

Annual General Meeting

AKVA group ASA

Bryne, 15th May 2018



1. Opening of the annual general meeting by the Chairman of the Board and registration of shareholders present

2. Election of chair of the meeting and a person to co-sign the minutes along with the meeting chair

3. Approval of the notice to the meeting and the agenda

4. Ordinary agenda items

4.1. Presentation of business activities by Group chief executive Hallvard Muri

Presentation of Business Activities

Annual General Meeting

AKVA group ASA

Bryne, 15th May 2018

Hallvard Muri



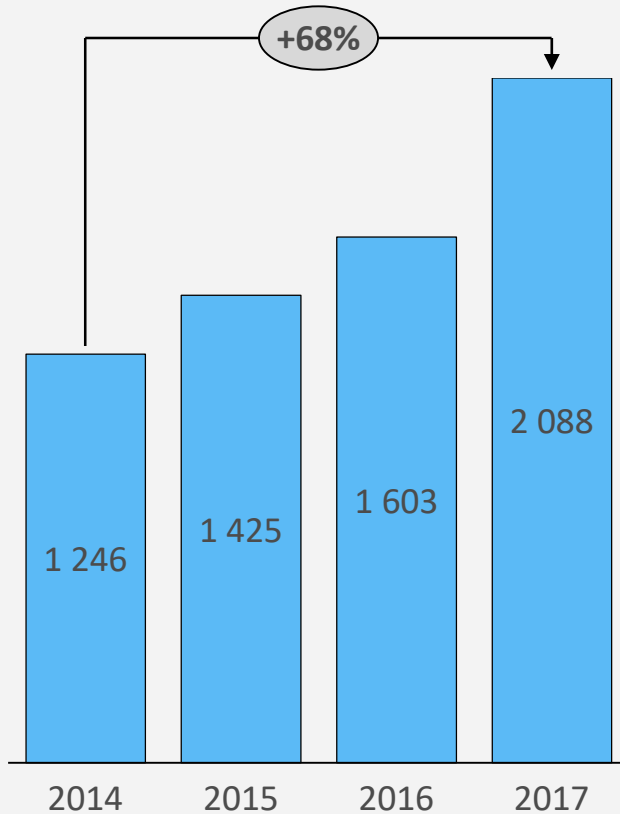
Highlights 2017



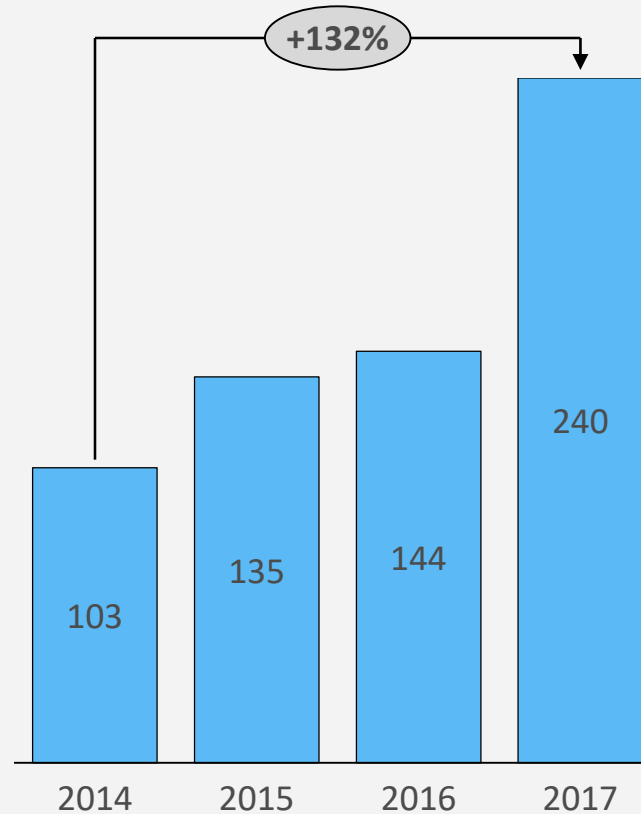
- AKVA group has in 2017 completed its best financial performance in the Group's history
- Revenue in 2017 of MNOK 2,088 – a 30% increase from 2016
- EBITDA in 2017 of MNOK 240 – a 66% increase from 2016
- Net profit in 2017 of MNOK 100 – a 262% increase from 2016
- Dividend of 1.25 NOK per share paid out in 2017
- Completed refinancing of bank facilities in October, financially stronger than ever
- Strong order inflow during the year resulted in the highest order backlog ever of MNOK 1,381
- Established new companies in Spain, Greece and Iran

Operational leverage and profitable growth

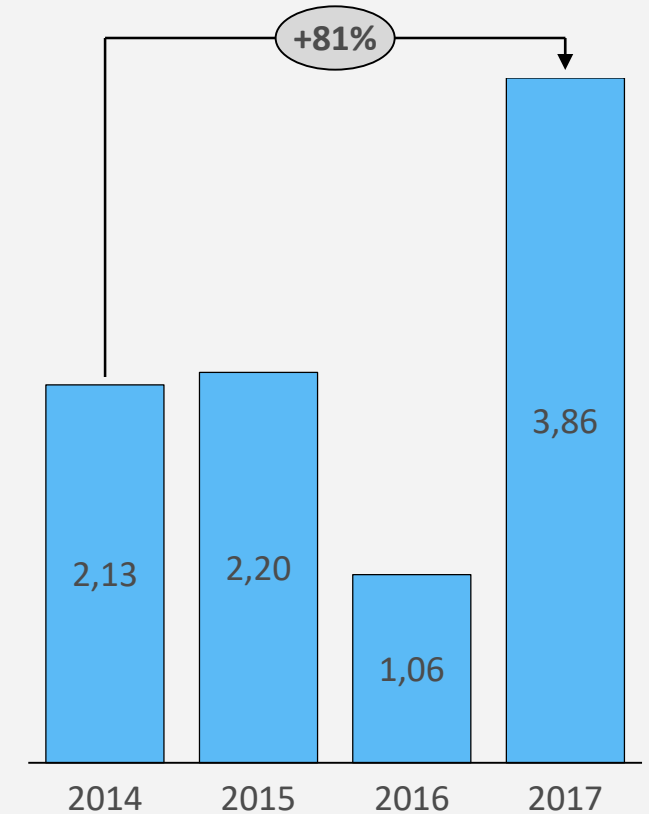
Revenue



EBITDA

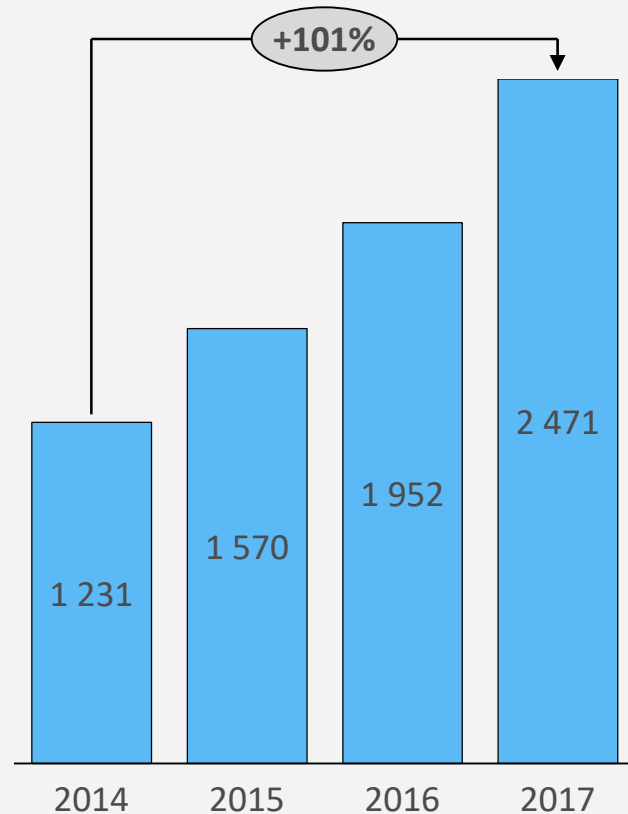


EPS

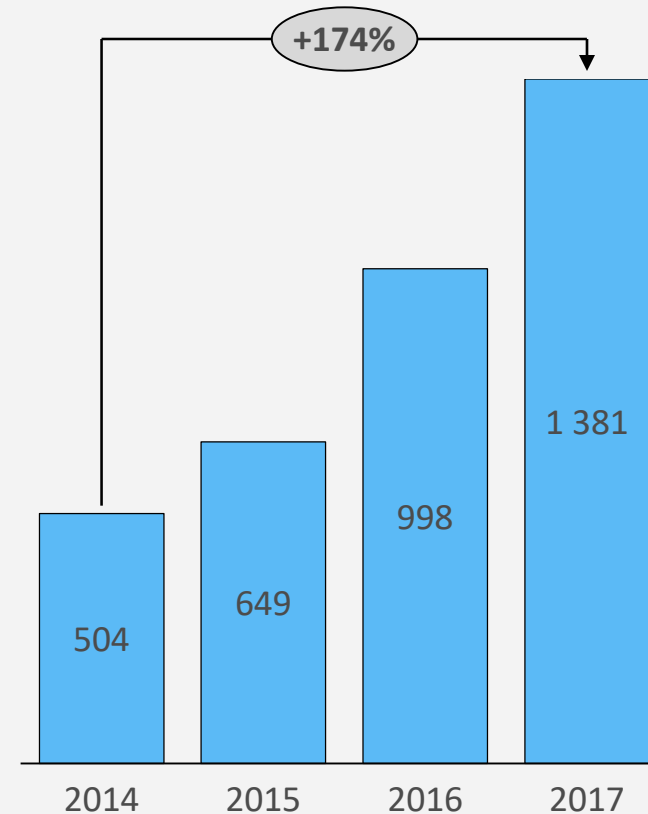


High activity across all regions

Order intake



Order backlog

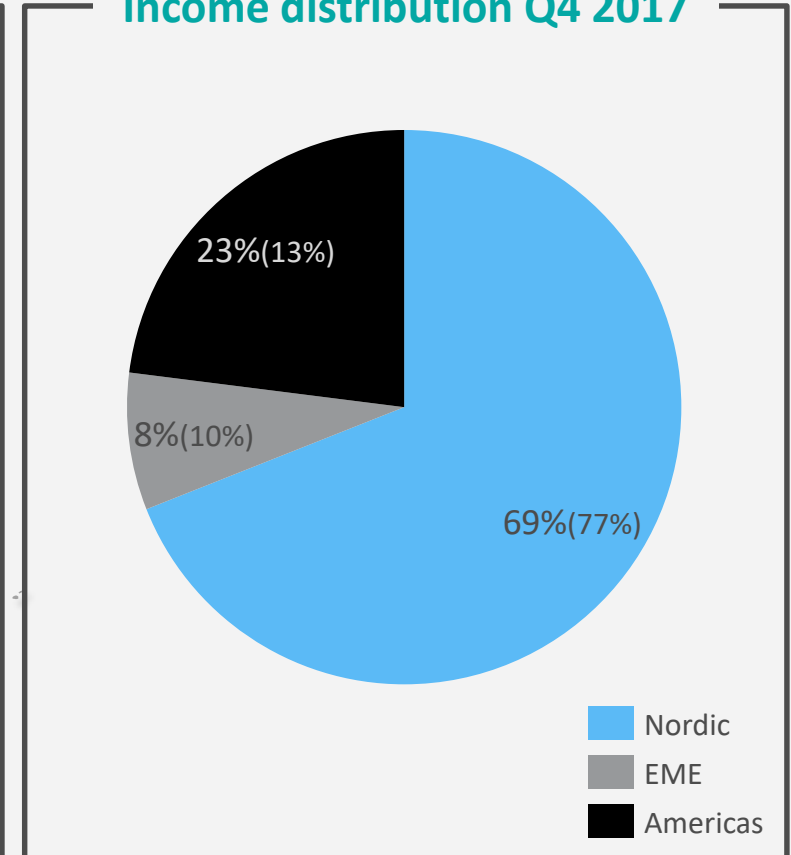


Where do we deliver

AKVA group's geographical regions



Income distribution Q4 2017

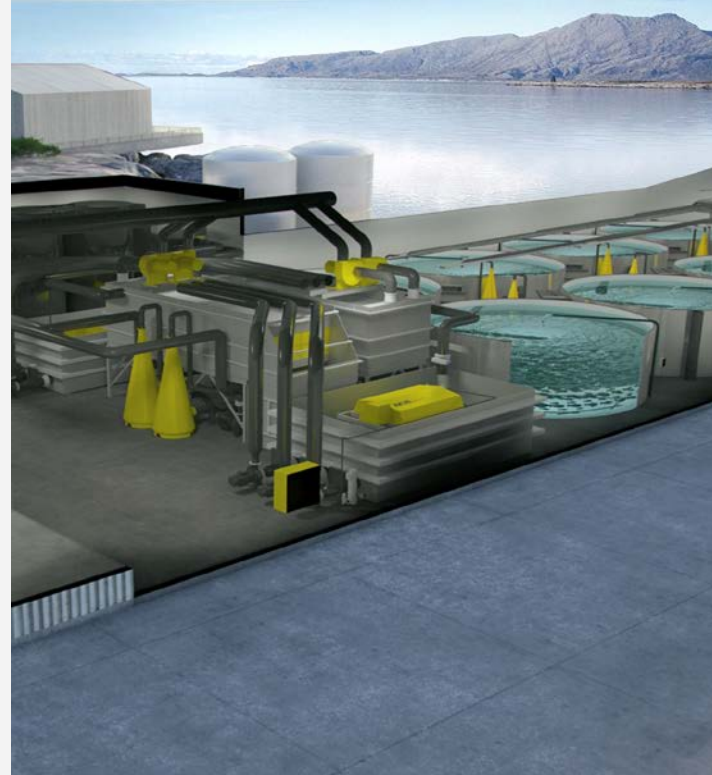


Solutions

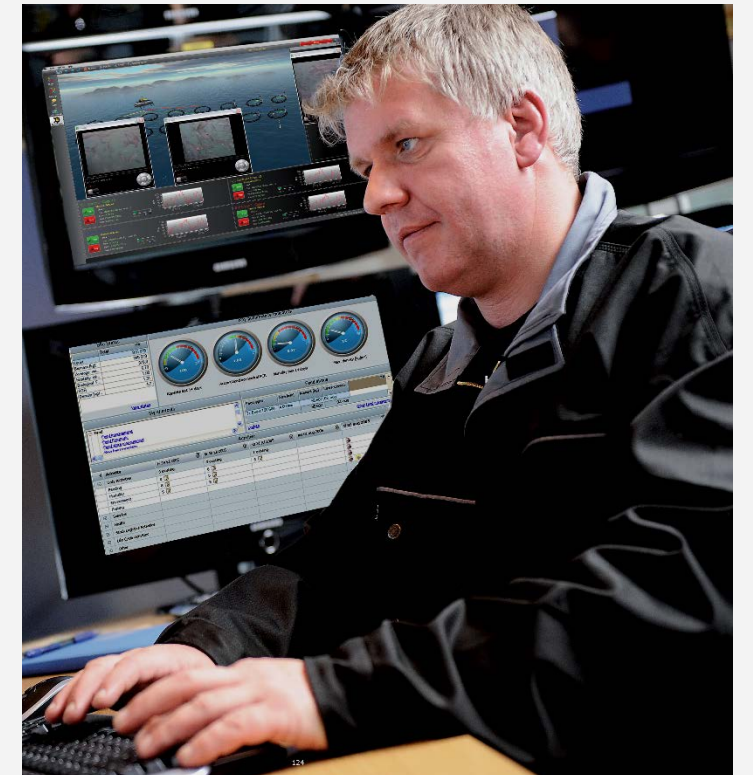
Cage Based Technology



Land Based Technology



Software



CAPEX Based Revenue

CAGE BASED TECHNOLOGY



LAND BASED TECHNOLOGY



SOFTWARE: Fishtalk
AKVAconnect
Support



**MARINE SERVICES
& AFTER SALE
SERVICE:** Marine services
Rentals
After sale services

OPEX Based Revenue

Group Strategy

Focused growth and expansion

Increased international focus
Land based post smolt
Expand services and OPEX based business
Product portfolio add-ons



Operational excellence

Improvement programs within sourcing, logistics and manufacturing
Streamline project execution and service delivery
Optimize cost base



Technology enabling a sustainable and efficient industry

Production optimization, digitalization and automation
Environmentally friendly, safe and quality solutions
Exposed farming



Flexible and efficient organization

“One group”
Global delivery models
Reduce organizational complexity
Leadership and competence



Risk management

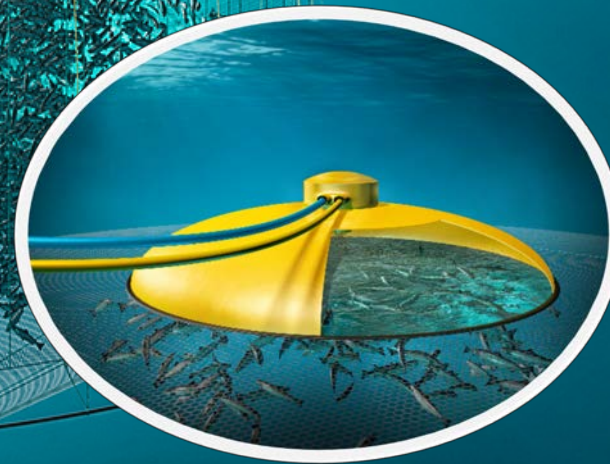
Underwater feeding

Fish health operations

Daily operations (dead fish removal,
surveillance, cleaning, etc)

1. Atlantis Subsea Farming AS applied for 6 development licenses the 29th of January 2016
2. The Norwegian Directorate of Fisheries have informed the company that the company's concept has progressed another step further in the process to get awarded development licenses.
3. The Directorate will go ahead with processing the application limited to 2 licenses, but have rejected the application in terms of the other 4 permits applied for.
4. On May 9th 2017 the company appealed the decision of rejecting the 4 permits.
5. On June 16th 2017 the Directorate forwarded the appeal to the Norwegian Ministry of Trade, Industry and Fisheries, for their final decision.
6. On December 18th 2017 The Ministry rejected the appeal. The decision is final and cannot be appealed.
7. On February 22nd 2018, The Directorate announced that the Company has been granted one license.

Submerge and raise the cage – safe and remote



Air to the salmon
Artificial air space

Outlook – AKVA group

- Continuing positive outlook for most markets
- Land Based – focus on post smolt, high quote bank
- Execution of improvement programs, manufacturing, sourcing and logistics
- Increasing focus outside Nordic Markets
- Expanding services and OPEX based business
- Product improvements and optimization





 Q & A

4. Ordinary agenda items contd.

4.2 Approval of the 2017 annual accounts of AKVA group ASA and the Group, and the board's annual report

The board proposes that the general meeting passes the following resolution:

“The General Meeting resolved to approve the annual accounts for 2017 for AKVA group ASA and the Group, and the board's annual report, including the board's proposal to transfer the profit of 2017 to other equity.”

Group P&L 2017

(Amounts in NOK 1 000)

Group	Note	2017	2016
OPERATING REVENUES			
Revenues		2 073 241	1 595 385
Other income		14 669	7 688
Total revenues	2,17	2 087 910	1 603 072
OPERATING EXPENSES			
Cost of materials	10	1 196 268	912 869
Payroll expenses	3,4	496 121	422 104
Other operating expenses	4,7,11,15,18	155 607	123 907
Total operating expenses		1 847 997	1 458 880
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)		239 913	144 193
Depreciation and amortization	7,8	82 784	69 156
OPERATING PROFIT (EBIT)		157 128	75 036
FINANCIAL INCOME AND EXPENSES			
Financial income	15,16	6 805	4 916
Financial expenses	15,16	(28 361)	(31 362)
Net financial income (expense)		(21 556)	(26 446)
PROFIT BEFORE TAX		135 573	48 590
Taxes	5	35 744	20 992
NET PROFIT FOR THE YEAR		99 829	27 598
NET PROFIT (LOSS) ATTRIBUTABLE TO:			
Non-controlling interests		142	98
Equity holders of AKVA group ASA		99 687	27 500
Earnings per share (NOK)	6	3,86	1,06
Diluted earnings per share (NOK)	6	3,86	1,06

Group balance 2017

(Amounts in NOK 1 000)

Group	Note	2017	2016
NON-CURRENT ASSETS			
Deferred tax asset	5	13 479	13 316
Intangible assets and goodwill			
Goodwill	7	435 646	427 340
Other intangible assets	7	146 455	134 795
Total intangible assets and goodwill		582 101	562 135
Tangible fixed assets			
Land and building	8	17 542	15 614
Machinery and equipment	8	228 604	134 954
Total tangible fixed assets		246 146	150 568
Long-term financial assets			
Investments in associated companies	9	4 865	4 653
Other long-term financial assets	9,11	1 813	1 764
Total long-term financial assets		6 679	6 416
Total non-current assets		848 405	732 436
CURRENT ASSETS			
Inventory	10	238 373	186 125
Receivables			
Accounts receivables	11,17	403 977	259 880
Prepayments to suppliers		16 526	11 755
Other receivables		38 548	20 211
Total receivables		459 051	291 846
Cash and cash equivalents	12	116 969	165 543
Total current assets		814 392	643 515
TOTAL ASSETS		1 662 797	1 375 951

Group balance 2017

(Amounts in NOK 1 000)

Group	Note	2017	2016
EQUITY			
Equity attributable to equity holders of AKVA group ASA		499 907	434 590
Non-controlling interests		518	376
Total equity	13,19,21,22	500 425	434 966
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	5	57 499	34 564
Liabilities to financial institutions	14	350 874	347 902
Other long term liabilities	19	109 565	86 602
Total non-current liabilities		517 938	469 068
Current liabilities			
Liabilities to financial institutions	14	122 174	29 973
Trade payables		185 763	143 343
Current tax payables	5	11 822	21 673
Public duties payable		38 416	27 050
Prepayments from customers	17	176 119	146 954
Other current liabilities	15	110 139	102 924
Total current liabilities		644 433	471 917
Total Liabilities		1 162 372	940 985
TOTAL EQUITY AND LIABILITIES		1 662 797	1 375 951

Summary parent company 2017

(Amounts in NOK 1 000)

AKVA group ASA

Income statement 01.01. - 31.12.

(in NOK 1 000)

NET (LOSS)/PROFIT AND COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR

33 279

26 251

ALLOCATION OF PROFIT FOR THE YEAR

Transferred to other equity

33 279

26 251

Dividends paid

21

-32 272

-19 376

Net allocated

1 007

6 875

4. Ordinary agenda items contd.

4.3 Determination of Board members' remuneration

In accordance with the proposal from the Nomination Committee, the board proposes that the general meeting passes the following resolution remuneration to the Board of Directors shall be:

- Chairman of the board: NOK 315,000 per year
- Deputy Chairman: NOK 210,000 per year
- The remaining board members: NOK 190,500 per year
- Board committee member: NOK 5,500 per meeting
- Chair Remuneration Committee NOK 20,000 per year
- Chair Audit Committee NOK 35,000 per year

- Employee appointed member: NOK 50,000 per year

4. Ordinary agenda items contd.

4.4 Determination of Nomination Committee members' remuneration

In accordance with the proposal from the Nomination Committee, the board proposes that the general meeting passes the following resolution:

The Nomination Committee members' remuneration shall be set at:

- NOK 25,000 per year to the chairman of the Nomination Committee
- NOK 18,000 per year to each of the remaining members

4. Ordinary agenda items contd.

4.5 Approval of auditors' fees

The board proposes that the general meeting passes the following resolution:

"The General Meeting approves the auditor's fees of NOK 652.300 for the 2017 accounting year."

4. Ordinary agenda items contd.

4.6 *Advisory vote on the board's guidelines for the remuneration of leading employees*

The board proposes that the general meeting passes the following resolution:

" The General Meeting endorses item 2 of the board's statement on the determination of salary and other remuneration to leading employees of the company."

4. Ordinary agenda items contd.

4.7 *Approval of the board's guidelines for share-linked incentive arrangements for leading employees*

The board proposes that the general meeting passes the following resolution:

" The General Meeting approves item 3 of the board's statement on the determination of salary and other remuneration to leading employees of the company."

4. Ordinary agenda items contd.

4.8 Consideration of the board's statement on corporate governance in accordance with the Norwegian Accounting Act section 3-3 b

The board proposes that the general meeting passes the following resolution:

"The General Meeting endorses the board's statement on corporate governance, included in the annual report."

4. Ordinary agenda items contd.

4.9 Election of board members

In accordance with the proposal from the Nomination Committee, the board proposes that the general meeting passes the following resolution:

The following are elected as members of the board:

Ms. Anne Breiby (elected to 2019)

Mr. Hans Kristian Mong (elected to 2019)

Ms. Evy Vikene (elected to 2019)

Mr. Frode Teigen (elected to 2019)

Mr. Anthony James (elected to 2019)

The Board of Directors elects the Chair and the Deputy Chair.

4. Ordinary agenda items contd.

4.10 Election of Nomination Committee members

In accordance with the proposal from the Nomination Committee, the board proposes that the general meeting passes the following resolution:

The Nomination Committee shall consist of:

Mr. Eivind Helland, Chair (elected to 2019)

Mr. Bjørnar Mikalsen, member (elected to 2019)

Mr. Ingvald Fardal, member (elected to 2019)

5. Authorization to increase the share capital

The board proposes that the general meeting passes the following resolution:

"The board is authorized to increase the company's share capital by up to NOK 2,583,430, 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 2019 and 30 June 2019. This authorization replaces all previous authorizations to the board to increase the company's share capital."

6. Authorization to purchase own shares

The board proposes that the general meeting passes the following resolution:

"The board is, pursuant to Section 9-2 to 9-4 of the Public Limited Liability Companies Act, authorized to purchase and hold shares in the Company. The shares to be acquired under this authorization shall not be acquired at a higher value than at market terms on a regulated market where the shares are traded, and the minimum and maximum price that may be paid for each share is NOK 1 and NOK 150, respectively.

This authorization may be used one or several times. The maximum face value of the shares which the Company may acquire pursuant to this authorization is in total NOK 645,857 which equals to 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 board is free to determine how the company's own shares will be acquired and sold, provided 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 such expected losses.

The authorisation shall be in force until the Annual General Meeting in 2019, however, not later than until 30 June 2019. This authorization replaces the authorization to the board to purchase own shares, given by the General Meeting on 10 May 2017."

7. Authorisation to the Board to approve the distribution of dividends

The board proposes that the general meeting passes the following resolution:


"The board of directors is authorised pursuant to the Public Limited Liability Companies Act § 8-2(2) to approve the distribution of dividends based on the Company annual accounts for 2016. The authorisation also includes distribution in the form of repayment of paid-in-capital.

The authorisation may be used to approve the distribution of dividends up to an aggregated amount of NOK 75,000,000.

The authorisation is valid for dividends from and including the second quarter of 2018 and until the Annual General Meeting in 2019, however, not later than until 30 June 2019.

The board determines from which date the shares will be traded ex-dividend.

This authorization replaces the authorization to the board to approve the distribution of dividends, given by the General Meeting on 10 May 2017."

CUSTOMER FOCUS
AQUACULTURE
 **KNOWLEDGE**
RELIABILITY
ENTHUSIASM!

