



Annual Report **2014**



Your Aquaculture Technology and Service Partner

AKVAGROUP™

AKVA group in brief

AKVA group is the leading technology and service partner to the aquaculture industry worldwide. The company has 726 employees, offices in 8 countries and a total turnover of 1,246 MNOK in 2014.

We are a public listed company operating in one of the world's fastest growing industries and supply everything from single components to complete installations, both for cage farming and land based aquaculture. AKVA group is recognized as a pioneer and technology leader through more than 30 years. Our corporate headquarter is in Bryne Norway.

AKVAGROUP™

- Complete Aquaculture Projects • Recirculation Systems • Plastic Cages • Steel Cages • Moorings • Nets
- Net Cleaning • Cage Cleaning • Workboats • Feed Barges • Feed Systems • Camera & Sensor Systems
- Underwater Lights • Production Software • Processing Software

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AKVA group Chile office with well known brands.

Highlights 2014

- 2014 was the best year ever for AKVA group
- Revenue in 2014 of MNOK 1,246 – an 36% increase compared to revenue in 2013
- EBITDA in 2014 of MNOK 103 – an increase of 120% compared to EBITDA in 2013
- Good order inflow during the year resulted in the second highest order backlog ever
- Financially stronger than ever with stabilized working capital on a much lower level and a significantly improved cash situation. Refinancing of all loans to better terms and conditions was finalized in January 2014
- Return on Capital Employed (ROCE) of 14%
- Implementation of a semiannual dynamic dividend policy with the first dividend of NOK 1 per share (in total MNOK 25.8) paid in December 2014
- Acquisition of YesMaritime AS and Rogaland Sjøtjenester AS – strengthening our service segment and gives us a good position for future growth in the Farming Service industry



YesMaritime completes our new service segment.

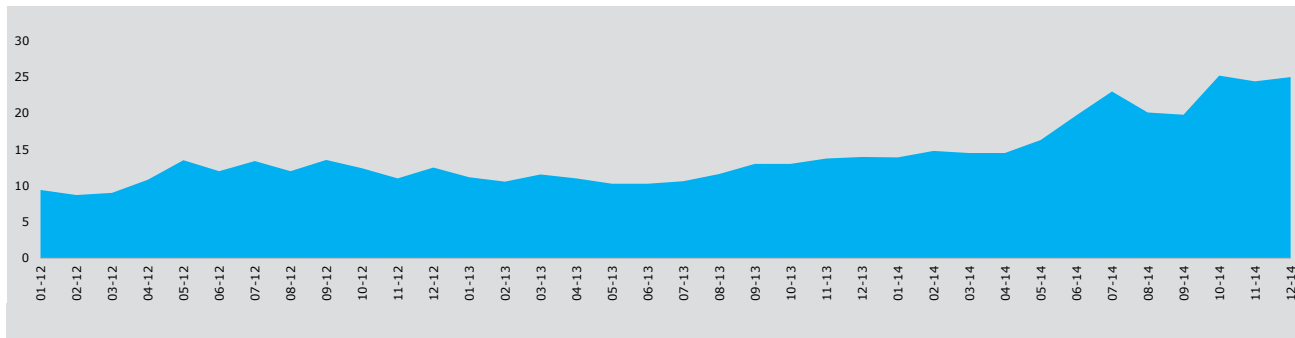
Financial key figures

(in NOK 1 000)	2014	2013	2012	2011	2010
Profitability					
Revenues	1 246 059	918 670	831 530	893 552	742 521
EBITDA	103 365	46 905	57 816	61 953	-9 915
EBIT	67 635	13 816	26 704	29 253	-40 944
Profit before tax	62 894	4 567	17 379	14 256	-50 890
Net profit	54 500	2 373	10 274	11 485	-37 637
Net Profit (Loss) Attributable to:					
Non-Controlling interests	-580	-501	-	-	-
Equity holders of AKVA group ASA	55 080	2 874	10 274	11 485	-37 637
Cash flow from operations	86 088	94 230	41 642	-35 886	-793
EBITDA margin	8,3 %	5,1 %	7,0 %	6,9 %	-1,3 %
EBIT margin	5,4 %	1,5 %	3,2 %	3,3 %	-5,5 %
Return on capital employed	14,1 %	3,3 %	6,2 %	6,2 %	-10,3 %
Return on equity	14,2 %	0,8 %	3,2 %	3,5 %	-16,5 %
Financial position					
Non-current assets	353 988	307 801	278 503	289 474	296 971
Current assets	549 833	414 180	394 073	432 189	398 234
Total assets	903 821	721 981	672 576	721 663	695 205
Equity attributable to equity holders of AKVA group ASA	387 577	336 601	325 274	323 771	227 561
Non-controlling interests	1 676	2 255	-	-	-
Total equity	389 252	338 856	325 274	323 771	227 561
Long-term debt	131 344	55 752	69 008	112 208	136 882
Short-term debt	383 225	327 191	277 537	285 684	330 762
Total equity and liabilities	903 821	721 981	672 576	721 663	695 205
Gross interest-bearing debt	142 446	132 888	143 361	182 917	211 731
Cash and cash equivalents	143 935	95 855	69 783	57 281	51 729
Net interest-bearing debt	88 511	74 558	106 564	145 685	168 572
Working capital	126 452	106 499	155 665	181 981	102 339
Equity ratio	43,1 %	46,9 %	48,4 %	44,9 %	32,7 %
Debt to equity ratio	36,6 %	39,2 %	44,1 %	56,5 %	93,0 %

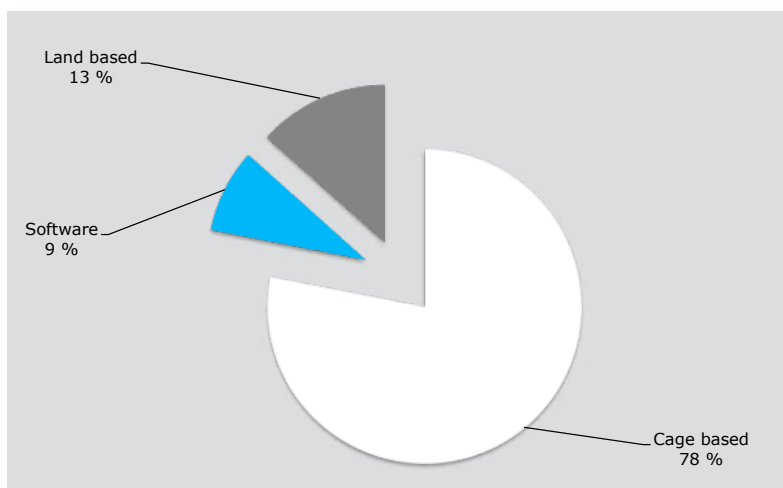
(in NOK)	2014	2013	2012	2011	2010
Share data					
Earnings per share	2,13	0,11	0,40	0,53	-2,19
Diluted earnings per share	2,13	0,11	0,40	0,53	-2,19
Cash flow per share	-0,17	0,83	-0,02	-0,28	-1,01
Dividend per share	1,00	-	-	-	-
Shareholders' equity per share at year-end	15,00	13,03	12,59	12,53	13,21
Share price at year-end	25,00	13,95	12,50	8,25	16,10
Market capitalization at year-end	645 858	360 389	322 929	213 133	277 288
Number of shares outstanding at year-end	25 834 303	25 834 303	25 834 303	25 834 303	17 222 869
Average number of shares outstanding	25 834 303	25 834 303	25 834 303	21 528 586	17 222 869

Financial key figures

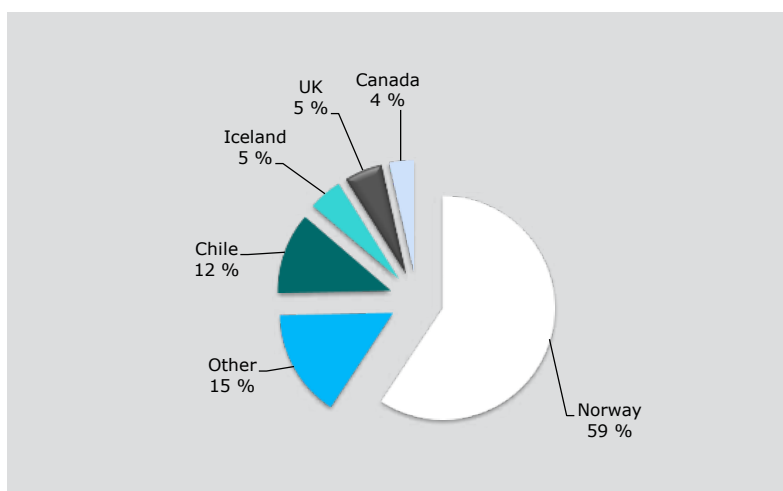
Share price development



Revenue

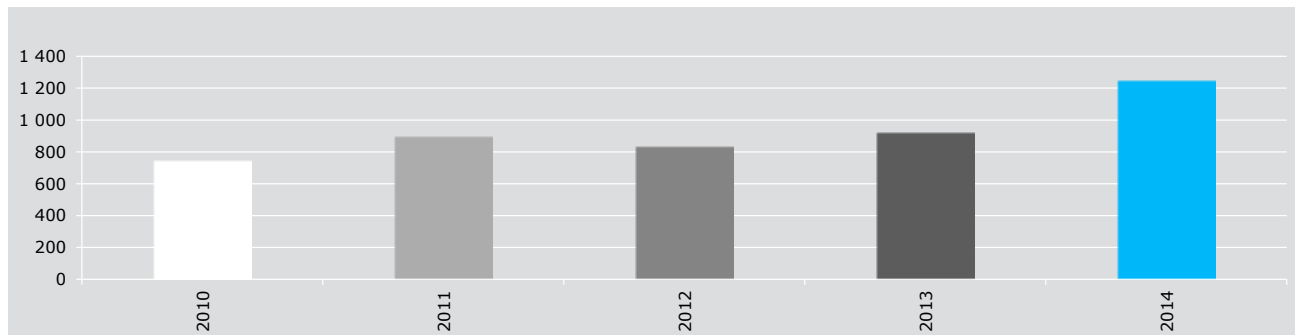


Geographic segments

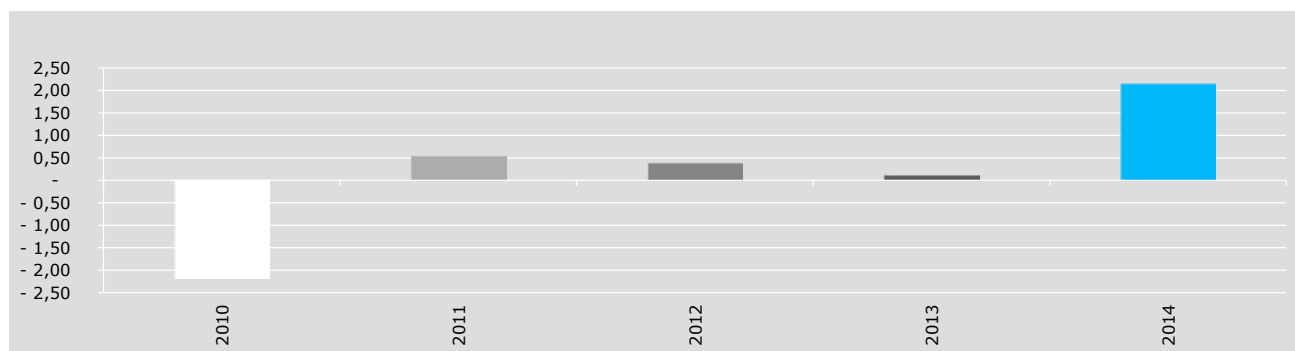


Financial key figures

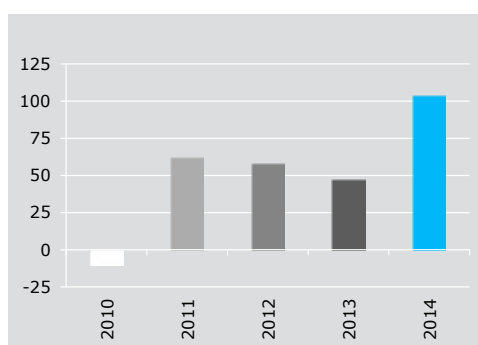
Revenue



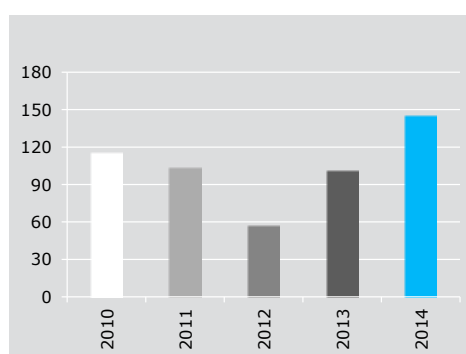
Earnings per share



EBITDA

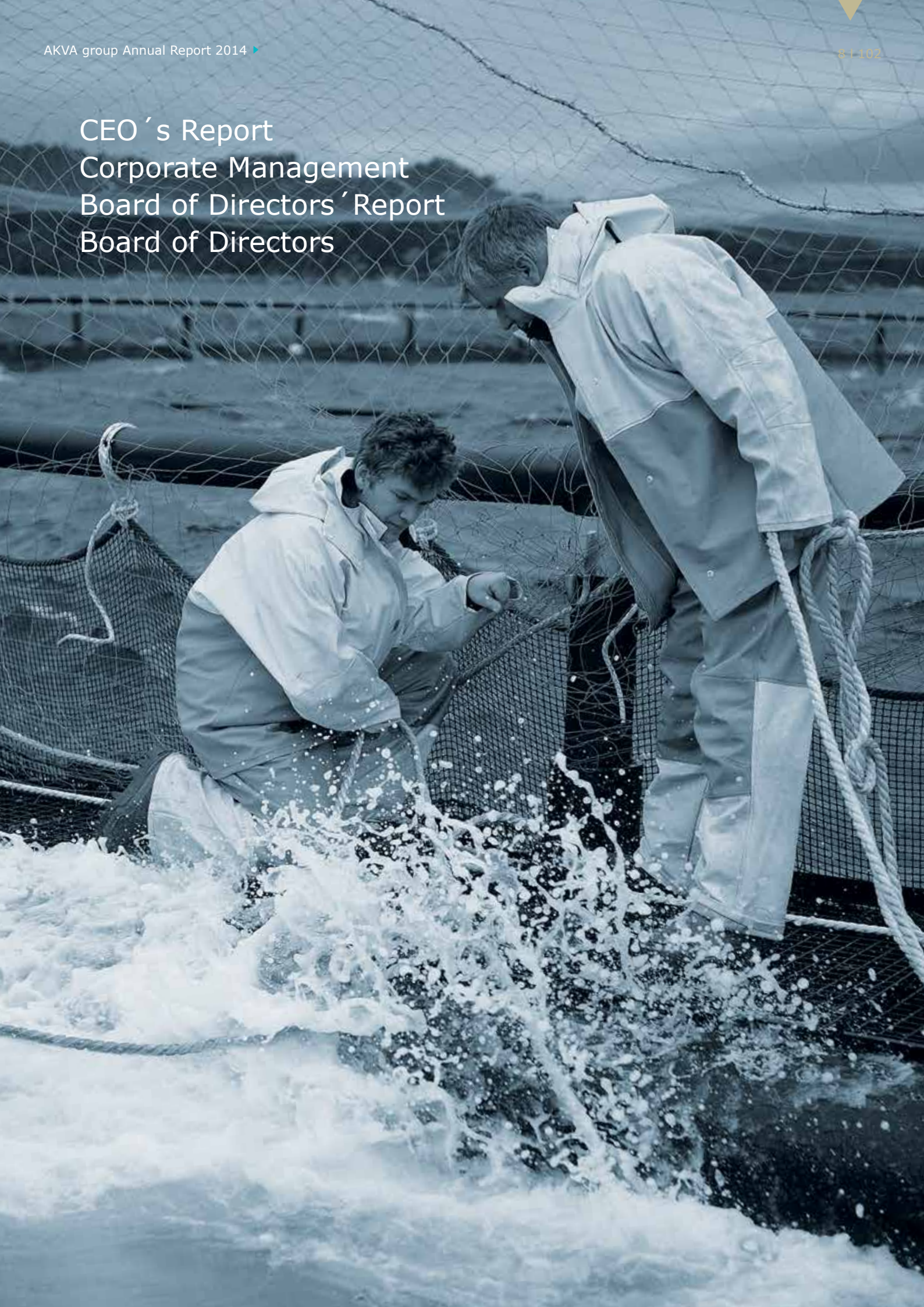


Revenues other species*



* Other than salmonides

CEO 's Report
Corporate Management
Board of Directors ' Report
Board of Directors



Dear shareholders and stakeholders of AKVA group

2014 has been the best year ever for AKVA group. Throughout the year we have expanded our business activities significantly, resulting in strong growth in revenues and margins. At the same time we have been successful in building a stronger AKVA group. So strong financially, we are able to pay back to our shareholders by introducing a dividend policy and paying out dividend. So strong operationally, we are confident heading for further progress in the years to come.

It is fair to say the market has been favorable for us in 2014. The positive development we experienced in the Nordic market at the end of 2013, continued throughout 2014. Salmon farmers, generating more than 80% of AKVA group's revenues, experienced another good year with high salmon prices and strong earnings. This resulted in high investments in technology and services not only in the Nordic market. Throughout the year, we saw strong market development also in the other salmon producing regions. Our business units in both UK and Canada had their best year ever. Even in Chile, where we experienced weak markets coming into 2014, we experienced a change in sentiment, ending the year with high market activity enabling a strong financial rebound in the last two quarters of the year.

Good market conditions in main markets helps performance, but only if you are in position to be the chosen partner for the customers. To be a preferred technology and service partner in the industry has been the goal for AKVA group over the last years. We have aimed to become this through systematic and disciplined work, getting better at what we do in all areas.

This has also been the mantra throughout 2014. Tireless efforts from a global team of dedicated employees is what brings AKVA group forward.

The cage based technology segment has always been the backbone of AKVA group. This is where we come from. Also in 2014, most of our revenues and margins come from this technology segment. However, we are pleased to see that our efforts to have a more diversified business model is starting to pay off. Our software segment has for a long time been a very important contributor to the Group's performance. This has also been the case in 2014 where we have seen continued growth in this business area, delivering solid margins as well as positioning itself for further growth. At the same time, we see continued progress in the land based technology segment. For the first time we see positive EBITDA in this segment. Still we are far from satisfied with the performance, however given the groundwork we have done over the last years, together with increased market activity for land based technology, we believe this is an area where we will see considerable growth going forward.

Expanding our presence in emerging markets continues to be a priority. Taking on development in these markets is however a challenge. Our approach of seeking very capable customers as partners rather than investing in costly infrastructure in new countries is starting to pay off. Through this strategy we also in 2014 have managed to secure ground-breaking projects in new markets. At the same time we have seen how vulnerable our activity in these markets are to changes in politics and conditions for trade, for instance in Russia. In AKVA group we believe the significant steps we have taken in emerging markets represents just a beginning. Over the years to come, we expect to expand our position in these markets significantly.

The variations in our customers' investment volumes in technology from year to year urges us to develop a more robust business model and financially stable AKVA group going forward. This has been a priority also in 2014. To increase our revenue from reoccurring business is a central part of our strategy, and will be so in the year to come. The entry into the farming services segment represents one part of this strategy. The launch of a rental model in the Norwegian market represents another. Together with the continuous development of technology services, these steps will bring AKVA group in to an even stronger position.

We are also in 2014 ending the year with a better and more robust AKVA group. We are a better and more experienced organization, we are more trained and professional in the way we handle our processes in sales, production and project execution. We have expanded our reoccurring business and we have further strengthened our financial position.

As in previous years, focus in 2015 is to bring AKVA group another step forward. We believe there are many opportunities to be explored which could make us an even better company. We continue to think of ourselves as being on our way – always seeking to become better at what we do. We are ambitious, but determined to stay humble. We want to be the preferred Aquaculture Technology and Service Partner, recognized for our values; **Customer focus, Aquaculture knowledge, Reliability and Enthusiasm**, and we are in for the long run.



Copenhagen, Denmark
April 8th 2015
Trond Williksen
Chief Executive Officer



Akvasmart CCS Feed System is today the most popular and reliable system world wide.

Corporate Management



Trond Williksen

Chief Executive Officer

Trond Williksen (b. 1963) assumed the position as CEO in March 2011. Prior to joining AKVA group, he was the Executive Vice President for Harvesting in Aker Seafoods ASA, where he also served as the Managing Director of Aker Ocean Harvest AS. During his 20 year long career in fishery and aquaculture, he has led the KPMG Center for Aquaculture and Fisheries, and has also served as the Managing Director of the Norwegian Fish Farmers Association. Trond holds an MBA in Strategy from University of Washington. He is a Norwegian citizen and resides in Bærum, Norway.



Eirik Børve Monsen

Chief Financial Officer

Eirik B. Monsen (b. 1974) assumed the position as CFO in December 2011. Prior to joining AKVA group he was the CFO in Telenor Eiendom Holding AS. He has served in several senior positions in the Telenor Group both in Norway and Asia from 2005-2011. He worked in KPMG Financial Services in Oslo from 1998-2005, the last years as a Manager. Eirik has an MBA from the Norwegian School of Economics and Business Administration (NHH). He is also a State Authorized Public Accountant and a Certified EFFAS Financial Analyst (AFA). He is a Norwegian citizen and resides in Stavanger, Norway.



Per Andreas Hjetland

Chief Operations Officer Nordic

Per Andreas Hjetland (b. 1961), joined AKVA group in 2008 where he assumed the position as COO in September 2010. Prior to joining AKVA group, he held several senior positions with international companies. His professional background cover industrial technologies, and he also brings with him extensive experience in business operations, sales & marketing. Per Andreas' academic background was gained at the Technical School of Stavanger. He is a Norwegian citizen and resides in Høle, Norway.

Corporate Management



Andrew Campbell

Chief Operations Officer Americas

Andrew Campbell (b. 1966), joined AKVA group in 2000, and has been General Manager in Chile since 2009. From 1989-2000, he worked as a Production Manager in the salmon industry in New Zealand for the New Zealand Salmon Company Ltd. Andrew holds a bachelor of science degree from New Zealand's Victoria University, and is a New Zealand citizen with permanent residency in Chile.



Trond Severinsen

Chief Operations Officer Export
& Chief Marketing Officer

Trond Severinsen (b. 1964), joined AKVA group in 1993 as General Manager for the company's operations in Canada; a role he had until 2003 when he became CMO. He has worked within sales, marketing and R&D related to technology for the fish farming industry since early 1984. Trond had previously worked for Sea Farm trading (1984-90), setting up their Canadian office in 1987. He later ran his own business until 1993. He is a Norwegian citizen and resides in Klepp, Norway.



Inge Forseth

Chief Operations Officer
Technology & Software

Inge Forseth (b. 1971) joined AKVA group in the second half of 2014. His professional career includes national and international managerial positions in companies like Eltek, Autronica and Glen Dimplex. He holds extensive experience from a range of technological fields, covering both the hardware as well as the software area. Inge holds a Master of Science in electrical engineering from the Norwegian University for Science and Technology (NTNU) in Trondheim. He is a Norwegian citizen and resides in Trondheim, Norway.



A new concept with rental of various equipment such as underwater lights was launched.

The Board's Annual Report 2014

2014 has been the best year ever for AKVA group. The Group has experienced high growth in revenues and significantly improved margins. The main driver for the improved performance was the Cage Based Technology segment in the Northern Hemisphere. Strong financial performance in 2014 combined with a high order backlog at year-end give AKVA group a strong position going into a new year.

Total revenue for the Group in 2014 was MNOK 1,246.1 - an increase of 35.6% compared to revenue in 2013. Earnings before interest, tax, depreciation and amortisation (EBITDA) was MNOK 103.4 - an increase of 120.4% compared to EBITDA in 2013.

The financial result for 2014 reflects good activity in the Cage Based Technology segment in the Northern Hemisphere throughout the year, and improved performance in the Chilean market in the second half of the year. The Software segment continued with solid revenue and margins. The Land Based Technology segment improved its performance, but still have significant potential for further improvements.

Our focus in 2014 has been to manage the increased activity in the Cage Based Technology segment. We continued our work to streamline all operations, to tune the fixed cost base, further improve our balance sheet and to maintain high customer satisfaction by delivering premium technology and services.

AKVA group – the business segments

AKVA group is a leading supplier of technology and services to the global aquaculture industry. Our activities include design, sale, purchase, assembly and installation of technology as well as service and consulting services. The Group's main customer base is the global salmon-farming industry. It is a strategic objective to expand AKVA group's activities to aquaculture species other than salmonids.

The Group divides its operations into three business segments: Cage Based Technology (CBT), Software (SW) and Land Based Technology (LBT).

The Cage Based Technology segments' main products are; feed barges, fish farming cages, centralised feed systems, sensors, cameras, biomass estimation systems, light systems and net cleaning systems. The Polarcirkel™ polyethylene cages are produced at our facility in Mo i Rana, Norway and are one of the world's leading fish cage brands. The Polarcirkel™ brand also includes Polarcirkel™ PE-boats designed for extreme conditions for the fish-farming industry, diving, oil and gas service industry as well as PE pipes up to 900 mm diameter for various purposes. Steel cages sold under the Wavemaster™ brand are market leaders in Chile and Canada. Wavemaster™'s production facility for steel cages is located in Puerto Montt, Chile. Feed barges are also produced under the brand Wavemaster™. The feed barges have a strong position in the salmon market in the Nordic and Export regions and are supplied with Akvasmart™ centralised feed systems as well as other technologies from AKVA group. The feed barges designed by AKVA group are produced in Tallinn (Estonia) and Ustka (Poland).

The Software segment provides market leading best of breed software solutions for fish farming as well as for the seafood industry. Our market leading software brands are Fishtalk™ and Wisefish™.

The Land Based Technology segments' main products are land based systems for production of freshwater as well as marine fish species using recirculation technology. The systems are designed in Fredericia and Copenhagen in Denmark. Plastsveis AS located at Sømna, Norway is our provider of operational installations of land based facilities. Our LBT setup gives AKVA group a strong position in the market place when it comes to delivering a range of solutions for land based aquaculture.

AKVA group's headquarters is located in Bryne, Norway. The company has offices and service stations along the Norwegian coast and in Chile, Scotland, Canada, Turkey, Iceland, Denmark and Australia. In addition, the Group has representation in numerous other countries across the globe.

Market situation through 2014

In the comments below on the financial accounts, the 2013 figures are presented in brackets following the 2014 stated values, when included.

AKVA group started 2014 with a high order backlog. This combined with a continued high market activity especially in the CBT segment in the Northern Hemisphere gave a very good start financially for the Group in 2014. The Chilean salmon industry had low speed coming into 2014, however the market situation improved during the year resulting in a good second half for our Chilean operation.

The market activity in the LBT segment also improved during 2014. SW maintained its strong market position in 2014.

Revenues from services and maintenance provided by AKVA group continued the positive development in 2014, reflecting a positive trend in an area with strategic priority for the Group.

AKVA group had revenues from technology sales and service to aquaculture producers of other species than salmon, of MNOK 136.3 (100.6) equal to 10.9% (11.0%) of total revenues. The Mediterranean and Middle East were the main markets. Revenue from technology and service to non seafood markets was MNOK 85.8 (114.7) equal to 6.9% (12.5%) of total revenue.

Continued Operations

In accordance with the Accounting Act § 3-3a we confirm that the Financial Statements have been prepared under the assumption of going concern.

Profit and loss (consolidated)

Total revenues for AKVA group in 2014 was MNOK 1,246.1 (918.7) – an increase of 35.6% compared to 2013. EBITDA for 2014 was MNOK 103.4 (46.9) - an increase of 120.4% compared to 2013.

The increased revenue and margins was mainly explained by increased activity in the Nordic cage based segment, but also by good growth in the Scottish and Canadian cage based segment during the year. High salmon prices and very profitable farming companies (customers) in the northern hemisphere drives sales.

Group margins in 2014 increased compared to 2013. We were able to get scale effects out of our existing production capacity. This was due to an improved cost base over the last years together with increased volumes in 2014. The land based segment was in 2014 profitable on EBITDA level. This improvement compared to previous years also contribute to improved Group margins.

Depreciation and amortisation in 2014 was MNOK 35.7 (33.1). EBIT for 2014 was MNOK 67.6 (13.8). Net financial expenses was MNOK 4.7 (9.2) and Profit before tax was MNOK 62.9 (4.6). The calculated tax for 2014 is MNOK 8.4 (2.2). Net profit for the year was MNOK 54.5 (2.4).

CBT had operating revenues in 2014 of MNOK 972.6 (724.0), an increase of 34.3% compared to 2013. EBITDA was MNOK 87.8 (30.5), an increase of 188.0% compared to 2013. The increase in revenues and margins in CBT are explained by increased activity in Nordic and increased activity in the rest of the markets in the Northern Hemisphere.

SW had operating revenues in 2014 of MNOK 106.7 (97.7) with an EBITDA of MNOK 15.3 (19.5). AKVA group Software AS in Norway continued to deliver steady revenues and healthy earnings in 2014. Wise lausnir ehf on Iceland continued the good performance from 2013 with a decent year in 2014.

LBT had operating revenues in 2014 of MNOK 166.7 (97.0), an increase of 71.9% compared to 2013. EBITDA was MNOK 0.3 (-3.0). LBT experienced increased activity and improved performance in 2014 compared to previous years and AKVA group Denmark A/S was profitable in 2014. Despite significant financial improvement over the last years, we are still not satisfied with the performance.

However, we believe an improved land based organization, controlled cost and cash flow will secure a profitable operation going forward.

Earnings per share was NOK 2.13 in 2014 versus NOK 0.11 in 2013. The total number of outstanding shares has been 25.834.303 in 2014 and 2013.

Profit and loss AKVA group ASA

Operating revenues for AKVA group ASA in 2014 was MNOK 705.0 (497.1). EBITDA for 2014 was MNOK 45.0 (11.6). Depreciation and amortisation in 2014 was MNOK 9.2 (11.7). EBIT for 2014 was MNOK 35.8 (-0.1). Net financial income was MNOK 26.9 (12.4) and profit before tax was MNOK 62.7 (12.3). The calculated tax for 2014 is MNOK 17.4 (5.0). Net profit for the year was MNOK 45.3 (7.3).

Balance sheet and cash flow (consolidated)

Total assets at the end of 2014 was MNOK 903.8 (722.0). Total liabilities amounted to MNOK 514.6 (383.1) and equity totalled MNOK 389.3 (338.9) giving an equity ratio of 43.1% (46.9%).

Working capital in the consolidated balance sheet, defined as non-interest bearing current assets less non-interest bearing short-term debt, was MNOK 126.5 at the end of 2014 compared to MNOK 106.5 at the end of 2013. Working capital in percentage of 12 months rolling revenue was 10% at the end of 2014 compared to 12% at the end of 2013. The increase in nominal value is explained by significantly increased activity in 2014 compared to 2013. The improved working capital percentage is explained by continued focus on balance sheet and capital management during the year.

Equity was positively affected during 2014 by this year's result of MNOK 54.5 (2.4) and by the translation differences and cash flow hedges of MNOK 23.1 (11.1), out of which MNOK 7.4 (8.0) is related to revaluation of goodwill and other intangible assets, according to IFRS. Equity was negatively affected during 2014 by the dividend payment of MNOK 25.8 and the exercise of remaining options in the Company's option program of MNOK 1.3.

Gross interest bearing debt amounted to MNOK 142.4 (132.9) at the end of 2014. Cash and unused credit facilities amounted to NOK 143.9 (96.0) at the end of 2014. The company is in compliance with all financial covenants at the end of 2014.

The total calculated deferred tax assets on December 31, 2014 amounted to MNOK 22.6 (37.2), whereof MNOK 20.9 (25.1) was recognised in the balance sheet. The amount included in the balance sheet is mainly related to the Norwegian and Danish operations. Investments in 2014 amounted to MNOK 49.8 (39.9), including MNOK 17.9 (16.5) in capitalised R&D expenses, in accordance with IFRS.

Balance sheet AKVA group ASA

Total assets at the end of 2014 was MNOK 734.3 (617.8). Total liabilities amounted to MNOK 324.6 (226.2) and equity totalled MNOK 409.7 (391.6) giving an equity ratio of 55.8% (63.4%).

Risk factors

The aquaculture industry is associated with biological and market risk, and has historically been subject to cyclicalities.

AKVA group aims to reduce the risks related to these factors through diversification of its products and technologies to various fish species and geographical regions, as well as by increasing revenues from reoccurring service and after sales.

For AKVA group the financial risks are mainly related to currency risks, interest rate risks, credit risks and liquidity risks. A reduction in currency risks is sought through matching revenues and costs in the same currency, in combination with forward contracts. The Group is also exposed to fluctuations in foreign exchange rates when calculating the equity of foreign subsidiaries into NOK.

Interest bearing debt is based on floating interest rate and net interest costs will consequently increase and decrease according to the variations in the interest level. AKVA group endeavours to maintain sufficient level of free cash at all times to be able to meet its obligations.

Historically the Group has shown low losses on receivables from customers. For larger projects the Group generally receives partial pre-payment from the customers and payments according to the progress of the projects. The credit risk related to customer deliveries is thereby reduced.

Larger projects in the land based technology segment have not given the expected margins over the last few years. Significant improvements has been achieved through the last four years by improved management, reduced cost base and by reducing scope on major deliveries of recirculation technology.

AKVA group is exposed to fluctuations in the prices of certain raw materials used in some of the main products. Reduction of this risk is sought through continuous general awareness and specific attention during major contract negotiation periods, as well as by securing the pricing of raw materials immediately after signing contracts.

Product development

In 2014 the Group invested MNOK 37.4 (36.0) in product development, of which MNOK 17.9 (16.5) was capitalised and MNOK 19.5 (19.5) expensed. The investments was used to further improve existing products and to develop new products.

Organisation and work environment

AKVA group had 726 (572) employees at the end of 2014. In Norway the company employed 231 (185) people. Women accounted for 15.2% (17.3%) of the Norwegian employees. The Group aims at having a gender balance across the different levels of the organisation.

The Norwegian Discrimination Act's objective is to promote gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. The Group is working actively, determined and systematically to encourage the act's purpose within our business. Included in the activities are recruiting, salary and working conditions, promotion, development opportunities and protection against harassment.

The Group's aim is to be a workplace with no discrimination due to reduced functional ability and is working actively to design and implement the physical conditions in such a manner that as many as possible can utilise the various functions.

For employees or new applicants with reduced functional ability, individual arrangements of workplace and responsibility are made.

The Group aims to strengthen the competence of its employees to maintain a position as a leading supplier of technology and service to the aquaculture industry. Through recruitment, the company seeks to employ people with high competence within all areas of its business.

Total sick leave in the Group during 2014 amounted to 3.1% (2.6%). Twenty (eleven) incidents were registered in the Group during 2014. Efforts have been done in order to prevent similar incidents to happen in the future.

The board considers the working environment in the company to be satisfactory and has not initiated any particular measures in this area during 2014.

The board sincerely thanks the management and staff for their effort and dedication, and their contribution to the good results in 2014.

Future outlook

The total order backlog at the end of 2014 was 504 MNOK (520).

There is positive outlook in all market segments for 2015.

The strong demand in the Nordic market is expected to last into 2015. The demand is driven by high salmon prices, which is fuelling investments in increased efficiency and sustainable solutions for cage based and land based operations.

Strong development is expected in the Chilean market, driven by increased investments by main players to extend and enhance more sustainable operations. We are monitoring the Chilean market closely and will adjust our operation according to the development.

Our UK and Canadian operations are expected to continue to perform well in 2015 with a significant order backlog and a large portion of reoccurring business.

The land based segment is expected to have a positive development with a growing prospect mass in several markets. Prospects in the salmon industry are growing in particular. Earnings are expected to be more stable going forward.

Export sales to emerging markets will continue to fluctuate short term, but represents a large potential over time.

We continue our effort to build service and after sales as a key business element in all markets and segments. Introduction of a rental model in the Norwegian market in 2014 was well received among our customers and is expected to give positive financial effects going forward.

AKVA group continue to stay hands on in 2015, adjusting operations according to market development, focusing on long term performance, margins and customer relations. We have improved operational performance and our balance sheet significantly over the last three years, but the focus on further improvements continues.



The AKVAcat, a new workboat for the export market.

Allocation of profit

The board proposes the following allocation of the profit of AKVA group ASA:

Transferred to other equity	NOK 45.275.745
Total allocation	NOK 45.275.745

At the end of 2014, AKVA group ASA had equity of MNOK 409.7 (391.6), comprised of MNOK 25.8 (25.8) in share capital, MNOK 336.0 (336.0) in share premium, MNOK 1.1 (2.5) in other paid-in capital and MNOK 46.7 (27.3) in other equity.

A dividend of 1.00 NOK per share was paid out on December 4th 2014 totalling a distributed amount of 25,834,303 NOK in accordance with the new dividend policy introduced in 2014.

A report on Corporate Social Responsibility in AKVA group ASA is included in the second last section of the annual report.

Corporate governance in AKVA group ASA is described in the last section of the annual report.

Confirmation from the Board of Directors and the CEO

We confirm, to the best of our knowledge, that the financial statements for the period from January 1st to December 31st, 2014 has been prepared in accordance with EU-approved IFRS and gives a true and fair view of the group and the Company's consolidated assets, liabilities, financial position and results of operations, and that the Report of the Board of directors provides a true and fair view of the development and performance of the business and the position of the group and the Company together with a description of the key risks and uncertainty factors that the company is facing.

Copenhagen, Denmark, April 8th 2015.



Hans Kristian Mong
Chairperson of the Board



Nils Viga



Evy Vikene Kallelid



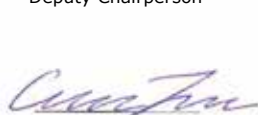
Anne Breiby
Deputy Chairperson



Frode Teigen



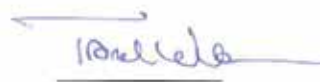
Tore Obrestad



Carina Jensen



Henrik A. Schultz



Trond Williksen
Chief Executive Officer



Board of Directors



Hans Kristian Mong

Chairperson of the Board

Hans Kristian Mong lives in Egersund, Norway. He is Chairman of the board in Egersund Group. In addition he holds Chairman positions in several companies, including Egersund Net and Egersund Trål. Mr Mong was elected to the Board of Directors at the Annual General Meeting May 9th 2012.



Anne Breiby

Deputy Chairperson

Anne Breiby lives in Ålesund, Norway. She holds a Cand. Scient degree in Fishery biology from Tromsø University. She held positions in the Norwegian Fishfarmer's Association and Regional Fishery Administration before serving as a Political advisor for fishery and industry matters in Parliament and Deputy Minister in the Ministry of Industry and Energy. She has broad experience from serving as a Board member for several companies and institutions. Amongst these are Domstein ASA, Ulstein group ASA, Folketrygdfondet, Sparebanken Møre, Innovation Norway, Norwegian Research Council, REM ASA, Kongsberg Satellite Service AS, Scandinavian Business Seating AS and Fiskeribladet Fiskaren AS. Mrs. Breiby was elected to the Board of Directors at the Annual General Meeting September 25th 2006.



Frode Teigen

Board member

Frode Teigen lives in Egersund, Norway. He is a private investor and is on the Board of several Norwegian companies. Mr. Teigen was elected Board Member at the Annual General Meeting June 10th 2009.

Board of Directors



Evy Vikene Kallelid

Board member

Evy Vikene Kallelid lives in Stavanger, Norway. She holds a Bachelor's degree in Aquaculture and Environmental Engineering from the University of Stavanger and an Executive Master of Management from the Norwegian Business School. She worked 10 years in various positions in Nutreco ARC before she joined Skretting AS where she held various management positions with domestic and global responsibility. Since early 2013 she has held the position as Head of Development in Fretex Norge AS. She is a Director of the Board in Fretex Midt-Norge AS. Mrs Kallelid was elected to the Board of Directors at the Annual General Meeting held May 7th 2014.



Nils Viga

Board member

Nils Viga lives in Hjelmeland, Norway. He has 3 years education in Aquaculture from Sogn og Fjordane University College and holds a Bachelor's degree from the University of Bergen. He has held various management positions in Marine Harvest and Hydro Seafoods. He is currently working with development projects in his family business, related to the aquaculture industry. He holds the position as Chairman of the Board in Fister Smolt and he is a Director of the Board in Blue Planet. Mr Viga was elected to the Board of Directors at the Annual General Meeting held May 7th 2014.



Tore Obrestad

Employee's representative

Tore Obrestad lives in Vigrestad, Norway. He qualified as an electro automation systems engineer at education science program at UIS. He has been employed in AKVA group ASA since 1988, incorporating a 4-year sabbatical as a lecturer at a college of further education. He is currently Technical Manager in AKVA group ASA.

Board of Directors



Carina Jensen

Employee 's representative

Carina Jensen lives in Brønnøysund, Norway. She holds a Bachelor's degree in Micro technology from Buskerud and Vestfold University College. She has been employed in Plastsveis AS since 2012 as a quality manager, where she also is a board member. Carina has previous experience from REC Wafer Norway AS.

Henrik A. Schultz

Employee 's representative

Henrik A. Schultz lives in Trondheim. He earned a cand. mag. degree in biology/aquaculture at NTNU in 2003, and was first employed in AKVA group in 2007. He is currently employed as biological consultant working with the Fishtalk software. Henrik has previous experience from SATS, Eniro and private startup projects.



Complete recirculation solutions (RAS) are tailor made for a wide range of species.

Financial Statement Group (AKVA group)



Consolidated Income Statement

01.01 - 31.12. (in NOK 1 000)

Group	Note	2014	2013	2012
OPERATING REVENUES				
Sales revenues	19	1 246 059	918 670	801 228
Other income	2	-	-	30 302
Total revenues	2	1 246 059	918 670	831 530
OPERATING EXPENSES				
Cost of goods sold	11	759 890	556 603	473 294
Payroll expenses	3,21	279 945	229 329	217 797
Other operating expenses	4,8,12,17,20	102 859	85 832	82 623
Total operating expenses		1 142 694	871 765	773 714
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)				
		103 365	46 905	57 816
Depreciation and amortisation	7,9	35 729	33 088	31 112
OPERATING PROFIT (EBIT)				
		67 635	13 817	26 704
FINANCIAL INCOME AND EXPENSES				
Financial income	17,18	4 015	1 841	1 958
Financial expenses	17,18	-8 757	-11 091	-11 284
Net financial items		-4 741	-9 250	-9 325
PROFIT BEFORE TAX				
		62 894	4 568	17 379
Taxes	5	8 394	2 193	7 105
NET PROFIT FOR THE YEAR				
		54 500	2 374	10 274
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Non-controlling interests		-580	-501	-
Equity holders of AKVA group ASA		55 080	2 875	10 274
Earnings per share (NOK)				
	6	2,13	0,11	0,40
Diluted earnings per share (NOK)				
	6	2,13	0,11	0,40

Consolidated Statement of Comprehensive Income 01.01 - 31.12.

(in NOK 1 000)

Group	Note	2014	2013	2012
NET PROFIT FOR THE YEAR		54 500	2 374	10 274
Other comprehensive income				
<i>Items that may be reclassified subsequently to income statement:</i>				
Translation differences on foreign operations		24 554	13 367	-14 792
Income tax effect		-6 630	-3 743	4 142
Total		17 925	9 624	-10 650
Gains and losses arised during the year on cash flow hedges		7 055	1 738	2 554
Income tax effect		-1 905	-487	-715
Total		5 150	1 251	1 839
<i>Items that will not be reclassified to income statement:</i>				
Actuarial deviations on net pension obligations		-	376	13
Income tax effect		-	-105	-4
Total		-	271	10
Total other comprehensive income, net of tax		23 075	11 146	-8 801
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		77 575	13 520	1 473
Attributable to:				
Non-controlling interests		-580	-501	-
Equity holders of AKVA group ASA		78 154	14 021	1 473

Consolidated Statement of Financial Position 31.12. (in NOK 1 000)

Group	Note	2014	2013	2012
NON-CURRENT ASSETS				
Intangible assets				
Deferred tax asset	5	20 874	25 117	29 953
Goodwill	7	202 688	178 018	159 136
Other intangible assets	7	54 521	47 696	42 111
Total intangible assets		278 083	250 831	231 200
Tangible fixed assets				
Land and building	9	10 665	2 804	2 945
Machinery and equipment	9	63 344	52 199	42 818
Total tangible fixed assets		74 009	55 003	45 763
Long-term financial assets				
Other long-term financial assets	10,12	1 896	1 967	1 540
Total long-term financial assets		1 896	1 967	1 540
Total non-current assets		353 988	307 801	278 503
CURRENT ASSETS				
Stock	11	167 238	144 188	161 736
Receivables				
Accounts receivables	12,18,19	262 894	155 539	163 133
Prepayments to suppliers		7 943	4 879	3 818
Other receivables		57 824	51 244	28 589
Total receivables		328 660	211 662	195 540
Cash and cash equivalents	13	53 935	58 330	36 797
Total current assets		549 833	414 180	394 073
TOTAL ASSETS		903 821	721 981	672 576

Consolidated Statement of Financial Position 31.12.

(in NOK 1 000)

Group	Note	2014	2013	2012
EQUITY				
Equity attributable to equity holders of AKVA group ASA	14,21	387 577	336 601	325 274
Non-controlling interests		1 676	2 255	-
Total equity		389 252	338 856	325 274
LIABILITIES				
Provisions				
Pension obligations	15	-	181	757
Total provisions		-	181	757
Other long term liabilities				
Liabilities to financial institutions	16,20	128 667	55 048	67 435
Other long term liabilities		2 677	704	1 572
Total other long term liabilities		131 344	55 752	69 008
Current liabilities				
Liabilities to financial institutions	13,16,20	13 779	77 840	75 925
Trade creditors		135 413	88 957	81 356
Taxes payable	5	2 340	818	860
Public duties payable		12 410	13 981	13 901
Prepayments from customers	19	112 955	59 982	63 638
Other current liabilities	17,18	106 329	85 613	41 857
Total current liabilities		383 225	327 191	277 537
Total Liabilities		514 569	383 125	347 302
TOTAL EQUITY AND LIABILITIES		903 821	721 981	672 576

Copenhagen, Denmark, April 8th 2015.



Hans Kristian Mong
Chairperson of the Board



Nils Viga



Evy Vikene Kallelid



Anne Breiby
Deputy Chairperson



Frode Teigen



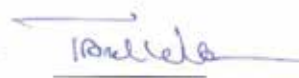
Tore Obrestad



Carina Jensen



Henrik A. Schultz



Trond Williksen
Chief Executive Officer

Consolidated Statement of Cash flow 01.01 - 31.12 (in NOK 1 000)

Group	Note	2014	2013	2012
Cash flow from operating activities:				
Profit before taxes		62 894	4 568	17 379
Taxes		373	-42	-841
Gain on disposal of fixed assets		-406	175	-30 302
Depreciation and amortisation	7,9	35 729	33 088	31 112
Change in pension obligation	15	-	-305	-281
Changes in stock, accounts receivable and trade		-26 990	40 903	23 972
Changes in other receivables and payables		3 858	17 096	2 443
Net foreign exchange difference		10 631	-1 251	-1 839
Net cash flow from operating activities		86 088	94 230	41 642
Cash flow from investment activities				
Investments in fixed assets	7,9	-49 765	-39 847	-37 767
Change in goodwill		-	-538	-
Proceeds from sale of fixed assets	7,9	815	416	4 245
Proceeds from sale of Maritech business in Norway		-	-	30 302
Net repayment of long-term receivables		71	-190	-
Acquisition of subsidiary net of cash acquired	22	-17 311	-18 478	-
Net cash flow from investment activities		-66 190	-58 638	-3 220
Cash flow from financing activities				
Repayment of borrowings		-66 146	-23 419	-39 557
Proceed from borrowings		69 031	10 000	-
Dividend payment	24	-25 834	-	-
Change related to other financial activities	21	-1 344	-641	700
Net cash flow from financing activities		-24 294	-14 060	-38 857
Net change in cash and cash equivalents		-4 395	21 533	-435
Cash and cash equivalents at 01.01		58 330	36 797	37 232
Cash and cash equivalents at 31.12	13	53 935	58 330	36 797

Consolidated Statement of changes in equity (in NOK 1 000)

Group	Note	Share capital	Share premium	Other paid-in capital	Total paid in capital	Translation differences	Other equity	Total other equity	Retained earnings	Total equity	Non-controlling interest	Equity shareholders AKVA group
Equity as at 01.01.2012												
Net movement in cash flow hedges		-	-	-	-	-	1 839	1 839	-	1 839	-	1 839
Translation difference		-	-	-	-	-10 650	-	-10 650	-	-10 650	-	-10 650
Actuarial deviations on net pension obligations		-	-	-	-	-	10	10	-	10	-	10
Total other comprehensive income		-	-	-	-	-10 650	1 849	-8 801	-	-8 801	-	-8 801
Profit (loss) for the period		-	-	-	-	-	-	-	10 274	10 274	-	10 274
Total comprehensive income		-	-	-	-	-10 650	1 849	-8 801	10 274	1 473	-	1 473
Recording of option agreement	21	-	-	31	31	-	-	-	-	31	-	31
Equity as at 31.12.2012	14	25 834	329 715	1 951	357 500	-47 587	1 825	-45 762	13 536	325 274	-	325 274
Equity as at 01.01.2013												
Net movement in cash flow hedges		-	-	-	-	-	1 251	1 251	-	1 251	-	1 251
Translation difference		-	-	-	-	9 624	-	9 624	-	9 624	-	9 624
Actuarial deviations on net pension obligations		-	-	-	-	-	271	271	-	271	-	271
Total other comprehensive income		-	-	-	-	9 624	1 522	11 146	-	11 146	-	11 146
Profit (loss) for the period		-	-	-	-	-	-	-	2 374	2 374	-501	2 875
Total comprehensive income		-	-	-	-	9 624	1 522	11 146	2 374	13 520	-501	14 021
Non-controlling interests arising on a business combination	22	-	-	-	-	-	-	-	-	-	2 756	-2 756
Recording of option agreement	21	-	-	62	62	-	-	-	-	62	-	62
Equity as at 31.12.2013	14	25 834	329 715	2 013	357 562	-37 963	3 346	-34 616	15 910	338 856	2 255	336 601
Equity as at 01.01.2014												
Net movement in cash flow hedges		-	-	-	-	-	5 150	5 150	-	5 150	-	5 150
Translation difference		-	-	-	-	17 925	-	17 925	-	17 925	-	17 925
Total other comprehensive income		-	-	-	-	17 925	5 150	23 075	-	23 075	-	23 075
Profit (loss) for the period		-	-	-	-	-	-	-	54 500	54 500	-580	55 080
Total comprehensive income		-	-	-	-	17 925	5 150	23 075	54 500	77 575	-580	78 154
Dividend	24	-	-	-1 427	-1 427	-	-8 496	-8 496	-15 910	-25 834	-	-25 834
Recording of option agreement	21	-	-	-1 344	-1 344	-	-	-	-	-1 344	-	-1 344
Equity as at 31.12.2014	14	25 834	329 715	-759	354 790	-20 038	-	-20 038	54 500	389 252	1 676	387 577

Note 1

Summary of significant accounting policies

AKVA group ASA is a public limited liability company registered in Norway. The company is subject to the provisions of the Norwegian Act relating to Public Limited Liability Companies. The company's head office is located in Nordlysveien 4, N-4340 Bryne, Norway.

These consolidated Financial Statements have been approved for issuance by the Board of Directors on 08.04.2015 and is subject for approval by the Annual General Meeting on 07.05.2015.

Basis for preparation

The consolidated financial statements of the AKVA group have been prepared in accordance with the international accounting standards published by the International Accounting Standards Board and the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) as per 31 December 2014.

The consolidated financial statements have been prepared on an historical cost basis.

Functional currency and Presentation currency

The Group presents its financial statements in NOK. This is also the parent company's functional currency. For consolidation purposes, the balance sheet figures for subsidiaries with a different functional currency, translated at the rate applicable at the balance sheet date, and the income statement have been translated at monthly average rates. Exchange differences are recognized in other comprehensive income. When foreign subsidiaries are sold, the accumulated exchange differences relating to the subsidiary are reclassified to profit and loss.

Basis of consolidation

The Group's consolidated financial statements comprise AKVA group ASA and companies in which AKVA group ASA has a controlling interest.

A controlling interest is normally attained when the Group owns, either directly or indirectly, more than 50% of the shares in the company and is capable of exercising control over the company. Non-controlling interest are included in the Group's equity.

The acquisition method is applied when accounting for business combinations. Companies which have been bought or sold during the year are consolidated from/until the date when the purchase/sale is carried out. Investments in associates (normally investments of between 20% and 50% of the companies' equity) in which AKVA group ASA exercises a considerable influence are accounted for by applying the equity method. The carrying value of the investments is reviewed when there are indications of a decline in value or when there is no longer any need for previously recognized impairment losses.

When the Group's share of the loss exceeds the investment, the investment is carried at zero value. If the Group's share of the loss exceeds the investment, this will be recognized to the extent that the Group has obligations to cover this loss.

All other investments are accounted for in accordance with IAS 39, Financial Instruments.

Inter-company transactions and balances, including internal profits and unrealized gains and losses are eliminated in full. Unrealized gains that have arisen due to transactions with associates are eliminated against the Group's share in the associate. Unrealized losses are correspondingly eliminated, but only to the extent that there are no indications of a fall in the value of the asset that has been sold internally.

The consolidated financial statements are prepared on the assumption of uniform accounting policies for identical transactions and other events under equal circumstances.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months and to a known amount, and which contain insignificant risk elements.

The cash and cash equivalent amount in the cash flow statement do not include overdraft facilities. See note 13 for information about unused overdraft facilities.

Revenue recognition

Revenue is recognized when it is probable that transactions will generate future economic benefits that will flow to the company and the size of the amount can be reliably estimated, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, and net of value added tax and discounts (if any).

Revenues from the sale of goods are recognized when the significant risks and reward of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Revenues relating to construction contracts are recognized in the income statement in line with the project's progress and when the project's results can be reliably estimated. In general the progress of these projects are decided by the cost incurred compared to total budgeted cost for the project. For barges and cages the progress is based on documentation of milestones.

The milestones for barges are:

- All the parts of the hull are cut and the process is ready for paneling
- Painting process is done and the barge is ready to be outfitted
- Barge is ready for factory acceptance test at the yard (FAT)
- The barge is accepted by AKVA group and ready for towing

The milestones for cages are:

- Pipes and brackets are produced and designated for a specific customer. Project number needs to correspond with the labeling on the designated pipes and brackets
- When delivered and installed at customers site

When the project's results can not be reliably estimated, only revenues equal to the accrued project costs will be taken to revenue. Any estimated loss on a contract will be recognized in the income statement for the period when it is identified that the project will lead to a loss.

Revenues from sale of professional services are recognized in the income statement when the services are performed and invoiced. Normally this will be in the same month, however occasionally with one month delay.

Interest is recognized in the income statement as financial income. Royalties will be recognized in the income statement in relation to the terms and conditions of the various royalty agreements. Dividends are recognized in the income statement when the shareholders' rights to receive dividend have been determined.

Segments

For management purposes, the Group is organized into three business areas according to their range of products/services. These business areas comprise the basis for primary segment reporting. Financial information relating to segments and geographical divisions is presented in note 2. In the segment reporting, the internal gain on sales between the various segments is eliminated.

Trade receivables

Trade receivables are carried at amortized cost. The interest element is disregarded if it is insignificant. Should there be objective evidence of a fall in value, the difference between the carrying amount and the present value of future cash flows is recognized as a loss, discounted by the receivable amount's effective interest rate.

Currency

Transactions in foreign currencies

The consolidated financial statements are presented in NOK, which is AKVA group ASA's functional currency. Transactions in foreign currencies are initially recognized in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate at the reporting date. All exchange differences are recognized in the income statement with the exception of exchange differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, or monetary items that are regarded as a part of the net investments. These exchange differences are recognized as a separate component of other comprehensive income until the disposal of the net investment or settlement of the monetary item, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognized in other comprehensive income. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign operations

Assets and liabilities in foreign subsidiaries, including goodwill and adjustments for fair value included in the consolidation are translated into NOK using the exchange rate at the balance sheet date. Revenues and costs from foreign operations are translated into NOK using the monthly average exchange rate. The exchange differences arising from the translation are recorded against other comprehensive income.

When translating foreign currencies into NOK the Group is using the mid-rate on the balance date listed by Norges Bank, the Central Bank of Norway. Norges Bank has however not quoted the exchange rate between NOK and ISK since mid-December 2008.

The rate used for NOK vs ISK at the balance date in the consolidation is the rate quoted by the Central Bank of Iceland. Neither does Norges Bank quote the exchange rate between NOK and CLP. This exchange rate is calculated based on the quoted rates of NOK per USD and CLP per USD by Norges Bank and the Central Bank of Chile respectively.

Hedging

As part of the international activity the Group's assets and liabilities as well as expected cash inflow and cash outflow are exposed to changes in the currency rates. Such risk is sought reduced by using currency forward contracts. The currency risk is managed by the parent company in cooperation with the subsidiaries.

Before a hedging transaction is carried out, the Group's finance department assesses whether a derivative is to be used to a) hedge the fair value of an asset or liability, b) hedge a future cash flow from an investment, debt payment or future identified transaction or c) hedge a net investment in a foreign operation.

The Group's criteria for classifying a derivative as a hedging instrument are as follows: (1) the hedge is expected to be effective in that it counteracts changes in the fair value of or cash flows from an identified asset - a hedging efficiency within the range of 80-125% is expected, (2) the effectiveness of the hedge can be reliably measured, (3) there is adequate documentation when the hedge is entered into that the hedge is effective, (4) for cash-flow hedges, the forthcoming transaction must be probable, and (5) the hedge is evaluated regularly and has proven to be effective.

(a) Fair value hedges:

Derivatives designated as hedging instruments are measured at their fair value and changes in the fair value are recognized in the income statement as they arise.

Correspondingly, a change in the fair value of the hedged object which is due to the risk that the object is hedged against is recognized in the income statement.

The hedge accounting is discontinued if:

- i) the hedging instrument expires or is terminated, exercised or sold, or
- ii) the hedge does not meet the above-mentioned hedge requirements, or
- iii) the Group chooses to discontinue hedge accounting for other reasons

If the hedge assessment is terminated, the changes which have been made in the carrying amount of the hedged object are amortized over the remaining economic life using the effective interest rate method if the hedging instrument is a financial instrument that has been recognized according to the effective interest rate method.

(b) Cash-flow hedges

Changes in the fair value of a hedging instrument that meet the criteria for cash flow hedge accounting are taken directly to other comprehensive income.

The ineffective part of the hedging instrument is recognized directly in the income statement.

If the hedge of a cash flow results in an asset or liability being recognized, all former gains and losses recognized directly in other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the asset or liability. For other cash-flow hedges, gains and losses recognized directly in other comprehensive income are taken to the income statement in the same period as the cash flow which comprises the hedged object is recognized in the income statement.

If the hedge no longer meets the criteria for hedge accounting, the hedge accounting is discontinued. The cumulative gain or loss on the hedging instrument recognized directly in other comprehensive income remains separately recognized in other comprehensive income until the forecast transaction occurs.

If the hedged transaction is no longer expected to occur, any previously accumulated gain or loss on the hedging instrument that has been recognized directly in other comprehensive income will be recognized in profit or loss.

Loans

Loans are recognized at the amount received, net of transaction costs. The loans are thereafter recognized at amortized costs using the effective interest rate method, with the difference between the net amount received and the redemption value being recognized in the income statement over the term of the loan.

Borrowing costs are capitalized when the interest costs are incurred during the non-current asset's construction period. The borrowing costs are capitalized until the date when the non-current asset is ready for use. If the cost price exceeds the non-current asset's fair value, an impairment loss is recognized. Borrowing costs are recognized in the income statement when they arise. Borrowing costs are capitalized to the extent that they are directly related to the purchase, construction or production of a non-current asset.

Financial instruments

According to IAS 39, Financial Instruments: Recognition and measurement, financial instruments are classified in the following categories: held-to-maturity, at fair value through profit or loss, loans and receivables, and available-for-sale. Financial instruments with fixed or determinable cash flows and a fixed maturity that the Group has the positive intention and ability to hold to maturity are classified as held-to-maturity investments.

Financial instruments that are held with the intention of making a gain on short-term fluctuations in prices are classified as financial assets at fair value through profit or loss.

Financial instruments that are held to maturity are included in the non-current asset unless the maturity date is less than 12 months after the balance sheet date.

Financial instruments at fair value through profit or loss are classified as current assets, and financial instruments that are available for sale are presented as current assets if the management has decided to sell the instrument within 12 months of the balance sheet date.

Financial assets with fixed or determinable cash flows that are not quoted in an active market are classified as loans and receivables, with the exception of instruments that the Group has designated as being at fair value with changes in value through profit or loss or available for sale.

All purchases and sales of financial instruments are recognized on the transaction date. The transaction costs are included in the cost price.

Financial instruments that are classified as available for sale and at fair value through profit or loss are carried at fair value as observed in the market at the balance sheet date.

The gain or loss resulting from changes in the fair value of financial investments classified as available for sale are recognized directly in other comprehensive income until the investment has been disposed of. The accumulated gain or loss on the financial instrument that has previously been recognized in equity will then be reversed and the gain or loss will be recognized in the income statement.

Changes in the fair value of financial instruments classified as financial instruments at fair value through profit or loss are recognized in the income statement and included in the net financial income/expenses.

Investments held to maturity are carried at amortized cost.

Inventories

Inventories, including work in progress, are valued at the lower of cost and fair value less costs to sell after provisions for obsolete inventories.

The fair value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale. Inventories are measured using the FIFO principle. Finished goods and work in progress include variable costs and fixed costs that can be allocated to goods based on normal capacity. Obsolete inventories have been fully recognized as impairment losses.

Non-current assets

Non-current assets are carried at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are derecognized, and any gain or loss on the sale or disposal is recognized in the income statement.

The gross carrying amount of non-current assets is the purchase price, including duties/taxes and direct acquisition costs relating to making the non-current asset ready for use. Subsequent costs, such as repair and maintenance costs, are normally recognized in profit or loss as incurred. When increased future economic benefits as a result of repair/maintenance work can be proven, such costs will be recognized in the balance sheet as additions to non-current assets. Depreciation is calculated using the straight-line method over the following periods:

Machinery and equipment 3 - 5 years
Land and buildings > 10 years

The depreciation period and method are assessed each year to ensure that the method and period used harmonize with the financial realities of the non-current asset. The same applies to the scrap value.

Operating leases

Leases for which most of the risk and return associated with ownership of the asset have not been transferred to the Group are classified as operating leases. Operating lease payments are classified as operating costs and recognized in the income statement during the contract period.

Finance leases

Finance leases are leases under which the Group assumes most of the risk and return associated with the ownership of the asset. At the inception of the lease, finance leases are recognized at the lower of their fair value and the present value of the minimum lease payments, minus accumulated depreciation and impairment losses. When calculating the lease's present value, the implicit interest cost in the lease is used if it is possible to calculate this. If this can not be calculated, the company's marginal borrowing rate is used. Direct costs linked to establishing the lease are included in the asset's cost price. The same depreciation period as for the company's other depreciable assets is used. If it is not reasonably certain that the company will assume ownership when the term of the lease expires, the asset is depreciated over the term of the lease or the asset's economic life, whichever is the shorter.

Intangible assets

Intangible assets are recognized in the Statement of financial position if it can be proven that there are probable future economic benefits that can be attributed to the asset which is owned by the company, and the asset's cost price can be reliably estimated. Intangible assets are recognized at their cost price. Intangible assets with indefinite useful lives are not amortized, but impairment losses are recognized if the recoverable amount is less than the cost price. The recoverable amount is calculated each year or if there are any indications of a fall in value. Intangible assets with a finite useful life are amortized and any need for impairment losses to be recognized is considered. Amortization is carried out using the straight-line method over the estimated useful life. The amortization estimate and method will be subject to an annual assessment based on the pattern of consumption of future economic benefits.

Patents and licenses

Amounts paid for patents and licenses are recognized in the Statement of financial position and depreciated using the straight-line method over the expected useful life. The expected useful life of patents and licenses varies from 5 to 20 years.

Software

Expenses related to the purchase of new computer programs are recognized in the Statement of financial position as an intangible non-current asset provided these expenses do not form part of the hardware acquisition costs. Software is depreciated using the straight-line method over 3 years. Expenses incurred as a result of maintaining or upholding the future usefulness of software are expenses as incurred unless the changes in the software increase the future economic benefit from the software.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

Goodwill

Excess value on the purchase of operations that cannot be allocated to assets or liabilities on the acquisition date is classified in the Statement of financial position as goodwill. In the case of investments in associates, goodwill is included in the cost price of the investment. The identifiable assets and liabilities on the transaction date are to be recognized at fair value on the transaction date.

The allocation of costs in a business combination is changed if new information on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered until the annual accounts are presented or prior to the expiry of a 12-month period.

Goodwill is tested annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

Negative goodwill

Negative goodwill upon the acquisition of operations is recognized in profit or loss after the acquired assets and liabilities have been re-identified and reassessed in order to ensure that the negative goodwill is not due to an error in the valuation of assets or liabilities.

Research and development

Expenses relating to research are recognized in the income statement when they are accrued. Expenses relating to development are recognized in the income statement when they are incurred unless the following criteria are met in full:

- the product or process is clearly defined and the cost elements can be identified and measured reliably;
- the technical solution for the product has been demonstrated;
- the product or process will be sold or used in the company's operations;
- the asset will generate future economic benefits; and
- sufficient technical, financial and other resources for completing the project are present.

When all the above criteria's are met, the costs relating to development start to be recognized in the balance sheet. Costs that have been charged as expenses in previous accounting periods are not recognized in the balance sheet.

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

The amortization period will normally not exceed five years.

Impairment of assets**Financial instruments**

Financial instruments are reviewed at each balance sheet date in order to discover any decrease in value.

Financial assets which are valued at amortized cost are written down when it is probable that the company will not recover all the amounts relating to contractual issues for loans, receivables or hold-to-maturity investments. The amount of the impairment loss is recognized in the income statement. Any reversal of previous impairment losses is recognized when a reduction in the need to write down the asset can be related to an event after the impairment loss has been recognized. Such a reversal is presented as income. However, an increase in the carrying amount is only recognized to the extent that it does not exceed what the amortized cost would have been if the impairment loss had not been recognized.

For financial assets that are classified as available for sale, the accumulated gain or loss that has been previously recognized directly in other comprehensive income is recognized in the income statement for the period when objective information on the fall in value is available. That part of the debt instrument that can be recovered is valued at the fair value of the future cash flow discounted at a rate equal to the yield on an identical financial asset. A reversal of a previous impairment loss is recognized when there is new objective information on an event relating to a previous impairment loss. A reversal of a previous impairment loss is recognized directly in other comprehensive income for equity instruments, but is recognized in the income statement for other financial assets.

Other assets

An assessment of impairment losses on other assets is made when there is an indication of a fall in value. If an asset's carrying amount is higher than the asset's recoverable amount, an impairment loss will be recognized in the income statement. The recoverable amount is the higher of the fair value less costs to sell and the discounted cash flow from continued use. The fair value less costs to sell is the amount that can be obtained from a sale to an independent third party minus the sales costs. The recoverable amount is determined separately for all assets but, if this is impossible, it is determined together with the entity to which the assets belong.

With the exception of goodwill, impairment losses recognized in the income statements for previous periods are reversed when there is information that the need for the impairment loss no longer exists or is not as great as it was. The reversal is recognized as revenue or an increase in other reserves. However, no reversal takes place if the reversal leads to the carrying amount exceeding what the carrying amount would have been if normal depreciation periods had been used.

Equity**Equity and liabilities**

Financial instruments are classified as liabilities or equity in accordance with the underlying financial reality.

Interest, dividends, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or revenue. Amounts distributed to holders of financial instruments which are classified as equity will be recognized directly in equity.

Other equity**(a) Translation differences**

Translation differences arise in connection with currency differences when foreign entities are consolidated.

Currency differences relating to monetary items (liabilities or receivables), which are in reality part of a company's net investment in foreign entities are treated as exchange differences.

When a foreign operation is sold, the accumulated exchange differences linked to the entity are reversed and recognized in the income statement in the same period as the gain or loss on the sale is recognized.

(b) Hedge reserve

The hedge reserve includes the total net change in the fair value of the cash-flow hedge until the hedged cash flow arises or is no longer expected to arise.

Provisions

Provisions are recognized when, and only when, the company has a valid liability (legal or constructive) as a result of events that have taken place and it can be proven probable (more probable than not) that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value of future payments to cover the liability. Any increase in the provisions due to time is presented as interest costs.

Contingent liabilities acquired upon the purchase of operations are recognized at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognized in the income statement.

Employee benefits

Defined contribution plan

All Group companies have pension schemes based on contributions from the company to the employees. The companies' payments are recognized in the income statements for the year to which the contribution applies. The companies have no further commitments towards pensions when the agreed contributions are paid.

Severance pay

In some countries, the companies are obliged by law to provide severance pay for redundancies due to reductions in the workforce. The costs relating to severance pay are set aside once the management has decided on a plan that will lead to reductions in the workforce and the work of restructuring has started or the reduction in the workforce has been communicated to the employees.

Share options

The fair value of the share options is measured at the grant date and the cost is recognized in the income statement, together with a corresponding increase in other paid-in capital, over the period in which the performance and/or service conditions are fulfilled. The fair value is calculated using a Black & Scholes model.

Government grants

Grants from the authorities are not recognized until it is virtually certain that the company will meet the conditions stipulated in connection with the receipt of the grants and that the grants will be granted. The recognition of grants is postponed and amortized over the same period the costs which the grants are intended for are incurred.

Grants are recognized as deductions from the cost that the grant is meant to cover. Grants received to buy non-current assets are capitalized.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all taxable temporary differences, with the exception of:

- goodwill for which amortization is not deductible for tax purposes
- temporary differences relating to investments in subsidiaries, associates or joint ventures when the Group decides when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognized in the Statement of financial position when it is probable that the company will have a sufficient profit for tax purposes to utilize the tax asset. At each balance sheet date, the Group carries out a review of its unrecognized deferred tax assets and the value it has recognized. The companies recognize formerly unrecognized deferred tax assets to the extent that it has become probable that the company can utilize the deferred tax asset. Similarly, the company will reduce its deferred tax assets to the extent that it can no longer utilize these.

Deferred tax and deferred tax assets are measured on the basis of the decided future tax rates applicable to the companies in the Group where temporary differences have arisen. Deferred tax and deferred tax assets are recognized irrespective of when the differences will be reversed.

Deferred tax and deferred tax assets are recognized at their nominal value and classified as non-current asset investments (long-term liabilities) in the Statement of financial position.

The tax payable and deferred tax is recognized directly in equity to the extent that they relate to factors that are recognized directly in equity.

Contingent liabilities and assets

Contingent liabilities are defined as

- i) possible obligations resulting from past events whose existence depends on future events
- ii) obligations that are not recognized because it is not probable that they will lead to an outflow of resources
- iii) obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the annual financial statements. Significant contingent liabilities are stated, with the exception of contingent liabilities where the probability of the liability occurring is remote.

A contingent asset is not recognized in the annual financial statements, but is stated if there is a certain level of probability that a benefit will accrue to the Group.

Business Combinations

The acquisition of subsidiaries is accounted for using the acquisition method. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions as at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair values at the acquisition date.

Goodwill arising on acquisition is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquiree over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognized in the income statement immediately. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in the income statement as financial income or expense. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.

Allocation of added value arising from a business combination is finalized within twelve months of completed acquisition.

If the business combination is achieved in stages, the fair value of the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through the income statement.

Events after the balance sheet date

New information on the company's positions at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the company's position at the balance sheet date but which will affect the company's position in the future are stated if significant.

Use of estimates when preparing the annual financial statements

Estimates and their underlying assumptions that affect the application of accounting principles and reported amounts of assets and liabilities, income and expenses are based on historic experience and other factors considered reasonable under the circumstances. The estimates constitute the basis for the assessment of the net book value of assets and liabilities when these values cannot be derived from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have

the most significant effect on the amounts recognized in the financial statement, is given in the following notes:

- Impairment test for intangible assets (note 7)
- Depreciation and amortization periods for fixed assets and intangible assets (notes 7 and 9)
- Capitalized development cost/R&D cost (note 7 and 8)
- Taxes (note 5)
- Revenue recognition under long term construction contracts (note 19)

The preparation of the Group's consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment of the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment of the carrying amounts of assets and liabilities within the next financial year are discussed below.

Intangible assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and capitalized development cost are tested for impairment annually and at other times when such indicators exist.

The Group's impairment test for goodwill and capitalized development cost is based on value in use calculations that use a discounted cash flow model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the cash generating unit, including a sensitivity analysis, are further explained in note 7. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. This is especially relevant to capitalized development costs.

Capitalized development costs

Development expenditures are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The Groups intention to complete and the Groups ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The ability to measure reliable the expenditure during development.
- The availability of resources to complete the asset.

When all the above criteria's are met, the costs relating to development start to be recognized in the balance sheet. Project manager performs a continuous assessment to identify whether the cost relates to the development project or to normal operations. Internal hours used in the development project are capitalized at cost (no mark-up), see note 7.

Costs that have been expensed in previous accounting periods are not recognized in the balance sheet.

Recognized development costs are depreciated on a straight-line basis over the estimated useful life for the asset, usually not exceeding 5 years. Depreciation starts when the asset is ready for use. No depreciation has yet been performed for the development projects. The fair value of the development costs will be calculated when there is an indicator of change in value.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Long term construction contracts

The percentage-of-completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work performed.

The Group reviews the estimates of contract revenue and contract costs for ongoing projects on a monthly basis through its internal financial reporting processes. See note 19 for disclosures relating to construction contracts.

IFRS and IFRIC Interpretations not yet effective

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective, are disclosed below.

The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

IFRS 9 Financial Instruments:

IFRS 9 will eventually replace IAS 39 Financial Instruments: Recognition and Measurement. In order to expedite the replacement of IAS 39, the IASB divided the project into phases: classification and measurement, hedge accounting and impairment. New principles for impairment were published in July 2014 and the standard is now completed. The parts of IAS 39 that have not been amended as part of this project have been transferred into IFRS 9. The Standard has not yet been approved by the EU.

The Group will evaluate potential effects of IFRS 9 in accordance with the other phases as soon as the final standard, including all phases, is issued.

IFRS 15 Revenue from Contracts with Customers

The IASB and the FASB have issued their joint revenue recognition standard, IFRS 15. The standard replaces existing IFRS and US GAAP revenue requirements. The core principle of IFRS 15 is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment).

The effects of IFRS 15 is as of now unknown for the Group. The standard has not yet been approved by EU.

IAS 1 Presentation of Financial Statements

The amendments to IAS 1, issued as part of IASBs Disclosure Initiative, further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements.

The amendments are not yet approved by the EU. The Group will adapt to IAS 1 when it becomes effective.

Annual Improvements 2011 – 2013

IASBs annual improvements project 2011 – 2013 includes amendments to a number of standards:

IFRS 13 Fair Value Measurement

The portfolio exception in IFRS 13 can be applied to financial assets, financial liabilities and other contracts.

The Group does not expect that implementation of the amendments listed above will have a material effect on the financial statement of the Group on the date of implementation.



AKVA group's feed barges have load capacity from 96 to 850 metric tons.

Note 2

Segment information

Business segments

For more detailed description and information about products and services included in the business areas, please go to "Products" at www.akvagroup.com and download the short version of the product catalogues.

Cage Based Technology

Main products include Polarcirkel™, Wavemaster™ and Akvasmarts™ hardware brands such as: Plastic cages, steel cages, feed barges, feed systems, sensor- and camera systems, underwater lights and net cleaning systems. Various degrees of cage farming projects are also delivered in main export markets. These also include nets and mooring systems from other recognized sub-suppliers. Through Helgeland Plast AS in Norway, AKVA group also supplies polyethylene work boats and pipes to aquaculture and other industries.

Software

Main products include all Fishtalk™ software brands such as: Production control, planning, traceability and ERP software for both the aquaculture and the fishing industry. Main markets include Norway, Iceland, Canada, Chile and UK. AKVA group is the market leader in software both to the aquaculture and fishing industries in these markets. Main offices for the software activities are in Norway (Trondheim), Iceland (Reykjavik and Akureyri) and Canada (Halifax, NS).

Land Based Technology

Recirculation technology forms the main part of our Land Based Aquaculture Technology, which is developing into a major trend in global aquaculture. This technology allow the re-use (recirculation) of close to 100% of the water by cleaning the water and restoring important water quality parameters, using advanced water treatment technology. Main components used include mechanical filters, UV treatment, biofilters, degasser units, oxygenation, cooling/heating systems and lifting pumps. The main reason for reporting this separately is due to the very different nature of this business compared to the other more traditional part of AKVA group's business and products. Recirculation projects tend to be 10-20 times larger (in average project value) compared to other delivery projects (other AKVA group products). The sales process is substantially more complex and time consuming as it often requires extensive pre-project engineering, site evaluations and harder to get financing. Main subsidiaries in the Group for Land Based Technology are AKVA group Denmark A/S (Denmark) and Plastsveis AS (Norway).

Cage Based Technology (in NOK 1 000)	2014	2013	2012
Operating revenue	972 585	723 987	656 984
Operating expenses	884 812	693 508	636 357
Operating profit before depreciation and amortisation (EBITDA)	87 773	30 479	20 627
Depreciation and amortisation	26 717	26 047	26 494
Operating profit (EBIT)	61 056	4 432	-5 866
Investments in the period	37 168	26 599	28 186

Software (in NOK 1 000)	2014	2013	2012
Operating revenue	106 737	97 699	122 443
Operating expenses	91 444	78 248	79 717
Operating profit before depreciation and amortisation (EBITDA)	15 293	19 451	42 726
Depreciation and amortisation	7 072	5 362	2 189
Operating profit (EBIT)	8 222	14 089	40 537
Investments in the period	9 060	11 865	7 756

The sales of other items than professional services in this segment are immaterial.

The gain of MNOK 30.3 on the sale of Maritech business in Norway is included in operating income in 2012.

Land Based Technology (in NOK 1 000)	2014	2013	2012
Operating revenue	166 737	96 984	52 103
Operating expenses	166 438	100 009	57 640
Operating profit before depreciation and amortisation (EBITDA)	298	-3 025	-5 537
Depreciation and amortisation	1 941	1 679	2 429
Operating profit (EBIT)	-1 642	-4 704	-7 966
Investments in the period	3 537	1 383	1 873

The sales of services in this segment are immaterial.

Note 2 continues

TOTAL (in NOK 1 000)	2014	2013	2012
Operating revenue	1 246 059	918 670	831 530
Operating expenses	1 142 694	871 765	773 714
Operating profit before depreciation and amortisation (EBITDA)	103 365	46 905	57 816
Depreciation and amortisation	35 729	33 088	31 112
Operating profit (EBIT)	67 635	13 817	26 704
Assets	903 821	721 981	672 576
Liabilities	514 569	383 125	347 302
Investments in the period	49 765	39 847	37 814

2014

Geographical information (in NOK 1 000)	Norway	Chile	Canada	Scotland	Iceland	Other	Group
Operating revenue - external customers	799 337	146 374	51 953	76 405	62 721	109 268	1 246 059
Assets	470 120	202 069	45 068	78 076	29 988	78 500	903 821
Investments in the period	28 365	2 193	2 322	9 225	4 133	3 527	49 765

2013

Geographical information (in NOK 1 000)	Norway	Chile	Canada	Scotland	Iceland	Other	Group
Operating revenue - external customers	456 187	154 056	22 841	51 917	51 732	181 936	918 670
Assets	407 280	150 356	21 085	55 098	25 731	62 432	721 981
Investments in the period	23 353	3 933	169	6 950	4 231	1 211	39 847

2012

Geographical information (in NOK 1 000)	Norway	Chile	Canada	Scotland	Iceland	Other	Group
Operating revenue - external customers	312 713	278 052	18 109	52 960	42 579	127 118	831 530
Assets	358 050	209 500	17 059	53 269	18 850	15 847	672 576
Investments in the period	21 519	4 695	-	7 499	2 945	1 157	37 814

Revenues by customer

The revenue from the 5 largest customers within all segments and geographic areas are as follows:

Revenues by customer (in NOK 1 000)	2014	2013	2012
Customer A	127 945	85 964	41 721
Customer B	79 582	44 375	39 192
Customer C	57 227	38 525	37 267
Customer D	51 530	31 971	32 953
Customer E	49 890	27 582	28 967

Revenue from customer A is mainly in the cage based technology segment, with a minor portion in the land based technology segment.

Note 3

Wages and remunerations

Payroll expenses (in NOK 1 000)	2014	2013	2012
Salaries	248 058	201 764	195 374
Payroll tax	16 708	12 164	11 197
Pension costs	8 054	7 165	4 801
Other benefits	7 126	8 236	6 425
Total payroll expenses	279 945	229 329	217 797
Number of employees at year end:	722	571	653
The average number of employees in full time equivalent in the group during the year is:	662	612	664

Remuneration to group management 2014 (in NOK 1 000)	Salary	Pension	Other	Accrued - not paid Bonus**	Options
Trond Williksen (CEO)	2 136	72	132	-	1 344
Eirik Børve Monsen (CFO)	1 380	68	17	-	-
Per Andreas Hjetland (COO Nordic)	1 255	73	30	335	-
Trond Severinsen (COO Export & CMO)	1 081	74	127	185	-
Andrew Campbell (COO Americas)	1 103	-	64	369	-
Inge Forseth (COO Technology & Software)*	404	66	11	-	-
Odd Martin Solem (former COO Technology & Software)	474	29	3	-	-

* Inge Forseth assumed his position at September 1st 2014.

** Change of principle compared to previous years. Comparable figures for 2013 and 2012 is included in the tables below

The agreed remuneration for Trond Williksen is an annual fixed salary of MNOK 2.136. He is also entitled to full payment during sick leaves up to 52 weeks and a monthly car allowance of KNOK 10. Trond Williksen has a 3 years bonus arrangement limited up to 100% of the annual salary in the three year period ending on December 31st 2016. He is also part of a 10 year's loyal incentive scheme which is not yet active where a defined group of key employees divide equally 4 percent of AKVA group's accumulated EBT at the end of the 10 year period. Williksen can claim 12 months of salary if his contract is terminated.

Loan and pledge

The Group has not given any loans or pledges to members of the Board or group management as of December 31st.

Stock options

A stock option plan was introduced in 2006. The remaining options were exercised in 2014. See details of stock options to group management in note 14 and also note 21.

Remuneration to group management 2013 (in NOK 1 000)	Salary	Pension	Other	Accrued - not paid Bonus**	Options
Trond Williksen (CEO)	2 102	67	130	-	-
Eirik Børve Monsen (CFO)	1 324	64	14	157	-
Per Andreas Hjetland (COO Nordic)	1 216	69	23	95	-
Trond Severinsen (COO Export & CMO)	1 044	68	128	71	-
Odd Martin Solem (COO Technology & Software)	1 031	65	8	-	-
Andrew Campbell (COO Americas)	1 160	-	64	41	-

Remuneration to group management 2012 (in NOK 1 000)	Salary	Pension	Other	Accrued - not paid Bonus**	Options
Trond Williksen (CEO)	2 008	64	130	250	-
Eirik Børve Monsen (CFO)	1 136	62	15	125	-
Per Andreas Hjetland (COO Nordic)	1 171	66	12	119	-
Trond Severinsen (COO Export & CMO)	1 000	65	142	29	-
Odd Martin Solem (COO Technology & Software)	979	63	9	130	-
Andrew Campbell (COO Americas)	1 139	-	121	75	-

Fees to the Board of Directors	Position	2014	2013	2012
Hans Kristian Mong	Chairperson of the Board	280	233	63
Anne Breiby	Deputy Chairperson of the Board	200	183	140
Frode Teigen	Member of the Board	155	131	125
Evy Vikene Kallelid	Member of the Board	63	-	-
Nils Viga	Member of the Board	78	-	-
Tore Obrestad	Member of the Board	30	30	30
Carina Jensen	Member of the Board	8	-	-
Henrik Schultze	Member of the Board	8	-	-
Aino Kristin Lindal Olaisen	Former member of the Board	83	135	63
Ingvald Løyning	Former member of the Board	73	63	-
Kjell A. Corneliussen	Former member of the Board	23	30	30
Eivind Brendryen	Former member of the Board	28	25	25
Amund Skarholt	Former Chairperson of the Board	-	160	325
Thorhild Widvey	Former member of the Board	-	-	73
Thore Michalsen	Former member of the Board	-	-	73
Steinar Mykløy	Former member of the Board	-	-	5

Note 3 continues

Henrik A. Schultz, Carina Jensen and Tore Obrestad are elected amongst the employees and are the employee representatives in the Board of Directors. In addition to the board fee they have all received salary, pension contribution and other remunerations. Henrik A. Schultz has in 2014 received KNOK 500 in salary, KNOK 18 in contribution to the pension scheme and KNOK 32 in other remuneration. Carina Jensen has in 2014 received KNOK 540 in salary, KNOK 8 in contribution to the pension scheme and KNOK 10 in other remuneration. Tore Obrestad has in 2014 received KNOK 760 in salary, KNOK 42 in contribution to the pension scheme and KNOK 158 in other remuneration.

Establishment of salaries and other remuneration to executive management

The remuneration of the executive management is based on the principle that the base salary shall promote value creation in the company and contribute to coincident interests between owners and the executive management.

As the leading aquaculture technology supplier, AKVA group is dependent to offer salaries and remunerations that secure that the most competent management is recruited. It is the policy of the Board of Directors that in order to recruit the most competent management, the company has to offer salaries and remunerations which are satisfactory to the management and are able to compete in an international market.

The Board of Directors has established a remuneration committee which shall act as a preliminary organ in relation to the Board's role in the establishment of remuneration to the Chief executive officer and other members in the group management.

It is the company's policy that the remuneration of the executive management principally is based on a fixed monthly salary which reflects the tasks and responsibility of the employment. This remuneration is established on an individual basis. The fixed monthly salary is determined amongst other of the following factors:

- Experience and competence of the executive manager
- Responsibility
- Competition from the market

Total variable remuneration shall not in normal cases exceed the value of the fixed remuneration. AKVA group introduced in 2006 a stock option plan. Stock options are granted to the executive management and other senior employees.

The agreed pension plan is the same for the executive management as for the rest of the Norwegian employees.

Salary payments after termination of employment is normally related to confidentiality and restrictive competitor agreements in which these payments shall only compensate for the constraints to the resigned employees permission to enter into a new employment agreement. Agreements of payment after termination of employment shall as a basis be reduced with salaries from other employees. AKVA group ASA does not use agreements of salary payments after termination of employment without a distinct reason.

Fees to auditor (in NOK 1 000)	2014	2013	2012
Audit	1 571	1 305	1 135
Tax services	916	708	709
Attestation services	-	39	12
Other services	448	63	127
Total	2 935	2 115	1 983
Hereof recorded against acquisition cost of purchased companies	-	-	-

All fees to the auditor is excluded of VAT.

Note 4 Government grants and subsidies

Government grants (in NOK 1 000)	2014	2013	2012
"Skattefunn"	1 698	767	970
Other	1 500	101	967
Total	3 198	868	1 937

Note 5 Taxes

Tax expense (in NOK 1 000)	2014	2013	2012
Current taxes payable	3 036	1 317	921
Adjustment related to previous year	-2 395	-194	109
Change in deferred taxes	7 754	325	6 075
Effect of change in tax rate in Norway from 28 % to 27 %	-	746	-
Total tax expense	8 394	2 193	7 105

The change in deferred taxes is larger than what is reflected in the income tax expense. The main reason for this is deferred tax acquired in business combination and the allowance of recognizing deferred tax asset in Denmark.

Note 5 continues

Calculation of the basis for taxation	2014	2013	2012
Profit before tax	62 893	4 567	17 379
Permanent differences	6 153	388	9 871
Change in temporary differences related to revaluations and acquisitions	-11 095	-608	-
Change in temporary differences	-48 676	-1 938	-16 986
Change in permanent differences related to acquisitions	3 835	2 544	-
Tax base	13 111	4 953	10 263
Specification of temporary differences	2014	2013	2012
Current assets	-29 237	-2 438	-7 158
Fixed assets	60 168	57 392	42 985
Provisions	-15 302	-16 085	-14 963
Pension obligations	-1 114	-69	-1 092
Losses carried forward	-101 561	-174 401	-167 717
Other	-12 042	-12 163	-1 758
Total	-99 088	-147 764	-149 702
Calculated deferred tax assets	22 627	36 448	39 310
Effect of change in tax rate in Norway from 28 % to 27 %	-	746	-
Deferred tax asset not recognised in balance sheet	-1 753	-12 077	-9 357
Deferred tax asset	20 874	25 117	29 953

The Group has a tax loss carry forward of MNOK 101.6 whereof MNOK 98.4 is available indefinitely for offset against future taxable profits of the companies in which the losses arose. The deferred tax asset recognized in the Statement of Financial Position is made probable due to future earnings in the subsidiaries and tax planning.

Effective tax rate (in NOK 1 000)	2014	2013	2012
Expected income taxes, statutory tax rate of 27%	16 975	1 279	4 866
Permanent differences (27%)	1 660	109	2 764
Effect of change in tax rate and revaluation	-1 032	-2 332	-
Deviation between Norwegian and foreign tax rate	-658	384	-1 326
Excess(-)/insufficient(+) provisions in former years	-1 272	34	109
Change in non-recognized deferred tax asset	-7 280	2 720	691
Income tax expense	8 394	2 193	7 105
Effective tax rate in percent of profit before tax	13,3 %	48,0 %	40,9 %

Expiry dates of Tax Loss Carry Forwards

2015	-440
2016	-338
2017	-1 086
2018	-247
2019	-1 023
2020	-
Tax loss carryforwards without time restrictions	-98 427
Total	-101 561

About 38% of the tax loss carry forwards is related to Norwegian tax jurisdiction, while 43% is related to AKVA group Denmark A/S. Both the Danish and the Norwegian companies included in the Group are expected to have positive earnings in the coming years and the tax loss carry forwards can be offset against these profits. The current market conditions look promising for the salmon industry worldwide.

Note 6

Net earnings per share

	2014	2013	2012
Ordinary profit / net income (in NOK 1 000)	55 080	2 875	10 274
Number of ordinary shares outstanding as of 31.12.	25 834 303	25 834 303	25 834 303
Weighted average number of ordinary shares	25 834 303	25 834 303	25 834 303
Earnings per share (NOK)	2,13	0,11	0,40
Diluted number of shares	25 834 303	25 834 303	25 834 303
Diluted earnings per share (NOK)	2,13	0,11	0,40

At 31.12.2014 diluted number of shares was equal to number of ordinary shares. See note 21 Options to employees.

Note 7**Intangible assets** (in NOK 1 000)

2014	Goodwill	Development costs	Product rights, patents & trademarks	2014 Total
Acquisition cost at 01.01.	178 413	112 050	113 192	403 655
Additions related to investments in subsidiaries	17 699	-	1 009	18 708
Acquisition cost during the year	-	16 022	1 900	17 921
Revaluations	6 971	2 155	1 058	10 184
Disposals during the year	-	-	-3	-3
Acquisition cost 31.12.	203 083	130 227	117 155	450 466
Accumulated amortisation at 01.01.	395	76 281	101 265	177 941
Amortisation during the year	-	8 986	4 605	13 591
Revaluations	-	1 499	228	1 727
Accumulated amortisation disposals during the year	-	-	-3	-3
Accumulated amortisation 31.12.	395	86 766	106 095	193 256
Net book value at 31.12.	202 688	43 461	11 060	257 209

2013	Goodwill	Development costs	Product rights, patents & trademarks	2013 Total
Acquisition cost at 01.01.	159 531	93 097	110 469	363 097
Additions related to investments in subsidiaries	11 573	-	1 365	12 938
Acquisition cost during the year	538	16 487	-	17 025
Revaluations	6 770	2 467	1 358	10 595
Disposals during the year	-	-	-	-
Acquisition cost 31.12.	178 413	112 050	113 192	403 655
Accumulated amortisation at 01.01.	395	64 576	96 879	161 850
Amortisation during the year	-	10 287	4 235	14 522
Revaluations	-	1 419	152	1 570
Accumulated amortisation disposals during the year	-	-	-	-
Accumulated amortisation 31.12.	395	76 281	101 265	177 941
Net book value at 31.12.	178 018	35 769	11 926	225 714

2012	Goodwill	Development costs	Product rights, patents & trademarks	2012 Total
Acquisition cost at 01.01.	163 131	80 260	110 554	353 945
Additions related to investments in subsidiaries	-	-	-	-
Acquisition cost during the year	-	15 813	-	15 813
Revaluations	-3 600	-1 008	-85	-4 692
Disposals during the year	-	-1 968	-	-1 968
Acquisition cost 31.12.	159 531	93 097	110 469	363 097
Accumulated amortisation at 01.01.	395	54 377	89 617	144 389
Amortisation during the year	-	10 668	3 773	14 441
Revaluations	-	-469	3 489	3 020
Accumulated amortisation disposals during the year	-	-	-	-
Accumulated amortisation 31.12.	395	64 576	96 879	161 850
Net book value at 31.12.	159 136	28 521	13 590	201 247

Both the parent company and the subsidiaries use linear amortisation of all intangible assets. The useful economic life for the intangible assets are estimated as: Development 3-5 years, patents 20 years, trademarks 5 years and product rights 5-10 years.

Note 7 continues

Goodwill:

After the acquisitions of Wavemaster, Polarcirkel, Maritech, UNI Aqua, Idema, Plastsveis and YesMaritime, AKVA group is a leading provider with a strong market position in an industry which is based on renewable resources. See impairment test of goodwill below.

Development Costs:

The company has capitalised all direct costs related to development of software and tangible products that are expected to create economic benefits and meet the requirements for capitalisation in IAS 38. See also note 8.

Patents & trademarks:

The acquisition cost is related to the acquisition of Superior Systems AS (2001), Vicass (2002), Cameratech (2004), Ocean Service Log (2004), Polarcirkel/Wavemaster (2006), Maritech/UNI Aqua (2007), Idema Aqua (2008), Plastsveis (2013) and YesMaritime (2014).

Impairment test of goodwill:

Intangible assets with indefinite useful life and goodwill are not amortised. However, these assets are tested annually for impairment. Goodwill acquired through business combinations has been allocated to the following cash-generating units:

Book value of goodwill:	2014	2013	2012
CAGE BASED TECHNOLOGY			
Plastic cages	49 324	49 203	49 199
Steel cages	44 628	41 197	40 064
Idema	26 621	26 621	26 621
Farming services	17 699	-	-
SOFTWARE			
Software and IT-services	34 797	32 440	28 397
LAND BASED TECHNOLOGY			
Uni recirculation	29 619	28 558	14 855
Total	202 688	178 018	159 136

Discounted cash flow models are used to determine the recoverable amount for the cash-generating units. The Group has projected cash flows based on financial budgets and forecasts approved by the Board of Directors. Beyond the explicit budget and forecast period of five years, the cash flows are extrapolated using a constant nominal growth rate.

Key assumptions used for calculations:

Growth rates

The expected growth rates from the cash-generating units converges from its current level experienced over the last few years to the long term growth level expected for the aquaculture industry. Cash flow beyond a five year period are extrapolated using a 3.0% growth rate.

Gross margin

The gross margins are only with immaterial changes based on achieved gross margins during the last three years, and is aligned with achievements the last year. It is assumed the gross margin will be stable in the years to come. It is expected that any change in the raw material prices during a reasonable time period will be reflected in product market prices and thus not have any material effect on achieved gross margins

Market share

The calculations are based on the assumption that market share will not change significantly from the date of the calculation

Discount rates

Discount rates are based on Weighted Average Cost of Capital (WACC) derived from the Capital Asset Pricing Model (CAPM) methodology. The cost of a company's equity and debt, weighted to reflect its capital structure of 70/30 respectively, derive its weighted average cost of capital. The discount rates take into account the debt premium, market risk premium, gearing, corporate tax rate, and asset beta.

In the recoverable amount assessment, the Group has applied estimated cash flows after tax and a corresponding discount rate after tax of 7,33% for all three cash-flow generating units. A variation of +/- 1% does not materially affect the conclusion. The recoverable amounts would not change significantly if pre-tax cash flows and a pre-tax discount rate of 7,69% had been applied instead.

Sensitivity to changes in assumptions IAS 36.134(f)

With regards to the assessment of value-in-use of the different cash-flow generating units management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount short term.

Note 8 Research and development

During the year the Group expensed MNOK 19.5 (MNOK 19.5 in 2013 and MNOK 18.2 in 2012) on research and development on new products and technology as well as upgrades on existing products. The amount does not include capitalised development costs according to IAS 38 (see details in note 7).

Note 9**Tangible fixed assets** (in NOK 1000)

2014	Land and building	Machinery and equipment	Total
Acquisition cost at 01.01.	7 642	146 939	154 580
Additions from investment in subsidiaries	-	13 931	13 931
Additions during the year	8 023	23 531	31 554
Revaluations	-	8 572	8 572
Disposals during the year	-	-1 218	-1 218
Acquisition cost 31.12.	15 664	191 754	207 419
Accumulated depreciation 01.01.	4 838	94 739	99 577
Accumulated depreciations from acquisition	-	7 396	7 396
Depreciation during the year	161	21 976	22 137
Revaluations	-	5 009	5 009
Accumulated depreciation disposals during the year	-	-710	-710
Accumulated depreciation 31.12.	4 999	128 410	133 410
Net book value 31.12.	10 665	63 344	74 009

Both the parent company and the subsidiaries use linear depreciation for all tangible assets. The useful economic life (in years) is estimated to:

> 10 3-5

2013	Land and building	Machinery and equipment	Total
Acquisition cost at 01.01.	7 615	112 928	120 543
Additions from investment in subsidiaries	-	8 128	8 128
Additions during the year	56	23 304	23 360
Revaluations	-	3 856	3 856
Disposals during the year	-29	-1 278	-1 307
Acquisition cost 31.12.	7 642	146 939	154 580
Accumulated depreciation 01.01.	4 670	70 110	74 780
Accumulated depreciations from acquisition	-	4 969	4 969
Depreciation during the year	168	18 398	18 566
Revaluations	-	2 014	2 014
Accumulated depreciation disposals during the year	-	-753	-753
Accumulated depreciation 31.12.	4 838	94 739	99 577
Net book value 31.12.	2 804	52 200	55 003

Both the parent company and the subsidiaries use linear depreciation for all tangible assets. The useful economic life (in years) is estimated to:

> 10 3-5

2012	Land and building	Machinery and equipment	Total
Acquisition cost at 01.01.	6 535	95 631	102 166
Additions related to investments in subsidiary during the year	-	21 877	21 877
Additions during the year	1 099	-2 479	-1 380
Disposals during the year	-19	-2 101	-2 120
Acquisition cost 31.12.	7 615	112 928	120 543
Accumulated depreciation 01.01.	4 529	55 698	60 227
Accumulated depreciation acquired companies	141	16 530	16 671
Depreciation during the year	-	-1 001	-1 001
Accumulated depreciation disposals during the year	-	-1 117	-1 117
Accumulated depreciation 31.12.	4 670	70 110	74 780
Net book value 31.12.	2 945	42 818	45 763

Both the parent company and the subsidiaries use linear depreciation for all tangible assets. The useful economic life (in years) is estimated to:

> 10 3-5

Note 10**Subsidiaries and other long-term investments** (in NOK 1 000 unless stated otherwise)

Subsidiaries consolidated in the group accounts Company	Acquisition year	Location	Share ownership	Voting rights
AKVA group North America Inc.	1995	Canada	100 %	100 %
AKVA group Scotland Ltd.	1997	Scotland	100 %	100 %
AKVA group Software AS	1997	Norway	100 %	100 %
AKVA group Chile S.A.	1998	Chile	100 %	100 %
AKVA Ltd ¹⁾	1998	Scotland	100 %	100 %
AKVA group Services AS ⁴⁾	2001	Norway	100 %	100 %
AKVAsmart Ltd. (Turkey)	2005	Turkey	100 %	100 %
Helgeland Plast AS	2006	Norway	100 %	100 %
Wise lausnir ehf	2007	Iceland	100 %	100 %
AKVA group Denmark A/S	2007	Denmark	100 %	100 %
Polarcirkel AS	2010	Norway	100 %	100 %
WiseDynamics Inc. ²⁾	2011	Canada	100 %	100 %
Plastsveis AS	2013	Norway	70 %	70 %
YesMaritime AS	2014	Norway	100 %	100 %
Roqaland Siøtjenester AS ³⁾	2014	Norway	100 %	100 %

¹⁾ Subsidiary of AKVA group Scotland Ltd.

²⁾ Subsidiary of Wise lausnir ehf

³⁾ Subsidiary of YesMaritime AS

⁴⁾ Renamed in 2014 from AKVA AS

Other long-term investments	Currency	Share capital	Number of shares	Par value (NOK)	Book value	Owner- ship
Centre for Aquaculture Competence AS	NOK	450	150	1 000	153	33 %
Blue Planet AS	NOK	1 350	2	50 000	100	7 %
Other investments	NOK				275	<5 %
Total					528	

Note 11**Stock**

Stock (in NOK 1 000)	2014	2013	2012
Raw materials (at cost)	53 461	38 611	66 130
Work in progress (at cost)	7 615	3 949	22 065
Finished goods (at net realisable value)	106 162	101 628	73 540
Total	167 238	144 188	161 736
Write-down of obsolete stock 1.1	3 578	1 894	1 322
Write-down of obsolete stock during the year	1 435	1 684	572
Write-down of obsolete stock 31.12	5 013	3 578	1 894

The write down of obsolete stock at year end is related to finished goods.

Note 12**Receivables** (in NOK 1000)

Receivables due in more than one year	2014	2013	2012
Other long-term receivables	1 368	4 505	1 287
Total	1 368	4 505	1 287

Accounts receivables

The recorded accounts receivables are shown net of estimated bad debt loss. The estimated bad debt loss is:

Bad debt provisions	2014	2013	2012
Bad debt provision 1.1	9 456	11 755	8 600
Increase in bad debt provision related to acquisitions	1 698	187	-
Change for the year	2 303	-1 603	3 202
Used from the provision	-671	276	-48
Unused amounts reversed	-254	-1 158	-1
Bad debt provision 31.12.	12 531	9 456	11 754
Recorded bad debt cost during the year	2 231	1 494	255
Change in bad debt provision	2 500	-2 952	3 539
Total bad debt cost during the year	4 731	-1 458	3 794

Of the recorded bad debt cost during the year all was covered by bad debt provision.

Reference is made to note 18 for more details of credit and currency risk related to accounts receivables.

Note 12 continues

As of 31.12. the Group had the following ageing profile of accounts receivables:

	Total	Not due	Due <30 days	Due 31-60 days	Due 61-90 days	Due > 91 days
2014	262 894	163 545	36 622	30 260	10 772	21 694
2013	155 539	74 433	36 867	9 396	7 394	27 449
2012	163 133	65 238	38 990	15 132	5 400	38 374

Note 13

Bank deposits (in NOK 1000)

	2014	2013	2012
Restricted bank deposits	9 250	6 509	5 270
Overdraft limit	90 000	94 000	90 000
Utilised end of year	-	56 475	57 014

Note 14

Shareholders

AKVA group ASA

The company's share capital is MNOK 25.8 divided into 25.8 million shares, each with a par value of NOK 1.

The company has only one category of shares and all shares entitle shareholders to equal rights in the company.

The 20 largest shareholders at 31.12.14	Number of shares	Ownership in % of total shares
EGERSUND GROUP AS	16 903 105	65,43 %
MP PENSJON PK	693 800	2,69 %
VERDIPAPIRFONDET DNB SMB	600 000	2,32 %
STATOIL PENSJON	399 055	1,54 %
VERDIPAPIRFONDET OMEGA INVESTMENT	385 300	1,49 %
ROGALAND SJØ AS	343 550	1,33 %
OLE MOLAUG EIENDOM AS	338 692	1,31 %
VPF NORDEA KAPITAL	301 700	1,17 %
MERTOUN CAPITAL AS	300 000	1,16 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	289 000	1,12 %
MOLAUG KNUT	273 956	1,06 %
VERDIPAPIRFONDET EIKA ALPHA VPF	208 100	0,81 %
CAMY HOLDING AS	200 000	0,77 %
DAHLE BJØRN	196 300	0,76 %
SIX SIS AG	170 000	0,66 %
MOLAUG OLE	167 192	0,65 %
HAVBRUKSCONSULT AS	166 000	0,64 %
UBS AG, LONDON BRANCH	144 500	0,56 %
KLUGE GUNNAR	135 579	0,52 %
ARCTIC SECURITIES AS MEGLERKONTO	123 266	0,48 %
Other shareholders	3 495 208	13,53 %
Total	25 834 303	100,00 %

Shares owned by members of the Board of Directors	Number of shares	Options
Frode Teigen and Hans Kristian Mong as owners of Egersund Group AS*	16 903 105	-
Anne Breiby (Kjerby AS)	63 800	-
Nils Viga (Askvig AS)	100 000	-
Tore Obrestad	2 368	-

* Frode Teigen, through Kontrazi AS, and Hans Kristian Mong owns 50 % each in Egersund Group AS

Shares owned by group management	Number of shares	Options
Trond Williksen (CEO)	40 000	-
Eirik Børve Monsen (CFO)	20 000	-
Per Andreas Hjetland (COO Nordic)	2 500	-
Trond Severinsen (COO Export & CMO)	22 425	-

Note 15

Pensions (in NOK 1000)

The pension schemes in all the Norwegian legal entities are defined contribution plans where agreed contributions are expensed as paid. The companies have no further commitments towards pensions when the agreed contributions are paid. All pensions costs are included in payroll expenses in the profit and loss statement.

Contribution plans	2014	2013	2012
Contributions expensed during the year	7 774	5 776	3 446

As of December 31st the Group has no pension liability.

According to Norwegian legislation the entities need to have a pension scheme for the employees. The existing pension schemes meet the requirements in the legislation.

Note 16

Liabilities (in NOK 1 000)

Long-term liabilities due in more than 5 years	2014	2013	2012
Liabilities to financial institutions	2 560	77 000	-
Total	2 560	77 000	-
	2014	2013	2012
Liabilities secured with assets	142 446	132 888	143 361
Secured assets:	2014	2013	2012
Accounts receivable	90 285	27 152	30 998
Stock	82 788	82 889	74 249
Other assets	40 624	250 000	250 000
Total	213 697	360 041	355 247

As of December 31st 2014 bank guarantees of MNOK 28.7 is issued on behalf of the Group.

Repayment of debt

AKVA group ASA refinanced the long-term debt in January 2014 according to a stock exchange notice of December 10th 2013. The company's long-term debt matures as follows:

	Long-term debt
2015	13 779
2016	17 188
2017	15 195
2018	13 895
2019	79 829
Subsequent to 2019	2 560
Total long-term debt	142 446
Average interest rate	3,35 %

*As of December 31st 2014 an amount of MNOK 13.78 of the long-term debt due within one year is, in accordance with IFRS, reclassified to short-term interest bearing debt in the balance sheet.

Loan covenants to Danske Bank

In the loan documents from Danske Bank the following loan covenants are set:

- The ratio net interest-bearing debt over twelve months rolling EBITDA < 3,75 for 2014
- The ratio net interest-bearing debt over twelve months rolling EBITDA < 3,50 for 2015 and onwards
- Equity share for AKVA group ASA > 30%
- Equity in NOK for AKVA group ASA > 250 million

Net interest-bearing debt over twelve months rolling EBITDA was 0.9 as of December 31st 2014. The equity ratio in AKVA group ASA was 55.8 % as of December 31st 2014.

The Group was compliant with all covenants in 2014.

The terms for the interest bearing debt are based on market conditions. The interest rate is a floating rate and it is based on NIBOR + a margin.

Note 17**Specifications of item that are grouped in the financial statement** (in NOK 1 000)

Financial Income	2014	2013	2012
Other interest income	2 239	609	1 413
Agio gain	1 208	852	485
Other financial income	568	381	61
Total financial income	4 015	1 841	1 958

Financial Expenses	2014	2013	2012
Interest expenses	7 023	8 224	9 584
Agio loss	-	-	-
Other financial expenses	1 734	2 867	1 699
Total financial expenses	8 757	11 091	11 284

Other operating expenses	2014	2013	2012
Accommodation, materials, equipment and maintenance	46 477	38 906	38 088
Marketing, travelling and communication	30 549	29 762	25 183
Other operating expenses	25 832	17 164	19 352
Total other operating expenses	102 859	85 832	82 623

Other current liabilities	2014	2013	2012
Accrued costs	74 218	38 409	16 423
Warranty provisions	11 370	6 608	3 909
Other current liabilities	20 741	40 597	21 526
Total other current liabilities	106 329	85 613	41 857

Note 18**Financial instruments and risk management** (in NOK 1000)**Determination of fair value**

The fair value of financial assets classified as "available for sale" and "financial assets at fair value through profit or loss" is determined by reference to published price quotations in an active market. For unquoted financial assets the fair value has been estimated using a valuation technique based on assumptions that are not supported by observable market prices.

The fair value of forward exchange contracts is determined using the forward exchange rate at the balance sheet date. The fair value of currency swaps is determined by the present value of future cash flows. The fair value of options is determined using option pricing models. For all the above mentioned derivatives, the fair value is confirmed by the financial institution with which the Group has entered into the contracts.

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities, long-term debts and "hold-to-maturity" investments.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on "normal" terms and conditions.

The loan notes is at floating interest rates which implies a book value in accordance to fair value.

The fair value of financial assets and liabilities recognized at their carrying amount is calculated as the present value of estimated cash flows discounted by the interest rate that applies to corresponding liabilities and assets at the balance sheet date. This applies to

- Deposits to lessors under operating leases, refer to Note 20.

The fair value of "hold-to-maturity" investments (with the exception of deposits mentioned above) is determined using available market prices.

Note 18 continues

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments.

	2014		2013		2012	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets						
Cash	53 935	53 935	58 330	58 330	36 797	36 797
Trade receivables	262 894	262 894	155 539	155 539	163 133	163 133
Other non-current assets	65 766	65 766	56 123	56 123	32 408	32 408
Other long-term financial assets	1 369	1 369	1 464	1 464	1 273	1 273
Financial liabilities						
Bank overdraft	-	-	56 475	56 475	57 014	57 014
Trade and other payables	246 285	246 285	174 235	174 235	125 067	125 067
Forward currency contracts ¹⁾	-4 543	-4 543	334	334	-1 854	-1 854
Interest-bearing loans and borrowings						
Loans	142 446	142 446	76 414	76 414	86 347	86 347

¹⁾ The amount is included in Other current liabilities in the Consolidated Statement of Financial Positions

Fair value hierarchy

As December 31st 2014, the Group held financial instruments measured at fair value as mentioned below:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value	31.12.2014	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss	-	-	-	-
Foreign exchange forward contracts	-4 543	-	-4 543	-

There have been no transfers between Levels during the period.

Currency risk

As part of the international activity the Group's assets and liabilities as well as expected cash inflow and cash outflow are exposed to changes in the currency rates. Such risk is sought reduced by using currency forward contracts. The currency risk is managed by the parent company in cooperation with the subsidiaries.

In order to hedge the value of the items in the balance sheet denominated in a foreign currency the Group had the following positions through forward contracts, all contracts with maturity in 2015:

Currency (in 1 000)		Bought/sold	Net currency amount
Danish Kroner	DKK	Sold	11 000
British Pound	GBP	Sold	3 527
Norwegian Kroner	NOK	Bought	51 841

Profit and loss from the above currency contracts are recorded directly via the income statement under financial items.

At the end of the year a loss of MNOK 2.319 was recorded as an unrealised gain. The forward contracts are valued at estimated fair value.

As the Group has revenues and costs denominated in different currencies the net value of the expected future cash inflow and cash outflow is exposed to changes in the currency rates. One way to reduce such risk is by using currency forward contracts. At the end of the year the Group had the following positions in forward contracts in order to hedge expected future cash flow. The expected cash flows subject to hedging are expected to take place during the first half of 2015 and hence be recognized in the income statement during the same period. All currency contracts expire in 2015.

Currency (in 1 000)		Bought/sold	
Euro	EUR	Bought	10 088
Norwegian Kroner	NOK	Sold	84 301

At the end of the year it was recorded a gain of MNOK 5.084 directly against the other comprehensive income related to hedging of expected future cash flow.

The forward contracts are valued at estimated fair value. When the expected cash flow is translated into an item in the balance sheet or actually takes place, the recorded profit loss booked directly against the equity is reversed and included in the income statement together with the actual cash item in question. Any non-effective part of the hedge is booked as currency loss or gain under financial items in the income statement.

In the long run it is not possible to hedge the effects of changing currency rates. In 2014 the Group had export sales of MNOK 135 of products which predominantly had its cost base in NOK. A 10% strengthening of the NOK would then decrease the earnings with about MNOK 13.5 before possible price increases in the market. About 18% of this exposure was related to sales in USD (sales mainly to China), 41% related to sales in EUR (sales in Europe and the Middle East), and 23% related to sales in GBP (sales in UK).

To decrease this exposure the Group is working towards a more flexible cost structure and have more diversified costs in terms of currencies.

Note 18 continues

Foreign currency sensitivity

In the management of foreign currency risk the company seeks to reduce the effect from currency rate changes on monetary assets and liabilities as well as the value of the future cash flows denominated in a foreign currency. Through the internal financing structure within the Group, most of the monetary asset and liability risk is allocated to the parent company, which also has most of the cash flow risk with regards to currency fluctuation. The major currencies are EUR and USD. Below it is made a partial analysis in order to do an estimate of the impact from a change in USD and EUR on the pre-tax profit and on the book equity at year end.

31.12.2014	KNOK effect on profit before tax by +10%/-10% change in		KNOK effect on book equity by +10%/-10% change in	
	EUR	USD	EUR	USD
10 %	-2 894	533	9 116	0
-10 %	2 894	-533	-9 116	0

31.12.2013	KNOK effect on profit before tax by +10%/-10% change in		KNOK effect on book equity by +10%/-10% change in	
	EUR	USD	EUR	USD
10 %	-1 065	-134	3 243	-241
-10 %	1 065	134	-3 243	241

31.12.2012	KNOK effect on profit before tax by +10%/-10% change in		KNOK effect on book equity by +10%/-10% change in	
	EUR	USD	EUR	USD
10 %	972	-33	4 154	0
-10 %	-972	33	-4 154	0

The effect on the profit before tax is the result of change in monetary assets and the financial instruments denominated in EUR and USD respectively. The effect on book equity is the effect from the change in fair value of currency contracts assigned to future cash flow hedge.

Interest rate risk

The Group's interest bearing debt is based on a floating interest rate which implies that interest payments over time will fluctuate according to the changes in the interest rate level. The major part of the interest bearing debt is in NOK. To reduce the interest rate risk it is the strategy of the Group to have a balanced mix between equity and debt financing vs the market risk in its industry. With the net interest bearing debt at year end interest cost would have been MNOK 1.4 higher with a 1% higher average interest rate during the year and MNOK 1.4 lower with a 1 % lower average interest rate during the year.

Credit risk

Part of the sale is credit sales where the Group is exposed to credit risk towards the customer. The Group has generally had low losses on outstanding receivables. For larger projects there are normally pre-payments from the customers and milestone payments along the progress of the project which reduce the credit risk towards the customers. To some extent the Group uses trade finance instruments to reduce credit risk. For details of ageing of accounts receivables, see note 12.

Market risk

In 2014 about 82% of the revenues of the Group came from customers producing salmon. In 2013 the share was 77%. To decrease the Group's dependency of the salmon industry the Group works to increase the share of revenues related to the aquaculture of other species than salmon. Due to the market variation in the different salmon markets the revenues can vary between years. Still, the aquaculture industry in general is expected to be a high growth industry in the foreseeable future although the financial turmoil in the short run increases the uncertainty.

Based on the assumption that a change in sales will not affect the product gross margin and that other operating costs short term only will change 50% of the change in sales - a change in the revenues of the Group would have had the following impact on net income (25% tax rate used):

Change in sales	Change in net income/ equity (in NOK 1 000)
10 %	22 107
5 %	11 054
2 %	4 421
-2 %	-4 421
-5 %	-11 054
-10 %	-22 107

To further evaluate the Group's sensitivity to changes in the different markets see more details in note 2 about market size.

Capital structure and equity

The primary focus of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholders value. The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. In 2011 new shares were issued. In 2014 a dividend of NOK 1 per share was done, but no changes were made in number of shares. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents. Capital includes convertible preference shares, equity attributable to equity holders of the parent less the net unrealized gains reserve.

Note 18 continues

(in NOK 1 000)	2014	2013	2012
Interest bearing debt	142 446	132 888	143 361
Less cash	53 935	58 330	36 797
Net debt	88 511	74 558	106 564
Equity	387 577	336 601	325 274
Total equity and net debt	476 088	411 159	431 838
Debt ratio	19 %	18 %	25 %

The equity share attributable to AKVA group ASA's shareholders was 42.9 % as of December 31st 2014.

Liquidity risk

The Group monitors its risk to a shortage of liquid funds using cash flow prognosis. The objective is to maintain a balance in the funding through the use of bank overdrafts, bank loans with different pay back periods, debentures and finance lease. The management follows the development of the working capital closely, because the development in the working capital has the most important impact on the liquidity situation on short term.

Financial risk management

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

2014	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	-	3 445	10 334	126 107	2 560	142 446
Trade and other payables	16 718	134 868	1 784	2 449	-	155 818
Financial derivatives	-	47 627	88 129	-	-	135 756
Total	16 718	185 940	100 247	128 556	2 560	434 020

2013	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	-	57 807	9 478	44 934	77 000	189 220
Trade and other payables	14 107	89 682	-	183	-	103 972
Financial derivatives	-	69 721	20 195	-	-	89 917
Total	14 107	217 210	29 674	45 117	77 000	383 108

Interest-bearing loans and borrowings in 2013 is presented with actual short term amounts at year end and new maturity profile in accordance with refinancing in Danske Bank for downpayments due in 3 months or more. The figures deviates from the balance sheet.

2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	-	52 408	14 160	67 005	1 041	134 614
Trade and other payables	17 233	72 215	6 910	-	-	96 358
Financial derivatives	-	68 362	49 074	-	-	117 436
Total	17 233	192 985	70 145	67 005	1 041	348 409

Note 19

Long-term contracts (in NOK 1000)

Revenue and profits on long-term contracts are recognized using the percentage of completion method. This method implies that profit is recognized according to the progress of the work, whereas any losses are fully recorded when incurred.

Included in figures are primarily contracts on barges and cages, and only contracts valued over MNOK 3.0 are included.

	2014	2013	2012
Total revenues from long-term contracts	629 698	182 894	242 687
Total value of ongoing contracts 31.12.	698 268	477 471	142 095
Total sales included from ongoing contracts 31.12.	431 749	102 077	74 861
Not invoiced work-in-progress included as accounts receivables	48 150	184	37 611
Prepayments from customers	40 262	41 058	51 190
Remaining production on loss contracts 31.12.	-	-	-

Note 20

Leasing (in NOK 1000)

The Group has entered into several operating leases for offices, machinery and other equipment. The cost is as follows:

Operating leasing cost	2014	2013	2012
Operational leasing costs	15 626	7 288	8 751
Rent costs on buildings	16 496	16 762	13 368
Total	32 122	24 050	22 118

The future minimum rents related to non-cancellable operationable leases fall due as follows for the Group:

	Within 1 year	1 - 5 years	After 5 years
Machinery and equipment	2 572	5 025	-
Vehicles and boats	10 925	6 384	-
Offices and buildings	16 747	46 422	7 835
Total	30 244	57 831	7 835

In 2012 the main office lease agreement (headquarter) was renewed for 5 years included an option to extend the lease for 2 more years. In 2014 the rent for main office was MNOK 2.5.

Financial leasing cost

The Group's main share of financial lease costs are related to YesMaritime AS. The Group's total financial lease cost in 2014 is MNOK 1.6.

The future minimum costs related to non-cancellable financial leases fall due as follows for the Group:

	Within 1 year	1 - 5 years	After 5 years	Book value 2014
Machinery and equipment	1 564	3 181	-	4 903
Vehicles and boats	814	1 178	-	1 901
Total	2 378	4 359	-	6 804

The difference between total minimum lease payments at the end of the reporting period and their present value is considered insignificant.

Note 21

Options to employees (in NOK 1000)

The company had an option programme covering employees in selected senior positions. The option programme was established in connection with listing of the company at Oslo Stock Exchange in November 2006.

The outstanding options as of December 31st 2013 was exercised by cash payment of November 3rd 2014 at a market price pr share of NOK 25.20.

MNOK 1.3 has been charged to equity in 2014 related to the option programme.

	2014	2013	2012
Total available options that can be issued	1 012 109	1 012 109	1 012 109
Available options not issued at year end	892 109	892 109	892 109
Options exercised during the year	120 000	-	-
Outstanding options as per 31.12.	-	120 000	120 000

The fair value of the options has been estimated using the Black&Scholes option-pricing model.

The average fair value of options granted is based on the following assumptions:

Strike price

The strike price is equal to the the stock exchange price at grant date.

Volatility

The expected volatility is based on historic volatility for peer group companies (35%).

The term of the option

In the calculations the expected period to vesting has been based on actual years to expiry of the options.

Dividend

The calculation is based on no dividend being paid in the vesting period.

Risk-free interest rate

The risk-free interest rate assumed when calculating the fair value was equal to the interest rate on government bonds at the time of the calculation.

Note 22

Acquisitions

In April AKVA group ASA acquired 100 % of the shares in YesMaritime AS for a total price of MNOK 17.5. The purchase was settled in cash.

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 had 24 employees when acquired.

The core business entails operating vessels providing a range of services to the fish farming industry in Western Norway.

The acquisition is a natural step to strengthen the service and aftersale business area, and provides new opportunities for AKVA group to service the fish farming industry in West Norway.

The acquisition has been accounted for using the acquisition method. The completion of the acquisition was done on April 1st and the company has been consolidated into the AKVA group from April 1st 2014.

The provisional fair value of the identifiable assets and liabilities of YesMaritime AS as at the date of acquisition was:

Fair value recognized on acquisition	
(in NOK ± 000)	
ASSETS	
Deferred tax asset	2 178
Machinery and equipment	6 411
Trade receivables	4 984
Inventories	-
Other current assets	1 382
Cash	189
	15 144
LIABILITIES	
Long term liabilities	-6 379
Trade payables	-1 969
Other current liabilities	-7 732
	-16 080
Total identifiable net assets at fair value	-936
Goodwill arising on acquisition	17 699
Intangible assets arising on acquisition	1 009
Purchase consideration transferred	17 772
Cash acquired with subsidiary	189
Cash paid	-17 500
Net cash outflow	-17 311

The transaction cost of TNOK 208 have been expensed and are included in other finance cost in the income statement.

Sales revenues in 2014 - consolidated from 01.04.2014	32 731
Net Profit before tax - consolidated from 01.04.2014	-1 972
Sales revenues in 2014 - if consolidated from 01.01.2014	41 326
Net Profit before tax - if consolidated from 01.01.2014	-6 395

The goodwill of MNOK 17.699 comprises the fair value of expected synergies arising from the acquisition and the competence of the employees. The Relief of Royalty method has been used to determine intangible assets. The allocation of the purchase price is finalized.

YesMaritime AS purchased Rogaland Sjøtjenester AS for NOK 1 as of May 1st and was included in the consolidated balance sheet from Q3. The added value from the purchase is allocated as other finance income and considered insignificant.

Note 23

Related parties

As of April 1st 2014 AKVA group ASA completed the acquisition of 100% of the shares in YesMaritime AS from Egersund Group AS. The total price for the shares was MNOK 17.5 whereof MNOK 8.5 was paid in cash and MNOK 9.0 was settled as a two-year seller credit from Egersund Group AS on market term conditions. The seller-credit of MNOK 9.0 including interest rates was repaid in total in Q4 2014.

As the transaction was considered to be between related parties the acquisition was approved by an Extraordinary General Meeting on February 12th 2014 pursuant to the Norwegian Public Limited Companies Act section 3-8.

AKVA group has in 2014 transactions, in line with the Group's ordinary course of business, from and to related parties of respectively MNOK 12.4 and MNOK 5.2.

Note 24

Dividend

A new two-step dividend policy was approved by an Extraordinary General Meeting on November 24th 2014:

- The dividend level shall reflect the present and expected future cash generating potential of AKVA group. AKVA group will target a net interest-bearing debt/equity ratio of less than 0.5x
- When the target debt vs. equity level is met, at least 60% of the annual free cash flow after operational and financial commitments is intended to be distributed as dividend

AKVA group ASA aims to pay out dividend twice a year, in Q2 and Q4.

A dividend of 1.00 NOK per share was paid out on December 4th 2014 totalling a distributed amount of 25,834,303 NOK.

Financial Statement **Parent company**

(AKVA group ASA)



Income Statement 01.01 - 31.12 (in NOK 1 000)

Parent company	Note	2014	2013	2012
OPERATING REVENUES				
Sales revenues	2,19	704 985	497 137	356 293
OPERATING EXPENSES				
Cost of goods sold	11	555 261	386 690	268 989
Payroll expenses	3,4,22	71 157	64 869	61 480
Other operating expenses	4,8,12,18,21	33 613	33 967	26 000
Total operating expenses		660 031	485 526	356 469
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)				
		44 954	11 611	-176
Depreciation and amortisation	7,9	9 180	11 744	13 705
OPERATING PROFIT (EBIT)				
		35 774	-134	-13 881
FINANCIAL INCOME AND EXPENSES				
Financial income	18	32 900	20 938	39 106
Financial expenses	18	-6 016	-8 551	-12 437
Net financial items		26 884	12 387	26 669
PROFIT BEFORE TAX				
		62 658	12 253	12 788
Taxes	5	17 382	4 973	3 374
NET PROFIT FOR THE YEAR				
		45 276	7 280	9 414
ALLOCATION OF PROFIT FOR THE YEAR				
Other equity		45 276	7 280	9 414
Total allocated		45 276	7 280	9 414

Assets 31.12 (in NOK 1 000)

Parent company	Note	2014	2013	2012
NON-CURRENT ASSETS				
Intangible assets				
Deferred tax asset	5	-	13 268	18 241
Goodwill	7	53 000	53 000	53 000
Other intangible assets	7	26 438	24 658	29 168
Total intangible assets		79 437	90 925	100 409
Tangible fixed assets				
Machinery and equipment	9	18 628	11 833	10 536
Total tangible fixed assets		18 628	11 833	10 536
Long-term financial assets				
Investments in subsidiaries	10	315 899	298 399	271 214
Loans to group companies	13	83 186	62 689	17 942
Other long-term financial assets	10,12	310	310	320
Total long-term financial assets		399 395	361 398	289 477
Total non-current assets		497 460	464 156	400 421
CURRENT ASSETS				
Stock	11	43 206	40 071	43 191
Receivables				
Accounts receivables	12,19,20	79 795	20 375	26 058
Accounts receivables - group companies	13	27 775	45 818	75 210
Prepayments to suppliers		3 272	1 891	1 846
Other receivables		2 533	5 150	2 191
Other receivables - group companies	13	69 897	27 344	44 102
Total receivables		183 271	100 578	149 409
Cash and cash equivalents	14	10 327	13 028	11 600
Total current assets		236 804	153 677	204 201
TOTAL ASSETS		734 264	617 833	604 622

Equity and Liabilities 31.12 (in NOK 1 000)

Parent company	Note	2014	2013	2012
EQUITY				
Paid-in capital				
Share capital	15	25 834	25 834	25 834
Share premium reserve		336 029	336 029	336 029
Other paid in capital		1 116	2 460	2 398
Total paid-in capital		362 979	364 323	364 261
Retained earnings				
Other equity		46 713	27 271	19 817
Total retained earnings		46 713	27 271	19 817
Total equity		409 692	391 593	384 077
LIABILITIES				
Provisions				
Pension obligations	16	-	101	402
Deferred tax	5	4 114	-	-
Total provisions		4 114	101	402
Other long term liabilities				
Liabilities to financial institutions	17	124 075	54 623	66 973
Other long term liabilities		-	-	150
Other long term liabilities - group companies		-	97	-
Total other long term liabilities		124 075	54 720	67 123
Current liabilities				
Liabilities to financial institutions	14,17	13 278	77 325	75 864
Trade creditors		60 898	37 673	24 664
Trade creditors - group companies	13	11 181	4 418	9 001
Taxes payable	5	-	-	-
Public duties payable		2 767	3 443	6 358
Prepayments from customers	20	44 908	-	629
Other current liabilities	18	34 328	48 558	36 502
Other current liabilities - group companies	13	29 023	-	-
Total current liabilities		196 382	171 418	153 019
Total Liabilities		324 572	226 239	220 544
TOTAL EQUITY AND LIABILITIES		734 264	617 833	604 622

Copenhagen, Denmark, April 8th 2015.



Hans Kristian Mong
Chairperson of the Board



Nils Viga



Evy Vikene Kalleid



Anne Breiby
Deputy Chairperson



Frode Teigen



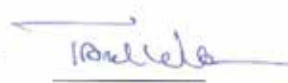
Tore Obrestad



Carina Jensen



Henrik A. Schultz



Trond Williksen
Chief Executive Officer

Cash Flow Statement 01.01 - 31.12 (in NOK 1 000)

Parent company	Note	2014	2013	2012
Cash flow from operating activities:				
Profit before taxes		62 658	12 253	12 788
Gain on disposal of shares and participations		-	-	-180
Depreciation	7,9	9 180	11 744	13 705
Write down of Financial assets		-	-	1 748
Change in pension obligation	16	-	174	143
Changes in stock, accounts receivable and trade		-14 524	46 621	7 079
Changes in other receivables and payables		17 606	22 029	33 805
Net cash flow from operating activities		74 921	92 823	69 088
Cash flow from investment activities				
Investments in fixed assets	7,9	-17 755	-9 369	-13 041
Sale of tangible and intangible fixed assets		-	838	5 006
Investments in shares and participations	23	-17 500	-27 185	-
Repayment of capital reduction in subsidiary		-	-	3 729
Other items		-	10	-
Net cash flow from investment activities		-35 255	-35 706	-4 306
Cash flow from financing activities				
Repayment of borrowings		-140 162	-20 889	-37 110
Proceed from borrowings		145 567	10 000	-
Change in loans to group companies	13	-20 594	-44 649	-19 299
Dividend payment	25	-25 834	-	-
Change related to other financial activities	21	-1 344	-150	-832
Net cash flow from financing activities		-42 367	-55 688	-57 241
Net change in cash and cash equivalents		-2 701	1 428	7 541
Cash and cash equivalents at 01.01.		13 028	11 600	4 059
Cash and cash equivalents at 31.12.		10 327	13 028	11 600

Statement of changes in equity (in NOK 1 000)

Parent company	Note	Share capital	Share premium	Other paid-in capital	Total paid in capital	Other equity	Total retained earnings	Total equity
Equity as at 01.01.2012		25 834	336 029	2 367	364 230	10 380	10 380	374 609
Actuarial deviations on net pension obligations		-	-	-	-	23	23	23
Total income and expense recognised directly in equity		-	-	-	-	23	23	23
Profit (loss) for the period		-	-	-	-	9 414	9 414	9 414
Total income and expense for the year		-	-	-	-	9 436	9 436	9 436
Recording of option agreement		-	-	31	31	-	-	31
Equity as at 31.12.2012		25 834	336 029	2 398	364 261	19 817	19 817	384 077
Equity as at 01.01.2013		25 834	336 029	2 398	364 261	19 817	19 817	384 077
Actuarial deviations on net pension obligations		-	-	-	-	174	174	174
Total income and expense recognised directly in equity		-	-	-	-	174	174	174
Profit (loss) for the period		-	-	-	-	7 280	7 280	7 280
Total income and expense for the year		-	-	-	-	7 454	7 454	7 454
Recording of option agreement		-	-	62	62	-	-	62
Equity as at 31.12.2013		25 834	336 029	2 460	364 323	27 271	27 271	391 593
Equity as at 01.01.2014		25 834	336 029	2 460	364 323	27 271	27 271	391 593
Profit (loss) for the period		-	-	-	-	45 276	45 276	45 276
Total income and expense for the year		-	-	-	-	45 276	45 276	45 276
Dividend	25	-	-	-	-	-25 834	-25 834	-25 834
Recording of option agreement	3,22	-	-	-1 344	-1 344	-	-	-1 344
Equity as at 31.12.2014		25 834	336 029	1 116	362 979	46 713	46 713	409 692



AKVA group offer reliable products built for rough conditions.

Note 1

Summary of significant accounting policies

AKVA group ASA is a public limited company registered in Norway. The company's head office is located in Nordlysveien 4, N-4340 Bryne, Norway.

The financial statement for AKVA group ASA have been prepared in accordance with the Norwegian accounting Act's §3-9 and the related regulation on simplified IFRS as approved by the Ministry of Finance on January 21st 2008. As a result the principles applied when preparing the balance sheet and the income statement are mainly based on International Financial Reporting Standards as adopted by EU (IFRS) and the disclosure notes have been prepared in accordance with the requirements of the Norwegian Accounting Act and accounting principles generally accepted in Norway (NGAAP). See note 1 in group accounts for more details of the accounting policy.

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing they are not impaired. Write down to fair value will be carried out if the impairment is not considered temporary, and a write down is deemed necessary according to IFRS. Impairments are reversed when the indication no longer exist.

Note 2

Segment information

Business segments

AKVA group ASA sells products and services within the business areas Cage Based Technology and Land Based Technology. For more detailed description and information about products and services, please go to "Products" at www.akvagroup.com and download the short version of the product catalogues. More information is also given in note 2 in the consolidated accounts.

Cage Based Technology (in NOK 1 000)	2014	2013	2012
Operating revenue	683 839	485 536	349 057
Operating expenses	637 448	474 465	349 793
Operating profit before depreciation and amortisation (EBITDA)	46 391	11 070	-736
Depreciation and amortisation	9 130	11 744	13 705
Operating profit (EBIT)	37 261	-674	-14 441

Land Based Technology (in NOK 1 000)	2014	2013	2012
Operating revenue	21 146	11 601	7 236
Operating expenses	22 583	11 061	6 676
Operating profit before depreciation and amortisation (EBITDA)	-1 437	540	560
Depreciation and amortisation	50	-	-
Operating profit (EBIT)	-1 488	540	560

Total (in NOK 1 000)	2014	2013	2012
Operating revenue	704 985	497 137	356 293
Operating expenses	660 031	485 526	356 469
Operating profit before depreciation and amortisation (EBITDA)	44 954	11 611	-176
Depreciation and amortisation	9 180	11 744	13 705
Operating profit (EBIT)	35 774	-134	-13 881

Note 2 continues

Geographical information

Operating revenue - external customers (in NOK 1 000)	Norway	Mediterranean	Other	Total
2014	573 194	249	83 172	656 615
2013	363 167	224	99 244	462 636
2012	223 784	5 612	45 150	274 546

Note 3

Wages and remunerations

Payroll expenses (in NOK 1 000)	2014	2013	2012
Salaries	59 297	54 559	52 327
Payroll tax	8 282	7 208	6 675
Pension costs	3 459	2 383	2 206
Other benefits	120	719	272
Total	71 157	64 869	61 480
The average number of employees in full time equivalent in the company during the year is:	88	84	88

See consolidated accounts note 3 about remuneration to CEO and executive management, and fees to the Board of Directors.

Loan and pledge

The company has not given any loans or pledges to members of the Board or group management as of December 31st.

Stock options

A new stock option plan was introduced in 2006. See details of stock options in note 21 and in note 3 in consolidated accounts.

For details of establishment of salary and other remuneration to executive management, see note 3 in consolidated accounts.

Fees to auditor (in NOK 1 000)	2014	2013	2012
Audit	391	381	311
Tax services	273	321	372
Attestation services	-	37	9
Other services	207	-	20
Total	871	739	712

All fees to the auditor is excl. VAT.

Note 4

Government grants and subsidies

Government grants (in NOK 1 000)	2014	2013	2012
"Skattefunn"	852	478	792
Other	-	18	73
Total	852	496	865

Note 5

Taxes (in NOK 1 000)

Tax expense (in NOK 1 000)	2014	2013	2012
Change in deferred taxes	17 382	4 482	3 374
Effect of change in tax rate in Norway from 28 % to 27 %	-	491	-
Total tax expense	17 382	4 973	3 374

Calculation of the basis for taxation

Profit before tax	62 658	12 253	12 788
Permanent differences	1 721	3 754	-738
Change in temporary differences	-64 379	-16 007	-12 049
Tax base	-	-	-

Specification of temporary differences

Current assets	-5 862	-5 253	-6 437
Fixed assets	52 901	49 480	44 583
Provisions	-3 310	-4 984	-4 870
Pension obligations	133	60	-285
Losses carried forward	-28 623	-88 443	-98 138
Total	15 239	-49 140	-65 147

Calculated deferred tax assets (-liabilities)	-4 114	13 759	18 241
Effect of change in tax rate in Norway from 28 % to 27 %	-	-491	-
Deferred tax asset (-liabilities)	-4 114	13 268	18 241

Effective tax rate (in NOK 1 000)	2014	2013	2012
Expected income taxes, statutory tax rate of 27%	16 918	3 431	3 580
Permanent differences (27%)	465	1 051	-207
Effect of change in tax rate in Norway from 28 % to 27 %	-	491	-
Income tax expense	17 382	4 973	3 374

Effective tax rate in percent of profit before tax	27,7 %	40,6 %	26,4 %
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Expiry dates of Tax Loss Carry Forwards

Tax loss carryforwards without time restrictions	-28 623
Total	-28 623

Note 6

Net earnings per share

See details in note 6 in consolidated accounts.

Note 7**Intangible assets** (in NOK 1 000)

2014	Goodwill	Development costs	Patents & trademarks	Total
Acquisition cost at 01.01.	53 000	49 006	36 092	138 098
Acquisition cost during the year	-	8 413	-	8 413
Disposals during the year	-	-	-	-
Acquisition cost 31.12.	53 000	57 419	36 092	146 511
Accumulated amortisation at 01.01.	-	33 393	27 048	60 440
Amortisation during the year	-	3 359	3 274	6 633
Accumulated amortisation disposals during the year	-	-	-	-
Accumulated amortisation 31.12.	-	36 752	30 321	67 074
Net book value at 31.12.	53 000	20 667	5 771	79 437

2013	Goodwill	Development costs	Patents & trademarks	Total
Acquisition cost at 01.01.	53 000	44 412	36 092	133 504
Acquisition cost during the year	-	4 594	-	4 594
Disposals during the year	-	-	-	-
Acquisition cost 31.12.	53 000	49 006	36 092	138 098
Accumulated amortisation at 01.01.	-	27 562	23 774	51 336
Amortisation during the year	-	5 831	3 274	9 105
Accumulated amortisation disposals during the year	-	-	-	-
Accumulated amortisation 31.12.	-	33 393	27 048	60 440
Net book value at 31.12.	53 000	15 613	9 044	77 657

2012	Goodwill	Development costs	Patents & trademarks	Total
Acquisition cost at 01.01.	53 000	36 174	36 092	125 266
Acquisition cost during the year	-	8 238	-	8 238
Disposals during the year	-	-	-	-
Acquisition cost 31.12.	53 000	44 412	36 092	133 504
Accumulated amortisation at 01.01.	-	20 846	20 157	41 003
Amortisation during the year	-	6 716	3 617	10 333
Accumulated amortisation disposals during the year	-	-	-	-
Accumulated amortisation 31.12.	-	27 562	23 774	51 336
Net book value at 31.12.	53 000	16 850	12 318	82 168

The company uses linear amortisation of all intangible assets. The useful economic life for the intangible assets are estimated as: Development 3-5 years, patents 20 years, trademarks 5 years and product rights 5-10 years.

Goodwill:

The goodwill is related to the acquisitions of Helgeland Plast AS and Superior Systems AS.

Development Costs:

The company has capitalised all direct costs related to development of software and tangible products that are expected to create economic benefits and meet the requirements for capitalisation in IAS 38. See also note 8.

Patents & trademarks:

Patents and trademarks are related to Polarcirkel/Wavemaster (2006) and Idema Aqua (2008)

Note 8

Research and development

During the year the company expensed MNOK 7.3 (MNOK 6.8 in 2013 and MNOK 8.5 in 2012) on research and development on new products and technology as well as upgrades on existing products. The amount does not include capitalised development costs according to IAS 38 (see details in note 7).

Note 9

Tangible assets

Property, plant and equipment (in NOK 1 000)	2014	2013	2012
Acquisition cost at 01.01.	41 963	38 026	38 239
Additions related to merger	-	-	-
Additions during the year	9 342	4 775	4 812
Disposals during the year	-	-838	-5 025
Acquisition cost 31.12.	51 305	41 963	38 026
Accumulated depreciation 01.01.	30 130	27 491	24 119
Accumulated depreciation related to merger	-	-	-
Depreciation during the year	2 547	2 639	3 372
Accumulated depreciation disposals during the year	-	-	-
Accumulated depreciation 31.12.	32 677	30 130	27 491
Net book value 31.12.	18 628	11 833	10 536

The company use linear depreciation for all tangible assets. The useful economic life is estimated as:

- Machinery and equipment	Years: 3-5
- Buildings	25

Note 10

Subsidiaries and other long-term investments

Subsidiaries accounted for according to the cost method in the parent company accounts

Company name	Location	Currency	Share capital (NOK 1 000)	Number of shares	Par value (NOK)	Book value (NOK 1 000)
AKVA group North America Inc	Canada	CAD	429	419 760	1	5 253
AKVA group Scotland Ltd.	Scotland	GBP	15 853	14 186 377	1	27 417
AKVA group Software AS	Norway	NOK	2 174	500	4 348	45 073
AKVA group Chile S.A.	Chile	CLP	47 843	199 874	239	53 000
AKVA group Services AS	Norway	NOK	100	1 000	100	100
AKVAsmart Ltd. (Turkey)	Turkey	TRY	7 210	200	36 051	7 910
Helgeland Plast AS	Norway	NOK	1 100	1 100 000	1	66 543
Plastsveis AS	Norway	NOK	1 462	2 150	680	19 000
Wise lausnir ehf	Iceland	ISK	26	500 000	0,05	26 172
AKVA group Denmark A/S	Denmark	DKK	1 160	1 030 000	1	47 520
AKVA group Australasia Pty Ltd.	Australia	AUD	271	50 000	5	301
YesMaritime AS	Norway	NOK	2 600	100 000	26,0	17 500
Polarcirkel AS	Norway	NOK	100	1 000	100	110
Total						315 899

The company's subsidiary in Thailand was finally dissolved in 2014. This had no impact on AKVA group ASA's financials for 2014 as a write down of the shares was done in 2012.

Other long-term investments	Currency	Share capital	Number of shares	Par value (NOK)	Book value	Ownership
Centre for Aquaculture Competence AS	NOK	450	150	1 000	153	33 %
Blue Planet AS	NOK	1 350	2	50 000	100	7 %
Total					253	

Note 11**Stock** (in NOK 1 000)

Stock	2014	2013	2012
Raw materials (at cost)	10 270	14 989	16 033
Work in progress (at cost)	8	-	115
Finished goods (at net realisable value)	32 928	25 082	27 043
Total	43 206	40 071	43 191
Write-down of obsolete stock 1.1	1 220	500	500
Write-down of obsolete stock during the year	1 170	720	-
Write-down of obsolete stock 31.12	2 390	1 220	500

The write down of obsolete stock at year end is related to finished goods.

Note 12**Receivables** (in NOK 1 000)

Receivables due in more than one year	2014	2013	2012
Other long-term receivables	57	57	67
Total	57	57	67

Accounts receivables

The recorded accounts receivables are shown net of estimated bad debt loss. The estimated bad debt loss is:

Bad debt provisions	2014	2013	2012
Bad debt provision last year	5 250	7 615	4 415
Change in bad debt provision	-50	-2 365	3 200
Bad debt provision 31.12.	5 200	5 250	7 615
Recorded bad debt cost during the year	1 223	2	337
Change in bad debt provision	-50	-2 365	3 200
Total bad debt cost during the year	1 173	-2 363	3 537

Reference is made to note 18 for more details of credit and currency risks related to accounts receivables.

Note 13**Intercompany balances** (in NOK 1 000)

Receivables	2014	2013	2012
Loans to group companies	83 186	62 689	17 942
Current receivables towards group companies	27 775	45 818	75 210
Other receivables towards group companies	69 897	27 344	44 102
Total	180 857	135 851	137 255

Payables	2014	2013	2012
Trade creditors towards group companies	11 181	4 515	9 001
Other current liabilities towards group companies	29 023	-	-
Total	40 204	4 515	9 001

Note 14**Bank deposits** (in NOK 1 000)

	2014	2013	2012
Restricted bank deposits	3 810	2 700	2 605
Overdraft limit	90 000	90 000	90 000
Utilised end of year	-	56 475	57 014

Note 15**Shareholders****AKVA group ASA**

The company's share capital is MNOK 25.8 divided into 25.8 million shares, each with a par value of NOK 1. The company has only one category of shares and all shares entitle shareholders to equal rights in the company.

See consolidated accounts note 14 about 20 largest shareholders and shares owned by members of the Board of Directors and Group management.

Note 16**Pensions** (in NOK 1 000)

The pension schemes in AKVA group ASA is a defined contribution plan where agreed contributions are expensed as paid. The company has no further commitments towards pensions when the agreed contributions are paid. All pensions costs are included in payroll expenses in the profit and loss statement.

Contribution plans	2014	2013	2012
Contributions expensed during the year	3 459	2 206	2 220

As of December 31st the company has no pension liability.

According to Norwegian legislation the entities need to have a pension scheme for the employees. The existing pension schemes meet the requirements in the legislation.

Note 17**Liabilities** (in NOK 1 000)

Long-term liabilities due in more than 5 years	2014	2013	2012
Liabilities to financial institutions	2 560	77 000	-
Total	2 560	77 000	-
	2014	2013	2012
Liabilities secured with assets	137 353	131 948	142 837
Secured assets:	2014	2013	2012
Accounts receivables third parties	79 794	20 375	26 058
Accounts receivables group companies	27 775	45 818	75 210
Stock	43 206	40 071	43 191
Other assets	40 624	250 000	250 000
Total	191 399	356 263	394 459

As of December 31st 2014 bank guarantees of MNOK 28.6 is issued on behalf of the Group.

Note 17 continues

Repayment of debt

AKVA group ASA refinanced the long-term debt in January 2014 according to a stock exchange notice of December 10th 2013. The company's long-term debt as of new financing in Danske Bank matures as follows:

	Long-term debt
2015*	13 278
2016	13 895
2017	13 895
2018	13 895
2019	79 829
Subsequent to 2019	2 560
Total	137 353
Average interest rate	3,35 %

*As of December 31st 2014 an amount of MNOK 13.28 of the long-term debt due within one year is, in accordance with IFRS, reclassified to short-term interest bearing debt in the balance sheet.

Note 18

Specification of items that are grouped in the financial statement (in NOK 1 000)

Financial income	2014	2013	2012
Interest income from group companies	4 004	4 359	1 857
Other interest income	1 380	69	166
Agio gain	5 822	4 584	-
Group contribution recognised as income	21 694	11 926	34 767
Other financial income	-	-	2 316
Total financial income	32 900	20 938	39 106

Financial expenses	2014	2013	2012
Interest expenses	4 925	6 091	9 002
Agio loss	-	-	734
Other financial expenses	1 091	2 459	2 701
Total financial expenses	6 016	8 551	12 437

Other operating expenses	2014	2013	2012
Accommodation, materials, equipment and maintenance	14 983	15 175	15 345
Marketing, travelling and communication	9 699	12 589	10 212
Other operating expenses	8 931	6 203	443
Total other operating expenses	33 613	33 967	26 000

Other current liabilities	2014	2013	2012
Accrued costs	22 455	19 807	-
Guarantee provisions	7 787	4 650	2 600
Other current liabilities	4 086	24 101	33 902
Total other current liabilities	34 328	48 558	36 502

Note 19**Financial instruments and risk management**

See consolidated accounts note 18 for more details about financial instruments and risk management.

Note 20**Long-term contracts** (in NOK 1 000)

Revenue and profits on long-term contracts are recognized using the percentage of completion method. This method implies that profit is recognised according to the progress of the work, whereas any losses are fully recorded when incurred.

Included in figures are primarily contracts on barges and cages, and only contracts valued over MNOK 3.0 are included.

	2014	2013	2012
Total revenues from long-term contracts	457 823	119 393	159 968
Total value of ongoing contracts 31.12.	467 091	315 072	55 527
Total sales included from ongoing contracts 31.12.	310 227	52 441	17 361
Not invoiced work-in-progress included as accounts receivables	42 232	-	16 237
Prepayments from customers	33 466	9 768	35 888
Remaining production on loss contracts 31.12.	-	-	-

Note 21**Operational leases** (in NOK 1 000)

The company has entered into several operating leases for offices, machinery and other equipment. The cost is as follows:

Operating leasing cost	2014	2013	2012
Operational leasing costs	1 499	1 716	2 294
Rent costs on buildings	3 531	3 775	3 774
Total	5 030	5 491	6 068

The future minimum rents related to non-cancellable leases fall due as follows for the company:

	Within 1 year	1 - 5 years	After 5 years
Machinery and equipment	214	469	-
Vehicles	1 132	967	-
Offices and buildings	3 225	3 696	-
Total	4 571	5 132	-

In 2012 the main office lease agreement (headquarter) was renewed for 5 years included an option to extend the lease for 2 more years.

In 2014 the rent for main office was MNOK 2.5.

Note 22

Options to employees (in NOK 1 000)

The company had an option programme covering employees in selected senior positions. The option programme was established in connection with listing of the company at Oslo Stock Exchange in November 2006.

The outstanding options as of December 31st 2013 was exercised by cash payment on November 3rd 2014 at a market price pr share of NOK 25.20.

MNOK 1.3 has been charged to equity in 2014 related to the option programme.

	2014	2013	2012
Total available options that can be issued	1 012 109	1 012 109	1 012 109
Available options not issued at year end	892 109	892 109	892 109
Options vested during the year	120 000	-	-
Outstanding options as per 31.12.	-	120 000	120 000

The fair value of the options has been estimated using the Black&Scholes option-pricing model.

The average fair value of options granted is based on the following assumptions:

Strike price

The strike price is equal to the the stock exchange price at grant date.

Volatility

The expected volatility is based on historic volatility for peer group companies (35%).

The term of the option

In the calculations the expected period to vesting has been based on actual years to expiry of the options.

Dividend

The calculation is based on no dividend being paid in the vesting period.

Risk-free interest rate

The risk-free interest rate assumed when calculating the fair value was equal to the interest rate on government bonds at the time of the calculation.

Note 23

Acquisitions

In April AKVA group ASA acquired 100 % of the shares in YesMaritime AS for a total price of MNOK 17.5. The purchase was settled in cash.

See consolidated accounts note 22 for more details.

Note 24

Related parties

As of April 1st 2014 AKVA group ASA completed the acquisition of 100% of the shares in YesMaritime AS from Egersund Group AS. The total price for the shares was MNOK 17.5 wereof MNOK 8.5 was paid in cash and MNOK 9.0 was settled as as a two-year seller credit from Egersund Group AS on market term conditions. The seller-credit of MNOK 9.0 including interest rates was repaid in total in Q4 2014.

As the transaction was considered to be between related parties the acquisition was approved by an Extraordinary General Meeting on February 12th 2014 pursuant to the Norwegian Public Limited Companies Act section 3-8.

AKVA group ASA has in 2014 transactions, in line with the company's ordinary course of business, from and to related parties of respectively MNOK 8.6 and MNOK 5.0.

Note 25

Dividend

A new two-step dividend policy was approved by an Extraordinary General Meeting on November 24th 2014.

- The dividend level shall reflect the present and expected future cash generating potential of AKVA group. AKVA group will target a net interest-bearing debt/equity ratio of less than 0.5x
- When the target debt vs. equity level is met, at least 60% of the annual free cash flow after operational and financial commitments is intended to be distributed as dividend

AKVA group ASA aims to pay out dividend twice a year, in Q2 and Q4.

A dividend of 1.00 NOK per share was paid out on December 4th 2014 totalling a distributed amount of 25,834,303 NOK.

Auditor's Report



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Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of
AKVA group ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of AKVA group ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2014, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2014, the statements of income, comprehensive income, cash flow and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of AKVA group ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report (and on the statements on corporate governance and corporate social responsibility)

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Stavanger, 8 April 2015

ERNST & YOUNG AS

Tommy Lothe
State Authorised Public Accountant (Norway)

Articles of Association of AKVA group ASA

(Last updated May 24th 2011 - Translation from Norwegian)

§ 1

The company's name is AKVA group ASA.
The company is a public limited company.

§ 2

The company's registered office is in Time, 4340 Bryne.

§ 3

The purpose of the company is to conduct development, manufacturing, project management, sale and marketing of proprietary and purchased goods, and everything connected to such activity, including participation in other companies with similar activities.

The activities of the company shall in particular be directed towards technology for farming of fish and animals.

§ 4

The company's share capital shall be NOK 25.834.303 divided into 25.834.303 shares at NOK 1 each. The company's shares shall be registered in the Norwegian Register of Securities (VPS). Any transfer of shares shall be notified to VPS within 1 – one – month.

§ 5

The Board of Directors shall consist of from 4 to 10 members as decided from time to time by the general meeting. The Chairperson and one Board member jointly sign on behalf of the company.

§ 6

The ordinary general meeting of the company shall consider the following:

1. The approval of the annual profit and loss statement and balance sheet.
2. Application of the profit, or settlement of the deficit according to the approved balance sheet, as well as the distribution of dividends.
3. Election of the Board of Directors
4. Other issues that under Norwegian law are to be dealt with by the shareholders General Meeting.

§ 7

The company shall have a nomination committee consisting of at least 3 members elected by the general meeting. The nomination committee shall prepare the general meeting's election of board members and propose candidates for nominations. The general meeting may adopt instructions for the nomination committee.

§ 8

When documents concerning matters to be discussed at the general meeting are made available to the shareholders on the Company's website, the requirement in the Public Companies Act that such documents shall be sent to the shareholders shall not apply. This also applies to documents which, according to law, shall be included or enclosed to the notice of the general meeting. A shareholder may nonetheless request hard copies of such documents to be sent to him.

Corporate Social Responsibility Corporate Governance



Corporate Social Responsibility

This report is made in accordance with the Norwegian Accounting Act, Section 3-3c, setting requirements for the companies to account for its handling of Corporate Social Responsibility. The report includes:

- references to the company's guidelines related to following up its corporate responsibility, including any principles, procedures and standards to be adhered to. If such guidelines have not been prepared, information to that effect is given
- how the company works to translate the principles, procedures, standards and guidelines mentioned above into action
- the company's assessment of the results achieved as a consequence of working with corporate responsibility and any expectations to results in the time to come

Basis for AKVA group ASA's Corporate Social Responsibility

The company's handling of its Corporate Social Responsibility is based on AKVA group's core values and principles, applicable laws and regulations as well as generally accepted principles and practices for good corporate governance.

AKVA group ASA approach Corporate Social Responsibility as a continuous process, seeking constant improvement in awareness, processes as well as adoption to new regulations and understandings.

AKVA group ASA's Vision and Values

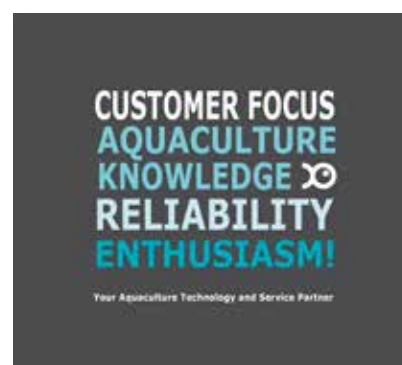
AKVA group's vision is to be a **Technology and Service Partner** to the global aquaculture industry. AKVA group's mission is to be a **profitable supplier of knowledge based solutions and services in order to improve our customer's profitability and sustainability.**

AKVA group's core values are:

- **Customer Focus**
- **Aquaculture Knowledge**
- **Reliability**
- **Enthusiasm**

The vision and values of the Group forms the foundation of our commercial activity and strategies as well as our behavior as an entity and individuals.

Our Vision and Values are actively communicated internally and externally describing AKVA group ASA as an entity, as well as actively used as general guidelines for behavior, priorities and decisions in day to day management. Our Vision and Values are made available on our website, our intranet as well as in presentations and material distributed internally to our employees as well as externally to customers and stakeholders.



AKVA group ASA's Code of Conduct

AKVA group has an established Code of Conduct giving detailed instructions on regulations, policies and guidelines for responsible as well as acceptable behavior and conduct. The Code of Conduct applies to all employees, including temporary personnel, of the Group throughout the world as well as to the Directors of the Board in AKVA group ASA and its subsidiaries.

The purpose of the Code of Conduct is to ensure that all persons acting on behalf of AKVA group perform their activities in an ethical way and in accordance with the standards AKVA group sets in its regulations, policies and guidelines.

It is AKVA group's policy to comply with all applicable laws and governmental rules and regulations. The code is an important tool to secure compliance with these laws, rules and regulations.

The Code of Conduct is published on the Group's intranet available for all employees in the Group. The code is also enclosed as a part of new employment contracts, making sure all new employees have the proper understanding necessary to comply. The code gives clear instructions to all managers in the Group to make sure the code is known and complied with by all employees.

Violation of this Code of Conduct is not tolerated and may in accordance with relevant legislation lead to internal disciplinary actions, dismissal or even criminal prosecution. Should an improper practice or irregularity occur within the Company, the Company is committed to make necessary corrections and take remedial action to prevent reoccurrence.

The Code of Conduct covers the following main areas;

- Policy on personal conduct and behavior based on mutual respect
- Restrictive policy on use of intoxicants
- Policy on equal opportunity
- Policy on anti-corruption and conflict of interest
- Policy on compliance with laws and regulations including laws and regulations on antitrust and competition as well as insider trading

The Code of Conduct is regularly revised in order to ensure adoptions to new regulations and understandings of good governance and conduct. The Code of Conduct was last revised in 2014.

Policy areas of special importance for AKVA group in our effort to follow up our corporate social responsibility are given a broader presentation below.

Equal Opportunities

AKVA group is committed to an inclusive work culture and appreciates and recognizes that all people are unique and valuable, and should be respected for their individual abilities. AKVA group does not accept any form of harassment or discrimination on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion.

AKVA group shall provide equal employment opportunity and treat all employees fairly. AKVA group employees and business units shall only use merit, qualifications and other professional criteria as basis for employee-related decisions in AKVA group, regarding for instance recruitment, training, compensation and promotion. AKVA group encourage commitment developing programs and actions to encourage a diverse organization based on the principle of equal opportunity.

The policy for equal opportunity is given by the groups Code of Conduct. It is followed up as part of daily management in the different entities of the Group.

AKVA group currently has subsidiaries in eight countries employing a diversified work force in terms of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age and political opinion. One of AKVA group's subsidiaries encountered one incident of allegation on sexual harassment in 2014. AKVA group actively follows up the incident and will make necessary steps in order to correct for any wrongdoing by the employee or any of its employees.

Policies and actions to prevent corruption

AKVA group has a zero tolerance policy on corruption.

Bribery

Employees in AKVA group shall not offer or accept any bribes. Bribery occurs when a person gives or offers a gift or favor for himself to achieve an unfair advantage. AKVA group also do not allow so-called "facilitation payments", ie payments made to secure or expedite something that pays is entitled.

Gifts, favors and entertainment

Employees in AKVA group should exercise caution in giving and receiving gifts, services and other benefits. Gifts, services and benefits shall not go beyond what is considered normal and reasonable in the country the operation is located. The size and circumstances of gifts, services and benefits that are given or received shall be such that an employee should be able to tell openly about this.

The policy outlines that gifts, etc., shall under no circumstances be given or received, if we are talking about:

- one negotiation, application, or offers or situation which is expected in return, or
- money, loans and private services, or
- frequent gifts or
- gifts to public officials or politicians, or
- gifts with specific conditions or
- gift whose value exceeds \$ 100 (without the prior written consent of the parent)

Employees must in addition to these guidelines, follow local regulations, including tax laws.

Actions and status

The policy and guidelines to prevent corruption and fraud is stated in AKVA group ASA's Code of Conduct, made known to all employees on the Group's intranet as well as included as part of all employment agreements entered into by the Group.

Special management attention is given to safeguard the strict anti-corruption policy, enforcing strong awareness of employees on all levels. Systematic actions implemented includes;

- Sales and projects staff working towards and/or operating in markets with historical records of corruption are followed up with special information and training courses aimed at enhancing understanding and awareness
- Integrity due diligence is conducted on new agents as well as distributors and cooperating partners in export markets
- Anti-corruption clauses are included in new agent and distributor agreements
- Anti-corruption clauses are today included in significant contracts in emerging markets

Anti corruption clauses are implemented in all significant contracts with suppliers and customers from 2014 and onwards.

As of today no reported incident of corruption, involving AKVA group is reported to or known by the Management or Board of Directors of AKVA group.

Integrity and conflicts of interest

Conflicts of Interest

Employees in AKVA group shall not attempt to gain advantage for themselves or relatives that are unlawful, or in any way may be in violation of AKVA group's interests or reputation.

Duty, positions and ownership of external business

Employees in AKVA group shall not be involved in matters or enter into agreements that may conflict with or damage AKVA group's interests, or provide them with benefits. This includes conditions where it can be questioned that person's independence because that person, the person's family or other person has close connections to have financial interests in the relationship that comes AKVA group.

Employees in AKVA group shall avoid relationships or agreements that may affect his or her actions or judgment and cast doubt on the independence.

Employees in AKVA group shall avoid ownership interests or directorships in other companies if this is likely to undermine the loyalty of AKVA group. Board positions and/or equity investment in companies that compete or are doing business with AKVA group shall always be approved by the employee's supervisor in advance.

Political activity

AKVA group does not provide any form of financial or other support directly to political parties. The company may support or promote political views in matters affecting its business interests.

Prohibition on the purchase of sexual services

Purchase of sexual services on a business trip or in connection with the execution of an assignment or work for AKVA group is unacceptable and should not occur.

Purchase of sexual services is prohibited by law in Norway. This prohibition also applies abroad for Norwegian citizens and persons with permanent residence in Norway.

Actions and status

The policy and guidelines on integrity and conflict of interest are stated in AKVA group ASA's Code of Conduct and made known to all employees on the Group's intranet as well as included as part of all employment agreements entered into by the Group.

Violation is not tolerated and may in accordance with relevant legislation lead to internal disciplinary actions, dismissal or even criminal prosecution. Should an improper practice or irregularity occur within the Company, the Company is committed to make necessary corrections and take remedial action to prevent reoccurrence.

No violations of the policy and guidelines for Integrity and Conflict of Interest have been reported to the Management or Board of Directors during 2014.

Compliance with laws and regulations

Compliance with national laws and regulations are the basis for AKVA group's operations in all countries.

Company employees and directors in the AKVA group shall:

- comply with all applicable laws and regulations when acting on behalf of the company, including the obligation to report and pay taxes;
- under no circumstances may cause or contribute to violations of the general and specific competition regulations, such as price-fixing, illegal market sharing or other conduct in violation of applicable competition laws;
- comply with applicable legislation and internal instructions on insider trading and insider information, including failure to provide or advise on the sale of securities in AKVA group or other listed companies on the basis of non-public information made available through the work of AKVA group, which may influence the price of securities if it becomes widely known.

The policy and guidelines on compliance with laws and regulations are stated in AKVA group ASA's Code of Conduct and made known to all employees on the Group's intranet as well as included as part of all employment agreements entered into by the Group.

AKVA group has developed and issued guidelines for insiders in accordance with the recommendations set by Oslo Stock Exchange.

No incidents of non-compliance with the policies of Compliance have been reported to the Management or the Board of Directors in 2014.

Sosial responsibility

External standards AKVA group follows

AKVA group follow the principles of the UN Global Compact that include:

Human Rights

Businesses should support and respect the protection of internationally recognized human rights, and ensure that they are not complicit in human rights abuses.

Labour standards

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, put an end to all forms of forced labor, bringing child labor to an end and put an end to discrimination in respect of employment and occupation.

Environment

Businesses should support a precautionary principle in relation to environmental challenges, undertake initiatives to promote greater accountability in relation to the environment and encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Businesses should work against all forms of corruption, including extortion and bribery.

Requirements for AKVA group's suppliers regarding Social Responsibility including the principles of the UN Global Compact

AKVA group's suppliers should have implemented standards of Social Responsibility and should follow the principles of the UN Global Compact.

Suppliers that violate basic standards of ethics and corporate responsibility may be dismissed as suppliers of AKVA group and may be considered disqualified from delivering quotes.

Good working conditions

All employees in AKVA group shall have high levels of safety in their work and we expect our suppliers to maintain responsible labor practices.

Employees in AKVA group are free to join trade unions of their choice. Management in all companies in the Group shall facilitate a good working relationship with staff and trade unions.

Openness and dialogue with stakeholders

AKVA group want an open and constructive dialogue with people, organizations and other stakeholders affected by our operations. The goal is that openness, dialogue and public reporting will help to improve our business.

Reference to AKVA group's adoption of UN Global Compact was implemented as standard in contracts with suppliers and customers from 2014 and onwards.

No incidents or violations of policies within the area of Social Responsibility have been reported to the Management or Board of Directors in 2014.

Sustainable environment

AKVA group develop, design, produce and deliver technology and service to a global aquaculture industry supplying healthy seafood to a global population. A principal part of AKVA group's mission as a technology and service partner is to enhance the sustainability of our customers operations.

AKVA group designs and produces technology in accordance with high national and international standards implemented to safeguard sustainable production and HSE. In Norway all technology designed and delivered are in accordance with NS9415, representing the highest international technology standard in the industry. Technology based on this standard is as a main rule provided to export markets.

Annually AKVA group allocates substantial financial resources developing more sustainable technologies for the global aquaculture industry, targeting improved fish welfare as well as solutions to environmental issues, such as the challenge of escapes as well as sealice in the salmon industry.

AKVA group currently works towards ISO14001 certification of it operations.

No incidents or violations of AKVA group's policies on Sustainable Environment have been reported to the Management or the Directors of the Board in 2014.

Corporate Governance in AKVA group ASA

AKVA group ASA's objective is to create the greatest possible value for its shareholders over time. Strong corporate governance will contribute to reducing risk and ensure sustainable value creation.

Pursuant to section 3-3(b) of the Norwegian Accounting Act and the Code (as defined below), the board reviews and updates the company's principles for corporate governance on an annual basis. This report is included in the Company's annual report.

1. Implementation and reporting on corporate governance

The Board of Directors must ensure that the Company implements sound corporate governance.

The Board of Directors must provide a report on the Company's corporate governance in the directors' report or in a document that is referred to in the directors' report. The report on the company's corporate governance must cover every section of the Code of Practice. If the Company does not fully comply with this Code of Practice, the company must provide an explanation of the reason for the deviation and what alternative solution it has selected.

The Board of Directors should define the Company's basic corporate values and formulate ethical guidelines and guidelines for corporate social responsibility in accordance with these values.

AKVA group ASA ("AKVA group" or the "Company", and together with its subsidiaries the "Group") has defined guidelines for corporate governance, and the Board has decided to follow the Norwegian Code of Practice for Corporate Governance (the "Code") as approved by the Norwegian Corporate Governance Board ("NCGB"). The Code was last revised 30 October 2014.

AKVA group has furthermore defined its own corporate Code of Conduct and defined values upon which the Company should base its activity. These principles also apply to AKVA group's subsidiaries to the extent they are relevant. The company has guidelines for corporate social responsibility that are reviewed on a yearly basis and are included in the Annual Report.

The individual recommendations in the Code are discussed below. The Code and its recommendations are available on the NCGB website at www.nues.no. To a large extent AKVA group's principles correspond to the Code. Possible deviations from the Code are discussed under the relevant sections below, and any deviation is accounted for and any alternative practice adopted by the company explained.

▶ *Deviation from the Recommendation: None other than as stated above.*

2. Business

The Company's business should be clearly defined in its articles of association. The Company should have clear objectives and strategies for its business within the scope of the definition of its business in its articles of association. The annual report should include the business activities clause from the articles of association and describe the Company's objectives and principal strategies.

Paragraph 3 in the Company's articles of association (the "**Articles of Association**") states: "The purpose of the Company is to develop, produce, project, sell and market own and purchased products, and everything connected to such activity, including participation in other companies with similar activities. The activities of the Company shall in particular be directed towards technology for farming of fish and animals." The full Articles of Association are included in the Annual Report. The Company's strategic goals and objectives are described thoroughly in the report.

▶ *Deviation from the Recommendation: None*

3. Equity and dividends

The Company should have an equity capital at a level appropriate to its objectives, strategy and risk profile. The Board of Directors should establish a clear and predictable dividend policy as the basis for the proposals on dividend payments that it makes to the general meeting. The dividend policy should be disclosed. The background to any proposal for the board of directors to be given a mandate to approve the distribution of dividends should be explained. Mandates granted to the Board of Directors to increase the Company's share capital should be restricted to defined purposes. If the Annual General Meeting is to consider mandates to the Board of Directors for the issue of shares for different purposes, each mandate should be considered separately by the meeting. Mandates granted to the Board should be limited in time to no later than the date of the next Annual General Meeting. This should also apply to mandates granted to the Board for the Company to purchase its own shares.

At year end 2014 the Company had a consolidated equity of 389 MNOK which accounts for 43.1% of the total consolidated assets of the Company. It is the view of the Board of Directors that the above stated equity capital level is appropriate in consideration of the Company's objectives, strategy and risk profile.

Dividend policy:

The Company's main objective is to maximise the value of the investment made by its shareholders through both increased share prices and dividend payments. The dividend level shall reflect the present and expected future cash generating potential of AKVA group. AKVA group will target a net interest-bearing debt/equity ratio of less than 0.5x. When the target debt vs. equity level is met, at least 60% of the annual free cash flow after operational and financial commitments is intended to be distributed as dividend. Applicable statutory restrictions shall be observed.

AKVA group aims to pay out dividend twice every year, in the second and fourth quarter.

The dividend policy has been established by the Board of Directors and is disclosed on the Company's website.

AKVA group in December 2014 paid out a dividend of NOK 1.00 per share, in total NOK 25 834 303.

In order to enable the Company to maintain the dividend policy, the Board of Directors will propose that the Annual General Meeting to be held in May 2015 authorizes the Board of Directors pursuant to the Norwegian Public Limited Liability Companies Act (the "**Public Companies Act**" or the "**Act**") § 8-2(2) to approve the distribution of dividends based on the Company's annual accounts for 2014. The authority may be used to approve the distribution of dividends up to an aggregate amount of NOK 75 000 000. The authorization shall be in force from the date of the general meeting until the earlier of the time of the annual general meeting in 2016 and 30 June 2016.

The general meeting in 2014 resolved to grant the board authorization to increase the company's share capital by up to NOK 12 917 151 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 Companies 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 is in force from the date of the general meeting until the earlier of the date of the annual general meeting in 2015 and 30 June 2015. This authorization replaced all previous authorizations to the board to increase the company's share capital.

The Board of Directors has proposed that the annual general meeting to be held in May 2015 repeats the authorization granted to the Board of Directors in 2014, and that the new a shall expire at the earlier of the annual general meeting in 2016 and 30 June 2016. It is further proposed that the new authorization shall replace all previous authorizations to the Board of Directors to increase the Company's share capital.

The general meeting in 2014 also resolved to grant the board authorization to acquire own shares which have been fully paid in accordance with the rules of §§ 9-2 – 9-4 of the Act. The shares to be acquired under this authorization shall not be acquired at a higher value than market terms on a regulated market where the shares are traded. This authorization may be used one or several times. The aggregate maximum face value of the shares which the Company may acquire pursuant to this authorization is NOK 645 857, which equals approximately 2.5 % of the Company's share capital.

Acquisitions 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 purchase price for the shares to be acquired. The board is free to determine how the company's own shares will be acquired and sold, provided that 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 expected such losses.

The authorization is valid until the annual general meeting of 2015, however, not longer than until 30 June 2015. This authorization replaced the authorization for acquisition of own shares granted by the annual general meeting on 14 May 2013.

The Board of Directors has proposed that the annual general meeting to be held in May 2015 repeats the authorization granted to the Board of Directors in 2014, and that the new mandate shall expire at the earlier of the annual general meeting in 2016 and 30 June 2016. It is further proposed that the new authorization shall replace all previous authorizations to the Board of Directors to purchase own shares.

- *Deviation from the Recommendation:* The authorization to increase the share capital is not restricted to defined purposes as recommended by the Code. The Board of Directors is of the view that it is in the common interest of the Company and its shareholders that the Company is able to raise equity on short notice without first having to convene an extraordinary general meeting for approving the share capital increase. As the authorisation does not permit the Board of Directors to set aside the pre-emptive right of the shareholders, the shareholders will be invited to participate in any such share capital increase, which will enable the shareholders to maintain their shareholding in the Company.

4. Equal treatment of shareholders and transactions with close associates

The Company should only have one class of shares.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital should be justified.

Where the board of directors resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Any transactions the Company carries out in its own shares should be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the Company's shares, the Company should consider other ways to ensure equal treatment of all shareholders.

In the event of any not immaterial transactions between the Company and shareholders, a shareholder's parent company, members of the Board of Directors, executive personnel or close associates of any such parties, the Board should arrange for a valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Public Companies Act. Independent valuations should also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

The Company should operate guidelines to ensure that members of the Board of Directors and executive personnel notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company

Class of shares, pre-emptive rights and transactions in own shares

AKVA group has only one class of shares. The Articles of Association place no restriction on voting rights. All shares are treated equal.

The Company does not have any authorisations to increase the share capital which permits a waiver of shareholder's pre-emptive rights. In the event the Board of Directors would propose to the general meeting that the pre-emptive rights of shareholders should be waived, this proposal would be justified in the notice of the general meeting.

Any transactions carried out by the Company in its own shares will be carried out either on the Oslo Stock Exchange or at prevailing stock market prices. In situations with limited liquidity in the Company's shares, the Board of Directors will consider alternatives in order to ensure the equal treatment of shareholders.

Transactions between related parties

The Company is not aware of any potential conflicts of interest between any duties to the Company of the members of the Board of Directors or the Company's management, and their private interests or other duties. The Company is party to facility lease agreements with companies that are controlled by shareholders of AKVA group; however, these are all based on arm's length market terms.

In order to avoid conflicts of interest, the Company has introduced guidelines pursuant to which members of the Board of Directors and the Company's management must act.

Guidelines for directors and key management personnel

The Board has implemented guidelines to ensure that members of the Board and executive personnel shall notify the Board in the event they have any material direct or indirect interest in any transaction entered into by the Company.

- ▶ *Deviation from the Recommendation: None other than as stated above*

5. Freely negotiable shares

The Company's shares must, in principle, be freely negotiable. Therefore, no form of restriction on negotiability should be included in a Company's articles of association.

The shares are freely negotiable. The Articles of Association place no restrictions on negotiability.

- ▶ *Deviation from the Recommendation: None*

6. General meetings

The Board of Directors should take steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the Company, and that general meetings are an effective forum for the views of shareholders and the Board. Such steps should include:

- making the notice calling the meeting and the support information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, available on the Company's website no later than 21 days prior to the date of the general meeting
- ensuring that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting
- setting any deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as possible
- the Board of Directors and the person chairing the meeting making appropriate arrangements for the general meeting to vote separately on each candidate nominated for election to the Company's corporate bodies
- ensuring that the members of the Board of Directors and the nomination committee and the auditor are present at the general meeting
- making arrangements to ensure an independent chairman for the general meeting

Shareholders who cannot attend the meeting in person should be given the opportunity to vote.

The Company should:

- provide information on the procedure for representation at the meeting through a proxy,
- nominate a person who will be available to vote on behalf of shareholders as their proxy
- to the extent possible prepare a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

The annual general meeting for 2014 was held on the 7th of May, and was in all material respect carried through in accordance with item 6 in the recommendation with the following exceptions:

- The company does not appoint an independent proxy to vote on behalf of shareholders. In the company's opinion the shareholder interests are duly protected through participation with a personal proxy or by awarding a proxy with voting instructions to the chairman of the meeting, the chairman of the board or any person appointed by him.

- The annual general meeting was, as in previous years, chaired by the chair of the board of directors. Due to a change in board composition, the chair of the annual general meeting was not independent of major shareholders and other stakeholders in the Company in 2014. However, based on the matters on the agenda for the annual general meeting it is the view of the board that the meeting was chaired in an appropriate way with due regard to the interests of all shareholders. In order to ensure full compliance with the Recommendation, an independent chairperson is expected to be proposed for the annual general meeting from 2015 onwards.

AKVA group conducted three Extraordinary General Meetings in 2014.

▶ *Deviation from the Recommendation:*
None other than as stated above

7. Nomination committee

The Company should have a nomination committee, and the general meeting should elect the chairperson and members of the nomination committee and should determine the committee's remuneration.

The nomination committee should have contact with shareholders, the board of directors and the company's executive personnel as part of its work on proposing candidates for election to the board.

The nomination committee should be laid down in the Company's articles of association. The general meeting should stipulate guidelines for the duties of the nomination committee.

The members of the nomination committee should be selected to take into account the interests of shareholders in general. The majority of the committee should be independent of the Board of Directors and the executive personnel. At least one member of the nomination committee should not be a member of the corporate assembly, committee of representatives or the Board.

No more than one member of the nomination committee should be a member of the Board of Directors, and any such member should not offer himself for re-election to the board. The nomination committee should not include the Company's chief executive or any other executive personnel.

The nomination committee's duties are to propose candidates for election to the corporate assembly and the Board of Directors and to propose the fees to be paid to members of these bodies.

The nomination committee should justify its recommendations.

The company should provide information on the membership of the committee and provide suitable arrangements for shareholders to submit proposals to the committee for candidates for election.

The Articles of Association provide for a Nomination Committee. The Nomination Committee shall evaluate and recommend candidates for Directors elected by the shareholders as well as Directors' remuneration, both for the Board of Directors and for the Nomination Committee itself. The Nomination Committee shall consider and recommend to the shareholders for resolution at the general meeting on the following matters:

- Candidates for election as members of the Board of Directors
- Candidates for election as members of the Nomination Committee and the Chairman of the Committee
- The proposed remuneration of the Board of Directors and the members of the Nomination Committee
- Any proposed amendments to the Nomination Committee Charter
- Approve the text in the Annual report (Corporate Governance section) of the company, related to the Nomination Committee

The Nomination Committee shall consist of three members elected by the shareholders at the general meeting. The Nomination Committee's chairperson shall be a member of the Nomination Committee and shall be elected by the shareholders at the general meeting.

The nomination committee's work is based on the Nomination Committee Charter approved by the Annual General Meeting in May 2007, which includes appropriate arrangements for shareholders to submit proposals to the committee for candidates for election.

Composition

The current nomination committee was elected by the ordinary Annual General Meeting on May 7th 2014 and consists of:

- Aino Olaisen, (chair, for 2 years)
Managing Director Vigner Olaisen AS
- Eivind Helland (for 1 years),
General Manager Blue Planet AS
- Therese Log Bergjord (for 2 years),
Managing Director Compass Group Norway

None of the nomination committee members are members of the Board of Directors.

The Nomination Committee is of the opinion that the composition reflects the common interest of all the Company's shareholders.

The work of the Committee

The Nominating Committee has held 2 meetings since the 2014 general meeting.

▶ *Deviation from the Recommendation: None*

8. Corporate assembly and Board of Directors: composition and independence

The composition of the corporate assembly should be determined with a view to ensuring that it represents a broad cross-section of the Company's shareholders.

The composition of the Board of Directors should ensure that the Board can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the Board should be independent of the Company's executive personnel and material business contacts. At least two of the members of the Board elected by shareholders should be independent of the Company's main shareholder(s).

The Board of Directors should not include executive personnel. If the Board does include executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the Board, including the use of Board committees to help ensure more independent preparation of matters for discussion by the Board, cf. Section 9.

The chairman of the Board of Directors should be elected by the general meeting so long as the Public Companies Act does not require that the chairman must be appointed either by the corporate assembly or by the Board of Directors as a consequence of an agreement that the Company shall not have a corporate assembly.

The term of office for members of the Board of Directors should not be longer than two years at a time.

The annual report should provide information to illustrate the expertise of the members of the Board of Directors, and information on their record of attendance at Board meetings. In addition, the annual report should identify which members are considered to be independent.

Members of the Board of Directors should be encouraged to own shares in the Company.

Composition of the Board of Directors

The Board of Directors consists of 8 members, and currently has the following composition: Hans Kristian Mong (Chairperson), Anne Breiby (Deputy Chairperson), Frode Teigen, Evy Vikene Kallelid, Nils Viga, Tore Obrestad, Carina Jensen and Henrik A. Schultz. The 3 latter directors have been elected by and from the employees.

All Board members are elected for a period not exceeding 2 years. All of the shareholder-elected members of the Board are independent from executive management and material business contacts. Three of the shareholder-elected members of the Board are independent from the largest shareholders of the Company. The chair of the Board is elected by the general meeting. All the members of the Board are generally encouraged to own shares in the Company.

Hans Kristian Mong and Frode Teigen represent the largest shareholder of the Company, Egersund Group AS. The other members of the board of directors are independent of shareholders and other stakeholders. Further details of the individual directors can be found in the Annual Report.

The nomination committee's recommendation of candidates, including the basis of the recommendation, will be appended to the notice for the annual general meeting, which will be published on the company's website and on the Oslo Stock Exchange's reporting site, www.newsweb.no.

▶ *Deviation from the Recommendation: None*

9. The work of the Board of Directors

The Board of Directors should produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation.

The Board of Directors should issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.

In order to ensure a more independent consideration of matters of a material character in which the chairman of the Board is, or has been, personally involved, the Board's consideration of such matters should be chaired by some other member of the Board.

The Public Companies Act stipulates that large companies must have an audit committee. The entire Board of Directors should not act as the Company's audit committee.

Smaller companies should give consideration to establishing an audit committee. In addition to the legal requirements on the composition of the audit committee etc., the majority of the members of the committee should be independent.

The Board of Directors should also consider appointing a remuneration committee in order to help ensure thorough and independent preparation of matters relating to compensation paid to the executive personnel. Membership of such a committee should be restricted to members of the Board who are independent of the Company's executive personnel.

The Board of Directors should provide details in the annual report of any Board committees appointed.

The Board of Directors should evaluate its performance and expertise annually.

Board responsibilities

The Board of Directors has the final responsibility for the management and organisation of the Company and supervising routine management and business activities. This involves that the Board is responsible for establishing control arrangements to secure that the Company operates in accordance with the adopted values and Code of Conduct as well as with shareholders' expectations of good corporate governance. The Board of Directors primarily looks after the interests of all the shareholders, but is also responsible for the Company's other stakeholders.

The Board's main tasks are to contribute to corporate competitiveness, and to ensure that the Company develops and adds value. Furthermore the Board of Directors shall contribute in the shaping of and in the implementation of the Group's strategy, employ the necessary control functions and in other ways ensure that the Group is well operated and organised. The Board sets the objectives for the financial performance and adopts the Company's plans and budgets. Items of major strategic or financial importance for the Group are handled by the Board. The Board hires the CEO, defines his or her work instructions and authority and sets his or her wages. The Board produces each year an annual plan for its work as recommended.

Instructions to the Board of Directors

The Board's instructions were approved by the Board in a board meeting on 21 September 2006. The instructions cover the following points: Composition of the Board, the Board's duties, day-to-day management, calling of Board meetings and related issues, the Board's decisions, Board minutes, disqualification and conflict of interest, confidentiality obligation, convening general meetings, insider rules and ethical guidelines for conduct of business. The Board of Directors can decide to deviate from instructions in certain cases.

Financial Reporting

The Board of Directors receives regular financial reports on the Group's economic and financial status.

Audit Committee

In accordance with section 6-41 of the Public Companies Act AKVA group has established an Audit Committee, consisting of Anne Breiby (chair) and Hans Kristian Mong. The Group CFO acts as the secretary of the committee. The mandate and work of the audit committee is described in further detail under item 10 below.

The audit committee has been operating since 2011. 6 meetings were held in the committee during 2014.

The Compensation Committee

The Charter for the compensation committee was approved by the Board in a Board meeting on 21 September, 2006. The committee's tasks revolve around the CEO's terms of employment and the remuneration of the executive management including wage levels, bonus systems, options schemes, pension schemes, employment contracts etc. The committee submits recommendations to the Board of Directors for final approval.

The current members are Nils Viga (Chair) and Frode Teigen. The Chairperson of the Board generally also participates in the meetings. The committee has had 1 meeting since the 2014 general meeting.

The Board's self-evaluation

The Board completes a self-evaluation annually in terms of efficiency, competence and the Board's duties in general. The evaluation is made available for the Nomination Committee.

▶ *Deviation from the Recommendation: None*

10. Risk management and internal control

The Board of Directors must ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. Internal control and the systems should also encompass the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility.

The Board of Directors should carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

The Board of Directors and internal control

The Board of Directors ensures that the company has appropriate internal control procedures and appropriate risk management systems tailored to its business. Managing operational risk primarily takes place within the operational subsidiaries, but with the Company's management as an active driving force through its positions in the boards of the subsidiaries. Generally, the subsidiaries have established adequate practices for such risk management.

The Group is exposed to currency, interest rate, and market risk, as well as credit risk and operational risk.

The Group has implemented a quality control system which further reduces operational risk. AKVA group ASA became ISO 9001: 2008 certified as of December 2014.

The Groups' financial guidelines ensure the monitoring of financial risk. Management of exposure in financial markets, including currency, interest rate and counterparty risk, is emphasised in the company's governing documents. Further details on these principles are provided in note 18 to the Group's financial statements and note 19 to the parent company's financial statements.

The Group has developed an authority matrix which is included in its governing documents.

Management regularly prepares performance reports that are reviewed by the Board. The quarterly financial statements are subject to review in Board meetings.

The Board's work plan

The Board of Directors has established an annual work plan that includes an annual review of compliance of external and internal laws and regulations, risk and the HSE-situation, financial risks and identification of risk related to the strategic goals and risk handling.

By carrying out the established work plan, the Board controls that the Company has sound internal control and systems for risk management for the Company's activities, including systems suitable for controlling the compliance with the Company's corporate values and ethical guidelines. The guidelines for corporate social responsibility is also included in the work plan.

Audit Committee

The mandate of the committee is to monitor and evaluate the Group's financial reporting, including to evaluate substantial accounting issues, accounting principles and procedures applied by the Group in its financial reporting to Oslo Stock Exchange. The committee is to evaluate the work of the Group's external auditor, including the auditor's independence from management and compliance with rules and regulations in regards to services beyond financial audit. The committee also discusses the scope of the audit with the external auditor as well as evaluates reports from the auditor to the Board of Directors and management of the Group. The Audit Committee nominates external auditor for the Group as well as propose compensation for the external auditor to the Board of Directors.

The Audit Committee is also monitoring the Groups internal control systems, including managements operational and financial risk management.

The Audit Committee is free to address any other issue it finds necessary to fulfill its mandate.

▶ *Deviation from the Recommendation: None*

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors should reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities.

The remuneration of the Board of Directors should not be linked to the Company's performance. The Company should not grant share options to members of its Board.

Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board. If they do nonetheless take on such assignments this should be disclosed to the full Board. The remuneration for such additional duties should be approved by the Board.

Any remuneration in addition to normal directors' fees should be specifically identified in the annual report.

It is the Board's opinion that the size of the remuneration of the Board of Directors is in compliance with the criteria in the recommendation concerning inter alia the Board's responsibility and expertise.

Furthermore, the following applies to the remuneration:

- The remuneration is not linked to the Company's performance, and the Board members are not granted share options
- None of the Board members and/or companies with which they are associated, have taken on specific assignments for the Company in addition to their appointment as a member of the Board.
- The remuneration of the Board is proposed to the general meeting by the nomination committee

▶ *Deviation from the Recommendation: None*

12. Remuneration of the executive management

The Board of Directors is required by law to prepare guidelines for the remuneration of the executive personnel. These guidelines are communicated to the Annual General Meeting. The board of director's statement on the remuneration of executive personnel should be a separate appendix to the agenda for the general meeting. It should also be clear which aspects of the guidelines are advisory and which, if any, are binding. The general meeting should vote separately on each of these aspects of the guidelines.

The guidelines for the remuneration of the executive personnel should set out the main principles applied in determining the salary and other remuneration of the executive personnel. The guidelines should help to ensure convergence of the financial interests of the executive personnel and the shareholders.

Performance-related remuneration of the executive personnel in the form of share options, bonus programmes or the like should be linked to value creation for shareholders or the Company's earnings performance over time. Such arrangements, including share option arrangements, should be an incentive to good performance and be based on quantifiable factors over which the employee in question can have influence. Performance-related remuneration should be subject to an absolute limit.

Guidelines and terms

The Board of Directors and the Compensation Committee have the responsibility to establish guidelines and recommendations with regards to the remuneration of the CEO and the executive management.

Each year the Committee undertakes a thorough review of the remuneration and other salary to the CEO and the executive Management. The review is based upon market sampling of similar positions. The structure and level of the remuneration and incentive system for the CEO and the executive management is determined by the Board of Directors. The fixed remuneration and performance-based remuneration - including option scheme to the executive management and the Board of Directors - is described in the notes to the annual accounts.

In February 2014 the Board approved a new incentive scheme for the Group. The new scheme, effective from 2014 onwards, holds three elements: (1) Strategic Value Incentive Scheme; providing incentives to the CEO and CFO relative to the actual development in the Company's market capitalisation in the 3 year period ending on 31 December 2016 limited to an amount equal to the CEO and CFO's respective fixed salary in the same period, (2) Operational Incentive Scheme; providing incentives to managers of business areas and key subsidiaries relative to actual annual financial and operational performance, limited to 30% of annual salary for the Group Management and 20% of annual salary for defined country managers as well as managers of main business entities (3) Loyalty Incentive Scheme; allowing selected key employees, crucial to the Group's long term development, participation in sharing 4% of the Group's annual EBT over a ten year program. Item 3 (Loyalty Incentive Scheme) has not been in use in 2014.

The general bonus plan does not exclude special bonus payments for particularly demanding projects.

According to the established bonus regime and agreed terms, total bonuses of NOK 364 000 were paid out in 2014 to the Group's executive management based on the 2013 performance.

AKVA group ASA introduced a share option plan in 2006, which allows the Board of Directors to grant options for the subscription of shares for an aggregate nominal value of NOK 1,012,108. The share option plan was approved by the general meeting on 6 October 2006. The options could be awarded both to leading employees and other selected employees. In 2010 120.000 options were awarded as part of the employment contract of the new CEO. The CEO exercised his 120,000 options to receive shares in AKVA group ASA on 2 November 2014 at a strike price of NOK 14.00 per share. The options were settled by cash payment from the company based on a market price per share of NOK 25.20. No new shares in AKVA group ASA were issued as a result of the exercise of these options and there are after 2 November 2014 no outstanding options in accordance with the previous share option plan.

No members of management or other employees are currently entitled to receive share options.

In accordance with the Public Companies Act and the Code, the guidelines for the remuneration of the CEO and the executive management are communicated as a separate appendix to the Annual General Meeting.

▶ *Deviation from the Recommendation:*
None other than as stated above.

13. Information and communications

The Board of Directors should establish guidelines for the Company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

The Company should publish an overview each year of the dates for major events such as its Annual General Meeting, publication of interim reports, public presentations, dividend payment date if appropriate etc.

All information distributed to the Company's shareholders should be published on the Company's web site at the same time as it is sent to shareholders.

The Board of Directors should establish guidelines for the Company's contact with shareholders other than through general meetings.

Annual and periodic accounts

The Company normally presents provisional annual accounts in late February. The complete annual report including annual financial statements and the Directors' report is sent to all shareholders and other stakeholders in April/May and presented at the annual general meeting. The Company also makes its quarterly accounts publicly available through the Oslo Stock Exchange publication system, as well as through presentations that are open to the public. The Company's financial calendar is published on the Company's website and through the Oslo Stock Exchange publication system. All shareholders have equal access to financial and other material company information.

Other market information

Public presentations are conducted in connection with the Company's quarterly reports. The quarterly presentation is also made available on the Group's website and through the Oslo Stock Exchange publication system.

In the quarterly report the CEO reviews the result for the past period and comments on the development for the various products and market segments. Furthermore the CEO provides a summary of the market outlook and short term future prospects. The CFO also participates in these presentations. The CEO and CFO also maintains a dialog with and makes regular presentations to analysts and potential investors.

The Company considers it essential to keep shareholders and potential investors informed about its economic and financial development. Significant importance is also attached to securing that the same information is released to the whole market at the same time. From time to time the Company will prepare an updated Company Presentation which is made available on the Company's home page <http://ir.akvagroup.com/investor-relations/financial-info-/other-presentations-and-reports>.

▶ *Deviation from the Recommendation: None*

14. Take-overs

The Board of Directors should establish guiding principles for how it will act in the event of a take-over bid.

In a bid situation, the company's Board of Directors and management have an independent responsibility to help ensure that shareholders are treated equally, and that the Company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer.

The Board of Directors should not hinder or obstruct take-over bids for the Company's activities or shares.

Any agreement with the bidder that acts to limit the company's ability to arrange other bids for the company's shares should only be entered into where it is self-evident that such an agreement is in the common interest of the company and its shareholders. This provision shall also apply to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation should be limited to the costs the bidder has incurred in making the bid.

Agreements entered into between the company and the bidder that are material to the market's evaluation of the bid should be publicly disclosed no later than at the same time as the announcement that the bid will be made is published.

In the event of a take-over bid for the Company's shares, the Company's Board of Directors should not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following the announcement of the bid.

If an offer is made for a Company's shares, the Company's Board of Directors should issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on the offer should make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The Board should arrange a valuation from an independent expert. The valuation should include an explanation, and should be made public no later than at the time of the public disclosure of the board's statement.

Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting, except in cases where such decisions are required by law to be decided by the corporate assembly.

The Board of Directors has established guidelines in the event of an offer for all or a substantial majority of the shares in AKVA group is made.

In the event of a take-over bid for the shares in the Company, the Board shall ensure that shareholders in the Company are treated equally, and that the Company's business activities are not disrupted unnecessarily.

The Board shall ensure that shareholders are given sufficient information and time to form a view of the offer. The Board shall not seek to prevent or obstruct take-over bids for the Company's business or shares unless there are particular reasons to do so. Any agreement with a bidder for the shares of the Company that acts to limit the Company's ability to arrange other bids for the Company's shares should only be entered into where such an agreement clearly is in the common interest of the Company and the shareholders. This provision shall also apply to any agreement on the payment of financial compensation to a bidder if the bid does not proceed. In the event of a take-over bid for the Company's shares, the Board shall not exercise authorizations or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting subsequent to the announcement of the bid. If an offer is made for the shares in the Company, the Board shall issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case it shall explain the basis on which specific members of the Board have excluded themselves from the Board's statement. Before issuing its final statement the Board shall arrange for an evaluation of the financial aspects of the bid from an independent expert. The evaluation shall include an explanation, and shall be made public no later than at the time the Board's statement is made public.

▶ *Deviation from the Recommendation: None*

15. Auditor

The auditor should submit the main features of the plan for the audit of the Company to the audit committee annually.

The auditor should participate in meetings of the Board of Directors that deal with the annual accounts. At these meetings the auditor should review any material changes in the Company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the Company.

The auditor should at least once a year present to the audit committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.

The Board of Directors should hold a meeting with the auditor at least once a year at which neither the chief executive nor any other member of the executive management is present.

The Board of Directors should establish guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit.

The Board of Directors must report the remuneration paid to the auditor at the Annual General Meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

An outline of the work planned by the Auditor is presented to the Audit committee every year. The Auditor is always present during the Board's discussion of the annual accounts. At this meeting the Board is briefed on the annual accounts and any other issues of particular concern to the Auditor. Part of the meeting is also executed without the presence of the CEO or other executive management. The Chairman of the Board also has an annual separate meeting with the Auditor. The Board has implemented guidelines in respect of use of the auditor by the executive management for services other than the audit.

▶ *Deviation from the Recommendation: None.*

16. Management and internal procedures

This point is not covered by the Corporate Governance Recommendation.

Group CEO

The Group Chief Executive Officer/CEO is in charge of the day-to-day management of the Group, including responsibility for the Company and the other companies in the Group being organised, operated and further developed in accordance with applicable legislation, the Articles of Association and decisions taken by the Board of Directors and the annual general meeting.

Executive Management

The executive management consists of 6 individuals. In addition to the Group CEO, the executive management consists of the Chief Financial Officer (CFO), the Chief Operating Officer (COO) Americas, the Chief Operating Officer (COO) Nordic, the Chief Operating Officer (COO) Exports and the Chief Operating Officer (COO) Technology and Software.

The executive management group meets monthly with a fixed agenda in addition to fixed weekly meetings and day-to-day contact on an operational basis and a number of other scheduled meetings and business reviews through the year.

Evaluations

The executive management group evaluates its own work and working methods annually. The evaluation is submitted to the Board's Compensation Committee, and a condensed version is presented to the Board of Directors.

Intra-Group Boards

Each Group company (other than the Company) has its own Board of Directors staffed by members of the executive management group and sometime other senior employees. External Directors are also from time to time appointed.

