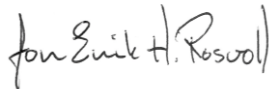
Atle Eide
Chair



Tonje E. Foss
Director



Jon Erik Rosvoll
Director (employee-elected)



Margrethe Hauge
Director



Linda L. Aase
Director



Gustav Witzøe
CEO



Leif Inge Nordhammer
Director



Brit Elin Soleng
Director (employee-elected)



INCOME STATEMENT

<i>NOK million</i>	Q1 2021	Q1 2020	FY 2020
Operating revenue	3,184	3,626	12,912
Cost of goods sold	1,485	1,600	5,871
Payroll expenses	359	323	1,320
Other operating expenses	519	452	1,901
EBITDA	820	1,251	3,821
Depreciation and write-downs	193	185	812
Operational EBIT	627	1,066	3,009
Production tax	-14	-0.5	-1.4
Fair value adjustment	298	-480	-180
Operating profit	911	585	2,828
Income from investments in associates	49	-22	42
Net interest expenses	-36	-42	-140
Other financial items	13	-125	-159
Profit before tax	937	395	2,572
Tax	199	91	563
Net profit for the period	739	304	2,008
Other comprehensive income:			
<i>Items to be reclassified to P&L in subsequent periods:</i>			
Change in translation diff. associates	1	62	-4
Change in translation diff. subsidiaries	-94	253	88
Cash flow hedge, net after tax	-7	-12	128
Total comprehensive income	638	607	2,220
<i>Allocation of net profit for the period:</i>			
Non-controlling interests	23	-100	29
Shareholders in SalMar ASA	716	404	1,979
Earnings per share (NOK)	6.33	3.58	17.52
Earnings per share - diluted	6.32	3.57	17.49

BALANCE SHEET – GROUP

<i>NOK million</i>	31.03.2021	31.03.2020	31.12.2020
ASSETS			
Non-current intangible assets	6,777	5,088	6,826
Non-current tangible assets	5,837	4,595	5,554
Right-of-use assets	813	541	849
Non-current financial assets	934	857	851
Total non-current assets	14,362	11,081	14,080
Inventory	6,922	6,011	6,670
Trade receivables	758	944	589
Other short-term receivables	633	375	436
Cash and cash equivalents	206	198	223
Total current assets	8,519	7,527	7,918
TOTAL ASSETS	22,881	18,608	21,998
EQUITY AND LIABILITIES			
Paid-in equity	707	653	692
Other equity	9,816	8,979	9,159
Minority interests	1,117	725	1,136
Total equity	11,640	10,357	10,987
Provisions	1,896	1,747	1,828
Non-current interest-bearing liabilities	4,339	2,045	3,678
Long-term leasing liabilities	728	470	769
Total non-current liabilities	6,964	4,262	6,275
Current interest-bearing liabilities	1,191	384	1,438
Short-term leasing liabilities	175	137	165
Other current liabilities	2,911	3,468	3,133
Total current liabilities	4,277	3,990	4,736
TOTAL EQUITY AND LIABILITIES	22,881	18,608	21,998
Net interest-bearing debt (NIBD)	5,325	2,231	4,893
NIBD incl. leasing liabilities	6,228	2,838	5,826
Equity share	50.9 %	55.7 %	49.9 %

STATEMENT OF CASH FLOW

<i>NOK million</i>	Q1 2021	Q1 2020	FY 2020
Profit before tax	937	395	2,572
Tax paid in the period	-16	-23	-588
Depreciation	193	185	812
Share of profit/loss from associates	-49	22	-42
Change in fair value adjustments	-298	480	180
Change in working capital	-675	110	-2
Other changes	45	124	249
Net cash flow from operating activities	137	1,293	3,179
Net cash flow from investing activities	-490	-434	-3,747
Change in interest-bearing liabilities	425	-825	1,902
Downpayment leasing liabilities	-45	-40	-184
Interest leasing liabilities	-14	-13	-55
Interest paid financing activities	-23	-30	-91
Dividend paid out	-	-	-1,493
Capital contribution - net	-	-	480
Aquisition of non-controlling interests	-	-	-4
Net cash flow from financing activities	343	-907	554
Net change in cash for the period	-10	-48	-15
Foreign exchange effects	-8	15	7
Cash at the start of the period	223	231	231
Cash at the close of the period	206	198	223



CHANGES IN EQUITY

2021	Share capital	Treasury shares	Share premium	Other paid-in equity	Translation differences	Retained earnings	Non-controlling interests	Total equity
Equity as at 01.01.21	28.3	-0.1	415.3	248.4	130.4	9,030.4	1,135.9	10,986.9
Net profit for the year						715.6	23.1	738.7
Comprehensive income					0.0		-42.1	-100.6
Total comprehensive income for the year	0.0	0.0	0.0	0.0	0.0	657.1	-19.0	638.1
<i>Transactions with shareholders</i>								
Share-based remuneration - capital contribution				14.9				14.9
Other changes						0.2		0.2
Sum transactions with shareholders	0.0	0.0	0.0	14.9	0.0	0.2	0.0	15.1
Equity as at 31.03.21	28.3	-0.1	415.3	263.3	130.4	9,687.7	1,116.9	11,640.1
<i>2020</i>								
2020	Share capital	Treasury shares	Share premium	Other paid-in equity	Translation differences	Retained earnings	Non-controlling interests	Total equity
Equity as at 01.01.20	28.3	-0.1	415.3	201.5	73.3	8,291.2	732.4	9,740.1
Net profit for the year						1,979.0	29.3	2,008.3
Comprehensive income					57.2		27.0	212.1
Total comprehensive income for the year	0.0	0.0	0.0	0.0	57.2	2,107.0	56.2	2,220.4
<i>Transactions with shareholders</i>								
Dividend paid						-1,469.9	-23.1	-1,493.0
Capital contribution							500.9	500.9
Transaction costs re. capital contribution							-21.0	-21.0
Change in non-controlling interests						109.8	-109.8	0.0
Share-based remuneration - capital contribution				46.9				46.9
Share-based remuneration - deferred tax						-1.7		-1.7
Share-based remuneration - vested		0.0				0.0		0.0
Other changes						-5.9	0.2	-5.7
Sum transactions with shareholders	0.0	0.0	0.0	46.9	0.0	-1,367.8	347.3	-973.6
Equity as at 31.12.20	28.3	-0.1	415.3	248.4	130.4	9,030.4	1,135.9	10,986.9

SEGMENTS

NOK million	Farming Central Norway	Farming Northern Norway	Sales and Industry	Icelandic Salmon	Eliminations	Group
Q1 2021						
Operating revenue (NOK mill.)	1,168.9	700.0	3,032.5	178.0	-1,895.1	3,184.2
Operational EBIT (NOK mill.)	386.1	194.8	118.2	3.8	-75.5	627.4
Operational EBIT %	33.0 %	27.8 %	3.9 %	2.1 %		19.7 %
Harvested volume (1,000 tgw)	20.8	13.5		2.5		36.9
EBIT/ kg gw (NOK)	18.54	14.45		1.48		17.02
Q1 2020						
Operating revenue (NOK mill.)	1,584.0	895.7	3,349.7	280.0	-2,483.8	3,625.6
Operational EBIT (NOK mill.)	742.1	389.1	-16.7	21.7	-70.6	1,065.5
Operational EBIT %	46.8 %	43.4 %	-0.5 %	7.7 %		29.4 %
Harvested volume (1,000 tgw)	22.2	13.6		4.3		40.0
EBIT/ kg gw (NOK)	33.50	28.68		5.05		26.62
FY 2020						
Operating revenue (NOK mill.)	5,895.3	2,612.9	12,392.9	662.3	-8,651.0	12,912.3
Operational EBIT (NOK mill.)	2,218.4	847.8	282.3	-49.0	-290.5	3,008.9
Operational EBIT %	37.6 %	32.4 %	2.3 %	-7.4 %		23.3 %
Harvested volume (1,000 tgw)	100.4	49.9		11.2		161.5
EBIT/ kg gw (NOK)	22.10	16.99		-4.36		18.63



KEY FIGURES – GROUP

	Q1 2021	Q1 2020	FY 2020
No. of shares (diluted) - end of period (mill.)	113.208	113.063	113.164
Earnings per share (NOK)	6.33	3.58	17.52
Earnings per share - diluted (NOK)	6.32	3.57	17.49
EBITDA %	25.8 %	34.5 %	29.6 %
Operational EBIT %	0.0 %	0.0 %	0.0 %
EBIT %	53.7 %	57.4 %	61.5 %
Profit before tax %	0.0 %	0.0 %	0.0 %
Cash flow per share - diluted (NOK)	1.2	11.4	28.1
Net interest bearing debt (NOK mill.)	5,324.8	2,231.5	4,892.6
NIBD incl. leasing liabilities (NOK mill.)	6,228.0	2,838.3	5,826.3
Equity ratio %	50.9 %	55.7 %	49.9 %

Earnings per share = Earnings after tax / average number of shares

Earnings per share - diluted = Earnings after tax / average number of shares - diluted

Earnings before tax % = Earnings before tax / operating revenue

Cash flow per share - diluted = Cash flow from operating activities / average no. of shares - diluted

Equity ratio = Equity / total assets

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Accounting principles

This report has been prepared in accordance with International Financial Reporting Standards (IFRS), including the standard for interim reporting (IAS 34). The same accounting principles and calculation methods used in the last year-end financial statements have been used here. Please refer to the Group's latest IFRS year-end financial statements, which are published on the Group's website, www.salmar.no, for a complete description of the accounting principles.

A production tax amounting to NOK 0.40 per kg harvested weight was imposed on the Norwegian business with effect from 1 January 2021. Similarly, a resource tax was introduced in Iceland with effect from 1 January 2020. The amount of this latter is due to increase stepwise over a seven-year period. To highlight the performance of underlying operations before deduction of the production tax, SalMar has elected to report it on a separate line in the income statement under Operational EBIT. To ensure consistent treatment of the equivalent tax in Iceland, that country's resource tax has been similarly classified. Comparable figures since the introduction of this tax on 1 January 2020 have been restated accordingly.

This interim report has not been subject to external audit.

Note 2 - The company's 20 largest shareholders

Shareholder	Shares	%
KVERVA INDUSTRIER AS	59,436,137	52.46 %
FOLKETRYGDFONDET	6,518,156	5.75 %
State Street Bank and Trust Comp	1,986,916	1.75 %
State Street Bank and Trust Comp	1,827,104	1.61 %
BNP PARIBAS SECURITIES SERVICES	1,518,661	1.34 %
LIN AS	1,274,620	1.12 %
CACEIS Bank	1,264,864	1.12 %
JPMorgan Chase Bank, N.A., London	1,147,978	1.01 %
CACEIS Bank	1,129,430	1.00 %
CLEARSTREAM BANKING S.A.	967,214	0.85 %
JPMorgan Chase Bank, N.A., London	916,387	0.81 %
SIX SIS AG	796,958	0.70 %
Brown Brothers Harriman (Lux.) SCA	780,302	0.69 %
The Bank of New York Mellon	708,942	0.63 %
The Northern Trust Comp, London Br	650,301	0.57 %
VPF DNB AM NORSKE AKSJER	615,308	0.54 %
State Street Bank and Trust Comp	608,912	0.54 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	594,802	0.52 %
VERDIPAPIRFONDET DNB NORGE	563,106	0.50 %
Pictet & Cie (Europe) S.A.	552,884	0.49 %
Top 20	83,858,982	74.01 %
Others	29,441,017	25.99 %
Total	113,299,999	100.00 %

As at 31 March 2021 SalMar ASA owned 232,071 treasury shares.

Note 3 - Inventory and biological assets

Book value of inventory	31.03.2021	31.03.2020	31.12.2020
Raw materials	150.0	181.0	246.9
Biological assets	6,280.4	5,534.7	5,988.8
Finished goods	491.4	295.2	434.1
Total	6,921.8	6,010.9	6,669.8
Fair value adjustment of biological assets	31.03.2021	31.03.2020	31.12.2020
Roe, fry, smolt and cleaner fish at cost	338.3	348.6	297.9
Biological assets held at sea farms at cost	3,796.0	3,243.7	3,924.0
Total biological assets before fair value adjustment	4,134.3	3,592.3	4,221.9
Fair value biological assets	2,146.1	1,942.4	1,766.9
Total biological assets	6,280.4	5,534.7	5,988.8

Raw materials largely comprise feed for smolt and marine-phase fish production. Raw materials used in secondary processing, as well as packaging materials, are also included. Stocks of biological assets are associated with SalMar's fish farming operations on land and at sea.

Finished goods comprise whole salmon, fresh and frozen, as well as processed salmon products.

Change in the book value of biological assets	31.03.2021	31.03.2020	31.12.2020
Biological assets - opening balance	5,988.8	5,720.8	5,720.8
Increase due to production/purchase	1,183.3	1,137.6	5,743.7
Reduction due to sale/harvesting	-1,241.3	-1,341.6	-5,253.1
Reduction due to incident-based mortality	-9.5	-36.0	-59.7
Fair value adjustment on opening balance (reversed)	-1,766.9	-1,954.0	-1,954.0
Fair value adjustment on closing balance (new)	2,146.1	1,942.4	1,766.9
Translation differences	-20.0	65.5	24.3
Biological assets - closing balance	6,280.4	5,534.7	5,988.8

Biological assets in further detail

Live fish are recognised in the financial statements in accordance with IAS 41 Agriculture. IAS 41 contains a methodological hierarchy for the measurement of biological assets for accounting purposes. The main rule is that such assets must be measured at fair value.

The company's stocks of live fish are recognised at fair value in accordance with IAS 41. Present value is calculated on the basis of estimated revenues less production costs remaining until the fish at the individual sites are harvestable. A fish is harvestable when it has reached the estimated weight required for harvesting specified in the company's budgets and plans. The estimated value is discounted to present value on the balance sheet date.

Estimated future revenues are calculated on the basis of Fish Pool forward prices on the balance sheet date. A quarterly price average is calculated, since the fish are harvested over several periods. Forward prices are adjusted for export supplements, shipping, sales and harvesting costs. An adjustment is also made for expected variations in fish quality.

Smolt are recognised at cost.

Forward price underpinning the calculation of fair value (NOK):

Period of expected harvest:	31.03.2021	Period of expected harvest:	31.03.2020	Period of expected harvest:	31.12.2020
Q2-2021	62.20	Q2-2020	54.00	Q1-2021	50.33
Q3-2021	53.08	Q3-2020	53.50	Q2-2021	56.77
Q4-2021	56.32	Q4-2020	54.70	Q3-2021	53.67
Q1-2022	61.05	Q1-2021	64.80	Q4-2021	55.83
Q2-2022	63.55	Q2-2021	64.60	1st half 2022	61.85
2nd half 2022	54.17	2nd half 2021	59.50	2nd half 2022	54.15
Discount rate Norway	6 %		6 %		6 %
Discount rate Iceland	4 %		3 %		3 %

The Group different monthly discount rates for operations in Norway and the operation in Iceland. The discount rate reflects the biomass's capital cost, risk and a synthetic licencing fee and site rental cost. The monthly discount rates in the two regions are not the same because of the difference in the areas' natural preconditions for biological production, which therefore requires differentiation in the recognised synthetic licence fee and site rental cost.



Note 4 - Fair value adjustments

Fair value adjustments are part of the Group's operating profit/loss, but changes in fair value are presented on a separate line to provide a better understanding of the Group's profit/loss on the sale of goods. The item Fair Value Adjustments comprises:

	Q1 2021	Q1 2020	FY 2020
Change in fair value of the biomass	383.1	-7.3	-186.1
Change in provisions for onerous contracts	-52.4	-5.9	-16.0
Unrealised change in value of Fish Pool contracts	11.9	-14.0	-8.6
Unrealised changes in the value of currency and forward currency contracts	-44.2	-452.8	31.2
Fair value adjustments recognised in profit and loss	298.3	-480.0	-179.5

Note 5 - Business combinations

Business acquisitions in 2021

The Group has acquired no businesses to date in 2021.

Business acquisitions in 2020

Vikenco Eiendom AS

On 1 January 2020, the Group agreed to acquire 100 per cent of the shares in Vikenco Eiendom AS. For accounting purposes, the transaction is recognised as a business transfer. No material transaction costs have been incurred in connection with the acquisition. A consideration of NOK 14.0 million was paid for the company. Vikenco Eiendom AS was merged into Vikenco AS with effect from 1 January 2020.

	Book value	Adjustment to fair value	Fair value
The acquisition's effect on the balance sheet (NOK 1 000):			
Property, plant & equipment	1,435	16,018	17,453
Cash & cash equivalents	71	0	71
Deferred tax assets/liabilities	183	-3,524	-3,341
Current liabilities	-183	0	-183
Net identifiable assets and liabilities	1,506	12,494	14,000
Goodwill			-
Cash consideration			14,000

Note 6 - Changes in non-controlling interests

Changes in non-controlling interests 2021

There have been no changes in non-controlling interests in 2021.

Changes in non-controlling interests 2020

On 15 October 2020, a share issue was carried out in Icelandic Salmon AS (previously Arnarlax AS). In this connection, 4,347,826 new shares were issued, raising net proceeds for the company of NOK 500 million at a price of NOK 115 per share. The transaction led to a reduction in SalMar's holding of shares in the company from 59.36 per cent to 51.02 per cent. The reduction is recognised as a change in non-controlling interests, and the NOK 109.8 million effect is recognised directly in equity in the period.

Note 7 - Financial assets – investments where the equity method is applied

	Norskott Havbruk	Others	TOTAL
Opening balance 01.01.2021	682.3	70.2	752.5
Share of year's profit/loss	45.9	2.9	48.8
Other items in comprehensive income	1.1	-0.5	0.6
Dividend received	0.0	-2.2	-2.2
Other changes	0.0	0.5	0.5
Closing balance 31.03.2021	729.3	71.0	800.3

**Note 8 - Interest-bearing liabilities**

	31.03.2021	31.03.2020	31.12.2020
Non-current interest-bearing liabilities			
Debt to credit institutions	4,713.0	2,197.6	4,000.0
Next year's instalment on debt to credit institutions	-373.6	-152.6	-322.4
Long-term debt to credit institutions	4,339.4	2,045.0	3,677.6
Leasing liabilities	903.2	606.9	933.7
Next year's lease payments	-174.9	-137.1	-164.6
Long-term leasing liabilities	728.3	469.7	769.1
Total non-current interest-bearing liabilities	5,067.7	2,514.8	4,446.8
Current interest-bearing liabilities			
Short-term debt to credit institutions	817.6	231.5	1,116.1
Next year's instalment on debt to credit institutions	373.6	152.6	322.4
Total debt to credit institutions	1,191.2	384.0	1,438.4
Next year's lease payments	174.9	137.1	164.6
Total current interest-bearing liabilities	1,366.1	521.2	1,603.0
Total interest-bearing liabilities	6,433.8	3,035.9	6,049.8
Cash & cash equivalents	205.8	197.6	223.4
Leasing liabilities	903.2	606.9	933.7
Net interest-bearing liabilities (NIBD)	5,324.9	2,231.5	4,892.6

Breakdown of net interest-bearing liabilities by currency (all figures are in NOK):

	NOK	EUR	JPY	USD	GBP	Other	Total
Long-term debt to credit institutions	4,490.6	222.4	0	0	0	0.0	4,713.0
Leasing liabilities	884.2	11.9	0	0	0	7.2	903.2
Short-term debt to credit institutions	840.2	45.6	-19.2	-52.4	-0.3	3.7	817.6
Total interest-bearing liabilities	6,215.0	279.8	-19.2	-52.4	-0.3	10.9	6,433.8
Cash & cash equivalents	194.5	0.4	15.1	-9.4	0.3	4.7	205.8
Leasing liabilities	884.2	11.9	0	0	0	7.2	903.2
Net interest-bearing liabilities (NIBD)	5,136.3	267.5	-34.3	-43.0	-0.6	-1.0	5,324.9

Financing activities - change in liabilities:

	31.12.2020	Cash flow from financing activities	Change subsidiaries	Not cash-generating effects			31.03.2021
				Currency effects	Change in next year's instalments on long-term debt	Other effects	
Long-term debt to credit institutions	3,677.6	724.3	0.0	-8.9	0.0	-2.4	4,390.6
Short-term debt to credit institutions	1,438.4	-299.2	2.1	-1.4	0.0	0.0	1,140.0
Debt to credit institutions	5,116.1	425.1	2.1	-10.3	0.0	-2.4	5,530.6
Leasing liabilities	933.7	-44.8	0.0	-0.2	0.0	14.5	903.2
Total interest-bearing liabilities	6,049.8	380.4	2.1	-10.5	0.0	12.1	6,433.8

Note 9 - Interest and other financial items

	Q1 2021	Q1 2020	FY 2020
Interest income	1.8	6.5	10.3
Net interest expenses, ex. interest on leasing liabilities	-23.1	-36.1	-94.6
Interest expenses relating to leasing liabilities	-14.2	-12.7	-55.2
Net currency effects	15.3	-124.4	-151.6
Other net financial items	-2.5	-1.1	-7.4
Net interest and other financial items	-22.8	-167.8	-298.5



Note 10 - Alternative resultatmål

The SalMar Group prepares its financial statements in accordance with international accounting standards (IFRS). In addition, management has established alternative performance parameters to provide useful and relevant information to users of its financial statements. Alternative performance parameters have been established to provide greater understanding of the company's underlying performance, and do not replace the consolidated financial statements prepared in accordance with international accounting standards (IFRS): The performance parameters have been reviewed and approved by the Group's management and Board of Directors. Alternative performance parameters may be defined and used in other ways by other companies.

The alternative performance measures are deduced from the performance measures defined in IFRS. The figures are defined below and calculated in a consistent manner. They are presented in addition to other performance measures, in keeping with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA).

Operational EBIT

Operational EBIT is an alternative performance measure used by the Group. The relationship between Operational EBIT and operating profit/loss is presented in the table below. The difference between Operational EBIT and operating profit/loss relates to items which are classified in the financial statements on the line for fair value adjustments. These items are market value and fair value assessments linked to assumptions about the future. Operational EBIT shows the underlying operation and the results of transactions undertaken in the period prior to production tax in Norway and resource tax in Iceland.

	Q1 2021	Q1 2020	FY 2020
Driftsresultat	911.4	585.0	2,828.0
Production tax	14.4	0.5	1.4
<i>Fair value adjustment:</i>			
Change in fair value of the biomass	-383.1	7.3	186.1
Change in provisions for loss-making contracts	52.4	5.9	16.0
Change in unrealised Fish Pool contracts	-11.9	14.0	8.6
Change in unrealised value of forward currency contracts	44.2	452.8	-31.2
Operational EBIT	627.4	1,065.5	3,008.9

Operational EBIT per kg gutted weight

Operational EBIT per kg gutted weight is defined as a key performance parameter for SalMar. The performance parameter is used to assess the profitability of the goods sold and the Group's operations. The performance parameter is expressed per kg of harvested volume.

Q1 2021	Farming		Icelandic Salmon	SalMar Group
	Central Norway	Northern Norway		
Operational EBIT (NOK 1 000)	386,134	194,826	3,763	627,440
Volume harvested (tonnes)	20,823	13,486	2,549	36,858
Operational EBIT per kg gutted weight (NOK)	18.54	14.45	1.48	17.02
Q1 2020	Farming		Icelandic Salmon	SalMar Group
	Central Norway	Northern Norway		
Operational EBIT (NOK 1 000)	742,073	389,081	21,701	1,065,538
Volume harvested (tonnes)	22,154	13,568	4,300	40,022
Operational EBIT per kg gutted weight (NOK)	33.50	28.68	5.05	26.62
FY 2020	Farming		Icelandic Salmon	SalMar Group
	Central Norway	Northern Norway		
Operational EBIT (NOK 1 000)	2,218,390	847,754	-49,049	3,008,941
Volume harvested (tonnes)	100,394	49,903	11,239	161,535
Operational EBIT per kg gutted weight (NOK)	22.10	16.99	-4.36	18.63

Net interest-bearing debt (NIBD) and net interest-bearing debt including leasing liabilities

Net interest-bearing debt is an alternative performance measure used by the Group. The performance measure is used to express the Group's working capital, and is an important performance measure for investors and other users, because it shows net borrowed capital used to finance the Group. Net interest-bearing debt is defined as long-term and short-term debt to credit institutions, less cash & cash equivalents. Leasing liabilities under IFRS 16 are not included in the calculation of net interest-bearing debt. To highlight total interest bearing debt including leasing liabilities, this is presented as a separate measure.

	31.03.2021	31.03.2020	31.12.2020
Long-term debt to credit institutions	4,339.4	2,045.0	3,677.6
Short-term debt to credit institutions	1,191.2	384.0	1,438.4
Cash & cash equivalents	-205.8	-197.6	-223.4
Net interest-bearing debt (NIBD)	5,324.9	2,231.5	4,892.6
Leasing liabilities	903.2	606.9	933.7
NIBD incl. leasing liabilities	6,228.1	2,838.3	5,826.3

Cash flow per share - diluted

The Group uses diluted cash flow per share to highlight the cash flow from period's operating activities per share outstanding (diluted). The key figure is arrived at by dividing the cash flow from operating activities by the average number of shares outstanding (diluted) in the period.

	Q1 2021	Q1 2020	FY 2020
Cash flow from operating activities	136.8	1,293.2	3,178.9
Average no. of shares outstanding (diluted) in the period (1,000 shares)	113,208.187	113,062.520	113,163.701
Diluted cash flow per share (NOK)	1.21	11.44	28.09