

QUARTERLY REPORT

First quarter 2020



Passion for Salmon

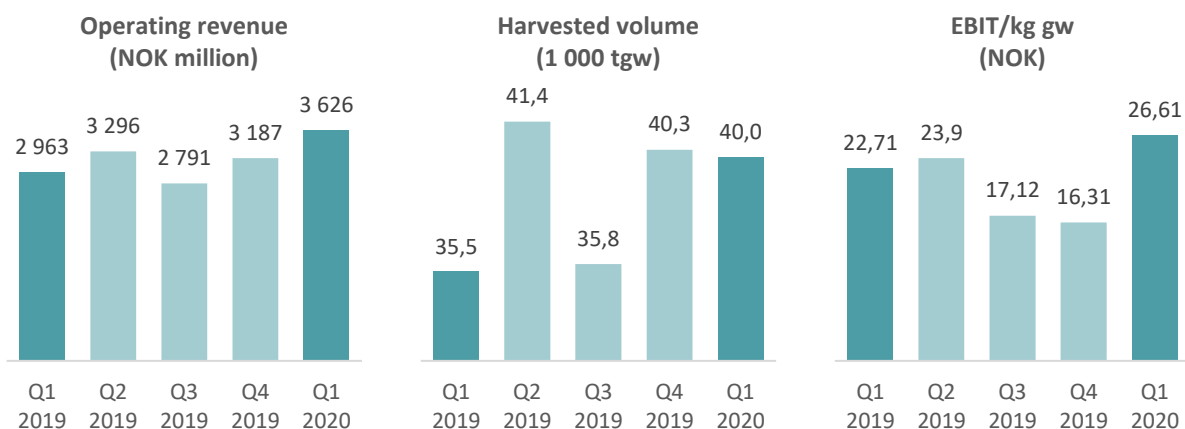


HIGHLIGHTS IN THE FIRST QUARTER

- Operational EBIT at a record high of NOK 1,065 million, with an EBIT per kg of NOK 26.61
- Strong results and good biological performance for Fish Farming Central Norway
- Fish Farming Northern Norway delivers good results despite biological challenges
- Strong operational results within Sales & Processing, but profitability affected by lower contribution from fixed price contracts
- Harvest guiding of 152,000 tons in Norway and 12,000 tons on Iceland maintained

KEY FIGURES - GROUP

NOK million	Q1 2020	Q1 2019	FY 2019
Operating revenue	3 625.6	2 963.4	12 237.6
Operational EBIT	1 065.0	806.2	3 067.6
Operational EBIT %	29.4 %	27.2 %	25.1 %
Fair value adjustments	-480.0	-172.8	-33.0
Profit/loss from associates	-22.5	28.7	118.7
Profit/loss before tax	394.6	851.4	3 158.4
Total comprehensive income	606.9	703.0	2 584.4
EPS – diluted	3.57	6.37	22.03
NIBD	2 231.5	1 194.4	2 902.1
Equity ratio %	55.7 %	63.2 %	54.2 %
Harvested volume (1,000 t _{gw})	40.0	35.5	153.1
EBIT/kg gw (NOK)	26.61	22.71	20.04



FINANCIAL PERFORMANCE

Revenues and results for the first quarter 2020

In the first quarter 2020, the SalMar Group posted its highest ever operational EBIT in the company's history. This achievement was driven by both high spot prices of and strong underlying operations.

The Fish Farming Central Norway segment in particular distinguished itself through a solid biological performance in the quarter, while the results for Fish Farming Northern Norway were somewhat weaker due to high harvesting costs. At the same time, the Sales and Processing segment's results were negatively affected by lower contributions from fixed-price contracts, as a consequence of high spot prices through the quarter. Arnarlax had a challenging quarter with increased mortality caused by winter wounds.

In the first quarter 2020, the SalMar Group harvested 40,000 tonnes of salmon, compared with 40,300 tonnes in the fourth quarter 2019 and 35,500 tonnes in the first quarter 2019.

Norskott Havbruk (Scottish Sea Farms) had low harvest volumes this quarter, with a total volume of 2,900 tonnes compared with 5,300 tonnes in the previous quarter and 4,800 tonnes in the first quarter 2019. SalMar owns 50 per cent of Norskott Havbruk.

The price of salmon (NASDAQ Salmon Index) averaged NOK 69.10 per kg for the first quarter 2020, up from an average of NOK 57.31 per kg for the previous quarter and NOK 62.13 for the first quarter 2019.

SalMar generated NOK 3,625.6 million gross operating revenues in the first quarter 2020, compared with NOK 3,186.7 million in the fourth quarter 2019 and 2,963.4 million in the first quarter 2019.

The Group's operational EBIT came to NOK 1,065.0 million in the first quarter 2020, up from NOK 658.1 million in the previous quarter and NOK 806.2 million in the same quarter last year. The increase is largely attributable to higher salmon prices and a larger harvested volume.

The SalMar Group achieved an operational EBIT per kg of NOK 26.61 in the first quarter 2020, up from NOK 16.31 in the fourth quarter 2019 and from NOK 22.71 in the first quarter 2019.

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.

Fair value adjustments reduced operating profits by NOK 480.0 million in the quarter. The fair value of the biomass was adjusted downwards by NOK 7.3 million in the quarter, while changes in unrealised losses on contracts and financial contracts decreased profit by NOK 19.9 million. Changes in unrealised currency and forward currency contracts reduced profits by NOK 452.8 million in the quarter, due to a weakening in the NOK exchange rate. See Note 4 for further details.

As a result, SalMar posted an operating profit of NOK 585.0 million in the first quarter 2020, compared with NOK 876.5 million in the previous quarter and NOK 633.3 million in the first quarter last year. Operating profit in the first quarter 2019 was negatively affected by fair value adjustments totalling NOK 172.8 million.

Associates contributed NOK -22.5 million in the period, compared with a contribution of NOK 77.8 million in the fourth quarter 2019 and NOK 28.7 million in the first quarter 2019. The contribution in the first quarter 2020 came primarily from Norskott Havbruk. A downward adjustment in the fair value of this associate's biomass reduced SalMar's share of the result after tax, despite the positive operational EBIT.

Net interest expenses totalled NOK 42.4 million in the quarter, on a level with the NOK 42.9 million recognised in the previous quarter and up from NOK 37.1 million in the corresponding period in 2019. Other financial items totalled NOK -125.4 million in the period, compared with NOK -20.0 million in the previous quarter and NOK 226.5 million in the first quarter 2019. The change from the same period last year is attributable primarily to recognition in 2019 of an accounting gain relating to Arnarlax's change of status from associate to subsidiary, while the 2020 figure was negatively affected by a weakening in the NOK towards the close of the period.

Profit before tax for the period totalled NOK 394.6 million, compared with NOK 891.4 million in the fourth quarter 2019 and NOK 851.4 million in the corresponding quarter last year.

A tax expense of NOK 90.9 million has been calculated for the period, such that the Group's net profit for the first quarter 2020 comes to NOK 303.7 million. For the first quarter 2019, the tax expense totalled NOK 139.1 million and net profit NOK 712.3 million.

The weakening of the NOK towards the close of the first quarter 2020 gave NOK 303.1 million in positive translation differences for associates and subsidiaries whose financial statements are denominated in foreign currencies. These items increase the Group's total comprehensive income in the period to NOK 606.9 million. In the previous quarter and in the first quarter 2019, the corresponding translation differences were negative in the amount of NOK 14.6 million and NOK 9.4 million, respectively.

Cash flow

In the first quarter 2020, the SalMar Group generated a positive cash flow from operating activities of NOK 1,293.2 million, compared with NOK 800.0 million in the same period in 2019.

Net cash flow from investing activities totalled NOK -433.8 million in the first quarter 2020, compared with NOK -371.6 million in the same quarter last year.

The bulk of the investments in the period related to property, plant and equipment and R&D, which came to NOK 327.4 million, while investments in licences totalled NOK 106.4 million.

In addition to the investment in licences, maintenance investments within farming totalled NOK 80.3 million, while investments in the maintenance and expansion of the Group's smolt capacity amounted to NOK 38.0 million in the period. Costs relating to the design and engineering of the Smart Fish Farm project and maintenance of the Ocean Farm 1 facility totalled NOK 27.5 million, while investments relating to the construction of InnovaNor, the expansion of Vikenco and upgrades at InnovaMar totalled NOK 170.8 million. Capacity and maintenance investments in Iceland amounted to NOK 10.3 million.

The Group's net cash flow from financing activities came to NOK -907.3 million in the first quarter this year, compared with NOK -524.0 million in the same period last year. The Group's interest-bearing liabilities were reduced by NOK 824.6 million during the period. Leasing liabilities were reduced by NOK 40.3 million, while net interest paid totalled NOK 42.4 million. In the same quarter last year, interest-bearing liabilities were reduced by NOK 453.1 million, leasing liabilities by NOK 33.8 million, while net interest paid totalled NOK 37.1 million.

This gave SalMar a net cash flow of NOK -47.9 million in the first quarter 2020, compared with a net cash flow of NOK -95.7 million in the same period last year. Adjusted for a NOK 14.5 million positive contribution from currency effects, this reduced the Group's holding of cash and cash equivalents by NOK 33.4 million in the period. At the close of the first quarter 2020, therefore, the Group had cash and cash equivalents totalling NOK 197.6 million.

Financial position

Because the value of the NOK weakened towards the close of the quarter, the book value of associates and subsidiaries has increased. This affects several elements in the balance sheet and is commented on specifically where it has had the largest impact.

At the close of the first quarter 2020, SalMar's balance sheet totalled NOK 18,608.1 million, up from NOK 17,986.1 million at the close of 2019 and from NOK 16,649.7 million at the close of the first quarter last year.

The value of the Group's intangible assets rose by NOK 346.1 million through the quarter to end at NOK 5,088.1 million on 31 March 2020. A total of NOK 106.4 million was invested in licences in Norway, through purchase of the fixed-price portion of capacity growth permitted under Norway's "traffic light" system. Other changes derive largely from a rise in the exchange rates used to account for Arnarlax.

The book value of the Group's property, plant and equipment rose by NOK 224.9 million through the quarter to end at NOK 4,594.8 million on 31 March 2020. Investments are being made in line with established plans, including the expansion of hatchery capacity and the new InnovaNor harvesting plant in Northern Norway, as well as in general maintenance.

As at 31 March 2020, SalMar's current assets totalled NOK 7,527.1 million, up from NOK 7,490.3 million at the close of the previous quarter and from NOK 6,921.5 million on the same date in 2019.

At the close of the first quarter, inventory in the balance sheet was valued at NOK 6,010.9 million, a decrease of NOK 178.6 million during the period. The fair value of the biomass was NOK 186.1 million lower at the close of the

first quarter 2020 due to a reduction in the size of the biomass and lower forward prices in the calculation compared with the close of the previous quarter. At the close of the first quarter 2019, inventory in the balance sheet was valued at NOK 5,837.4 million.

The Group had NOK 943.5 million in trade receivables as at 31 March 2020, up from NOK 739.4 million as at 31 December and NOK 622.3 million as at 31 March 2019. The increase is attributable primarily to a high sales volume towards the end of the period compared with the previous quarter.

Other short-term receivables totalled NOK 375.1 million at the close of the quarter, compared with NOK 330.3 million at the close of 2019 and NOK 319.5 million at the same point last year.

The SalMar Group had cash and cash equivalents of NOK 197.6 million as at 31 March 2020, down from NOK 231.0 million as at 31 December and NOK 142.3 million as at 31 March 2019.

As at 31 March 2020, the Group had a total equity of NOK 10,356.7 million, corresponding to an equity ratio of 55.7 per cent. This is an increase of NOK 616.6 million since the close of 2019. See the separate table showing movements in equity for further details.

As at 31 March 2020, the SalMar Group had interest-bearing liabilities totalling NOK 2,429.0 million. Of this amount, non-current liabilities accounted for NOK 2,045.0 million, while current liabilities accounted for NOK 384.0 million.

The Group had leasing liabilities totalling NOK 606.9 million at the close of the quarter. This is down from NOK 629.6 million at the close of the fourth quarter 2019 and NOK 678.9 million at the close of the first quarter last year.

Other current liabilities rose by NOK 742.7 million during the quarter to NOK 3,468.3 million. This is attributable largely to an increase in the fair value of forward contracts due to the weakening of the NOK.

As at 31 March 2020, the SalMar Group had net interest-bearing liabilities of NOK 2,231.5 million, down from NOK 2,902.1 million at the close of 2019, but up from NOK 1,194.4 million on the same date in 2019.

OPERATIONAL PERFORMANCE

In the first quarter 2020, SalMar is reporting its operations in four segments: Fish Farming Central Norway, Fish Farming Northern Norway, Arnarlax, and Sales and Processing.

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 and has 68 wholly owned operating licences.

NOK million	Q1 2020	Q1 2019	2019
Operating revenue	1,584	1,177	5,670
Operational EBIT	742	473	2,165
Operational EBIT%	46.8%	40.2%	38.2%
Harvested volume (1 000 tgw)	22.2	18.2	95.3
EBIT/kg gw (NOK)	33.50	25.91	22.71

Fish Farming Central Norway harvested 22,200 tonnes of salmon in the first quarter 2020, compared with 18,200 tonnes in the first quarter 2019.

The segment generated operating revenues of NOK 1,584 million, compared with NOK 1,177 million in the corresponding period last year. The increase was driven by higher salmon prices and a larger volume harvested.

The segment delivered strong results in the period, with sound underlying operations and significantly better price achievement than in the previous quarter. Operational EBIT per kg gutted weight came to NOK 33.50 in the first quarter 2020, up from NOK 25.91 per kg in the same period last year.

The autumn-2018 generation accounted for 75 per cent of the volume harvested in the first quarter, while the remaining 25 per cent derived from the start of harvesting from the spring-2019 generation. In the second quarter 2020, harvesting of the autumn-2018 generation will be completed, while harvesting of the spring-2019 generation will continue. The spring-2019 generation has achieved a good biological performance and has a lower cost level than previous generations.

A somewhat higher volume and lower costs are expected in the second quarter 2020 than in the first quarter.

SalMar maintains its expectations of a harvest volume of around 103,000 tonnes for Fish Farming Central Norway in 2020 as a whole.

Fish Farming Northern Norway

Fish Farming Northern Norway covers the Group's operations in Troms & Finnmark and has 32 wholly owned operating licences.

NOK million	Q1 2020	Q1 2019	2019
Operating revenue	896	900	2,789
Operational EBIT	389	348	931
Operational EBIT%	43.4%	38.7%	33.4%
Harvested volume (1 000 tgw)	13.6	15.1	48.0
EBIT/kg gw (NOK)	28.68	23.05	19.41

Fish Farming Northern Norway harvested around 13,600 tonnes of salmon in the first quarter 2020. This is 1,500 tonnes less than in the same period last year.

The segment generated operating revenues of NOK 896 million in the quarter, compared with NOK 900 million in the first quarter 2019. Despite the reduced volume, revenues remained more or less unchanged due to higher salmon prices.

The segment has considerable cost improvements compared with previous quarters in 2019. The results were however negatively affected by higher harvesting costs from sites affected by ISA. At the same time, price achievement was negatively affected by the higher volume harvested towards the end of the quarter. Operational EBIT per kg gutted weight came to NOK 28.68 in the first quarter 2020, compared with NOK 23.05 in the corresponding quarter last year.

The autumn-2018 generation accounted for the bulk of the fish harvested during the period (71 per cent), while the harvesting of the spring-2018 generation (29 per cent) was completed. The sites affected by ISA have now been emptied out. In the second quarter 2020, harvesting of the autumn-2018 generation will continue at a slightly lower cost level.

In the second quarter, therefore, the segment expects costs to be slightly lower than this quarter. The volume harvested will also be somewhat lower.

SalMar maintains its expectations of a harvest volume of around 49,000 tonnes for Fish Farming Northern Norway in 2020 as a whole.

Arnarlax

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

NOK million	Q1 2020	Q1 2019	2019*
Operating revenue	280	133	627
Operational EBIT	21	25	100
Operational EBIT%	7.6%	18.9%	16.0%
Harvested volume (1 000 tgw)	4.3	2.1	9.8
EBIT/kg gw (NOK)	4.92	11.77	10.21

*The figures for 2019 apply from February 2019, after Arnarlax was consolidated into SalMar's accounts.

Arnarlax harvested 4,300 tonnes of salmon in the first quarter 2020, compared with 2,100 tonnes in the first quarter last year. Operating revenues totalled NOK 280 million in the quarter, compared with NOK 133 million in the same quarter in 2019.

The volume harvested in the first quarter 2020 derives primarily from the 2018-generation. Arnarlax had a challenging quarter, with high mortality resulting from winter wounds. As reported in the previous quarter, this high level of mortality forced the company to harvest out a lot of fish during a challenging period of poor weather conditions and low sea temperatures. This has resulted in higher costs, and Arnarlax has recognised approx. NOK 30 million in costs related to increased mortality.

Arnarlax achieved an operational EBIT of NOK 22 million, down from NOK 25 million in the same period in 2019. Operational EBIT per kg gutted weight came to NOK 4.92 in the first quarter 2020, compared with NOK 11.77 per kg in the first quarter 2019.

A substantially lower volume is expected in the second quarter this year. Weaker margins must also be expected because one will continue harvesting of the 2018 generation and because Arnarlax will not benefit from the same positive currency effects with regard to salmon prices, since they are sold and recognised largely in EUR.

Arnarlax maintains its expectations to harvest around 12,000 tonnes in 2020 as a whole.

Sales and Processing

The Sales and Processing segment sells all the fish that the Group harvests in Norway. The harvested volume is sold primarily to markets in Europe, Asia and America. InnovaMar is SalMar's main facility for industrial processing. It is located in Frøya, in close proximity to Fish Farming Central Norway's operations.

NOK million	Q1 2020	Q1 2019	2019
Operating revenue	3,350	2,820	11,699
Operational EBIT	-17	14	124
Operational EBIT%	-0.5%	0.5%	1.1%

The Sales and Processing segment generated NOK 3,350 million in gross operating revenues in the first quarter 2020, up from NOK 2,820 million in the corresponding period last year.

The segment sells the Group's entire volume harvested in Norway. Operational EBIT in the period totalled NOK -17 million, down from NOK 14 million in the first quarter 2019. The decrease in earnings is due to a negative contribution from fixed-price contracts as a result of high spot salmon prices through large parts of the quarter.

At the same time, the segment improved its capacity utilisation as a result of higher harvested volumes and more effective operations. This provided satisfactory margins from harvesting and processing operations. Spot sales were well placed during the period at high prices.

A total of 26,000 tonnes were harvested at InnovaMar during the period, compared with around 22,400 tonnes in the previous quarter and 23,600 tonnes in the first quarter last year. Some 24 per cent of the volume was sold under contract in the first quarter 2020. The contract rate for the second quarter is around 25 per cent and around 20 per cent for 2020 as a whole, with prices somewhat higher than the level achieved for contracts in 2019.

Construction of InnovaNor, which will be Northern Norway's largest and most modern harvesting and processing facility, is proceeding as planned. It is expected to go into operation in the summer of 2021.

Eliminations

Research and development (R&D) costs are included as eliminations in the segments' reported results. Of a total harvested volume of 40,000 tonnes in the first quarter 2020, R&D costs accounted for NOK 1.17 per kg.

Associates

Norskott Havbruk

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 2020	Q1 2019	2019
Operating revenues	264	405	1,834
Operational EBIT	42	109	292
Operational EBIT%	15.9%	27.0%	15.9%
Fair value adj. biomass	-74	-53	-48
Profit/loss before tax	-38	56	229
SalMar's share after tax	-27	25	106
Harvested volume (1 000 t _{gw})	2.9	4.8	25.9
EBIT/kg gw (NOK)	14.36	22.78	11.29

Norskott Havbruk generated gross operating revenues of NOK 264 million in the first quarter 2020, compared with NOK 392 million in the previous quarter and NOK 405 million in the first quarter last year. The decrease from the same period in 2019 is attributable largely to a lower harvested volume.

Norskott Havbruk harvested around 2,900 tonnes in the quarter, down from 5,300 tonnes in the fourth quarter 2019 and 4,800 tonnes in the first quarter 2019. The low volume harvested is a result of the decision to let fish continue to grow at sea farms after biological challenges in the second half of 2019 caused fish to be harvested at a low average weight.

Some 86 per cent of the volume in the quarter was sold under fixed-price contracts. Operational EBIT per kg gutted weight came to NOK 14.36 in the first quarter 2020, compared with NOK 9.28 in the previous quarter. The improvement can be attributed to the fish harvested having a better biological performance. However, profitability is down on the corresponding period last year, when an EBIT of NOK 22.78 per kg gutted weight was achieved.

SalMar's share of Norskott Havbruk's profit/loss before tax came to NOK -27 million in the first quarter, primarily as a result of a decrease in the fair value of the biomass due to lower forward salmon prices.

The fish have grown well and their biological performance during the quarter has been good. The status of the standing biomass in all regions is good.

Norskott Havbruk maintains its expectations to harvest 26,000 tonnes in 2020 as a whole.

MARKETS

Supply and biomass

The global supply of Atlantic salmon came to around 608,700 tonnes in the first quarter 2020, up 2 per cent on the same period in 2019.

Compared with the same period in 2019, production in Norway rose by 2 per cent in the quarter to 300,500 tonnes. Output increased by 9 per cent in Chile and by 6 per cent in North America. Output fell by 17 per cent in the UK and by 21 per cent in the Faeroes, while output in other markets rose by 15 per cent.

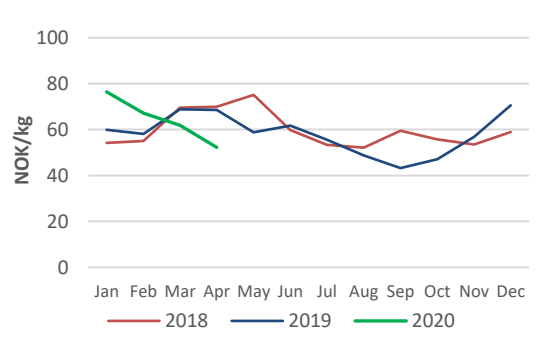
At the close of the first quarter 2020, the standing biomass in Norway was estimated to be 2.3 per cent higher than at the same point in 2019. Correspondingly, the standing biomass was up by 2.5 per cent in Chile, 22.3 per cent in the Faeroes and 10 per cent in the UK, according to data provided by Kontali.

Prices and exchange rates

Atlantic salmon was traded at a high price of NOK 79.10 per kg at the start of 2020 (NASDAQ Salmon Index). The price fluctuated around the NOK 60s and NOK 70s before dropping below NOK 60 and closing the first quarter at NOK 54.39 per kg.

The average price of salmon in the period came to NOK 69.10 per kg, up from NOK 62.13 per kg in the first quarter 2019.

NASDAQ Salmon Index NOK/kg



During the quarter, large turbulence on international financial markets as a result of the coronavirus pandemic, combined with falling oil prices, led to a sharp drop in the value of the NOK against the most important trading currencies for salmon. Compared with the fourth quarter 2019, the NOK weakened by 20 per cent against the USD, by 12 per cent against the GBP and by 17 per cent against the EUR.

Norwegian exports

Norway exported around 289,000 tonnes of salmon (round weight) in the first quarter 2020, up 3 per cent on the 281,000 tonnes exported in the same period last year. The value of Norwegian salmon exports totalled NOK 18.5 billion, 11 per cent higher than the NOK 16.6 billion salmon exports were worth in the same period in 2019.

Poland is the largest individual market for Norwegian salmon, thanks to a major secondary processing industry. Around 40,900 tonnes of salmon were exported to this market in the first quarter 2020, an increase of 4 per cent



on the same quarter last year. The USA and UK increased their purchases of Norwegian salmon by 10 and 19 per cent respectively. Exports to France, the second largest individual market, grew by 5 per cent. Vietnam/China/Hong Kong reduced their purchases by 28 per cent to 9,200 tonnes in the first quarter 2020.

OTHER MATTERS

Corona pandemic (Covid-19)

In 2020, the corona pandemic (Covid-19) has caused major upheavals in the global economy. There is a great deal of uncertainty concerning the further spread of the virus, the measures being implemented to contain its transmission and their associated consequences.

SalMar is well positioned to deal with challenging situations. The company has good financial flexibility, good local secondary processing capacity and, not least, a culture of working even harder when things get tough.

The company has introduced a raft of infection limitation measures in line with the government's recommendations. This includes strict limits on access to its production facilities and sea farms, and travel restrictions for employees. So far, there have been no confirmed cases of Covid-19 among the workforce.

SalMar's results were scarcely affected by the Covid-19 in the first quarter. However, considerable market uncertainty and consequent falls in salmon prices will impact the company's results from the second quarter. Although the company has found the logistics for transporting goods to overseas markets somewhat more challenging as a result of reduced aircraft capacity, consignments to Europe are going as planned.

Ocean strategy

The establishment of salmon farming in the open ocean is an important part of SalMar's growth strategy. The open ocean provides unique opportunities to farm fish on the nature's own terms, with minimal environmental impact – in keeping with SalMar's "passion for salmon" vision and its goal of farming salmon on the salmon's own terms.

In 2019, SalMar strengthened its activities in the field of offshore aquaculture by establishing the subsidiary SalMar Ocean AS, under the leadership of the Group's former CEO Olav-Andreas Ervik. SalMar's ambition is to retain its leading position in this field, with respect to both technology development and biological production, and thereby contribute to the environmentally sustainable development of Norwegian aquaculture.

The first production cycle at SalMar's first offshore installation, Ocean Farm 1 (OF1), produced good results and strengthened the company's belief in the viability of offshore fish farming. The second production cycle started in August 2019. Observations so far in this cycle show good biological status, with good growth, few lice and low mortality. The fish that make up OF1's second production cycle are expected to be harvested in the autumn of 2020.

The final report for OF1 has now been published, representing a milestone for the project. The company is proud that it can, in this way, help to fulfil the Norwegian

government's goal of making Norway the world's foremost seafood-producing nation. SalMar has applied for conversion of the eight development licences associated with OF1 into normal production licences. SalMar is waiting to hear the authorities' decision on this matter.

Development of the deep-water Smart Fish Farm installation continues as planned. SalMar experiences that location approval from the authorities is taking somewhat longer time than expected, which may affect the progress of the project.

InnovaNor

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, pave the way for increased value creation and employment in the region and provide SalMar with considerably more flexibility and secondary processing capacity in this part of the country. SalMar expects the plant to go into operation in 2021.

Expansion of smolt production capacity

Access to high quality smolt at the right time 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 facilities.

Expansion of the Follafoss hatchery was, as previously announced, completed at the start of the year. This gives SalMar greater smolt capacity in Central Norway.

In October 2019, it was decided to expand the Senja hatchery, and construction got underway in May. The project has an investment budget of NOK 850 million. The new building is situated adjacent to the existing facility and will create a major competence centre for RAS technology and smolt production in the region. The first smolt are expected to be delivered in the summer of 2022.

The company is also considering the construction of a new hatchery in Tjuin, Trøndelag. In the fourth quarter 2019, SalMar purchased a plot of land in the area. Proximity to the company's existing facility at Follafoss will enable it to create a powerful smolt competence centre in this region as well.

Traffic-light system

Norway introduced a traffic-light system for aquaculture production in 2017. The Norwegian government launched the new scheme to regulate the aquaculture sector's growth and safeguard environmental sustainability and foreseeability.

It is called a "traffic-light system" because the country is divided into 13 production regions, which are assessed and accorded a green, amber or red designation. Expansion is permitted in green regions, producers in amber regions must wait, while production must be halted or reduced in red regions. Conditions are assessed every two years, with any permitted increase in a region's capacity capped at 6 per cent. Growth is divided between new production licences and capacity increases under existing licences.

On 4 February 2020, the Norwegian Ministry of Trade, Industry and Fisheries announced that it had decided on



the colour designations for the country's 13 different salmon-producing regions. A green light went to 9 regions, an amber light to 2, while 2 regions were given a red light.

SalMar has existing production licences in the green regions PO6-7 and PO11-13, in the amber region PO10, and in the red region PO5.

In February, SalMar purchased its relative share of growth relating to existing licences, which totalled 682 tonnes, for a fixed price of NOK 156,000 per tonne. The total cost came to NOK 106.4 million. The company is ready to participate in the auction that is due to be held in 2020, as long as the auction takes place at commercially acceptable terms and conditions.

Change in board membership

On 7 February 2020, SalMar announced that Trine Danielsen had notified the Nomination Committee's chair that she would be resigning her seat on SalMar's board of directors with immediate effect to take up the position of State Secretary at the Ministry of Trade, Industry and Fisheries.

Cancellation of dividend for 2019

On 17 March 2020, SalMar announced that its board of directors had decided to cancel the dividend proposed in connection with the company's fourth quarter results.

The decision was taken after a thorough evaluation by board and management and in light of the uncertainty prevailing in connection with the spread of the coronavirus and the consequences the pandemic could have for the entire value chain and numerous local communities along the Norwegian coast.

It is, moreover, important for the board to ensure that SalMar is in a position to seize the strategic opportunities that will arise in the time ahead, including those relating to offshore fish farming. This will enable the company to position itself for further growth and provide shareholders with a robust return on investment over time.

SalMar has a strong balance sheet and a low debt ratio. The board's proposed cancellation of dividend rests solely on the national and global state of emergency that has arisen and implies no change in the company's general dividend policy, which has the predictable pay out of surplus liquidity as its foundation.

SHARES AND SHAREHOLDERS

At the close of the first quarter 2020, SalMar had a total of 113,299,299 shares outstanding, divided between 6,871 shareholders.

The company's major shareholder, Kverva AS, owns 52.46 per cent of the shares. The 20 largest shareholders own a total of 74.81 per cent of the shares. SalMar ASA is now the 31st largest shareholder with 377,141 shares, corresponding to 0.33 per cent of the total number of shares outstanding as at 31 March 2019.

SalMar's share price fluctuated between NOK 487.10 and NOK 332.00 in the first quarter 2020. The final price at the close of the quarter was NOK 347.40, compared with NOK

449.30, at the close of 2019. This corresponds to a decrease of 23 per cent during the period.

In all, 22.8 million shares were traded during the quarter. This is just over 20 per cent of the total number of shares outstanding. Approx. 356,600 shares on average were traded daily.

SalMar is planning to hold its 2020 annual general meeting on 3 June at its offices in Trondheim. Due to the coronavirus situation, shareholders are encouraged not to attend in person, but to exercise their shareholder's rights by means of electronic voting, completion of the proxy authorisation form or by voting advance. Please see www.salmar.no for further details.

EVENTS AFTER THE BALANCE SHEET DAY

Cancellation of capital markets event

SalMar announced in April that the company had decided to cancel its capital markets event, which was due to be held on 15 and 16 June 2020. Cancellation is due to the ongoing coronavirus pandemic and the measures put in place by the Norwegian authorities to limit transmission of the virus.

SalMar is monitoring developments closely and will announce a new date at a later point in time.

OUTLOOK

Markets

The global supply of Atlantic salmon is expected to grow by 3 per cent in the second quarter 2020 and 5 per cent in the third quarter this year, according to estimates from Kontali.

Output growth in Norway in the second quarter is estimated at 2 per cent, while output in Chile is expected to grow by 5 per cent. Output growth in the UK is estimated at 5 per cent, while output in the Faeroes is expected to grow by 1 per cent. Output in North America is expected to decrease by 5 per cent in the second quarter 2020.

Year on year, it is expected that the total supply of Atlantic salmon will grow by 4 per cent from 2019 to 2020. This corresponds to an increase of around 95,000 tonnes. Some 46 per cent of the overall growth will come from Norway.

The coronavirus pandemic has shaken the global economy and increased uncertainty in the market. The loss of the HORECA market due to infection-prevention measures in the majority of markets has led to a fall in demand. However, this has partially been offset by a rise in demand from the supermarket segment. Although the price of salmon has fallen in line with these developments, it has held more or less steady at a low NOK 50 per kg since April, according to the NASDAQ Salmon Index.

SalMar is closely monitoring coronavirus-related developments in the various markets, and continuously assesses its placement of volumes in the different markets and segments. At the same time, SalMar is well positioned, with a large and flexible local secondary processing

capacity, which enables the company to adapt its output to supply products in demand in the market.

As at 10 May 2020, Fish Pool is forecasting an average salmon price of NOK 51.00 per kg for May and NOK 51.50 per kg for June. For the second quarter 2020, the price estimate is NOK 51.85 per kg, while it stands at NOK 50.25 per kg for the second half of 2020.

Company

SalMar remains committed to its overall goal of being the lowest-cost producer in the industry. However, it is switching its focus from results to performance – aiming to be outstanding at all stages and in all aspects of production.

SalMar will sell around 25 per cent of its volume under fixed-price contracts in the second quarter 2020. The contract rate for the whole of 2020 is approx. 20 per cent. Contract prices are somewhat higher than in 2019.

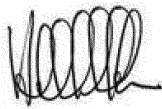
Overall, SalMar expects lower costs in the second quarter and slightly lower volumes. Fish Farming Central Norway is

expected to achieve higher volumes and lower costs, while Fish Farming Northern Norway is expected to report somewhat lower volumes and lower costs. SalMar's operation in Iceland is expected to report lower volumes and weak margins.

SalMar maintains its forecast of a harvested volume of 152,000 tonnes in Norway and 12,000 tonnes in Iceland in 2020 as a whole.

The Board of Directors and CEO of SalMar ASA
Frøya, 18 May 2020

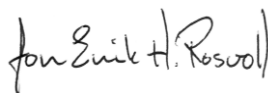
Atle Eide
Chair



Margrethe Hauge
Director



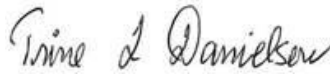
Jon Erik Rosvoll
Director (employee-elected)



Helge Moen
Director



Trine L. Danielsen
Director



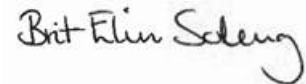
Gustav Witzøe
CEO



Kjell A. Storeide
Director



Brit Elin Soleng
Director (employee-elected)



INCOME STATEMENT

<i>NOK million</i>	Q1 2020	Q1 2019	FY 2019
Operating revenue	3,625.6	2,963.4	12,237.6
Cost of goods sold	1,600.2	1,331.3	5,770.0
Payroll expenses	322.6	286.1	1,202.5
Other operating expenses	452.8	375.7	1,479.0
EBITDA	1,250.1	970.2	3,786.0
Depreciation and write-downs	185.0	164.0	718.4
Operational EBIT	1,065.0	806.2	3,067.6
Fair value adjustment	-480.0	-172.8	-33.0
Operating profit	585.0	633.3	3,034.6
Income from investments in associates	-22.5	28.7	118.7
Net interest expenses	-42.4	-37.1	-157.7
Other financial items	-125.4	226.5	162.8
Profit before tax	394.6	851.4	3,158.4
Tax	90.9	139.1	613.9
Net profit for the period	303.7	712.3	2,544.5
<i>Items to be reclassified to profit and loss in subsequent periods:</i>			
Change in translation diff. associates	62.4	-3.4	12.6
Change in translation diff. associates - reclassified to P&L	-	-4.4	-4.4
Change in translation diff. subsidiaries	252.7	-1.5	31.7
Cash flow hedge, net after tax	-12.1	-	-
Total comprehensive income	606.9	703.0	2,584.4
<i>Allocation of net profit for the period:</i>			
Non-controlling interests	-100.3	-6.5	56.5
Shareholders in SalMar ASA	404.0	718.8	2,488.0
Earnings per share (NOK)	3.58	6.38	22.06
Earnings per share - diluted	3.57	6.37	22.03

BALANCE SHEET - GROUP

<i>NOK million</i>	31.03.2020	31.03.2019	31.12.2019
ASSETS			
Non-current intangible assets	5,088.1	4,544.0	4,741.9
Non-current tangible assets	4,594.8	3,732.7	4,369.9
Right-of-use assets	541.0	641.7	
Non-current financial assets	857.2	809.8	814.2
Total non-current assets	11,081.0	9,728.2	10,495.8
Inventory	6,010.9	5,837.4	6,189.5
Trade receivables	943.5	622.3	739.4
Other short-term receivables	375.1	319.5	330.3
Cash and cash equivalents	197.6	142.3	231.0
Total current assets	7,527.1	6,921.5	7,490.3
TOTAL ASSETS	18,608.1	16,649.7	17,986.1
EQUITY AND LIABILITIES			
Paid-in equity	652.8	607.8	643.3
Other equity	8,978.8	9,159.1	8,364.5
Minority interests	725.0	756.0	732.4
Total equity	10,356.7	10,522.9	9,740.1
Provisions	1,747.2	1,654.3	1,757.6
Non-current interest-bearing liabilities	2,045.0	738.7	2,751.6
Long-term leasing liabilities	469.7	545.9	
Total non-current liabilities	4,261.9	2,938.9	4,998.0
Current interest-bearing liabilities	384.0	598.0	381.5
Short-term leasing liabilities	137.1	133.0	
Other current liabilities	3,468.3	2,456.9	2,725.7
Total current liabilities	3,989.5	3,188.0	3,248.0
TOTAL EQUITY AND LIABILITIES	18,608.1	16,649.7	17,986.1
Net interest-bearing liabilities	2,231.5	1,194.4	2,902.1
Equity share	55.7 %	63.2 %	54.2 %



CASH FLOW

NOK million	Q1 2020	Q1 2019	FY 2019
Profit before tax	394.6	851.4	3,158.4
Tax paid in the period	-23.2	-19.3	-690.7
Depreciation	185.0	164.0	718.4
Share of profit/loss from associates	22.5	-28.7	-118.7
Realised gains on exit of associate	-	-225.9	-225.9
Change in fair value adjustments	480.0	172.8	33.0
Change in working capital	110.5	-154.3	-50.4
Other changes	123.8	39.8	205.3
Net cash flow from operating activities	1,293.2	800.0	3,029.5
Net cash flow from investing activities	-433.8	-371.6	-1,317.4
Change in interest-bearing liabilities	-824.6	-453.1	1,387.0
Change in leasing liabilities	-40.3	-33.8	-213.5
Dividend paid out	-	-	-2,617.2
Interest paid	-42.4	-37.1	-157.7
Aquisition of non-controlling interests	-	-	-118.9
Net cash flow from financing activities	-907.3	-524.0	-1,720.3
Net change in cash for the period	-47.9	-95.7	-8.2
Foreign exchange effects	14.5	-1.5	-0.4
Cash at the start of the period	231.0	239.6	239.6
Cash at the close of the period	197.6	142.3	231.0

CHANGES IN EQUITY

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	199.7	73.3	8,291.2	732.4	9,740.1
Net profit for the year						404.0	-100.3	303.7
Comprehensive income					222.3		92.8	303.1
Total comprehensive income for the year	0.0	0.0	0.0	0.0	222.3	391.9	-7.4	606.9
<i>Transactions with shareholders</i>								
Options granted				9.6				9.6
Other changes						0.1		0.2
Sum transactions with shareholders	0.0	0.0	0.0	9.6	0.0	0.1	0.1	9.8
Equity as at 31.03.20	28.3	-0.1	415.3	209.3	295.6	8,683.3	725.0	10,356.7

2019	Share capital	Treasury shares	Share premium	Other paid-in equity	Translation differences	Retained earnings	Non-controlling interests	Total equity
Equity as at 01.01.19	28.3	-0.1	415.3	153.9	46.9	8,403.9	91.7	9,139.8
Net profit for the year						2,488.0	56.5	2,544.5
Comprehensive income					26.4		13.5	39.9
Total comprehensive income for the year	0.0	0.0	0.0	0.0	26.4	2,488.0	70.0	2,584.4
<i>Transactions with shareholders</i>								
Dividend paid						-2,593.0	-24.2	-2,617.2
Additions non-controlling interests						0.5	705.2	705.7
Exit of non-controlling interests						-8.5	-110.4	-118.9
Options granted				47.6				47.6
Deferred tax options				-1.8		0.0		-1.8
Redeemed options treasury shares		0.0				0.0		0.0
Other changes						0.3		0.3
Sum transactions with shareholders	0.0	0.0	0.0	45.8	0.0	-2,600.7	570.7	-1,984.1
Equity as at 31.12.19	28.3	-0.1	415.3	199.7	73.3	8,291.2	732.4	9,740.1

SEGMENT INFORMATION

<i>NOK million</i>	Farming Central Norway	Farming Northern Norway	Sales and Processing	Arnarlax (Iceland)	Eliminations	Group
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	21.2	-70.6	1,065.0
Operational EBIT %	46.8 %	43.4 %	-0.5 %	7.6 %		29.4 %
Harvested volume (1,000 t _{gw})	22.2	13.6		4.3		40.0
EBIT/ kg gw (NOK)	33.50	28.68		4.92		26.61
Q1 2019						
Operating revenue (NOK mill.)	1,176.6	900.3	2,819.7		-2,066.1	2,963.4
Operational EBIT (NOK mill.)	472.7	348.5	14.3		-54.5	806.2
Operational EBIT %	40.2 %	38.7 %	0.5 %			27.2 %
Harvested volume (1,000 t _{gw})	18.2	15.1				35.5
EBIT/ kg gw (NOK)	25.91	23.05				22.71
FY 2019						
Operating revenue (NOK mill.)	5,670.4	2,788.7	11,698.6	627.1	-8,547.2	12,237.6
Operational EBIT (NOK mill.)	2,164.6	931.4	124.4	100.1	-252.9	3,067.6
Operational EBIT %	38.2 %	33.4 %	1.1 %	16.0 %		25.1 %
Harvested volume (1,000 t _{gw})	95.3	48.0		9.8		153.1
EBIT/ kg gw (NOK)	22.71	19.41		10.21		20.04

KEY FIGURES – GROUP

	Q1 2020	Q1 2019	FY 2019
No. of shares (diluted) - end of period (mill.)	113.063	112.929	112.922
Earnings per share (NOK)	3.58	6.38	22.06
Earnings per share - diluted (NOK)	3.57	6.37	22.03
EBITDA %	34.5 %	32.7 %	30.9 %
Operational EBIT %	29.4 %	27.2 %	25.1 %
EBIT %	16.1 %	21.4 %	24.8 %
Profit before tax %	10.9 %	28.7 %	25.8 %
Cash flow per share - diluted (NOK)	11.4	7.1	26.8
Net interest bearing debt (mill.)	2,231.5	1,194.4	2,902.1
Equity ratio %	55.7 %	63.2 %	54.2 %

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 under Investor Relations (www.salmar.no), for a complete description of the accounting principles.

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	6,596,976	5.82 %
State Street Bank and Trust Comp	2,454,535	2.17 %
State Street Bank and Trust Comp	1,997,286	1.76 %
State Street Bank and Trust Comp	1,354,856	1.20 %
LIN AS	1,274,620	1.12 %
State Street Bank and Trust Comp	1,142,338	1.01 %
CLEARSTREAM BANKING S.A.	1,141,879	1.01 %
Brown Brothers Harriman (Lux.) SCA	1,094,848	0.97 %
Euroclear Bank S.A./N.V.	1,011,878	0.89 %
BNP PARIBAS SECURITIES SERVICES	986,450	0.87 %
JPMorgan Chase Bank, N.A., London	942,843	0.83 %
JPMorgan Chase Bank, N.A., London	761,076	0.67 %
JPMorgan Chase Bank, N.A., London	715,676	0.63 %
Pictet & Cie (Europe) S.A.	709,235	0.63 %
The Bank of New York Mellon	706,325	0.62 %
SIX SIS AG	687,243	0.61 %
The Bank of New York Mellon	599,632	0.53 %
VPF DNB AM NORSKE AKSJER	576,437	0.51 %
CACEIS Bank	565,467	0.50 %
Top 20	84,755,737	74.81 %
Others	28,544,262	25.19 %
Total	113,299,999	100.00 %

As at 31 December 2019 SalMar ASA owned 377,141 treasury shares.

Note 3 - Inventory and Biological Assets (biomass)

Book value of inventory	31.03.2020	31.03.2019	31.12.2019
Raw materials	181.0	120.0	160.7
Biological assets	5,534.7	5,361.6	5,720.8
Finished goods	295.2	355.8	308.0
Total	6,010.9	5,837.4	6,189.5
Fair value adjustment of biological assets	31.03.2020	31.03.2019	31.12.2019
Historic cost	3,592.3	3,384.3	3,766.8
Fair value adjustment of the biomass	1,942.4	1,977.3	1,954.0
Book value	5,534.7	5,361.6	5,720.8

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.

Incident-based mortality

The Group has recognised expenses totalling NOK 30.4 million in respect of incident-based mortality in the period. The incident occurred at the Group's operation in Iceland, where fish died as a result of winter sores. This expense is recognised in the income statement under COGS and reduces the Arnarlax segment's EBIT.

A similar incident occurred at the Group's operation in Iceland in the early part of 2019. The net cost of this incident came to NOK 5.1 million.

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.

The Group applies a monthly discount rate of 7 per cent for operations in Norway and 5 per cent for the operation in Iceland. The discount rate reflects the biomass's capital cost, risk and a synthetic licencing fee and site rental cost. The 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.

Smolt are recognised at cost.

	Period of expected harvest:	31.03.2020	Period of expected harvest:	31.03.2019	Period of expected harvest:	31.12.2019
Forward price underpinning the calculation of fair value (NOK):	Q2 2020	54.00	Q2 2019	65.88	Q1 2020	66.10
	Q3 2020	53.50	Q3 2019	58.70	Q2 2020	66.90
	Q4 2020	54.70	Q4 2019	58.90	Q3 2020	55.00
	Q1 2021	64.80	Q1 2020	62.85	Q4 2020	56.40
	Q2 2021	64.60	Q2 2020	63.05	1st half 2021	59.50
	2nd half 2021	59.50	2nd half 2020	59.65	2nd half 2021	58.35
Discount rate Norway		6 %		7 %		7 %
Discount rate Iceland		3 %		5 %		5 %

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 2020	Q1 2019	FY 2019
Change in fair value of the biomass	-7.3	-217.4	-151.6
Change in provisions for onerous contracts	-5.9	3.3	-1.5
Unrealised change in value of Fish Pool contracts	-14.0	-1.6	-0.3
Unrealised changes in the value of currency and forward currency contracts	-452.8	42.9	120.4
Fair value adjustments recognised in profit and loss	-480.0	-172.8	-33.0

Note 5 - Business combinations

Business acquisitions in 2020

The Group has acquired no businesses to date in 2020.

Business acquisitions in 2019

On 14 February 2019, the Group agreed the acquisition of 3,268,670 shares in Arnarlax AS. This corresponds to 12.28 per cent of the company's shares. Before this transaction, SalMar owned 41.95 per cent of the shares in Arnarlax and had a significant influence over the company, which was classified as an associate. Once a controlling influence was obtained the entire investment in Arnarlax's shares was deemed to have been realised and a new cost price established. The fair value of the investment at the time a controlling influence was obtained was NOK 614.0 million, and a gain of NOK 225.9 million has been recognised during the period. NOK 4.4 million of this amount comprised translation differences, which have been reclassified to profit and loss in the period. The gain is classified as financial income in the income statement, see Note 8.

Following the transaction, SalMar owns 54.23 per cent of the shares in the company. For accounting purposes, the transaction will be treated as a business transfer with effect from 1 February 2019. The company's functional currency is the EUR.

Arnarlax AS owns 100 per cent of the shares in Arnarlax Hf. Located in the Westfjords of Iceland, Arnarlax Hf is the country's largest salmon farmer. It was established in 2009 and harvested its first fish in 2016. The company is a fully integrated salmon farming enterprise, with its own smolt production facilities, sea farms, wellboat, harvesting plant and sales force. Strategically, the transaction represents a natural step forward for SalMar, which aims to further develop Arnarlax and salmon farming in Iceland in the time ahead. SalMar paid NOK 179,777,000 for the shares, which corresponds to NOK 55 per share. The allocation of this

	No. shares	Shareholding	Shares' cost price at group formation
Fair value of shares in Arnarlax before controlling interest obtained	11,163,611	41.95 %	614.0
Cash consideration paid for shares in transaction completed 14 Feb 2019	3,268,670	12.28 %	179.8
Fair value of Group's shares in Arnarlax when controlling interest obtained	14,432,281	54.23 %	793.8



Effect of acquisition on the consolidated balance sheet:	Book value	Adjustment to fair value	Fair value
Licences	221.5	1,046.2	1,267.7
Property, plant & equipment	332.0	-20.1	311.8
Right-of-use assets	31.7	-	31.7
Other non-current assets	20.5	-	20.5
Biological assets	525.3	-88.9	436.4
Other current assets	64.4	-0.6	63.8
Cash & cash equivalents	4.6	-	4.6
Deferred tax assets/liabilities	22.5	-215.4	-192.9
Other non-current liabilities	-301.6	-	-301.6
Leasing liabilities	-31.7	-	-31.7
Current liabilities	-146.5	-	-146.5
Net identifiable assets and liabilities	742.6	721.1	1,463.8
Fair value of shares before controlling interest obtained			-614.0
Non-controlling interests			-670.0
Cash consideration			179.8

Subsequent change in non-controlling interests

In accordance with a shareholders' agreement, the acquisition triggered a compulsory bid for the shares of all outstanding non-controlling interests in Arnarlax AS. Shareholders were offered a price of NOK 55.78 per share. The offer period expired on 10 April 2019, at which point SalMar acquired a further 2,006,630 shares in the company, corresponding to 7.54 per cent. Following this transaction, SalMar owns 61.77 per cent of the shares in Arnarlax AS. Non-controlling interests are thereby reduced and the consideration, amounting to NOK 111,935,000, has been recognised in equity.

During Q3 2019, SalMar sold 2.41 per cent of the shares in Arnarlax AS for NOK 55.78 per share. The transaction has resulted in an increase in non-controlling interests, and a total consideration of NOK 35,742,000 has been recognised in equity. The consideration is to be settled in the form of a seller's credit to the buyer of the shares. Following the transaction, the Group owns 59.36 per cent of the company's shares.

Note 6 - Changes in non-controlling interests

Changes in non-controlling interests 2019

In December 2019, SalMar ASA bought 3.7 per cent of the shares in Ocean Farming AS from non-controlling interests. NOK 7.0 million was paid in consideration for this shareholding, with the effect recognised in group equity. Following the transaction, SalMar ASA owns 100 per cent of the shares in Ocean Farming AS.

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

	Norskott Havbruk	Others	TOTAL
Opening balance 01.01.2020	636.6	81.2	717.8
Share of year's profit/loss	-26.6	4.1	-22.5
Other items in comprehensive income	58.9	3.5	62.4
Dividend received	-	-2.1	-2.1
Other changes	-	0.6	0.6
Closing balance 31.12.2019	668.9	87.4	756.3

2019

In January 2019, the Group agreed the acquisition of 45.3 per cent of the shares in Yu Fish Ltd, by which it obtained a significant influence over the company. Yu Fish Ltd is located in Singapore and engages in the sale of seafood products.

SalMar paid a consideration of NOK 24.0 million for the shares, at which time the company's equity totalled NOK 46.4 million. The investment is classified as an associate and is recognised in accordance with the equity method. The investment is included in the item "Others" in the presentation above.

Up until 1 February 2019, SalMar had a significant influence over Arnarlax, which was recognised as an associate in accordance with the equity method. During the period, SalMar increased its shareholding in the company from 41.95 per cent to 54.23 and further 61.77 per cent in April, which gave it a controlling influence. On the date SalMar obtained a controlling influence, its shareholding in the associate was deemed to have been realised. See Note 5 for further details of this transaction.

Through its acquisition of Arnarlax, SalMar acquired 50 per cent of Eldisstødin Isthof Hf. The company was valued at NOK 20.5 million at the time of its acquisition. The Group has thereby obtained a significant influence over the company and the investment is recognised as an associate in accordance with the equity method. The investment is included under "Other" in the table above.

Note 8 - Interest-bearing liabilities

	Q1 2020	Q1 2019	2019
Non-current interest-bearing liabilities			
Debt to credit institutions	2,197.6	1,317.1	2,901.6
Next year's instalment on debt to credit institutions	-152.6	-578.4	-150.0
Long-term debt to credit institutions	2,045.0	738.7	2,751.6
Leasing liabilities	606.9	678.9	629.6
Next year's lease payments	-137.1	-133.0	-140.7
Long-term leasing liabilities	469.7	545.9	488.9
Total non-current interest-bearing liabilities	2,514.8	1,284.6	3,240.4
Current interest-bearing liabilities			
Short-term debt to credit institutions	231.5	19.7	231.5
Next year's instalment on debt to credit institutions	152.6	578.4	150.0
Total debt to credit institutions	384.0	598.0	381.5
Next year's lease payments	137.1	133.0	140.7
Total current interest-bearing liabilities	521.2	731.1	522.3
Total interest-bearing liabilities	3,035.9	2,015.7	3,762.7
Cash & cash equivalents	197.6	142.3	231.0
Leasing liabilities	606.9	678.9	629.6
Net interest-bearing liabilities	2,231.4	1,194.4	2,902.1

Breakdown of net interest-bearing liabilities by currency:

	NOK	EUR	JPY	USD	GBP	Other	Total
Long-term debt to credit institutions	1,643.5	554.0					2,197.6
Leasing liabilities	591.5	15.4					606.9
Short-term debt to credit institutions	-125.7	-229.6	-54.8	631.1	4.8	5.7	231.5
Total interest-bearing liabilities	2,109.3	339.8	-54.8	631.1	4.8	5.7	3,035.9
Cash & cash equivalents	84.5	2.5	16.3	20.0	4.1	70.1	197.6
Leasing liabilities	591.5	15.4	0.0	0.0	0.0	0.0	606.9
Net interest-bearing liabilities	1,433.3	321.9	-71.0	611.1	0.8	-64.5	2,231.4

Financing activities - change in liabilities Q1 2020:

	31.12.2019	Cash flow	Not cash-generating effects		31.03.2020
			Currency effects	Other effects	
Long-term interest-bearing debt to credit institutions	2,901.6	-784.5	80.8	0.0	2,197.9
Leasing liabilities	629.6	-40.3	2.5	14.8	606.9
Total non-current liabilities	3,531.2	-824.8	83.3	14.8	2,804.8
Short-term interest-bearing debt to credit institutions	231.5	-40.1	40.0	0.0	231.5
Total liabilities	3,762.7	-864.9	123.4	14.8	3,035.9

Note 9 - Interest and other financial items

	Q1 2020	Q1 2019	FY 2019
Net interest expenses, ex. interest on leasing liabilities	-29.6	-23.9	-105.0
Interest expenses relating to leasing liabilities*	-12.7	-13.1	-52.7
Gain on sale of shares TS share realised	-	225.9	225.9
Net currency effects	-124.4	3.0	-65.8
Other net financial items	-1.1	-2.4	2.7
Net interest and other financial items	-167.8	189.5	5.1