

Q3 2021 Presentation

Klepp, 5 November 2021

Knut Nesse, CEO

Ronny Meinkøhn, CFO





Technology for sustainable biology

Agenda | Q3 2021

Highlights and Outlook

Knut Nesse, CEO

Financial Performance

Ronny Meinkøhn, CFO

Q&A Session



Highlights | Q3 2021

Operation



- Awarded contract for the full grow-out RAS facility from AquaCon AS (approx. MUSD 150) subject to financing
- Low activity level and profit from the Sea Based business segment
- Limited impact from the COVID-19 restrictions
- Private placement of MNOK 321.7 completed in October
- Completed agreement to combine AKVA Marine Services AS with Abyss Group AS as a contribution in kind. AKVA group will own 25,5% in the combined company

Innovation and Digital

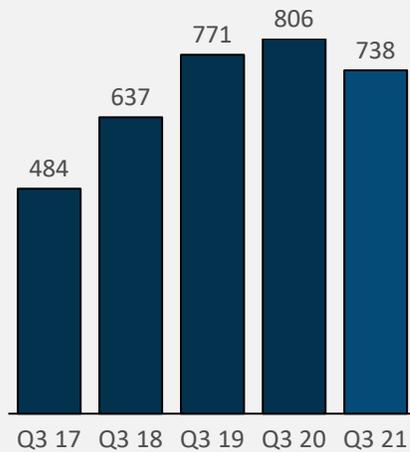


- Continued high focus on developing capabilities within Land Based technology and advisory services
- Further development of deep-sea open farming concepts is crucial for strengthening the Sea Based business segment
- Strategic review of Digital business segment completed with clear ambitions and expectations of strong organic growth

Key figures | Q3 2021

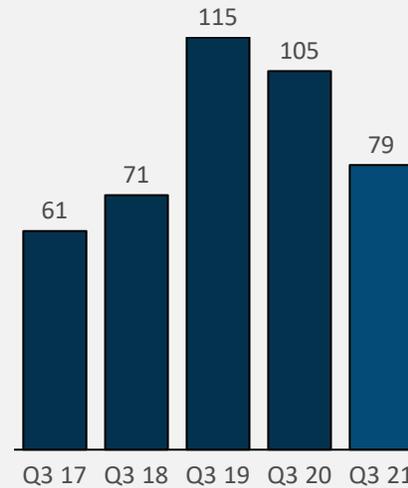
Revenue

738 MNOK



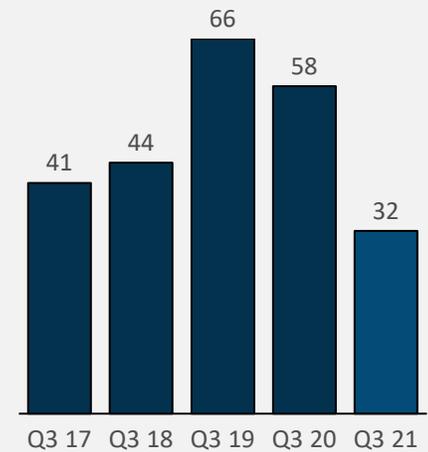
EBITDA

79 MNOK



EBIT

32 MNOK



Note: IFRS 16 was implemented January 2019. Comparable figures for the period 2017-2018 have not been prepared

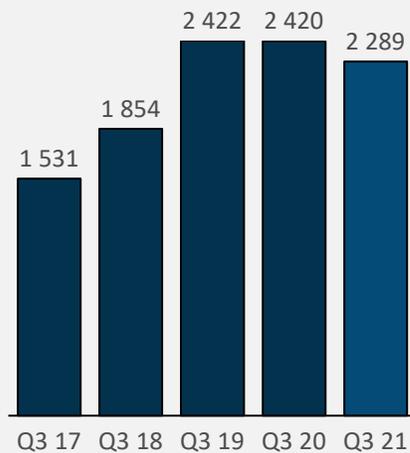
Comments to the financial performance Q3

- The profitability in Q3 is negative impacted by the low activity level in the Sea Based business segment and revenue was MNOK 91 lower in Q3 21 compared to Q3 20
- The reduced activity level is temporary and mainly related to low revenue from core AKVA products in the Norwegian market
- The activity level is expected to be back to normal levels by 2022 but the low activity will also impact revenues to some extent in Q4 21
- In addition to the lower activity level the profitability is also impacted by costs related to ramp-up of innovation and digital organization

Key figures | YTD Q3 2021

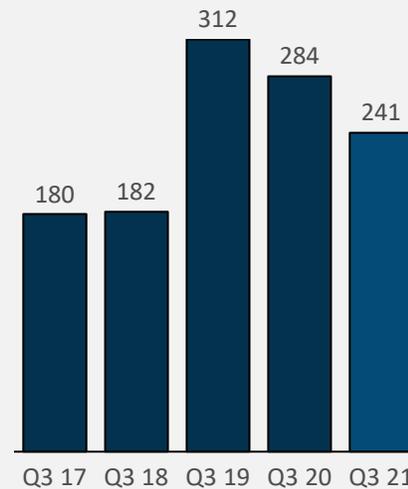
Revenue

2 289 MNOK



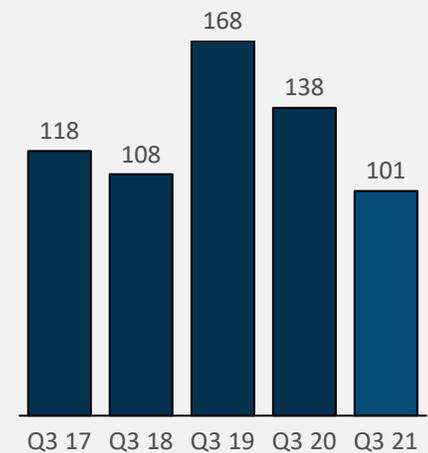
EBITDA excluding cyber-attack costs*

241 MNOK



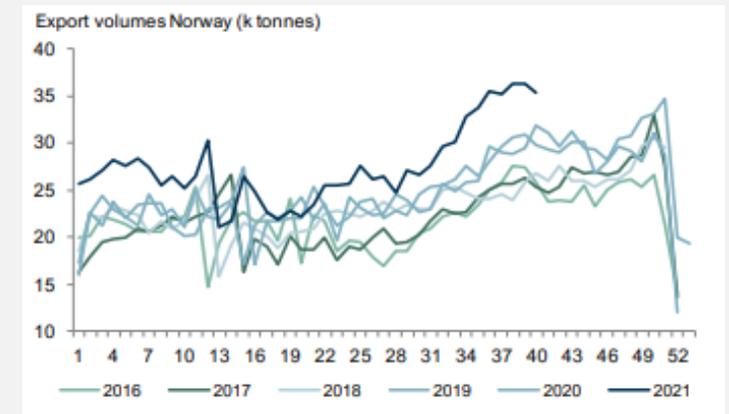
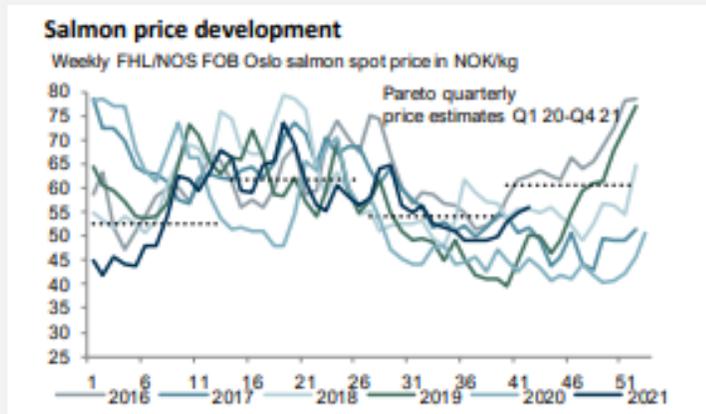
EBIT excluding cyber-attack costs*

101 MNOK



Notes:
- IFRS 16 was implemented January 2019. Comparable figures for the period 2017-2018 have not been prepared
- Costs of 49,7 MNOK related to cyber-attack in Q1 21 are excluded

Market development



Source: [Pareto Seafood Price Update](#) 14.10.2021

Development order intake and order backlog

Order intake (MNOK)



Order backlog (MNOK)

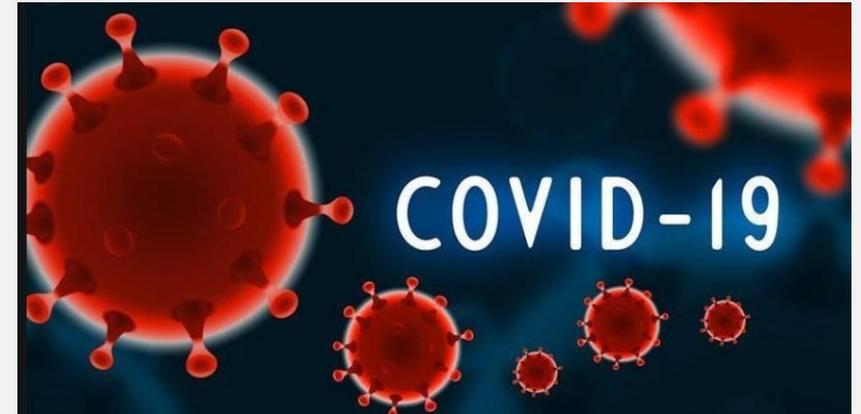


***Notes:**

- 1 317 MNOK in order backlog related to AquaCon is subject to financing
- Order backlog is reduced by MNOK 79 in Q3 related to the divestment of AKVA Marine Services AS

COVID-19 | Limited impact on operations

- Negative implications in H1 2021 were mainly related to travel restrictions and use of foreign workforce in ongoing operations
- Overall negative EBIT effect of approx. MNOK 15 in H1 21 related to COVID-19 restrictions
- The impact from the restrictions were limited in Q3 and we expect close to normal operations going forward





Strategic Status

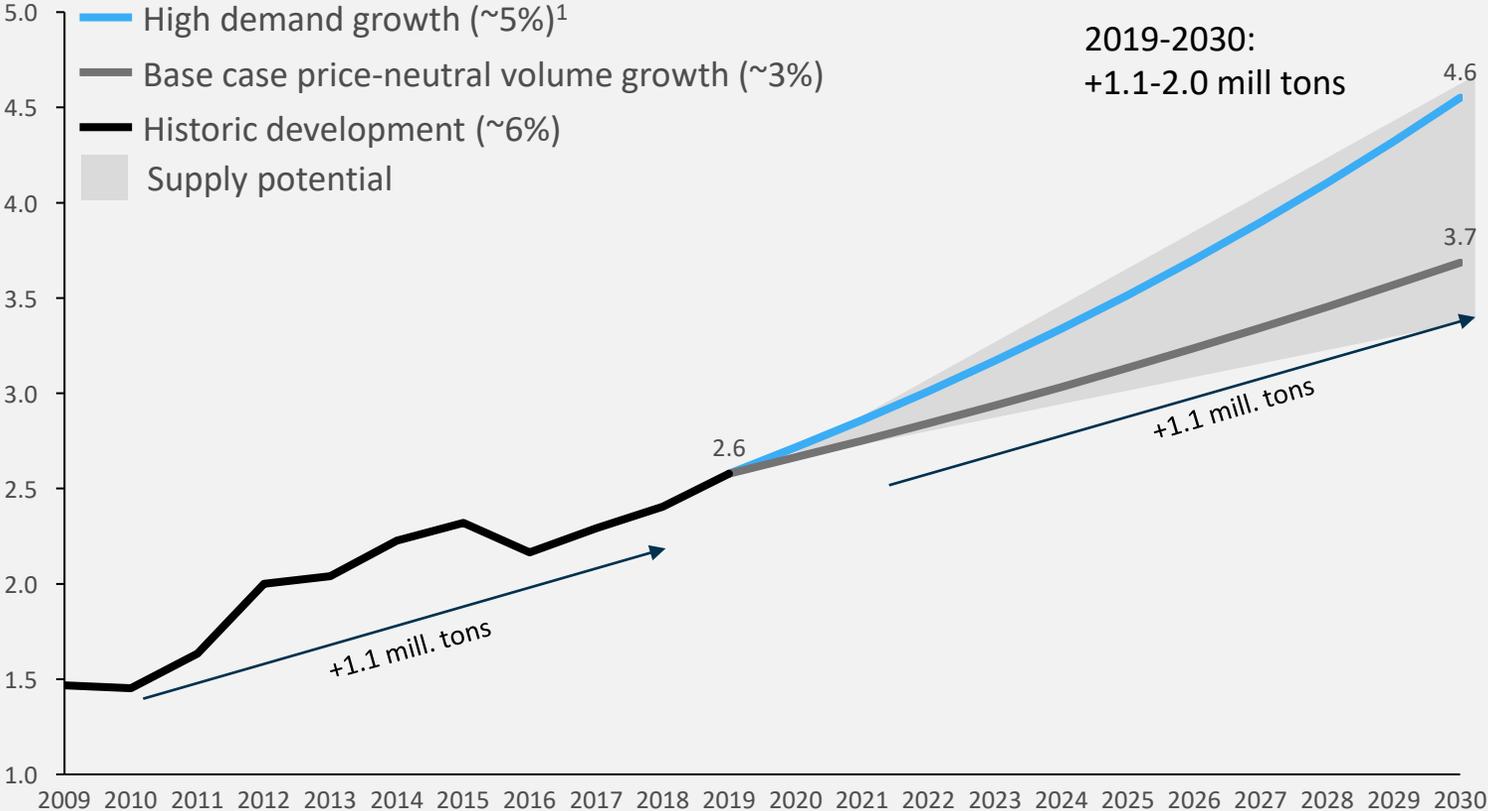
Key highlights new strategic investor

- Private placement corresponding to 10% of outstanding shares (3,333,430) in AKVA at a subscription price of NOK 96,50 per share
 - Total capital increase of MNOK 321.7
 - The transaction will accelerate AKVA's strategic agenda in all business segments
- Share sale existing shareholders of 3,266,762 shares at a purchase price of NOK 96,50 per share
 - Total amount of MNOK 315.2
- Establishment of investment platform for investments in land-based projects worldwide
- Awarded RAS contract from AquaCon subject to financing
- Strategic partnership with Israel Corp.
- New shareholdings:
 - Egersund Group AS ~ 51%
 - Israel Corp. ~ 18%
 - Other ~ 31%

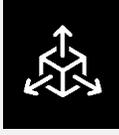
Underlying demand growth implies 1–2 million ton volume increase by 2030

Salmon demand has increased by 1.1 mill tons from 2009-2019. “Base case” assumes similar demand growth till 2030

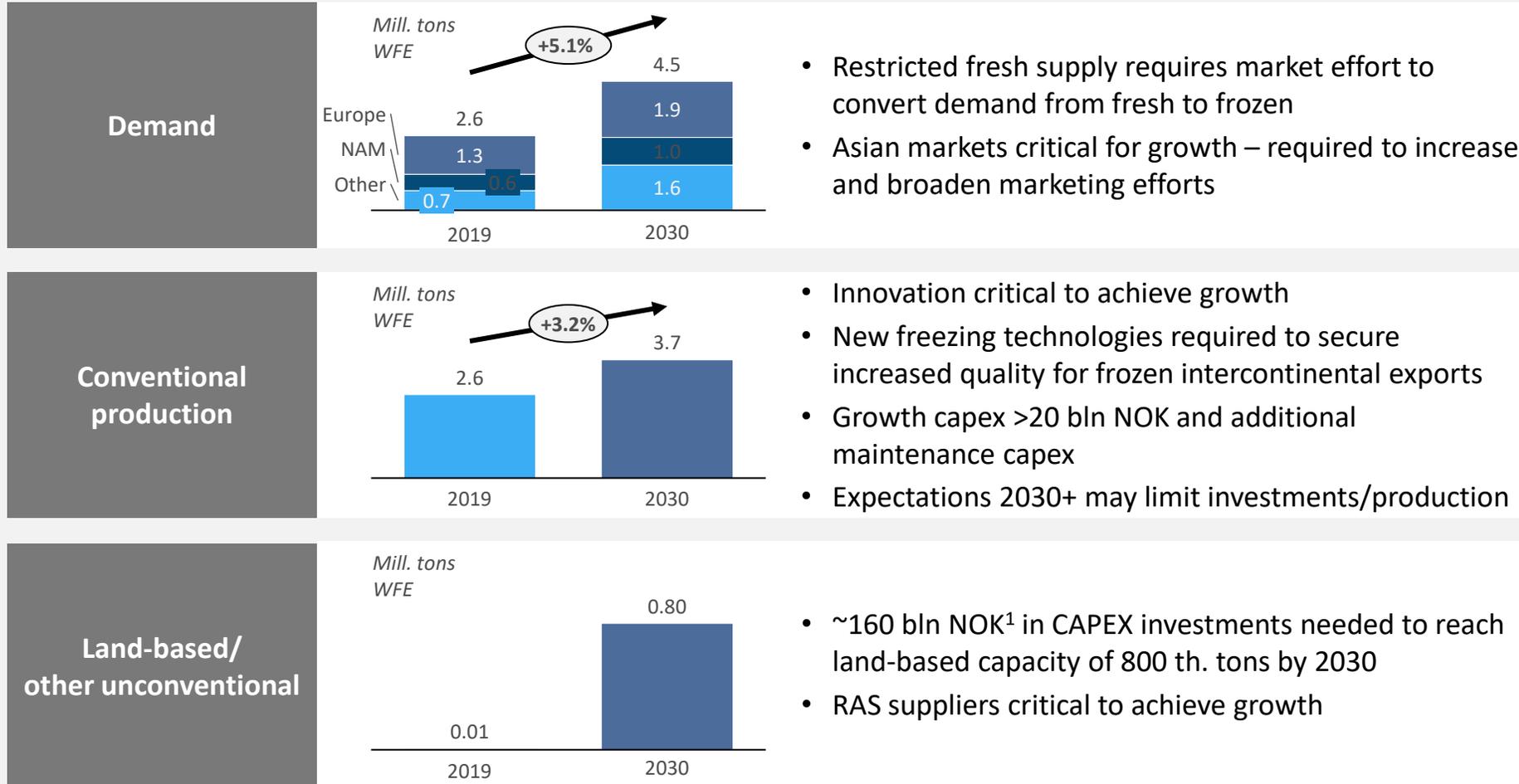
Consumption of salmon WFE in mill. tons



Key demand drivers

-  **Focus on environment and health** increasing demand for more environmentally friendly and healthy sources of protein
-  **Salmon among favored species** for consumption in developed and emerging seafood markets
-  **Distribution to new markets** fueling demand, ~45% of total volume growth 2015-2019
-  **Product developments** (e.g. smoked, marinated, sushi) resulting in salmon gaining market share
-  **Modified Atmosphere Packaging (MAP)** has prolonged shelf life and enabled grocery retailer distribution

The paradigm shift of land-based farming will require major capex investments until 2030 and beyond



AKVA Group implications:

- Strong Cage Farming segment
- Exponential growth in Land Based revenue
- Likely high margins within Land Based technology given potential shortage of RAS supplier capacity

1. Estimated 200 NOK/kg capex investment for land-based and 20 NOK/kg for conventional production

Three main segments within land based

Smolt:

100 - 250 g



Post-smolt:

250 - 1000 g



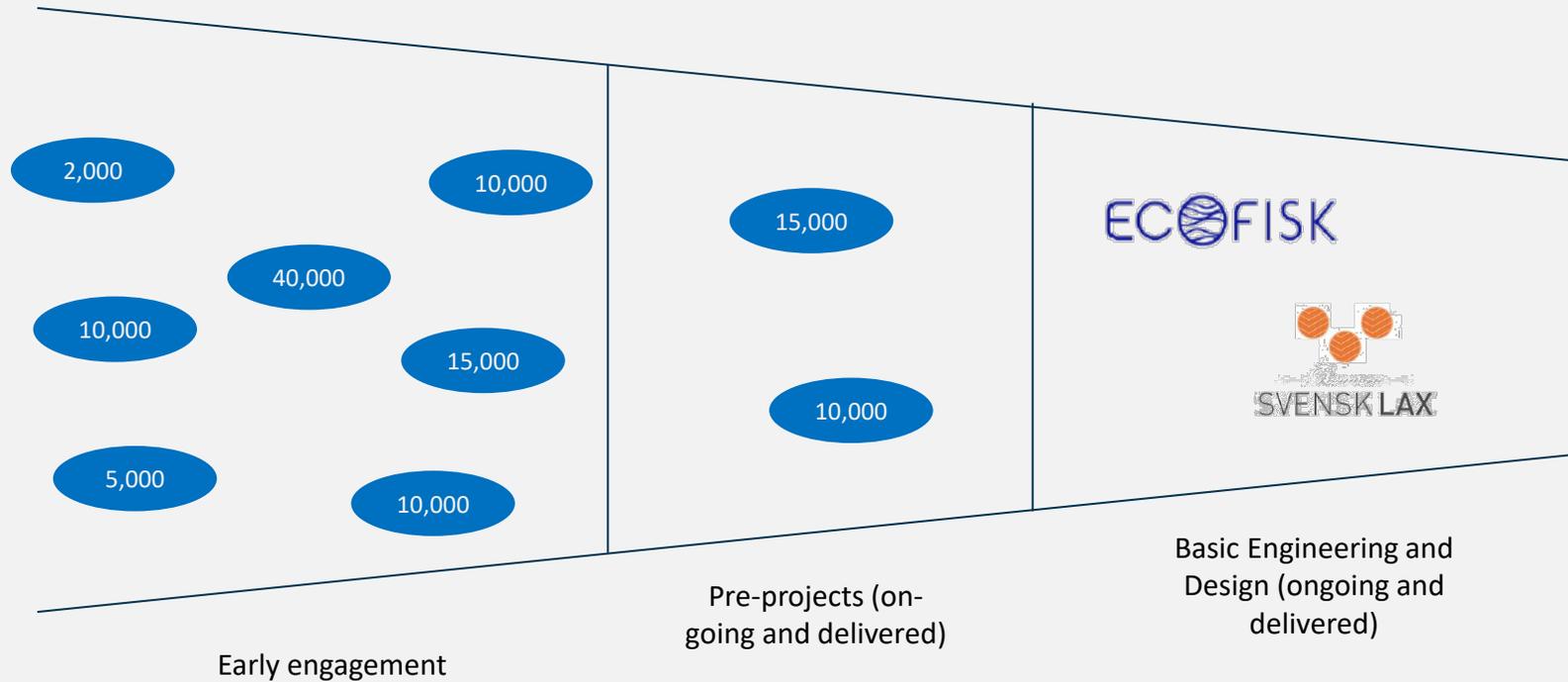
Grow-out:

5000 g



AKVA believes land-based farming has a great potential

Mill. tons



ECOFISK



AquaCon™



Awarded delivery contracts

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

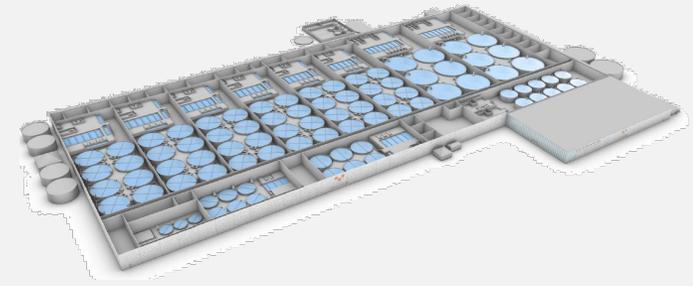
Standard 5,000 tonnes modules

Build up LB organization in Norway

AKVA group Innovation agenda – Centre of Excellence

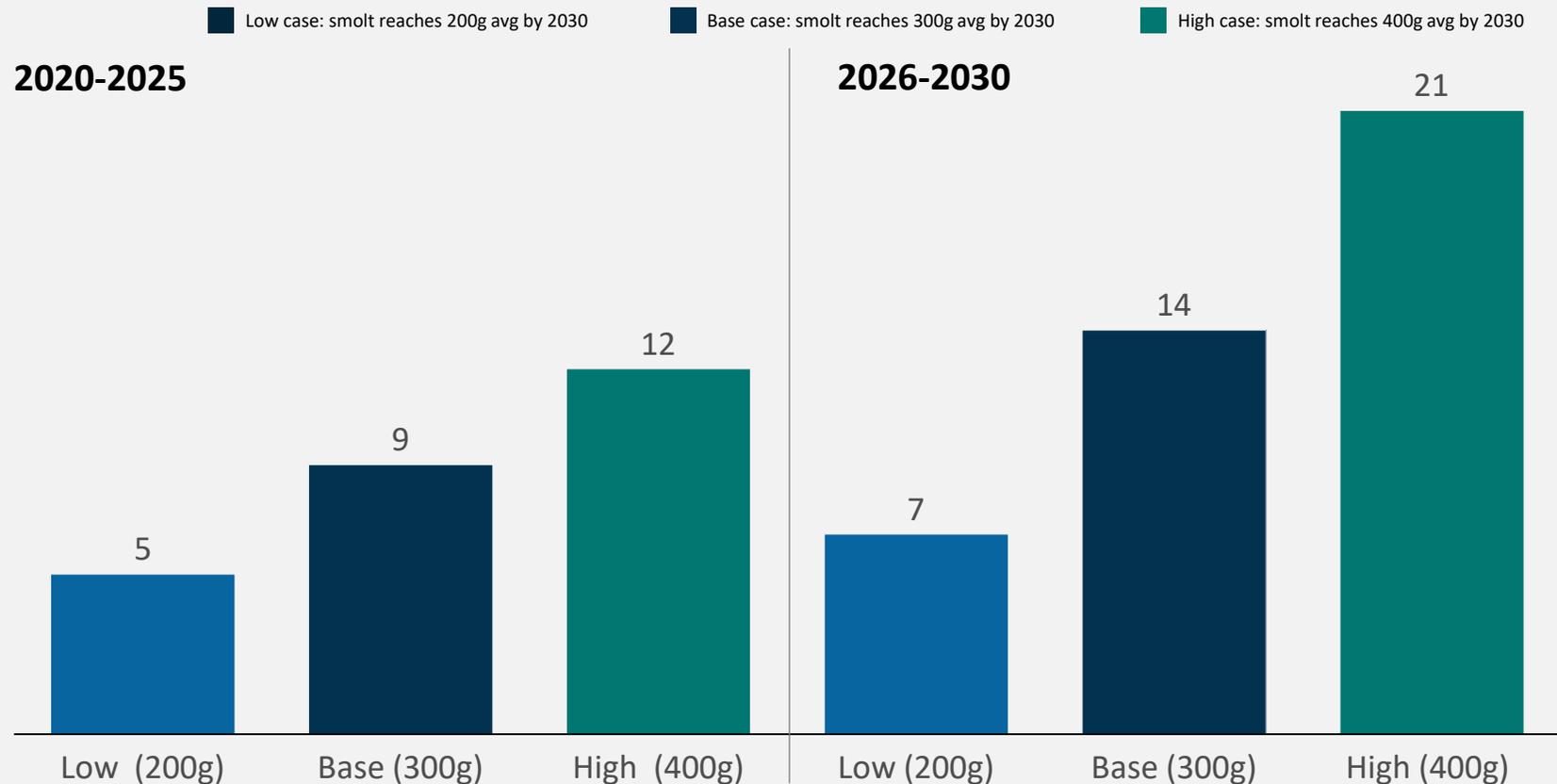
Establishment of investment platform to accelerate growth ambitions

- AKVA and Israel Corp. has agreed to establish an investment platform
- Investments in land-based projects worldwide using AKVA technology and solutions bearing in mind ESG considerations
- Both parties will contribute with MUSD 10 each and this can be in a pre-established project
- The goal is to raise further commitments from co-investors and partners up to MUSD 100
- The investment platform will target projects which are “closer to the consumer” (i.e. North America, Middle East and Asia)



Market for smolt / post smolt land-based facilities expected to be strong towards 2030

Expected investments in Norwegian land-based farming facilities towards 2030 is BNOK 12-33

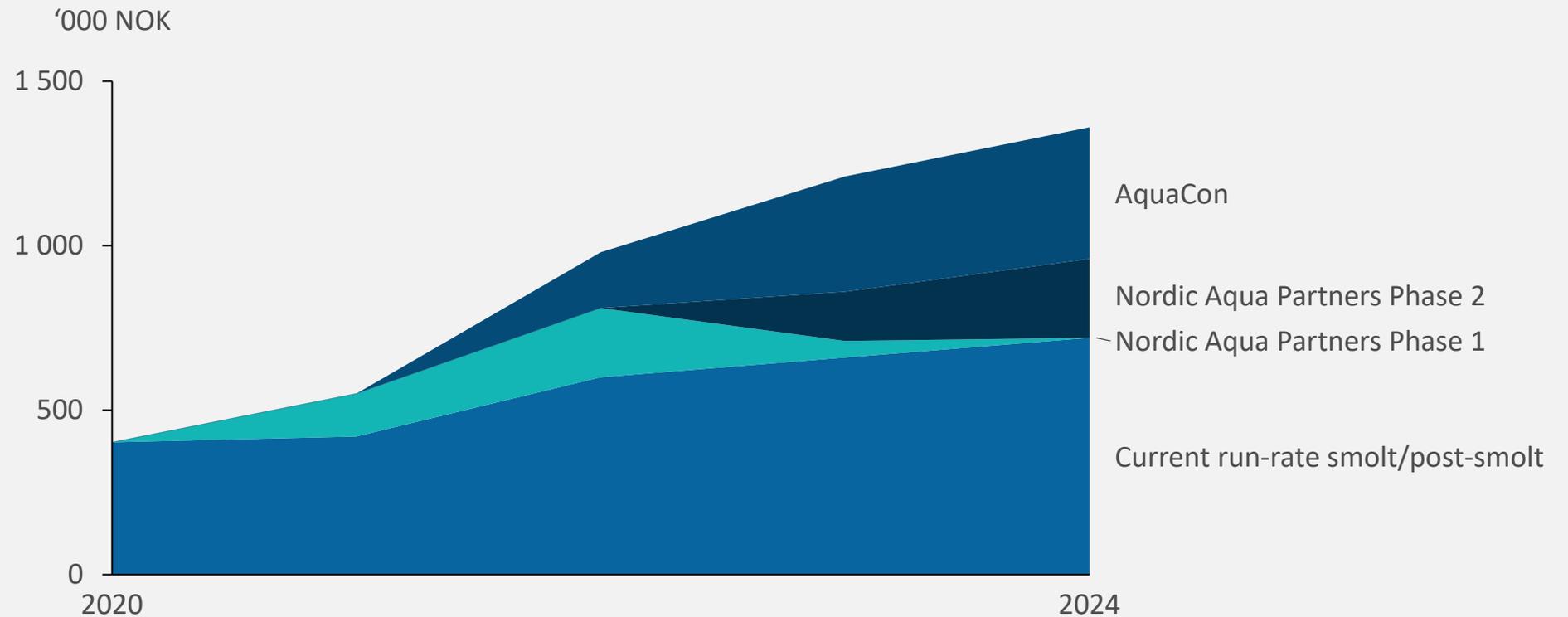


Market is driven by biomass volume and building costs

- Total smolt production is expected to grow with 55-160,000 tonnes in the next 10 years
- Smolt number is expected to continue to grow at 4% per year
- Smolt sizes in 2030 considered are:
 - Low case = 200 gram
 - Base case = 300 gram
 - High case = 400 gram
- Capex per 1000 tonnes
 - New facility: NOK ~220Mn
 - Expansion: NOK ~140Mn

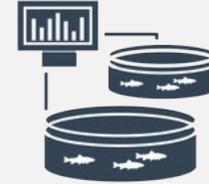
Source: McKinsey analysis

On track for ramping up of Land Based activity to a run-rate of 1 billion NOK



* For illustration purposes only

Precision Farming Sea based Solutions



Marine Infrastructure

for secure containment and efficient operations

- Plastic and Steel pens
- Nets
- Moorings
- Boats
- Net Cleaning services and FNC8s

Precision Feeding

for optimizing feed conversion and growth

- Barges
- Feed systems
- Camera systems
- AKVAconnect
- AKVA Observe
- Fishtalk

Digital

to support precision farming with leading, open and modular digital solutions

- AKVAconnect
- AKVA Observe
- Fishtalk

Lice Solution

to minimize number of lice treatments (Farmer's "license to operate")

- Tubenet
- Plastic Cages
- Feed system
 - Sub surface feeding
- Camera systems
- Lights
- Digital

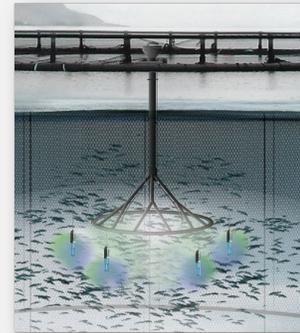
High focus to further develop deep-sea farming concepts

Benefits from deep-sea farming

- Avoid or reduce unwanted surface influences like lice, algae, currents, high temperatures.
- Better fish health and reduced mortality
- Improved fish welfare and reduced frequency and cost of reactive lice treatments
- Facilitate salmon farming at more exposed sites
- Knowledge-based development in cooperation with Institute of Marine Research, SINTEF Ocean etc.
- Reduced lice infestations is needed to sustain production growth (Norwegian Traffic Light system)
- Help farmers sustain fish health, reduce risk and increase profits.

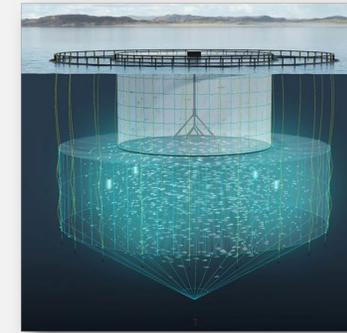
AKVA's current commercial solutions

**AKVA SUBFEEDER
and Aurora SUBLed**



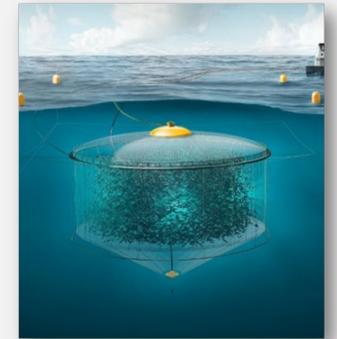
1. Fish is kept voluntarily in the deep

TUBENET™



2. Access to air through a smaller surface

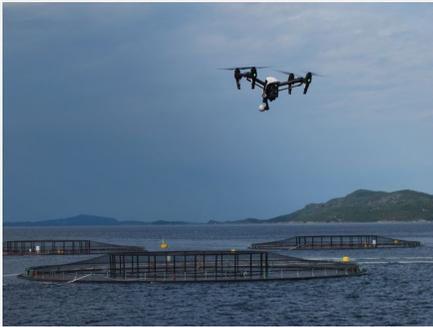
**ATLANTIS SUBSEA
FARMING**



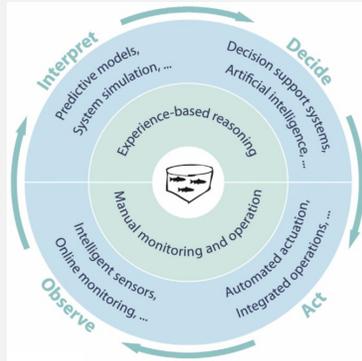
3. Access to air in the deep

Future of digitization in aquaculture

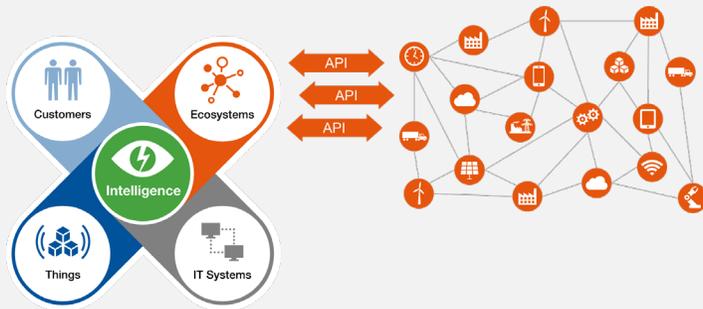
Remote operations



Precision Fish Farming



Ecosystems



AKVAs
current
response



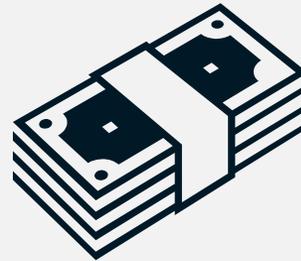
Strategic guidance



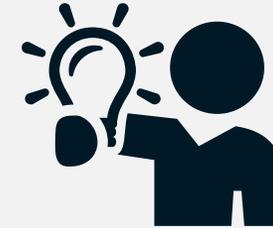
Organic topline growth



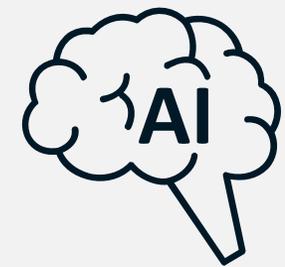
Operational excellence



- 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

Agenda | Q3 2021

Introduction and Highlights

Knut Nesse, CEO

Financial Performance

Ronny Meinkøhn, CFO

Q&A Session



Q3 2021 – Income statement

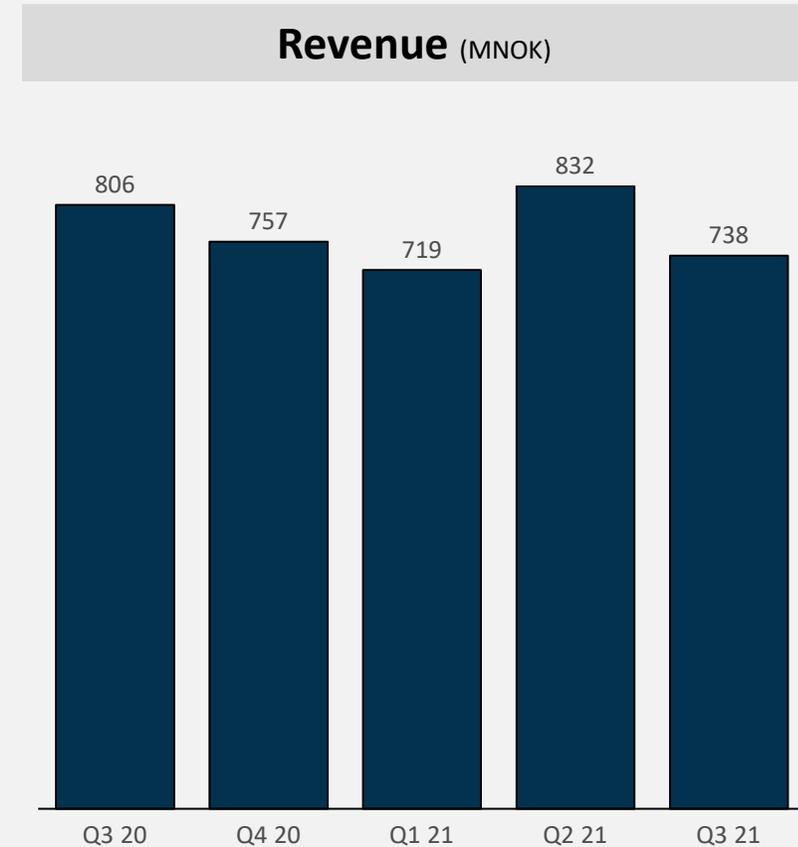
- Revenue reduced by MNOK 68 compared to Q3 20
- EBITDA and EBIT was MNOK 26 lower in Q3 21 compared to Q3 20 and is related to lower activity level and product mix
- Higher financial costs Q3 21 compared to Q3 20 partly related to lower share price on the investment in Nordic Aqua Partners (MNOK 2,5) and partly due to currency effects

NOK million	2021 Q3	2020 Q3	2021 YTD	2020 YTD	2020 Total
Revenue	738	806	2 289	2 420	3 177
EBITDA	79	105	192	284	338
EBITDA margin	10,7 %	13,1 %	8,4 %	11,8 %	10,6 %
EBITDA ex. cyber-attack costs¹	79	105	241	284	338
EBITDA margin ex. cyber-attack costs ¹	10,7 %	13,1 %	10,5 %	11,8 %	10,6 %
Depreciation, amortization and impairment	47	48	141	147	191
EBIT	32	58	51	138	147
EBIT margin	4,4 %	7,2 %	2,2 %	5,7 %	4,6 %
EBIT ex. cyber-attack costs¹	32	58	101	138	147
EBIT margin ex. cyber-attack costs ¹	4,4 %	7,2 %	4,4 %	5,7 %	4,6 %
Net Financial Items	-13	-7	-48	-26	-26
Income (loss) before tax	19	51	3	112	121
Income (loss) before tax ex. cyber-attack costs¹	19	51	52	112	121
Income tax	5	15	-3	28	31
Net income (loss)	14	36	6	84	91
Net income (loss) ex. cyber-attack costs ¹	14	36	44	84	91
Earnings per share (NOK)	0,43	1,07	0,17	2,51	2,74
Earnings per share (NOK) ex. special items ¹	0,43	1,07	1,35	2,51	2,74

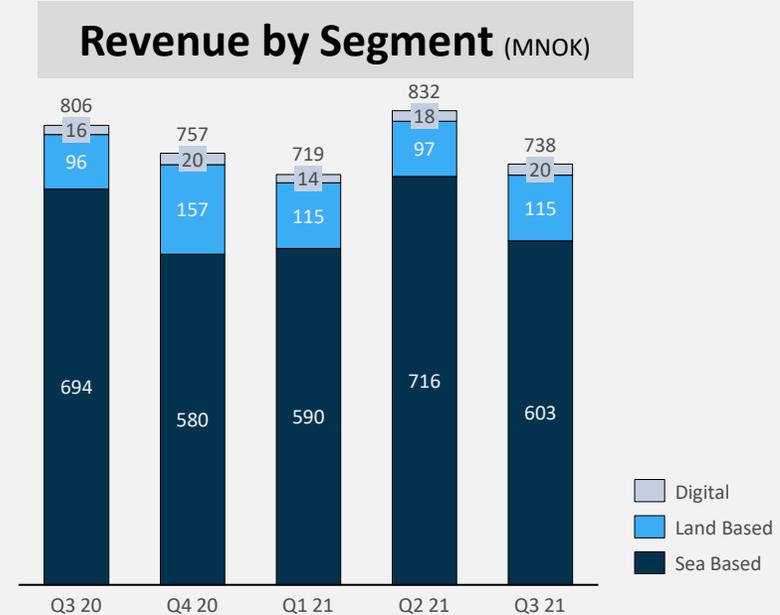
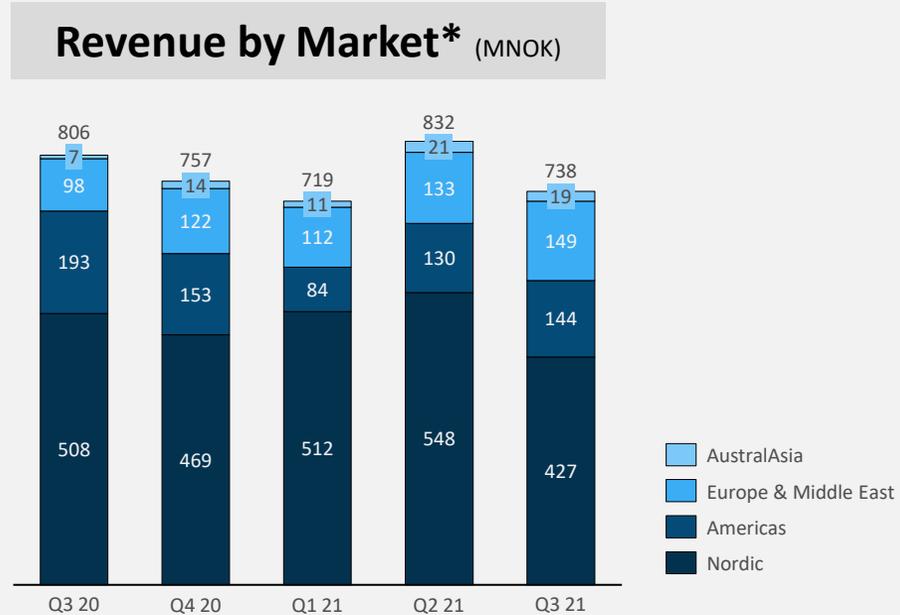
¹ Cyber-attack costs of 49,7 MNOK in Q1

Revenue development

- Last twelve months order intake and revenue of MNOK 4,478 and MNOK 3,046, respectively
- Revenue reduced by 8% compared to Q3 20
- Increased activity in Land Based and Digital business segments but reduced revenue in Sea Based segment compared to Q3 20



Revenue by Market and Segment



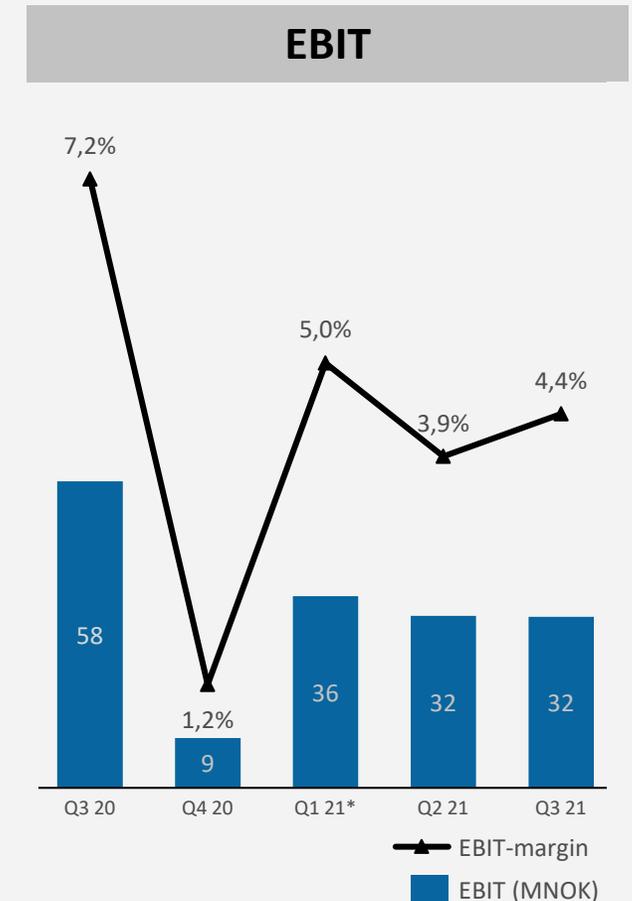
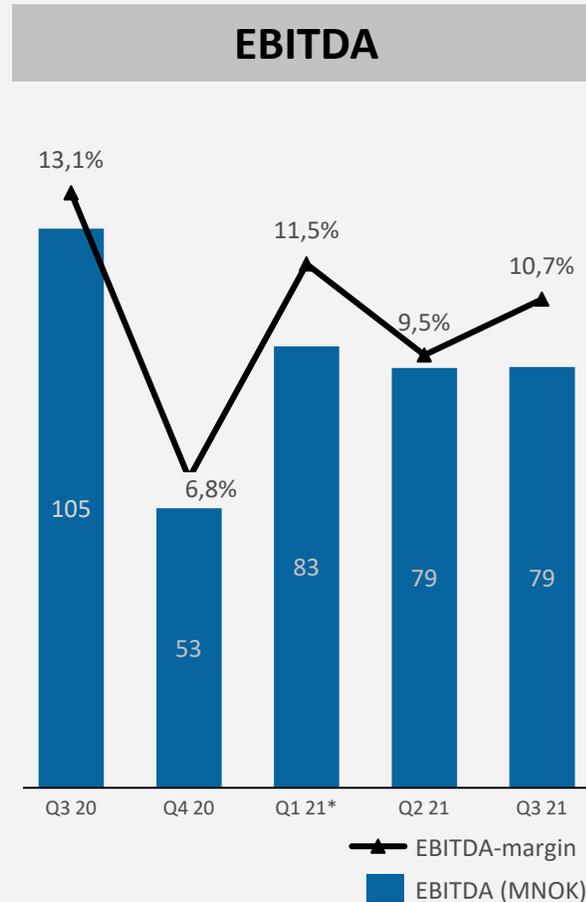
- Significant reduction of 22% in revenue in Nordic market
- Positive trend continues in Europe & Middle East
- Somewhat increased activity in Americas

- Sea Based represents 82% of total revenue in Q3 21

* Note: Market definition is location of customer

EBITDA and EBIT development

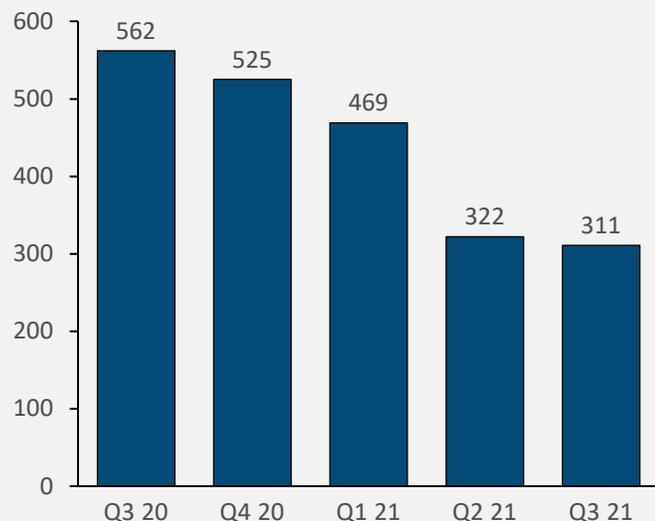
- EBITDA of MNOK 79 / 10,7% in Q3 21
- Reduced profit compared to Q3 20 is mainly related to lower activity level and product mix in Sea Based segment



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

Cash flow and financial position

Available cash



- Including a MNOK 300 available credit facility in Danske Bank

Net Working capital



Net debt / EBITDA*

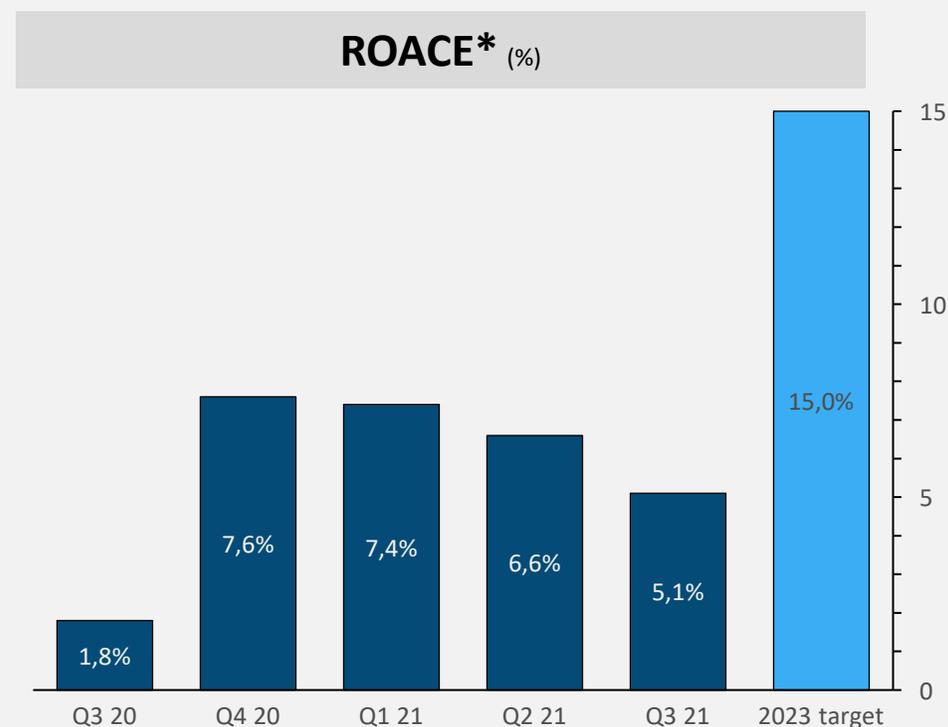


- NIBD/EBITDA (12 mth rolling)
 - NIBD
 - Lease Liability (IFRS 16)
- NIBD/EBITDA covenant threshold of 4,25

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

Development return on capital employed

- ROACE reduced from 6,6% in Q2 21 to 5,1% in Q3 21
- Target of minimum 15% in 2023 remains unchanged

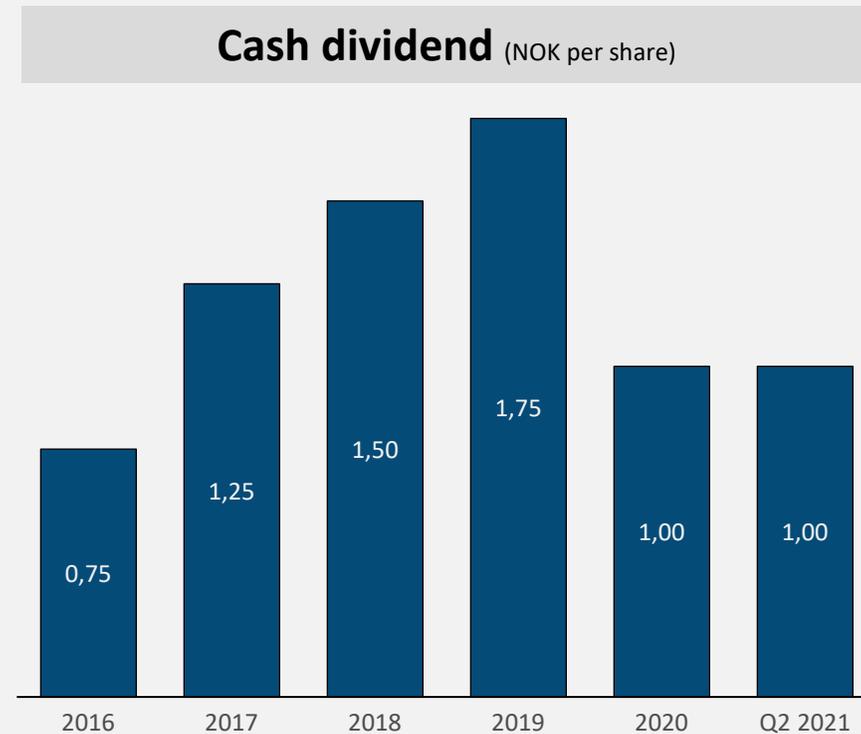


- ROACE is calculated with the average balance sheet items last four quarters
- ROACE is calculated ex balance sheet items of IFRS 16

* 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
- Due to the challenging first half year of 2021 the company has decided not to pay any dividend in the second half





Business segments

Sea Based Technology

- Revenue reduced by 13% in Q3 compared to Q3 20 while order intake was at the same level as last year

Nordic

- Revenue reduced by 25% in Q3 compared to Q3 20
- Total order intake of MNOK 339 and 22% reduction compared to Q3 20

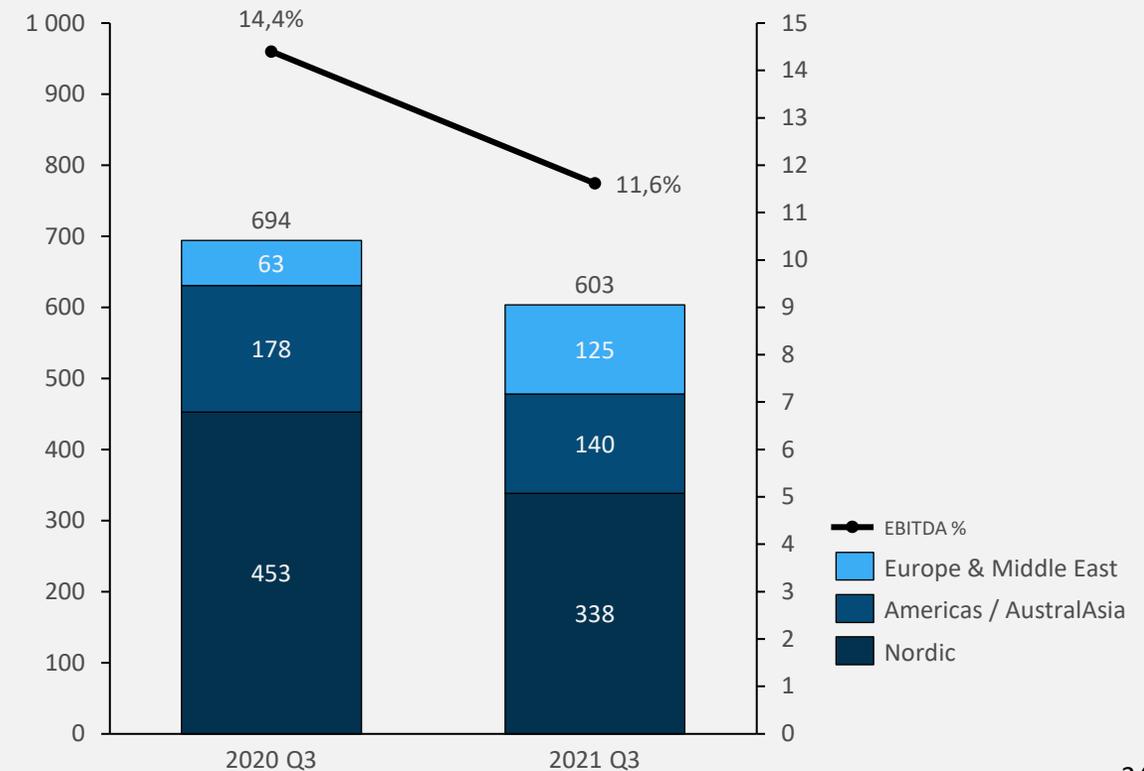
Americas

- 24% reduction in revenue in Q3 compared to Q3 20
- Increase in order intake of 140% in Q3 compared to Q3 20

Europe & Middle East

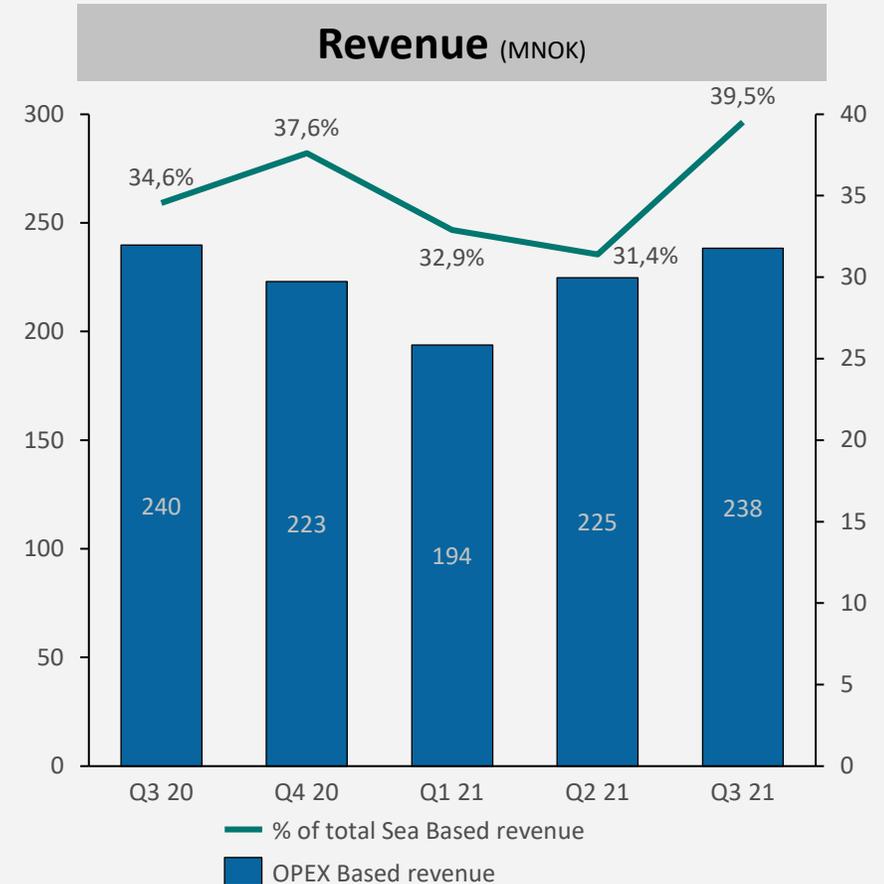
- Significant increase in revenue of 47% but a reduction in order intake of 25% compared to Q3 20

Revenue (MNOK) and EBITDA-margin (%)



Development OPEX based revenue

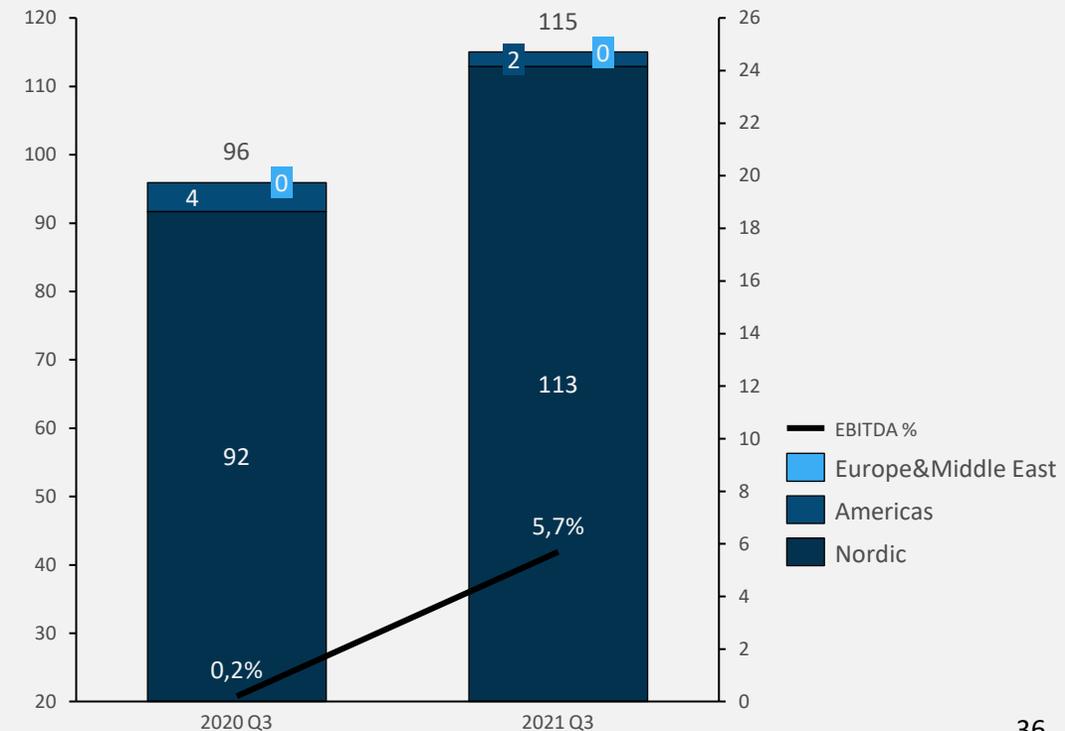
- As expected, the share of recurring revenue increased in Q3 as the travel restrictions were lifted in June
- Overall, the activity level at service stations in Norway were high during Q3



Land Based Technology

- Order intake of MNOK 1,349 in the quarter compared to MNOK 68 in Q3 2020
- Revenue increased by 20% in Q3 21 compared to Q3 20 and further increase in activity level is expected in Q4
- EBITDA of MNOK 6,6 (5,7%) in the quarter

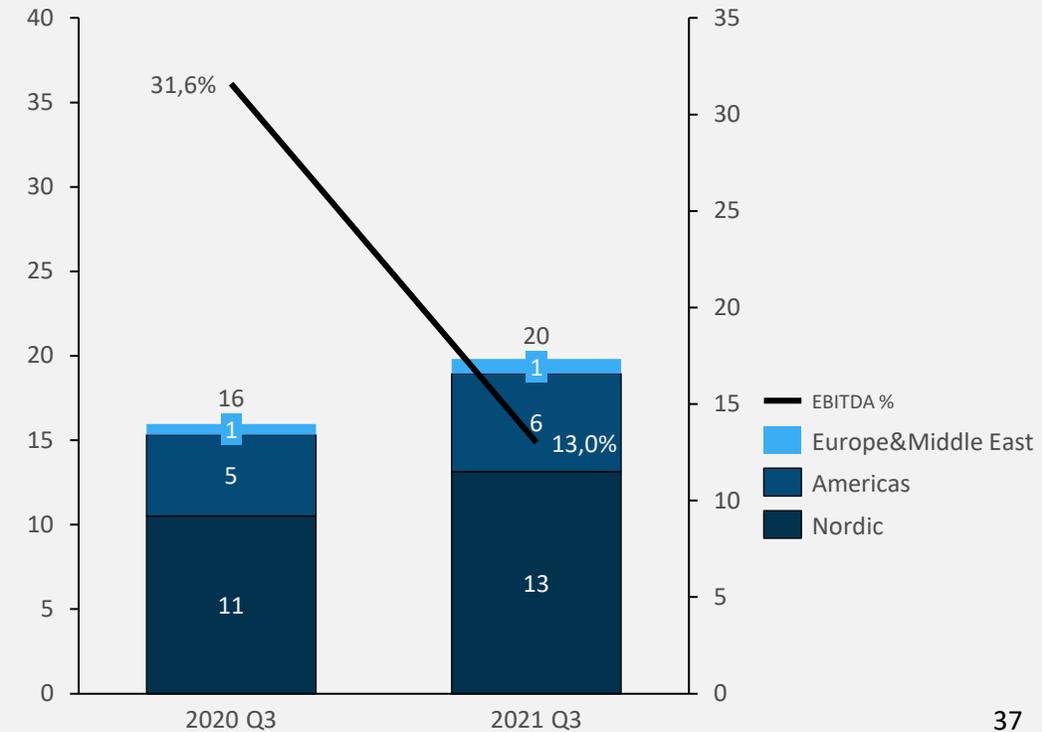
Revenue (MNOK) and EBITDA-margin (%)



Digital

- Revenue increased by 24% in Q3 21 compared to last year
- Reduced EBITDA margin related to ramp-up of organization

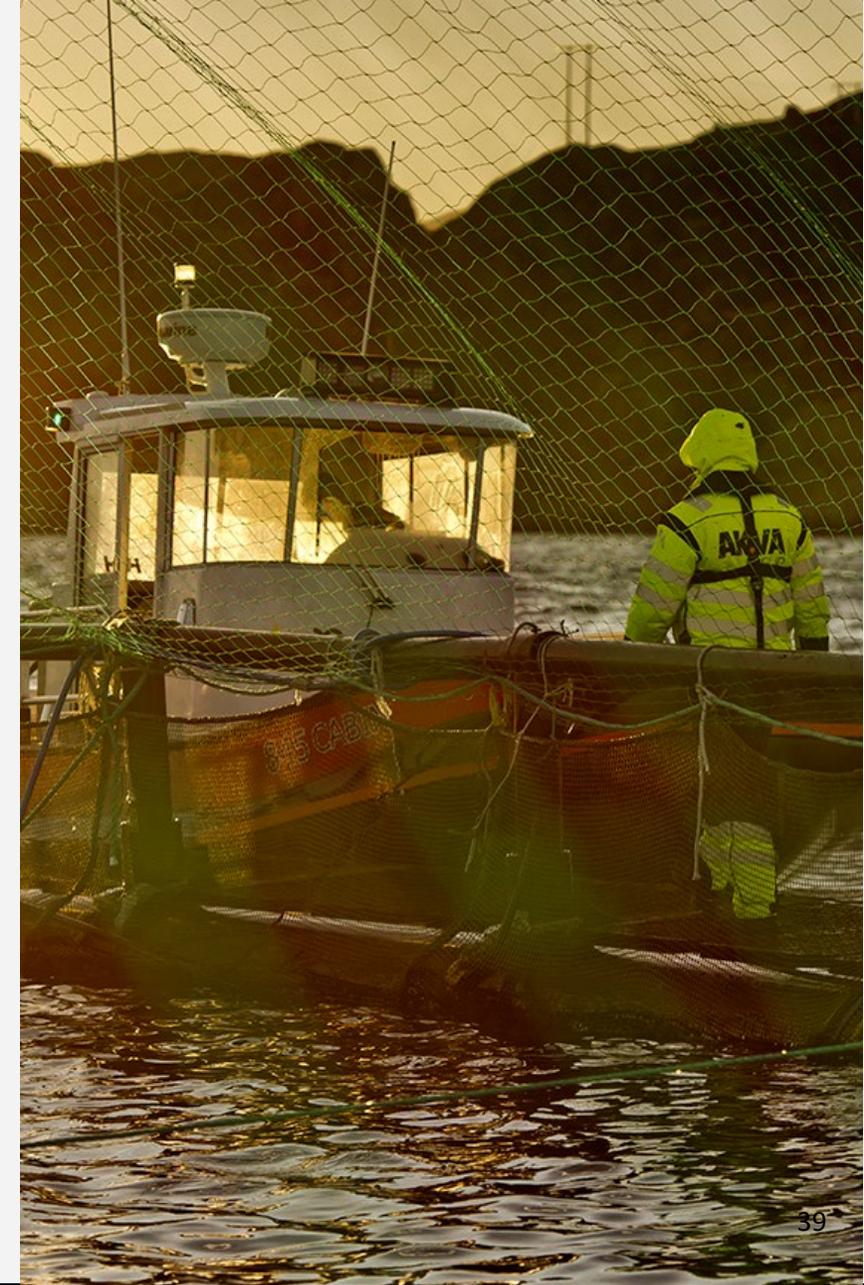
Revenue (MNOK) and EBITDA-margin (%)



 Outlook

Outlook

- Order backlog is solid and forms a good foundation to execute our organic growth strategy
- Long term fundamentals remains unchanged as presented in our Capital Markets Day in November 2020
- Private placement of MNOK 321,7 will accelerate our strategic agenda within all three business segments
- Establishment of investment platform to facilitate our organic growth ambition within the Land Based business segment
- Digital solutions is an important part of AKVA groups total product offering and the company will continue to invest and improve our solutions, both within Sea Based and Land Based Technology



Agenda | Q3 2021

Introduction and Highlights

Knut Nesse, CEO

Financial Performance

Ronny Meinkøhn, CFO

Q&A Session



Disclaimer

- All opinions and statements in this notice are, regardless of source, given in good faith, and may only be valid as of the stated date of this notice and may be subject to change without notice. AKVA group has taken all reasonable steps to ensure that the information contained in this notice is true and not misleading. Notwithstanding such efforts, we make no guarantee as to its accuracy or completeness.
- This notice includes forward-looking statements. Forward-looking statements are based on current plans, estimates and projections, and therefore investors should not place undue reliance on them. Words such as “expect”, “anticipate”, “believe”, “intend”, “estimate”, “should” and other similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update any forward-looking statement in light of new information or future events.
- Forward-looking statements involve inherent risks and uncertainties, most of which are difficult to predict and generally beyond AKVA group’s control. Although it is believed that the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements are reasonable, investors should bear in mind that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including assumptions relating to general economic conditions in Norway and worldwide. Numerous factors exist and may occur that could cause AKVA group’s actual operations, result or performance to differ from the forward-looking statements.
- Any use of information contained in this notice is at your own individual risk. AKVA group assumes no liability for any losses caused by relying on the information contained in this notice, including investment decisions taken on the basis of this notice.
- This notice is not intended for, and must not be distributed to, individuals or entities in jurisdictions where such distribution is unlawful.

Appendix

AKVA group in brief



Leading
technology
and service
partner



Listed on
Oslo stock
exchange
since 2006



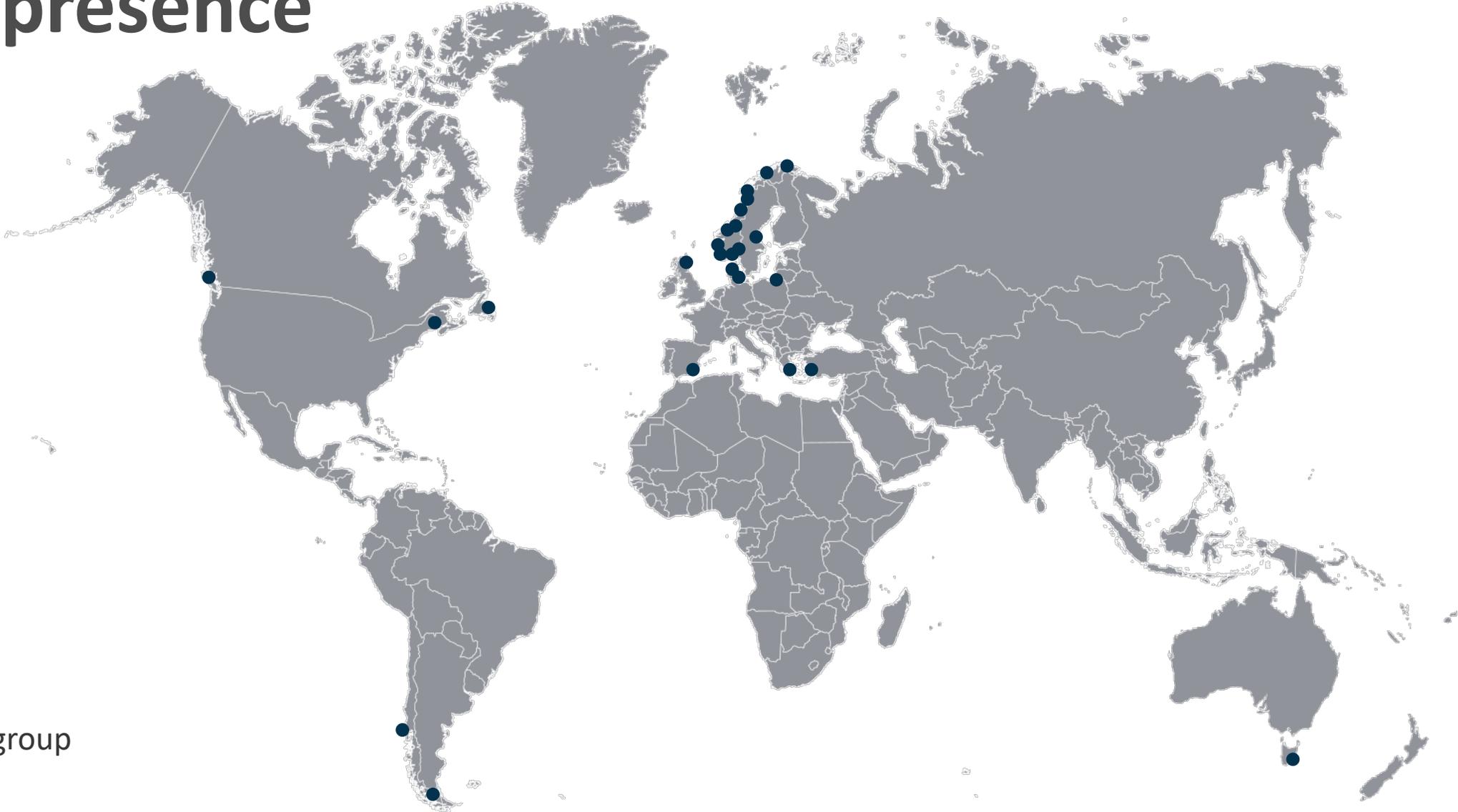
Deliveries
in 65
countries
over 40
years



Companies
in 10
countries.
1 437
employees

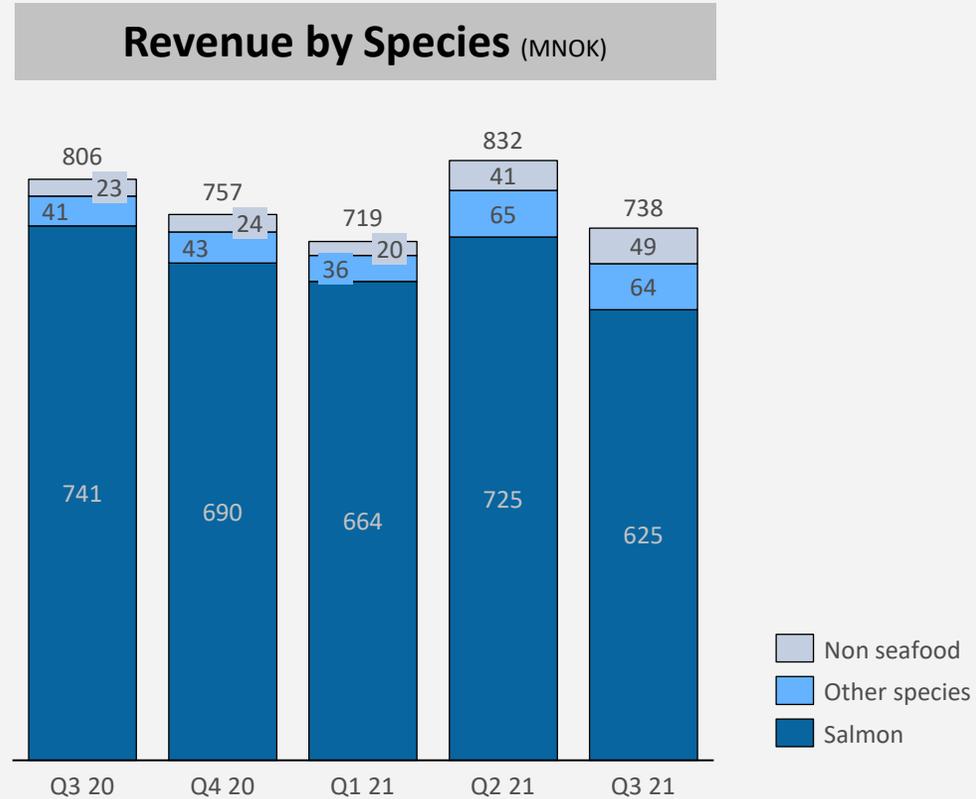


Our presence



● AKVA group

Revenue by species



Balance sheet

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NOK 1 000)	2021 30.9.	2020 30.9.	2020 31.12.
Intangible fixed assets	936 882	1 055 369	1 043 350
Deferred tax assets	2 319	12 932	10 872
Fixed assets	625 070	725 511	749 124
Long-term financial assets	331 924	105 148	148 437
FIXED ASSETS	1 896 196	1 898 958	1 951 784
Stock	550 860	491 970	474 930
Trade receivables	580 082	552 491	483 993
Other receivables	82 817	92 122	91 103
Cash and cash equivalents	87 925	262 097	224 884
CURRENT ASSETS	1 301 684	1 398 680	1 274 910
TOTAL ASSETS	3 197 880	3 297 639	3 226 694
Paid in capital	880 174	880 374	880 174
Retained equity	96 152	192 563	161 364
Equity attributable to equity holders of AKVA group ASA	976 327	1 072 937	1 041 538
Non-controlling interests	119	3 867	158
TOTAL EQUITY	976 447	1 076 803	1 041 696
Deferred tax	44 387	86 315	58 272
Other long term debt	38 771	31 225	32 361
Lease Liability - Long-term	395 484	352 765	444 920
Long-term interest bearing debt	754 187	845 867	766 239
LONG-TERM DEBT	1 232 827	1 316 173	1 301 792
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	820 574	788 542
SHORT-TERM DEBT	988 605	904 663	883 207
TOTAL EQUITY AND DEBT	3 197 880	3 297 639	3 226 694

Cash flow statement

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (NOK 1 000)	2021 Q3	2020 Q3	2021 YTD	2020 YTD	2020 Total
Cash flow from operating activities					
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
Cash generated from operating activities	55 463	57 884	19 341	254 973	346 591
Interest paid	-11 090	-9 745	-32 694	-35 261	-46 089
Interest received	228	779	1 279	3 694	4 467
Net cash flow from operating activities	44 601	48 918	-12 074	223 406	304 969
Cash flow from investment activities					
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
Net cash flow from investment activities	-23 060	8 193	-98 511	-169 536	-188 401
Cash flow from financing activities					
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
Net cash flow from financing activities	-72 871	-12 138	-23 025	39 934	-52 692
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
Cash and cash equivalents at end of period	87 925	262 097	87 925	262 097	224 884

Largest shareholders

20 largest shareholders

No of shares	%	Account name	Type	Citizenship
20 703 105	62,1 %	EGERSUND GROUP AS		NOR
1 623 672	4,9 %	PARETO AKSJE NORGE VERDIPAPIRFOND		NOR
1 066 438	3,2 %	VERDIPAPIRFONDET NORDEA KAPITAL		NOR
975 932	2,9 %	VERDIPAPIRFONDET ALFRED BERG GAMBA		NOR
949 436	2,8 %	SIX SIS AG	Nominee	CHE
898 952	2,7 %	VERDIPAPIRFONDET NORDEA AVKASTNING		NOR
675 084	2,0 %	VERDIPAPIRFONDET NORDEA NORGE PLUS		NOR
500 692	1,5 %	FORSVARETS PERSONELLSERVICE		NOR
430 000	1,3 %	VERDIPAPIRFONDET ALFRED BERG NORGE		NOR
382 950	1,1 %	J.P. Morgan Bank Luxembourg S.A.	Nominee	LUX
361 300	1,1 %	MP PENSJON PK		NOR
342 895	1,0 %	AKVA GROUP ASA		NOR
300 000	0,9 %	J.P. Morgan Bank Luxembourg S.A.	Nominee	FIN
263 562	0,8 %	EQUINOR PENSJON		NOR
155 000	0,5 %	PACTUM AS		NOR
150 000	0,4 %	BJØRN DAHLE		NOR
131 400	0,4 %	JAKOB HATTELAND HOLDING AS		NOR
124 412	0,4 %	VERDIPAPIRFONDET ALFRED BERG AKTIV		NOR
100 000	0,3 %	ASKVIG AS		NOR
97 200	0,3 %	BKK PENSJONSKASSE		NOR
30 232 030	90,7 %	20 largest shareholders		
3 102 273	9,3 %	Other shareholders		
33 334 303	100,0 %	Total shares		

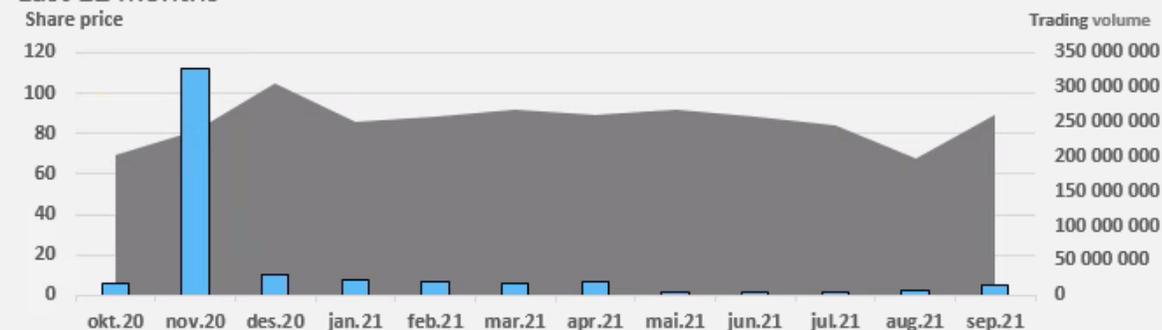
Origin of shareholders, 5 largest countries

No of shares	%	Origin	No of shareholders
31 050 802	93,1 %	Norway	1427
1 015 165	3,0 %	Switzerland	7
413 839	1,2 %	Luxembourg	2
350 020	1,1 %	Finland	3
126 976	0,4 %	Denmark	24
75 187	0,2 %	Austria	1
58 790	0,2 %	Liechtenstein	1

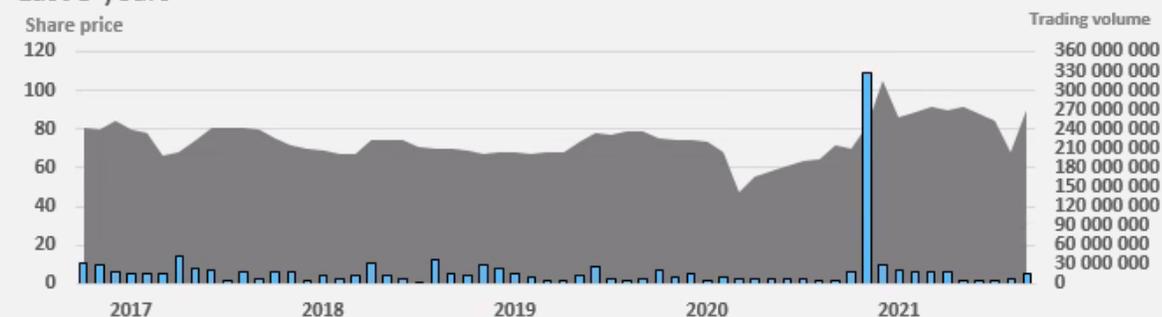
Total number of shareholders: 1601 - from 33 different countries

Share development

Last 12 months



Last 5 years



Subscribe to Oslo Stock Exchange Releases from AKVA by email on:

<http://ir.akvagroup.com/investor-relations/subscribe>

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!

