

Q1 2021 Presentation

Klepp, 7 May 2021

Knut Nesse, CEO

Ronny Meinkøhn, CFO





Technology for sustainable biology

Agenda | Q1 2021

Highlights and Outlook

Knut Nesse, CEO

Financial Performance

Ronny Meinkøhn, CFO

Q&A Session



Highlights | Q1 2021

Operation



- Activity level reduced by 4% in Q1 compared to Q1 20
- EBIT impacted significantly by 49,7 MNOK in non-recurring costs related to the cyber-attack
- COVID-19 restrictions have an increasing impact on the top line and the cost level in ongoing operations
- Successful delivery of 4 barges to customer in Chile

Innovation and Digital

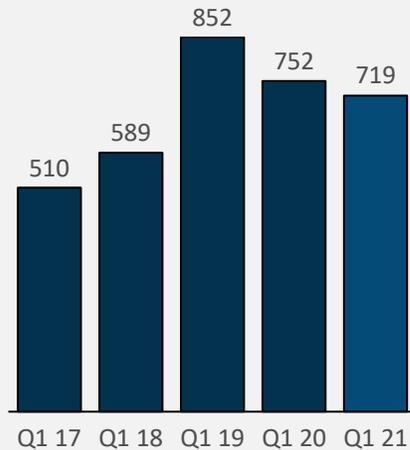


- High focus on developing our capabilities within Land Based technology and advisory services
- Strategic important acquisition of equity stake in Observe Technologies completed in February
- New Chief Digital Officer hired and strengthened digital organization

Key figures | Q1 2021

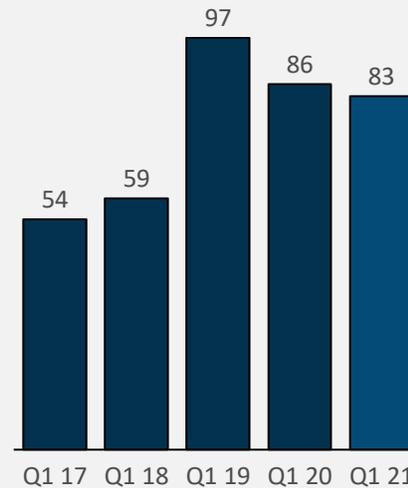
Revenue

719 MNOK



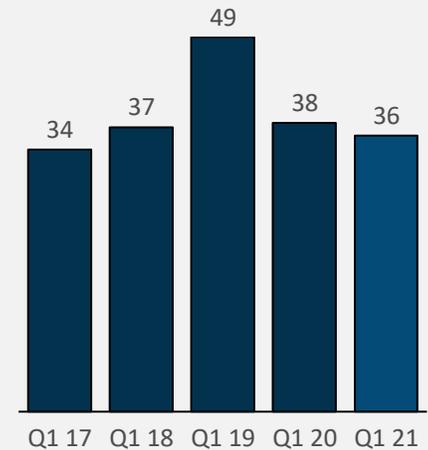
EBITDA excluding cyber-attack costs*

83 MNOK



EBIT excluding cyber-attack costs*

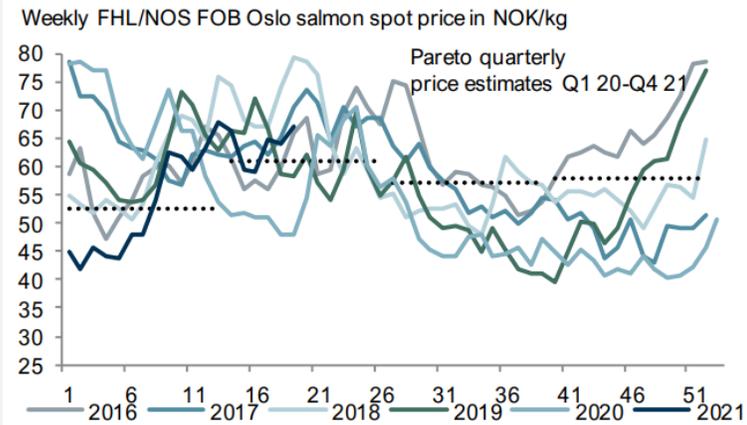
36 MNOK



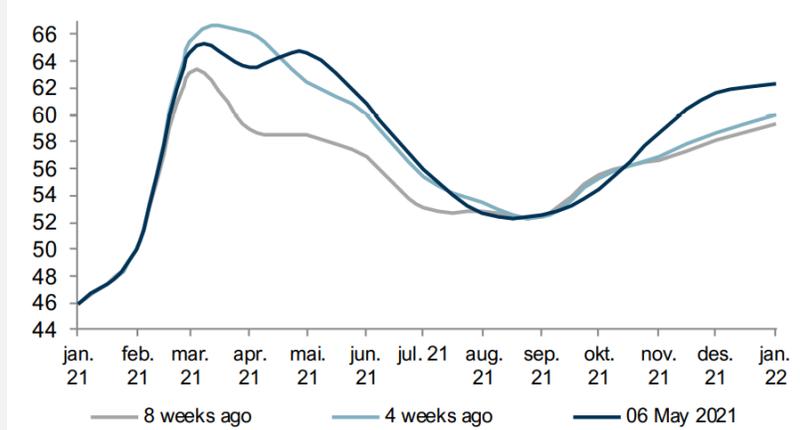
* Note: Costs of 49,7 MNOK related to cyber-attack in Q1 21 are excluded

Market development

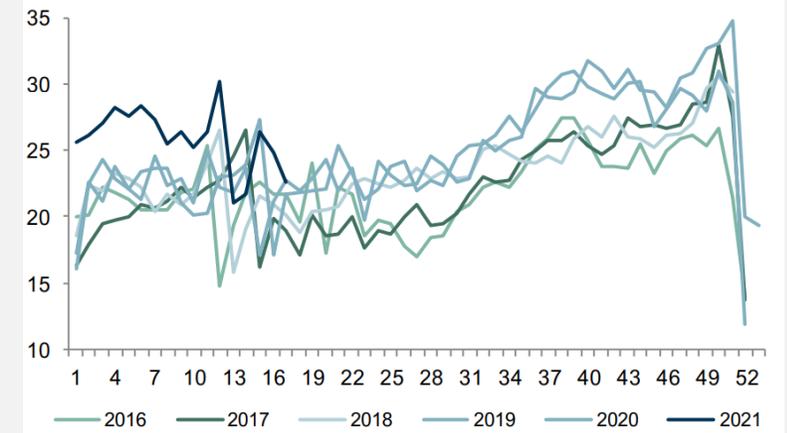
Salmon price development



2021 Fishpool forwards curve dynamics (NOK/kg)



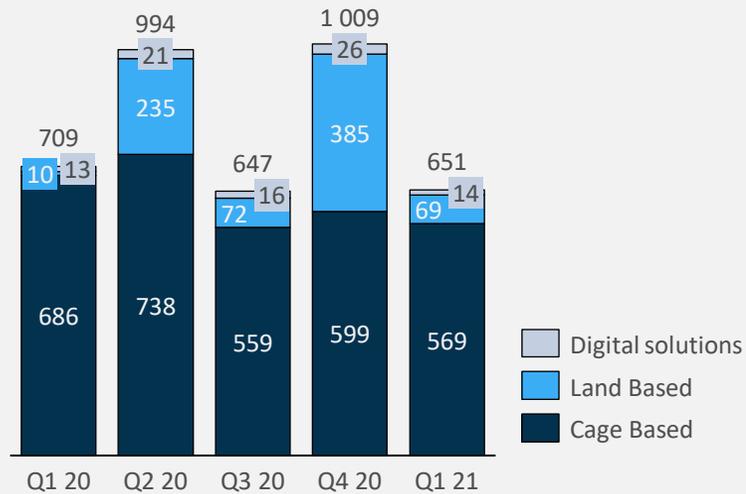
Export volumes Norway (k tonnes)



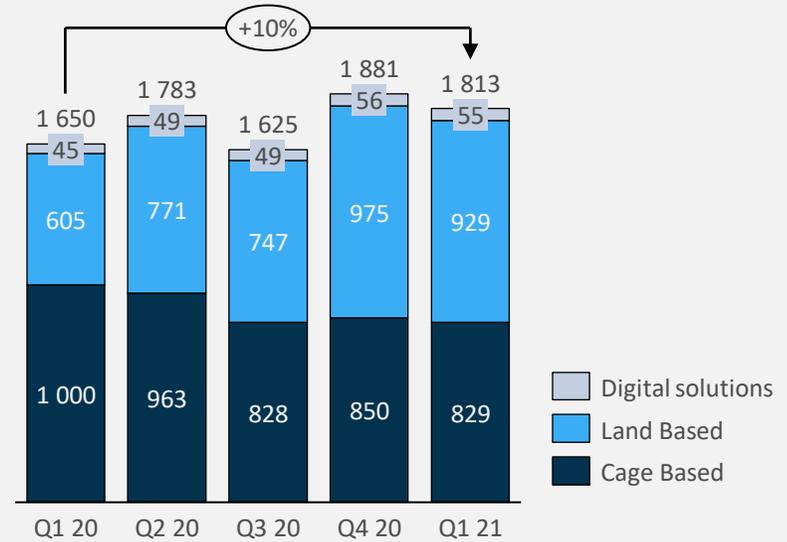
Source: [Pareto Seafood Price Update](#) 06.05.2021

Development order intake and order backlog

Order intake (MNOK)

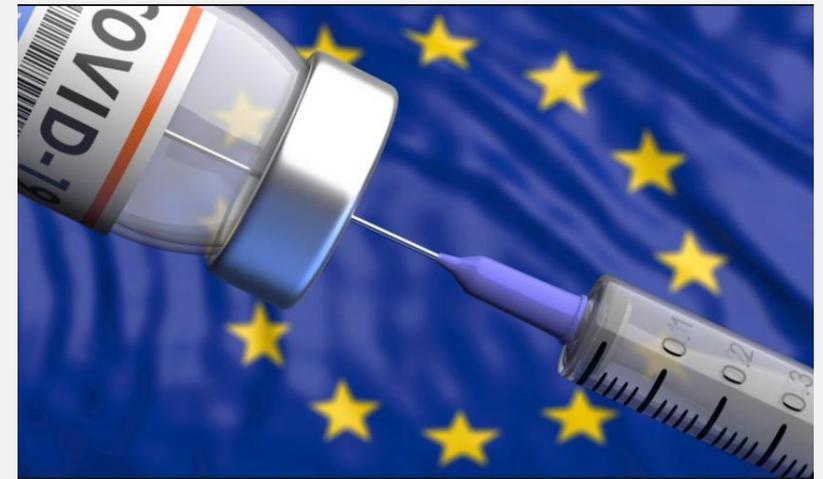


Order backlog (MNOK)



COVID-19 | Negative impact on operations

- Negative implications are mainly related to travel restrictions and use of foreign workforce in ongoing operations
- Cage Based
 - Service stations
 - Difficult to replace foreign labor with local labor
 - Influences both topline and cost level
 - Supply chain restrictions
 - Affecting revenue in Chile
- Land Based projects
 - Cross-border travel is important to ensure progress in the projects
 - Travel restrictions make operations more costly
 - Continued uncertainty and risk
- Overall negative EBIT effect of approx. MNOK 10 in Q1 21 related to COVID-19 restrictions



Cyber-attack | Significant non-recurring costs

- On Sunday 10 January AKVA group fell victim to a cyber extortion attack from a group of criminal hackers
 - All main IT systems are now restored in a safe environment
 - Various support systems still in the process of being restored
- Significant non-recurring costs of MNOK 49,7 recognized in Q1
 - Direct costs of MNOK 40,7
 - Consequential operational costs of MNOK 9,0
- The cyber-attack will not impact operations or incur additional costs in Q2 21 and beyond



Strategy for Land Based Salmon Farming

1

Market leading Zero Water Concept RAS enabling sustainable and cost-effective production

2

Delivering complete scope of fish farming technology (e.g. feeding, fish tanks, fish handling, camera, lights, sensors, control system)

3

Data driven insight and intelligent farming systems enabling consistent and optimized production - "Precision Farming"

4

Production Advisory Services – RAS production competence group helping customers maximizing output and reducing cost

Standard 5,000 tonnes modules

Build up LB organization in Norway

AKVA group Innovation agenda – Centre of Excellence

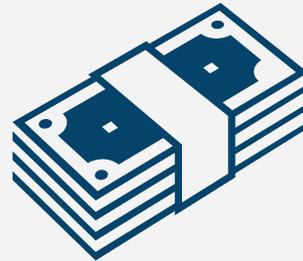
Strategic guidance



Organic topline growth



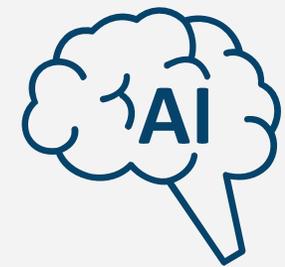
Operational excellence



- Deliver min. 25% EBIT-increase Y-o-Y
- Step by step improve ROACE to min. 15% by 2023.



Min. 50% increase in Innovation spending to support new Product development and Organic growth



3 Digital platforms: AKVAconnect, AKVA Observe and Fishtalk

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Q1 2021 – Income statement

- Adjusted for the impact related to the cyber-attack and COVID-19 the financial performance in Q1 was acceptable
- Adjusted EBITDA % and EBIT % at the same level as in Q1 20
- Costs associated with the COVID-19 restrictions impacting the P&L in Q1 21 with estimated MNOK 10
- High financial costs in period mainly due to lower share price on the investment in Nordic Aqua Partners – effect of MNOK 7

NOK million	2021 Q1	2020 Q1	2020 Total
Revenue	719	752	3 177
EBITDA	33	86	338
EBITDA margin	4,6 %	11,4 %	10,6 %
EBITDA ex. cyber-attack costs¹	83	86	338
EBITDA margin ex. cyber-attack costs ¹	11,5 %	11,4 %	10,6 %
Depreciation, amortization and impairment	47	48	191
EBIT	-14	38	147
EBIT margin	-1,9 %	5,0 %	4,6 %
EBIT ex. cyber-attack costs¹	36	38	147
EBIT margin ex. cyber-attack costs ¹	5,0 %	5,0 %	4,6 %
Net Financial Items	-17	-6	-26
Income (loss) before tax	-31	32	121
Income (loss) before tax ex. cyber-attack costs¹	19	32	121
Income tax	-6	10	31
Net income (loss)	-25	21	91
Net income (loss) ex. cyber-attack costs ¹	14	21	91
Earnings per share (NOK)	-0,74	0,63	2,74
Earnings per share (NOK) ex. cyber-attack costs ¹	0,43	0,63	2,74

¹ Cyber-attack costs of 49,7 MNOK

Non-recurring cyber-attack costs

Direct costs: MNOK 40,7

- All related to third party costs

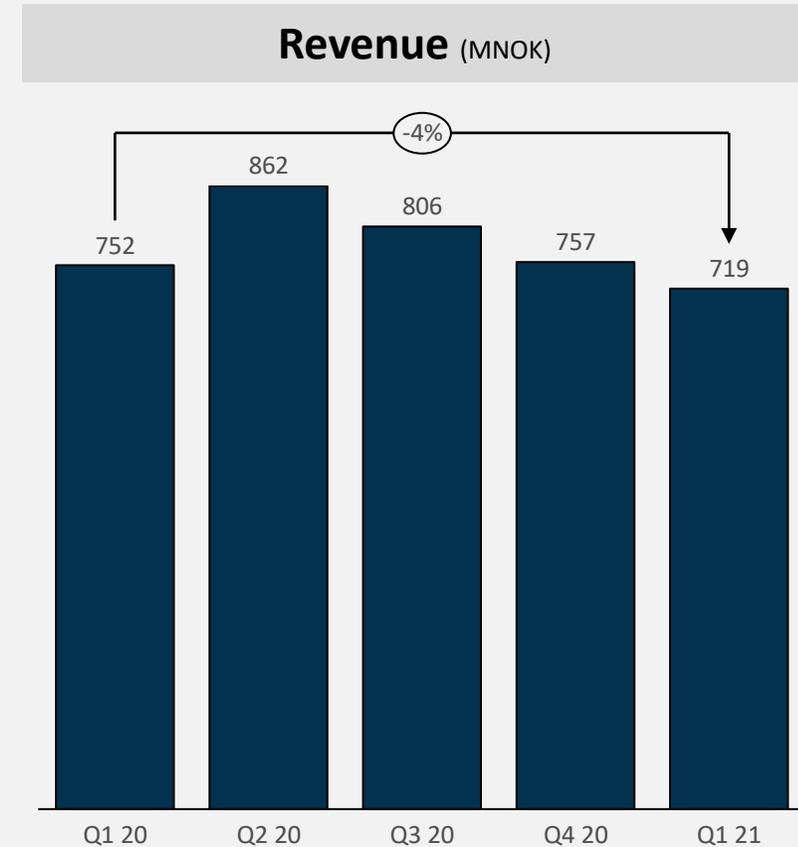
Consequential operational costs: MNOK 9,0

- Cage Based: MNOK 2,2 (unproductive time Chile and Norway)
- Land Based: MNOK 3,7 (unproductive time Chile and Denmark)
- Digital Solutions: MNOK 3,1 (reduced revenue due to downtime on IT systems)

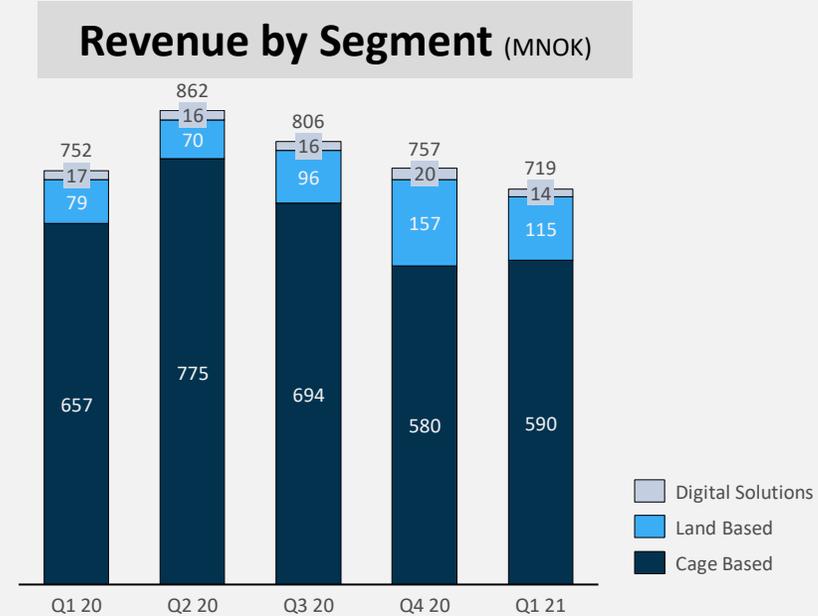
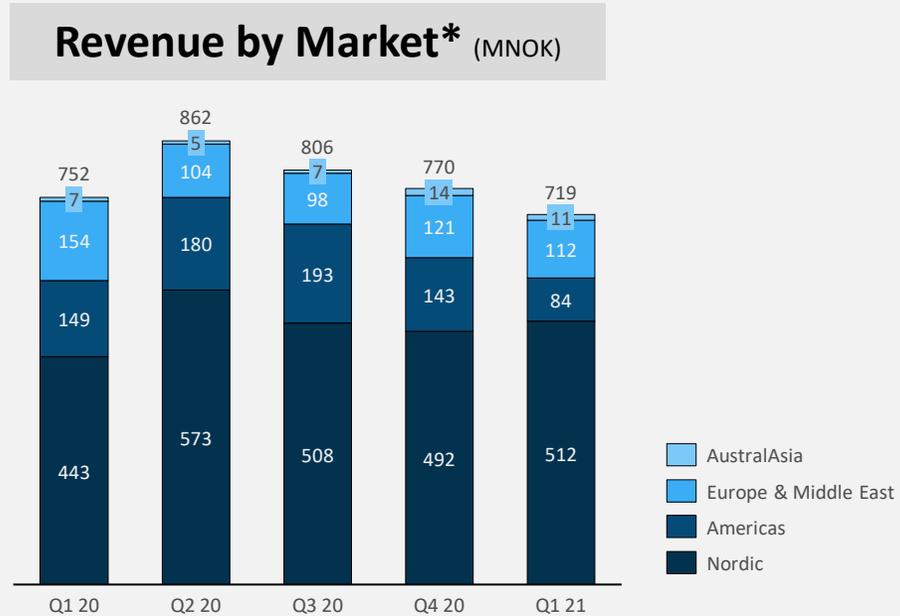
Total costs cyber-attack: MNOK 49,7

Revenue development

- Last twelve months order intake and revenue of MNOK 3 307 and MNOK 3 144, respectively
- Revenue reduced by 4% compared to Q1 20
- Increased activity in Land Based business but reduced revenue in both Cage Based and Digital Solutions compared to Q1 20



Revenue by Market and Segment



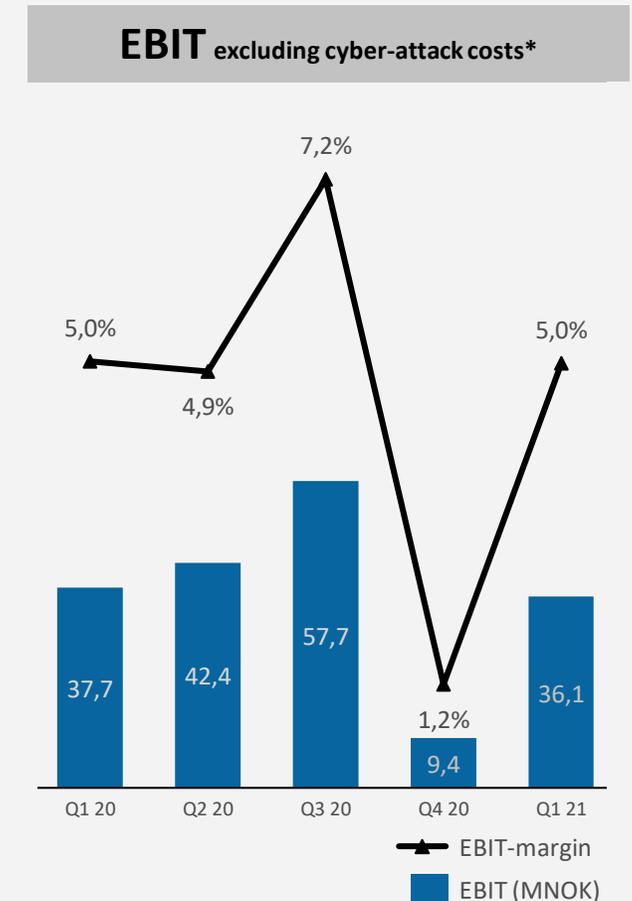
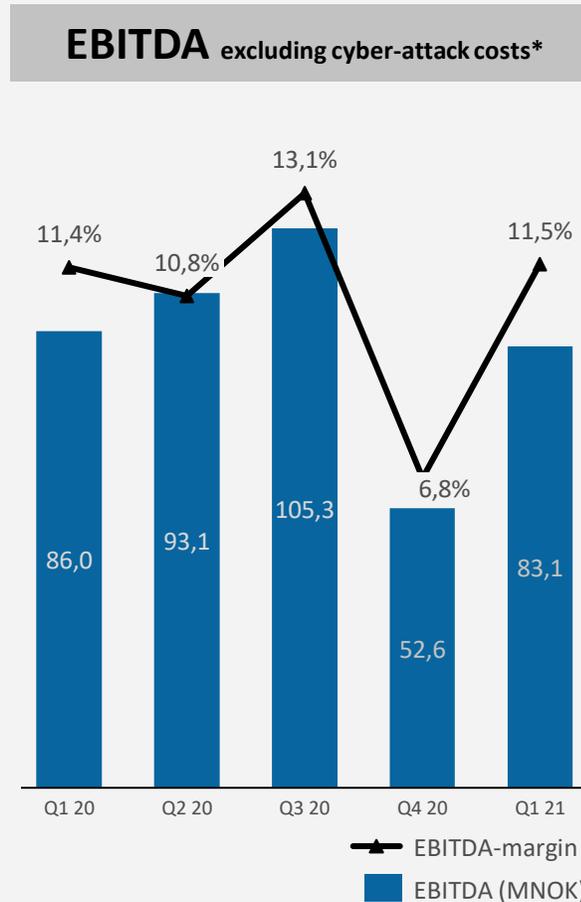
- Compared to Q1 20 the revenue in the Nordic market increased by 16%
- Low activity in Americas mainly due to the combination of COVID-19 restrictions and algae boom in Chile

- Cage Based revenue represents 82% of total revenue in Q1 2021 compared to 87% in Q1 20

* Note: Market definition is location of customer

EBITDA and EBIT development

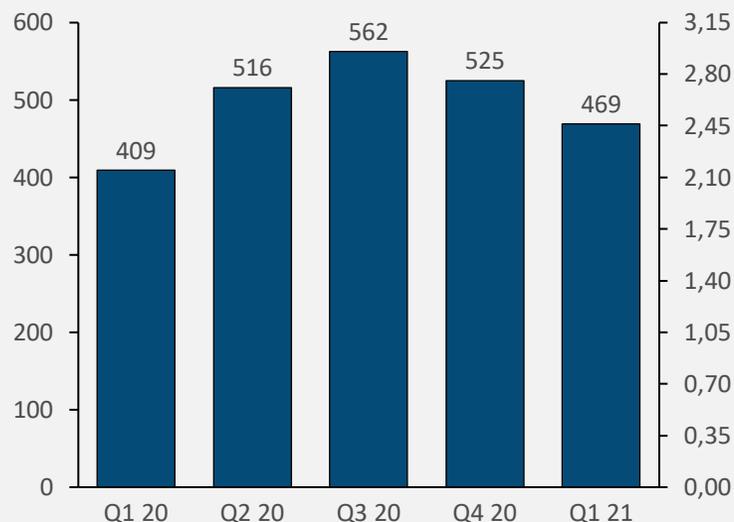
- Profitability, adjusted for cyber-attack costs, at the same level as in Q1 20
- Significantly improved compared to Q4 20
- Costs associated with the COVID-19 restrictions impacting the P&L in Q1 21 with MNOK 10



*Note: Costs of MNOK 49,7 related to cyber-attack in Q1 21 is excluded

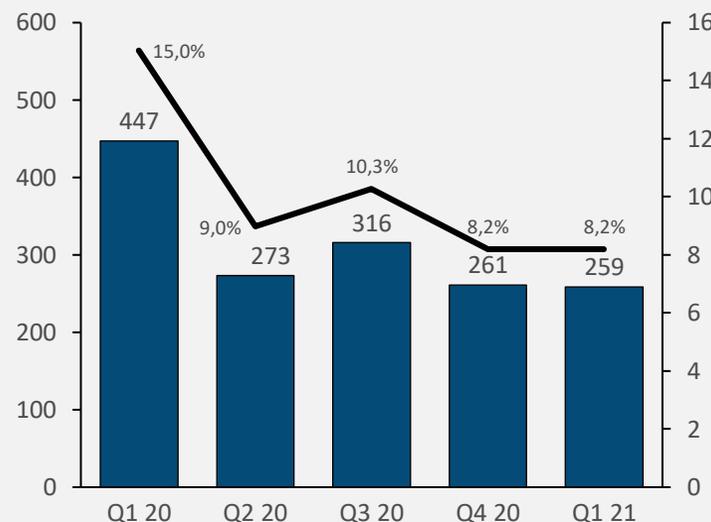
Cash flow and financial position

Available cash



- Including a MNOK 300 unused credit facility in Danske Bank end of Q1 21

Net Working capital



Net debt / EBITDA*

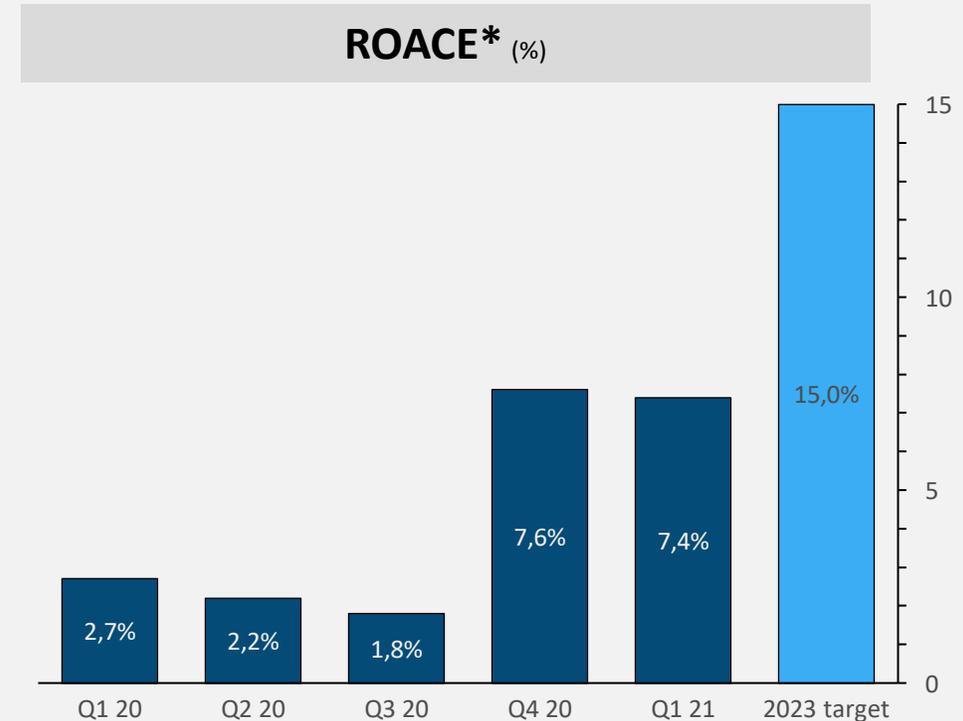


— NIBD/EBITDA (12 mth rolling)
 ■ NIBD
 ■ Lease Liability (IFRS 16)
 NIBD/EBITDA covenant threshold of 4,25

*Note: NIBD/EBITDA ratio for the period Q1 20 to Q3 20 is adjusted for non-recurring items of MNOK 108 and in Q1 21 for non-recurring cyber-attack costs of MNOK 49,7

Development return on capital employed

- ROACE marginally reduced from 7,6% in Q4 20 to 7,4% in Q1 21
- Target of minimum 15% in 2023 remains unchanged

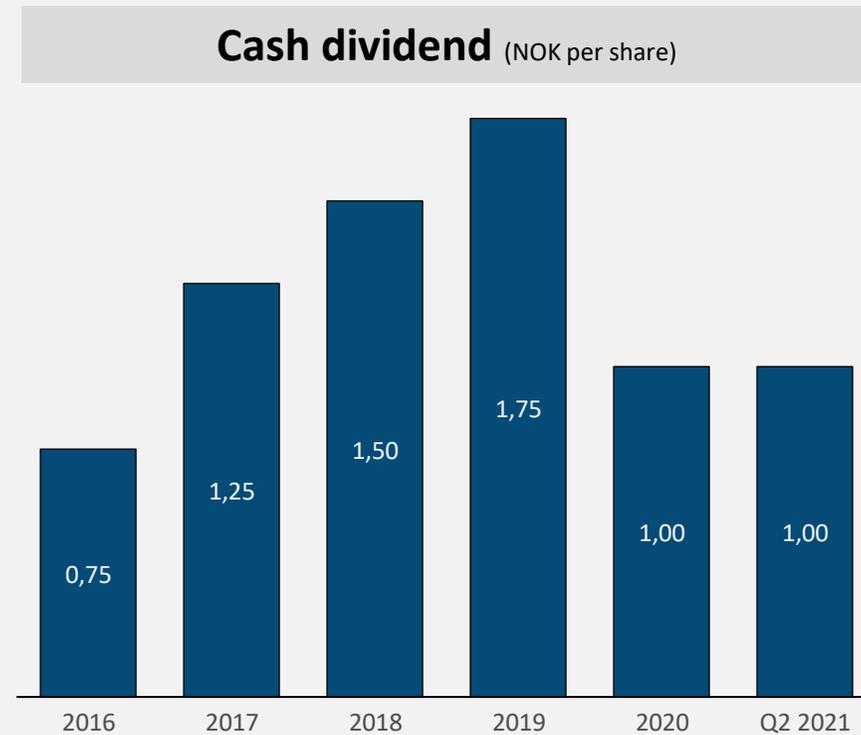


- ROACE is calculated with the average balance sheet items last four quarters
- ROACE is calculated ex balance sheet items of IFRS 16

* Note: Costs of MNOK 49,7 related to cyber-attack in Q1 21 is excluded when calculating ROACE

Dividend

- A dividend of NOK 1,00 per share was paid on 14 April 2021





Business segments

Cage Based Technology

- Order intake and revenue reduced by respectively 17% and 10% in Q1 21 compared to Q1 20

Nordic

- Revenue increase of 2% in Q1 compared to Q1 20
- Total order intake of MNOK 358 and 31% decline compared to Q1 20

Americas

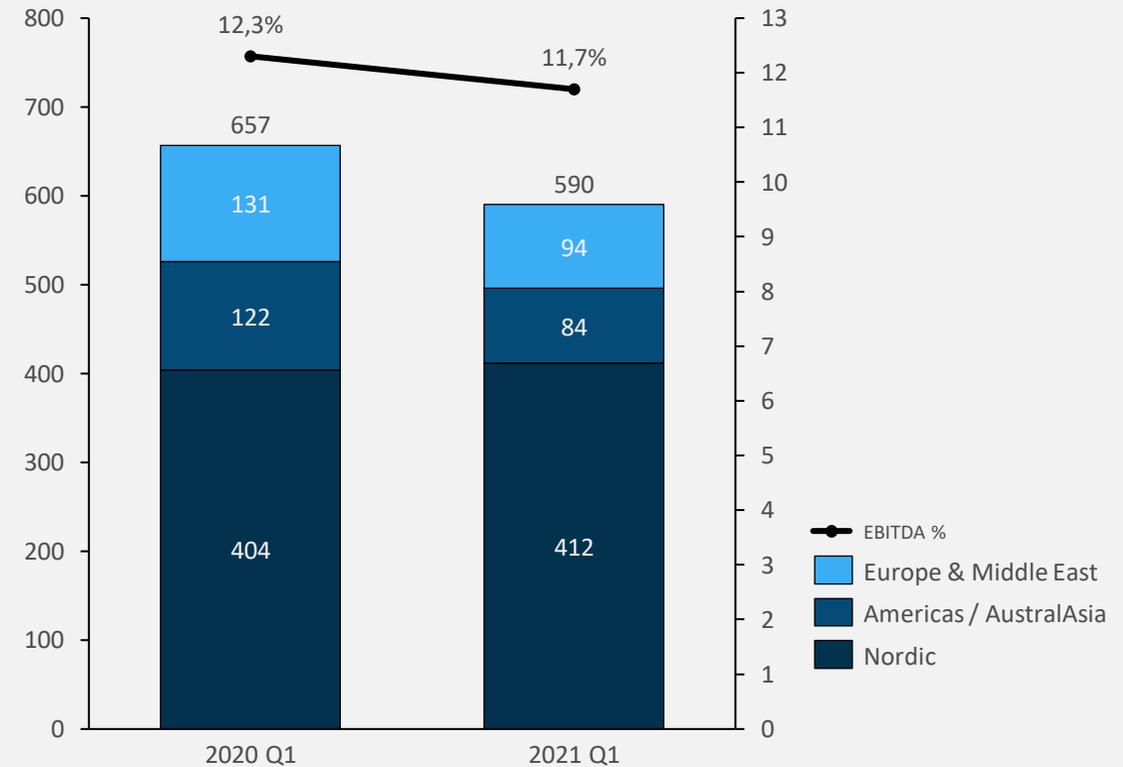
- 31% reduction in revenue in Q1 compared to Q1 20
- Decrease in order intake of 32% in Q1 compared to Q1 20

Europe & Middle East

- 28% reduction in revenue but a significant increase in order intake of 57% compared to Q1 20

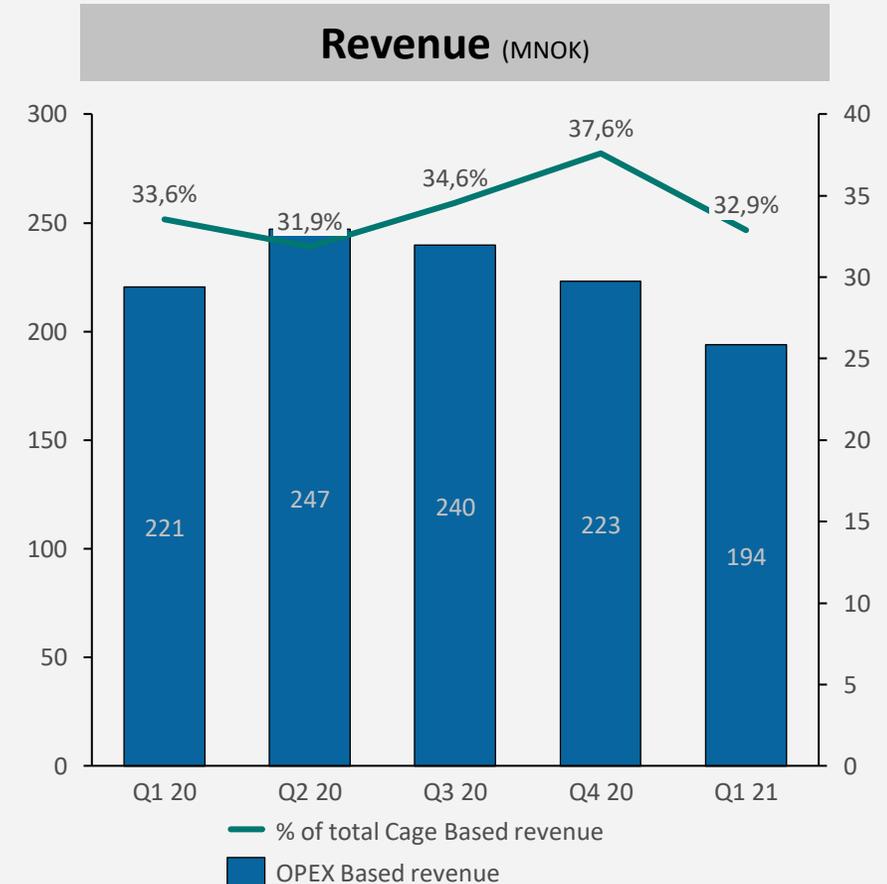
* Note: EBITDA-margin in Q1 2021 is adjusted for cyber-attack costs (MNOK 42,9)

Revenue (MNOK) and EBITDA-margin* (%)



Development OPEX based revenue

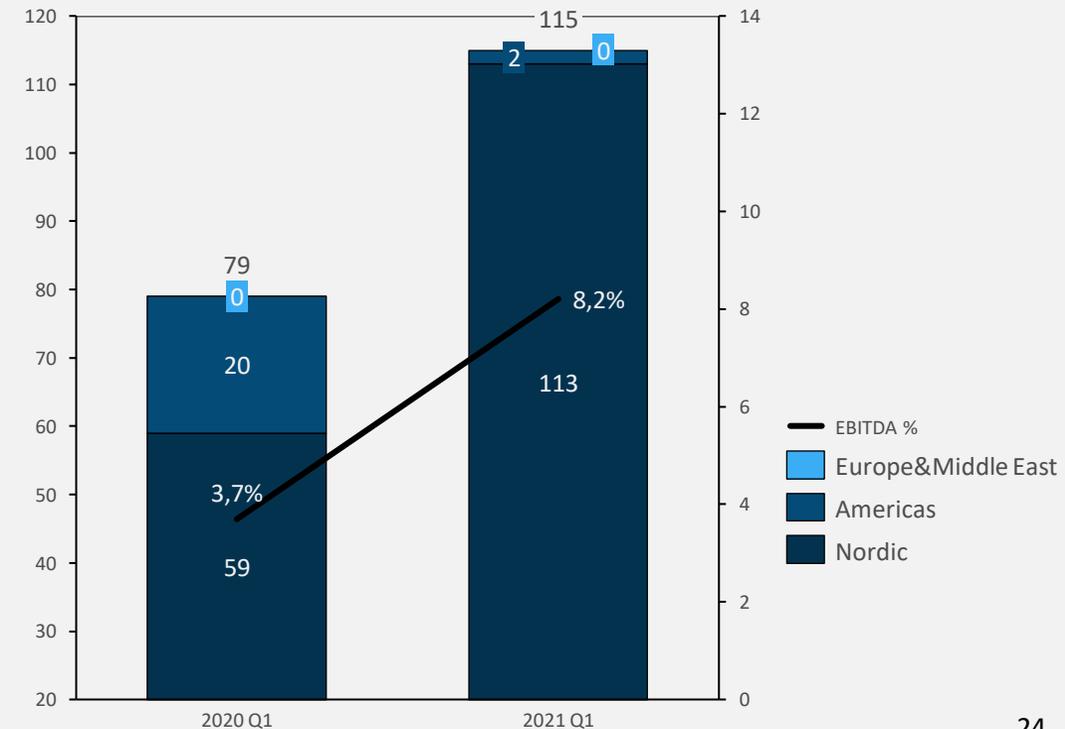
- Reduced share of recurring revenue in Q1 21 is mainly related to lower activity at service stations due to COVID-19 restrictions
- The positive trend from 2020 is expected to continue when the travel restrictions cease



Land Based Technology

- Order intake of MNOK 69 in the quarter compared to MNOK 10 in Q1 2020
- Revenue increased by 46% in Q1 21 compared to Q1 20
- EBITDA of MNOK 9.4 in Q1 21 compared to MNOK 2.9 in Q1 20, and MNOK 7.9 in Q4 20

Revenue (MNOK) and EBITDA-margin* (%)

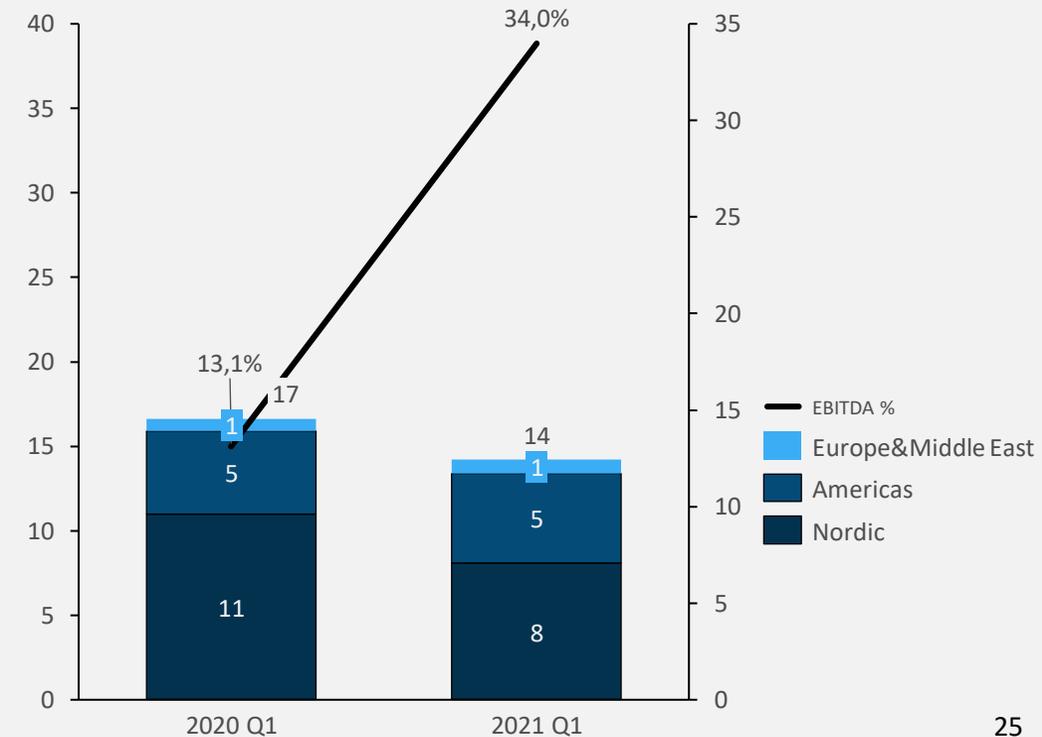


* Note: EBITDA-margin in Q1 2021 is adjusted for cyber-attack costs (MNOK 3,8)

Digital Solutions

- Positive trend continues with high EBITDA margin of 34% in Q1 20 compared to 13.1% in Q1 20
- High focus to further develop our digital capabilities and increase activity level

Revenue (MNOK) and EBITDA-margin* (%)

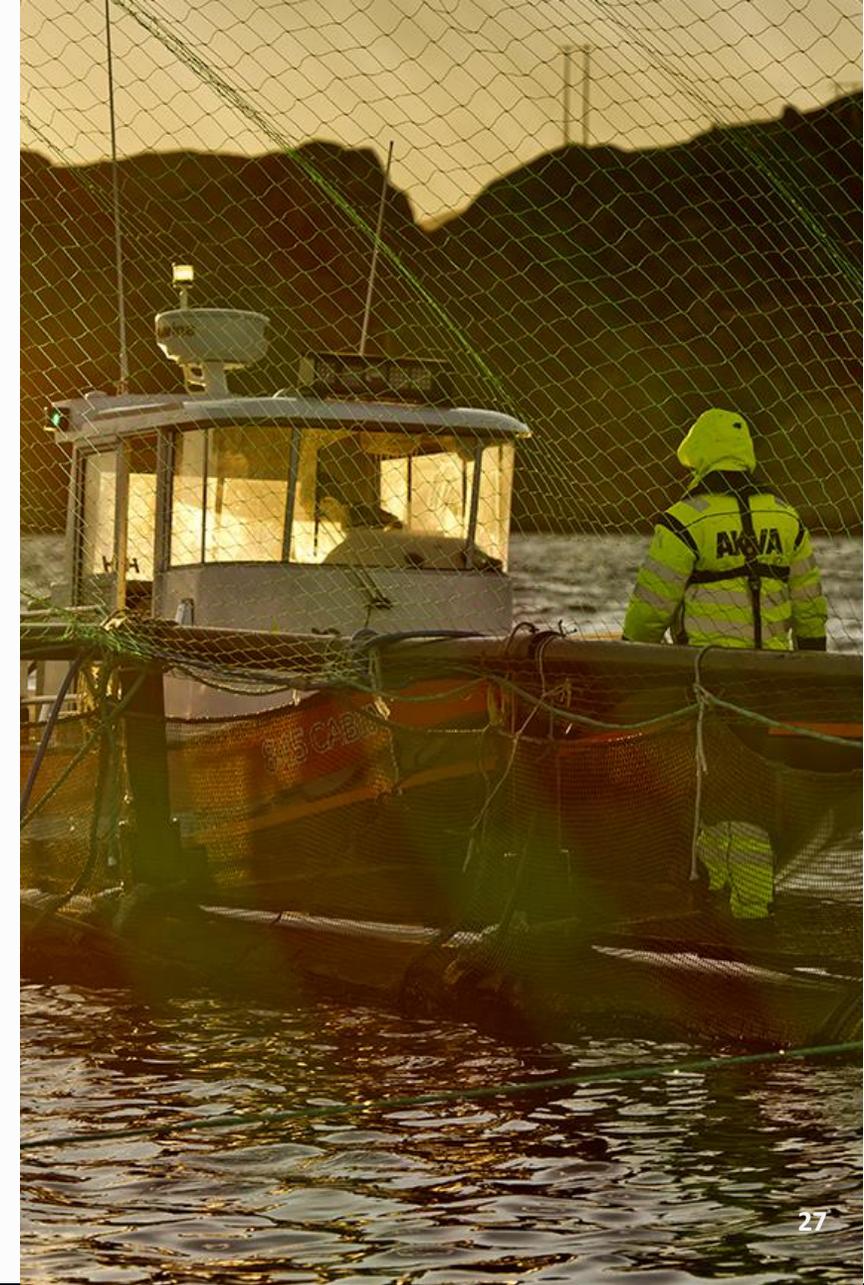


* Note: EBITDA-margin in Q1 2021 is adjusted for cyber-attack costs (3,1 mNOK)

 Outlook

Outlook

- Order backlog is sound and forms a good foundation for our organic growth strategy
- In the short term, the company expects the negative impact from the COVID-19 implications to continue
- Long term fundamentals remain however unchanged as presented in our Capital Markets Day in November 2020
- Digital products is an important part of AKVA groups total product offering and the company will continue to invest and improve our solutions, both within Cage Based and Land Based Technology
- Finance profile remains strong, and the company is fully financed to execute the strategy



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Appendix

AKVA group in brief



Leading
technology
and service
partner



Listed on
Oslo stock
exchange
since 2006



Deliveries
in 65
countries
over 40
years



Companies
in 10
countries.
1 489
employees

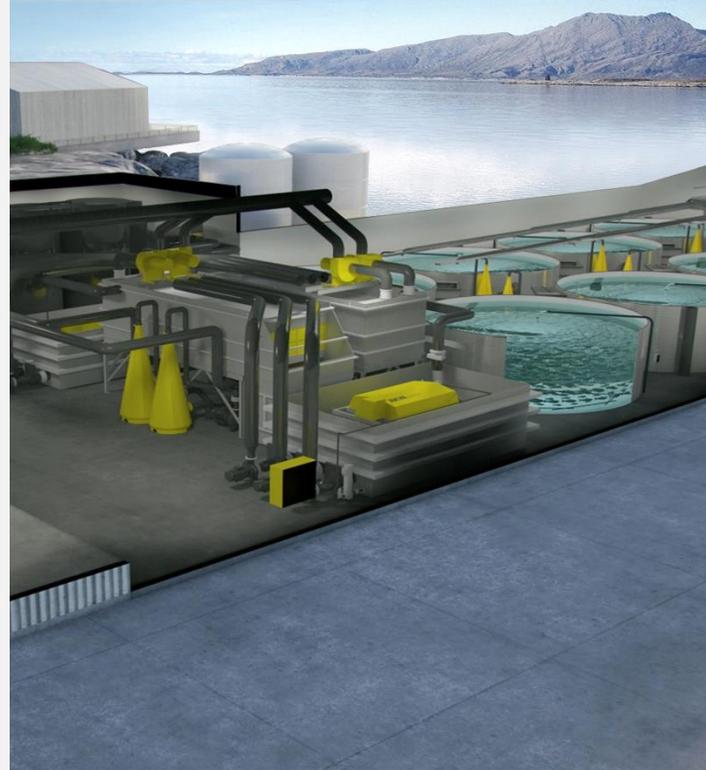


Solutions

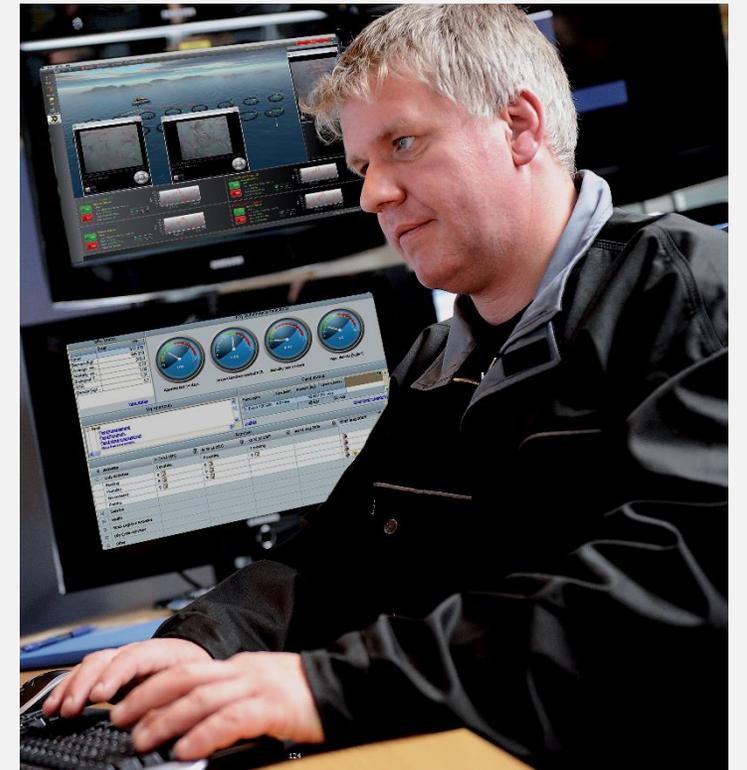
Cage Based Technology



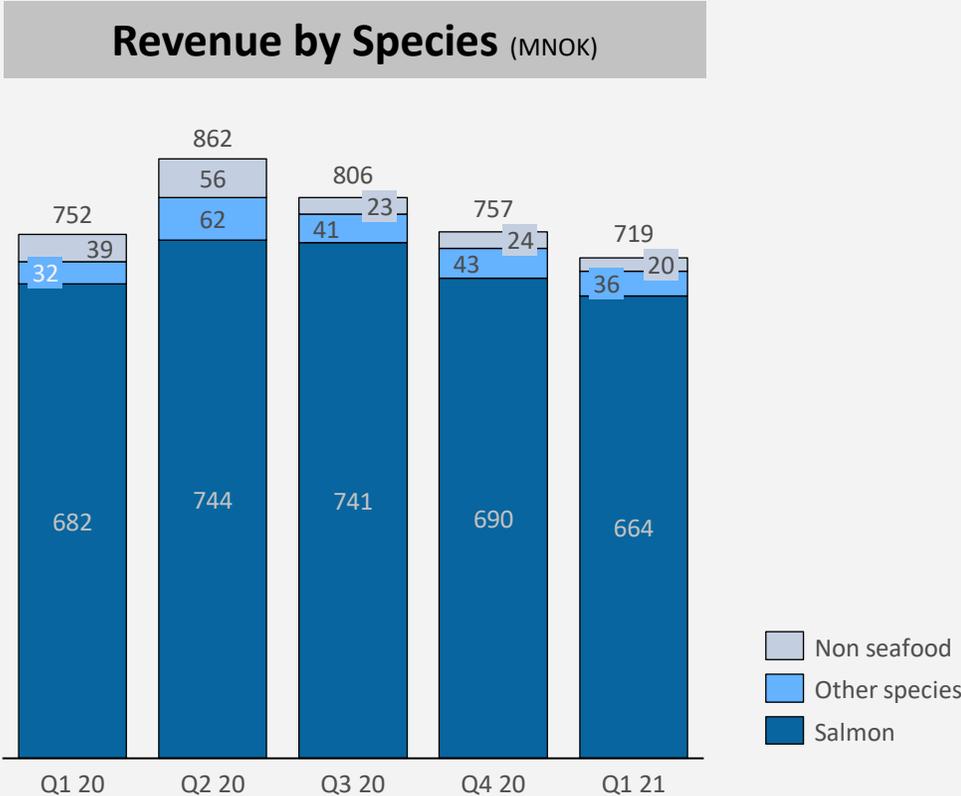
Land Based Technology



Digital Solutions



Revenue by species



Balance sheet

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
(NOK 1 000)	2021	2020	2020
	31.3.	31.3.	31.12.
Intangible fixed assets	1 033 874	1 071 662	1 043 350
Deferred tax assets	3 078	22 346	10 872
Fixed assets	736 389	787 564	749 124
Long-term financial assets	179 240	84 603	148 437
FIXED ASSETS	1 952 581	1 966 174	1 951 784
Stock	494 138	573 171	474 930
Trade receivables	570 068	574 339	483 993
Other receivables	76 058	58 224	91 103
Cash and cash equivalents	168 575	155 517	224 884
CURRENT ASSETS	1 308 838	1 361 250	1 274 910
TOTAL ASSETS	3 261 420	3 327 425	3 226 694
Paid in capital	880 174	880 372	880 174
Retained equity	115 181	153 156	161 364
Equity attributable to equity holders of AKVA group ASA	995 355	1 033 528	1 041 538
Non-controlling interests	148	3 547	158
TOTAL EQUITY	995 504	1 037 075	1 041 696
Deferred tax	45 974	71 628	58 272
Other long term debt	39 879	102 358	32 361
Lease Liability - Long-term	459 034	370 568	444 920
Long-term interest bearing debt	754 092	861 827	766 239
LONG-TERM DEBT	1 298 979	1 406 381	1 301 792
Short-term interest bearing debt	844	73 203	844
Lease Liability - Short-term	84 583	52 236	93 821
Other current liabilities	881 510	758 530	788 542
SHORT-TERM DEBT	966 937	883 968	883 207
TOTAL EQUITY AND DEBT	3 261 420	3 327 425	3 226 694

Cash flow statement

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW					
(NOK 1000)	2021	2020	2021	2020	2020
	Q1	Q1	YTD	YTD	Total
Cash flow from operations ex. working capital items	-1 192	86 583	-1 192	86 583	283 227
Cash flow from change in working capital	3 399	-157 218	3 399	-157 218	21 744
Net cash flow from operational activities	2 207	-70 635	2 207	-70 635	304 970
Net cash flow from investment activities	-39 899	-55 474	-39 899	-55 474	-188 401
Net cash flow from financial activities	-18 505	108 270	-18 505	108 270	-52 692
Net change in cash and cash equivalents	-56 197	-17 839	-56 197	-17 839	63 877
Net foreign exchange differences	-112	12 357	-112	12 357	10
Cash and cash equivalents at the beginning of the period	224 884	160 999	224 884	160 999	160 999
Cash and cash equivalents at the end of the period	168 575	155 517	168 575	155 517	224 884

Largest shareholders

20 largest shareholders

No of shares	%	Account name	Type	Citizenship
20 703 105	62,1 %	EGERSUND GROUP AS		NOR
1 620 685	4,9 %	PARETO AKSJE Norway VERDIPAPIRFOND		NOR
1 037 411	3,1 %	VERDIPAPIRFONDET NORDEA KAPITAL		NOR
984 205	3,0 %	SIX SIS AG	Nominee	CHE
975 932	2,9 %	VERDIPAPIRFONDET ALFRED BERG GAMBA		NOR
851 485	2,6 %	VERDIPAPIRFONDET NORDEA AVKASTNING		NOR
672 840	2,0 %	VERDIPAPIRFONDET NORDEA Norway PLUS		NOR
495 100	1,5 %	FORSVARETS PERSONELLSERVICE		NOR
430 000	1,3 %	VERDIPAPIRFONDET ALFRED BERG Norway		NOR
377 883	1,1 %	AKVA GROUP ASA		NOR
372 950	1,1 %	J.P. Morgan Bank Luxembourg S.A.	Nominee	LUX
361 300	1,1 %	MP PENSJON PK		NOR
300 000	0,9 %	J.P. Morgan Bank Luxembourg S.A.	Nominee	FIN
263 562	0,8 %	EQUINOR PENSJON		NOR
150 000	0,4 %	BJØRN DAHLE		NOR
131 400	0,4 %	JAKOB HATTELAND HOLDING AS		NOR
100 000	0,3 %	ASKVIG AS		NOR
97 200	0,3 %	BKK PENSJONSKASSE		NOR
91 941	0,3 %	Verdipap Equinor Aksjer Norway		NOR
89 643	0,3 %	VERDIPAPIRFONDET ALFRED BERG AKTIV		NOR
30 106 642	90,3 %	20 largest shareholders		
3 227 661	9,7 %	Other shareholders		
33 334 303	100,0 %	Total shares		

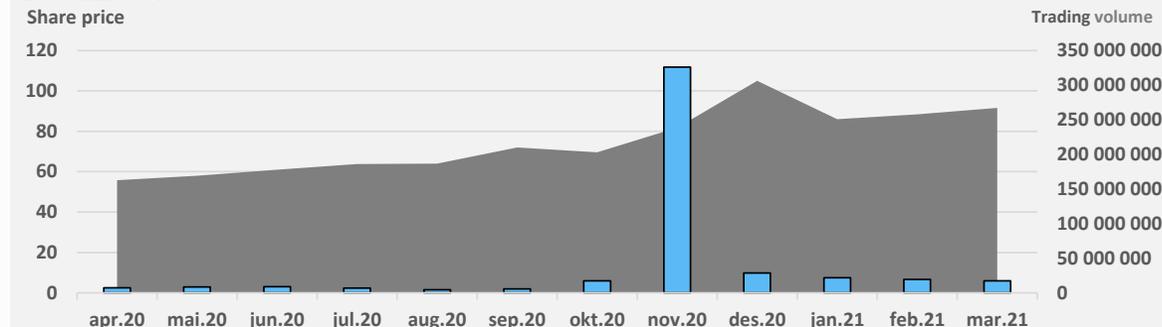
Origin of shareholders, 5 largest countries

No of shares	%	Origin	No of shareholders
30 938 679	92,8 %	Norway	1472
1 074 912	3,2 %	Switzerland	7
478 439	1,4 %	Luxembourg	3
350 120	1,1 %	Finland	3
145 336	0,4 %	Denmark	23
28 735	0,1 %	United Kingdom	18
16 424	0,0 %	France	6

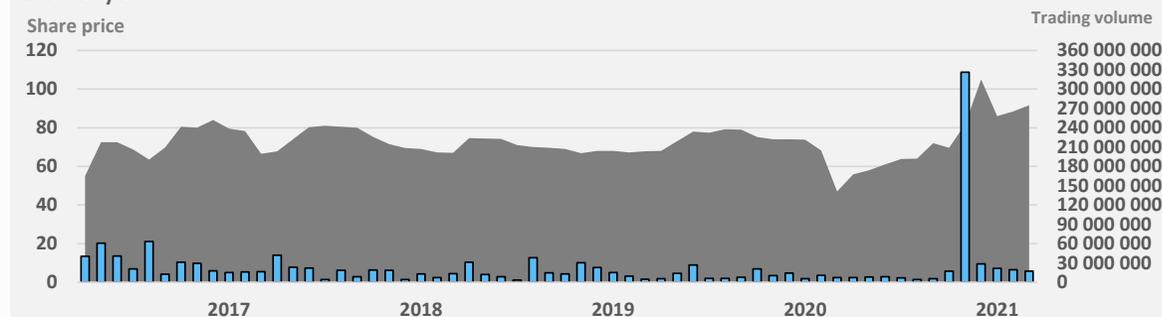
Total number of shareholders: 1640 - from 32 different countries

Share development

Last 12 months



Last 5 years



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Dividend policy

- The company is aiming to give the shareholders a competitive return on investment by a combination of cash dividend and share price increase
- The company's dividend policy shall be stable and predictable
- When deciding the dividend, the Board will take into consideration expected cash flow, capital expenditure plans, financing requirements/compliance, appropriate financial flexibility, and the level of net interest-bearing debt
- The company needs to be in compliance with all legal requirements to pay dividend
- The company will target to pay dividend twice a year

CUSTOMER FOCUS
AQUACULTURE
∞ KNOWLEDGE
RELIABILITY
ENTHUSIASM!

