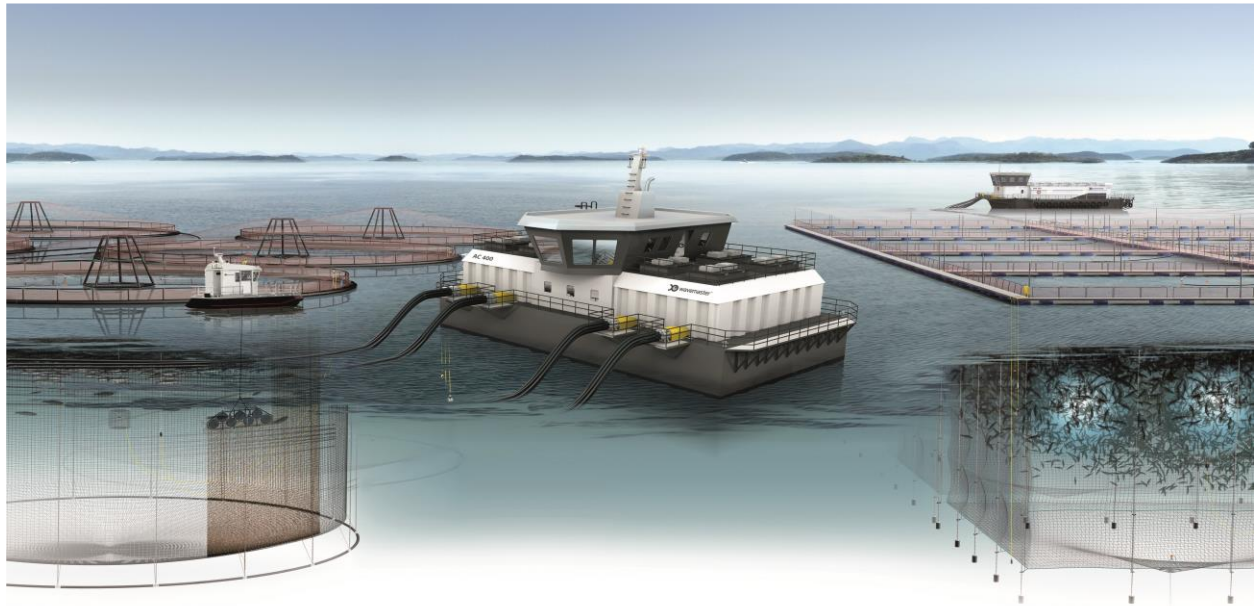




## **On track – record high order backlog**



### **First quarter 2015 – HIGHLIGHTS**

- **Overall good performance – on track**
  - **Benefitting from being a diversified Group both geographically and product vice**
- **Strong first quarter in Chile, Canada and UK**
- **A good start for Cage Based segment in Norway, but**
  - **with a different product mix compared to Q1 2014, and**
  - **some of the deliveries moving in to Q2 2015**
- **Slow start for the Land Based segment and for export to emerging markets**
- **High market activity resulting in the best order backlog ever – 547 MNOK**

# Revenues and profits for the Group

(Figures in brackets = 2014 unless other is specified)

## Operations and profit

AKVA group has in Q1 experienced overall good performance. The operation is considered to be on track in 2015.

The cage based segment in Nordic continues with good performance, though with a different product mix compared to Q1 2014. Our operations in Chile, Canada and UK have had the best start ever with good margins and high order backlog.

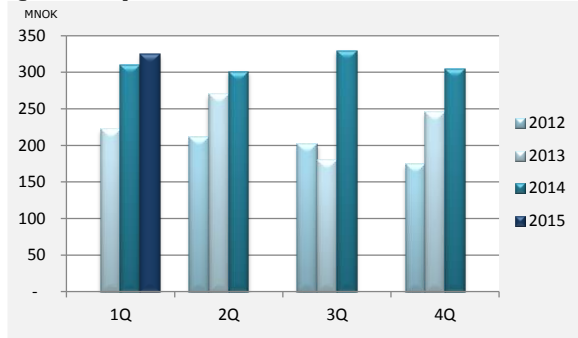
Continued high market activity during Q1 has materialized in the highest order backlog ever for AKVA group.

Balance sheet continues to be strong with all our KPIs in line with previous quarters.

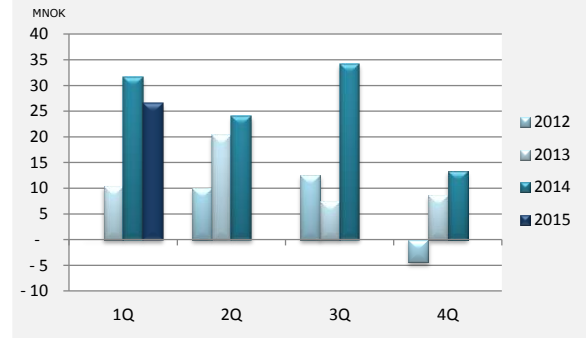
Total revenues in Q1 was 325.0 MNOK (310.4) with an EBITDA of 26.6 MNOK (31.7). EBIT was 16.1 MNOK (23.5).

Net financial items in Q1 was 0.2 MNOK (-2.9), resulting in a profit before tax of 16.3 MNOK (20.5). Net profit was 11.4 MNOK (15.6) after allowing for taxes of -4.9 MNOK (-4.9).

### Quarterly revenue



### Quarterly EBITDA

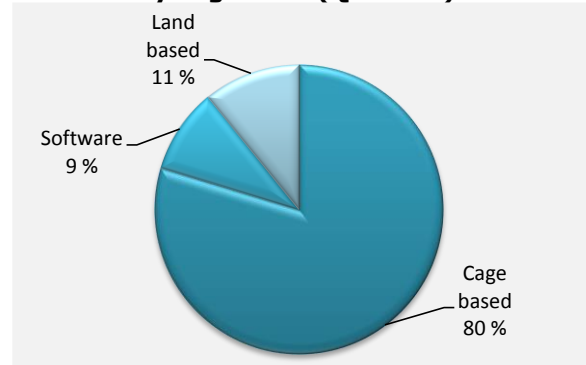


## Business segments

AKVA group has organized its business into three technology segments;

- Cage based technologies (CBT): Includes cages, barges, feed systems and other operational technologies and systems for cage based aquaculture,
- Land based technologies (LBT): Includes recirculation systems and technologies for land based aquaculture, and
- Software (SW): Includes software solutions and professional services.

### Revenue by segments (Q1 2015)

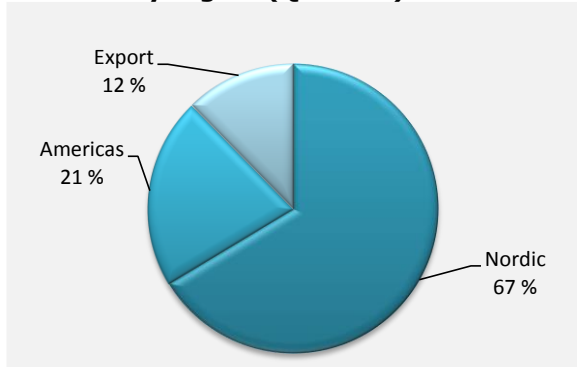


AKVA group also has organized its business into three geographical segments;

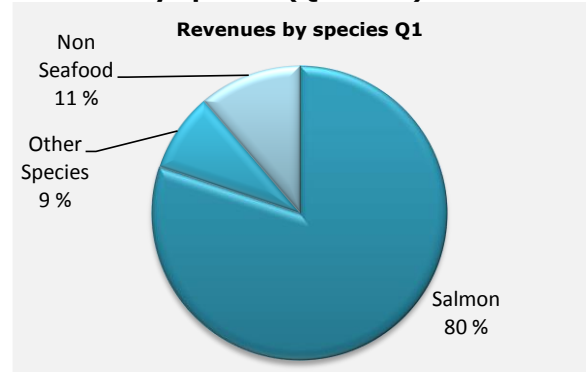
- Nordic: Includes the Nordic countries,
- Americas: Includes Americas and Oceania, and
- Export: Includes the rest of the world.

- Other species: Revenue from technology and services sold to production of other species than salmon
- Non Seafood: Revenue from technology and services sold to non seafood customers

**Revenue by region (Q1 2015)**



**Revenue by species (Q1 2015)**

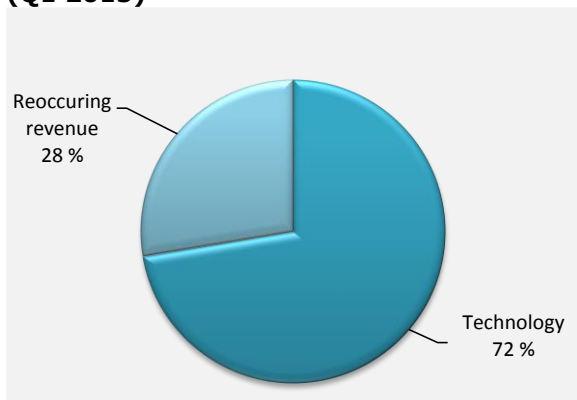


AKVA group also divide its business between recurring and non-recurring business;

- Technology: Revenue based on one-off sales
- Recurring: Revenue based on a recurring revenue streams

The following information is divided into the three technology segments. Comments on the geographical segments are included if and when relevant.

**Revenue by technology and recurring (Q1 2015)**



**Cage based technologies (CBT)**

CBT revenues in Q1 was 258.9 MNOK (241.1). Revenue in the Nordic region was 155.7 MNOK (154.8), in the Americas region 63.8 MNOK (23.9) and in the Export region 39.4 MNOK (62.4).

EBITDA for CBT in Q1 was 23.0 MNOK (26.2) resulting in an EBITDA margin of 8.9% (10.9%). EBIT in Q1 was 15.3 MNOK (20.1) representing an EBIT margin of 5.9% (8.4%).

AKVA group business may also be divided between revenue from equipment and services to salmon, other species and non-seafood;

- Salmon: Revenue from technology and services sold to production of salmon

Nordic

Nordic had a good start of the year, but with slightly different product mix compared to Q1 2014. Sales of sensors and cameras are all time high, deliveries of plastic cages is slightly

down year on year in Q1 and sales of barges continues to be very good.

### Americas

Chile had a good start of the year with high activity both on technology and on services. The positive development in this market continues. However, we continue to monitor the development closely.

Canada continues the good performance from 2014 with the best Q1 ever.

### Export

Our UK operation continues the good performance from 2014 with the best Q1 ever.

Our Turkey operation has a profitable Q1 with good sales.

We have experienced low activity in Export to emerging markets in Q1. This area is dominated by few but large contracts and this gives variations in the P&L quarter by quarter.

### **Software (SW)**

Revenue for SW in Q1 was 30.8 MNOK (26.2). The EBITDA was 4.3 MNOK (3.0) resulting in an EBITDA margin of 14.0% (11.4%) and an EBIT of 2.0 MNOK (1.2) representing an EBIT margin of 6.5% (4.7%).

AKVA group Software AS continues to deliver stable and high margins and with improved financial performance in Q1 compared to same period last year.

Wise lausnir ehf had a good start of the year with improved performance compared to same period last year.

Software continues to invest in new product modules, which is expected to strengthen the financial performance of the SW segment further.

### **Land Based Technologies (LBT)**

LBT had revenues in Q1 of 35.3 MNOK (43.1) with an EBITDA of -0.7 MNOK (2.6) and an EBIT of -1.2 MNOK (2.1).

We have experienced an overall slow start for the LBT segment in Q1.

AKVA group Denmark has a good order backlog, however delayed start-up and progress in some projects explains the low margin in LBT in Q1.

Plastsveis is on track with a profitable Q1 and a good order backlog.

### **Balance sheet and cash flow**

The balance sheet remains strong.

The working capital in the Group balance sheet, defined as non-interest bearing current assets less non-interest bearing current liabilities was 137 MNOK at the end of Q1 2015, compared to 116 MNOK at the end of Q1 2014. Working capital in percentage of 12 months rolling revenue has improved YoY from 11.5% to 10.8%. We are able to maintain a low working capital despite high activity during this 12 month period.

Cash and unused credit facilities amounted to 147 MNOK at the end of Q1 2015 versus 153 MNOK at the end of Q1 2014. The total credit facility at Danske Bank is 90 MNOK.

Net interest-bearing debt was 82 MNOK at the end of Q1 2015

compared to 70 MNOK at the end of Q1 2014.

There will be no dividend disbursement in Q2. Next possible dividend pay-out will according to the new dividend policy be in Q4, based on the cash flow in Q2 2015 and Q3 2015.

Gross interest-bearing debt was at the end of Q1 2015 140 MNOK versus 132 MNOK at the end of Q1 2014. The short term interest bearing debt at the end of Q1 2015 is the next 12 months installments on the long term debt. This is in accordance to current IFRS requirements.

Investments in Q1 2015 amounted to 11.0 MNOK of which 2.1 MNOK was capitalized R&D expenses in accordance to IFRS. Total investments in 2014 was 49.8 MNOK whereof 17.9 MNOK is capitalized R&D expenses in accordance to IFRS.

Return on capital employed (ROCE) was 12.3% in Q1 2015 compared to 8.4% in Q1 2014.

Total assets and total equity amounted to 942 MNOK and 404 MNOK respectively, resulting in an equity ratio of 43 % (44%) at the end of Q1 2015.

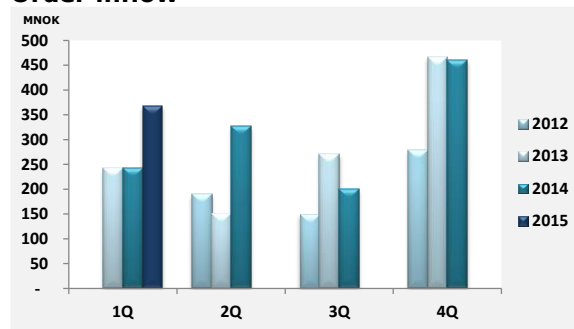
### Shareholder issues

Earnings per share in Q1 2015 was 0.44 NOK (0.60). The calculations are based on 25,834,303 (25,834,303) shares average.

The 20 largest shareholders are presented in note 4 in this report.

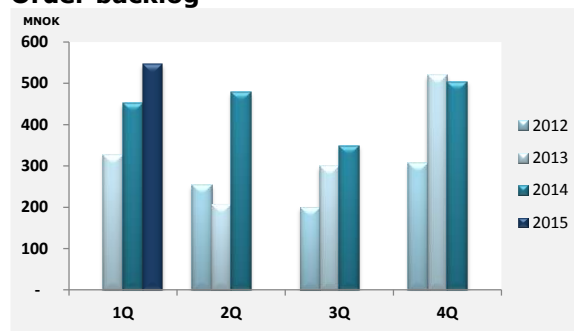
### Market and future outlook

#### Order inflow



We have experienced continued good market activity in Q1. The order inflow in Q1 was 367 MNOK (243). The order backlog at the end of Q1 was 547 MNOK (452). This is the highest order backlog ever for AKVA group.

#### Order backlog



We have a strong overall short term outlook due to high market activity and order backlog. Our target is to outperform 2014.

The strong demand in the Nordic market is expected to continue.

The positive operational development in the Chilean market is expected to continue in the next quarters due to a solid order backlog. However, our Chilean customer's struggle with low earnings brings some uncertainty to investments in the medium term. The volcano eruption in Chile might have a small impact short term on CBT investments, but pose an opportunity for LBT. We are monitoring the Chilean market closely and will adjust

our operation according to the development.

UK and Canada are expected to continue to perform well in the next quarters with a significant order backlog and a large portion of reoccurring business.

Land based is expected to have a positive development with a growing order backlog and prospect mass. We experience historically high market interest for land based technology.

Export sales to emerging markets will continue to fluctuate short term, but represents a large potential over time. New geographical regions continuously emerge as markets for our technology.

We continue our effort to build service and after sales as a key business element in all markets and segments.

### **Selected disclosure notes**

#### *Note 1 General information and basis for preparation*

AKVA group consists of AKVA group ASA and its subsidiaries. There have been no significant changes in the Group's legal structure since year-end 2014.

The condensed consolidated interim financial statements are unaudited. Because of rounding differences, numbers or percentages may not add up to the total. The consolidated financial statements for the Group for the year ended December 31<sup>st</sup>, 2014 are available upon request from the company's registered head office at Nordlysveien 4, 4340 Bryne, Norway or at <http://ir.akvagroup.com/investor-relations/financial-info-/annual-reports>.

These interim financial statements are prepared in accordance with International Financial Reporting Standards and interpretations (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by EU (EU-IFRS), including International Accounting Standard 34, Interim Financial Reporting. The quarterly report does not include all information and disclosures required in the annual financial statements and should be read in connection with the Group's Annual Report for 2014.

#### *Note 2 Business segments*

AKVA group is organized in three business segments; Cage based technologies, Software and Land based technologies. The same accounting principles as described for the Group financial statements have been applied for the segment reporting. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for the actual transactions.

#### *Note 3 Recognition and measurement of assets and liabilities in connection with the YesMaritime AS acquisition*

The recognition and measurement of assets and liabilities in connection with the YesMaritime AS acquisition were final in the consolidated financial statement as of December 31<sup>st</sup>, 2014. IFRS 3 permits adjustments to items recognized in the original accounting for business combination, for a maximum of one year after the acquisition date, if and when new information about facts and circumstances existing at the acquisition date is obtained.

*Note 4 Top 20 shareholders as of March 31<sup>th</sup>, 2015*

Shareholders	Citizenship	Number of Ownership	
		shares held	percentage
EGERSUND GROUP AS	NOR	13 203 105	51,11
WHEATSHEAF INVESTMEN	GBR	3 900 000	15,10
MP PENSJON PK	NOR	693 800	2,69
VERDIPAPIRFONDET DNB	NOR	485 847	1,88
STATOIL PENSJON	NOR	400 652	1,55
VERDIPAPIRFONDET OME	NOR	385 300	1,49
VERDIPAPIRFONDET ALF	NOR	362 152	1,40
ROGALAND SJØ AS	NOR	343 550	1,33
OLE MOLAUG EIENDOM A	NOR	338 692	1,31
VPF NORDEA KAPITAL	NOR	301 700	1,17
MERTOUN CAPITAL AS	NOR	300 000	1,16
SIX SIS AG	CHE	270 000	1,05
MOLAUG KNUT	NOR	223 024	0,86
VERDIPAPIRFONDET EIK	NOR	208 100	0,81
DAHLE BJØRN	NOR	196 300	0,76
VPF NORDEA AVKASTNIN	NOR	180 000	0,70
MOLAUG OLE	NOR	167 192	0,65
HAVBRUKSCONSULT AS	NOR	166 000	0,64
UBS AG, LONDON BRANC	GBR	141 490	0,55
KLUGE GUNNAR	NOR	135 579	0,52
<b>20 largest shareholders</b>		<b>22 402 483</b>	<b>86,72</b>
Other shareholders		3 431 820	13,28
<b>Total shares</b>		<b>25 834 303</b>	<b>100,00</b>

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




### Statement from the Board and Chief Executive Officer

We confirm that, to the best of our knowledge, the condensed set of financial statements for the period January 1<sup>st</sup> to March 31<sup>th</sup> 2015, which have been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Bryne, May 7<sup>th</sup>, 2015  
Board of Directors, AKVA group ASA



Hans Kristian Mørge  
(Chairperson)



Anne Bredby  
(Deputy Chairperson)



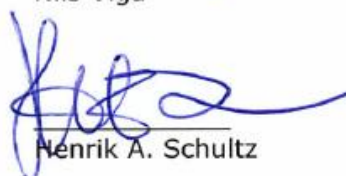
Carina Jensen



Frode Teigen



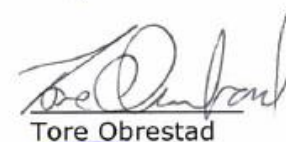
Nils Viga



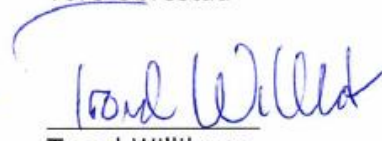
Henrik A. Schultz



Evy Vikene Kallelid



Tore Obrestad



Trond Williksen  
(CEO)





## Main figures from financial accounts

INCOME STATEMENT (NOK 1 000)	2015	2014	2015	2014	2014
	Q1	Q1	Q1 YTD	Q1 YTD	Total
<b>OPERATING REVENUES</b>	<b>324 997</b>	<b>310 398</b>	<b>324 997</b>	<b>310 398</b>	<b>1 246 058</b>
Operating costs ex depreciations	298 387	278 667	298 387	278 667	1 142 694
<b>OPERATING PROFIT BEFORE DEPR.(EBITDA)</b>	<b>26 610</b>	<b>31 732</b>	<b>26 610</b>	<b>31 732</b>	<b>103 364</b>
Depreciation	10 522	8 251	10 522	8 251	35 729
<b>OPERATING PROFIT (EBIT)</b>	<b>16 087</b>	<b>23 481</b>	<b>16 087</b>	<b>23 481</b>	<b>67 635</b>
Net interest expense	-1 309	-1 493	-1 309	-1 493	-4 784
Other financial items	1 531	-1 440	1 531	-1 440	43
Net financial items	222	-2 934	222	-2 934	-4 741
<b>PROFIT BEFORE TAX</b>	<b>16 310</b>	<b>20 547</b>	<b>16 310</b>	<b>20 547</b>	<b>62 894</b>
Taxes	4 902	4 917	4 902	4 917	8 394
<b>NET PROFIT</b>	<b>11 407</b>	<b>15 631</b>	<b>11 407</b>	<b>15 631</b>	<b>54 500</b>
<b>Net profit (loss) attributable to:</b>					
Non-controlling interests	83	138	83	138	-580
Equity holders of AKVA group ASA	11 324	15 492	11 324	15 492	55 079
Earnings per share equity holders of AKVA group ASA	0,44	0,60	0,44	0,60	2,13
Average number of shares outstanding (in 1 000)	25 834	25 834	25 834	25 834	25 834
<b>BALANCE SHEET</b> (NOK 1 000)			2015	2014	2014
			31.3.	31.3.	31.12.
Intangible fixed assets			273 803	244 824	278 083
Fixed assets			76 198	55 780	74 009
Long-term financial assets			1 943	1 864	1 896
<b>FIXED ASSETS</b>			<b>351 944</b>	<b>302 468</b>	<b>353 988</b>
Stock			183 448	151 296	167 238
Trade receivables			271 633	167 297	210 755
Other receivables			77 195	98 989	117 905
Cash and cash equivalents			57 429	62 003	53 935
<b>CURRENT ASSETS</b>			<b>589 706</b>	<b>479 585</b>	<b>549 833</b>
<b>TOTAL ASSETS</b>			<b>941 649</b>	<b>782 052</b>	<b>903 821</b>
Paid in capital			355 549	355 549	355 549
Retained equity			46 174	-11 075	32 027
Equity attributable to equity holders of AKVA group ASA			401 724	344 475	387 577
Non-controlling interests			1 758	2 394	1 676
<b>TOTAL EQUITY</b>			<b>403 482</b>	<b>346 869</b>	<b>389 252</b>
Other long term debt			3 035	1 360	2 677
Long-term interest bearing debt			126 013	121 864	128 667
<b>LONG-TERM DEBT</b>			<b>129 048</b>	<b>123 224</b>	<b>131 344</b>
Short-term interest bearing debt			13 833	10 354	13 779
Other current liabilities			395 287	301 606	369 446
<b>SHORT-TERM DEBT</b>			<b>409 119</b>	<b>311 960</b>	<b>383 225</b>
<b>TOTAL EQUITY AND DEBT</b>			<b>941 649</b>	<b>782 052</b>	<b>903 821</b>
<b>CHANGES IN EQUITY</b> (NOK 1 000)	2015	2014	2015	2014	2014
	Q1	Q1	Q1 YTD	Q1 YTD	Total
Book equity before non-controlling interests at the beginning of the period	387 577	336 601	387 577	336 601	336 601
The period's net profit	11 324	15 493	11 324	15 493	55 079
Capital increase	-	-	-	-	-
Share issue costs	-	-	-	-	-
Gains/(losses) on cash flow hedges (fair value)	-4 348	468	-4 348	468	5 150
Utbytte/Dividend	-	-	-	-	-25 834
Change in pension liability recorded against equity	-	-	-	-	-
Recording of option agreement	-	-	-	-	-1 344
Translation differences	7 171	-8 087	7 171	-8 087	17 925
<b>Equity before non-controlling interests</b>	<b>401 724</b>	<b>344 475</b>	<b>401 724</b>	<b>344 475</b>	<b>387 577</b>
Non-controlling interests	1 758	2 394	1 758	2 394	1 676
<b>Book equity at the end of the period</b>	<b>403 482</b>	<b>346 869</b>	<b>403 482</b>	<b>346 869</b>	<b>389 252</b>



CASH FLOW STATEMENT (NOK 1000)	2015 Q1	2014 Q1	2015 Q1 YTD	2014 Q1 YTD	2014 Total
Net cash flow from operations	26 864	28 427	26 864	28 427	98 590
Net cash flow from change in working capital	-10 784	-12 238	-10 784	-12 238	-12 501
Net cash flow from operational activities	16 080	16 188	16 080	16 188	86 088
Net cash flow from investment activities	-10 343	-10 879	-10 343	-10 879	-66 190
Net cash flow from financial activities	-2 243	-1 636	-2 243	-1 636	-24 294
Net change in cash and cash equivalents	3 494	3 673	3 494	3 673	-4 395
Cash and cash equivalents at the beginning of the period	53 935	58 330	53 935	58 330	58 330
Cash and cash equivalents at the end of the period	57 429	62 003	57 429	62 003	53 935

BUSINESS SEGMENTS (NOK 1000)	2015 Q1	2014 Q1	2015 Q1 YTD	2014 Q1 YTD	2014 Total
<b>Cage based technologies</b>					
Nordic operating revenues	155 713	154 820	155 713	154 820	640 075
Americas operating revenues	63 794	23 857	63 794	23 857	174 432
Export operating revenues	39 403	62 388	39 403	62 388	158 078
<b>TOTAL OPERATING REVENUES HARDWARE</b>	<b>258 911</b>	<b>241 065</b>	<b>258 911</b>	<b>241 065</b>	<b>972 584</b>
Operating costs ex depreciations	235 958	214 875	235 958	214 875	884 812
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>22 953</b>	<b>26 190</b>	<b>22 953</b>	<b>26 190</b>	<b>87 773</b>
Depreciation	7 668	6 045	7 668	6 045	26 701
<b>OPERATING PROFIT (EBIT)</b>	<b>15 285</b>	<b>20 145</b>	<b>15 285</b>	<b>20 145</b>	<b>61 072</b>
<b>Software</b>					
Nordic operating revenues	25 481	21 597	25 481	21 597	86 530
Americas operating revenues	4 680	4 106	4 680	4 106	18 302
Export operating revenues	622	524	622	524	1 906
<b>OPERATING REVENUES</b>	<b>30 782</b>	<b>26 227</b>	<b>30 782</b>	<b>26 227</b>	<b>106 737</b>
Operating costs ex depreciations	26 462	23 243	26 462	23 243	91 444
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>4 321</b>	<b>2 984</b>	<b>4 321</b>	<b>2 984</b>	<b>15 293</b>
Depreciation	2 313	1 749	2 313	1 749	7 087
<b>OPERATING PROFIT (EBIT)</b>	<b>2 008</b>	<b>1 234</b>	<b>2 008</b>	<b>1 234</b>	<b>8 206</b>
<b>Land based technologies</b>					
Nordic operating revenues	34 468	41 426	34 468	41 426	157 320
Americas operating revenues	835	1 681	835	1 681	9 417
Export operating revenues	-	-	-	-	-
<b>OPERATING REVENUES</b>	<b>35 304</b>	<b>43 106</b>	<b>35 304</b>	<b>43 106</b>	<b>166 736</b>
Operating costs ex depreciations	35 967	40 548	35 967	40 548	166 438
<b>OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)</b>	<b>-664</b>	<b>2 558</b>	<b>-664</b>	<b>2 558</b>	<b>298</b>
Depreciation	541	456	541	456	1 941
<b>OPERATING PROFIT (EBIT)</b>	<b>-1 205</b>	<b>2 103</b>	<b>-1 205</b>	<b>2 103</b>	<b>-1 642</b>

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AKVA group, Brønnøysund	Tel (+47) 75 00 66 00
AKVA group, Sandstad	Tel (+47) 72 44 11 00
AKVA group, Mo i Rana	Tel (+47) 75 14 37 50
AKVA group, Tromsø	Tel (+47) 75 00 66 50
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