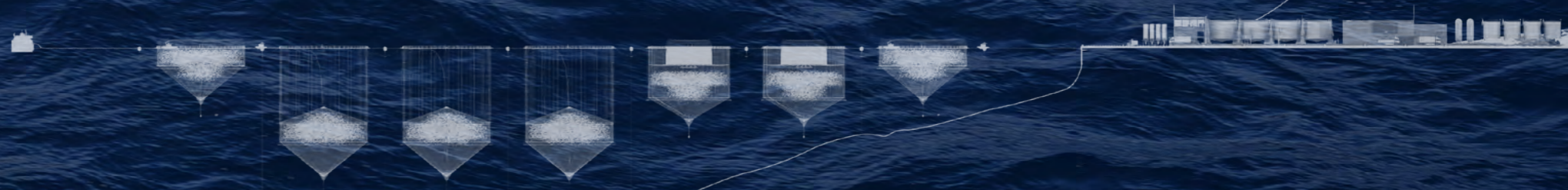


Annual Report 2023

– Pioneering a better future



Keys for navigating

RESULT	WINDOWS/UNIX ACTION	MACOS ACTION
Previous screen	Page Up or Shift+Enter	Page Up or Shift+Return
Next screen	Page Down or Enter	Page Down or Return
First page	Home or Shift+Ctrl+Page Up or Shift+Ctrl+Up Arrow	Home or Shift+Command+Up Arrow
Last page	End or Shift+Ctrl+Page Down or Shift+Ctrl+Down Arrow	End or Shift+Command+Down Arrow
Previous page	Left Arrow or Ctrl+Page Up	Left Arrow or Command+Page Up
Next page	Right Arrow or Ctrl+Page Down	Right Arrow or Command+Page Down
Go to page	Command+Shift+N	Ctrl+Shift+N
Scroll up	Up Arrow	Up Arrow
Scroll down	Down Arrow	Down Arrow
Scroll (when Hand tool is selected)	Spacebar	Spacebar
Zoom in	Ctrl+equal sign	Command+equal sign
Zoom out	Ctrl+hyphen	Command+hyphen

Last viewed

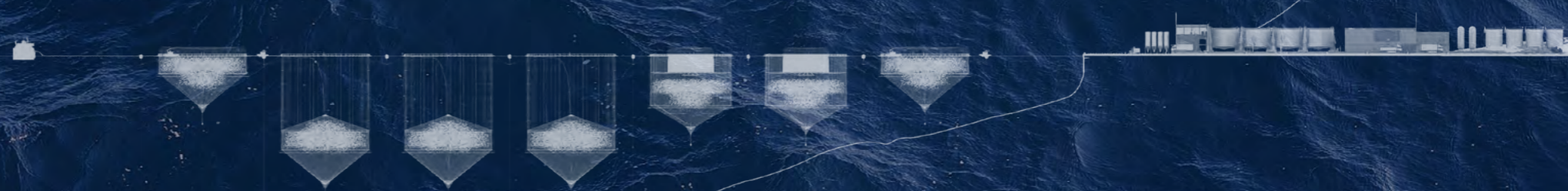
Next page



AKVA group in brief

AKVA group is the leading technology and service partner to the aquaculture industry worldwide. The company has 1 425 employees, offices in 11 countries and a total turnover of NOK 3.4 billion in 2023.

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.



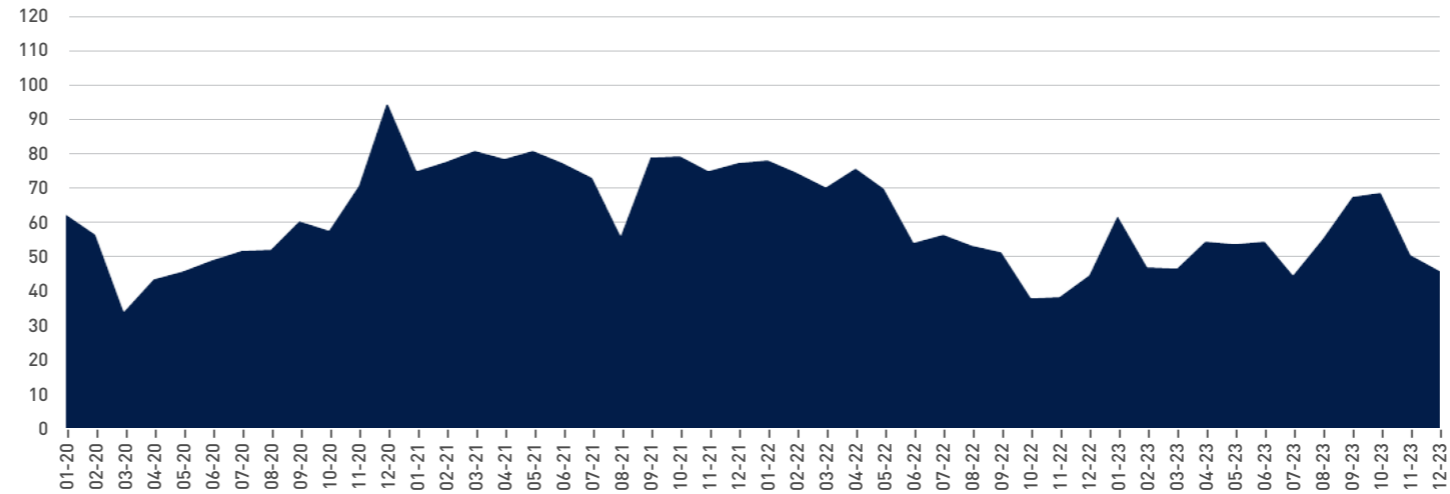
Highlights 2023

- EBIT of 68 MNOK in 2023 is up from MNOK -56 in 2022*
- Strong order intake of MNOK 4,328 in 2023, increase from MNOK 3,414 in 2022
- Revenue in 2023 of MNOK 3,432 – a 2% increase compared to revenue in 2022
- Net profit in 2023 of MNOK -19 – a increase from MNOK -131 in net profit in 2022
- Order backlog of MNOK 2,396, 42% increase compared to end of Q4 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
- 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

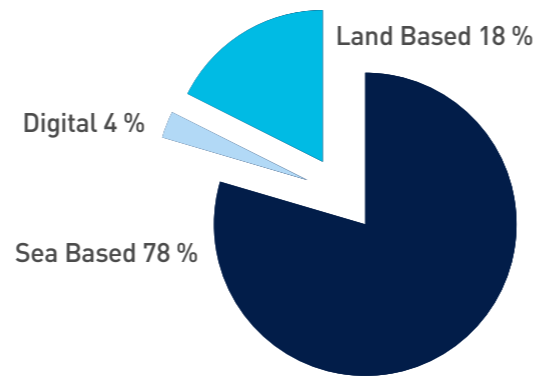
Financial key figures

(in NOK 1 000)	2023	2022	2021	2020	2019
PROFITABILITY					
Revenues	3 432 262	3 376 320	3 121 737	3 176 852	3 076 740
EBITDA	263 407	158 270	252 467	338 091	271 910
EBIT	67 603	-56 493	69 805	147 163	62 316
Profit before tax	-29 309	-151 864	2 549	121 475	13 476
Net profit	-18 527	-131 075	11 458	90 698	16 604
NET PROFIT (LOSS) ATTRIBUTABLE TO:					
Non-Controlling interests	-692	134	-18	25	1 971
Equity holders of AKVA group ASA	-17 835	-131 209	11 476	90 673	14 633
Cash flow from operations	193 397	218 163	60 751	346 592	210 768
EBITDA margin	7,7 %	4,7 %	8,1 %	10,6 %	8,8 %
EBIT margin	2,0 %	-1,7 %	2,2 %	4,6 %	2,0 %
Return on capital employed	2,1 %	-2,0 %	2,6 %	6,9 %	2,9 %
Return on equity	-1,6 %	-11,5 %	0,9 %	8,7 %	1,7 %
FINANCIAL POSITION					
Non-current assets	2 214 341	1 983 547	1 930 149	1 951 784	1 883 496
Current assets	1 469 591	1 596 899	1 515 397	1 274 910	1 150 138
Total assets	3 683 933	3 580 446	3 445 546	3 226 694	3 033 634
Equity attributable to equity holders of AKVA group ASA	1 142 451	1 144 000	1 296 885	1 041 538	986 340
Non-controlling interests	10 225	336	140	158	4 165
Total equity	1 152 676	1 144 337	1 297 025	1 041 696	990 505
Long-term debt	1 358 554	1 160 700	918 981	1 301 792	1 163 545
Short-term debt	1 172 701	1 275 410	1 229 541	883 207	879 584
Total equity and liabilities	3 683 933	3 580 446	3 445 546	3 226 694	3 033 634
Gross interest-bearing debt	1 395 843	1 265 540	1 232 874	1 332 100	1 217 447
Cash and cash equivalents	219 394	277 988	303 442	224 884	160 999
Net interest-bearing debt	1 176 449	987 552	929 432	1 107 215	1 056 448
Working capital	205 556	203 221	361 478	261 484	286 691
Equity ratio	31,3 %	32,0 %	37,6 %	32,3 %	32,7 %
Debt to equity ratio	121,1 %	110,6 %	97,9 %	127,9 %	122,9 %
(in NOK)					
SHARE DATA					
Earnings per share	-0,49	-3,61	0,34	2,74	0,44
Diluted earnings per share	-0,49	-3,61	0,34	2,74	0,44
Cash flow per share	-1,60	-0,78	6,03	1,92	0,12
Dividend per share	-	1,00	1,00	1,00	1,75
Shareholders' equity per share at year-end	31,16	31,20	35,37	31,25	29,59
Share price at year-end	58,00	57,00	88,20	105,00	74,00
Market capitalization at year-end	2 126 729	2 090 061	3 234 094	3 500 102	2 466 738
Number of shares outstanding at year-end	36 667 733	36 667 733	36 667 733	33 334 303	33 334 303
Weighted average number of ordinary shares	36 415 864	36 369 400	33 813 103	33 116 506	33 204 736

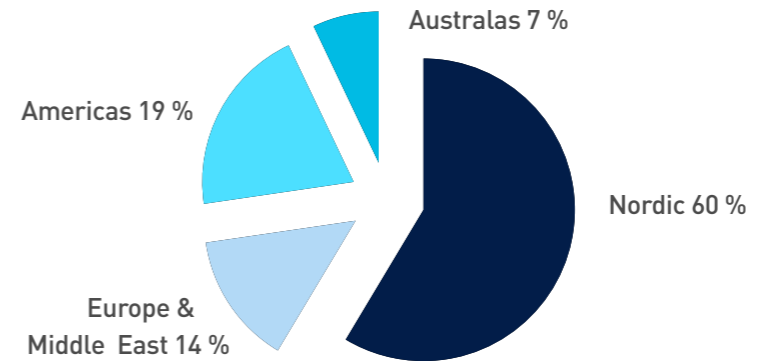
Share Price Development



Revenue



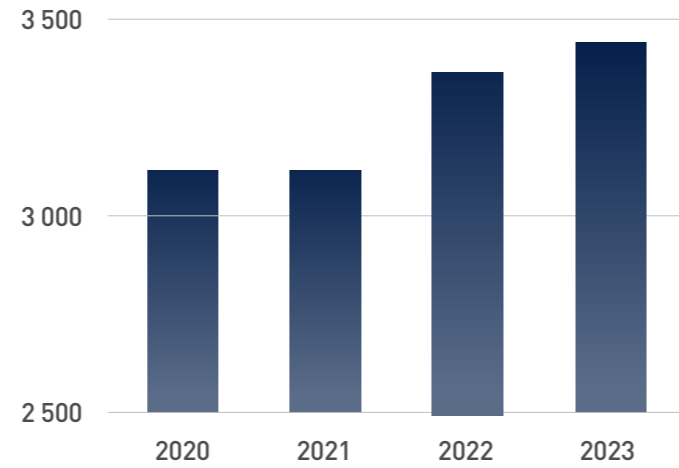
Geographic segments*



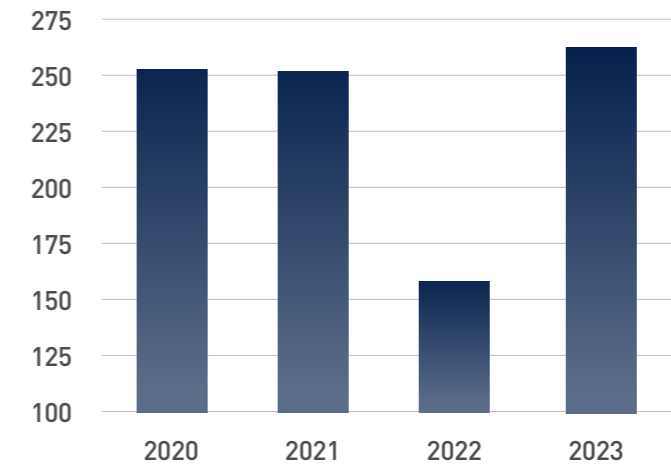
*Based on customer location



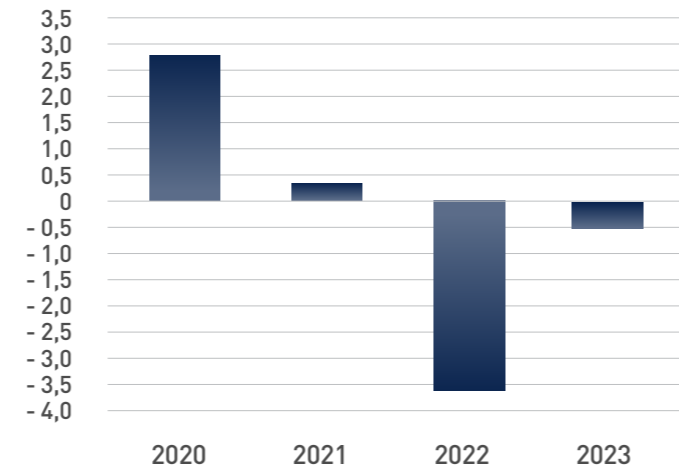
Revenues



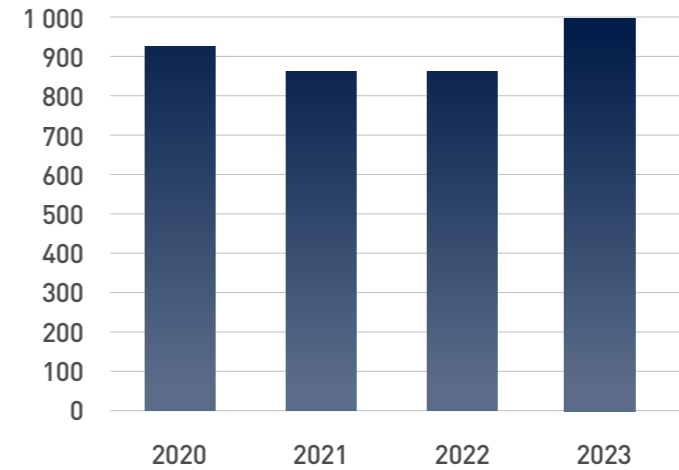
EBITDA



Earnings per share



OPEX based revenue



- CEO's report
- Group Management
- Board of Directors' report
- Board of Directors



CEO's report

■ CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

DEAR STAKEHOLDERS AND SHAREHOLDERS

AKVA group entered 2023 with an excited pipeline of new projects, expectations of growth in activity level and improved profitability.

However, the activity level in 2023 was at the same level as in 2022. Overall, the order intake was sound with the award of the post smolt contract for Cermaq Norway (MEUR 60) and the RAS contract for Nordic Aqua Partners (MEUR 40) as the largest contracts. But the introduction of the resource tax had a negative impact on the activity level both for Land Based and parts of our Sea Based business as our customers postponed their investment plans. The market for post smolt in Norway is still challenging and uncertain, but we expect the market to normalize during the second half of 2024.

Due to change in market conditions AKVA announced a new cost saving program in Q3 2023 to adapt the organization to the current and expected activity level. The cost saving program was completed in Q4 2023 with estimated MNOK 45 in annual cost savings.

The profitability improved in 2023 compared to 2022 but is still below expectations. The profitability in Sea Based was acceptable supported by a healthy product mix, while the profitability in Land Based was low due to high cost base compared to current activity level, and due to low profitability on parts of the project portfolio.

- Revenue increased by 2% to MNOK 3,431 in 2023.
- EBIT increased from negative MNOK 56 in 2022 to MNOK 68 in 2023.
- Net profit negative MNOK 19, up from negative MNOK 131 in 2022.

MARKET

AKVA group is the global market leader of solutions and services to the fish farming industry, whereof approx. 90% of our deliveries are to the salmon industry. Salmon prices have over the past years been high due to high demand and constraints on supply. AKVA believes salmon prices to remain strong the coming years.

The resource tax had a negative impact on the market activity in Norway in 2023. We expect that the market for post smolt in Norway to gradually normalize during 2024.

During 2023 AKVA group had a commercial breakthrough of the deep farming concept Nautilus with awards of several contracts. The Nautilus solution has a documented positive impact on fish health and reduced sea lice pressure. We expect the Nautilus solution and other deep farming concepts to be highly relevant for the market in the years to come.

Market intelligence implies a significant demand growth for salmon by 2030 driven by increased focus on environment and health, and distribution of salmon to new markets. This increase in demand will be partly covered by technological advances for improved utilization of existing licenses but there is a common understanding in the market that the increased demand will not be covered through conventional farming alone. A significant part of the demand will come from unconventional supply sources and AKVA group believes that full grow out facilities on land will play an important role in the future.

Our focus is to make sure that AKVA group strengthens the position as an attractive global supplier so that the salmon industry can meet the expected demand growth worldwide.

INNOVATION AND DIGITALIZATION

To sharpen the innovation focus, we have divided our Centre of Excellence into three separate innovations agendas for Sea Based, Land Based and Digital. We have increased the innovation spending significantly the past years to support our organic growth ambitions and to strengthen our position as the global market leader.

Within Sea Based we have made good progress in 2023, especially within our deep farming concepts and new products were commercialized during 2023. We believe the deep farming concepts to be important for improving utilization of existing farming licenses and reduce the production costs to the farmers, and we will continue to improve our solutions.

The focus in Land Based is to further improve and document our technology. Our RAS concept is validated and well perceived in the marketplace. An important milestone in 2024 is to complete the first phase of the full grow out project for Nordic Aqua Partners in China.

We have achieved great progress in further developing and improving our Digital products: AKVAconnect, AKVA Observe and Fishtalk. We achieved important milestones in 2023 with regards to new sales and continued with a strong revenue growth of approx. 30%. In Q3 2023 we also acquired a controlling interest in Submerged AS which has developed a camera solution which can be used for sea lice counting and biomass estimation. We will continue to invest in our digital capabilities to support the future growth of the Digital business segment.

SUSTAINABILITY

In 2023 we developed the world's first recycled pen based on discarded pens from fish farming. We established an innovation project with the aim of developing circular

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

farming nets using recycled nylon and ropes from discarded nets from fish farmers.

In 2023 AKVA group succeeded in commercializing the deep farming solution Nautilus for lower lice pressure and better fish health. We have further developed our waterborne feeding systems with effective energy systems for new and existing feed barges. An important priority for AKVA group has also been to strengthen our digital agenda for more sustainable solutions and developing the first phase of a land based full grow-out facility in China based on RAS and our Zero Water Concept.

OPERATIONAL EXCELLENCE

We have a strong focus to improve the performance culture in AKVA group. During 2023 several initiatives and training sessions have been executed to further develop the commercial awareness in the entire AKVA organization.

An important part to improve our project execution capabilities and increase customer satisfaction is to implement a new global ERP system supporting standardization of business processes and increase visibility. We have entered a partnership with a global and strong ERP supplier and will go live with the ERP system in some of our legal entities during first half of 2024.

THE FUTURE

AKVA group is well positioned for future profitable growth. We have an acceptable order backlog and a solid pipeline of potential new projects which forms a good foundation to execute our organic growth strategy.

Salmon prices are expected to remain strong driven by

supply constraints. The high demand for salmon will push for new technological advances to improve utilization of existing licenses in the sea but will also require scale-up of new farming technologies.

During Q4 2023 we revised our medium-term financial targets, and we are aiming a revenue of minimum BNOK 3,6 in 2024 and an EBIT margin of 4-5%.

My role is to make sure we make the right priorities and execute our innovation agendas to the best for AKVA, our customers, shareholders, and stakeholders.

An important part of everything we do is ensuring our values – Customer focus, Aquaculture knowledge, Reliability, Enthusiasm – remains crucial in the further development of AKVA group.

Klepp, Norway
14 March 2024
Knut Nesse
Chief Executive Officer

Group Management

CEO's report

■ Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index



Knut Nesse
Chief Executive Officer

Knut Nesse assumed the position as CEO in November 2019. He holds an MBA from the Norwegian school of economics and business administration (NHH) and is on the Board of several companies. Previous roles include extensive CEO experience from international leading company. 6 years as CEO of Skretting Group (part of Nutreco) (2006 – 2012) and 6 years as CEO of Nutreco (2012 – 2018). Nutreco is a global animal nutrition and fish feed company. Mr. Nesse was first elected to the Board of Directors at the general meeting 9 May 2019. Mr. Nesse later stepped down from the Board to assume the position as CEO. He is a Norwegian citizen and resides in Bryne, Norway.



Ronny Meinkøhn
Chief Financial Officer

Ronny Meinkøhn assumed the position as CFO in August 2020. He came from Apply where he held the position as CFO for the past 6 years. He started his career as an auditor in EY in 2003. Mr. Meinkøhn holds an MSc in Finance from the Norwegian School of Economics (NHH). He is a Norwegian citizen and resides in Klepp, Norway.



Johan Fredrik Gjesdal
Chief Operating Officer Land Based

Johan Fredrik Gjesdal assumed the position as COO Land Based in October 2020. He joined AKVA group in 2017 as Vice President Strategy and Business Development. His professional experience includes management and consulting roles within strategy, M&A and operational improvement in Aker Solutions, KPMG and Accenture. Mr. Gjesdal holds a Master of Science in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU). He is a Norwegian citizen and resides in Oslo, Norway.

Group Management

CEO's report

Group management

■ Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index



Glenn Mo

Chief Operating Officer Egersund Net

Glenn Mo assumed the position as COO Egersund Net in June 2022. He has extensive experience in the production, service and maintenance of net products. He started working in the production in Egersund Trål in the early 2000s before he joined Egersund Net in 2006. Starting in the production, he later was promoted to Project Manager and Service Manager where he led all service activities in the company for six years, before taking the position as General Manager in Egersund Net between 2020-2022. He is a Norwegian citizen and resides in Egersund, Norway.



Stig Førre

COO Sea Based International

Stig Førre assumed the role of COO for AKVA group's International Sea Based division in July 2023. With extensive experience in the aquaculture industry, Førre held positions such as CCO and VP of Business Development at Scale AQ. He is educated at Haugesund Maritime Høyskole, and completed an Executive MBA at the Norwegian School of Economics (NHH). He started his career in BioMar in 1995, before entering the technology industry in 2005. He brings valuable knowledge and a passion for sustainable technologies to AKVA group's executive management team.



Kristian Botnen

COO Sea Based Nordic

Kristian Botnen assumed the position as COO Sea Based Nordic in August 2022. He came from Lingalaks where he held the position of CEO for the past 3 years. He has experience in the salmon industry and held the position of COO in Lingalaks from 2017 to 2019. His career started in SpareBank 1 SR-Bank ASA as an advisor in 2007. Botnen holds an MSc and BSc from Handelshøyskolen BI Norway. He is a Norwegian citizen and resides in Norheimsund, Norway.

Group Management

CEO's report

Group management

■ Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index



Asle Kjetil Bratteli
Chief Digital Officer

Asle Kjetil Bratteli assumed the position as CDO in January 2021. He came from four years in Gartner Group where he held the position as Regional Vice President Nordic. He has extensive experience from digital transformations and optimizations from several international businesses and industries. From 2006 - 2016, he worked for Nutreco & Skretting Group, amongst others in four years as the Director for the Nutreco Competence Center. Between 1984 and 2006 he worked for EDB Business Partner in technology management positions throughout various mergers. Asle Kjetil's academic background was Economics gained at the District College of Rogaland. He is a Norwegian citizen and resides in Stavanger, Norway.



Maren Hognestad Sunde
Group HR Director

Maren Hognestad Sunde assumed the position as Group HR Director in June 2022. She joined AKVA group in 2020 as Learning & Development Manager. Her professional experience includes HR management and recruitment roles in O.Kavli AS, Expro and GE Oil & Gas. Mrs. Sunde holds a MSc in Human Resource Management from Griffith University in Australia. She is a Norwegian citizen and resides in Sandnes, Norway.



Ståle Økland
Group Director of Communications and ESG

Ståle Økland joined AKVA group in June 2021. Before that, he was a senior advisor in the Norwegian conservative party's parliamentary group. Ståle Økland's academic background is studies in sociology, history and German language. He started his career in the advertising industry as a copywriter with an advertising company in Stavanger, Norway. He shortly became a creative director, and later partner and managing director. In 2007 he founded a Norwegian trend agency called Domene Fem. He has been a vice mayor in Time, he is a recognised public speaker and has written seven books. Ståle Økland is a Norwegian citizen and resides in Sandnes, Norway.

Board of Directors' Report

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

AKVA group had a revenue of MNOK 3,431 in 2023 and a strong order intake of MNOK 4,328. The order backlog increased by MNOK 708 and ended at MNOK 2,396. AKVA group is positioned for profitable growth with a solid order backlog and a sound financial position.

2023 IN BRIEF

Total revenue for AKVA group in 2023 was MNOK 3,432, an increase of 1.7% from 2022. Earnings before interest, tax, depreciation, and amortization (EBITDA) was MNOK 263, compared to MNOK 158 in 2022. Net profit was MNOK -19, an increase from MNOK -131 in 2022.

The revenue in 2023 was at the same level as in 2022, and below expectations. The introduction of the resource tax resulted in customers postponing their investment plans which had a negative impact on the activity level both in Land Based and parts of the Sea Based business.

Despite increased profitability in 2023 compared to 2022 there is still significant room for improvement. The profitability in Land Based was low due to high cost base compared to current activity level and low profit margins on parts of the project portfolio. Sea Based delivered acceptable profitability supported by a healthy product mix and the commercial break through of deep farming concepts. The momentum in Digital is positive but the profitability is still influenced by high investments made last years.

AKVA group announced a new cost saving program in Q3 2023 to adapt the organization to the current and expected activity level. The program was completed during Q4 2023 resulting in estimated MNOK 45 in annual cost savings.

AKVA group – THE BUSINESS SEGMENTS

AKVA group is a leading supplier of solutions and services to the global aquaculture industry. Our activities include design, purchase, manufacturing, assembly, sale and

installation of technology products as well as rental, service and consulting services. The Group's main customer base is the global salmon-farming industry. The Group divides its operations into three business segments: Sea Based Technology (SBT), Digital and Land Based Technology (LBT).

Main products in the SBT segment are feed barges, fish farming cages, feed systems, nets, boats, sensors, cameras, light systems, net cleaning systems and remotely operating vehicles (ROV's). The polyethylene (PE) cages and boats are produced at our facility in Mo i Rana, Norway. Production facility for steel cages is in Puerto Montt, Chile. The feed barges have a strong international position in the salmon market and are supplied with centralized feed systems as well as other technologies from AKVA group. The manufacturing of feed barges designed by AKVA group, are done in amongst others the Baltic's, Poland, and Vietnam by external partners. Sperre AS, a subsidiary located at Notodden, Norway, holds extensive experience in developing and producing a range of advanced ROV solutions, with applications for both aquaculture as well as oil service and marine industries. Egersund Net offer nets, special nets and moorings and has an extensive service network for net services. Out of filaments Egersund Net produce its own netting in Norway, which is used in the manufacturing of a variety of standard and special fish net designs, all optimized, focusing on quality, ESG and user-friendliness.

The Digital segment provides market-leading digital solutions for fish farming as well as for the seafood and other industries. Acquisition of 51% in Submerged AS was completed in Q3 2023 with the option to increase the ownership to 100% in 2028 based on certain conditions. The current digital solutions are AKVAconnect, AKVA Observe, AKVA Fishtalk and AKVA Submerged.

The LBT segment designs and deliver recirculation systems for land based fish farming operations. The systems ensure optimal water quality conditions for both

fresh- and seawater operations. AKVA group designs the systems in both Norway and Denmark as well as having a manufacturing facility for breeding tanks at Sømna (Norway). The delivery capabilities include design, engineering, tanks, piping, feeding systems, software, cameras, sensors etc. AKVA group has a broad portfolio of systems and a strong position in the land-based aquaculture industry.

AKVA group's registered company address is in Egersund, Norway. The company has offices and service stations along the Norwegian coast as well as company and offices in Chile, China, United Kingdom, Lithuania, Canada, Turkey, Denmark, Australia, Spain, and Greece.

MARKET SITUATION AND OPERATIONS THROUGH 2023 (2022 figures in brackets)

The order intake increased by 27%, from MNOK 3,414 in 2022 to MNOK 4,328 in 2023 while the order backlog increased by 42% and ended at MNOK 2.4. The award of the post smolt contract for Cermaq Norway (MEUR 60) and the RAS contract for Nordic Aqua Partners (MEUR 40) was the largest contracts.

The Sea Based segment experienced a decrease in revenue and order intake compared to 2022 of -0.7% and 6.6%, respectively.

The Digital segment experienced growth both in revenue and order intake of 37.6% and 40.2%, respectively. Order backlog was MNOK 150 end of 2023 compared to MNOK 103 in 2022.

For the Land Based segment the order intake increased by 189.3% in 2023 and ended at MNOK 1,593. Order backlog was MNOK 1,454 end of 2023 compared to MNOK 683 in 2022.

Revenue in the Americas region decreased by 3.5% in 2023 compared to 2022. The order intake decreased by

CEO's report

Group management

■ Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

-3.6% and the order backlog was MNOK 291 at the end of the year.

The order intake in the Nordic region decreased by -2.5% while the revenues increased by 4.2% in 2023 compared to 2022. The order backlog for the region was reduced by MNOK 19 from MNOK 392 in 2022 to MNOK 373 in 2023. Europe and Middle East (EME) experienced an decrease in revenue and order intake compared to 2022 of -4.1% and -18.4%, respectively. The order backlog was MNOK 176 at the end of the year.

PROFIT AND LOSS AKVA group

Total revenue for AKVA group in 2023 was MNOK 3,432 (3,376) – an increase of 1.7% compared to 2022. EBITDA for 2023 was MNOK 263 (158). EBIT in 2023 ended at MNOK 68 (-56). EBIT in 2022 was negative impacted by restructuring costs of MNOK 98.

Depreciation and amortization in 2023 were MNOK 196 (175). Impairment were MNOK 0 (40) and prior year impairment relates to the restructuring of the Land Based area during 2022. Net financial expenses were MNOK 97 (95) and is impacted by increased interest rates and currency effects. Profit before tax was MNOK -29 (-152). The calculated tax for 2023 is MNOK -11 (-21). Net profit for the year was MNOK -19 (-131).

SBT had operating revenues in 2023 of MNOK 2,667 (2,685), an decrease of 0.7% compared to 2022. EBITDA was MNOK 271 (262), an increase of 3.2% compared to 2022.

Digital Solutions had operating revenues in 2023 of MNOK 132 (96) with an EBITDA of MNOK 25 (23). The increase in EBITDA is related to higher activity level.

LBT had operating revenues in 2023 of MNOK 632 (594), an increase of 6.4% compared to 2022. EBITDA was MNOK -33 (-127). EBITDA in 2022 was impacted by high costs related to restructuring. EBITDA improved in 2023 but was still impacted by a high cost base compared to the activity level, and low profit margins in parts of the project portfolio.

Earnings per share were NOK -0.49 in 2023 versus NOK -3.61 in 2022. The average total number of outstanding shares has been 36,415,864 in 2023 and 36,369,400 in 2022.

PROFIT AND LOSS AKVA group ASA

Operating revenues for AKVA group ASA in 2023 was MNOK 1,209 (1,065). EBITDA for 2023 was MNOK -127 (-157). Depreciation and amortization in 2023 were MNOK 39 (27). EBIT for 2023 was MNOK -167 (-184). Net financial income was MNOK 162 (160) and profit before tax was MNOK -5 (-23). The calculated tax for 2023 was MNOK -25 (-18). Net profit for the year was MNOK 19(-5).

STATEMENT OF FINANCIAL POSITION AND CASH FLOW AKVA GROUP

Total assets at the end of 2023 were MNOK 3,684 (3,580). Total liabilities amounted to MNOK 2,531 (2,436) and equity totaled MNOK 1,153(1,144) giving an equity ratio of 31% (32%).

Working capital in the consolidated balance sheet, defined as non-interest-bearing current assets less non-interest-bearing short-term debt, was MNOK 212 at the end of 2023, compared to MNOK 201 at the end of 2022. Working capital in percent- age of 12 months rolling revenue was 8.6% at the end of 2023 compared to 8.6% at the end of 2022.

Equity was negatively affected during 2023 by this year's result of MNOK -19 (-131). Translation differences and cash flow hedges had positive impact on equity of MNOK 7 (11).

At the end of 2023 gross interest-bearing debt amounted to MNOK 1,396 (1,266). The Company complied with all financial covenants during 2023. Cash and unused credit facilities amounted to MNOK 519 (731). The operating activities gave a net cash contribution of MNOK 193 (218).

STATEMENT OF FINANCIAL POSITION AKVA GROUP ASA

Total assets at the end of 2023 were MNOK 2,747 (2,596). Total liabilities amounted to MNOK 1,526 (1,424) and equity totaled MNOK 1,221 (1,172) giving an equity ratio of 44% (45%).

RISK FACTORS

AKVA group categorize risk factors into five categories:

1. Market/operational risk
2. Reporting risk
3. Financial risk
4. Climate risk
5. Regulatory risk

MARKET/OPERATIONAL RISK

The aquaculture industry is associated with biological and market risk and has historically been subject to cyclical-ity. AKVA group aims to reduce the risks related to these factors through diversification of its products and technologies to various geographical regions and by increasing revenues from recurring service and after sales.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

AKVA group is exposed to fluctuations in prices of certain raw materials used for some of the main products. Reduction of this risk is sought through continuous general awareness and specific attention during major contract negotiation, as well as by securing the pricing of raw materials immediately after signing contracts when applicable. The inflation rates have also been high in 2022 and in 2023 which is partly related to the outbreak of the war in Ukraine.

AKVA group strives to have updated cost calculations for the various products and services on a continuous basis to ensure updated and correct market prices. Larger contracts, especially for the Land Based business, have mechanisms for price escalations to reflect any price changes in the cost base.

REPORTING RISK

AKVA group are subject to the rules of the Oslo Stock Exchange and other Norwegian and European Union financial market regulations. As such, there is a risk that the performed risk assessment process and internal controls related to financial reporting does not carry the expected results, which could imply that there is a risk of material misstatements in AKVA group's financial figures. AKVA group has implemented internal controls to address this risk, which is considered effective as of 31 December 2023. However, there can be no assurance that, going forward, the implemented internal controls will effectively prevent material misstatements in our financial statements. Hence, AKVA group will continue to focus on the design and implementation of internal controls to have sufficient assurance that the reporting risk is kept to a minimum.

FINANCIAL RISK

For AKVA group the financial risks are mainly related to

currency risks, interest rate risks, credit risks and liquidity risks. A reduction in currency risks is sought through matching revenues and costs in the same currency, in combination with forward contracts. The Group has a defined currency hedging strategy for all operating companies. The Group is also exposed to fluctuations in foreign exchange rates when calculating the equity of foreign subsidiaries into NOK.

The net interest bearing debt was approx. BNOK 1,1 at the end of 2023. The interest bearing debt is generally based on floating interest rate (NIBOR) and net interest costs will consequently increase and decrease according to fluctuations in the interest rate level. Interest rates increased significantly during 2023 and had a negative impact on the profitability in AKVA group. In January 2024 AKVA group decided to hedge part of the interest risk by swapping MNOK 500 of the total interest bearing debt from floating to a fixed interest rate. The interest rate of the MNOK 500 has been fixed for close to three years ending in November 2026.

The Group is exposed to the risk of losses if one or more customers fail to meet their obligations. To mitigate this risk the Group trades only with recognised, credit worthy third parties. Historically the Group has had low losses from customer receivables. For larger projects, the Group generally receives partial pre-payments and payments according to the progress of the projects. In addition, the Group monitors its exposure to individual customers closely. The credit risk is thereby reduced. AKVA group continuously monitors its liquidity, and estimates expected liquidity developments based on budgets and monthly updated forecasts from the operating companies. Any negative development in key liquidity ratios are followed up and analysed. Liquidity improvement measures are implemented, to ensure that the liquidity risk is kept at a minimum.

CLIMATE RISK

Climate change affects us all and we have a responsibility to act. The Group faces two main types of risks associated with climate change. The first is the potential negative impacts climate changes will have on our own activities such as production and transport within our core activities and by our suppliers. The second risk is the potential negative impacts on the fish farming industry itself.

An effective way to reduce emissions is to replace virgin material with recycled, and in a transition period this might represent an increased risk for the company. Sourcing and costs of high-quality recycled plastic and steel and willingness to pay for low-emission products in the market are potential risks.

Climate change leading to more extreme weather and higher water temperatures can potentially make it harder to farm in the sea and disrupt natural ecosystems. Some parts of the world already see increasing water surface temperatures negatively impacting the farming of fish. In other countries, extreme weather conditions such as storms are increasing, requiring adaptation of the fish farms at sea to make them more weather resistant. These changes may lead to increased costs for us as a supplier and an overall decrease in the fish farming industry, both with potential impacts to the Group's income and result.

In the view of the Group, climate change also creates an opportunity for a market of new technology and solutions mitigating the risks such as deep farming solutions. A global focus on reducing greenhouse gas emissions (GHG) may also lead to an increased demand for farmed fish, and possibly expanding the market for the Group. The Group's review of climate risks and opportunities are further detailed in our ESG report and taxonomy report.

CEO's report

Group management

■ Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

REGULATORY RISK

The aquaculture industry is exposed to changes in laws and regulations that can have materially impact on the market and business. Currently there are political risks both in Chile and in Canada (British Columbia) with regards to existing and future fish farming licenses while there is still uncertainty in Norway with regards to the newly implemented resource tax. AKVA group continuously monitors the development and give input to relevant committees and hearings.

PRODUCT DEVELOPMENT

In 2023 the Group invested MNOK 195(115) in product research and development, of which MNOK 102 (80) was capitalized and MNOK 93 (35) expensed. The investments were used to further improve existing products and to develop new products and solutions in all three business segments.

ORGANISATION AND WORK ENVIRONMENT

By end of 2023 AKVA group had 1425 (1466) employees, a reduction of 3% compared with 2022. Due to the Norwegian resource tax and reduced investments from clients, the organization downsized with 50 positions in November to reduce cost (employees and contractors). The full effect will become visible in March 2024 due to notice periods. The Group aims at having a gender balance across the different levels of the organization. The aquaculture industry has historically been a male-dominated industry and the Group realize that it will take time before an equal gender balance is reached. In 2023 we have improved our gender balance to 35,2% (34%) women. Group Management continue to consist of 1 woman and 7 men (12,5% women), and in total 26,3% of managers are women. AKVA group ASA's Board of Directors are 40% women, out of ten members.

The group have employees with 39 different nationalities, which brings different perspectives, a more innovative workforce, and a need for cultural awareness. At the head office in Norway, the primary office language is set to English to allow for greater diversity and inclusion. The Norwegian Equality and Anti-Discrimination Act objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion, and faith. The Group is working actively to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

Key statistics on discrimination and gender equality is presented separately in the ESG section within this report. The Group target to be a workplace with no discrimination due to reduced functional ability and is working actively to design and implement physical working conditions to fit all employees. For employees or new applicants with reduced functional ability, individual arrangements of workplace and responsibility are made.

The Group aims to continuously strengthen the competence of its employees to maintain a position as a leading supplier of solutions and service to the global aquaculture industry. In 2023 98% (82%) of all office, leading and client facing employees had individual employee appraisal with focus on well-being, development, and performance. Through recruitment, the company seeks to employ people with the right knowledge, skills, and abilities to ensure a good long-term fit with the role, and the company values. Successful recruitment and retention of employees is considered vital to keep strengthening competence and company culture. In 2023 the company had voluntary turnover rate at 12% (19%).

Total sick leave in the Group during 2023 amounted to 6.3% (5.5%). The Group has registered 42 (27) incidents causing sick leave exceeding the day the incident occurred during 2023. The increase in reported incidents is caused by improved and centralized reporting, leading to more accurate numbers. All accidents have been investigated, and corrective actions taken.

AKVA group has a global board and CEO liability insurance through QBE, which covers possible liabilities to the Group and third parties.

The board considers the working environment in the company to be satisfactory.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RESPONSIBILITY

Documenting and improving environmental, social and governance matters is important for AKVA group. The EU has developed The Corporate Sustainability Reporting Directive (CSRD) with the aim of raising the quality of sustainability reporting to the level of financial reporting. The rules require large companies and listed companies, with some exceptions, to publish reports in accordance with a set of standards known as the European Sustainability Reporting Standards (ESRS).

For AKVA group, compliance with CSRD reporting will be mandatory next year. As a first step AKVA group has carried out a double materiality assessment to identify which sustainability matters are most material to our organization and our stakeholders. AKVA group's ESG report for 2023 is made with reference to the Global Reporting Initiative (GRI) standard.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

NORWEGIAN TRANSPARENCY ACT

An account of our due diligence assessments carried out in accordance with the Norwegian Transparency Act (in force from 1 July 2022) will be published on www.akva-group.com and www.akvagr.no within 30 June 2024.

FUTURE OUTLOOK AND GOING CONCERN

AKVA group is well positioned for future profitable growth. The order backlog is sound and there is a solid pipeline of new projects which forms a good foundation to execute the organic growth strategy.

Salmon prices are expected to remain strong driven by supply constraints. The high demand for salmon will push for new technological advances to improve utilization of existing licenses in the sea but will also require scale-up of new farming technologies.

During Q4 2023 AKVA group revised the medium-term financial targets and is aiming for a revenue of minimum BNOK 3,6 in 2024 and an EBIT margin of 4-5%.

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

The Board confirms that the financial statements have been prepared on the assumption of going concern, in accordance with section 3-3a of the Norwegian Accounting Act, and that such an assumption is justified. This confirmation is based on the Group's reported results, financial situation, and established budgets.

ALLOCATION OF PROFIT

The board propose the following allocation of the 2023 loss for AKVA group ASA:

Proposed dividend	TNOK	0
Dividends paid during the year	TNOK	0
Transferred from other equity	TNOK	19,918
Total allocation	TNOK	19,918

At the end of 2023, AKVA group ASA had equity of MNOK 1,221 (1,172), comprised of MNOK 37 (37) in share capital, MNOK 1,172 (1,172) in share premium, MNOK 14,5 (1) in other paid- capital and MNOK -2 (-37) in other equity. A report on Environmental, Social and Governance responsibility in AKVA group ASA is included in the second last section of the annual report.

Corporate Governance in AKVA group ASA is described in the last section of the annual report.

Klepp, Norway, 14 March 2024



Hans Kristian Mong
Chairperson



Frode Teigen
Board Member



Yoav Doppelt
Board Member



Kristin Reitan Husebø
Deputy Chairperson



Tore Rasmussen
Board Member



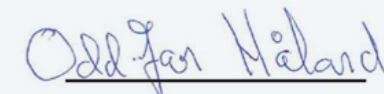
Heidi Nag Flikka
Board Member



Irene Heng Lauvsnes
Board Member




Knut Nesse
CEO



Odd Jan Håland
Employee's Representative



John Morten Kristiansen
Board Member



Mona Skåtøy Skadberg
Employee's Representative

Board of Directors

CEO's report

Group management

Board of directors' report

■ Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index



Hans Kristian Mong
Chairman

Hans Kristian Mong lives in Egersund, Norway. He is Chairman of the board in Egersund Group AS. In addition, he holds Chairman positions in several companies. Mr Mong was elected to the Board of Directors at the general meeting 9 May 2012.



Kristin Reitan Husebø
Deputy Chairperson

Kristin Reitan Husebø lives in Stavanger, Norway. She currently works as a director at the Norwegian Petroleum Directorate. Previously she has held senior positions in Greater Stavanger Economic Development, Mercuri Urval, Stavanger Aftenblad, Prekubator Technology Transfer Office, Stavanger Helseforskning, Equinor ASA and SR-Finans. Kristin holds a Master of Management from the Norwegian Business School (BI). In addition, she has also attended an Executive Board program from the Scandinavian Executive Institute and INSEAD. Mrs. Reitan Husebø was elected to the Board of Directors at the general meeting on 9 May 2019.



Yoav Doppelt
Board member

Mr. Doppelt, CEO of Israel Corp. Ltd. and executive chairman of ICL - a global producer of fertilizers and minerals. Yoav Previously served as CEO of Kenon Holdings Ltd., a global company (NYSE: KEN), and from March 2014 to September 2017 served as Executive Chairman of IC Power Ltd., a power generation company.

Prior thereto, Mr. Doppelt was the founder and CEO of the Ofer Group's private equity fund where he was involved in numerous investments in the private equity and technology sectors. He has been the Chief Executive Officer of XT Investments since 2001. He has actively led several public offerings of equity and debt offerings in the US and Europe and he has extensive operational and global business experience with growth companies. Mr. Doppelt also served as Chairman of OPC Energy Ltd. (TASE: OPC) as well as Director of Zim Integrated Shipping Services Ltd. Mr. Doppelt holds a BA in Economics and Management from the Technion - Israel Institute of Technology, and an MBA from Haifa University.



Frode Teigen
Board member

Frode Teigen lives in Egersund, Norway. He is a private investor and is on the board of several Norwegian companies. Mr. Teigen was elected to the Board of Directors at the general meeting 10 June 2009.

Board of Directors

CEO's report

Group management

Board of directors' report

■ Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index



Irene Heng Lauvsnes
Board member

Irene Heng Lauvsnes is a Norwegian engineer in aquaculture and a local politician for the Conservative Party. She has been mayor of Strand municipality since 2015 and municipal council representative for Høyre since 2011. Lauvsnes came to the position of mayor from her job as a sales manager in Skretting. She has previously also been deputy head of the Fisheries and Aquaculture Research Fund and has several years of experience as a leader at Lerang Research Station.



Tore Rasmussen
Board member

Mr. Rasmussen is since 1993 the CEO and a major owner of NorDan Gruppen AS, one of the leading window and door suppliers in Europe. His education is in economics and business administration from NHH in Bergen and Tuck School at Dartmouth College in the USA. Over the years Mr. Rasmussen has held numerous board positions in other companies and industry associations. Mr. Rasmussen was elected to the Board of Directors at the general meeting on May 6, 2021.



Heidi Nag Flikka
Board member

Sparebank. Previously, she has among others held the position as CFO in Fjord Line and Finance director and Managing director for companies within the offshore division in AF Gruppen ASA. Heidi Nag Flikka has experience as a board member from several companies such as Fjord Line, Andøya Space, Presserv Group, Sandnes Sparebank and Sparebank1 SR- Finans. Nag Flikka has a master's degree in audit and accounting from the Norwegian School of Economics and Business Administration.



John Morten Kristiansen
Employee's representative

Mr. Kristiansen lives in Mo i Rana, Norway. He Joined Helgeland Plast in 2016, and for the last couple of years he has been working as Logistics Coordinator, mainly for land-based sites and pressure pipes as well as following up with his team of two operators.

Board of Directors

CEO's report

Group management

Board of directors' report

■ Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index



Mona Skåtøy Skadberg

Employee's representative

Mona Skåtøy Skadberg lives in Egersund, Norway. She joined Egersund Net in 2002.

She has had several different job roles over the years, but since 2019 she has been working as Department Manager for Service in Egersund.



Odd Jan Håland

Employee's representative

Håland lives in Nærbø, Rogaland. He started working for AKVA group in 2010. Håland has been a board member in AKVA group from 2018-2020. As Service Manager in AKVA group, he is responsible for 44 employees and 8 service departments. He has previously worked for 10 years in Prima Jæren as a Marketing and Supply Manager.



CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

AKVA group

Consolidated Financial Statement and notes



Consolidated Income Statement 01.01. - 31.12. (in NOK 1 000)

Group	Note	2023	2022
OPERATING REVENUES			
Revenues		3 414 996	3 320 327
Share of results of associates	9	10 256	7 087
Other income	15	7 010	48 906
Total revenues	2,17, 20	3 432 262	3 376 320
OPERATING EXPENSES			
Cost of materials	10, 23	1 996 252	2 106 715
Payroll expenses	3	953 853	880 944
Depreciation and amortization	2, 7, 8	195 805	174 867
Impairment	2, 7, 8	-	39 895
Other operating expenses	3, 7, 11, 15, 18, 23, 24	218 750	230 391
Total operating expenses	2, 20	3 364 660	3 432 812
OPERATING PROFIT		67 603	-56 493
FINANCIAL INCOME AND EXPENSES			
Financial income	15, 16	20 990	5 835
Financial expenses	15,16,18	(117 902)	(101 207)
Net financial income (expense)		(96 912)	(95 372)
PROFIT BEFORE TAX		-29 309	-151 864
Taxes	5	-10 782	-20 789
NET PROFIT FOR THE YEAR		-18 527	-131 075
NET PROFIT (LOSS) ATTRIBUTABLE TO:			
Non-controlling interests		-692	134
Equity holders of AKVA group ASA		-17 835	-131 209
Earnings per share (NOK)	6	-0,49	-3,61
Diluted earnings per share (NOK)	6	-0,49	-3,61

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Consolidated Statement of Comprehensive Income 01.01. - 31.12. (in NOK 1 000)

Group	Note	2023	2022
NET PROFIT FOR THE YEAR		-18 527	-131 075
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to income statement:			
Translation differences on foreign operations		-4 726	17 817
Income tax effect		-	-
Total		-4 726	17 817
Gains (+) / losses (-) on cash flow hedges		7 681	-9 147
Income tax effect		-1 690	2 012
Total		5 991	-7 135
Total other comprehensive income, net of tax		1 265	10 682
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-17 262	-120 393
Attributable to:			
Non-controlling interests		-692	134
Equity holders of AKVA group ASA		-16 570	-120 527

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Consolidated Statement of Financial Position 31.12. (in NOK 1 000)

Group	Note	2023	2022
NON-CURRENT ASSETS			
Deferred tax asset	5	72 464	44 902
Intangible assets and goodwill			
Goodwill	7	783 300	747 660
Other intangible assets	7	373 966	241 403
Total intangible assets and goodwill		1 157 266	989 063
TANGIBLE FIXED ASSETS			
Land and building	8, 14	42 037	34 337
Right-of-use asset	8, 14, 18	475 141	451 379
Machinery and equipment	8, 14	154 654	149 529
Total tangible fixed assets		671 833	635 245
LONG-TERM FINANCIAL ASSETS			
Investments in associated companies	9	265 882	263 678
Other long-term financial assets	9, 11, 16	46 895	50 659
Total long-term financial assets		312 778	314 337
Total non-current assets		2 214 341	1 983 547
CURRENT ASSETS			
Inventory	10, 14, 23	628 614	600 394
RECEIVABLES			
Accounts receivables	11, 14, 16, 20, 23	367 133	435 554
Contract assets	16, 17	186 441	208 680
Other receivables	4, 15, 16	68 010	74 282
Total receivables		621 584	718 517
Cash and cash equivalents	12, 16	219 394	277 988
Total current assets		1 469 591	1 596 899
TOTAL ASSETS	2	3 683 933	3 580 446

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Consolidated Statement of Financial Position 31.12.

Group (in NOK 1 000)	Note	2023	2022
EQUITY			
Equity attributable to equity holders of AKVA group ASA		1 142 451	1 144 000
Non-controlling interests		10 225	336
Total equity	13, 14, 19, 21, 22	1 152 676	1 144 337
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	5	30 995	18 242
Liabilities to financial institutions	14, 16	862 317	702 481
Lease Liability	16, 18	405 466	403 340
Other non-current liabilities	14, 15, 16, 19	59 777	36 637
Total non-current liabilities		1 358 554	1 160 700
CURRENT LIABILITIES			
Lease Liability	16, 18	90 560	79 095
Liabilities to financial institutions	14, 16	37 500	80 625
Trade payables	16, 20	328 421	310 629
Current tax payables	5	2 876	11 250
Public duties payable	16	133 467	81 277
Contract liabilities	16, 17	330 087	468 729
Other current liabilities	14, 15, 19, 23	249 790	243 806
Total current liabilities		1 172 701	1 275 410
Total Liabilities	2	2 531 256	2 436 110
TOTAL EQUITY AND LIABILITIES		3 683 933	3 580 446

Klepp, Norway, 14 March 2024


Hans Kristian Mong
Chairperson


Frode Teigen
Board Member


Yoav Doppelt
Board Member

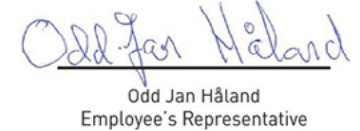

Kristin Reitan Husebø
Deputy Chairperson


Tore Rasmussen
Board Member

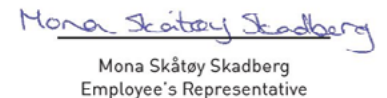

Heidi Nag Flikka
Board Member


Irene Heng Lauvsnes
Board Member


Knut Nesse
CEO


Odd Jan Håland
Employee's Representative


John Morten Kristiansen
Board Member


Mona Skåtøy Skadberg
Employee's Representative

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Consolidated Statement of Cash flow 01.01.-31.12. (in NOK 1 000)

Group	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		-29 309	-151 864
Taxes paid		-12 399	-11 370
Share of profit from associates	9	-10 256	-7 087
Net interest cost	15	85 898	50 606
Gain(-)/loss(+) on disposal of fixed assets		-1 339	-766
Gain(-)/loss(+) on financial fixed assets	9	-10 953	-5 504
Depreciation, amortization and impairment	7, 8	195 805	214 762
Changes in stock, accounts receivable and trade payables		114 568	-51 344
Changes in other receivables and payables		-97 747	205 137
Net foreign exchange difference		23 955	-21 215
Net cash flow from operating activities		258 223	221 353
CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments in fixed assets	7, 8	-221 359	-167 859
Proceeds from sale of fixed assets	7, 8	2 218	6 969
Proceeds from sale of associates ¹		-	40 000
Dividends payment from NCI		8 052	-
Acquisition of subsidiary net of cash acquired ²	19	-35 648	-
Net cash flow from investment activities		-246 737	-120 890
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings	14	-95 343	-10 577
Proceeds from borrowings	14	195 833	43 125
Repayment of lease liabilities	14	-84 671	-71 045
Loan issue	14	-	-
IFRS 16 interest		-22 481	-19 576
Net interest paid	15	-63 417	-31 030
Dividend payment	14, 21	-	-36 373
Equity issue	13	-	-441
Net cash flow from financing activities		-70 080	-125 917
Net change in cash and cash equivalents		-58 594	-25 454
Cash and cash equivalents at 01.01	12	277 988	303 442
Cash and cash equivalents divested entities	19	-	-
Cash and cash equivalents at 31.12	12	219 394	277 988
¹ Proceeds from sale of 40 MNOK relates to the sale of Atlantis Subsea Farming AS			
² Acquisition of subsidiary net of cash required relates to the acquisition of Submerged AS (51%) and put/call option of Newfoundland Aqua Service Ltd.			

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Consolidated Statement of changes in equity (in NOK 1 000)

Group	Note	Share capital	Share premium	Other prepaid in capital	Total paid in capital	Translation differences	Cash flow hedges	Other equity	total other equity	Retained earnings	Total Equity	Non controlling interest	Equity shareholders AKVA group
Equity as at 01.01.2022		36 667	1 171 871	1 116	1 209 654	-26 260	967	-46 424	-71 717	159 086	1 297 025	140	1 297 883
Net movement in cash flow hedges	16	-	-	-	-	-	-7 135	-	-7 135	-	-7 135	-	-7 135
Translation difference		-	-	-	-	17 817	-	-	17 817	-	17 817	-	17 817
Total other comprehensive income		-	-	-	-	17 817	-7 135	-	10 682	-	10 682	-	10 682
Profit (loss) for the period		-	-	-	-	-	-	-	-	-131 075	-131 075	134	-131 209
Total comprehensive income		-	-	-	-	17 817	-7 135	-	10 682	-131 075	-120 393	134	-120 527
Adjustments related to prior periods		-342	342	-	-0	-	-	278	278	-	278	62	216
Dividend	21	-	-	-	-	-	-	-	-	-36 373	-36 373	-	-36 373
Equity issue	13	49	-441	-	-392	-	-	4 194	4 194	-	3 801	-	3 801
Equity as at 31.12.2022	13	36 373	1 171 772	1 116	1 209 261	-8 443	-6 168	-41 952	-56 564	-8 363	1 144 337	336	1 144 000
Equity as at 01.01.2023		36 373	1 171 772	1 116	1 209 261	-8 443	-6 168	-41 952	-56 564	-8 363	1 144 337	336	1 144 000
Net movement in cash flow hedges	16	-	-	-	-	-	5 991	-	5 991	-	5 991	-	5 991
Translation difference		-	-	-	-	-4 726	-	-	-4 726	-	-4 726	-	-4 726
Total other comprehensive income		-	-	-	-	-4 726	5 991	-	1 265	-	1 265	-	1 265
Profit (loss) for the period		-	-	-	-	-	-	-	-	-18 527	-18 527	-692	-17 835
Total comprehensive income		-	-	-	-	-4 726	5 991	-	1 265	-18 527	-17 262	-692	-16 570
Adjustments related to prior periods		-	-	7 716	7 716	-	-	-	-	-	7 716	-	7 716
Dividend	21	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests arising on a business combinations	19	-	-	-	-	-	-	10 581	10 581	-	10 581	10 581	-
Share-based payments	3	63	-	6 768	6 831	-	-	-63	-63	-	6 768	-	6 768
Other adjustments	19	-	-	-1 116	-1 116	-	-	1 654	1 654	-	538	-	538
Equity as at 31.12.2023	13	36 437	1 171 772	14 483	1 222 692	-13 169	-177	-29 781	-43 127	-26 891	1 152 676	10 225	1 142 451

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Notes to the Consolidated Financial Statements – Group

Content

01	Summary of significant accounting policies
02	Segment information
03	Wages, remunerations, and pensions
04	Government grants and subsidies
05	Taxes
06	Earnings per share
07	Intangible assets
08	Tangible fixed assets
09	Subsidiaries and other long-term investments
10	Inventory
11	Receivables
12	Cash and cash equivalents
13	Shareholders
14	Interest-bearing debt
15	Specification of items that are grouped in the financial statement
16	Financial instruments and risk management
17	Revenue and contract balances
18	Leasing
19	Business combinations
20	Related parties
21	Dividend
22	Sale and buyback of own shares
23	Provisions
24	Subsequent events

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 1

REPORTING ENTITY

AKVA group ASA is a public limited liability company registered in Norway. The company is subject to the provisions of the Norwegian Act relating to Public Limited Liability Companies. The company's registered office is at Svanavågeveien 30, N-4374 Egersund, Norway. The Group is primarily involved in delivery of technology and services to the fish farming industry.

These consolidated Financial Statements have been approved for issuance by the board of directors on 14 March and are subject for approval by the Annual General Meeting on 2 May 2023.

BASIS OF ACCOUNTING

The consolidated financial statements of the AKVA group have been prepared in accordance with the international accounting standards published by the International Accounting Standards Board and the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) as per 31 December 2023.

The consolidated financial statements have been prepared on a historical cost basis, except for derivatives and contingent considerations measured at fair value, and financial liabilities recognized due to anticipated acquisitions at the present value of the expected redemption amount.

All amounts have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column. consolidated financial statements of the AKVA group have been prepared in accordance with the international accounting standards published by the International Accounting Standards Board and the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) as per 31 December 2022.

The consolidated financial statements have been prepared on a historical cost basis, except for derivatives and contingent considerations measured at fair value, and financial liabilities recognized due to anticipated acquisitions at the present value of the expected redemption amount. All amounts have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

ESEF/IXBRL REPORTING

AKVA group is required to prepare and file the annual report in the European Single Electronic Format (ESEF), and the annual report for 2023 is therefore prepared in the XHTML format that can be displayed in a standard browser. The primary statements and notes in the consolidated financial statements are tagged using inline eXtensible Business Reporting Language (iXBRL). The iXBRL tags comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation. Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions which are subtotals.

CLIMATE-RELATED RISKS

When preparing the consolidated financial statements, management considers climate-related risks, where these potentially could impact reported amounts materially. The areas in which AKVA group has assessed climate related risks at the end of 2023 are included within the individual notes outlined below:

- Note 7 – Intangible assets: whether/how climate risks affect future cash flows when estimating value-in-use of intangible assets

- Note 8 – Tangible fixed assets: whether climate risks are an impairment indicator for the Group's tangible fixed assets

A more general description of climate-related risks is provided in the Board of Directors' report and in note 16.

FAIR VALUE MEASUREMENT

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 1

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 3 – Wages, remunerations, and pensions
- Note 9 – Subsidiaries and other long-term investments
- Note 16 – Financial instruments and risk management
- Note 19 – Business combinations

FUNCTIONAL AND PRESENTATION CURRENCY

The Group presents its financial statements in NOK. This is also the parent company's functional currency. For consolidation purposes, the statements of financial position of subsidiaries with a different functional currency are translated at the rate applicable at the end of the reporting period, and the income statements have been translated at monthly average rates. Translation differences are recognized in other comprehensive income. When foreign subsidiaries are sold, the accumulated translation differences relating to the subsidiary are recognized as agio gain or loss in the statement of profit or loss.

USE OF JUDGEMENTS AND ESTIMATES WHEN PREPARING THE ANNUAL FINANCIAL STATEMENTS

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 17 – revenue recognition: whether revenue is recognized over time or at a point in time
- Note 9 – equity-accounted investees: whether the Group has significant influence over an investee based on relevant facts and circumstances

Estimates and assumption uncertainties

Information about estimates and assumption uncertainties on 31 December 2023 that have the most significant effect on the amounts recognized in the financial statement, is given in the following notes:

- Note 5 – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized
- Note 7 – impairment test of non-financial assets: key assumptions underlying recoverable amounts, including the recoverability of development costs
- Note 11 – measurement of expected credit losses allowance for trade receivables and contract assets: key assumptions in determining the average loss rate
- Note 18 – discount rates and evaluation of renewal options in lease contracts: basis for applied discount rates and if renewal options are expected to be exercised
- Note 19 – business combinations: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired, and liabilities assumed, measured on a provisional basis

SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, unless otherwise disclosed. Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, unless otherwise disclosed.

Subsidiaries

The consolidated financial statements incorporate AKVA group ASA and companies that AKVA group ASA (directly or indirectly) controls (the Group). Control is achieved when the Group is exposed or has right to variable returns from its involvement with a company in which it has invested and has the ability to use its power to affect its returns from this company. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling Interests (NCI)

NCI in subsidiaries are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition and presented within equity separately from the equity attributable to the owners of the parent, adjusted for put and call options reflected according to "the anticipated-acquisition method", refer separate section under "Business Combinations" below. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 1

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates. Investments in associates are those entities that the Group exercises a significant influence, but not control or joint control, over the financial and operating policies (normally investments of between 20% and 50% of the companies' equity). These investments are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. After initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

In cases where the Group loses control of a subsidiary, but retains an ownership interest reflecting an equity-accounted investment, the Group will:

- i. Derecognize the assets and liabilities of the former subsidiary from the consolidated statement of financial position in full and measures any investment retained in the former subsidiary at its fair value.
- ii. Recognize a remeasurement gain or loss that forms part of the total gain or loss on the disposal of the subsidiary in profit or loss.
- iii. Recognize the gain or loss associated with the loss of control attributable to the former controlling interest.

When the Group's share of the loss exceeds the investment in associates, the investment, and any long-term interests that in substance is a part of the net investment is carried at zero value. If the Group's share of the loss exceeds the investment, this will be recognized to the extent that the Group has obligations to cover this loss. If the accumulated profit of the associate in the ownership period at a later date exceeds zero again, the accounting continues in accordance with the principles described above.

Eliminations in consolidated accounts

Inter-company transactions and balances, including internal profits and unrealized gains and losses are eliminated in full. Unrealized gains that have arisen due to transactions with associates are eliminated against the Group's share in the associate. Unrealized losses are correspondingly eliminated, but only to the extent that there are no indications of a decline in the value of the asset that has been sold internally.

BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date.

Goodwill arising on acquisition is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquire over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after

reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognized in the income statement immediately. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in the income statement as financial income or expense. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

The Group has in some business combinations entered into put and call options for the remaining non-controlling interests (NCI). The group accounts for such agreements using "the anticipated-acquisition method". Under this method, the interest subject to the option is deemed to have been acquired at the date of acquisition. Accordingly, the financial liability arising from the option is included in the consideration transferred. Under the anticipated-acquisition method, the interests of the non-controlling shareholders that hold the options are derecognized when the financial liability is recognized. This is because the recognition of the financial liability implies that the interests subject to the options are deemed to have been acquired already. Therefore, the underlying interests are presented as already owned by the Group, both in the statement of financial position and in the statement of profit or loss and other comprehensive income. The financial liability is recognized at the present value of the expected redemption amount. Changes in the carrying amount of the liability will be recognized in profit and loss. If the option expires unexercised, then the liability is derecognized and NCI is recognized, consistent with a decrease in ownership interests in a subsidiary while retaining control.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 1

Purchase Price Allocation arising from a business combination is finalized within twelve months of completed acquisition.

If the business combination is achieved in stages, the fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the income statement.

SEGMENTS

For management purposes, the Group is organized into three business areas according to their range of products/services. The Chief Operating Decision Maker is the Group's Chief Executive Officer who delegates responsibility to the Chief Operating Officers (COO's) in the business area they are responsible. These business areas comprise the basis for primary segment reporting. Financial information relating to segments and geographical divisions is presented in note 2.

In the segment reporting, the internal gain on sales between the various segments is eliminated.

FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are initially recognized in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate at the reporting date. All exchange differences are recognized in the income statement with the exception of exchange differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, or monetary items that are regarded as part of the net investments. These exchange differences are recognized as a separate component of other comprehensive income until the disposal of the net investment or settlement of the monetary item, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on those borrowings or monetary

items as part of the net investments are also recognized in other comprehensive income. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign operations

The assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments included in the consolidation are translated into NOK at the exchange rates at the balance sheet date. The income and expenses of foreign operations are translated into NOK using the monthly average exchange rate. Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve.

The Group uses the mid-rate on the balance sheet date listed by Norges Bank, the Central Bank of Norway, when translating foreign currencies into NOK. Norges Bank does not quote the exchange rate between NOK and CLP. This exchange rate is calculated based on the quoted rates of NOK per USD and CLP per USD by Norges Bank and the Central Bank of Chile, respectively.

REVENUE RECOGNITION

Revenues are recognized either at the point of transfer of control of goods and services or recognized over time on an activity basis. Contracts are reviewed to identify each performance obligation relating to a distinct good or service and the associated consideration. The Group allocates revenue to multiple element arrangements based on the identified performance obligations within the contracts in line with the policies below.

A performance obligation is identified if the customer can benefit from the good or service on its own or together with other readily available resources, and it can be separately identified within the contract. This review is performed by reference to the specific contract terms.

Construction contracts

This revenue stream accounts for the majority of Group sales. Contracts related to construction of barges, cages and boats within the sea based segment, together with contracts for construction of equipment within the land based segment, operates almost exclusively on this basis.

Where multiple performance obligations are identified, revenue is recognized as each performance obligation is met. This requires an assessment of total revenue to identify the allocation across the performance obligations, based on the standalone selling price for each obligation.

AKVA group recognizes revenue over time if one of the following criteria is met:

- The customer simultaneously receives and consumes all of the benefits provided by entity as the entity performs;
- The entity's performance creates or enhances an asset the customer controls as the asset is created; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

There are two methods used by AKVA group to measure progress of a project recognized over time, either the input or the output method.

Input method

The input method measures performance based on efforts or inputs towards satisfying the performance obligation relative to the total expected inputs. Such inputs are for example resources consumed, cost incurred, time elapsed, labor hour expended, and machine hours used.

The input method is done by the basis of AKVA group's

Note 1

efforts/inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

The input method is used for all construction contracts that is not accounted for by the output method, refer the next section.

Output method

The output method measures performance based on the value created relative to the total value of the contract/delivery. The control of the good is gradually transferred to the customer, and for construction contracts AKVA group uses milestones for guiding purposes. The output method is applied for three specific standard customer contracts within the sea based segment; barges, plastic cages and Polarcirkel boats. To measure the output, AKVA uses methods such as surveys of performance completed to date, appraisals of results achieved, and milestones reached. The usage of milestones reached are not used to determine if goods or services is transferred at a discrete point in time, but more as a guideline ("rule of thumb") for evaluation the stage of completion of a project. As long as the progress can be reliably measured, AKVA believes that the abovementioned output methods are considered to be the best way of reflecting satisfaction of performance obligations.

As a result of contracts that meet the requirements for revenue recognition over time, AKVA group will have associated contract assets and contract liabilities on the balance sheet. The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract liabilities primarily relate to the advance consideration received from customers for work performed after the reporting date.

Service, spare parts and software

Invoices for goods are raised and revenue is recognized

when control of the goods is transferred to the customer. Dependent upon contractual terms this may be at the point of dispatch, acceptance by the customer or certification by the customer. The revenue recognized is the transaction price as it is the observable selling price.

For service contracts the benefit is considered to be consumed simultaneously by the customer as it is received from AKVA. Therefore, the service contracts are recognized over a straight line for the period the service is performed.

Cash discounts, volume rebates and other customer incentive programs are allocated to performance obligations and recorded as a reduction in revenue at the point of sale based on the estimated future outcome.

Variable considerations, such as penalties or prices that depend on uncertain future outcomes, are estimated upfront and considered in the calculation of transaction price by using either the expected value approach or the most likely amount. Before it may be concluded that any amount of variable consideration can be included in the transaction price, AKVA group considers whether the amount of variable consideration is constrained. This means that variable consideration estimated can only be included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

EMPLOYEE BENEFITS

Defined contribution plan

All Group companies have pension schemes based on contributions from the company to the employees. The companies' payments are recognized in the income statements for the year to which the contribution applies.

The companies have no further commitments towards pensions when the agreed contributions are paid.

Severance pay

In some countries, the companies are obliged by law to provide severance pay for redundancies due to reductions in the workforce. The costs relating to severance pay are set aside once the management have decided on a plan that will lead to reductions in the workforce and the work of restructuring has started or the reduction in the workforce has been communicated to the employees.

Share options & LTI-shares (share-based payments)

The company has a long term incentive (LTI) program and an option program. The programs are accounted for as equity-settled share-based payments. Awarded instruments are valued at fair value at grant date with no subsequent remeasurement of granted instruments other than a revision of number of vesting instruments only. The fair value of the share options and LTI shares is measured at the grant date and the cost is recognized in the income statement, together with a corresponding increase in other paid-in capital, over the period in which the performance and/or service conditions are fulfilled. The fair value is calculated using a Black & Scholes model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed as salary cost on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 1

FINANCE INCOME AND FINANCE COSTS

The Group's finance income and finance costs include:

- Interest income
- Interest expense
- The foreign currency gain or loss on financial assets and financial liabilities
- Hedge ineffectiveness recognized in profit or loss

Interest income or expense is recognized using the effective interest method.

INCOME TAX

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income tax, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising on dividends.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is calculated on all taxable temporary differences, except for:

- Temporary differences relating to investments in subsidiaries, associates, or joint ventures when the Group decides when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized in the balance sheet when it is probable that the company will have a sufficient profit for tax purposes to utilize the tax asset. At each balance sheet date, the Group carries out a review of its unrecognized deferred tax assets and the value it has recognized. The companies recognize formerly unrecognized deferred tax assets to the extent that it has become probable that the company can utilize the deferred tax asset. Similarly, the company will reduce its deferred tax assets to the extent that it can no longer utilize these.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets (tax liabilities) are recognized at their nominal value and classified as non-current asset (long-term liabilities) in the balance sheet.

INTANGIBLE ASSETS AND GOODWILL

Intangible assets are recognized in the balance sheet if it is probable that there are future economic benefits that can be attributed to the asset which is owned by the company, and the asset's cost price can be reliably estimated. Intangible assets are recognized at cost price.

Research & development costs

Expenses relating to research are recognized in the income statement when they are incurred. Expenses

relating to development are recognized in the income statement when they are incurred unless the following criteria are met in full:

- The product or process is clearly defined, and the cost elements can be identified and measured reliably
- The technical solution for the product has been demonstrated
- The product or process will be sold or used in the company's operations
- The asset will generate future economic benefits
- Sufficient technical, financial, and other resources for completing the project are present.

When all the above criteria are met, the associated development costs will be recognized in the balance sheet. Costs that have been charged as expenses in previous accounting periods are not recognized in the balance sheet.

Amortization of the asset begins when development is complete, and the asset is available for use. During the period of development, the asset is tested for impairment annually.

Other intangible assets

Other intangible assets, including customer relationship, product rights, patents, and trademarks, that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

Goodwill

Additional value on the purchase of a business that cannot be allocated to assets or liabilities on the acquisition date is classified in the balance sheet as goodwill. In the case of investments in associates, goodwill is included in the cost price of the investment.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 1

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Amortization

Intangible assets with a finite useful life are amortized and any need for impairment losses to be recognized is considered. Amortization is calculated using the straight-line method over the asset's estimated useful life and is recognized in profit and loss. Intangible assets with indefinite useful lives and goodwill are not amortized, but impairment losses are recognized if the recoverable amount is less than the carrying amount.

The estimated useful lives for current and comparative periods are as follows:

- Development costs: 3-5 years
- Patents (included in other intangible assets): 20 years
- Trademarks (included in other intangible assets): 5 years
- Product rights (included in other intangible assets): 5-10 years
- Internal systems (included in other intangible assets): 5-10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

TANGIBLE FIXED ASSETS

Tangible fixed assets are carried at cost less accumulated depreciation and any accumulated impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are derecognized, and any gain or loss on the sale or disposal is recognized in the income statement.

The gross carrying amount of tangible fixed assets is the purchase price, including duties/taxes and direct acquisition costs relating to making the asset ready for use.

Subsequent costs, such as repair and maintenance costs, are normally recognized in profit or loss as incurred. When future economic benefits are increased because of

repair/maintenance work can be proven, such costs will be recognized in the balance sheet as additions to tangible fixed assets. If replacing an asset, the replacement will be recognized in the balance sheet and the replaced asset will be de-recognized.

Depreciation

Depreciation is calculated using the straight-line method over the asset's estimated useful lives and is generally recognized in profit and loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for current and comparative periods are as follows:

- Buildings: > 20 years
- Right-of-use assets: 3-15 years
- Machinery and equipment: 3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted appropriately.

LEASES

The information on leases provided below relates to the Group as a lessee. The Group's transactions as a lessor is immaterial and follows the principles provided above in the section on "Revenue recognition".

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

RECOGNITION OF LEASES AND EXEMPTIONS

At the lease commencement date, the Group recognizes a

lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group initially measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The incremental borrowing rate is determined for each entity in the Group based on three key inputs:

- Reference rate (government bond in same currency, economic environment, and term)
- Credit risk premium (expected margin the entity would have paid to obtain external financing to buy similar assets)
- Lease specific adjustments (to reflect different risk profiles for different types of leased assets)

The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option. The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable

Note 1

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset should be impaired and to account for any impairment loss identified.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Group's financial assets are derivatives, trade receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Group classifies its financial assets within 2 categories: financial assets at amortized cost and financial asset at fair value through profit and loss.

Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

The Group's financial assets at amortized cost includes trade receivables and other shortterm deposit. Trade receivables are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers. No significant financing components are identified.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss include financial assets held for trading, financial assets designated through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified held for trading if they are acquired for the purpose of selling or repurchasing in the near terms.

Derivatives, including separately embedded derivatives, are also classified as held for trading unless they are designed as effective hedging instruments or is a financial guarantee contract. Derivatives at fair value are carried

Note 1

in the statement of financial position at fair value with net changes in fair value in profit and loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a. the Group has transferred substantially all the risks and rewards of the asset, or
 - b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses (ECL) for contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the fore-

cast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The amount of the impairment loss is recognized in the income statement. Any reversal of previous impairment losses is recognized when the expected loss change. However, an increase in the carrying amount is only recognized to the extent that it does not exceed what the amortized cost would have been if the impairment loss had not been recognized.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as financial liabilities at fair value through profit and loss (derivatives), as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Hedge accounting

As part of the international activity the Group's assets and liabilities as well as expected cash inflows and cash outflows are exposed to changes in the currency rates. Such risk is sought reduced by using currency forward contracts. The currency risk is managed by the parent company in cooperation with the subsidiaries.

From 2021, AKVA group use the requirements in IFRS 9 to perform and evaluate hedge accounting, as opposed to having previously complied with the requirements in IAS 39.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 1

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

The Group applies IFRS 9 Financial Instruments to account for hedging. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all its hedging relationships involving forward contracts.

Fair value hedges

Derivatives designated as hedging instruments are measured at their fair value and changes in the fair value are recognized in the income statement as they arise. Corre-

spondingly, a change in the fair value of the hedged object which is due to the risk that the object is hedged against is recognized in the income statement.

The hedge accounting is discontinued if:

- I. the hedging instrument expires or is terminated, exercised, or sold, or
- II. the hedge does not meet the abovementioned hedge requirements, or
- III. the Group chooses to discontinue hedge accounting for other reasons

If the hedge assessment is terminated, the changes which have been made in the carrying amount of the hedged object are amortized over the remaining economic life using the effective interest rate method if the hedging instrument is a financial instrument that has been recognized according to the effective interest rate method.

Cash-flow hedges

The hedge is done on 1:1 relationship between the hedged item and the hedging instrument.

Changes in the fair value of a hedging instrument that meet the criteria for cash flow hedge accounting are recognized as gains or losses in other comprehensive income.

The ineffective part of the hedging instrument is recognized directly in the income statement. In these hedge relationships, the main source for ineffectiveness is changes in timing of the hedged transaction.

If the hedge of a cash flow results in an asset or liability being recognized, all former gains and losses recognized directly in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the asset or liability. For other cash-flow hedges, gains and losses recognized directly

in other comprehensive income are reclassified to the income statement in the same period as the cash flow which comprises the hedged object is recognized in the income statement.

If the hedge no longer meets the criteria for hedge accounting, the hedge accounting is discontinued. The cumulative gain or loss on the hedging instrument recognized directly in other comprehensive income remains separately recognized in other comprehensive income until the forecast transaction occurs.

If the hedged transaction is no longer expected to occur, any previously accumulated gain or loss on the hedging instrument that has been recognized directly in other comprehensive income will be recognized in profit or loss. See note 16 for further information.

INVENTORIES

Inventories, including work in progress, are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out (FIFO) principle. Finished goods and work in progress include variable costs and fixed costs that can be allocated to goods based on normal capacity. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale. Obsolete inventories have been fully recognized as costs of goods sold.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months and to a known amount, and which contain insignificant risk elements.

The cash and cash equivalent amount in the cash flow statement do not include overdraft facilities.

Note 1

IMPAIRMENT OF ASSETS

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill, intangible assets with indefinite lives and intangible assets not yet available for use are tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (cash-generating units, CGU's). Goodwill arising from a business combination is allocated to CGU's that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

If an asset's carrying amount is higher than the asset's recoverable amount, an impairment loss will be recognized in the income statement. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Except for goodwill, impairment losses recognized in the income statements for previous periods are reversed when there is information that the need for the impairment loss no longer exists or is not as great as it was. The reversal is recognized in the same line item as the impair-

ment. However, no reversal takes place if the reversal leads to the carrying amount exceeding what the carrying amount would have been if normal depreciation periods had been used.

EQUITY

Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options, net of tax, are shown in equity as a deduction, net of tax, from the proceeds.

Other equity

Translation differences Translation differences arise in connection with currency differences when foreign entities are consolidated.

Currency differences relating to monetary items (liabilities or receivables), which are part of a company's net investment in foreign entities are treated as translation differences.

When a foreign operation is sold, the accumulated translation differences linked to the entity are reversed and recognized in the income statement in the same period as the gain or loss on the sale is recognized.

Hedge reserve

The hedge reserve includes the total net change in the fair value of the cash-flow hedge until the hedged cash flow arises or is no longer expected to arise.

Dividends

Dividends payable to the company's shareholders are recognized as a liability in the Group's financial statements when the dividends are approved by the General Meeting.

PROVISIONS

Provisions are recognized when, and only when, the company has a valid liability (legal or constructive) as a result of events that have taken place and it can be proven probable (more probable than not) that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. Provided provisions to cover the liability will be equal to fair value if the effect of time is insignificant. When the effect of time is significant, the provisions will be the present value of future payments to cover the liability. Any increase in the provisions due to time is presented as interest costs.

Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data.

Obsolete inventory

A provision for obsolete inventory is recognized when the net realizable value is deemed to be below the carrying value.

Bad debt

A provision for bad debt is recognized for expected credit losses.

CONTINGENT LIABILITIES AND ASSETS

Except for in the event of a business combination, neither contingent liabilities nor contingent assets are recognized.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 1

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed except for contingent liabilities where the probability of the liability having to be settled is remote.

Contingent liabilities acquired upon the purchase of a business are recognized at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognized in the income statement.

Contingent assets are possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Information about such contingent assets is provided if inflow of economic benefits is probable.

GOVERNMENT GRANTS

Government grants are recognized when there is reasonable assurance that they will be received, and the Group will comply with conditions associated with the grant.

Grants related to assets are presented in the balance sheet by deducting the grant when arriving at the carrying amount of the asset and recognized in the income statement over the useful life of the depreciable asset as a reduced depreciation expense.

Grants that compensate the Group for expenses incurred are recognized in profit and loss on a systematic basis over the periods in which the expenses are recognized.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date that do not affect the company's position at the balance sheet date, but which will affect the company's position in the future are disclosed if significant.

NEW AND AMENDED IFRS ACCOUNTING STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies

The group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

Amendments to IAS 1 Classification of Liabilities as Current or Non-current.

Amendments to IAS 1 Non-current Liabilities with Covenants.

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements.

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the group in future periods.

Note 2 – Segment information (in NOK 1 000)

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

BUSINESS SEGMENTS

For more detailed description and information about products and services included in the business areas, please go to www.akvagroup.com



SEA BASED TECHNOLOGY (SBT)

Main products in the SBT segment are feed barges, fish farming cages, feed systems, nets, sensors, cameras, light systems, net cleaning systems and remotely operating vehicles (ROV's). The Polarcirkel™ polyethylene (PE) cages are produced at our facility in Mo i Rana, Norway, and is one of the world's leading fish cage brands. The Polarcirkel™ brand also includes Polarcirkel™ PE-boats designed for extreme conditions for the fish-farming industry, diving and the oil and gas service industry. Steel cages sold under the Wavemaster™ brand are market leaders in Chile and Canada. Wavemaster™'s production facility for steel cages is in Puerto Montt, Chile. The feed barges have a strong international position in the salmon market and are supplied with AKVASmart™ centralized feed systems as well as other technologies from AKVA group. The manufacturing of feed barges designed by AKVA group, are done in amongst others the Baltic's, Poland, and Vietnam by external partners. Sperre AS, a subsidiary located at Notodden, Norway, holds extensive experience in developing and producing a range of advanced ROV solutions, with applications for both aquaculture as well as oil service and marine industries. Egersund Net, a company acquired in 2018, offer nets, special nets and moorings and has an extensive service network for net services. Out of filaments Egersund Net produce its own netting in Norway, which is used in the manufacturing of a variety of standard and special fish net designs, all optimized, focusing on quality, ESG and user-friendliness.



LAND BASED TECHNOLOGY (LBT)

Recirculation technology forms the main part of our Land Based Aquaculture Technology, which is developing into a major trend in global aquaculture. This technology allows the re-use (recirculation) of close to 100% of the water by cleaning the water and restoring important water quality parameters, using advanced water treatment technology. Main components used include mechanical filters, UV treatment, bio filters, degasser units, oxygenation, cooling/heating systems and lifting pumps.

Subsidiaries in the Group for Land Based Technology are AKVA group Denmark A/S (Denmark), AKVA group Land Based Sømna AS (Norway), AKVA group Land Based Americas S.A (Chile) and AKVA group Land Based A/S (Denmark).



DIGITAL (DI)

Main products in Digital are Fishtalk™, AKVAconnect, Observe and Submerged.

The Fishtalk™ software include brands such as: Production control, planning, traceability, and ERP software for both the aquaculture and the fishing industry. Main markets include Norway, Iceland, Canada, Chile, and UK. AKVA group is the market leader in software both to the aquaculture and fishing industries in these markets. The main offices for the software activities are in Norway (Klepp and Trondheim).

Intra segment transactions are immaterial; hence no reconciling items are presented in the tables below.

Note 2

Segment information (in NOK 1 000)	2023	2022
SEA BASED TECHNOLOGY		
Operating revenue	2 667 367	2 685 867
Operating expenses	2 396 489	2 423 474
Operating profit before depreciation and amortization (EBITDA)	270 878	262 393
Depreciation, amortization and impairment	147 528	141 265
Operating profit (EBIT)	123 350	121 128
Segment assets	3 456 539	3 209 119
Segment liabilities	2 185 723	2 054 856
Investments in tangible and intangible assets	220 211	142 151
LAND BASED TECHNOLOGY		
Operating revenue	632 444	594 170
Operating expenses	665 004	721 434
Operating profit before depreciation and amortization (EBITDA)	-32 560	-127 264
Depreciation, amortization and impairment	9 208	52 186
Operating profit (EBIT)	-41 768	-179 450
Segment assets	152 320	289 564
Segment liabilities	336 875	357 470
Investments in tangible and intangible assets	638	4 473
DIGITAL		
Operating revenue	132 450	96 283
Operating expenses	107 362	73 143
Operating profit before depreciation and amortization (EBITDA)	25 088	23 140
Depreciation, amortization and impairment	39 069	21 311
Operating profit (EBIT)	-13 981	1 829
Segment assets	75 073	81 764
Segment liabilities	8 658	23 784
Investments in tangible and intangible assets	42 860	30 604

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 2

Total (in NOK 1 000)	2023	2022
Operating revenue	3 432 262	3 376 320
Operating expenses	3 168 855	3 218 050
Operating profit before depreciation and amortization (EBITDA)	263 407	158 270
Depreciation, amortization and impairment	195 805	214 762
Operating profit (EBIT)	67 603	-56 493
Assets	3 683 933	3 580 446
Liabilities	2 531 256	2 436 110
Investments in tangible and intangible assets	263 709	177 229

GEOGRAPHICAL INFORMATION

The figures listed below are based on where the legal entities are located.

Operating revenue	2023	2022
Norway	1 904 069	1 980 990
Chile	370 027	472 240
Canada	282 387	208 532
UK	164 841	154 424
Denmark	28 784	286 765
Other	682 154	273 369
Total	3 432 262	3 376 320

Non-current assets excluding deferred tax assets and long-term financial assets	2023	2022
Norway	1 682 015	1 468 098
Chile	54 553	66 216
Canada	33 488	28 844
UK	23 787	22 268
Denmark	5 809	8 225
Other	29 447	30 658
Total	1 829 099	1 624 308

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 2

Total assets (in NOK 1 000)	2023	2022
Norway	2 490 802	2 537 086
Chile	339 147	341 100
Denmark	196 608	192 479
Canada	192 152	161 522
UK	137 492	140 718
Other	327 732	207 541
Total	3 683 933	3 580 446

Total liabilities	2023	2022
Norway	1 666 420	1 801 333
Denmark	260 319	237 726
Chile	160 602	139 802
Canada	141 622	90 894
UK	85 897	54 419
Other	216 396	111 936
Total	2 531 256	2 436 110

Investments in the period	2023	2022
Norway	234 961	150 531
Chile	4 428	10 090
UK	10 626	8 337
Denmark	388	2 095
Canada	9 643	1 486
Other	3 663	4 690
Total	263 709	177 229

Revenues by customer

The revenue from the 5 largest customers within all segments and geographic areas are as follows:

Revenues by customer	2023	2022
Customer A	442 644	317 865
Customer B	250 837	235 207
Customer C	183 481	145 415
Customer D	174 539	93 749
Customer E	130 624	89 236

Revenue from customer A is mainly concentrated around the sea based technology segment.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 3 – Wages, remunerations, and pensions (in NOK 1 000)

Payroll expenses	2023	2022
Salaries	813 502	757 770
Payroll tax	70 870	50 732
Pension costs	41 369	36 796
Other benefits	28 113	35 645
Total	953 853	880 944

The number of employees in full time equivalent in the company at year end is:

	2023	2022
	1 425	1 466

Remuneration

The following tables specifies remuneration to Executive Personnel and the Board of Directors for the presented periods:

Remuneration to Executive Personnel 2023 (in NOK 1 000)	Salary ¹	Pension	Other	Accrued not paid Bonus
Knut Nesse (CEO)	5 848	86	127	-
Ronny Meinkøhn (CFO)	3 610	86	124	-
Kristian Botnen (COO Sea Based Nordic)	2 156	86	124	-
Johan Fredrik Gjesdal (COO Land Based)	2 565	86	141	-
Asle Kjetil Bratteli (CDO)	2 759	86	124	-
Stig Domaas Førre (COO Sea Based International) ²	1 000	86	75	-
Glenn Mo (COO Egersund Net)	3 450	71	1	-
Maren Hognestad Sunde (HR Director)	2 058	86	5	-
Ståle Økland (Director Comm. & Sust.)	2 174	86	5	-

¹ Salary includes the value of LTI shares achieved for the year, and any other payments such as allowances and benefits-in-kind with a meaningful monetary value received in the year, if applicable.

² Stig Førre assumed his position as COO Sea Based International in July 2023.

Remuneration to Executive Personnel 2022 (in NOK 1 000)	Salary	Pension	Other	Accrued not paid Bonus
Knut Nesse (CEO)	2 890	81	132	-
Ronny Meinkøhn (CFO)	2 050	81	129	-
Erlend Sødal (COO Sea Based) ⁴	1 946	81	121	-
Johan Fredrik Gjesdal (COO Land Based)	1 707	81	139	-
Asle Kjetil Bratteli (CDO)	2 024	81	129	-
Andrew Campbell (COO International) ³	2 076	81	130	-
Kristian Botnen (COO Nordic) ¹	792	81	54	-
Glenn Mo (COO Egersund Net) ²	929	57	61	-
Maren Hognestad Sunde (HR Director) ²	679	70	6	-
Ståle Økland (Director Comm. & Sust.) ²	721	78	5	-

¹ Kristian Botnen assumed his position as COO Nordic in August 2022

² Glenn Mo, Maren Hognestad Sunde and Ståle Økland became a part of the Executive Personnel after organizational changes made in June 2022

³ Andrew Campbell stepped down as COO International in November 2022.

⁴ Erlend Sødal are not a part of the Executive Personnel after organizational changes made in June 2022, he also stepped down as COO Sea Based in June 2022.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 3 – Wages, remunerations, and pensions

Fees to the Board of Directors (in NOK 1 000)	Position	2023	2022
Hans Kristian Mong	Chairperson of the Board	345	329
Kristin Reitan Husebø	Deputy Chairperson of the Board	229	219
Frode Teigen	Deputy Chairperson of the Board	210	199
Heidi Nag Flikka	Member of the Board	210	199
Tore Rasmussen	Member of the Board	210	199
Yoav Doppelt	Member of the Board	210	199
Irene Heng Lauvsnes	Member of the Board	210	199
John Morten Kristiansen ¹	Member of the Board	53	13
Odd Jan Håland ¹	Employee elected Member of the Board	53	13
Siv Irén Nesse ³	Employee elected Member of the Board	53	13
Ragnhild Ree ²	Employee elected Member of the Board	-	40
Magnus Røkke ²	Employee elected Member of the Board	-	40
Helen Helland ²	Employee elected Member of the Board	-	40
Mona Skåtøy Skadberg ⁴	Employee elected Member of the Board	-	-

¹ John Morten Kristiansen and Odd Jan Håland assumed their positions as members of the Board in November 2022

² Ragnhild Ree, Magnus Røkke and Helen Helland stepped down as members of the Board in November 2022

³ Siv Irén Nesse stepped down as member of the Board in December 2023

⁴ Mona Skåtøy Skadberg assumed her positions as members of the Board 22. December 2023

Incentive schemes

The incentive scheme for Executive Personnel consists of two components:

- I. an annual bonus limited to between 30% and 50% of annual salary dependent upon 60% weight on financial targets based on EBIT and 40% weight on strategic KPI's, payable in cash, and
- II. a deferred bonus dependent upon strategic KPI's and financial performance targets (as set out in item i) above), payable in shares.

The deferred bonus scheme has a duration varying between 2023 and 2027.

In 2022 the CEO was granted a stock option instrument. The option agreement gives him the right to acquire 80 000 shares for NOK 70.00 per share. The option can be exercised in the period from April 1, 2025 to August 31 2025, conditional on the CEO being a member of the board of or employed in AKVA group or in one of its subsidiaries. The options can also be exercised prior to the said period if a takeover offer is made and completed, resulting in a change of control in the Company. The Company can settle the options by issuing new shares, deliver own shares (treasury shares) or paying cash compensation equal to the difference between the strike price and the market price for the Company's shares at the time of exercise.

The CEO has an annual fixed salary of MNOK 3.0 and a monthly car allowance of KNOK 10.

The bonus agreement of the CEO is as described above, limited to 50% of annual salary for the annual plan and deferred part payable in shares for the period 2022-2025 with a maximum annual share allocation of 44,520 shares.

The CEO is entitled to 12-month severance payment if his employment agreement is terminated.

New shares were granted in 2023, in accordance with the LTI scheme agreement, too a new member of the executive personnel. These shares was already included in the outstanding amount at 31.12.2022. No new option instruments were granted in 2023.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 3 – Wages, remunerations, and pensions

Outstanding instruments at year-end	Performance Share Unit instruments	Option instruments
Outstanding 31.12.2022	499 380	80 000
Adjusted	-10 000	0
Vested 2023	-126 780	0
Outstanding 31.12.2023	362 600	80 000
Weighted average remaining contractual life	1,50	1,67
Weighted average strike price	0,00	70,00

Pensions

The pension schemes in all legal entities are defined contribution plans where agreed contributions are expensed as paid. The companies have no further commitments towards pensions when the agreed contributions are paid. All pension costs are included in payroll expenses in the profit and loss statement.

As of 31 December 2023, the Group has no pension liability. According to Norwegian legislation the entities need to have a pension scheme for the employees. The existing pension schemes meet the requirements in the legislation.

Loan and pledge

The Group has not given any loans or pledges to members of the board or Executive Personnel as of 31 December 2023.

Establishment of salaries and other remuneration to Executive Personnel

The remuneration of the Executive Personnel is based on the principle that the base salary shall promote value creation in the company and contribute to coincident interests between owners and the Executive Personnel.

As the leading aquaculture technology supplier, AKVA group is dependent to offer salaries and remunerations

that secure that the most competent management is recruited. It is the policy of the Board of Directors that to recruit the most competent management, the company has to offer salaries and remunerations which are satisfactory to the management and can compete in an international market.

The Board of Directors has established a remuneration committee which shall act as a preliminary organ in relation to the board's role in the establishment of remuneration to the chief executive officer and other members in the Executive Personnel. It is the company's policy that the remuneration of the Executive Personnel principally is based on a fixed monthly salary which reflects the tasks and responsibility of the employment.

The remuneration is established on an individual basis. The fixed monthly salary is determined amongst other of the following factors:

- Experience and competence of the executive manager
- Responsibility
- Competition from the market

The agreed pension plan is the same for the Executive Personnel as for the rest of the Norwegian employees.

Salary payments after termination of employment is normally related to confidentiality and restrictive competitor agreements in which these payments shall only compensate for the constraints to the resigned employees' permission to enter into a new employment agreement. AKVA group ASA does not use agreements of salary payments after termination of employment without a distinct reason.

Fees to auditor	2023	2022
Audit	5217	4 486
Tax services	1439	978
Other services	308	1206
Total	6 963	6 669

All fees to the auditor are excluded of VAT.

Note 4 – Government grants and subsidies (in NOK 1 000)

Government grants received	2023	2022
"Skattefunn"	5 047	100
Other	2 568	6 603
Total	7 615	6 703

Grants and subsidies cover the operating expenses recognized for the specific projects that are basis for the application of such grants and subsidies.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 5 – Taxes

Tax expense reported in profit or loss (in NOK 1 000)	2023	2022
Current taxes payable	2 876	11 250
Adjustment related to previous periods	1 151	4 579
Change in deferred taxes	-14 809	-36 618
Total tax expense reported in profit or loss	-10 782	-20 789

Tax expense reported in other comprehensive income	2023	2022
Tax expense reported in other comprehensive income	2023	2022
Cash flow hedges	-1 690	2 012
Total tax expense reported in other comprehensive income	-1 690	2 012

Calculation of the basis for taxation	2023	2022
Profit before tax	-29 309	-151 864
Permanent differences	-22 776	-51 742
Change in temporary differences	-58 945	224 396
Tax base	-111 031	20 790

Specification of temporary differences	2023	2022
Current assets	60 641	50 479
Fixed assets	142 763	118 431
Provisions	-58 772	-113 176
Losses carried forward	-235 870	-261 541
Capped interest (subject to interest limitation rules)	-79 599	0
Other	-11 646	-35 622
Total	-182 484	-241 429

Specification of deferred tax	2023	2022
Calculated deferred tax assets	72 464	72 918
Deferred tax asset not recognised in balance sheet	0	-28 016
Calculated deferred tax liability	-30 995	-18 242
Deferred tax asset	72 464	44 903
Deferred tax liability	30 995	18 242

Effective tax rate	2023	2022
Expected income taxes, statutory tax rate of 22%	-8 881	-34 428
Permanent differences (22%)	-13 521	-10 465
Deviation between Norwegian and foreign tax rate	2 122	-573
Excess(-)/insufficient(+) provisions in former years	9 564	-3 406
Change in non-recognized deferred tax asset	0	28 084
Income tax expense reported in profit or loss	-10 782	-20 789
Income tax expense reported in other comprehensive income	-1 690	2 012
Total income tax expense reported	-12 472	-18 776

The nominal tax rate in Norway was 22% in 2023. Business operations outside Norway is subject to local tax rates in their country of operation, and nominal tax rates range from 15% to 30%.

In some periods, tax losses carried forward that are not recognised in the balance sheet have caused variations in the effective tax rate. In periods when such assets have not been recognised, the effective tax rate has been higher than the long-term expectation, whereas it has been lower in periods when tax losses not recognised as assets have been utilised.

The Group has a tax loss carry forward of MNOK 235.8. The total tax loss carried forward is included in the balance sheet as deferred tax asset.

The deferred tax asset recognized in the balance sheet is made probable due to future earnings in the subsidiaries and tax planning. About 84% of the tax loss carried forward is related to AKVA group ASA, whilst about 10% is related to AKVA group Land Based Americas S.A.

An assessment of the future profit for the entities with tax loss carried forward is done, and for the tax loss carried forward included in the balance sheet as deferred tax asset it is expected that profit before tax in the next couple of years will offset the recognized deferred tax asset. The current market conditions look promising for the salmon industry worldwide.

Norway has introduced new rules on global minimum tax (EU Pillar 2) with effect from 1 Jan 2024. The threshold for application of these new rules is an income of 750 MEUR. AKVA group ASA does not expect that the company will meet this threshold in 2024.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 6 – Earnings per share (in NOK 1 000)

	2023	2022
Ordinary profit / net income (in NOK 1 000)	-17 835	-131 209
Number of ordinary shares outstanding as of 31.12.	36 667 733	36 667 733
Weighted average number of ordinary shares	36 415 864	36 369 400
Earnings per share (NOK)	-0,49	-3,61
Diluted number of shares	36 415 864	36 369 400
Diluted earnings per share (NOK)	-0,49	-3,61



Note 7 – Intangible assets (in NOK 1 000)

2023	Goodwill	Development costs	Other intangible assets	Total
Acquisition cost at 01.01.	748 105	407 799	316 055	1 471 959
Additions related to acquisitions	0	27 577	442	28 019
Additions	0	74 502	90 352	164 854
Translation differences	35 651	1 234	571	37 455
Disposals	0	-2 351	-8 558	-10 910
Acquisition cost 31.12.	783 756	508 760	398 862	1 691 377
Accumulated amortization at 01.01.	445	244 239	224 195	468 879
Amortization	0	49 180	2 810	51 913
Translation differences	11	1 234	335	1 656
Accumulated amortization disposals	0	-2 351	-3	-2 355
Accumulated amortization 31.12.	456	292 301	227 337	520 094
Accumulated impairment 01.01.	0	3 205	10 813	14 018
Impairment	0	0	0	0
Accumulated impairment 31.12.	0	3 205	10 813	14 018
Net book value at 31.12.	783 300	213 254	160 712	1 157 266

2022	Goodwill	Development costs	Other intangible assets	Total
Acquisition cost at 01.01.	740 369	328 956	285 825	1 355 150
Additions	0	80 087	29 992	110 079
Translation differences	7 735	876	239	8 851
Disposals	0	-2 121	0	-2 121
Acquisition cost 31.12.	748 105	407 799	316 055	1 471 959
Accumulated amortization at 01.01.	437	212 739	207 817	420 994
Amortization	0	32 746	16 292	49 038
Translation differences	8	875	91	973
Accumulated amortization disposals	0	-2 121	-5	-2 126
Accumulated amortization 31.12.	445	244 239	224 195	468 879
Accumulated impairment 01.01.	0	0	0	0
Impairment ¹	0	3 205	10 813	14 018
Accumulated impairment 31.12.	0	3 205	10 813	14 018
Net book value at 31.12.	747 660	160 355	81 047	989 063

¹ Related to restructuring of the Land Based Business area in Q 3 2022 there has been performed impairment test at different CGU levels. The result is an impairment of R&D and other intangible asset of MNOK 14

Goodwill balances are not amortized. For remaining intangible assets, straight-line amortization over the asset's useful economic life is applied. The useful economic life for the intangible assets is estimated as:

- Development costs: 3-5 years
- Patents (included in other intangible assets): 20 years
- Trademarks (included in other intangible assets): 5 years
- Product rights (included in other intangible assets): 5-10 years
- Internal systems (included in other intangible assets): 5-10 years

During the year, the Group expensed MNOK 93.5 (MNOK 90.2 in 2022) on research and development on new products and technology as well as upgrades on existing products. The amount does not include capitalized development costs according to IAS 38 (see table above in this note).

Goodwill:

Goodwill relates to the acquisitions of Wavemaster, Polarcirkel, Maritech, UNI Aqua, Idema, Plastsveis AS, YesMaritime AS, Aquatec Solutions A/S, Sperre AS, Egersund Net AS, Newfoundland Aqua Service Ltd and Submerged AS. See impairment test of goodwill below.

Development Costs:

The Group has capitalized all direct costs that are expected to create economic benefits and meet the requirements for capitalization in IAS 38. The capitalized costs relate to software solutions and modules for integrating equipment on fish farming sites, ERP solutions and upgrades for the fish farming industry and upgrades for traditional ERP solutions. It also relates to improved product solutions to help the fish farming industry in becoming more efficient.

Other intangible assets:

The acquisition cost is mostly related to the acquisitions of Superior Systems AS (2001), Vicass (2002), Cameratech (2004), Ocean Service Log (2004), Polarcirkel/Wavemaster (2006), Maritech/UNI Aqua (2007), Idema Aqua (2008), Plastsveis AS (2013),

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 7 – Intangible assets (in NOK 1 000)

YesMaritime AS (2014), Aquatec Solutions A/S (2015), Sperre AS (2016), Egersund Net AS (2018) and Submerged AS (2023).

Impairment test of goodwill and intangible assets with indefinite useful life:

Intangible assets with indefinite useful life and goodwill are not amortized. These assets are tested annually for impairment. The brand of Sperre, AD Offshore and Egersund Net are assessed to have an indefinite lifespan effect due to their strong standing and position already achieved within the markets they operate. The fair value of these three intangible assets are the only ones defined with indefinite useful life. Goodwill and intangible assets acquired through business combinations have been allocated to the following cash-generating units:

Book value of goodwill	2023	2022
Sea Based Technology	642 857	635 099
Digital Solutions	31 623	9 600
Land Based Technology	108 820	102 961
Total goodwill	783 300	747 660

Book value of intangible assets with indefinite	2023	2022
S&AS Sea Based Technology Norway	9 057	9 057
Sea Based Technology	27 057	27 057
Total intangible assets	36 114	36 114

Discounted cash flow models are used to determine the recoverable amount for the cash-generating units. The Group has projected cash flows based on financial budgets and forecasts approved by the Board of Directors. Beyond the explicit budget and forecast period of five years, the cash flows are extrapolated using a constant nominal growth rate.

KEY ASSUMPTIONS USED FOR CALCULATIONS:

Growth rates

The expected growth rates from the cash-generating units converges from its current level experienced over the last few years

to the long-term growth level expected for the aquaculture industry. Cash flows beyond a five-year period are extrapolated using a 2.0% growth rate.

Revenue

Revenue is based on budget for the coming year and strategy figures for the period 2025-2027, assessed through a thorough process for all cash-generating units. Thereafter the outlook and expectations within each cash-generating unit is considered and revenue is estimated with a reasonable, but conservative growth rate.

Gross margin

The gross margins, revenues subtracted for cost of goods sold, are only with immaterial changes based on achieved gross margins during the last three years and is aligned with achievements the last year. It is assumed the gross margin will be stable in the years to come. It is expected that any change in the raw material prices during a reasonable time period will be reflected in product market prices and thus not have any material effect on achieved gross margins.

Market share

The calculations assume that market share will not change significantly from the date of the calculation.

Discount rates

Discount rates are based on Weighted Average Cost of Capital (WACC) derived from the Capital Asset Pricing Model (CAPM) methodology. The cost of a company's equity and debt, weighted to reflect its capital structure of 70|30 respectively, derive its weighted average cost of capital. The discount rates take into account the debt premium, market risk premium and gearing, corporate tax rate and asset beta.

In the recoverable amount assessment, the Group has applied estimated cash flows after tax and a corresponding discount rate after tax of 9.56% for all cash-generating units. The pre-tax discount rate is 9.94%. A variation of +/- 1% does not materially affect the conclusion of the impairment tests.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use of the different cash-generating units, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to exceed its recoverable amount.

Impact of climate change related risk

The value-in-use estimates used in the impairment analysis considers climate change risk through applying cash flows based on expected developments in climatic conditions affecting the aquaculture industry. Climate risk is an area that Executive Personnel continuously focuses on, and the group experiences that climate factors are increasingly priced into the group's operations, whether it concerns the price of input factors, requirements for climate accounts from customers, profitability variation within the product portfolio and more.

No direct climate risk premium has been made in the value-in-use estimates, as the group believes that this has already been priced into future cash flows, and that macroeconomic factors have been taken into account in determining the discount rate for calculating value-in-use.

Management recognizes that there is an increased pace of change in the industry and associated political landscape and will continue to work towards incorporating quantification of the financial impact of climate change and related policies within AKVA group's annual filings.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 8 – Tangible fixed assets (in NOK 1 000)

2023	Land and building	Right-of-use assets	Machinery & equipment	Total
Acquisition cost at 01.01.	46 819	774 677	582 075	1 403 571
Additions related to acquisitions	0	944	775	1 719
Additions	10 317	123 359	58 801	192 477
Translation differences	928	3 735	9 036	13 699
Disposals	-1 766	-19 026	-15 081	-35 873
Acquisition cost 31.12.	56 298	883 688	635 607	1 575 593
Accumulated depreciation 01.01.	11 650	300 556	430 190	742 397
Depreciation	1 674	95 240	46 961	143 892
Translation differences	106	1 028	7 058	8 174
Accumulated depreciation disposals	0	-11 491	-5 615	-17 106
Accumulated depreciation 31.12.	13 430	385 333	478 595	877 357
Accumulated impairment 01.01.	832	22 742	2 356	25 930
Impairment	0	0	0	0
Translation differences	0	472	0	472
Accumulated impairment 31.12.	832	23 214	2 356	26 402
Net book value 31.12.	42 037	475 141	154 654	671 833
2022	Land and building	Right-of-use assets	Machinery & equipment	Total
Acquisition cost at 01.01.	44 084	683 380	545 027	1 272 490
Additions	2 076	84 238	65 075	151 388
Translation differences	827	7 125	7 776	15 728
Disposals	-167	-66	-35 802	-36 035
Acquisition cost 31.12.	46 819	774 677	582 075	1 403 571
Accumulated depreciation 01.01.	10 017	213 879	406 027	629 924
Depreciation	1 488	80 900	43 707	126 094
Translation differences	146	2 828	4 307	7 281
Accumulated depreciation disposals	0	2 949	-23 851	-20 902
Accumulated depreciation 31.12.	11 650	300 556	430 190	742 397
Accumulated impairment 01.01.	0	0	0	0
Impairment	832	22 462	2 356	25 650
Translation differences	0	280	0	280
Accumulated impairment 31.12.	832	22 742	2 356	25 930
Net book value 31.12.	34 337	451 379	149 529	635 245

Related to restructuring of the Land Based Business area in Q3 2022 there has been performed impairment test at different CGU levels. The result is an impairment of right-of-use asset and other fixed asset of MNOK 25.7.

Land balances are not depreciated. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For remaining tangible assets, straight-line depreciation over the asset's useful economic life is applied. The useful economic life is estimated as:

- Buildings: > 20 years
- Right-of-use assets: 3-15 years
- Machinery and equipment: 3-5 years

Impact of climate change related risk

Climate change leading to more extreme weather and higher water temperatures can potentially make it harder to farm in the sea and disrupt natural ecosystems. Some parts of the world already see increasing water surface temperatures negatively impacting the farming of fish. In other countries, extreme weather conditions such as storms are increasing, requiring adaptation of the fish farms at sea to make them more weather resistant. These changes may lead to increased costs for us as a supplier and an overall decrease in the fish farming industry, both with potential impacts to the Group's income and result.

In the view of the Group, climate change also creates an opportunity for a market of new technology and solutions mitigating the risks such as deep farming solutions. A global focus on reducing greenhouse gas emissions (GHG) may also lead to an increased demand for farmed fish, and possibly expanding the market for the Group. The Group's review of climate risks and opportunities are further detailed in our ESG report and taxonomy report.

AKVA group has assessed that the potential negative effect from this currently is uncertain and that it does not constitute an impairment indicator.

Note 9 – Subsidiaries and other long-term investments (in NOK 1 000 unless stated otherwise)

Subsidiaries (consolidated in group accounts)	Consolidated from	Location	Ownership interest 2022	Ownership interest 2021
AKVA group Australasia Pty Ltd	2013	Australia	100 %	100 %
AKVA group North America Inc	1995	Canada	100 %	100 %
Newfoundland Aqua Service Ltd	2020	Canada	98,5 %	70 %
AKVA group Chile S.A	1998	Chile	100 %	100 %
AKVA Land Based Americas S.A	2021	Chile	100 %	100 %
AKVA group Land Based China ¹	2021	China	100 %	100 %
AKVA group Denmark A/S	2007	Denmark	100 %	100 %
AKVA group Land Based A/S	2015	Denmark	100 %	100 %
AKVA group Hellas SM PEC	2017	Greece	100 %	100 %
UAB Egersund Net ²	2018	Lithuania	100 %	100 %
AKVA group Software AS	1997	Norway	100 %	100 %
AKVA group Services AS	2001	Norway	100 %	100 %
Helgeland Plast AS	2006	Norway	100 %	100 %
Polarcirkel AS	2010	Norway	100 %	100 %
AKVA group Land Based Sømna AS	2013	Norway	100 %	100 %
Sperre AS	2016	Norway	100 %	100 %
Submerged AS	2023	Norway	51 %	0 %
Egersund Net AS	2018	Norway	100 %	100 %
Egersund Trading AS2	2018	Norway	100 %	100 %
AKVA group Scotland Ltd	1997	Scotland	100 %	100 %
Grading Systems Ltd2	2018	Shetland	100 %	100 %
AKVA group Espana S.L	2017	Spain	100 %	100 %
AKVA Group Turkey Ltd	2005	Turkey	100 %	100 %

¹ Subsidiary of AKVA group Land Based Denmark

² Subsidiary of Egersund Net AS

Associates (equity-accounted investees)	Acquisition year	Location	Ownership interest 2023	Ownership interest 2022	Book value
NOFI Oppdrettservice AS	2018	Norway	50 %	50 %	62 926
Observe Technologies Ltd	2021	Norway	34 %	34 %	42 077
Abyss Group AS	2021	Norway	22 %	26 %	123 562
Emel Balik ¹	2018	Turkey	50 %	50 %	37 317
Total					265 882

¹ In 2023 the group received a dividend of MNOK 8 from Emel Balik.

AKVA group ASA exercised their option to buy out the remaining shares in Newfoundland Aqua Services Ltd in 2023, refer further information in note 19.

AKVA group ASA acquired 51% in Submerged AS in Q3 2023, refer further information in note 19.

Other long-term investments are accounted for, either:

1. using the equity method (investments where AKVA group owns between 20 and 50%) or
2. as financial assets (investments where AKVA group owns less than 20%).

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 9 – Subsidiaries and other long-term investments

The following table provides key financials for the material associates, NOFI Oppdrettservice, Emel Balik AS and Abyss Group AS:

Observe Ltd.	Total (100 %)		AKVA's share (50 %)	
	2023	2022	2023	2022
Revenue	14 398	6 545	4 852	2 206
Profit or loss	6 059	2 343	2 042	504
Current assets	8 662	5 566	2 919	1 876
Non-current assets	14 129	4 840	4 762	1 631
Equity	16 217	8 433	5 465	2 842
Current liabilities	6 574	1 973	2 216	665
Non-current liabilities	0	0	0	0

Emel Balik	Total (100 %)		AKVA's share (50 %)	
	2023	2022	2023	2022
Revenue	166 149	124 149	83 074	62 074
Profit or loss	12 875	11 413	6 437	5 706
Current assets	54 471	56 549	27 236	28 274
Non-current assets	2 611	2 851	1 305	1 425
Equity	29 747	38 440	14 873	19 220
Current liabilities	26 978	15 286	13 489	7 643
Non-current liabilities	357	5 673	178	2 837

NOFI Oppdrettservice AS	Total (100 %)		AKVA's share (50 %)	
	2023	2022	2023	2022
Revenue	88 487	87 903	44 244	43 951
Profit or loss	293	-154	146	-77
Current assets	25 566	19 744	12 783	9 872
Non-current assets	140 323	145 455	70 162	72 727
Equity	39 674	39 964	19 837	19 982
Current liabilities	17 444	37 115	8 722	18 557
Non-current liabilities	108 772	88 120	54 386	44 060

Abyss Group AS ¹	Total (100 %)		AKVA's share (21,5 %) ²	
	2023	2022	2023	2022
Revenue	450 000	370 667	96 885	92 667
Profit or loss	-22 000	-24 000	-4 737	-5 038
Current assets	198 000	968 000	42 629	246 840
Non-current assets	941 000	262 000	202 597	66 810
Equity	229 000	276 000	49 304	70 380
Current liabilities	250 000	380 000	53 825	96 900
Non-current liabilities	660 000	574 000	142 098	146 370

¹ The annual report of Abyss Group AS is not finalized at the date of the publish of AKVA group's annual report.

Hence, the figures for 2023 are based on best estimate.

² AKVA's share relates to the ownership period October 2021 – December 2022

The following table list the remaining investments in the Group:

Other investments (financial assets)	Acquisition year	Location	Ownership interest 2023	Ownership interest 2022	Book value
Nordic Aqua Partners Holding ApS ¹	2020	Denmark	9 %	9 %	38 783
Ecofisk AS	2020	Norway	3 %	3 %	5 500
Centre for Aquaculture Competence AS ²	2002	Norway	33 %	33 %	150
Blue Planet AS	2004	Norway	15 %	15 %	300
Other investments			<5 %	<5 %	427
Total					45 159

¹ The purpose of Nordic Aqua Partners Holding ApS is solely to own shares in Nordic Aqua Partners ApS, which is a listed entity on Euronext Growth. Hence, the booked value of the shares in Nordic Aqua Partners Holding ApS is continuously adjusted to reflect the underlying share value of Nordic Aqua Partners ApS.

² Despite the fact that the group owns more than 20% of Centre for Aquaculture Competence AS, this investment is not booked according to the equity method. This is based on the purchase agreement which specifies that AKVA group ASA (owner of the shares) is not entitled to the results earned in the company.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 10 – Inventory (in NOK 1 000)

Inventory	2023	2022
Raw materials (at cost)	253 700	226 014
Work in progress (at cost)	50 842	61 905
Finished goods (at net realisable value)	324 076	312 477
Total	628 614	600 394

Write-down of obsolete inventory 01.01.	18 551	14 069
Change in write-down of obsolete inventory during the year	-1 185	4 483
Write-down of obsolete inventory 31.12.	17 366	18 551

The write down of obsolete inventory at year-end is related to finished goods.

Note 11 – Receivables (in NOK 1 000)

ACCOUNTS RECEIVABLES

The recorded accounts receivables are shown net of estimated bad debt loss. The estimated bad debt loss is:

Bad debt provisions	2023	2022
Bad debt provision 01.01.	6 684	3 609
Provisions made during the year	186	3 956
Provisions used during the year	-1 540	-881
Bad debt provision 31.12.	5 330	6 684

Recorded bad debt cost during the year	-1 671	-253
Change in bad debt provision	3 024	-2 823
Total bad debt cost during the year	1 354	-3 075

Actual credit losses experienced over the last 3 years are analyzed to assess the credit risk within receivables and expected credit loss (ECL). In the risk assessment, economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables are considered. In the assessment of ECL the Group analyses the aging of trade receivables and take into consideration segment specific risk factors identified as part of the analysis of actual historical losses. Segment specific factors to be considered may be credit risk characteristics such as geographic region, age of customer relationship and type of product purchased.

Based on the credit risk assessment and expected credit loss, a provision for bad debt is recognized based on the calculation of lifetime expected losses. In addition, specific provisions are recorded if risks of credit losses on specific trade receivable balances are identified.

Reference is made to note 16 for more details of credit and currency risk related to accounts receivables.

As of 31 December, the Group had the following ageing profile of accounts receivables:	2023	2022
Not due	222 684	260 883
Due <30 days	97 792	97 506
Due 31-60 days	23 416	57 297
Due 61-90 days	4 671	5 628
Due >91 days	23 899	20 924
Total	372 463	442 238
Bad debt provisions	5 330	6 684

OTHER RECEIVABLES

No bad debt provision has been made for other receivables, including contract assets.

Note 12 – Cash and cash equivalents

(in NOK 1 000)	2023	2022
Cash	219 394	277 988
Restricted funds	-	-
Total cash and cash equivalents	219 394	277 988

The group has entered into a tax deduction guarantee agreement and thus has no restricted funds.

The group has an overdraft facility of MNOK 300 and a revolving credit line of MNOK 500 in DNB. As of 31 December 2023, MNOK 0 of the overdraft facility was utilized, at year-end 2022 43 MNOK was utilized. As of December 31, 2023 500 MNOK of the revolving credit line was utilized. On 31 December 2022 304,2 MNOK of the revolving facility was utilized.

Note 13 – Shareholders

AKVA group ASA

The company's share capital is MNOK 36.7 divided into 36.7 million shares, each with a par value of NOK 1. The company has only one category of shares and all shares entitle shareholders to equal rights in the company.

The Annual General Meeting (AGM) in May 2023 authorized the Board of Directors to acquire shares for up to an amount of NOK 916,693 which equals approximately 2.5 % of the company's share capital. Acquisition of shares pursuant to this authorization may only take place if the company's distributable reserves according to the most recent balance sheet exceed the remuneration for the shares to be acquired. The authorization was valid until the AGM in May 2024, however, not later than until 30 June 2024. This authorization replaces the authorization to the board to purchase own shares, given by the General Meeting on 12 May 2022.

In the same AGM in 2023 the Board of Directors were authorized to increase the company's share capital by up to NOK 3,666,773, through subscription of new shares. The authorization does not authorize the board to waive the pre-emptive right of shareholders pursuant to section 10-4 of the Public Limited Liability Companies Act (the "Act"), nor carry out a capital increase through payments in non-monetary assets, nor incur special obligations on behalf of the company as set out in section 10-2 of the Act, nor decisions on mergers pursuant to section 13-5 of the Act and may not be used in connection with the company's option program. The authorization shall be in force until the earlier of the time of the Annual General Meeting in 2024 and 30 June 2024. This authorization replaces all previous authorizations to the board to increase the company's share capital.

The 20 largest shareholders at 31.12.22 (in NOK 1 000)	2022	2021
EGERSUND GROUP AS	18 703 105	51,01 %
Israel Corporation Ltd	6 600 192	18,00 %
PARETO AKSJE NORGE VERDIPAPIRFOND	1 901 267	5,19 %
VERDIPAPIRFONDET NORDEA AVKASTNING	1 095 436	2,99 %
SIX SIS AG	964 745	2,63 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	791 167	2,16 %
VERDIPAPIRFONDET NORDEA KAPITAL	621 997	1,70 %
VERDIPAPIRFONDET NORDEA NORGE PLUS	602 614	1,64 %
FORSVARETS PERSONELLSERVICE	543 332	1,48 %
J.P. Morgan SE	316 155	0,86 %
MP PENSJON PK	302 998	0,83 %
J.P. Morgan SE	256 590	0,70 %
VERDIPAPIRFONDET EQUINOR AKSJER NO	237 430	0,65 %
AKVA GROUP ASA	230 663	0,63 %
VERDIPAPIRFONDET ALFRED BERG NORGE	221 502	0,60 %
NESSE & CO AS	130 000	0,35 %
PACTUM AS	129 988	0,35 %
VERDIPAPIRFONDET ALFRED BERG NORGE	128 000	0,35 %
DAHLE	125 795	0,34 %
JAKOB HATTELAND HOLDING AS	100 800	0,27 %
Other shareholders	2 663 957	7,27 %
Total	36 667 733	100,00 %

Shares owned by members of the Board of Directors	Number of shares
Frode Teigen with family and Hans Kristian Mong with family as owners of Egersund Group AS ¹	18 703 105
Kristin Reitan Husebø	1 200
Thomas Hansen Sæland	1 000

¹ Frode Teigen with family, through Kontrazi AS, and Hans Kristian Mong with family, through Hådyr AS, owns 50% each in Egersund Group AS

Shares owned by Executive Personnel	Number of shares
Knut Nesse (CEO)	172 031
Ronny Meinkøhn (CFO)	11 709
Johan Fredrik Gjesdal (COO Land Based)	6 967
Kristian Botnen (COO Sea Based Nordic)	2 192
Stig Domaas Førre (COO Sea Based Internatinal)	120
Glenn Mo (COO Egersund Net)	5 260
Asle Kjetil Bratteli (CDO)	5 260
Maren Hognestad Sunde (HR Director)	5 260
Ståle Økland (Director Comm. & Sust.)	5 260

Note 14 – Interest-bearing debt (in NOK 1 000)

Interest-bearing debt:	Currency	Nominal interest rate	2023	2022
Non-current liabilities to financial institutions	NOK	Nibor + 2.35%	862 317	702 481
Non-current lease liabilities	NOK, EUR, DKK, GBP, TRY, CLP, CAD, AUD	IBR	405 466	403 340
Current liabilities to financial institutions	NOK	Nibor + 2.35%	37 500	80 625
Current lease liabilities	NOK, EUR, DKK, GBP, TRY, CLP, CAD, AUD	IBR	90 560	79 095
Total			1 395 843	1 265 540
Average interest rate			7,03 %	5,58 %

REPAYMENT OF DEBT

The Group's interest-bearing debt matures as follows:	2023	2022
2023	-	152 075
2024	128 060	129 653
2025	944 037	730 471
2026	79 740	64 695
2027	69 924	56 864
2028	45 154	41 774
After 2028	128 926	90 009
Total	1 395 843	1 265 540

THE TERMS AND CONDITIONS OF OUTSTANDING LOANS TOWARD DNB ARE AS FOLLOWS:

Outstanding bank loans from Danske Bank	Currency	Nominal interest rate ¹	Carrying amount 2023	Carrying amount 2022
Secured bank loan	NOK	Nibor + 2.35%	257 813	323 438
Secured bank loan	NOK	Nibor + 2.35%	98 438	107 813
Secured bank loan revolving credit facility	NOK	Nibor + 2.35%	537 500	304 167
Total			893 750	735 417

¹ The nominal interest includes a waiver fee. The nominal interest rate excluding the waiver fee is Nibor+ 1,65- 2,05.

Liabilities secured:	2023	2022
Liabilities secured with assets	899 817	783 106
Bank guarantee liabilities	153 102	114 118
Parent company guarantee liabilities	53 410	41 410

Assets pledged as security for debt:	2023	2022
Accounts receivable	134 959	217 000
Inventory	431 997	395 871
Shares in subsidiaries ¹	1 280 131	1 270 580
Other assets	530 852	487 504
Total	2 377 939	2 370 956

¹ In 2023 and 2022 the shares in AKVA group Land Based Sømna AS, AKVA group Services AS, AKVA Group Software AS, Sperre AS, Helgeland Plast AS, Egersund Trading AS, Egersund Net AS, AKVA group Land Based A/S, AKVA group Denmark A/S, AKVA group Chile S.A and AKVA group Scotland Ltd. are pledged.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 14 – Interest-bearing debt (in NOK 1 000)

Loan covenants to DNB

In the loan documents from DNB the following financial loan covenants are set:

- The ratio net interest-bearing debt over twelve months rolling EBITDA < 4,50
- Equity ratio for AKVA group > 25%

Net interest-bearing debt over twelve months rolling EBITDA was 3.66 as of 31 December 2023. The equity ratio in AKVA group was 30% and equity was MNOK 1.142 as of 31 December 2023.

In December 2023 the Company obtained a waiver from DNB in respect of the leverage ratio (NIBD/EBITDA) covenant. The waiver is effective from 23 November 2023 to and including 30 September 2024 (waiver period). The EBITDA used for calculating the NIBD/EBITDA covenant is adjusted with MNOK 40. In the waiver period the leverage ratio shall not exceed 4,5 including the allowed adjustment to the EBITDA set out above. The leverage ratio was 3,66 as of 31 December 2023 and AKVA group was in compliance with all bank covenants. The Group continues to closely monitor its financial performance to ensure compliance with financial covenants.

In September 2022 the Company obtained a waiver from DNB in respect of the leverage ratio (NIBD/EBITDA covenant). The waiver was effective from 30 September 2022 to and including 30 September 2023 (waiver period). The EBITDA used for calculating the NIBD/EBITDA covenant was adjusted for certain one-time cost provisions and restructuring provisions in Q2 and Q3 2022. The adjustment was a total of MNOK 138. In the waiver period the leverage ratio shall not exceed 4,5 including the allowed adjustment to the EBITDA calculation set out above.

Reconciliation of movements in cash flows arising from financing activities:

Outstanding instruments at year-end <small>(in NOK 1 000)</small>	Note	Bank overdraft	Liabilities to financial institutions	Other longterm liabilities	Lease liabilities	Other long-term financial assets	Share capital / premium	Reserves (translation differences)	Cash flow hedges reserves	Retained earnings	NCI	Total
Balance at 01.01.2023		43 125	739 981	36 637	482 434	-50 659	1 209 263	-8 443	-6 168	-50 316	336	2 396 190
CHANGES FROM FINANCING CASH FLOWS												
Repayment of borrowings		-43 125	-35 996	-16 221	-	-	-	-	-	-	-	-95 342
Proceeds from borrowings		-	195 832	-	-	-	-	-	-	-	-	195 832
Repayment of lease liabilities		-	-	-	-84 671	-	-	-	-	-	-	-84 671
Interest received(+)/paid(-)	15	-16 541	-46 875	-	-22 481	-	-	-	-	-	-	-85 897
Total changes from financing cash flows		-59 666	112 961	-16 221	-107 152	-	-	-	-	-	-	-70 078
The effect of changes in foreign exchange rates		-	-	-	-	-	-	-4 726	-	-	-	-4 726
Changes in fair value		-	-	-	-	-	-	-	-	-	-	-
OTHER CHANGES												
Liability-related												
Adjustments related to prior periods		-	-	-	-	-	-	-	-	-0	0	0
Non-controlling interests arising on a business combinations	19	-	-	-	-	-	-	-	-	10 581	10 581	21 162
Translation differences		-	-	-	-	3 763	-	-	-	-	-	3 763
Interest income(-)/expense(+)	15	16 541	46 875	-	22 481	-	-	-	-	-	-	85 897
Debt related to subscription fee ERP		-	-	39 361	-	-	-	-	-	-	-	39 361
New leases		-	-	-	98 262	-	-	-	-	-	-	98 262
Total liability-related other changes		16 541	46 875	39 361	120 743	3 763	-	-	-	10 581	10 581	248 445
Total equity-related other changes		-	-	-	-	-	13 431	-	5 991	-16 873	-692	1 856
Balance at 31.12.2023		0	899 817	59 777	496 026	-46 895	1 222 693	-13 169	-177	-56 608	10 225	2 571 690

Note 15 – Specification of items that are grouped in the financial statement (in NOK 1 000)

Other income	2023	2022
Profit from sale of tangible fixed assets	1 340	767
Profit from sale of shares	0	36 672
Other	5 670	11 466
Total other income	7 010	48 906

Other operating expenses	2023	2022
Accommodation, materials, equipment and maintenance	109 097	107 104
Marketing, travelling and communication	49 160	39 020
Other operating expenses	60 493	84 268
Total other operating expenses	218 750	230 391

Financial Income	2023	2022
Other interest income	9 350	5 542
Change in fair value of financial assets	10 953	0
Other financial income	687	293
Total financial income	20 990	5 835

Financial Expenses	2023	2022
Interest expenses	72 506	36 572
Interest on lease liabilities	22 741	19 576
Agio loss	15 251	8 343
Change in fair value of financial assets	0	3 197
Other financial expenses	7 404	33 519
Total financial expenses	117 902	101 207

Other receivables	2023	2022
Hedging balance	1 019	935
Prepaid expenses	19 296	20 831
Other receivables	47 695	52 516
Total other receivables	68 010	74 282

Other non-current liabilities	2023	2022
Government loans	26 622	26 622
Option minority owners Newfoundland Aqua Service	0	6 785
Other non-current liabilities	33 155	3 230
Total other current liabilities	59 777	36 637

Other current liabilities	2023	2022
Hedging balance	1 196	7 610
Accrued costs	21 873	17 282
Warranty provision	43 754	47 507
Other current liabilities	182 967	171 408
Total other current liabilities	249 790	243 807

The provisions for warranties relate to projects and products in the sea based and land based segments. The provisions have been estimated based on historical warranty data associated with similar projects, products, and services, and are calculated solely on the basis of the expected compensation AKVA group gives. The timeframe for settlement of the warranty provisions varies based on type of product and project.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

- CEO's report
- Group management
- Board of directors' report
- Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The following table shows the accounting classification, carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Accounting classification	2023		2022	
		Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS					
Cash	Amortized cost	219 394	219 394	277 988	277 988
Trade receivables	Amortized cost	367 133	367 133	435 554	435 554
Other current assets	Amortized cost	68 010	68 010	74 282	74 282
Other long-term receivables	Amortized cost	8 113	8 113	22 830	22 830
Other long-term financial assets	FVTPL	38 783	38 783	27 829	27 829
Forward currency contracts ¹	FVTPL	1 019	1 019	935	935
Total		702 452	702 452	839 419	839 419
FINANCIAL LIABILITIES					
Bank overdraft		-	-	43 125	43 125
Trade payables	Amortized cost	328 421	328 421	310 629	310 629
Loans	Amortized cost	899 817	899 817	776 618	776 618
Lease liabilities	Amortized cost	496 026	496 026	482 434	482 434
Put/call option minority interest	FVTPL	-	-	6 785	6 785
Forward currency contracts ²	FVTPL	1 196	1 196	7 610	7 610
Total		1 725 460	1 725 460	1 627 201	1 627 201

¹ The amount is included in other receivables in the Consolidated Statement of Financial Position

² The amount is included in other current liabilities in the Consolidated Statement of Financial Position

DETERMINATION OF FAIR VALUE

The fair value of forward exchange contracts is determined using the forward exchange rate at the balance sheet date. The fair value of currency swaps is determined by the present value of future cash flows. The fair value of options is determined using option pricing models. For all the above-mentioned derivatives, the fair value is confirmed by the financial institution with which the Group has entered the contracts.

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current assets, overdraft facilities and long-term debts.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on "normal" terms and conditions. The borrowings are at floating interest rates which implies a book value in accordance to fair value.

The fair value of financial assets and liabilities recognized at their carrying amount is calculated as the present value of estimated cash flows discounted by the interest rate that applies to corresponding liabilities and assets at the balance sheet date.

Note 16 – Financial instruments and risk management (in NOK 1 000)

FAIR VALUE HIERARCHY

As of 31 December 2023, the Group held financial instruments measured at fair value as mentioned below:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

Financial instruments at fair value	31.12.23	Level 1	Level 2	Level 3
Financial assets - Forward currency contracts	1 019	-	1 019	-
Financial assets - Investments	38 783	38 783	-	-
Financial liabilities - Forward currency contracts	1 196	-	1 196	-
Financial liabilities - Put/call option	-	-	-	-
Financial instruments at fair value	31.12.22	Level 1	Level 2	Level 3
Financial assets - Forward currency contracts	935	-	935	-
Financial assets - Investments	27 829	27 829	-	-
Financial liabilities - Forward currency contracts	7 610	-	7 610	-
Financial liabilities - Put/call option	6 785	-	6 785	-

There have been no transfers between levels during the period.

Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Part of the sale is credit sales where the Group is exposed to credit risk towards the customer. For larger projects there are normally pre-payments from the customers and milestone payments along the progress of the project which reduces the credit risk towards the customers.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

To some extent the Group uses trade finance instruments, such as letter of credit and guarantee letters, to reduce credit risk. The Group has generally had low losses on outstanding receivables despite having old receivables in the balance sheet occasionally. In general, old receivables relates to delays or stop in projects whereas the responsible entity for the delivery of the project has made an agreement with the customer to await payment of the invoice. For details of ageing of accounts receivables, see note 11.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its risk to a shortage of liquid funds using cash flow prognosis. The objective is to maintain a balance in the funding using bank overdrafts, bank loans with different pay back periods, debentures, and finance lease. The Management follows the development of the working capital closely because the development in the working capital has the most important impact on the liquidity situation on short term.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

2023	Less than 3 months	3 to 12 months	1 - 5 years	> 5 years	Total
Loans and borrowings	9 375	28 125	874 220	6 185	917 905
Lease liabilities	20 761	72 615	274 312	127 927	495 615
Trade and other payables	375 626	-	-	-	375 626
Financial derivatives	56 004	26 335	7 365	-	89 704
Total	461 767	127 075	1 155 897	134 112	1 878 851

2022	Less than 3 months	3 to 12 months	1 - 5 years	> 5 years	Total
Loans and borrowings	35 645	75 707	700 290	8 101	819 743
Lease liabilities	15 286	67 899	267 822	131 428	482 435
Trade and other payables	384 315	24	-	-	384 339
Financial derivatives	127 475	211 280	22 025	-	360 780
Total	562 721	354 911	990 137	139 529	2 047 297

As disclosed in Note 14, the Group has secured bank loans that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis and reported to management to ensure compliance with the agreement. As disclosed in Note 14 the Group obtained a waiver from DNB in respect of the leverage ratio (NIBD/EBITDA covenant) in December 2023 and September 2022.

Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group uses derivatives to manage market risks related to foreign exchange rates. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

a. Currency risk

As part of the international activity the Group's assets and liabilities as well as expected cash inflows and cash outflows are exposed to changes in the currency rates.

Note 16 – Financial instruments and risk management (in NOK 1 000)

The following significant exchange rates have been applied for the reporting period:

NOK vs	Average rate		Year-end spot rate	
	2023	2022	2023	2022
EUR 1	11,42	10,10	11,24	10,51
GBP 1	13,14	11,85	12,93	11,85
USD 1	10,56	9,61	10,17	9,86
CAD1	7,83	7,38	7,68	7,28
AUD 1	7,02	6,66	6,91	6,70

A reasonably possible strengthening (weakening) of the euro, sterling, or US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

31.12.2023	KNOK effect on profit before tax by +10%/-10% change in			KNOK effect on book equity by +10%/-10% change in		
	EUR	CAD	CLP	EUR	CAD	CLP
10 %	383	6 739	5 226	11 218	-1 633	5 226
- 10 %	-383	-6 739	-5 226	-11 218	1 633	-5 226

31.12.2022	KNOK effect on profit before tax by +10%/-10% change in			KNOK effect on book equity by +10%/-10% change in		
	EUR	CAD	CLP	EUR	CAD	CLP
10 %	-1 802	2 872	3 876	8 332	-5 068	3 876
- 10 %	1 802	-2 872	-3 876	-8 332	5 068	-3 876

The Group's currency risk is sought reduced by using currency forward contracts. The currency risk is managed by the parent company in cooperation with the subsidiaries.

The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. These contracts are generally designated as cash flow hedges. The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount, and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

The Group's currency risk is sought reduced by using currency forward contracts.

The currency risk is managed by the parent company in cooperation with the subsidiaries.

The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. These contracts are generally designated as cash flow hedges. The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount, and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

I. CASH FLOW HEDGES

The Group uses currency forward contracts to reduce the exposure of changes in currency rates due to having revenues and costs denominated in different currencies. The expected cash flows subject to hedging are expected to take place during the 2024 and hence be recognized in the income statement during the same period. At the end of the year the Group had the following positions in forward contracts to hedge expected future cash flow:

Cash flow hedges Currency (in 1 000)	Bought/sold	Net currency amount
Euro	Bought	1 891
British Pound	Sold	-
Americian Dollar	Bought	484
Canadian Dollar	Sold	-2 286
Danish Kroner	Sold	-
Norwegian Kroner	Bought	5 498

At the end of the year, it was recorded a gain of MNOK 5.991 directly against other comprehensive income related to hedging of expected future cash flow.

II. FAIR VALUE HEDGES

To hedge the value of the items in the balance sheet denominated in a foreign currency the Group had the following positions in forward contracts at the end of the year:

Fair value hedges Currency (in 1 000)	Bought/sold	Net currency amount
British Pound	Sold	-1 875
Norwegian Kroner	Bought	22 025

Profit and loss from the above currency contracts are recorded directly via the income statement under financial items. At the end of the year MNOK 1.789 was recorded as an unrealized loss. The forward contracts are valued at estimated fair value.

Note 16 – Financial instruments and risk management (in NOK 1 000)

20223 Currency	Hedging instruments	Nominal amount (NOK)	Average exchange rate	Carrying amount 31.12 (NOK)		Change in fair value recognized in OCI (NOK)	Change in fair value recognized in profit or loss (NOK)
				Assets	Liabilities		
	Cash flow hedges						
EUR	Sales and receivables	2 300 093	11,47	46 782	-	647 950	-
	Purchases and payables	23 726 776	11,34	131 499	390 577	(184 668)	-
	Cash flow hedges						
USD	Sales and receivables	2 041 205	10,99	145 181	-	132 296	-
	Purchases and payables	7 364 171	10,99	-	582 514	435 778	-
	Cash flow hedges						
GBP	Sales and receivables	-	-	-	-	1 955	-
	Fair value hedges						
	Borrowings	22 024 627	11,75	-	2 295 924	-	(1 789 270)
	Cash flow hedges						
CAD	Sales and receivables	17 537 694	7,67	150 461	222 510	3 096 755	-
	Purchases and payables	-	-	-	-	268 483	-
	Cash flow hedges						
DKK	Purchases and payables	-	-	-	-	1 047 278	-
	Cash flow hedges						
AUD	Sales and receivables	14 709 878	7,18	545 165	-	545 165	-
	Cash flow hedges						
	Sales and receivables	36 588 869	N/A	887 590	222 510	4 424 123	-
	Purchases and payables	31 090 947	N/A	131 499	973 091	1 566 871	-
Total (NOK)	Fair value hedges						
	Borrowings	22 024 627	N/A	-	2 295 924	-	(1 789 270)
2022 Currency	Hedging instruments	Nominal amount (NOK)	Average exchange rate	Carrying amount 31.12 (NOK)		Change in fair value recognized in OCI (NOK)	Change in fair value recognized in profit or loss (NOK)
				Assets	Liabilities		
	Cash flow hedges						
EUR	Sales and receivables	33 658 614	10,41	-	601 168	(3 407 519)	-
	Purchases and payables	132 390 980	10,47	519 983	594 393	1 552 279	-
	Cash flow hedges						
USD	Sales and receivables	1 844 211	9,93	12 885	-	1 755 482	-
	Purchases and payables	24 691 291	10,16	-	1 018 292	(2 746 500)	-
	Cash flow hedges						
GBP	Sales and receivables	166 755	11,78	-	1 955	138 081	-
	Fair value hedges						
	Borrowings	43 745 777	11,67	120 819	627 473	-	222 207
	Cash flow hedges						
CAD	Sales and receivables	93 410 097	7,03	182 759	3 351 564	(3 009 067)	-
	Purchases and payables	17 434 406	7,30	219 739	488 221	(370 352)	-
	Cash flow hedges						
DKK	Sales and receivables	-	-	-	-	-	-
	Purchases and payables	13 438 177	1,31	-	1 047 278	(1 047 278)	-
	Cash flow hedges						
	Sales and receivables	129 079 677	N/A	195 644	3 954 687	(4 523 023)	-
	Purchases and payables	187 954 854	N/A	739 722	3 148 184	(2 611 851)	-
Total (NOK)	Fair value hedges						
	Borrowings	43 745 777	N/A	120 819	627 473	-	222 207

All hedge balances are presented as other receivables or other current liabilities in the balance sheet.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

B. INTEREST RATE RISK

The Group's interest-bearing debt is based on a floating interest rate which implies that interest payments over time will fluctuate according to the changes in the interest rate level. Most of the interest-bearing debt is in NOK. To reduce the interest rate risk, it is the strategy of the Group to have a balanced mix between equity and debt financing vs the market risk in its industry. With the interest-bearing debt at year end, interest cost would have been MNOK 12.6 higher with a 1% higher average interest rate during the year and MNOK 12.6 lower with a 1 % lower average interest rate during the year.

C. MACROECONOMIC RISK

In 2023 about 88% of the revenues of the Group came from customers producing salmon, a slightly increase from a share of 87% in 2022. To decrease the Group's dependency of the salmon industry the Group works to increase the share of revenues related to the aquaculture of other species than salmon. Due to the market variation in the different salmon markets the revenues can vary between years. Still, the aquaculture industry in general is expected to be a high growth industry in the foreseeable future.

Based on the assumption that a change in sales will not affect the product gross margin and that other operating costs short term only will change 50% of the change in sales - a change in the revenues of the Group would have had the following impact on net income (22% tax rate used):

Change in sales (in NOK 1 000)	Change in net profit/ equity
10 %	66 277
5 %	33 139
2 %	13 255
- 2 %	-13 255
- 5 %	-33 139
- 10 %	-66 277

To further evaluate the Group's sensitivity to changes in the different markets see more details in note 2 about market size.

D. CLIMATE RISK

Climate change has been identified as a market risk which can potentially impact AKVA group's business in the short, medium, and long term. The physical related climate risks and opportunities relate to extreme weather events, sea levels and temperatures, the frequency of algae blooms, and the availability of the raw materials for our customer's operations, which in turn directly can impact AKVA group's operations as reduced order intake. In addition, AKVA group is experiencing an increased focus from our customers to be able to provide information about our climate accounts within our products and services. Within a relatively short time, we estimate that the latter will be emphasized by our customers when choosing their supplier, which means that working with our own climate emissions is also a risk and opportunity in this connection.

The Executive Personnel in AKVA group regularly carries out analysis on key sustainability and climate risks, to identify if they could significantly affect the group's ability to execute its business strategy and operations.

The key actions to address these risks are:

- Internal policies and procedures,
- Development and analyzes of relevant KPI's,
- Development of a low carbon transition plan

In 2023 we have carried out a double materiality assessment and defined our ambitions in line with this assessment, developed sustainability promises and measured our greenhouse gas emissions (Scope 1 and 2). In 2023 we have started to measure greenhouse gas emissions in scope 3. Refer to the ESG chapter of this report for further information on how AKVA group works with this.

CAPITAL STRUCTURE AND EQUITY

The primary focus of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio to support its business and maximize shareholders value. The Group manages its capital structure and makes adjustment to it, considering changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Dividends paid	Per share
2016	0,75
2017	1,25
2018	1,50
2019	1,75
2020	1,00
2021	1,00
2022	1,00
2023	0,00

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

The Group has been compliant with the dividend policy when paying out dividend, see note 21. The Group monitors capital using a gearing ratio, which is net interest-bearing debt divided by total equity plus net debt. The Group includes within net interest-bearing debt, interest bearing loans and borrowings less cash and cash equivalents. Capital includes equity attributable to equity holders of the parent less the net unrealized gains reserve.

	2023	2022
Interest bearing debt	1 395 843	1 265 540
Less cash	219 394	277 988
Net interest bearing debt	1 176 449	987 551
Equity	1 142 451	1 144 000
Total equity and net interest bearing debt	2 318 899	2 131 552
Debt ratio	51 %	46 %

The Group obtained a waiver from DNB in respect of the leverage ratio (NIBD/EBITDA covenant) in December 2023, refer further information in note 14.

The ratio of the equity share attributable to AKVA group ASA's shareholders was 30.5 % as of 31 December 2023.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 17 – Revenue and contract balances (in NOK 1 000)

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major revenue lines, timing of revenue recognition and relevant positions on 31 December. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see note 2).

For the year ended 31 December	Sea Based		Land Based		Digital		Total reportable segments	
Primary geographical markets	2023	2022	2023	2022	2023	2022	2023	2022
Europe	2 023 621	1 998 567	418 904	377 599	81 940	62 387	2 524 465	2 438 554
Other	643 746	687 301	213 541	216 570	50 510	33 896	907 798	937 766
External revenue as reported in note 2	2 667 367	2 685 867	632 444	594 170	132 450	96 283	3 432 262	3 376 320
MAJOR REVENUE LINES								
Construction contracts	1 552 157	1 568 682	590 348	533 941	-	-	2 142 505	2 102 624
Service & spare parts	1 085 026	1 032 040	35 462	54 772	517	-	1 121 005	1 086 813
Software	21 852	34 608	-	-	129 634	96 284	151 486	130 892
Other	8 332	50 535	6 634	5 457	2 300	-	17 266	55 991
External revenue as reported in note 2	2 667 367	2 685 867	632 444	594 170	132 450	96 283	3 432 262	3 376 320
TIMING OF REVENUE RECOGNITION								
Products and services transferred over time according to output method	993 885	1 183 910	-	-	7 578	2 745	1 001 463	1 186 656
Products and services transferred over time according to input method	612 412	473 527	593 414	539 813	-	192	1 205 826	1 013 532
Products and services transferred at point in time	1 052 242	984 252	32 397	48 899	122 830	93 347	1 207 469	1 126 497
Other revenue	8 828	44 178	6 634	5 458	2 042	-	17 504	49 636
External revenue as reported in note 2	2 667 367	2 685 867	632 444	594 170	132 450	96 283	3 432 262	3 376 320
POSITIONS AT 31 DECEMBER								
Total sales included from ongoing contracts	481 962	487 806	120 015	223 488	3 937	3 151	605 914	714 445
Contract assets	116 581	161 118	63 490	43 027	6 370	4 535	186 441	208 680
Contract liabilities	126 519	227 939	201 534	240 532	2 033	257	330 086	468 729

Reference is made to note 2 for further details of revenue per segment.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer according to payment terms in the contracts. The contract liabilities primarily relate to the advance consideration received from customers.

The duration of projects in the group is generally shorter than 12 months. Hence, contract balances at the beginning of the year are recognized in the income statement during the following financial year. No significant revenues in the reporting period relates to performance obligations satisfied in previous periods.

LEASE INCOME

AKVA group has signed rental contracts with customers which is a service bundled with products. In 2023, 41 MNOK has been recognized as revenue related to lease income. The future minimum payments related to these rental contracts fall due as follows for the Groups customers:

Lease receivables to be collected	2024	2025	2026	2027	2028	After 2028
Rental agreements	47 580	36 767	29 625	17 772	5 882	206

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 18 – Leasing (in NOK 1 000)

AKVA group leases offices and buildings, machinery and equipment and vehicles. The highest portion of the Groups lease portfolio is for leasing of buildings and offices. Lease terms are negotiated on individual basis. The leased assets by the Group are included as Right-of-use assets in note 8.

LEASE

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The lease liabilities by class of underlying asset falls due as follows for the Group:

Lease liabilities due	2024	2025	2026	2027	2028	After 2028
Offices and buildings	78 839	76 684	70 496	66 934	43 648	127 938
Vehicles	4 329	5 450	1 441	853	174	-
Office equipment and other	7 392	5 180	4 533	1 471	666	-
Total	90 560	87 314	76 470	69 258	44 488	127 938

The lease cash outflows divided on principal amounts and interests falls due as follows for the Group:

Lease liabilities due	2024	2025	2026	2027	2028	After 2028
Principal	91 106	83 294	74 553	66 468	44 128	130 983
Interests	20 811	17 100	13 717	10 263	7 534	15 966
Total	111 916	100 394	88 270	76 731	51 662	146 948

Leasing expenses recognized in the profit and loss:

Amounts recognized in profit or loss	2023	2022
Interest on lease liabilities	22 481	19 576
Expenses relating to short-term leases	8 104	6 233
Expenses relating to leases of low-value assets	158	313
Total	30 743	26 122

Note 19 – Business combinations (in NOK 1 000)

ACQUISITION OF SUBMERGED AS

On 31.08.2023, the Group acquired 51 per cent 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 recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

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 6.6 revenue and MNOK -1.5 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 12.9 and Group profit would have been MNOK -4.0.

The non-controlling interest (49 per cent ownership interest in Submerged AS) recognized 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
ASSETS			
IP - Technology RFR	-	13 158	13 158
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
	17 773	13 158	30 931
LIABILITIES			
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
	-9 337	-2 895	-12 232
Total identifiable net assets	8 436	10 263	18 699
Goodwill arising on acquisition			22 023
Non-controlling interests in 49 % of Submerged AS			18 379
Total consideration			59 101
Purchase price, payable in cash (51%)	-30 141	-	-30 141
Total consideration transferred	-30 141	-	-30 141
Cash acquired with subsidiary	4 671	-	4 671
Purchase price, payable in cash	-30 141	-	-30 141
Net cash outflow	-25 470	-	-25 470

Exercising of option Newfoundland Aqua Service

On the 10th of October 2023 AKVA Group ASA exercised their option to buy 28,5% of the shares in Newfoundland Aqua Services Ltd. Akva Group ASA acquired the remaining (28,5%) shares from the Minority Shareholders for a total of MNOK 11,6, increasing the ownership and voting rights in Newfoundland Aqua Services Ltd from 70% in 2022 to 98,5% in 2023.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 20 – Related parties (2021 figures in brackets)

See consolidated accounts note 3 about remuneration to CEO and Executive Personnel and fees to the Board of Directors.

Centre of Aquaculture Competence AS ("CAC") is a related party due to AKVA group ASA's ownership of 33% of the shares in CAC. The Group has as part of their role in CAC recorded revenues from CAC of MNOK 1.7 (0.0) in 2023. There were no outstanding balances towards CAC on 31 December 2023.

Observe Technologies Ltd ("OBSERVE") is a related party due to AKVA group ASA's ownership of 33.7% of the shares in OBSERVE. The Group has as part of their role in OBSERVE recorded revenues and costs from OBSERVE of respectively MNOK 0.0 (0.0) and MNOK 2.7 (0.6) in 2023. The outstanding balance towards OBSERVE on 31 December 2023 was a payable of MNOK 0.5 (0.6).

NOFI Oppdrettservice AS ("NOFI") is a related party due to Egersund Net AS's ownership of 50% of the shares in NOFI. The Group has as part of their role in NOFI recorded revenues and costs from NOFI of respectively MNOK 5.2 (5.5) and MNOK 0.9 (0.2) in 2023. The outstanding balance towards NOFI on 31 December 2023 was a receivable of MNOK 15.6 (15.1) and a payable of MNOK 0.1 (0.0).

Abyss Group AS ("ABYSS") is a related party due to AKVA group ASA's ownership of 25.5% of the shares in ABYSS. The Group has as part of their role in ABYSS recorded revenues from ABYSS of MNOK 0.0 (0.0) in 2023. There were no outstanding balances towards ABYSS on 31 December 2023.

Emel Balik is a related party due to Egersund Net AS's ownership of 50% of the shares in the company. The Group has as part of their role in Emel Balik recorded revenues from the company of MNOK 0.9 (0.0) in 2023. The outstanding balance towards Emel Balik on 31 December 2023 was a receivable of MNOK 0.0 (0.0).

Egersund Group is a related party due to its controlling ownership share of the AKVA Group ASA. AKVA Group has, in line with the company's ordinary course of business with Egersund Group and its subsidiaries, had revenues and costs of respectively MNOK 27.3 (18.6) and MNOK 62.5 (60.6) in 2023.

Outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. As of 31 December, the company had MNOK 3.9 (0.5) in trade receivables and MNOK 6.1 (6.3) in trade payables towards Egersund Group and its subsidiaries.

The sales and purchases to related parties are made on terms equivalent to those that prevail in arm's length transactions.

Note 21 – Dividend

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 need to comply with all legal requirements to pay dividend.

No dividend was paid out in 2023.

Dividend	2023	2022
Per share	0,00	1,00
Total distributed amount ¹	0,00	36 373 451

¹ The total distributed amount in 2022 is reduced with MNOK 0.294 as the company owned 294,282 shares at the time of the dividend payment.

Note 22 – Sale and buyback of own shares

At the start of 2023 AKVA group ASA owned 294,282 own shares. The Board of Directors of AKVA group was granted an authorization by the annual general meeting held on 11 May 2023 for buy back of own shares, to a maximum of 916,693 shares. AKVA group did not exercise this right in 2023. As part of the long-term incentive plan, 63 619 shares were distributed to the Executive Personnel in 2023. At the end of 2022 AKVA group owned 230,663 own shares.

CEO's report

Group management

Board of directors' report

Board of directors

■ Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 23 – Provisions (in NOK 1 000)

AKVA group has booked the following provisions as of 31 December 2023:

	Warranties	Obsolete inventory	Bad debt	Restructuring Land Based Area	Total
Balance at 01.01.2023	47 507	18 551	6 684	34 315	107 056
Provisions made during the year	10 029	2 585	188	-	12 803
Provisions used/reversed during the year	-15 082	-4 220	-1 838	-33 915	-55 054
Revaluation	1 300	449	296		2 045
Balance at 31.12.2023	43 754	17 366	5 330	400	66 850
Non-current	-	600	-	-	600
Current	43 754	16 767	5 331	400	66 252

As part of the restructuring of the Land Based Area in Q3 2022, a provision of 53.0 MNOK was booked. At 31. December 2022, the provision was 34.3 MNOK. 25.8 MNOK relates to rightsizing of the segment, and 8.8 MNOK relates to other provisions. At 31. December 2023 0.4 MNOK is left of the provision and relates to other provisions.

Note 24 – Subsequent events

DIVIDEND

At the board meeting on 15 February 2024 the Board of Directors in AKVA group ASA resolved to not distribute any dividend the first half of 2024.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

■ Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

AKVA group ASA

Financial Statement and notes



Income Statement and Statement of Comprehensive Income – 01.01. - 31.12.

Parent company	Note	2023	2022
OPERATING REVENUES			
Revenues	6	1 211 815	1 069 280
Share of results of associates	9	-2 765	-4 248
Total revenues	2, 6, 17, 20	1 209 050	1 065 031
OPERATING EXPENSES			
Cost of materials	6, 10, 23, 24	981 980	926 021
Payroll expenses	3, 4	292 306	233 700
Depreciation and amortization	2, 7, 8	39 332	26 697
Other operating expenses	3,4,7,11,15,18,23,24	61 877	62 784
Total operating expenses	2, 20	1 375 495	1 249 202
OPERATING PROFIT		-166 445	-184 171
FINANCIAL INCOME AND EXPENSES			
Financial income	15,16	245 739	229 624
Financial expenses	15, 16, 18	-83 793	-68 899
Net financial income (expense)		161 946	160 726
PROFIT BEFORE TAX		-4 499	-23 446
Taxes	5	-24 417	-18 252
NET (LOSS)/PROFIT FOR THE YEAR		19 918	-5 193
ALLOCATION OF PROFIT FOR THE YEAR			
Transferred to other equity		19 918	-5 193
Dividends paid	21	-	-36 373
Net allocated		19 918	-41 567

Statement of Comprehensive Income – 01.01. - 31.12. (in NOK 1 000)

Parent company	Note	2023	2022
Net profit for the year		19 918	-5 193
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to income statement:			
Gains (+) / losses (-) on cash flow hedges		6 155	-7 453
Income tax effect	5	-1 354	1 640
Total	16	4 801	-5 813
Total other comprehensive income, net of tax		4 801	-5 813
Total comprehensive income for theyear, net of tax		24 719	-11 006
Attributable to: Non-controlling interests		-	-
Equity holders of AKVA group ASA		24 719	-11 006

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Statement of Financial Position – 01.01. - 31.12. (in NOK 1 000)

Parent company	Note	2023	2022
NON-CURRENT ASSETS			
Deferred tax asset	5	43 081	20 018
Intangible assets and goodwill			
Goodwill	7	53 000	53 000
Other intangible assets	7	224 223	121 056
Total intangible assets		277 223	174 055
Tangible fixed assets			
Land and building	8, 14	12 002	12 156
Right-of-use assets	8, 14, 18	85 039	72 033
Machinery and equipment	8, 14	22 422	20 431
Total tangible fixed assets		119 463	104 620
Long-term financial assets			
Investments in subsidiaries	9	1 379 658	1 317 080
Investments in associated companies	9	165 640	168 404
Loans to group companies	6	49 144	75 804
Other long-term financial assets	11, 16	44 758	33 763
Total long-term financial assets		1 639 200	1 595 050
Total non-current assets		2 078 967	1 893 743
CURRENT ASSETS			
Inventory	10, 14, 23		
Receivables			
Accounts receivables	11, 14, 16, 20, 23	55 197	126 960
Accounts receivables - group companies	6, 14	41 222	20 201
Contract assets	6, 16, 17	86 609	111 649
Tax receivable		960	
Other receivables	4, 15, 16	9 508	3 703
Other receivables - group companies	6,15	332 627	275 128
Total receivables		526 123	537 641
Cash and cash equivalents	12, 16	34 653	32 902
Total current assets		693 850	702 546
TOTAL ASSETS	2	2 772 817	2 596 289

Statement of Financial Position – 01.01. - 31.12. (in NOK 1 000)

Parent company	Note	2023	2022
EQUITY			
Paid-in capital			
Share capital		36 437	36 374
Share premium		1 171 773	1 171 772
Other paid-in capital		14 483	1 116
Total paid-in capital	13, 14, 19, 21, 22	1 222 694	1 209 263
Retained earnings			
Other equity		-1 865	-37 186
Total retained earnings	14, 19, 21, 22	-1 865	-37 186
Total equity		1 220 828	1 172 076
LIABILITIES			
Non-current liabilities			
Deferred tax	5	-	-
Liabilities to financial institutions	14, 16	856 250	697 917
Lease Liability	16, 18	74 528	64 897
Other non-current liabilities	14,16	41 689	3 231
Total non-current liabilities		972 467	766 046
Current liabilities			
Lease Liability	16,18	12 666	7 716
Liabilities to financial institutions	14	37 500	80 625
Trade payables	16, 20	114 331	84 834
Trade payables - group companies	6	28 871	59 864
Public duties payable	16	44 917	28 617
Contract liabilities	6,16,17	75 245	158 060
Other current liabilities	14,15,19,23	64 150	65 029
Other current liabilities - group companies	6,15	201 843	173 423
Total current liabilities		579 522	658 168
Total Liabilities	2	1 551 989	1 424 214
TOTAL EQUITY AND LIABILITIES		2 772 817	2 596 289

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

■ Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

Klepp, Norway, 14 March 2024



Hans Kristian Mong
Chairperson



Frode Teigen
Board Member



Yoav Doppelt
Board Member



Kristin Reitan Husebø
Deputy Chairperson



Tore Rasmussen
Board Member



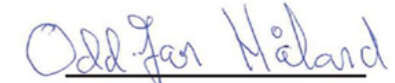
Heidi Nag Flikka
Board Member



Irene Heng Lauvsnes
Board Member



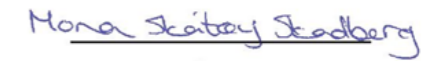
Knut Nesse
CEO



Odd Jan Håland
Employee's Representative



John Morten Kristiansen
Board Member



Mona Skåtøy Skadberg
Employee's Representative



Cash Flow Statement – 01.01. – 31.12. (in NOK 1 000)

Parent company	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes		-4 499	-23 446
Share of loss from associates	9	2 765	4 248
Group contribution		-225 628	-
Share-based payments		6 768	-
Net interest cost	15	55 882	23 914
Net gain(-)/loss(+) from disposals of subsidiaries	19	-	3 021
Gain(-)/loss(+) on financial fixed assets	9	-10 953	31 168
Depreciation	7,8	39 332	26 697
Changes in stock, trade receivable and payables		48 173	40 794
Changes in other receivables and payables		-30 843	-146 898
Net cash flow from operating activities		-119 002	-40 503
CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments in tangible and intangible fixed assets	7, 8	-132 590	-86 421
Payment of shares and participations	9, 19	-41 712	-
Net cash flow from investment activities		-174 302	-86 421
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings	14	-44 029	-14 615
Proceeds from borrowings	14	158 333	43 125
Repayment of lease liabilities	14	-10 228	-6 126
Net receivable(+)/payment(-) loans to group companies	6,14	26 660	14 089
IFRS 16 interest	15	-3 960	-1 794
Net interest paid	15	-51 922	-22 120
Dividend payment	14,21	-	-36 373
Group contribution received		229 752	-
Group contribution paid		-9 551	-
Equity issue	13	-	-392
Net cash flow from financing activities		295 055	-24 206
Net change in cash and cash equivalents		1 752	-151 127
Cash and cash equivalents at 01.01.	12	32 902	184 029
Cash and cash equivalents at 31.12.	12	34 653	32 902

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Statement of changes in equity (in NOK 1 000)

Parent company	Note	Share capital	Share premium	Other paid-in capital	Total paid in capital	Cash flow hedges	Other equity	Total retained earnings	Total equity
Equity as at 01.01.2022		36 667	1 171 871	1 116	1 209 655	691	10 188	10 879	1 220 534
Net movement in cash flow hedges	16	-	-	-	-	-5 813	-	-5 813	-5 813
Total other comprehensive income		-	-	-	-	-5 813	-	-5 813	-5 813
Profit (loss) for the period		-	-	-	-	-	-5 193	-5 193	-5 193
Total income and expense for the year		-	-	-	-	-5 813	-5 193	-11 006	-11 006
Adjustments related to prior periods		-342	342	-	-	-	-685	-685	-685
Dividend	21	-	-	-	-	-	-36 373	-36 373	-36 373
Equity issue	13	49	-441	-	-392	-	-	-	-392
Equity as at 31.12.2022		36 374	1 171 772	1 116	1 209 263	-5 122	-32 064	-37 186	1 172 076
Equity as at 01.01.2023		36 374	1 171 772	1 116	1 209 262	-5 122	-32 064	-37 186	1 172 075
Net movement in cash flow hedges	16	-	-	-	-	4 801	-	4 801	4 801
Total other comprehensive income		-	-	-	-	4 801	-	4 801	4 801
Profit (loss) for the period		-	-	-	-	-	19 918	19 918	19 918
Total income and expense for the year		-	-	-	-	4 801	19 918	24 719	24 719
Adjustments related to prior periods		-	-	7 716	7 716	-	10 665	10 665	18 381
Dividend	21	-	-	-	-	-	-	-	-
Share-based payments		63	-	6 768	6 831	-	-63	-63	6 768
Other adjustments		-	1	-1 116	-1 115	-	-	-	-1 115
Equity as at 31.12.2023		36 437	1 171 773	14 483	1 222 694	-322	-1 544	-1 865	1 220 828

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

AKVA group ASA

Notes to the Financial Statements

- 01 Summary of significant accounting policies
- 02 Segment information
- 03 Wages and remunerations
- 04 Government grants and subsidies
- 05 Taxes
- 06 Inter-company transactions and balances
- 07 Intangible assets
- 08 Tangible fixed assets
- 09 Subsidiaries and other long-term investments
- 10 Inventory
- 11 Receivables
- 12 Cash and cash equivalents
- 13 Shareholders
- 14 Interest-bearing debt
- 15 Specification of items that are grouped in the financial statement
- 16 Financial instruments and risk management
- 17 Revenue and contract balances
- 18 Leasing
- 19 Business combinations
- 20 Related parties
- 21 Dividend
- 22 Sale and buyback of own shares
- 23 Provisions
- 24 Subsequent events



Note 1 - Summary of significant accounting policies

AKVA group ASA is a public limited company registered in Norway. The Company's registered address is Svanavågveien 30, N-4374 Egersund, Norway.

The financial statement for AKVA group ASA has been prepared in accordance with the Norwegian accounting Act's §3-9 and the related regulation on simplified IFRS as approved by the Ministry of Finance on November 3rd, 2014. As a result, the principles for recognition and measurement applied when preparing the financial statements are according to International Financial Reporting Standards as adopted by EU (IFRS) and the disclosure notes have been prepared in accordance with the requirements of the Norwegian Accounting Act and accounting principles generally accepted in Norway (NGAAP). See note 1 in Group accounts for more details of the accounting policy.

Subsidiaries are valued at cost in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing they are not impaired. Write down to recoverable amount will be carried out and recognized as a financial cost if an impairment is deemed necessary according to IFRS. Impairments are reversed when the indication no longer exist. Investments in associates are valued according to the equity method and recognized as other income. AKVA group ASA accounts for group contributions and dividends in the same fiscal year as the subsidiary receives/grants group contribution and dividends, in accordance with the exemption in the simplified IFRS accounting framework.

Note 2

Segment information (in NOK 1 000)

BUSINESS SEGMENTS

AKVA group ASA sells products and services within the business areas Sea Based, Land Based and Digital Technology. For more detailed description and information about products and services, please go to www.akvagroup.com. More information is also given in note 2 in the consolidated accounts.

Sea Based Technology	2023	2022
Operating revenue	1 088 399	923 607
Operating expenses	1 148 294	1 032 092
Operating profit before depreciation and amortization (EBITDA)	-59 895	-108 485
Depreciation and amortization	21 254	21 482
Operating profit (EBIT)	-81 148	-129 967

Land Based Technology	2023	2022
Operating revenue	103 626	134 336
Operating expenses	148 142	167 569
Operating profit before depreciation and amortization (EBITDA)	-44 516	-33 234
Depreciation and amortization	2 841	40
Operating profit (EBIT)	-47 356	-33 273

Digital	2023	2022
Operating revenue	17 024	7 088
Operating expenses	39 727	22 844
Operating profit before depreciation and amortization (EBITDA)	-22 703	-15 756
Depreciation and amortization	15 238	5 175
Operating profit (EBIT)	-37 940	-20 931

Total	2023	2022
Operating revenue	1 209 050	1 065 031
Operating expenses	1 336 163	1 222 505
Operating profit before depreciation and amortization (EBITDA)	-127 113	-157 475
Depreciation and amortization	39 332	26 697
Operating profit (EBIT)	-166 445	-184 171

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

AKVAGROUP™

Note 2

Segment information (in NOK 1 000)

Geographical information – customer's country of origin¹

Operating revenue	2023	2022
Norway	789 915	639 938
Europe	170 556	64 017
Canada	124 957	115 010
China	76 601	119 116
Chile	17 801	9 030
Other	12 266	17 531
Iceland	8 512	59 909
Russia ¹	8 443	40 481
Total	1 209 050	1 065 031

¹The revenue in 2023 is related to Q1 and in 2022 is also related to Q1. AKVA group ASA decided not to enter any new contracts in Russia after the outbreak of the war.

Note 3

Wages, remunerations, and pensions (in NOK 1 000)

Payroll expenses	2023	2022
Salaries	227 204	187 899
Payroll tax	37 379	23 318
Pension costs	14 721	11 824
Other benefits	13 001	10 659
Total	292 306	233 700

The number of employees in full time equivalent in the company at year end is:	241	217
--	-----	-----

See consolidated accounts note 3 about remuneration to CEO and executive management, and fees to the Board of Directors

Pensions

The pension schemes in AKVA group ASA are defined contribution plans where agreed contributions are expensed as paid. The company has no further commitments towards pensions when the agreed contributions are paid. All pension costs are included in payroll expenses in the profit and loss statement.

As of 31 December, the company has no pension liability.

According to Norwegian legislation the entities need to have a pension scheme for the employees. The existing pension schemes meet the requirements in the legislation.

Loan and pledge

The company has not given any loans or pledges to members of the board or group management as of 31 December.

For details of establishment of salary and other remuneration to executive management, see note 3 in consolidated accounts.

Fees to auditor	2023	2022
Audit	1 482	1 248
Tax services	-	-
Other services	527	232
Total	2 009	1 565

All fees to the auditor are excl. VAT.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 4

Government grants and subsidies (in NOK 1 000)

Government grants received	2023	2022
"Skattefunn"	960	100
Handelens miljøfond	500	1 900
Norges forskningsråd	686	2 018
Total	2 146	4 017

Note 5

Taxes (in NOK 1 000)

Tax expense	2023	2022
Current taxes payable	-	-
Adjustment related to previous year	-1 354	-
Change in deferred taxes	-23 063	-18 252
Total tax expense	-24 417	-18 252

Tax expense reported in other comprehensive income	2023	2022
Cash flow hedges	-1 354	1 640
Total tax expense reported in other comprehensive income	-1 354	1 640

Calculation of the basis for taxation	2023	2022
Profit before tax ¹	-4 499	-23 446
Permanent differences	-115 081	-53 928
Change in temporary differences	119 580	77 374
Tax base	-0	0

¹ Includes received Group contribution of MNOK 125,6 in FY23 and MNOK 129,6 in FY22

Specification of temporary differences	2023	2022
Current assets	37 918	14 927
Fixed assets	82 698	68 390
Provisions	-117 935	-37 566
Capped interest (subject to interest limitation rules)	-73 761	0
Losses carried forward	-124 742	-136 739
Total	-195 821	-90 989
Calculated deferred tax assets (-liabilities)	43 081	20 018
Calculated deferred tax (asset) on temporary differences not recognis	-	-
Deferred tax asset (-liabilities)	43 081	20 018

Effective tax rate	2023	2022
Expected income taxes, statutory tax rate of 22%	-990	-5 158
Permanent differences (22%)	-25 318	-11 864
Excess(-)/insufficient(+) provisions in former years	1 891	-1 230
Income tax expense	-24 417	-18 252
Effective tax rate in percent of profit before tax	542,7 %	77,8 %

The company has MNOK 198.5 in tax loss carried forward at year-end 2023.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 6

Intercompany transactions and balances

Receivables	2023	2022
Loans to group companies	49 144	75 804
Accounts receivables towards group companies	41 222	20 201
Other receivables towards group companies	332 627	275 128
Total	422 993	371 134

Payables	2023	2022
Trade payables towards group companies	28 871	59 864
Other current liabilities towards group companies	201 843	173 423
Total	230 714	233 287

Intercompany transactions with subsidiaries	2023	2022
Product sales	270 222	186 104
Purchased goods	421 045	413 085
Purchased services	48 998	27 699

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

■ Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index



Note 7

Intangible assets (in NOK 1 000)

2023	Goodwill	Development consts	Other intangible assets	Total
Acquisition cost at 01.01.	53 000	219 049	64 133	336 182
Additions	0	39 948	86 893	126 841
Disposals	0	0	0	0
Acquisition cost 31.12.	53 000	258 997	151 026	463 022
Accumulated amortization at 01.01.	0	122 617	39 510	162 127
Amortization during the year	0	23 674	0	23 674
Accumulated amortization 31.12.	0	146 290	39 510	185 800
Net book value at 31.12.	53 000	112 707	111 516	277 223

2022	Goodwill	Development consts	Other intangible assets	Total
Acquisition cost at 01.01.	53 000	168 628	40 148	261 776
Additions	-	50 421	23 985	74 406
Disposals	-	-	-	-
Acquisition cost 31.12.	53 000	219 049	64 133	336 182
Accumulated amortization at 01.01.	-	104 072	39 453	143 525
Amortization during the year	-	18 545	57	18 602
Accumulated amortization 31.12.	-	122 617	39 510	162 127
Net book value at 31.12.	53 000	96 433	24 624	174 055

Goodwill balances are not amortized. For remaining intangible assets, straight-line amortization over the asset's useful economic life is applied. The useful economic life for the intangible assets is estimated as:

Development costs:	3 - 5 years
Patents (included in other intangible assets):	20 years
Trademarks (included in other intangible assets):	5 years
Product rights (included in other intangible assets):	5 - 10 years
Internal systems (included in other intangible assets):	5 - 10 years

During the year, the company expensed MNOK 39.4 (MNOK 35.92 in 2022) on research and development on new products and technology as well as upgrades on existing products.

Goodwill:

The goodwill balance is partly related to the merger with Maritech International AS and Idema Aqua AS and partly to the transfer of the aquaculture business from Helgeland Plast AS to AKVA group ASA, carried out in 2009.

Development Costs:

The company has capitalized all direct costs that are expected to create economic benefits and meet the requirements for capitalization in IAS 38. The capitalized costs relate to software solutions and modules for integrating equipment on fish farming sites, and improved product solutions to help the fish farming industry in becoming more efficient.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 8

Tangible fixed assets

2023	Land and building	Right-of-use assets	Machinery and equipment	Total
Acquisition cost at 01.01.	14 474	93 523	91 457	199 454
Additions	0	24 751	14 886	39 637
Disposals during the year	0	0	-9 136	-9 136
Acquisition cost 31.12.	14 474	118 274	97 207	229 954
Accumulated depreciation 01.01.	2 318	21 489	71 028	94 835
Depreciation	154	11 746	3 759	15 658
Accumulated depreciation 31.12.	2 471	33 235	74 786	110 493
Net book value 31.12.	12 002	85 039	22 422	119 463

2022	Land and building	Right-of-use assets	Machinery and equipment	Total
Acquisition cost at 01.01.	17 423	57 379	76 493	151 295
Additions	-	36 144	12 015	48 159
Reclassified to intangible assets	-2 949	-	2 949	-
Disposals during the year	-	-	-	-
Acquisition cost 31.12.	14 474	93 523	91 457	199 454
Accumulated depreciation 01.01.	2 164	16 357	68 219	86 740
Depreciation	154	5 132	2 809	8 094
Accumulated depreciation disposals during the year	-	-	-	-
Accumulated depreciation 31.12.	2 318	21 489	71 028	94 834
Net book value 31.12.	12 156	72 033	20 431	104 620

Land balances are not depreciated. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For remaining tangible assets, straight-line depreciation over the asset's useful economic life is applied. The useful economic life is estimated as:

Buildings:	> 20 years
Right-of-use assets:	3-15 years
Machinery and equipment:	3-5 years

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 9

Subsidiaries and other long-term investments (in NOK 1 000)

Subsidiaries are accounted for using the cost method in the parent company accounts.

Company name	Location	Ownership interest ¹	Share capital (NOK 1 000)	Number of shares	Par value (NOK)	Book value (NOK 1000)
AKVA group Australasia Pty Ltd.	Australia	100 %	329	50 000	7	301
AKVA group North America Inc	Canada	100 %	502	419 760	1	5 253
Newfoundland Aqua Service Ltd.	Canada	98,5 %	1	131	8	31 563
AKVA group Chile S.A. ²	Chile	100 %	46 889	11 264	4 163	51 887
AKVA group Land Based Americas S.A. ²	Chile	100 %	9 855	17 414	566	4 423
AKVA group Denmark A/S	Denmark	100 %	1 463	1 040 000	1	59 777
AKVA group Land Based A/S	Denmark	100 %	704	500	1 408	101 780
AKVA group Hellas SM PEC	Greece	100 %	1 571	20 000	79	1 471
AKVA group Software AS	Norway	100 %	2 174	500	4 348	57 082
AKVA group Services AS	Norway	100 %	100	1 000	100	3 100
Helgeland Plast AS	Norway	100 %	1 100	1 100 000	1	68 401
AKVA group Land Based Sømna AS	Norway	100 %	1 462	2 150	680	19 476
Polarcirkel AS	Norway	100 %	100	1 000	100	110
Sperre AS	Norway	100 %	500	50	10 000	164 528
Submerged AS	Norway	51 %	254	253 998	1	30 141
Egersund Net AS	Norway	100 %	2 297	500	4 594	737 999
AKVA group Scotland Ltd.	Scotland	100 %	18 368	14 186 377	1	27 417
AKVA group Espana S.L	Spain	100 %	5 267	3 000	1 756	5 040
AKVA group Turkey Ltd.	Turkey	100 %	2 887	200	14 435	9 910
Total						1 379 658

¹ All ownership interests entitle the same interest of voting rights.

² AKVA group ASA owns 87% directly of the shares in the Chilean subsidiaries. However, the remaining 13% shares are owned by 100% owned subsidiaries of AKVA group ASA. Hence, the investments are listed with 100% ownership in the overview above.

Other long-term investments	Currency	Ownership interest ¹	Share capital (NOK 1 000)	Number of shares	Par value (NOK)	Book value (NOK 1000)
Observe Ltd	GBP	33,7 %	7	3 861	0,6	42 077
Nordic Aqua Partners Holding ApS ²	NOK	9,0 %	7 308	470 091	1,4	38 783
Ecofisk AS	NOK	3,3 %	922	151 934	0,2	5 500
Centre for Aquaculture Competence AS ³	NOK	33,3 %	450	150	1 000	150
Blue Planet AS	NOK	5,1 %	1 950	2	50 000	100
Blue Farm AS	NOK	12,0 %	30	36	100	4
Abyss Group AS	NOK	21,5 %	600	153 287	0,8	123 562
Total						210 176

¹ All ownership interests entitle the same interest of voting rights.

² The purpose of Nordic Aqua Partners Holding ApS is solely to own shares in Nordic Aqua Partners ApS, which is a listed entity on Euronext Growth. Hence, the booked value of the shares in Nordic Aqua Partners Holding ApS is continuously adjusted to reflect the underlying share value of Nordic Aqua Partners ApS.

³ Despite the fact that the group owns more than 20% of Centre for Aquaculture Competence AS, this investment is not booked according to the equity method. This is based on the purchase agreement which specifies that AKVA group ASA (owner of the shares) is not entitled to the results earned in the company.

Other long-term investments are accounted for, either:

1. using the equity method (investments where AKVA group ASA owns between 20 and 50%) or
2. as financial assets (investments where AKVA group ASA owns less than 20%).

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 10

Inventory (in NOK 1 000)

Inventory	2023	2022
Finished goods (at net realisable value)	133 074	132 002
Total	133 074	132 002
Write-down of obsolete inventory 1.1	3 100	2 800
Change in write-down of obsolete inventory during the year	1 200	300
Write-down of obsolete inventory 31.12	4 300	3 100

Note 11

Receivables (in NOK 1 000)

ACCOUNTS RECEIVABLES

The recorded accounts receivables are shown net of estimated bad debt loss. The estimated bad debt loss is:

Bad debt provisions	2023	2022
Bad debt provision 01.01.	410	440
Change in bad debt provision	15	-30
Bad debt provision 31.12.	425	410
Recorded bad debt cost during the year	57	-
Change in bad debt provision	15	-30
Total bad debt cost during the year	72	-30

As of 31.12. the company had the following ageing profile of accounts receivables:	2023	2022
Not due	24 098	56 200
Due <30 days	18 015	24 696
Due 31-60 days	1 226	42 333
Due 61-90 days	247	2 026
Due >91 days	12 036	2 115
Total	55 622	127 370
Bad debt provisions	425	410

Reference is made to note 16 for more details of credit and currency risks related to accounts receivables.



Note 12

Cash and cash equivalents (in NOK 1 000)

	2023	2022
Cash	34 653	32 902
Restricted funds	-	-
Total cash and cash equivalents	34 653	32 902

The company has entered into a tax deduction guarantee agreement and thus has no restricted funds as of 31 December 2023.

The company has an overdraft facility of MNOK 300 and a revolving credit line of MNOK 500 in DNB. As of 31 December 2023, MNOK 0 of the overdraft facility was utilized, at year-end 2022 43 MNOK was utilized. As of December 31, 2023 500 MNOK of the revolving credit line was utilize. On 31 December 2022 MNOK 304,2 of the revolving facility was utilized.

Note 13

Shareholders

AKVA group ASA

The company's share capital is MNOK 36.7 divided into 36.7 million shares, each with a par value of NOK 1. The company has only one category of shares and all shares entitle shareholders to equal rights in the company.

See consolidated accounts note 13 about the 20 largest shareholders and shares owned by members of the Board of Directors and group management.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

■ Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index



Note 14

Interest-bearing debt (in NOK 1 000)

Interest-bearing debt:	2023	2022
Non-current liabilities to financial institutions	856 250	697 917
Non-current lease liabilities	74 528	64 897
Current liabilities to financial institutions	37 500	80 625
Current lease liabilities	12 666	7 716
Total	980 944	851 156
Average interest rate	7,05 %	5,58 %

Repayment of debt

The Company's interest-bearing debt matures as follows:	2023	2022
2023	-	85 968
2024	50 166	46 530
2025	868 068	667 964
2026	11 233	7 498
2027	10 718	7 136
2028	8 051	36 059
After 2028	32 708	-
Total	980 944	851 156

Liabilities secured:	2023	2022
Liabilities secured with assets	893 750	778 542
Bank guarantee liabilities	149 681	53 882
Parent company guarantee liabilities	53 410	41 410

Assets pledged as security for debt:	2023	2022
Accounts receivables third parties	55 197	126 960
Accounts receivables group companies	41 222	20 201
Inventory	133 074	132 002
Shares in subsidiaries ¹	1 291 446	1 270 590
Other assets	119 463	104 620
Total	1 640 403	1 654 374

¹ The shares in AKVA group Land Based Sømna AS, AKVA group Services AS, AKVA Group Software AS Sperre AS, Helgeland Plast AS, Egersund Trading AS, Egersund Net AS, AKVA group Land Based A/S, AKVA group Denmark A/S, AKVA group Chile S.A and AKVA group Scotland Ltd. are pledged

The terms and conditions of outstanding loans are as follows:

Outstanding loans from financial institutions:	Currency	Nominal interest rate ¹	Carrying amount 2023	Carrying amount 2022
Secured bank loan	NOK	Nibor + 2.35%	257 813	323 438
Secured bank loan	NOK	Nibor + 2.35%	98 438	107 813
Secured bank loan revolving credit facility	NOK	Nibor + 2.35%	537 500	304 167
Total			893 750	735 417

¹ The nominal interest includes a waiver fee. The nominal interest rate excluding the waiver fee is Nibor+ 1,65-2,05.

In December 2023 the Company obtained a waiver from DNB in respect of the leverage ratio (NIBD/EBITDA) covenant. The waiver is effective from 23 November 2023 to and including 30 September 2024 (waiver period). The EBITDA used for calculating the NIBD/EBITDA covenant is adjusted with MNOK 40. In the waiver period the leverage ratio shall not exceed 4,5 including the allowed adjustment to the EBITDA set out above. The leverage ratio was 3,66 as of 31 December 2023 and AKVA group was in compliance with all bank covenants. The Group continues to closely monitor its financial performance to ensure compliance with financial covenants.

In September 2022 the Company obtained a waiver from DNB in respect of the leverage ratio (NIBD/EBITDA covenant). The waiver is effective from 30 September 2022 to and including 30 September 2023 (waiver period). The EBITDA used for calculating the NIBD/EBITDA covenant is adjusted for certain one-time cost provisions and restructuring provisions in Q2 and Q3 2022. The adjustment is a total of MNOK 138. In the waiver period the leverage ratio shall not exceed 4,5 including the allowed adjustment to the EBITDA calculation set out above.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 14

Interest-bearing debt (in NOK 1 000)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

Outstanding instruments at year-end (in NOK 1 000)	Note	Bank overdraft	Liabilities to financial institutions	Other longterm liabilities	Lease liabilities	Loans to group com- panies	Other longterm financial assets	Share capital / premium	Cash flow hedges reserves	Retained earnings	Total
Balance at 01.01.2022		0	750 000	3 262	42 963	-89 893	-64 930	1 209 655	691	10 188	1 862 846
CHANGES FROM FINANCING CASH FLOWS											
Repayment of borrowings		-43 124		-905	-	-	-	-	-	-	-44 029
Proceed from borrowings		-	158 333	-	-	-	-	-	-	-	158 333
Repayment of lease liabilities		-	-	-	-10 228	-	-	-	-	-	-10 228
Change in loans to group companies		-	-	-	-	31 347	-	-	-	-	31 347
Interest received(+)/paid(-)	15	-9 313	-50 089	-	-3 960	7 479	-	-	-	-	-55 883
Total changes from financing cash flows		-52 437	108 244	-905	-14 188	38 826	-	-	-	-	79 542
The effect of changes in foreign exchange rates		-	-	-	-	-	-	-	-	-	-
Changes in fair value		-	-	-	-	-4 688	-10 996	-	-	-	-15 684
OTHER CHANGES											
Liability-related											
New leases		-	-	39 361	24 808	-	-	-	-	-	64 169
Interest income(-)/expense(+)	15	9 313	50 089		3 960	-7 479	-	-	-	-	55 883
Total liability-related other changes		9 313	50 089	39 361	28 768	-7 479	-	-	-	-	120 052
Total equity-related other changes		-	-	-	-	-	-	13 432	4 801	30 520	48 753
Balance at 31.12.2022		0	893 750	41 688	87 194	-49 144	-44 758	1 222 695	-322	-1 544	2 149 560

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

■ Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

Note 15 – Specification of items that are grouped in the financial statement (in NOK 1 000)

Other operating expenses	2023	2022
Accommodation, materials, equipment and maintenance	33 846	28 468
Marketing, travelling and communication	21 838	15 610
Loss on disposal of shares in associates ¹	-	3 021
Other operating expenses	6 193	15 685
Total other operating expenses	61 877	62 784

¹ Loss on disposals of shares in associates in 2022 relates to the sale of shares in Atlantis Subsea Farming AS in March 2022.

Financial income	2023	2022
Interest income from group companies	7 479	6 558
Other interest income	1 679	3 314
Group contribution recognized as income	225 628	219 752
Change in fair value of financial assets	10 953	-
Total financial income	245 739	229 624

Financial expenses	2023	2022
Interest expenses	61 080	31 992
Interest on lease liabilities	3 960	1 794
Agio loss	6 989	196
Change in fair value of financial assets	-	3 197
Other financial expenses ¹	11 763	31 721
Total financial expenses	83 793	68 899

Other receivables	2023	2022
Receivables from group companies	332 627	275 128
Hedging balance	874	1 043
Other receivables	8 634	2 660
Total other receivables	342 135	278 831

Other current liabilities	2023	2022
Liabilities to group companies	201 843	173 423
Hedging balance	3 492	6 672
Payroll accruals	36 582	36 582
Warranty provision	7 100	10 800
Other current liabilities	16 976	10 974
Total other current liabilities	265 993	238 452

¹Other financial expenses included impairment of loan to AquaCon of MNOK 28 in 2022

The provisions for warranties relate to projects and products in the sea based segment. The provisions have been estimated based on historical warranty data associated with similar projects, products, and services, and are estimated solely based on the expected compensation AKVA group gives. The timeframe for settlement of the warranty provisions varies based on type of product and project.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The following table shows the accounting classification, carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Accounting classification	2023		2022	
		Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS					
Cash	Amortized cost	34 653	34 653	32 902	32 902
Trade receivables	Amortized cost	96 419	96 419	147 161	147 161
Other current assets	Amortized cost	342 135	342 135	278 831	278 831
Other long-term receivables	Amortized cost	5 976	5 976	5 933	5 933
Other long-term financial assets	FVTPL	38 783	38 783	27 829	27 829
Forward currency contracts ¹	FVTPL	874	874	1 043	1 043
Total		518 839	518 839	493 699	493 699
Bank overdraft		-	-	43 125	43 125
Trade payables	Amortized cost	143 201	143 201	144 698	144 698
Loans	Amortized cost	893 750	893 750	738 648	738 648
Lease liabilities	Amortized cost	87 194	87 194	72 614	72 614
Put/call option minority interest	FVTPL	-	-	6 785	6 785
Forward currency contracts ²	FVTPL	3 492	3 492	6 672	6 672
Total		1 127 637	1 127 637	1 012 542	1 012 542

¹ The amount is included in other receivables in the Statement of Financial Position
² The amount is included in other current liabilities in the Statement of Financial Position

Financial instruments at fair value	31.12.23	Level 1	Level 2	Level 3
Financial assets - Forward currency contracts	874	-	874	-
Financial assets - Investments	38 783	38 783	-	-
Financial liabilities - Forward currency contracts	3 492	-	3 492	-
Financial liabilities - Put/call option	-	-	-	-

Financial instruments at fair value	31.12.22	Level 1	Level 2	Level 3
Financial assets - Forward currency contracts	1 043	-	1 043	-
Financial assets - Investments	27 829	27 829	-	-
Financial liabilities - Forward currency contracts	6 672	-	6 672	-
Financial liabilities - Put/call option	6 785	-	6 785	-

There have been no transfers between levels during the period.

DETERMINATION OF FAIR VALUE

The fair value of forward exchange contracts is determined using the forward exchange rate at the balance sheet date. The fair value of currency swaps is determined by the present value of future cash flows. The fair value of options is determined using option pricing models. For all the above-mentioned derivatives, the fair value is confirmed by the financial institution with which the company has entered the contracts.

The following of the company's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current assets, overdraft facilities and long-term debts.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on "normal" terms and conditions. The borrowings are at floating interest rates which implies a book value in accordance with fair value.

The fair value of financial assets and liabilities recognized at their carrying amount is calculated as the present value of estimated cash flows discounted by the interest rate that applies to corresponding liabilities and assets at the balance sheet date.

FAIR VALUE HIERARCHY

As of 31 December 2023, the company held financial instruments measured at fair value as mentioned below:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

FINANCIAL RISK MANAGEMENT

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers. Part of the sale is credit sales where the company is exposed to credit risk towards the customer. For larger projects there are normally pre-payments from the customers and milestone payments along the progress of the project which

reduces the credit risk towards the customers. To some extent the company uses trade finance instruments, such as letter of credit and guarantee letters, to reduce credit risk. The company has generally had low losses on outstanding receivables despite having old receivables in the balance sheet occasionally. In general, old receivables relates to delays or stop in projects whereas the responsible entity for the delivery of the project has made an agreement with the customer to await payment of the invoice. For details of ageing of accounts receivables, see note 11.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condi-

tions, without incurring unacceptable losses or risking damage to the company's reputation.

The company monitors its risk to a shortage of liquid funds using cash flow prognosis. The objective is to maintain a balance in the funding using bank overdrafts, bank loans with different pay back periods, debentures, and finance lease. The Management follows the development of the working capital closely because the development in the working capital has the most important impact on the liquidity situation on short term.

The table below summarizes the maturity profile of the company's financial liabilities based on contractual discounted payments:

2023	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Loans and borrowings	9 375	28 125	856 250	-	893 750
Lease liabilities	3 136	9 530	41 820	32 708	87 193
Trade and other payables	159 247	-	-	-	159 247
Financial derivatives	-	-	-	-	-
Total	171 758	37 655	898 070	32 708	1 140 191

2022	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Loans and borrowings	31 081	37 500	713 192	-	781 773
Lease liabilities	1 922	5 794	28 838	36 059	72 614
Trade and other payables	113 451	-	-	-	113 451
Financial derivatives	127 475	211 280	22 025	-	360 780
Total	273 929	254 574	764 055	36 059	1 328 618

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

As disclosed in Note 14, the company has secured bank loans that contains a loan covenant. A future breach of covenant may require the company to repay the loan earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis and reported to management to ensure compliance with the agreement.

Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the company seeks to apply hedge accounting to manage volatility in profit or loss

A. Currency risk

As part of the international activity the company's assets and liabilities as well as expected cash inflows and cash outflows are exposed to changes in the currency rates. The following significant exchange rates have been applied for the reporting period:

NOK vs	Average rate		Year-end spot rate	
	2023	2022	2023	2022
EUR 1	11,42	10,10	11,24	10,51
GBP 1	13,14	11,85	12,93	11,85
USD 1	10,56	9,61	10,17	9,86
CAD 1	7,83	7,38	7,68	7,28
AUD 1	7,02	6,66	6,91	6,70

A reasonably possible strengthening (weakening) of the euro, sterling, or US dollar against all other currencies on 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This

analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

31.12.2023	KNOK effect on profit before tax by +10%/-10% change in			KNOK effect on book equity by +10%/-10% change in		
	CAD	EUR	CLP	CAD	EUR	CLP
10 %	2 606	-1 601	2 489	-5 765	9 109	2 489
- 10 %	-2 606	1 601	-2 489	5 765	-9 109	-2 489

31.12.2022	KNOK effect on profit before tax by +10%/-10% change in			KNOK effect on book equity by +10%/-10% change in		
	EUR	CAD	USD	EUR	CAD	USD
10 %	2 882	-1 262	3 876	-5 058	8 755	3 876
- 10 %	-2 882	1 262	-3 876	5 058	-8 755	-3 876

The company's currency risk is sought reduced by using currency forward contracts. The currency risk is managed by the parent company in cooperation with the subsidiaries.

The company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. These contracts are generally designated as cash flow hedges. The company designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The company's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount, and timing of their respective cash flows. The company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 16 – Financial instruments and risk management (in NOK 1 000)

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

■ Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

I. Cash flow hedges

The company uses currency forward contracts to reduce the exposure of changes in currency rates due to having revenues and costs denominated in different currencies. The expected cash flows subject to hedging are expected to take place during the 2023 and hence be recognized in the income statement during the same period. At the end of the year the company had the following positions in forward contracts to hedge expected future cash flow:

Cash flow hedges	Bought/sold	Net currency amount
Euro	Bought	1 891
British Pound	Sold	-
American Dollar	Bought	670
Canadian Dollar	Sold	-2 286
Danish Kroner	Sold	-
Norwegian Kroner	Sold	2 041
Australian Dollar	Sold	-

At the end of the year, it was recorded a gain of MNOK 4.801 directly against other comprehensive income related to hedging of expected future cash flow.

II. Fair value hedges

To hedge the value of the items in the balance sheet denominated in a foreign currency the company had the following positions in forward contracts at the end of the year:

Fair value hedges	Bought/sold	Net currency amount
British Pound	Sold	-1 875
Norwegian Kroner	Bought	22 025

Profit and loss from the above currency contracts are recorded directly via the income statement under financial items. At the end of the year MNOK 1.789 was recorded as an unrealized loss. The forward contracts are valued at estimated fair value.

III. Time profile and currency rates in hedge instruments

On 31 December 2023, the company held the following instruments to hedge exposures to changes in foreign currency:

Forward currency contracts	Maturity		
	1-3 months	4-12 months	>12 months
Net exposure (in 1 000 NOK)	2 243	-5 700	-
Average NOK:EUR forward contract rate	11,33	-	-
Average NOK:USD forward contract rate	10,46	11,05	-
Average NOK:CAD forward contract rate	7,79	7,35	-
Average NOK:AUD forward contract rate	7,17	7,19	-

When the expected cash flow is translated into an item in the balance sheet or takes place, the recorded profit or loss which has been booked directly against the equity is reversed and included in the income statement together with the actual hedged object. Any non-effective part of the hedge is booked as currency loss or gain under financial items in the income statement.



Note 16 – Financial instruments

and risk management (in NOK 1 000) – The following table summarize the company's hedging positions at year-end:

20223 Currency	Hedging instruments	Nominal amount (NOK)	Average exchange rate	Carrying amount 31.12 (NOK)		Change in fair value recognized in OCI (NOK)	Change in fair value recognized in profit or loss (NOK)
				Assets	Liabilities		
	Cash flow hedges						
EUR	Sales and receivables	2 300 093	11,47	46 782	-	637 172	-
	Purchases and payables	23 726 776	11,34	131 499	390 577	(184 668)	-
	Cash flow hedges						
USD	Sales and receivables	-	-	-	-	-	-
	Purchases and payables	7 364 171	10,99	-	582 514	435 778	-
	Cash flow hedges						
GBP	Sales and receivables	-	-	-	-	1 955	-
	Fair value hedges						
	Borrowings	22 024 627	11,75	-	2 295 924	-	(1 789 270)
	Cash flow hedges						
CAD	Sales and receivables	17 537 694	7,67	150 461	222 510	3 096 755	-
	Purchases and payables	-	-	-	-	268 483	-
	Cash flow hedges						
AUD	Sales and receivables	14 709 878	7,18	545 165	-	545 165	-
	Purchases and payables	-	-	-	-	-	-
	Cash flow hedges						
Total (NOK)	Sales and receivables	34 547 664	N/A	742 409	222 510	4 281 048	-
	Purchases and payables	31 090 947	N/A	676 665	973 091	519 593	-
	Fair value hedges						
	Borrowings	22 024 627	N/A	-	2 295 924	-	(1 789 270)
2022 Currency	Hedging instruments	Nominal amount (NOK)	Average exchange rate	Carrying amount 31.12 (NOK)		Change in fair value recognized in OCI (NOK)	Change in fair value recognized in profit or loss (NOK)
	Cash flow hedges						
EUR	Sales and receivables	32 486 158	10,41	-	590 390	(1 778 208)	-
	Purchases and payables	132 390 980	10,47	519 983	594 393	482 242	-
	Cash flow hedges						
USD	Sales and receivables	-	-	-	-	1 580 178	-
	Purchases and payables	24 691 291	10,16	-	1 018 292	(2 746 500)	-
	Cash flow hedges						
GBP	Sales and receivables	166 755	11,78	-	1 955	28 577	-
	Fair value hedges						
	Borrowings	43 745 777	11,67	120 819	627 473	-	222 207
	Cash flow hedges						
CAD	Sales and receivables	93 410 097	7,03	182 759	3 351 564	(3 009 067)	-
	Purchases and payables	17 434 406	7,30	219 739	488 221	(370 352)	-
	Cash flow hedges						
Total (NOK)	Sales and receivables	126 063 011	N/A	182 759	3 943 909	(3 178 520)	-
	Purchases and payables	174 516 677	N/A	739 722	2 100 906	(2 634 610)	-
	Fair value hedges						
	Borrowings	43 745 777	N/A	120 819	627 473	-	222 207

Note 16 – Financial instruments and risk management (in NOK 1 000)

B. Interest rate risk

The company's interest-bearing debt is based on a floating interest rate which implies that interest payments over time will fluctuate according to the changes in the interest rate level. Most of the interest-bearing debt is in NOK. To reduce the interest rate risk, it is the strategy of the Company to have a balanced mix between equity and debt financing vs the market risk in its industry. With the interest-bearing debt at year end, interest cost would have been MNOK 9.8 higher with a 1% higher average interest rate during the year and MNOK 9.8 lower with a 1 % lower average interest rate during the year.

C. Macroeconomic risk

In 2023 about 88% of the revenues of the company came from customers producing salmon, a slight increase from a share of 87% in 2022. To decrease the company's dependency of the salmon industry the company works to increase the share of revenues related to the aquaculture of other species than salmon. Due to the market variation in the different salmon markets the revenues can vary between years. Still, the aquaculture industry in general is expected to be a high growth industry in the foreseeable future.

Based on the assumption that a change in sales will not affect the product gross margin and that other operating costs short term only will change 50% of the change in sales - a change in the revenues of the Company would have had the following impact on net income [22% tax rate used]:

Change in sales	Change in net profit/equity (in NOK 1 000)
10 %	3 898
5 %	1 949
2 %	780
- 2 %	-780
- 5 %	-1 949
- 10 %	-3 898

D. Climate risk

Climate change has been identified as a market risk which can potentially impact the company's business in the short, medium, and long term. The physical related climate risks and opportunities relate to extreme weather events, sea levels and temperatures, the frequency of algae blooms, and the availability of the raw materials for our customer's operations, which in turn directly can impact the company's operations as reduced order intake. In addition, the company is experiencing an increased focus from our customers to be able to provide information about our climate accounts within our products and services. Within a relatively short time, we estimate that the latter will be emphasized by our customers when choosing their supplier, which means that working with our own climate emissions is also a risk and opportunity in this connection.

The management in AKVA group ASA regularly carries out analysis on key sustainability and climate risks, to identify if they could significantly affect the company's ability to execute its business strategy and operations. The key actions to address these risks are:

- Internal policies and procedures,
- Development and analyzes of relevant KPI's,
- Development of a low carbon transition plan

In 2023 we have carried out a double materiality assessment and defined our ambitions in line with this assessment, developed sustainability promises and measured our greenhouse gas emissions (Scope 1 and 2). In 2023 we have started measuring greenhouse gas emissions in scope 3. Refer to the ESG chapter of this report for further information on how AKVA group works with this.

CAPITAL STRUCTURE AND EQUITY

The primary focus of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio to support its business and maximize shareholders value.

The company manages its capital structure and makes adjustment to it, considering changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. , return capital to shareholders or issue new shares.

Dividends paid	Per share
2015	1,00
2016	0,75
2017	1,25
2018	1,50
2019	1,75
2020	1,00
2021	1,00
2022	1,00
2023	0,00

The company has been compliant with the dividend policy when paying out dividend, see note 21. The company monitors capital using a gearing ratio, which is net interest-bearing debt divided by total equity plus net debt. The company includes within net interest-bearing debt, interest bearing loans and borrowings less cash and cash equivalents. Capital includes equity attributable to equity holders of the parent less the net unrealized gains reserve.

	2023	2022
Interest bearing debt	980 944	851 156
Less cash	34 653	32 902
Net interest bearing debt	946 291	818 254
Equity	1 220 828	1 172 076
Total equity and net interest bearing debt	2 167 119	1 990 330
Debt ratio	44 %	41 %

The company obtained a waiver from DNB in respect of the average ratio (NIBD/EBITDA covenant) in December 2023, refer further information in note 14.

The equity ratio was 44.4 % as of 31 December 2023.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Note 17 – Revenue and contract balances (in NOK 1 000)

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major revenue lines, timing of revenue recognition and relevant positions on 31 December. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments (see note 2).

For the year ended 31 December	Sea Based		Land Based		Digital		Total reportable segments	
	2023	2022	2023	2022	2023	2022	2023	2022
Primary geographical markets								
Europe	1 080 048	782 822	27 616	15 663	14 983	5 888	1 122 646	804 373
Other	8 351	140 785	76 010	118 673	2 042	1 200	86 403	260 658
Revenue as reported in note 2	1 088 399	923 607	103 626	134 336	17 024	7 088	1 209 050	1 065 031
REVENUE SPLIT								
External	843 646	751 296	78 757	118 916	16 424	5 694	938 827	875 906
Internal	244 753	172 311	24 869	15 420	600	1 394	270 222	189 125
Revenue as reported in note 2	1 088 399	923 607	103 626	134 336	17 024	7 088	1 209 050	1 065 031
MAJOR REVENUE LINES								
Construction contracts	990 338	821 090	103 626	118 916	-	-	1 093 964	940 006
Service & spare parts	102 867	109 786	-	15 420	-	-	102 867	125 206
Software	-	-	-	-	14 983	7 088	14 983	7 088
Other	-4 806	-7 269	-	-	2 042	-	-2 765	-7 269
Revenue as reported in note 2	1 088 399	923 607	103 626	134 336	17 024	7 088	1 209 050	1 065 031
TIMING OF REVENUE RECOGNITION								
Products and services transferred over time according to output method	591 731	586 061	-	-	-	-	591 731	586 061
Products and services transferred over time according to input method	403 128	235 029	103 626	118 916	-	-	506 754	353 945
Products and services transferred at point in time	98 346	109 786	-	15 420	14 983	7 088	113 329	132 294
Other revenue	-4 806	-7 269	-	-	2 042	-	-2 765	-7 269
Revenue as reported in note 2	1 088 399	923 607	103 626	134 336	17 024	7 088	1 209 050	1 065 031
POSITIONS AT 31 DECEMBER								
Total sales included from ongoing contracts	427 250	289 213	76 010	118 673	-	-	503 260	407 886
Contract assets	63 143	111 649	23 466	-	-	-	86 609	111 649
Contract liabilities	53 964	96 864	21 281	61 196	-	-	75 245	158 060

Reference is made to note 2 for further details of revenue per segment.

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the company issues an invoice to the customer according to payment terms in the contracts.

The contract liabilities primarily relate to the advance consideration received from customers and cost accruals.

The duration of projects in the company is generally shorter than 12 months. Hence, contract balances at the beginning of the year are recognized in the income statement during the following financial year. No significant revenues in the reporting period relates to performance obligations satisfied in previous periods.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

■ Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

Note 18 – Leasing (in NOK 1 000)

AKVA company leases offices and buildings, machinery and equipment and vehicles. The highest portion of the Company's lease portfolio is for leasing of buildings and offices. Lease terms are negotiated on individual basis and contain a wide range of renewal and termination options.

Some property leases contain extension options exercisable by the company up to one year before the end of the non-cancellable contract period. Where practicable, the company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the company and not by the lessors. The company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The future lease liabilities and maturity of cash outflows fall due as follows for the company:

Lease liabilities due	2024	2025	2026	2027	2028	After 2028
Offices and buildings	11 894	11 145	10 685	10 213	7 887	32 708
Vehicles	772	673	547	505	164	-
Office equipment and other	-	-	-	-	-	-
Total	12 666	11 818	11 233	10 718	8 051	32 708

The lease cash outflows divided on principal amounts and interests falls due as follows for the company:

Lease cash outflows due	2024	2025	2026	2027	2028	After 2028
Principal	12 666	11 818	11 233	10 718	8 051	32 708
Interests	4 075	3 419	2 796	2 230	1 749	3 112
Total	16 741	15 237	14 028	12 949	9 800	35 819

Leasing expenses recognized in the profit and loss:

Amounts recognized in profit or loss	2023	2022
Interest on lease liabilities	3 960	1 794
Expenses relating to short-term leases	114	140
Expenses relating to leases of low-value assets	61	194
Total	4 135	2 128

Note 19

Business combinations

ACQUISITION OF SUBMERGED AS

On 31.08.2023, the Group acquired 51 per cent 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 recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

Values at the acquisition date in (NOK 1000)	Book value	Adjusted value	Fair value
ASSETS			
IP - Technology RFR	-	13 158	13 158
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
	17 773	13 158	30 931
LIABILITIES			
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
	-9 337	-2 895	-12 232
Total identifiable net assets	8 436	10 263	18 699
Goodwill arising on acquisition			22 023
Non-controlling interests in 49 % of Submerged AS			18 379
Total consideration			59 101
Purchase price, payable in cash (51%)	-30 141	-	-30 141
Total consideration transferred	-30 141	-	-30 141
Cash acquired with subsidiary	4 671	-	4 671
Purchase price, payable in cash	-30 141	-	-30 141
Net cash outflow	-25 470	-	-25 470

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.

The non-controlling interest (49 per cent ownership interest in Submerged AS) recognized 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.

Exercising of option Newfoundland Aqua Service

On the 10th of October 2023 AKVA Group ASA exercised their option to buy 28,5% of the shares in Newfoundland Aqua Services Ltd. Akva Group ASA acquired the remaining (28,5%) shares from the Minority Shareholders for a total of MNOK 11,6, increasing the ownership and voting rights in Newfoundland Aqua Services Ltd from 70% in 2022 to 98,5% in 2023.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Note 20

Related parties (2020 figures in brackets)

See note 6 for transaction and balances with subsidiaries. See consolidated accounts note 3 about remuneration to CEO and executive management and fees to the Board of Directors.

Centre of Aquaculture Competence AS ("CAC") is a related party due to AKVA company ASA's ownership of 33% of the shares in CAC. AKVA company ASA has as part of their role in CAC recorded revenues from CAC of MNOK 1.7 (0.0) in 2023. The outstanding balance towards CAC on 31 December 2023 was a receivable of MNOK 0.0 (0.0).

Egersund Group is a related party due to its controlling ownership share of the AKVA company ASA. AKVA company ASA has, in line with the company's ordinary course of business with Egersund Group and its subsidiaries, had revenues and costs of respectively MNOK 0.1 (0.1) and MNOK 1.4 (1.2) in 2023.

Outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. As of 31 December, the company had MNOK 0.2 (0.1) in trade receivables and MNOK 0.7 (0.2) in trade payables towards Egersund Group and its subsidiaries.

The sales and purchases to related parties are made on terms equivalent to those that prevail in arm's length transactions.

Note 21

Dividend

No dividend was paid out in 2023.

See consolidated accounts note 21 for more details.

Note 22

Sale and buyback of own shares

At the start of 2023 AKVA group ASA owned 294,282 own shares. The Board of Directors of AKVA group was granted an authorization by the annual general meeting held on 11 May 2023 for buy back of own shares, to a maximum of 916,693 shares. AKVA group did not exercise this right in 2023. As part of the long-term incentive plan, 63 619 shares were distributed to the Executive Personnel in 2023. At the end of 2022 AKVA group owned 230,663 own shares.

Note 23 – Provisions (in NOK1000)

AKVA company ASA has booked the following provisions as of 31 December 2022:

	Warran- ties	Obsolete inventory	Bad debt	Total
Balance at 01.01.2023	10 800	3 100	410	14 310
Provisions made during the year	0	2 100	15	2 115
Provisions used/reversed during the year	-3 700	-900	0	-4 600
Balance at 31.12.2023	7 100	4 300	425	11 825
Non-current	0	0	0	0
Current	7 100	4 300	425	11 825

Note 24

Subsequent events

See consolidated accounts note 24 for more details about subsequent events.



CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

Financial statements and notes
- AKVA group ASA

■ Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

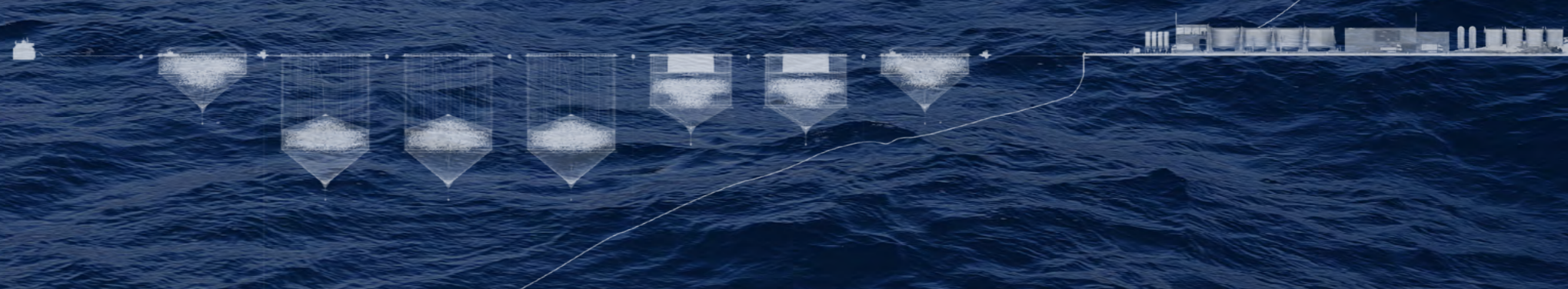
Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

Auditor's report



- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report**
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

To the General Meeting of AKVA group ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AKVA group ASA, which comprise:

- The financial statements of the parent company AKVA group ASA (the Company), which comprise the balance sheet as at 31 December 2023, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of AKVA group ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of AKVA group ASA for 3 years from the election by the general meeting of the shareholders on 6 May 2021 for the accounting year 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition for construction contracts

Description of the Key Audit Matter	How the matter was addressed in the audit
<p>Refer to note 2 and 17 in the financial statements of the Group.</p> <p>The majority of the Group's revenues relates to construction contracts. There is a risk of incorrect revenue recognition, in particular related to construction contracts in progress at 31 December. Recognition of revenue from construction contracts is determined based on the five-step model of IFRS 15.</p> <p>Revenue recognition is considered a key audit matter due to the significant estimates and judgements applied by management in:</p> <ul style="list-style-type: none"> - forecasting the profit margin on each contract including the cost to complete the contract and any contingencies for uncertain costs; and - assessing the percentage of completion of the contract based on goods or services transferred to date and costs incurred. 	<p>We reviewed the Group's accounting policies applicable for revenue recognition and assessed whether those policies were in compliance with IFRS.</p> <p>We evaluated the design and implementation of control activities that management has established to ensure that revenue is recognized in accordance with the Group's accounting policies.</p> <p>We tested a sample of contracts based on our assessment of financial significance and risk in the contract.</p> <p>Our audit procedures on these contracts included;</p> <ul style="list-style-type: none"> - We agreed revenue forecasts with signed contracts; - We assessed the appropriateness of applying construction contract accounting; - We inspected project reporting documentation for some contracts; - We assessed management's estimate of percentage of completion based on our knowledge of the Group's business and industry, challenging the progress of contracts in accordance with set milestones and cost progression; - We challenged whether the cost and revenue estimates were appropriate in light of the margin development including a retrospective review of the historical accuracy of revenue recognition.

Impairment of goodwill

Description of the Key Audit Matter	How the matter was addressed in the audit
<p>As disclosed in note 7, the carrying amount of goodwill amounted to TNOK 783 300 as at 31 December 2023.</p> <p>The Group allocates goodwill to the cash generating units which management has determined are the three segments which they operate.</p> <p>Due to the level of complexity in assessing the appropriate accounting for impairment and the level</p>	<p>We challenged the assumptions and judgements used in the impairment model for assessing the recoverability of the carrying amount of goodwill.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> -We obtained an understanding of management's process for impairment testing of goodwill; - We tested the methodology applied to estimate recoverable amount against the requirements of IAS 36, Impairment of assets;



- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report**
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

<p>of management judgement involved, this has been identified as a key audit matter.</p> <p>Management's annual impairment testing is based on estimation of recoverable amounts for the cash generating units.</p> <p>The estimation of cash flows and the selection of an appropriate discount rate to estimate the recoverable amount are key judgmental areas.</p> <p>The outcome of impairment assessments may vary significantly, dependent on the assumptions applied.</p>	<ul style="list-style-type: none"> - We assessed the appropriateness of the identification of cash generating units; - We assessed the historical accuracy of management's budgets and forecasts and on that basis challenging management on the current year cash flow forecasts as well as the timing of future cash flows; - We challenged management on the growth rate used and management's future business plan assumptions with reference to current market conditions and order backlog; - We considered whether the disclosures regarding key assumptions and sensitivities adequately reflects the underlying goodwill impairment assessments; and - We used valuation specialists to assess the mathematical accuracy of management's impairment model, the discount rates applied as well as recalculating management's sensitivity analysis.
---	---

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of AKVA group ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXH8YG14-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, 14 March 2024
Deloitte AS

Eise Høyland Joranger

Eise Høyland Joranger
State Authorised Public Accountant

RESPONSIBILITY STATEMENT

Today, the Board of Directors and the CEO reviewed and approved the Board of Director's report and the consolidated and separate annual financial statements for AKVA group ASA for the year ended 31 December 2023, in accordance with the Securities Trading Act.

We confirm, to the best of our knowledge, that the financial statements for the period from 1 January to 31 December, 2023 has been prepared in accordance with applicable accounting standards and gives a true and fair view of the Group and the Company's assets, liabilities, financial position and results of operations, and that the Report of the Board of directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that the companies are facing.

Klepp, Norway, 14 March 2024

Hans Kristian Mong
Hans Kristian Mong
Chairperson

Frode Teigen
Frode Teigen
Board Member

Yoav Doppelt
Yoav Doppelt
Board Member

Heidi Nag Flikka
Heidi Nag Flikka
Board Member

Irene Heng Lauvsnes
Irene Heng Lauvsnes
Board Member

Knut Nesse
Knut Nesse
CEO

Kristin Reitan Husebø
Kristin Reitan Husebø
Deputy Chairperson

Tore Rasmussen
Tore Rasmussen
Board Member

Odd Jan Håland
Odd Jan Håland
Employee's Representative

John Morten Kristiansen
John Morten Kristiansen
Board Member

Mona Skåtey Skadberg
Mona Skåtey Skadberg
Employee's Representative

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement**
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index



CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

■ Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

Alternative Performance Measures - Non IFRS Financial Measures

INTRODUCTION

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:

DEFINITIONS

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.

Capital Employed is calculated using the formula (total assets – cash and RoU asset) – (total current liabilities – liabilities to financial institutions and lease liability).

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

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

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 last 12 months.

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.

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

RECONCILIATIONS

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

(NOK millions)	2023	2022
Cash and cash equivalents	219	278
Not utilized overdraft facilities at period end	300	453
Available cash	519	731
Total assets	3 684	3 580
Cash and cash equivalents	-219	-278
IFRS 16 - RoU Asset	-475	-451
Current liabilities	-1 173	-1 275
Liabilities to financial institutions - Short-term	38	81
Lease Liability - Short-term	91	79
Capital employed	1 945	1 735
Operating profit	68	-56
Depreciation, amortization and impairment	196	215
EBITDA	263	158
Liabilities to financial institutions	900	783
Lease liabilities	496	482
Long term financial assets	-67	
Cash and cash equivalents	-219	-278
Net interest-bearing debt	1 109	988
Net interest bearing debt	1 109	988
EBITDA	263	158
NIBD/EBITDA	4,21	6,24
Operating profit	68	-56
Quarterly average capital employed	1 945	1 811
ROACE	3,5 %	-3,1 %
Operating profit	68	-56
Capital employed	1 945	1 735
ROCE	3,5 %	-3,3 %
Current assets	1 470	1 597
Cash and cash equivalents	-219	-278
Current liabilities	-1 173	-1 275
Current lease liabilities	91	79
Current liabilities to financial institutions	38	81
Working capital	206	203

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

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

■ Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index



Articles of Association of AKVA group ASA

(Unofficial office translation. In case of discrepancies the Norwegian version shall prevail)

PER 23 OCTOBER 2021

- § 1 The company's name is AKVA group ASA. The company is a public limited company.
- § 2 The company's registered office is in Eigersund municipality.
- § 3 The purpose of the company is to develop, produce, project, sell and market own and purchased products, and everything connected to such activity, including participation in other companies with similar activities. The activities of the company shall in particular be directed towards technology for farming of fish and animals.
- § 4 The company's share capital shall be NOK 36,667,733 divided into 36,667,733 shares at NOK 1 each. The company's shares shall be registered in the Norwegian Register of Securities (VPS). Any transfer of shares shall be notified to VPS within 1 – one – month.
- § 5 The Board of Directors shall be composed of 4 to 10 members, in accordance with a decision by the General Meeting. The Chairperson and one Board member jointly sign on behalf of the company.

The company Israel Corp., Millennium Tower, 23 Aranha Street, Tel Aviv 61204, Israel, business registration number 520028010 (the "Entitled Shareholder") shall for as long as it owns 15% or more of the total number of shares in the company be entitled to appoint one director to the Board of Directors. The Entitled Shareholder shall retain the right to appoint one director to the Board of Directors also in the event its shareholding is reduced below 15% (no matter how), as long as its ownership is above 12% of the total number of shares in the company. The Entitled Shareholder's right to appoint a director to the Board of Directors pursuant to this article shall terminate if the Entitled Shareholder engages, directly or indirectly, through investments or holdings, including minority investments, in activities directly competing with the company, provided however that this shall not apply for financial investments in land based projects. For purposes of the foregoing, "financial investments" means any investment that does not have the goal of combining an acquired business with another business owned or controlled by such shareholder.

- § 6 The ordinary General Meeting of the company shall consider the following:
 1. The approval of the annual profit and loss statement and balance sheet.
 2. Application of the profit, or settlement of the deficit according to the approved balance sheet, as well as the distribution of dividends.
 3. The election of Board of Directors.
 4. Other issues that under Norwegian law are to be dealt with by the shareholders General Meeting.
- § 7 The company shall have a nomination committee consisting of at least 3 members elected by the general meeting. The nomination committee shall prepare the general meeting's election of board members and propose candidates for nominations. The General Meeting may adopt instructions for the nomination committee.
- § 8 When documents concerning matters to be discussed at the general meeting are made available to the shareholders on the Company's website, the requirement in the Public Companies Act that such documents shall be sent to the shareholders shall not apply. This also applies to documents which, according to law, shall be included or enclosed to the notice of the general meeting. A shareholder may nonetheless request hard copies of such documents to be sent to him.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

■ Environmental, social &
governance (ESG)

EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

Environmental, Social & Governance



- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

1 GENERAL INFORMATION

1.1 THE ESG FRAMEWORK

This ESG report is part of the annual report for 2023 of AKVA group ASA (AKVA group ASA or the company, and together with the company's controlled subsidiaries, the Group), and is made in accordance with the Norwegian Accounting Act, Section 3-3c. The report is a presentation of the environmental, social and governance (ESG) impacts of the Group's activities.

Our ESG report is made with reference to the GRI standard, continuing the reporting standard from our 2022 report. Reporting in accordance with the EU Corporate Sustainability Reporting Directive¹ (CSRD) is expected to be mandatory for the company from the annual report of 2024. In order to prepare for CSRD reporting, this year's report includes a voluntary disclosure of the company's double materiality assessment in accordance with the CSRD and in replacement of the GRI materiality assessment.

A GRI Index is attached at the end of the annual report. We have used sector standard "GRI 13: Agriculture, Aquaculture and Fishing Sector 2022" as a guideline and included the topics The Group finds material for our organization as a supplier in the aquaculture sector.

The Group's approach to ESG is based on our core values and principles, applicable laws and regulations, as well as generally accepted principles and practices for good corporate governance and responsible business practises.

Status in the aquaculture industry is in this report mainly described by examples from accessible,

official statistics from Norway.

Other countries are not that different in terms of sustainability challenges, although there might be local variations and difference in scale.

GRI (Global Reporting Initiative) is an independent, international organization that develop global standards for sustainability impacts and reporting (www.globalreporting.org).

GRI 13: Agriculture, Aquaculture and Fishing Sector (2022) enable more consistent reporting on sector specific impacts for the aquaculture sector

1.2 INTRODUCTION

The Group approaches sustainability as a continuous process, seeking constant improvements in awareness and processes as well as adoption to new regulations, standards, and understandings. We have developed a roadmap for sustainability as a strategic guideline towards 2030.

Sustainability must influence everything we do. It must be part of The Group's culture and DNA, it must be part of the solutions and products we sell and buy, and a driving force behind innovation.

[Our sustainability commitment statement \(2021\)](#)

We define sustainability in line with the Brundtland Commission's 1987 UN report "Our Common Future" as: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

¹ Commission delegated regulation (EU) 2023/2772 of July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

1.3 THE GROUPS PRESENCE AND ACTIVITIES

The Group's largest market is the salmon industry, but we also deliver products and solutions to the seabass and seabream market and other species. We are present with companies in 11 countries (Figure 1). Our own production facilities are placed in Norway and Lithuania. The head office is located in Klepp, Norway.

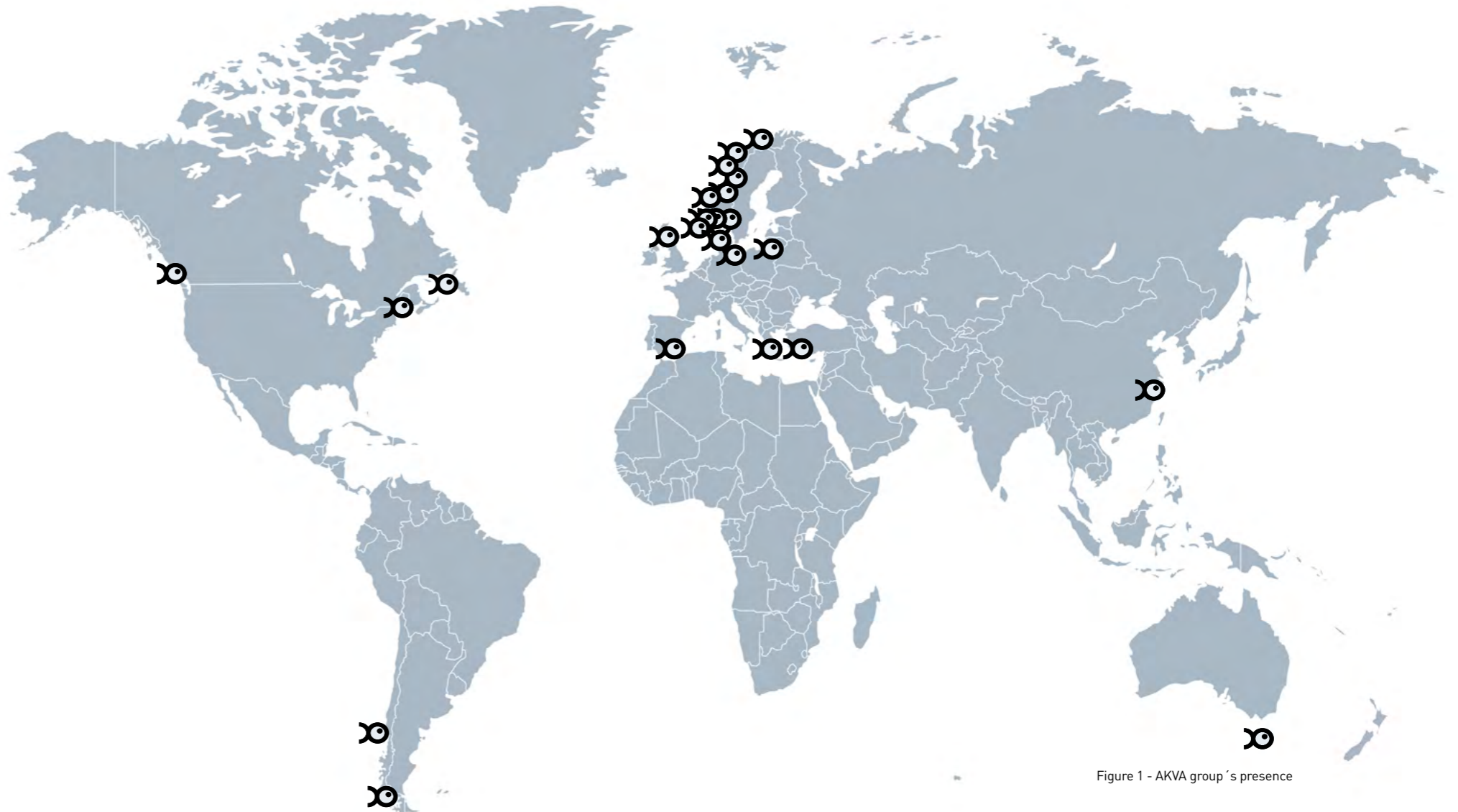


Figure 1 - AKVA group's presence

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index



Figure 2 - The Group's business areas - Land Based, Digital and Sea Based

We deliver technology and services to sea-based and land-based aquaculture. Innovations and digital solutions are key elements in our business. A deeper presentation is found in chapter "The Group - the business segments" in the annual report.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Each business area (Land Based, Digital and Sea Based) have its own characteristics and activities (Figure 3) but in more general terms core activities in the Group are development and design, production, installation/assembly and training, service and support.

Activities at our suppliers and sub-suppliers is extraction and production of raw materials, development and design, production components and products (software included) and transport.

Downstream the fish farmer companies use products and systems developed by us and in the end the products and systems are disposed and made available for recycling or other ways of handling the discarded equipment.

The Group provides a great spectre of solutions, products, and services within the Sea Based business area. We deliver most components needed in a location - from advanced tailormade marine infrastructure, precision feeding- and deep farming systems to single components and products (Figure 4).

Within the Land Based business area the Group deliver complete systems with Recirculation Aquaculture Systems (RAS) and a Zero Water Concept as key elements. A more detailed descriptions is given in Chapter 2.3. Within both Sea Based and Land Based business areas Digital solutions and systems are key elements

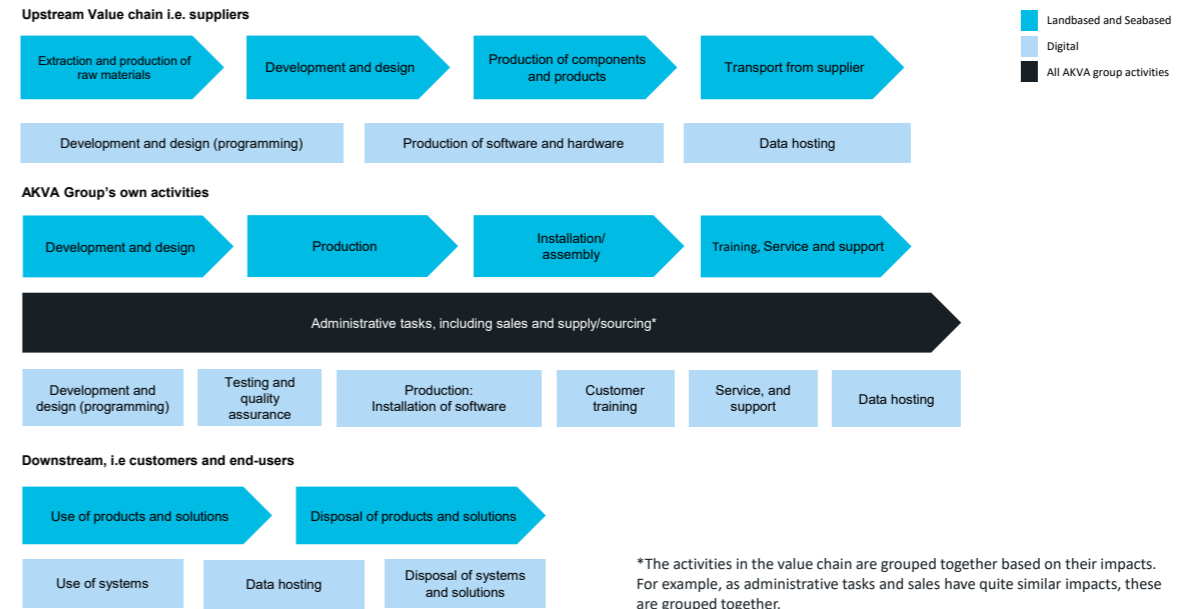


Figure 3 - Value chains of the Group

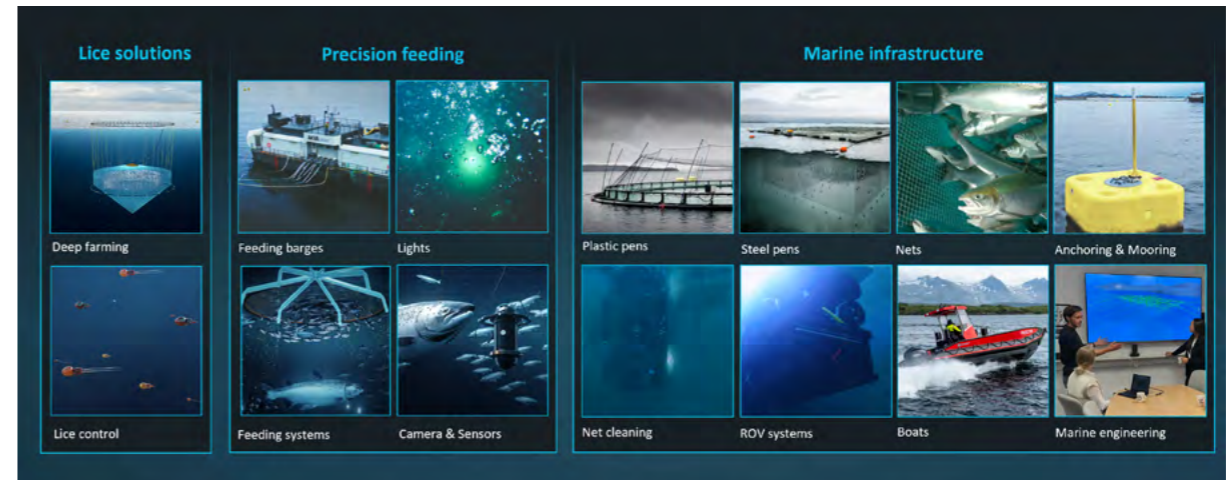


Figure 4 - Sea Based solutions and services

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

1.4 DOUBLE MATERIALITY ASSESSMENT

In 2022, the Group carried out a materiality assessment to decide main focus areas for AKVAs sustainability work and reporting scheme. Built on this assessment, we this year carried out a double materiality assessment with reference to CSRD and ESRS standards. This to prepare for the coming implementation of EU's Corporate Sustainable Reporting Directive (CSRD).

During a transition period ESRS 1 (§ 130) opens for using available best practice and/or available frameworks or reporting standards, such as GRI Sector Standards. Since the impact materiality topics revealed in 2023 are quite overlapping with 2022, we choose to report with reference to GRI also for 2023. In 2024 the financial risks and opportunities will be included.

A double materiality assessment maps the most significant sustainability topics for an organization based on impacts (in-side out perspective) and financial risk and opportunities (outside-in perspective).

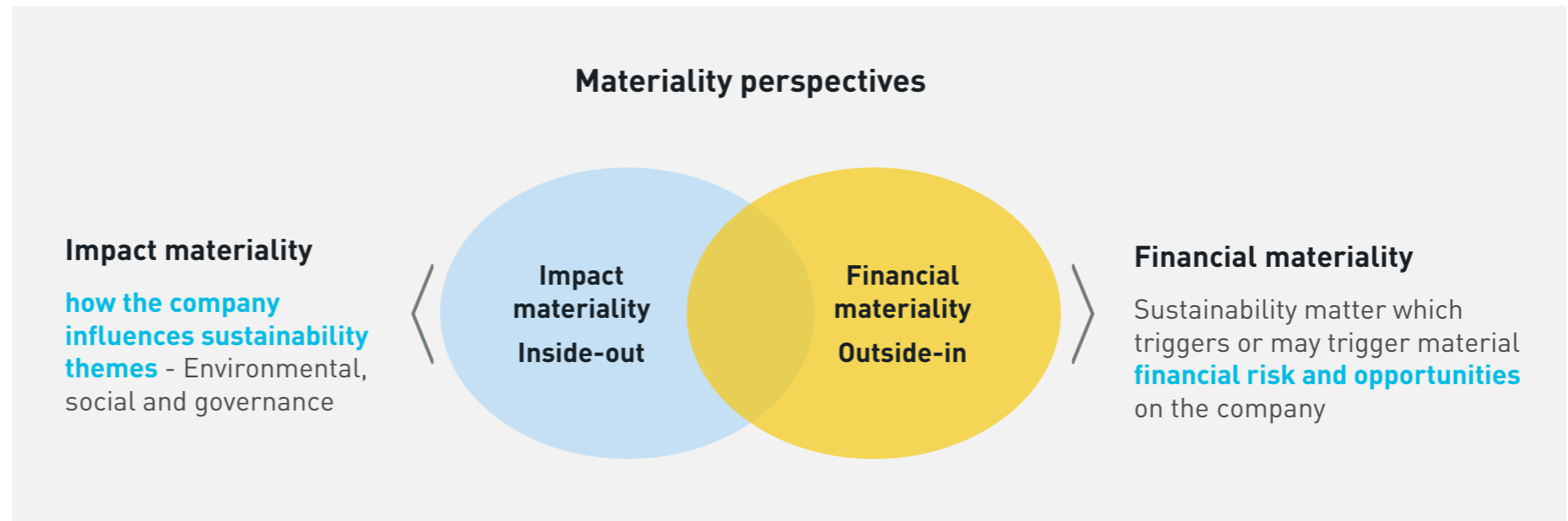


Figure 5 - Materiality perspectives

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index



Main supplier groups

- Norwegian suppliers
- Nordic suppliers
- European suppliers
- Asian suppliers
- South American suppliers
- Yards
- Plastic suppliers
- Data system suppliers
- Suppliers of mechanical components



"Silent" stakeholders

- Nature: Sea, marine ecosystems
- Farmed fish
- Wild fish -esp Wild salmon
- Marine animals
- NGOs



Internal stakeholders

- AKVA group Seabased
- AKVA group Landbased
- AKVA group Digital
- AKVA group ASA



Costumers

- Landbased fish farmers
- Seabased fish farmers
- Non-aquaculture customers



Experts

- Association
- Global Reporting Initiative
- University sector



Capital Owners

- Banks
- Insurance companies
- Owners and investors

Figure 6 - Relevant stakeholders

The results from the process have revealed what expectations our internal and external stakeholders have of our work, risks and our impact related to the different topics. This has been used to decide which topics are material. It has also guided us in our work with defining sustainability promises and implement actions under each focus area.

In the first phase, activities in the Group's value chain were identified (illustrated in Figure 3). The value chain does not include end-users eating farmed fish, as this is out of control of what the Group can affect. Relevant stakeholders were mapped to understand business relations and ESG context (Figure 6). The identification of impacts was done with a top-

down approach, where the project group prepared a longlist of impacts with inspiration from the ESRS topics. Entity specific impacts from the aquaculture industry was also included. The longlist of impacts was the starting point in dialogue with employees from different segments in the Group. The list was then adjusted after feedback from the involved employees. The identification of risks and opportunities (IROs) was done with a bottom-up approach, where the same employees involved with the impact-identification were asked to list relevant risks and opportunities for their segment. External documents/industrial reports, such as for instance the GRI standard 13: Agriculture, aquaculture and

fishing sector, and internal documents was examined. Customers and suppliers gave input to the process in identifying impacts, risks and opportunities (the IROs). The IROs was presented to, and discussed by, the top management team in the Group.

Final assessment was carried out by the management, the project group, topic specialists and segment specialist. The materiality topics will be followed up and addressed on a regular basis at management level to ensure adequate focus.

All identifies IROs were assessed based on criteria from the ESRS requirements.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Figure 7 summarize material topics for the Group. "Working conditions upstream" and "Violation of human rights" in the value chain scored below the chosen thresholds but is still decided as material topics. The Group is reliant on products and raw materials that are linked to a high inherent risk of human rights abuses and indecent working conditions. The complexity of the value chain associated with these products and materials further amplifies the risk.

- Environment**
 - GHG emissions
 - Energy consumption
 - Climate change adaptation
 - Water consumption (RAS)
 - Precision farming/feeding
 - Escaped farmed fish
 - Fish welfare
 - Material use in production
 - Circular economy aligned products
 - Waste
- Social**
 - Gender equality among own workers
 - Diversity among own workers
 - Health and safety of own workers
 - Violations of human rights in the value chain
 - Working conditions of upstream workers
 - Value creation and employment in small, local communities
- Governance**
 - Corruption and bribery
 - Social and environmental impact on suppliers
 - Political engagement and new regulations

Topics close to the axis indicates there is no identified risk/opportunities related to the assessed impact, or vice versa

As a supplier of products and services the material topics clearly shows our dual role; our important role as a provider of new innovative solution which contribute to solve our customers challenges. The other important dimension is our work to improve practices in our own organization and by our suppliers.

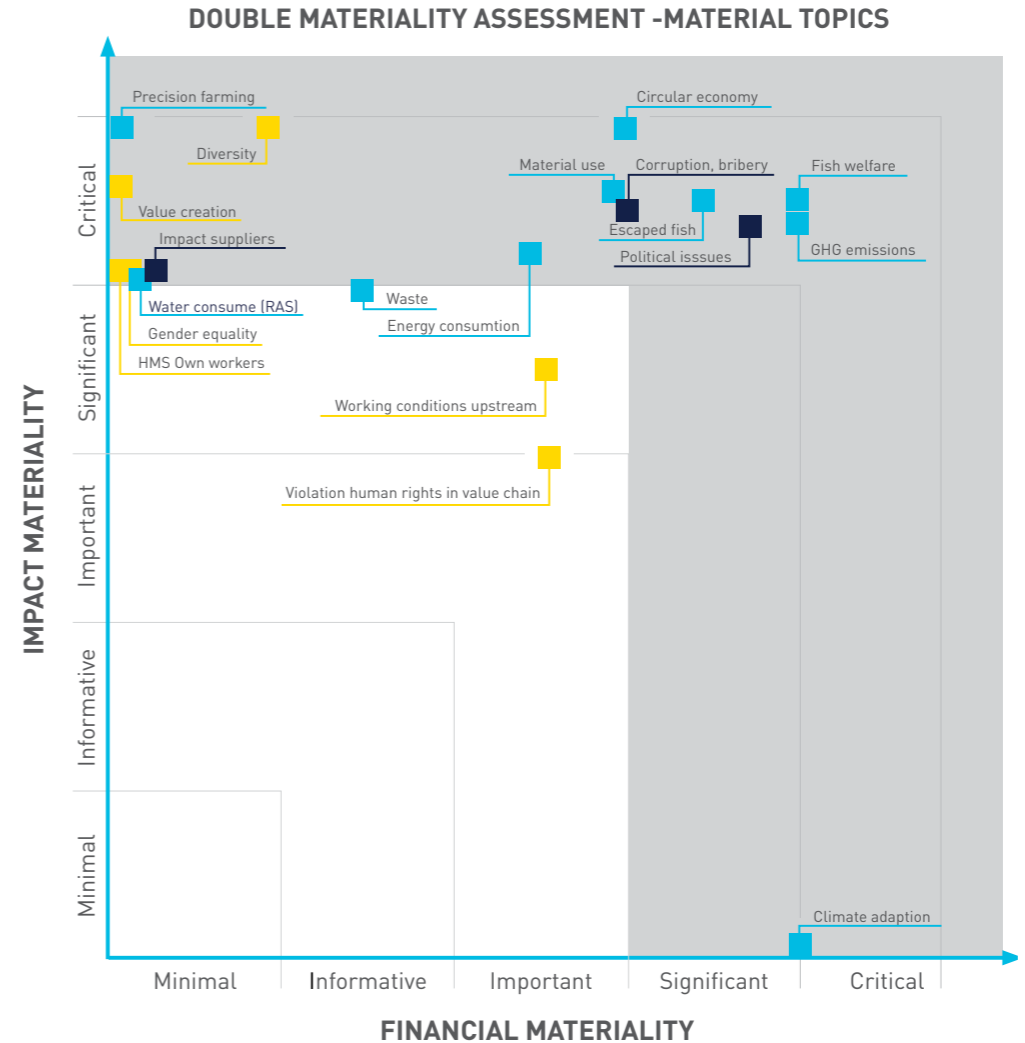


Figure 7 - Overview of material topics for the Group above thresholds

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

1.5 ESG - A PART OF OUR STRATEGIC FOUNDATION

In 2022, the Group identified five main areas for our sustainability work and reporting scheme: Climate and environment, Innovation, People, Society and Business ethics. We keep these main areas, but where appropriate, include new perspectives from the double materiality assessment in 2023².

Within each area we have sustainability promises (objectives), which set direction. Our sustainability promises are closely linked to the UN Sustainability Goals (SDGs) which guide us in our collaborative effort towards sustainable development. The SDG goals considered most material for the Group and where we can contribute the most is identified below.

AKVA groups innovation is set towards sustainable aquaculture

- We develop and deliver solutions for Precision Fish Farming.
- We focus on innovation for improved environmental impact and fish performance.

AKVA group contributes to local communities and the global seafood industry

- We are an important contributor to employment and value creation.
- We contribute to an increased and sustainable seafood production through new solutions and global presence.

AKVA group works to reduce climate change and meet the needs of a circular economy

- We work to reduce emission in our operations and supply chain.
- Our ambition is that all AKVA products meet the need of a circular economy.

AKVA group ensures responsible business conduct in all parts of our value chains

- We commit ourselves and our representatives to our Code of Conduct.
- We commit to cross-industry collaboration for ethical trading and human and workers rights.

AKVA group works for good working conditions for all employees

- We work to improve health and safety for a diverse and inclusive working environment.
- We set clear expectations and facilitate development opportunities.



Figure 8 - The Group's sustainability promises and their link to the UN SDGs

² In 2024 we will report according to CSRD and ESRS

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Our sustainability promises are also an important part of our strategy house described in Figure 9. The promises are based on our values and leadership principles and is summarized in one sentence;

We CARE for Planet, People and Profitability.

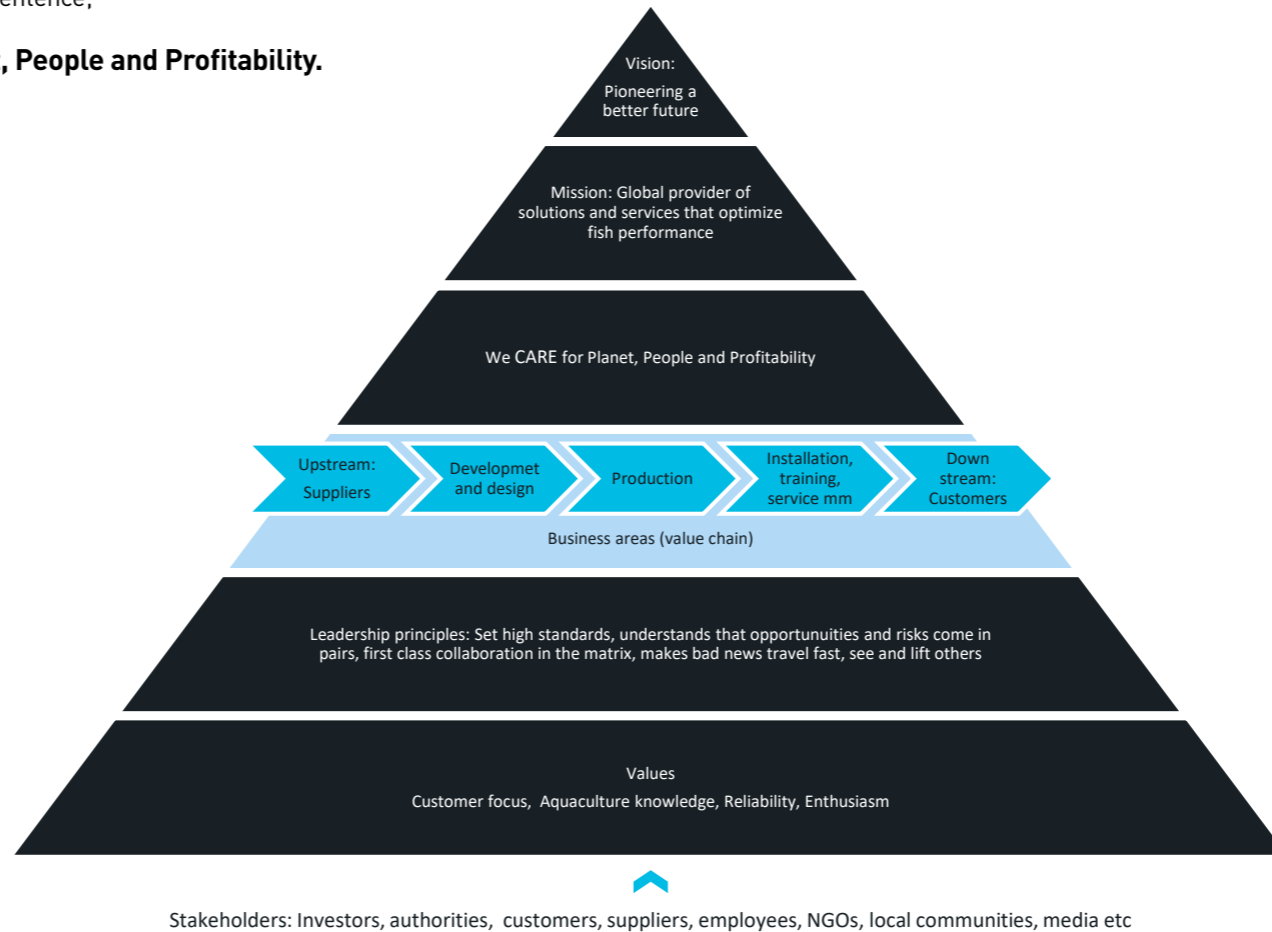


Figure 9 - The Group's strategy pyramid

During 2024 policies and key performance indicators in terms of a roadmap will be developed.

In the following chapters we will within each sustainability promise describe actual status – both within the industry and with regards to The Group. We will report on activities and results achieved in 2023 and the way forward. Policies and commitments will be described and if necessary, describe actions taken to prevent and mitigate potential negative impacts.

Risk evaluations and mitigating actions, i.e. against climate changes, is also described in the annual report in Board of Directors Report.

2 ENVIRONMENTAL INFORMATION

2.1 REDUCE GREENHOUSE GAS EMISSION (GHG)



AKVA group works to reduce climate change and meet the needs of a circular economy

- We shall reduce emissions in our operations an supply chain
- Our ambition is that all AKVA products meet the need of a circular economy

Material topics that will be discussed in this chapter is “Climate change adaption” and our “GHG emissions” and “Energy consumption” from our operations.

2.1.1 STATUS AND RESULTS

In a world with increasing demand for protein in general and especially seafood, combined with decrease in the wild fisheries, responsible aquaculture production can be an important contribution to a more sustainable future, and a healthier diet for a growing population. FAO³ highlights aquatic foods as important contributors in the worlds need of nutritious food, and during COP28 UAE⁴ climate friendly food production was highlighted and a need for increased aquaculture production communicated. Salmon production is an effective production of proteins with low climate footprint compared to other protein sources. Still the aquaculture industry must thrive to decrease the carbon footprint in every step of the value chain. Air freight of products to the markets, such as for instance China, increases carbon footprint significantly (Figure 10) and will potentially be reduced by development of supplementary land-based aquaculture close to the consumer. Our Land Based division is currently constructing a land-based production facility owned by Nordic Aqua Partner for grow out of salmon in Ningbo, China. In total, the GHG emissions from salmon production decreased with 10 % from 2017 to 2023⁵.

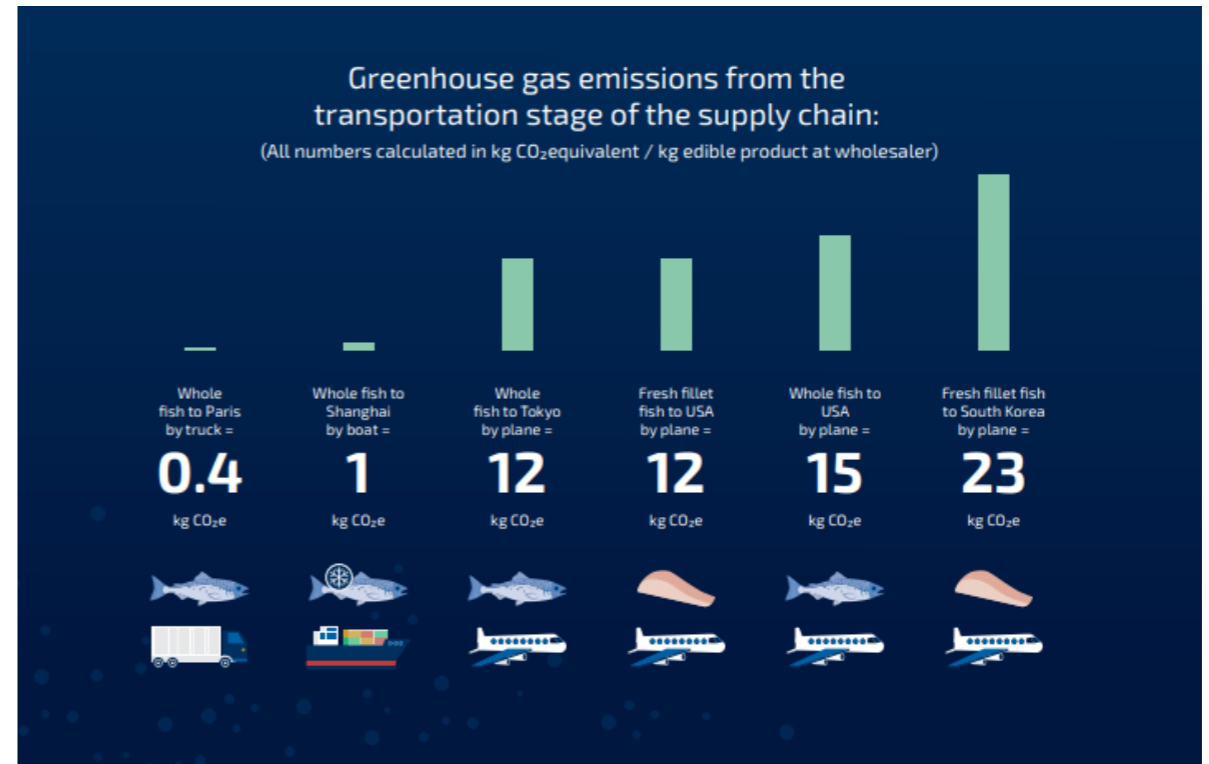


Figure 10 - Greenhouse gas emissions of Norwegian salmon products. Source SINTEF Ocean(7)

³ Food and Agriculture Organization of the United Nations. Blue Transformation. Roadmap 2022-2030. A vision for FAO's work on aquatic food systems. Fisheries and Aquaculture Division (fao.org)

⁴ 28th annual United Nations (UN) climate meeting

⁵ SINTEF Ocean. Greenhouse gas emissions of Norwegian salmon. Report no: 2022:01198

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

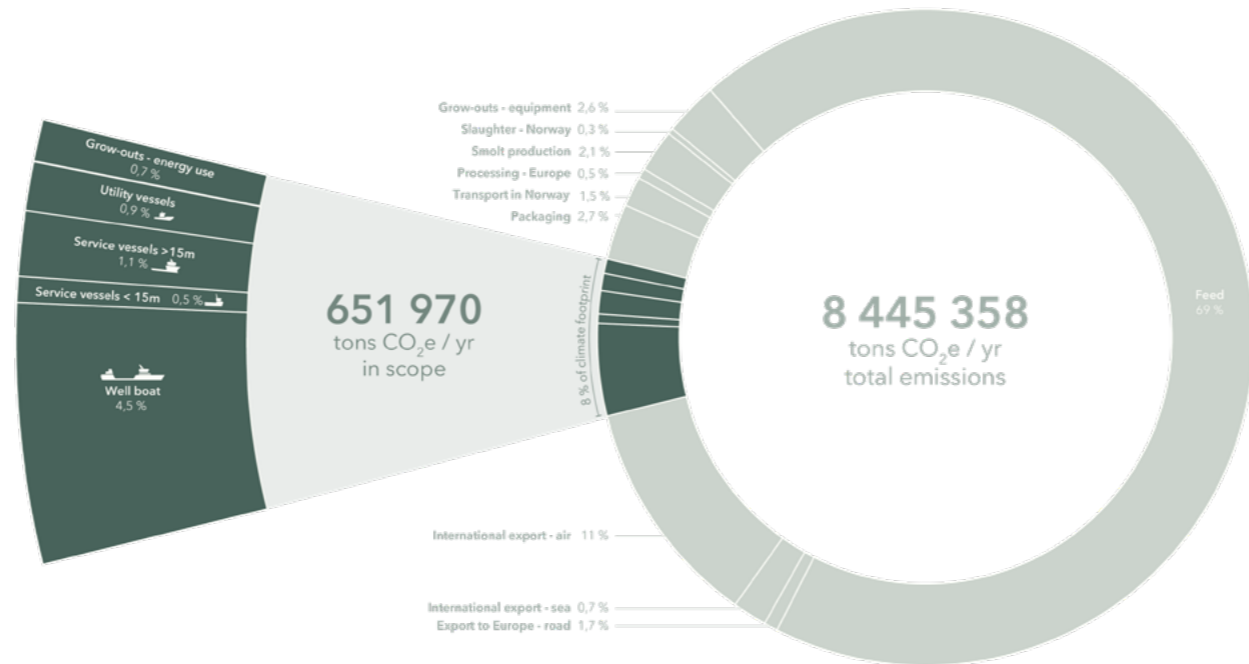


Figure 11 - GHG emissions in Norwegian aquaculture production (salmon and trout) in 2019. Source Asplan Viak (6)

In addition to airfreight (export), feed is the main source of CO₂ from production of salmon and trout in Norway (Figure 11)⁶. The Group's contribution to the total GHG emission is as part of the categories Equipment (2.6 %) Smolt Production (2.1%) and Farming – use of energy (0.7%) in Figure 11.

The Group's possibility to reduce GHG emission in the seafood industry is concentrated along; construction of solutions with high energy efficiency such as hybrid solutions in feed barges, reduction of raw material consumption such as plastics and steel in own productions facilities, increased use of recycled materials, reduction of transport and travelling in general and design of products with a long life and easily recycled.

The Group's GHG emissions

In 2022, the Group established a GHG account on a group level, covering scope 1 and 2⁷ and for 2023 we have started our Scope 3 reporting. The analysis is based on the international standard, the Greenhouse Gas Protocol Initiative (GHG protocol), which is the most important standard for measuring greenhouse gas emissions, developed by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). The GHG protocol founds its carbon inventory and reporting on three main, scopes of direct and indirect emissions. The reporting considers the following greenhouse gases, all converted into CO₂ equivalents: CO₂, CH₄ (methane), N₂O (laughing gas), SF₆, HFCs and PFCs. The system CEMAsys.com makes it possible to evaluate the emissions and effects of our measures.

⁶ potensialet-for-klimakutt-i-havbruksnaeringa-sammendrag-for-beslutningstakere-asplan-viak-26-05-2021.pdf [google.com]

⁷ Scope 1 emissions are direct GHG emissions that occur from sources that are controlled or owned by The Group (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Table 1 - Entities and countries included in the GHG account

Dimensions in GHG account	Norway	International									
Countries	Norway	Australia	Canada	Chile	Denmark	Greece	Lithuania	Scotland	Spain	Turkey	China
		AKVA group Australasia Pty Ltd	AKVA group North America Inc	AKVA group Chile S.A	AKVA group Denmark A/S	AKVA group Hellas SM PEC	UAB Egersund Net	Scotland Ltd	AKVA group Espania S.L	AKVA group Turkey Ltd.	AKVA group Land Based China
	AKVA group ASA										
Entities	AKVA group Software AS AKVA group Services AS Helgeland Plast AS Polarcirkel AS AKVA group Land Based Sømna AS Sperre AS Egersund Net AS Egersund Trading AS Submerged AS		Newfoundland Aqua Service Ltd.	AKVA group Land Based Americas	AKVA group Land Based A/S			Grading Systems Ltd			

Establishment of the GHG account is initiated by the management group and executed by the financial and ESG department in the Group. Measures to reduce GHG emission is the responsibility of the operational management with guidelines from the top management. The system is anchored in the roadmap for sustainability developed by the management. Base year for the Group's total GHG account for scope 1 and 2 will be 2023 and scope 3 in year 2024. Science Based Target initiative (SBTi) says it is two important considerations selecting base year; The first is ensuring our business has a verifiable scope 1,2 and 3 emissions data for this year, and the second that the year is representative of typical business activity. Our Scope 1 and 2 is in 2023 more complete than in 2022 and the total scope 3 will be in place for 2024.

Calculation of GHG emission is done in accordance with The GHG Protocol by using the control approach, this means that the calculations are based on site-specific data from each entity owned by more than 50 % by AKVA group ASA. Most of the Group's entities and production facilities are in Norway and therefore the GHG accounts is divided into Norway and International. Table 1 lists entities and countries included in the GHG account.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Table 2 - The Group's Scope 1 and 2 GHG emissions. Source: The Group and CEMAsys

		2022			2023		
		Norway	International	AKVA group in total	Norway	International	AKVA group in total
Direct Scope 1 (direct emissions from transport and stationary combustion)	tCO ₂ e	365	906	1 271	418	1 322	1 740
Indirect Scope 2 (Purchase of electricity, heat etc), location-based	tCO ₂ e	142	359	500	114	355	469
Indirect Scope 2 (Purchase of electricity, heat etc), market-based	tCO ₂ e	NA	NA	NA	9 243	536	9 779
Total tCo2e (scope 1 og 2) location-based	tCO ₂ e	506	1 265	1 771	532	1 677	2 209
Total tCo2e (scope 1 og 2) market-based	tCO ₂ e	NA	NA	NA	9 661	1 858	11 519

The Group's total greenhouse gas emissions within scope 1 and 2 was 2,209 tons CO₂e in 2023 (Table 1), whereof scope 1 represented 79 %. There is an increase in greenhouse gas emission from 2022 to 2023 due to increased activity in Canada and because our activity in Lithuania was included from 2023. Activity in Norway represents the largest single country GHG emission with 532 tCO₂e, while Canada and Chile were next in line (they are part of International). Internal transport activities are the largest contributor to our scope 1 emission. Scope 2 is location-based. The electricity bought in Norway is from hydropower produced in Norway while the electricity in Canada and Chile is mainly based on non-renewable sources. The GHG emission intensity for Scope 1 and 2 in 2023 was 0,64 (2022: 0,52), measured in tons of released CO₂e per mill NOK revenue.

The Group has started to establish Scope 3⁸, and a complete scope 3 will be in place during 2024. A material topic for the Group is resource inflow in terms of raw materials such as plastics and steel. In the next chapter we describe in detail our main material uses and how we work to meet the circular economy. Our purchase of plastics⁹ for production of floating collars and nets in Norway and Lithuania and steel for production of our steel cages in Chile represents 34,430 tCO₂e, hereof 25,5674 tCO₂e in Norway. Other purchases than plastic and steel are not included. Waste from net washing going to incineration is 2,244 tCO₂e. The Groups greenhouse gas emission was in 2023 38,882 tCO₂e (Figure 12).

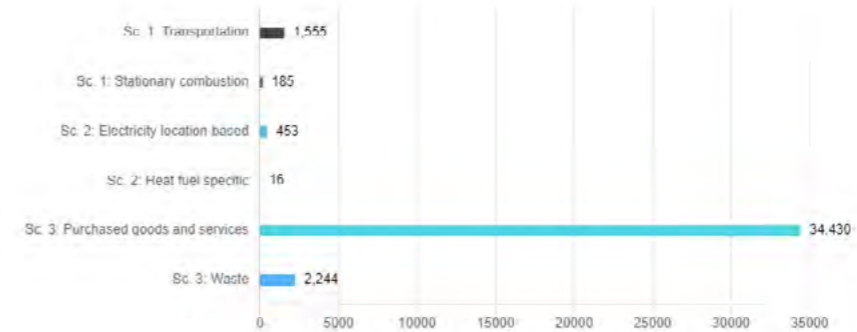


Figure 12 - The Groups GHG emissions in 2023 (Scope 3 limited to purchase of raw materials and waste), location-based. Source: The Group and CEMAsys

Total energy consumption (scope 1 and 2) was 27,277 MWh in the Group in 2023, which is an increase of 26 percent from 2022. The reason is that some entities within the Group had insufficient reporting for 2022. About 76% of the total energy consumption comes from consumption of electricity, and the rest mainly consumption of fuel.

Most of the energy was used in Norway where many of the Group's production sites are located. AKVAs electricity is mainly from hydropower produced in Norway – and this gives us a 70% renewable share. The energy intensity for 2023 was 7.95 MWh per MNOK revenue (2022:6.4 MWh per mill NOK revenue).

⁸ Scope 3: All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

⁹ High-Density Polyethylene, polyamide and Ultra High Molecular Weight Polyethylene

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

■ Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Table 3 - Energy consumption in The Group in 2023. Source: The Group and CEMAsys

		2022			2023		
		Norway	International*	AKVA group in total	Norway	International*	AKVA group in total
Total fuel consumption from non-renewable sources	MWH	1 761	3 885	5 646	1 681	5 408	7 089
Total fuel consumption from renewable sources	MWH	-	-	-	-	-	-
	electricity consumption MWH	14 253	1 584	15 837	18 402	1 709	20 112
	heating consumption MWH	-	61	61	-	77	77
	cooling consumption MWH	-	-	-	-	-	-
	steam consumption MWH	81	-	81	-	-	-
Total energy consumption	MWH	16 095	5 530	21 625	20 083	7 194	27 277

* Scotland, Spain, Greece, Turkey, Denmark, Lithuania, Canada, Australia, Chile

EPDs, Environmental Product Declarations (ISO 14025), can provide objective, comparable and third-party verified data about products and services' environmental performances from a lifecycle perspective. It is also a useful tool to improve our solutions and production processes. The Group is preparing for implementing this in aquaculture and were involved in defining Product Category Rules (PCR) initiated by The Norwegian EPD Foundation¹⁰ and the Norwegian Seafood Federation in 2022. The PCR rules for GHG reporting on different technological products in sea-based aquaculture was released in first half of 2023¹¹. These industry PCR rules makes it possible to develop environmental accounts on a product level, such as for instance for nets and floaters. In 2023, AKVA group ASA prepared an EPD for nets which was published at EPD Norway in January 2024¹².

2.1.2 THE WAY FORWARD

To establish baseline in the GHG account is an important milestone for the Group and our next step is to establish a complete Scope 3 during 2024.

The overall target for the Group is to reduce our GHG emissions by 35 % by 2030, and a more detailed plan for this will be further developed during 2024 – given the knowledge from baseline and input from working with EPDs of different products. Important topics will be:

- Reduced energy consumption at the production facilities
- Substitution of virgin material (plastics and steel) with recycled or climate neutral raw material
- Waste handling
- Optimize transport

¹⁰ EPD Norge - Home (epd-norge.no)

¹¹ <https://www.epd-norge.no/pcr/pcr-register/npcr-031-part-b-for-for-sea-based-aquaculture-infrastructure-and-components-references-to-en-15804-a2>

¹² Enclosure ENC 160 1530 60 - EPD Norge (epd-norge.no)

2.2 MEET THE REQUIREMENT FOR A CIRCULAR ECONOMY



AKVA group works to reduce climate change and meet the needs of a circular economy

- We shall reduce emissions in our operations an supply chain
- Our ambition is that all AKVA products meet the need of a circular economy

Material topics that will be discussed in this chapter is “Material use in production”, “Circular economy aligned products” og “Waste”.

2.2.1 STATUS AND RESULTS

AKVA group ´s traditional business model is linear (Figure 13) and has some clear weaknesses; the model requires a high need for new virgin materials and the product is often not designed to last as long as possible or be ready for repair and reuse. In aquaculture (and other industries) this model is changing to a more circular business model, and sustainability is a driver for innovation and new ways to deliver customer value. AKVA group has projects and processes which will transform our business into a more circular model – reuse of products, use of recycled material instead of virgin, extended product life, rent instead of sale, and so on.

Status in the aquaculture industry

Circular economy aligned products was identified as material topic for the Group. Main focus in this chapter is plastic materials, since many of our products are based on different types of plastic components, but we also include other important materials.

Globally, there is an increasing awareness of marine littering of plastics from aquaculture activities in the

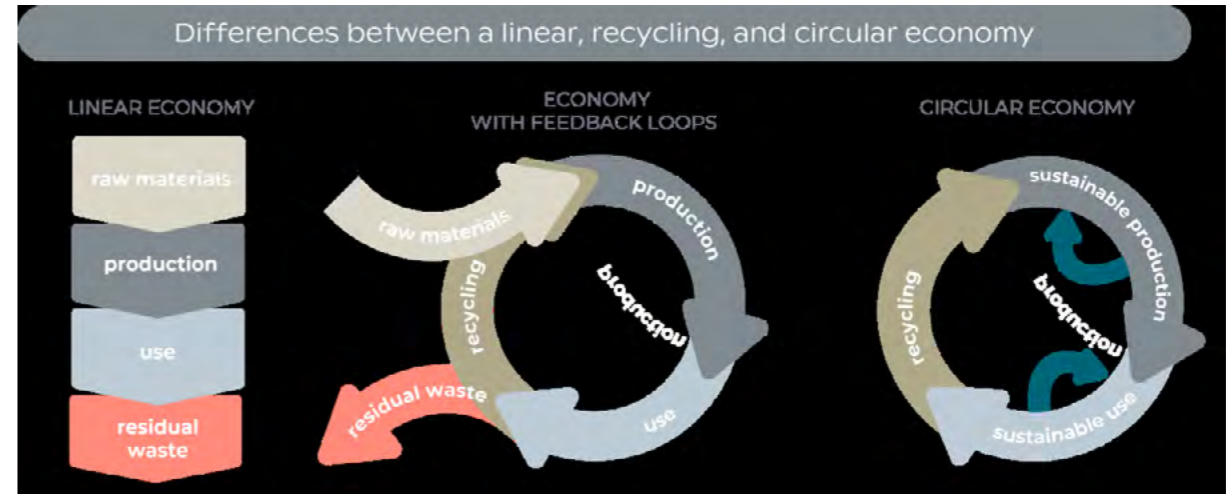


Figure 13 - A typical linear business model. Source: Industry Insight: The future of plastics in the Norwegian aquaculture industry, 2023. NCE Seafood Innovation Cluster.

ocean and near sea areas. The aquaculture industry is challenged by EU regulations and NGOs on how to reduce, use, handle and recycle plastic products. The EU's plastic Directive (EU 2019/904)¹³ was adopted in 2019 and sets a clear requirement for an extended producer responsibility scheme for certain plastic products, including equipment from fishing, aquacul-

ture, and recreational fishing. Norwegian authorities are in process of developing national regulations to comply with the EU directive and other countries such as Iceland will also look to EU. In addition, many of the UN's sustainability goals point to the need for increased focus on circular economy in general.

¹³ Directive (EU) 2019/904 on the reduction of the impact of certain plastic products on the environment

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

In Norway, the fish farming companies have routines and systems for handling the discarded products, but there is a lack of documentation of volumes and further use of discarded equipment¹⁴. A system for better documentation and traceability is needed.

Already mention Directive (EU 2019/904) involves an establishment of Extended Producer Responsibility for plastic based products from aquaculture. In Norway, the Group is working through the Norwegian Seafood Federation with the rest of the industry to establish and develop effective systems (PlastCirc) for collecting, reuse and recycling of discarded plastic products.

Another important aspect is how micro plastic from different equipment can affect life at sea, possibly through discharges of microplastics from feed pipes or micro plastic from land-based facilities. Research projects initiated by the Norwegian Seafood Research Found¹⁵ and other funding tools finance and investigates the problem. We are involved in several projects, for instance a project focusing on microplastic from land-based fish farming

The group's use of resources

Our main raw materials are plastic, steel and concrete. In 2023, the Group used about 8,150 tons of plastic raw materials, this is a small decrease from 2022. For production of feed barges and steel pens we used about 5,800 tons of steel, a reduction of 3,500 tons due to market challenges. In addition, we used about 230 tons of concrete as ballast in barges.

The aquaculture industry is challenged by EU regulations, NGOs and the public in how to reduce, use, handle and recycle the plastic products and the Group's responsibility is clear. In 2022 we developed a plan which describes trends and status in the industry regarding plastic-based aquaculture technology, status in the Group and the Group's targets, actions and KPI's. In this chapter, we give a summary of the plan.

Plastic is a main component in many products from the Group, and the most important products we sell are listed in Table 4. In sea-based aquaculture our main plastic-based product groups are pens, nets and feeding pipes. In land-based aquaculture tanks and tank systems, pipes and pipe parts included are the most important products with plastic as a main component.

Table 4 - Use of main raw material at our production sites (in tons)

Use of main raw material at our production sites	2022	2023	Production sites	Products (examples)
High-density polyethylene (HDPE)	7 500	7135	Helgeland Plast	Plastic pens, pipes, feeding pipes
Polyamide (nylon)	900	850	Egersund Net	Nets and accessories
Ultra High Molecular weight Polyethylene (Dyneema)	180	85	Egersund Net	Nets and accessories
High-density polyethylene (HDPE)	N/A	75	Landbased Sømna	Pipes, tanks, etc
Plastics in total	8 580	8 145		
Steel in cages	6 300	3 400	AKVA group chile	Steel pens
Steel in barges	2 981	2 379	Shipyards (Suppliers)	Barges
Steel in total	9 281	5 779		
Concrete in total	318	226		Barges (ballast)

Table 5 - Products from the Group with plastic as a main component

Segment	Products
Sea Based	<ul style="list-style-type: none"> ■ Plastic pen including bottom ring ■ Optional equipment, such as hamster wheels, bird netting rods etc. ■ Feeding pipes ■ Pipes and pipe parts for other markets ■ Boats ■ Nylon nets
Land Based	<ul style="list-style-type: none"> ■ Dyneema nets ■ Tanks

Waste management and recycling

Site management at our production facilities have the main responsibility for waste handling and monitoring. Figure 14 illustrates the recycling system for pens and the different parties involved. In 2022 The Group established a close cooperation with Oceanize AS (a recycling company) as a recycling partner for pens and feeding pipes. Boats produced by the Group is mainly based on HDPE and they are fully recyclable. Production waste from the boat production is sorted and delivered to approved companies for recycling. All scrap is reused in the production of pipes, this was 350 tons of HDPE out of the total 7,150t (Table 3). The Group has started a process to optimize the assembly sites for pens.



Figure 14 - Recycling system for pens Potential for recycling

¹⁴ https://seafoodinnovation.no/wp-content/uploads/2023/10/FINAL_2023-10-16_The-future-of-plastics-in-the-Norwegian-aquaculture-industry.pdf

¹⁵ www.fhf.no

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Egersund Net has a well-established system through cooperative partners in the recycling industry such as Nofir and Aquafil for recycling of nets, net products and ropes. Today, all discarded nets are either recycled into carpets or other products or they are incinerated. In 2023 1,424 tons of nets were collected and regenerated to 854 tons of nylon filaments reused in new products (Figure 15). This is an increase from 2022 with 12 % of discarded nets and 8% of nylon filaments. In addition, 340 tons of discarded nets were sent to energy recovery, which is a decrease of 18 %.



Figure 15 - Recycling system for nets and net products

Biofouling, antifouling and net washing regime (biodiversity)

At sea it is important that the fish farmer treat the nets right (washing regime etc) to minimize flakes of coatings to be released from the nets and sink to the seabed. Mandatory MOM B¹⁶ surveys control the seabed regularly. The usage of coatings prevents fouling and provide a good and healthy environment for the fish, and correct use is important to prevent negative impact to the ecosystem and biodiversity.

Biofouling on aquaculture nets is a challenge for the aquaculture industry¹⁷. Biofouling (blue mussels, hydroids, algae's etc) adds weight to nets and equipment and changes hydrodynamic properties of the fish cage systems. With a high degree of biofouling on nets, clean and oxygen rich water can be prevented from entering the cage, causing a suboptimal environment for the fish. Approaches to battle biofouling include prevention measures in form of anti-fouling coatings, removal by underwater or land-based net cleaning, net drying or changing of nets.

Antifouling with copper biocid has been the preferred choice for many years to prevent biofouling on nets and the antifouling must be handled and used properly to minimize possible release to the environment. The industry, The Group included, works to reduce/optimize anti-fouling with copper biocid together with suppliers.

The last four years the Groups use of copper oxide (Cu2O- the active component) is reduced by 79 %. Institute of Marine Research confirms that use of antifouling with copper biocid has decreased the last 2-3 year in the Norwegian Fish farming industry¹⁸.

Waste from wastewater treatment at our net service stations are divided into two fractions; fine sludge and more coarse waste – both contain copper residues. Pure copper is regenerated from the fine sludge in Germany, and the coarse waste is sent to energy recovery at a company in Sweden. A new process makes it possible to regenerate copper residuals in discarded and washed nets, and every part is taken care of in a proper way and recycled if possible.

The use of antifouling and coatings with tralopyril and zinc pyrithione biocides are increasing. The main purpose is to prevent fouling and protect the textiles. In addition, use of coatings without biocides purely for protecting textiles and ropes are increasing. They all meet legal requirements for coatings applicable to net constructions, but the Institute of Marine research pinpoint that the knowledge about the impact of tralopyril on the marine environment is not good enough.

Innovation for closing the plastic loop

Floating rings and nets have great potential of recycling and in 2023 The Group reached several important milestones.

We launched the first pen ever in recycled HDPE based on discarded pens from a fish farm in August 2023. The pen is certified according to NS9415:2021, and it is tested at a site at the coast of Helgeland. Earlier we have removed polystyrene from the pen and the whole pen is now based on recycled HDPE.



Figure 16 - The recycled pen launched at sea by the Group in Mo i Rana

¹⁶ MOM B: Environmental monitoring of benthic impact from marine fish farms (NS 9410:2016)
¹⁷ Biofouling and biocleaning (sintef.no)
¹⁸ Risikorapport norsk fiskeoppdrett 2024 | Havforskningsinstituttet (hi.no)

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

The collaborative partners the Group, Plasto, Oceanize and Nova Sea have gone a step further in a project taking development of pens entirely based on recycled material to a new level. The Group produces the pens in Mo i Rana (Norway), Oceanize collects pens along the entire coast and produce recirculated granulate in Rørvik, and Plasto produces parts for the pens in Åndalsnes. The basis for an efficient and national value chain is in place. The project received support from the Norwegian Trade's Environmental Fund and SkatteFUNN.

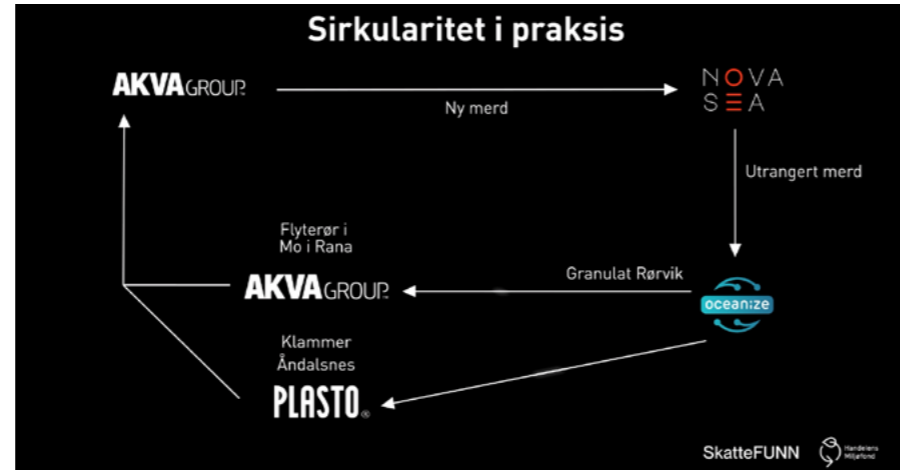


Figure 17 - Circularity in practice – the recycled pen value chain

Nets is the other product category that has a great potential for closing the loop, which means using discarded nylon nets to produce a filament that can be reused in net production. Today, all discarded nets are either recycled into carpets or other products or they are incinerated (Figure 15).

The Group is now a key player in a collaboration with Nofir, Aquafil, Grieg Seafood, and Hampidjan to develop the first circular farming nets ever using recycled nylon from used nets (netting and ropes), fishing gear, and other nylon products. The two year project "Circular Net Construction" receives support from the Norwegian Trade's Environmental Fund and SkatteFUNN.



Figure 18 - Karen Kvalheim, Innovation Manager at The Group Egersund Net involved in creating circular farming nets

Steel – working for larger proportion of recycled material

Steel is raw material in barges and steel cages. In 2023, the Group used about 5,800 tons of steel. Steel has a fair value in the recycling market and discarded cages and barges are either reused locally – for instance in Chile - or recycled.

Traditionally polystyrene (EPS) has been the floating element in steel cages. In Chile the use of EPS is reduced from 417 tons in 2018 to 8,9 tons in 2023 where EPS is replaced by floating elements made by recycled plastics of HDPE. During 2023, our activity in Chile designed and tested an increased volume of floating elements that allow greater freeboard on the pens and makes them safer (less chance of breakdown).

In 2023, Chile included recycled steel as part of not structural pens components; On the 50x50 EX3 pens the inspection hatch are made in recycled grating, increasing the amount of recycled steel from 1% up to 15%.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

■ Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Documentation

The Group has been an important player in development of Product Category Rules (PCR) and Environmental Product Declarations (EPDs) together with farming companies and other supplier in the Norwegian Seafood Federation. The PCR for sea-based aquaculture infrastructure and components¹⁹ was launched in April 2023 at www.epd-norge.no giving the rules for how to make EPDs for equipment at a sea-based location. The Group developed and launched an EPD on their mostly sold nylon net²⁰. This gives us and our customers detailed information of the climate of the products.

Others research and innovation initiatives

The Group participated in RnD projects such as MICRORED bringing new knowledge forward about microplastic from feeding pipes and in the pre-project MiRA, where the Group is taking a closer look at the emissions of microplastics in RAS together with SINTEF Ocean. We also joined the SMARTER project²¹ surveying microplastic release from aquaculture nets and ropes using different technologies for emission reduction with SINTEF Ocean in the lead and financed by Norwegian Seafood Research Fund. Except from nets, there is currently no system in place making it possible for The Group to track and trace the products when they are discarded by the fish farmer, but the Norwegian Seafood Federation has developed and will establish a tracking system in 2024 (PlasCirc) and The Group is an important player and contributor to the system.

2.2.2 THE WAY FORWARD

As mentioned the Group has established a Plastic plan that describes our targets and actions in the way forward. Our focus is:

1. **ORDER IN OWN HOUSE;** Establish good and effective systems for collecting, reuse, recycling, and deliveries of discards of plastic at our own production- and assembly facilities in every markets.
2. **DEVELOP ENVIRONMENTAL PRODUCT DOCUMENTATION** for each plastic-based product group based on industrial standards (GHG included):
 - Develop EPDs for floaters and other equipment
3. **REPLACE VIRGIN WITH RECYCLED PLASTIC** in our products:
 - Commercialize the recycled pen and build a robust value chain
 - Use of recycled plastic filaments in nets and ropes
4. **AFTER USE OFFER SOLUTIONS** to the customer for recycling and correct handling - in partnership with the recycling industry.
5. **MINIMIZE RELEASE OF MICROPLASTIC FROM OUR PRODUCTS:**
 - Participate in RnD project building competence within the industry and in RnD institutions
6. **TOGETHER WITH THE INDUSTRY DEVELOP A TRACKINGSYSTEM** for plastic products through the value chain (PlasCirc)

¹⁹ NPCR 031 Part B for for sea-based aquaculture infrastructure and components (references to EN 15804 +A2) - EPD Norge (epd-norge.no)

²⁰ NEPD-5461-4772_Enclosure-ENC-160-1530-60.pdf (epd-norge.no)

²¹ Technical requirements for fish farming installations (FOR-2011_08_16_849)

2.3 INNOVATION FOR SUSTAINABLE AQUACULTURE



AKVA group innovation agenda is set towards sustainable aquaculture

- We develop and deliver solutions for Precision Fish Farming*
- We focus on innovation for improved environmental impact and fish performance

Material topics that will be discussed in this chapter is “Precision farming/feeding”, “Escaped fish”, “Fish welfare” and “Water consumption (RAS)”.

The Group allocates substantial financial resources to develop more sustainable technologies for the global aquaculture industry, targeting improved fish welfare as well as solutions to solve environmental issues, such as the challenge of fish escapees and problems with sea lice in the salmon industry. In all three business areas (Land Based, Sea Based, and Digital) the Group has established innovation agendas and programs, led by the management team and organized in innovation departments with a clear structure and responsibility. We work closely together with customers, suppliers and research institutions in different projects and initiatives in the aquaculture industry.

The global finfish production has seen a rapid growth recent year and the industry face biological, economic and social challenges that may affect the ability to maintain productive and environmental friendly aquaculture production. SINTEF Ocean have introduced a concept – Precision Fish Farming (PFF) whose aim is to apply control-engineering principles, improving monitoring, control and documentation in fish farming²². The Group supports this systemic approach which is adapted from husbandry of livestock.

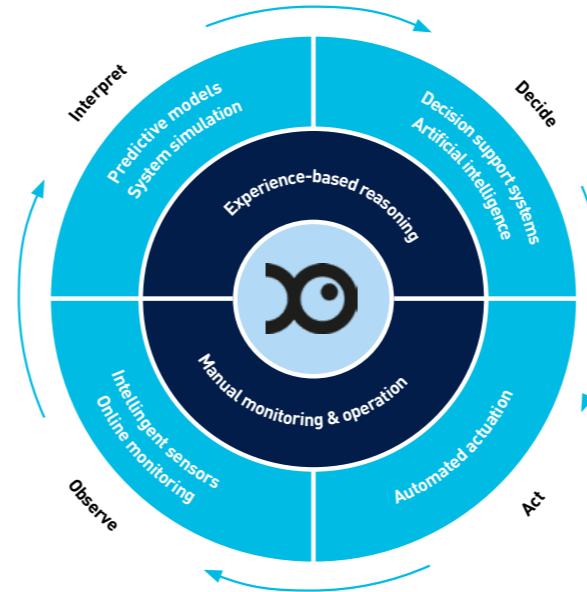


Figure 19 - Precision Fish farming: A cyclical representation where operational processes are considered to consist of four phases: Observe, Interpret, Decide and Act. The inner cycle represents the present state-of-the-art in industry, with manual actions and monitoring, and experience-based interpretation and decision-making. Source: The Group after Andreas Myskja Lien, SINTEF Ocean.

Precision Fish Farming

The Group has adapted the framework established by SINTEF (2017)

The Group defines Precision Fish Farming as: – Applying intelligent sensors, data collection, artificial intelligence and automation in order to generate better decisions, thereby increasing fish performance, yield end resource efficiency in commercial fish farming operations.

²² Precision fish farming: A new framework to improve production in aquaculture - ScienceDirect

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

In the following chapter we will describe the most important environmental topics and challenges in aquaculture and how our innovation agenda matches different challenges. Our innovations within recycling and use of raw material is described in the previous chapter.

2.3.1 ENVIRONMENTAL TOPICS AND CHALLENGES IN THE AQUACULTURE INDUSTRY

2.3.1.1 FISH PERFORMANCE – FISH HEALTH AND WELFARE

Fish health and welfare are premisses for an optimal performance and production in fish farming. Control of diseases caused by either virus, bacteria or parasites is a key element and preventive health care is very important. In Norway and many other salmon producing countries the aquaculture industry has succeeded in reducing the use of antibiotics to a minimum, but still needs pharmaceuticals to combat salmon lice.

Salmon lice is a parasite that lives naturally in the sea. In salmon production it is essential to control the parasite to ensure no negative impact on wild salmonids, no negative impact on the farmed salmon itself and to prevent rising costs for the fish farmer. Due to genetic resistance and negative environmental impact of medicine residuals, mechanical sea lice treatment has partly substituted medical treatment. Mechanical treatment is use of brushes, flushing and/or tempered water (which kills the louse and not the fish).

Treatments can influence fish welfare and production negatively, and the fish farmers look for preventive methods that do not involve handling.

In recent years, 15-20 percent of the number of salmon and trout in sea farming in Norway have been lost during production²³. In 2023 the loss averaged to 17,3 % or 71,3 mill fish. Mortality in production increased by 3,9 mill fish from 2022 to 2023, due to rough handling in delicing operations and attack of string jellyfish. Reduction of losses is important for several reasons: fish welfare, fish health, production efficiency, economy and acceptancy for industrial development. This is a main focus for the industry.

Our solutions for post-smolt production and deep farming can make a positive contribution to reduced mortality, for more details, see chapter 2.3.2.1 and 2.3.2.2.

2.3.1.2 SECURE FARMS - ESCAPEE PREVENTION AND PREDATOR CONTROL

Fish can escape both from land-based and sea-based aquaculture production. The reasons are multifaceted; Escapees can happen in operations such as sea lice treatment and general handling of nets, escapees due to technical faults, wear and tear from weights, collisions with boats etc. Escaped salmon can possibly enter river to spawn and influence wild salmon genetically.

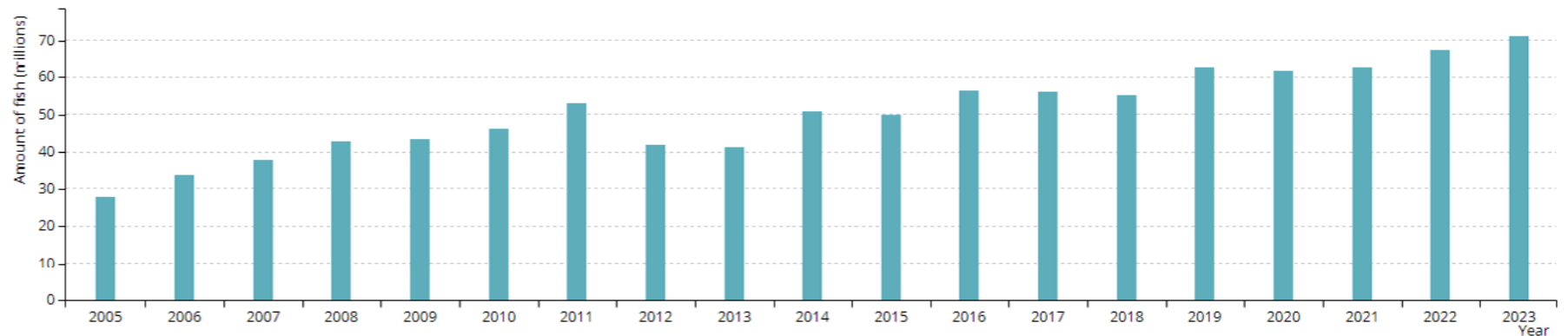


Figure 20 - Loss in production in number of salmon and trout in millions from 2012-2023 in Norway
Source: www.barentswatch.no based on biomass statistics from the Directorate of Fisheries

²³ Fish mortality and losses in production | Sustainability in aquaculture - BarentsWatch

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

The most important measure to prevent escape is the requirements set for the design of safe fish farms and operations in NS 9415:2021²⁴ and the NYTEK²⁵ regulations. In land-based aquaculture NS 9416:2013²⁶ shall prevent escapes. In Norway, the introduction of these standards has been the most important tools to reduce escape incidents. In other salmon-producing countries, NS 9415:2021 is a voluntary standard. Predators such as seals, otters, dog fish sharks and others can be a problem in many aquaculture areas by causing holes in the nets. Predators may affect fish farming in many other ways; they consume the fish and the fish feed, they may transmit parasites and other infections, scare the fish, cause physical injury etc.

2.3.1.3 EMISSIONS AND DISCHARGE

Organic discharge -sludge

For sea-based aquaculture, the effect from discharge of organic compounds (faeces from the fish and uneaten feed) and nutrient salts are monitored. The impact is usually greatest below the site and decreases as you get further away. To monitor this, environmental surveys of the impact on the seabed under the sea sites is a legal obligation in Norway and other salmon producing countries.

Today sludge from land-based facilities is collected, treated (remove water etc) and delivered to energy recovery such as for instance biogas or as an input in fertilizers. We also develop solutions for collection and recovery of sludge from sea-based fish farming. The Group cooperate with external companies specialized in sludge treatment. The challenge is transport costs and establishment of an effective and circular value chain for the sludge itself.

Need for energy efficient solutions

Energy use and efficiency in sea-based aquaculture is closely connected to barges and the well boat- and service boat segment. The Group is exposed to the barge market. A feed barge requires a lot of energy. From a sustainability perspective, it is important to reduce the energy consumption and aim for the energy supply to be as clean as possible. Traditionally, a diesel generator was used for production of electricity. Today, more sites use energy from the electrical power grid and/or a hybrid solution with a battery pack.

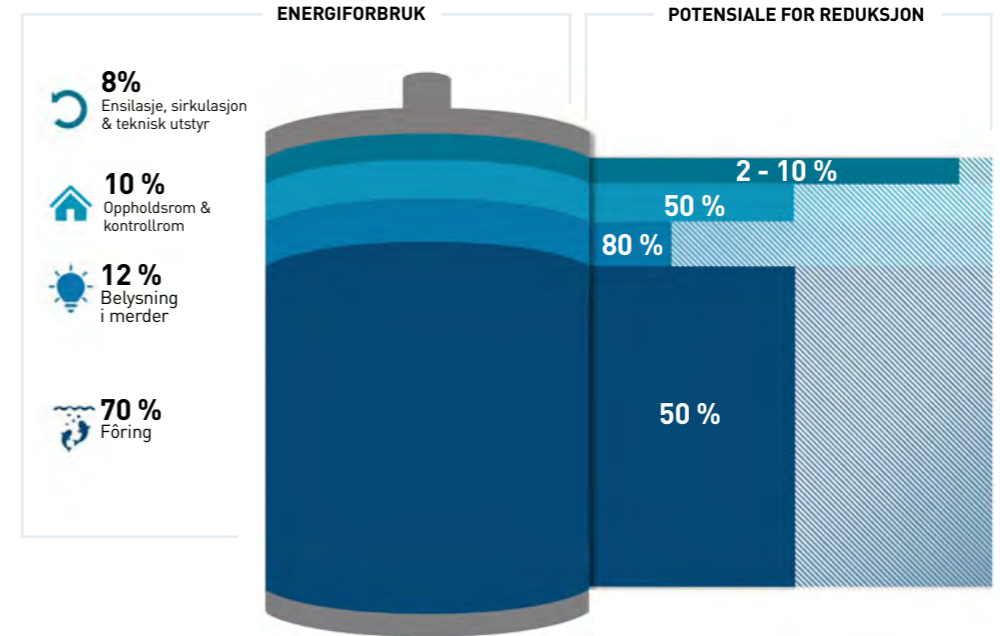


Figure 21 - Average energy use in a Norwegian fish farming site (left) and potential for saving (right). Source: Enova. Figure RENERGY

Land-based fish farming is an energy intensive production, and for production of 1 kg of salmon, SINTEF Ocean has estimated a need for 6-9 kWh²⁷. A land-based farm of 5,000 tons of salmon will then need 37,5 GWh with an average power requirement of 4.3 MW. This shows the need for more energy efficient solutions.

²⁴ NS 9415:2021. Floating aquaculture farms — Site survey, design, execution and use

²⁵ NS 9416:2013. Land Based aquaculture farms for fish — Requirements for risk analyses, design, execution, operation, user handbook and product data sheet

²⁶ Technical requirements for fish farming installations (FOR-2011-08-16-849)

²⁷ SINTEF Ocean. Konsekvensanalyse for landbasert oppdrett — teknologi, biologi og risiko

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

2.3.2 INNOVATIONS FOR IMPROVED SUSTAINABILITY

All innovation projects in the Group shall be evaluated in terms of contribution to improved sustainability within the industry. This takes place before the business case is approved by the management group and is an important input to the total evaluation of the project. The efforts are directed towards the identified material topics.

Here we present our most important innovation projects.

2.3.2.1 SEA BASED TECHNOLOGY INNOVATION

Deep farming concepts might solve lice problems

For several years, the Group has worked on developing deep farming technology. The principle is to separate salmon and lice by lowering the biomass below the upper meters in the sea where the salmon lice are located. Deep farming can also open new areas for aquaculture since you can avoid rough sea or unwanted surface conditions. In 2023, the Group succeeded in commercializing the deep farming solutions Nautilus that keeps the salmon below the lice belt. Another deep farming solution is Tubenet™, a solution where we reduce the water volume in the upper meters to keep the fish deeper in the water column.

Opticage – another lice preventing solution is separating lice and fish with a skirt and pumping fresh water from the deep. The scientific results shows that the salmon lice challenges can be significantly reduced²⁸ with these preventive measures.

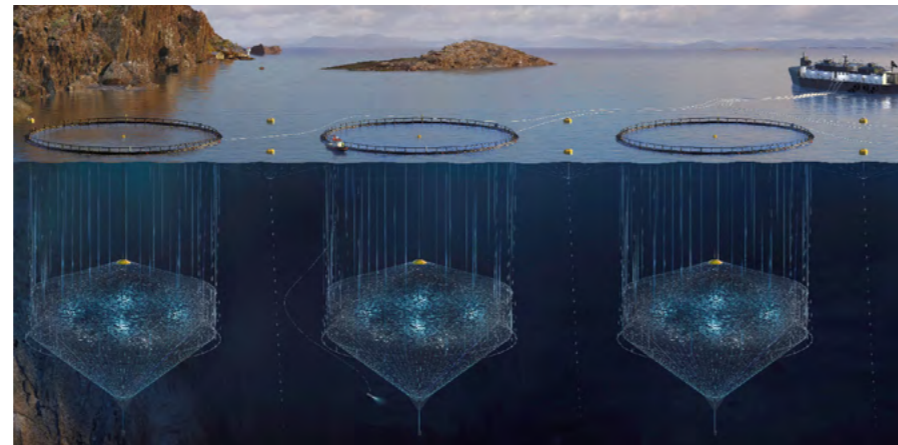


Figure 22 - Illustration of Nautilus – a deep farming concept

With the results from 2023, we can now conclude that deep farming might be an answer to several of the industry's sustainability challenges and that the results are promising in terms of maintaining good fish welfare, reduction of the sea lice problem and offering the fish a good production environment. In the end of 2023 about 60 units and 5 customers in Norway had installed Nautilus. In total more than 100 units of deep farming has been at sea. There is also an interest from other countries to avoid high temperature close to the surface, and in 2024 Nautilus will be installed outside Norway.

The lice results from sites with deep farming are very good (Figure 23).

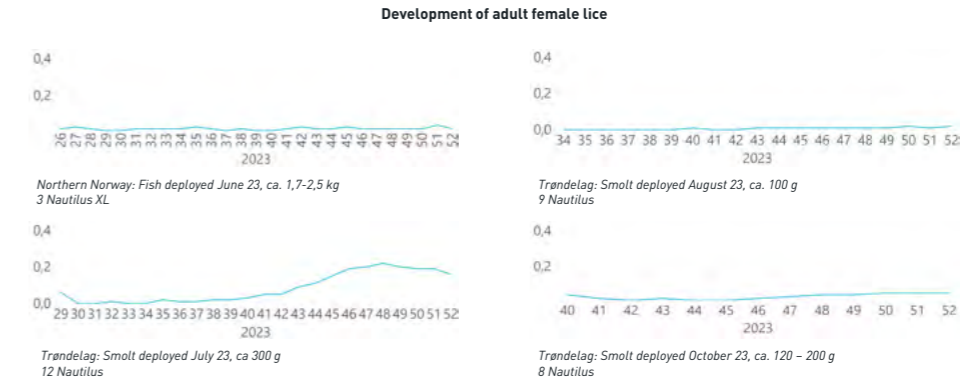


Figure 23 - Lice development Nautilus deployed summer/autumn 23 (Mid- and North of Norway). Source: www.barentswatch.com

²⁸ Gammel Atlantis prosjektside - The Group

Waterborne feeding technology

The Waterborne feeding system is further developed (Figure 24), and the Group had a commercial breakthrough in the market in 2023. Waterborne feeding is a necessity for feeding in the deep. In 2023 we continued to adapt waterborne feeding to existing barges. Waterborne feeding is gentler than air-based feeding systems on both the pellets and the feeding pipe, and noise and micro-plastic discharge are reduced. By replacing air with water the energy consumption is also reduced (Figure 25). Combined with Flexible Feeding – a system that enables you to distribute feed from all silos to all pens on the site – energy consumption is reduced in average with 75 %, and the feed is handled with care. Less breakage minimizes organic waste underneath the cages.



Figure 24 - Barge with waterborne feeding system

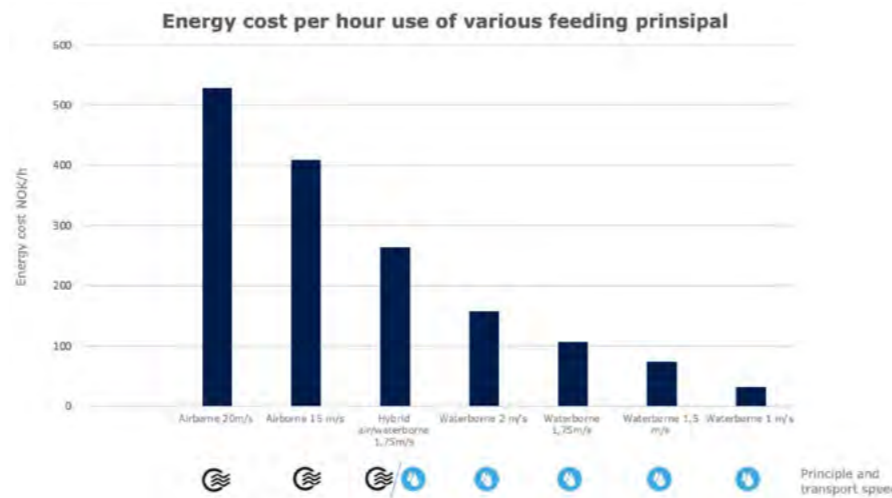


Figure 25 - Energy cost per hour by use of various feeding principles

HYBRID POWER SUPPLY

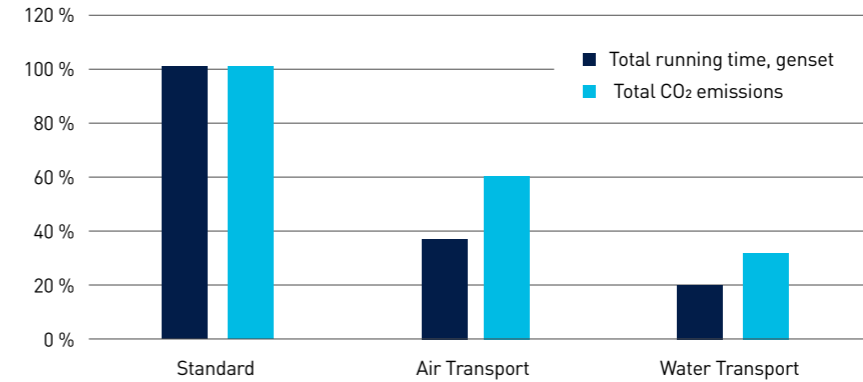


Figure 26 - Hybrid power supply in a barge, comparing standard with air or water transport of feed

Hybrid energy solutions at feed barges

In 2023, the hybrid systems which includes battery packs were further developed. Emissions of CO₂ and NO_x from a hybrid fleet combined with waterborne feeding is now potentially reduced by more than 60 % compared to a traditional diesel based barge with air- based feeding (Figure 26).

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

2.3.2.2 LAND-BASED TECHNOLOGY INNOVATION

The Group continues to be involved in large land-based projects around the world, some of them producing fish up to slaughter weight for direct deliveries of fresh fish to regional markets. During 2023 The Group has worked in several R&D projects to develop processes, technology, and knowledge to increase efficiency and sustainability in our land-based facilities.

By having sustainability as a core focus and driving force in land-based, we continue to develop technology that will optimize production to secure fish health and welfare. The focus on environmental sustainability in land-based aquaculture production will increase, and with the zero-water exchange system the Group is well-positioned to make a difference in the industry.

To implement ESG in the land-based R&D projects, we have developed guidelines for reporting on ESG in our internal project execution processes. The new processes have been used from 2023.

Energy consumption

In 2023, the Group together with a client and a sub-supplier have explored the potential energy optimization in a commercial post-smolt RAS (Recirculating Aquaculture Systems) facility. The project has especially investigated the operation of water pumps and air blowers as the power consumption of these two components constitutes up to 80% of the overall power consumption in a RAS. The results of this project revealed that a parallel distribution of pumps reduces power consumption. In addition, operating the pumps at the optimal duty point and with functional start/stop of the pumps reduced the associated power consumption by 9%. Lowering the pressure from 0.6 bar to 0.5 bar reduced the consumption up to 26%. These are valuable observations that will play an important part in our future designs.



Research projects Landbased

The R&D department has carried out internal projects and been involved also in externally funded research projects with focus on developing sustainable aquaculture practices.

The Group participated as a technology partner in "DIGIRAS", a three-year EU funded project. The main aim was to close knowledge gaps by digitalization of parameters and processes in RAS (Recirculation Aquaculture Systems). In turn, this will lead to more sustainable production with special attention to fish health and welfare in land-based fish farming.

The Group has taken part in the MILO project, "MILO - Future choice of materials in land-based aquaculture", that concerns material selection for land-based systems. The goal is to develop a system which reveals corrosion problems in land-based aquaculture systems. The project has surveyed several land-based farms in 2023 and identified the occurrence of significant corrosion in many facilities. The project has also identified that there is no industry standard in material selection. Based on the outcome, The Group has initiated several activities to investigate material quality in 2024. The activities include, a) surveying areas affected by rust and assessing the extent of corrosion, b) evaluating environmental conditions in different areas in the facility to determine if different specifications are needed, and c) developing material specifications for different components.

"MiRA - Microplastic in RAS", in which the Group during 2023 has been looking into the emissions of microplastics in RAS together with SINTEF Ocean, a VRI Rogaland funded project. The initial results have shown that in RAS water there are no particles >300 µm exhibiting plastic properties. More robust data have yet to be generated to comprehensively identify the level of plastic contamination in land-based aquaculture systems. The Group will continue in 2024 to investigate and understand better the contribution by RAS to environmental plastic contamination and create applicable solutions from material selection to technological remediation and recycling. The knowledge generated through the project will benefit a more sustainable aquaculture industry.

Figure 27 - Main pump manifold with 9 pumps for circulation of RAS water

Zero-water exchange concept (ZWC)

Water treatment systems from The Group are based on RAS with a zero-water exchange concept (Figure 28) recycling 99,9% of the system water and discharging less nutrients. Through 2023 we continued the deliveries of facilities using the ZWC technology. The ZWC makes it possible for land-based aquaculture to have even less impact on the environment than standard RAS solutions. The concept also makes the choice of location more flexible as the need for water is minimized and the environmental impact reduced. Our RAS with ZWC has recently been further developed and adapted to the production of large market size fish.



Figure 28 - The zero-water exchange concept (ZWC) is placed in between the RAS and the final wastewater treatment.

Biofilter and denitrification systems

Through 2023, the Group has conducted several studies on optimization of biofilter performance that would lead to sustainable operations. The biofilter clean the water and make a better production environment for the fish. The biofilter houses nitrifying bacteria and is the primary site where biological nitrification occurs. The biofilter is filled by small plastic media that has a large surface area where the nitrifying bacteria can grow. In 2023 we have investigated the lifetime of virgin and recycled biomed²⁹. The results showed that the biomed²⁹ can withstand the biofilter operations for 20 years. We are proud to be able to say that 2/3 of our biomed²⁹ suppliers, supply us with recirculated biomed²⁹. Our team has also carried a research project on improving biofilter sludge system. Improving sludge removal will result in a better separation of sludge waste and RAS water waste. As of today, sludge is accumulated in the bottom of the biofilter, eventually being mixed

²⁹ Biomed²⁹ are small hollow plastic beads each covered by a thin layer of bacteria converting ammonia to nitrate.

with wash-water when the biofilter is cleaned. Better suction in the bottom of the biofilter will remove (close to) all the excess sludge, and less sludge will be mixed into the clean water. This can make sludge handling easier and give better control of nutrients going out of RAS thus reducing the impact on environment. Sludge is nutrient rich, so to get more sludge out of the RAS means better use of resources. This is not implemented per today, but it can be an important resource in the future if/when the framework comes into place.

In 2023 we helped starting up the denitrification (DN) biofilter in several of our customers' sites and made startup protocols for the filter. The protocols make it easier for the future denitrification startups. We have also initiated a research project for optimization of in-line denitrification in RAS 'OptiDenit' funded by the Regional Research Fund, Rogaland. For RAS to operate with minimum water consumption, an in-line denitrifying biofilter plays a key role as nitrate is the limiting factor for good water quality. We aim to create optimum conditions for in-line denitrification in large scale RAS with minimum water discharge. There is currently a knowledge gap on this process. The project objective is to identify an optimum carbon source specific for in-line denitrification with low sludge yield & favouring denitrification over Dissimilatory nitrate reduction to ammonium (DNRA).

Production Advisory Service (PAS)

The Production Advisory Service (PAS) constitutes of an expert support team providing services to fish farmers within operation and production of their facilities. The focus is to increase customer knowledge and in-sight to optimize production at the farms. In 2023, the PAS team continued to give support to a vast number of fish farmers, here among support to a new RAS facility delivered in Japan. Staff at the fish farm were trained in biological fields such as biofilter management,



water quality testing and water chemistry in a RAS. The training was supervised by a company specialized in facilitating transfer of know-how and technology to Japan. The PAS team is a cornerstone for optimizing land-based aquaculture operations through technical, biological and operational guidance. The support helps farmers navigate the intricacies of modern aquaculture, ensuring good fish welfare and prevention of unfortunate events with consequences for the environment.

Figure 29 - PAS Team members taking samples from biofilter.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

2.3.2.3 DIGITAL INNOVATION

In 2023 execution of our Digital Strategy has been the key focus of the digital business area in The Group. We provide the market with open, flexible and modular digital products and services, which serves as enablers for sustainable growth in the aquaculture industry. Our market promise is to make our customers better equipped for precision fish farming concepts (Figure 19).

During 2023 we have started the journey to enable our customers with easy access to data for their ESG reporting and initiatives on our core offerings, and this will continue throughout 2024. This includes:

- Availability of data regarding Fish group growth that enables better feeding insight.
- Better quality of the data and information available faster to enable our customers to take better and more sustainable decisions in farming operations.
- Lice data made available enables better decision making.
- Integration of data across our products, allowing the evaluation of several parameters simultaneously
- New biomass, sea lice and welfare camera for sea-based farming, that allow precise production prediction and fish welfare monitoring.
- The Group Digital has during 2023 released and updated the new AKVA control App that simplifies and improves the accuracy and registration of environmental parameters in farming operations.

In 2023, the Group acquired 51% of Submerged AS strengthening our digital offering within lice, biomass, and welfare monitoring. AKVA submerged will be a strategic important component supporting Precision Fish farming concepts and solutions going forward.

In 2024, we will continue the execution of the strategy and delivering on our business plan that spans across 2027 with ambitions to be a key player in the digital ecosystem of Aquaculture creating a supporting concept and solutions for Precision Fish Farming.

Future new digital products will have the UN sustainability goals as guidance for development of roadmaps and execution, both internally for The Group as well as supporting our customer's sustainability strategy and goals. Through this approach the Group are confident to decrease environmental footprint and

increase sustainability focus and reporting both for the Group and our customers.

2.3.3 THE WAY FORWARD

As the world's biggest supplier to the aquaculture industry, we look at ourselves as a part of the solution for a more sustainable development within the industry.

In all three business areas – Sea Based, Land Based and Digital - the Group has established an innovation agenda with a 3-5 year perspective. The innovation agenda is divided into programs and business cases are developed for each program. All business cases are evaluated in how they affect ESG. This systematic approach to innovation will proceed in 2024.

Cooperation with external parties such as customers, RnD institutions, suppliers, the public support system and other parties are crucial activities in our innovation agenda. Complex sustainability challenges within the aquaculture industry could only be solved by such cooperation. The aquaculture industry has many innovation platforms and the Group is an active part in many of these. This will be further developed into new projects and collaborations.

3 SOCIAL INFORMATION



AKVA group works for health promoting working conditions for all employees

- We work to improve health and safety for a diverse and inclusive working environment
- We facilitate for clear expectations an development opportunities

Material topics that will be discussed in this chapter is “Diversity among own workers”, “Health and safety of own workers” and “Gender equality among own workers”. Employee development is also described.

3.1 STATUS

The Group is not only a major supplier to the aquaculture industry, we are also a major employer, and we influence many local communities around the world. The Group wants to contribute positively to our people's wellness through offering health promoting working conditions, and underneath is an overview of what we are working on to achieve this (Figure 30).



Figure 30 - People policy in The Group.

It is the management, and the managers, with support from HR and HSE representatives who have the overall accountability for ensuring health promoting working conditions in the Group. The responsibility, however, also lies with all people working in- and

connection with the Group, where our common expectations are defined through our People Policy.

3.1.1 IMPROVING HEALTH & SAFETY

The Group consist of office employees, productions workers and service personnel; all equally important. Ensuring they are safe at work is of greatest importance to us.

Preventing accidents

All employees in The Group must focus on safety in their work, and we expect our suppliers to do the same. There shall be a risk-based approach when planning and preparing for all kinds of field services and workshop activities. Employees are expected to use risk evaluation matrices (i.e., Safe Job Analysis) in the preparation and evaluation of their work. Breach of this practice shall be reported in the Corporate Quality Management Systems such as AQS, resulting in corrective measures to prevent reoccurrence and to ensure safe operations.

Any work-related injury or accident (Lost Time Injuries) will be reported monthly to the Board of Directors. Personal injury incidents will also be reported

and dealt with in the Group's Quality Management System (AQS). Following a root cause analysis, corrective and preventive actions will be implemented within 14 days of the incident.

Sickness absence and working environment

We use our sickness absence reporting as indicator of employee satisfaction and health, and we monitor trends to initiate improvement actions as needed. Employees on long-term sick leave are followed-up in accordance with Group policies, as well as local laws and practices, and we strive to allow for employees to use their remaining working capacity when possible.

We work to ensure continuous improvement in our working environment, and we perform working environment surveys, safety inspections and reviews. New hires are routinely asked to complete an onboarding survey, to ensure the employees are quickly included in the working environment and get clarity of expectations.

The Group companies are each responsible for sickness absence and working environment, with policies and process support from the Group HR function.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

3.1.2 DIVERSE AND INCLUSIVE WORKING ENVIRONMENT

In The Group we believe that diversity and an inclusive working environment have an important and positive effect on our innovation capabilities and performance results.



Figure 31 -Inclusive working environment

Currently The Group have a work force of 1425 (FTEs in 2023), subsidiaries in 11 countries and with a diversified work force.

The Group is committed to create an inclusive work environment and appreciates and recognizes that all people are unique and valuable and should be respected for their individual abilities. The Group does not accept any form of harassment or discrimination based on gender, religion, national or ethnic origin, cultural or social background, disability, sexual orientation, marital status, age, or political opinion.

The Group shall provide equal opportunities and treat all employees fairly. To ensure this employees and business units shall use only merit, qualifications, and other professional criteria as basis for employee-related decisions such as recruitment, training, compensation, and promotions.

The Group encourages initiatives to promote a diverse organization based on the principle of equal opportunities. The policy for equal opportunities is stated

in the Group's Code of Conduct. All employees shall confirm that they have read and understood the Code of Conduct yearly, and this is followed up as part of the daily management in the different entities of the company and in the executive management team.

Improving gender diversity

Gender equality is about a fair distribution of power, influence, and resources. It has been proven that political, economic, and social equality between genders contributes to a positive development at all levels.

In the aquaculture industry (suppliers and fish farmers), there are relatively few women in leading positions. FAO calculates the ratio of women to men in the global aquaculture industry to around 10-22 %³⁰. In The Group we work towards getting higher women representation, both in total and in management positions.

Our gender equality work is described in the Code of Conduct, People Policy, and included in the annual strategy meetings held within Group Management. It is the HR function who has the overall responsibility for maintaining and improving the procedures around gender equality.

Enabling diversity of nationalities

In total, the Group have employees with 39 different nationalities, which brings different perspectives, a more innovative workforce, and a need for cultural awareness. At the head office in Norway, the primary office language is set to English to allow for greater diversity and inclusion.

Reporting of harassment, discrimination, or other violations

In accordance with regulations the Group has an anonymous channel for whistle blowing, which is made available through the company's web pages.

Trade unions

Employees in the Group are free to join trade unions of their choice. Management in all companies shall facilitate a good working relationship with staff and trade unions.

³⁰ FAO. 2020. The State of World Fisheries and Aquaculture 2020. Sustainability in action. Rome. <https://doi.org/10.4060/ca9229en>

3.1.3 EMPLOYEE DEVELOPMENT

“As a pioneering and highly knowledge-based organization, our success relies on our ability to keep developing our competence. Competence development is about getting better, and through that allow for employees to perform at a higher level and increase both confidence, well-being, and engagement. We support our employees in their development and work to secure that we have the right competence for current and future organizational needs.”

Reference: People Policy – Competence Development

The People Policy outlines how the Group works with employee development, both at a collective- and individual level. At the collective level our values and leadership principles outline the common expectations for our employees and managers and supports an inclusive learning and performance culture. The need for competence and employee development is also subject in strategic processes.

Competency matrix' are set up for certain roles, primarily for more practical roles with certificate requirements, to ensure all employees have the required formal training needed to do their job.

It is the management in the operating companies who are responsible for the employee development within their area, with process support from the HR function.



Figure 32 - Inclusive performance culture

At an individual level all our employees shall be offered and complete minimum one employee appraisal annually (AKVAppraisal), where also personal development goals are agreed.



AKVAppraisal - Purpose

Follow-up of performance, development and job satisfaction is a continuous process between employee and manager.

The AKVAppraisal process is established to be a supplement to the day-to-day dialogue, with the purpose to:

1. Discuss job satisfaction and motivation
2. Clarify accountabilities and evaluate performance
3. Set targeted objectives and personal development goals for the up-coming year

Figure 33 - Purpose of AKVAppraisal

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

3.2 OUR EFFORTS IN 2023

The Group has in 2023 experienced some lower activity than planned, due to the Norwegian resource tax and less investments from clients. By end of 2023, the Group had 1425 permanent employees (Figure 35), a decrease of 3% from YE 2022.

A downsizing process of 50 positions was conducted in November, to adjust the capacity, competence, and cost to activity level. To minimize stress and anxiety in the organization, emphasis was given on ensuring a fair and timely selection process and clear employee communication throughout the whole process.

The market challenges the Group has faced in 2023 have led to increased focus on increasing sales and improving organisational efficiency. Despite of this, there are still several initiatives that have been carried out to ensure we keep improving how we work to offer health promoting working conditions for our people and we see a positive development in several of our People KPIs results.

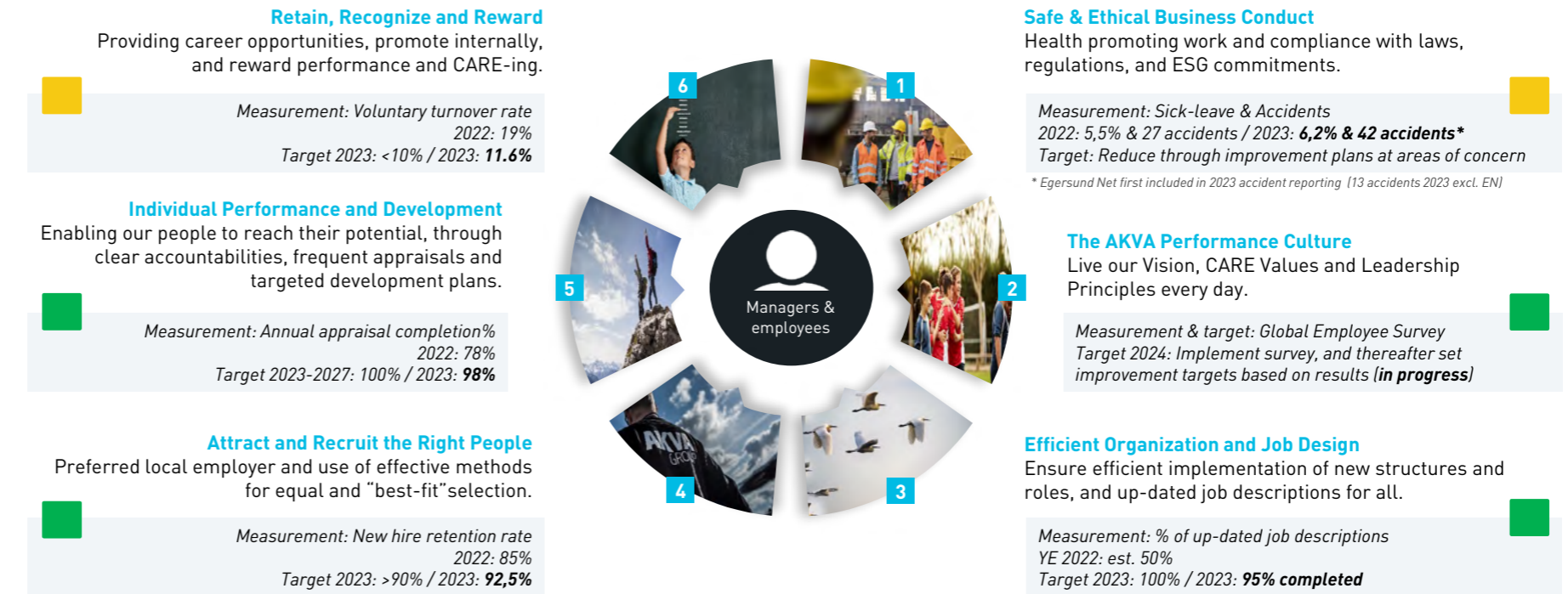


Figure 34 - The Group's people KPIs 2022 vs. 2023

3.2.1 DIVERSITY AND INCLUSION³¹

Improving gender diversity

In the Group we are steadily increasing our gender diversity in total and in management roles, and where emphasize is put on attracting more women to the company, providing equal opportunities, and getting more women into manager positions.

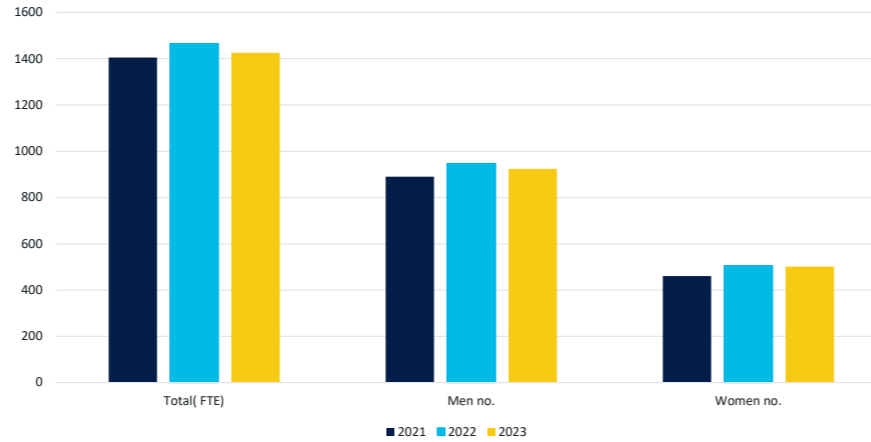


Figure 35 – Development of Number of employees and gender composition

The executive management team consist of one woman and seven men, corresponding to a 12.5% representation of women. The board has a 40% representation of women. In total we see an increase in women representation in total and in management roles.

We are working on improving our gender and employee reporting, and new in 2023 is that we have made a split between Manager roles, Office roles, and Industrial roles.

Table 6 shows the gender split and salary differences between gender, per employee category, and most significant location countries. Norway and Chile have been identified as most significant location countries as this is where we have most of our employees and a combination of employee categories.

Table 6 - Gender split permanent employees and salary comparison (number of permanent employees)

Gender split permanent employees				
AKVA group	Total	Women	Men	Women%
Management positions	137	36	101	26%
Office based positions	476	148	328	31%
Industrial positions	812	317	495	39%
Total	1425	501	924	35%

Salary comparison ³²					
Norway	Total	Women	Men	Women%	Woman/Men %
Management positions	55	13	42	24%	87%
Office based positions	273	79	194	29%	95%
Industrial positions	305	82	223	27%	91%
Total	633	174	459	27%	

Chile					
	Total	Women	Men	Women%	Woman/Men %
Management positions	36	10	26	28%	108%
Office based positions	90	25	65	28%	77%
Industrial positions	159	7	152	4%	89%
Total	285	42	243	15%	

Our experience is that we have culture and process' for providing equal payment, in accordance with our code of conduct and people policy, and that salary differences is primarily explained by different job role compositions and different market salary levels within each category. By comparing salary levels across of countries, these differences become even larger and less comparable, and is therefore not included in the table above.

For instance, in Norway we see a higher representation of men being in top management, compared to general management and other positions, leading to a relatively higher salary level for men for both managers and total employees. In Chile we see the same, but with women being higher represented in top management positions. The salary differences in Chile with regards to office employees, is due to that there are more men in technical roles with higher market salary, and more women employees in support roles with lower market salary.

We recognize equal payment as important for ethical reasons, and to ensure we keep attracting and retaining women in our organization. More tools and measures are therefore being implemented to ensure we act in accordance with our policies and intentions going forward.

³¹ Including "Employers activity duty and the duty to issue a statement" (ARP Rapportering)

³² Average salary women within employee category / Average salary men within employee category

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Table 7 and Table 8 shows an overview of number of temporary employees, part-time employees, unwanted part-time employees, and parental leave distributed in men and women employees (2022 numbers in brackets).

Table 7 - Number of employees, temporary, part-time, unwanted part-time employees

Part time and Temporary employees	Total	Women	Men
Temporary employees	17 (50)	6 (16)	11 (34)
Number of employees in part time jobs	36 (44)	32 (27)	4 (17)
Number of employees in unwanted part time jobs	0 (0)	0 (0)	0 (0)
Total part time and temporary employees	53 (94)	38 (43)	15 (51)

We have more men in temporary positions, primarily related to consultancy work. There are a higher number of women in part-time jobs, since we try to accommodate employee requests for part-time jobs to support work-life balance.

Table 8 - Parental leave

Parental leave	Total	Women	Men
Weeks of parental leave (in total)	1663	1170	493
Number of employees who have taken parental leave	94	46	48
Average parental leave	18 (22)	25 (32)	10 (9)

The number of women and men taking parental leave is equal, and a small tendency to more equal distribution of parental leave weeks.

Recruiting for a more multinational head-office

We think that being a global organization, with employees from 39 different countries, requires a multinational head office. Through allowing for non-Norwegian speaking candidates in recruitment where possible, and equal selection practices, the head office continues to consist of 14 different nationalities.

Whistleblowing and handling of unethical business conduct

Based on the knowledge of the Management and the Board of Directors in the Group, there have been no violation of the company's procedures on equal opportunities and discrimination in 2023.

The Group has received three incidents related to harassment or unethical business conduct. These were handled by an objective internal investigation

team, where no misconduct was detected, and suggested follow-up actions were executed.

Updating our Code of Conduct

Our Code of Conduct was updated in 2023 and more than 85% employees confirmed reading and understanding of our Code of Conduct in 2023.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

3.2.2 HEALTH AND SAFETY

Improving HSE reporting and implementing improvement plans in areas of concern.

HSE responsibility primarily lies within each operating company. In 2022 we started a process of group reporting on accidents and sick-leave, and in 2023 we have been working on improving the data quality, analysing trends, and initiating improvement plans in areas of concern.

The Group registered 42 Lost Time Incidents (LTI's) incidents causing sickness-absence exceeding the day the incident occurred during 2023. This is an increase from the 27 reported accidents in 2022. 29 of the 42 accidents in 2023 comes from parts of our Sea Based business, where accident reporting has been implemented in 2023 and were not included in the 2022 numbers. If we compare accidents excl. our Nets business, we see a decline from 27 (2022) to 13 (2023) LTIs in the rest of the organization.

Of the 42 accidents, 10 occurred in Norway and 32 Internationally. We clearly see that slipping and falling, together with moving objects, and knife/cut are our 3 main causes of accidents.

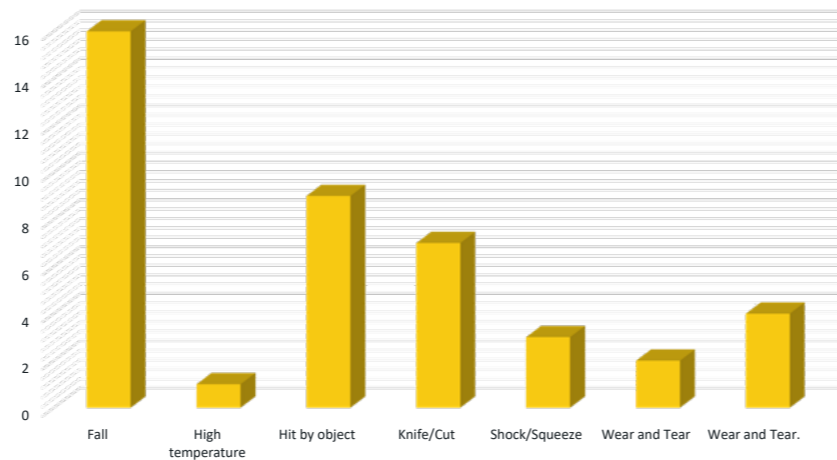


Figure 36 - Lost Time Incidents (LTI) categories by cause for the Group in 2023

To prevent and reduce accidents an improvement plan has been put at place for our Nets business, and the continuous HSE work continues in our other business'.

The total average sickness-absence in the Group for 2023 was at 6.2% and increase from 5.5% in 2022 primarily related to increase in long-term sick leave absence. An improvement plan has been put at place to prevent and reduce sick-leave absence in the company with highest absence.

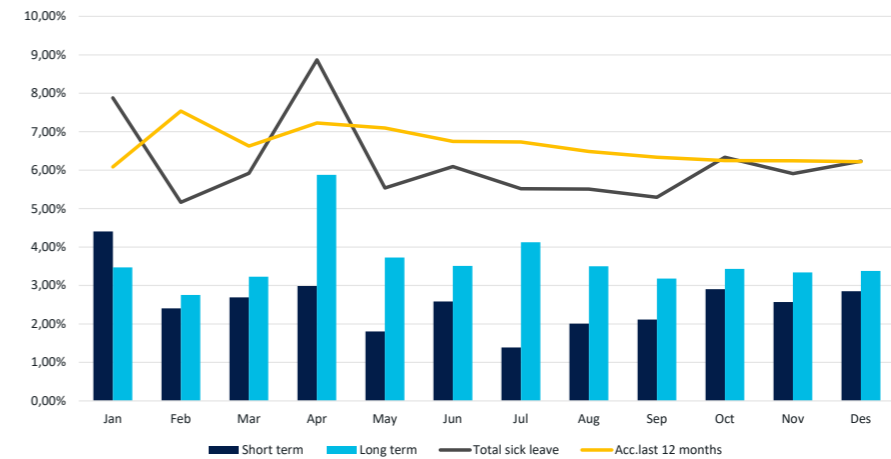


Figure 37 - Sickness absence 2023(% of total worked hours – short term < 16 days, long term > 16 days)

3.2.3 EMPLOYEE DEVELOPMENT

In March 2023 we arranged a Global Management Forum with more than 70 managers, and with emphasize on what our leaders could do to support Commercial Understanding, Customer Focus, and Individual Performance. The content of "Individual Performance" is displayed underneath and outlines the key focus areas for Employee Development in 2023.

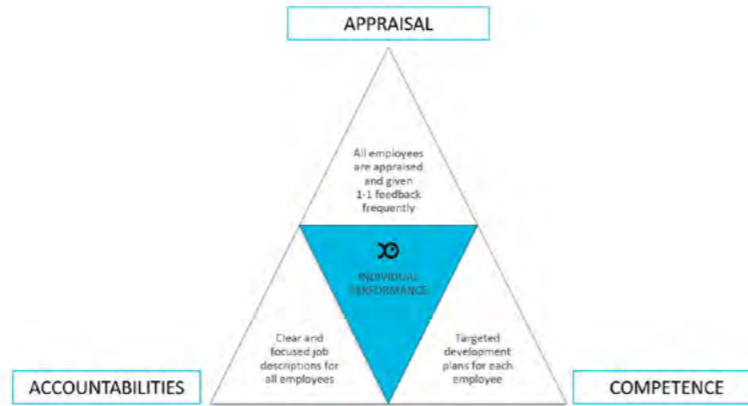


Figure 38 - Supporting individual performance

In 2023 98% (82% in 2022) of employees within the target group has received an annual appraisal; AKVAppraisals. We have up-dated job descriptions for 95% of our employees (est. 50% in 2022) to support a clear understanding of accountabilities.

To support the development, we have given special attention to development of Aquaculture Knowledge, and have conducted 8 learning sessions on relevant topics (Lunch & Learn), offered 40 employees with land based and sea based site visits, and have offered relevant online training such as "introduction to aquaculture". "Escape prevention", and "understanding biological challenges".

Strengthening our Leadership capabilities

This Global Management Forum also became start of establishment of the Group People Policy and Manager Toolbox, to gather and clarify our people process and provide manager training. During 2023 all managers have been trained on our manager toolbox, to support them in people management and align how we treat our people.



Figure 39 - Illustration of our Manager Toolbox

3.3 THE WAY FORWARD

We will continue to strengthen the group approach, process' and routines on how we support our employees to have health promoting working conditions. Planned initiatives that will contribute to this are:

Diversity and Inclusion

- Implement employee engagement (PULSE survey) to monitor and improve employee engagement and inclusion, including monitoring if there are differences between women and men results.
- Equal payment – implement compensation module in HR system to improve visibility of salary data and changes for managers and HR.
- Code of Conduct training for all managers and employees

HSE & Sickness Absence

- Execution of improvement plan for one of our Sea Based business areas identified as a concern.
- Monitoring trends through monthly reporting to management team and board, and initiate improvement plans on potential areas of concern.

Employee Development

- 100% completion of AKVAppraisal process, and ensuring that employees outside of target group also receives regular performance and development reviews.
- Continue to strengthen our aquaculture knowledge through general learning & development initiatives and product training for our service-, projects-, and salespeople.
- Strengthen our leadership capability and people management skills through training sessions on relevant topics.

3.4 COMMITMENT TO LOCAL COMMUNITIES AND THE GLOBAL SEAFOOD INDUSTRY



AKVA group contributes to local communities and the global seafood industry

- We work to be an important contributor to employment and value creation
- We contribute to an increased and sustainable seafood production through new solutions and global presence

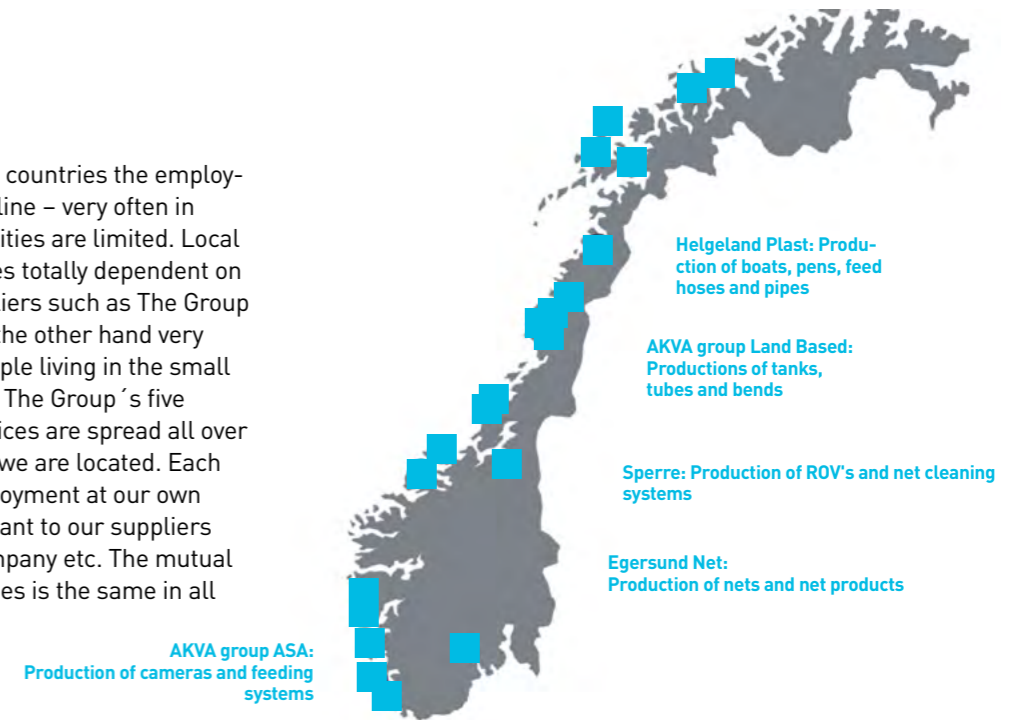
3.4.1 STATUS AND RESULTS

3.4.1.1 VALUE CREATION AND CONTRIBUTION TO THE SOCIETY

The Groups decentralized structure makes us an important contributor to the local societies we are a part of. Many of our companies are cornerstone companies and important employers in their local societies. By developing profitable businesses, we create positive ripple effects for society in the form of skills development and jobs. In addition, we pay taxes and fees.

In general, suppliers play a more and more important role in the seafood industry in terms of value creation (EBITDA + labor costs) and employment (man year). In Norway suppliers represented in 2020 approximately 14 300 employees³³, and the value creation from the suppliers was about 17 billion NOK. The last ten years turnover from the supplier industry have tripled in Norway³⁴ and represent now about 75-80 billion NOK.

In every aquaculture producing countries the employment is spread along the coastline – very often in places where other job possibilities are limited. Local communities are in some places totally dependent on the aquaculture industry, suppliers such as The Group included. And The Group is on the other hand very dependent on local, skilled people living in the small places our activities are based. The Group's five fabrics and service stations/offices are spread all over Norway and in other countries we are located. Each entity contributes to local employment at our own facilities and even more important to our suppliers such as the local electrical company etc. The mutual dependency in local communities is the same in all countries we are present.



³³ Johnsen et al (2021): «Ringvirkninger av sjømatnæringen i 2020». Menon-publikasjon nr. 105/2021.
³⁴ Speech by Ragnar Nystøyl at a Sjømat Norge seminar in Jan. 2023.

Figure 40 - The Groups production facilities, service stations and offices in Norway

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Collaboration and joint initiatives

The aquaculture industry (farmers and suppliers) is dependent on a close cooperation with research institutions and public management in different countries, here called the aquaculture innovation system to achieve a more sustainable future. The Group contributes to this innovation system through many activities such as:

- Participating in innovation Clusters such as NCE Aquatech Cluster, Blue Maritime Cluster and Stiim Aqua Cluster³⁵.
- Contribute as supervisors for students from different universities both at bachelor- and master's degree level. We also give lectures to students at all levels from high school to university.
- Contribute and participate in different research initiatives to bring forward knowledge useful for the industry, public management, and the society. Examples are SMARTER (about plastic) and DypDom (about deep farming).

The Group is working actively together with other companies within the Norwegian Seafood Federation, to contribute to development of legislations, regulations, and standards together with authorities and other bodies at different levels.

In 2021, AKVA group Chile signed a Clean Production Agreement initiated by The Salmon Chile trade association. This agreement is part of the work that the sector is doing in conjunction with the government and its sustainability and energy efficiency offices. At the end of the implementation, the signatory companies will have the tools to implement management tools (sustainability), measure and mitigate GHG, waste management and recovery, circular business design and community projects.

The Group is also working hard to increase focus on the total supplier industry in all countries we are present - for instance in Scotland.

Contribution to local communities

The Group contributed in 2023 to local communities with a lot of different activities, and some examples are:

- Since March and throughout the year, we have been supporting the Angelmó Public School N°20 in Chile with donations to improve its equipment, infrastructure and the well-being of its children.
- Together with 14 other important companies in the industry (Cermaq, MOWI, Aquagen, Camanchaca, among others) we are part of the "Cardumen" initiative in Chile, committing economic support to the local sports club "Deportes Puerto Montt" in Brønnøysund met students and teachers from high school (Figure 34)
- All employees in Norway can apply for support to their local sports club or association. In 2023 the budget for this was NOK 100.000. The Group is also sponsor of the local football club Bryne FK.
- The Group participates in a lot of student events in Norway and one example is from "HAV 23" (The Ocean 23) student happening at NTNU.



Figure 41 – Support of the "Cardumen" initiative, committing support to the local sports club "Deportes Puerto Montt"

³⁵ NCE Aquatech Cluster - World Class Aquaculture Technology and Stiim Aqua Cluster - Stiim Aqua Cluster and Hjem - Blue Maritime Cluster

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

■ Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

AKVA GROUP™

Political engagement and new regulations

In Norway, our work within the Norwegian Seafood Federation in 2023 resulted in:

- A plastic plan for increased recycling and a plan for establishment of a total tracking system of plastic based products, will continue in 2024
- Publishment of Product Category Rules (PCR) and Environmental Product Declarations (EPD) for sea-based aquaculture, will continue in 2024
- Revision of NS9416:2013 (Land-based aquaculture farms for fish. Requirement for risk analyses, design, execution, operation, user handbook and product data sheet))

On behalf of ourselves and the supplier industry in Norway, AKVA group ASA took an active position in the tax debate in Norway in 2023.

3.4.2 THE WAY FORWARD

The Group contributes to the society in a lot of different ways in countries we are present. In the coming years we want to be able to document the activities better, and we will establish a global system for registration of initiatives.

We will strengthen and systemize cooperation with other parties in the value chain – for instance within associations and clusters in countries we are present. Important thematic areas are for instance:

- Implementing the Clean Production Agreement initiated by The Salmon Chile trade association (The Group Chile)
- Through Norwegian Seafood Federation work with regulations for the supplier industry (Norway)

The best way to contribute to local communities is to ensure a robust and profitable business. Our suppliers are dependent on us and the market for aquaculture technology and solutions. We are very dependent on the regulations and framework in every country we are present, and also a public acceptance for what we are doing. We will put more effort into good processes with governmental bodies and the public in general.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

4 GOVERNANCE INFORMATION



AKVA group ensure responsible business conduct in all parts of our value chains

- We commit ourselves and our representatives to our Code of Conduct
- We commit to cross-industry collaboration for ethical trading and human and workers rights

Material topics that will be discussed in this chapter is “Working conditions of upstreams workers”, “Violation of human rights in the value chain”, “Corruption and bribery” and “Social og environmental impact on suppliers”.

An account for corporate governance in The Group is provided in the part Corporate Governance in the annual report and we also refer to the Taxonomy part of the annual report.

4.1 RESPONSIBLE BUSINESS ETHICS AND OUR CODE OF CONDUCT

In our business activities, the Group is committed to act in an ethical, sustainable, and socially responsible manner, comply with applicable laws and regulations, and practice good corporate governance and respect internationally recognized standards on responsible business conduct, such as the OECD Guidelines for Multinational Enterprises (the OECD Guidelines) and the UN Guiding Principles on Business and Human Rights (UNGP).

The Group's Code of Conduct reflects our continued work and contribution towards a responsible business conduct in our global activities. Our Code of Conduct provides a framework for what we consider responsible business conduct, considering the Group's values, policies and procedures, and applicable laws and regulations, including the OECD Guidelines and the UNGP.

The main purpose of our Code of Conduct is to ensure that all persons acting on behalf of the Group comply with all applicable laws and regulations when conducting business on behalf of the Group and perform their activities in an ethical manner and in accordance with the standards the Group sets through our policies and guidelines. Our Code of Conduct is therefore an important means in our efforts of ensuring responsible business conduct throughout our value chain.

We expect our business partners, including our suppliers, to abide by the same or similar principles in their own operations as those outlined in this Code

of Conduct. The Code of Conduct's core principles are also included in our Supplier Code of Conduct.

Our Code of Conduct is published on the Group's intranet, website and enclosed as part of new employment contracts. The code gives clear instructions to all managers in the Group to make sure the Code of Conduct is known and complied with by the Group's employees. In the event of any breaches of the Code of Conduct, the Group is committed to make necessary corrections and take remedial action to prevent recurrence.

Our Code of Conduct covers the following main areas:

- People
- Environment and climate
- Policy on equal opportunities
- Fundamental human rights and descent working conditions
- Business ethics
- Confidential information, safeguarding assets and maintaining records
- Accurate financial reporting and accountability

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Our current Code of Conduct was last approved by the Board of Directors of The Group ASA in June 2023. The Code of Conduct is available on the Group's website.

An overview of the Group's efforts to ensure responsible business conduct in our operations within the areas of human rights, corruption, fair competition, and tax is provided in the taxonomy report as included in the annual report. Our report on the Norwegian Transparency Act provides further details on human rights and decent working conditions. The current report is available on the Group's website . An updated report will be published within 30 June 2024.

4.2 SUPPLIER AND SUPPLY CHAIN MANAGEMENT

The Group's Supplier Code of Conduct sets out our expectations towards our suppliers to ensure responsible business conduct in our supply chain.

We work systematically to promote good working and environmental conditions in our supply chains. This is done in close cooperation with and in dialogue with our suppliers, partners, and other stakeholders.

We require our suppliers and partners to work purposefully and systematically to comply with our Code of Conduct and Supplier Code of Conduct covering human rights requirements, workers' rights, anti-corruption and external environment. Our suppliers must be able to document their compliance, accept audits and take remedial actions towards any identified breaches or risks thereof.

Our suppliers are subject to a qualification and evaluation process before becoming an approved supplier to the Group. During this process we review the suppliers on the following main topics:

- Financials, competency, and capacity
- Quality Management System
- Environmental Management System
- Health & Safety Management System
- Business Ethics & Human Rights

Please refer to our report on the Norwegian Transparency Act for further details on our steps towards a responsible supply chain focusing on human rights and decent working conditions, as published on the Group's website.

4.3 PRODUCT QUALITY AND SAFETY

Product quality and safety are important premises for The Group's innovation agenda and our deliveries. Our products are constructed for rough and demanding environments both at sea and on land. New products are thoroughly tested, risk assessments carried out, user manuals developed, and declarations of conformity established before a product is released to the market. High product quality and good service systems are crucial for safety. The Group offers service and maintenance of almost all products and processes to secure production efficiency and safety.

All entities, except Egersund Net AS and Sperre AS, in The Group are part of the Quality Management Systems (AQS). Egersund Net and Sperre have their own quality systems. In AQS, all important Group policies are described, and procedures are developed to:



Figure 42 – Service personnel at a fish farm

- Secure a profitable development, production and delivery of technology and services of high and reliable quality. Meet customer expectations, gain customer satisfaction and build The Group's position as leading technology and service partner to the aquaculture industry worldwide.
- Be in compliance with laws and regulations as well as with industry standards and quality system requirements, in markets where we operate.
- Have no production, product, solution, or service causing unacceptable negative HSE impact.

Any accidents, near miss incidents or non-conformities shall be reported in the AQS within due course. All users are encouraged to register opportunities for improvements, as well.

³⁶ [Transparency Act - The Group](#)

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

During 2024, the Group will start to roll-out our new ERP system that includes a quality module. Product deviations will be registered in a global system and provide a better basis for product improvements. Table 9 shows an overview of the Group's quality management systems and product certifications.

Table 9 - Certifications and standards in Norway - management systems and product certifications.

	Quality Management system	Environmental Management system	Floating aquaculture farms — Site survey, design, execution and use	Landbased aquaculture farms for fish — Requirements for risk analyses, design, execution, operation, user handbook and product data sheet	International Sustainability and Carbon Certification (ISCC)	Conformity assessment - Requirements for the operation of various types of bodies performing inspection	Plastics piping systems for water supply, and for drainage and sewerage under pressure - Polyethylene (PE) -
	ISO9001:2015	ISO10001:2015	NS9415:2021	NS9416:2013		INSP 072 (NS-EN ISO/IEC17020:2012)	NS-EN 12201-2011
AKVA group ASA, Sea based Nordic	■		■				
AKVA group ASA, Marine Engineering	■					■	
AKVA group, Land Based Norway	■						
Egersund Net	■	■	■				
Egersund Trading	■	■					
Helgeland Plast	■	■		■	■		■
AKVA group Landbased Sømna				■			
AKVA group UK	■						
AKVA group Chile	■						

In Norway, the most important contribution to safe products is to design and construct safe and solid products according to the standards NS9415:2021 and NS 9416:2013. Both standards main purpose is to prevent escapes, but the standards also contribute to safety for people and prevent unwanted events in general. Only accredited inspection bodies can issue capability certificates according to NS9415:2021 and in 2021 The Group was qualified as an accredited inspection body. The new standard is significantly improved from last version, and from 01.01.23 the NYTEK23 regulation was implemented in Norway. In other countries there is no legal requirements for these standards.

Helgeland Plast was certified according to the International Sustainability and Carbon Certification (ISCC) in 2023 and they are now able to include carbon neutral material in their production of boats, pens and pipes. In 2024 we plan to launch the first working boat hull with climate-neutral raw materials.



Figure 43- The Group includes dedicated apprentices in the production of their Polar-cirkel boats, providing valuable hands-on experience and promoting learning. From left: Vilde Brendmo Vonstad, Michelle Prestjord Kibsgaard and Kristina Selnes.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

4.4 DATA SECURITY

Data security has two dimensions in The Group; data security in our digital products and services offered in the market such Fish talk and AKVA connect and data security in our own digital systems (ERP, AQS etc). Both are crucial to our business, and systems are established to secure the systems.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

■ EU Taxonomy

Corporate governance
in AKVA group ASA

GRI context index

EU taxonomy reporting



- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

1 OVERVIEW

In this part of the annual report, AKVA group ASA (or the company, and together with its controlled subsidiaries, the Group) as a non-financial company, presents the company's first taxonomy report in accordance with article 8 of Regulation (EU) 2020/852 with delegated acts (the EU taxonomy), as required pursuant to section 3-3c (10) of the Norwegian Accounting Act.

The company has identified seven taxonomy-eligible activities within the Group. The following table highlight the economic activities identified as taxonomy-eligible and taxonomy-aligned within the Group.

Taxonomy ID	Taxonomy-eligible activity	Aligned
CE1.2	Manufacture of electrical and electronic equipment	*
CE5.1	Repair, refurbishment and remanufacturing	*
CE5.2	Sale of spare parts	*
CCM/CCA6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Partly
CCM/CCA7.2 / CE3.2	Renovation of existing buildings	No
CCM/CCA7.4	Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Yes
CCM/CCA7.7	Acquisition and ownership of buildings	Partly

Table 1 – Taxonomy-eligible and taxonomy-aligned activities. Taxonomy ID refers to taxonomy activity reference number and environmental objectives (no. 1, climate change mitigation (CCM), no. 2, climate change adaptation (CCA) and no. 4, transition to a circular economy (CE)). *Only activities within environmental objectives no. 1 and no. 2 have been assessed for taxonomy-alignment.

The company has applied the three taxonomy KPI's to determine the proportion of turnover, CapEx, and OpEx attributed to taxonomy-aligned economic activities. Many of the economic activities within the aquaculture industry are not covered by the EU taxonomy and a large proportion of the Group's income generating core activities are therefore not taxonomy-eligible. This results in the entire turnover being classified as not taxonomy-eligible. Similar effect is seen in the two other taxonomy KPI's where only minor proportions of the CapEx and OpEx are attributed to taxonomy-eligible activities.

Since this is the first taxonomy report for the company there are no comparative figures for the taxonomy KPI's available. Further details regarding our accounting policies for the taxonomy KPI's are provided in the section on *Key Performance Indexes*.



Figure 1 - Taxonomy KPI's

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

2 BACKGROUND AND PROCESS

(Disclosure Delegated Act References: Annex I 1.2.2)

We have examined our economic activities across the Group to identify which activities are covered by the EU taxonomy (taxonomy-eligible) and determined which of those activities also meet the relevant technical screening criteria and are carried out in compliance with the minimum safeguards, and therefore are considered environmentally sustainable (taxonomy-aligned).

To meet the technical screening criteria an activity must substantially contribute to one or more of the six environmental objectives under the EU Environmental Delegated Act (EDA) and the EU Climate Delegated Act (CDA) while not doing significant harm (DNSH-criteria) to any of the other environmental objectives. While all six environmental objectives have been implemented into Norwegian legislation, objectives number three to six did not enter into force until February 2024. For the purposes of our taxonomy report for 2023, we have therefore only assessed taxonomy-alignment for the activities falling within environmental objectives one and two; climate change mitigation (CCM) and climate change adaptation (CCA). Taxonomy-eligibility has been assessed for activities within all six environmental objectives.

After we had identified our seven taxonomy-eligible activities, we assessed the four activities related to environmental objectives one and two against the technical screening criteria in accordance with the CDA. We did not identify any activities that contributed to more than one environmental objective. See section Taxonomy relevant activities for a description of our taxonomy-eligible and taxonomy-aligned activities, and how the relevant activities align with the technical screening criteria.

The section Climate risk and vulnerability assessment provides of a review our climate risk and vulnerability assessment (DNSH-criteria) for the Group's taxonomy-aligned and partly aligned activities. A review of compliance with minimum safeguards is provided in section Minimum social safeguards.

The three taxonomy key performance indicators (KPIs) were used to determine the proportion of turnover, capital expenditure (CapEx), and operational expenditure (OpEx) to be attributed to our different economic activities. The determination of our OpEx has presented challenges due to its narrow definition in the EU taxonomy, which is different from our general accounting principles. See section Key Performance Indicators for more details. Evaluations and assessments were conducted by the different companies within the Group with coordination and support from AKVA group ASA. The climate risk and vulnerability assessment was carried out by the company using a third-party database provider.

3 TAXONOMY RELEVANT ACTIVITIES

(Disclosure Delegated Act References: Annex I 1.2.2a)

CE1.2 - Manufacture of electrical and electronic equipment

The Group manufactures an extensive selection of products designed for the Atlantic salmon, sea bream, and other fish farming industries. We purchase electrical components from suppliers which are then assembled in our manufacturing facilities.

The manufacture of underwater lights and cameras was identified as taxonomy-eligible. This activity falls within environmental objective number four, transition to a circular economy (CE), and taxonomy-alignment has therefore not been assessed.

CE5.1 - Repair, refurbishment and remanufacturing

Modern fish farming technology has become increasingly advanced and requires the need for professional services. Underwater lights and cameras sold by the Group generally include a service plan, where we take return of the equipment, and perform repair and service before the equipment is returned to the same customer or resold to another customer.

Repair and refurbishment of aquaculture fish nets are also a part of the Group's services and is mainly performed by Egersund Net AS (Norway) and Newfoundland Aqua Services Ltd., (Canada). Such services include cleaning, strength testing, net repairs and antifoulant treatment. Use and reuse of nets are subject to strict regulatory requirements to prevent escape of fish from the fish farms. In Norway, for instance, the main regulation is NYTEK23 with the referenced technical standard (NS9515:2021). Discarded nets owned by customers are returned from fish farms to our service stations and from there sold to the recycling industry for production of textiles and for combustion (a smaller amount not suitable for recycling).

Service and repair of underwater lights and cameras, and repair and refurbishment of aquaculture fish nets were identified as taxonomy-eligible. This activity falls within environmental objective number four, transition to a circular economy (CE), and taxonomy-alignment has therefore not been assessed.

CE5.2 - Sale of spare parts

The Group offers a wide range of spare parts for sale to its customers.

Spare parts or consumables for power systems, cameras, sensors, ROVs and winches were identified as taxonomy-eligible. This activity falls within environmental objective number four, transition to a circular economy (CE), and taxonomy-alignment has therefore not been assessed.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

■ EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

CCM/CCA6.5 - Transport by motorbikes, passenger cars and light commercial vehicles

Our business activities, including service, repair, installation, and delivery, require that we visit our customers and their fish farms. The Group maintains a fleet of leased passenger cars and leased light commercial vehicles for this purpose.

The lease and operation of vehicles will substantially contribute to the environmental objective climate change mitigation if the vehicles are low or zero emission vehicles. The majority of the Group's new leases in 2023 at our Norwegian locations are low or zero emission vehicles and meets the substantial contribution criteria, while the Group's vehicles leased outside of Norway are not low or zero emission vehicles and does not meet the criteria.

The next step is to review the DNSH-criteria for the other environmental objectives for the Group's new leases in 2023.

The DNSH-criteria on transition to a circular economy is automatically fulfilled for vehicles with European Union (EU) type approval after the year 2012. All the Group's new leased vehicles in 2023 received EU type approval after 2020 and is deemed to meet this criterion based on this general assumption.

The DNSH-criteria on pollution prevention and control is assessed by performing a control of the relevant documentation of each vehicle to review if the vehicle meets the referenced standards in this environmental objective. All the Group's new leased vehicles in 2023 complies with the Euro 6 emission standard and is deemed to meet this criterion based on compliance with the referenced standard. The vehicles also meet the overall noise level criteria as vehicles registered after 2015 are deemed to meet this criterion.

Further, the tyres of the vehicles must comply with the requirements in the highest populated classes set for noise (highest) and rolling resistance coefficient (top two highest) to meet the DNSH-criteria on pollution prevention and control. Compliance with these requirements was reviewed using the European Product Registry for Energy Labelling (EPREL) database. One of the Group's new leased vehicles in 2023 complies with these requirements during wintertime when equipped with winter tires (non-studded) and this is the only vehicle that is considered taxonomy-aligned. The other vehicles did not meet the requirements and are not considered taxonomy-aligned.

The Group's maintenance the fleet of leased passenger cars and leased light commercial vehicles were identified as taxonomy-eligible. Only one of the vehicles have been assessed as taxonomy-aligned, resulting in a partly alignment overall.

When determining the proportion of CapEx to be attributed to the taxonomy-aligned vehicle, we estimated a 6-month use of the winter tyres.

CCM/CCA7.2/CE3.2 - Renovation of existing buildings

The Group undertook multiple renovation projects in 2023, including the refurbishment of office facilities for our logistics department, as well as renovation of office spaces and housing (residential building) for shift working employees.

The renovation of existing buildings will substantially contribute to the environmental objective climate change mitigation if the renovation meets the requirements for major renovations or if the renovation leads to a reduction of primary energy demand (PED) of at least 30 %.

The Group's renovations in 2023 were not major renovations considering the nature and size of the renovation, and the Group lacks sufficient documentation to verify if the PED was reduced to meet the threshold. The renovations are therefore assessed as not taxonomy-aligned.

The Group's renovation of existing buildings was identified as taxonomy-eligible. None of the renovations are taxonomy-aligned.

CCM/CCA7.4 - Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

The Group has installed charging stations for electric vehicles at multiple locations during 2023, enhancing our infrastructure in Norway.

The installation of charging stations in relation to buildings or parking spaces will in itself substantially contribute to the environmental objective change mitigation. Installation of charging stations were identified as taxonomy-eligible. The activity was considered taxonomy-aligned.

CCM/CCA7.7 - Acquisition and ownership of buildings

The company expanded the leased area of its head office in Klepp, Norway in 2023. New acquisitions and additional leases of warehouses, services, and office buildings have also been made in 2023 in various locations of the Group.

For the eligibility assessment, we have considered leased buildings as relevant under activity 7.7 "Acquisition and ownership of buildings" based on the definition of CapEx by the EU Disclosure Delegated Act, as well as guidance from the European Commission.

New acquisitions and additional leases will substantially contribute to the environmental objective climate change mitigation if the building is built before 31 December 2020 and has an Energy Performance Certificate (EPC) of class A if or, for newer buildings, if the building complies with the taxonomy's requirements for new buildings.

The company's building on Plogfabrikkvegen 9 in Klepp, Norway, is rated as energy class A by the Norwegian Water Resources and Energy Directorate (NVE) and therefore complies with substantial contribution criteria. None of the other buildings complies with the criteria.

The Group's acquisitions and additional leases were identified as taxonomy-eligible. Only one of the buildings have been assessed as taxonomy-aligned, resulting in a partly alignment overall.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

4 CLIMATE RISK AND VULNERABILITY ASSESSMENT

(Disclosure Delegated Act References: Annex I 1.2.2.1a, 1.2.2.2, 1.2.2.3)

The Group has carried out a climate risk and vulnerability assessment to identify physical climate risks, assess their materiality for the Group's taxonomy-aligned or partly aligned activities, and evaluated potential adaptation solutions.

The company identified relevant climate risks for activity 7.7 Acquisition and ownership of buildings based on geographical location using a database of geospatial data, resulting in an outline of material risks. No material risks were identified, and any adaptation measures were not considered necessary.

5 MINIMUM SOCIAL SAFEGUARDS

(Disclosure Delegated Act References: Annex I 1.2.2.1b)

In order for the Group to align with the EU taxonomy, the Group must ensure compliance with the minimum safeguards. The purpose of these minimum safeguards is to ensure that activities are not considered sustainable and taxonomy-aligned unless the activities are also carried out in line with responsible business conduct.

For guidance on the process on ensuring Group compliance with the minimum safeguards, the Group has relied on the Commission Notice on the interpretation and implementation of minimum safeguards¹ and the final report advice presented by the Platform on Sustainable Finance on the application of Minimum safeguards².

Pursuant to the Commission advice, minimum safeguards are assessed through the following methodology:

1. Due diligence and procedural alignment on four areas highlighted in the Platform Report: Human Rights, Corruption, Taxation, and Fair Competition.
2. Alignment with the Do No Significant Harm-principle as defined in the SFDR³, and disclosure of our process ensuring compliance with the linked principal adverse impacts indicators (PAI-indicators).

Compliance with the minimum safeguards is assessed on group consolidated level as all of our procedures and guidelines are designed and implemented on group level.

In our business activities, the Group is committed to act in an ethical, sustainable, and socially responsible manner, comply with applicable laws and regulations, and practice good corporate

governance and respect internationally recognized standards on responsible business conduct.

Our Code of Conduct reflects our continued work and contribution towards a responsible business conduct in our global activities. The Code of Conduct provides a framework for what we consider responsible business conduct, considering the Group's values, policies and procedures, and applicable laws and regulations, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines) and the UN Guiding Principles on Business and Human Rights (UNGP).

Human rights

The Group strives to ensure that fundamental human rights and decent working conditions, as amongst others enshrined in internationally recognized instruments such as the Universal Declaration of Human Rights and the core conventions of the ILO, are respected both in our own operations and in our supply chain and by our business partners. In order to ensure that the Group, through the Group's operations, is not complicit in and does not contribute to human rights abuses of any kind, we shall, within our sphere of influence, do our utmost to support, respect and commit to the principles set out in the internationally recognized standards for responsible business practices, such as the OECD Guidelines. These principles are reflected in our Code of Conduct and Supplier Code of Conduct and are operationalized through more detailed Group procedures.

The Group works actively and continuously to conduct human rights due diligence and to publicly report on our efforts in this regard. Our human rights due diligence is carried out in accordance with the OECD Guidelines and the UNGP. Compliance with the OECD Guidelines and UNGP is also one of the alignment criteria set out in the Platform Report. Our human rights due diligence of the value chain, also include the PAI-indicator relating to exposure to controversial weapons.

The Group also adheres to the Norwegian Transparency Act. Please refer to our report on the Norwegian Transparency Act for further reference on our human rights due diligence.

In addition to having in place processes relating to human rights and decent working conditions, the Group has not finally been held liable or found to be in breach of labour law or human rights by a court in the financial year of 2023. Furthermore, the Group has not been implicated in any cases handled by an OECD National Contact Point, and the Business and Human Rights Resource Center (BHRRC) has not pursued any allegations against the Group.

The company considers that the Group is in compliance with the alignment criteria for minimum social safeguards within human rights and labour rights.

¹ Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and links to the Sustainable Finance Disclosure Regulation (2023/C 211/01)

² Platform on Sustainable Finance (2022) Final Report on Minimum Safeguards

³ EU Sustainable Finance Disclosure Regulation

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

■ EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

AKVA GROUP™

Corruption

As a Group with international presence, we take active steps to ensure that corruption does not occur in or in relation to our business activities.

Our anti-corruption program is founded in our Code of Conduct. We do not tolerate bribery or corruption in any form whether in the public and private sectors. Corruption includes bribery, facilitation payments and trading in influence, and the prohibition applies irrespective of whether such activity takes place directly or through third parties.

The Group regularly carries out training of the Group management team and other employees in risk exposed positions to ensure awareness of the risks of corruption and to ensure that we take active steps to mitigate the risks. Overall, the objective is to make sure that we carry out our business activities in accordance with applicable anti-corruption laws and regulations in the countries where we operate.

Our Supplier Code of Conduct requires that our suppliers commit to the same principles in their own operations.

Our assessments of corruption risks are based on a number of external and internal sources, including Transparency International's Corruption Perception Index, the OECD Guidelines, as well as any inherent industry specific or actual identified risks. We also monitor local legislation and developments and seek external advice when required.

The company considers that the Group is in compliance with the alignment criteria for minimum safeguards within anti-corruption. In this respect we also note that the Group or its senior management, including the senior management of its subsidiaries, has not been finally convicted in court of bribery and corruption in the financial year of 2023.

Taxation

Taxation is an important part of our contribution to build a sustainable society. Our tax principles entail that tax governance and tax compliance are important elements of the Group's overall risk management systems to ensure responsible business conduct.

We are committed to comply with both the letter and spirit of the applicable tax and duty laws and regulations in the country of residency of the Group and its subsidiaries, and in other countries where we perform work. In our global activities, we take steps to respect source taxation and accept the benefits and obligations of applicable national legislation and tax conventions on the avoidance of double taxation.

Our intercompany transactions are carried out in accordance with our transfer pricing policy which follows the arm's length principle and OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

We review and monitor tax and VAT legislation to ensure correct and timely filing and payment of corporate tax and VAT, and payroll withholding and reporting. We value tax transparency and work to ensure co-operation with the relevant tax authorities when filing our tax returns or otherwise. Our tax principles are based on the OECD Guidelines, including also other OECD tax policies or guidelines, as well as guidelines and legislation from the different tax authorities and countries where we operate.

The Group's overall tax management and governance is handled by the Group's finance department, that sets out our strategies to ensure tax compliance with both the letter and spirit of applicable legislation. This includes strategic and commercial tax management within the framework of applicable legislation and for the avoidance of double taxation, while at the same time, ensuring shareholder values. We do not engage in aggressive tax planning.

The core elements of our tax principles are also included in our Supplier Code of Conduct.

The Group's finance department is also responsible for the correct and timely filing of corporate tax and VAT returns and payroll reporting, as well as payment of corporate taxes and VAT and employee tax withholding for our controlled Norwegian subsidiaries. The general managers of our controlled non-Norwegian subsidiaries are responsible for ensuring correct and timely filing of tax and VAT returns, as well as payment of tax and VAT, in relation to their relevant subsidiary.

The Group's tax potential or any identified tax risks are regularly reported to the Group's management team and the audit committee of AKVA group ASA.

The company considers that the Group is in compliance with the alignment criteria for minimum safeguards within taxation. In this respect we also note that the Group has not been found guilty of tax evasion in the financial year of 2023.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

■ EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Fair competition

As one of the larger suppliers within the seafood industry, we have a particular responsibility to ensure fair and free competition in relation to our business activities and to contribute to economic growth under competitive market conditions.

Our Code of Conduct sets out the framework policy for our compliance with applicable competition laws and regulations. All Group employees, suppliers or other representatives are expected to conduct themselves in a manner designed to promote the Group's compliance with applicable antitrust and competition laws. Our Code of Conduct specifically sets out elements that should not be discussed with any competitors, and includes, terms of sale, division of territories or markets, allocation of customers, or boycotts of customers or suppliers.

Our Supplier Code of Conduct requires that our suppliers commit to the same principles in their own operations.

All Group employees are required to adhere to our Code of Conduct and carry out training modules. Our Group management team and other employees as needed, regularly carry out awareness and dilemma training to ensure that we carry out our business activities in a manner consistent with applicable anti-trust legislation and regulations.

The company considers that the Group is in compliance with the alignment criteria for minimum safeguards within fair competition. In this respect we also note that the Group or its senior management, including the senior management of its subsidiaries, has not been found in breach of competition laws in the financial year of 2023.

Principle adverse impact

The company acknowledges and complies with the additional requirements under Article 18 (2) of the SFDR considering principal adverse impacts in social, employee, human rights, anti-corruption, and anti-bribery matters. The Group has no direct link to the production of controversial weapons. Due diligence is carried out throughout our value chain.

6 KEY PERFORMANCE INDICATORS

[Disclosure Delegated Act References: Annex I 1.2.3]

Accounting policy

The key performance indicators (KPIs) include turnover, capital expenditure (CapEx), and operational expenditure (OpEx), and comply with the specifications set out in Annex I of the Disclosures Delegated Act. The taxonomy KPIs are disclosed using the obligatory templates provided in Annex II of the same Act.

This is the company's first taxonomy-report and no comparative figures for alignment from previous periods are available.

Turnover

[Disclosure Delegated Act References: Annex I 1.2.1, 1.2.3, 1.2.3.1]

The turnover KPI is defined as taxonomy-aligned turnover (numerator) divided by the Group's total turnover (denominator).

Total turnover (denominator) equals the financial statement line item (FSLI) "Revenue", which is presented in accordance with IAS 1.82 (a).

The numerator is revenue relating to economic activities assessed as taxonomy-aligned. For 2023, there is no revenue related to any of our taxonomy-aligned activities.

CapEx

[Disclosure Delegated Act References: Annex I 1.2.1, 1.2.3, 1.2.3.2]

The CapEx KPI is defined as taxonomy-aligned CapEx (numerator) divided by our total CapEx (denominator).

Total CapEx is calculated as the sum of additions to Property, Plant and Equipment (IAS 16), Intangible assets (IAS 38) and Leases (IFRS 16), throughout 2023. Total CapEx equals the sum of "additions" in the following Notes to the Consolidated Financial Statements – Group:

- 07 Intangible assets
- 08 Tangible fixed assets

In 2023, there have been no additions relating to IAS 40 Investment Property or IAS 41 Agriculture.

The numerator includes the capitalised value of abovementioned assets relating to taxonomy-aligned economic activities during the reporting period.

Additions to right of use-assets in accordance with IFRS 16 relating to buildings, has been reported as part of activity 7.7 Acquisition and Ownership of buildings.

CapEx Plan

[Disclosure Delegated Act References: Annex I 1.2.3.2]

All the assets relating to taxonomy-aligned CapEx for 2023 were acquired during the reporting year, and thus not subject to a CapEx plan. The company has not adopted or implemented any CapEx-plans in accordance with the taxonomy requirements during this reporting period.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

OpEx

(Disclosure Delegated Act References:

Annex I 1.2.1, 1.2.3, 1.2.3.3)

The OpEx KPI is calculated by dividing taxonomy-aligned OpEx (the numerator) by total OpEx (the denominator).

Total OpEx includes direct non-capitalised costs associated with research and development, building renovation measures, short-term leases, and all types of maintenance and repair. This includes the following:

- Research and development costs recognised as expense during the reporting year, including related payroll costs. Administrative costs relating to research and development are not included.
- Non-capitalised building renovation costs and maintenance and repair. Most day-to-day servicing of assets is done by third parties and has been included in the costs for maintenance and repair. Payroll costs for own employees relating to day-to-day servicing of assets has not been included, as this is assessed as being immaterial.
- Non-capitalised short-term leases are assessed as being of limited or no value, and has therefore not been included.

ANNEX II - Proportion of turnover from products or services associated with taxonomy-aligned economic activities

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

■ EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Financial Year N	Year			Substantial Contribution Criteria						DNSH criteria (Does Not Significantly Harm)						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)				
Text		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities		0,00		%	%	%	%	%	%								%		T
Of which Enabling		0,00		%	%	%	%	%	%								%	E	
Of which Transitional		0,00		%													%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								%		
Turnover of Taxonomy eligible but not environmentally		0,00		%	%	%	%	%	%								%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		0,00		%	%	%	%	%	%								%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		3 414 996																	
TOTAL		3 414 996		100 %															

ANNEX II - Proportion of CapEx from products or services associated with taxonomy-aligned economic activities

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

■ EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	157	0,04 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	%		T
Acquisition and ownership of buildings	CCM 7.7	4 877	1,26 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	%	E	
CapEx of environmentally sustainable activities (Taxonomy-)		5 034	1,30 %	%	%	%	%	%	%								%		
Of which Enabling		4 877	1,26 %	%	%	%	%	%	%								%	E	
Of which Transitional		157	0,04 %	%													%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	6 063	1,57 %	EL	EL	N/EL	N/EL	N/EL	N/EL								%		
Renovation of existing buildings	CCM 7.2	1 717	0,44 %	EL	EL	N/EL	N/EL	EL	N/EL										
Acquisition and ownership of buildings	CCM 7.7	58 726	15,17 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy eligible but not environmentally		66 506	17,18 %	%	%	%	%	%	%								%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		71 540	18,48 %	%	%	%	%	%	%								%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		315 529	81,52 %																
TOTAL		387 069	100 %																

ANNEX II - Proportion of OpEx from products or services associated with taxonomy-aligned economic activities

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

■ EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	33	0,03 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	%	E	
OpEx of environmentally sustainable activities		33	0,03 %	%	%	%	%	%	%								%		
Of which Enabling		33	0,03 %	%	%	%	%	%	%								%	E	
Of which Transitional		0	0,00 %	%													%		T
A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	444	0,37 %	EL	EL	N/EL	N/EL	N/EL	N/EL								%		
OpEx of Taxonomy eligible but not environmentally		444	0,37 %	%	%	%	%	%	%								%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		477	0,40 %	%	%	%	%	%	%								%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		119 913	99,60 %																
TOTAL		120 389	100 %																

ANNEX XII - Template 1 Nuclear and fossil gas related activities

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

■ EU Taxonomy

Corporate governance in AKVA group ASA

GRI context index

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements
and notes - AKVA group

Financial statements and notes
- AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures
- non ifrs financial measures

Environmental, social &
governance (ESG)

EU Taxonomy

■ Corporate governance
in AKVA group ASA

GRI context index

Corporate governance in AKVA group ASA



- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Corporate Governance in AKVA group ASA

The board of directors (the Board) of AKVA group ASA (AKVA group ASA or the company, and together with its controlled subsidiaries, the Group) conducts an annual review of the company's corporate governance principles. This part of the annual report provides the Board's review of the company's compliance with the Norwegian Code of Practice for Corporate Governance, last revised on 14 October 2021 (the Code). The Code is available at <https://nues.no/>.

Additionally, this part of the annual report includes information that the company is required to provide pursuant to section 3-3b of the Norwegian Accounting Act and section 4.4 of the Oslo Stock Exchange's Oslo Rule Book II – Issuer Rules.

The Board reviews compliance with the Code based on a "comply or explain" principle in line with the Code's recommendation. Any deviations from the Code will be accounted for and explained. According to the Board's review, the company deviates from three recommendations of the Code, as further described in sections 3, 6 and 8 below.

The following provides an overview of the company's corporate governance practices with respect to each recommendation of the Code.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

In the view of the Board, good corporate governance requires an open and trustful cooperation between everyone involved in and with the Group, such as the company's shareholders, the Board, the company's executive management team (the Management), employees, customers, suppliers, public authorities, and the society in general.

The Board works to ensure that the company has a sound corporate governance in line with applicable legislation and regulation, stock-exchange rules, and the Code to support achievement of the company's core objectives on behalf of its shareholders and to create a strong, sustainable company.

The company's compliance with these corporate governance principles is reviewed by the Board on an annual basis.

By pursuing the principles of corporate governance, the Board and Management shall contribute to achieving the following objectives:

- **Openness and honesty.** Communication with the stakeholder groups of the company shall be based on openness and honesty on issues relevant for the evaluation of the development and position of the company.
- **Independence.** The relationship between the Board, the Management and the company's shareholders shall be based on independence. Independence shall ensure that decisions are made on an unbiased and neutral basis.
- **Equal treatment.** The company has equal treatment and equal rights for all its shareholders as one of its primary objectives.
- **Control and management.** Good control and corporate governance mechanisms shall contribute to predictability and reduce the level of risks for shareholders and other stakeholders.

Deviations from the Code: None.

2. THE COMPANY'S BUSINESS

The operations of the company shall be in compliance with the business objective as set forth in paragraph 3 of the company's articles of association (the Articles of Association) which reads as follows:

"The purpose of the company is to develop, produce, project, sell and market own and purchased products, and everything connected to such activity, including participation in other companies with similar activities. The activities of the company shall in particular be directed towards technology for farming of fish and animals."

The full Articles of Association are available at <https://www.akvagroup.com/investors/corporate-governance/articles-of-association/>.

The company's strategic goals and objectives are described thoroughly in the annual report and on the Group's website.

The Board has defined clear objectives, strategies and risk profiles for the company's business activities to ensure that the company creates value for shareholders in a sustainable manner. These objectives, strategies and risk profiles are evaluated by the Board yearly. The Board shall identify and assess which aspects of sustainability that from time to time are relevant to the company's business.

The company has established guidelines and a code of conduct addressing corporate social responsibility, including matters that relate to human rights, employee rights and social matters, the external environment, the prevention of corruption, the working environment, equal treatment, discrimination, and environmental impact, as well as setting out defined values upon which the company shall base its activities. These are reviewed on a yearly basis and are described in our ESG report included in the annual report as required under the Norwegian Accounting Act.

Deviations from the Code: None.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

■ Corporate governance in AKVA group ASA

GRI context index

3. EQUITY AND DIVIDENDS

The Board is responsible for ensuring that the Group is adequately capitalized relative to the risk and scope of operations. As of year-end 2023, the company had a consolidated equity of MNOK 1,153 which accounts for 31,3% of the total consolidated assets of the company. In view of the Board, the equity capital level is appropriate in consideration of the company's objectives, strategy, and risk profile.

The Board has established and disclosed a clear and predictable dividend policy. The dividend policy is available on the company's website, and is outlined as follows:

The company's main objective is to maximise the value of the investment made by its shareholders through both increased share prices and dividend payments. The company aims 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, after the 1st and 2nd half of the year. Information on the company's dividend distributions each year is available on <https://www.akvagroup.com/investors/the-share/dividend-policy>.

In order to enable the company to maintain its dividend policy, the Board will propose that the annual general meeting to be held in May 2024 authorizes the Board to resolve distributions of dividends based on the company's annual accounts for 2023, cf. section 8-2 (2) of the

Norwegian Public Limited Liability Companies Act (the Companies Act). The proposed authorization may be used to distribute dividends up to an aggregate amount of NOK 100,000,000. The authorization shall, if adopted by the annual general meeting, be in force from the date of the annual general meeting until the earlier of the time of the annual general meeting in 2025 and 30 June 2025.

Board authorizations to increase the company's share capital

The annual general meeting held on 11 May 2023 resolved to grant the Board an authorization to increase the company's share capital by up to NOK 3,666,773 through the issuance of new shares. The authorization is in force until the earlier of the date of the annual general meeting in 2024 and 30 June 2024, and replaced all previous Board authorizations to increase the company's share capital. The authorization does not authorize the Board to (i) waive the pre-emptive right of shareholders, cf. section 10-4 of the Companies Act; (ii) carry out a capital increase by contribution in kind, (iii) incur any special obligations on behalf of the company, cf. section 10-2 of the Companies Act, (iv) decide on mergers, cf. section 13-5 of the Companies Act, or (v) use the authorization in connection with the company's option program. The authorization has not been used by the Board to date.

The Board will propose that the annual general meeting to be held in May 2024 grants the Board a new authorization on similar terms, replacing the authorization granted to the Board in 2023, with a limitation corresponding to 10% of the company's total share capital. The new authorization shall, if adopted by the annual general meeting, expire at the earlier of the date of the annual general meeting in 2025 and 30 June 2025.

Board authorizations to acquire own shares

The annual general meeting in 2023 also resolved to grant the Board an authorization to acquire own shares on one or several occasions, cf. sections 9-2 to 9-4 of the Companies Act, at a price per share not exceeding the market price of the company's shares on the Oslo Stock Exchange. The minimum and the maximum price that may be paid for each share is NOK 1 and NOK 150, respectively. The maximum face value of the shares which the company may acquire pursuant to this authorization is NOK 916,693, which, at the time the authorization was granted, equalled approximately 2.5% of the company's share capital.

Acquisitions of shares pursuant to this authorization may only take place if the company's distributable reserves according to the most recent balance sheet exceed the consideration paid for the shares to be acquired. The Board is free to determine how the company's own shares will be acquired and sold, provided that an acquisition under this authorization must be in accordance with prudent and good business practice, with due consideration to losses which may have occurred after the balance-sheet date or to expect such losses.

The authorization is valid until the earlier of the date of annual general meeting in 2024 and 30 June 2024. This authorization replaced the authorization for acquisition of own shares granted by the annual general meeting on 12 May 2022. The authorization has not been used by the Board to date.

The Board will propose that the annual general meeting to be held in May 2024 grants the Board a new authorization on similar terms, replacing the authorization granted to the Board in 2023, to expire at the earlier of the annual general meeting in 2025 and 30 June 2025.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

Deviations from the Code:

The Board authorizations granted by the annual general meeting in 2023 to increase the share capital and to acquire own shares respectively are not limited to defined purposes. The same applies to the Board authorizations to be proposed to the annual general meeting in 2024. The Board however believes that it is in the best interest of the company, the company's shareholders, and other stakeholders that the Board has flexibility to use the authorizations as considered necessary and advantageous at the Board's discretion. It should be noted that the authorization to increase the share capital is limited in time as recommended by the Code and has restrictions as to waiver of the pre-emptive right of shareholders as well as certain other restrictions as described above.

4. EQUAL TREATMENT OF SHAREHOLDERS

The company has one class of shares, and each share carries one vote. All shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently in the best common interest of the company and its shareholders. Pre-emption rights of existing shareholders

If the proposed Board authorization to increase the share capital referred to in section 3 above is adopted by the annual general meeting in 2024, the Board will not be authorized to waive the existing shareholders' pre-emptive rights in connection with a share capital increase under the authorization.

In the event the Board would propose to the general meeting that the pre-emptive rights of shareholders should be waived, this proposal will be justified in the notice of the general meeting and disclosed in a stock exchange notice in connection with the capital increase.

It should be noted that Israel Corporation Ltd. ("ILCO"), in connection with its investment in the company equal to approximately 18% of the share capital completed on 21 October 2021, was entitled for a period of 24 months thereafter to participate in any capital raising in the company in such a manner that ILCO's shareholding is retained. This right would have applied in a situation where the pre-emption rights of existing shareholders in the company in general were set aside during this 24-month period. This right has not been used and expired in 2023. See also section 8 below on ILCO's right to appoint one member of the Board pursuant to the company's Articles of Association.

As further detailed in section 8 below, the investment in the company by ILCO and rights granted in relation thereto are considered to be in the common interest of the company and its shareholders.

Transactions by the company in its own shares

Any transactions carried out by the company in its own shares will be carried out either on the Oslo Stock Exchange or at prevailing stock market prices. In situations with limited liquidity in the company's shares, the Board will consider alternative means to ensure the equal treatment of shareholders.

Deviations from the Code: None.

5. SHARES AND NEGOTIABILITY

The company's shares are freely transferable. The Articles of Association places no restrictions on negotiability.

Please refer to section 8 below regarding ILCO's right to appoint one member of the Board pursuant to the company's Articles of Association.

Deviations from the Code: None.

6. GENERAL MEETINGS

The Board shall ensure that as many of the company's shareholders as possible are able to exercise their voting rights at the company's general meetings, and that the general meeting is an effective forum for shareholders and the Board.

The notice for a general meeting, with reference to or including supporting information on the resolutions to be considered by the general meeting, shall be sent to shareholders and made available on the company's website and on the Oslo Stock Exchange's website for company announcements <https://newsweb.oslobors.no/> (News-Web) no later than 21 days prior to the date of the general meeting. The Board will seek to ensure that the resolutions and supporting information are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered.

Deadlines for shareholders to give notice of their attendance shall be set as close to the date of the general meeting as practically possible.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

■ Corporate governance in AKVA group ASA

GRI context index

AKVA GROUP™

However, pursuant to the Companies Act, shareholders whose shares are registered on a nominee account must give notice of attendance. Such notice must have been received by the company no later than two business days prior to the general meeting unless the Board has set a later deadline in the notice of the general meeting. Further, only those who own shares in the company on the fifth business day before the general meeting (the record date) will have the right to attend and to vote for their shares as of the record date.

The Board will in each individual case consider whether to allow shareholders to vote separately on each candidate nominated for election to the Board and other corporate bodies (if applicable). However, and as set out below in respect of the annual general meeting in 2023, voting for individual candidates in board elections has so far not been allowed, as the need to take into consideration inter alia the overall combination of expertise represented in the Board and statutory requirements to the Board's composition have outweighed other considerations.

It is the intention of the company and the Board to have representatives of the Board and the nomination committee present in the general meeting. However, the entire Board will normally not attend the meeting unless this is considered necessary based on the matters to be dealt with. The auditor will attend the annual general meeting and any extraordinary general meetings to the extent required by the items on the agenda or other relevant circumstances.

The general meeting is chaired by an independent chair, to be proposed by the Board and appointed by the general meeting.

The Board will aim to prepare and facilitate the use of proxy forms which allows separate voting instructions to be given for each item on the agenda, and also nominate a designated person who will be available to vote on behalf

of shareholders as their proxy. The Board may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting. The Board will seek to facilitate such advance voting. Furthermore, the company's shareholders shall have the right to attend and vote at general meetings by electronic means, unless the Board finds that there is sufficient cause for not allowing this form of voting and attendance.

The annual general meeting in 2023

The annual general meeting in 2023 was in all material respect carried out in accordance with recommendation no. 6 of the Code with the following exceptions:

- The agenda and proxy form for the annual general meeting did not open for voting in individual candidates for the Board. The nomination committee made a recommendation for a board composition reflecting several criteria, where inter alia stakeholder interests, independence, competence and experience have been weighed to provide a representative and skilled board. This would not be possible to achieve with separate voting for individual candidates.
- The entire Board did not participate at the annual general meeting as this was not considered necessary in light of the matters to be dealt with in the meeting.

The annual general meeting in 2023 was held as a digital meeting in accordance with section 5-8 of the Companies Act, and shareholders were encouraged to attend by granting a proxy (with or without voting instructions) to the chairperson of the Board.

Deviations from the Code: None other than as stated above.

7. NOMINATION COMMITTEE

The Articles of Association set out that the company shall have a nomination committee consisting of at least three members elected by the general meeting. The nomination committee shall consider and recommend resolutions at the general meeting on the following matters:

- Candidates for election as members of the Board
- Candidates for election as members of the nomination committee, including the chairman of the committee
- The proposed remuneration of the Board and the members of the nomination committee
- Any proposed amendments to the nomination committee charter
- Approve the text in the annual report (Corporate Governance section) of the company, related to the nomination committee

The nomination committee shall justify its proposal for candidates to the Board and the nomination committee on an individual basis.

The composition of the nomination committee

The current nomination committee was elected by the annual general meeting on 11 May 2023 for a period of one year and comprises the following members:

- Eivind Helland, chairperson (General Manager, Blue Planet AS)
- Ingvald Fardal, member (MSc Business Administration)
- Nina Grieg, member (MSc Industrial Economics and Technology Management)

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

None of the nomination committee members are members of the Board or the Management. All members of the committee are independent of the Board and the Management.

The nomination committee is of the opinion that the composition of the committee reflects the common interest of the company's shareholders.

The work of the nomination committee

The nomination committee's work is based on the nomination committee charter initially approved by the annual general meeting in May 2007, which includes appropriate arrangements for shareholders to submit proposals to the nomination committee for the election of candidates.

The nominating committee has held one meeting since the annual general meeting in 2023.

Deviations from the Code: None.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

According to the Articles of Association, the Board shall consist of four to ten members. The Board currently consists of the following ten members:

Name	Position	Independent of management and material business contacts	Independent of main shareholders
Hans Kristian Mong	Chairperson	Yes	No, Mr. Mong is a representative of the Company's largest shareholder, Egersund Group AS.
Kristin Reitan Husebø	Deputy Chairperson	Yes	Yes
Yoav Doppelt	Board member	Yes	No, Mr. Doppelt is a representative of the Company's second largest shareholder, ILCO.
Frode Teigen	Board member	Yes	No, Mr. Teigen is a representative of the Company's largest shareholder, Egersund Group AS.
Tore Rasmussen	Board member	Yes	Yes
Irene Heng Lauvsnes	Board member	Yes	Yes
Heidi Nag Flikka	Board member	Yes	Yes
Siv Iren Nesse	Employee representative	-	-
Odd Jan Håland	Employee representative	-	-
John Morten Kristiansen	Employee representative	-	-

Thomas Hansen Sæland, Torstein Graven and Helen Helland serve as deputy members of the Board, elected by the employees.

Further details of the individual directors can be found in the company's annual report and at <https://www.akvagroup.com/investors/management-and-board/>.

As set out in the above table, four of the shareholder-elected members of the Board are independent of the main shareholders of the company and as such, the company complies with the Code's recommendation regarding independence of main shareholders.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

It should be noted that article 5 of the Articles of Association of the company includes the following regarding election of Board members:

"The Board of Directors shall be composed of 4 to 10 members, in accordance with a decision by the General Meeting. The Chairperson and one Board member jointly sign on behalf of the company.

The company Israel Corp., Millennium Tower, 23 Aranha Street, Tel Aviv 61204, Israel, business registration number 520028010 (the "Entitled Shareholder") shall for as long as it owns 15% or more of the total number of shares in the company be entitled to appoint one director to the Board of Directors. The Entitled Shareholder shall retain the right to appoint one director to the Board of Directors also in the event its shareholding is reduced below 15% (no matter how), as long as its ownership is minimum 12% of the total number of shares in the company.

The Entitled Shareholder's right to appoint a director to the Board of Directors pursuant to this article shall terminate if the Entitled Shareholder engages, directly or indirectly, through investments or holdings, including minority investments, in activities directly competing with the company, provided however that this shall not apply for financial investments in land based projects. For purposes of the foregoing, "financial investments" means any investment that does not have the goal of combining an acquired business with another business owned or controlled by such shareholder."

The right for ILCO to appoint one Board member constitutes a deviation from the Code's recommendation that

Board members are elected by the general meeting. As set out in the company's stock exchange notice of 29 September 2021, ILCO is considered as a long-term strategic investor and its global business experience and technology background will contribute to the company's goal to build a world-leading offering of technical & digital solutions within sea and land-based aquaculture. ILCO has actively supported the Management during 2023 in carrying out the Group's strategies towards the Land Based and Digital business units. Consequently, the investment by ILCO and arrangements related thereto are deemed to be in the common interest of the company and its shareholders.

The Board elects the chair and the deputy chair, which represents a deviation from the Code. The Board is however of the view that the composition of the Board ensures that it can attend to the common interests of all shareholders and operate independently of any particular interests.

The nomination committee's recommendation of candidates, including the reasoning for the recommendation, will be appended to the notice of the general meeting as published on the company's website and on NewsWeb.

All the members of the Board are generally encouraged to own shares in the company.

Deviations from the Code: None other than as stated above regarding ILCO's right to the election of one Board member and the Board's competence to elect the chair of the Board.

9. THE WORK OF THE BOARD

Board responsibilities

The Board has the ultimate responsibility for the overall management and organisation of the company and shall supervise the company's business and activities in general. This involves that the Board is responsible for establishing control arrangements to secure that the company operates in accordance with the adopted values and the code of conduct as well as with shareholders' expectations of good corporate governance.

The Board's main task is to ensure that the company develops and creates shareholder value. Furthermore, the Board shall contribute to the shaping of and implementation of the Group's strategy, ensure appropriate supervision and control of management and in other ways ensure that the Group is well operated and organised. The Board establishes objectives for the financial performance and adopts the company's plans and budgets. Matters of major strategic or financial importance for the Group are within the responsibility of the Board.

The Board each year produces an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The chief executive officer (CEO) shall, if and when required by the Board, by attendance or in writing, inform the Board about the company's activities, position and profit trend, to enable the Board to carry out its responsibilities.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

■ Corporate governance in AKVA group ASA

GRI context index

Instructions to the Board and the Management

The Board has adopted separate instructions for the work and responsibilities of the Board and the Management, last updated November 2023.

The instructions for the Board cover inter alia the following matters: Composition of the Board, the Board's duties, day-to-day management, calling of Board meetings and related issues, the Board's decisions, Board meeting minutes, disqualification and conflict of interest, the handling of all agreements with related parties, sustainability, confidentiality obligation, convening general meetings, insider rules and ethical guidelines for conduct of business. The Board can decide to deviate from instructions in certain cases. The members of the Board shall, pursuant to the instructions to the Board, make the company aware of any material interests that they may have in matters to be considered by the Board.

The instructions to the Management cover rules and procedures for the duties, responsibilities, and delegated authorities of the Management, in accordance with the regulations established for the company's operations. Additionally, the Board appoints the CEO, defines his or her work description and authority.

The company is not aware of any potential conflicts of interest between the duties owed to the company by the members of the Board or the Management, and their private interests or other duties. The company is party to facility lease agreements with companies that are controlled by shareholders of the company; however, these are all based on arm's length market terms.

Financial Reporting

The Board receives regular financial reports on the Group's economic and financial status and keeps up to date on the company's financial performance and development.

Audit committee

In accordance with sections 6-41 to 6-43 of the Companies Act, the company has established an audit committee, consisting of Kristin Reitan Husebø (Chair), Hans Christian Mong and Heidi Nag Flikka. The company's chief financial officer (CFO) acts as the secretary of the audit committee. The mandate and work of the audit committee are described in further detail under item 10 below.

The company has had an audit committee since 2011. The committee has held six meetings during 2023.

The remuneration committee

The company has established a remuneration committee in order to ensure thorough and independent preparation of matters relating to compensation to the executive personnel. The committee's duties and responsibilities are governed by a separate charter adopted by the Board. The committee's tasks revolve around the CEO's terms of employment and the remuneration of executive personnel including salary levels, bonus systems, options schemes, pension schemes, employment contracts etc.

The committee prepares, together with and subject to approval by, the Board and the general meeting as required under applicable law:

- a. The company's policy on determination of salaries and other remuneration for executive personnel in accordance with section 6-16a of the Companies Act;
- b. An annual report on salaries and other remuneration for executive personnel in accordance with section 6-16b of the Companies Act; and
- c. other matters relating to remuneration and other material employment issues in respect of the executive personnel.

The current members are Hans Kristian Mong (Chair), Tore Rasmussen and Yoav Doppelt, all of which are independent of the Management. The committee has held three meetings since the 2023 annual general meeting.

The Board's self-evaluation

The Board evaluates its efficiency, competence, performance and duties on an annual basis. The evaluation is made available for the nomination committee.

Deviations from the Code: None.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

■ Corporate governance in AKVA group ASA

GRI context index

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board and internal control

Risk management and internal control are given priority by the Board, and the Board ensures that the company maintains suitable internal control procedures, effective risk management systems tailored to its business, and maintain the quality of its financial reporting.

Operational risk management primarily takes place within the company's operational subsidiaries, with the Management actively contributing through their positions on the boards of the subsidiaries. In the view of the Board, the subsidiaries have established adequate practices to address such risks.

The Management and the Group has implemented different systems and guidelines to ensure internal control and monitoring of exposed risks. The Group is exposed to, inter alia, currency, interest rate, and market risk, as well as credit risk and operational risk.

The Group has implemented a quality management system which details the processes related to continuous improvements and operational risks. AKVA group ASA is ISO 9001:2015 certified by the accredited certification body DNV.

To ensure the monitoring of financial risk, the Group has adopted financial guidelines. Management of exposure in financial markets, including currency, interest rate and counterparty risk, is emphasised in the company's governing documents. Further details on these principles are provided in note 16 to the Group's and the company's financial statements. Additionally, the Group has developed an authority matrix which is included in its governing documents.

The Management regularly prepares performance reports of the company's most important areas of exposure to risk and its internal control arrangements, which the Board review annually. The interim financial statements are subject to review in Board meetings.

The Board's work plan

The Board has established an annual work plan that includes an annual review of compliance of external and internal laws and regulations, risk and the HSE-situation, financial risks and identification of risk related to the strategic goals and risk handling. By carrying out the established work plan, the Board controls that the company has sound internal control and systems for risk management for the company's activities.

The audit committee

The mandate of the audit committee is to monitor and evaluate the Group's financial reporting, including to evaluate substantial accounting issues, accounting principles and procedures applied by the Group in its financial reporting to the Oslo Stock Exchange, as further detailed in section 6-43 of the Companies Act. The committee is to evaluate the work of the Group's external auditor, including the auditor's independence from Management and compliance with rules and regulations regarding services beyond financial audit. The committee also discusses the scope of the audit with the external auditor as well as evaluates reports from the auditor to the Board and Management of the Group. The audit committee nominates the external auditor for the Group, as well as propose the compensation to be paid to the external auditor, to the Board.

The audit committee also oversees the Group's internal control systems, including both operational and financial risk management. Additionally, the committee maintain the autonomy to address any other issues essential for fulfilling its mandate.

Deviations from the Code: None.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

■ Corporate governance in AKVA group ASA

GRI context index

11. REMUNERATION OF THE BOARD

It is the Board's opinion that the size of the remuneration to the Board is in compliance with the criteria in the Code concerning inter alia the Board's responsibility and expertise. The annual report provides details of all elements of the remuneration and benefits of each member of the Board.

Furthermore, the following applies to the remuneration:

- The remuneration is not linked to the company's performance, and the Board members are not granted share options;
- None of the Board members and/or companies with which they are associated, have taken on specific assignments for the company in addition to their appointment as a member of the Board; and
- The remuneration to the Board is proposed to the general meeting by the nomination committee.

Deviations from the Code: None.

12. SALARY AND OTHER REMUNERATION FOR EXECUTIVE PERSONNEL

The main principles for the company's remuneration of executive personnel are that the basic salary shall promote value creation in the company and contribute to aligned interests between shareholders and executive personnel. The basic salary shall not be of a type or size that may negatively affect the company's reputation.

As the industry leader in its sector, we depend on being able to offer remuneration packages that enable us to recruit the most able talent on executive level. The Board's policy is to employ the most competent talent by offering compensation packages that are competitive with those offered in other similar industries and in the international market.

The total remuneration to the CEO and other members of the executive personnel consists of base salary, variable salary, benefits in kind and pension schemes. Performance-related remuneration of the executive personnel in the form of bonus programmes, share-based incentives or similar shall be linked to value creation in the company over time. Such arrangements shall incentivise performance and be based on quantifiable factors that the employee may influence. As recommended in the Code, the performance-related remuneration is capped by being limited to a certain fraction of recipients' annual salary.

Share based incentive schemes are limited by a maximum number of shares in the company that can be allocated.

The fixed remuneration and performance-based remuneration to the CEO and other executive personnel are described in the notes to the annual accounts.

The remuneration committee, policy and report on remuneration to executive personnel

The Board has established a remuneration committee, which inter alia assists the Board in the preparation of a policy on determination of salaries and other remuneration for executive personnel in accordance with section 6-16a of the Companies Act. The policy contains the information set forth in the regulation on policies and reports on remuneration for executive personnel (Nw. "Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer"). The Board's aim is that the policy will contribute to the company's commercial strategy and financial viability as well as the long-term interests of the company and its shareholders.

The policy shall be made available to and be approved by the annual general meeting upon any material change and at least every fourth year and was most recently approved at the annual general meeting on 11 May 2023. Within the framework of the policy, the remuneration committee shall each year undertake a thorough review of the remuneration and other compensation to the CEO and other executive personnel. The review shall be based upon market sampling of similar positions. The structure and level of the remuneration and incentive system for the CEO and other executive personnel are determined by the Board, within the framework of the policy as approved by the annual general meeting. In accordance with the Companies Act and the Code, the policy shall, when up for approval by the annual general meeting, be enclosed to the notice of such general meeting, and shall be available on the company's website.

The Board shall also, with the assistance from the remuneration committee, prepare a report on remuneration to executive personnel on an annual basis, in accordance with the Companies Act section 6-16 b and the regulation on policies and reports on remuneration for executive personnel. In accordance with the Companies Act and the Code, the report shall be made available to and be considered annually by the annual general meeting and was most recently considered at the annual general meeting on 11 May 2023. The report shall be enclosed to the notice of the annual general meeting and shall be available on the company's website.

Deviations from the Code: None.

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

■ Corporate governance in AKVA group ASA

GRI context index

13. INFORMATION AND COMMUNICATIONS ROUTINE

The Board has adopted instructions on inter alia disclosure of information to ensure compliance with the company's disclosure obligations and satisfactory procedures related thereto. The Board will seek to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement on equal treatment of all market participants. Furthermore, through the company's procedures, the Board aims to at all times facilitate for discussions with its shareholders in compliance with applicable laws and regulations.

Annual and periodic accounts

The company normally presents preliminary annual accounts in its Q4 interim accounts mid-February. The complete annual report including annual financial statements and the directors' report is published mid-March and presented at the annual general meeting. The company reports financially on a quarterly basis and thus more frequent than required by statutory law. The company also makes its interim accounts publicly available through NewsWeb, as well as through presentations that are open to the public. The company's financial calendar is published on the company's website and on NewsWeb. All shareholders have equal access to financial and other material company information.

Other market information

Other public presentations, in addition to the quarterly presentations of interim results, are held in connection with various seminars. These presentations are made available on the company's website <https://www.akvagroup.com/investors/financial-info/other-presentations-reports/> and on NewsWeb.

The company considers it essential to keep shareholders and potential investors informed about its economic and financial development. From time to time, in addition to presentation related to financial reporting, the company will therefore prepare company presentations which are made available on the company's website and through NewsWeb.

Deviations from the Code: None.

14. TAKE-OVERS

The Board has established guidelines in the event that the company becomes subject to a take-over bid (an offer for all or a substantial majority of the company's shares).

In the event of a take-over bid for the shares in the company, the Board shall ensure that shareholders in the company are treated equally, and that the company's business activities are not disrupted unnecessarily. The Board shall ensure that shareholders are given sufficient information and time to form a view of an offer. The Board shall not seek to prevent or obstruct take-over bids for the company's business or shares unless there are particular reasons to do so.

Any agreement with a bidder for the shares of the company that acts to restrict the company's ability to pursue and engage for alternative bids will only be entered into where such an agreement clearly is in the common interest of the company and the shareholders. This provision shall also apply to any agreement on the payment of financial compensation to a bidder if the bid does not proceed.

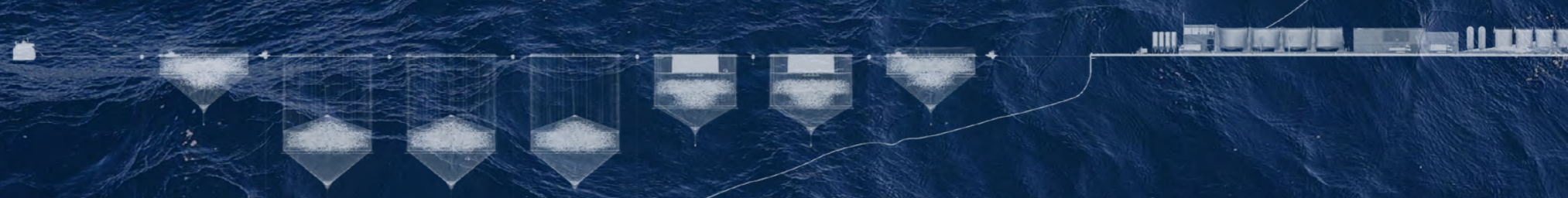
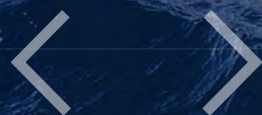
In the event of a take-over bid for the company's shares, the Board shall not exercise authorizations or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting after the announcement of the bid.

If an offer is made for the shares in the company, the Board shall issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the basis on which specific members of the Board have excluded themselves from the Board's statement. Before issuing its final statement, the Board shall where appropriate arrange for an evaluation of the financial aspects of the bid from an independent expert. The evaluation shall include an explanation and shall be made public no later than at the time the Board's statement is made public.

Deviations from the Code: None.

- CEO's report
- Group management
- Board of directors' report
- Board of directors
- Consolidated financial statements and notes - AKVA group
- Financial statements and notes - AKVA group ASA
- Auditor's report
- Responsibility statement
- Alternative performance measures - non ifrs financial measures
- Environmental, social & governance (ESG)
- EU Taxonomy
- Corporate governance in AKVA group ASA
- GRI context index

GRI Context Index



CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

■ GRI context index

GRI CONTEXT INDEX

AKVA group reports on its activities in the field of corporate social responsibility and sustainability on the basis of the guidelines issued by the international organization, the Global Reporting Initiative (GRI). Reporting takes place via this report, AKVA group's annual report and other information published on our website.

The sustainability reporting for 2023 includes data for a number of disclosures drawn from GRI's guidelines. AKVA group has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards. The Index is a reference to the disclosed information and gives an overview over the omissions.

Any page reference in the index refers to AKVA groups Annual Report.

GRI – Disclosure No.	Description	Page	Comment
2-1	Organizational details	AKVA Group ASA, Public limited company listed on the Oslo Stock Exchange, Headquarter in Plogfabrikkvegen 11, 4353 Klepp Stasjon, Norway. Offices in Norway, Denmark, Scotland, Lithuania, Spain, Greece, Turkey, Chile, Canada, China and Australia.	
2-2	Entities included in the organization's sustainability reporting	Chapter «ESG – Reduce GHG emissions» and "Board of Directors Report - AKVA group – the business segments" Chapter "Consolidated Financial Statements and notes – AKVA group, Note 9 Subsidiaries and other long-term investments"	All entities with >50% ownership by mother company is included
2-3	Reporting period, frequency and contact point	Chapter "ESG- AKVA groups presence and activities"	Yearly, 01.01.2023 – 31.12.2023 Contact point: Ståle Økland, Director Communication and sustainability
2-4	Restatements of information		Not applicable
2-5	External assurance		No external revision for 2023
2-6	Activities, value chain, and other business relationships	"Board of Directors' report -AKVAgrou – the business segment"	
2-7	Employees	Chapter ESG - "Social information"	
2-8	Workers who are not employees		Not included.
2-9	Governance structure and composition	"Corporate Governance in AKVA group ASA"	

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

■ GRI context index

GRI – Disclosure No.	Description	Page	Comment
2-10	Nomination and selection of the highest governance body	"Group Management" and "Corporate Governance in AKVA group ASA – 7. Nomination Committee"	
2-11	Chair of the highest governance body	"Corporate Governance in AKVA group ASA" - 8. Boards of Directors Composition and independence	
2-12	Role of the highest governance body in overseeing the management of impacts	"Corporate Governance in AKVA group ASA"	
2-13	Delegation of responsibility for managing impacts	"Corporate Governance in AKVA group ASA"	
2-14	Role of the highest governance body in sustainability reporting		Sustainability reports are processed and adopted annually by the Board of Directors
2-15	Conflicts of interest	"Corporate Governance in AKVA group ASA"	
2-16	Communication of critical concerns	"Corporate Governance in AKVA group ASA"	Critical concerns are communicated to the Board of Directors
2-17	Collective knowledge of the highest governance body	"Corporate Governance in AKVA group ASA"	
2-18	Evaluation of the performance of the highest governance body	"Corporate Governance in AKVA group ASA-7. Nomination Committee"	The nomination Committee performs a yearly evaluation.
2-19	Remuneration policies	"Corporate Governance in AKVA group ASA" and "Consolidated Financial Statements and notes – AKVA group -Note 3"	
2-20	Process to determine remuneration	"Corporate Governance in AKVA group ASA"	
2-21	Annual total compensation ratio		Not available
2-22	Statement on sustainable development strategy	"CEO's report"	
2-23	Policy commitments	Chapter "ESG-4 Governance information"	
2-24	Embedding policy commitments	Chapter "ESG-4 Governance information"	Link to Code of Conduct: Code of Conduct - AKVA group - 2023.pdf
2-25	Processes to remediate negative impacts		Not mentioned
2-26	Mechanisms for seeking advice and raising concerns	Chapter "ESG-3 Social information" and part of "Code of Conduct"	
2-27	Compliance with laws and regulations	Chapter "ESG-4 Governance information"	
2-28	Membership associations	Chapter "ESG-3.4 Commitment to local communities and the global seafood industry"	
2-29	Approach to stakeholder engagement	Chapter "ESG-1.4 Double materiality Assessment" and chapter "ESG-3.4 Commitment to local communities and the global seafood industry"	
2-30	Collective bargaining agreements	Chapter "ESG-3. Social information"	% of employees covered by collective bargaining agreements is not available

CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

■ GRI context index

GRI 3 Material topics 2022

3-1	3-1 Process to determine material topics	Chapter "ESG-3.4 Double materiality assessment"
3-2	3-2 List of material topics	Chapter "ESG—3.4 Double materiality assessment"
3-3	3-3 Management of material topics	Chapter "ESG—3.4 Double materiality assessment"

GRI 201: DIRECT ECONOMICS

201-1	Direct economic value generated and distributed	"Board of Directors Report"
201-2	Financial implications and other risks and opportunities due to climate change	"Board of Directors Report"
201-4	Financial assistance received from government	"Consolidated financial statements and notes - AKVA group, Note 4"

GRI 205: ANTI-CORRUPTION 2016

205-2	Communication and training about anti-corruption policies and procedures	Chapter "ESG-4 Governance information"	Part of our Code of Conduct
205-3	Confirmed incidents of corruption and actions taken	Chapter" ESG-4 Governance information"	

GRI 301: MATERIALS 2016

301-1	Materials used by weight or volume	Chapter "ESG-2.Meet the requirement for a circular economy"	Plastic, steel and concrete are our main materials
301-2	Recycled input materials used	Chapter "ESG-2. Meet the requirement for a circular economy"	Included for relevant materials

GRI 302: ENERGY 2016

302-1	Energy consumption	Chapter "ESG-2.Reduce GreenHouse Gas emission (GHG)"	
302-3	Energy intensity	Chapter "ESG-3.Reduce GreenHouse Gas emission (GHG)"	MWh/mill NOK revenue

GRI 304: BIODIVERSITY 2016

304-2	Significant impacts of activities, products, and services on biodiversity	Chapter "ESG-2.Meet the requirement for a circular economy"	Antifouling agents used on nets
-------	---	---	---------------------------------

GRI 305: EMISSIONS 2016

305-1	Direct (Scope 1) GHG emissions	Chapter "ESG-2.Reduce GreenHouse Gas emission (GHG)"	
305-2	Energy indirect (Scope 2) GHG emissions	Chapter "ESG-2.Reduce GreenHouse Gas emission (GHG)"	
305-3	Indirect (Scope 3) GHG emissions	Chapter "ESG-2.Reduce GreenHouse Gas emission (GHG)"	
305-4	GHG emissions intensity	Chapter "ESG-2.Reduce GreenHouse Gas emission (GHG)"	tCo2e/mill NOK revenue

GRI 306: WASTE 2020

306-1	Waste generation and significant waste-related impacts	Chapter "ESG-2.Meet the requirement for a circular economy"	
306-2	Management of significant waste-related impacts	Chapter "ESG-2.Meet the requirement for a circular economy"	



CEO's report

Group management

Board of directors' report

Board of directors

Consolidated financial statements and notes - AKVA group

Financial statements and notes - AKVA group ASA

Auditor's report

Responsibility statement

Alternative performance measures - non ifrs financial measures

Environmental, social & governance (ESG)

EU Taxonomy

Corporate governance in AKVA group ASA

■ GRI context index

GRI 401 EMPLOYMENT 2016

401-1	New employees and turnover	Chapter «ESG-3.Social information»	Turnover not included
-------	----------------------------	------------------------------------	-----------------------

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-1	Occupational health and safety management system	Chapter «ESG-3.Social information»	
403-2	Hazard identification, risk assessment, and incident investigation	Chapter «ESG-3.Social information»	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter «ESG-3.Social information»	
403-9	Work-related injuries	Chapter «ESG-3.Social information»	
403-10	Work-related absence	Chapter «ESG-3.Social information»	Sickness absence is reported, not all work-related.

GRI 404: TRAINING AND EDUCATION 2016

404-2	Programs for upgrading employee skills and transition assistance programs	Chapter «ESG-3.Social information»	
404-3	Percentage of employees receiving regular performance and career development reviews	Chapter «ESG-3.Social information»	

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

405-1	Diversity of governance bodies and employees	Chapter «ESG-3.Social information»	
405-2	Ratio of basic salary and remuneration of women to men	Chapter «ESG-3.Social information»	

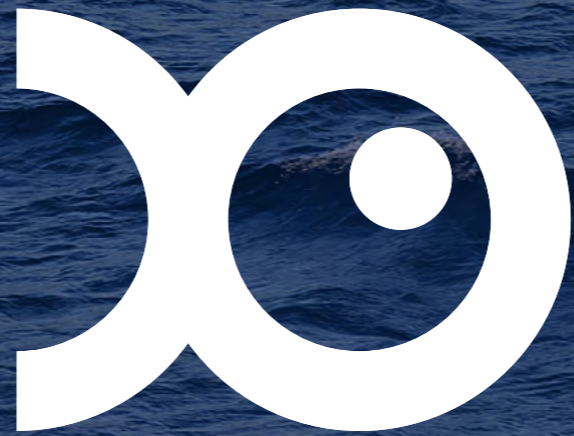
GRI 406: NON - DISCRIMINATION 2016

406-1	Incidents of discrimination and corrective actions taken	Chapter «ESG-3.Social information»	
-------	--	------------------------------------	--

GRI 417: MARKETING AND LABELING 2016

417-1	Requirements for product and service information and labeling	Chapter "ESG-4 Governance information"	
-------	---	--	--





AKVAGROUP™