Q1 2013 Presentation

Oslo, May 15th, 2013

Trond Williksen, CEO
Eirik Børve Monsen, CFO

Agenda

- Highlights Q1 2013

  Trond Williksen, CEO

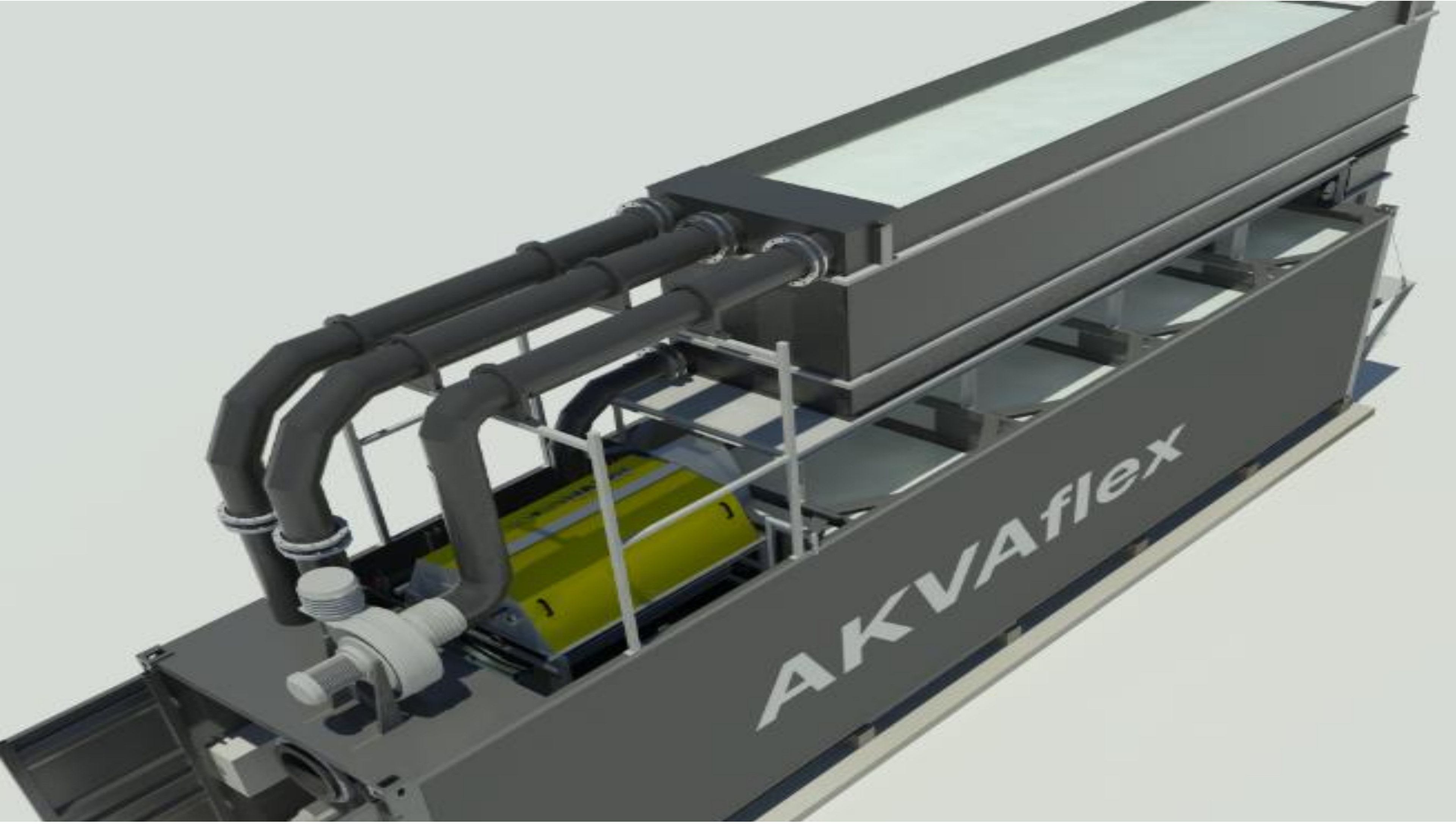
- Financial performance Q1 2013

  Eirik Børve Monsen, CFO

- Outlooks

  Trond Williksen, CEO

- Q & A



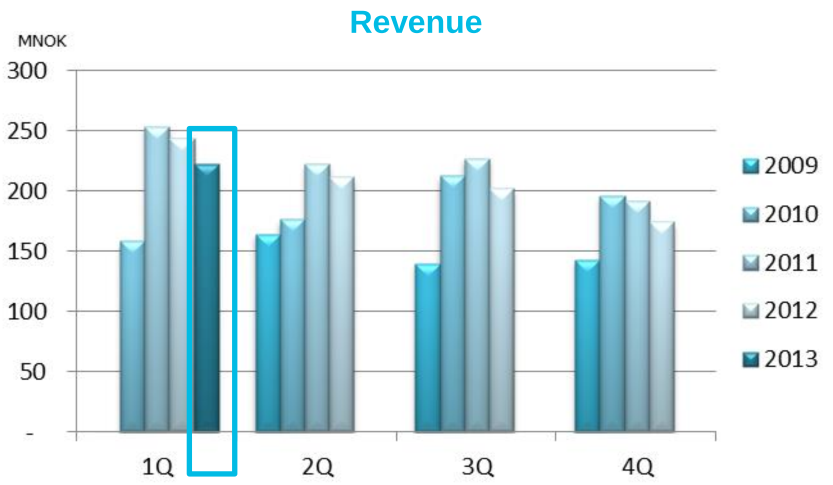
Highlights Q1 2013

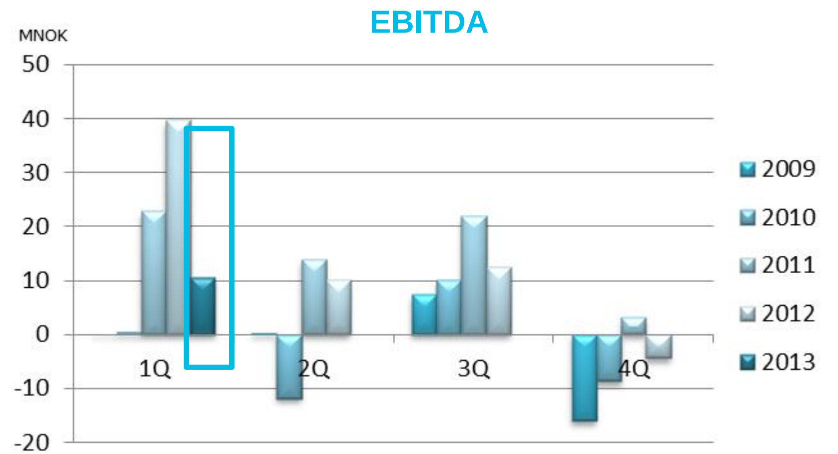
Improvement from last quarter – strong order backlog

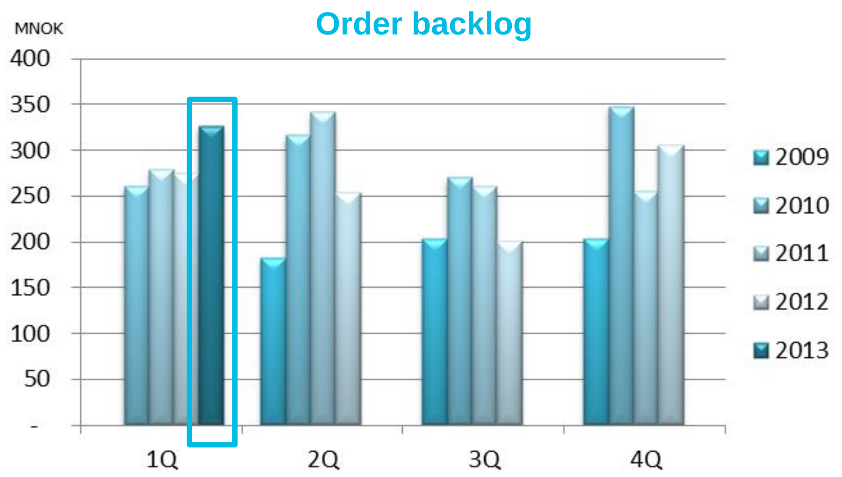
Newly designed AB450 barge for delivery to Nova Sea in August 2013

- Over all underlying operational performance in line with Q1 last year
- Strong order backlog
- Strong growth in Nordic market with improved top line and earnings
- Reduced top line and earnings in Chile, Canada and Scotland
- Important steps taken in Export segment - 59 MNOK contract with NPC in Saudi Arabia
- Acquisition of 70% of the shares in Plastsveis AS completed in March - strengthening AKVA group’s position in the land based segment

Key financials

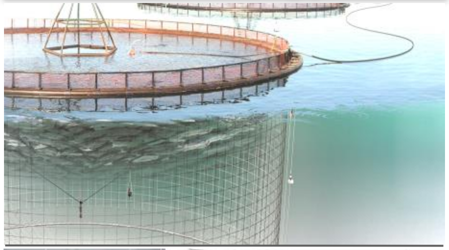


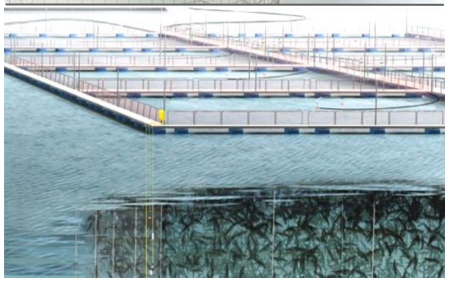




AKVA group – uniquely positioned for future growth

Cage based farming Technology

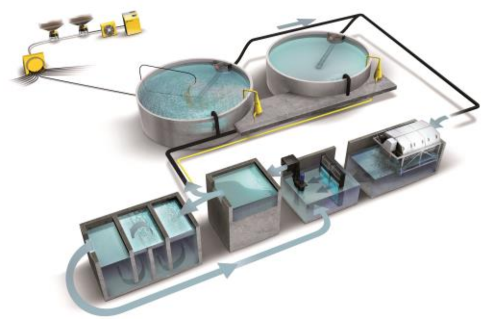




AKVA group in brief

- The most recognized brand in aquaculture technology
- Leading technology solutions and service partner to global aquaculture industry
- Global presence - subsidiaries in 9 countries
- 2012 revenue of 832 MNOK and 2012 EBITDA of 58 MNOK
- 680 employees

Land based farming Technology



Site infrastructure

Feed systems

Sensors & operational

Software systems & services

Operational structure

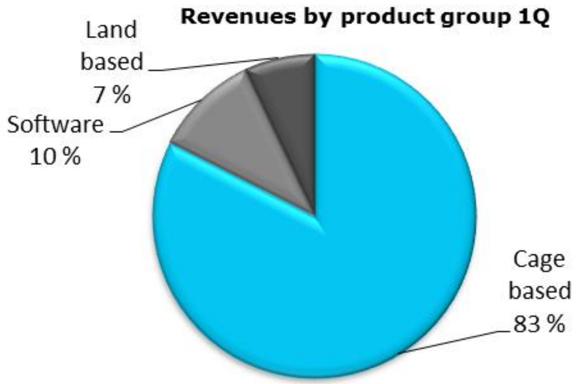
AKVA GROUP

Technologies	Nordic	Americas	Exports
Cage based technologies akvasmart: Akvasmart Feeding systems, Akvasmart Lights, Akvasmart Cameras & Sensors, Akvasmart Net cleaners polarcirkel: Polarcirkel Cages, Polarcircel boats wavemaster: Wavemaster Feed Barges, Wawemaster Steel Cages **Software (SW)** fishtalk: Fishtalk wise: WISE / WiseDynamics **Land based technologies** akvasmart: Landbased technology PLAST: Landbased technology	Technology sales Production and projects Service and aftersale Nordic countries	Technology sales Production and projects Service and aftersale North and South America, New Zealand Australia	Technology sales Projects Service and aftersale in all other regions, including UK, Mediteranian, Russia Asia

Global presence – three regions

Market segments - Revenue

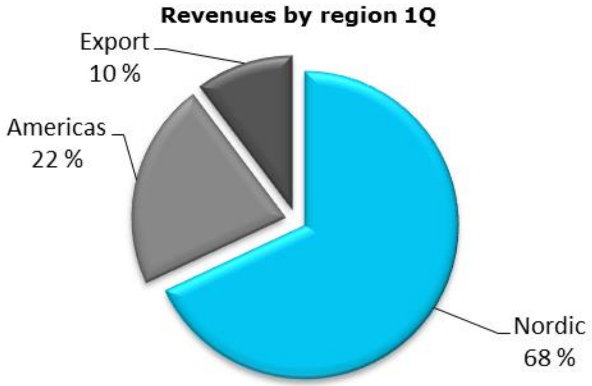
By product groups – Q1 2013



- Land based technologies +2 percentage point, Software -2 percentage point and Cage based technologies unchanged vs Q1 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 – Q1 2013

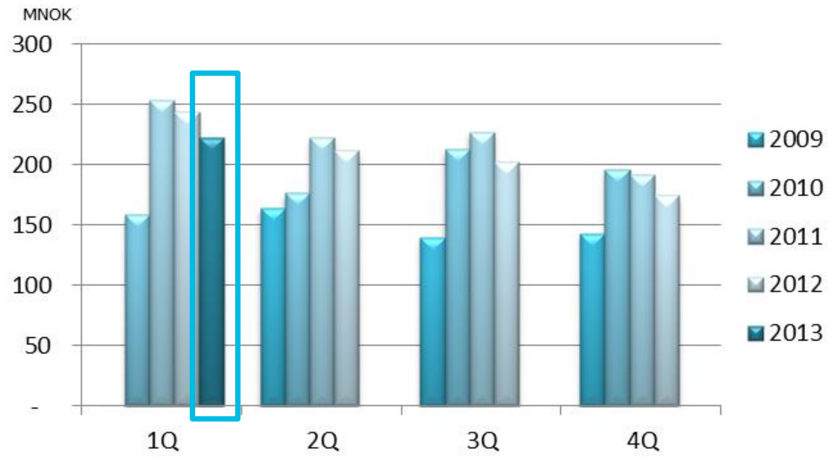


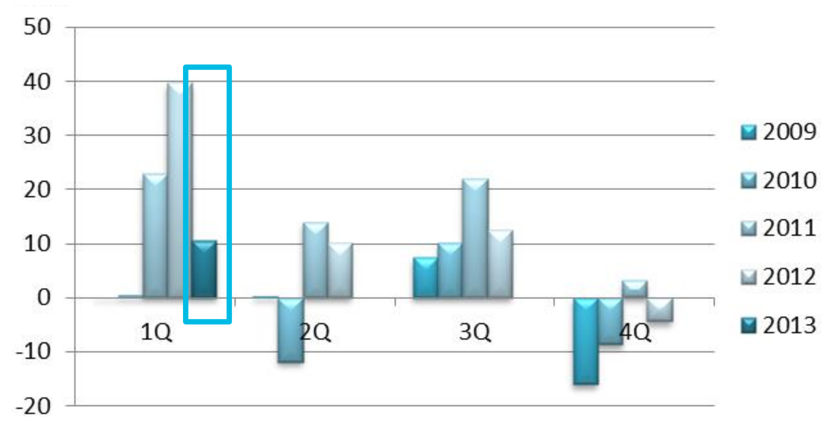
- Nordic +27 percentage point, Americas -19 percentage point and Export -8 percentage points vs Q1 2012

- **Nordic** = the Nordic counties
- **Americas** = America and Oceania
- **Export** = UK, South Europe and all emerging markets (the rest of the world)

Financial performance Q1 2013

Strong growth in Nordic – slow in Americas and UK





- Strong growth in revenue and earnings in Nordic, reduction in Americas and UK
- Underlying operational performance in line with Q1 2012
  - Adjusted revenue and EBITDA in Q1 2012 for the gain related to the Maritech Norway sale would have given a revenue of 214 and a EBITDA of MNOK 10.7, i.e. on the same level as Q1 2013
- Plastsveis AS included from March 31st, 2013 – no P&L effect, but impact on balance sheet
- Q1 is high season for production, impacting cash, total balance sheet and equity ratio
- Egersund Group AS increased their share holdings in AKVA group ASA to 87.42% in January through a mandatory offer. Egersund Group issued a statement on February 27th, 2013 outlining their view on the investment short and long term.

P&L segments – Cage Based Technologies

P&L 2012 (MNOK)	2013 1Q	2012 1Q	2012 Total
Cage based technologies			
Nordic operating revenues	117,2	55,0	264,8
Americas operating revenues	43,7	83,8	302,7
Export operating revenues	22,4	38,8	89,5
OPERATING REVENUES	**183,3**	**177,6**	**657,0**
Operating costs ex depreciations	176,6	166,7	636,4
EBITDA	**6,7**	**10,9**	**20,6**
Depreciation	6,6	6,7	26,5
EBIT	**0,0**	**4,2**	**-5,9**
EBITDA %	*3,6 %*	*6,2 %*	*3,1 %*
EBIT %	*0,0 %*	*2,4 %*	*-0,9 %*

- Strong growth in the Nordic segment despite slow start in service & after sales. Service & aftersales improved significantly in February and March.
- Decline in revenues in Chile – as expected. Impact of low prices on salmon, trout and coho as well as increased financial and biological uncertainty
- Canada and Scotland with slow start of the year, impacted by local fish health issues
- Revenue recognition of large Export projects shifted into the second quarter

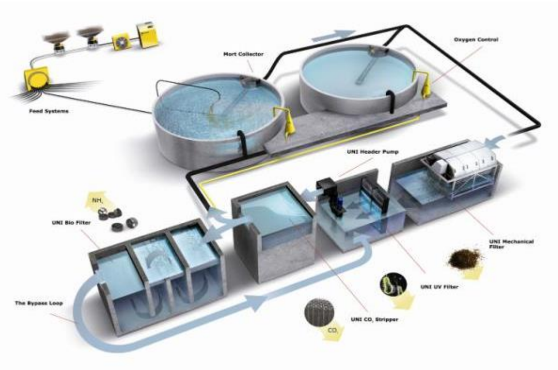
P&L segments - Software

P&L 2012 (MNOK)	2013 1Q	2012 1Q	2012 Total
Software			
Nordic operating revenues	19,6	51,3	102,5
Americas operating revenues	3,3	3,6	18,3
Export operating revenues	0,4	0,4	1,6
OPERATING REVENUES	**23,3**	**55,3**	**122,4**
Operating costs ex depreciations	19,5	22,9	79,7
EBITDA	**3,8**	**32,4**	**42,7**
Depreciation	1,2	1,6	2,2
EBIT	**2,6**	**30,8**	**40,5**
EBITDA %	*16,3 %*	*58,6 %*	*34,9 %*
EBIT %	*11,0 %*	*55,7 %*	*33,1 %*

- Software continues to deliver stable revenue and margins
- AKVA group AS and Wise ehf. in Island have good performance in Q1. Wise Dynamics in Canada not satisfactory in Q1, but a marginal share of the total software business
- 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. Q1 2013 is slightly better than Q1 2012 adjusted for this effect
- Software continues to invest in new product modules to be launched throughout 2013. It is expected that new product modules will further strengthen the financial performance of the SW segment throughout the year

P&L segments – Land Based Technologies

P&L 2012 (MNOK)	**2013 1Q**	**2012 1Q**	**2012 Total**
Land based technologies			
Nordic operating revenues	14,4	10,2	40,3
Americas operating revenues	1,2	0,7	11,8
Export operating revenues	-	-	-
OPERATING REVENUES	**15,5**	**10,8**	**52,1**
Operating costs ex depreciations	15,6	14,5	57,6
EBITDA	**0,0**	**-3,6**	**-5,5**
Depreciation	0,2	0,3	2,4
EBIT	**-0,2**	**-3,9**	**-8,0**
EBITDA %	*-0,2 %*	*-33,3 %*	*-10,6 %*
EBIT %	*-1,6 %*	*-35,9 %*	*-15,3 %*



- Significant improvement in Q1 2013 compared to previous years, caused by improved margins and reduced cost base
- Recirculation technology on its way of becoming a mature technology. Growing prospect mass gives signals of increased interest in the market
- The Land Based Technology segment is positioned for future profitable growth and significantly strengthened through acquisition of 70% of Plastsveis AS

Financials – Detailed P&L group

P&L 2012 (MNOK)	**2013 1Q**	**2012 1Q**	**2012 Total**
OPERATING REVENUES	**222,1**	**243,7**	**831,5**
Operating costs ex depreciations	211,7	204,0	773,7
EBITDA	**10,4**	**39,7**	**57,8**
Depreciation	8,1	8,5	31,1
EBIT	**2,3**	**31,1**	**26,7**
Net interest expense	-1,5	-2,2	-8,2
Other financial items	-0,8	-1,0	-1,2
Net financial items	-2,3	-3,2	-9,3
EBT	**0,0**	**27,9**	**17,4**
Taxes	0,0	7,5	7,1
NET PROFIT	**0,0**	**20,5**	**10,3**
Revenue growth	*-8,8 %*	*-3,8 %*	*-6,9 %*
EBITDA margin	*4,7 %*	*16,3 %*	*7,0 %*
EPS (NOK)	*0,00*	*0,79*	*0,40*

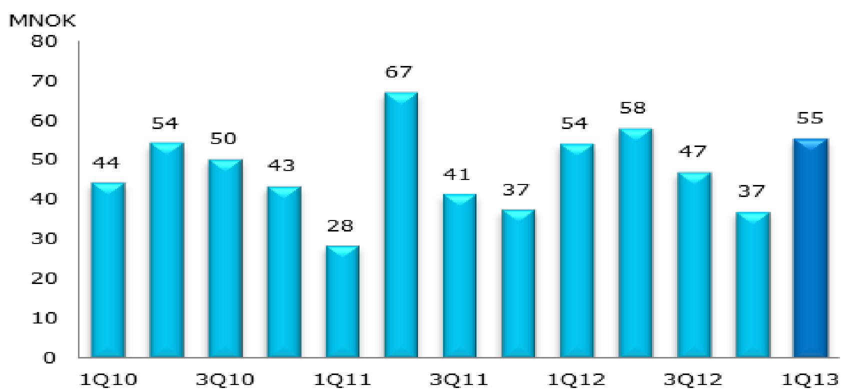
2012 Q1 revenue and margins are affected by the one of gain related to the sale of the Norwegian Maritech business. The gain was 29 MNOK.

Reduced interest cost due to reduced interest brearing debt.

Includes M&A costs related to the Plastsveis AS acquisition.

Group financial profile – slightly impacted by acquisition

Cash balance (MNOK)



- Cash balance on same level as in Q1 2011
- Total available cash, including available drawing facility, was 63 MNOK at the end of Q1 2013 vs 79 MNOK at the end of Q1 2012
- 50% of the Plastsveis AS acquisition was paid in cash

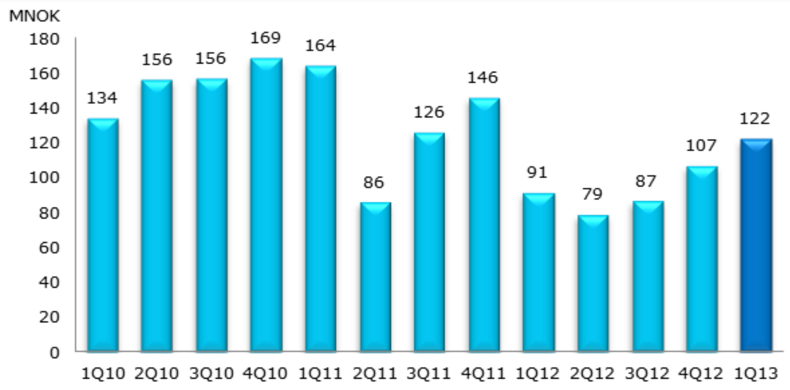
Working capital (WC)

- WC in NOK on same level as in Q1 2012 – managed and stable

* Grey line is Working capital in percentage of 12 m rolling revenue

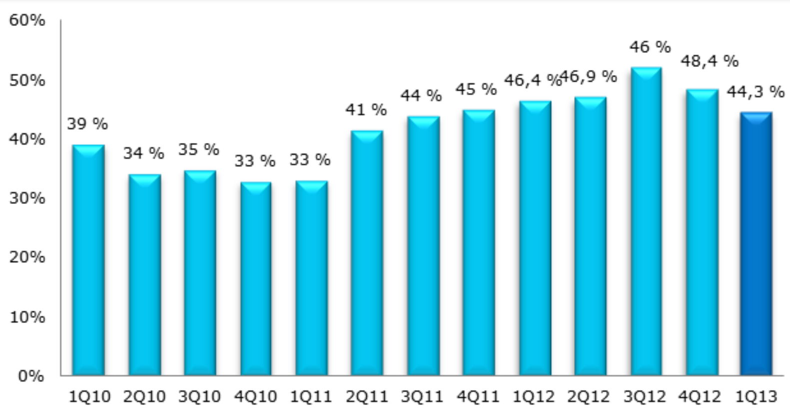
Group financial profile, continued

Debt level (NIBD MNOK)



- Net interest bearing debt increased in Q1 due to new LTL of MNOK 10 related to the Plastsveis AS acquisition
- Increased NIBD is also explained by increased use of the credit facility du to high production activity in Q1 - high season for production
- The NIBD/EBITDA covenants limit of 4 is slightly passed in Q1. The bank has accepted this temporary deviation

Equity ratio (%)



- Equity in NOK on same level as in Q1 2012.
- Equity in % is reduced compared to previous quarters due to increased balance sheet as a result of increased production activity

Balance Sheet

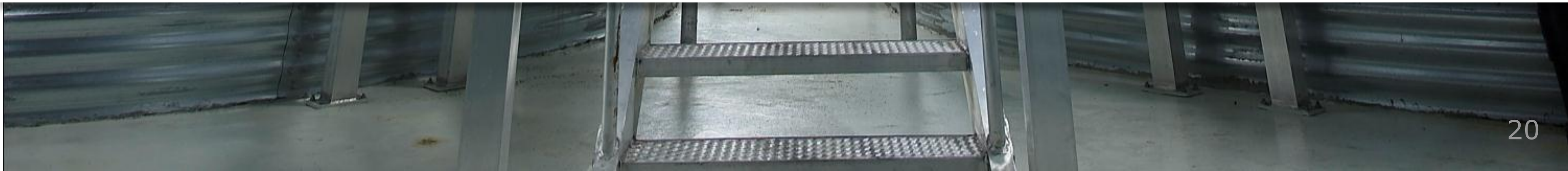
BALANCE SHEET (MNOK)	2013 31.03.	2012 31.03.	2012 31.12.
Intangible fixed assets	220,1	203,1	201,2
Fixed assets	49,0	41,7	45,8
Long-term financial assets	30,2	30,3	31,5
FIXED ASSETS	**299,2**	**275,1**	**278,5**
Stock	170,2	188,7	161,7
Trade receivables	185,6	184,3	163,1
Other receivables	52,0	34,4	32,4
Cash and cash equivalents	55,1	53,9	36,8
CURRENT ASSETS	**462,9**	**461,3**	**394,1**
TOTAL ASSETS	**762,2**	**736,5**	**672,6**
Paid in capital	355,5	355,5	355,5
Retained equity	-20,4	-14,0	-30,3
Equity attributable to equity holders of AKVA group	335,2	341,5	325,3
Non-controlling interests	2,8	0,0	0,0
TOTAL EQUITY	**337,9**	**341,5**	**325,3**
Other long term debt	1,8	4,0	2,3
Long-term interest bearing debt	70,3	77,0	67,4
LONG-TERM DEBT	**72,2**	**81,0**	**69,8**
Short-term interest bearing debt	106,7	68,2	75,9
Other current liabilities	245,4	245,8	201,6
SHORT-TERM DEBT	**352,1**	**313,9**	**277,5**
TOTAL EQUITY AND DEBT	**762,2**	**736,5**	**672,6**
Equity ratio	*44,3 %*	*46,4 %*	*48,4 %*
Net interest bearing debt	*121,9*	*91,3*	*106,6*

Cash flow statement

CASH FLOW STATEMENT (NOK 1 000)	2013 1Q	2012 1Q	2012 Total
Net cash flow from operations	7 945	7 560	16 995
Net cash flow from change in working capital	-9 665	20 910	24 648
Net cash flow from operating activities	-1 720	28 470	41 642
Net cash flow from investment activities	-9 995	23 671	-3 221
Net cash flow from financial activities	30 030	-35 495	-38 857
Net cash flow	18 315	16 647	-435
Cash and cash equivalents at the beginning of the period	36 797	37 232	37 232
Cash and cash equivalents at the end of the period	55 112	53 879	36 797

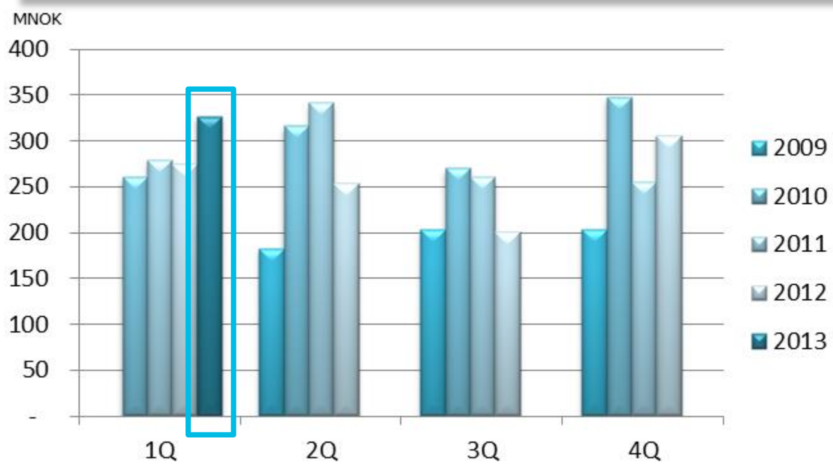
- Investments in Q1 were 10.0 MNOK whereof 5.5 MNOK is capitalized R&D expenses in accordance to IFRS.
- Total investments in 2012 were 39.8 MNOK whereof 15.8 MNOK is capitalized R&D expenses in accordance to IFRS.

Outlooks



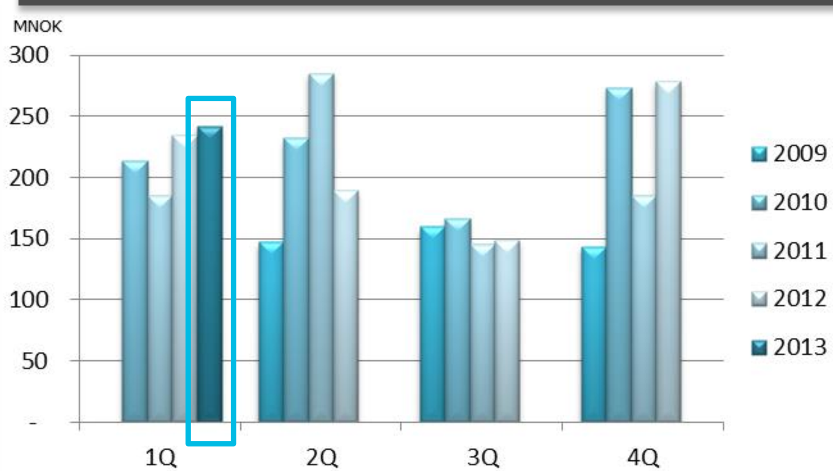
Improved order backlog and inflow

Order backlog (MNOK)



- Order backlog 327 MNOK by end of Q1 vs 275 MNOK by end of Q1 2012.
- Significant improvement from previous years

Order inflow (MNOK)



- Total order inflow in Q1 of 242 MNOK vs 235 MNOK in Q1 2012
- Nordic and Export in emerging markets contribute to the good order inflow in Q1 2013

Outlooks – optimistic

Newly developed 1050 Polarcirckel boat for the aquaculture, rescue and workboat market

- We maintain our positive outlook in the Nordic market for the coming quarters. Significant growth in salmon prices into 2013 drives demand for technology and services.
- We see some positive signals in Chile after significant decline in volumes of sales and deliveries in Q1 compared to 2012. Industry and investments influenced by financial and biological uncertainty, but strong increase in salmon prices is easing the situation. We are monitoring the market closely and adjusting according to the development.
- Moderate expectations in 2013 in UK and Canada due to fish health issues
- Performance in Export is expected to be good in the next quarters due to deliveries of large projects (NPC and Russian Sea) and due to interesting prospect mass
- Continued effort to build service and aftersales as a key business element in all markets and segments – starts to pay off
- Acquisition of 70% of the shares in Plastsveis AS - an important step in building a sustainable and strong position in the land based segment. Expected to be materialized in last quarters of 2013

Q&A

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