

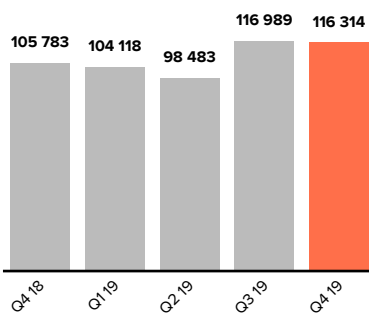
MOWI®



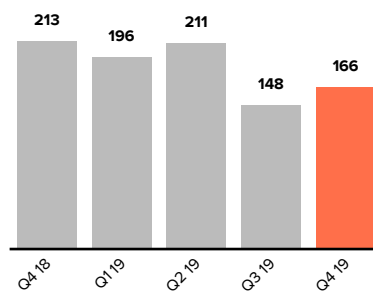
Q4 2019

- Operational EBIT of EUR 166 million. Financial EBIT of EUR 234 million
- Turnover and volumes record high for a Q4 and for the full year
- Spot prices improved significantly during the quarter on strong demand and tighter supply
- Completed 2019 cost savings program with annual savings of EUR 41 million
- Initiated new global EUR 25 million p.a. cost improvement program
- Issuance of EUR 200 million 5-year green bond in January 2020 with coupon EURIBOR + 160 bps
- Quarterly dividend of NOK 2.60 per share

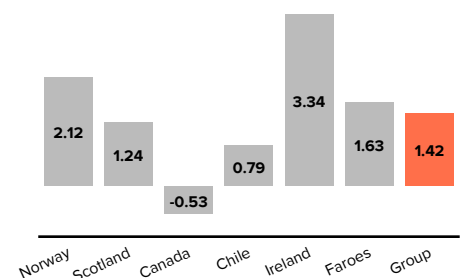
Harvest volume
GWT



Operational EBIT
EUR million



Operational EBIT
EUR per kg



HIGHLIGHTS - FOURTH QUARTER 2019

- Operational EBIT of EUR 165.7 million. Financial EBIT of EUR 233.9 million.
- Harvest volumes at 116 314 GWT vs. guidance of 110 400 GWT. Harvest volumes were record high for a fourth quarter. All-time high full year harvest volumes of 435 904 tonnes.
- Spot prices improved significantly during the quarter on strong demand and tighter supply. High prices and strong volumes resulted in record high turnover in the quarter and the full year.
- Farming costs per kg harvested volume increased slightly from the fourth quarter of 2018.
- Organizational structure in Farming and the Group Management Team changed in order to increase focus on the farming entities going forward. The announced changes will not impact the financial reporting structure.
- All-time high operational result in Feed in the quarter and the full year, driven by record high volumes.
- Record high volumes in Consumer Products in the quarter and the full year.
- Announced the establishment of a Global Processing Excellence Team to increase productivity through scale advantages, process enhancements, automation and digitalization.
- Completed 2019 cost savings program with annual savings of EUR 41 million. Initiated new global EUR 25 million cost savings program.
- Successful issuance of EUR 200 million 5-year green bond in January 2020 with coupon EURIBOR + 160 bps.
- A quarterly dividend of NOK 2.60 per share will be paid out to the shareholders as ordinary dividends.

Main figures ¹⁾	Q4 2019	Q4 2018	2019	2018
EUR million				
Operational revenue ²⁾	1 111.7	1 073.7	4 135.4	3 814.5
Operational EBIT ³⁾	165.7	213.0	720.9	752.8
Operational EBITDA ⁴⁾	206.5	252.3	874.5	906.2
EBIT	233.9	230.5	617.0	925.4
Net financial items	12.7	-55.0	-9.5	-193.2
Profit or loss for the period	203.4	161.7	476.3	567.2
Cash flow from operations	149.7	107.5	759.0	620.9
Total assets	5 840.1	5 145.1	5 840.1	5 145.1
NIBD ⁵⁾	1 337.2	1 037.2	1 337.2	1 037.2
Basic EPS (EUR)	0.39	0.32	0.92	1.15
Underlying EPS (EUR) ⁶⁾	0.22	0.31	0.99	1.11
Net cash flow per share (EUR) ⁷⁾	0.05	0.01	0.59	0.51
Dividend declared and paid per share (NOK)	2.60	2.60	10.40	10.40
ROCE ⁸⁾	19.0%	26.6%	19.9%	24.9%
Equity ratio	49.5%	56.0%	49.5%	56.0%
Covenant equity ratio ⁹⁾	53.0%	56.0%	53.0%	56.0%
Harvest volume (GWT)	116 314	105 783	435 904	375 237
Operational EBIT per kg (EUR) - Total ¹⁰⁾	1.42	2.01	1.65	2.01
Norway	2.12	2.44	2.05	2.37
Scotland	1.24	2.32	1.93	2.00
Canada	-0.53	1.42	0.28	1.16
Chile	0.79	1.25	1.36	1.40
Ireland	3.34	2.45	2.68	3.16
Faroes	1.63	1.62	1.79	2.05

1) This interim report is unaudited. Please refer to part 4 of the Annual Report and the appendix to this quarterly report (available on-line on our web site) for detailed descriptions and reconciliations of Alternative Performance Measures (non-IFRS measures) including definitions of key figures and reconciliation to IFRS figures.

2) Operational revenue: Revenue and other income, including realized gain/loss from currency derivatives related to contract sales, and excluding change in unrealized salmon derivatives and sales tax in the Faroes.

3) Operational EBIT: Calculated by excluding the following items from financial EBIT: Change in unrealized internal margin, change in unrealized gains/losses from salmon derivatives, net fair value adjustment on biomass, onerous contract provisions, restructuring costs, income from associated companies, impairment losses of fixed assets/intangibles, sales tax in the Faroes and other non-operational items. Operational EBIT also includes realized gain/loss from currency derivatives related to contract sales. A reconciliation between Operational EBIT and financial EBIT is provided on the next page, and we also refer to the appendix to this quarterly report (available on-line) for further information. The largest individual difference between Operational EBIT and financial EBIT is usually the net fair value adjustment on biomass according to IFRS (and the related onerous contracts provision), which is a volatile figure impacted by estimates of future salmon prices as well as other estimates.

4) Operational EBITDA: Operational EBIT plus depreciations. Effects related to IFRS 16 (leasing) are excluded.

5) NIBD: Total non-current interest-bearing financial debt, minus total cash, plus current interest-bearing financial debt and plus net effect of currency derivatives on interest-bearing financial debt. Effects related to IFRS 16 (leasing) are excluded.

6) Underlying EPS: Operational EBIT adjusted for accrued interest payable, with estimated weighted tax rate - per share. Effects related to IFRS 16 (leasing) are excluded.

7) Net cash flow per share: Cash flow from operations and investments (capex), net financial items paid and realized currency effects - per share. Effects related to IFRS 16 (leasing) are excluded.

8) ROCE: Annualized return on average capital employed based on EBIT excluding net fair value adjustment on biomass, onerous contract provisions and other non-operational items / Average NIBD + Equity, excluding net fair value adjustment on biomass, onerous contract provisions and net assets held for sale, unless there are material transactions in the period. Effects related to IFRS 16 (leasing) are excluded.

9) Covenant equity ratio: Book equity ratio excluding effects related to IFRS 16 (leasing).

10) Operational EBIT per kg including allocated margin from Feed and Sales & Marketing.

PROFIT - Financial results in the quarter

The Group's profits hinge on its ability to provide customer value from healthy, tasty and nutritious seafood, farmed both cost-effectively and in an environmentally sustainable way that maintains a good aquatic environment and respects the needs of wider society.

(Figures in parenthesis refer to the same quarter previous year.)

(EUR million)	Q4 2019	Q4 2018
Operational EBIT	165.7	213.0
Change in unrealized margin	-3.4	-3.4
Gain/loss from derivatives	6.2	-1.9
Net fair value adjustment on biomass including onerous contracts	51.7	11.8
Restructuring costs	0.1	0.7
Other non-operational items	-2.1	-0.7
Income from associated companies	18.8	13.4
Impairment losses on fixed assets/intangibles	-3.2	-2.4
EBIT	233.9	230.5

Operational EBIT amounted to EUR 165.7 million. The decrease of EUR -47.3 million compared with the fourth quarter of 2018 is mainly due to lower prices, as the effect of higher volumes was offset by higher costs. The contribution from Feed was EUR 13.8 million (EUR 5.8 million), and Farming contributed EUR 113.3 million (EUR 158.3 million). Markets contributed EUR 25.6 million (EUR 16.4 million) and Consumer Products contributed EUR 15.1 million (EUR 38.4 million).

Earnings before financial items and taxes (EBIT) came to EUR 233.9 million (EUR 230.5 million). The net fair value adjustment on biomass including onerous contracts amounted to EUR 51.7 million (EUR 11.8 million), mainly due to higher prices at the end of the fourth quarter compared with the previous quarter.

Financial items

(EUR million)	Q4 2019	Q4 2018
Interest expenses	-19.4	-12.5
Net currency effects	18.1	-18.6
Other financial items	14.0	-23.9
Net financial items	12.7	-55.0

Interest expenses in the quarter include costs of MEUR 2.8 related to IFRS 16 lease liabilities, and net currency effects include gains of MEUR 0.8 related to IFRS 16.

Other financial items are mainly explained by positive development in other financial instruments. In 2018, other financial items included the negative value adjustment of the conversion liability component of the convertible bond.

Cash flow and NIBD

(EUR million)	Q4 2019	Q4 2018
NIBD beginning of period*	-1 230.2	-1 218.2
Operational EBITDA*	206.5	252.3
Change in working capital	-109.5	-124.9
Taxes paid	-9.6	-14.4
Other adjustments	25.1	-5.4
Cash flow from operations*	112.4	107.5
Net Capex	-90.7	-76.0
Other investments and dividends received	14.1	-21.6
Cash flow to investments	-76.7	-97.6
Net interest and financial items paid*	-16.2	-9.7
Other items	8.1	5.5
Net convertible bonds converted	0.0	311.3
Dividend / return of paid in capital	-134.0	-135.2
Currency effect on interest-bearing debt	-0.8	-0.8
NIBD end of period*	1 337.2	1 037.2

*Excluding effects of IFRS 16

Cash flow from operations (excluding effects of IFRS 16) amounted to EUR 112.4 million (EUR 107.5 million) after a seasonal build-up of working capital of EUR 109.5 million. Other adjustments include insurance payments related to Kritsen.

Net Capex was EUR 90.7 million (EUR 76.0 million).

Other investments and dividends received include dividends from Nova Sea of EUR 13.9 million.

A quarterly dividend of EUR 134.0 million (EUR 135.2 million), as announced in the previous quarterly report, has been distributed as ordinary dividend.

NIBD at the end of the period was EUR 1 337.2 million (EUR 1 037.2 million), excluding the effects of IFRS 16. The value per the end of the fourth quarter of 2019 was EUR 1 723.2 million including the effects of IFRS 16.

 PROFIT	GUIDING PRINCIPLE	AMBITION	ACHIEVEMENT
	Profitability	ROCE exceeding 12%	Q4 19.0% YTD 19.9%
	Solidity	Long term NIBD target: EUR 1 400 million Farming NIBD / kg EUR 2.2	December 31, 2019 EUR 1 337 million Farming NIBD / kg EUR 2.1

PROFIT - Operational performance and analytical data

EUR million	Feed		Farming		Sales & Marketing				Other		Group ¹⁾	
	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Markets		Consumer Products		Q4 2019	Q4 2018	Q4 2019	Q4 2018
					Q4 2019	Q4 2018	Q4 2019	Q4 2018				
External revenue	7.7	8.2	27.9	36.4	404.7	392.2	671.4	637.0	0.0	0.0	1111.7	1073.7
Internal revenue	163.1	123.0	645.2	598.3	330.5	292.0	2.9	6.4	8.8	4.0	0.0	0.0
Operational revenue	170.8	131.2	673.1	634.7	735.0	684.2	674.3	643.3	8.8	4.0	1111.7	1073.7
Operational EBIT	13.8	5.8	113.3	158.3	25.6	16.4	15.1	38.4	-2.0	-5.9	165.7	213.0
Change in unrealized margin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.4	-3.4
Gain/loss from derivatives	0.0	0.0	-5.5	9.0	1.6	0.1	8.3	-9.9	1.8	-1.2	6.2	-1.9
Net fair value adjustment on biomass, onerous contract provisions	0.2	0.3	51.5	11.6	0.0	0.0	0.0	0.0	0.0	0.0	51.7	11.8
Restructuring costs	0.0	0.0	0.0	0.7	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.7
Other non-operational items	0.0	0.0	-0.4	-0.8	0.0	0.0	-0.7	0.1	-1.0	0.0	-2.1	-0.7
Income from associated companies	0.0	0.0	19.4	13.5	0.0	0.0	0.0	0.0	-0.6	-0.1	18.8	13.4
Impairment losses of fixed assets	0.0	0.0	-3.0	-2.8	0.0	-0.1	-0.2	0.4	0.0	0.0	-3.2	-2.4
EBIT	14.0	6.0	175.3	189.5	27.2	16.5	22.6	29.0	-1.7	-7.2	233.9	230.5
Operational EBIT %	8.1%	4.4%	16.8%	24.9%	3.5%	2.4%	2.2%	6.0%	na	na	14.9%	19.8%

¹⁾ Group figures adjusted for eliminations.

Mowi monitors the overall value creation of the operations based on the salmon's source of origin. For this reason Operational EBIT related to our Feed (currently only Norway) and Sales & Marketing operations is allocated back to the country of origin.

The table below and upcoming performance review provide information consistent with the value creation methodology.

Other entities reported Operational EBIT of EUR -2.0 million in the quarter (EUR -5.9 million in the comparable quarter).

EUR million	SOURCES OF ORIGIN							Other	Group
	Norway	Scotland	Canada	Chile	Ireland	Faroes			
Operational EBIT									
Farming	104.7	10.2	-14.8	7.1	3.1	3.0			113.3
Sales & Marketing									
Markets	10.8	7.1	6.1	1.0	0.0	0.8		-0.2	25.6
Consumer Products	8.6	0.2	0.0	5.1	0.7	0.0		0.5	15.1
Subtotal	124.1	17.4	-8.7	13.2	3.8	3.8		0.3	153.9
Feed	15.9							-2.0	13.8
Other entities ¹⁾								-2.0	-2.0
Total	139.9	17.4	-8.7	13.2	3.8	3.8		-3.7	165.7
Harvest volume (GWT)	65 970	14 003	16 246	16 623	1 127	2 345			116 314
Operational EBIT per kg (EUR) ²⁾	2.12	1.24	-0.53	0.79	3.34	1.63			1.42
- of which Feed	0.24	0.00	0.00	0.00	0.00	0.00			0.12
- of which Markets	0.16	0.51	0.38	0.06	0.02	0.34			0.22
- of which Consumer Products	0.13	0.01	0.00	0.31	0.60	0.01			0.13
Analytical data									
Price achievement/reference price (%)	102%	122%	85%	100%	na	114%			102%
Contract share (%)	38%	60%	0%	24%	98%	0%			33%
Quality - superior share (%)	95%	93%	74%	88%	89%	87%			90%
Guidance									
Q1 2020 harvest volume (GWT)	45 000	11 000	10 000	15 000	1 000	2 000			84 000
2020 harvest volume (GWT) ³⁾	260 000	67 000	44 000	64 000	6 000	9 000			450 000
Q1 2020 contract share (%)	50%	78%	0%	37%	98%	0%			45%

1) Corporate and Holding companies

2) Including Corporate and Holding companies

3) Guidance pre any potential capacity adjustments from the Traffic Light System in Norway

MARKET OVERVIEW

Industry

Spot prices were increasing during the quarter on strong demand and tighter supply, and closed the year at very healthy levels.

Global harvest of Atlantic salmon amounted to 639,400 tonnes in the fourth quarter, an increase of 4% compared to the same quarter in 2018. The increase in global harvest volumes was in line with expectations, however, with some regional differences.

Supply	Q4 2019 GWT	Change vs Q4 2018	12 month change	Q3 2019 GWT
Norway	335 300	4.5%	6.4%	320 900
Scotland	42 200	3.9%	20.2%	45 800
Faroe Islands	23 900	11.2%	21.2%	18 100
Other Europe	11 500	69.1%	45.6%	3 700
Total Europe	412 900	5.9%	9.2%	388 500
Chile	162 700	-3.0%	4.6%	159 800
North America	40 300	6.3%	-0.9%	40 000
Total Americas	203 000	-1.3%	3.5%	199 800
Australia	17 600	2.9%	0.0%	14 100
Other	5 900	11.3%	101.0%	8 500
Total	639 400	3.5%	7.4%	610 900

Supply from Norway increased by 5% compared with the fourth quarter of 2018. This was more than expected and driven by a higher number of fish being harvested. Feed consumption declined by 6% in the quarter compared to the same period last year. The biomass in sea by year-end for the industry was flat compared to the end of 2018.

Harvest volumes in Scotland increased by 4% compared with the fourth quarter of 2018, which was more than guided due to biological incidents in the beginning of the quarter. Faroe Islands achieved 11% volume growth in the quarter compared with the same quarter in 2018. The supply increase was higher than expected driven by improved biological performance and high harvest weights.

Volumes from Chile decreased by 3% compared with the fourth quarter of 2018 and the reduction was more than guided. October and November showed significantly lower harvest volumes than expected as a result of the social unrest in the country which caused logistical challenges and reduced exports.

In North America volumes increased by 6% which was in the low end of the guided range.

Reference prices	Q4 2019 Market	Change Q4 2018	Q4 2019 EUR	Change Q4 2018
Norway ¹⁾	EUR 5.59	-3.3%	EUR 5.59	-3.3%
Chile ²⁾	USD 4.57	-9.5%	EUR 4.13	-6.8%
Chile, GWE ³⁾	USD 5.25	-11.8%	EUR 4.74	-9.1%
North America West Coast ⁴⁾	USD 3.00	-13.9%	EUR 2.71	-11.3%
North America East Coast ⁵⁾	USD 3.35	-9.0%	EUR 3.02	-6.3%
North America, GWE, blended ³⁾	USD 6.24	-14.2%	EUR 5.63	-11.6%

In the market currency, EUR, prices in Europe decreased by 3% compared with the fourth quarter of 2018 due to low prices at the start of the fourth quarter 2019. In USD terms, salmon prices decreased by 10% in Miami, 14% in Seattle and 9% in Boston/New York.

Market distribution	Q4 2019 GWT	Change vs Q4 2018	12 month change
EU	280 700	2.6%	6.4%
Russia	26 600	7.3%	-8.6%
Other Europe	27 100	13.9%	9.9%
Total Europe	334 400	3.8%	5.4%
US	121 800	10.5%	8.2%
Brazil	26 600	10.8%	8.9%
Other Americas	33 800	-5.1%	4.8%
Total Americas	182 200	7.3%	7.6%
China/Hong Kong	29 600	14.7%	9.7%
Japan	14 900	-9.1%	-1.9%
South Korea/Taiwan	15 000	-3.8%	-0.7%
Other Asia	19 700	-10.9%	1.8%
Total Asia	79 200	-0.9%	3.4%
All other markets	32 500	-6.6%	12.7%
Total	628 300	3.6%	6.2%

Global consumption increased by 4% in the fourth quarter compared with the same period in 2018.

Consumption in Europe grew in line with the supply growth in the quarter. Demand in retail remained strong in all of the core European markets; Germany, UK, France, Spain, and Italy.

The US consumption increased by as much as 11% compared with the same quarter in 2018. US processors continued to produce high volumes in the quarter, as they were able to use multiple origins within the value-added programs, which in turn contributed to the strong growth in the US market. Both foodservice and retail showed positive growth in the fourth quarter. The growth in Brazil remained positive driven by the foodservice segment, particularly sushi restaurants, and an increased sourcing from Chile.

Consumption in Asia decreased by 1% in the quarter compared with the same period last year. Growth in China/Hong Kong amounted to as much as 15%. Availability of large sized fish from Norway and Faroes facilitated consumption growth in the foodservice segment in the quarter. The growth in China/Hong Kong was 11% in 2019 compared to 2018 which is impressive.

South Korea/Taiwan and the rest of Asia decreased by 4% and 11% respectively, mainly as a result of reduced exports of frozen volumes from Chile. Exports of fresh salmon to South Korea, Taiwan, Thailand, and Vietnam showed positive growth during the period.

Source: Kontali and Mowi

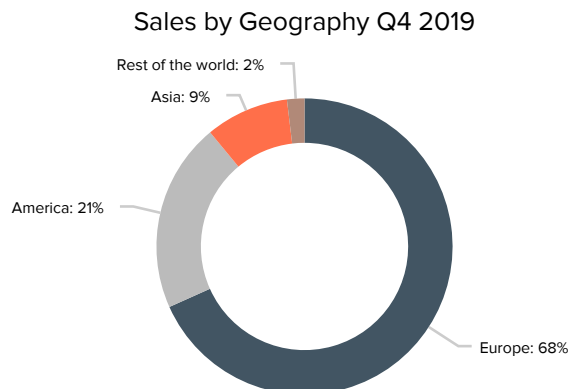
Notes to the reference price table:

- ¹⁾ NASDAQ average superior GWE/kg (gutted weight equivalent)
- ²⁾ Urner Barry average D trim 3-4 lbs FOB Miami
- ³⁾ Reference price converted back-to-plant equivalent in GWE/kg
- ⁴⁾ Urner Barry average GWE 10-12 lbs FOB Seattle
- ⁵⁾ Urner Barry average GWE 10-12 lbs FOB Boston/New York

Mowi

Geographic market presence

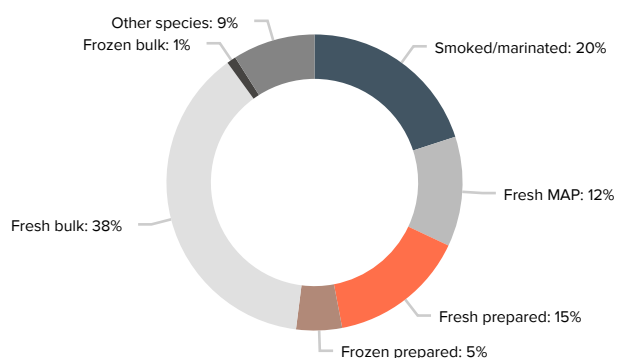
Revenues in the fourth quarter were distributed as shown in the graph below. Europe is by far the largest market for Mowi with its 68% (70%) revenue share. France, Germany and the UK are the main markets for our products in this region.



Sales by product

The Group's main species is Atlantic salmon. Revenues for our external sales channels in Sales & Marketing were distributed across product categories as follows:

Sales by product Q4 2019



Fresh bulk salmon represented 38% (36%). Smoked/marinated and elaborated salmon together accounted for 47% in the fourth quarter of 2019 (53%).

Branding and product development efforts

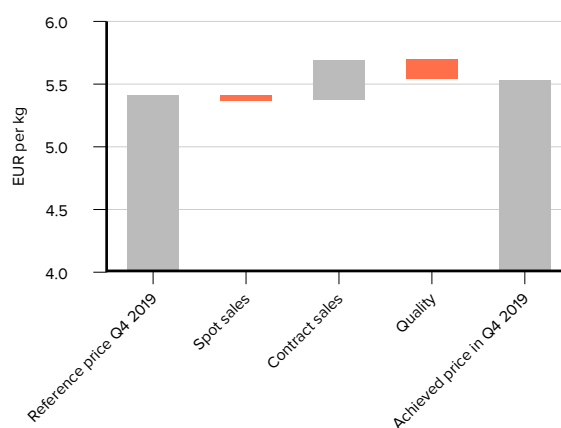
The launch of the MOWI brand is progressing, but is still in an early phase. In 2019, MOWI salmon was launched in Poland and also in the foodservice segment in France. With more than 500 stores now featuring the brand in Poland, we are now set to expand to other countries as well. In the first quarter of 2020, the MOWI brand will be launched in the retail segment in France and in e-commerce channels in the US.

We also continued our other branding and product development efforts in the fourth quarter. In the US, our Ducktrap brand continues the positive volume development, with a 7% growth compared with the fourth quarter of 2018. Our Mowi brand in Asia has experienced a 5% volume growth in the fourth quarter of 2019 compared with the same quarter of 2018. In the US.

Price achievement

The combined global price achieved was 2% above the reference price in the fourth quarter of 2019 (4% above). Achieved prices were positively impacted by contract prices.

Global Price Achievement Q4 2019



Reference price for salmon of superior quality vs. price achieved in Norway, Scotland, Canada, Chile and Faroes.

Markets	Norwegian	Scottish	Canadian	Chilean
Q4 2019				
Contract share	38%	60%	0%	24%
Quality - superior share	95%	93%	74%	88%
Price achievement	102%	122%	85%	100%

Average price achievement is measured against reference prices in all markets (NASDAQ for Norwegian, Scottish and Faroese salmon, and Urner Barry for Chilean and Canadian salmon).

PROFIT - Operational performance

Salmon of Norwegian origin

EUR million	Q4 2019	Q4 2018
Operational EBIT	139.9	143.0
EBIT	207.8	155.3
Harvest volume (GWT)	65 970	58 602
Operational EBIT per kg (EUR)	2.12	2.44
- of which Feed	0.24	0.13
- of which Markets	0.16	0.10
- of which Consumer Products	0.13	0.50
Price achievement/reference price	102%	101%
Contract share	38%	44%
Superior share	95%	93%

Financial results

Operational EBIT amounted to EUR 139.9 million in the fourth quarter. The reduction from the fourth quarter of 2018 was due to lower prices and allocated margin from Consumer Products, partly offset by higher volumes. Operational EBIT per kg was EUR 2.12 per kg (EUR 2.44 per kg).

Financial EBIT amounted to EUR 207.8 million (EUR 155.3 million).

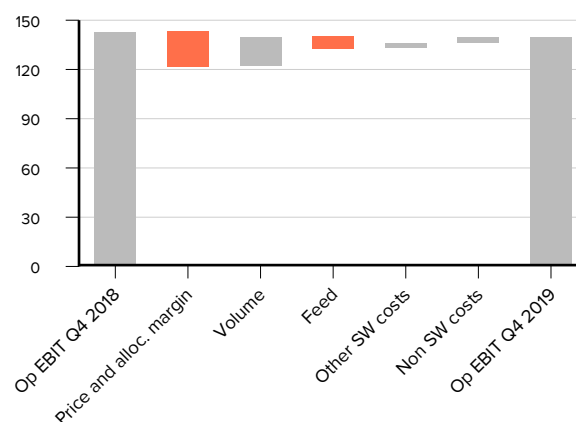
Price and volume development

In the first part of the quarter, the reference price for salmon of Norwegian origin was negatively impacted by short-term excess supply in the market. However, the reference price increased significantly during the fourth quarter on a tighter supply-demand balance. The average reference price was EUR 5.59 per kg which was 3% lower than in the fourth quarter of 2018.

The overall price achieved by Mowi for salmon of Norwegian origin was 2% above the reference price for superior quality salmon in the fourth quarter of 2019 (1% above). Contribution from contracts relative to the reference price was positive in the fourth quarter of both 2019 and 2018. Mowi Norway had a contract share of 38% in the fourth quarter, compared with 44% in the fourth quarter of 2018.

Harvested volume in the fourth quarter was 65 970 tonnes gutted weight (58 602 tonnes gutted weight). Increased volumes in Region South and Region North were partly offset by decreased volumes in Region Mid. Average harvest weights were at the same level in the fourth quarter of 2019 as the comparable quarter.

Operational EBIT Salmon of Norwegian Origin
Q4 2019 vs Q4 2018



Costs and operations

Full cost per kg harvested was stable compared with the fourth quarter of 2018. Slightly higher biological costs¹⁾ per kg were offset by slightly lower non-seawater costs compared with the fourth quarter in 2018. The development in biological costs was explained by higher feed costs and health costs, partly offset by decreased other seawater costs.

Incident based mortality losses amounting to EUR 6.5 million were recognized in the quarter after several incidents in the three regions, amongst other things related to CMS, gill issues and treatments. Losses from incident-based mortality in the fourth quarter of 2018 amounted to EUR 6.9 million.

Costs are expected to increase in the first quarter of 2020 due to lower volumes in general as well as a reduced share of total volumes from Region North.

¹⁾ See the Annual Report 2018, section "Analytical information" p. 248: Total of feed cost and other seawater costs, before transportation to the processing plant.

Salmon of Norwegian origin by region

Regions	South	Mid	North	Total
EUR million	Q4 2019	Q4 2019	Q4 2019	Q4 2019
Operational EBIT	34.8	44.0	61.1	139.9
Harvest volume (GWT)	15 273	27 330	23 367	65 970
Operational EBIT per kg (EUR)	2.28	1.61	2.62	2.12
Superior share	94 %	94 %	96 %	95 %

Regions	South	Mid	North	Total
EUR million	Q4 2018	Q4 2018	Q4 2018	Q4 2018
Operational EBIT	11.2	85.9	46.0	143.0
Harvest volume (GWT)	6 992	34 811	16 799	58 602
Operational EBIT per kg (EUR)	1.60	2.47	2.74	2.44
Superior share	94 %	93 %	94 %	93 %

Region South

- Operational EBIT totaled EUR 34.8 million in the fourth quarter (EUR 11.2 million), or EUR 2.28 per kg (EUR 1.60 per kg). The increase in earnings was driven by higher volumes, timing of harvest and lower costs.
- A total of 15 273 tonnes gutted weight (6 992 tonnes) was harvested on increased smolt stocking and generally improved biology compared with the fourth quarter of 2018. In addition, early harvest related to incidents also contributed to the volume increase.
- The cost level per kg harvested biomass decreased with 11% from the comparable quarter of 2018 on higher volumes and reduced health costs and other seawater related costs. These positive effects were partly offset by increased feed costs and incident based mortality.
- Incident based mortality amounting to EUR 3.1 million was recognized in the quarter related to algae, gill issues, CMS and low oxygen levels (no incident based mortality in the fourth quarter of 2018).
- Seawater production was somewhat lower compared with the fourth quarter of 2018 due to early harvest and treatments.
- Although improved from the comparable quarter, the biological status in the region is still challenging, especially with regards to ISA, PD and increased lice pressure.

Region Mid

- Operational EBIT totaled EUR 44.0 million in the fourth quarter (EUR 85.9 million), or EUR 1.61 per kg (EUR 2.47 per kg). Earnings were highly impacted by timing of harvest, as approximately 60% of volumes were harvested in October on lower prices.
- The cost level per kg harvested biomass increased by 6% from the fourth quarter of 2018. This was due to negative scale effects from lower volumes, harvesting of fish with lower weights and lower biological performance of the harvested sites compared with the fourth quarter of 2018.
- A total of 27 330 tonnes gutted weight (34 811 tonnes) was harvested. The change was due to reduced harvest in order to build biomass and also that the comparable quarter was impacted by early harvest following biological challenges.
- Seawater production was lower in the quarter compared with the fourth quarter of 2018 due to lower opening biomass and challenging biology in 2019.
- Incident based mortality amounting to EUR 2.9 million (EUR 6.8 million) was recognized in the quarter related to treatment losses and gill issues.
- The level of sea lice as per the end of the quarter was stable compared with 2018.

Operational EBIT per kilo per region
Q4 2019 vs Q4 2018 incl. sales margin



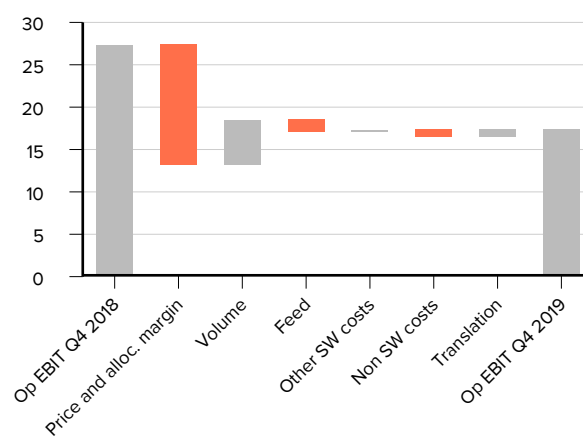
Region North

- Operational EBIT totaled EUR 61.1 million in the fourth quarter (EUR 46.0 million), or EUR 2.62 per kg (EUR 2.74 per kg).
- The cost level per kg harvested biomass decreased by 3% from the fourth quarter of 2018, mainly due to decreased wellboat costs and processing cost on the back of higher harvest volumes.
- A total of 23 367 tonnes gutted weight (16 799 tonnes) was harvested. The increase was mainly due to increased stocking numbers.
- Incident based mortality amounting to EUR 0.5 million was recognized in the quarter related to treatment losses (EUR 0.1 million in the fourth quarter of 2018).
- Seawater production was at the same level as in the fourth quarter of 2018.
- The fish health situation in the region is generally good, although the sea lice level at the end of the quarter was somewhat higher than the comparable quarter of 2018.

Salmon of Scottish origin

EUR million	Q4 2019	Q4 2018
Operational EBIT	17.4	27.3
EBIT	27.6	39.4
Harvest volume (GWT)	14 003	11 771
Operational EBIT per kg (EUR)	1.24	2.32
- of which Markets	0.51	0.48
- of which Consumer Products	0.01	0.32
Price achievement/reference price	122%	126%
Contract share	60%	68%
Superior share	93%	97%

Operational EBIT Salmon of Scottish Origin
Q4 2019 vs Q4 2018



Financial results

Operational EBIT amounted to EUR 17.4 million in the fourth quarter (EUR 27.3 million), the equivalent of EUR 1.24 per kg (EUR 2.32 per kg). The harvest volumes in Mowi Scotland were all-time high in 2019 mainly due to higher smolt stocking. With regards to earnings in the quarter, the effect of higher harvest volumes was offset by higher costs and lower prices and allocated margin from Sales & Marketing compared with the fourth quarter of 2018.

Financial EBIT amounted to EUR 27.6 million (EUR 39.4 million).

Price and volume development

The overall price achieved was 23% above the reference price in the quarter (26% above). Contribution from contracts relative to the reference price was positive in the fourth quarter of both 2019 and 2018. The contract share was 60% in the quarter compared with 68% in the fourth quarter of 2018.

The fourth quarter harvest volume was 14 003 tonnes gutted weight (11 771 tonnes). The increase was due to higher smolt stocking and also early harvest.

Costs and operations

Full cost per kg increased by 3% compared with the fourth quarter of 2018. The slight increase was related to biological costs and mortality costs.

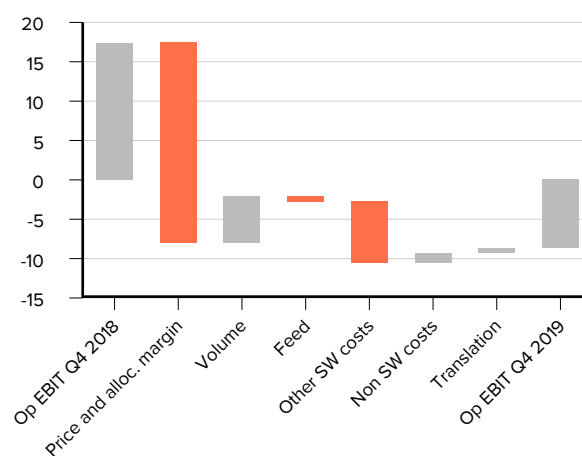
The biological situation in our Scottish farming operations was challenging in the fourth quarter. Seawater temperatures declined slower than usual due to the mild weather and sea lice levels were higher compared with the fourth quarter of 2018. Several farms experienced biological issues. Incident based mortality losses amounted to EUR 10.7 million related to *Pasteurella Skyensis*, PD and treatment losses (EUR 0.4 million in the fourth quarter of 2018).

Production has been lower than in the fourth quarter of 2018 due to early harvest.

Salmon of Canadian origin

EUR million	Q4 2019	Q4 2018
Operational EBIT	-8.7	17.4
EBIT	-12.7	23.4
Harvest volume (GWT)	16 246	12 239
Operational EBIT per kg (EUR)	-0.53	1.42
- of which Markets	0.38	0.14
- of which Consumer Products	0.00	0.00
Price achievement/reference price	85%	98%
Contract share	0%	0%
Superior share	74%	89%

Operational EBIT Salmon of Canadian Origin
Q4 2019 vs Q4 2018



Financial results

Operational EBIT for Mowi Canada amounted to EUR -8.7 million in the fourth quarter (EUR 17.4 million), the equivalent of EUR -0.53 per kg (EUR 1.42 per kg). The reduced earnings from the fourth quarter of 2018 were due to significantly reduced prices and increased costs.

Financial EBIT amounted to EUR -12.7 million (EUR 23.4 million).

Price and volume development

Market prices for salmon of Canadian origin in the quarter were negatively impacted by high supply into the North American market, including supplies from Chile and Europe. However prices improved over the course of the quarter following reduced volumes. The combined price achievement for our Canadian operations was 15% below the reference price in the fourth quarter of 2019 (2% below in the comparable quarter). Price achievement was negatively impacted by biological challenges in Canada East and some maturity issues in Canada West.

There were no contracts for salmon of Canadian origin in the fourth quarter of 2019 or 2018.

The fourth quarter harvest volume was 16 246 tonnes gutted weight (12 239 tonnes).

Costs and operations

The cost level per kg harvested in the fourth quarter of 2019 increased by 9% from the comparable quarter.

In Canada West, costs per kg were stable as higher biological costs were offset by lower non-seawater costs. Incident based mortality costs amounting to EUR 1.4 million were recognized in the quarter related to an escape caused by an electrical fire (EUR 0.9 million in the fourth quarter of 2018).

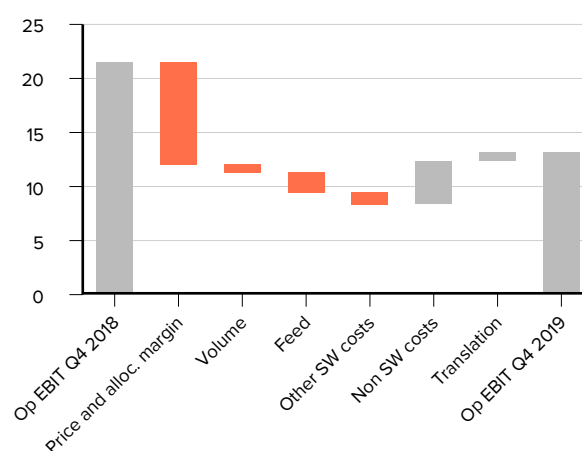
In Canada East, costs per kg increased significantly on harvesting from sites with a high cost level and negative scale effects from lower volumes following the mass mortality incident on Newfoundland in the third quarter.

Production in Canada West was at the same level as the fourth quarter of 2018. Production in Canada East was negatively impacted by lower seawater volumes.

Salmon of Chilean origin

EUR million	Q4 2019	Q4 2018
Operational EBIT	13.2	21.5
EBIT	-1.2	30.0
Harvest volume (GWT)	16 623	17 200
Operational EBIT per kg (EUR)	0.79	1.25
- of which Markets	0.06	0.10
- of which Consumer Products	0.31	0.16
<hr/>		
Price achievement/reference price	100%	106%
Contract share	24%	19%
Superior share	88%	90%

Operational EBIT Salmon of Chilean Origin
Q4 2019 vs Q4 2018



Financial results

Operational EBIT amounted to EUR 13.2 million in the fourth quarter (EUR 21.5 million). The effects of reduced prices led to the decrease in Operational EBIT compared with the fourth quarter of 2018, partly offset by decrease in costs. Operational EBIT per kg was EUR 0.79 per kg (EUR 1.25 per kg).

Financial EBIT amounted to EUR -1.2 million (EUR 30.0 million).

Price and volume development

North America remains the most important market for salmon of Chilean origin. Volumes to Brazil were also good in the quarter.

The Urner Barry reference price for Chilean salmon was down by 12% compared with the fourth quarter of 2018 on increased supply. The average price per lb fillet in the quarter (Urner Barry D-trim 3-4 lb) was USD 4.57. Our price achievement for Chilean salmon was at the same level as the reference price in the quarter (6% above the reference price in the fourth quarter of 2018). Contribution from contracts relative to the reference price was positive in the fourth quarter of both 2019 and 2018. The contract share was 24% in the quarter (19%).

Harvested volume was 16 623 tonnes gutted weight in the fourth quarter. The slight decrease from the 17 200 tonnes in the fourth quarter of 2018 was mainly due to lower average harvest weight on somewhat more challenging biology.

Costs and operations

Full costs per kg harvested decreased by 1% from the comparable quarter as increased biological costs due to higher feed cost and health costs were offset by decreased non-seawater costs.

Incident based mortality of EUR 0.6 million was recognized in the quarter (no incident based mortality in the fourth quarter of 2018).

Superior share in Chile was 88% in the fourth quarter of 2019 (90%).

Production was at the same level as the fourth quarter of 2018. Sea lice levels improved during the quarter.

Costs are expected to increase in the first quarter of 2020 as a result of harvesting from sites with a higher cost level.

Salmon of Irish origin

EUR million	Q4 2019	Q4 2018
Operational EBIT	3.8	4.0
EBIT	3.8	2.9
Harvest volume (GWT)	1 127	1 615
Operational EBIT per kg (EUR)	3.34	2.45
- of which Markets	0.02	0.00
- of which Consumer Products	0.60	0.87
Price achievement/reference price	na	na
Contract share	98%	98%
Superior share	89%	83%

Operational EBIT amounted to EUR 3.8 million in the fourth quarter (EUR 4.0 million), which was EUR 3.34 per kg (EUR 2.45 per kg). The effects of increased prices and decreased costs were more than offset by reduced harvest volumes and reduced allocated margin from Consumer Products.

Financial EBIT amounted to EUR 3.8 million (EUR 2.9 million).

Harvest volume was 1 127 tonnes gutted weight in the fourth quarter, a reduction from 1 615 tonnes in the fourth quarter of 2018.

Achieved prices increased in the fourth quarter of 2019 from the comparable quarter as a consequence of strong market conditions for organic salmon.

Costs per kg harvested biomass decreased by 8% compared with the fourth quarter of 2018 as lower non-seawater costs more than offset increased seawater costs.

Salmon of Faroese origin

EUR million	Q4 2019	Q4 2018
Operational EBIT	3.8	7.1
EBIT	6.2	-0.7
Harvest volume (GWT)	2 345	4 356
Operational EBIT per kg (EUR)	1.63	1.62
- of which Markets	0.34	0.23
- of which Consumer Products	0.01	0.00
Price achievement/reference price	114%	100%
Contract share	0%	0%
Superior share	87%	86%

Operational EBIT amounted to EUR 3.8 million (EUR 7.1 million), which was EUR 1.63 per kg (EUR 1.62 per kg). The main reason for reduced Operational EBIT was lower harvest volumes. Prices were somewhat down while costs increased slightly from the fourth quarter of 2018. These effects were offset by higher contribution from Sales & Marketing.

Financial EBIT amounted to EUR 6.2 million (EUR -0.7 million).

Harvest volume was 2 345 tonnes gutted weight in the fourth quarter (4 356 tonnes). The fluctuation is due to the low number of sites in our Faroese operations.

The majority of Mowi's salmon of Faroese origin was sold to customers in Russia at favorable prices. Compared with the fourth quarter of 2018, achieved prices including allocated margin from Sales & Marketing increased by 2%.

Costs per kg harvested biomass increased by 2% compared with the fourth quarter of 2018 on higher health costs and negative scale effects.

Consumer Products

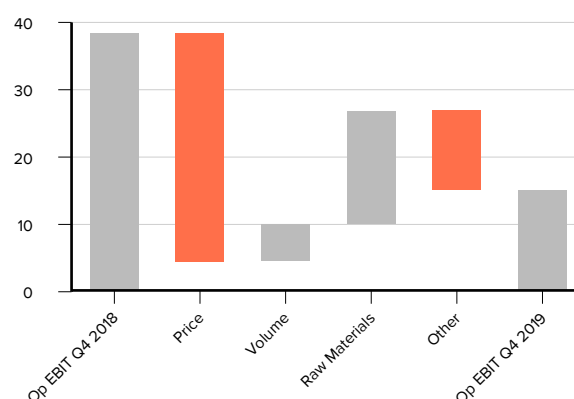
EUR million	Q4 2019	Q4 2018
Operating revenues ¹⁾	674.3	643.3
Operational EBIT ²⁾	15.1	38.4
Operational EBIT %	2.2%	6.0%
EBIT ³⁾	14.3	38.9
Volume sold (tonnes product weight)	55 293	48 362

¹⁾ The reporting segment includes Consumer Products in Europe, Asia and Americas.

²⁾ Operational EBIT for salmon in Consumer Products is also included in the results per country of origin.

³⁾ After elimination of unrealized gain/loss on group-internal hedging contracts.

Operational EBIT Consumer Products
Q4 2019 vs Q4 2018



Financial results

Operational EBIT for Consumer Products was EUR 15.1 million (EUR 38.4 million). The Operational EBIT margin was 2.2% (6.0%). Adjusted for trading and bulk activities, the Operational EBIT margin was 2.3% (7.2%).

Financial EBIT³⁾ amounted to EUR 14.3 million (EUR 38.9 million).

Price, volume and operations

Consumer Products' operating revenues were EUR 674.3 million (EUR 643.3 million) in the quarter. Total volumes sold were 55 293 tonnes product weight (48 362 tonnes), which is all-time high.

Consumer Products Europe

Earnings were reduced compared with the fourth quarter of 2018. This was mainly due to the Chilled operations, where earnings fell in all business units despite stable volumes. The primary explanation was margin pressure due to fierce competition in the Chilled segment in Europe.

In our Fresh operations, volumes increased by 20%. The increase is partly explained by bulk volumes. Earnings were significantly reduced in Central Europe due to margin pressure, while Western Europe developed favorably from the comparable quarter.

Profit in the first quarter of 2020 is expected to be negatively impacted by high spot prices and continued fierce competition.

Consumer Products Americas

Volumes and earnings for Fresh in the Americas developed positively compared with the corresponding quarter of 2018 on increased demand. We continue to see a good development for our value-added products. Increased capacity from the new plant in Miami and operational improvements have also contributed positively to the results.

Volumes and earnings in Chilled in Americas increased from the fourth quarter of 2018.

Consumer Products Asia

Our value-added operations in Asia have had another challenging quarter. Volumes and earnings were down from the fourth quarter of 2018. The main explanation was lack of availability of right sizes and related operational inefficiencies in our operations in Japan.

Consumer Products - Categories		Q4 2019		
EUR million		Fresh	Chilled	Total
Volume sold (tonnes prod wt)		40 095	15 198	55 293
Operational revenues		437.4	236.9	674.3
Operational EBIT		7.5	7.5	15.1
Operational EBIT %		1.7%	3.2%	2.2%

Consumer Products - Categories		Q4 2018		
EUR million		Fresh	Chilled	Total
Volume sold (tonnes prod wt)		33 303	15 059	48 362
Operational revenues		385.3	258.0	643.3
Operational EBIT		13.3	25.1	38.4
Operational EBIT %		3.4%	9.7%	6.0%

Consumer Products - Regions		Q4 2019			
EUR million		Europe	Americas	Asia	Total
Volume sold (tonnes prod wt)		44 773	7 601	2 919	55 293
Operational revenues		525.8	101.0	47.5	674.3
Operational EBIT		9.5	5.1	0.4	15.1
Operational EBIT %		1.8%	5.1%	0.9%	2.2%

Consumer Products - Regions		Q4 2018			
EUR million		Europe	Americas	Asia	Total
Volume sold (tonnes prod wt)		39 673	5 369	3 320	48 362
Operational revenues		518.3	77.3	47.8	643.3
Operational EBIT		32.6	2.8	2.9	38.4
Operational EBIT %		6.3%	3.7%	6.1%	6.0%

Feed

EUR million	Q4 2019	Q4 2018
Operating revenues	170.8	131.2
Operational EBIT	13.8	5.8
Operational EBIT %	8.1%	4.4%
EBIT	14.0	6.0
Feed sold volume (tonnes)	130 034	109 850
Feed produced volume (tonnes)	112 277	91 583

Operational EBIT for Feed is also included in the results per country of origin (currently only Norway).

Financial results

Operational EBIT was EUR 13.8 million (EUR 5.8 million) in the fourth quarter of 2019, of which EUR 15.9 million in Norway. Operational EBIT margin was 8.1% (4.4%). Earnings in Norway were strong on high sales and good production. In Scotland, Operational EBIT was negatively impacted by low volumes and the start-up phase of the new feed plant.

Financial EBIT amounted to EUR 14.0 million (EUR 6.0 million).

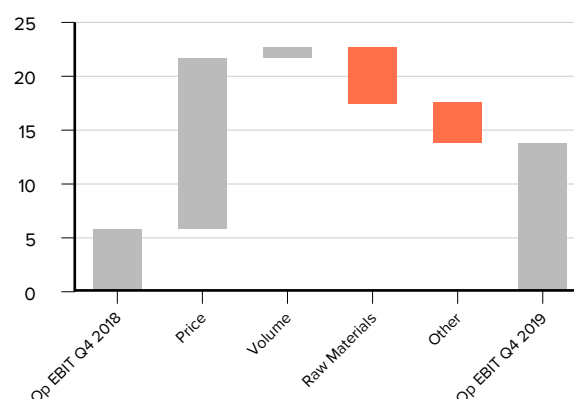
Price and volume development

Operating revenues were EUR 170.8 million in the fourth quarter (EUR 131.2 million).

Volumes in the quarter were all-time high. Produced volume in the fourth quarter was 112 277 tonnes (91 583 tonnes), of which 19 779 tonnes were produced in Scotland. Volumes sold in the fourth quarter reached 130 034 tonnes (109 850 tonnes), of which 23 391 in Scotland. Volumes in Scotland were negatively impacted by biological challenges in our Farming operations.

The volume delivered from Mowi Feed accounted for 95% of total feed delivered to Mowi Norway, compared with 96% in the fourth quarter of 2018. In Scotland, the volume delivered from Mowi Feed accounted for 91% of total feed delivered to Farming.

Operational EBIT Feed
Q4 2019 vs Q4 2018



Feed prices have increased in the fourth quarter of 2019 compared with the fourth quarter of 2018. Feed prices are set at market terms and benchmarked against third parties.

Costs and operations

Raw material costs increased from the comparable quarter mainly related to product mix effects and increased prices for fish oil and fish meal. In Scotland, costs were also impacted by negative scale effects from low volumes and commissioning costs.

Following our self-sufficiency strategy on feed, Mowi Feed continues to develop its range of products, including organic and freshwater diets.

PLANET - Sustainable and responsible development

Our operations and long-term profitability ultimately depend on sustainable and environmentally responsible interactions with the natural environment. We rely on qualified personnel to maintain fish health, avoid escapes and minimize the environmental impact of our operations.

Escape prevention

Mowi has a target of zero fish escapes and is constantly striving to prevent escapes and improve methods, equipment and procedures that can minimize or eliminate escapes. In order to achieve this target, our policy is to evaluate all escape incidents in order to identify possible improvement areas, and all incidents are registered even if only one fish escapes. In the fourth quarter, there were 4 incidents with a total number of escapees of 47 583. Of the 4 incidents in the fourth quarter, 2 incidents occurred in Norway with 2 640 escapees, 1 incident in Scotland with 23 970 escapees and 1 incident in Canada West with 20 973 escapees. We will continue our efforts to reduce the number of escape incidents, including strengthening our collaboration with suppliers of net pens, implementing solutions to reduce the need for net cleaning and improve our training programs to minimize human errors, and ensuring that best practices are followed. In the fourth quarter of 2018, there was 1 escape incident in Scotland where 24 572 fish escaped.

Fish health

Pancreas Disease (PD): 10 new sites were diagnosed with PD in the fourth quarter (4 sites in the corresponding quarter of 2018); 7 in Norway, 2 in Scotland and 1 in Ireland.

Infectious Salmon Anaemia (ISA): 1 new site was diagnosed with ISA in the fourth quarter of 2019, the site is in Norway (in the comparable quarter of 2018, no new sites were diagnosed with ISA). Our monitoring and surveillance continue and we maintain strict measures to harvest out sites with ISA immediately according to regulatory requirements.

Cardiomyopathy Syndrome (CMS): CMS is a concern in our farming operations in Norway, Scotland and Ireland. CMS is caused by a virus and affects the heart of the fish, and may cause mortality. Currently there is no vaccine. Control is achieved by applying biosecurity measures to prevent transmission or early harvesting of fish.

Lice management

Mowi is actively working to reduce the sea lice load in all farming units. Employment of non-medicinal solutions has increased in the operating units, and extensive development and testing of non-medicinal tools and methods continues in collaboration between Mowi's Global R&D and Technical department and the operating units. As per the end of the fourth quarter (compared with 2018 figures), the share of fish having undergone medicinal treatments against sea lice decreased in Norway Region North, Ireland and the Faroes. The share increased in Norway Region South, Norway Region Mid, Scotland and Canada. Mowi is working to reduce overall dependency on medicinal treatments.

SRS in Chile

SRS (Salmonid Rickettsial Septicaemia) is caused by an intracellular bacterium which occurs mainly in Chile. Mortality caused by SRS is still a challenge in Chilean salmon farming. In the fourth quarter of 2019, reported mortality due to SRS was higher than in the comparable quarter of 2018.

Medicine use

Mowi focuses on preventing the development and spread of infectious diseases. If fish get infected, they are treated with approved medicines. In the fourth quarter, our use of antibiotics was 43.6 grams per ton biomass produced, which is up from 7.8 grams in the comparable quarter of 2018. Our use of antibiotics in the fourth quarter was mainly related to treatment of SRS in Chile and Pasteurella Skyensis infections in Scotland. Mowi is working on development of a vaccine for the latter.


Grams antibiotics per ton biomass produced	Q4 2019	Q4 2018
Norway	0.0	0.0
Scotland	101.5	5.4
Canada	4.1	34.6
Chile	94.9	23.5
Ireland	0.0	12.9
Faroes	0.0	0.0
Group	43.6	7.8

ASC certification

As per the close of the fourth quarter of 2019 we had 99 sites certified: 61 in Norway, 1 in Scotland, 25 in Canada, 3 in Ireland, 8 in Chile and 1 in the Faroes. This represents 37% of the total number of sites to be certified.

Several additional sites have been audited and are expected to be certified in 2020. Mowi is taking the lead in ASC implementation and we are committed to demonstrating an environmentally responsible development in our organization.

For further information regarding sustainability and biological risk management, reference is made to the Annual Report.

 PLANET	GUIDING PRINCIPLE	AMBITION	ACHIEVEMENT
	Ensure sustainable wild-farmed interaction in the farming activity	Zero escapes	Four escape incidents with 47 583 escapees (one incident with 24 572 escapees in the fourth quarter of 2018)
Ensure healthy stocks minimizing diseases and losses in the farming activities	Monthly survival rate of at least 99.5% within 2022	Average monthly survival rate in the quarter of 98.3% (98.8% in the fourth quarter of 2018)	


PEOPLE - Safe and meaningful jobs

The safety, self-respect and personal pride of our employees cannot be compromised if Mowi is to succeed as a company and maintain good relationships with local communities.

Employee Health and Safety

In the fourth quarter, the Group recorded 18 Lost Time Incidents (LTIs), which is a decrease from 32 in the comparable quarter of 2018.

Measured in LTIs per million hours worked (rolling average), the figure has improved to 4.27 from 5.18 in the comparable quarter of 2018. Absenteeism was 3.8% in the quarter, which is an improvement from 4.5% in the comparable quarter.

 PEOPLE	GUIDING PRINCIPLE	AMBITION	ACHIEVEMENT
	Safe jobs	No lost time incidents (LTI)	LTIs per million hours worked was 4.27. Programs are in place to reduce the number.
Healthy working environment	Absenteeism < 4%	Absenteeism of 3.8% in the quarter.	

PRODUCT - Tasty and healthy seafood

We aim to continually deliver healthy, tasty and responsibly produced seafood to our customers in order to deliver long-term financial profitability.

Best smoked salmon for Christmas 2019

Smoked salmon is always showcased as a key product in celebratory dining and the Mowi smoked salmon produced at our Rosyth plant in Scotland has recently received high recognition.



Firstly, it was recommended as the best smoked salmon in Olive Magazine’s Christmas Supermarket Awards 2019. Olive Magazine, one of the UK’s largest monthly consumer food magazines, awarded the product its Gold award in the category and said: “With a subtle smokiness and luxurious texture, this classic salmon is best served with bubbles.”

UK national newspapers The Telegraph and The Guardian also gave the product top marks. In its "Best smoked salmon for Christmas 2019, tried and tested" feature, The Telegraph said of the product: "... a good smoke through the pale flesh. This is a brightly cured fish and the flavour develops in the mouth. Delicious. SCORE: 5 out of 5". Especially pleasing was that the samples were drawn from stores and not specially sampled by Mowi, so the product was exactly as the consumer gets it.

MOWI brand launch in France retail and the US coming up

The launch of the MOWI brand is progressing, but is still in an early phase. In 2019, MOWI salmon was launched in Poland and also in the foodservice segment in France. With more than 500 stores now featuring the brand in Poland, we are now set to expand to other countries as well. In the first quarter of 2020, the MOWI brand will be launched in the retail segment in France and in e-commerce channels in the US.

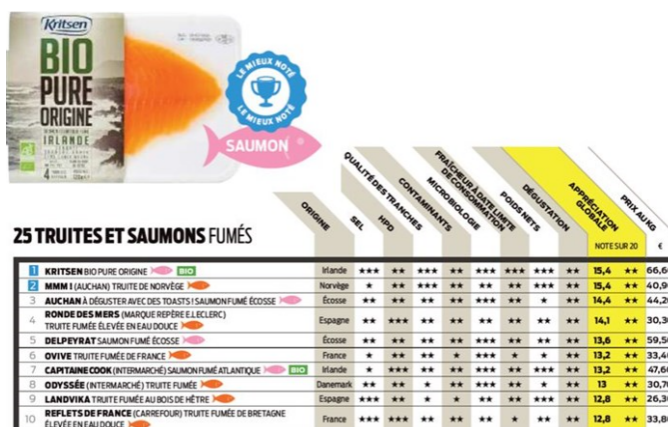
We are continuously looking to expand and improve our product portfolio. For our product range to fit in all markets we have a strong focus on innovation and product development based on consumer insight. The consumer is our ally when developing products that are attractive and offer the particular characteristics that are sought after in each market. We see huge potential in developing new products and concepts based on real consumer insights. Our category is still young, even if some markets are more mature, and this opens the door to introducing new occasions and usage for our salmon products linked to the consumer’s everyday life. With our marketing and product development teams strategically placed around the world we are in a unique position to build great local, regional and global products and concepts, and this will be a crucial part of our brand work going forward.



MOWI food truck from the launch in Poland

Kritsen BIO Pure Origine organic salmon top ranked

A product from Mowi Kritsen is once again on the top of the podium. In the run-up to Christmas, traditionally the peak period for sales of smoked salmon, the largest consumer association in France, UFC-Que Choisir, tested 25 smoked salmon and trout products. The results were published in the December issue of the "Que Choisir" magazine. Kritsen BIO Pure Origine, smoked Irish organic salmon, came out as the best product. This top ranking represents an important recognition by an influential consumer organization and magazine.



Kritsen BIO Pure Origine tops the ranking

 PRODUCT	GUIDING PRINCIPLE			AMBITION			ACHIEVEMENT		
	Food quality and safety	Supply seafood with valuable health benefits, supported by its quality and documented safety	Health targets met						
	Product innovation	Mowi wants to play an important role in the design and use of products to satisfy customer needs.	Launch of MOWI-branded products						

Events during and after the close of the quarter

New CEO and CFO

With effect from 12 November 2019, Mr. Ivan Vindheim was appointed new CEO of Mowi. Mr. Vindheim has held the position of CFO at Mowi since 2012. He has extensive experience from the seafood industry and has held various executive positions.

Mr. Vindheim replaced Mr. Alf-Helge Aarskog who decided to step down after almost 10 years as CEO. Mr. Aarskog has been instrumental in positioning Mowi as the world's leading seafood company, and we would like to thank him for his valuable contribution.

Also with effect from 12 November 2019, Mr. Kristian Ellingsen was appointed new CFO. Previously, Mr. Ellingsen was Group Accounting Director in Mowi for four years. Before joining Mowi, Mr. Ellingsen was a Director in PwC where he worked for almost ten years.

Reorganization of the Farming business area

In order to further increase the focus on the farming entities, Mowi has made changes to its organizational structure and its Group Management Team with effect from 1 January 2020. Mowi has divided the Farming business area into three: Farming Norway, Farming Scotland & Ireland and Farming Americas & the Faroes, each with a dedicated Chief Operating Officer (COO) in the Group Management Team. The announced changes will not impact the financial reporting structure.

Mr. Per-Roar Gjerde has been appointed COO for Farming Americas & the Faroes, and is also acting COO for Farming Norway until a permanent appointment has been made. Mr. Ben Hadfield has been appointed COO for Farming Scotland & Ireland. Furthermore, Mr. Atle Kvist has been appointed COO for Feed.

Global Processing Excellence Team

Mowi will establish a Global Processing Excellence Team with the task of realizing improvements related to Mowi's processing plants. Mowi has 38 primary and secondary processing facilities in 19 countries. Being the largest processor of salmon in the world undoubtedly affords us significant and untapped scale advantages. The team will be responsible for working with all our processing facilities, both primary and secondary, to increase productivity through scale advantages, process enhancements, automation and digitalization. The work will be done in close cooperation with the local business units.

New global cost improvement program

Mowi has completed the 2019 cost savings program, with an annual saving of EUR 41 million. Following this Mowi has initiated a new global cost improvement program with a target of EUR 25 million savings p.a. Mowi will ensure that the initiatives do not compromise safety, quality or growth.

Hatchery ready at Sandøra

The construction of our new smolt facility at Sandøra in Norway Region North is progressing. The hatchery is ready for its first roe inlay in February 2020. The plan is to deliver the first smolt in

November. The new state-of-the-art facility at Sandøra will provide high quality and larger smolt for our operations in Norway Region North. The facility will have an annual production capacity of 1,800 tonnes, the equivalent of approximately 5.5 million smolt, producing smolt with average size of 330 grams.



The new freshwater facility at Sandøra

Mowi recognized for supplier engagement by CDP

In February 2020, Mowi was identified as a global leader for engaging with its suppliers on climate change, being awarded a position on the Supplier Engagement Leaderboard by global environmental impact non-profit CDP. Mowi is among the top 3% of organizations assessed by CDP. Mowi has been recognized for its actions and strategies to reduce emissions and manage climate risks in its supply chain. Mowi has been included in the leadership category (A-list) by CDP on environmental transparency and performance.

New vessel delivered from DESS Aqua

In January 2020, DESS Aquaculture Shipping took delivery of the new well boat "Aqua Maløy" and started on a five year charter with Mowi Region South in Norway. The well boat has a capacity of 3,900 m³.



Successfully completed green bond issue

In January 2020, Mowi ASA successfully completed a EUR 200 million 5-year, senior unsecured green bond issue, marking the first green bond ever issued by a seafood company. The bond issue was significantly oversubscribed attracting solid investor demand from both dedicated green and regular bond investors. The bond coupon is 3 months EURIBOR + 1.60 % p.a. An application will be made to list the bond on Oslo Stock Exchange. The proceeds from the green bond issue will be used for green projects as further defined by Mowi's green bond framework which is available on our website. The green bond framework received a positive second opinion from CICERO.

Green paper (NOU) on taxation of salmon farming companies in Norway

In 2018, the Norwegian government was instructed by Parliament to appoint a committee to review taxation of the Norwegian salmon farming industry with a view to introducing a resource tax. In November 2019, the committee presented its proposal, with a deadline for comments set to 4 February 2020. As expected due to the mandate and the composition of the committee, the majority proposed the introduction of a resource tax, amounting to 40%. The parties in government have dismissed the introduction of a resource tax for salmon farming as proposed by the committee.

Update on the allegations of price collusion

Further to the European Commission inspection in February 2019 and the subsequent class action complaints in the US. In the fourth quarter, Mowi was one of several Norwegian salmon companies which received a subpoena from the Antitrust Division of the Department of Justice in the US informing about the opening of a criminal investigation involving allegations of possible collusion between Norwegian producers of farmed Atlantic salmon.

Furthermore, Mowi has also been notified that the company is one of the salmon companies which are defendants in civil class action lawsuits in Canada related to price collusion.

There is no new information regarding the European Commission's case handling. Mowi considers that there is no basis for the EU inspections and that these clearly lack merit and are entirely unsubstantiated. This equally applies to any criminal investigation in the US and the civil lawsuits in the US and Canada. Mowi will fully cooperate with the Department of Justice and will provide as requested all information in relation to our US subsidiaries.

Canada West

In the 2019 election in Canada, the Liberal Party made an election campaign pledge to phase out ocean net pen salmon farming in British Columbia by 2025. The Liberal Party leads a minority government after the election. The next general election in Canada will take place by 2024 at the latest. In a recent interview, the new Minister of Fisheries nuanced the pledge and stated that it will take about five years to come up with a plan to phase out open net pen salmon farming on British Columbia's coast.

If implemented, the proposal will have significant negative consequences for the industry, employment and local communities including First Nations. There are currently no realistic alternatives to open net pen farming in Canada. In a comment, the association of salmon farmers in the province stated that "mandating an uninformed, large-scale change upon a sustainable, responsible industry will not work – instead, we must work together". Mowi Canada will continue to seek constructive dialogue with the authorities. The company is convinced that the misconceptions on which the above-mentioned proposal is based can be corrected through an informed discussion.

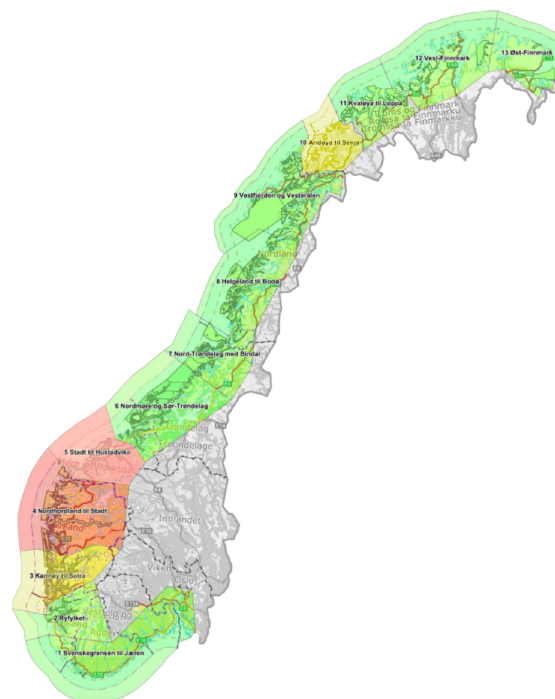
Canada East

In October, Mowi Canada East was informed by Canadian authorities that 10 out of the company's 47 licenses in Newfoundland are temporarily suspended following the mass mortality event in the third quarter and that a third party review would be initiated. In November, Mowi Canada East announced that the company is improving its readiness for mortality events, including the preparation of a mass mortality response plan, replacement of equipment, increased boat capacity and more training of staff. Mowi is currently awaiting the outcome of the third party review.

Update on production capacity adjustment scheme in Norway (Traffic Light Round 2)

On 4 February 2020, the Ministry of Fisheries in Norway presented the updated coloring of the 13 production areas in Norway, with reference to the capacity adjustment scheme which gives farmers the opportunity to buy 1% fixed price growth on existing licenses in green areas but requires 6% reduced production in red areas. Production areas 4 and 5 are colored red, areas 3 and 10 are colored yellow and the rest of the areas are colored green. Mowi Norway operates in production areas of different colorings. The company intends to buy 1% fixed price growth in green areas which will give the company an extra production volume of 1,149 tonnes MAB for approximately EUR 18 million. In red areas, Mowi Norway's production capacity will be reduced by 3,384 tonnes MAB, equivalent to 4.3 standard licenses. The net effect on the company's 2020 harvest volumes is expected to be limited.

In addition to the 1% fixed price growth in green areas, additional 5% growth in these production areas will be sold through an auction process. The auction is expected to be carried out before the summer.



Dividend of NOK 2.60 per share

The Board of Directors has decided to pay out a quarterly dividend of NOK 2.60 per share to the shareholders as ordinary dividends.

Outlook statement from the Board of Directors

2019 was another good year financially for Mowi. Record high full-year volumes in all business areas, good salmon prices and relatively stable costs resulted in strong earnings and dividend distributions. In the fourth quarter, spot salmon prices increased during the period on strong demand and tighter supply. Good farming results were complemented by positive contributions from Consumer Products and Markets. Feed had seasonally record high sales and good earnings. The outlook for 2020 is positive as the supply/demand balance is tight, forward prices are at healthy levels and Mowi is expected to grow further in all business areas.

The Board commends the organization for executing on the many cost initiatives in 2019 and the achievement of EUR 41 million in realized annualized savings. Several cost reduction measures have been achieved in recent years. Addressing cost remains a key priority going forward, and the Board is pleased that the organization has initiated another global cost improvement program for 2020 with a target of EUR 25 million savings per annum.

The total blended farming cost in box per kg was stable in 2019 versus 2018 adjusted for regional volume mix. Due to reduced harvest volumes in the first quarter of 2020 costs are expected to increase somewhat compared to the fourth quarter of 2019.

In general, biological issues and production costs have increased in recent years. Mowi is addressing these challenges through new farming strategies and production processes, including amongst other things investments in smolt facilities, improved treatment capacity and new open net pen technologies. In order to further increase the focus on the farming entities going forward, the Board is pleased that Mowi's organization structure and Group Management Team will be strengthened further with a separate Chief Operating Officer (COO) for each of the largest farming areas; Farming Norway, Farming Scotland & Ireland and Farming Americas & the Faroes.

Notwithstanding Norway's natural comparative advantage in salmon farming the region has seen almost doubled cost over the past eight years. Salmon farming is a global industry with increased geographical competition where Norway only accounts for 50% of global production. Further uncertainty or increase in the total tax burden for Norwegian salmon will increase the total cost even further, potentially reduce investments and reduce Norway's competitiveness on the global scene accordingly. In 2018, the Norwegian government was instructed by Parliament to appoint a committee to review taxation of the Norwegian salmon farming industry with a view to introducing a resource tax. If the committee's proposal is implemented as presented, it is the Board's strong view that this will have significant negative consequences for the industry, employment and local communities in Norway. Approximately 50% of the accumulated pre-tax profit for the Norwegian salmon farming industry in the past 50 years has been generated only in the past four years with a record weak Norwegian Krone. To fundamentally change the tax system and levy a resource tax on the industry based on such recent short-term earnings would be unwise. It is therefore encouraging that the parties in government have so far dismissed the introduction of a resource tax.

Salmon farming on the West Coast of Canada has recently been subject to political debate. In the 2019 election in Canada, the Liberal Party made an election campaign pledge to phase out ocean net pen salmon farming in British Columbia by 2025. In a recent interview, the new Minister of Fisheries nuanced the pledge and stated that it will take about five years to come up

with a plan to phase out open net pen salmon farming on British Columbia's coast. If implemented, the proposal will have significant negative consequences also in this region for the industry, employment and local communities including First Nations. Mowi Canada will continue to seek constructive dialogue with the authorities. The Board is convinced that the misconceptions on which the above-mentioned proposal is based can be corrected through an informed discussion.

Feed had another good operational quarter with seasonal all-time high production volumes. The new feed plant in Kyleakin, Scotland produced 23,000 tonnes of feed in the quarter mainly for the Scottish operations, and is nearing the end of its commissioning phase. Feed production in the Norwegian plant was 93,000 tonnes in the quarter and delivered a good financial result.

Total volume sold in Consumer Products was record-high and driven by the Fresh segment. In Europe developments in the quarter were positive with increased sales into the major end-markets, being Germany, France, UK, Spain and Italy. The competition in the European market, in particular the Chilled segment, impacted profitability and will continue to impact results into the first quarter of 2020. Focus on operational excellence in this competitive market environment is therefore of utmost importance. In the US, Mowi's processing plants continue to make good progress both in terms of volume and efficiency. Multiple sources of origin were used amongst US processors in general in the quarter which also stimulated the strong growth experienced.

The launch of the MOWI brand is progressing, but is still in an early phase. In 2019, MOWI salmon was launched in Poland and also in the foodservice segment in France. With more than 500 stores now featuring the brand in Poland, we are now set to expand to other countries as well. In the first quarter of 2020, the MOWI brand will be launched in the retail segment in France and in e-commerce channels in the US.

To address the competitive processing market, Mowi will establish a Global Processing Excellence Team with the task of realizing improvements related to Mowi's processing plants. Mowi has 38 primary and secondary processing facilities in 19 countries. Being the largest global processor of salmon yields Mowi significant scale advantages. The Board believes that improvements within automation and digitalization can be realized with strong leadership and execution.

In 2020 Mowi will continue to invest across its value chain to support organic growth and strengthen the asset base. The capital expenditure budget for 2020 is approximately EUR 265 million. Freshwater investments continue; in Norway Region North, Sandøra is expected to be completed this year, and expansion projects of existing smolt facilities in Region Mid and Region South continue. The new hatchery in Canada East is in the construction phase and in Chile expansion investments have been sanctioned. Selected sea water expansions in Norway, Scotland and Canada will also be undertaken. Furthermore, Consumer Products expects to undertake several automation projects in Europe and the US, in addition to a new value-added processing facility in France.

Mowi has significant potential to further grow its farming volumes based on the existing license footprint. As such, expected working capital investments in the region of EUR 90 million relate to further biomass growth, and also growth in Consumer Products and Feed.

Mowi's financial position remains strong. To support further organic growth Mowi increased its financial flexibility in January by issuing a EUR 200 million green bond. The 5-year senior unsecured bond carries a coupon of 3 months EURIBOR + 1.60% p.a. The Board is pleased with the first green bond issuance by a seafood company and the attractive low financing cost.

DESS Aqua, 50% owned by Mowi, has taken delivery of another well-boat. "Aqua Maløy" has a capacity of 3,900 m³ and commenced on a five year charter with Mowi Region South in Norway. DESS Aqua currently has eight vessels in operation; one harvest vessel, four well boats and three landing craft vessels. In addition, four well boats are under construction with expected delivery during 2020 and the beginning of 2021.

The Board is closely monitoring the situation with the recent outbreak of the Corona virus. Salmon is a globally traded product and any kind of trade friction could potentially impact the industry and Mowi negatively. However, notwithstanding this potential short term issue, the medium and long term outlook for the salmon farming industry remains strong. Demand continues to develop favourably and industry supply growth for 2020 is expected to be approximately 4% according to Kontali Analyse. The 12-month forward Nasdaq price is EUR 6.0 per kg.

A quarterly dividend of NOK 2.60 per share will be paid as ordinary dividends.

Summary full year

- Operational EBIT of EUR 720.9 million, which is the third highest ever for the group. Financial EBIT of EUR 617.0 million.
- Record high operational revenue of EUR 4 135.4 million
- All-time high harvest volume at 435 904 GWT, somewhat above guidance.
- Completed 2019 cost savings program with annual savings of EUR 41 million. Initiated new global EUR 25 million cost savings program.
- High prices on strong demand. Prices came under pressure in the third quarter on short-term excess supply before improving during the fourth quarter.
- Blended Farming costs per kg increased compared with 2018 due to higher feed prices and mortality costs.
- Completed the acquisition of K. Strømmen Lakseoppdrett AS in Norway for a consideration of NOK 790 million on a cash and debt free basis. The company is consolidated in the group accounts from August.
- Successful start-up of the new feed plant in Scotland.
- Record-high volumes in Feed and Consumer Products.
- Consumer Products impacted by fierce competition in the European Chilled segment.
- MOWI brand launched in Poland and in France in foodservice.
- Announced plan to rebuild Kritsen's smokehouse.
- Announced plan to launch the MOWI brand in France retail and US e-commerce in the first quarter of 2020.
- Issuance of EUR 150 million 7-year Schuldschein loan with coupon of EURIBOR + 170 bps.
- Issuance of EUR 200 million 5-year green bond in January 2020 with coupon of EURIBOR + 160 bps.
- Return on capital employed (ROCE) 19.9%.
- Net interest-bearing debt (NIBD) of EUR 1 337.2 million
- Dividend of NOK 10.40 per share has been paid out in 2019 as ordinary dividends.
- Net cash flow per share of EUR 0.59, Underlying earnings per share (EPS) of EUR 0.99 and EPS of EUR 0.92.

RISKS

Mowi has not identified any additional risk exposure beyond the risks described in note 3 of this report and the 2018 Annual Report.

Reference is also made to the Planet section and the Outlook section of this report for other comments to Mowi's risk exposure.

Bergen, February 11, 2020

The Board of Directors of Mowi ASA

Ole-Eirik Lerøy

Lisbet K. Nærø

Cecilie Fredriksen

Paul Mulligan

CHAIR OF THE BOARD

DEPUTY CHAIR OF THE BOARD

Jean-Pierre Bienfait

Birgitte Ringstad Vartdal

Kristian Melhuus

Unni Sværen

Anders Sæther

Jørgen Wenggaard

Ivan Vindheim

CHIEF EXECUTIVE OFFICER

Interim financial statements

Condensed Consolidated Statement of Comprehensive Income

Unaudited, in EUR million	Note	Q4 2019	Q4 2018	2019	2018
Revenue	4, 5	1 114.8	1 073.0	4 135.6	3 811.9
Cost of materials		-568.2	-510.6	-1 982.8	-1 812.2
Net fair value adjustment biomass	6	53.8	1.6	-127.5	146.4
Salaries and personnel expenses		-150.4	-141.4	-563.5	-505.0
Other operating expenses		-150.0	-174.1	-585.6	-589.9
Depreciation and amortization	2	-78.1	-39.3	-287.1	-153.4
Onerous contract provisions		-2.1	10.2	5.3	-6.1
Restructuring cost		0.1	0.7	-19.2	0.3
Other non-operational items		-1.6	-0.7	-2.4	-1.0
Income from associated companies and joint ventures		18.8	13.4	48.7	45.5
Impairment losses		-3.2	-2.4	-4.5	-11.0
Earnings before financial items (EBIT)		233.9	230.5	617.0	925.4
Interest expenses	8	-19.4	-12.5	-70.2	-50.0
Net currency effects	8	18.1	-18.6	31.6	-17.7
Other financial items	8	14.0	-23.9	29.0	-125.5
Earnings before tax		246.6	175.5	607.4	732.2
Income taxes		-43.3	-13.9	-131.2	-165.0
Profit or loss for the period		203.4	161.7	476.3	567.2
Other comprehensive income					
Currency translation differences		8.3	-16.0	64.2	1.7
Currency translation associated companies and joint		0.5	-8.6	2.1	-2.3
Items to be reclassified to P&L in subsequent periods:		8.8	-24.6	66.3	-0.6
Actuarial gains (losses) on defined benefit plans, net of		-3.8	0.2	-3.8	0.2
Items not to be reclassified to profit and loss:		-3.8	0.2	-3.8	0.2
Other comprehensive income, net of tax		5.0	-24.4	62.5	-0.4
Total comprehensive income in the period		208.3	137.2	538.7	566.8
Profit or loss for the period attributable to					
Non-controlling interests		-0.3	0.2	-1.3	0.6
Owners of Mowi ASA		203.6	161.5	477.6	566.6
Comprehensive income for the period attributable to					
Non-controlling interests		-0.3	0.2	-1.3	0.6
Owners of Mowi ASA		208.6	137.1	540.1	566.2
Basic earnings per share (EUR)		0.39	0.32	0.92	1.15
Diluted earnings per share (EUR)		0.39	0.32	0.92	1.15
Dividend declared and paid per share (NOK)		2.60	2.60	10.40	10.40

Condensed Consolidated Statement of Financial Position

Unaudited, in EUR million	Note	31.12.2019	30.09.2019	31.12.2018
ASSETS				
Licenses		858.0	862.8	781.4
Goodwill		317.9	317.3	289.3
Deferred tax assets		19.9	19.9	22.9
Other intangible assets		24.8	25.3	26.2
Property, plant and equipment		1 361.6	1 301.6	1 216.1
Right-of-use assets	2	386.8	386.5	0.0
Investments in associated companies and joint ventures		238.5	234.1	220.6
Other shares and other non-current assets		3.0	3.0	1.6
Total non-current assets		3 210.4	3 150.4	2 558.1
Inventory		320.7	373.2	285.5
Biological assets	6	1 522.4	1 463.1	1 559.3
Current receivables		657.9	604.5	636.9
Cash		128.6	101.2	105.3
Total current assets		2 629.6	2 541.9	2 587.1
Assets held for sale		0.0	0.0	0.0
Total assets		5 840.1	5 692.3	5 145.1
EQUITY AND LIABILITIES				
Equity		2 892.2	2 818.5	2 877.2
Non-controlling interests		0.4	0.7	1.7
Total equity		2 892.6	2 819.2	2 879.0
Deferred tax liabilities		436.0	409.8	413.6
Non-current interest-bearing debt		1 465.8	1 331.3	1 142.5
Non-current leasing liabilities	2	258.9	261.5	0.0
Other non-current liabilities		10.5	10.7	11.0
Total non-current liabilities		2 171.2	2 013.2	1 567.1
Current interest-bearing debt		0.0	0.0	0.1
Current leasing liabilities	2	127.1	124.5	0.0
Other current liabilities		649.1	735.3	699.0
Total current liabilities		776.3	859.9	699.1
Total equity and liabilities		5 840.1	5 692.3	5 145.1

Condensed Consolidated Statement of Change in Equity

2019	Attributable to owners of Mowi ASA								
	Share capital	Other paid in capital	Shared based payment	Foreign currency translation reserve	Foreign currency translation reserve associated companies	Other equity reserves	Total	Non-controlling interests	Total equity
Unaudited, in EUR million									
Equity 01.01.2019	404.0	1 251.0	5.9	81.8	-7.5	1 141.9	2 877.2	1.7	2 879.0
Comprehensive income									
Profit						477.6	477.6	-1.3	476.3
Other comprehensive income				18.2	2.1	42.1	62.4		62.5
Transactions with owners									
Share based payment			-0.5			-4.2	-4.7		-4.7
New shares	0.8	23.7					24.5		24.5
Dividend						-544.9	-544.9		-544.9
Total equity end of period	404.8	1 274.7	5.4	100.0	-5.4	1 112.5	2 892.2	0.4	2 892.6

2018	Attributable to owners of Mowi ASA								
	Share capital	Other paid in capital	Shared based payment	Foreign currency translation reserve	Foreign currency translation reserve associated companies	Other equity reserves	Total	Non-controlling interests	Total equity
Unaudited, in EUR million									
Equity 01.01.2018	383.8	931.5	5.4	51.3	-5.2	947.3	2 314.2	1.2	2 315.4
Comprehensive income									
Profit						566.6	566.6	0.6	567.2
Other comprehensive income				30.5	-2.3	-28.6	-0.4		-0.4
Transactions with owners									
Share based payment			0.5			-5.2	-4.7		-4.7
Dividend						-532.4	-532.4		-532.4
Bond conversion	20.1	319.5				194.2	533.8		533.8
Total equity 31.12.2018	404.0	1 251.0	5.9	81.8	-7.5	1 141.9	2 877.2	1.7	2 879.0

Condensed Consolidated Statement of Cash Flow

Unaudited, in EUR million	Q4 2019	Q4 2018	2019	2018
Earnings before taxes (EBT)	246.6	175.5	607.4	732.2
Interest expense	19.4	12.5	70.2	50.0
Currency effects	-18.1	18.6	-31.6	17.7
Other financial items	-14.0	23.9	-29.0	125.5
Net fair value adjustment and onerous contracts	-51.6	-11.8	122.3	-140.2
Income/loss from associated companies and joint ventures	-18.8	-13.4	-48.7	-45.5
Depreciation and impairment losses	81.3	41.7	291.6	164.4
Change in working capital	-109.5	-124.9	-103.9	-147.7
Taxes paid	-9.6	-14.4	-156.2	-129.8
Restructuring and other non-operational items	24.2	0.0	40.4	-2.4
Other adjustments	-0.1	-0.2	-3.4	-3.4
Cash flow from operations	149.7	107.5	759.0	620.9
Proceeds from sale of fixed assets	2.6	1.8	6.6	6.5
Payments made for purchase of fixed assets	-93.4	-77.8	-292.7	-346.2
Proceeds from associates and other investments	14.2	0.1	44.9	29.0
Purchase of shares and other investments	-0.1	-21.7	-67.1	-253.1
Cash flow from investments	-76.6	-97.6	-308.3	-563.7
Proceeds from bond	0.0	0.0	150.0	0.0
Proceeds from new interest-bearing debt	132.9	152.7	164.6	534.8
Down payment leasing debt	-34.5	0.0	-122.2	0.0
Net interest and financial items paid	-19.0	-9.7	-68.6	-38.4
Realized currency effects	4.5	6.5	-7.1	14.1
Dividend paid to owners of Mowi ASA	-134.0	-135.2	-544.9	-532.4
Other financing items	0.0	0.0	0.0	0.0
Cash flow from financing	-50.0	14.3	-428.2	-22.0
Change in cash in the period	23.1	24.2	22.5	35.2
Cash - opening balance ¹⁾	94.6	70.1	94.0	59.1
Currency effects on cash - opening balance	-0.2	-0.3	1.0	-0.3
Cash - closing balance ¹⁾	117.5	94.0	117.5	94.0

¹⁾ Excluded restricted cash

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 GENERAL INFORMATION

Mowi (the Group) consists of Mowi ASA and its subsidiaries, including the Group's interests in associated companies.

These interim financial statements are prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The interim financial statements do not include all of the information and disclosures required by International Financial Reporting Standards (IFRSs) for a complete set of financial statements, and these interim financial statements should be read in conjunction with the annual financial statements. The interim report is unaudited.

Note 2 ACCOUNTING PRINCIPLES

All significant accounting principles applied in the consolidated financial statements are described in the Annual Report for 2018 (as published on the Oslo Stock Exchange on March 27, 2019).

From 2019, Mowi has implemented the new accounting standard regarding leases (IFRS 16).

Leasing

The new standard requires capitalization of all leasing agreements with duration exceeding 12 months, whereas the previous regulations only required capitalization of financial leases. The right-of-use asset and liability to be recognized for each leasing agreement is the present value of the lease payments.

- The Group has implemented IFRS 16 using the modified retrospective approach, i.e. without restating comparative information, and by recognizing the same amount as right-of-use assets and lease liabilities per January 1 2019. Consequently, opening book value of equity in 2019 was not impacted.
- Total balance sheet value per December 31 2019 has increased by EUR 387 million related to the implementation of the new standard. The group's bank facility has a covenant of 35% book equity ratio, but the calculation of the ratio is to be adjusted for the effects of IFRS 16. Accordingly, the covenant equity ratio is 53.0% per December 31 2019.
- In the statement of profit and loss, leasing costs related to IFRS 16 has been replaced by depreciation costs of leasing assets and interest costs from lease liabilities. The positive EBIT effect (both Operational EBIT and Financial EBIT) related to this was EUR 2.2 million in the fourth quarter, and EUR 8.7 million year to date. In the statement of cash flow, cash outflows related to leases previously included in the cash flow from operations has been replaced by cash outflows related to repayment of lease liabilities included in the cash flow from financing.

RECONCILIATION OF RIGHT-OF-USE ASSETS AND LIABILITIES (IFRS 16)

EUR million	Right-of-use assets	Liabilities
Opening balance 01.01.2019	373.3	373.3
New contracts in 2019	124.4	124.4
Extensions of existing agreements in 2019	13.4	13.4
Termination of agreements in 2019	-3.2	-3.2
Depreciation and amortization in 2019 ¹⁾	-124.8	0.0
Lease payments (down payment and interests)	0.0	-133.5
Interest expense	0.0	11.2
Currency effects in 2019	3.7	0.3
Closing balance 31.12.2019	386.8	386.0

¹⁾ Included in the line item "Depreciation and amortization" in the consolidated statement of comprehensive income, which has a total amount of EUR -78.1 million in the fourth quarter of 2019 and EUR -287.1 million year to date.

Split current vs. non-current	Liabilities
Non-current leasing liabilities	258.9
Current leasing liabilities	127.1
Closing balance 31.12.2019	386.0

Significant fair value measurements in accordance with IFRS 13:

Biological assets

Biological assets are, in accordance with IAS 41, measured at fair value, unless the fair value cannot be measured reliably. Broodstock and smolt are measured at cost less impairment losses, as the fair value cannot be measured reliably. Fair value of biological assets is calculated based on a cash flow-based present value model, which does not rely on historical cost. Cash inflows are calculated as functions of estimated volume multiplied with estimated price. Fish ready for harvest (mature fish) is valued at expected sales price with a deduction of cost related to harvest, transport etc. Sales costs are not deducted. For fish not ready for harvest (immature fish), the model uses an interpolation methodology where the known data points are the value of the fish when put to sea and when recognized as mature fish.

In accordance with IAS 41.16, a provision for onerous contracts is recorded by assessing if there are contracts in which the unavoidable costs of meeting the Group's obligations under the contract (where fair value adjustment of biological assets is included in the unavoidable costs) exceed the economic benefits expected to be received.

Derivative financial instruments and other shares

Derivative financial instruments (including interest swaps, currency swaps and salmon derivatives) are valued at fair value on Level 2 of the fair value hierarchy, in which the fair value is calculated by comparing the terms agreed under each derivative contract to the market terms for a similar contract on the valuation date.

Basic Earnings per share:

Basic Earnings per share (EPS) is calculated on the weighted average number of shares outstanding during the period.

Note 3 ESTIMATES AND RISK EXPOSURE

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting principles and recognized amounts of assets, liabilities, income and expenses. The most significant estimates relate to the valuation of biological assets and intangible assets. Estimates and underlying assumptions are reviewed on an ongoing basis, and are based on the management's best assessment at the time of reporting. All changes in estimates are reflected in the financial statements as they occur.

Mowi is exposed to a number of risk factors: Operational risks, strategic risk, reporting risk and compliance risk. The Risk Management section in the Annual Report contains a detailed description of risks and mitigation actions.

Note 4 BUSINESS SEGMENTS

For management purposes, Mowi is organized into three Business Areas: Feed, Farming and Sales & Marketing. Feed and Farming are separate reportable segments. Sales & Marketing is divided in two reportable segments, Markets and Consumer Products.

The performance of the segments is monitored to reach the overall objective of maximizing the Operational EBIT per kg. Consequently, reporting is focused towards measuring and illustrating the overall profitability of harvested volume based on source of origin (Operational EBIT/kg).

The same accounting principles as described for the Group financial statements have been applied for the segment reporting. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for the actual transactions.

Unrealized internal margin from sale of fish feed from Feed to Farming is eliminated in the Group financial statements until the fish that consumed the feed is sold. In the segment reporting the internal profit is included for Business Area Feed.

BUSINESS AREAS	Feed	Farming	Sales & Marketing		Other	Eliminations	TOTAL
			Markets ¹⁾	Consumer Products ¹⁾			
EUR million							
Q4 2019							
External revenue	7.7	27.9	404.7	671.4	0.0	0.0	1111.7
Internal revenue	163.1	645.2	330.5	2.9	8.8	-1150.4	0.0
Operational revenue	170.8	673.1	735.1	674.3	8.8	-1150.4	1111.7
Derivatives and other items	0.0	-6.0	0.7	2.8	0.0	5.5	3.0
Revenue in profit and loss	170.8	667.1	735.8	677.1	8.8	-1144.8	1114.8
Operational EBITDA ²⁾	17.5	143.6	25.7	21.0	-1.2	0.0	206.5
Operational EBIT	13.8	113.3	25.6	15.1	-2.0	0.0	165.7
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-3.4	-3.4
Gain/loss from derivatives	0.0	-5.5	1.6	8.3	1.8	0.0	6.2
Net fair value adjustment on biological assets	0.2	53.6	0.0	0.0	0.0	0.0	53.8
Onerous contract provisions	0.0	-2.1	0.0	0.0	0.0	0.0	-2.1
Restructuring cost	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Other non-operational items	0.0	-0.4	0.0	-0.7	-1.0	0.0	-2.1
Income from associated companies and joint ventures	0.0	19.4	0.0	0.0	-0.6	0.0	18.8
Impairment losses and write-downs	0.0	-3.0	0.0	-0.2	0.0	0.0	-3.2
EBIT	14.0	175.3	27.2	22.6	-1.7	-3.4	233.9
Q4 2018							
External revenue	8.2	36.4	392.2	637.0	0.0	0.0	1073.7
Internal revenue	123.0	598.3	292.0	6.4	4.0	-1023.7	0.0
Operational revenue	131.2	634.7	684.2	643.3	4.0	-1023.7	1073.7
Derivatives and other items	0.0	1.9	0.1	-0.8	0.1	-1.9	-0.7
Revenue in profit and loss	131.2	636.6	684.3	642.5	4.1	-1025.6	1073.0
Operational EBITDA	7.7	188.7	16.5	44.3	-5.0	0.0	252.3
Operational EBIT	5.8	158.3	16.4	38.4	-5.9	0.0	213.0
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-3.4	-3.4
Gain/loss from derivatives	0.0	9.0	0.1	-9.9	-1.2	0.0	-1.9
Net fair value adjustment on biological assets	0.3	1.4	0.0	0.0	0.0	0.0	1.6
Onerous contract provisions	0.0	10.2	0.0	0.0	0.0	0.0	10.2
Restructuring cost	0.0	0.7	0.0	0.0	0.0	0.0	0.7
Other non-operational items	0.0	-0.8	0.0	0.1	0.0	0.0	-0.7
Income from associated companies and joint ventures	0.0	13.5	0.0	0.0	-0.1	0.0	13.4
Impairment losses and write-downs	0.0	-2.8	-0.1	0.4	0.0	0.0	-2.4
EBIT	6.0	189.5	16.5	29.0	-7.2	-3.4	230.5

BUSINESS AREAS	Feed	Farming	Sales & Marketing		Other	Eliminations	TOTAL
			Markets ¹⁾	Consumer Products ¹⁾			
EUR million							
2019							
External revenue	30.6	102.3	1 606.2	2 396.3	0.0	0.0	4 135.4
Internal revenue	488.8	2 521.6	1 215.3	20.1	28.5	-4 274.3	0.0
Operational revenue	519.4	2 623.8	2 821.5	2 416.4	28.5	-4 274.3	4 135.4
Derivatives and other items	0.0	-7.6	1.9	0.0	0.0	6.0	0.3
Revenue in profit and loss	519.4	2 616.2	2 823.4	2 416.4	28.5	-4 268.2	4 135.6
Operational EBITDA ²⁾	32.8	719.7	75.8	60.5	-14.3	0.0	874.5
Operational EBIT	22.4	602.2	75.2	38.6	-17.5	0.0	720.9
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-5.1	-5.1
Gain/loss from derivatives	0.0	-6.0	2.1	6.0	0.4	0.0	2.4
Net fair value adjustment on biological assets	0.1	-127.7	0.0	0.0	0.0	0.0	-127.5
Onerous contract provisions	0.0	5.3	0.0	0.0	0.0	0.0	5.3
Restructuring cost	0.0	0.0	0.0	-18.9	-0.3	0.0	-19.2
Other non-operational items	0.0	-1.6	0.0	-0.9	-1.4	0.0	-4.0
Income from associated companies and joint ventures	0.0	48.2	0.0	0.3	0.1	0.0	48.7
Impairment losses and write-downs	0.0	-4.2	-0.1	-0.3	0.0	0.0	-4.5
EBIT	22.6	516.2	77.2	24.8	-18.7	-5.1	617.0
2018							
External revenue	15.5	119.5	1 454.2	2 225.2	0.0	0.0	3 814.5
Internal revenue	403.8	2 174.6	1 079.3	30.0	18.8	-3 706.6	0.0
Operational revenue	419.3	2 294.1	2 533.5	2 255.2	18.8	-3 706.6	3 814.5
Derivatives and other items	0.0	-0.5	-2.6	0.0	0.0	0.5	-2.6
Revenue in profit and loss	419.3	2 293.6	2 530.9	2 255.2	18.8	-3 706.1	3 811.9
Operational EBITDA	17.1	742.9	51.0	112.8	-17.6	0.0	906.2
Operational EBIT	9.6	625.2	50.5	88.6	-21.0	0.0	752.8
Change in unrealized internal margin	0.0	0.0	0.0	0.0	0.0	-5.9	-5.9
Gain/loss from derivatives	0.0	-0.5	-2.6	0.5	7.0	0.0	4.4
Net fair value adjustment on biological assets	0.5	145.8	0.0	0.0	0.0	0.0	146.4
Onerous contract provisions	0.0	-6.1	0.0	0.0	0.0	0.0	-6.1
Restructuring cost	0.0	-0.1	0.5	0.0	0.0	0.0	0.3
Other non-operational items	0.0	-0.8	0.0	-0.1	0.0	0.0	-1.0
Income from associated companies and joint ventures	0.0	45.7	0.0	0.0	-0.2	0.0	45.5
Impairment losses and write-downs	0.0	-2.8	0.0	-8.2	0.0	0.0	-11.0
EBIT	10.2	806.3	48.3	80.8	-14.1	-5.9	925.4

¹⁾ From the first quarter of 2019 the Consumer Products reporting segment includes additional value-added operations in Americas which were previously included in the Markets reporting segment. Comparison figures have been re-presented accordingly.

²⁾ Operational EBITDA excludes the effects of IFRS 16.

Note 5 DISAGGREGATION OF REVENUE

BUSINESS AREAS EUR million	Feed		Farming		Sales & Marketing		TOTAL	
	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018	Q4 2019	Q4 2018
Geographical markets								
Europe	6.9	7.3	18.7	13.4	727.0	720.6	752.6	741.4
Americas	0.0	0.0	0.5	21.7	223.1	176.3	223.6	198.0
Asia	0.0	0.0	0.0	0.0	99.7	91.1	99.7	91.1
Rest of the world	0.0	0.0	0.1	0.2	20.6	11.2	20.7	11.3
Revenue from contracts with customers	6.9	7.3	19.4	35.3	1 070.2	999.2	1 096.5	1 041.8
Other income	0.8	0.9	8.5	1.0	5.9	29.9	15.2	31.8
External operational revenue	7.7	8.2	27.9	36.4	1 076.1	1 029.1	1 111.7	1 073.7

BUSINESS AREAS EUR million	Feed		Farming		Sales & Marketing		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
Geographical markets								
Europe	29.2	13.9	60.4	45.4	2 658.5	2 599.4	2 748.1	2 658.8
Americas	0.0	0.0	1.9	50.0	868.9	644.6	870.7	694.6
Asia	0.0	0.0	0.0	0.0	371.7	350.9	371.7	350.9
Rest of the world	0.0	0.0	0.7	0.7	82.8	47.5	83.4	48.2
Revenue from contracts with customers	29.2	13.9	62.9	96.1	3 981.9	3 642.4	4 074.0	3 752.5
Other income	1.4	1.6	39.4	23.4	20.6	37.1	61.4	62.1
External operational revenue	30.6	15.5	102.3	119.5	4 002.5	3 679.5	4 135.4	3 814.5

Source of revenue

The main source of revenue for the Group is sales of Atlantic salmon, including elaborated products.

The business area Sales & Marketing represents the majority of the Group's external revenue. The revenue distribution for Sales & Marketing according to product categories was as follows in the fourth quarter of 2019 (fourth quarter of 2018): Fresh bulk 38% (36%), smoked/marinated 20% (22%), fresh MAP 12% (13%), fresh prepared 15% (11%), frozen prepared 5% (7%), frozen bulk 1% (3%) and other 9% (9%).

The business area Feed sells some feed to external parties. In the fourth quarter of 2019 (fourth quarter of 2018) the business area Farming has external revenue of EUR 9.6 million (EUR 8.2 million) related to sales of Atlantic salmon. Other revenue for Farming includes insurance income and rental income from sales of surplus primary processing capacity.

Note 6 BIOLOGICAL ASSETS

EUR million	Norway	Scotland	Canada	Chile	Other	TOTAL
Fair value adjustment on harvested fish in the statement of comprehensive income						
Q4 2019	-76.6	-12.1	-8.9	-11.8	-3.5	-112.9
Q4 2018	-119.9	-21.5	-25.2	-18.8	-11.7	-197.1
2019	-452.0	-111.7	-72.3	-84.1	-24.7	-744.9
2018	-480.7	-54.5	-80.9	-69.7	-32.0	-717.8
Fair value adjustment on biological assets in the statement of comprehensive income						
Q4 2019	134.8	23.9	5.1	-0.3	7.2	170.7
Q4 2018	100.7	32.8	31.7	30.0	5.0	200.3
2019	414.6	94.0	27.8	56.6	35.9	628.9
2018	574.8	95.2	83.6	87.3	32.7	873.5
Fair value adjustment on incident based mortality in the statement of comprehensive income						
Q4 2019	-2.0	-1.2	0.0	0.0	-0.8	-4.0
Q4 2018	0.0	-0.2	-0.5	0.0	-0.8	-1.5
2019	-7.6	-3.8	4.5	-0.7	-4.0	-11.6
2018	-3.9	-0.6	-2.9	0.0	-2.0	-9.4
Net fair value adjustment biomass in the statement of comprehensive income						
Q4 2019	56.3	10.6	-3.8	-12.1	2.9	53.8
Q4 2018	-19.2	11.1	6.0	11.2	-7.5	1.6
2019	-45.0	-21.5	-40.0	-28.1	7.2	-127.5
2018	90.2	40.2	-0.3	17.6	-1.3	146.4
Volumes of biomass in sea (1 000 tonnes)						
31.12.2019						289.8
30.09.2019						301.2
31.12.2018						305.0
Fair value adjustment on biological assets in the statement of financial position						
31.12.2019						
Fair value adjustment on biological assets	236.1	41.1	33.0	10.8	21.2	342.2
Biomass at cost*						1 180.2
Total biological assets						1 522.4
30.09.2019						
Fair value adjustment on biological assets	179.9	28.7	37.1	23.5	18.2	287.4
Biomass at cost*						1 175.7
Total biological assets						1 463.1
31.12.2018						
Fair value adjustment on biological assets	278.0	60.0	69.0	38.1	14.0	459.1
Biomass at cost*						1 100.2
Total biological assets						1 559.3
* Includes costs related to seawater, freshwater, broodstock and cleanerfish						
Reconciliation of changes in carrying amount of biological assets						
Carrying amount as of 30.09.2019						1 463.1
Cost to stock						461.6
Net fair value adjustment						53.8
Mortality for fish in sea						-22.6
Cost of harvested fish						-433.3
Currency translation differences						-0.1
Total carrying amount of biological assets as of 31.12.2019						1 522.4

EUR million	Norway	Scotland	Canada	Chile	Other	TOTAL
Price sensitivities effect on fair value	9.5	1.7	1.8	2.2	0.8	16.1
The sensitivities are calculated based on a EUR 0.1 change of the salmon price in all markets.						
Onerous contracts provision (included in other current liabilities in the statement of financial position)						
30.09.2019						0.0
Change in onerous contracts provision in the statement of comprehensive income						2.1
Currency translation differences						0.1
31.12.2019						2.2

Note 7 EXCEPTIONAL ITEMS

EUR million	Q1 2019	Q2 2019	Q3 2019	Q4 2019	YTD 2019
Incident based mortality Mowi Norway	3.1	3.0	3.6	6.5	16.1
Incident based mortality Mowi Scotland	0.2	0.5	8.8	10.7	20.2
Net one-off effects Mowi Canada	0.0	1.7	8.2	2.1	12.0
Incident based mortality Mowi Chile	1.0	0.4	1.0	0.6	2.9
Incident based mortality Mowi Faroes	0.0	0.0	0.0	0.0	0.0
Incident based mortality Mowi Ireland	1.7	1.9	4.9	0.9	9.3
Incident based mortality	5.9	7.5	26.5	20.8	60.6
Exceptional sea lice mitigation Mowi Norway	20.3	18.3	22.0	25.1	85.7
Sum exceptional items	26.2	25.8	48.5	45.9	146.3

Note 8 FINANCIAL ITEMS

EUR million	Q4 2019	Q4 2018	2019	2018
Interest expenses	-16.6	-12.5	-58.9	-50.0
Interest expenses leasing (IFRS 16)	-2.8	0.0	-11.3	0.0
Net interest expenses	-19.4	-12.5	-70.2	-50.0
Net currency effect on long term positions	1.6	10.1	-8.4	-2.0
Net currency effects on short term positions	6.0	-4.9	21.0	-11.9
Net currency effects on short term currency hedges	4.6	-4.8	5.8	-4.2
Net currency effects on long term currency hedges	5.2	-18.9	10.0	0.5
Currency effects on leasing (IFRS 16)	0.8	0.0	3.3	0.0
Net currency effects	18.1	-18.6	31.6	-17.7
Change in fair value financial instruments	14.2	0.5	29.4	14.6
Change in fair value conversion liability component of convertible bonds	0.0	-26.0	0.0	-142.3
Net other financial items	-0.2	1.5	-0.5	2.3
Other financial items	14.0	-23.9	29.0	-125.5
Net financial items	12.7	-55.0	-9.5	-193.2

Note 9 SHARE CAPITAL

	No of shares	Share capital (EUR million)	Other paid in capital (EUR million)
Share capital			
Issued at the beginning of 2019	516 039 719	404.0	1 251.0
Share capital increase ¹⁾	1 071 372	0.8	23.7
Issued at the end of period ²⁾	517 111 091	404.8	1 274.7
Treasury shares			
			Cost (EUR million)
Treasury shares at the beginning of 2019	0		
Treasury shares purchased in the period	485 743		10.2
Treasury shares sold in the period	-485 743		-3.9
Treasury shares end of period	0	Trade loss ³⁾	6.3

¹⁾ See note 12.

²⁾ Per December 31 2019 Mowi ASA had a share capital of NOK 3,878,333,182.50 divided into 517,111,091 shares, each with a par value of NOK 7.50.

³⁾ The trade loss arises from sale of shares under the share option scheme for senior executives from 2015.

Note 10 SHAREHOLDERS

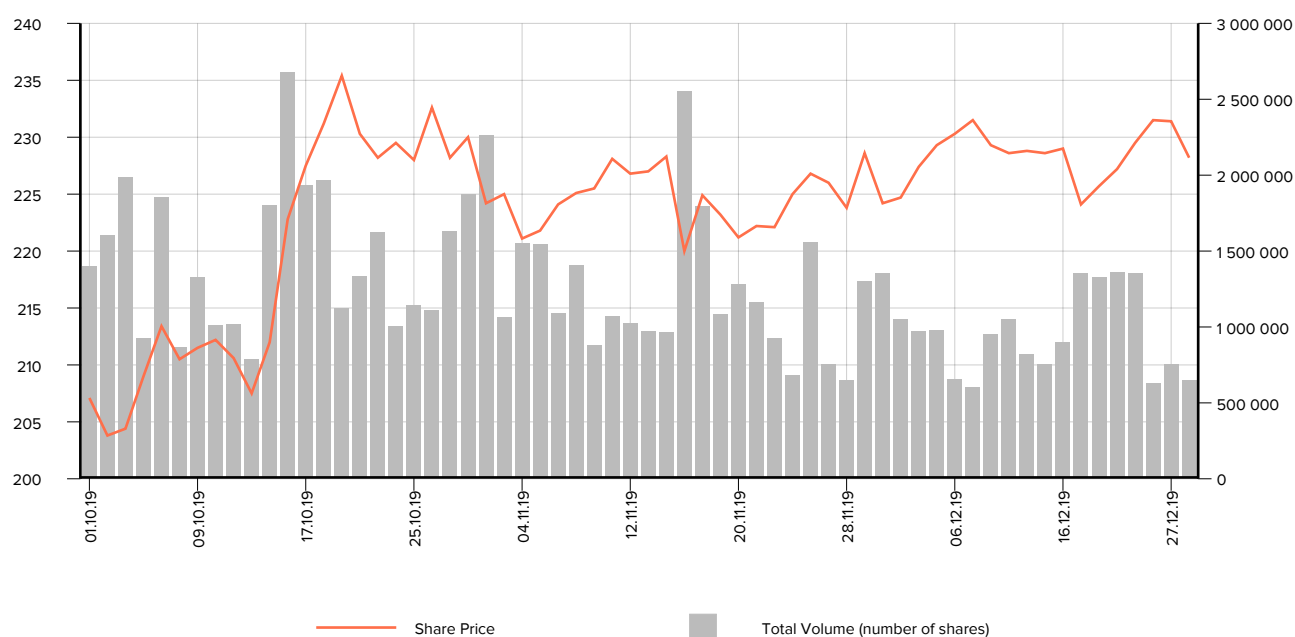
Major shareholders as of 31.12.2019:

Name of shareholder	No. of shares	%
Geveran Trading Co Ltd ¹⁾	74 551 603	14.42%
Folketrygdfondet	46 932 310	9.08%
Clearstream Banking S.A.	26 919 020	5.21%
State Street Bank and Trust Comp	21 887 694	4.23%
Citibank, N.A.	14 038 243	2.71%
State Street Bank and Trust Comp	9 800 066	1.90%
State Street Bank and Trust Comp	9 710 483	1.88%
J.P. Morgan Chase Bank, N.A., London	8 727 088	1.69%
State Street Bank and Trust Comp	7 601 369	1.47%
UBS Switzerland AG	6 303 731	1.22%
Verdipapirfondet DNB Norge	5 866 584	1.13%
SIX SIS AG	5 785 344	1.12%
The Northern Trust Comp, London Br	5 473 787	1.06%
Euroclear Bank S.A./N.V.	4 982 123	0.96%
KLP Aksjenorge Indeks	4 549 839	0.88%
J.P. Morgan Chase Bank, N.A., London	4 346 625	0.84%
State Street Bank and Trust Comp	4 316 059	0.83%
Citibank, N.A.	4 000 000	0.77%
The Northern Trust Comp, London Br	3 173 286	0.61%
J.P. Morgan Chase Bank, N.A., London	3 089 929	0.60%
Total 20 largest shareholders	272 055 183	52.61%
Total other	245 055 908	47.39%
Total number of shares 31.12.2019	517 111 091	100.00%

¹⁾ In addition to the shares included above Geveran Trading Co Ltd have entered into a Total Return Swap ("TRS") agreement with underlying exposure to 4 000 000 shares in Mowi. Expiry date for the TRS agreement is March 6, 2020 and the TRS price is NOK 231.8078 per share.

Note 11 SHARE PRICE DEVELOPMENT

Share price development at Oslo Stock Exchange (ticker MOWI)



Note 12 BUSINESS COMBINATIONS

In July 2019, Mowi entered into a share purchase agreement to acquire 100% of the shares in the salmon farmer K. Strømmen Lakseoppdrett AS, for EUR 79 million (equivalent to NOK 790 million) on a cash and debt free basis. K Strømmen Lakseoppdrett AS is a Norwegian salmon farming company with four licenses, each with a maximum allowed biomass of 780 tonnes, for sea-based salmon production in Bremanger municipality, Sogn og Fjordane. In August, the acquisition was cleared by the Norwegian competition authorities. The transaction was closed on 22 August 2019, and this date has been identified as the acquisition date.

The value of the four licenses, excluding biomass, equipment and sites, is approximately NOK 600 million, equivalent to approximately NOK 150 million per license.

30% of the purchase price was settled through issuing new Mowi shares, and 70% of the purchase price was settled in cash. The subscription price was set at NOK 226.7855 per share to settle the 30% of the purchase price, corresponding to the volume weighted average trading price of Mowi's shares on Oslo Børs on the five business days prior to the closing date.

K. Strømmen Lakseoppdrett AS is in the process of being integrated in the operations of Mowi Norway Region Mid. Mowi expects synergies through the combination our existing business with the acquired company. In this report, K. Strømmen Lakseoppdrett AS is reported as part of Norway Region Mid.

The provisional aggregated goodwill of EUR 19.8 million relates primarily to the following factors:

- The value of operable sites, EUR 4.0 million.
- A technical effect related to deferred tax: IFRS accounting regulations require recognition of deferred tax at nominal value on the difference between fair values and tax base values of net assets acquired, and goodwill is the offsetting entry to this deferred tax.
- Expected synergies from combining the assets and activities of K. Strømmen Lakseoppdrett AS with Mowi.

Goodwill is not deductible for income tax purposes. The table below summarizes the consideration paid for K. Strømmen Lakseoppdrett AS and the assessed fair value of the assets acquired and liabilities assumed, recognized at the acquisition date.

Recognized amounts of identifiable assets acquired and liabilities assumed	NOK million	EUR million
Provisional fair value		
Licenses	600.0	60.4
Property, plant and equipment	26.0	2.6
Inventory	1.5	0.2
Biological assets	115.6	11.6
Investments in other shares	11.4	1.1
Trade receivables	7.3	0.7
Other receivables	2.5	0.3
Cash and cash equivalents	56.4	5.7
Deferred tax liabilities	-175.3	-17.7
Other long term debt	-17.0	-1.7
Other current liabilities	-14.7	-1.5
Total identifiable net assets	613.6	61.8
Goodwill *)	196.3	19.8
Consideration	809.9	81.6

*) See comment regarding goodwill above.

If K. Strømmen Lakseoppdrett AS had been consolidated from 1 January 2019, revenue for the Group would have been increased by EUR 13.3 million and profit* would have been increased by EUR 2.5 million in the consolidated statement of comprehensive income. Acquisition-related costs of EUR 0.2 million have been recognized as other operating expenses in the consolidated statement of comprehensive income in accordance with IFRS 3.

* fair value adjustment set to zero

Forward looking statements

This report may be deemed to include forward-looking statements, such as statements that relate to Mowi's goals and strategies, salmon prices, ability to increase or vary harvest volume, production capacity, future capital expenditures and investments and the expected returns therefrom, trends in the seafood industry, restructuring initiatives, exchange rate and interest rate fluctuations, expected research and development expenditures, business prospects and positioning with respect to market, demographic and pricing trends, strategic initiatives, financial target (including ROCE and NIBD), planned operational expenses, product demand and trends, supply trends, expected price levels, and the effects of any extraordinary events and various other matters (including developments with respect to laws, regulations and governmental policies regulating the industry and changes in accounting policies, standards and interpretations) on Mowi's business and results. Forward-looking statements are typically identified by words or phrases, such as "believe," "expect," "anticipate," "intend," "estimate," "may increase," "may fluctuate," "plan," "goal," "target," "strategy," and similar expressions or future or conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements are Mowi's current estimates or expectations of future events or future results. Actual results could differ materially from those indicated by these statements because the realization of those results is subject to many risks and uncertainties. Mowi ASA's annual report contains additional information about factors that could affect actual results, including: changes to the price of salmon including the value of our biological assets; hedging risks; risks related to fish feed; economic and market risks; environmental risks; operational risks; risks related to escapes, disease and sea lice; product risks; risks related to our acquisitions; financing risks; regulation risks including relating to food safety, the aquaculture industry, processing, competition and anti-corruption; trade restriction risks; litigation risks; tax and accounting risks; strategic and competitive risks; and reputation risks. All forward-looking statements included in this report are based on information available at the time of the release, and Mowi assumes no obligation to update any forward-looking statement.