Strong financial performance

<u>Second quarter 2019 – HIGHLIGHTS</u>

- **Order intake of 760 MNOK up from 471 MNOK in Q2 2018**
- **Significant Land Based tender won with Russian Sea, expected signing Q3/Q4, not yet included in order backlog**
- **Revenue at 798 MNOK, 27% increase compared to Q2 2018**
- **EBITDA at 101 MNOK, 94% increase compared to Q2 2018**
- **Dividend of NOK 1.00 per share to be paid out in September 2019**

YTD 2019 – HIGHLIGHTS

- **Net profit of 60 MNOK, 38% increase compared to 1H 2018**
- **Order backlog end of Q2 2019 increased to 1.6 BNOK, up from 1.4 BNOK as of Q4 2018**
- **Dividend of NOK 0.75 per share paid in March 2019**

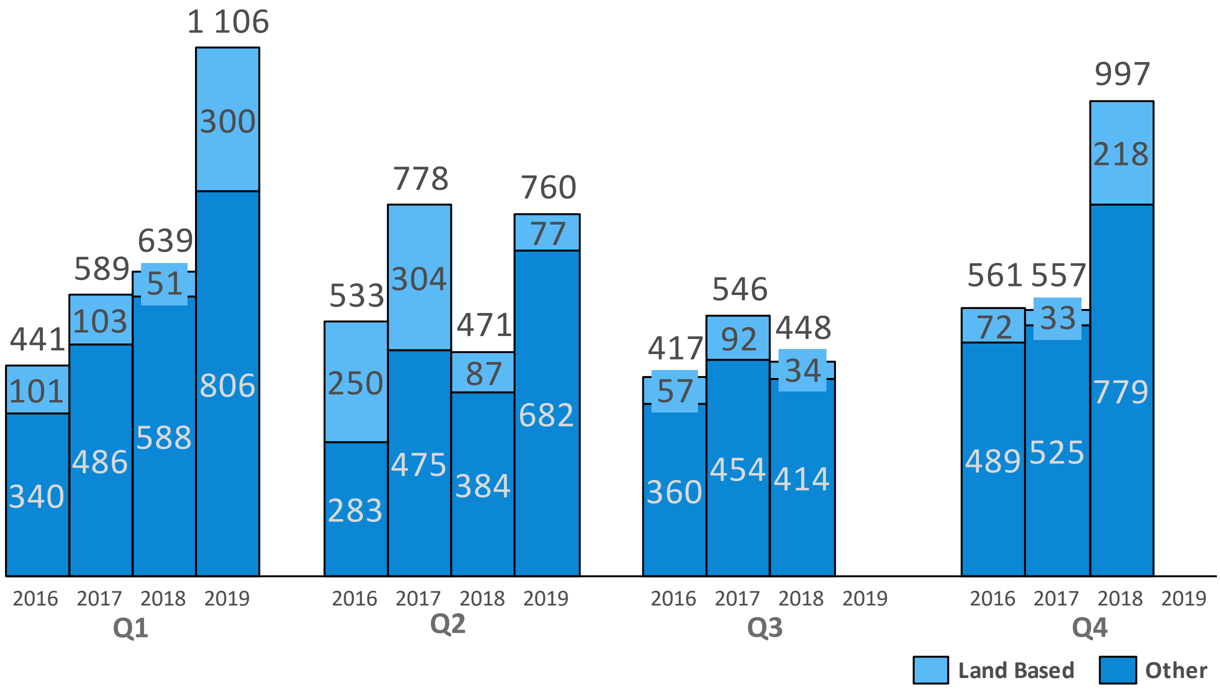
Order intake, revenues and profits for the Group

(Figures in brackets = 2018 unless other is specified)

Operations and profit

Order intake was 760 MNOK in Q2 2019 compared to 471 MNOK in Q2 2018. On a trailing twelve months basis order intake has increased to 3,312 MNOK compared to 2,555 MNOK for full year 2018.

Quarterly order intake



The order backlog at the beginning of the quarter was 1,611 MNOK compared to 1,430 MNOK at the beginning of Q2 2018. At the end of the second quarter, the order backlog decreased to 1,572 MNOK. Revenues in Q2 2019 ended at 798 MNOK compared to 627 MNOK in Q2 last year.

Order intake in the Nordic region ended on 379 MNOK in the quarter, compared to 219 MNOK in Q2 2018.

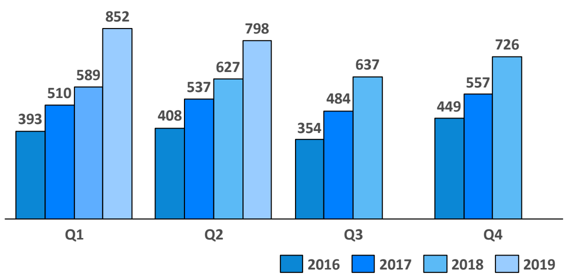
A significant Land Based tender was won with Russian Sea of 11.9 MEUR, expecting to be signed Q3/Q4 not included in order backlog yet. The pipeline for future projects continues to be good, and a Co-operation agreement was signed with Cooke Aquaculture in August, with potential for delivery of several larger land based smolt projects. The first of these is expected to be signed in Q3. The total order intake in the quarter ended at 77 MNOK for the Land Based segment, compared to 87 MNOK in Q2 2018.

The high market activity in the Americas continues and the region had an order intake of 183 MNOK in the quarter, compared to 139 MNOK in Q2 2018. AKVA group North America signed a sales and supply contract with Grieg NL in Q3 2018 for the sale of barges. The contract is not included in the order backlog yet pending specific purchase orders to be issued. Following continued good activity and high order backlog, Q2 2019 revenues in Americas were 136 MNOK compared to 125 MNOK in Q2 2018.

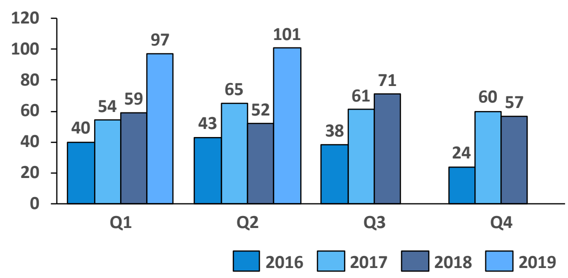
EME (Europe & Middle East) has after completion of some larger contracts in 2018 seen a reduction in revenue to 59 MNOK compared to 90 MNOK in the same quarter last year.
Depreciation and amortization for the quarter were 48 MNOK compared to 25 MNOK in the same quarter last year and EBIT increased from 27 MNOK in Q2 2018 to 53 MNOK in Q2 2019. Depreciation of IFRS 16 assets accounted for 14 MNOK in the quarter.

Net financial items were -10 MNOK, increased from -4 MNOK in the second quarter last year. Interest expenses of -5 MNOK was related to the implementation of IFRS 16. Profit before tax ended at 43 MNOK, up from 23 MNOK in Q2 2018. Estimated taxes were 12 MNOK in the quarter compared to 4 MNOK last year and Net Profit increased from 19 MNOK last year to 31 MNOK in Q2 2019.

Quarterly revenue



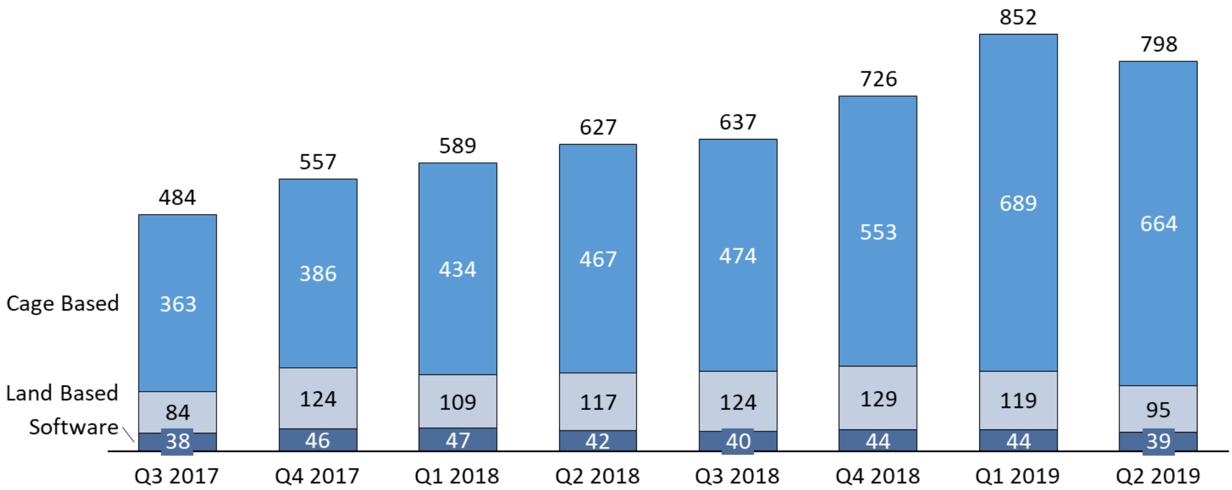
Quarterly EBITDA



Business Segments & other information

The information below shows AKVA group's three business segments, Cage Based Technology, Land Based Technology and Software (ref. notes to the interim financial statements). Other information includes revenues by geographical region, by fish species and by OPEX/CAPEX type of revenue.

Revenue per segment



Cage Based Technology (CBT)

The total CBT revenue for Q2 2019 ended at 664 MNOK (467). The EBITDA for the segment in Q2 came out at 85 MNOK (35). The EBITDA margin was 12.8% (7.5%). EBIT and EBIT margin ended at 46 MNOK (17) and 6.9% (3.6%), respectively.

The revenue in the Nordic region ended at 482 MNOK (260). The margins in the Norwegian barge business are significantly better than the last half of 2018 and Q1, however there remains an untapped improvement in project execution. Sperre has had a strong start to 2019, with higher revenue and EBITDA than last year with deliveries of both Flying Net Cleaner and ROV. AKVA Marine Services had a strong quarter, significantly better than last year.

In the Nordic region, the order intake ended at 379 MNOK (219) in the second quarter and the region continues to experience high activity with a strong pipeline.

In the Americas region the growth continues, with revenue of 136 MNOK compared to 125 MNOK in the same quarter in 2018. The sales and supply contract with Grieg NL signed in Q3 is not included in the order backlog yet. Order intake in Americas increased from 139 MNOK to 183 MNOK within the region in Q2.

EME ended the quarter with revenue of 59 MNOK, a decrease from 90 MNOK in the same quarter last year. The operations in Greece, Spain and Middle East are well positioned for the anticipated growth in the region. Our operation in Turkey is well positioned when the Turkish market picks up again, and has in Q2 signed orders for 22 MNOK.

Land Based Technology (LBT)

Revenues for the second quarter were 95 MNOK (117). EBITDA ended at 12 MNOK (12) and EBIT was 7 MNOK (9). EBITDA margin was 12.2% (10.5%) and EBIT margin 7.5% (7.4%).

Order intake in Q2 2019 was 77 MNOK compared to 87 MNOK in Q2 2018. The pipeline of projects continues to be good. Order backlog ended at 611 MNOK compared to 449 MNOK last year.

Software (SW)

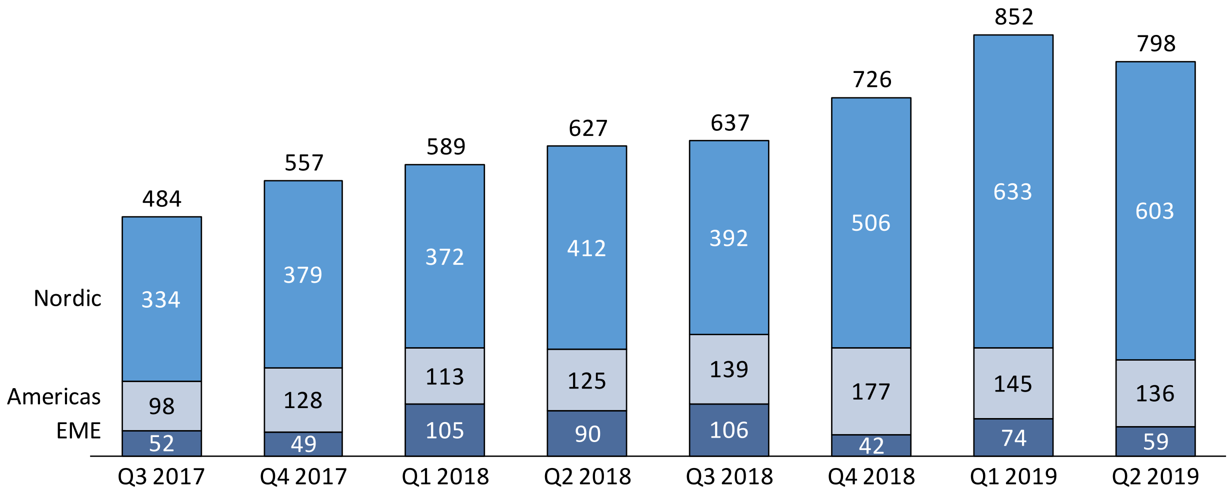
The revenue in the segment was 39 MNOK (42). EBITDA and EBIT ended at 4 MNOK (5) and 0 MNOK (1), respectively. The related EBITDA and EBIT margins were 9.6% (10.7%) and -0.5% (2.5%).

Digital solutions in Software integrated with control systems and AI solutions creates stronger combined offerings. First version of modernized Fishtalk delivered, with open, cloud based API and new modern app’s. Brand new control system, AKVAconnect to be launched at Aqua Nor in August. Successful launch of Observe AI (artificial intelligence), now in use by 15 customers globally.

As noted in a stock notice of 18 June 2019, AKVA group has terminated the agreement with Advania ehf, to divest Wise lausnir ehf. The process of evaluating other strategic options for Wise is continuing.

Revenue per region

Revenue for Americas increased by 9% compared to the same quarter last year. The Nordic region is also seeing a significant increase, both due to higher activity and the impact of the Egersund Net group of companies which was consolidated with effect from 1 September 2018.

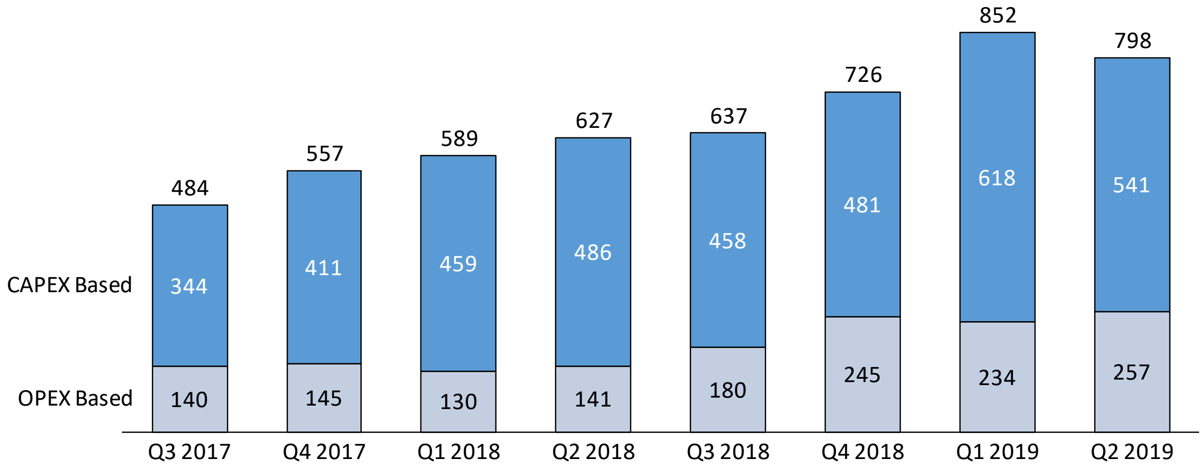


AKVA group has organized its business into three geographical regions;

- *Nordic: Includes the Nordic countries,*
- *Americas: Includes the Americas and Oceania, and*
- *Europe and Middle East (EME - previously referred to as Export): Includes the rest of the world*

CAPEX vs OPEX based revenue

The OPEX based revenue has increased to 257 MNOK in Q2 2019 from 141 MNOK in Q2 2018. Egersund Nets service stations contributed 112 MNOK in Q2 2019.

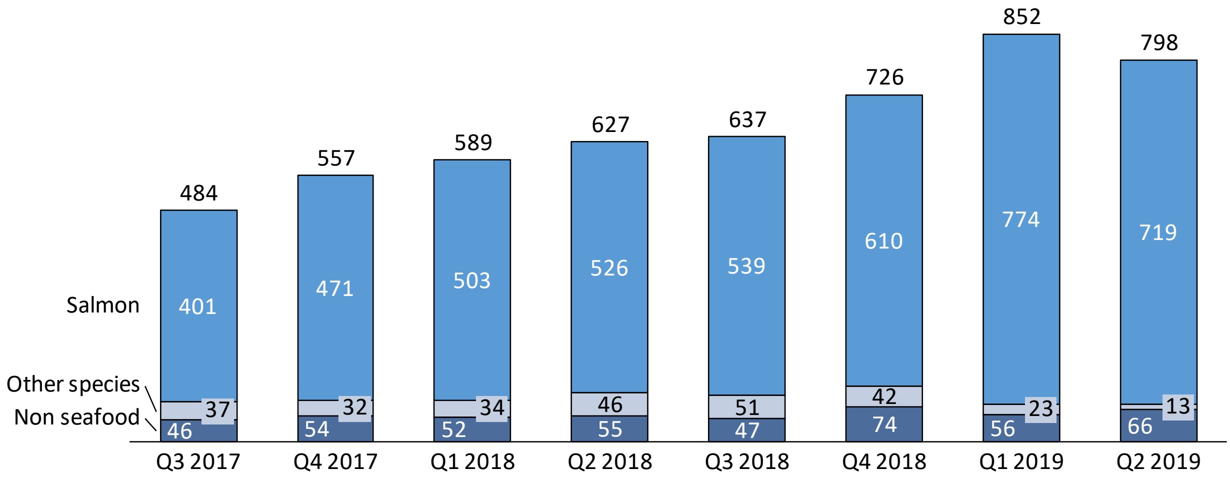


The revenue in AKVA group can also be divided based on CAPEX based revenue and OPEX based revenue. The above graphs shows the last eight quarters development in revenue in either CAPEX or OPEX based revenue. We use the following definition:

- *CAPEX based: Revenue classified as CAPEX in our customers' accounts*
- *OPEX based: Revenue classified as OPEX in our customers' accounts*

Species

The majority of the revenues are generated from the Salmon segment. The revenues from other species relates mainly to the Mediterranean area.



The revenue in AKVA group can be divided based on species, and the above graphs show the last eight quarters development in revenue per species. The following species are used:

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

Balance sheet and cash flow

The working capital was 485 MNOK as at 30 June 2019, an increase from 292 MNOK as at 31 March 2019. The working capital relative to last twelve months revenue was 16.1% at the end of Q2. Average working capital on a trailing twelve months basis was 12.6%, up from 10.7% in Q1 2019.

CAPEX in Q2 2019 was 24 MNOK, where 12 MNOK was related to capitalized R&D expenses (in accordance with IFRS). Further, 4 MNOK was CAPEX related to the Group's rental model and 8 MNOK was Other CAPEX. The main investments in the second quarter 2019 were R&D expenses in the Group as well as rental equipment in AKVA group Service and AKVA group Scotland.

Cash and unused credit facilities amounted to 469 MNOK at the end of Q2 2019 versus 418 MNOK at the end of Q2 2018. The total credit facility (at Danske Bank) is 503 MNOK.

In May 2019 AKVA group ASA secured additional 100 MNOK in new long term loans as well as established a 200 MNOK revolving credit facility.

Net interest-bearing debt was 726 MNOK at the end of Q2 2019 compared to 371 MNOK at the end of Q2 2018.

Gross interest-bearing debt was 906 MNOK at the end of Q2 2019 versus 528 MNOK at the end of Q2 2018. The short-term interest bearing debt in the balance sheet includes the next 12 months installments of the long-term debt. This is in accordance with current IFRS requirements. The IFRS 16 lease liability end of Q2 2019 was 435 MNOK, not included in the interest bearing debt

Return on capital employed (ROCE) at the end of Q2 2019 was 8.4% (13.7%). Compared to Q2 2018 the capital employed has increased due to the acquisition of Egersund Net. EBIT is including 10 months of Egersund Net, resulting in a decreased

ROCE. The average ROCE (ROACE) ended at 8.9% (14.5%). The proforma ROCE including full year EBIT of Egersund Net is 9.2% at the end of Q2 2019 and the proforma ROACE ended at 9.7%.

Total assets and total equity amounted to 3,260 MNOK and 1,068 MNOK respectively, resulting in an equity ratio of 32.8% (26.5%) at the end of Q2 2019. The assets and liabilities related to Wise ehf is reclassified as assets-held-for-sale and liabilities-held-for-sale at the end of Q2 2019. The assets-held-for-sale is 47 MNOK and the liability-held-for-sale is 25 MNOK.

IFRS 16 has been implemented retrospectively as of 1 January 2019 (ref notes to the accounts), and the right-of-use asset and lease liability was 457 MNOK, at that date.

Other shareholder issues

Earnings per share in Q2 2019 were 0.88 NOK (0.73). The calculations are based on 33,216,349 (25,806,420) shares on average. The full year earnings per share in 2018 ended at 3.17 NOK.

The extraordinary general meeting in AKVA group held on 14th August 2018 approved the resolution to issue a further 7,500,000 shares. The new total number of shares in AKVA group is 33,334,303.

The minority interests in Sperre AS are not reflected in the balance sheet as the accounts are presented based on the assumption that AKVA group will exercise its option to buy the minority shareholder shares in the company. The potential liability of this is estimated at 65 MNOK, due in 2020, and the amount is presented within the non-interest bearing liabilities in the Balance Sheet.

As of the 2 April 2019 AKVA group entered into an agreement with the minority shareholders of AKVA Marine Services AS to acquire the remaining shares in AKVA Marine Services AS. The completion of the acquisition took place on 4 April 2019.

The 20 largest shareholders are presented in note 6 in this report.

Atlantis Subsea Farming AS

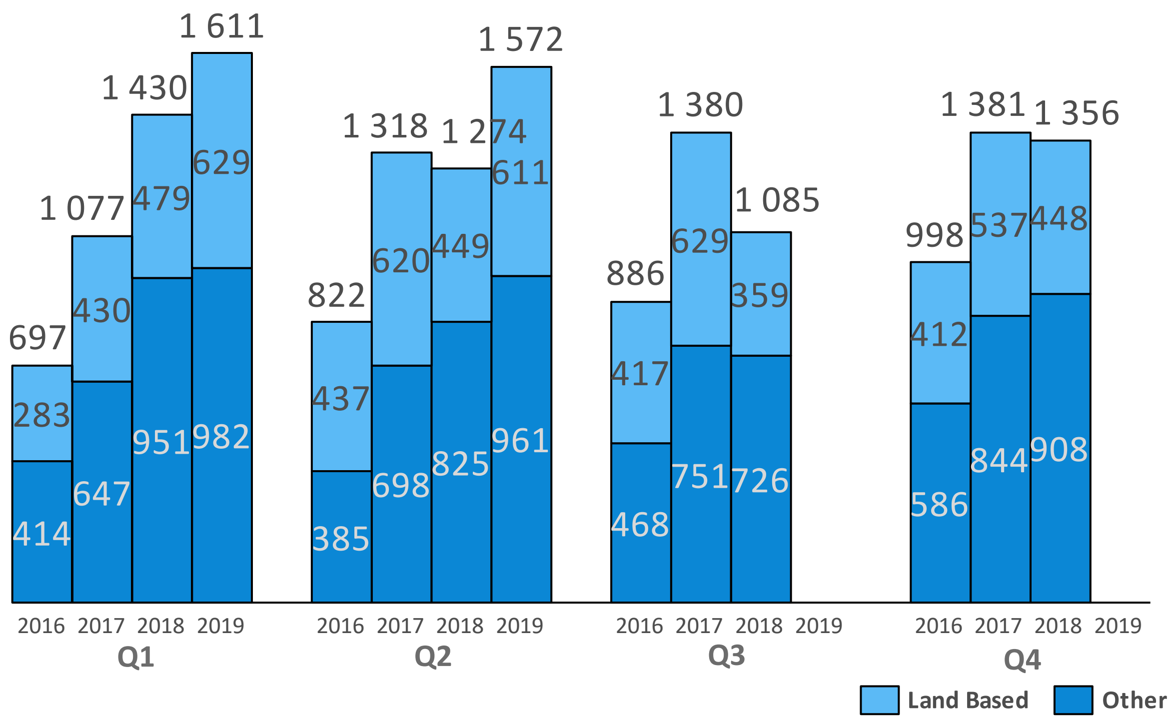
In January 2016, AKVA group, together with Sinkaberg-Hansen AS and Egersund Net AS, established Atlantis Subsea Farming AS for the purpose of developing submersible fish-farming facilities for salmon on an industrial scale, which will both enable better and more sustainable utilization of today's locations, and also open up the opportunity for farming at more exposed locations.

The Atlantis Subsea Farming project requires large-scale testing of the technological and operational solutions. On 22 February 2018, the Norwegian Directorate of Fisheries announced that the Company has been granted one license. Atlantis Subsea Farming AS is now in a technology testing phase with regards to execution of the project.

Market and future outlook

The order backlog at the end of Q2 was 1,572 MNOK (1,274). 611 MNOK or 39% of total order backlog at the end of Q2 is related to the Land Based Technology (LBT).

Order backlog



The order backlog for Land Based projects is strong, and the order pipeline is good, in all geographical areas. Further, project execution is improved, and the potential for growth in revenues and earnings are good. Timing of this is dependent on planning and execution of infrastructure works at customers.

The Nordic CBT market continues to be strong, although competition is fierce. Several improvement programs have been initiated and new products are being launched in August to strengthen our position and improve earnings.

The Americas region is experiencing a continued high activity level. Following several improvement programs, margins have increased. To further strengthen our competitive position, work has been initiated to evaluate how to broaden our product and service offering.

Our presence on the east coast of Canada is being built on the Sales and Supply contract entered into with Grieg NL in Q3 2018 for the delivery of barges. The contract secures a good platform for further development in the area. In Q2 a letter of intent has been agreed with a local partner to form a joint venture to explore service offerings on land and in sea.

Our digital solutions is being integrated with our control systems and a new modernized version of Fishtalk has been launched. Further a brand new control system, AKVAconnect will be launched in August. The cooperation with Observe AI (artificial intelligence) has materialized in firm contracts, and 15 customers now use our solution. All, factors that will assist in generate growth in the software area going forward.

The acquisition of Egersund Net has been successful and both the service and new sales division of the company has grown (pro-forma) YTD 2019 compared to last year. There are good potential to further build on the competence and expertise in Egersund to expand net sales and services to other geographical areas. Firm plans exists to expand the service offering in northern Norway (together with a local partner) by building a new service station.

In general the market activity is good in most markets and opportunities exist on a broad basis to further strengthen AKVA's position.

Statement from the Board and Chief Executive Officer

We confirm that, to the best of our knowledge, the condensed set of financial statements for the period 1 January to 30 June 2019, which have been prepared in accordance with IAS 34 Interim Financial Statements, gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Fredericia, 13 August 2019
Board of Directors, AKVA group ASA

Hans Kristian Mong
(Chairperson)

Anne Breiby
(Deputy chairperson)

Anthony James

Kristin Reitan Husebø

Knut Nesse

Hanne Cecilie Pettersen

John Morten Kristiansen

Odd Jan Håland

Hallvard Muri
(CEO)

Interim financial statements

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (NOK 1 000)	Note	2019 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Total
OPERATING REVENUES	5	**797 989**	**626 975**	**1 650 257**	**1 216 332**	**2 579 473**
Operating costs ex depreciations		697 371	575 145	1 452 710	1 105 330	2 341 706
OPERATING PROFIT BEFORE DEPR.(EBITDA)	5	**100 618**	**51 830**	**197 547**	**111 002**	**237 767**
Depreciation		21 743	16 063	44 676	29 856	69 238
IFRS 16 Depreciation		13 680	-	27 289	-	-
Amortization		12 182	9 123	23 871	17 285	38 663
OPERATING PROFIT (EBIT)	5	**53 013**	**26 644**	**101 711**	**63 860**	**129 866**
Net interest expense		-5 532	-3 368	-10 346	-6 294	-14 068
IFRS 16 Interest expenses		-4 852		-10 243		
Other financial items		-505	-738	-878	-4 823	-4 282
Net financial items		-10 890	-4 106	-21 467	-11 117	-18 350
PROFIT BEFORE TAX		**42 124**	**22 538**	**80 243**	**52 744**	**111 516**
Taxes		11 899	3 662	20 701	9 726	22 147
NET PROFIT		**30 225**	**18 876**	**59 542**	**43 017**	**89 369**
Net profit (loss) attributable to:						
Non-controlling interests		1 127	-75	1 513	-86	-334
Equity holders of AKVA group ASA		29 098	18 951	58 029	43 104	89 703
Earnings per share equity holders of AKVA group ASA		0,88	0,73	1,74	1,67	3,17
Diluted earnings per share equity holders of AKVA group ASA		0,88	0,73	1,74	1,67	3,17
Average number of shares outstanding (in 1 000)		33 216	25 806	33 261	25 806	28 306
Diluted number of shares outstanding (in 1 000)		33 216	25 806	33 261	25 806	28 306

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (NOK 1 000)	Note	2019 30.6.	2018 30.6.	2018 31.12.
Intangible fixed assets	1,3	1 064 407	561 639	1 069 356
Deferred tax assets		15 796	12 634	15 971
Fixed assets		754 860	266 839	332 381
Long-term financial assets		68 412	7 895	72 720
FIXED ASSETS		**1 903 476**	**849 006**	**1 490 428**
Stock		434 456	256 890	461 917
Trade receivables		591 026	576 717	473 633
Other receivables		128 166	20 054	96 873
Cash and cash equivalents		155 427	134 764	133 117
CURRENT ASSETS		**1 309 075**	**988 426**	**1 165 540**
Assets held for sale		**47 439**	**43 642**	**46 962**
TOTAL ASSETS		**3 259 990**	**1 881 074**	**2 702 931**
Paid in capital		880 344	355 522	880 522
Retained equity		186 049	142 960	181 901
Equity attributable to equity holders of AKVA group ASA		1 066 393	498 482	1 062 423
Non-controlling interests	1,3	1 697	432	184
TOTAL EQUITY		**1 068 090**	**498 914**	**1 062 607**
Deferred tax		104 048	64 931	85 114
Other long term debt		451 357	109 816	103 641
Long-term interest bearing debt	1	663 590	360 648	360 254
LONG-TERM DEBT		**1 218 995**	**535 394**	**549 010**
Short-term interest bearing debt		242 409	167 495	401 155
Other current liabilities		705 874	654 564	666 312
SHORT-TERM DEBT		**948 283**	**822 059**	**1 067 467**
Liability held for sale		**24 622**	**24 706**	**23 847**
TOTAL EQUITY AND DEBT		**3 259 990**	**1 881 074**	**2 702 931**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (NOK 1 000)	Note	2019 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Total
Balance at start of period before non-controlling interest		1 054 822	490 605	1 062 423	501 677	501 677
The period's net profit		29 098	18 951	58 029	43 104	89 703
Buyback of own shares		-13 096	-	-13 096	-	-
Sale of own shares		-	-	-	-	-
Equity issue		-	-	-	-	525 000
Gains/(losses) on cash flow hedges (fair value)		362	-4 364	-2 534	-8 192	-5 447
Dividend		-	-	-24 980	-19 355	-44 335
Valuation adjustment option		-965	-	-965	-	6 098
Translation differences		-3 828	-6 710	-12 485	-18 751	-10 273
Equity before non-controlling interests		1 066 393	498 482	1 066 393	498 482	1 062 423
Non-controlling interests		1 697	432	1 697	432	184
Book equity at the end of the period		1 068 090	498 914	1 068 090	498 914	1 062 607

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW	Note	2019 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Totalt
Cash flow from operating activities						
Profit before taxes		42 124	22 538	80 244	52 744	111 515
Taxes paid		-15 639	-3 877	-23 041	-9 375	-14 682
Net interest cost		5 533	3 368	10 346	6 294	14 068
Gain/loss on disposal of fixed assets		-21	-	-106	-76	-91
Depreciation and amortization		47 605	25 185	95 836	47 141	107 901
Changes in stock, accounts receivable and trade payables		-116 944	-104 983	-135 055	-139 973	-60 406
Changes in other receivables and payables		-72 288	49 721	6 010	140 939	20 816
Net foreign exchange difference		-448	-4 293	-3 405	-14 848	-11 141
Cash generated from operating activities		-110 080	-12 341	30 829	82 845	167 982
Interest received		1 510	597	2 191	1 270	3 685
Interest paid		-7 043	-3 965	-12 537	-7 564	-17 753
Net cash flow from operating activities		**-115 612**	**-15 709**	**20 483**	**76 551**	**153 913**
Cash flow from investment activities						
Investments in fixed assets		-22 464	-24 852	-46 578	-50 370	-99 053
Proceeds from sale of fixed assets		312	1 316	416	4 044	4 699
Net payment of long-term receivables		-2 057	-2 846	-742	-3 412	-8 042
Acquisition of subsidiary net of cash acquired	1,3	-39 121	-	-39 121	-	-168 276
Net cash flow from investment activities		**-63 330**	**-26 382**	**-86 025**	**-49 737**	**-270 673**
Cash flow from financing activities						
Repayment of borrowings		16 465	26 790	-65 485	-10 523	-25 174
Proceed from borrowings		192 426	46 828	197 008	47 483	228 389
Dividend payment		-	-	-24 980	-19 355	-44 335
New equity		-	-	-	-	-
Sale/(purchase) own shares		-13 096	-	-13 096	-	-
Net cash flow from financing activities		**195 795**	**73 618**	**93 448**	**17 605**	**158 880**
Net change in cash and cash equivalents		16 853	31 527	27 906	44 419	42 121
Net foreign exchange differences		-959	-1 675	-4 288	-4 516	-2 227
Cash and cash equivalents at beginning of period		164 587	127 020	156 862	116 969	116 969
Cash and cash equivalents at end of period		**180 481**	**156 872**	**180 481**	**156 872**	**156 862**

Selected notes to the condensed interim consolidated financial statements

Note 1 General information and basis for preparation

AKVA group consists of AKVA group ASA and its subsidiaries. There has not have been any changes in the Group’s legal structure since year-end 2018.

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as adopted by the EU (IAS 34). The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statement. The condensed interim financial statements do not include all of the information and disclosures required by International Reporting Standards (IFRS) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the most recent annual financial statements. The annual financial statements were prepared in accordance with International Financial Reporting Standards and interpretations as issued by the International Standards Board and as adopted by the EU. A description of the significant accounting policies applied in preparing these condensed interim financial statements is included in AKVA group's consolidated financial statements for 2018. There have been no changes to significant accounting policies since the preparation of the annual financial statements for 2018. The condensed interim financial statements are unaudited.

Because of rounding differences, numbers or percentages may not add up to the total. The consolidated financial statements for the Group for the year ended 31 December 2018 are available upon request from the company’s office at Plogfabrikkveien 11, 4353 Klepp Stasjon, Norway or at http://ir.akvagroup.com/investor-relations/financial-info-/annual-reports.

Note 2 Accounting principles

All significant accounting principles applied in the consolidated financial statement are described in the Annual Report 2018 (as published on the OSE on 27 March 2019).

AKVA group accounts for associates owned between 20% and 50% by using the equity method. Gain/loss on investments are recognized as other operating revenue, subject to the investment being of similar character and type as the other businesses within the group.

New standards adopted in 2019:

IFRS 16
The new accounting standard IFRS 16 Leases was effective from 1 January 2019. IFRS 16 sets out the principles for recognition, measurement, presentation and disclosures of leases and replaces IAS 17 and other previous guidance on lease accounting within IFRS. The new standard represents a significant change in lessees' accounting for leases but keeps the accounting model for lessors mainly unchanged.

IFRS 16 defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract that meets this definition, IFRS 16 requires lessees to recognize a right-to-use asset and a lease liability in the balance sheet with certain exemptions for short term and low value leases. Lease payments are to be reflected as interest expense and a reduction of lease liabilities, while the right-of-use assets are to be depreciated over the shorter of the lease term and the assets' useful life. The portion of lease payments representing payments of lease liabilities shall be classified as cash flows used in financing activities in the statement of cash flows.

AKVA has applied the modified retrospective approach, and choose to elect the option to recognise the ROU-assets as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. AKVA group's IFRS 16 lease liability as of 1 January 2019 was 457 MNOK. The IFRS 16 right-to-use asset as of 1 January 2019 corresponds with the lease liability. The depreciation of IFRS 16 assets is 14 MNOK in the quarter and the interest expense related to these assets is 5 MNOK.

The implementation of IFRS 16 impacted the Group's consolidated balance sheet by increased total assets and total liabilities. The consolidated statement of income is impacted by reduced lease expenses and increased depreciation and interest expenses. Alternative performance measures will be adjusted correspondingly.

Note 3 Recognition and measurement of assets and liabilities in connection with acquisitions

IFRS 3 permits adjustments to items recognized in the original accounting for business combination, for a maximum of one year after the acquisition date, if and when new information about facts and circumstances existing at the acquisition date is obtained. AKVA group will make a final assessment before this one-year period comes to an end.

Note 4 Events after the reporting period

As of the 2 April 2019 AKVA group launched a share buyback program for purchase of 200.000 shares in the company. The shares purchased under the programme will be used for the Company's stock and incentive program for the Company's senior management. On the 1 July 2019 AKVA group completed the share buyback program.

Note 5 Business segments

AKVA group is organized in three business segments; Cage Based Technology, Software and Land Based Technology.

Cage Based Technology (CBT) consist of the following companies; AKVA group ASA, Helgeland Plast AS, AKVA group Services AS, AKVA Marine Services AS, Sperre AS, AKVA group Scotland Ltd, AKVASmart Turkey Ltd, AKVA group Australia Pty Ltd, AKVA group Chile S.A., AKVA group North America Inc, AKVA group Middle East LLC, AKVA group Hellas, AKVA group Espana, Egersund Net AS, Egersund Trading AS, UAB Egersund Net and Grading Systems Ltd. The products included in the segment are: Cages, barges, feed systems, sensors, net cleaning systems, nets and other operational technologies and systems for Cage Based Aquaculture.

Land Based Technology (LBT) consist of the following companies; AKVA group Land Based Norway AS, AKVA group Denmark A/S, and AKVA group Land Based A/S. The products included in the segment is recirculation systems and other technologies for land based aquaculture and post smolt facilities.

Software (SW) consist of the following companies; AKVA group Software AS, Wise Blue AS and Wise ehf. The products included in software includes software solutions and professional services.

The same accounting principles as described for the Group financial statements have been applied for the segment reporting. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions, and the measurement used in the segment reporting is the same as used for the actual transactions.

CONDENSED CONSOLIDATED BUSINESS SEGMENTS (NOK 1 000)	2019 Q2	2018 Q2	2019 YTD	2018 YTD	2018 Total
Cage based technology					
Nordic operating revenues	482 253	260 086	975 461	487 262	1 092 004
Americas operating revenues	124 172	117 635	247 034	220 139	494 906
Europe & Middle East operating revenues	57 868	89 746	130 808	193 747	340 522
INTRA SEGMENT REVENUE	664 293	467 467	1 353 303	901 148	1 927 432
Operating costs ex depreciations	578 967	432 522	1 191 334	826 684	1 770 443
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	85 327	34 945	161 969	74 463	156 989
Depreciation	39 202	18 034	79 584	33 897	81 420
OPERATING PROFIT (EBIT)	46 125	16 911	82 385	40 567	75 569
Software					
Nordic operating revenues	33 714	37 375	72 518	79 125	152 614
Americas operating revenues	4 333	4 485	8 926	9 230	17 795
Europe & Middle East operating revenues	634	577	1 280	1 221	2 354
INTRA SEGMENT REVENUE	38 681	42 438	82 724	89 576	172 764
Operating costs ex depreciations	34 964	37 897	70 812	74 585	139 523
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	3 716	4 541	11 911	14 991	33 241
Depreciation	3 927	3 490	7 818	6 919	13 657
OPERATING PROFIT (EBIT)	-211	1 051	4 094	8 073	19 584
Land based technology					
Nordic operating revenues	86 675	114 254	187 841	216 850	436 711
Americas operating revenues	7 881	2 817	25 481	8 758	41 881
Europe & Middle East operating revenues	460	-	909	-	686
INTRA SEGMENT REVENUE	95 015	117 071	214 230	225 608	479 277
Operating costs ex depreciations	83 440	104 726	190 564	204 061	431 740
OPERATING PROFIT BEFORE DEPRECIATIONS (EBITDA)	11 576	12 344	23 666	21 547	47 537
Depreciation	4 476	3 662	8 435	6 326	12 825
OPERATING PROFIT (EBIT)	7 099	8 683	15 231	15 221	34 712

Note 6 Top 20 shareholders as of 30 June 2019

Shareholders	Citizenship	Number of shares held	Ownership percentage
EGERSUND GROUP AS	NOR	20 703 105	62,1
WHEATSHEAF INVESTMENTS LIMITED	GBP	3 900 000	11,7
SIX SIS AG	CHE	993 242	3,0
VERDIPAPIRFONDET ALFRED BERG GAMBA	NOR	825 932	2,5
VERDIPAPIRFONDET NORDEA KAPITAL	NOR	665 414	2,0
VERDIPAPIRFONDET NORDEA AVKASTNING	NOR	550 123	1,7
Norron Sicav - Select	LUX	493 000	1,5
STATOIL PENSJON	NOR	400 994	1,2
VERDIPAPIRFONDET NORDEA NORGE PLUS	NOR	360 640	1,1
MP PENSJON PK	NOR	356 300	1,1
J.P. Morgan Bank Luxembourg S.A.	LUX	329 950	1,0
NORDEA NORDIC SM CAP FD	FIN	300 000	0,9
AKVA GROUP ASA	NOR	205 278	0,6
VERDIPAPIRFONDET DNB SMB	NOR	157 999	0,5
BJØRN DAHLE	NOR	150 000	0,4
HANDELSBANKEN Nordiska Smabolag	SWE	125 894	0,4
METZLER EURO SMALL + MICRO CAP	IRL	109 610	0,3
UBS Europe SE	LUX	100 000	0,3
ASKVIG AS	NOR	100 000	0,3
BERGEN KOMMUNALE PENSJONSKASSE	NOR	100 000	0,3
20 largest shareholders		**30 927 481**	**92,8**
Other shareholders		2 406 822	7,2
Total shares		**33 334 303**	**100,0**

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

Note 7 Non IFRS Financial Measures

Available cash is a non-IFRS financial measure, calculated by summarizing all cash in the Group in addition to available cash from established credit facilities.

NIBD - Net interest bearing debt is a non-IFRS financial measure, equal to our long term interest bearing debt plus liabilities to financial institutions minus our cash at the balance sheet date.

NIBD / EBITDA is a non-IFRS measure, calculated as period end NIBD divided by the prior 12 months EBITDA.

Order backlog is a non-IFRS measure, calculated as signed orders and contracts at the balance sheet date. It does not include spot-sales, spare parts and aftermarket sales.

Order intake is a non-IFRS measure, calculated as order backlog at the end of period minus order backlog at start of period and revenue in the period

ROCE – Return on Capital Employed is a non-IFRS financial measure, calculated by dividing the last 12 months EBIT by capital employed at the balance sheet date. Capital Employed is calculated as the sum of NIBD, at the balance sheet date plus equity, deferred tax and other long term liabilities.
EBITDA – EBITDA is the earnings before interest, taxes, depreciation and amortizations. It can be calculated by the EBIT added by the depreciations and amortizations.

EBIT – EBIT is the earnings before interest and taxes. It can be calculated by the profit before tax added by the interest.

Capital Employed can also be found by the formula (total assets – cash) – (total current liabilities – liabilities to financial institutions).

ROACE - Return on average Capital Employed is a non-IFRS financial measure, calculated by dividing the last 12 months EBIT by the average of the Capital Employed on the opening and closing dates of the period under consideration.

Working Capital is a non-IFRS financial measure calculated by current assets less cash minus current liabilities less liabilities to financial institutions.

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AKVA group, Mo i Rana	Tel (+47) 75 14 37 50
AKVA group, Tromsø	Tel (+47) 75 00 66 50
AKVA group, Sandnessjøen	Tel (+47) 75 14 37 50
AKVA group, Rørvik	Tel (+47) 75 00 66 50
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Egersund Net, Austevoll	Tel (+47) 55 08 85 10
Egersund Net, Manger	Tel (+47) 51 46 29 60
Egersund Net, Kristiansund	Tel (+47) 51 46 29 60
Egersund Net, Rørvik	Tel (+47) 51 46 29 60
Egersund Net, Brønnøysund	Tel (+47) 51 46 29 60
Egersund Net, Vevelstad	Tel (+47) 51 46 29 60
Egersund Net, Vesterålen	Tel (+47) 76 14 00 00
Egersund Trading, Austevoll	Tel (+47) 55 08 85 00
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AKVA Marine Services, Torvastad	Tel (+47) 47 27 04 54
Sperre, Notodden	Tel (+47) 35 02 50 00
UAB Egersund Net	Tel (+370) 446 54 842
Wise lausnir ehf, Reykjavik	Tel (+354) 545 3200
Wise Blue, Ålesund	Tel (+47) 930 03 470
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AKVA group UK, Inverness	Tel (+44) 1463 221 444
AKVA group North America, Campbell River, Canada	Tel (+1) 250 286 8802
AKVA group North America, New Brunswick, Canada	Tel (+1) 506 754 6991
AKVA group North America, Newfoundland and Labrador, Canada	Tel (+1) 506 754 1792
AKVA group Australia, Tasmania	Tel (+61) 488 983 498
AKVA group Turkey, Bodrum	Tel (+90) 252 374 6434
AKVA group España, Murcia	Tel (+34 968 209494
AKVA group Hellas, Athen	Tel (+30) 69 441 660 14
AKVA group Middle East, Qeshm	Tel (+98) 76 35 22 53 05