

Annual General Meeting

AKVA group ASA

Egersund, 9th May 2019



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

Egersund, 9th May 2019

Hallvard Muri



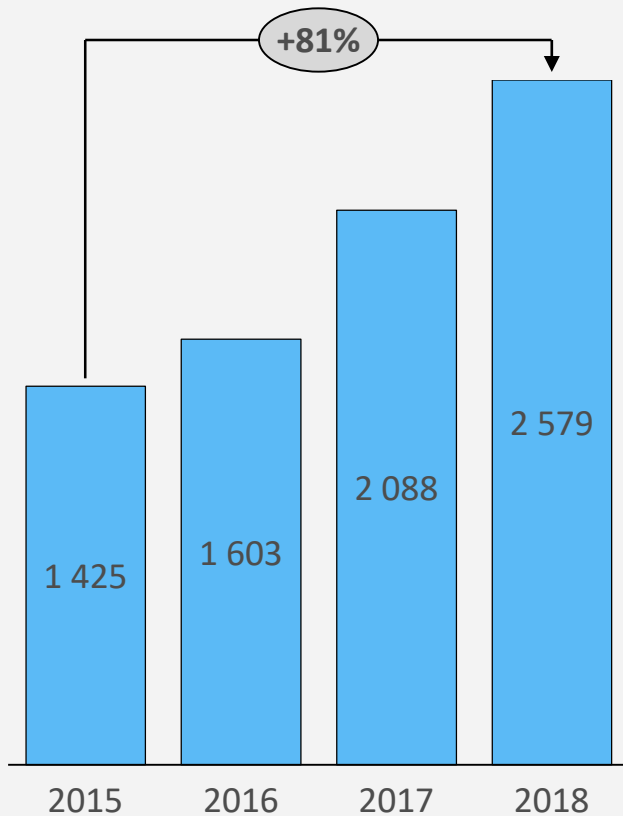
Highlights 2018



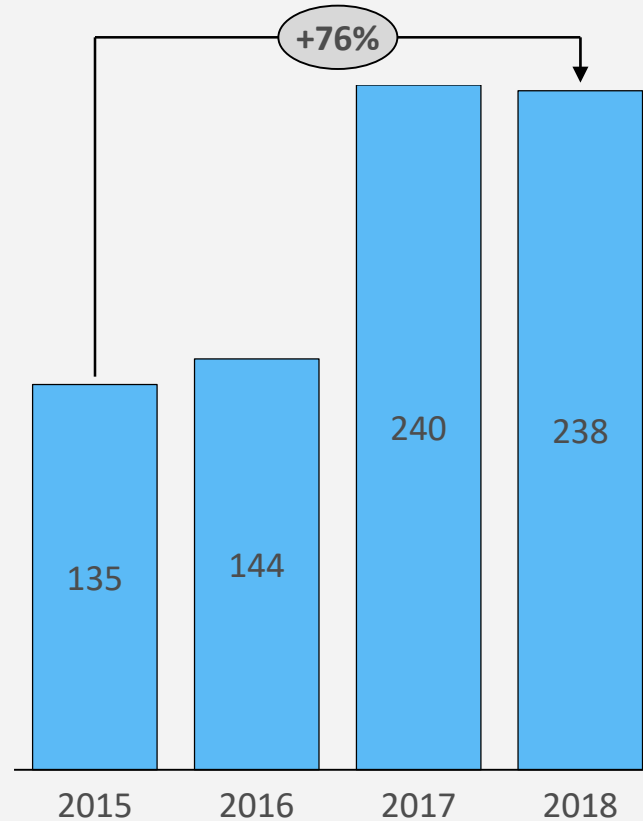
- Revenue in 2018 of MNOK 2.579 – a 24% increase from 2017
- EBITDA in 2018 of MNOK 238 – a 2% decrease from 2017
- Net profit in 2018 of MNOK 89 – a 11% decrease from 2017
- Dividend of 1.50 NOK per share paid out in 2018
- Order inflow of MNOK 2.555 in 2018 and order backlog end of 2018 of MNOK 1.356
- Successful completion of the acquisition of Egersund Net
- Entered into an agreement to divest Wise lausnir ehf
- Established new office on the East Coast of Canada
- Atlantis Subsea Farming granted one development license

Operational leverage and profitable growth

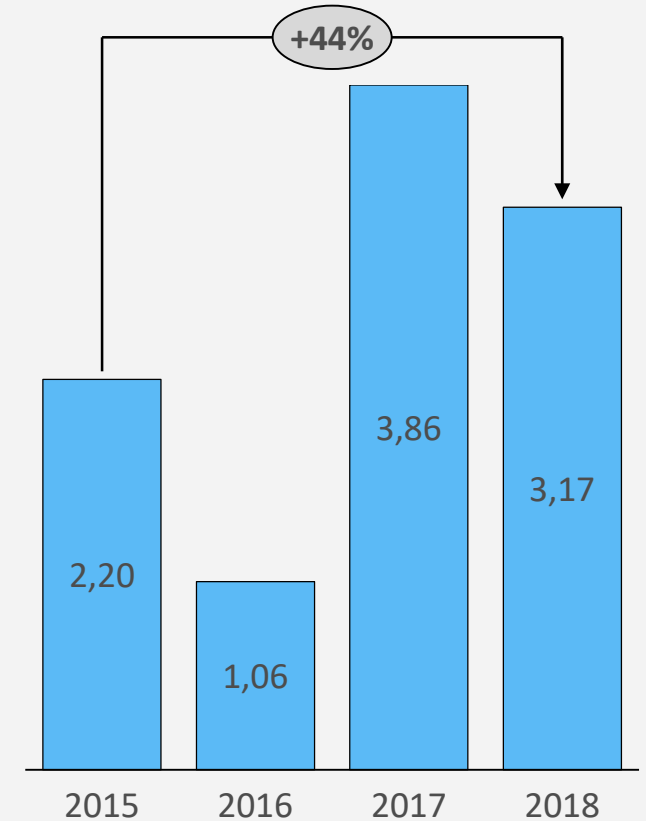
Revenue



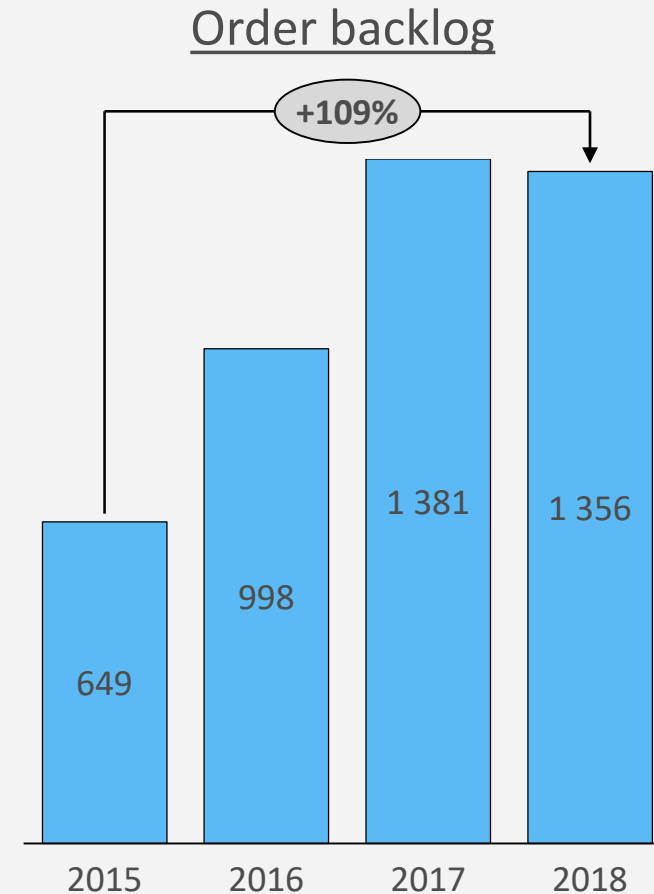
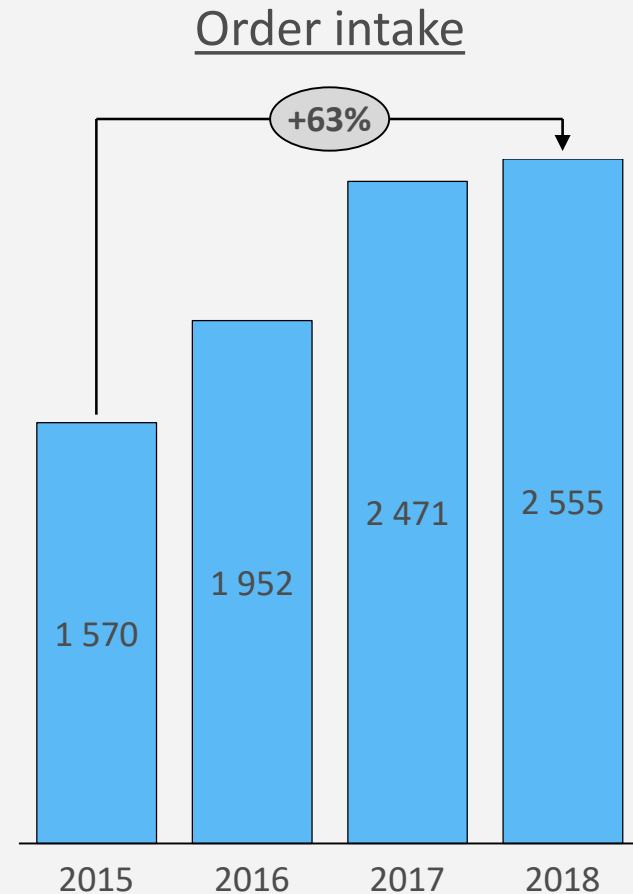
EBITDA



EPS



High activity across all regions

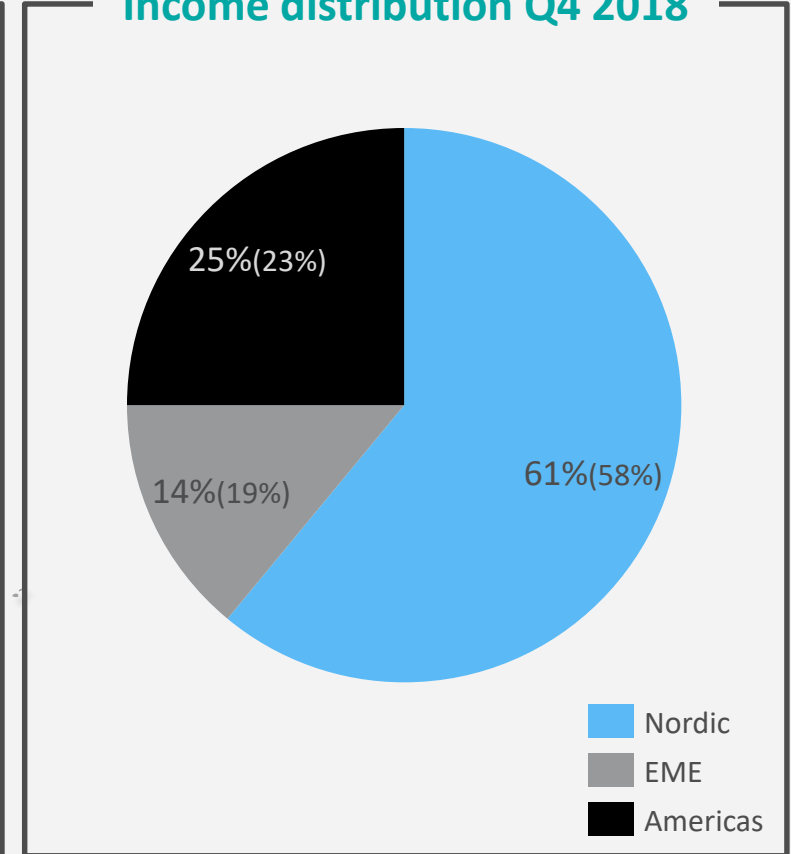


Our presence

AKVA group's geographical regions



Income distribution Q4 2018

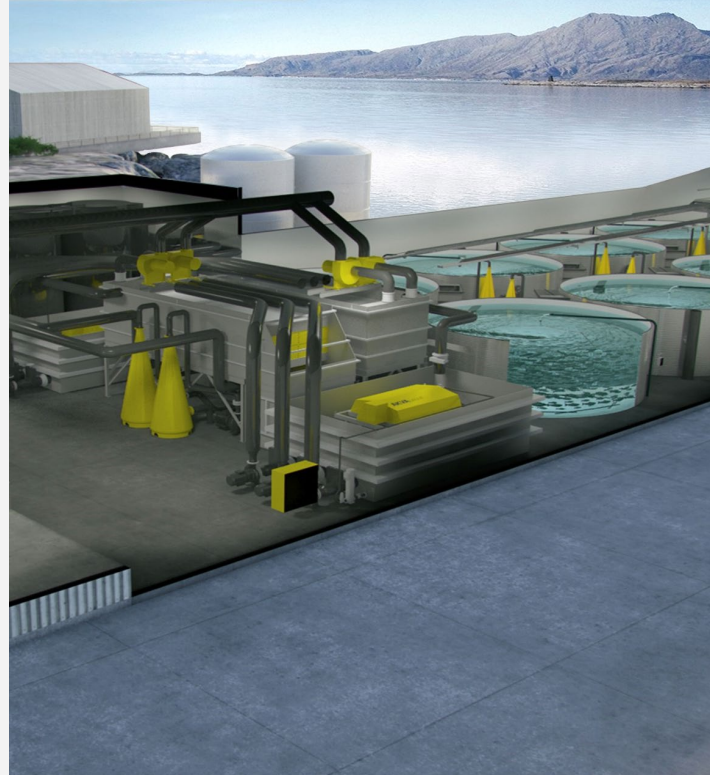


Solutions

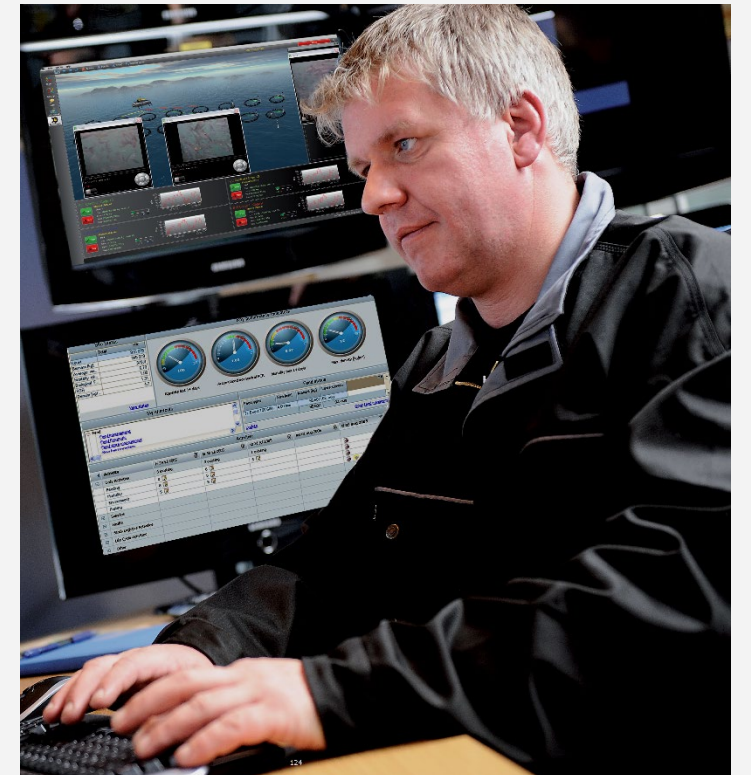
Cage Based Technology



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

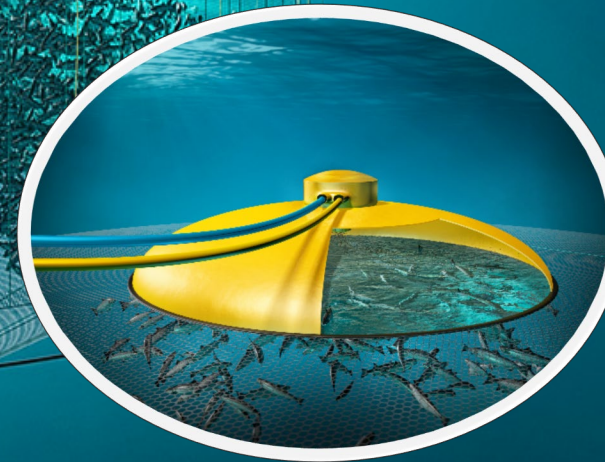
Underwater feeding

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.
8. Atlantis Subsea Farming AS is now in a technology testing phase with regards to execution of the project.

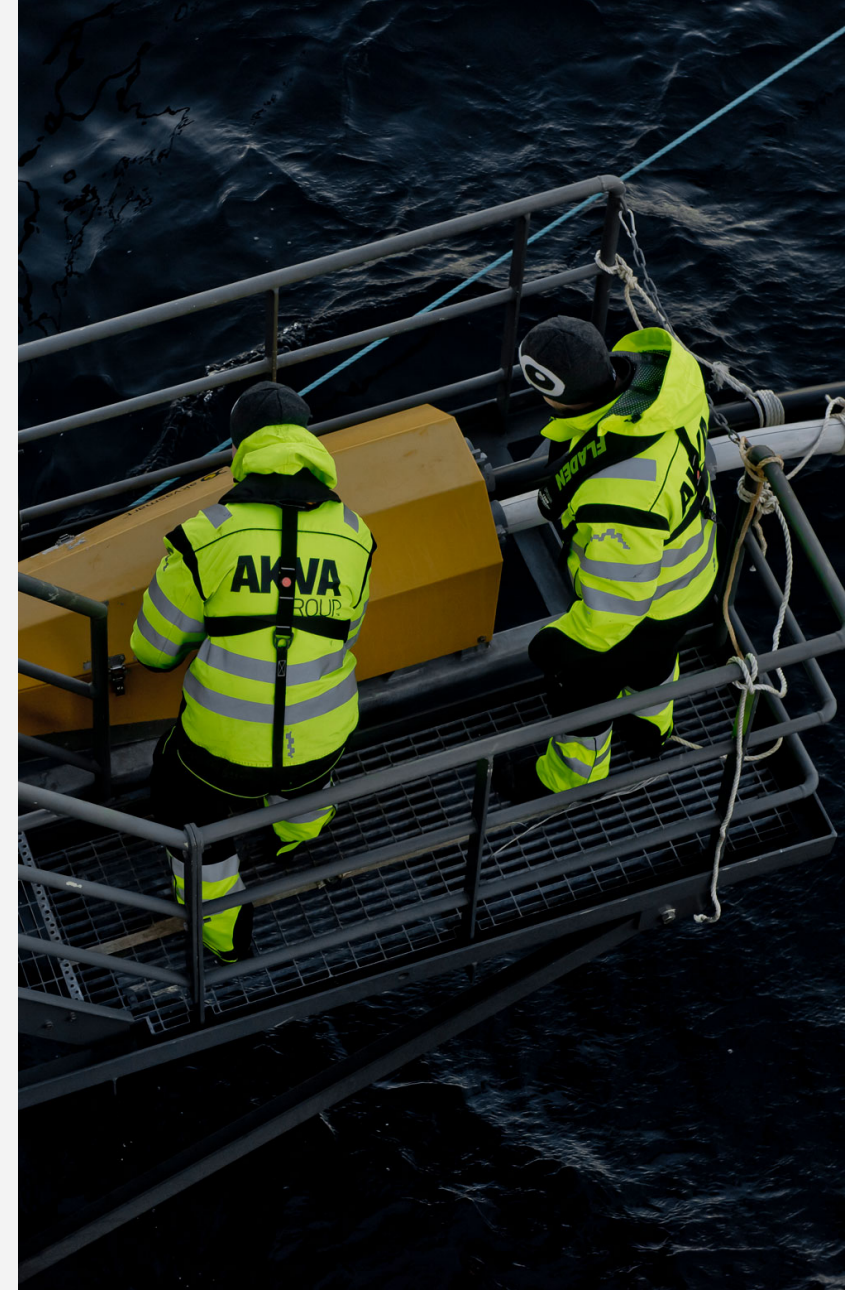
Submerge and raise the cage – safe and remote



Air to the salmon
Artificial air space

Outlook – AKVA group

- Developing digitalization strategy, upgrading software platform and control systems. Management resources strengthened
- New product development well under way; cage system, and feeding
- Egersund Net integration developing well – cages, nets and mooring (total) solutions sold in the market
- Developing presence in eastern Canada
- Pipeline for Land Based still good
- Atlantis project in execution mode – fish in the sea





 Q & A

4. Ordinary agenda items contd.

4.2 Approval of the 2018 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 2018 for AKVA group ASA and the Group, and the board's annual report, including the board's proposal to transfer the profit of 2018 to other equity.”

Group P&L 2018

(Amounts in NOK 1 000)

Group	Note	2018	2017
OPERATING REVENUES			
Revenues		2 566 760	2 073 241
Other income		12 713	14 669
Total revenues	2,17,21	2 579 473	2 087 910
OPERATING EXPENSES			
Cost of materials	10,21	1 516 675	1 196 268
Payroll expenses	3,4	638 190	496 121
Other operating expenses	4,7,11,15,18	186 841	155 607
Total operating expenses		2 341 706	1 847 997
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)		237 767	239 913
Depreciation and amortization	7,8	107 901	82 784
OPERATING PROFIT (EBIT)		129 866	157 128
FINANCIAL INCOME AND EXPENSES			
Financial income	15,16	14 735	6 805
Financial expenses	15,16	(33 085)	(28 361)
Net financial income (expense)		(18 350)	(21 556)
PROFIT BEFORE TAX		111 516	135 573
Taxes	5	22 147	35 744
NET PROFIT FOR THE YEAR		89 369	99 829
NET PROFIT (LOSS) ATTRIBUTABLE TO:			
Non-controlling interests		-334	142
Equity holders of AKVA group ASA		89 703	99 687
Earnings per share (NOK)	6	3,17	3,86
Diluted earnings per share (NOK)	6	3,17	3,86

Group balance 2018

(Amounts in NOK 1 000)

Group	Note	2018	2017
NON-CURRENT ASSETS			
Deferred tax asset	5	15 970	13 479
Intangible assets and goodwill			
Goodwill	7	834 502	435 646
Other intangible assets	7	202 980	146 455
Total intangible assets and goodwill		1 037 482	582 101
Tangible fixed assets			
Land and building	8	19 567	17 542
Machinery and equipment	8	312 814	228 604
Total tangible fixed assets		332 381	246 146
Long-term financial assets			
Investments in associated companies	9	67 961	4 865
Other long-term financial assets	9,11	5 019	1 813
Total long-term financial assets		72 980	6 679
Total non-current assets		1 458 814	848 405
CURRENT ASSETS			
Inventory	10	461 917	238 373
Receivables			
Accounts receivables	11,21	325 612	403 977
Contract assets	17	162 499	-
Prepayments to suppliers	17	-	16 526
Other receivables	4	82 648	38 548
Total receivables		570 759	459 051
Cash and cash equivalents	12	133 117	116 969
Assets held for sale	20	78 323	-
Total current assets		1 244 117	814 392
TOTAL ASSETS		2 702 931	1 662 797

Group balance 2018

(Amounts in NOK 1 000)

Group	Note	2018	2017
EQUITY			
Equity attributable to equity holders of AKVA group ASA		1 062 423	499 907
Non-controlling interests		184	518
Total equity	13,19,22,23	1 062 607	500 425
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	5	85 114	57 499
Liabilities to financial institutions	14	360 254	350 874
Other long term liabilities	19	103 641	109 565
Total non-current liabilities		549 010	517 938
Current liabilities			
Liabilities to financial institutions	14,21	401 155	122 174
Trade payables	21	231 568	185 763
Current tax payables	5	25 597	11 822
Public duties payable		41 453	38 416
Contract liabilities	17	221 891	-
Prepayments from customers	17	-	176 119
Other current liabilities	15	146 056	110 139
Liabilities held for sale	20	23 593	-
Total current liabilities		1 091 314	644 433
Total Liabilities		1 640 324	1 162 372
TOTAL EQUITY AND LIABILITIES		2 702 931	1 662 797

Summary parent company 2018

(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

7 819

33 279

ALLOCATION OF PROFIT FOR THE YEAR

Transferred to other equity

7 819

33 279

Dividends paid

22

-44 334

-32 272

Net allocated

-36 515

1 007

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 325,000 per year
- Deputy Chairman: NOK 216,000 per year
- The remaining board members: NOK 196,500 per year
- Board committee member: NOK 5,500 per meeting
- Chair Remuneration Committee NOK 21,000 per year
- Chair Audit Committee NOK 36,200 per year

- Employee appointed member: NOK 52,000 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 25,750 per year to the chairman of the Nomination Committee
- NOK 18,500 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 587.408 for the 2018 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

Mr. Hans Kristian Mong

Ms. Kristin Reitan Husebø

Mr. Anthony James

Mr. Knut Nesse

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 2021)

Mr. Bjørnar Mikalsen, member (elected to 2021)

Mr. Ingvald Fardal, member (elected to 2021)

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 3,333,430, 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 2020 and 30 June 2020. 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 833,358 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 authorization shall be in force until the Annual General Meeting in 2020, however, not later than until 30 June 2020. This authorization replaces the authorization to the board to purchase own shares, given by the General Meeting on 15 May 2018."

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 are authorized pursuant to the Public Limited Liability Companies Act § 8-2(2) to approve the distribution of dividends based on the Company annual accounts for 2018. The authorization also includes distribution in the form of repayment of paid-in-capital.

The authorization may be used to approve the distribution of dividends up to an aggregated amount of NOK 100,000,000.

The authorization is valid for dividends from and including the second quarter of 2019 and until the Annual General Meeting in 2020, however, not later than until 30 June 2020.

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 15 May 2018."

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