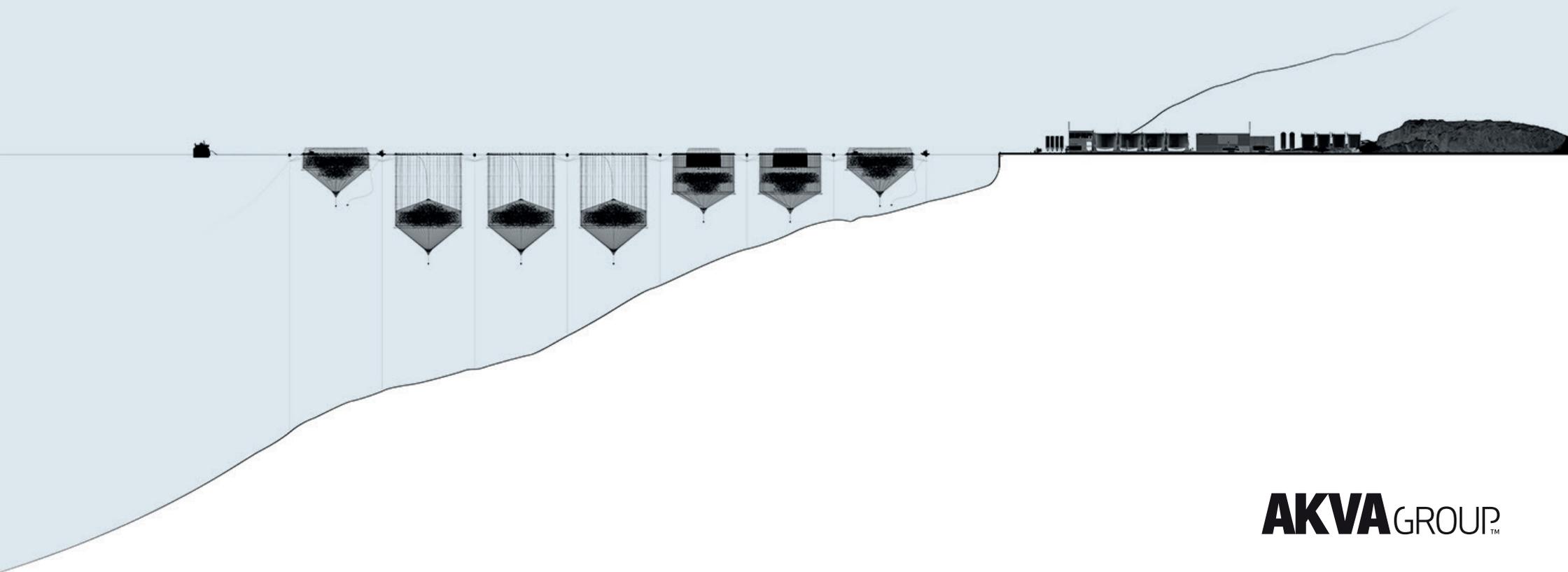


# Third quarter 2023

– Financial statements and review



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## AKVA group in brief

AKVA group is the leading technology and service partner to the aquaculture industry worldwide. The company has 1 410 employees, offices in 11 countries and a total turnover of NOK 3.4 billion in 2022.

We are a public listed company operating in one of the world's fastest growing industries and supply everything from single components to complete installations, both for sea based farming and land based aquaculture. AKVA group is recognized as a pioneer and technology leader through more than 40 years.

# Acceptable activity level and profitability in Sea Based but challenging post smolt market in Norway

## Third quarter 2023 - highlights

- Quarterly revenue of MNOK 817, 3% decrease compared to Q3 2022
- Order intake of MNOK 600, down from MNOK 650 in Q3 2022
- Order backlog at the end of the quarter of MNOK 2,609
- EBITDA of MNOK 78, increase from MNOK 25 in Q3 2022\*
- EBIT of MNOK 29, up from MNOK -59 in Q3 2022 \*
- Acquisition of 51% of the shares in Submerged AS was completed in Q3 with the option to increase the ownership to 100% in 2028 based on certain conditions
- Ownership in Newfoundland Aqua Service Ltd was increased from 70% to 98,5% in October through execution of option
- A rightsizing process, targeting MNOK 45 in annual cost savings, will be carried out in Q4 to adapt the organization to the current and expected activity level
- Due to change in market conditions AKVA will revise the medium-term financial targets during Q4

\*EBITDA and EBIT in Q3 2022 was impacted by restructuring costs of MNOK 58 and MNOK 98, respectively

# Acceptable activity level and profitability in Sea Based but challenging post smolt market in Norway

## YTD 2023 - highlights

- EBIT of 77 MNOK is up from MNOK -42 YTD Q3 2022\*
- Strong order intake of MNOK 3,610, increase from MNOK 2,525 YTD Q3 2022
- Order backlog of MNOK 2,609, 65% increase compared to end of Q3 2022
- Commercial breakthrough for deep sea farming concepts
- Award of new RAS contract with NOAP for next 4,000 tonnes (phase 2) and new post smolt contract with Cermaq Norway. Contract values estimated at MEUR 40 and MEUR 60, respectively

\*EBITDA and EBIT in Q3 2022 was impacted by restructuring costs of MNOK 58 and MNOK 98, respectively

# Order intake, revenues, and profits for the Group

## OPERATIONS AND PROFIT *(Figures in brackets = 2022 unless other is specified)*

The activity in the first three quarters of 2023 were somewhat higher compared to last year. Overall, the order intake was sound with the award of RAS contract for Nordic Aqua Partners (MEUR 40) and the post smolt contract for Cermaq Norway (minimum MEUR 60) as the largest contracts. However, the introduction of the resource tax has a negative impact on the activity level both in Land Based and parts of the Sea Based business, and the market outlook is challenging and uncertain.

Profitability is continuing to improve compared to last year but is still below expectations. The Land Based business segment is still impacted by a high cost base compared to current activity level and by lower profitability in parts of the project portfolio. The profitability in the Sea Based business segment is acceptable with a healthy product mix supported by the commercial breakthrough of deep farming concepts.

Due to change in market conditions a rightsizing process, targeting MNOK 45 in annual cost savings, will be executed during Q4 to adapt the organization to the current and expected activity level.

- Order intake was MNOK 600 in Q3 2023 compared to MNOK 650 in Q3 2022.
- Revenues in Q3 2023 ended at MNOK 817 compared to MNOK 840 in Q3 2022, a decrease of 3%.
- EBITDA increased from MNOK 25 in Q3 2022 to MNOK 77 in Q3 2023. EBITDA in Q3 2022 was impacted by restructuring costs of MNOK 58.
- Depreciation and amortization for the quarter were MNOK 49 compared to MNOK 45 in the same quarter last year.
- EBIT was MNOK 29, up from MNOK -59 in Q3 2022. EBIT in Q3 2022 was impacted by restructuring costs of MNOK 98.
- Net financial items were MNOK -32, compared to MNOK -49 in the third quarter last year. The main reason for this improvement is related to the write off loan to AquaCon MNOK -28 in Q3 22 which was partly offset by increased interest rates and currency effects.
- Profit before tax ended at MNOK -3, up from MNOK -108 in Q3 2022.
- Net Profit increased from MNOK -93 last year to MNOK -3 in Q3 2023.

Financial key figures (NOK 1 000 000)	2023 Q3	2022 Q3	2023 YTD	2022 YTD	2022 Total
Revenues	817	840	2 631	2 596	3 376
EBITDA	78	25	223	131	158
EBIT	29	-59	77	-42	-56
Net profit	-3	-93	18	-94	-131
Net interest-bearing debt	1 088	894	1 088	894	988
Cash flow from operations	102	256	101	239	221
ROACE	3,3%	-1,3 %	3,3%	-1,3 %	-3,1%
Order backlog	2 609	1 579	2 609	1 579	1 688
Order intake	600	650	3 610	2 525	3 414

# Financial performance per segment

## SEA BASED TECHNOLOGY (SBT)

SBT revenue for Q3 2023 ended at MNOK 660 (681). EBITDA and EBIT for the segment in Q3 ended at MNOK 79 (79) and MNOK 41 (44), respectively. The related EBITDA and EBIT margins were 11.9% (11.5%) and 6.3% (6.4%), respectively.

Order intake in Q3 2023 was MNOK 574 compared to MNOK 450 in Q3 2022. Order backlog ended at MNOK 731 compared to MNOK 672 last year.

The revenue in the Nordic region ended at MNOK 417 (381). The order intake was MNOK 379 (214) in the third quarter.

In the Americas region, the revenue was MNOK 171, which is a decrease from MNOK 186 in the third quarter last year. The order intake was MNOK 136 (106) in the third quarter.

Europe and Middle East (EME) had a revenue of MNOK 73 in Q3 2023, compared to a revenue of MNOK 114 in the third quarter last year. The order intake was MNOK 59 (126) in the third quarter.

## LAND BASED TECHNOLOGY (LBT)

Revenues for the third quarter were MNOK 124 (134). EBITDA and EBIT ended at MNOK -11 (-63) and MNOK -13 (-106), respectively. The related EBITDA and EBIT margins were -8.5% (-46.6%) and -10.4% (-78.9%). EBITDA and EBIT in Q3 2022 was significantly impacted by cost accruals for restructuring and cost saving programs.

Order intake in Q3 2023 of MNOK 4 compared to MNOK 167 in Q3 2022. Order backlog ended at MNOK 1,728, compared to MNOK 812 last year.

## DIGITAL (DI)

The revenue in the segment was MNOK 33 (25) in Q3 2023. EBITDA and EBIT ended at MNOK 10 (9) and MNOK 0 (3), respectively. The related EBITDA and EBIT margins were 29.9% (38.0%) and 0.8% (11.5%). The order intake was MNOK 21 (32) in the quarter.

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).

## ORDER INTAKE PER SEGMENT

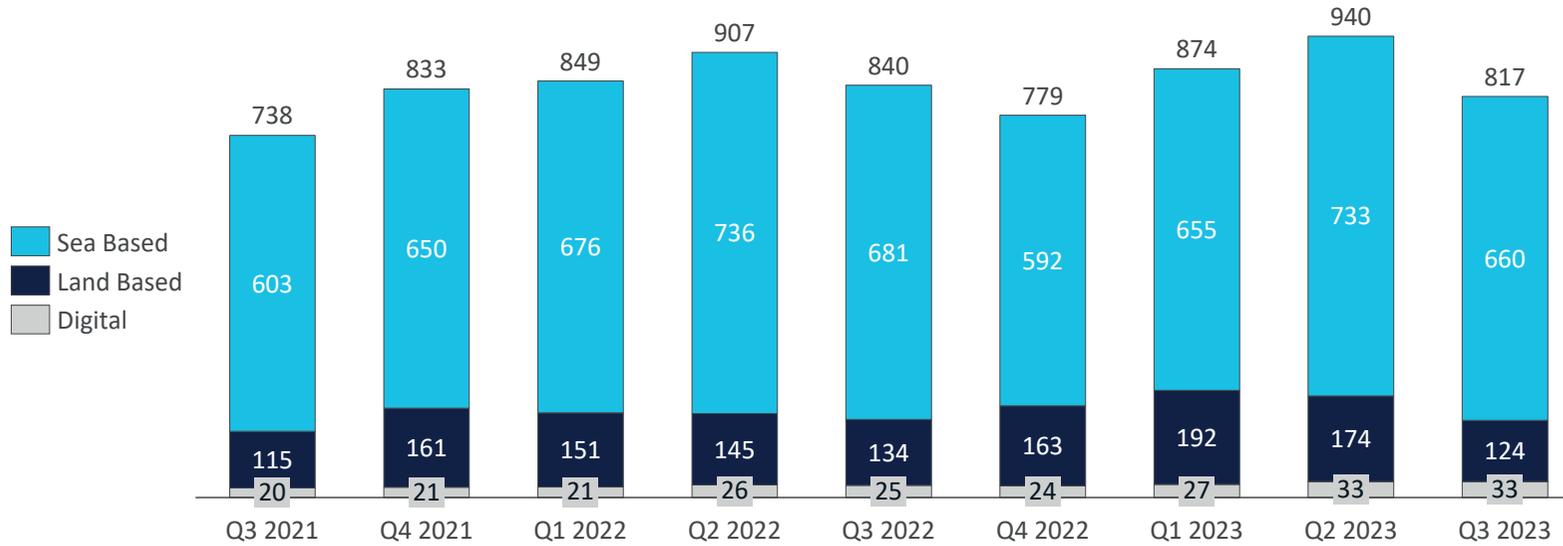


## ORDER BACKLOG PER SEGMENT



# Revenue per segment

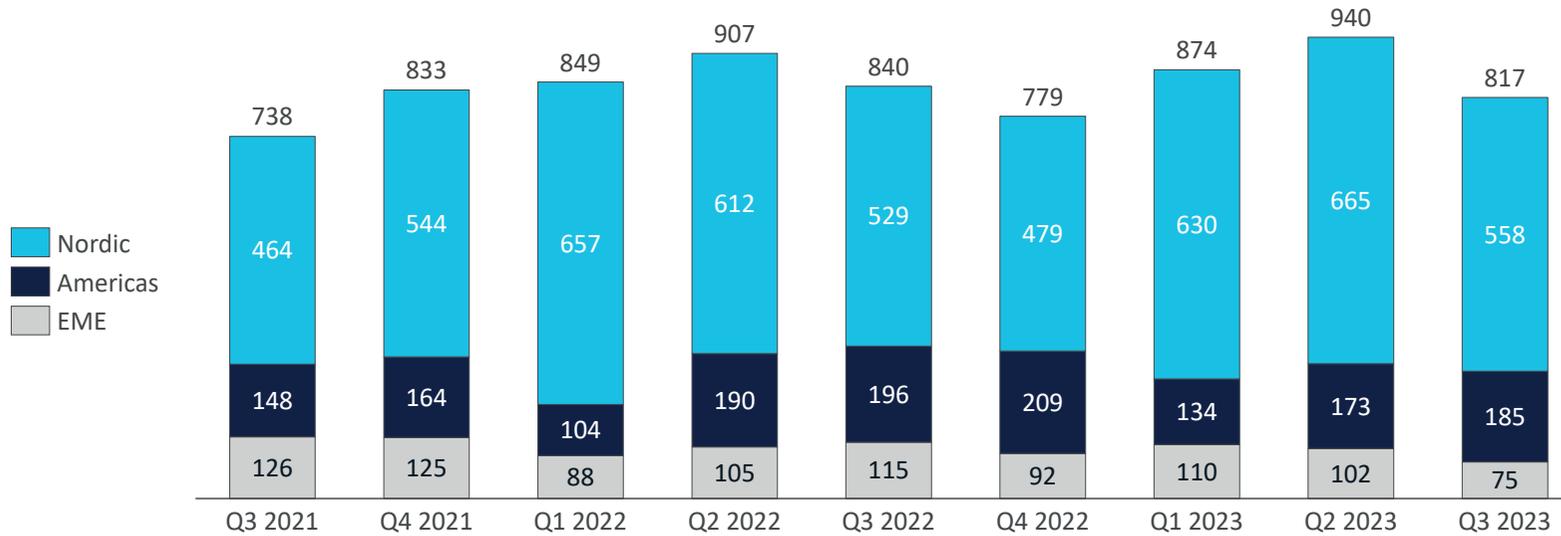
Digital had an increase in activity level this quarter of 32% compared to the same quarter last year. Sea Based and Land Based had a decrease in revenues compared to the same quarter last year of 3% and 7%, respectively.



The revenue in AKVA group can be divided based on segments, and the above graphs show the last nine quarters development in revenue by segments

## Revenue per region

Nordic had an increase in activity level this quarter of 5% compared to the same quarter last year. Americas and Europe and Middle East (EME) had a decrease in revenues compared to the same quarter last year of 6% and 35%, respectively.



AKVA group has organized its business into three geographical regions:

- Nordic: Includes the Nordic countries,
- Americas: Includes the Americas and Oceania
- Europe and Middle East: Includes the rest of the world

## Revenue per CAPEX / OPEX

The CAPEX based revenues decreased with -11.0% in the third quarter compared to the same quarter in 2022, whilst the OPEX based revenues increased with 19.9% in the same period. Egersund Net's service stations contributed with MNOK 99 (85) in Q3 2023.



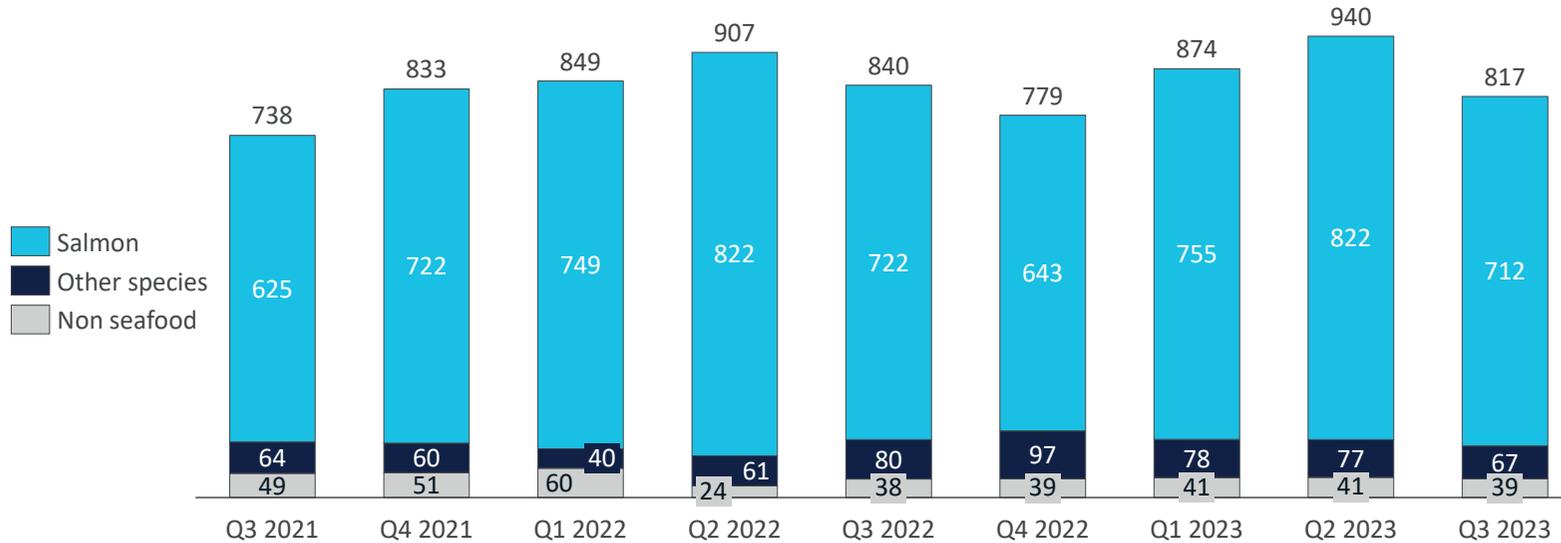
The revenue in AKVA group can be split between CAPEX based revenue and OPEX based revenue. The above graphs show the last nine quarters development in CAPEX and OPEX based revenues.

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

## Revenue per 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 nine 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 MNOK 293 on 30 September 2023, an increase from MNOK 201 on 30 September 2022. The working capital relative to last twelve months revenue was 8.6% at the end of September 2023, compared to 5.9% at the end of September 2022.

Total CAPEX in Q3 2023 was MNOK 44. MNOK 18 relates to capitalized R&D expenses, MNOK 8 is related to new ERP system and MNOK 18 was other CAPEX.

Cash and unused credit facilities amounted to MNOK 526 at the end of Q3 2023 versus MNOK 793 at the end of Q3 2022. The unused credit facility (at DNB) is MNOK 300.

Net interest-bearing debt was MNOK 1,088 at the end of September 2023, including lease liabilities of MNOK 471, compared to MNOK 894 and MNOK 472 at the end of Q3 2022.

Gross interest-bearing debt was MNOK 1,380 at the end of Q3 2023 versus MNOK 1,222 at the end of Q3 2022. 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 2023 of MNOK 471 (472), is included in the interest-bearing debt.

Trailing 12 months average return on capital employed (ROACE) ended at 3.3 % (-1.3%) for the quarter.

Total assets and total equity amounted to MNOK 3,732 and MNOK 1,176 respectively, resulting in an equity ratio of 31.8% (34.0%) at the end of Q3 2023. Adjusted for the effect of IFRS 16 assets, the equity ratio is 36.1% (38.8%).

## OTHER SHAREHOLDER INFORMATION

Earnings per share in Q3 2023 were NOK -0.08 (-2.55). The calculations are based on 36,437,070 (36,373,451) 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 MNOK 7, due in Q4 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.

## MARKET AND FUTURE OUTLOOK

The implications from the introduction of new resource tax are negative for the activity level both for Land Based and parts of the Sea Based business on short and medium term. Due to the slow market a rightsizing process, targeting MNOK 45 in annual cost savings, will be executed during Q4 to adapt the organization to the current and expected activity level.

Based on the underlying demand for salmon AKVA group still believes in a strong market growth long term. To meet the future demand a significant part of the production will come from land-based facilities or other unconventional production methods.

AKVA group will continue to invest and improve solutions, both within Sea Based, Digital and Land Based Technology.

Due to change in market conditions AKVA will revise the medium-term financial targets during Q4.

# 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 1 January to 30 September 2023, 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.

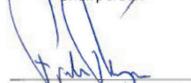
KLEPP, 9. NOVEMBER 2023

## BOARD OF DIRECTORS, AKVA GROUP ASA



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Hans Kristian Mong  
Chairperson



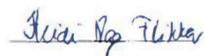
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Frode Teigen  
Board Member



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John Morten Kristiansen  
Board Member



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Heidi Nag Flikka  
Board Member



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Yoav Doppelt  
Board Member



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Knut Nesse  
CEO



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Kristin Reitan Husebø  
Deputy Chairperson



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Siv Irén Nesse  
Board Member



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Odd Jan Håland  
Board Member



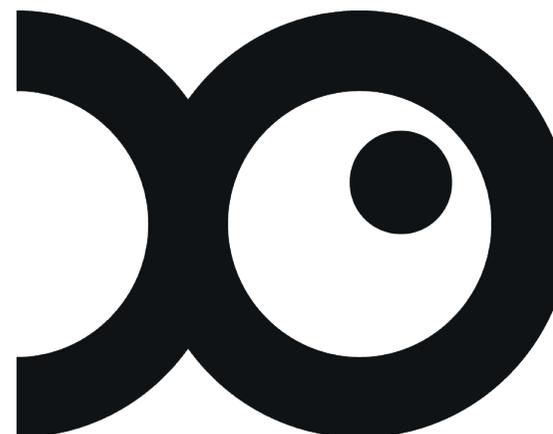
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Tore Rasmussen  
Board Member



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Irene Heng Lauvsnes  
Board Member



## STATEMENT OF INCOME

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME (NOK 1 000)	Note	2023 Q3	2022 Q3	2023 YTD	2022 YTD	2022 Total
<b>OPERATING REVENUES</b>	5	817 485	840 287	2 631 396	2 596 432	3 376 320
Cost of materials		466 926	522 512	1 561 049	1 632 903	2 106 715
Payroll expenses		219 628	226 092	684 232	656 918	880 944
Other operating expenses		52 933	66 188	163 417	175 420	230 391
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	5	77 998	26 496	222 699	131 192	158 270
Depreciation		11 902	9 238	35 151	34 080	41 981
IFRS 16 Depreciation		24 773	20 895	70 625	62 019	80 739
Amortization		12 565	14 832	39 494	37 221	52 147
Impairment		-	39 895	-	39 895	39 895
<b>OPERATING PROFIT (EBIT)</b>	5	28 757	-59 364	77 429	-42 023	-56 493
Net interest expense		-16 789	-8 068	-44 678	-19 168	-31 030
IFRS 16 Interest expenses		-5 685	-4 662	-16 839	-14 066	-19 576
Other financial items		-9 643	-36 278	7 943	-39 953	-44 766
Net financial items		-32 117	-49 008	-53 575	-73 187	-95 372
<b>PROFIT BEFORE TAX</b>		-3 359	-108 373	23 855	-115 210	-151 864
Taxes <sup>1</sup>		-322	-15 765	6 138	-21 423	-20 789
<b>NET PROFIT</b>		-3 038	-92 608	17 717	-93 787	-131 075
<b>Net profit (loss) attributable to:</b>						
Non-controlling interests		-68	7	-50	-6	134
Equity holders of AKVA group ASA		-2 970	-92 615	17 767	-93 780	-131 209
Earnings per share equity holders of AKVA group ASA		-0.08	-2.55	0.49	-2.58	-3.61
Diluted earnings per share equity holders of AKVA group ASA		-0.08	-2.55	0.49	-2.58	-3.61
Average number of shares outstanding (in 1 000)		36 437	36 373	36 409	36 368	36 369
Diluted number of shares outstanding (in 1 000)		36 437	36 373	36 409	36 368	36 369

<sup>1</sup> Income tax 2023 based on best estimate

## STATEMENT OF COMPREHENSIVE INCOME

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (NOK 1 000)	Note	2023 Q3	2022 Q3	2023 YTD	2022 YTD	2022 Total
<b>NET PROFIT</b>		-8 098	-92 608	12 657	-93 787	-131 075
<b>Other comprehensive income that may be reclassified subsequently to income statement:</b>						
Translation differences on foreign operations		-36 102	8 384	12 824	24 127	17 817
Income tax effect		-	-	-	-	-
<b>Total</b>		-36 102	8 384	12 824	24 127	17 817
Gains(+)/losses(-) on cash flow hedges		-4 637	-6 837	7 311	-18 185	-9 147
Income tax effect		1 020	1 504	-1 608	4 001	2 012
<b>Total</b>		-3 617	-5 333	5 703	-14 185	-7 135
<b>Total other comprehensive income, net of tax</b>		-39 719	3 052	18 527	9 942	10 682
<b>TOTAL COMPREHENSIVE INCOME, NET OF TAX</b>		-47 816	-89 556	31 183	-83 845	-120 393
<b>Attributable to:</b>						
Non-controlling interests		-68	7	-50	-6	134
Equity holders of AKVA group ASA		-47 749	-89 563	31 233	-83 839	-120 527

## STATEMENT OF CHANGES IN EQUITY

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (NOK 1 000)	Note	2023 Q3	2022 Q3	2023 YTD	2022 YTD	2022 Total
<b>Balance at start of period before non-controlling interest</b>		1 222 982	1 270 185	1 144 000	1 296 885	1 296 885
The period's net profit		-8 030	-92 615	12 707	-93 780	-131 209
Sale of own shares		-	-	-	4 242	3 801
Gains/(losses) on cash flow hedges (fair value)		-3 617	-5 333	5 703	-14 185	-7 135
Dividend		-	-	-	-36 668	-36 668
Adjustment related to prior periods		-	-	-	-	216
Translation differences		-40 236	8 384	8 690	24 127	18 110
<b>Equity before non-controlling interests</b>		1 171 100	1 180 622	1 171 100	1 180 622	1 144 000
Non-controlling interests		10 867	196	10 867	196	336
<b>Book equity at the end of the period</b>		1 181 967	1 180 818	1 181 967	1 180 818	1 144 337

## STATEMENT OF FINANCIAL POSITION

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		2023	2022	2022
(NOK 1 000)		30.9.	30.9.	31.12.
Intangible fixed assets	1,3	1 095 311	972 404	989 063
Deferred tax assets		62 202	16 582	44 902
Tangible fixed assets		639 757	615 090	635 245
Long-term financial assets		328 103	310 492	314 337
<b>FIXED ASSETS</b>		<b>2 125 372</b>	<b>1 914 567</b>	<b>1 983 547</b>
Stock		647 820	623 572	600 394
Trade receivables		672 614	491 854	592 838
Other receivables		60 562	119 090	125 679
Cash and cash equivalents		225 918	328 098	277 988
<b>CURRENT ASSETS</b>		<b>1 606 914</b>	<b>1 562 615</b>	<b>1 596 899</b>
<b>TOTAL ASSETS</b>		<b>3 732 286</b>	<b>3 477 182</b>	<b>3 580 446</b>
Equity attributable to equity holders of AKVA group ASA		1 176 160	1 180 622	1 144 000
Non-controlling interests	1,3	10 867	196	336
<b>TOTAL EQUITY</b>		<b>1 187 027</b>	<b>1 180 818</b>	<b>1 144 337</b>
Deferred tax		48 574	3 251	18 242
Other long term debt		28 743	37 364	36 637
Lease Liability - Long-term		378 857	387 037	403 340
Long-term interest bearing debt	1	871 803	712 406	702 481
<b>LONG-TERM DEBT</b>		<b>1 327 977</b>	<b>1 140 058</b>	<b>1 160 700</b>
Short-term interest bearing debt	4	37 500	37 500	80 625
Lease Liability - Short-term		91 668	85 124	79 095
Trade payables		349 100	341 453	310 629
Public duties payable		103 903	92 466	81 277
Contract liabilities		361 473	331 696	468 729
Other current liabilities		273 637	268 068	255 057
<b>SHORT-TERM DEBT</b>		<b>1 217 282</b>	<b>1 156 307</b>	<b>1 275 410</b>
<b>TOTAL EQUITY AND DEBT</b>		<b>3 732 286</b>	<b>3 477 182</b>	<b>3 580 446</b>

## STATEMENT OF CASH FLOW

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW		2023	2022	2023	2022	2022
(NOK 1 000)		Q3	Q3	YTD	YTD	Total
<b>Cash flow from operating activities</b>						
Profit before taxes		-3 359	-108 374	23 855	-115 211	-151 864
Taxes paid		544	14 642	-11 760	-6 237	-11 370
Share of profit(-)/loss(+) from associates		-3 168	-7 895	-8 150	-5 985	-7 087
Net interest cost		22 474	12 730	61 517	33 234	50 606
Gain(-)/loss(+) on disposal of fixed assets		-200	-286	-756	-448	-766
Gain(-)/loss(+) on financial fixed assets		2 820	34 270	-5 312	-10 055	-5 504
Depreciation, amortization and impairment		49 241	84 860	145 269	173 215	214 762
Changes in stock, accounts receivable and trade payables		18 634	200 107	-88 730	57 286	-51 344
Changes in other receivables and payables		86 884	45 696	-931	124 229	205 137
Net foreign exchange difference		-71 575	-19 377	-13 772	-11 199	-21 216
<b>Cash generated from operating activities</b>		<b>102 294</b>	<b>256 373</b>	<b>101 232</b>	<b>238 829</b>	<b>221 353</b>
<b>Cash flow from investment activities</b>						
Investments in fixed assets		-44 001	-24 980	-139 742	-123 949	-167 859
Proceeds from sale of fixed assets		367	1 645	1 558	6 601	6 969
Acquisition of subsidiary net of cash acquired		-328	0	-328	0	0
Proceeds from sale of associates		0	0	0	40 000	40 000
<b>Net cash flow from investment activities</b>		<b>-43 962</b>	<b>-23 335</b>	<b>-138 512</b>	<b>-77 348</b>	<b>-120 890</b>
<b>Cash flow from financing activities</b>						
Repayment of borrowings		-75 734	-29 262	-149 105	-66 922	-81 622
Proceed from borrowings		52 836	0	195 833	0	43 125
IFRS 16 interest		-5 685	-4 662	-16 839	-14 066	-19 576
Net other interest		-16 789	-8 068	-44 678	-19 168	-31 177
Dividend payment		0	0	0	-36 668	-36 668
<b>Net cash flow from financing activities</b>		<b>-45 372</b>	<b>-41 992</b>	<b>-14 789</b>	<b>-136 824</b>	<b>-125 918</b>
Cash and cash equivalents at beginning of period		212 959	137 051	277 988	303 442	303 442
Net change in cash and cash equivalents		12 959	191 047	-52 070	24 657	-25 454
<b>Cash and cash equivalents at end of period</b>		<b>225 918</b>	<b>328 098</b>	<b>225 918</b>	<b>328 098</b>	<b>277 988</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 August 2023, AKVA group ASA acquired 51% of the shares in Submerged AS.

In March 2022, AKVA group ASA and Egersund Net AS sold its shares in Atlantis Subsea Farming 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 2022. There have been no changes to significant accounting policies since the preparation of the annual financial statements for 2022. 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 2022 are available upon request from the company's office at Plogfabrikkveien 11, 4353 Klepp Stasjon, Norway or at

[HTTPS://WWW.AKVAGROUP.COM/INVESTORS/FINANCIAL-INFO/ANNUAL-REPORTS/.](https://www.akvagroup.com/investors/financial-info/annual-reports/)

## NOTE 2:

### Accounting principles

All significant accounting principles applied in the consolidated financial statement are described in the Annual Report 2022 (as published on the OSE on 15 April 2023).

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 2023.

In connection with the global instability and ongoing war between Russia and Ukraine, 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 2023.

Related to restructuring of the Land Based Business area in Q3 2022 impairment tests were performed at different CGU levels. The result was an impairment of right-of-use asset and other fixed asset of MNOK 40.

Furthermore, a write down was made to loan to AquaCon of MNOK 28 in Q3 2022.

# Selected notes to the condensed interim consolidated financial statements

## 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.

On 31.08.2023, the Group acquired 51% of the issued share capital of Submerged AS, obtaining control of Submerged AS. Submerged AS is a technology company and qualifies as a business as defined in IFRS 3 Business Combinations. Submerged AS was acquired to strengthen AKVA groups digital product offering.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table to the right.

MNOK 25 of the total consideration payable in cash was transferred on October 1st.

The goodwill of MNOK 22 arising from the acquisition consists of key employees considered to have unique competence and significant synergy effects for AKVA group.

None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs amount to MNOK 0.9.

Submerged AS contributed MNOK 0.9 revenue and MNOK -0.2 to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of Submerged AS had been completed on the first day of the financial year, Group revenues for the year would have been MNOK 7.5 and Group profit would have been MNOK -2.7.

The non-controlling interest (49 per cent ownership interest in Submerged AS) recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to NOK 18 million. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

- Assumed discount rate of 15 per cent

Values at the acquisition date in (NOK 1000)	Book value	Adjusted value	Fair value
<b>ASSETS</b>			
IP - Brand RFR	-	-	-
IP - Technology RFR	-	13 158	13 158
IP - Customers MEMB	-	-	-
Deferred tax of adjusted value	701	-	701
Research and development	6 009	-	6 009
Patents	220	-	220
Machinery and equipment	775	-	775
RoU Asset	944	-	944
Other non current financial assets	164	-	164
Inventory	3 306	-	3 306
Accounts receivables	845	-	845
Accrued income	148	-	148
Other receivables	-10	-	-10
Cash	4 671	-	4 671
	<b>17 773</b>	<b>13 158</b>	<b>30 931</b>
<b>LIABILITIES</b>			
Deferred tax	-	-2 895	-2 895
Long term interest bearing loans	-6 233	-	-6 233
Other short term interest bearing loans	-200	-	-200
Lease liability	-944	-	-944
Trade payables	-558	-	-558
Tax payable	810	-	810
Public duties payable	-900	-	-900
Prepayments from customers	-420	-	-420
Other current liabilities	-892	-	-892
	<b>-9 337</b>	<b>-2 895</b>	<b>-12 232</b>
<b>Total identifiable net assets</b>	<b>8 436</b>	<b>10 263</b>	<b>18 699</b>
Goodwill arising on acquisition	-	-	22 023
Non-controlling interests in 49 % of Submerged AS	-	-	18 379
<b>Total consideration</b>			<b>59 101</b>
Purchase price, payable in cash (51%)	-30 141	-	-30 141
Contingent consideration	-	-	-
<b>Total consideration transferred</b>	<b>-30 141</b>	<b>-</b>	<b>-30 141</b>
Cash acquired with subsidiary	4 671	-	4 671
Purchase price, payable in cash	-30 141	-	-30 141
<b>Net cash outflow</b>	<b>-25 470</b>	<b>-</b>	<b>-25 470</b>

## NOTE 4:

### Events after the reporting period

Ownership in Newfoundland Aqua Service Ltd was increased from 70% to 98,5% in October through execution of option

# Selected notes to the condensed interim consolidated financial statements

## 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 Sea Based Aquaculture.

**Land Based Technology (LBT)** consist of the following companies: AKVA group Land Based Sømna AS (formerly 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 and Submerged AS. The products included in software includes digital solutions and professional services. In addition to AKVA group Software AS and Submerged 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

CONDENSED CONSOLIDATED BUSINESS SEGMENTS (NOK 1 000)	2023 Q3	2022 Q3	2023 YTD	2022 YTD	2022 Total
<b>Sea based technology</b>					
Nordic operating revenues	416 537	380 890	1 316 337	1 326 402	1 671 059
Americas operating revenues	170 908	186 260	450 415	462 318	619 441
Europe & Middle East operating revenues	72 731	113 794	281 643	304 324	394 600
<b>INTRA SEGMENT REVENUE</b>	660 176	680 943	2 048 395	2 093 043	2 685 100
Operating costs ex depreciations	581 436	602 324	1 832 093	1 880 427	2 422 707
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>78 740</b>	<b>78 619</b>	<b>216 302</b>	<b>212 616</b>	<b>262 393</b>
Depreciation & amortization	37 338	34 788	109 964	107 346	141 265
<b>OPERATING PROFIT (EBIT)</b>	<b>41 402</b>	<b>43 831</b>	<b>106 338</b>	<b>105 270</b>	<b>121 128</b>
<b>Digital</b>					
Nordic operating revenues	18 885	15 257	51 010	44 748	58 175
Americas operating revenues	11 806	8 554	36 110	23 755	32 999
Europe & Middle East operating revenues	2 185	1 168	5 458	3 698	5 109
<b>INTRA SEGMENT REVENUE</b>	<b>32 876</b>	<b>24 979</b>	<b>92 577</b>	<b>72 201</b>	<b>96 283</b>
Operating costs ex depreciations	23 044	15 493	69 098	53 805	73 143
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>9 832</b>	<b>9 485</b>	<b>23 479</b>	<b>18 396</b>	<b>23 140</b>
Depreciation & amortization	9 558	6 606	28 504	14 683	21 311
<b>OPERATING PROFIT (EBIT)</b>	<b>274</b>	<b>2 879</b>	<b>-5 025</b>	<b>3 713</b>	<b>1 829</b>
<b>Land based technology</b>					
Nordic operating revenues	122 348	133 173	485 581	426 889	594 576
Americas operating revenues	2 085	1 193	4 843	4 300	-406
Europe & Middle East operating revenues	-	-	-	-	-
<b>INTRA SEGMENT REVENUE</b>	<b>124 432</b>	<b>134 365</b>	<b>490 424</b>	<b>431 188</b>	<b>594 170</b>
Operating costs ex depreciations	135 006	196 974	507 506	531 009	721 434
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>-10 574</b>	<b>-62 609</b>	<b>-17 082</b>	<b>-99 821</b>	<b>-127 264</b>
Depreciation and amortization	2 345	43 466	6 801	51 186	12 291
Impairment	-	-	-	-	39 895
<b>OPERATING PROFIT (EBIT)</b>	<b>-12 919</b>	<b>-106 074</b>	<b>-23 884</b>	<b>-151 006</b>	<b>-179 450</b>

# Selected notes to the condensed interim consolidated financial statements

## NOTE 6:

### Top 20 shareholders as of 30. September 2023

Number of shares	Ownership %	Shareholders	Citizenship
<b>18 703 105</b>	51,0 %	EGERSUND GROUP AS	NOR
6 600 192	18,0 %	Israel Corporation Ltd	ISR
1 849 784	5,0 %	PARETO AKSJE NORGE VERDIPAPIRFOND	NOR
1 090 759	3,0 %	VERDIPAPIRFONDET NORDEA AVKASTNING	NOR
965 059	2,6 %	SIX SIS AG	Nominee CHE
791 167	2,2 %	VERDIPAPIRFONDET ALFRED BERG GAMBA	NOR
637 448	1,7 %	VERDIPAPIRFONDET NORDEA KAPITAL	NOR
602 614	1,6 %	VERDIPAPIRFONDET NORDEA NORGE PLUS	NOR
543 332	1,5 %	FORSVARETS PERSONELLSERVICE	NOR
316 155	0,9 %	J.P. Morgan SE	Nominee LUX
302 998	0,8 %	MP PENSJON PK	NOR
256 590	0,7 %	J.P. Morgan SE	Nominee FIN
244 430	0,7 %	VERDIPAPIRFONDET EQUINOR AKSJER NO	NOR
230 663	0,6 %	AKVA GROUP ASA	NOR
221 502	0,6 %	VERDIPAPIRFONDET ALFRED BERG NORGE	NOR
130 000	0,4 %	NESSE & CO AS	NOR
128 000	0,3 %	VERDIPAPIRFONDET ALFRED BERG NORGE	NOR
125 795	0,3 %	DAHLE	NOR
116 488	0,3 %	PACTUM AS	NOR
100 800	0,3 %	JAKOB HATTELAND HOLDING AS	NOR
<b>33 956 881</b>	<b>92,6 %</b>	<b>20 largest shareholders</b>	
2 710 852	7,4 %	Other shareholders	
<b>36 667 733</b>	<b>100,0 %</b>	<b>Total shares</b>	

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

## NOTE 7:

### Alternative Performance Measures - Non IFRS Financial Measures

AKVA group discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are used to provide an enhanced insight into the operating performance, financing and future prospects of the company and are frequently used by analysts, investors and other interested parties. The definition of these measures are as follows:

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.

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

NIBD - Net interest-bearing debt is a non-IFRS financial measure, equal to our interest-bearing debt plus lease liability minus our cash and cash equivalents 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.

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 quarterly average of the Capital Employed ex. IFRS 16 last 12 months.

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

# Selected notes to the condensed interim consolidated financial statements

The following tables reconciles our Alternative Performance Measures to the most directly reconcilable line item, subtotal or total presented in the financial statements:

Alternative Performance Measures - Non IFRS Financial Measures (NOK 1 000)	2023 Q3	2022 Q3	2022 31.12.
Cash and cash equivalents	225 918	328 098	277 988
Not utilized overdraft facilities at period end	300 000	465 000	452 675
<b>Available cash</b>	<b>525 918</b>	<b>793 098</b>	<b>730 663</b>
Total assets	3 732 286	3 477 182	3 580 446
Cash and cash equivalents	-225 918	-328 098	-277 988
IFRS 16 - RoU Asset	-441 419	-434 329	-451 379
Current liabilities	-1 217 282	-1 156 307	-1 275 410
Liabilities to financial institutions - Short-term	37 500	37 500	80 625
Lease Liability - Short-term	91 668	85 124	79 095
<b>Capital employed</b>	<b>1 976 835</b>	<b>1 681 071</b>	<b>1 735 389</b>
Operating profit	28 757	-59 364	-56 493
Depreciation and amortization	49 241	44 965	174 867
Impairment	0	39 895	39 895
<b>EBITDA</b>	<b>77 998</b>	<b>25 496</b>	<b>158 270</b>
Liabilities to financial institutions	909 303	750 000	778 542
Lease liabilities	470 525	472 161	482 434
Other non-current liabilities	28 743	37 270	41 201
Non-interest bearing part of non-current liabilities	-28 743	-37 364	-36 637
Long term financial assets	-66 318	0	0
Cash and cash equivalents	-225 918	-328 098	-277 988
<b>Net interest-bearing debt</b>	<b>1 087 592</b>	<b>893 968</b>	<b>987 552</b>
Operating profit last twelve months	62 960	-23 179	-56 493
Average Capital employed last twelve months	1 893 810	1 837 445	1 815 688
<b>ROACE</b>	<b>3,3 %</b>	<b>-1,3 %</b>	<b>-3,1 %</b>
Current assets	1 606 914	1 562 615	1 596 899
Cash and cash equivalents	-225 918	-328 098	-277 988
Current liabilities	-1 217 282	-1 156 307	-1 275 410
Current lease liabilities	91 668	85 124	79 095
Current liabilities to financial institutions	37 500	37 500	80 625
<b>Working capital</b>	<b>292 882</b>	<b>200 833</b>	<b>203 221</b>

No reconciliations have been performed for order backlog and order intake, as these are Alternative Performance Measures not linked to accounting figures.

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