

## **Strong order intake but reduced activity level and profitability**



### **Third quarter 2021 – HIGHLIGHTS**

- **Order intake of 1,933 MNOK (hereof 1,317 MNOK related to AquaCon), up from 647 MNOK in Q3 2020**
- **Revenue of 738 MNOK, 8% decrease compared to Q3 2020**
- **EBITDA of 79 MNOK, decrease from 105 MNOK in Q3 2020**
- **Private placement of 322 MNOK completed in October**
- **Awarded contract for the full grow-out RAS facility from AquaCon (approx. value of 150 MUSD) subject to financing**
- **Shares in AKVA Marine Services AS used as non-cash contribution in a share issue in Abyss Group AS, where AKVA group ASA received 25.5% ownership in Abyss Group AS**

### **YTD 2021 – HIGHLIGHTS**

- **Adjusted\* EBIT of 101 MNOK down from 138 MNOK in first nine months in 2020**
- **Order backlog of 3,057 MNOK (hereof 1,317 MNOK related to AquaCon), 88% increase compared to end of Q3 2020**
- **Overall, negative P&L effect of approx. 15 MNOK in H1 2021 related to COVID-19 restrictions on import of personnel to Norway**

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

# Order intake, revenues, and profits for the Group

(Figures in brackets = 2020 unless other is specified)

## Operations and profit

AKVA group have maintained a strong focus on the measures implemented after the COVID-19 outbreak in March 2020 to ensure the health and safety of our employees and customers, to monitor and optimize the overall liquidity in the company, to maintain the security of supply during the crisis and a steady order intake to ensure work for all in AKVA group. The COVID-19 restrictions had negative impact on the operations during the first half year of 2021. The negative implications were mainly related to travel restrictions and use of foreign workforce in ongoing operations. The travel restrictions were lifted at the end of Q2 2021 and the impact from the restrictions were limited in Q3.

## Quarterly order intake

Year	2018				2019				2020				2021		
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sea Based <sup>1)</sup>	543	342	376	732	762	644	694	591	686	738	559	602	569	735	563
Land Based <sup>2)</sup>	51	87	34	218	300	77	50	218	10	235	72	385	69	116	1 350
Digital <sup>3)</sup>	45	43	38	46	44	38	33	19	13	21	16	27	14	29	19
<b>Total</b>	<b>639</b>	<b>471</b>	<b>448</b>	<b>997</b>	<b>1 107</b>	<b>760</b>	<b>778</b>	<b>828</b>	<b>709</b>	<b>994</b>	<b>647</b>	<b>1 013</b>	<b>651</b>	<b>880</b>	<b>1 933</b>

1) AKVA Marine Services backlog is reduced from 79 MNOK in Q2 2021 to 0 MNOK in Q3 2021, which impacts the order intake in Q3 negatively by 47 MNOK.

2) Land Based includes 1,317 MNOK in order intake related to AquaCon, which is subject to financing.

3) Digital includes order intake related to Wise lausnir ehf until disposal of the subsidiary in Q3 2019.

Order intake was 1,933 MNOK in Q3 2021 compared to 647 MNOK in Q3 2020.

## Quarterly revenue

Year	2018				2019				2020				2021		
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	589	627	637	726	852	798	771	655	752	862	806	757	719	832	738

Revenues in Q3 2021 ended at 738 MNOK compared to 806 MNOK at the end of Q3 2020.

Total revenue decreased with 8% compared to Q3 2020. The Sea Based segment experienced a decrease in revenue compared to Q3 2020 of 13%, whilst the Digital and Land Based segments experienced an increase in revenues compared to Q3 2020 of 24% and 25%, respectively.

Depreciation and amortization for the quarter were 47 MNOK compared to 48 MNOK in the same quarter last year.

EBITDA decreased from 105 MNOK in Q3 2020 to 79 MNOK in Q3 2021.

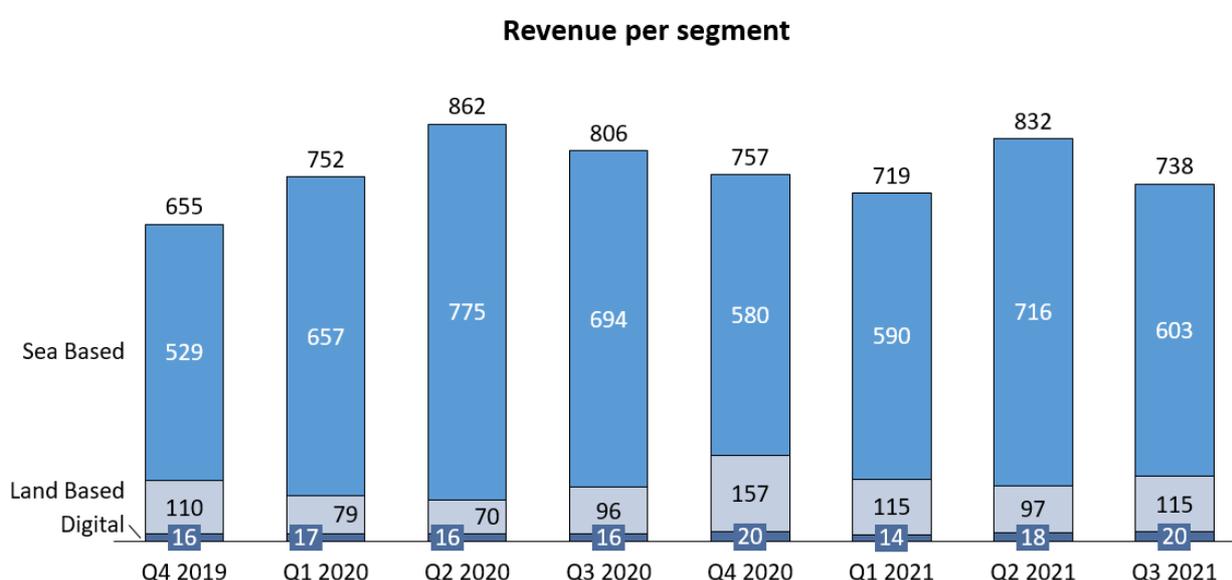
Net financial items were -13 MNOK, an increase from -7 MNOK in the third quarter last year. The main reason for the increase is a decline in the market value of the Group's investment in Nordic Aqua Partners of 3 MNOK in Q3 2021.

Profit before tax ended at 19 MNOK, down from 51 MNOK in Q3 2020. Estimated tax expenses were 5 MNOK in the quarter compared to 15 MNOK last year and Net Profit decreased from 36 MNOK last year to 14 MNOK in Q3 2021.

## Business Segments & other information

The information below shows AKVA group's three business segments, Sea Based Technology, Land Based Technology and Digital (ref. notes to the interim financial statements). Other information includes revenues by geographical region, by fish species and by OPEX/CAPEX type of revenue.

## Revenue per segment



## Sea Based Technology (SBT)

SBT revenue for Q3 2021 ended at 603 MNOK (694). EBITDA and EBIT for the segment in Q3 ended at 70 MNOK (100) and 29 MNOK (60), respectively. The related EBITDA and EBIT margins were 11.6% (14.4%) and 4.7% (8.6%), respectively.

Order intake in Q3 2021 was 563 MNOK compared to 559 MNOK in Q3 2020. Order backlog ended at 808 MNOK compared to 828 MNOK last year.

The revenue in the Nordic region ended at 338 MNOK (444).

In the Nordic region, the order intake was 339 MNOK (434) in the third quarter, and the order backlog was 410 MNOK (509) at the end of September 2021.

In the Americas region, the revenue was 140 MNOK, which is a decrease from 187 MNOK in the third quarter last year.

Europe and Middle East (EME) had a revenue of 125 MNOK in Q3 2021, an increase from 63 MNOK in the third quarter last year.

### Land Based Technology (LBT)

Revenues for the third quarter were 115 MNOK (96). EBITDA and EBIT ended at 7 MNOK (0) and 4 MNOK (-5), respectively. The related EBITDA and EBIT margins were 5.7% (0.2%) and 3.4% (-4.7%).

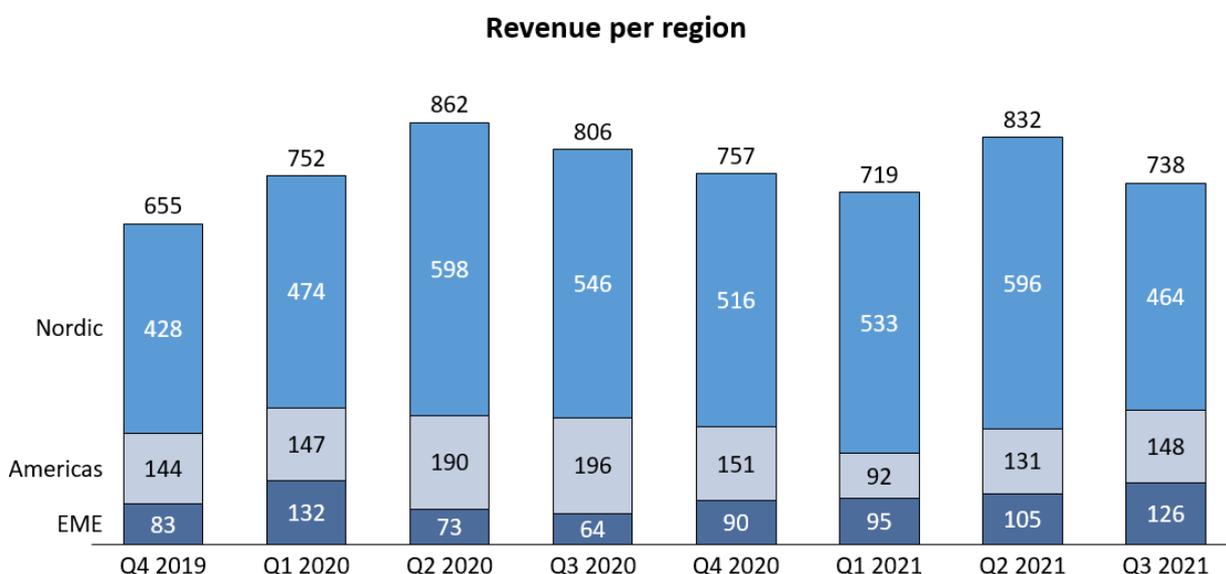
Order intake in Q3 2021 was 1,350 MNOK (hereof 1,317 MNOK related to AquaCon) compared to 72 MNOK in Q3 2020. Order backlog ended at 2,184 MNOK compared to 747 MNOK last year.

### Digital (DI)

The revenue in the segment was 20 MNOK (16) in Q3 2021. EBITDA and EBIT ended at 3 MNOK (5) and 0 MNOK (2), respectively. The related EBITDA and EBIT margins were 13.0% (31.6%) and -1.6% (14.3%).

### Revenue per region

The Nordic and Americas regions had a decrease in revenues compared to the same quarter last year of 15% and 24%, respectively. The EME region had an increase in revenue compared to the same quarter last year of 97%.

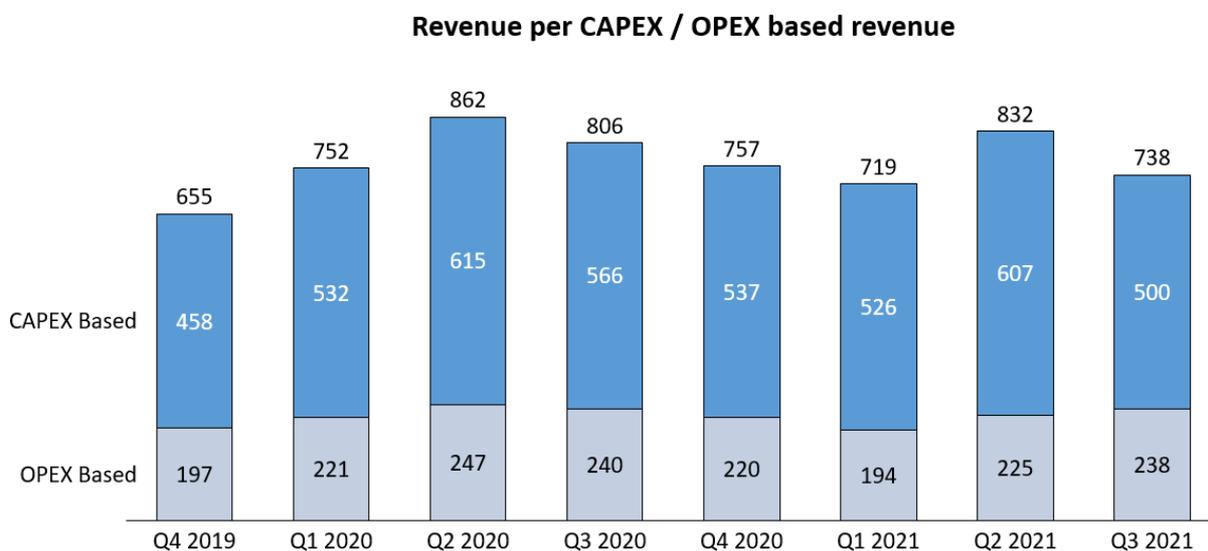


AKVA group has organized its business into three geographical regions:

- Nordic: Includes the Nordic countries,
- Americas: Includes the Americas and Oceania, and
- Europe and Middle East (EME - previously referred to as Export): Includes the rest of the world

## CAPEX vs OPEX based revenue

The CAPEX and OPEX based revenues decreased with 12% and 1%, respectively in the third quarter compared to the same quarter in 2020. Egersund Net's service stations contributed with 79 MNOK in Q3 2021 compared to 89 MNOK in Q3 2020.

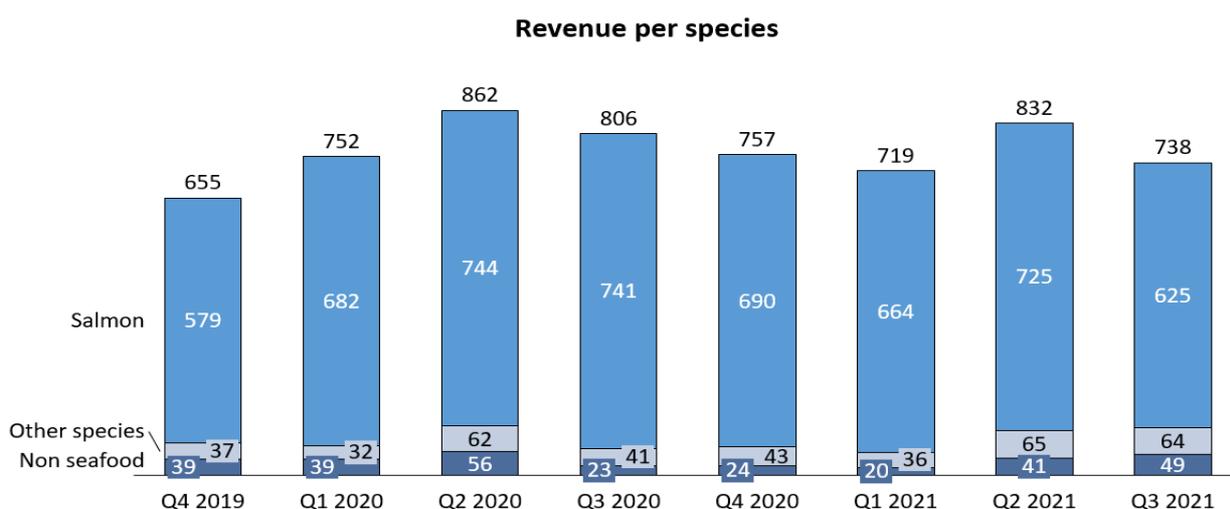


The revenue in AKVA group can be split between CAPEX based revenue and OPEX based revenue. The above graphs show the last eight quarters development in CAPEX and OPEX based revenues. We use the following definition:

- CAPEX based: Revenue classified as CAPEX in our customers' accounts
- OPEX based: Revenue classified as OPEX in our customers' accounts

## Species

Most of the revenues are generated from the Salmon segment. The revenues from other species relate mainly to the Mediterranean area.



The revenue in AKVA group can be divided based on species, and the above graphs show the last eight quarters development in revenue by species. The following species are used:

- Salmon: Revenue from technology and services sold for production of salmon
- Other species: Revenue from technology and services sold for production of other species than salmon
- Non-Seafood: Revenue from technology and services sold to non-seafood customers

## **Balance sheet and cash flow**

The working capital was 368 MNOK on 30 September 2021, a decrease from 375 MNOK on 30 June 2021. The working capital relative to last twelve months revenue was 12.1% at the end of September 2021, compared to 10.3% at the end of September 2020.

CAPEX in Q3 2021 was 27 MNOK, where 22 MNOK related to capitalized R&D expenses and 5 MNOK was other CAPEX.

Cash and unused credit facilities amounted to 311 MNOK at the end of Q3 2021 versus 562 MNOK at the end of Q3 2020. The total credit facility (at Danske Bank) is 300 MNOK.

Net interest-bearing debt was 1,204 MNOK at the end of September 2021, including lease liabilities of 460 MNOK, compared to 1,021 MNOK and 405 MNOK at the end of Q3 2020.

Gross interest-bearing debt was 1,292 MNOK at the end of Q3 2021 versus 1,283 MNOK at the end of Q3 2020. The short-term interest-bearing debt in the balance sheet includes the next 12 months instalments of the long-term debt. This is in accordance with current IFRS requirements. The IFRS 16 lease liability at the end of Q3 2021 of 460 (405) MNOK, is included in the interest-bearing debt.

Trailing 12 months average return on capital employed (ROACE) ended at 2.8% (1.8%) for the quarter.

Total assets and total equity amounted to 3,199 MNOK and 984 MNOK respectively, resulting in an equity ratio of 30.8% (32.5%) at the end of Q3 2021. Adjusted for the effect of IFRS 16 assets, the equity ratio is 35.8% (37.0%).

## **Other shareholder issues**

Earnings per share in Q3 2021 were 0.43 NOK (1.07). The calculations are based on 32,979,745 (33,156,420) shares on average.

The minority interests in Newfoundland Aqua Service are reflected in the balance sheet with 1.5% ownership based on the assumption that AKVA group will exercise its option to increase its ownership from 70% to 98.5%. The potential liability of this is estimated at 6 MNOK, due in 2023, and the amount is presented within the non-interest-bearing liabilities in the balance sheet.

The 20 largest shareholders are presented in note 6 in this report.

## **Atlantis Subsea Farming AS**

In January 2016, AKVA group, together with Sinkaberg-Hansen AS and Egersund Net AS, established Atlantis Subsea Farming AS for the purpose of developing submersible fish-farming facilities for salmon on an industrial scale, which will both enable better and more sustainable utilization of today's locations, and open the opportunity for farming at more exposed locations.

The Atlantis Subsea Farming project requires large-scale testing of the technological and operational solutions. On 22 February 2018, the Norwegian Directorate of Fisheries announced that the company was granted one license.

The last couple of years Atlantis Subsea Farming AS has been in a technology testing phase with regards to execution of the project, including testing with fish in pens. During June 2020, the fish from the second batch in Atlantis were harvested and a smolt release at a more exposed site were carried out in Q2 2021. The project is now in the final phase and project results are being evaluated.

## **AKVA Marine Services AS**

AKVA group ASA used the shares in AKVA Marine Services as a non-cash contribution in a share issue in Abyss Group AS, where AKVA group ASA received a 25.5% ownership share in Abyss Group as consideration for 100% of the shares in AKVA Marine Services AS. The transaction resulted in a net gain of MNOK 0.

## **Market and future outlook**

The order backlog remains strong and was 3,057 MNOK (1,625) at the end of Q3. The order backlog forms a good foundation to execute the organic growth strategy. 2,184 MNOK or 71% of total order backlog at the end of September 2021 relates to Land Based Technology (LBT). A significant part of the order intake in LBT is related to the newly awarded full grow-out RAS contract with AquaCon AS. This is the largest contract in the Group's history.

Based on the underlying demand for salmon the Group believes in strong market growth. To meet the future demand a significant part of the production will come from land-based facilities or other unconventional production methods. Hence, the Group expects a continued strong market for the Sea Based segment, while for the Land Based segment there will be a potential for exponential growth.

## Order backlog



*Note: Order backlog is reduced by 79 MNOK in Q3 21 related to the divestment of AKVA Marine Services*

Despite a challenging first half year of 2021 with negative effects from both the cyber-attack and the COVID-19 restrictions the long-term fundamentals remain unchanged as presented in our Capital Markets Day in November 2020.

At the end of Q3 2021 the Group announced partnership with a new strategic investor. Israel Corp. is a reputable public investment company, that owns and invests in high quality companies with established management and go-to markets. Israel Corp. completed the investment of 636.9 MNOK in October 2021 comprising of a private placement of 321.7 MNOK and purchase of existing shares of 315.2 MNOK. The private placement will accelerate the Group's strategic agenda within all three business segments. Furthermore, AKVA group and Israel Corp. will also establish an investment platform for investments in land-based projects worldwide that will facilitate the organic growth ambition within the Land Based business segment.

Digital products are an important part of AKVA groups total product offering and the company will continue to invest and develop attractive solutions, both within Sea Based and Land Based Technology.

## Statement from the Board and Chief Executive Officer

We confirm that, to the best of our knowledge, the condensed set of financial statements for the period 30 June to 30 September 2021, which have been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Klepp, 4 November 2021  
Board of Directors, AKVA group ASA

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Hans Kristian Mong  
Chairperson

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Kristin Reitan Husebø  
Deputy Chairperson

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Frode Teigen  
Board Member

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Helen Helland  
Board Member

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Ragnhild Ree  
Board Member

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Magnus Røkke  
Board Member

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Heidi Nag Flikka  
Board Member

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Tore Rasmussen  
Board Member

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Yoav Doppelt  
Board Member

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Irene Heng Lauvsnes  
Board Member

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Knut Nesse  
CEO

## Interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		Note	2021	2020	2021	2020	2020
(NOK: 1 000)			Q3	Q3	YTD	YTD	Total
<b>OPERATING REVENUES</b>	5		<b>738 136</b>	<b>805 798</b>	<b>2 289 194</b>	<b>2 420 004</b>	<b>3 176 845</b>
Operating costs ex depreciations			658 958	700 529	2 097 406	2 135 649	2 838 754
<b>OPERATING PROFIT BEFORE DEPR.(EBITDA)</b>	5		<b>79 178</b>	<b>105 269</b>	<b>191 787</b>	<b>284 356</b>	<b>338 091</b>
<b>EBITDA ex. cyber-attack costs</b>	5		<b>79 178</b>	<b>105 269</b>	<b>241 487</b>	<b>284 356</b>	<b>338 091</b>
Depreciation			15 377	24 560	45 276	57 827	66 219
IFRS 16 Depreciation			22 307	10 475	67 454	52 966	82 530
Amortization			9 266	12 548	28 097	35 745	42 180
<b>OPERATING PROFIT (EBIT)</b>	5		<b>32 228</b>	<b>57 686</b>	<b>50 960</b>	<b>137 818</b>	<b>147 163</b>
<b>EBIT ex. cyber-attack costs</b>	5		<b>32 228</b>	<b>57 686</b>	<b>100 660</b>	<b>137 818</b>	<b>147 163</b>
Net interest expense			-5 793	-4 680	-15 893	-17 813	-20 761
IFRS 16 Interest expenses			-5 059	-4 342	-15 457	-13 862	-20 875
Other financial items			-2 112	1 876	-17 033	5 608	15 948
Net financial items			-12 965	-7 147	-48 383	-26 067	-25 698
<b>PROFIT BEFORE TAX</b>			<b>19 263</b>	<b>50 540</b>	<b>2 577</b>	<b>111 751</b>	<b>121 475</b>
<b>PROFIT BEFORE TAX ex. cyber-attack costs</b>			<b>19 263</b>	<b>50 540</b>	<b>52 277</b>	<b>111 751</b>	<b>121 475</b>
Taxes			5 092	14 783	-3 029	28 156	30 776
<b>NET PROFIT</b>			<b>14 171</b>	<b>35 755</b>	<b>5 606</b>	<b>83 595</b>	<b>90 698</b>
<b>NET PROFIT ex. cyber-attack costs</b>			<b>14 171</b>	<b>35 755</b>	<b>44 372</b>	<b>83 595</b>	<b>90 698</b>
<b>Net profit (loss) attributable to:</b>							
Non-controlling interests			-38	150	-39	525	25
Equity holders of AKVA group ASA			14 209	35 605	5 645	83 070	90 674
Earnings per share equity holders of AKVA group ASA			0,43	1,07	0,17	2,51	2,74
Diluted earnings per share equity holders of AKVA group ASA			0,43	1,07	0,17	2,51	2,74
Average number of shares outstanding (in 1 000)			32 980	33 156	32 968	33 156	33 117
Diluted number of shares outstanding (in 1 000)			32 980	33 156	32 968	33 156	33 117

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		Note	2021	2020	2020
(NOK: 1 000)			30.9.	30.9.	31.12.
Intangible fixed assets	1,3		936 882	1 059 500	1 043 350
Deferred tax assets			2 319	13 050	10 872
Fixed assets			625 070	725 511	749 124
Long-term financial assets			331 924	105 148	148 437
<b>FIXED ASSETS</b>			<b>1 896 196</b>	<b>1 903 208</b>	<b>1 951 784</b>
Stock			550 860	491 970	474 930
Trade receivables			580 082	552 491	483 993
Other receivables			83 965	92 122	91 103
Cash and cash equivalents			87 925	262 097	224 884
<b>CURRENT ASSETS</b>			<b>1 302 832</b>	<b>1 398 680</b>	<b>1 274 910</b>
<b>TOTAL ASSETS</b>			<b>3 199 028</b>	<b>3 301 889</b>	<b>3 226 694</b>
Paid in capital			880 174	880 374	880 174
Retained equity			103 865	190 211	161 364
Equity attributable to equity holders of AKVA group ASA			984 039	1 070 585	1 041 538
Non-controlling interests	1,3		119	3 723	158
<b>TOTAL EQUITY</b>			<b>984 159</b>	<b>1 074 309</b>	<b>1 041 696</b>
Deferred tax			37 822	86 246	58 272
Other long term debt			38 771	37 933	32 361
Lease Liability - Long-term			395 484	352 765	444 920
Long-term interest bearing debt	1		754 187	845 867	766 239
<b>LONG-TERM DEBT</b>			<b>1 226 263</b>	<b>1 322 812</b>	<b>1 301 792</b>
Short-term interest bearing debt			77 889	32 166	844
Lease Liability - Short-term			64 083	51 923	93 821
Other current liabilities			846 633	820 680	788 542
<b>SHORT-TERM DEBT</b>			<b>988 605</b>	<b>904 769</b>	<b>883 207</b>
<b>TOTAL EQUITY AND DEBT</b>			<b>3 199 028</b>	<b>3 301 889</b>	<b>3 226 694</b>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		Note	2021	2020	2021	2020	2020
(NOK: 1 000)			Q3	Q3	YTD	YTD	Total
<b>Balance at start of period before non-controlling interest</b>			<b>986 137</b>	<b>1 028 367</b>	<b>1 041 538</b>	<b>986 340</b>	<b>986 340</b>
The period's net profit			14 209	35 605	5 645	83 070	90 674
Buyback of own shares			-	-	-	-	-14 662
Gains/(losses) on cash flow hedges (fair value)			-2 175	795	-7 680	7 275	7 163
Dividend			-	-	-32 956	-34 955	-34 954
Valuation adjustment option			-	-	-	-2 249	-3 420
Non-controlling interests arising on a business combination			-	-526	-	442	-144
Effect of merged entities on opening balance			-	-	-3 837	-	-
Translation differences			-14 130	6 344	-18 670	30 663	10 541
<b>Equity before non-controlling interests</b>			<b>984 039</b>	<b>1 070 586</b>	<b>984 040</b>	<b>1 070 586</b>	<b>1 041 538</b>
Non-controlling interests			119	3 723	119	3 723	158
<b>Book equity at the end of the period</b>			<b>984 159</b>	<b>1 074 309</b>	<b>984 159</b>	<b>1 074 309</b>	<b>1 041 696</b>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (NOK 1000)	2021 Q3	2020 Q3	2021 YTD	2020 YTD	2020 Total
<b>Cash flow from operating activities</b>					
Profit before taxes	19 263	50 584	2 577	111 811	121 475
Taxes paid	-13 278	-8 619	-25 936	-13 578	-27 509
Net interest cost	10 862	8 966	31 415	31 567	41 622
Gain/loss on disposal of fixed assets	-295	5 704	-1 005	5 693	5 705
Depreciation and amortization	46 950	47 538	140 827	146 478	190 928
Changes in stock, accounts receivable and trade payables	-113 126	-61 067	-168 052	-192 299	13 480
Changes in other receivables and payables	120 218	19 553	69 518	169 282	8 264
Net foreign exchange difference	-15 132	-4 776	-30 004	-3 980	-7 373
<b>Cash generated from operating activities</b>	<b>55 463</b>	<b>57 884</b>	<b>19 341</b>	<b>254 973</b>	<b>346 591</b>
Interest paid	-11 090	-9 745	-32 694	-35 261	-46 089
Interest received	228	779	1 279	3 694	4 467
<b>Net cash flow from operating activities</b>	<b>44 601</b>	<b>48 918</b>	<b>-12 074</b>	<b>223 406</b>	<b>304 969</b>
<b>Cash flow from investment activities</b>					
Investments in fixed assets	-23 347	-20 753	-69 687	-86 293	-103 199
Proceeds from sale of fixed assets	287	37 197	1 979	37 644	43 925
Net payment of long-term receivables	0	-8 251	0	-30 363	0
Payment of shares and participations	0	0	-30 803	0	-38 585
Acquisition of shares and subsidiaries net of cash acquired	0	0	0	-90 525	-90 542
<b>Net cash flow from investment activities</b>	<b>-23 060</b>	<b>8 193</b>	<b>-98 511</b>	<b>-169 536</b>	<b>-188 401</b>
<b>Cash flow from financing activities</b>					
Repayment of borrowings	-72 871	-12 973	-67 948	-125 946	-203 076
Proceed from borrowings	0	835	77 879	200 835	200 000
Dividend payment	0	0	-32 956	-33 157	-33 157
Dividends payment to NCI	0	0	0	-1 798	-1 798
Sale/(purchase) own shares	0	0	0	0	-14 662
<b>Net cash flow from financing activities</b>	<b>-72 871</b>	<b>-12 138</b>	<b>-23 025</b>	<b>39 934</b>	<b>-52 692</b>
Net change in cash and cash equivalents	-51 330	44 973	-133 610	93 804	63 876
Net foreign exchange differences	-3 319	1 333	-2 004	7 295	10
Cash and cash equivalents at beginning of period	143 920	215 792	224 884	160 999	160 999
Cash and cash equivalents divested entities	-1 347	0	-1 347	0	0
<b>Cash and cash equivalents at end of period</b>	<b>87 925</b>	<b>262 097</b>	<b>87 925</b>	<b>262 097</b>	<b>224 884</b>

## Selected notes to the condensed interim consolidated financial statements

### Note 1 General information and basis for preparation

AKVA group consists of AKVA group ASA and its subsidiaries. In Q1 2020 AKVA group acquired 70% of shares in Newfoundland Aqua Service. In Q2 2020 AKVA group purchased 100% of the shares in Austevoll Rørteknikk AS and finalized the purchase of Sperre AS to an ownership of 100%. In addition to this a new company was formed at the start of 2020, AKVA group Land Based Americas was de-merged from AKVA group Chile. In December 2020 Austevoll Rørteknikk AS was merged in to AKVA group Land Based Norway AS and AD Eiendomsselskap AS was merged in to AKVA Marine Services AS.

In February 2021, AKVA group ASA acquired 33.7% of the shares in Observe Technologies Ltd. In September 2021, AKVA group ASA participated in a share issue in Abyss Group AS, where 100% of the shares in AKVA Marine Services AS were used as a non-cash contribution, for which AKVA group ASA received an ownership interest of 25.5% in Abyss Group AS.

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as adopted by the EU (IAS 34). The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statement. The condensed interim financial statements do not include all of the information and disclosures required by International Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the most recent annual financial statements. The annual financial statements were prepared in accordance with International Financial Reporting Standards and interpretations as issued by the International Standards Board and as adopted by the EU. A description of the significant accounting policies applied in preparing these condensed interim financial statements is included in AKVA group's consolidated financial statements for 2019. There have been no changes to significant accounting policies since the preparation of the annual financial statements for 2020. The condensed interim financial statements are unaudited.

Because of rounding differences, numbers or percentages may not add up to the total. The consolidated financial statements for the Group for the year ended 31 December 2020 are available upon request from the company's office at Plogfabrikkveien 11, 4353 Klepp Stasjon, Norway or at <http://ir.akvagroup.com/investor-relations/financial-info-/annual-reports>.

#### *Note 2 Accounting principles*

All significant accounting principles applied in the consolidated financial statement are described in the Annual Report 2020 (as published on the OSE on 14 April 2021).

AKVA group accounts for associates owned between 20% and 50% by using the equity method. Gain/loss on investments are recognized as other operating revenue, subject to the investment being of similar character and type as the other businesses within the group.

No new standards have been adopted in 2021.

In connection with the Covid-19 pandemic, AKVA group has reviewed and assessed internal and external factors related to material discretionary items. AKVA group has, based on our assessment, made no write-downs for Q3 2021.

#### *Note 3 Recognition and measurement of assets and liabilities in connection with acquisitions*

IFRS 3 permits adjustments to items recognized in the original accounting for business combination, for a maximum of one year after the acquisition date, if, and when new information about facts and circumstances existing at the acquisition date is obtained. AKVA group will make a final assessment before this one-year period comes to an end.

#### *Note 4 Events after the reporting period*

At the end of Q3 2021 the Group announced partnership with a new strategic investor. Israel Corp. is a reputable public investment company, that owns and invests in high quality companies with established management and go-to markets. Israel Corp. completed the investment of 636.9 MNOK in October 2021 comprising of a private placement of 321.7 MNOK and purchase of existing shares of 315.2 MNOK.

#### *Note 5 Business segments*

AKVA group is organized in three business segments; Sea Based Technology, Land Based Technology and Digital.

Sea Based Technology (SBT) consist of the following companies: AKVA group ASA, Helgeland Plast AS, AKVA group Services AS, Sperre AS, AKVA group Scotland Ltd, AKVASmart Turkey Ltd, AKVA group Australia Pty Ltd, AKVA group Chile S.A., AKVA group North America Inc, AKVA group Hellas, Newfoundland Aqua Service Ltd., AKVA group España, Egersund Net AS, Egersund Trading AS, UAB Egersund Net and Grading Systems Ltd. The products included in the segment are: Cages, barges, feed systems, sensors, net cleaning systems, nets and other operational technologies and systems for Cage Based Aquaculture.

Land Based Technology (LBT) consist of the following companies: AKVA group Land Based Norway AS, AKVA group Denmark A/S, AKVA group Land Based A/S and AKVA group Land Based Americas SA. The products included in the segment is recirculation systems and other technologies for land based aquaculture and post smolt facilities.

Digital (DI) consist of the following companies: AKVA group Software AS. The products included in software includes digital solutions and professional services. In addition to AKVA group Software AS the products are sold worldwide through a number of other companies in AKVA group.

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.

CONDENSED CONSOLIDATED BUSINESS SEGMENTS (NOK 1000)	2021 Q3	2020 Q3	2021 YTD	2020 YTD	2020 Total
<b>Sea based technology</b>					
Nordic operating revenues	338 261	443 954	1 239 628	1 379 381	1 747 955
Americas operating revenues	139 988	186 871	346 914	480 212	602 111
Europe & Middle East operating revenues	125 049	63 093	322 809	266 704	356 095
<b>INTRA SEGMENT REVENUE</b>	603 298	693 918	1 909 350	2 126 298	2 706 161
Operating costs ex depreciations	533 211	593 868	1 718 033	1 834 379	2 375 753
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	70 087	100 050	191 317	291 918	330 408
<b>EBITDA ex. cyber-attack costs</b>	70 087	100 050	234 217	291 918	330 408
Depreciation	41 506	40 055	124 284	125 572	168 282
<b>OPERATING PROFIT (EBIT)</b>	28 581	59 994	67 034	166 346	162 125
<b>EBIT ex. cyber-attack costs</b>	28 581	59 994	109 934	166 346	162 125
<b>Digital</b>					
Nordic operating revenues	13 151	10 522	32 738	32 038	46 473
Americas operating revenues	5 788	4 796	16 889	14 915	19 674
Europe & Middle East operating revenues	869	652	2 709	2 018	2 710
<b>INTRA SEGMENT REVENUE</b>	19 808	15 970	52 336	48 971	68 857
Operating costs ex depreciations	17 225	10 928	43 942	38 562	50 802
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	2 584	5 041	8 394	10 409	18 056
<b>EBITDA ex. cyber-attack costs</b>	2 584	5 041	11 494	10 409	18 056
Depreciation	2 892	2 765	8 968	8 314	11 118
<b>OPERATING PROFIT (EBIT)</b>	-309	2 276	-574	2 095	6 938
<b>EBIT ex. cyber-attack costs</b>	-309	2 276	2 526	2 095	6 938
<b>Land based technology</b>					
Nordic operating revenues	112 914	91 707	320 867	206 760	381 176
Americas operating revenues	2 116	4 203	6 641	37 975	20 674
<b>INTRA SEGMENT REVENUE</b>	115 030	95 910	327 508	244 736	401 851
Operating costs ex depreciations	108 523	95 732	335 432	262 707	412 223
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	6 507	178	-7 924	-17 972	-10 372
<b>EBITDA ex. cyber-attack costs</b>	6 507	178	-4 224	-17 972	-10 372
Depreciation	2 552	4 763	7 575	12 651	11 528
<b>OPERATING PROFIT (EBIT)</b>	3 955	-4 585	-15 499	-30 623	-21 900
<b>EBIT ex. cyber-attack costs</b>	3 955	-4 585	-11 799	-30 623	-21 900

Note 6 Top 20 shareholders as of 30 September 2021

<b>Shareholders</b>	<b>Citizenship</b>	<b>Number of shares</b>	<b>Ownership percentage</b>
EGERSUND GROUP AS	NOR	20 703 105	62,1 %
PARETO AKSJE NORGE VERDIPAPIRFOND	NOR	1 623 672	4,9 %
VERDIPAPIRFONDET NORDEA KAPITAL	NOR	1 066 438	3,2 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	NOR	975 932	2,9 %
SIX SIS AG	CHE	949 436	2,8 %
VERDIPAPIRFONDET NORDEA AVKASTNING	NOR	898 952	2,7 %
VERDIPAPIRFONDET NORDEA NORGE PLUS	NOR	675 084	2,0 %
FORSVARETS PERSONELLSERVICE	NOR	500 692	1,5 %
VERDIPAPIRFONDET ALFRED BERG NORGE	NOR	430 000	1,3 %
J.P. Morgan Bank Luxembourg S.A.	LUX	382 950	1,1 %
MP PENSJON PK	NOR	361 300	1,1 %
AKVA GROUP ASA	NOR	342 895	1,0 %
J.P. Morgan Bank Luxembourg S.A.	FIN	300 000	0,9 %
EQUINOR PENSJON	NOR	263 562	0,8 %
PACTUM AS	NOR	155 000	0,5 %
BJØRN DAHLE	NOR	150 000	0,4 %
JAKOB HATTELAND HOLDING AS	NOR	131 400	0,4 %
VERDIPAPIRFONDET ALFRED BERG AKTIV	NOR	124 412	0,4 %
ASKVIG AS	NOR	100 000	0,3 %
BKK PENSJONSKASSE	NOR	97 200	0,3 %
<b>20 largest shareholders</b>		<b>30 232 030</b>	<b>90,7 %</b>
Other shareholders		3 102 273	9,3 %
<b>Total shares</b>		<b>33 334 303</b>	<b>100,0 %</b>

An updated overview of the 20 largest shareholders is available on AKVA group's investor relations webpage, <http://ir.akvagroup.com/investor-relations/the-share/largest-shareholders>.

## *Note 7 Non IFRS Financial Measures*

*Available cash* is a non-IFRS financial measure, calculated by summarizing all cash in the Group in addition to available cash from established credit facilities.

*EBITDA* – EBITDA is the earnings before interest, taxes, depreciation, and amortizations. It can be calculated by the EBIT added by the depreciations and amortizations.

*EBITDA ex. cyber-attack costs* - EBITDA ex. cyber-attack costs is the earnings before interest, taxes, depreciation, and amortizations, adjusted for the effect of the costs related to the cyber-attack in 2021 to show normalized results for the period. It can be calculated by the EBIT ex. cyber-attack costs added by the depreciations and amortizations.

*EBIT* – EBIT is the earnings before interest and taxes. It can be calculated by the profit before tax added by the net financial items.

*EBIT ex. cyber-attack costs* - EBIT ex. cyber-attack costs is the earnings before interest and taxes, adjusted for the effect of the costs related to the cyber-attack in 2021 to show normalized results for the period. It can be calculated by the profit before tax ex. cyber-attack costs added by the net financial items.

*NIBD* - Net interest-bearing debt is a non-IFRS financial measure, equal to our long-term interest-bearing debt plus liabilities to financial institutions minus our cash at the balance sheet date.

*NIBD / EBITDA* is a non-IFRS measure, calculated as period end NIBD divided by the prior 12 months EBITDA.

*Order backlog* is a non-IFRS measure, calculated as signed orders and contracts at the balance sheet date. It does not include spot-sales, spare parts, and aftermarket sales.

*Order intake* is a non-IFRS measure, calculated as order backlog at the end of period minus order backlog at start of period and revenue in the period

*ROACE* - Return on average Capital Employed is a non-IFRS financial measure, calculated by dividing the last 12 months EBIT by the average of the Capital Employed on the opening and closing dates of the period under consideration.

*ROCE* – Return on Capital Employed is a non-IFRS financial measure, calculated by dividing the last 12 months EBIT by capital employed at the balance sheet date. Capital Employed is calculated as the sum of NIBD, at the balance sheet date plus equity, deferred tax, and other long-term liabilities. Capital Employed can also be found by the formula (total assets – cash) – (total current liabilities – liabilities to financial institutions).

*Working Capital* is a non-IFRS financial measure calculated by current assets less cash minus current liabilities less liabilities to financial institutions.

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**Other AKVA group offices:**

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AKVA group, Tromsø	Tel (+47) 75 00 66 50
AKVA group, Sandnessjøen	Tel (+47) 75 14 37 50
AKVA group, Rørvik	Tel (+47) 75 00 66 50
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Egersund Net, Austevoll	Tel (+47) 55 08 85 10
Egersund Net, Manger	Tel (+47) 51 46 29 60
Egersund Net, Kristiansund	Tel (+47) 51 46 29 60
Egersund Net, Rørvik	Tel (+47) 51 46 29 60
Egersund Net, Brønnøysund	Tel (+47) 51 46 29 60
Egersund Net, Vevelstad	Tel (+47) 51 46 29 60
Egersund Net, Vesterålen	Tel (+47) 76 14 00 00
Egersund Trading, Austevoll	Tel (+47) 55 08 85 00
Grading Systems, Shetland	Tel (+44) 1806 577 241
Helgeland Plast, Mo i Rana	Tel (+47) 75 14 37 50
AKVA group Land Based Norway, Sømna	Tel (+47) 75 02 78 80
Sperre, Notodden	Tel (+47) 35 02 50 00
UAB Egersund Net, Lithuania	Tel (+370) 446 54 842
AKVA group Land Based, Fredericia	Tel (+45) 75 88 02 22
AKVA group Chile, Puerto Montt	Tel (+56) 65 250 250
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AKVA group North America, New Brunswick, Canada	Tel (+1) 506 754 6991
AKVA group North America, Newfoundland and Labrador, Canada	Tel (+1) 506 754 1792
AKVA group Australia, Tasmania	Tel (+61) 488 983 498
AKVA group Turkey, Bodrum	Tel (+90) 252 374 6434
AKVA group España, Murcia	Tel (+34) 968 209494
AKVA group Hellas, Athen	Tel (+30) 69 441 660 14

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