



Q4 2013 Presentation

Oslo - February 21st, 2014

Trond Williksen, CEO

Eirik Børve Monsen, CFO



Agenda

- **Highlights Q4 2013**
Trond Williksen, CEO
- **Financial performance Q4 2013**
Eirik Børve Monsen, CFO
- **Outlooks**
Trond Williksen, CEO
- **Q & A**





Highlights Q4 2013

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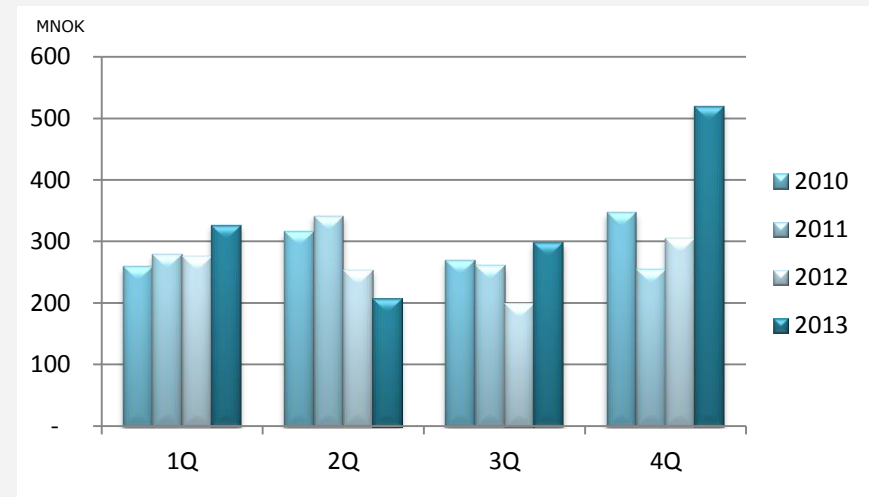


Ramp up of activity – all time high order backlog

Fourth quarter 2013 - Highlights

- Ramp up of activity – all time high order backlog
 - 70% YoY increase in order inflow
 - Order backlog of 520 MNOK (306 MNOK)
 - Order inflow of 467 MNOK (279 MNOK)
- Best Q4 in 6 years
 - Revenue of 246 MNOK (174 MNOK)
 - EBITDA of 9 MNOK (-4 MNOK)
 - Provisions and extra cost of MNOK 9.2 in Chile
- Land based delivering positive results and having record high order backlog

Order backlog





Ramp up of activity – all time high order backlog

Fourth quarter 2013 - Highlights, continued from previous slide

- Change of main banking partner for the Group
 - Strengthen our financial robustness including our cash position further
 - Reduced cost and increased access to premium banking services
 - With effect from Q1 2014
- Acquisition of YesMaritime AS approved
 - Strategic move to strengthen the Service Segment - moving into the growing Farming Services industry
 - Expected to be included in the Group on April 1st, 2014

YTD 2013

- Operational revenue of 919 MNOK compared to 803 in 2012* - an 15% increase YoY
- Operational EBITDA of 47 MNOK versus 29 MNOK in 2012* - an 63% increase YoY

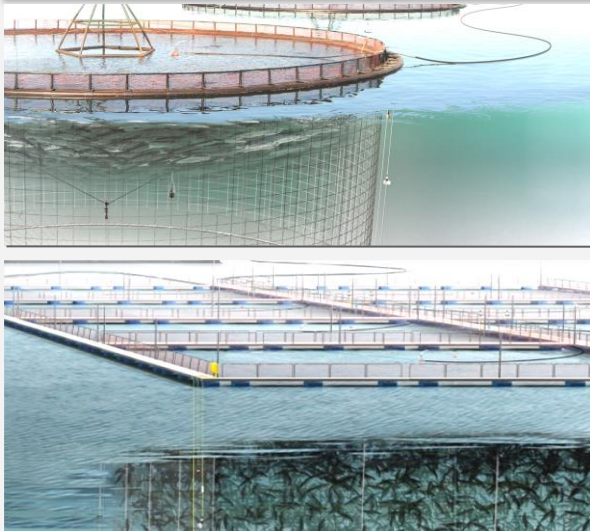
* 1H 2012 numbers above excluding the one-off gain of 29 MNOK from the sales of the Norwegian Maritech business in February 2012





AKVA group – uniquely positioned for future growth

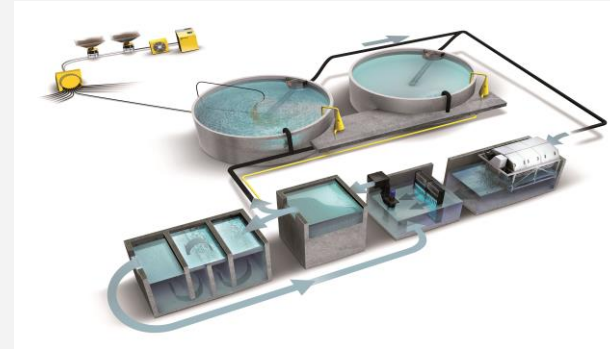
Cage based farming Technology



AKVA group in brief

- The most recognized brand in aquaculture technology
- Leading technology solutions and service partner to the global aquaculture industry
- Global presence - subsidiaries in 8 countries
- 572 employees

Land based farming Technology



Site infrastructure



Feed systems



Sensors & operational



Software systems & services





Operational structure





Global presence – three regions

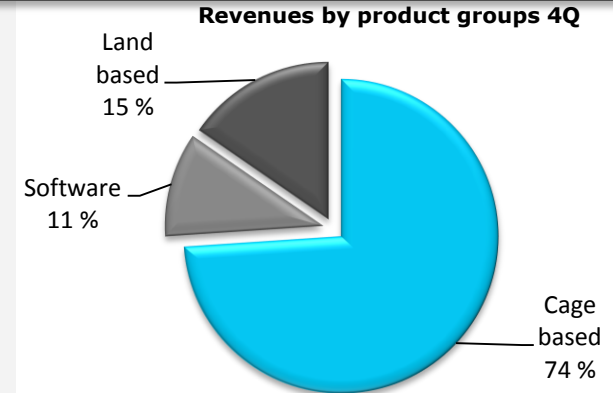




Market segments - Revenue

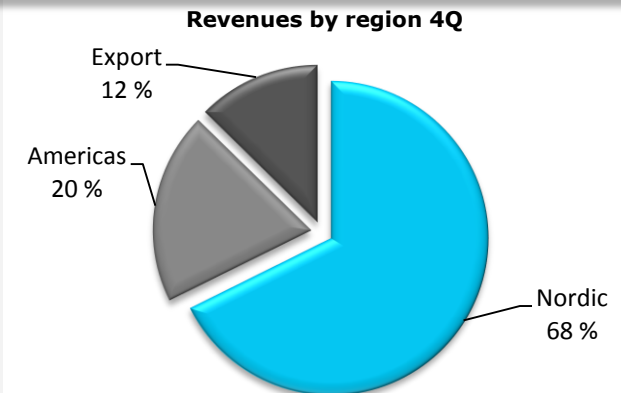
By product groups – Q4 2013

- Land based technologies +4 percentage point, Cage based technologies -1 and Software -3 percentage point vs Q4 2012
- **Cage based technologies** = Cages, barges, feed systems and other operational systems for cage based aquaculture
- **Software** = Software and software systems
- **Land based technologies** = Recirculation systems and technologies for land based aquaculture



By geographic regions – Q4 2013

- Export +1 percentage points, Nordic +23 percentage point and Americas -24 percentage point vs Q4 2012
- **Nordic** = the Nordic countries
- **Americas** = America and Oceania
- **Export** = UK, South Europe and all emerging markets (the rest of the world)





Financial performance Q4 2013

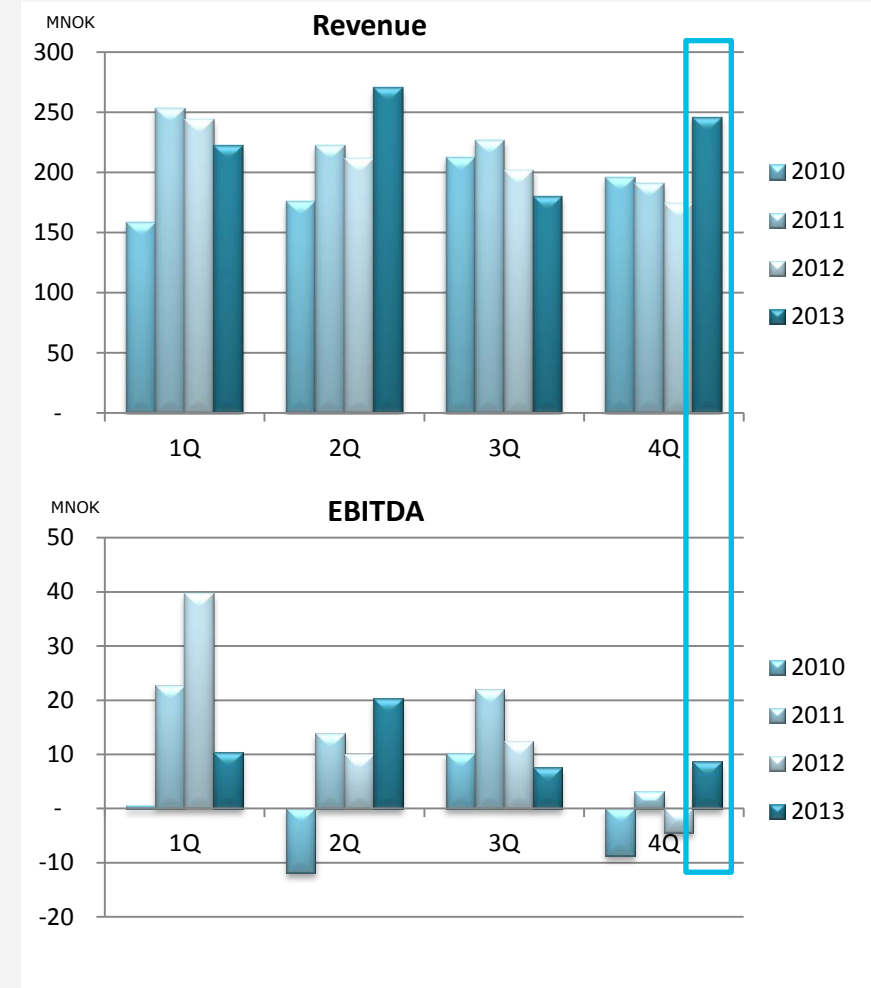
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Financially a good quarter in all areas except Chile

- Record high activity in the Nordic segment in Q4 with high revenue and margins, partly offset by low revenue and one off costs in Chile
- High order backlog driving performance in Nordic and Export
- Significantly reduced exposure in Chile during 2013
- Land based with improved performance in Q4
- The balance sheet stronger than ever
- Change of main banking partner for the Group – will strengthen our financial situation and ability further





P & L segments – Cage Based Technologies



Nordic

- Record high revenue and margins in the Nordic segment in Q4 due to high order inflow in 2H 2013

Americas

- Decline in revenues in Chile – as expected. Extra cost of 9.2 MNOK in Q4 related to layoffs and extra provisions
- Our exposure in Chile is significantly reduced during 2013 by reducing stock and accounts receivables YoY with 46% and 47% respectively
- Canada is performing well in Q4 with good margins

Export

- UK also performing well in Q4 with improved performance YoY
- Delivery of large contracts to emerging markets proceeding according to plan (NPC in Saudi Arabia and Russian Sea in Russia)
- Export signed a contract with DunAn in China in Q4 – with a total contract value of 23.4 MNOK

P&L 2013 (MNOK)	2013 4Q	2012 4Q	2013 YTD	2012 YTD
Cage based technologies				
Nordic operating revenues	108,4	45,1	403,9	264,8
Americas operating revenues	42,7	68,1	172,5	302,7
Export operating revenues	30,7	18,6	147,6	89,5
OPERATING REVENUES	181,8	131,8	724,0	657,0
Operating costs ex depreciations	181,3	140,9	693,5	636,4
EBITDA	0,6	-9,2	30,5	20,6
Depreciation	6,1	6,5	26,0	26,5
EBIT	-5,6	-15,7	4,4	-5,9
<i>EBITDA %</i>	<i>0,3 %</i>	<i>-7,0 %</i>	<i>4,2 %</i>	<i>3,1 %</i>
<i>EBIT %</i>	<i>-3,1 %</i>	<i>-11,9 %</i>	<i>0,6 %</i>	<i>-0,9 %</i>



P & L segments – Software



- Software continues to deliver stable revenue and good margins
- Wise Ehf (Iceland) delivering a 12% EBITDA margin in 2013 - good operational improvement YoY
- AKVA group Software AS delivering a 30% EBITDA margin in 2013 – strong performance year after year
- Software continues to invest in new product modules to be launched 2014. These product modules will strengthen the financial performance of the SW segment further

P&L 2013 (MNOK)	2013 4Q	2012 4Q	2013 YTD	2012 YTD
Software				
Nordic operating revenues	21,8	19,7	79,3	102,5
Americas operating revenues	3,9	3,8	16,8	18,3
Export operating revenues	0,4	0,4	1,6	1,6
OPERATING REVENUES	26,2	23,9	97,7	122,4
Operating costs ex depreciations	21,2	18,7	78,2	79,7
EBITDA	4,9	5,2	19,5	42,7
Depreciation	1,4	-2,4	5,4	2,2
EBIT	3,5	7,6	14,1	40,5
<i>EBITDA %</i>	<i>18,8 %</i>	<i>21,7 %</i>	<i>19,9 %</i>	<i>34,9 %</i>
<i>EBIT %</i>	<i>13,3 %</i>	<i>31,8 %</i>	<i>14,4 %</i>	<i>33,1 %</i>

* Q1 2012 financials includes one month of revenue in the Norwegian Maritech business and the gain related to the sale of this business in February 2012.



P & L segments – Land Based Technologies



- Best quarter ever for Land Based
- New projects in AKVA group Denmark A/S drive the improved performance
- Organizational and operational improvements have been implemented during 2013
- AKVA group Denmark A/S signed a contract with Fish Farm in Dubai in Q4 – with a total contract value of 9.5 MEUR
- Good order backlog going in to 2014

P&L 2013 (MNOK)	2013 4Q	2012 4Q	2013 YTD	2012 YTD
Land based technologies				
Nordic operating revenues	36,1	14,4	92,2	40,3
Americas operating revenues	1,8	4,2	4,8	11,8
Export operating revenues	-	-	-	-
OPERATING REVENUES	37,9	18,6	97,0	52,1
Operating costs ex depreciations	34,7	19,1	100,0	57,6
EBITDA	3,2	-0,4	-3,0	-5,5
Depreciation	0,7	1,7	1,7	2,4
EBIT	2,5	-2,1	-4,7	-8,0
<i>EBITDA %</i>	8,4 %	-2,4 %	-3,1 %	-10,6 %
<i>EBIT %</i>	6,6 %	-11,5 %	-4,9 %	-15,3 %



Financials – Detailed P & L

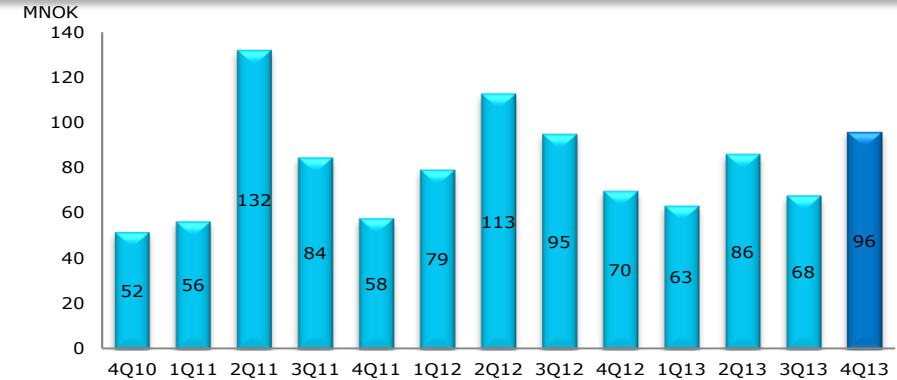
P&L 2013 (MNOK)	2013 4Q	2012 4Q	2013 YTD	2012 YTD	
OPERATING REVENUES	245,9	174,3	918,7	831,5	2012 Q1 revenue and margins are affected by the one off gain related to the sale of the Norwegian Maritech business. The gain was 29
Operating costs ex depreciations	237,2	178,7	871,8	773,7	
EBITDA	8,7	-4,4	46,9	57,8	
Depreciation	8,3	5,8	33,1	31,1	
EBIT	0,4	-10,2	13,8	26,7	
Net interest expense	-1,8	-2,2	-7,6	-8,2	
Other financial items	-1,1	-1,6	-1,6	-1,2	Includes M&A costs related to the Plastsveis AS and Yes Maritime AS acquisitions. Foreign currency risk managed within acceptable limits.
Net financial items	-2,9	-3,8	-9,2	-9,3	
EBT	-2,4	-14,1	4,6	17,4	
Taxes	-1,2	-1,7	2,2	7,1	
NET PROFIT	-1,3	-12,3	2,4	10,3	
Net profit (loss) attributable to:					
Non-controlling interests	-0,1	-	-0,5	-	Minority interest - 30% of Plastsveis AS - is included from 01.04.2013.
Equity holders of AKVA group ASA	-1,2	-12,3	2,9	10,3	
Revenue growth	41,1 %	-8,7 %	10,5 %	-6,9 %	
EBITDA margin	3,5 %	-2,5 %	5,1 %	7,0 %	
EPS (NOK)	-0,05	-0,48	0,11	0,40	



Group financial profile – solid balance sheet

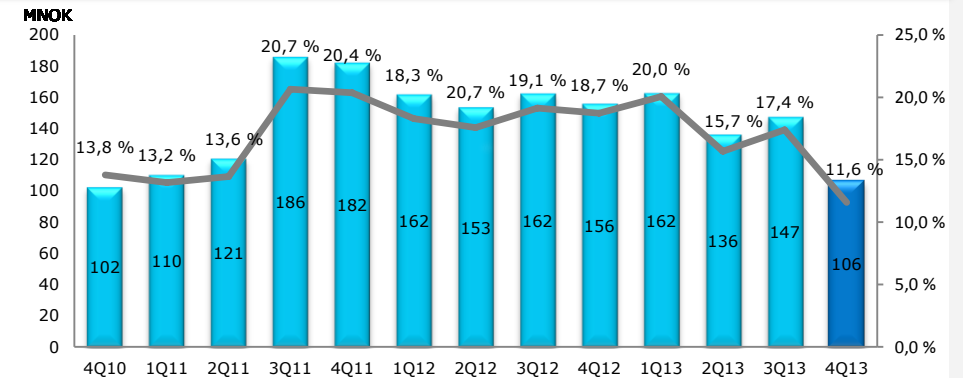
Available cash (in MNOK)

- Total available cash, including available drawing facility, was 96 MNOK at the end of Q4 2013 vs 70 MNOK at the end of Q4 2012
- Improved available cash during 2013 despite the acquisition of Plastsveis AS in March 2013 with a negative net impact of 8 MNOK on available cash
- Effect of refinancing not effective until Q1 2014



Working capital (in MNOK & % of 12 months rolling revenue)

- Record low working capital in percentage of 12 months rolling revenue
- Back to same working capital level as in early 2011, i.e. before the previous ramp up in the Chilean market.
- Our continued effort to reduce exposure in Chile in 2013 is the main driver for reduced working capital in the Group

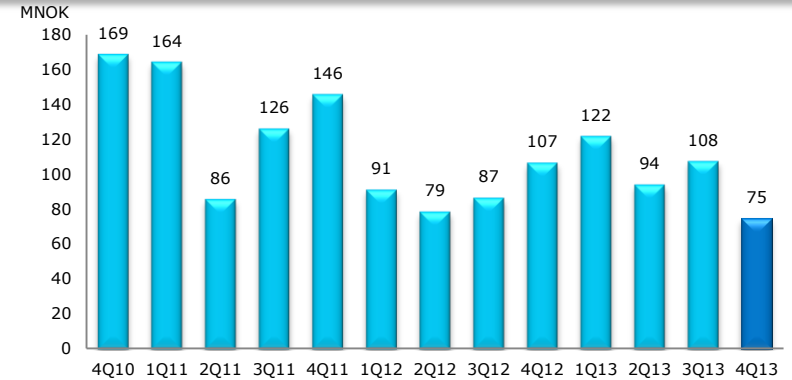




Group financial profile – solid balance sheet, continued

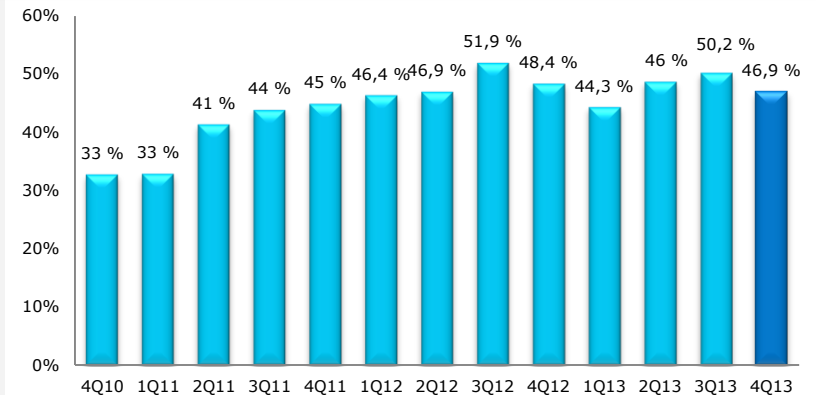
Net interest bearing debt (NIBD in MNOK)

- NIBD reduced with 32 MNOK vs end of Q4 2012:
- NIBD reduced with 49% over the last two years
- Lowest level in 5.5 years



Equity ratio (in %)

- Continued solid equity ratio





Balance sheet

BALANCE SHEET	2013	2012
(MNOK)	31.12.	31.12.
Intangible fixed assets	225,7	201,2
Fixed assets	55,0	45,8
Long-term financial assets	27,1	31,5
FIXED ASSETS	307,8	278,5
Stock	144,2	161,7
Trade receivables	155,5	163,1
Other receivables	56,1	32,4
Cash and cash equivalents	58,3	36,8
CURRENT ASSETS	414,2	394,1
TOTAL ASSETS	722,0	672,6
Paid in capital	355,5	355,5
Retained equity	-18,9	-30,3
Equity attributable to equity holders of AKVA group	336,6	325,3
Non-controlling interests	2,3	0,0
TOTAL EQUITY	338,9	325,3
Other long term debt	0,9	2,3
Long-term interest bearing debt	55,0	67,4
LONG-TERM DEBT	55,9	69,8
Short-term interest bearing debt	77,8	75,9
Other current liabilities	249,4	201,6
SHORT-TERM DEBT	327,2	277,5
TOTAL EQUITY AND DEBT	722,0	672,6
<i>Equity ratio including non-controlling interests</i>	46,9 %	48,4 %
<i>Net interest bearing debt</i>	74,6	106,6
<i>Net working capital</i>	106,5	155,7



Group financial profile – Change of main banking partner

- AKVA group ASA has entered into an agreement to change main banking partner for the Group to Danske Bank
- As part of this AKVA group ASA have refinanced its interest bearing debt. The new structure of interest bearing debt will be as follows:
 - Serial loan of 40 MNOK with duration of 5 years
 - A bullet loan of 75 MNOK with duration of 5 years
 - A multiple currency drawing facility of MNOK 90
- The refinancing reduces financing cost and yearly installments for AKVA group ASA.
- AKVA group ASA also gets access to Danske Bank's excellent global services going forward. This will support our continued growth in existing and new foreign markets
- The serial loan from Innovasjon Norge of 16.4 MNOK with remaining duration of 3.75 years is prolonged
- The change of bank will be effective during Q1 2014



Cash flow statement

CASH FLOW STATEMENT (NOK 1 000)	2013 4Q	2012 4Q	2013 YTD	2012 YTD
Net cash flow from operations	6 211	-9 945	37 789	16 995
Net cash flow from change in working capital	39 122	4 801	56 441	24 648
Net cash flow from operating activities	45 333	-5 144	94 230	41 642
Net cash flow from investment activities	-12 235	-14 716	-58 638	-3 221
Net cash flow from financial activities	-5 255	9 896	-14 060	-38 857
Net cash flow	27 843	-9 964	21 533	-435
Cash and cash equivalents at the beginning of the period	30 486	46 761	36 797	37 232
Cash and cash equivalents at the end of the period	58 330	36 797	58 330	36 797

- Investments in Q4 were 11.3 MNOK whereof 3.1 MNOK is capitalized R&D expenses in accordance to IFRS.
- Total investments in 2013 were 39.9 MNOK whereof 16.5 MNOK is capitalized R&D expenses in accordance to IFRS
- Total investments in 2012 were 39.8 MNOK whereof 15.8 MNOK is capitalized R&D expenses in accordance to IFRS.



 **Outlooks**

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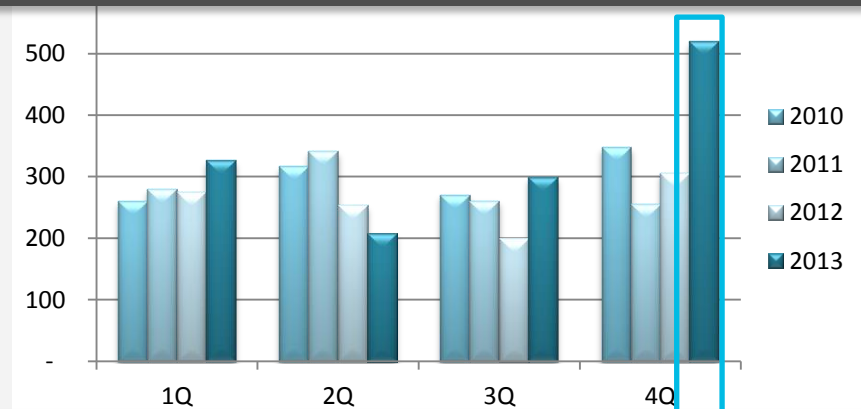
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Order backlog and inflow

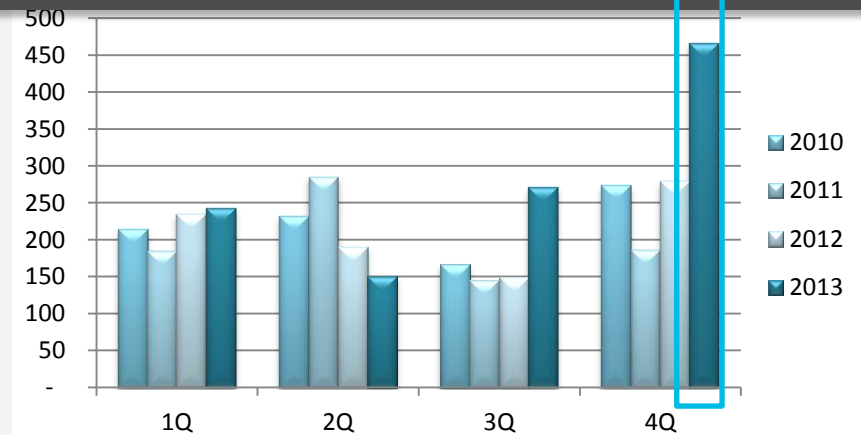
Order backlog (in MNOK)

- Order backlog 520 MNOK vs 306 MNOK by end of Q4 2012
- Highest order backlog ever
- Nordic and Export being main drivers



Order inflow (in MNOK)

- Total order inflow of 467 MNOK vs 279 MNOK in Q4 2012
- Highest order inflow ever
- High market activity has materialized in a good order inflow – + 70% YoY in Q4 2013 (and +82% YoY in Q3 2013)
- Ending second half of 2013 with an order inflow of 738 MNOK





Maintaining optimistic outlook

- We maintain our positive outlook in the Nordic market for the coming quarters. Significant growth in salmon prices in 2013 and continued high prices in 2014 drives demand for technology and services. Last 6 months increase in order backlog and continued high activity in the market strengthen this assumption.
- In Chile the industry and investments are influenced by financial, operational and biological uncertainty. We are monitoring the market closely and have adjusted our operation according to the development.
- UK and Canada are expected to perform well in the next quarters
- Performance in Export is expected to be good in the next quarters due to deliveries of large projects and an interesting prospect mass
- Land based expected to have continued positive development. Good order backlog supports this expectation
- Continued effort to build service and aftersales as a key business element in all markets and segments. Including YesMaritime AS in the Group in Q2 2014 is expected to strengthen or service segment further





Acquisition of YesMaritime AS

- AKVA group ASA has entered into an agreement with Egersund Group AS, to acquire 100 percent of the shares in the aquaculture farming services company YesMaritime AS for a price of NOK 17.5 million. NOK 8.5 million of the purchase price will be paid in cash on completion. The remaining NOK 9 million will be settled in the form of a two-year seller credit from Egersund Group AS on market terms and conditions. The transaction was approved by the shareholders in an extraordinary general meeting on February 12th, 2014.
- YesMaritime AS was established in 1985 and has developed to become one of the larger aquaculture farming service companies in Norway. The company is operating out of Bergen and has 29 employees. Currently the company is operating 6 vessels providing a range of services to the fish farming industry in Western Norway. In 2012 the Company had a turnover of NOK 48,362,760 million, net profits after tax of NOK 4,022,025 and total assets of NOK 24,772,069. The preliminary 2013 financials indicates a weaker performance in 2013.
- The acquisition of YesMaritime AS is a natural step in AKVA group ASAs strategy to strengthen the position in the service segment to the aquaculture industry. We expect the market for farming services to the aquaculture industry to grow in the coming years as well as we will see a consolidation of the players. Through this acquisition AKVA group ASA will be well positioned to participate in this development. YesMaritime AS also holds significant synergies with our existing activity.



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