2021
Annual Report

AKER BIOMARINE

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Our mission is to improve human and planetary health

The artwork featured on the front page and throughout this report is created by Dr. Nils Hoem, our Chief Scientist. Once a year, Hoem travels to the Antarctic to do biological and ecological research on board our vessels. His watercolor art is inspired by these travels; from the stunning scenery surrounding the vessel to the everyday work life on board.

1. This is Aker BioMarine

All set for growth

During the year, we navigated safely through new waves of the pandemic. We faced Antarctic weather that disrupted our fishing season and hindered our harvest. And we experienced a Superba krill market collapse in South Korea. Despite these setbacks, we built a more robust company in 2021, with better value propositions, new harvesting technology, stronger sales and marketing organizations, and more cost-efficient operations. The hard work and passion of our entire team is paying off, and towards the end of 2021, we saw the improvements reflected in our results.

Adverse weather is a natural part of the fishery business, though the conditions in 2021 were more challenging than normal. Aker BioMarine aims to mitigate some of this volatility through the implementation of an Unmanned Surface Vehicle (USV), as this autonomous boat will give us greater accuracy in terms of where to harvest. We will also reduce harvest-related risks by adding more fishing days, running even more efficient and sustainable operations, and increasing volumes sold on the back of higher harvesting rates.

One of our primary short-term priorities is to lift our Superba krill oil sales. The market collapse in South Korea led us to form the "Superba Acceleration" taskforce, and our aim is to rebuild this market and continue with our overall high global growth trajectory, outpacing that of the general market. We plan to achieve this by accelerating numerous products, sales, and marketing initiatives, while continuing to build our brand and secure consumer trust.

In our strategy, we view sustainability and protecting ocean life as critical to not only securing the continuity of our business, but also the also the health of the planet. The United Nations released a landmark climate report in 2021, and another in early 2022, clearly outlining the severity of the climate emergency we face. At Aker BioMarine, we have had a strong sustainability focus that is rooted in science and data-driven innovation since day one. We elevated this focus in 2021, setting bold sustainability commitments and correlating goals that we intend to meet by 2030. We believe our solid ESG commitment will contribute to improved margins and growth in the years to come.

Our sustainability commitments will also impact the way we operate, from new green fuel sources to power our vessels to decarbonizing our production processes. We also aim for full circularity on our waste, and we plan to be a key contributor to overall greater efficiency of aquaculture production. Achieving these goals will require technological innovation, employee commitment and a strategic focus on reaching net zero. We've long served as a leader in sustainability among fisheries, a position we intend to maintain and take even further, setting the bar even higher for the entire industry.

In 2021, we put in operation our new vessel, the Antarctic Provider, which is perhaps the most advanced and environmentally friendly support vessel at sea in the Southern Ocean. And as a newly listed Oslo Stock Exchange company, we hosted our first-ever Capital Markets Update, an opportunity to tell the financial market how we intend to develop our business and meet our targets.

As a company and with our partners, we continue to uncover new benefits and use cases for krill, which gives us much reason for optimism as we enter 2022. We see the light at the end of the pandemic tunnel, and we are coming out of it as a different company. We have faced challenges and we come out even stronger. Our people have proven that nothing can keep them from innovating and developing. Aker BioMarine has built a strong position in the attractive markets for human and animal nutrition for krill. As a fully integrated producer, we target significant sales growth in all our main segments, and we seek improved results and cash flow. Krill harvesting is crucial for the company and with recent investments and measures for improved fisheries, we work to lift the average annual harvesting volumes. We have set ambitious targets for the coming years, and it now comes down to execution.

We are only beginning to understand the full potential of this small crustacean called krill, and I want to extend a big thank you to all our employees, customers, suppliers, and investors, for believing in our potential and going on this journey with us. Together, you are what sparks the hard work and passion in all of us across the Aker BioMarine family.

Matts Johansen,
CEO Aker BioMarine

About us

Aker BioMarine is a biotech innovator and Antarctic krill harvesting company, created because of our strong belief in the positive health effects of krill. 15 years later, we continue to develop our business as we take care of the ecosystem from which we harvest. Our fully integrated value chain stretches from sustainable krill harvesting in pristine Antarctic waters through our Montevideo logistics hub, Houston production plant, to customers around the world. The company has a strong position in its industry and is the world's leading supplier of krill.

Admitted to trading on the Oslo Stock Exchange, Aker BioMarine consists of two business segments, Ingredients and Brands. Under Ingredients, the company develops krill-based ingredients for human applications in the nutraceutical and dietary supplement space, and animal feed applications for aquaculture and pet food. Under Brands, Aker BioMarine has two companies: Lang Pharma Nutrition and Epion Brands. Lang Pharma Nutrition is a full service, mass market private label and corporate brand manufacturer within supplements, based in the US with large retailers as its primary customers. Epion Brands has its own consumer brand in the US market, Kori, being on the shelves of major retailers. Aker BioMarine's strong focus on sustainability inspired the launch of AION by Aker BioMarine, a circularity company dedicated to helping companies to recycle and reuse waste. Other important innovations are the ongoing developments of INVI and LYSOVETA.

KEY FIGURES

PEOPLE

429
employees

42
number of different nationalities

40%
women in Executive Management team

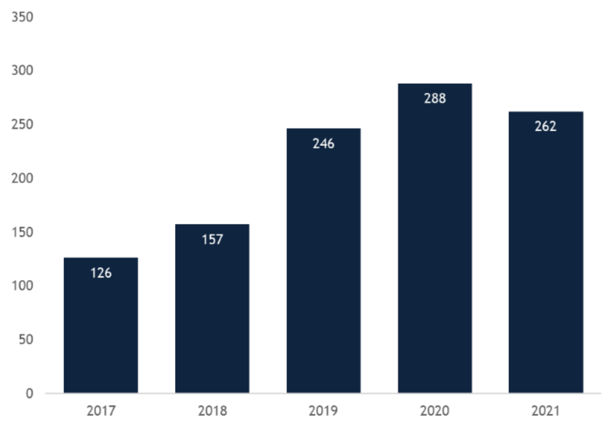
ESG-HIGHLIGHTS

40%
of our trawls and big bags from Houston being recycled in 2021

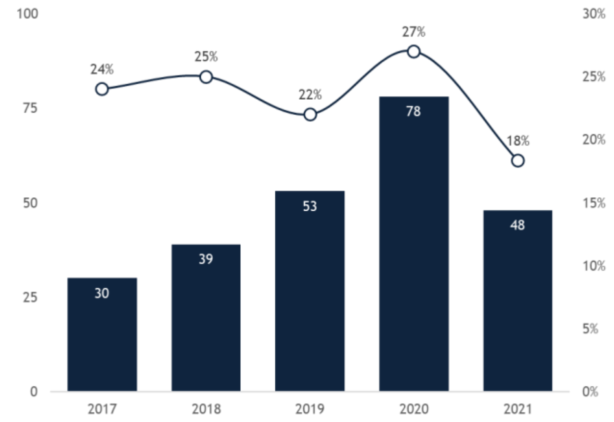
Reduction in product waste from 2020 to 2021 was
94%

A-rating
7th year in a row from the Sustainable Fisheries Partnership (SFP) and top rated by MSC

REVENUE USD mill.



ADJUSTED EBITDA (USD mill) AND MARGIN (%)



Our fully integrated value chain

As a fully vertically integrated krill supplier, Aker BioMarine has full control of its supply chain, with complete oversight of its operations from catch to delivery

Krill harvesting	Ingredient production	Research & development	Krill oil production	Sales & marketing	Consumer brands
65% of total global krill catch	**~75%** of volume produced packed and labeled onboard vessels	**~200** published studies	**>80%** of global krill oil production	**>60** countries we sell to	**>13m** individual units sold to US customers the last year
Global leader in krill harvesting Three state-of-the art harvesting vessels and one supply vessel secure high and stable krill meal production Our Antarctic krill fishery is awarded an A-rating for the seventh year in a row	Production of krill ingredients onboard vessels Implementation of initiatives, such as further data analysis higher up the value chain, reuse of energy and efficiency projects on the vessels	Significant investments in R&D over almost two decades Research has proven several significant benefits of krill to human consumption and animal feed The positive results have created awareness around and demand for krill products	Purpose-built krill oil extraction plant in Houston, Texas Significantly increased total margins by owning the entire value chain from harvest to consumer brand Ownership of Lang Pharma Nutrition brings expertise in private label manufacturing of human supplements	Global B2B and B2C sales & marketing organizations In-house sales and distribution team for ingredients business enables deeper relationships and higher margins	Good inroads to the market through Lang's long-standing relationships with the major US retailers Significant resources committed to developing the brand and consumer facing organization

Our products and brands

Our business segments are categorized into four business units: Human Health and Nutrition, Animal Health and Nutrition, Consumer Brands and Innovations

Human and Animal Health and Nutrition

SUPERBAKrill™

Omega-3s are an essential part of the diet for human health and wellbeing. However, an estimated 97 percent* of the population has less than optimal omega-3 levels, exposing them to an increased risk of various lifestyle diseases. Superba krill oil is a marine phospholipid complex of choline, omega-3s and the powerful antioxidant astaxanthin. Clinical data shows that Superba krill has multiple health benefits for heart health and general health and can significantly increase the omega-3 index level after just one month when consumed daily. Superba will contribute to combat lifestyle diseases by delivering 5 billion doses of health promoting nutrients by 2030.

**A 2016 study published in Progress in Lipid Research*

QRILL™AQUA

Krill meal is a well-known, sustainable source of nutrition that improves feed quality for farmed fish and shrimp. Harvested from one of the world's most well-managed fisheries (CCAMLR), QRILL Aqua is a clean ingredient for formulated feeds that leaves a low marine footprint and a continually declining carbon footprint, in addition to being fully traceable and certified by third parties such as MSC and Friends of the Sea. Scientific studies show that krill products, such as QRILL Aqua, QRILL High Protein and AstaOmega Oil, have high potential to improve aquaculture feeds, enhancing their nutritional composition and attractability, and in turn stimulating the growth and health of both shrimp and fish.

QRILL™PET

Omega-3s have recognized health benefits for dogs and humans alike. A pet food that contains omega-3 is the first step to ensuring that pets can benefit from this important nutrient on a regular basis. QRILL Pet is a functional marine ingredient made from whole Antarctic krill that is rich in marine omega-3s and is naturally rich in choline, astaxanthin and marine proteins. It is also sustainable, traceable, and sourced from some of the cleanest waters on Earth. Krill supports the health of several vital organs, including the heart, kidney, liver, brain, skin, and coat.

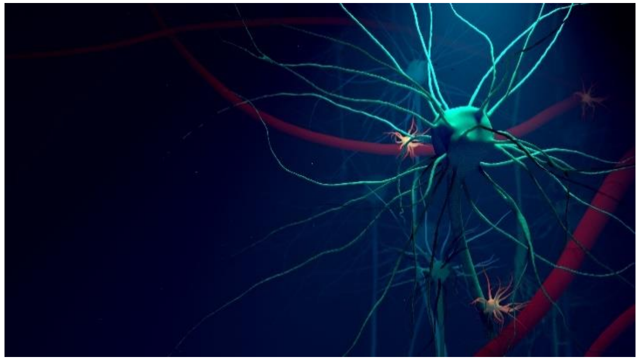
Consumer brands

Aker BioMarine have an independent company in the US, named Epion Brands Inc. Epion distributes the company's Kori krill oil product to large retail chains, including Walmart, Target, CVS and Costco. Kori krill has established a large retailer footprint in a short period of time, at an unprecedented pace in the US supplement industry. Through its market presence, Epion gets first-hand consumer information and provides valuable insight into consumer behavior and needs for Aker BioMarine. Through an innovative and positive-oriented market approach, with a focus on younger generations, Epion maintains a solid footprint on US retail shelves.

Aker BioMarine acquired Lang Pharma Nutrition, Inc., a company with more than 35 years of history and experience in the nutrition and dietary supplement industry, in 2019. Lang Pharma is a key partner to the world's leading mass market retail chains, with close to 200 different products on shelves of retailers, including Costco, Sam's Club, Walmart, Target, CVS and Walgreens. The US vitamin and supplement industry is growing. Lang Pharma, with its lean, yet flexible market approach and responsive culture, is uniquely positioned to support Aker BioMarine's ambitions to expand the company's footprint in the US market.

Innovations

With the new product area LYSOVETA™, Aker BioMarine targets the increasing need to care for our brain health. LYSOVETA contains important nutrients known to regulate important processes in the brain and has shown positive effects in pre-clinical studies. In 2021 the company has established collaborations with research institutes to increase scientific interest in the area as well as development collaborations with commercial parties. The company also obtained exclusive rights to University of Illinois Chicago's (UIC) intellectual property (IP) related to LPC in 2021 and will support the research team to explore its potential. Aker BioMarine is scaling up production of a LYSOVETA dietary supplement at its Houston manufacturing plant and aims for regulatory approval in late 2022.



AION by Aker BioMarine is leading the transition towards a circular economy in industrial plastics. Around 260 million tons of plastic waste is generated annually worldwide, and the EU has set a target to recycle 55% of plastic packaging waste within 2030. AION has established a value chain and is one of three Norwegian companies that has attained B-Corp certification, an important sustainability certification for US retail. As an example, McDonald's is currently an AION customer, using serving trays made of recycled plastics from the ocean, along with NorgesGruppen's high-end supermarket chain MENY, through a pilot project using AION carts of recycled ocean plastics in selected stores.

In 2021, Aker BioMarine expanded its ingredient portfolio with the launch of INVI™, a family of high purity protein peptides products with complete amino acid profiles and naturally rich in nutritionally important minerals. These protein peptides are ideal for incorporation into ready-to-mix and ready-to-drink beverages, as well as other premium formats for brands targeting the beauty, wellness, and sports/active consumer segments. INVI has received regulatory approval for sale in the Unites States, Australia, and New Zealand with processes on-going in the EU and other target geographies. Aker BioMarine plans to ramp up production in a new launch plant with first product in the market in 2023.

Science and innovation to improve human and planetary health

Since Aker BioMarine was founded in 2006, we have taken a leading role in the development and utilization of Antarctic krill resources through science and innovation.

We harvest krill, study its biological effects, isolate important nutrients, and develop krill-derived products for the consumer health and animal nutrition markets. Over the years, we have contributed to building a large industry, filled with passionate people and innovation at the core of our business.

Science and innovation are key parts of our strategy. We employ 15 scientists who hold PhDs to help drive our agenda, and we have contributed to more than 200 published articles. We invest significantly in science, building fundamental knowledge on krill and researching the biological effects of krill nutrients. As a result, Aker BioMarine has brought several new and important products to the market, and more are on the way.

Patents

Aker BioMarine has, since the establishment, been fully committed to scientific research and business development in the nutritional marine lipid field, specifically related to our krill products, through the development of our own patented technology and the acquisition of other technology. As a result, we currently have the world's largest and most innovative patent portfolio in our area. This includes harvesting technology and production methods, via patents covering today's commercially available krill products, as well as pharmaceutical and nutraceutical innovations that will be available to consumers in the years to come. In 2021, we received 20 new patents. In total we have 102 patents per 31.12.21. This includes a newly granted US-patent that provides broad protection for all marine LPC compositions with a content of from 20 to 100% LPC w/w with both LPC-EPA and LPC-DHA.

New technology

In May 2021, Aker BioMarine's state of the art transport vessel Antarctic Provider was delivered and implemented in the company's offshore operation. The 168-meter vessel is equipped with Wärtsilä 31, four-stroke diesel engine, combined with a hybrid propulsion system. The engine holds a Guinness World Record for fuel efficiency and is also convertible for future greener fuels. The vessel is enhanced with Dynamic Positioning (DP) capabilities, which prevents the need for anchoring during transshipment.

Aker BioMarine ordered a new Sounder USV (Unmanned Surface Vehicle) from Kongsberg Maritime in 2021, to further reduce our carbon footprint and optimize krill harvesting in Antarctica. The USV is also equipped to collect valuable scientific data.

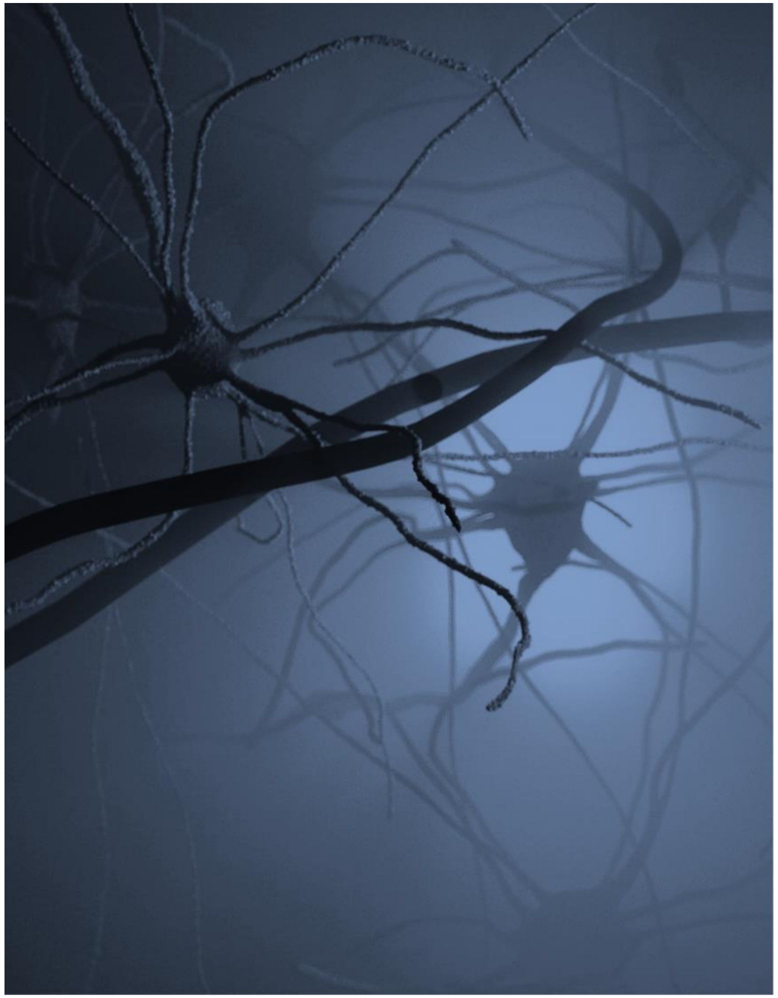
Research funding

We have invested over 700 million USD in research, technology, and logistics since its founding. In 2015, we co-founded the Antarctic Wildlife Research Fund, to aid their efforts to facilitate and promote research on the Antarctic ecosystem. This fund was created to ensure a resilient Antarctica, where the management of all natural resources depends on precaution and thorough and up-to-date knowledge. Over the past six years, the fund has financed 20 research projects and 15 host institutions, including three projects in 2021.

Research and innovation center

In 2022, Aker BioMarine will open a pilot plant in Norway, the Ski Business Park, to develop a highly concentrated protein isolate. The factory will be built with an associated research and innovation center focused on long-term product development. By opening the factory in Norway, we aim to strengthen the local environment for marine biotechnology considerably, and create value and high competence jobs within a sustainable and innovative industry.

DATE	HIGHLIGHTS AND PUBLICATIONS
14. Jan. 2021	Launch of INVI, a novel protein for human consumption INVI is ideal for incorporation into powder and ready-to-drink beverages, as well as broader food and beverage applications for brands looking to grow their product portfolio with a high quality and sustainable protein source
9. June 2021	Aker BioMarine obtains regulatory approval for INVI protein in the US Aker BioMarine announces a new milestone for its novel, sustainably produced krill protein hydrolysate product, INVI – which has now been determined Generally Recognized as Safe (GRAS)
7. July. 2021	New study confirms QRILL Aqua in European Seabass diets improves growth, feed efficiency and liver health status
12.Sept. 2021	New study reveals krill oil’s effectiveness in reducing liver and fat tissue inflammation related to obesity
27. Sept. 2021	New study demonstrating how krill oil may reduce the risk of cardiovascular disease
17. Jan. 2022	New study: Krill oil significantly reduces major cardiovascular risk factors A study conducted in the US shows that krill oil significantly reduces the triglyceride levels in the blood, an important measure of heart health.
21. Jan. 2022	New study: Supplementing with krill oil can support intense power training The study shows that krill oil is an effective nutritional strategy for athletes to increase omega-3 and choline concentration of support intense power training.
10. Feb. 2022	Krill meal improves health and performance of salmonids Researchers conclude that Antarctic krill products have a positive impact on the feed intake, growth performance, fillet quality and organ health in salmonids.



Our journey

From the groundbreaking harvesting technology to innovative product portfolio

2003-2006 ▶

SAGA SEA
Aker BioMarine puts its first krill vessel, Saga Sea into operations

ECO-HARVESTING
One of our early innovations is Eco-Harvesting technology, that allows Aker BioMarine to harvest krill in a way that safeguards biodiversity and limits bycatch

2006-2012▶

SUPERBA
The Superba krill line to bring phospholipid omega-3s to humans, is born

QRILL AQUA
Aker BioMarine enters the aquaculture market with QRILL Aqua, a phospholipid-rich omega-3 fish feed

LA MANCHE
Aker BioMarine commissioned its second vessel, La Manche. It was put into operations in 2009.

2012▶

MSC
The company achieves the Marine Stewardship Council (MSC) certificate, a third party verification proving that the company adhered to the strongest standards for sustainability in wild-caught fisheries

ANTARCTIC SEA
Aker BioMarine adds Antarctic Sea to its fleet

2013▶

QRILL PET
The company enters the pet market with the QRILL Pet product line

2014

HOUSTON
Aker BioMarine expands vertically by entering into a joint venture that transforms an old ice cream factory in Houston, Texas into a state-of-the-art omega-3 oil facility

2015

AWR
Aker BioMarine establishes the Antarctic Wildlife Research Fund (AWR) together with WWF-Norway and The Antarctic and Southern Ocean Coalition (ASOC) to promote and facilitate research on the Antarctic ecosystem

2016

SUPERBA BOOST
Using its newest technology Flexitech, Aker BioMarine launches its first krill oil concentrate, Superba Boost

PRODUCTION PLANT
Aker BioMarine acquires the Houston manufacturing facility and takes full control over its production

2017

NEPTUNE
Aker BioMarine and Neptune enter into an agreement in which Aker BioMarine acquires Neptune's krill ingredient business

ANTARCTIC ENDURANCE
Aker BioMarine commissions a new, more environmentally friendly vessel exclusively constructed for krill harvest

2018

ENZYMOTEC
Aker BioMarine and Frutarom establish a strategic partnership with Aker BioMarine acquiring Enzymotec's krill business

2019

VOLUNTARY MEASURE
A voluntary krill industry-wide decision is reached to remove fishing effort from the coast as a precautionary measure to protect Antarctic wildlife during breeding season

2020▶

ANTARCTIC PROVIDER
Aker BioMarine launches a new energy efficient support vessel, fitted out with efficiency improvements and environmentally focused technologies

STOCK LISTING
Aker BioMarine's shares were admitted to trading on Euronext Growth

AION
Aker BioMarine launches AION, a new circularity company to recycle waste and re-use materials

2021▶

LYSOVETA
Aker BioMarine launches LYSOVETA, a new delivery platform based on LPC-bound EPA and DHA from krill

INVI
Aker BioMarine launches INVI, a highly concentrated protein isolate with a protein purity above 90%

OSLO STOCK EXCHANGE
Aker BioMarine transferred fr om Euronext Growth to a new listing on Norway's main market, the Oslo Stock Exchange

2022▶

CLIMATE AND DECARBONIZATION COMMITTEE (CDC)
The CDC was established to ensure we reach our decarbonization goals with a viable sustainable business model. The CDC illustrates the dedication in the entire organization to reach ESG targets.

STRENGTENING OUR POSITION IN JAPAN
Aker BioMarine has large growth ambitions in Asia. To better serve its business in the region, the company has established an office in Tokyo, Japan.

Our key milestones 2021

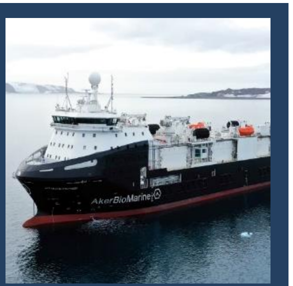
Oslo Stock Exchange
In April 2021, Aker BioMarine transferred from Euronext Growth to a new listing on Norway's main market, the Oslo Stock Exchange.

Climate and Decarbonization Committee
Climate and Decarbonization Committee (the CDC) was established to ensure Aker BioMarine reach its decarbonization goals with a viable sustainable business model.

Ocean data drone
In June 2021, Aker BioMarine ordered a new Sounder Unmanned Surface Vehicle from Kongsberg Maritime, to help reduce emissions and optimize krill harvesting.

Capital markets update
Aker BioMarine's first-ever Capital Markets Update was held in December 2021, giving investors a deep dive into the company's growth and value creation strategy.

Antarctic Provider
Aker BioMarine's new support vessel, Antarctic Provider, was delivered in early 2021, offering improvements and greater efficiencies for offshore operations..



Prize-winning QRILL Pet
QRILL Pet won the Triple Award for Best Pet Food Ingredient in December 2021, at the China International Companion Animal Food Ingredients Conference.

Game on
Esports team Heroic and Aker BioMarine partnered in October 2021. The Heroic athletes began taking krill oil to contribute to healthier, tournament ready brains.

Research collaboration with the use of LYSOVETA
Aker Biomarine and University of Illinois Chicago (UiC) entered into an agreement granting Aker biomarine exclusive rights to the intellectual property (IP) UiC has obtained related to LPC in addition to a research collaboration with the use of LYSOVETA.

Patent approved
Aker BioMarine's key patent for krill oil in Europe was re-approved in October 2021. The patent relates to the production and composition of krill oil and covers sales in the EU until 2028.

Launches INVI
Aker BioMarine expanded its ingredient portfolio with the launch of INVI™, a hydrolyzed protein isolate. INVI™ was also Generally Recognized as Safe (GRAS) for use in foods and beverages in the US after independent review.

Our management team

As of 1 January 2022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1. Matts Johansen
Chief Executive Officer (CEO)
Before being named the CEO in 2015, Matts Johansen was the COO of Aker BioMarine. As CEO, Johansen is on a mission to improve human and planetary health. Prior to joining Aker BioMarine in 2009, he was the CMO at Telefonica O2. He has studied at Oslo University College and Columbia University.

2. Katrine Klaveness
Chief Financial Officer (CFO)
Katrine Klaveness joined Aker BioMarine in 2018 as CFO, responsible for the company's Finance and Accounting function, overseeing treasury, tax, legal, accounting and business intelligence. She joined Aker BioMarine from Yara where she was CFO for the Production segment, and prior to that she spent more than 10 years in the Aker system in different senior corporate financial positions, including Aker ASA and Aker BP (formerly Det Norske Oljeselskap ASA). Klaveness spent her first years in McKinsey & Company, and holds a Master's degree from BI Norwegian Business School.

3. Simon Seward
EVP Human Health and Nutrition
Joining Aker BioMarine in 2019, Simon is responsible for global sales and marketing of the company's Human Nutrition & Health products. Simon was previously the SVP of Aqua Sales and VP of Aqua Sales Asia. Prior to joining Aker BioMarine, Simon worked as the SVP Sales & Marketing at Algalif and as a Commercial Director at NutraQ. Simon has an MSc Marketing from Staffordshire University.

4. Webjørn Barstad
EVP Offshore
Webjørn Barstad joined Aker BioMarine in 2020 as Executive Vice President Offshore, responsible for Aker BioMarine's offshore krill harvesting operations. Barstad has spent his entire career within the seafood industry, most recently serving as the CEO for Lerøy Havfisk (ocean fisheries) and Lerøy Norway Seafoods (shorebased processing), and COO at Lerøy Seafood Group. Barstad has an MSc in International Banking and Financial Studies from Heriot-Watt University Business School, Edinburgh.

5. Tone Lorentzen
EVP Supply Chain
Tone Lorentzen joined Aker BioMarine in 2015. She oversees Aker BioMarine's entire supply chain, including global logistics, customer care, production at the krill oil factory in Houston, third party production, product qua lity and HSSE. Tone has 25 years of experience with global supply chain operations. Prior to joining Aker BioMarine, Lorentzen has worked at Nycomed, Amersham, GE Healthcare and Trygg Pharma.

6. Shauna Cecilia McNeill
EVP Innovation
Shauna McNeill has been with Aker BioMarine since 2017. She is responsible for the company's new and on-going programs to research, develop and commercialize krill derived products and applications. McNeill has worked in a variety of strategy, product and business development roles in companies such as at Ecolab and the Boston Consulting Group. McNeill holds both an MBA from Harvard Business School and a BS in Chemical Engineering from the University of Minnesota.

7. Sigve Nordrum
EVP Animal Health and Nutrition
Sigve Nordrum has been with Aker BioMarine since 2007. He is responsible for the sales and marketing for krill products for the animal and aquaculture markets globally. Prior to joining the company, Nordrum worked at BioMar and the Norwegian Ministry of Fisheries. Nordrum has a Master's degree from the Norwegian School of Life Sciences and a PhD from the Norwegian Veterinary College.

8. Todd Norton
EVP Special Advisor
Todd Norton has been with Aker BioMarine since 2010. He is responsible for strategic initiatives, as well as the company's operations in the US. Prior to joining Aker BioMarine, Norton was the President and COO at Sabinsa. He also has more than 40 years' experience working in the nutraceutical industry. Norton has a BA in Business Management.

9. Trond Atle Smedsrud
EVP Strategic Investments
Trond Atle Smedsrud joined Aker BioMarine in 2015 and previously ran Aker BioMarine's Marketing and Innovation department. In order to secure future relevance and financial growth for the company, Smedsrud is responsible for exploring, securing and growing new corporate investments in his current role. Prior to joining Aker BioMarine, Smedsrud worked in senior positions at Coca-Cola and PwC. Smedsrud has a Master's degree from BI Norwegian Business School.

10. Hege Spaun
Chief Officer People & External Affairs
Hege Spaun joined Aker BioMarine in 2016. She is responsible for increasing Aker BioMarine's transparency, connecting the day-to-day operations with the company's strategy and transforming the business to meet increasing expectations from customers, employees and other stakeholders. Prior to joining Aker BioMarine, Spaun was a senior consultant for organizational development at DNV GL. Spaun has a Master's degree in Psychology from the University of Oslo.

Board of Directors

As of 1 January 2022

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1. Ola Snøve

Chairman

Ola Snøve been Chairman of the Board of Aker BioMarine since 2014. Snøve was Investment Director of Aker ASA for more than ten years and was previously President & CEO of Epax, a world-leading fish oil-based omega-3 supplier. He is currently a Non-Executive Director in several innovative technology companies. Snøve holds both a MSc and a PhD from the Norwegian University of Science and Technology, and an MBA with Distinction from INSEAD. Snøve is a Norwegian citizen.

2. Øyvind Eriksen

Director

Øyvind Eriksen joined Aker ASA as President and CEO in January 2009. Eriksen holds a law degree from the University of Oslo. He joined the Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/ chairman in 2003. As a corporate attorney he among other things worked with strategic and operational development, M&A and negotiations. Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry. As CEO of Aker ASA , Eriksen is currently chairman of the board in Aker BP ASA, Cognite AS, Aker Capital AS, Aker Kværner Holding AS, Aker Horizons AS, C4IR Ocean, and REV Ocean AS. He is also a director of several companies, including Aker Solutions ASA, Aker Energy AS, Aker Carbon Capture AS, Mainstream Renewable Power, The Resource Group TRG AS, TRG Holding AS, The Norwegian Cancer Society (Kreftforeningen), and a member of World Economic Forum C4IR Global Network Advisory Board. Eriksen is a Norwegian citizen.

3. Anne Harris

Director

Anne Harris has been CFO at Statkraft since 2019 and has nearly 15 years of experience as executive from companies like Norsk Hydro ASA, Entra Eiendom AS and Multiconsult ASA. Harris has served as board member at The Institute for Energy Technology (IFE) from 2015 and has broad experience within finance, change management and business management, both nationally and internationally. Anne Harris holds an MSc, Economics and Management from BI, Norwegian School of Management. Harris is a Norwegian citizen.

4. Cilia Holmes Indahl

Director

Cilia Holmes Indahl leads the foundation of the global investment company EQT and works in the cross section between philanthropy and investments to make a difference, so-called impact investing. She has worked as CEO of Katapult Group, which invests in companies that work to reach the UN's sustainability goals. Previously, she worked as sustainability director at Aker BioMarine and climate consultant at KPMG. Indahl started her career at the UN Delegation in New York, where she participated in the negotiations of the UN's sustainability goals. Indahl is also co-founder of Sustainability Hub Norway, Norwegian representative on the committee that publishes the Nordic Council's Environmental Award and also sits on the board of Amedia. Previous board experience from SoCentral, Vitenparken at NMBU, Katapult and the Norwegian School of Economics. Graduated in economics with a double master's degree in international business and sustainable innovation from NHH and HEC Paris. Indahl is a Norwegian citizen.

5. Kjell Inge Røkke

Director

Kjell Inge Røkke, Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and has gradually built a leading worldwide fisheries business. In 1996, the Røkke controlled company, RGI, became Aker's largest shareholder, which later merged with Aker. Røkke is currently chairman of Aker ASA, The Resource Group TRG AS, TRG Holding AS, as well as director of several companies, including Aker BP ASA, Aker Solutions ASA, Ocean Yield ASA, Aker BioMarine AS, Aker Energy AS, Aker Horizons AS, Aker Offshore Wind AS, Aize Holding AS, REV Ocean AS and Mainstream Renewable Power. Røkke is a Norwegian citizen.

6. Lise Wiger

Director, elected by the employees

Lise Wiger is a Financial Controller at Aker BioMarine ASA. She has been with Aker BioMarine since 2017, working as an Accounting Associate, Accountant and Financial Controller. Before Aker BioMarine, Wiger studied at Santa Barbara City College and BI Norwegian Business School. Wiger is a Norwegian citizen

7. Sindre Skjong

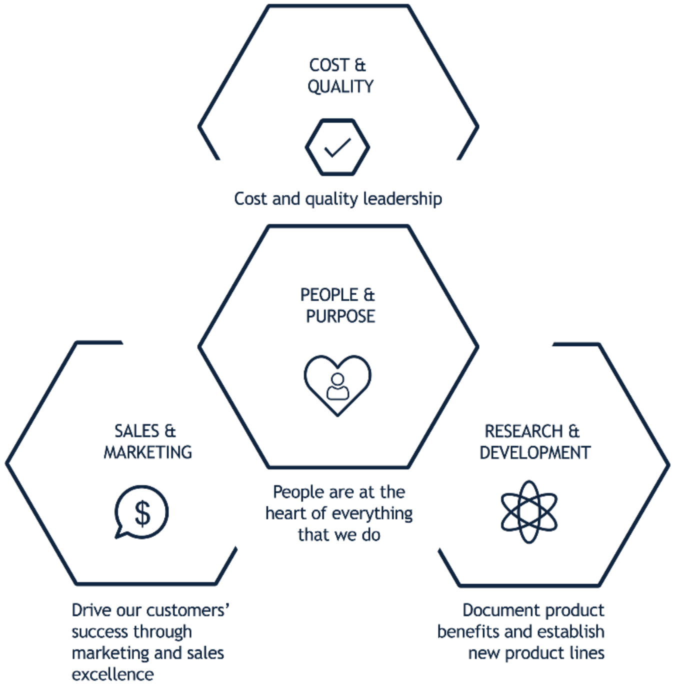
Director, elected by the employees

Sindre Skjong is the VP Technical Operations of Offshore Operations at Aker BioMarine Antarctic AS. Having been with Aker BioMarine since 2005, Skjong has worked as a sailing Chief Engineer, Project Manager and Site Manager, prior to his current role. Before Aker BioMarine he was the Chief Engineer at Skaregg AS and Technical & Operations Manager at Ramoen AS. Skjong has a Class I Chief Engineer education from Aalesund Maritime Skole, Coastal Captain education from Aukra Maritime Skole and Cooling Engineer education from Lade Videregående Skole. Skjong is a Norwegian citizen.

Our Mission is to improve human and planetary health

We take care of the resources on which our business depends, providing a clear strategy and building a culture of autonomy and trust.

Our strategic pillars



Our capitals

PEOPLE

At Aker BioMarine, we do things that no one has ever before attempted. When confronted with challenges, most companies consider bringing in outside expertise. But for us, as a company operating on the frontiers of a niche industry, we are likely to already possess the best expertise in-house. Our people are our most valuable asset.

SOCIAL AND RELATIONSHIP CAPITAL

Our operations in Antarctic waters require constructive relationships with governmental and regulatory agencies, industry peers, the research community, and environmental NGOs. We actively engage and work with these key stakeholders.

FINANCIAL CAPITAL

In 2020, Aker BioMarine's shares were admitted to trading on Euronext Growth and in 2021 to the main list of the Oslo Stock Exchange. Strong financial backing is crucial for the company's growth and essential for across-the-board excellence. At Aker BioMarine, there is no doubt that strong financial and sustainable performance are interlinked and serve to reinforce each other.

INTELLECTUAL CAPITAL

Innovation is part of Aker BioMarine's DNA. From pioneering the Eco-Harvesting system to developing new product verticals, we are proud of our in-house expertise. Intellectual property rights are protected through the company's patent and copyright strategy, while catch data and technology is shared for research purposes and to promote industry transparency.

MANUFACTURED CAPITAL

Aker BioMarine has made a number of major infrastructure investments throughout its value chain. Capital investments in our Antarctic factory vessels, as well as port facilities in Montevideo and the factory in Houston, are part of lifting our supply chain efficiency. We lease warehouses and office space at our headquarters in Oslo and for our sales offices in the United States, Latin America, Australia, and Asia. Our krill vessels, the support vessel, and the manufacturing plant in Houston are wholly owned by us.

NATURAL CAPITAL

Antarctic fishing licenses are issued by national governments, and Aker BioMarine holds Antarctic krill fishing licenses issued by our home country Norway. Our long-term access to the krill fishery depends on the krill industry as a whole acting responsibly, ensuring that there is scientific confidence that krill harvesting remains at sustainable levels and that we succeed with global efforts to combat climate change.

Operational Risk & Opportunities

Below is an overview of the company's operational risks and opportunities. For a comprehensive risk and opportunity view, please also see the climate risks and opportunities in chapter 2, and financial risk in chapter 3 (note 20 and the Board of Directors` Report).

Strategy and risk management

Risks	Impact	Risk mitigation and management
Future sales growth	Increased competition from other fisheries entering the market plus alternative sources of omega-3s, such as GMO plants and algae, could impact growth in the demand for krill products globally and also put pressure on prices. Entry into new Asian markets with different regulatory regimes could also impact sales short to medium term, whilst offering good long-term sales potential.	We work every day to increase awareness among our existing and potential customers to the benefits of krill. We employ local people that are close to customers and key decision makers in our larger markets that understand both the market dynamics and regulations. We continuously develop new research and science that underpins and supports the product claims and marketing messaging.
Tight freight and logistic market	Continued low container availability and unpredictable sailing routes could affect the delivery of our products to customers around the world.	The company has built relationships with several freight suppliers, and we follow all shipments closely. We are also considering alternative options like using Antarctic Provider for product freight when idle or leasing additional freight vessel to secure delivery of products.
Access to harvesting in the Antarctic	Changes in regulations from CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources), new Marine Protected Areas (MPAs) affecting the fishing area, or broader regulatory bodies limiting the harvesting areas may reduce access to krill. Increased competition from new countries, e.g., China could also affect the company's ability to harvest krill.	The krill biomass survey in 2019 showed an abundant healthy krill biomass. We invest in the development of Feedback Management: the future krill management system that gives CCAMLR higher scientific certainty that krill harvesting does not negatively impact the ecosystem. We drive responsible fishing practices through ARK and actively engage with scientists, regulators and NGOs as an observer in CCAMLR and a multitude of formal and informal venues and opportunities for dialogue. We see our vessels as an important platform for independent scientific research and support scientists in their sampling and field work. We established the Antarctic Research Fund (AWR) together with WWF-Norway and ASOC.
Operational breakdown	A major incident in our onshore facility in Houston or on any of our vessels due to technical issues, natural disasters or pandemic related could have serious operational, environmental, and financial impact.	We conduct training, monitoring, compliance testing and vessel safety audits on a frequent basis, also with external parties. We have increased our product inventory safety stock in Houston to cater for potential downtime.
Product safety	Severe adverse test results of our product quality e.g., serious incidents due to toxins in product or rumors of dangerous product	We have stringent and comprehensive QC processes for testing for contaminants and neurotoxins.
Climate change and extreme weather can affect the krill biomass with regards to availability, composition, and movement and create a challenging operational environment.	Availability of the krill and the patterns of movement and composition and could significantly affect the harvesting, wear and tear on equipment and affect Houston production with access to power and water Change in composition of the krill will affect the product and product seasonality.	We survey the krill biomass every season, showing an abundant healthy krill biomass. We collaborate with CCAMLR with providing scientific support, and drive responsible fishing practices through ARK. We actively engage with scientists, regulators and NGOs as an observer in CCAMLR. We also Investigate alternative (ways to get) raw material (e.g., harvest in other areas such as area 58). We adapt to composition changes by continuously monitoring products and having adaptive production set-ups to meet any changes. We invest in vessels and insurance of production facilities. We conduct training, monitoring, compliance testing and vessel safety audits on a frequent basis, also with external parties.

Strategy and risk management

Opportunities	Impact	Capitalize on opportunities
There is a political risk related to decarbonizing shipping with likely IMO regulations on carbon and taxes on fossil fuels which were suggested in 2021.	The cost of fuel will increase with an urgent need of decarbonizing the fleet.	We are actively working on decarbonization and have implemented several resources savings changes in 2021 and are planning implementation of more, including phasing in the use of alternative fuels.
Krill nutrients to support health and nutrition	Increased understanding of the benefits of krill products to support healthy lifestyles and prevent lifestyle diseases can benefit society and our business.	We invest in scientific studies to identify and substantiate benefits and marketing campaigns to increase public awareness of the benefits of krill nutrients for human and animal health and nutrition
New krill derived products	Development and launch of new products with added health and nutrition benefits increases the value of krill raw material and positive societal impact	We are developing new lipid and protein products for human nutrition for launch into growing consumer product segments e.g. LYSOVETA and INVI
Attracting and retaining talent	Attracting and retaining the right people is critical to reach our aspirations, and it is important to us that we build an organization that can provide our people with the right opportunities for growth.	Corporate brand of sustainability and biotech innovation, as well as competitive compensation & benefits. We have built a culture based on freedom and trust to retain talent and attract the new generation of job seekers. We have implemented a career model that ensures that all our employees have equal opportunities for advancement in their career no matter if it's a managerial, professional or commercial role.
Gender equality	Companies where women account for over 15 percent of senior management show higher returns. This represents an opportunity for our company to ensure democratic representation and diversity in management.	We have structured our recruitment and internal promotion processes to ensure equal opportunities, implemented performance review and leadership development program. The management team has 40% women. Increased focus on recruiting women into middle management positions.

Climate related opportunities	Impact	Capitalize on opportunities
The climate change is driving a growing market demand for healthy and sustainable food.	Delivering high quality health nutrients in a sustainable way is both good for our business and society with a reduced carbon footprint.	We work together with customers to drive sustainability and increase awareness of marine ingredients as a source
Access to green finance	By proving ESG commitment, governance and progress, we can be more attractive to financial institutions and on the stock market	By ensuring adherence, excellent governance and progress towards, as well as adherence to sustainability linked loans and EU taxonomy, AKBM will capitalize on the positive opportunities connected with the increasing financial opportunities I the green shift.
Low carbon intensity in products and environmental focus from customers.	Consumer driven drive towards carbon and environmentally friendly products and transparency in CO_2 and resources usage	A thorough environmental declaration on our products and commitment to decarbonization in value chain benchmarked annually by third parties will be used to demonstrate our commitment to decarbonization and improvement of the environmental footprint of our products.

Metrics and Targets

Aker BioMarine has committed to ESG targets as described on page 23-27

Our goals and ambitions

Short term

20%-25%
2022 targeted revenue growth and adj. EBITDA margin

55,000-60,000 MT
in average annual krill meal production from our Antarctic harvesting

Long term

Nearly double revenues
towards 2025, with targeted annual growth rate of between 14% and 18%

~30%
targeted adjusted EBITDA margin for the group in 2025

ESG

Be
100% circular
in our principal waste streams by 2030

Reduce our CO_2 emissions by
50% in 2030
and be
net zero in 2050

Trawl in water 80% of time
on fishing ground in course of a season

Maintain
top rated certifications
for our sustainable krill fisheries

2. Environmental, Social and Governance

Sustainability in Aker BioMarine

Aker BioMarine is committed to having a positive impact on human health, without compromising the health of the planet. We believe that sustainability, transparency, and responsibility, with strong governance, is the only way to operate. It's what ensures our long-term profitability and gives us license to operate.

Aker BioMarine has set clear and measurable ESG targets towards 2030 and 2050, and we work in close collaboration with all stakeholders to ensure the well-being of the people and societies wherever we operate. We are committed to delivering products that support nutritious and sustainable diets, and we target a 50% emissions reduction by 2030, with the goal of being carbon neutral by 2050.

We are on track to eliminate product waste and be fully circular in our plastic use by 2026. This target inspired the launch of AION by Aker BioMarine, a circularity company dedicated to helping companies recycle and reuse waste. In our efforts towards our ESG targets, we benchmark ourselves internally, and we are externally evaluated and audited.

At Aker BioMarine, we are part of the solution to feed the growing population in a sustainable way. We continuously innovate to ensure that we maximize the use of our resources and cause minimal impact. We intend to be a front runner for innovation within sustainable food systems and take the lead in implementing sustainability in practice.

Our deliverables for human and planetary health towards 2030

KPI	Trend	2030 commitment
Extra servings of sustainable seafood		We will make aquaculture production more efficient, by contributing to 1 billion extra servings of seafood produced annually
R&D spent on sustainable diets		We will develop innovative products that play an integral role in sustainable diets and the future food system
Doses of marine nutrients*		We will combat lifestyle diseases by delivering 5 billion doses of health promoting nutrients annually
Avoided emissions in aquaculture (tonne CO_2)		We will decarbonize aqua and animal feed by delivering low-carbon marine ingredients
USD spent on marine science and feedback management		We will improve sustainability of fisheries through contributing to data and science driven regulation and ocean management
MSC certification, Independent observer coverage on board while fishing and SFP rating of fishery		We will maintain unconditional MSC certification and ensure transparency in vessel operations
Waste*		We will ensure full circularity on all of our principal waste streams
CO_2 per tonne krill produced		We will reduce our carbon intensity per ton krill produced by 50 percent from 2020 levels

Tangible impact towards 2030

Aker BioMarine's sustainability agenda is aligned with our eight 2030 Sustainability Commitments made in 2021, ensuring that we continue to make a positive impact on Human and Planetary Health.

Since our inception in 2006, sustainability has been at the core of Aker BioMarine, and we have achieved important milestones every year since. In 2016, we introduced our vision of "Improving Human and Planetary Health" and integrated it into our corporate strategy. This vision represents an all-important concept for us. It reflects our commitment to ensure sustainable operations, minimize our footprint and increase understanding and care of the ecosystem in which we operate. It also reflects the responsibility we take to ensure that our products, whether krill oil, krill meal or krill protein, improve human and animal health.

We are in it for the long run in Aker BioMarine, and we are committed to ensuring that our activities and investments are sustainable and responsible now and in the future. To keep our eye on the ball, we took our commitment to sustainability a step further in 2021, to ensure alignment with our sustainability targets for 2030 and 2050. Now we are focused on implementing measures and sound governance to support the entire organization in reaching these targets.

2 ZERO HUNGER

Aker BioMarine will make aquaculture production more efficient, by contributing to 1 billion extra servings of seafood produced annually

- By including krill meal in aquaculture feed, we have demonstrated increased feed intake, growth, better health, increased yield, and reduced mortality among farmed marine species.
- By calculating the seafood serving in correlation to inclusion of krill, we can calculate our contribution to extra servings of seafood.

Examples from 2021:

We continued to demonstrate beneficial effects on krill and made significant efforts to ensure that krill is a preferred part of aquaculture feed. In one review study, published in February 2022, krill meal is shown to improve the health and performance of salmonids.

We will develop innovative products that play an integral role in sustainable diets and the future food system

- We continuously innovate to improve our existing products and create new products from the biomass we harvest.
- The latest addition to our product portfolio is INVI™ protein and LYSOVETA™, both innovative products that help us reduce waste, create value and increase the bioactivity of our products.
- In addition to creating new products, we continue to uncover new benefits from Antarctic krill across species through extensive scientific study.

Examples from 2021:

In addition to creating new products, we continued to discover new benefits from Antarctic Krill through extensive scientific studies in 2021. A study published in Dec. 2021 showed that supplementing with krill oil can support intense power training.

To bring INVI to the market, we are progressing towards building a fully operational pilot plant for INVI production in Ski outside Oslo. This scaling is supported in part by Innovation Norway.

Aker BioMarine will combat lifestyle diseases by delivering 5 billion doses of health promoting nutrients annually

- By correlating our sales results with doses of nutrients delivered, and by demonstrating the health effects of those nutrients, we will contribute to combatting lifestyle diseases.
- Our Superba Krill product has proven to have several health effects on the body and mind, most recently through a large study on how krill supports cardiovascular health.
- By enabling and participating in proactive health, we contribute to a sustainable food system for a more sustainable planet.

Examples from 2021:

Our Superba product has demonstrated several positive health effects on the body and mind. We recently released a large study demonstrating how krill benefits cardiovascular health.

**Due to a drop in Superba sales in South Korea the doses of marine nutritients delivered in 2021 dropped below benchmark.*

We will actively help decarbonize aqua and animal feeds by delivering low-carbon marine ingredients

- We employ life analysis to monitor the environmental footprint of our ingredients.
- We employ a strategic and tactical approach to reducing our footprint in order to decarbonize our ingredients.
- Our ingredient has a lower carbon footprint than most plant derived ingredients.
- We have demonstrated that inclusion of krill in aquaculture feed increases growth and reduces mortality, thus reducing the footprint of the farmed species.

Examples from 2021:

We continued to investigate the correlation between demonstrated health effects and reduction in CO2. In 2021, we began investigating the correlation between krill inclusion and the reduction of a number of environmental stressors.

Aker BioMarine will improve sustainability of fisheries through contributing to data and science driven regulation and ocean management

- The Antarctic krill fishery is uniquely positioned, consisting of a small cross-national compilation of companies, in which Aker BioMarine is the biggest player and willing to invest in the development of the fishery.
- When CCAMLR moves from today's krill management regime to a more data-driven and evidence-based management system (feedback management), the krill industry will be key to providing science and monitoring data that feeds into the system.
- Technology is key to conduct monitoring at the right level and is required for the future management of krill. We plan to increase our investment in drones at sea for better oversight of krill, more efficient operations, and greater collection of scientific monitoring data.

Examples from 2021:

In 2021, Aker BioMarine collected acoustic data during harvesting, called, "Project Sufiant". It was conducted with partners from Institute of Marine Research and the Norwegian polar institute and the Norwegian Research Council. Together they facilitated fieldwork in Antarctica, in addition to sponsoring a postdoctoral position.

2021 was another year of voluntary regulation of the krill fishery near penguin colonies during breeding season, called Voluntary Restricted Zones (VRZs). With this commitment, Aker BioMarine heads up the only spatial resolution for the krill fishery in the Antarctic Peninsula. With support from industry, VRZs could become an integral part of CCAMLR feedback management within the next few years.

We will maintain unconditional MSC certification and ensure transparency in vessel operations

- The Marine Stewardship Council (MSC) is the cornerstone of our sustainability credentials. Aker BioMarine was first certified in 2010, and has been re-certified twice since then, mostly recently in December 2020.
- About 15% of world fisheries are MSC certified, and Aker BioMarine has, with its unconditional certification, achieved a score that places its operations in the top 5% of the certified fisheries. Maintaining MSC certification is important, but Aker BioMarine places greater importance on continually raising its standards and ensuring that we meet new demands as the MSC standard develops.
- Maintaining transparency as our guiding principle can be challenging, but it makes both us and ocean management better overall, in the long run.

Examples from 2021:

Transparency is a core value of our company. Nothing embodies transparency in Aker BioMarine more than the scientific observers onboard our vessels. We are still the only krill harvesting company with 100% coverage of international independent observers onboard, who are professionals deployed on our vessels under the auspices of CCAMLR protocol. When the unforeseen happens at sea, such as when one of our vessels hauled back three humpback whale carcasses over six weeks in 2021, these incidents are reported through the observer to CCAMLR and discussed and noted by its Scientific Committee.

Aker BioMarine's Antarctic krill fishery was awarded an A-rating from the Sustainable Fisheries Partnership (SFP). This marks the seventh consecutive year that the company received this recognition from SFP, an independent, non-profit organization responsible for the most up-to-date assessment of stocks and fisheries in the Pacific and Atlantic.

We will ensure circularity and positive revenue on our principal waste streams

- As part of our circularity ambitions, we launched AION to work towards that all plastic and waste produced from harvesting and production will be recycled by 2030.
- We have engaged a team dedicated to innovation who will push us towards our ultimate goal to eliminate waste from all packaging
- We have restructured our sales efforts to eliminate product waste.
- We are active supporters of UN global compact, we specifically participate in a dedicated global project to reduce food waste globally, financed by several nations, the Food and Agriculture Organization (FAO), and the International Maritime Organization (IMO).

Examples from 2021:

We continued to eliminate product waste by focusing on alternative circular sales, ensuring the value of all biomasses, which resulted in a 94% reduction in discharge from 2020.

We began delivering our trawls and big bags to AION, resulting in the recycling of 40% of our trawls and big bags from Houston in 2021, up from 0% in 2020.

Through the UN Global Compact, we participate in an international project dedicated to reducing marine waste globally, financed by several nations, the Food and Agriculture Organization (FAO), and the International Maritime Organization (IMO).

**Waste includes principal waste streams; fishing trawl nets, big bags from meal production and product waste.*

We will reduce our carbon intensity per ton krill produced by 50% from 2020 levels

- We have mapped our entire value chain to identify our main sources of CO_2 emissions and we aim to take a targeted approach to reduce the emissions from these sources.
- To achieve 50% carbon reduction by 2030 and net-zero by 2050, we must make significant investments in our harvesting and production operations, working to realize greater efficiencies and evaluate new measures, such as in how we transport goods and eliminate waste streams.
- We constantly explore the use of alternative green fuels on our vessels, including fuels from Aker Clean Hydrogen.
- We will reduce the amount of fuel used to locate krill by deploying ocean drones and flying drones. These devices minimize the time spent (by harvesting vessels) searching for krill.
- We will optimize our on-board production processes to reduce fuel consumption and as a result, lower our greenhouse gas emissions.
- We are reducing our transportation emissions by upgrading our transport vessel as well as by working closely with our transport suppliers.
- Our carbon reduction efforts are closely monitored by our climate and decarbonization committee

Emission totals
Global tonnes CO2e

Scope	2020	2021
DIRECT EMISSIONS (SCOPE 1)	**98 275**	**96 750**
Fishery and offshore production	94 229	92 493
Production at Houston Plant	3 923	4 124
Production at Lang Pharma	123	133
INDIRECT EMISSIONS (SCOPE 2)	**5 260**	**5 407**
Purchased electricity Houston	5 057	5 190
Purchased electricity Montevideo	44	45
Purchased electricity other locations	160	171
INDIRECT EMISSIONS (SCOPE 3)	**15 256**	**14 105**
Business travel	212	41
Crewing travel	885	857
Packaging used	1 532	1 489
Transport of goods	12 627	11 718
TOTAL	**118 791**	**116 261**

*KPMG has provided limited assurance on scope 1, 2, and 3 emissions for 2020. Reported according to GRI Standards 305.

Examples from 2021:

We established the climate and decarbonization committee in 2021. This is a dedicated climate program with a key working group, an advisory board and steering committee. They systematically map all CO_2 reduction efforts, aligning these with CAPEX, OPEX and strategic goals to establish a strategic and tactical approach to CO_2 reduction. This is our way of ensuring that we can reach our ambitious 2030 and 2050 goals, while ensuring a profitable business model. Our CO_2-emission per ton krill produced has been stable from 2020 to 2021, despite a poor fishing season and the fact that until year-end, we had three transport vessels in use. The efforts to reduce our CO_2 emissions are expected to be visible in 2022.

In 2021, we have put in place specific measures to increase yield and optimize processing in our onboard production facilities. We replaced our transportation vessels going to and from the fishing ground with one modern and more efficient vessel, the Antarctic Provider, which emits significantly less CO_2 than our previous vessels. We have also used this vessel for meal transportation to Europe, resulting in greener transport. We also committed to the first mover's coalition which was announced in COP26 as an instrument to push green transportation.

We began working with our transport suppliers to ensure greener transportation going forward. We also implemented supplier screening to ensure ESG-commitment is an important criterion when choosing suppliers. In addition, we have started working on more sustainable packaging on all our products.

Sustainability as a business model

Sustainability is integrated into our business model through the alignment of ESG targets with our business goals. We have established strict governance of our sustainability targets internally through continuous monitoring, as well as through external auditing. In addition, we have performed life cycle assessment to determine the CO_2 and water footprint of our products. We are now in the process of expanding our analysis of complete certified environmental footprint for our product portfolio. For our greenhouse gas (GHG) emissions, we have mapped all sources and use GHG protocol to map our hot spots for emission. Through this mapping, we have identified our most emitting activities and can be more targeted in our efforts to reduce our carbon footprint.

As we work tactically and strategically towards our 2030 and our longer term 2050 emissions reduction goals, we have established a **Climate and Decarbonization Committee.** This is a program that works actively towards short-term and long-term goals, ensuring that we reduce our emissions within a profitable business model.

Focus areas & results 2021:

Cicero Shades of Green

To rate our financial activities in terms of environmental robustness, we performed in 2021 a Cicero Shades of Green evaluation. In this evaluation we included all activities related to fishing, processing and transport of krill. A Cicero Shades of Green evaluation ranges from dark, medium, light green, through yellow to red. Where the green shades represent increasing contribution to a low carbon and climate resilient future, while yellow is neutral and red activities have no role in a low-carbon future.

In this evaluation, 32% of Aker BioMarine Group's revenue, stemming from products sold to aquaculture, was given a medium green shading, while 68% of the group's revenue was given yellow neutral shading. In evaluating our investments, Aker BioMarine Groups's investments in 2020 were rated as 59% Light Green, 6% Medium Green and the remaining share Yellow. None of our activities were rated red. We also received an excellent governance score.

Sustainability linked loan

As part of maintaining a sustainable course, Aker BioMarine has committed to a sustainability linked loan in 2021. For this loan, we have included two KPIs, in addition to two of our EGS targets. These KPIs push us beyond business as usual, as we are being measured against are reduction in GHG emission, reduction in water use during production and circularity in waste. In addition, safety training and education of our staff is monitored through reduction in lost time frequency rate.

EU taxonomy

In aligning our finances with our ESG goals, we have started the process of assessing our activities according to the criteria of the EU taxonomy. As much as 99% of our activities are not currently covered in the first published EU taxonomy report and technical screening criteria, as this first report targets the top 80% most GHG-emitting industries. However, based on published drafts, we expect to be eligible when the next criteria is published, and we plan to report on eligibility and alignment for 2022.

Data-driven krill management in a time of climate change

Aker BioMarine is a company that lives with the realities of climate change every day in Antarctica. We see the retreating ice and extreme weather. And we experience first-hand the urgency for us and others to turn this around. We believe that our industry must take responsibility when regulations come up short, and this goes for any activity around the globe that deals with industrial production of food and use of natural resources.

A track record of industry best-practices and leadership

Aker BioMarine believes in the importance of sharing best practices and promoting industry responsibility, which is why the company co-founded the Association of Responsible Krill Harvesting Companies (ARK) in 2010. This global industry association was developed to promote research for the sustainable harvest of Antarctic krill and to generate scientific data from harvesting operations, leading to better management of the krill fishery. In 2018, ARK adopted its Voluntary Penguin Buffer Zones to protect penguins during their vulnerable breeding season.

In 2020, these seasonal voluntary measures were expanded, with a year-round permanent closure of a 4,500 square-kilometer area of ocean around Hope Bay in the Northern Antarctic Peninsula. To secure the year-round protection of the largest Adélie penguin colony in the region.

Keeping our eye on the krill

The Antarctic krill biomass is healthy, but to reinforce sustainable krill management for the future and ensure that these much-needed marine proteins and nutrients are shared with the world, the industry must adapt to the changing needs of the Antarctic ecosystem.

In 2019, Aker BioMarine and ARK-companies supported the large, international scientific synoptic survey of the krill biomass in Antarctica. The survey found an estimated 62.6 million tons of krill in Area 48 off the Antarctic Peninsula, which is more krill than was found in the last large-scale krill survey conducted in year 2000. The krill stock has remained in healthy condition, largely stable in distribution and density over the nearly 20-year period, and it remains one of the best managed and underutilized marine resources in the world.

CCAMLR is moving to revise the krill management system (Feedback Management) into a more data-driven management regime, ensuring that the Antarctic ecosystem of penguins, whales and seals has enough krill in time and space. This will require frequent monitoring and collection of acoustic data, as well as increased evaluation of the impact of the fishery on its environment. Aker BioMarine is an enabler of this change.

In 2021, Aker BioMarine invested significantly in unmanned ocean vehicles and drone technology. We see this as key to delivering on our sustainability targets.

CCAMLR, Krill catch levels and quotas

Antarctic krill harvesting is managed by the CCAMLR (Commission for the Conservation of Living Marine Resources), an international treaty organization with approximately 25 member countries. Scientists and regulatory experts participate in this organization as part of their national delegation, and Aker BioMarine serves as observer to the Commission through the Association of Responsible Krill Harvesters (ARK). The CCAMLR hosts an annual meeting in Hobart, Australia.

Krill is harvested around the Antarctic Peninsula and there is an annual quota of effectively 620,000 metric tons since 2009, spread across the different sub-areas (Area 48.1, 48.2, 48.3, 48.4) by CCAMLR CM-51-07.

In 2019, the CCAMLR survey found there to be 63 million metric tons in the area where krill can be harvested – more than they found during the last survey in year 2000.

Over the last few years, the catches have been moving steadily upwards, reaching 445,000 metric tons in 2020 across Area 48.

Task Force on Climate-related Financial Disclosures (TCFD)

Aker BioMarine will systematically implement, track progress, and publicly disclose climate-related efforts in alignment with the Task Force on Climate-related Financial Disclosures (TCFD). Aker BioMarine is committed to implementing the recommendations of the TCFD, and we will provide investors and other stakeholders with decision-useful information on climate-related risks and opportunities that are relevant to our business through the pillars of TCFDs framework for disclosure.

The principal channel for Aker BioMarine's TCFD disclosure to external stakeholders is our Annual Report.

As part of our risk review, we conducted an updated climate risk analysis using the TCFD framework. In this process, we involved stakeholders from all parts of the organization and systematically mapped and assessed our exposure to climate risk. We are tracking our exposure to climate risk on an annual basis, and our company strives to cut carbon intensity in half by 2030, which is an essential metric for climate risk exposure. We continuously take climate risks and opportunities into account in our strategic decision-making.

Climate related risks and opportunities are described in "Operational risks and opportunities" table on page 17-18. Our ESG metrics and targets are addressed on page 21 - page 26.

GOVERNANCE

Disclose the organization's governance around climate-related risks and opportunities

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks.

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Climate risks and opportunities governance

Aker BioMarine's governance and continuous follow-up of climate-related risks and opportunities are structured in accordance with TCFDs framework recommendations. The responsibility for implementation is spread across the following units and roles:

The Board of Directors in Aker BioMarine has strong oversight over climate-related risks and opportunities, with most Board members possessing knowledge about climate effects, ESG targets and governance. Aker BioMarine has identified climate-related operational and financial risks through the systematic mapping of operations and related risks, as well by identifying risk mitigation opportunities through internal and stakeholder collaboration.

The Aker BioMarine management team functions as the steering group of the climate and decarbonization committee, which was established in 2021. This group monitors all climate-related activities and prioritizes and aligns climate strategy with the business strategy. The climate and decarbonization committee is a structured as a dedicated project within the company, consisting of an internal working group, an advisory board with key internal and selected external advisors, and steered by the executive management team.

The company's ESG targets are monitored and tracked through our Power BI reports, where goals are reported bi-monthly, semi-annually, or annually, depending on available granularity. Progress on ESG targets is reported bi-annually to the Board of Directors and presented to the audit committee quarterly.

In addition to our ESG targets, we have committed to a sustainability linked loan which has associated KPIs that target the water usage in our production, as well as the reporting and training to reduce lot time for employees due to accidents in the workplace. The progress on these loans is linked to the interest rate of the loan and provides additional governance for our efforts to ensure that we meet our environmental and sustainability targets.

Unit / Role	Responsibility
Chief Executive Officer	Overall responsibility for climate-related risks and opportunities, necessary strategic alignment, and updates to the Board of Directors.
Sustainability Team	Responsible for disclosing the actual and potential impact of climate-related risks and opportunities for the business model and operations, setting the frames for strategic alignment. Ensures continuous follow-up on targets and metrics across business units as chair for Climate and Decarbonization Committee and by reporting quarterly into the Board of Directors' Audit Committee
Climate and Decarbonization Committee	Responsible for ongoing oversight of climate-related issues, monitoring quarterly progress on climate-related targets and metrics. Presents and evaluates new initiatives from the business units. Provides advice on significant investment decisions. Provides input on climate-related strategic alignment.
Chief Financial Officer	Responsible for the annual climate-related risk management, as an integrated part of Aker BioMarine's overall risk management procedure.

People, the heart of Aker BioMarine

Our employees representing over 40 different nations are renowned for their passion and willingness to go the extra mile. Aker BioMarine views diversity as a prerequisite for innovation which is reflected in our workforce, from our fishermen to our science team.

Caring for talent

People are the heart of Aker BioMarine, which is why attracting, fostering, and building talent are key to our company's success. By bringing together teams of experienced fishermen and women, scientists, and former management consultants, we can create the right combination of business-case development, product innovation, marketing skills, and project management vital to our company's growth.

Employee development and a conscious commitment to talent is one of Aker BioMarine's strategic pillars. To ensure that we facilitate an environment for great performance, open channels for feedback and dialogue are essential. This belief has resulted in our monthly employee survey, which is closely followed up by managers, as well as the Executive Management Team. Our employee performance review process encompasses a regular and positive dialogue between the individual employee and manager, in which they both evaluate their own performance and assess how valued by the company the employee feels. Employees also routinely evaluate the type of support needed from the company and the manager to do their best at work. This process has been implemented for all onshore employees.

Gender equality & equal opportunity

GRI 405-1 i. Gender		2020			2021		
		Female	Male	% Female	**Female**	**Male**	**% Female**
Offshore harvesting		20	221	8,30 %	**7**	**95**	**6,86 %**
US Houston manufacturing		17	51	25,00 %	**18**	**58**	**23,68 %**
Sales Organization	US	50	33	60,24 %	**52**	**35**	**59,77 %**
	Norway	70	66	51,47 %	**70**	**62**	**52,67 %**
	Rest of the world*	10	19	34,48 %	**13**	**19**	**40,63 %**

GRI 405-2* Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operations	Women earn % of men 2020	2021
Executive management	102.06%	**91,11 %**
Middle management	82.43%	**83,19 %**
Employee	83.74%	**88,05 %**
*numbers for Norway		

GRI 405-1 ii. Age groups and %female	2021											
Age groups	**Under 30**				**30-50**				**Above 50**			
Gender	Female	Male	Sum	%female	Female	Male	Sum	%female	Female	Male	Sum	%female
Offshore	1	9	10	10.00%	3	35	38	7.89%	1	37	38	2.63%
US Houston Manufacturing	2	7	9	22.22%	12	34	46	26.09%	3	14	17	17.65%
Global sales offices	26	13	39	65.79%	90	74	164	54.94%	24	44	68	36.36%
Sum**	**29**	**29**	**58**	**49.12%**	**105**	**143**	**248**	**42.28%**	**28**	**95**	**123**	**23.14%**

**Permanent employees are in our direct employment. Aker BioMarine defines temporary employees who are also in our direct employment but on short-term contracts. For onshore, there are 14 temporary employees who are mainly substitution for those who are on parental or sick leave and also students who work as interns. For offshore, 139 employees were transitioned to crewing management companies in 2021.

Taking care of our people

The pandemic continued to influence our global workforce throughout 2021, serving as a challenge for all Aker BioMariners. For our offshore crew, the burden of sustaining operations has been extra heavy. When working in the Antarctic, the nearest hospital can be seven days away, and consequently, risk mitigation is even more critical. Our offshore crew has been through rigorous Covid-19 testing, combined with strict isolation requirements prior to boarding our service vessels destined for the fishing ground. Our people have endured and stayed safe, and Aker BioMarine has succeeded in sustaining fishing operations throughout the pandemic.

Our global office workers have spent most of the year working from home. As we prepare to return to the office, we believe that every Aker BioMariner should be empowered to structure their work in a way that aligns with the needs of their teams and the company. We continue to recognize and emphasize the value of physical co-presence for our people, to nurture our culture and team spirit, and spark creativity and innovation. At the same time, we acknowledge that each employee has different needs and preferred ways to achieve success, which is why we embrace a hybrid workplace model.

Throughout 2021 and into 2022, we have sought feedback from employees using our pulse engagement tool. Our ambition is to learn how people perceive the company in terms of diversity and inclusion (D&I). The results from this mapping will serve as the basis for our future D&I initiatives.

Provide a thriving workplace where people feel motivated and engaged

(GRI 404-3) Percentage of employees receiving regular performance and career development reviews	2020	2021
Offshore	Undertaking reorganization, performance review not yet implemented.	**A process to implement performance review will be initiated in 2022.**
US Houston manufacturing	56%	**42%**
US (Sales organization)	Not all processes implemented after dramatic expansion with Lang and Epion.	**100%**
Norway	100%	**100%**
Rest of the World	100%	**100%**

(GRI 401) New employee hires and employee turnover	2020	2021
New hires	93	**80**
Turn over	46	**60**

State of gender equality

Women comprise 40% of our Executive Management Team (EMT). In addition, the CEOs of Aion, Houston Manufacturing and Epion Brands LLC are women. Overall, we have good gender balance in our offices, with 52.67% female employees in Norway, and 53.60% of our sales organization globally. The female ratio in middle management positions is low (24%) and particular focus will be placed on improving the gender balance in management levels in the years coming.

Fishery is generally a heavily male-dominated industry, as is the case in Aker BioMarine. The 7 females working on board our vessels are all hired in key crew positions such as for instance Fish Mate and Quality Control.

	Gender balance		**Temporary employees**		**Parental leave**		**Part-time workers****		**Involuntary part-time**	
	N		N		Average # weeks		N		N	
Organization	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Offshore Harvesting	7	95	–	–	–	2	–	–	–	–
Houston Manufacturing	18	58	1	3	NA*	NA*	–	–	–	–
North America	52	35	–	–	NA*	NA*	–	1	–	–
Norway	70	62	3	4	23	6	4	1	–	–
Rest of the world	13	19	3	–	NA*	NA*	–	–	–	–
Total	**160**	**269**	**14**	**–**			**4**	**1**	**–**	**–**

*Not tracked for our global employees, as different national laws apply

**Part-time employees are interns who combine work with studies and employees working part-time on their own will

Gender pay analysis

	Gender balance		**Gender pay gap***			
	Number of employees		Cash reward		Non-cash reward	
	Women	Men	Women	Men	Women	Men
Group 1 (EMT)**	4	4	95%	100%	52%	100%
Group 2***	1	6				
Group 3***	1	12				
Group 4	12	8	89%	100%	103%	100%
Group 5	10	11	88%	100%	92%	100%
Group 6	20	8	92%	100%	95%	100%
Group 7	14	6	84%	100%	102%	100%
Group 8***	2	2				
Group 9***	4					
Total	**68**	**57**	**75%**	**100%**	**78%**	**100%**

Analysis for all Norway-based permanent employees. Cash reward includes salary, annual leave allowance, bonus. Non-cash reward include pension, insurance, newspaper, electronic communication.
* Women percentage shows women's pay in relation to men
** CEO excluded
*** Privacy regulations. At least 5 employees of each gender needs to be represented in order to include in report.

For our onshore office positions, HR and the EMT conducted a detailed job analysis for all positions in 2021, on the factors of education and experience requirements, problem solving, social skills and - contacts, financial responsibility, impact, and mental- and physical working environment. The analysis resulted in 19 different levels of job positions, which is an indication of the diversity of jobs in our company. With 125 employees in Norway, a group level analysis proved difficult due to the low number of employees in each level. To comply with privacy regulations in reporting we grouped 19 levels into 9, in line with our Career Model. Groups 2-4 represent senior managers, group 5-6; experienced professionals, 7-9; entry-intermediate level employees. A consequence of this grouping is that the level of job requirements, complexity and responsibility is not equal for all positions represented in the groups in the table above and thus naturally the salary level will vary. However, given that women are paid less than men in all the groups we cannot reject the notion that gender discrimination may be a factor in the gender pay gap. In 2020, we started to identify and analyze gender pay gaps for all employees in Norway. Particular focus has been placed on closing the gap between men and women during the annual salary adjustment process, which resulted in a reduction in gender difference of 3.4% for permanent employees in 2021 compared to 2020.

Our work for equality and non-discrimination

Principles, procedures and standards for equality and non-discrimination

Diversity at Aker BioMarine means all the differences and similarities that make us unique as individuals. Aker BioMarine shows respect for all individuals and act responsibly to prohibit discrimination or harassment of any kind, which is also clearly stated in our Code of Conduct. Aker BioMarine complies with recognized international conventions and is committed to respect basic human and trade union rights. We acknowledge the fundamental principles of human rights, as defined in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, as well as the OECD guidelines on Multinational Companies. Considerations of equality and non-discrimination is an integral part of our employee policy

Our work to ensure equality and non-discrimination in practice

HR and top management did an analysis of all onshore office positions to better compare positions across subject matter area and ultimately to get better quality in the analysis of unjustified differences in pay.
HR proactively advices managers on equal pay for work of same value and quality in recruitment-, promotion- and annual salary adjustment processes
We have done an analysis of the 'gender appeal' of job advertisements, results showing that the text advertisement appeals to both men and women
To ensure equal opportunities for all our employees, we continued to put focus on implementing our Career Model, which provides a framework for career advancement in different tracks within the company. This ensures that all our employees have equal opportunities for advancement in their career no matter it is a managerial, professional or commercial role.
Employee surveys include questions on fair treatment, respect and valuation of differences, unpleasant comment(s) or conduct(s) that was offensive, embarrassing or hurtful.
Employees can anonymously raise a concern on misconduct, breaches, or potential violations through our webpage. The Whistleblower function is handled by an external party to secure anonymity.
The office building was built in compliance with regulations on access for all, and is wheelchair accessible with elevator access to all levels, low thresholds, automatic door openers and dedicated toilet rooms.

We discovered the following risks of discrimination and obstacles to equality

Analysis of gender differences in pay and the gender balance in different job categories show that men generally have a higher average salary than women and men hold most of the senior level positions in the company, indicating a risk of discrimination in compensation terms as well as recruitment- and promotion processes.

Employee survey results show that 12% of our responding employees have experienced unpleasant comment(s) or conduct(s) they felt was offensive, embarrassing, or hurtful. We do not know the severity of these experiences; however, we take this seriously and will ensure that employees know where to seek support and how and where to report it, so we can manage the situation in a proper way and continue to work towards our goal of zero discrimination.

Possible causes of risks and obstacles, and measures initiated

- The pay gap between women and men is largely due to the fact that there is still a majority of men in middle management (76%) and the company's senior level positions. More focus is put on ensuring gender balance in recruitment processes for senior level positions, and in the period 2022-2023 our aim is that 50% of vacant management positions will be filled by women.
- There is a risk of gender discrimination in compensation terms. HR will continue to raise awareness and advice managers on gender pay gaps in salary adjustment processes and recruitment processes and focus on evening out differences.
- Only 2 cases were reported through our anonymous Whistleblower function during 2021, indicating that our employees are not fully aware of this reporting option. In 2022, we have added an additional anonymous Whistleblower function through &frankly, our employee survey tool. This will hopefully make this function more available and visible to our employees.

Implemented measures in 2021

- During the 2021 salary adjustment process HR had particular focus on evening any salary differences between employees doing work of same value and quality.
- In the fall of 2021, we did a thorough and structured analysis of all roles in the onshore office organization, using 6 factors from the perspective of work of equal value, to better compare positions across subject matter area to give us better quality in the analysis of unjustified differences in pay.
- Results of the Equality & Discrimination survey results were discussed in department meetings as well as the Executive Management Team.
- We implemented a policy supporting a hybrid work model. Termed "AKBM Balance", that allows our employees to structure their work in a way that balances their work and family life.
- Several work-life balance and employee wellbeing arrangements were introduced in our operations globally. Inspired by our Norwegian values, many of our locations offer health and wellness grants, training and development support, generous paid vacation and parental leaves as well as flexible working hours.
- Training on the topic 'Unconscious bias' was developed and carried out in 2021 for HR and hiring managers.

Planned measures for 2022

- Implement policy of at least 50% women among qualified candidates in recruitment processes for leadership positions
- In the period 2022-2023 our goal is that 50% of vacant leadership positions are filled by women
- Further analysis of the roles & responsibilities mapping to determine whether any differences in salary are linked, directly or indirectly, to gender. The findings and results will guide our future efforts for evening gender pay gaps.

Results of the measures and expectations for the work ahead

- The annual salary adjustment process resulted in a reduction of gender difference of 3.4% for permanent employees.
- Our employee surveys show a 7% reduction in experienced stress compared to previous years, which could be a result of better being able to balance work and family life through more use of home office

Success and challenges in the process and the measures

- In the coming year, greater emphasis will be placed on promoting equality particularly in recruitment processes. We will also strengthen the focus of our work on diversity and equality in the cooperation with our employee representatives and safety delegates.
- We will also work to formulate more concrete measures.
- It was easier to find risks of discrimination and possible causes related to gender as compared to more multifaceted discrimination. Here we see a need for skills development.

Action overview and action plan

HR area	Background for measures	Description of measures	Goals and KPIs for measures	Responsible	Deadline / Status	Result
Recruitment	Majority of men in management- and senior level positions	Implement policy of 50% women among qualified candidates in recruitment processes for leadership positions	• 50% women among qualified candidates • 50% of vacant leadership positions are filled by women in the period 2022-2023	HR	Started	
Promotion- and development opportunities	Majority of men in management- and senior level positions	• Assess leadership aspirations and -competence for all new hires • Encourage and promote women to pursue leadership career	50% of vacant leadership positions are filled by women in the period 2022-2023	HR	Started	
Compensation terms	Gender difference in pay on all levels for onshore positions in Norway	• Analysis of job complexity and • -requirements • Reduce gender difference during recruitments and salary adjustment process	Equal pay for equal work of same quality	HR	Started	Reduction of gender difference of 3.4% in Norway (2021)
Harassment	12% of respondents have experienced unpleasant comment(s) or conduct(s) they felt was offensive, embarrassing, or hurtful.	• Add a more available anonymous Whistleblower function through our employee survey tool. • Discuss survey result in departments and EMT	Harassment claims are reported and managed appropriately	HR/Compliance Officer	Started	
Work/life balance	Enable employees to balance work and family life	• Implemented 'AKBM Balance' policy on flexibility of work place	Stress levels remain at current level	HR	Complete	7% reduction in experienced stress compared to previous years
Discrimination factors: gender, pregnancy, maternity leave or adoption, care responsibilities, ethnicity, religion, disability, sexual orientation, gender identity and gender expression and combinations of these factors						

Operating with integrity

We value diversity in Aker BioMarine. We don't make promises or create policies for the sake of it. We do it because we believe that organizations can and should do better. Our words mean something: we care, we are driven, and we are proud, and this is reflected in our values, which we call our "Heartbeats". In 2021, we created and launched a HSSE policy and management system that reflects our heartbeats, and in doing so, we encourage everyone in the company to embrace and embody our HSSE mindset in everything they do. When it comes to taking care of our people, we do not accept anything less.

Our overall HSSE ambition is to empower our people to take appropriate risks and understand what it is required to succeed.

Throughout 2021, COVID-19 restrictions afforded us the opportunity to look at the structure, documents, and details of our HSSE set-up and organization. We initiated a more global and holistic approach to integrating our production sites, vessels, and office spaces, building understanding and alignment between the strategic, tactical, and operational needs in the process. An example of this was the implementation of our global emergency preparedness manual and a global emergency response notification telephone system that allows our employees to report and/or notify of an emergency incident anywhere in the world, always.

In our global operations, we encounter significant operational risks, most prominently due to our vessels at sea in the remote and often unforgiving Antarctic environment. In 2021, we handled a few serious incidents that led to medical evacuations and increased preparedness measures being taken. Although our handling was successful and no major impact occurred, we will continue to learn and improve based on these experiences.

In 2021, we built the foundation for a robust and resilient HSSE culture across Aker BioMarine. As we look ahead, we see 2022 as another year of opportunity to raise awareness, ramp up training and continue implementation. Our five-year HSSE plan is designed for continual performance improvement, and are confident that 2021 was the best possible start to reaching this goal. Ultimately, HSSE is all about keeping our people safe, at all times, and in everything we do in Aker BioMarine.

Our HSSE policy is underpinned by six integrated principles:

- **Anticipation –** We are forward thinking. We scan the horizon, network, and learn from historical incidents to see what the future holds.
- **Assessment –** We are aware of the risks and threats facing us.
- **Preparedness –** We understand the gaps we have and how to close them, with consistency over time.
- **Planning –** We plan, train, and possess necessary supporting documents, such as work instructions and manuals.
- **Response –** We are ready with our toolbox talks, work permits, stop work authorities, Crisis Management and Emergency Response and Preparedness.
- **Recovery –** We learn from incidents and from others, and we make these lessons tangible so we can anticipate the future better.

Zero tolerance for discrimination, harassment, or unlawful behavior

	2020	**2021**
(AKBM KPI) Number of reported whistleblowing incidents	zero reports	**2**
(AKBM KPI) Number of reported incidents concluded to constitute a breach in governing rules and regulations	zero reports	**zero reports**

Excellent occupational health & safety

(GRI 403-2) Number of serious incidents reported (onshore and offshore)	2020	**2021**
Sick leave	0,76 %	**0,49 %**
LTI	3	**2,34**
Fatalities	0	**0**

CORPORATE GOVERNANCE REPORT

Effective corporate governance provides the foundation for long-term, sustainable value creation. Corporate governance is therefore a key concern for Aker BioMarine ASA ("Aker BioMarine" or "the Company").

As a portfolio company within the Aker family, we believe in active ownership. Our main shareholder is active in setting clearly defined strategic goals for the Company and is involved through the boardroom and direct dialogue with company management, promoting shareholder value. The active ownership provides direction and purpose. Aker BioMarine's main shareholder, Aker ASA (acting through Aker Capital AS), is actively involved in Aker BioMarine through having Kjell Inge Røkke, Frank Reite and Øyvind Eriksen on the board.

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance, most recently revised in the autumn of 2021, the board has reviewed and updated the Company's corporate governance principles. The individual recommendations of the Norwegian Corporate Governance Board (NUES) are discussed below. Aker BioMarine's principles are largely consistent with the recommendations.

CORPORATE GOVERNANCE

Aker BioMarine's corporate governance principles are established by the board. The purpose is to ensure a productive division of roles and responsibilities among Aker BioMarine's owners, board and executive management, as well as to ensure satisfactory controls of the Company's activities.

AKER BIOMARINE'S BUSINESS

Aker BioMarine's business purpose is expressed in the Company's Articles of Association: "The company's purpose is to carry out sustainable krill fishing, develop, produce, transport, commercialize and market products from krill and other raw materials for use within human and animal health and nutrition, including investments in and operation of other businesses with similar purpose."

The board has prepared clear goals, strategies and a risk profile for the company's business activities such that the Company creates value for shareholders in a sustainable manner. The Company has defined sustainability as a foundation for the entire operation, with an overall mission to "improve human and planetary health". The Company reports on ESG - Environmental, Social, Governance – as part of its Annual Report. The board evaluates targets, strategies and its risk profile on an annual basis, at a minimum.

EQUITY AND DIVIDEND

Capital structure The Aker BioMarine group had USD 370.3 million in book equity as of 31 December 2021, corresponding to an equity ratio of 48.9 per cent. The capital structure is appropriate and adapted to the objectives, strategy and risk profile.

Dividend policy The Company has not established any dividend policy to date, but will strive to follow a dividend policy favorable to the shareholders. The Company has not paid any dividends on its shares during the financial years ended 31 December 2020, 2019 and 2018.

Board authorizations The board's proposals for board authorizations comply with the relevant recommendation in the Norwegian Code of Practice for Corporate Governance. Board authorizations are limited to defined purposes and are dealt with as separate items at the annual general meeting. Board authorizations are limited in time to no later than the date of the next annual general meeting.

EQUAL TREATMENT OF SHAREHOLDERS

The Company has a single class of shares, and all shares carry equal rights. Aker BioMarine has developed principles and guidelines for transaction agreements and other agreements not forming part of ordinary operations involving companies in which Aker BioMarine and/or entities within the Aker group has significant ownership interests. Transactions involving own shares are executed on Oslo Børs. Buybacks of own shares are executed at the current market rate.

Additional information on transactions with related parties can be found in Note 22 to the 2021 consolidated accounts.

SHARES AND NEGOTIABILITY

There are no restrictions on owning, trading or voting for shares in Aker BioMarine.

GENERAL MEETINGS

Participation. Aker BioMarine encourages all its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the Company. The annual general meeting in 2022 will take place on 20 April.

Aker BioMarine has decided to hold its general meeting as a digital meeting to ease participation and create a better meeting format compared to a hybrid meeting. Shareholders unable to attend the general meeting live may use electronic voting to vote directly on individual agenda items during the pre-meeting registration period. Shareholders unable to attend the meeting may also vote by proxy. The procedures for electronic voting and the proxy voting instructions are described in the meeting notification and published on the Company's website.

Meeting chair, voting, etc. The Public Companies Act stipulates that a general meeting must be declared open by the chairman of the board of directors, or a person nominated by the board of directors. The general meeting then elects a chairman for the meeting. The NUES Code of Practice further stipulates that the board of directors should ensure that the general meeting is able to elect an independent chairman. Aker BioMarine follows this principle.

Attendance. The leader of the nomination committee and the Company's auditor are expected to attend general meetings. The general meeting elects the members of the nomination committee and shareholder-elected board members. The nomination committee focuses on composing a board that works optimally, and on ensuring that board members' experience and qualifications complement each other, and that statutory gender representation requirements are met. The general meeting will be requested to vote for board members individually.

NOMINATION COMMITTEE

Aker BioMarine has a nomination committee as required by its articles of association. The nomination committee must comprise at least two members, and each member is normally elected for a two-year period. The members and chairman of the nomination committee are elected by the Company's general meeting, which also determines the remuneration payable to committee members. Instructions for the nomination committee's operations were adopted by the annual general meeting in 2021. The primary responsibilities of the nomination committee are to recommend candidates and remuneration for the Company's board of directors and nomination committee, and remuneration for members of the audit committee.

Svein Oskar Stoknes, CFO of Aker ASA, is Aker BioMarine's current chairman of the nomination committee. The instructions to and the current composition of the nomination committee is in line with NUES' Code of Practice. Shareholders who wish to contact the nomination committee can do so using the following email address: svein.stoknes@akerasa.com.

BOARD OF DIRECTORS AND AUDIT COMMITTEE – COMPOSITION AND INDEPENDENCE

Board of directors. Employees' rights to representation and participation in decision-making are safeguarded through employee representation on the board of directors. Pursuant to the Company's articles of association, the board comprises between 3 and 9 members, of whom at least one-third are elected by and from Aker BioMarine group employees. The nomination committee also recommends a candidate for the position of board chairman, who must be approved by the general meeting. The majority of the shareholder-elected board members are independent of the Company's executive management and its significant business associates.

Kjell Inge Røkke has indirect economic interests as owner of the Aker ASA's main shareholder, TRG Holding AS. Neither the CEO nor any member of the executive management is a member of the board of directors.

The current composition of the board is presented on the Company's web pages and in our annual reports, as are board members' qualifications and expertise. The current members of the board were elected in 2021 for a term of two years.

Audit committee. The Company has established an audit committee comprising of two members from the board of directors. The composition of the audit committee fulfils the required qualifications and competence in accounting and auditing under the Norwegian Public Limited Liability Companies Act.

The Company has resolved a mandate for the work to be carried out by the audit committee. The function of the audit committee is to prepare matters to be considered by the board of directors and to support the board of directors in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control. The audit committee shall report and make recommendations to the board of directors, but the board of directors retains responsibility for implement such recommendations.

THE WORK OF THE BOARD OF DIRECTORS

The board of Aker BioMarine has established board instructions that regulate areas of responsibility, tasks and the division of roles between the board, the board chairman, and the CEO.

The board carries out an annual self-evaluation.

Aker BioMarine has an audit committee. The committee's mandate regulates areas of responsibilities, tasks, relations with the external auditor and reporting to the board of directors. The composition of the committee is presented in the 2021 annual report. The board has considered whether Aker BioMarine should have a compensation committee but has concluded that it is currently not necessary.

RISK MANAGEMENT AND INTERNAL CONTROL

Governing principles. The board of Aker BioMarine establishes the overall principles for governance and control in the Company through the adoption of various governing documents. For particularly important areas of group-wide relevance, the board ensures that governing documents of Aker BioMarine are aligned with the broader Aker group. For example, Aker's Code of Conduct also expresses Aker's expectations of the portfolio companies' respective codes of conduct. The same applies to important areas such as anti-corruption and supplier conduct.

Aker BioMarine has established a compliance officer function with dual reporting duties to the Company's CEO and audit committee. The compliance officer's main task is to ensure that Aker BioMarine is compliant with relevant laws and regulations, including the internal regulations and guidelines of Aker BioMarine. Aker BioMarine has chosen a risk-based approach to the compliance officer's mandate. The compliance officer contributes to and benefits from effective information and knowledge sharing between the various compliance departments in the broader Aker group.

Aker BioMarine has implemented a whistleblowing channel for reporting of serious matters, such as potential breaches of ethical guidelines and violations of the law. Information about the whistleblowing channel, including contact information, is available on the Company's website.

Furthermore, the Company seeks to promote diversity and prevent gender discrimination in the workforce through clear recruitment requirements and the development of individuals and programs that support equal opportunity. This means that the Company is committed to both promote and pay employees fairly, regardless of individual characteristics, and that individuals with the same jobs, with equal professional experience, who perform equally well, shall receive the same pay in Aker BioMarine.

Risk management and internal control. The board carries out a bi-annual risk-based review of the Company's operations. Prior to the bi-annual risk reporting to the board, the audit committee reviews the reported main risks and relevant risk-mitigating measures. The audit committee also reviews the Company's internal controls and overall risk management.

Aker BioMarine has established a procedure for internal control over financial reporting (ICFR). The ICFR framework is based on COSO Internal Control Integrated Framework. The ICFR framework is implemented through a risk-based and top-down approach, to provide appropriate organization of the financial reporting, ensuring that Aker BioMarine's activities, accounts and management are subject to adequate control.

In connection with the process of preparing Aker BioMarine's financial statements, clearing meetings are held with Aker ASA with the main purpose of ensuring the quality of the financial reporting. The clearing meetings focus on significant valuation items, off-balance sheet items, related transactions, new or modified accounting principles, ICFR, and special judgmental items in the annual report. External auditors are present at the meetings.

The audit committee prepares a preliminary review to the board of the quarterly and annual financial statements, focusing on valuation items, judgmental items and the application of new accounting principles, as well as any material related-party transactions.

BOARD REMUNERATION

Board remuneration reflects the board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker BioMarine's financial performance, and there are no option programs for any of the board members.

The annual general meeting determines board remuneration after considering recommendations by the Company's nomination committee. The board members elected by and among the employees do not receive board remuneration. Additional information on remuneration paid to individual board members for 2021 can be found in the financial statements and in the 2021 Remuneration report.

REMUNERATION OF EXECUTIVE MANAGEMENT

The board has adopted a declaration on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. Furthermore, the Company has drafted a remuneration report in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act. Both documents are available on the Company's website, and the 2021 remuneration report is attached to the Company's annual report for 2021. The annual general meeting will hold an advisory vote over the remuneration report.

The employment contract of the CEO has been approved by the board. The remuneration paid to the CEO is approved by the board after considering recommendations from the chairman of the board. The CEO determines the remuneration payable to key executives in accordance with board guidelines. Aker BioMarine has no stock option programs.

INFORMATION AND COMMUNICATION

Aker BioMarine's reporting of financial figures and other information is based on transparency and equal treatment of stakeholders. All stock exchange notifications and press releases are published on the Company's website, www.akerbiomarine.com. Stock exchange notices are also available at www.newsweb.no.

The Company organizes presentations in connection with its financial reporting. These meetings are generally broadcasted directly via the internet (webcast) or run as a physical meeting. The Company's financial calendar is published on Aker BioMarine's website and www.newsweb.no.

TAKEOVER

Aker BioMarine does not have separate guidelines on how to respond in the event of a takeover bid. The Norwegian Code of Practice for Corporate Governance recommends the adoption of such guidelines. Aker Capital AS controls a total of 77.78 per cent of Aker BioMarine's shares. In view of this, the board has deemed separate takeover guidelines as recommended by the Code to be unnecessary.

AUDITOR

The external auditor makes an annual presentation of the auditing plan to the audit committee.

The external auditor participates in all meetings of the audit committee and in the board meeting when the annual accounts are approved. The minutes from the audit committee meetings are distributed to the board. The external auditor reviews, with the audit committee, any material changes in the Company's accounting principles and assessments of material accounting estimates. There have been no disagreements between the external auditor and management on any material issues.

The auditor reports to the audit committee on its assessment of the internal controls over financial reporting process. The outcome of this review is presented to the audit committee and the board. The audit committee meets with the auditor without representatives of executive management being present.

The audit committee receives an overview of services rendered by the auditor to the Company. The audit committee also approves the fees paid to the auditor for material additional services. The remuneration paid to the auditor in 2021 for both audit and other services is presented in the financial statements. These details are also presented to the annual general meeting. Further, the external auditor has provided the audit committee with written confirmation that the requirement of independence is met.

The new Public Audit Act was effective from 1 January 2021. Extended tasks related to selection of an external auditor, purchase of audit services and follow-up of the external auditor are handled by the audit committee.

KPMG has been the auditor since the inception of the Group. The lead audit partner has been on the audit engagement since 2018.

3. Financial statements

2021
Aker BioMarine Group

Consolidated Financial statements

BOARD OF DIRECTORS' REPORT

SUMMARY OF 2021

Aker BioMarine reported Net sales of USD 262.1 million for 2021 and a Net loss for the year of USD 8.0 million. The adjusted EBITDA for 2021 was USD 48.0 million with a margin of 18%. The 9% reduction in sales from the previous year is largely explained by a drop in sales of krill oil in South Korea due to changed regulatory requirements. Aker BioMarine has a relatively high fixed cost base with high operational leverage, yielding higher earnings growth as the top line increases. Also in 2021, the company handled the covid-19 pandemic well and remained dedicated to the safety of all employees, without any significant disruption to operations.

Harvesting operations started well in 2021, with all three vessels in full operation and an all-time-high catch volume in the first quarter. In the remainder of the year, operations were more challenging, with limited krill available where our vessels were operating and in the third quarter, ice was blocking the entrance to sub-area 48.2, preventing fishing during much of this period. For the full year, the offshore production of krill meal was 43,800 MT, down from 45,000 in 2020. In 2021, important improvements for increased production the coming years were performed. Most notable improvements are the delivery of the new service vessel Antarctic Provider, the ordering of a Sounder USV (Unmanned Surface Vehicle) from Kongsberg Maritime to optimize krill search in Antarctica and further reduce the carbon footprint, in addition to important upgrades on Antarctic Sea.

Aker BioMarine's competitive position remains solid. In krill harvesting, the company accounts for the majority of all the global krill catch, even while holding a minority of the total number of fishing vessels. The onshore operation in Houston, USA, made also in 2021 significant improvements, and approximately 80% of the world's krill oil production goes through Aker BioMarine's factory.

In the animal health and nutrition business, QRILL Aqua ingredients continued with good sales development. Aker BioMarine entered in 2021 into the pet food market in China by, amongst others, signing of an agreement with China's leading producer of pet food. In the human health and nutrition business, total krill oil sales are impacted by the shortfall of volumes in South Korea but increased in other geographies.

Aker BioMarine's own krill oil brand, Kori, is sold on the shelves of the largest retailers in the US. In 2021, significant sales progress was made, especially towards the end of the year. A full national physical store distribution to both Sam's Club and Costco in 2022 is a key milestone for the growth of the Kori brand. The brand will be found in all 550 Costco warehouses and 588 Sam's Club warehouses in the US. Both retailers will feature pallet promotions as part of a launch in early 2022.

Aker BioMarine has for many years invested in innovation and research and development (R&D). Innovation is an integral part of the company's DNA and is at the core of the company culture. In 2021, Aker BioMarine and others published several studies documenting the benefits of both krill oil for human consumption and krill meal for animal feed. These studies equip Aker BioMarine and our customers with more information about their krill-based products, which enables greater awareness and sales.

During the year, there has been a good progress in the ongoing strategic innovation projects. For LYSOVETA, the development continues, including scale-up of commercial and manufacturing activities in the US, the first target market. For INVI, the pilot production continued in providing batches for R&D and first commercialization purposes. For AION, there is an ongoing process to spin off the company.

In 2021, Aker BioMarine further developed the company's ESG framework and is committed to its ambitious 2030 and 2050 targets. Our environmental ESG targets concern the reduction of CO_2 emissions by 50% in 2030 and to be net zero in 2050. In its 2021 review, Sustainable Fisheries Partnership awarded Aker BioMarine's Antarctic krill fishery an A-rating for the 7th consecutive year, and hence, it is rated as one of the world's most sustainable fisheries.

BUSINESS OVERVIEW

Aker BioMarine is a biotech innovator and Antarctic krill-harvesting company, dedicated to improving human and planetary health. The company has a strong position in its industry and is the world's leading supplier of krill-based ingredients for nutraceutical (Superba), aquaculture (QRILL Aqua), and animal feed applications (QRILL Pet). In addition, the company develops a new potential product, LYSOVETA, for targeted transporter of EPA and DHA from krill. Aker BioMarine is also targeting the global protein market with the new product INVI, a highly concentrated protein isolate from krill. The company's business is supported by research, and there are around 200 published studies showing the benefits of krill for humans and animals.

Aker BioMarine's fully integrated value chain starts with our sustainable krill harvesting in Antarctica. Our catch technology ensures very limited bycatch and utilizes 100% of the raw material. The three harvesting vessels are outfitted to simultaneously produce ingredients while catching krill. From the logistics hub in Montevideo, Aker BioMarine distributes products to customers globally, and ships ingredients to Houston for the production of krill oil. The company has inhouse sales and distribution teams locally in all the large markets where it operates, selling products to customers in more than 61 countries, including a private label business in the United States, Lang Pharma Nutrition, and the company's own krill oil brand, Kori.

Aker BioMarine's purpose is to Improve Human and Planetary Health, and this guides all employees and management when making decisions and setting priorities. Aker BioMarine adapted its strategy to UN's Sustainable Development Goals (SDG) back in 2015, and the company focuses on four of the SDGs:

- GOOD HEALTH AND WELL-BEING by combating lifestyle deceases through its Superba krill oil products.
- ZERO HUNGER by making aquaculture more efficient through its QRILL Aqua products.
- RESPONSIBLE CONSUMPTION AND PRODUCTION through mapping out CO_2 and waste stream and implementing new initiatives to reduce the footprint each year.
- LIFE BELOW WATER by building the most sustainable fishery in the world, and being transparent, responsible, and contributing to science in Antarctica.

Aker BioMarine owns and operates three krill harvesting vessels under Norwegian flag: Saga Sea, Antarctic Sea and Antarctic Endurance. The vessels produce krill feed products and intermediates onboard. In addition, the company owns the newbuilt support vessel Antarctic Provider, that was delivered in February 2021. Antarctic Provider transports krill products, crew, fuel and consumables between the harvesting vessels and the logistics hub in Montevideo, Uruguay. Aker BioMarine holds four krill harvesting licenses issued by the Norwegian Government, three of which are in use today. The company also owns and operates its onshore krill oil factory in Houston, Texas.

The Aker BioMarine headquarters are located at Fornebu, Norway. In April 2021, the shares of Aker BioMarine were transferred from trading on Euronext growth to Oslo Børs.

FINANCIAL INFORMATION

Consolidated results

In 2021, Net sales decreased by 9% to USD 262.0 million, from USD 288.6 million in 2020, mainly driven by lower sales in the Ingredients segment. Net loss for the year was USD 8.0 million, down from USD 5.5 million in 2020. Lower harvesting than expected significantly impacted the 2021 results with lower gross margins for the QRILL category, as well as limited availability of the QRILL product. Adjusted Group Earnings before Interest, Tax, Depreciation, Amortization and special operating items ("adjusted EBITDA") was USD 48.0 million in 2021, compared to USD 78.1 million in 2020. In 2020, cost related to the launch of Kori in the US of USD 17 million was excluded from adjusted EBITDA. However, from 2021 all marketing cost of Kori is included, and hence, this change explains part of the decrease. The decrease is also due to a drop in sales of krill oil in South Korea and lower harvesting volumes.

Cash flow

Cash flow from operations was USD 0.7 million in 2021, an increase from USD -51.0 million in 2020, mainly due to release of receivables and several effects in 2020 not recurring in 2021, such as the contract payment and payment of accrued interest to Aker ASA. The difference between cash flow from operations and the operating profit (loss) in the statements of profit or loss mainly represents changes in working capital, depreciation and amortization, as well as financial expenses such as interest and guarantee fees included in cash flow from operations. Cash flow from investing activity include the acquisition of Antarctic Provider as well as growth and maintenance capital expenditures on existing assets. Total investments were USD 79.2 million compared to USD 2.0 million in 2020, where 2020 was impacted by the sale of harvesting vessel Juvel for USD 21.6 million. Net cash flow from financing activity was USD 78.9 million (2020: USD 50.2 million), mainly in relation to the acquisition of Antarctic Provider. In addition, the Group refinanced its external debt by drawing USD 335.0 million combined with a down payment of USD 260.3 million on existing facilities.

Financial position

As of 31 December 2021, the equity ratio was 49%, compared to 53% at year-end 2020 after the private placement was completed in connection with the admittance to Euronext Growth in July 2020. Cash and cash equivalents amounted to USD 11.1 million, compared to USD 10.7 million as of year-end 2020. In addition, the fuel hedge, now assessed under hedge accounting, amounted to USD 12.5 million where a significant part is prepaid. Total assets amounted to USD 757.5 million and total equity was USD 370.4 million. Corresponding 2020 figures were USD 700.4 million in total assets and USD 373.2 million in total equity. The increased asset base mainly comprised of acquisition of Antarctic Provider as well as higher inventory values following build-up of krill oil inventory. Interest-bearing debt amounted to USD 324.8 million as of 31 December 2021, of which USD 294.1 million is long-term interest-bearing debt and USD 30.7 million is short-term interest-bearing debt. The available liquidity under the company's debt facilities amounted to USD 106.3 million as of 31 December 2021.

AKER BIOMARINE ASA

The parent company Aker BioMarine ASA is a holding company, with financial activities and with corporate functions. Aker BioMarine ASA had a Net gain of USD 5.1 million in 2021, compared to Net loss USD 1.7 million in 2020. The reduction in Net loss is primarily driven by lower interest and guarantee expenses on debt facilities. Total assets were USD 523.48 million as of 31 December 2021, compared to USD 572.4 million in 2020. Cash and cash equivalents were USD 0.5 million as of 31 December 2021, the same level as in 2020. During 2021 the Group signed and executed a new financing structure with a bank group consisting of DNB Bank, Cooperative Rabobank and Nordea Bank. The financing structure is placed in Aker BioMarine Antarctic AS, implying that interest bearing loans in the Company is transferred to Aker BioMarine Antarctic AS.

The Board of Directors has proposed that the Net loss for the period is allocated to retained earnings.

FINANCIAL RISK AND RISK MANAGEMENT

Aker BioMarine is exposed to credit, liquidity and interest risk in addition to operational risks and uncertainties related to harvesting and offshore processing technologies, fluctuations in annual krill harvesting, onshore production processes and product quality, ability to develop new products, and general market risk, which includes product sales. The Covid-19 pandemic inherently increased many of these risk factors, as markets become more uncertain, and operations become more complex, expensive, and less robust to interruption. Aker BioMarine has implemented measures to mitigate the risk for operational disruptions due to the Covid-19 situation, both offshore and onshore, as well as in the offices.

<u>Other key operational risks and uncertainties</u>

Future sales growth: Increased competition from e.g., China could impact the ability to grow the demand for krill products globally, but also putting pressure on prices. New and stricter regulatory regimes could also impact sales short to medium term, similar to the situation the company experienced in South Korea during 2020.

Access to harvesting in the Antarctic: Changes in any regulations from CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources), new Marine Protected Areas (MPAs) affecting the fishing area, or transitional climate risk of broader regulatory bodies limiting the harvesting areas may reduce access to krill. Increased competition from other harvesting countries, e.g., China could also affect the company's ability to harvest krill. Weather- and ice conditions might also affect harvesting from year to year.

Climate change: Any climate change affecting the krill biomass with regards to availability and fat composition, could significantly affect the harvesting. In addition, ice and weather conditions could create a more challenging operational environment both offshore, and also for the onshore plant in Houston.

Operational breakdown: A major disaster or incident, due to technical issues or natural disasters, in the Houston plant or on any of the harvesting vessels could have serious operational, environmental, and financial impact.

Key financial risk and uncertainties

The company's activities create exposure to various types of risk which are associated with the financial instruments and markets in which it operates. The most significant types of financial risk are credit risk, liquidity risk, and market risks Risk management is carried out in order to create predictability and stability for operating cash flows and values. Management can use financial derivatives to hedge against risk relating to operations, financing, and investment activities if the financial derivative has been approved by the Board of Directors. In 2020 the company entered into a fuel hedge contract with DNB for hedging of bunkers oil for the period 2021-2024.

Credit risk: Relates to receivables from customers and is monitored on a routine basis with credit evaluations being performed on customers as appropriate. When entering significant sales contracts, the sales department seeks to reduce credit risk through more stringent payment terms including requirement of up-front payments. The company has had low losses on receivables as the sales department is maintaining close contact with each customer and routine billing and cash collection is performed.

Liquidity risk: Inability to meet financial liabilities as they mature. The company has not hedged against exposure to interest-rate fluctuations on debt and is therefore exposed to fluctuations on the variable rate amount of interest-bearing liabilities, which was USD 311.6 million as of 31 December 2021 (2020: USD 145 million).

Other financial risk:
These are described in more detail in Note 20 (Financial risk) to the consolidated financial statements, but include:

- Currency: Aker BioMarine operates in a global market and is exposed to currency fluctuations, primarily in the USD, NOK and EUR exchange rates with USD as its functional currency. The company seeks to ensure that revenues and expenses are in the same currency. The company periodically assesses the need for foreign currency hedging. Currency risk is managed on an overall Group level.
- Interest rate: The majority of the Group's debt facilities is floating. Aker BioMarine is therefore exposed to interest rate volatility and development, and the company periodically assesses the need for interest rate swaps or fixed papers when entering new debt facilities.
- Fuel price: Fuel cost is one of the company's largest operating costs. In June 2020 the company entered into a hedging arrangement for MGO fuel by using call options for 2021-2024. Total volume over the four-year period is 143 077 metric ton of MGO with the purpose of securing the future cash-flows from operating the company's fleet.

The Group has adopted a risk management policy to identify, measure, and mitigate risks.

HEALTH AND SAFETY

The krill-harvesting vessels, as well as the support vessel, operate in rough Antarctic waters. Crew health and the working environment are important concerns for the company. Despite the demanding conditions, illness and accident rates onboard are low. 'Safety first' is a key focus throughout the company's value chain. Sick leave rates are low both onboard the vessels, at the factory in Houston, and in the global office locations.

Throughout 2021 we have started a more Global and holistic approach to integrate our production sites, vessels, and office spaces, plus understand and align between the strategic, tactical, and operational needs. We have implemented a Global emergency preparedness manual and a global emergency response notification telephone system, which allows our employees to report/notify us of an emergency incident anywhere in the world 24/7, 365 days a year. Aker BioMarine has put in place systems to ensure that crew members have access to medical attention, in case of injury or illness when vessels are operating far from shore. The onboard working environment is reported as good, as evidenced by the low crew turnover rate

Aker BioMarine's objective is to minimize personnel injuries, environmental harm, and vessel or property damage. The company conducts systematic safety drills that prepare crew and onshore personnel for handling demanding scenarios that may occur on board or onshore. Personnel safety is important and efforts to further improve safety are ongoing.

During 2021 the offshore operations had four employee injuries leading to lost time. One of the incidents required medical evacuation due to a broken leg, the other three incidents were milder and did not require external medical treatment. In total, the offshore operation had 23 recordable incidents of various nature across all 4 vessels. At the plant in Houston there were 5 recordable incidents, of which 4 were injuries which resulted in lost time. None of the 4 injuries were considered serious incidents. There are no reports of significant injuries caused by other conditions associated with the company's operations. The company views accidents and hazardous conditions with great concern. Incidents and procedures are reviewed regularly, and measures are implemented to avoid recurrence.

The registered sick leave in the company's offshore operation was 0.6% in 2021, up from 0.3% in 2020. At the Houston plant sick leave was 0.5% in 2021, down from 1.5% in 2020. In the global offices, the sick leave was 1.0% in 2021, down from 1.7% in 2020.

ENVIRONMENT

The most significant environmental effects of Aker BioMarine's activities relates to climate change, biodiversity, recycling, and waste management. The main resources utilized are krill, energy, water, and land use. The activities that affect the environment are the capture of krill, energy consumption and emissions from the three vessels fishing in Antarctica and the support vessel that transports krill and crew from the fishing vessels to the mainland, energy consumption and emissions from the manufacturing facilities that produce krill products and the transport of these products to customers mainly in the US, Europe and Asia.

Sustainability has been an integral part of Aker BioMarine's operations and business model since the company's inception. Aker BioMarine is known for its proprietary Eco-Harvesting technology, which reduces by-catch to a minimum. Known for its fully transparent operations, the company was the first krill fishery to receive the Marine Stewardship Council (MSC) certification in 2010, and it received re-certification in 2015 for another five years and was once again rated as state-of-the-art both on sustainability of the stock, limited ecosystem impact and effective management at the end of 2021.

For the seventh year in a row, the Antarctic krill fishery has received the highest score, an "A" rating in 2021, from Sustainable Fisheries Partnership for having a biomass that is rated as in 'very good' condition. The Antarctic krill fishery is the only reduction fishery to receive an "A" rating.

Aker BioMarine has contributed to the establishment of the Antarctic Wildlife Research Fund (AWR), which exists to facilitate and promote Antarctic marine ecosystem research.

Aker BioMarine has developed an ESG framework and committed to several ambitious 2030 and 2050 targets. Our environmental ESG targets concern the reduction of CO_2 emissions by 50% in 2030 and to be net zero in 2050. In addition, we have set a target to be 100% circular in our principal waste streams by 2030 and to protect biodiversity and the environments we operate in by ensuring we retain top rated certification for our fisheries.

We employ a tracking and reporting system in order to work towards progress on our environmental targets. In 2021 we established the Climate and Decarbonization Committee (CDC) that is dedicated to work strategically and tactically on our identified environmental hot spots to ensure CO_2 emission reduction. The committee is overseen by the executive management. The CO_2 emissions are disclosed in a separate section of the Annual Report.

Aker BioMarine has established a circular solution company, called AION. With AION, the company's own plastic streams and biological residue will be recycled to new products, driving the company towards its zero-waste vision. In addition, in 2021 Aker BioMarine has nearly eliminated product waste through circular sales and re-purposing of traditional products.

Aker BioMarine also maintains an extensive stakeholder collaboration with authorities, science institutions and environmental NGOs that are engaged in the Antarctica specifically, as well as the broader community, in order to position marine resources as an important component into future foods and nutrients.

ORGANIZATION

Driving equality and diversity through an engaged and well-respected workforce is a key enabler to delivering on the company's overall strategy. Therefore, it is fundamental for Aker BioMarine to maintain a working environment with equal opportunities for all based on qualifications, regardless of gender, ethnicity, religion, age, sexual orientation, or disability. Aker BioMarine's diverse workforce consists of approximately around 40 nationalities and includes a wide range of competencies and insights, which serves to benefit both customers and the overall business.

Aker BioMarine seeks to promote diversity and prevent gender discrimination in the workforce through clear recruitment requirements and the development of individuals and programs that support equal opportunity. This means that the company is committed to both promote and pay employees fairly, regardless of individual characteristics, and that individuals with the same jobs, with equal professional experience, who perform equally well, shall receive the same pay in Aker BioMarine. Salary reports identified certain differences with respect to equal pay, and the company is currently making necessary adjustments to align the identified differences, and in 2021 we were able to reduce the gap by 3.4 % through the salary adjustment process. Further analysis is needed to evaluate whether any differences in salary are linked, directly or indirectly, to gender. The female ratio in middle management positions is low (24%) and particular focus will be placed on improving the gender balance in leadership positions in the years coming.

Aker BioMarine has a low percentage of women in its fisheries in Antarctica and manufacturing in Houston. However, the company has a more balanced mix of women and men in its other, global offices where 54% are women among the 251 employees.

In 2021, women held 37% (2020: 26%) of the positions in the company. The share of women on the Board of Directors was 40% among the shareholder-elected board members (2020: 0%), while it was 50% among the employee-elected members (2020: 50%), totaling 43%. The share of women in the executive management team was 40%. In total, Aker BioMarine had 429 employees in 2021 (2019: 551), of whom 132 employees were based in Norway (2020: 129), 163 in the US (2020: 151), and 102 employees were located onboard the vessels (2020: 241). In addition, Aker BioMarine has 32 employees (2020: 29) located across seven different countries. The reason for the reduced number of employees onboard the vessels, is that the company from 2021 made use of contract outsourcing for parts of the crew.

CORPORATE GOVERNANCE

Aker BioMarine is a public limited liability company organized under Norwegian law and with a governance structure based on Norwegian corporate law and other regulatory requirements.

The company's corporate governance model is designed to provide a foundation for long-term value creation and to ensure good oversight. Aker BioMarine has seven board members, none of whom are members of the company's management and two of whom are employee representatives. Three of the board members are female and four are male. A majority of the board members are independent of the company management and significant business partners, and two of the shareholder-elected board members are independent of Aker ASA. The Chairman is elected by the General Meeting.

The Board of Aker BioMarine establishes the overall principles for governance and control in Aker BioMarine ASA through the adoption of various governing documents. Aker BioMarine follows the Norwegian Code of Practice for Corporate Governance. The company's practice is largely in accordance with these recommendations. Aker BioMarine ASA holds a Directors and Officers Liability Insurance on behalf of the Board of Directors and the CEO

Reference is made to the Corporate Governance Report, which is approved by the Board of Directors.

As of 31 December 2021, Aker Capital AS held 77.8% of the shares in Aker BioMarine, and the CEO, through his wholly owned subsidiary KMMN Invest II AS, held 1.19%.

BOARD OF DIRECTORS' REPORT

EVENTS AFTER THE END OF THE REPORTING PERIOD

Important study shows that krill oil significantly reduces major cardiovascular risk factors

On 6 January 2022, in a publication on JAMA network, leading scientists presented the effects of krill oil supplementation on 520 patients with severely high triglyceride levels in their blood (hypertriglyceridemia). The findings show that patients consuming the krill oil experienced a 26.0% reduction in blood triglyceride levels from baseline, versus a 15.1% reduction among the placebo group after 12 weeks, giving a significant treatment difference of -10.9%. After 26 weeks, the patients consuming the krill oil experienced a 33.5% reduction in blood triglyceride levels from baseline, versus a 20.8 % reduction among the placebo group, giving a significant treatment difference of -12.7%

Russian invasion of Ukraine

On 24 February 2022, Russia initiated an invasion of Ukraine and this has resulted in international sanctions on Russia. The cut of Russia from the SWIFT system has a direct impact on Aker BioMarine's offshore activity as there are many crew members from Russia. As per now, the company is operating as normal and is closely monitoring the situation.

The global oil- and fuel prices have increased significantly as a result of the situation. However, the Group's exposure to fuel cost increases is limited due to fuel hedge positions in the period 2022-2024.

Employee share program

In March 2022 the Company invited employees to participate in an employee share purchase program. The program offers employees on active payroll in the Norwegian Group Companies to purchase ordinary shares in the Company at a reduced offer price. The main purpose of the program is to align the interest between the shareholders and the Aker BioMarine employee and encourage participation in the long-term value creation of Aker BioMarine.

BUSINESS OUTLOOK

The global omega-3 supplement market is, according to Grand View Research, expected to grow at an annual compounded rate of around 8% towards 2026 largely impacted by a growing health awareness among Asian and US consumers and the growth in the geriatric population, especially in developed economics. Further, krill and algae are expected to be the main growth drivers due to the declining availability of fish as the main ingredient. Aker BioMarine expects healthy demand in the aqua market with high omega-3 prices, especially driven by a tight salmon supply, but also a general strong post Covid-19 recovery within most seafood species.

Aker BioMarine will continue to expand its sales and marketing efforts to develop the company's existing and new markets with prospective leads and new customers, in addition to further increasing sales among its current customer-base. Asia is expected to be an important growth region for both Superba™ and QRILL Aqua. The company targets higher sales in its consumer brands business in the US.

The good performance at the krill oil plant in Houston continued in 2021, and production reached a new all-time-high of 21% higher output than in 2020. As a result of the high volumes, the company has sufficient safety stock of krill oil, and will use the opportunity for a 4–6-months plant shutdown in the second half of 2022 to carry out upgrades, both related to flexibility in the production process to enable production of new product lines like LYSOVETA, and implementation of efficiency and quality enhancements.

Aker BioMarine has historically observed annual variations in catch volumes, due to both weather conditions and the occurrence of krill in the various sub-areas in Antarctica. The company plans for average annual harvesting volumes of 55,000 – 60,000 metric tons, although there will still be seasonal and operational variations from year to year.

For the full year 2022, Aker BioMarine targets a sales growth of between 20-25% and Adjusted EBITDA margin of 20-25%.

The company focus' on the ongoing strategic innovation projects. For LYSOVETA, the development continues, including scale-up of commercial and manufacturing activities in the US, the first target market. Aker BioMarine aims to have regulatory approval for product sale in the US by the end of 2022 with technical samples already available for research. For the pharmaceutical sector, discussions are still ongoing for potential new partnerships. Aker BioMarine is also exploring other partnership options.

For AION, there is an ongoing process to spin off the company that is expected to be concluded during first half of 2022.

For INVI, the pilot production continues in providing batches for R&D and commercialization purposes. The protein launch plant construction in Norway is scheduled to start in the second quarter 2022.

GOING CONCERN ASSUMPTION

Aker BioMarine had at year-end a total equity of USD 370 million, implying an equity ratio of around 50%. This combined with availability under the refinanced debt facilities, the assessment is that the entity is able to continue as a going concern. Therefore, pursuant to section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is deemed appropriate.

For AION, there is an ongoing process to spin off the company that is expected to be concluded during first half of 2022.

For INVI, the pilot production continues in providing batches for R&D and commercialization purposes. The protein launch plant construction in Norway is scheduled to start in the second quarter 2022.

Oslo 22 March 2022

The Board of Directors and CEO of Aker BioMarine ASA

Ola Snøve

Chair of the Board

Kjell Inge Røkke

Director

Øyvind Eriksen

Director

Sindre Skjong

Director,

elected by the employees

Lise Wiger

Director,

elected by the employees

Anne Harris

Director

Cila Holmes Indahl

Director

Matts Johansen

CEO

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

for the year ended December 31

USD Thousands	Note	2021	2020
Net sales	2	262,062	288,588
Cost of goods sold	12	(174,002)	(179,010)
Gross profit		**88,060**	**109,578**
Selling, general and administrative expense	4	(85,705)	(86,847)
Depreciation, amortization and impairment (non-production assets)	9,10,11	(19,170)	(17,125)
Other operating income	2	3,149	2,348
Other operating cost	4	-	(954)
Operating profit		**(13,666)**	**7,000**
Financial income	5	21,275	16,794
Financial expenses	5,7,18	(15,660)	(22,827)
Net foreign exchange gain/loss	5,18	647	(279)
Profit (loss) before tax		**(7,404)**	**688**
Tax expense	8	(604)	(6,151)
Net loss		**(8,008)**	**(5,463)**
Earnings per share to equity holders of Aker BioMarine ASA	25		
Basic		(0.09)	(0.07)
Diluted		(0.09)	(0.07)

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended December 31

USD Thousands	Note	2021	2020
Net loss		**(8,008)**	**(5,463)**
Other comprehensive income (loss)			
Defined benefit plan income gains (losses)	4	(21)	(79)
Total items that will not be reclassified to profit and loss		**(21)**	**(79)**
Translation differences		-	(11)
Change in fair value cash flow hedges	20	5,230	–
Total items that may be reclassified to profit and loss		**5,230**	**(11)**
Total other comprehensive income (loss)		**5,209**	**(90)**
Total comprehensive income (loss)		**(2,799)**	**(5,553)**

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended December 31

USD Thousands	Note	2021	2020
ASSETS			
Property, plant and equipment	9,11,20	327,852	266,556
Right-of-use assets	18	11,262	13,145
Intangible assets and goodwill	10,11	171,536	180,552
Contract cost	2	7,179	9,167
Derivative assets, non-current	7,20	-	7,743
Other non-interest-bearing non-current receivables	20	10	18
Investments in equity-accounted investee		106	130
Total non-current assets		**517,945**	**477,311**
Inventories	12	138,225	114,559
Trade receivable and other current assets	13,20	77,699	97,885
Derivative assets	7,20	12,486	-
Cash and cash equivalents	14,20	11,132	10,678
Total current assets		**239,541**	**223,121**
Total assets		**757,486**	**700,432**
LIABILITIES AND OWNERS' EQUITY			
Share capital	24	75,853	75,853
Other paid-in equity		493,555	493,555
Total paid-in equity		**569,408**	**569,408**
Translation differences and other reserves		5,352	143
Retained earnings		(204,389)	(196,380)
Total equity		**370,371**	**373,170**
Interest-bearing debt	15,18,20	294,111	210,578
Derivative liabilites, non-current	7,20	-	8,996
Deferred tax liability	8	4,879	4,817
Other non-interest-bearing non-current liabilities	16	10,807	31,929
Total non-current liabilities		**309,797**	**256,319**
Interest-bearing current liabilities	15,18,20	30,731	32,222
Accounts payable and other payables	17,20	46,587	38,721
Total current liabilities		**77,318**	**70,943**
Total liabilities		**387,115**	**327,262**
Total equity and liabilities		**757,486**	**700,432**

AKER BIOMARINE GROUP ACCOUNTS

Oslo 22 March 2022

The Board of Directors and CEO of Aker BioMarine ASA

Ola Snøve

Chair of the Board

Kjell Inge Røkke

Director

Øyvind Eriksen

Director

Sindre Skjong

Director,

elected by the employees

Lise Wiger

Director,

elected by the employees

Anne Harris

Director

Cila Holmes Indahl

Director

Matts Johansen

CEO

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF CASH FLOW

for the year ended December 31

USD Thousands	Note	2021	2020
Net loss		**(8,008)**	**(5,463)**
Tax expenses	8	604	6,151
Net interest and guarantee expenses	5	13,658	17,861
Interest paid		(12,799)	(30,749)
Interest received		19	871
Taxes paid	8	3,317	(2,332)
Impairment charges	11	5,807	43
Depreciation and amortization	9,10	51,082	48,247
Fuel hedge and new market tax credit	5,7,15,20	–	(6,547)
Foreign exchange loss (gain)		(259)	314
Change in non-current interest free asset and liabilities		(22,374)	(29,459)
Change in inventory	12	(23,667)	(20,545)
Change in accounts receivable, other current receivables, accounts payable and other current liabilities		(6,650)	(29,435)
Net cash flow from operating activities		**729**	**(51,043)**
Payments for property, plant and equipment	9	(78,686)	(21,654)
Payments for intangibles	10	(2,421)	(2,055)
Proceeds from sales of property, plant and equipment		1,906	22,012
Investments in subsidiary and associated companies	6	(10)	(356)
Net cash flow from investing activities		**(79,210)**	**(2,053)**
Change in overdraft facility	15,20	4,192	(16,462)
New long-term debt, external	15,20	335,000	10,000
Instalments long-term debt, external	15,20	(260,277)	(93,757)
Loan from owners	15	–	23,000
Payments to owners		–	(96,795)
Net repayment and issue of interest-bearing debt		**78,915**	**(174,014)**
Capital increase		19	224,178
Net cash flow from financing activities	15	**78,935**	**50,163**
Net change in cash and cash equivalents		**454**	**(2,933)**
Cash and cash equivalents as of January 1	14	**10,678**	**13,610**
Cash and cash equivalents as of December 31	14	**11,132**	**10,678**

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended December 31

USD Thousands	Share capital	Share premium	Other paid-in capital	Translation and other reserves	Retained earnings	Total
Balance as of December 31, 2020	**75,853**	**529,896**	**(36,341)**	**143**	**(196,380)**	**373,170**
Balance as of January 1, 2021	**75,853**	**529,896**	**(36,341)**	**143**	**(196,380)**	**373,170**
Net profit (loss) for the year	-	-	-	-	(8,008)	**(8,008)**
Other comprehensive income (loss)	-	-	-	5,209	-	**5,209**
Total comprehensive income (loss)	**-**	**-**	**-**	**5,209**	**(8,008)**	**(2,799)**
Total transactions with owners, recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**-**
Balance as of December 31, 2021	**75,853**	**529,896**	**(36,341)**	**5,352**	**(204,389)**	**370,371**

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – General Information

These consolidated financial statements are for the reporting entity Aker BioMarine ASA (the "Company") and its subsidiaries (together, the "Group"). The Company is a limited liability company domiciled in Norway with its registered office at Oksenøyveien 10, 1366 Lysaker, Norway.

The Group is a global supplier of krill-derived products, with a fully owned supply chain. The operations of the Group spans from harvesting krill in the Antarctica with vessels owned by the Group, includes distribution world-wide from Uruguay, and further processing of the krill into oil-products in the United States.

These consolidated financial statements were authorized for issue by the Board of Directors' and the CEO on March 22, 2022. The consolidated financial statements will be submitted to Aker BioMarine's annual General Assembly on April 20, 2022 for final approval.

Basis for preparation

The consolidated financial statements have been prepared in accordance with IFRS and the IFRS Interpretations Committee (IFRIC) interpretations as approved by the IASB and adopted by the EU as of December 31, 2021. The consolidated financial statements of Aker BioMarine AS have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the sections below where fair value is required for derivatives and contingent consideration. Certain comparative figures may be reclassified to conform to the presentation adopted in the current year.

In these consolidated financial statements amounts have been rounded to the nearest thousand USD, unless otherwise stated. As a result of rounding differences, amounts may not add up to the total.

Covid-19 impacts

Covid-19 has continued to negatively affect the Group's operations throughout 2021, but not to the same extent as in 2020. In particular the offshore operations where the risk of Covid-19 in such an isolated, confined and remote environment increases significantly. Throughout the year the Group's management has actively promoted vaccination campaigns and booster shots which enabled the Group to move from a preventive strategy, to a more preparedness stance as society learn to live with the virus and its effects. The alignment between our requirements and those set by Governments and Local Authorities continues to be challenging to navigate though we have always complied with these as a minimum standard and ensured the safety of our staff to the best of our abilities. Travel has been restricted in 2021 with only business critical activities being authorized and for the majority of the year home office has been implemented. The Group has a robust communication and support system which has matured throughout 2021 and we have 'stepped up' to take care of colleagues all around the world; an example of this is opening a mental health hotline and running workshops with medical doctors who completed Q & A sessions for Global teams. These initiates have created a great cohesion across the organization and have improved general working conditions, trust and empathy for each other. We anticipate further lock downs in 2022 due to the potential for new variants to be identified, however we remain agile, motivated and in a good state of preparedness, rather than exhausted from 2021 we are more resilient to take the learning from 2021 into 2022 and beyond.

Summary of Group accounting policies

Accounting policies that relate to the consolidated financial statements in general are set out below, while the accounting policies related to specific assets, liabilities or financial statements line items are included in the corresponding note disclosure. All accounting policies have been consistently applied to all the years presented, except for the accounting policies related to leasing agreements. IFRS 16 *Leases* was implemented as of January 1, 2019. See Note 18 for additional information.

Functional and presentation currency

Transactions recorded in the financial statements of each subsidiary are done in its functional currency, i.e. the currency that best reflects the primary economic environment in which the entity operates. The consolidated financial statements are presented in US Dollars ("USD"), which is the Group's presentation currency as the Group's cash flow and economic returns are principally denominated in USD and is the functional currency of each key subsidiary. The functional currency of the parent company Aker BioMarine ASA is USD.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of each transaction. Receivables, liabilities and other monetary items in foreign currencies are translated into the entity's functional currency at the exchange rates on the balance sheet date. Foreign currency exchange gains or losses resulting from such transactions are recognized in the consolidated statement of profit or loss.

Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary undertaking is the fair values of the assets transferred and the liabilities incurred by the Group, including those from any contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill.

An acquisition of a group of assets that does not constitute a business is accounted for as an asset acquisition in accordance with the applicable IFRS accounting standards.

Inter-company transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiary undertakings have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Critical accounting estimates and significant judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable, and constitute management's best judgment at the date of the consolidated financial statements. In the future, actual results may differ from those estimates.

Where appropriate, present values are calculated using discount rates reflecting the currency and maturity of the items being valued. Further details of critical estimates and significant judgments are set out in the related notes to the consolidated financial statements.

The critical estimates that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year results relate to:

- Technical assessments when estimating the useful life of the Group's vessels and machinery (see Note 9),
- Estimating the recoverable amount of the tangible and intangible assets, goodwill and RoU (no explained) assets allocated to the Krill cash generating unit when conducting impairment tests (see Note 10 and 11).
- Measurement of the fair value of the contingent consideration based on management's judgements related to the probability of meeting earn-out targets related to the acquisition of Lang during 2019 (see Note 16),
- Allocation of production cost between products produced in the Ingredients segment (see Note 12)
- The significant judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the financial statements relate to:
- Expenses included as part of the indirect production costs capitalized as a part of the inventory and the measurement of the krill- based products held as Inventories at year end (see Note 12),
- Recognition and measurement of expenditure on vessels and machinery included in *Property, plant and equipment* (see Note 9)

Changes in accounting policies and new pronouncements

There are no changes in the accounting policies for the consolidated financial statements for the year ending December 31, 2021 as compared to the accounting policies for the 2020 reporting year. The new IFRS standards applicable for reporting periods on or after January 1, 2021 adopted by the Group have not had a material impact for the Group's financial reporting.

None of the issued, not yet effective IFRS standards, amendments to such standards or IFRIC interpretations are expected to have significant effects for the Group's financial reporting.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 – Revenue and Other income

Revenue represents amounts recoverable primarily from the sale of Qrill™ branded ingredients, or Krill oil during the year, used either in the feed industry or within human health and nutrition. Lang, the distributor of private labels within the Brands segment operates within the human health and nutrition markets but also sells other natural supplements in addition to Krill oil. The Group's main performance obligation is related to the delivery of agreed volumes of the above-mentioned products. Some customers have longer term frame agreements, agreeing the prices of the product per MT/KG, but all sales are based on individual purchase orders detailing the volume to be delivered at a certain point in time, at a designated location.

The Group recognizes as revenue the agreed transaction price in a contract with a customer at the time when the Group transfers the control of a distinct product or service to the customer. Ordinary purchase orders are normally the contracts with the customer which create enforceable rights and obligations. Volume discounts are the dominant sales incentives used by Aker BioMarine. These discounts may have prospective or retrospective effect. Volume discounts with retrospective effect are systematically accrued and recognized as reduction of revenue based on the best estimate of the amounts potentially due to the customer.

Under IFRS 15 the Group's revenue from sale of Krill oil and Qrill™ is recognized at a point in time, when the customer obtains control over the goods. Control is transferred to the customer according to agreed delivery terms, which is based on standardized contract templates as published by the International Chamber of Commerce (set forth in the Incoterms 2010). All sales are conducted using F-terms (delivery terms where the risk and responsibility for any cost of transport, insurance etc. are transferred to the buyer when the goods are on board the vessel/truck) or C-terms (delivery terms where seller pays the costs and freight to bring the goods to the port of destination), meaning the risk is transferred upon handing the goods over to the carrier engaged by either the customer or Group, respectively.

The main performance obligations for the Group are related to the sale of goods of specified amounts and quality to customers. For a significant part of the sales, the Group organizes and pays for shipping of the goods (C-terms). The Group has assessed that for these sales, there are two performance obligations, and that the Group acts as an agent for the shipping services. As a result, shipping revenue and related shipping costs are netted in the consolidated statement of profit or loss. The shipping commission for transport of goods is considered by the Group to be immaterial and further, the Group's delivery obligation is satisfied at the same time as the control of the goods is transferred to the customers. Consequently, the shipping commission is not separated from the revenues of sale of goods.

The goods are sold with standard warranties that the goods sold comply with agreed upon specification and condition. The Group does not have any significant obligations for returns or refunds, and any warranties would be accounted for using IAS 37 *Provisions, contingent liabilities and contingent assets*.

Payment terms are usually between 30-60 days. The Group does not have any contracts with a significant financing component.

The introduction of Lang in the Group in 2019 did not result in any significant new interpretations or changes in the application of IFRS 15. Like the Krill oil and Qrill™ products in the ingredients segment, Lang sells private label supplements and recognizes revenues at a point in time, predominantly in the US market applying the same criteria for transfer of control as described previously.

Geographical allocation of revenue

	Revenues from sale of products	
USD Thousands	**2021**	**2020**
Norway	22,938	20,758
EMEA	54,009	35,301
Americas	138,554	146,862
Asia Pacific	46,561	85,668
Total	**262,062**	**288,588**

During the reporting periods the Group has had one customer exceeding 12,6% of Net sales. In 2021, 10% of the Net sales was towards this customer. The revenue from this customer is attributable to the Ingredients segment. The Group's three largest customers in terms of revenue accounted for 32.8% of the revenue in 2021 (2020: 24.6%). North America is the Group's largest market which accounted for USD 130.7 million of total Net sales (2020: USD) 139.3 million.

Assets and liabilities related to contracts with customers

The Group has recognized an incremental cost of obtaining customer contracts, which the Group expects to recover. The USD 10 million addition in 2020 relates to a success fee paid upon completion of a significant contract in the Brands segment. The contract cost is amortized over 5 years. The carried amount as of 31 December 2021 was USD 7.2 million. The Group expects to recover this cost from future sales and the Group would not have incurred these incremental costs if a certain contract had not been obtained.

Liabilities with customers is USD 0.1 million as of 31 December 2021 (2020: USD 0.5 million), the liabilities relate to prepayments from customers.

The timing of revenue recognition, billings and cash collections results in billed trade receivables (Note 13 and 20) and prepayments from customers (contract liabilities). Prepayments up front is common practice to reduce price risk for new customers.

Other operating income comprise of the following:

	Other income	
USD Thousands	**2021**	**2020**
Gain from sale of fixed asset	429	1,307
Insurance refund		
Other	2,720	141
Total	**3,149**	**2,348**

In September 2021 the supply vessel La Manche was sold with a transaction price of USD 1.8 million. This resulted in a gain of USD 0.4 million. Other consist of the rebalancing effects from the fuel hedge.

In April 2020 the vessel Juvel was sold as a whitefish trawler with transaction price USD 20.5 million. This resulted in a gain of USD 1.3 million, partly reflecting lower removal cost than initially estimated.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 – Operating segments and adjusted EBITDA

The Group discloses segment information and identifies reportable segments in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires management to report segment information according to the organization and reporting structure used by the chief operating decision maker (CODM). The Group defines the CODM as the Executive Management Team (EMT) and the CEO.

The Group's operations have historically occurred in one reportable segment with the production and sale of krill products. This is the Ingredients business segment. Following the acquisition of Lang on 1 March 2019, the Group has two reportable segments. The production and sale of krill products remains the same, but with Lang there is now a distribution segment, the Brands business. The two segments are operated and managed separately, and financial results are measured and reported on a stand-alone basis for the two operating segments. The key financial metric that management uses for decision making is Adjusted EBITDA.

In the 'Adjustments' column transactions between the two segments are eliminated as well as group adjustments in relation to financial items (such as changes in earn-outs) and depreciation and amortization on group assets such as customer lists acquired in a transaction.

The Ingredients business consists of offshore harvesting and production activities, the logistical operations and the onshore manufacturing and sale of krill oil products globally to distributors and feed producers. This segment sells the products Krill oil and Krill Meal. This was the Group's core business and only identified segment up until the acquisition of Lang on 1 March 2019.

The Brands segment is the human consumption distribution business. As of 31 December 2021, the Brands segment comprises the group legal entities Lang Pharma Nutrition LLC (Lang), Epion Brands LLC (Epion) and the holding company New Ride LLC. Lang acquires raw materials derived from krill, fish and plants. These raw materials are then processed and packaged, labeled and sold to retailers in the US market. The Brands segment sells the products under the brand name Qrill™ Pet and other brand names.

Recognition and measurement applied to the segment reporting is consistent with the accounting principles applied when preparing the financial statements. Transactions between segments are conducted on market terms and conditions. The geographical distribution of revenue is presented in Note 2. This is not part of the monthly/ bi-monthly segment reporting to management. Segment financial information is given in the tables below for the years 2021 and 2020.

Operating segments 2021:

USD Thousands	Ingredients	Brands	Adjustments	Total
Net sales	169,565	110,371	(17,874)	**262,062**
Operating profit	(12,598)	188	(1,257)	**(13,667)**
Net financial items	(12,615)	(2,665)	21,542	**6,261**
Tax expense	1,197	(1,801)	–	**(604)**
Net profit (loss)	(24,016)	(4,278)	20,285	**(8,009)**
Depreciation, amortization and impairment (note 9)	54,894	2,012	(15)	**56,891**
EBITDA	42,297	2,200	(1,272)	**43,225**
Adjusted	46,017	2,500	(572)	**47,945**
Balance sheet items				
Property, plant and equipment	327,497	355	–	**327,852**
Right to use asset (leasing)	10,818	444	–	**11,262**
Intangible	108,178	2,628	60,730	**171,536**
Cash and cash equivalents	5,920	5,212	–	**11,132**
Interest-bearing debt	(324,842)	–	–	**(324,842)**
Inventory	104,207	39,415	(5,397)	**138,225**
Net interest free asset and liabilities	80,079	6,346	(51,218)	**35,207**
Total equity	**311,857**	**54,400**	**4,111**	**370,371**

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Operating segments 2020:

USD Thousands	Ingredients	Brands	Adjustments	Total
Net sales	198,398	104,416	(14,226)	**288,588**
Operating profit	14,590	(2,808)	(4,782)	**7,000**
Net financial items	(12,337)	(652)	6,677	**(6,312)**
Tax expense	(2,811)	(3,340)	–	**(6,151)**
Net profit (loss)	(557)	(6,801)	1,895	**(5,463)**
Depreciation,	44,772	261	4,610	**49,643**
EBITDA	59,362	(2,547)	(172)	**56,643**
Adjusted	63,809	14,469	(172)	**78,106**
Balance sheet items				
Property, plant and equipment	266,248	308	–	**266,556**
Right to use asset (leasing)	12,561	584	–	**13,145**
Intangible	114,617	2,132	63,803	**180,552**
Cash and cash equivalents	7,774	2,903	–	**10,678**
Interest-bearing debt	(179,879)	(65,770)	2,850	**(242,799)**
Inventory	80,502	36,729	(2,672)	**114,559**
Net interest free asset and liabilities	72,146	10,639	(52,304)	**30,480**
Total equity	**373,968**	**(12,475)**	**11,677**	**373,170**

Adjusted EBITDA

The Executive Management Team (EMT) evaluates the performance based on Adjusted EBITDA. This metric is defined as operating profit before depreciation, amortization, write-downs and impairments, and special operating items. Special operating items include gains or losses on sale of assets, if material, restructuring expenses and other material items which are not primarily related to the period in which they are recognized or special in nature compared to ordinary operational income or expenses. See description of the Alternative Performance Measures (APM) attached to the consolidated financial statement.

The EMT has provided the following information at December 31, 2021 and 2020:

USD Thousands	2021	2020
Krill oil	163,805	105,847
Krill meal	83,106	82,877
Qrill™ Pet and other products	15,350	99,863
Other income	3,149	2,348
Total revenue and other income	**265,410**	**290,936**
Total operating expenses before depreciation, amortization and impairment	(222,186)	(234,292)
Special operating items	4,720	21,462
Adjusted EBITDA	**47,944**	**78,106**

The following table reconciles Adjusted EBITDA to Net loss in the consolidated statements of profit or loss.

USD Thousands	2021	2020
Net loss	**(8,008)**	**(5,463)**
Tax expense	604	6,151
Financial income	(21,275)	(16,794)
Financial expenses	15,660	22,827
Net foreign exchange gain/loss	(647)	279
Operating profit	**(13,666)**	**7,000**
Depreciation, amortization and impairment	56,891	49,644
EBITDA	**43,225**	**56,644**
Special operating items	4,720	21,462
Adjusted EBITDA	**47,944**	**78,106**

The following table reconciles Special operating items.

USD Thousands	2021	2020
Juvel gain and operating cost	-	690
Restructuring/Legal costs	(3,612)	-
Kori national brand US launch	-	(17,016)
Oslo Børs listing	(1,108)	(2,155)
Charter cost	-	(1,519)
Crew cost	-	(1,462)
Special operating items	**(4,720)**	**(21,462)**

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 – Selling, General & Administration expenses and Other operating cost

The presentation of operating expenses in the consolidated statements of profit or loss is based on function of the expenses. Production and operating expenses are recognized in the same period as the corresponding revenue from sale of product is recognized. Salaries and payroll expenses not related to production, sales and distribution costs, and other general and administrative costs are recognized when they occur or when the Group has a liability for future expenses. Production and operating expenses allocated to product is presented within Note 12 Inventories.

Selling, General and Administrative expenses consists of:

USD Thousands	Year ended 31 December, 2021	2020
Sales and Distribution Costs	(63,568)	(65,735)
Research and Development	(2,955)	(3,905)
Administrative Costs	(19,182)	(17,206)
Total	**(85,705)**	**(86,847)**

Sales and Distribution costs are all costs related to selling, marketing, and distributing and storing the goods world-wide.

Research and Development costs represent the Innovation department where ongoing studies within the application and use of krill as an ingredient both for human and for animal feed is being expensed. The department also works on early phase product development, finding new application for the raw material, and bringing this out to the market.

Administrative costs represent the head office costs which includes the management group, finance, and Transformation (sustainability, strategy and IT), providing services to the entire Group.

Government grants

During 2021 the Group received grants of USD 0.68 million (2020: USD 0.5 million). The grants are partly included in the Research and Development and partly 'Asset under construction' to net the costs that the grants are intended to compensate. There are not any unfulfilled conditions or other contingencies on these grants. The Group did not benefit directly from any other forms of government assistance.

Salary specification by function

The below schedule describes the total salary costs of the Group. Salaries from the onshore and offshore part of the Group is allocated to inventory, as presented in Note 12. Selling, general and administrative salaries specifies the salary part of the total expenses of USD 85.7 million (2020: USD 86.8 million), as also presented within Note 4.

Salary specification by function

USD Thousands	Year ended 31 December, 2021	2020
Offshore - inventoriable	(27,197)	(25,178)
Onshore - inventoriable	(12,426)	(9,382)
Selling, general and administrative	(31,998)	(30,651)
Juvel - Other operating income/(cost), net	–	(180)
Total	**(71,621)**	**(65,390)**

Number of employees at year-end	589	551
Full time Equivalent	568	549

Total salary cost comprises of the following:

USD Thousands	Year ended 31 December, 2021	2020
Salaries	(61,808)	(54,963)
Employer's social security contribution	(1,065)	(3,359)
Pension expenses	(1,917)	(1,512)
Other benefits	(6,831)	(5,556)
Total	**(71,621)**	**(65,390)**

Pension plans

The Group has a defined contribution plan that cover all employees except one employee who has a defined benefit plan. The plans comply with laws and regulations set forth in the different countries of operations. At the end of the year the defined benefit obligations were USD 0.6 million and the assets were USD 0.4 million. The fair value of the net obligation has been calculated using an appropriate discount rate. During the year the Group expensed USD 0.05 million, net of settlements and curtailment, on the defined benefit plan (2020: 0.05 million), and USD 1.9 million for the contribution plan (2020: 1.5 million). In addition, USD 0.02 million related to changes in actuarial assumptions is expensed in other comprehensive income (2020: USD 0.1 million loss).

Remuneration to the Group auditors (excluding VAT):

KPMG is the Group auditor of Aker BioMarine ASA. The following table shows the fees to the appointed auditors for 2021 and 2020. For both categories the reported fee is the recognized expense for the year.

USD Thousands	Year ended 31 December, 2021	2020
Audit fees	(264)	(333)
Other audit and attestation services	(132)	(74)
Fees for tax services	-	-
Total	**(396)**	**(407)**

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5 – Financial income and expenses

Financial income comprises interest income on financial investments and foreign exchange gains recognized in the consolidated statement of profit or loss. Financial expenses include interest expense and guarantee fees.

	Year ended 31 December,	
USD Thousands	**2021**	**2020**
Interest income, bank deposits	21	53
Interest income loans and receivables (amortized cost)	-	823
Other financial income	21,255	15,918
Total financial income	**21,276**	**16,794**
Interest expense on financial liabilities at amortized cost	(13,678)	(18,737)
Other financial expenses	(1,982)	(4,091)
Total financial expenses	**(15,660)**	**(22,827)**
Foreign exchange gains/losses net	**647**	**(279)**
Net financial expenses	**6,262**	**(6,312)**

Other financial income in 2021 includes a negative fair value adjustment of contingent consideration of USD 21.3 million, see Note 16.

Other financial expenses include provision paid to DNB/GIEK as well as a guarantee fee for Aker ASA.

Capitalized borrowing costs

During the reporting periods the group has taken delivery of the new supply vessel Antarctic Provider and refinanced the interest-bearing debt. Borrowing and refinancing costs have been capitalized. The applied interest rate is the CIRR (Commercial Interest Reference Rates).

USD Thousands	**2020**	**2021**
Endurance		
Provider	734	–
Refinancing - New Bank Syndicate	–	1,892
Total	**734**	**1,892**

Note 6 – Asset acquisition and business combinations

During 2021 and 2020 there has been no material business combinations or asset acquisitions.

Note 7 – Derivatives

	Year ended 31 December,	
USD Thousands	**2021**	**2020**
Fuel hedge contracts assets	12,486	7,743
Fuel hedge contracts liabilities	–	(8,996)
Total	**12,486**	**(1,253)**

In June 2020 the Group entered into a hedge contract for hedging risk related to variances in the fuel price. See Note 20 for further description of the derivative.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 8 – Income tax

The Group is headquartered in Norway and pays taxes according to the rates applicable in the countries and states in which it operates. Most taxes are recorded in the statement of profit or loss and relate to taxes payable for the reporting period (current tax), but also deferred taxes. Deferred tax is calculated based on the differences between the accounting value and tax value of assets and liabilities at the reporting period date using the applicable tax rate.

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

Reconciliation of nominal statutory tax rate to effective tax rate:

USD Thousands	Year ended 31 December, 2021	2020
Profit (loss) before tax	**(7,404)**	**688**
Calculated income tax at statutory rate of 22%	1,629	(151)
Tax differential Norway and abroad	183	(630)
Unrecognized change in deferred tax assets	6,877	(5,497)
Permanent differences	(497)	272
Currency translation and other	(1,392)	(144)
Total tax expense	**(604)**	**(6,151)**
Effective tax rate	8%	-894%

* The Group files its tax return in NOK

Deferred tax assets comprise:

USD Thousands	Year ended 31 December, 2021	2020
Property, plant and equipment and intangible assets	(12,644)	(12,531)
Inventory	1,510	736
Tax losses carried forward	66,962	59,054
Interest rate deductability carry forward	11,050	11,867
Other	37	40
Deferred tax assets	**66,915**	**59,166**
Unrecognized deferred tax assets	**(71,794)**	**(63,983)**
Recognized deferred tax liabilities	**(4,879)**	**(4,817)**

Current income tax expenses relate to subsidiaries in US (24% Federal tax rate) and Australia (30%). There were no changes in corporate tax rates in these countries over 2020 and 2021. In Norway the corporate tax rate was reduced from 23% to 22% in 2019 and is unchanged in 2021. The recognized deferred tax liability of USD 4.9 million relates to the entities in the US.

The movement in deferred tax assets from USD 64.0 million in 2020 to USD 71.8 million in 2021 is mainly due to increase in taxable losses, interests where deductibility has been denied, and temporary differences related to the Group's fixed and intangible assets.

Based on the historical losses of the Group, it was concluded that deferred tax assets could not be recognized in the consolidated statement of financial position as of 31 December 2021 or 2020.

Of the Group's tax losses carried forward, USD 2.0 million was in the US subsidiary Aker BioMarine Manufacturing LLC, whereas the remaining tax loss carried forward was with Aker BioMarine ASA and Aker BioMarine Antarctic AS, both Norwegian legal entities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9 – Property, plant and equipment

Property, plant and equipment are recorded at cost, less any accumulated depreciation and any accumulated impairment losses. Depreciation is recognized on a straight-line basis over the estimated useful lives of each major component of property, plant and equipment. Assets under construction are not depreciated until the items are available for use as intended by management.

Expenditures to replace a component of property, plant and equipment are capitalized if it is probable that future economic benefits associated with the asset will flow to the Group and the costs can be measured reliably. Gains and losses are recognized upon asset de-recognition. The costs of consumables used, and day-to-day maintenance of property, plant and equipment are expensed as incurred. Costs incurred for major inspections and overhauls or to improve a vessel's operating efficiency, functionality or safety are capitalized.

Movements in property, plant and equipment in 2021

USD Thousands	Vessels, transportation equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2021	**206,606**	**157,337**	**12,481**	**18,623**	**395,047**
Investments	6,683	6,360	65,463	180	**78,686**
Sale of vessel	(1,374)	(507)	–	–	**(1,881)**
Asset retirements	–	17		–	**17**
Other reclassifications 1)	73,534	(7)	(52,336)	–	**21,191**
Acquisition cost as of 31 December, 2021	**285,449**	**163,200**	**25,608**	**18,803**	**493,060**
Acc. depreciation and impairment as of 1 January, 2021	**(69,699)**	**(52,883)**	**(2,655)**	**(3,255)**	**(128,491)**
Depreciation for the year	(18,886)	(15,860)	–	(557)	**(35,303)**
Impairment	(1,812)	–	–	(271)	**(2,083)**
Asset retirements	–	(17)	–	–	**(17)**
Other reclassifications 1)	609	77	–	–	**686**
Acc. depreciation and impairment as of 31 December, 2021	**(89,788)**	**(68,682)**	**(2,655)**	**(4,083)**	**(165,208)**
Book value as of 31 December, 2021	**195,661**	**94,517**	**22,953**	**14,720**	**327,852**
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

1) Net Other reclassifications include reclassifications payments related to construction of a new charter vessel from Asset under construction to prepayment. See Note 13-Trade receivable and other current assets.

Major inspections of vessels are performed on a regular basis as required by the classification society, such as Det Norske Veritas and according to laws and regulations. The costs of such inspections are, including replacement spares and labor costs, capitalized and amortized over the average expected life between major inspections. All other costs relating to maintenance of vessels is charged to the statement of profit or loss on consumption or as incurred.

Assets that will be disposed, which are classified as held-for-sale, are reported at the lower of their book value and their fair value less cost to sell. Depreciation of vessels is included in the cost of inventory conversion (see Note 12).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Movements in property, plant and equipment in 2020

USD Thousands	Vessels, transportation equipment, etc	Machinery	Asset under construction	Buildings and Land 2)	Total
Acquisition cost as of 1 January, 2020	**215,303**	**134,009**	**41,222**	**18,559**	**409,092**
Investments	4,145	7,088	10,355	66	**21,654**
Investments from merger & acquisition	–		(26,336)	–	**(26,336)**
Asset retirements	(1,535)	(2,793)		(2)	**(4,330)**
Other reclassifications 1)	(11,307)	19,033	(12,760)		**(5,034)**
Acquisition cost as of 31 December, 2020	**206,606**	**157,337**	**12,481**	**18,623**	**395,046**
Acc. depreciation and impairment as of 1 January, 2020	**(59,404)**	**(36,312)**	**(8,555)**	**(2,454)**	**(106,726)**
Depreciation for the year	(15,751)	(14,571)	–	(554)	**(30,875)**
Impairment	(1,150)	–	–	(246)	**(1,396)**
Other reclassifications 1)	5,071	(4,324)	–	–	**747**
Acc. depreciation and impairment as of 31 December,	**(69,699)**	**(52,883)**	**(2,655)**	**(3,254)**	**(128,490)**
Book value as of 31 December, 2020	**136,907**	**104,454**	**9,826**	**15,369**	**266,556**
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

1) Net Other reclassifications include reclassifications of fishing licenses related to Juvel and payments related to construction of a new charter vessel from Asset under construction to Intangible assets and prepayment, respectively. See Note 11-Impairment and Note 13-Trade receivable and other current assets.

2) Hereof USD 1.5 million related to Land

Reconciliation depreciation and amortization

USD Thousands	2021	2020
Depreciation for the year of Property, plant & equipment	(35,303)	(30,875)
Impairment Property, plant & equipment	(2,083)	(1,396)
Amortization for the year of Intangible assets	(11,936)	(10,157)
Amortization for the year of Contract cost	(833)	(833)
Leasing (ROU) depreciation	(5,563)	(6,381)
Total	**(55,718)**	**(49,643)**
Depreciation and amortization related to production assets and included in cost to inventory	(37,721)	(32,518)
Depreciation and amortization related to other assets	(19,170)	(17,125)

The Group's total depreciation, amortization, and impairment is presented in the above schedule. As compared to the consolidated statement of profit or loss the USD 19.2 million (2020: USD 17.1 million) relates to depreciation and amortization of assets not directly used in the production of goods, and therefore recognized as depreciation, amortization and impairment in the statement of profit or loss. Other assets primarily consist of the customer portfolios recognized following the business combinations / asset acquisitions of Lang, Neptune and Enzymotec, and the impairment of customer portfolios and trademarks. Inventoriable depreciation mainly consists of the Group's operating harvesting vessels and the manufacturing plant in Houston, Texas, amounting to USD 37.7 million (2020: 32.5 million). See Note 18 Leasing of right-of-use assets.

Investments in 2021:

In February 2021, the subsidiary Aker BioMarine Antarctic AS took delivery of the supply vessel, the Antarctic Provider. Antarctic Provider was delivered at the CIMC Raffles yard in Yantai, China 5 February 2021 and was operational from the second quarter 2021. The vessel replaced La Manche, the Group's previous supply vessel. Compared with La Manche, Antarctic Provider offers several improvements and efficiencies to the Group's offshore operation and is expected to generate savings for the years to come. Total project purchase price amounted to USD 75.0 million which was 80% debt financed, including a facility tranche from GIEK and Export Credit Norway.

In addition to the investment in Antarctic Provider, the Group has had its annual shipyard in Q4-21 where all the vessels were upgraded. Shipyard expenses amounted to USD 6.1 million in 2021.

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Asset retirements in 2021:

In October 2021, the Group sold its old supply vessel La Manche for USD 1.7 million to Avsar Gemi Sokum Sanayii Ltd. During the year the vessels book value was adjusted down to its selling price, net of fees and proceeds payable to ship brokers.

After the impairment in Q2-21 the sale resulted in a gain of USD 0.4m in Q3-21 which has been recognized under 'Other income' in the Condensed consolidated statements of profit or loss.

The increase in depreciation of fixed asset from 2020 to 2021 is mainly related to the inclusion of the service vessel Antarctic Provider in February 2021.

As of 31 December 2021, the Group has USD 10 million in commitments for further investments in property, plant and equipment (2020: USD 50 million). For details on mortgages and pledging of security, see Note 15.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10 – Goodwill and Intangible Assets

Intangible assets, acquired individually or as a group, are recognized at fair value when acquired. Intangible assets with finite useful lives are carried at cost less accumulated amortization, recognized on a straight-line basis over their estimated useful lives, and accumulated impairment losses. The estimated useful life and amortization method are reviewed at the end of each reporting period, and assets are tested for impairment if impairment indicators exist.

Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. These assets are not amortized, but are tested for impairment annually, and more frequently if indicators of possible impairment are observed, in accordance with IAS 36.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is not amortized, and thus tested for impairment annually, and more frequently if indicators of possible impairment are observed. Goodwill is allocated to the cash generating units ("CGU"), which are expected to benefit from synergies of the combination. Each unit to which goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes and reporting.

Intangible assets

Development

Expenditures for research activities performed to gain new scientific, technical or other knowledge are expensed when incurred. Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits probable and the Group intends to and has adequate resources to complete development and to use or sell the asset. The amount capitalized includes the cost of materials and direct attributable expenses. Additions to development in 2021 include the capital expenditures on AION technology platform as well as INVI protein and other development projects.

License agreements

License agreements acquired separately are measured at cost. Following initial recognition, the Group's license agreements are recorded less any accumulated amortization and impairment losses. The license relates to the Group's technology to extract purified krill oil at the facility in Houston, Texas.

Fishing License

One of the Group's fishing licenses is recognized at USD 10.5 million. The license relates to krill fishery in the Southern Ocean and will remain in the Group's possession if all applicable requirements are met, and as such they are determined to have an indefinite life.

Customer relation

Customer relation (customer contracts) were acquired as part of business combinations recognized at fair value. Following initial recognition, the customer relations are recorded less any accumulated amortization and impairment losses. In 2017, 2018 and 2019 the Group was part of business combinations where customer relations where part of the transaction.

Trademark

Trademark are intangible assets with indefinite useful lives that are not amortized but carried at cost less accumulated impairment losses. The trademarks include NKO and KREAL.

Segment allocation of goodwill and intangible assets:

USD Thousands	Goodwill *		Development		License		Fishing license		Customer relation		Trademark	
Segment	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Ingredients	66,402	86,456	2,377	73	906	1,437	10,500	10,500	24,588	68,255	4,775	5,675
Brands	28,210	8,156	572						33,207			
Total	**94,612**	**94,612**	**2,949**	**73**	**906**	**1,437**	**10,500**	**10,500**	**57,795**	**68,255**	**4,775**	**5,675**

* in 2021 the Group revised the internal allocation of goodwill and intangible assets between the 2 segments

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Movements in intangible assets and goodwill for 2021:

USD Thousands	Goodwill	Development	License agreements	Fishing license	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2021	**94,612**	**5,318**	**2,396**	**10,500**	**91,650**	**5,675**	**210,151**
Acquisition	–	2,921	–	–	–	–	2,921
Acquisition cost as of 31 December, 2021	**94,612**	**8,239**	**2,396**	**10,500**	**91,650**	**5,675**	**213,072**
Amortization and impairment losses as of 1 January, 2021	**–**	**(5,245)**	**(959)**	**–**	**(23,395)**	**–**	**(29,599)**
Amortization for the year	–	(44)	(532)	–	(10,461)	(900)	(11,936)
Reclassifications	–	(5,289)	(1,491)	–	(33,855)	(900)	(41,535)
Amortization and impairment losses as of 31 December, 2021	**–**	**(5,289)**	**(1,491)**	**–**	**(33,855)**	**(900)**	**(41,535)**
Book value as of 31 December, 2021	**94,612**	**2,949**	**906**	**10,500**	**57,795**	**4,775**	**171,536**
Amortization period		5-10 years	10-12 years		7-10 years		
Amortization method		Straight-line	Straight-line		Straight-line		

Movements in intangible assets for 2020:

USD Thousands	Goodwill	Development	License agreements	Fishing license	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2020	**94,557**	**5,318**	**2,396**	**10,500**	**91,293**	**5,675**	**209,739**
Additions - external cost	**55**						55
Acquisition Lang	–	–	–		357	–	357
Acquisition cost as of 31 December, 2020	**94,612**	**5,318**	**2,396**	**10,500**	**91,650**	**5,675**	**210,151**
Amortization and impairment losses as of 1 January, 2020	**–**	**(5,245)**	**(578)**	**–**	**(13,619)**	**–**	**(19,442)**
Amortization for the year	–	–	(532)	–	(9,625)	–	(10,157)
Reclassifications	–	–	151	–	(151)	–	–
Amortization and impairment losses as of 31 December, 2020	**–**	**(5,245)**	**(959)**	**–**	**(23,395)**	**–**	**(29,599)**
Book value as of 31 December, 2020	**94,612**	**73**	**1,437**	**10,500**	**68,255**	**5,675**	**180,552**
Amortization period		5-10 years	10-12 years		7-10 years		
Amortization method		Straight-line	Straight-line		Straight-line		

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Note 11 – Impairment assessment

Property, plant and equipment, RoU assets, intangible assets and goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with IAS 36 Impairment of Assets. Goodwill and intangible assets with indefinite life are required to be tested for impairment annually, in addition to any tests required when impairment indicators are determined to be present.

When a Cash Generating Unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent from other assets or groups of assets, or an asset is tested for impairment, the recoverable amount is estimated as the higher of the CGU's fair value less cost of disposal, or its value in use. The carrying amount is not recoverable if it exceeds the recoverable amount. An impairment loss is recognized in the amount that the carrying value exceeds its recoverable amount. Losses are reversed in the event of a subsequent increase in the recoverable amount of an impaired asset, however, impairment of goodwill is not reversed.

Identification of CGU's involves judgment, considering if an active market exists for the output produced by an asset or group of assets, independent cash inflows as well as how management monitors the Group's operations or how management makes decisions about continuing or disposing of the Group's assets and operations. Based on a thorough analysis, a CGU for goodwill impairment testing is assessed to be the krill business as a whole (the "Ingredients" segment) as the offshore harvesting and production, the logistical operation and the onshore manufacturing and sale of krill oil products globally to distributors and feed producers form an integrated value chain where no independent prices for the intermediate products exist. This is also the level at which management monitors, makes strategies, operates, allocates resources and makes decisions on acquisitions, continuation or disposals. The other identified CGU for impairment testing is the "Brands" segment, the human consumption distribution business which comprises of Lang and Epion. Lang acquires products derived from krill, fish and plants and packages, labels and sells the products onwards to retailers in the US market.

Indicators that could trigger an impairment test includes such conditions as significant underperformance in sales volumes or margins relative to historical or projected results, significant changes in the Group's planned use of the assets, obsolescence or physical damage of an asset or significant negative industry or economic trends.

Fair value may be estimated based on recent transactions on comparable assets. Calculation of the value in use of an asset or CGU involves estimating the future cash inflows and outflows to be derived from continuing use of the asset/CGU and from its ultimate disposal.

Impairment losses are only reversed to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation, if no impairment had been recognized.

Goodwill Impairment testing

Mandatory annual tests for impairment are performed for CGUs with allocated goodwill or assets with indefinite useful life, and for assets/CGUs where impairment indicators have been identified. Impairment tests are performed on Ingredients and Brands (both CGUs with allocated goodwill). The impairment test of the Ingredient segment also includes a fishing license and trademark assets with indefinite useful life.

Main assumptions for the value-in-use calculation:

The Group updates its Group Business Plan for the next five years on an annual basis. The purpose of the Group Business Plan process is to set overall goals for the business and defining the steps necessary to achieve these goals. The plan facilitates the strategic planning process and provides the Board of Directors/Executive Management with a structure to monitor progress towards these goals. It is a result of a bottom-up involvement of the organization, and the key goals and objectives are in turn communicated to the broader organization to set the direction for departments and employees.

The Group Business Plan uses sensitivities and scenarios to analyze and understand how changes in one or more internal/external variables impacts the future of the group's financials. Scenario planning and sensitivity analysis provides a rational and structured way to analyze the impact from altering key variables such as sales units, prices and timing, production volumes, COGS etc. The scenarios and sensitivities are used by the Board of Directors/Executive Management to measure and manage the risk profile.

The discount rates used reflect the current market assessment of the risks specific to each CGU and are estimated based on the weighted average cost of capital. The discount rate is estimated based on a weighted average of equity return requirements and expected costs of debt, assuming a projected debt-to-equity ratio of 1. The basis for the discount rate is a risk-free interest rate set at 10 years US government bonds, and the credit risk premium has been set equal to the credit spread (compared to government bonds) for US corporate bonds with credit rating B. The Group has used different discount rates for the Ingredients CGU and the Brands CGU to reflect the different market operations.

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Climate risk has been assessed when performing the value-in-use calculation, primarily in the Ingredients CGU. Any climate change affecting the krill biomass with regards to availability and nutrients composition could significantly impact the harvesting. In addition, ice and general weather conditions could create operational difficulties. In the value-in-use calculations the normal production capacity of krill meal considers these uncertainties.

Ingredients (CGU):
Projected cash flows are based on management's best estimates and the business plan for the ingredients segment for the subsequent five years period. The estimates are based on detailed forecast prepared by the various departments in the ingredients segment. For subsequent periods, the model is based on an estimated terminal growth. In the forecast for the period 2022-2025, revenue projections are based on agreements entered into, actual historical prices along with management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management`s forecast which is based on the scalability in the business model. As approximately 65 percent of the Group's operating expenses are fixed costs (in line with IAS2), increased sales levels will contribute to higher operating margins. Future product pricing has as per the above been based on historical prices and managements expectation with regards to new arrangements. The Group expects slightly lower krill oil sales prices as well as a moderate increase in the krill meal sales prices in the forecast period, compared to the sales price levels in 2021. Sales volumes has been modelled to follow the production targets, however lagging as to allow for building and maintaining safety-stock.

In the Ingredients impairment model the forecast period is 2022-2025. At the end of the forecast period there is an extrapolation period from 2026-2030 (as no detailed budget is prepared after 2025). In the extrapolation period growth has been set to 5%. The discount rate is based on a WACC of 10% and in the terminal value it is assumed a long-term annual growth equal to 2%.

Capital expenditure is based on the long-term technical and operations program and firm commitments. It is also assumed that the vessels will be replaced upon end of the assumed useful life.

Brands (CGU)
Projected cash flows are based on management's best estimates and the business plan for the Brands segment for the subsequent five years period. The estimates are based on detailed forecast prepared by management in Lang and Epion. For subsequent periods, the model is based on an estimated terminal growth, that is not exceeding the growth for the products, industry or country (US) in which the CGU operates. In the forecast for the period 2022-2025, revenue projections are based on agreements entered into, actual historical prices along with management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management`s forecast.

In the Brands impairment model the forecast period is 2022-2025. At the end of the forecast period there is an extrapolation period from 2026-2030. In the extrapolation period growth has been set to 5%. The discount rate is based on a WACC of 8% and in the terminal value it is assumed a long-term annual growth equal to 2%. Given the reduced asset specific risk that the Brands segment represents as well as lower observed WACC from a benchmark study, a Damodaran discount rate of 5.9% seems reasonable as a starting point when assessing the value in use of the Brands asset. To adjust higher borrowing rates in the Group, as well as a slightly higher risk profile of Brands compared to some of the peers, a prudent discount rate is set to 8% for the Brands segment.

Segment	WACC post-tax		WACC pre-tax*	
	2021	2020	2021	2020
Ingredients	10.0 %	10.0 %	11.6 %	12.8 %
Brands	8.0 %	10.0 %	11.5 %	14.3 %

* The pre-tax discount rate is the discount rate without tax charge in the cash flow yielding the same recoverable amount

Sensitivities - impact of possible changes in key assumptions:

Ingredients (CGU)
The sensitivities of the value in use has been tested by using simulations of various combinations of discount rates, terminal value growth, changes in vessel production volumes, sales price, krill production and -sales in addition to fuel cost and EBITDA. The CGU's value in use is significantly higher than the carrying amount. No reasonable possible change in any of the key assumptions would cause the unit's recoverable amount to be lower than the carrying value.

Brands (CGU)
The sensitivities of the value in use has been tested by using simulations of various combinations of discount rates, terminal value growth, sales and EBITDA.

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The CGU's value in use is significantly higher than the carrying amount. No reasonable possible change in any of the key assumptions would cause the unit's recoverable amount to be lower than the carrying value.

Intangible assets impairment testing:

For customer relations cash inflows can be monitored at a lower level than the identified CGUs for goodwill impairment testing. During 2021, Management determined that there was an impairment indicator due to declining sale to certain customers included as an intangible asset under Customer relation. The recoverable amount of the customer relation was determined using a multi-period excess earnings method and was determined to be lower than the carrying value, resulting in an impairment of USD 0.9m for the customer relations and USD 0.9m on the trademark.

All other intangible assets have been assessed for impairment with the conclusion that the value in use is higher than the book value.

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Note 12 – Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of finished goods and raw material and goods under production comprises the costs of raw materials, direct labor and other direct costs, and related production overheads. Indirect costs allocated to inventories, include salaries, depreciation and certain other directly attributable operating expenses. The Group allocate cost of inventories using a weighted average cost formula.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The impairment from cost to net realizable value is recognized in 'Cost of goods sold' in the Consolidated statement of Profit or loss.

Ingredients:

The production of krill derived products in the Ingredients segment is highly complex in several stages. First, the raw krill is harvested in the Southern Ocean using Eco-Harvesting. Then the raw krill is processed into krill meal and raw krill oil onboard the vessels. These products are subsequently shipped to the logistics hub in Montevideo, Uruguay. From Uruguay the meal is sent to feed customers or to the Group's krill oil facility in Houston where krill oil is extracted from the meal. After the oil extraction the Group has a low fat/ high protein krill meal and krill oil, where krill oil is the main product. As part of the reprocessing of krill oil the Group get a neutral oil that can be blended into krill oil or used as ingredient into other applications. The low fat/ high protein krill meal is currently sold to feed customers. In future production this meal will be used as an ingredient to the Group's novel protein product.

At the start of the 2021 fishing season in November 2020, the Group changed its cost allocation method based on an assessment that producing food grade krill meal for further processing (and new applications such as Protein/INVI and LYSOVETA) require more offshore search activity and increased logistics costs which was not recognized under the previous volume allocation method. Based on an internal assessment, producing food grade krill meal for further processing is approximately 10% more expensive than regular feed grade krill meal. Following this improved allocation method, additional cost was allocated to the production of krill oil, implying lower margins on future sale of krill oil, with corresponding improved margins on krill meal sale. As a continuation of the policy harmonization, the Group amended its allocation policy between Qrill Aqua and Qrill Pet, to better reflect the actual production cost of Qrill Pet. The underlying reason for the change increased packaging and logistics cost for Qrill Pet compared to Qrill Aqua.

Brands:

In the Brands segment raw materials and goods under production and finished goods inventory include processing cost incurred by the Group from outside manufacturing service providers.

Inventory balances as of 31 December 2021 and 2020 are shown below:

USD Thousands	Year ended 31 2021	2020
Raw materials and goods under production	24,401	24,195
Finished goods	113,825	90,364
Total	**138,225**	**114,559**
Cost of inventories recognized at net realizable value	37,210	34,417
Carrying value of inventories recognized at net realizable value	30,346	29,569
Write-down of inventories recognized towards net change in inventories in the period*	(6,864)	(4,848)
Carrying value of inventories pledged as security	138,225	79,382

*) Includes weight corrections, replacements to customers and obsolescence

The inventory balance as of 31 December 2021 is pledged as security and is included in the book value of assets pledged as security, please refer to Note 15.

Movements in inventory during the year comprise of:

USD Thousands	Ingredients	Brand	Elim	2021
Inventory at 1 January 2021	80,502	36,729	(2,672)	114,559
Acquired inventory for sale	–	84,395	(19,381)	65,014
Production value	169,830			169,830
Cost of goods sold	(108,987)	(81,709)	16,694	(174,002)
Consumption and other changes	(37,175)	–	–	(37,175)
Elimination of internal profit in inventory	–	–		–
Change in spare parts inventory	–	–		–
Inventory at 31 December 2021	**104,170**	**39,415**	**(5,359)**	**138,225**

Net change in inventories 2021 – reconciliation

Net change in inventories - reconciliation	2021
Cost of goods sold before elimination of internal sales and internal profit	(190,696)
Produced inventory	169,830
Acquired inventory	84,395
Rework, consumptions and obsolete	(37,175)
Elimination of internal profit on stock	(2,687)
Net change in inventories	**23,667**
Cost of goods sold before elimination of internal sales and internal profit	(190,696)
Elimination of cost of internal sales	16,694
Cost of goods sold recognized in Profit and Loss	**(174,002)**

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Movements in inventory during 2020:

USD Thousands	Ingredients	Brand	Elim	2020
Inventory at 1 January 2020	60,147	37,078	(2,500)	94,725
Acquired inventory for sale		81,998		81,998
Production value	157,394			157,394
Cost of goods sold	(115,490)	(81,840)		(197,330)
Other changes 1)	(21,718)			(21,718)
Elimination of internal profit in inventory		(507)	(172)	(679)
Change in spare parts inventory	169			169
Inventory at 31 December 2020	**80,502**	**36,729**	**(2,672)**	**114,559**

1) Including USD 24 million in consumption and rework and USD 2 million in obsolete and other

Net change in inventories 2020 – reconciliation

Net change in inventories - reconciliation	2020
Cost of goods sold before elimination of internal sales and internal profit	(197,330)
Produced inventory	157,394
Acquired inventory	81,998
Changes spare part inventory	169
Rework, consumptions and obsolete	(21,718)
Elimination of internal profit on stock	(679)
Net change in inventories	**19,834**
Cost of goods sold before elimination of internal sales and internal profit	(197,330)
Elimination of cost of internal sales	18,999
Elimination of internal profit on stock	(679)
Cost of goods sold recognized in Profit and Loss	**(179,010)**

The total production value of goods manufactured in the years 2021 and 2020 can be specified as follows:

	Year ended 31 December	
USD Thousands	2021	2020
Salaries	(35,731)	(34,559)
Direct Production	(7,924)	(10,150)
Fuel	(17,169)	(19,185)
Consumables	(4,157)	(4,307)
R&M	(6,735)	(2,541)
Other	(15,325)	(14,832)
Nutra Freight	(2,335)	(2,567)
Capsulation	(4,904)	(3,611)
Contract manufacturing	(706)	(5,995)
Depreciation	(37,706)	(32,518)
Consumption of krill raw materials	(38,897)	(27,129)
Total costs allocated to inventory	**(171,589)**	**(157,394)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13 – Trade receivable and other current assets

USD Thousands	2021	2020
Accounts receivable	50,311	53,723
Prepaid expenses	17,296	33,775
Other current receivables	10,092	10,387
Total	**77,699**	**97,885**

The change in prepayments relates mainly to the delivery of Antarctic Provider that was classified as prepayment as of 31.12.2020. In addition, stock of fuel, packing material and other equipment related to the operation of the vessels and the factory in Houston is included as prepayment.

Note 14 – Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position and statement of cash flow comprise cash at banks, including restricted deposits, and cash on hand.

USD Thousands	2021	2020
Cash and bank deposits	9,147	9,094
Restricted bank deposits	1,985	1,584
Cash and cash equivalents	**11,132**	**10,678**
Highly liquid derivative assets	12,486	–
Cash and cash equivalents including options	23,618	10,678

Restricted bank deposits relate to employee tax withholdings used to settle tax remittances with the tax authorities on a periodic basis. As of 31 December 2021, the Group had drawn USD 16.9 million (2020: USD 12.6 million) out of a total of USD 40.0 million available in an overdraft facility.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15 – Interest bearing debt

The Group recognizes interest-bearing debt initially at fair value, net of transaction costs incurred. Subsequently, the debt is carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statements of profit or loss over the period of the debt using the effective interest method.

USD Thousands	Year ended 31 December, 2021	2020
Non-current liabilities		
Secured bank loans	285,320	203,010
Non-current NOK-denominated loan from Antarctic Harvesting Holding AS	1,334	1,334
Leasing liabilities	7,457	6,234
Book value total interest-bearing non-current liabilities	**294,111**	**210,578**
Current liabilities		
Current portion of secured loans	9,419	12,010
Overdraft facilities	16,864	12,673
Leasing liabilities	4,448	7,539
Book value total interest-bearing current liabilities	**30,731**	**32,222**
Book value total interest-bearing liabilities	**324,841**	**242,799**

Total interest-bearing debt was at USD 324.8 million, including IFRS 16 leasing commitments of USD 11.9 million as of 31 December 2021. Cash amounted to USD 11.1 million, implying net interest-bearing debt of USD 313.7 million, up from USD 232.1 million same period last year. The increase is mainly due to the inclusion of the Antarctic Provider loan facility in 2021. Total available liquidity as of 31 December 2021 was USD 106.3 million (cash and available amounts under the debt facilities).

The company signed and executed its new financing structure with a bank group consisting of DNB Bank, Cooperative Rabobank and Nordea Bank. The new facility has a more favorable structure with increased flexibility on covenants, dividends, and indebtedness. The amortization profile is changed as a result of moving from several term loans into a larger corporate revolving credit facility (RCF) and only one term loan for the Endurance vessel. For fourth quarter 2021 (and year 2021) the company is compliant with the loan Covenants.

Terms and debt repayment schedule per 31.12.2021:

Loan	Currency	USD Thousands	Nominal interest rate		Year of maturity	Instalments
Secured bank loan - Bank syndicate	USD	86,629	3,13 % (fixed)		2031	Quarterly
Secured loan - Bank syndicate	USD	208,109	SOFR + margin	1)	2024	In full upon termination
Antarctic Harvesting Holding AS	NOK	1,334	7.0%		-	-
Overdraft facility with DNB	USD	16,865	NOWA+0,13% yearly framework agreement provision	2)	n/a	n/a
Leasing financing	NOK/USD	11,904	6.4 - 7.3%		< 2026	Monthly

1) SOFR Secured Overnight Financing Rate

2) NOWA Norwegian Overnight Weighted Average

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The following table displays debt secured by mortgaged assets:

Debt secured mortgage assets:

USD Thousands	Year ended 31 December, 2021	2020
Secured bank loans	294,739	215,020
Other secured debt		
Overdraft facility	16,864	12,673
Total secured debt	**311,603**	**227,693**
Book value of assets pledged as security		
Operating assets	**721,127**	**563,752**

Asset pledged as security per company as of 31 December 2021:

USD Thousands	Group total	Antarctic AS	AKBM US Holding	AKBM Manufacturing	New Ride	Lang
Ships/Rigs	195,139	195,139				
Customers	43,189	27,935				15,254
Shares	239,284	96,706	89,659		52,919	
Inventory	112,034	75,893				36,141
Other assets	131,481	77,271		53,901		309
Total	**721,127**	**472,944**	**89,659**	**53,901**	**52,919**	**51,704**

The following table reconciles the movements in liabilities to cash flow from financing activities in 2021:

USD Thousands	Secured bank loans	Proceeds from owner	Long term Lease	Bank overdraft	Short term lease	Total
Balance Interest bearing debt at 31 December, 2020	**215,031**	**1,334**	**6,233**	**12,662**	**7,539**	**242,799**
Changes in Financing cash flows						
Refinancing new bank syndicate	210,000					210,000
Secured bank loan - RCF + TL NewRide - DNB/RABO	65,000					65,000
Secured bank loan - DNB and Eksportkreditt (Provider)	60,000					60,000
Instalment Secured bank loan Bank syndicate	(182,338)					(182,338)
Instalment bank loan Provider	(60,000)					(60,000)
Instalment Innovation Norway	(10,199)					(10,199)
Instalment Caterpillar Finance	(1,396)					(1,396)
Lease payments					(6,343)	(6,343)
Overdraft facility with DNB/RABO				4,202		4,202
Net cash flow from financing activities	**81,067**	**–**	**–**	**4,202**	**(6,343)**	**78,926**
Non-Cash changes						
Leasing financing (IFRS16)			1,224		3,302	4,526
Other changes, liability related						
Interest/fees charged to loan	(1,454)					(1,454)
Effect of changes in foreign exchange rates	95				(51)	44
Total liability related changes	**(1,359)**	**–**	**–**	**–**	**(51)**	**(1,410)**
Balance Interest bearing debt at 31 December, 2021	**294,739**	**1,334**	**7,457**	**16,864**	**4,448**	**324,841**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table reconciles the movements in liabilities to cash flow from financing activities in 2020:

USD Thousands	Secured bank loans	Proceeds from owner	Long term Lease and NMTC	Bank overdraft	Short term lease	Share capital	Reserves	Total
Balance at 1 January 2019	**283,401**	**75,129**	**25,754**	**29,135**	**6,646**	**–**	**–**	**420,064**
Reclassification	*8,201*		*(8,201)*					
Changes in Financing cash flows								
New loan from owner		23,000						23,000
Instalment loan from owner		(96,795)						(96,795)
Secured bank loan - RCF + TL NewRide - DNB/ RABO	(65,000)							(65,000)
Instalment Secured bank loan Bank syndicate	(9,409)							(9,409)
Instalment Innovation Norway - 1	(377)							(377)
Instalment Innovation Norway - 2	(833)							(833)
Instalment Innovation Norway - 3	(151)							(151)
Instalment Caterpillar Finance	(932)							(932)
Lease payments					(7,045)			(7,045)
Overdraft facility with DNB/RABO				(9,472)				(9,472)
New/increase withdrawal overdraft facility- DNB				(7,000)				(7,000)
Proceeds from Trading admittance						7,850	216,328	224,178
Net cash flow from financing activities	**(76,702)**	**(73,795)**	**–**	**(16,473)**	**(7,045)**	**7,850**	**216,328**	**50,163**
Non-Cash changes								
Leasing financing (IFRS16)			(3,520)		7,795			4,275
NMTC loan settlement 1)			(7,800)					(7,800)
								–
Other changes, liability related								–
Interest/fees charged to loan	(53)							(53)
Effect of changes in foreign	185				144			329
Total liability related changes	**132**	**–**	**–**	**–**	**144**	**–**	**–**	**275**
Balance Interest bearing debt at 31 December, 2020	**215,031**	**1,334**	**6,233**	**12,662**	**7,539**	**–**	**–**	**242,799**

1) The NMTC loan was forgiven and recognized as financial income in the Income statement.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16 – Other non-current liabilities

USD Thousands	2021	2020
Contingent consideration	10,638	31,745
Pension liabilities	168	183
Total	**10,806**	**31,928**

The earn-out period related to Lang Acquisition is from 2019 through 2022, and could if certain financial targets, EBITDA, are met result in a gross payment of USD 50 million over the next years, with the last payment in 2023.

The fair value of the earn-out element of the contingent consideration arrangement was estimated calculating the present value of the future expected cash flows using on a discount rate of 11%. The Group recognized USD 21.1 million (2020: USD 8.0 million) as financial income to account for the fair value adjustments as per 31 December 2021. As per above this fair value adjustment was due to the discounting effect and lower EBITDA prognosis in the medium term.

Note 17 – Accounts payable and other payables

Accounts payable and other payment liabilities comprise the following items

	Year ended 31 December,	
USD Thousands	2021	2020
Accounts payable	25,248	20,255
Accrued expenses	17,600	15,223
Other current liabilities	3,739	3,244
Total	**46,587**	**38,721**

Foreign exchange and liquidity risks are described in Note 20.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18 – Leasing

The Group implemented IFRS 16 Leases as of January 1, 2019 using the modified retrospective approach. The comparative information presented for 2018 is therefore not restated. At implementation ROU assets and financial lease liabilities in the amounts of USD 4 940 were recognized. The accounting policy for lease agreements prior to the implementation of IFRS 16 was regulated by IAS 17 Leases. For the accounting period January 1 – December 31, 2018 the Group's accounting for leases when acting as lessor is the same as under IFRS 16. When party to a lease agreement as lessee, all leases were recognized as operating leases and the lease payments were expensed as incurred in the profit or loss as an operating expense. IAS 17 did not require the lessee to recognize a right-of-use asset or financial liability in connection with the lease agreement.

The Group leases various types of assets, with the most significant monetarily being the leases for office buildings, warehouses and a tramper vessel. The smaller leases comprise mainly leases for housing for employees, IT equipment and production-related equipment in the factory.

Management determines the lease term as the non-cancellable term of the lease, as well as any additional periods covered by an option to extend the lease if it is reasonably certain to be exercised. Time periods in the lease covered by an option to terminate the lease are also included in the lease term if it is reasonably certain the termination clause will not to be exercised. Management applies judgement in evaluating whether it is reasonably certain to exercise a renewal option, considering all relevant factors as well as the potential economic incentives related to the exercise of the renewal option. The lease period in the current leases held by the Group varies from one to five years. Several of the leases have a lease term that includes the optional renewal period. Most of the leases include a clause for annual price increases during the term of the lease agreement.

The Group has elected not to recognize right-of-use (ROU) assets and lease liabilities for the following types of leases, as allowed under IFRS 16:

- Short-term leases with a lease term of less than 12 months from commencement that does not include any purchase or renewal options, and
- Leases of low- value assets.

The Group recognizes a ROU asset as of the lease commencement date. The ROU asset is initially measured at cost, and subsequently at cost less

any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The initial measurement of the ROU asset includes the amount of lease liability recognized, any initial direct costs incurred, and the lease payments made at or before the commencement date less any lease incentives received. The ROU asset is generally depreciated on a straight-line-basis over the shorter of the estimated useful life of the asset or the lease term and is subject to impairment assessments of non-financial assets.

The lease liability is initially measured at the present value of the future lease payments at commencement date discounted using either:

- The rate implicit in the lease, or if that cannot be determined
- The leasing entity's incremental borrowing rate.

The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the ROU asset in a similar economic environment. The Group is calculating the incremental borrowing rate in a model with an interest rate swap rate as a basis and adjustments reflecting:

- Credit worthiness of the lessee
- Lease term of the contract
- Acquisition cost of the ROU
- Type of asset and
- Jurisdiction and the contact's currency.

The Group's ROU asset as at 31 December 2021 include:

USD Thousands	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2021	12,616	530	**13,145**
Depreciation for the year	(5,337)	(226)	**(5,563)**
Additions to ROU assets	3,485	–	**3,485**
Adjustment of ROU asset	195	–	**195**
Reclassification	(2)	2	
Balance as of 31 December 2021	**10,957**	**304**	**11,262**

Additions to ROU assets relates to the new lease of a factory in Ski, Norway, warehouses in India and Uruguay, and the annual CPI adjustments in some of the lease payments.

The Group's ROU asset as at 31 December 2020 include:

USD Thousands	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2020	16,389	167	**16,556**
Depreciation for the year	(6,133)	(248)	**(6,381)**
Additions to ROU assets	2,595	611	**3,206**
Derecognition of ROU asset	(235)		**(235)**
Balance as of 31 December 2020	**12,616**	**530**	**13,146**

Additions to ROU assets relate to the new lease of the tramper vessel, an office contract in Shanghai, new employee housing lease contracts and the annual CPI adjustments in some of the lease payments.

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Amounts recognized in profit or loss

USD Thousands	2021	2020
Expenses related to short-term lease	(1,786)	(1,512)
Expenses related to low-value asset, excl. short-term	–	(100)
Leasing expenses related to variable payments not included in lease liabilities	(111)	(304)
Interest on ROU lease	(861)	(1,069)
Recognition of difference between lease liability and ROU asset per 1 Jan 2019 on derecognized asset	–	(1)
Effect of changes in foreign exchange rates	51	(144)
Total	**(2,707)**	**(3,130)**
ROU assets recognized in cash flow statement:	**(6,343)**	**(7,045)**

Future lease liability payments as of year-end 2021 and 2020 (IFRS 16)

USD Thousands	2021	2020
Within one year	4,161	4,831
1-2 years	3,456	3,116
3-5 years	3,974	5,825
More than 5 years	313	–
Total	**11,904**	**13,772**

Lease liabilities as of December 31, 2021 totaled kUSD 11.9 (December 31, 2020: kUSD 13.8) of which kUSD 4,4 (December 31, 2020: kUSD 4.8) was classified as current and kUSD 7.5 (December 31, 2020: kUSD 8.9) as non-current.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19 – Foreign exchange rates

In preparing the Group's consolidated financial statements, the following exchange rates have been applied:

in USD

Country	Denomination		Average rate year ended 31 December, 2021	Closing rate at 31 December, 2021	Average rate year ended 31 December, 2020	Closing rate at 31 December, 2020
Norway	NOK	1	0.1163	0.1134	0.1064	0.1172
European Union (EU)	EUR	1	1.1821	1.1326	1.1405	1.2271

The monthly average exchange rates and the exchange rates as of 31 December 2021 have been used in translating profit or loss and consolidated statement of financial position items, respectively. If the monthly average fails to provide a reasonable approximation of the exchange rate to apply to the nominal transaction price, then the exchange rate on the date of the transaction will be applied.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20 – Financial risk

The Group's activities expose it to various types of risk which are associated with the financial instruments and markets in which it operates. The most significant types of financial risk the Group is exposed to are credit risk, liquidity risk, and market risks (including foreign exchange risk, interest rate risk and bunker risk. To manage these risks, risk management is carried out in order to create predictability and stability for operating cash flows and values. Management can use financial derivatives to hedge against risk relating to operations, financing, and investment activities if the financial derivative has been approved by the Board of Directors. In 2020 the company entered a fuel hedge contract with DNB, see further description of the contract below under iii) Fuel price risk.

The recent Covid-19 crisis inherently increases many of these risk factors; markets become more uncertain, operations become more vulnerable to interruptions and policy makers around the world may gravitate towards stricter regulations impacting international trade. As the Covid-19 virus develops across the world, Aker BioMarine is taking measures to mitigate the risk for operational disruptions and reduce risk of outbreaks and its consequences, both offshore and onshore on the production facility in Houston as well as in the offices. Even though the development is followed closely, a worst-case scenario with outbreak in the Houston facility or on the fishing vessels may have significant operational and financial impact. As the Covid-19 virus is having a growing impact on the world economy, including Aker BioMarine's main market, the negative financial impact is uncertain with an unclear ending.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's main credit risk relates to receivables from customers. Exposure to that risk is monitored on a routine basis and credit evaluations are performed on customers as appropriate. When entering significant sales contracts, the sales department seeks to reduce credit risk through more stringent payment terms including requirement of up-front payments. The Group has had low losses on receivables as the sales department is maintaining close contact with each customer and routine billing and cash collection is performed.

The book value of financial assets represents the maximum credit exposure.

Receivables presented under Trade Receivables are ordinary account receivables generated through sales of goods, accounted for under IFRS 15. The Group does not grant any payment terms more than 12 months, meaning that if the Group were to estimate expected credit losses (ECL) as according to general or simplified approach, the ECL would (for all material purposes) represent the lifetime expected credit losses.

The Group has determined to apply the practical expedient for measuring ECL of the Account Receivable, mainly due to the large extent of smaller clients, and the limited amount of losses over the past years.

The Group has designed a provision matrix based on the assessment on historical data over the last years to identify whether there are either geographical or market (Qrill / Superba) indications of whether any additional breakdowns into sub-portfolios is required. The reasonability of the ECL accruals compared to prior years actual losses has also been assessed, to ensure it constitutes a reasonable expectation.

The ECL rates per portfolio will be reviewed at each reporting date to assess if the matrix still reflects the current conditions, and if the provision still is at a reasonable and supportable level, reflecting the future economic conditions.

Aging profile of accounts receivable and bad debt provisions:

USD Thousands	2021	2020
Not at maturity	28,247	47,248
0-30 days overdue	10,167	6,326
31-120 days overdue	9,517	254
121- 365 days overdue	3,276	553
Total trade receivable	51,207	54,381
Bad debt provision	(895)	(658)

Write off and allocation for loss on trade receivable are included under operating expenses in the consolidated profit and loss.

Movements in allocation to loss on trade receivable and contract assets

USD Thousands	2021	2020
Balance at 1 January under IFRS 9	(658)	(185)
Impairment loss (write-off) on trade and other receivables	(402)	(181)
Provision/reversal of impairment loss on trade and other receivables	-	(278)
Effects of changes in foreign exchange rates	165	(14)
Allocation to loss on trade receivable and contract assets	(895)	(658)

The Group`s two most significant customers account for USD 12.1 million of the receivables carrying amount as of 31 December 2021 (2020: USD 16.7 million).

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial liabilities as they mature. The Group does not hedge against exposure to interest-rate fluctuations on debt and is therefore exposed to fluctuations on the variable-rate amount of interest-bearing liabilities, which was USD 311.6 million as of 31 December 2021 (2020: USD 145 million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Overview of maturities including estimated interest payments by category of liability:

	2021 maturity structure — loans and interest						
USD Thousands	Book value at 31 December	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	294,738	(325,771)	(9,264)	(9,184)	(18,146)	(247,966)	(41,211)
Other non-current interest bearing liabilities							
Interest bearing debt, non-current, related parties	1,334	(1,801)	(93)	(93)	(93)	(93)	(1,427)
Overdraft facility	16,864	(16,850)	(16,850)	-	-		
Leasing liabilities (IFRS16)	11,904	(11,905)	(2,085)	(2,085)	(3,467)	(3,963)	(304)
Total 2021 maturity of loans and interest on interest-bearing debt	324,840	(356,326)	(28,292)	(11,363)	(21,706)	(252,022)	(42,942)
Accounts payable and other current liabilities	46,587	(38,721)	(38,721)	-	-	-	-
Non-current non-interest-bearing liabilities	15,687	(15,517)	-	-	(10,638)	-	(4,879)
Total liabilities	387,115	(410,564)	(67,013)	(11,363)	(32,344)	(252,022)	(47,821)

	2020 maturity structure — loans and interest						
USD Thousands	Book value at 31 December	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	207,102	(233,239)	(9,599)	(14,515)	(22,229)	(131,998)	(54,898)
Other non-current interest bearing liabilities	7,919	(8,589)	(134)	(134)	(134)	(8,187)	-
Interest bearing debt, non-current, related parties	1,334	(1,801)	(93)	(93)	(93)	(93)	(1,427)
Overdraft facility	12,673	(12,662)	(12,662)				
Leasing liabilities (IFRS16)	13,772	(15,499)	(3,720)	(3,080)	(3,235)	(5,464)	
Total 2020 maturity of loans and interest on interest-bearing debt	242,799	(271,789)	(26,208)	(17,823)	(25,691)	(145,743)	(56,325)
Derivatives	8,996	(8,996)	(8,067)	(929)			
Accounts payable and other current liabilities	38,721	(38,721)	(38,721)				
Non-current non-interest-bearing liabilities	36,745	(36,562)				(31,745)	(4,817)
Total liabilities	327,262	(356,068)	(72,996)	(18,752)	(25,691)	(177,488)	(61,142)

Market risk

i. Foreign exchange risk

The Group operates in a global market and is exposed to currency fluctuations, primarily through fluctuations in the USD, NOK and EUR exchange rates. In addition, the Group has operations with exposure to local currencies in Uruguay, Australia, India, Thailand, New Zealand, Canada and China, but these exposures are regarded minimal. The Group has USD as its presentation and functional currency in the main group companies. The Group has NOK denominated financial instruments thus the consolidated statement of financial position is exposed to changes in NOK/USD exchange rate.

The Group seeks to ensure that revenues and expenses are in the same currency. Future cash flows are estimated and offset. The Group periodically assesses the need for foreign currency hedging. Currency risk is managed on an overall Group level.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of 31.12.2021 the Group recognized an asset of USD 12.5 million from a fuel hedge contract, see description under iii) Fuel price risk.

The table below shows the Group's exposure to foreign exchange risk at year end.

	Year ended 31 December 2021		Year ended 31 December 2020	
USD Thousands	Euro	NOK	Euro	NOK
Accounts receivable	334	6,119	2,856	7,228
Cash	(25)	(15,332)	555	(8,742)
Secured bank loan	2,512	(22,593)	(100)	(4,448)
Accounts payable	(1,861)	(11,873)	(2,272)	(7,591)
Other balance sheet items		(207)		
Gross balance sheet exposure	960	(43,886)	1,039	(13,553)
Currency forwards				
Net exposure	960	(43,886)	1,039	(13,553)

Sensitivity analysis

A 10% increase or decrease in USD relative to the Euro and the NOK would have reduced or increased the Group's profit before tax with USD 0.1 million related to Euro and USD 0.5 million related to NOK, respectively.

ii. Interest rate risk

The Group's borrowings and any surplus cash balances are held at variable and fixed interest rates linked to the Norwegian or London interbank offered rate (NIBOR and LIBOR, 3 or 6 months). A movement of 100 basis points in the interest rate on borrowings and surplus cash balances as of 31 December 2021 would have affected the Group's profit before tax with USD 1.3 million. (2020: USD 1.2 million). This analysis assumes that all other variables, especially the exchange rates, remain constant.

Interest rate profile

At the close of the year, the interest- rate profile for the Group's interest-bearing financial instruments was as follows:

USD Thousands	Year ended 31 December, 2021	Effective interest rate year ended 31 December, 2021	Year ended 31 December, 2020	Effective interest rate year ended 31 December, 2020
Fixed-interest instruments				
Secured loans from Innovasjon Norge				
Loan from Antarctic Harvesting Holding AS	(1,334)	7.00%	(1,334)	7.00%
Secured bank loan - Bank syndicate	(95,994)	3.1 %	(95,994)	3.1 %
Net fixed interest instruments	(97,328)		(97,328)	
Floating-interest instruments				
Financial assets				
Cash and cash equivalents	11,132	variable *)	10,678	variable *)
Financial liabilities				
Secured bank loan - Bank syndicate	(198,745)		(52,919)	3.11%
Secured bank loan - Innovasjon Norge			(527)	4.0 %
Secured bank loan - Innovasjon Norge			(3,161)	2.9 %
Secured bank loan - Innovasjon Norge			(6,406)	2.9 %
Secured bank loan - Caterpillar Finance			(1,397)	4.2 %
Secured bank loan - DNB			(54,616)	3.7 %
New Market Tax Credit US (NMTC loan)			Settled	
Overdraft facility	(16,864)	variable **)	(12,673)	variable **)
Leasing liabilities (IFRS16)	(11,904)	variable **)	(13,772)	variable **)
Net variable interest instruments	(216,381)		(134,793)	
Total net interest-bearing debt	(313,710)		(232,121)	

*) different cash and cash equivalents carry different interest rates, as such no effective interest rate has been calculated

**) different loans/ receivables carry different interest rates, as such no effective interest rate has been calculated

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

iii. Fuel price risk

Marine Gasoil ("MGO") fuel used for vessel propulsion and krill meal production is one of the Groups' most significant operating costs. The profitability and cash flow of the Group will therefore be affected by the market price of MGO. To reduce Aker BioMarine's exposure to fluctuations in the fuel price, the operating subsidiary Aker BioMarine Antarctic AS purchased call options on Gasoil 0.1% at barges FOB Rotterdam in 2020. These options give Aker BioMarine Antarctic AS the right to purchase Gasoil 0.1% at barges FOB Rotterdam at defined price ("the strike") each month until December 2024. As of 31 January 2021, Aker BioMarine held 77 934 call option contracts giving the Group the right to purchase 77 934 MT of fuel between 2022 and 2024. The value of these options is reflected in the mark-to-market ("M2M") value, which at 31st of December 2021 was USD 12.5m.

	Contracts (000)	**Strike (USD/MT)**	**M2M December 31,2021 (USDM)**
2022	25.9	410	6.2
2023	25.5	550	3.3
2024	26.5	580	3.2
Total	77.9		12.7

Classification of derivatives

The Group uses fuel options for economic hedging purposes and not as speculative investments. From 1 January 2021 the Company met the requirements for using hedge accounting on its fuel options which means that the options are recognized in the balance sheet under the line item 'Derivative assets'

During 2021, the Group rebalanced its call option portfolio to align with an updated forecast of production and operations. As a result, the Group sold 21 974 call options. The sale has been recognized as a rebalancing effect of designated fuel volumes and have been accounted for in accordance with the requirements for discontinuation of hedge accounting. The gain from rebalancing was USD 2.5 million and was recognized as 'Other operating income' in the statement of profit or loss. Contracts not sold continue to follow hedge accounting

In addition to the USD 2.5 million recognized from the rebalancing exercise, the Group also recognized profits from cash-settling expiring option contracts throughout the year. In total, the Group realized a gain of USD 4.2m on cash settled contracts. However, given the Groups' inventory accounting policy (see note 11) a portion of this gain has not been realized in the 2021 P&L, but rather carried into 2022 in the form of a lower-valued fuel inventory

In 2021, the Group also prepaid for fuel call options expiring between January 2022 and December 2024. The total cost of the prepayment was USD 6.7 million, and this cost has been booked as a part of the 'Derivative asset' in the Statement of Financial Position.

2021 fuel hedge cash flow overview	
Premium paid for 2021 - 2024 calls 1)	(9)
Hedge settlements 2021	6.6
Sale of surplus call options	2.5
M2M Hedge value 2022-2024 calls	12.5
Net cash equivalent 2022-2024 2)	12.5

1) Premiums for 2022-2024 were prepaid in January

2) The mark-to-market value of call options are booked as 'Derivative asset' in the statement of financial position. From a Group liquidity perspective, the mark-to-market value is viewed as a cash equivalent as the fuel options have proven to be highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

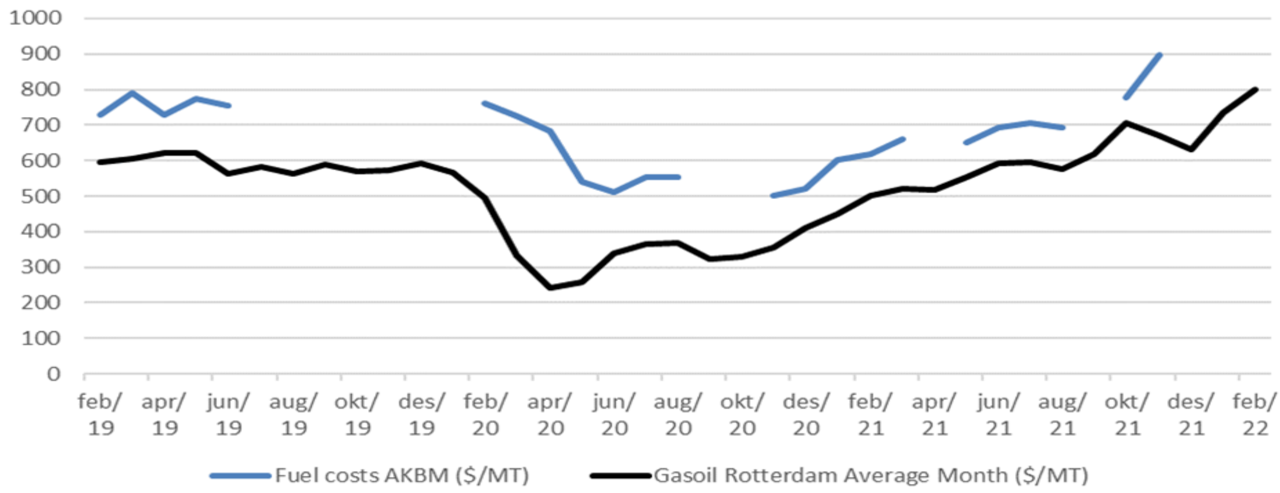
Hedge effectiveness

The Group determines hedge effectiveness at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. As of 31 December 2021, the hedge was found effective.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Historic Fuel Prices - Gasoil 0.1% at barges FOB Rotterdam vs. AKBM actual paid



In 2020, the difference between the value of the derivative asset and the premium amounting to USD 1.3 million was recognized as Other financial expense in the Consolidated statement of profit or loss as the group did not follow hedge accounting.

Fair values

The Group had financial receivables that under IFRS 9, based on evaluation of business model applied, will be measured at fair value over the profit and loss; however, this is in line with how these assets previously have been accounted for, and the last applicable receivable was settled in 2019.

Trade receivables are classified at amortized cost. An expected loss recognition process is used, utilizing the practical expedient. Expected credit losses (ECL) are calculated based on a matrix taking into consideration customer risk, and geographical segments and historical data.

Based on the Group's assessment, there were no new classification requirements following IFRS 9 implementation, which had material impact on accounting for financial assets or liabilities upon implementation in 2018.

The fair values quoted in the table below are categorized within the fair value hierarchy, described below, and based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All fair values using Level 2 valuation techniques are based on discounted cash flow models.

The short-term nature of financial instruments such as cash and bank deposits result in the book value approximating fair value. The same approach applies to receivables and debt associated with the business cycle. Financial assets that are classified as held for sale and financial assets at fair value through profit and loss are recorded at fair value.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2021

USD Thousands	Fair value through P&L	Derivates (not hedge accounting)	Amortized cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts	Total book value	Level 2	Level 3	Total Fair value
	Fair value through P/L				Qualified for hedge accounting						
Other non-interest-bearing non-current assets	104		7,179					7,283		7,283	7,283
Accounts receivables			50,311					50,311			
Other foreward contracts							12,486	12,486			
Other non-interest-bearing current receivables			10,091					10,091			
Cash and cash equivalents			11,132					11,132	11,132		11,132
Total financial assets	104	–	78,712	–	–	–	12,486	91,302	11,132	7,283	18,415
Secured bank loans			285,320					285,320	285,320		285,320
Interest-bearing current liabilities, external			9,419					9,419	9,419		9,419
Other interest free liabilities, non-current			(6)					(6)			
Loan from Antarctic Harvesting Holding AS			1,334					1,334	1,334		1,334
Leasing liabilities			11,904					11,904	11,904		11,904
Overdrafts			16,864					16,864	16,864		16,864
Accounts payable and other interest free liabilities			40,253					40,253			
Total financial liabilities	–	–	365,088	–	–	–	–	365,088	324,841	–	324,841

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

USD Thousands	Fair value through P&L	Derivates (not hedge accounting)	Amortized cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts	Total book value	Level 2	Level 3	Total fair value
	Fair value through P/L				Qualified for hedge accounting						
Other non-interest-bearing non-current assets			145					145	145		145
Accounts receivables	133		49,454					49,587	49,454		49,454
Other non-interest-bearing current receivables			1,185					1,185	1,185		1,185
Cash and cash equivalents			12,425					12,425	12,425		12,425
Total financial assets	133	–	63,209	–	–	–	–	63,342	63,209	–	63,209
Secured bank loans			266,590					266,590	266,590		266,590
Interest-bearing non-current liabilities			7,919					7,919	7,919		7,919
Interest-bearing current liabilities, external			24,611					24,611	24,611		24,611
Loan from AKER ASA			73,795					73,795	73,795		73,795
Loan from Antarctic Harvesting Holding AS			1,334					1,334	1,334		1,334
Leasing liabilities			16,681					16,681	16,681		16,681
Overdrafts			29,135					29,135	29,135		29,135
Accounts payable and other interest free liabilities			89,390					89,390	89,390		89,390
Total financial liabilities	–	–	509,454	–	–	–	–	509,454	509,454	–	509,454

Capital management

One objective of the Group's asset management is to build and maintain financial flexibility to realize its strategic goals. The capital structure should reflect the Group's operational risk and offer flexibility for potential investments.

The Group manages its capital structure and makes any necessary modifications based on an ongoing assessment of the financial conditions under which the business operates, and short- to medium term projections. The Group is in a development and growth phase and thus subject to higher volatility in its net cash flows than a mature company in addition to re-investing any cash proceeds into further growth. As of 31 December 2021, the Group had USD 106.3 million in available liquidity.

Note 21 – Contingencies and legal claims

The Group recognizes a provision when it has a legal or constructive obligation as a result of a past event, when it is probable that payment or the transfer of other assets will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

With worldwide operations, the Group is involved in disputes in the ordinary course of its business activities. Provisions to cover projected losses arising from such disputes are made to the extent negative outcomes are probable and reliable estimates can be prepared. However, the outcome of any such dispute is inherently uncertain, and the resulting liability may exceed any provision made.

As per 31 December 2021 no provisions were made for legal claims.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22 – Related parties

The Group's consolidated financial statements include the following transactions and intercompany balances with Aker ASA and companies controlled by Aker ASA. Refer to Note 23 for remuneration to key management.

Aker ASA is the controlling shareholder of the Group.

	Year ended 31 December,	
USD Thousands	2021	2020
Office rent, facilities services and IT	(1,790)	(1,513)
Interest expenses and guarantee fee	(268)	(4,631)
Total	**(2,058)**	**(6,144)**

The interest expense relates to the interest-bearing debt to Aker ASA which were repaid in August 2020. The guarantee fee relates to the guarantee provided from Aker ASA related to the Group's long-term loan with DNB/Rabobank (see Note 15).

Specification of transactions

USD Thousands	2021	2020
Office Rent Fornebu Næring	(1,114)	(1,018)
Recharge Rev Ocean	130	122
Management fee	(806)	(617)
	(1,790)	**(1,513)**
Guarantee fee Aker ASA	(268)	(4,631)
Total	**(2,058)**	**(6,144)**

Lang Pharma Nutrition Inc. rents its facility for kUSD 11.5 per month from Tabat Schaberg LLC which is owned by David Lang, the former owner of Lang Pharma Nutrition Inc. and current president of Lang Pharma Nutrition Inc.

Total rent paid to Tabat Schaberg LLC is kUSD 138. The company also has a deposit of kUSD 11.5 with Tabat Schaberg LLC.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23 – Salaries and other remuneration to the Board of Directors and executive management

Board remuneration

USD Thousands	Board membership	Year ended 31 December, 2021	2020
Ola Snøve	Chairman of the Board	60	–
Kjell-Inge Røkke*	Board member	–	–
Øyvind Eriksen*	Board member	–	–
Frank O. Reite*	Board member	30	11
Lise Wiger ****	Employee	–	–
Sindre Skjong**	Employee	–	–
Line Johnsen***	Employee	–	–
Total		**90**	**11**

* *Elected at annual shareholder meeting February 2016*

** *Employee representative from August 2019*

*** *Employee representative from June 2020 to June 2021*

**** *Employee representative from June 2021*

There is no remuneration paid to the Board members and Employee representative other than ordinary salaries.

Remuneration paid out during the year does not include accruals.

Remuneration paid to the CEO and Executive management team (EMT)
The CEO is member of the defined contribution pension and insurance plans that cover all employees. The Group uses standard employment contracts. The CEO may be dismissed upon three months' notice. If the company terminates the employment, the CEO is entitled to three months' severance pay after the end of the notice period. The pension is capped at a salary of 12 times the National Social Security base amount.

Remuneration paid out during the year does not include accruals.

The Group implemented share incentive programs for employees in February 2022.

There is no bonus program for the employees.

However, in relation to the admission to trading on Euronext Growth in July 2020, all employees received a bonus of NOK 15k each. Based on the company's performance in 2020, management team was awarded a bonus totaling USD 1.2 million. No bonus awarded in 2021, except for one member of the EMT.

Salary and compensation to EMT

USD Thousands		2021				2020			
Name	**Current position within the Company**	**Salary**	**Bonus**	**Pension**	**Total**	**Salary**	**Bonus**	**Pension**	**Total**
Matts Johansen	Chief Executive Officer (CEO)	459	–	8	**467**	420	200	10	**630**
Katrine Klaveness	Chief Financial Officer (CFO)	335	–	8	**343**	240	180	10	**430**
Tim de Haas	EVP Human Health and Nutrition	250	–	9	**259**	200	130	10	**340**
Kristine Hartmann	EVP Transformation (Jan-Sep 2020)	–	–	–	**–**	140	60	10	**210**
Hege Spaun	EVP Transformation (Oct-Dec 2020)	161	–	8	**169**	30	–	–	**30**
Tone Lorentzen	EVP Supply Chain	289	–	8	**297**	230	140	10	**380**
Shauna McNeill	EVP Innovation	201	–	9	**210**	160	120	10	**290**
Sigve Nordrum	EVP Animal Health and Nutrition	235	–	45	**280**	190	130	30	**350**
Todd Norton	EVP Special Advisor	239	–	26	**265**	230	110	10	**350**
Webjørn Barstad	EVP Offshore (from Dec 2020)	248	116	10	**374**	20	–	–	**20**
Trond Atle Smedsrud	EVP Strategic Investments	251	–	8	**259**	250	150	10	**410**
Dave Lang	CEO Lang Pharma Nutrition Inc.	300	–	3	**303**	80	–	–	**80**
Seth French	CEO Lang Pharma Nutrition Inc.	135	–	4	**139**	–	–	–	**–**
TOTAL		**3,103**	**116**	**145**	**3,364**	**2,190**	**1,220**	**110**	**3,520**

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 24 – Group companies

As of 31 December 2021, Aker Capital AS held 77.8% of the shares in Aker BioMarine, and the CEO, through his wholly owned subsidiary KMMN Invest II AS, held 1.19%.

Assessment of non-controlling interests:

Through its fully owned company Antarctic Harvesting Holding AS (AHH), The Resource Group TGR AS, subscribed to 555,900 new shares (the A-shares) in Aker BioMarine Antarctic AS for a cash consideration of NOK 11 million in September 2015. The shares subscribed to constitute a separate share class with rights to an annual preferential dividend of 7% of the invested capital, but with no economic rights to any profits above this level.

The structure enables the company to access foreign capital while remaining in compliance with its fishing licenses. Through the shareholders agreement, the company holds the majority of the voting rights for all matter except the reserved matters. The reserved matters give AHH some rights, but not power over the relevant activities. AHH's rights are either protective or relates to activities that does not significantly affect the return. The company has power over the relevant activities, and has control over Aker BioMarine Antarctic AS.

Based on the content of the shareholder agreement between the company and AHH, the company defines Aker BioMarine Antarctic AS as a subsidiary, even if the ownership is 40% (the B-shares). It has therefore been assessed that the shareholders agreement does not give rise to any non-controlling interests in the Group financial statements.

The consolidated financial statements for the Group in 2021 included the following subsidiaries:

			Administrative headquarters	
	Shareholding in %	**Voting rights in %**	**Location**	**Country**
Aker BioMarine Antarctic AS	40	100*	Lysaker	Norway
Aker BioMarine Antarctic US LLC	100	100	Issaquah	USA
Aker BioMarine Antarctic Services AS	100	100	Lysaker	Norway
Aker BioMarine Antarctic Australia Pty Ltd	100	100	Melbourne	Australia
Aker BioMarine Manufacturing LLC	100	100	Houston	USA
Aker BioMarine Financing LLC	100	100	Houston	USA
Aker BioMarine Antarctic SA (former Odalson S.A.)	100	100	Montevideo	Uruguay
Aker BioMarine US Holding Inc	100	100	Issaquah	USA
Complector Ship Management AS	100	100	Lysaker	Norway
Aker BioMarine Asia Ltd	100	100	Hong Kong	China
Aker BioMarine Shanghai International Trading Co Ltd	100	100	Shanghai	China
Aker BioMarine Canada Inc	100	100	Vancouver	Canada
Euphausia LLC	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India Private Ltd	100	100	Mumbai	India
NewRide LLC	100	100	Issaquah	USA
Epion Brands LLC	100	100	Issaquah	USA
Lang Pharma Nutrion Inc	100	100	Middletown	USA
Wanaka BioMarine Ltd	100	100	Nelson	New Zealand
Aion AS	100	100	Lysaker	Norway

*) Aker BioMarine ASA has all voting rights except for certain fundamental matters which require consent from both shareholders

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the Group in 2020 included the following subsidiaries:

			Administrative headquarters	
	Shareholding in %	**Voting rights in %**	**Location**	**Country**
Aker BioMarine Antarctic AS	40	100*	Lysaker	Norway
Aker BioMarine Antarctic US LLC	100	100	Issaquah	USA
Aker BioMarine Antarctic Services AS	100	100	Lysaker	Norway
Aker BioMarine Antarctic Australia Pty Ltd	100	100	Melbourne	Australia
Aker BioMarine Manufacturing LLC	100	100	Houston	USA
Aker BioMarine Financing LLC	100	100	Houston	USA
Aker BioMarine Antarctic SA (former Odalson S.A.)	100	100	Montevideo	Uruguay
Aker BioMarine US Holding Inc	100	100	Issaquah	USA
Complector Ship Management AS	100	100	Lysaker	Norway
Aker BioMarine Asia Ltd	100	100	Hong Kong	China
Aker BioMarine Shanghai International Trading Co Ltd	100	100	Shanghai	China
Aker BioMarine Canada Inc	100	100	Vancouver	Canada
Euphausia LLC	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India Private Ltd	100	100	Mumbai	India
NewRide LLC	100	100	Issaquah	USA
Epion Brands LLC	100	100	Issaquah	USA
Lang Pharma Nutrion Inc	100	100	Middletown	USA
Wanaka BioMarine Ltd	100	100	Nelson	New Zealand
Aion AS	100	100	Lysaker	Norway

*) Aker BioMarine ASA has all voting rights except for certain fundamental matters which require consent from both shareholders

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 25 – Earnings per share

USD Thousands	2021	2020
Continued operations:		
Net profit (loss)	(8,008)	(5,463)
Profit (loss) from continued operations attributable to Equity holders of the parent	(8,008)	(5,463)
Number of shares		
Share outstanding as per 1 January	69,053,544	69,053,544
Change from Trading admittance	18,532,542	18,532,542
Shares outstanding as per 31 December	87,586,086	87,586,086
Weighted average number of shares as per 31 December	87,586,086	78,062,419
Earnings per share		
Basic	(0.09)	(0.07)
Diluted	(0.09)	(0.07)

Note 26 – Events after the end of the reporting period

Tax refund

On 27 January 2022, Aker BioMarine Manufacturing LLC (in Houston, Texas) received USD 5.7m in ethanol tax refund from the US Alcohol and Tobacco tax and Trade Bureau. The refund was calculated based on actual ethanol consumption in 2019 and 2020. The refund was filed in October 2021 after several revisions of actual ethanol consumption and period end balance. Remaining ethanol tax refund to be collected from 2021 consumption is USD 4.0m (part of 'Trade receivable and prepaid expenses' in the Statement of Financial position).

Invasion of Ukraine

On 24 February 2022, Russia initiated an invasion of Ukraine and this has resulted in international sanctions on Russia. The cut of Russia from the SWIFT system has a direct impact on Aker BioMarine's offshore activity as there are many crew members from Russia. As per now, the company is operating as normal and is closely monitoring the situation.

AKER BIOMARINE GROUP ACCOUNTS

ALTERNATIVE PERFORMANCE MEASURES (APMs)

Alternative performance measures, meaning financial performance measures not included within the applicable financial reporting framework, are used by the Group to provide supplemental information by excluding items that in management's view, does not give indications of the periodic operating results. Financial APMs are used to enhance comparability of the results from a period to the next, and management uses these measures internally when driving performance in terms of long- and short-term forecasts. The measures are adjusted IFRS measures, and are defined, calculated and consistently applied in the Group's financial reporting. The Group focuses on EBITDA and Adjusted EBITDA when presenting the period's financial result internally and externally. Adjusted EBITDA is adjusted for special operating items.

Financial APMs should not be considered as substitute for measures of performance in accordance with applicable financial reporting framework.

The Group uses the following APMs in the reporting:

- EBITDA: Operating profit before depreciation, amortization, write-downs and impairments
- Adjusted EBITDA: Operating profit before depreciation, amortization, write-downs and impairments, and Special operating items
- EBITDA margin %: EBITDA as a percentage of Net sales
- Adjusted EBITDA margin %: Adjusted EBITDA as a percentage of Net sales
- Gross margin %: Gross profit as a percentage of Net sales
- CAPEX: The sum of Payments for property, plant and equipment and Payments for intangibles (included in the consolidated statement of cash flow)

"EBITDA" and "Adjusted EBITDA" are used as APMs to facilitate operating performance comparisons from period to period, and the others are relevant key figures mainly in connection with the mentioned performance measures. The significant items of income and expenditure represent the difference between EBITDA and Adjusted EBITDA and are labeled "Special operating items" (which is also the wording used in the Group's financing agreements).

As per the Group's APM guideline, Special operating items fall within these brackets:

- *Restructuring costs:* In the event of the initiation of a restructuring program, IAS 37 defines a restructuring as a program that materially changes the scope of a business or the manner in which it is conducted, and any associated costs are non-recurring.
- *Launch cost:* In the event of the launch of a new brand, the related costs are considered as non-recurring until the launch of the brand. Examples of relevant costs are employment of management team, R&D on packaging and capsules, general start-up cost, and significant market development costs.
- *Transaction related costs:* These costs include fee to legal and tax advice related to a share issue (unless not carried towards equity) or M&A valuation fee, underwriting fee, roadshow costs, certain bonus schemes directly linked to the transaction.
- *Settlements:* In the event where the company has paid settlements to other parties.
- *Legal expenses:* Litigation expenses in the form of a lawsuit settlement, legal and consultancy fees are all nonrecurring expenses.
- *Gains/ losses on sale of assets:* The sale of assets is not part of the company's normal operations, and any (material) gains or losses are considered non-recurring.
- *Impairments:* When the (reversal of) impairment is the result of an isolated, non–recurring event, this is considered non-recurring.
- *Other:* Other material transactions of either non-recurring nature or special in nature compared to ordinary operational income or expenses.

As per the Group's APM guidelines, the materiality level for recognizing a Special operating item is USD 1.0 million.

The following table reconciles Adjusted EBITDA to Operating profit and Net income (loss) in the consolidated statements of Profit or loss. 'Depreciation, amortization and impairment non-production assets' in the below table is derived directly from the Profit or loss line item 'Depreciation, amortization and impairment'. 'Depreciation, amortization and impairment production assets' in the below table can be reconciled with information in Note 10 'Property, plant and equipment' under line items 'Depreciation for the year' and 'Impairment'.

The following comprises the items included Special Operating Items over 2021 and 2020.

USD Thousands	Year ended 31 December 2021	2020
Net loss	**(8,008)**	**(5,463)**
Tax expense	604	6,151
Financial income	(21,276)	(16,794)
Financial expenses	15,660	22,827
Net foreign exchange gain/loss	(647)	279
Operating profit	**(13,667)**	**7,000**
Depreciation, amortization and impairment	56,877	49,644
EBITDA	**43,210**	**56,644**
Special operating items	4,720	21,462
Consisting of:		
Juvel gain and operating cost - 'Gains/ losses on sale of assets'/ 'Other'	-	(690)
La Manche operating costs and gain from	(428)	-
Restructuring costs	2,681	-
Legal expenses SG&A	1,359	
Kori national brand US launch - 'Launch	-	17,016
Oslo Børs listing - 'Transaction related costs'	1,108	2,155
Private charter flights - 'Other'	-	1,519
Crew cost - 'Other'	-	1,462
Adjusted EBITDA	**47,944**	**78,106**

La Manche operating cost and gain from sale (2021):

In October 2021, the Group sold the supply vessel La Manche with a booked gain of USD 0.4 million.

AKER BIOMARINE GROUP ACCOUNTS

ALTERNATIVE PERFORMANCE MEASURES (APMs)

Restructuring cost (2021):

As part of the Superba turnaround and other initiatives the Group incurred restructuring and legal related costs amounting to USD 2.7 million

Admission to Euronext growth (2020) and Oslo Børs listing (2021):

The company was admitted to trading on Euronext Growth (previous name: Merkur Market) on 6 July 2020 and is currently in the process of listing on Oslo Børs. Costs directly attributable to the admission on Euronext Growth has been netted against the raised amount and recognized in equity. Other substantial costs the company has incurred such as audit, investor presentations and roadshow in relation to the Euronext Growth admission or preparatory work to be listed on Oslo Børs has been considered a Special Operating Item. The company changed listing venue to Oslo Børs main list with first listing day on 14 April 2021.

Juvel gain, operating cost and legal expenses (2020):

In 2018 there was a fire in the superstructure when the vessel Juvel was docked in Montevideo. In 2019, the vessel had not in any way been used in the ordinary course of business as intended by management. As part of the repair work the Group incurred significant costs while in Montevideo. These costs are recognized in the Profit or loss and have been reimbursed from the Group's insurer. The vessel was sold in Q2 2020, yielding a net gain which has been adjusted out as a Special operating Item. For further details concerning the sale of the vessel, please refer to Note 4 In addition, during 2019 and 2020 the company has been in certain legal disputes regarding the Juvel production related assets. Given the complexity of the legal proceedings, costs have been material.

Kori national brand US launch including start-up cost (2020):

As part of the Lang transaction, the Group is launching its own national brand in the US. The incurred costs are material and will continue through 2020. These costs include employment of Epion management team, R&D on packaging and capsules, general start-up cost, and significant market development costs. Furthermore, these costs are deemed material and non-recurring after the launch of Kori.

Private charter flights (2020):

The Group is dependent on getting crew in and out of Antarctica safely. With significant restrictions on global travel for large parts of 2020 limiting the availability of commercial flight options, the Group made extensive use of private charter flights from one specific vendor. This was done to ensure that the harvesting operation could continue as planned whilst maintaining the safety of the crew. In total, planes were chartered for 6 trips between Oslo and Montevideo and 3 trips between Moscow and Oslo, resulting in a cost of USD 2.1 million during the year. These costs were recorded as cost to inventory (i.e. no impact on Profit or loss in that period) as per the Group's accounting policy. The cost of flying the equivalent number of crew commercially is estimated at USD 0.25 million, resulting in an estimated net incremental cost of USD 1.85 million. The 'Cost of goods sold' impact after these expenses is estimated to USD 1.5 million and is as such considered material and non-recurring in nature compared to ordinary operational expenses. See Note 2 for further details.

Crew cost (2020):

The Group's crew are entitled to overtime payments for any amount of time worked beyond their contractually defined shift duration. A challenging travel environment in 2020 meant that it was, in some cases, logistically impossible to get crew home from the Southern Ocean before their shift ended. This resulted in a total of USD 2.1 million in overtime payments during the year. The 'Cost of goods sold' impact after these expenses is estimated to USD 1.4 million and is as such considered material and non-recurring in nature compared to ordinary operational expenses.

AKER BIOMARINE ASA

AKER BIOMARINE ASA

FINANCIAL STATEMENT

2021

Statement of profit or loss for the year ended 31 December

USD Thousands	Note	2021	2020
Operating revenues	2	223	117
Revenues from Group companies	12	16,770	11,069
Total revenues		**16,993**	**11,186**
Salaries and other payroll expenses	3, 14	(10,807)	(7,774)
Other operating expenses	4	(8,924)	(7,415)
Operating expenses Group companies	12	(612)	(356)
Operating profit/loss before depreciation, amortization and impairment		**(3,349)**	**(4,359)**
Depreciation, impairment, and amortization	7	(109)	(136)
Operating loss		**(3,459)**	**(4,495)**
Interest income from Group companies	12	14,303	14,300
Net foreign exchange gain / loss (-)		474	303
Other interest income and financial income	13	6	5
Interest and guarantee expenses to Group companies	12	(2,458)	(6,714)
Other financial expenses	13	(3,690)	(5,089)
Net financial items		**8,635**	**2,806**
Net gain (loss) before tax expense		**5,177**	**(1,689)**
Tax expense	6	-	-
Net gain (loss)		**5,177**	**(1,689)**
Allocation of loss for the year			
Gain (loss) for the year		5,177	(1,689)
Transferred to accumulated loss		(5,177)	1,689

Balance Sheet as of 31 December

USD Thousands	Note	2021	2020
ASSETS			
Property, plant and equipment	7	289	398
Intangible assets	7	-	-
Shares in subsidiaries and other companies	8	305,831	305,822
Long-term receivables from Group companies	12	211,406	226,352
Total non-current assets		**517,526**	**532,572**
Accounts receivable and other non-interest-bearing receivables		496	592
Current receivables from Group companies	12	4,974	38,978
Cash and cash equivalents	11	481	303
Total current assets		**5,950**	**39,873**
Total assets		**523,476**	**572,444**
EQUITY AND LIABILITIES			
Share capital	5	75,853	75,853
Share premium	5	507,977	472,718
Total paid-in capital		**583,829**	**548,571**
Accumulated loss	5	(66,114)	(41,665)
Total equity		**517,715**	**506,906**
Interest-bearing loans	9	-	54,616
Pension liabilities	10	168	183
Other long-term debt to Group companies and related parties	12	-	–
Total non-current liabilities		**168**	**54,798**
Current debt to related parties	12	306	954
Accounts payable and other current liabilities		5,287	4,887
Bank overdraft	9	-	4,900
Total current liabilities		**5,592**	**10,740**
Total liabilities		**5,760**	**65,539**
Total equity and liabilities		**523,476**	**572,444**

Oslo 22 March 2022

The Board of Directors and CEO of Aker BioMarine ASA

Ola Snøve	**Kjell Inge Røkke**	**Øyvind Eriksen**
Chair of the Board	Director	Director
Sindre Skjong	**Lise Wiger**	**Anne Harris**
Director, elected by the employees	Director, elected by the employees	Director
Cila Holmes Indahl	**Matts Johansen**	
Director	CEO	

Cash flow for the year ended 31 December

USD Thousands	Note	2021	2020
Net gain (loss) before tax expense		5,176	(1,690)
Net expensed interest, interest paid and received	12,13	21,422	(6,940)
Depreciation, impairment, and amortization	7	109	136
Unrealized foreign exchange (gain) / loss and other non-cash-generating items		(23)	61
Changes in ordinary operating items		18,410	(39,576)
Net cash flow from operating activities		**45,095**	**(48,009)**
Payments for fixed and intangible assets	7		20
Net cash flow from long term receivables	12	14,983	(27,984)
Net cash flow from investment activities		**14,983**	**(27,964)**
Capital Increase			224,182
Proceeds, new short-term loans, related parties	12		(138,795)
Change in bank overdrafts	9		(9,472)
Change in bank loan	9	(59,900)	–
Net cash flow from financing activities		**(59,900)**	**75,915**
Net change in cash and cash equivalents		**178**	**(58)**
Effect of changes in foreign exchange rates on cash and cash equivalents			
Cash and cash equivalents as of January 1		303	361
Cash and cash equivalents as of December 31		**481**	**303**

Note 1 – Accounting principles

The annual report is prepared and presented according to the Norwegian Accounting Act of 1998 and generally accepted accounting practices in Norway.

Subsidiaries and associated companies

Subsidiaries are valued according to the cost method. Investments are valued at acquisition cost for the shares, unless a write-down has been necessary. Investments are written down to market value if the decline is viewed as not transitory in nature and when deemed necessary according to generally accepted accounting principles. Write-downs are reversed if the basis for the write-down is no longer present.

Associated companies and investments in joint venture are valued according to the equity method in the parent company accounts. The latter Investments are initially valued at acquisition cost for the shares, and subsequently adjusted to reflect the investor's share of the net assets of the associate.

Classification and valuation of balance sheet items

Current assets and short-term liabilities include items that are due within one year. Other items are classified as non-current assets or long-term liabilities. Current assets are valued at the lower of acquisition cost or market value. Current liabilities are recorded in the balance sheet at face value at the time of the transaction.

Non-current assets are recorded at acquisition cost. Upon a change in value not deemed to be temporary, the affected fixed asset is written down to market value. Long-term liabilities are recorded in the balance sheet at face value at the date they are assumed.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at face value after provision for expected losses. Provisions for losses are made based on individual assessment of receivables.

Functional currency and foreign currency

Aker BioMarine AS has U.S. Dollars as functional currency and the financial statements are presented in U.S. Dollars. Foreign-currency-denominated monetary items are valued at the year-end exchange rate, and currency translation effects are presented within net foreign exchange gain/loss in the financial statement.

Property, plant and equipment, and intangible assets

Other acquired intangible assets are recognized in the balance sheet at acquisition cost, less any accumulated amortization and impairment losses.

Estimated useful lives for the current and comparative reporting periods are as follows:

- Property, plant and equipment: 0–5 years
- Intangible assets: 0–3 years

Revenue recognition

Income arising from royalties and management services provided to subsidiaries shall be recognized if all the following conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The amount of revenue can be measured reliably.

Taxes

Tax expenses in the profit and loss account comprise taxes payable for the period and any change in deferred tax/deferred tax benefit. In 2021, deferred tax is calculated as 22% of the temporary differences between accounting and tax values, as well as the tax deficit carryforward at the end of the accounting. Tax increasing and tax reducing temporary differences that are reversed or can be reversed in the same period, are offset. Net deferred tax benefit is recorded in the balance sheet to the extent it is likely that it will be used.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents comprise cash, bank deposits, and other short-term liquid placements.

Use of estimates

Preparation of the financial statement in accordance with generally accepted accounting practices requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities, and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results may differ from estimates.

Contingent losses deemed probable and quantifiable are expensed as incurred.

Note 2 – Operating revenues

Operating revenues in 2021 are distributed as follows:

USD Thousands	Norway	EU	North America	Other	Total
Other revenue	221	–	–	–	221
Management fee from Group companies	16,738	–	18	16	16,772
Total operating revenues	**16,959**	**–**	**18**	**16**	**16,993**

Operating revenues in 2020 are distributed as follows:

USD Thousands	Norway	EU	North America	Other	Total
Other revenue	117	–	–	–	117
Management fee from Group companies	11,034	–	18	16	11,068
Total operating revenues	**11,151**	**–**	**18**	**16**	**11,185**

Note 3 – Salaries and other payroll expenses:

Salaries and payroll expenses comprise of the following:

USD Thousands	2021	2020
Salaries	(8,698)	(6,081)
Other personnel costs	(699)	(205)
Employer's social security contribution	(1,019)	(903)
Pension expenses	(390)	(585)
Total	**(10,806)**	**(7,774)**
Average number of employees	54	50

Note 4 – Other operating expenses

Other operating expenses comprise the following:

USD Thousands	2021	2020
Professional services	(4,870)	(3,330)
Office rent	(1,114)	(1,018)
Travel	(291)	(73)
Other operating expenses	(2,648)	(2,995)
Total other operating expenses	**(8,924)**	**(7,415)**

Remuneration paid to auditor included in other operating expenses 1):

USD Thousands	2021	2020
Ordinary auditing services	144	213
Other services	130	8
Tax advisory	42	9
Total	**316**	**229**

1) Remuneration to the auditor is presented excluding VAT.

Note 5 – Equity

The Company's share capital amounts to NOK 525 516 516 distributed as 87 586 086 shares issued, each with a par value of NOK 6.00. All shares are equal in all respects.

As of December 31, 2021, Aker ASA owns 77.8% of the shares in the Company, 1.2% are owned by the Company's CEO through a holding company (ref. note 14), and the remaining 21% shares by other investors.

Changes in equity are set forth below:

USD Thousands	Share capital	Share premium	Accumulated loss	Total equity
Equity as of December 31, 2019	**68,003**	**256,386**	**(35,193)**	**289,194**
Acturial gain (loss)	–	–	(80)	(79)
Capital Increase	7,850	216,332	–	224,182
Correction from last year	–	–	(4,703)	(4,702)
Loss for the year	–	–	(1,689)	(1,689)
Equity as of December 31, 2020	**75,853**	**472,718**	**(41,665)**	**506,906**
Acturial gain (loss)	–	–	(22)	(22)
Correction from last year	–	–	5,656	5,655
Loss for the year	–	–	5,176	5,176
Equity as of December 31, 2021	**75,853**	**472,718**	**(30,855)**	**517,716**

The 20 largest shareholders as per 31 December 2021:

Shareholder	Number of shares	Per cent
AKER CAPITAL AS	68,132,830	77.79
The Bank of New York Mellon SA/NV	1,803,769	2.05
KMMN INVEST II AS	1,040,714	1.18
Skandinaviska Enskilda Banken AB	829,666	0.94
CASESIS Bank	802,252	0.91
Carnegie Investment Bank AB	775,000	0.88
DANSKE INVEST NORSKE INSTIT. II.	666,249	0.76
Danske Bank A/S	614,152	0.70
STORBREA AS	565,000	0.64
CitibankN.A	445,000	0.50
Danske Invest Norge Vekst	435,870	0.49
TIGERSTADEN MARINE AS	400,000	0.45
BECK ASSET MANAGEMENT AS	400,000	0.45
CENTRA CAPITAL AS	330,000	0.37
VERDIPAPIRFONDET DNB MILJØINVEST	316,997	0.36
DANSKE INVEST NORSKE AKSJER INST	307,100	0.35
VERDIPAPIRFONDET DNB NORGE	288,108	0.32
HAADEM INVEST AS	270,000	0.30
Skandinaviska Enskilda Banken AB	240,727	0.27
LOE EQUITY AS	240,000	0.27
Total	**78,903,434**	**90**

Note 6 – Tax expense and deferred tax

USD Thousands	2021	2020
Income tax expense		
Change in deferred tax	2,915	4,800
Unrecognized change in deferred tax assets	(2,915)	(4,800)
Tax base		
Profit (loss) before tax	5,177	(1,689)
Tax base (statutory tax purposes)	**5,177**	**(1,689)**
Tax base (statutory tax purposes)	5,177	(1,689)
Expenses not tax deductible	21	37
Change in deferred tax	641	1,056
Tax base	**5,839**	**(597)**
Tax loss carried forward	(5,839)	597
Temporary differences	**2,021**	**2,020**
Property, plant and equipment and intangible assets	(31)	115
Gain and loss accounts	67	87
Post employment benefit liabilities	(168)	(183)
Net deferred tax assets	**(132)**	**19**
Tax losses carried forward	(155,069)	(104,417)
Interest rate deductability carry forward	(16,491)	(17,044)
Basis for deferred tax asset	**(171,692)**	**(121,442)**
Deferred tax asset (22%)	**(37,772)**	**(26,717)**
Unrecognized deferred tax assets	**37,772**	**26,717**

Deferred tax has not been capitalized as it is not considered probable that the Company will have future taxable profit available, against which the unused tax losses and unused tax credits can be utilized.

Note 7 – Fixed assets and Intangible assets

USD Thousands	Furnitures & fixtures	Total
Acquisition cost as of January 1, 2021	**632**	**632**
Investments	–	–
Retirement	–	–
Acquistion cost as of December 31, 2021	**632**	**633**
Accumulated amortization and impairment as of January 1, 2021	**(234)**	**(234)**
Depreciation for the year	(109)	(109)
Retirement	–	–
Accumulated amortization and impairment as of December 31, 2021	**(343)**	**(344)**
Book value as of December 31, 2021	**289**	**289**

USD Thousands	Furnitures & fixtures	Total
Acquisition cost as of January 1, 2020	**659**	**659**
Investments	20	20
Retirement	(47)	(47)
Acquistion cost as of December 31, 2020	**632**	**632**
Accumulated amortization and impairment as of January 1, 2020	**(97)**	**(97)**
Depreciation for the year	(136)	(136)
Accumulated amortization and impairment as of December 31, 2020	**(234)**	**(234)**
Book value as of December 31, 2020	**398**	**398**

All fixed assets are depreciated using the straight-line method and have estimated useful life of 5 years.

Operating lease expense amounted to USD 1.3 million in 2021 and USD 1.2 million in 2020. The Company's lease commitments under non-cancellable leases amounts to approx. USD 1.0 million annually, until 2025.

Operating lease costs are expensed as incurred. The Company has no financial lease arrangements.

Note 8 – Shares in subsidiaries

Through its fully owned company Antarctic Harvesting Holding AS, The Resource Group Trg AS, owns 555,900 A-shares in Aker BioMarine Antarctic AS. The remaining 370,600 B-shares are held by Aker Biomarine ASA. Based on the content of the shareholder agreement between the Company and Antarctic Harvesting Holding, the Company defines Aker BioMarine Antarctic AS as a subsidiary for accounting purposes, even if the ownership is 40%.

Shares in subsidiaries and other companies comprised the following as of 31 December 2021:

USD Thousands	Ownership in % 1)	Headquarter	Equity as of December 31, 2021	Profit/loss before tax	Book value December 31, 2021
Aker BioMarine Antarctic AS	40	Bærum, Norway	49,561	(32,430)	305,447
Aion AS	100	Bærum, Norway	100	110	357
Complector Ship Management AS	100	Bærum, Norway	2	(9)	27
Shares in subsidiaries and other companies					305,831

1) Share of voting rights equals share of ownership.

Shares in subsidiaries and other companies comprised the following as of 31 December 2020:

USD Thousands	Ownership in % 1)	Headquarter	Equity as of December 31, 2020	Profit/loss before tax	Book value December 31, 2020
Aker BioMarine Antarctic AS	40	Bærum, Norway	76,766	(26,135)	305,447
Aion AS	100	Bærum, Norway	(18)	(22)	357
Complector Ship Management AS	100	Bærum, Norway	2	(9)	18
Shares in subsidiaries and other companies					305,821

1) Share of voting rights equals share of ownership.

Note 9 – Interest-bearing loans from external parties:

USD Thousands	2021	2020
Non-current liabilities		
Loan from DNB ASA	–	54,616
Current liabilities		
Working capital facility from DNB ASA	–	4,900
Total interest-bearing current liabilities	**–**	**59,515**

In November 2021, Aker BioMarine Antarctic AS entered into a new sustainability-linked multicurrency term and revolving facility, and all loans in Aker BioMarine ASA were repaid.

Note 10 – Pension expenses and liabilities

The Company has a combination of defined contribution and defined benefit plans that cover virtually all employees. These schemes comply with laws and regulations set forth in the different countries of operations. The Company's defined benefit obligation cover one employee. At the end of the year the defined benefit obligations were USD 0.59 million and the assets were USD 0.44 million. The fair value of the net obligation has been calculated using an appropriate discount rate. During the year the Company expensed USD 0.4 million, net of settlements and curtailment, on the defined benefit plan (2020: 0.3 million). In addition, USD 0.02 million related to changes in actuarial assumptions is expensed in other comprehensive income (2020: USD 0.1 million).

Pension expenses and liabilities relating to the defined-benefit plan are discussed in Note 4 to the consolidated financial statements for Aker BioMarine Group. The Company complies with all requirements for coverage by a collective pension plan, and all relevant laws and regulations.

Note 11 – Restricted funds

The Company has USD 338 thousand in restricted funds associated with employee tax withholdings as of December 31, 2020 (2020: USD 303 thousand).

Note 12 – Transactions with subsidiaries and related parties

In 2021 and at year-end 2021, Aker BioMarine ASA recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

USD Thousands	Aker ASA	Aker BioMarine Antarctic AS	Other subsidiaries	Fornebu Gateway Felleskost AS	Cognite	Other related parties	Total
Transactions recorded in profit and loss							
Management fee (income)		16,675	95			127	**16,897**
Management fee (costs)	(79)			(188)	(317)	(28)	**(612)**
Interest income		14,257				45.9	**14,303**
Guarantee fee	(268)	(2,190)					**(2,458)**
Transactions recognized in balance sheet at year-end							
Long-term interest-bearing receivable		209,415	1,990			1	**211,406**
Current receivables		4,861	112				**4,974**
Current liabilities	221				70	14	**305**

In 2020 and at year-end 2020, Aker BioMarine ASA recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

USD Thousands	Aker ASA	Aker BioMarine Antarctic AS	Lang Pharma Nutrition LLC	Other subsidiaries	Aker Solutions	Other related parties	Total
Transactions recorded in profit and loss							
Management fee (income)		11,034		34			**11,068**
Management fee (costs)	(81)					(275)	**(356)**
Office rent (income)							
Interest income		14,273	27	/			**14,300**
Interest expenses	(2,994)						**(2,994)**
Guarantee fee	(1,637)	(2,082)					**(3,719)**
Transactions recognized in balance sheet at year-end							
Long-term interest-bearing receivable		226,352					**226,352**
Current receivables		20,403	9	108		34	**38,978**
Accrued guarantee/ interests fees, long-							
Long-term interest-bearing debt							
Current liabilities		955					**955**

Note 13 – Other financial income and expenses

Other interest- and financial income		
USD Thousands	2021	2020
Interest income, bank	-	5
Other financial income	6	-
Total	**6**	**5**

Other financial expenses		
USD Thousands	2021	2020
Interest expenses	(3,146)	(4,371)
Other financial expenses	(544)	(718)
Total	**(3,690)**	**(5,089)**

Note 14 – Salaries and other remuneration to the Board of Directors and executive management

Remuneration paid to the Board of Directors for the year ended December 31:

USD Thousands	Board membership	2021	2020
Ola Snøve	Chairman of the Board	60,276	–
Frank O. Reite*	Board member (Deputy)	30,138	10,638
Line Johnsen***	Employee representative		
Total		**90,414**	**10,638**

** Elected at annual shareholder meeting February 2016*
***Employee representative from August 2019*
****Employee representative from June 2020 to June 2021*
*****Employee representative from June 2021*

There is no remuneration paid to the Board members and Employee representative other than ordinary salaries.

Remuneration paid to the CEO

The CEO is member of the defined contribution pension and insurance plans that cover all employees. The Group uses standard employment contracts. The CEO may be dismissed upon three months' notice. If the Company terminates the employment, the CEO is entitled to three months' severance pay after the end of the notice period. The pension is capped at a salary of 12 times the National Social Security base amount.

The Group implemented share incentive programs for employees in February 2022.

There is no bonus program for the employees. However, in relation to the admission to trading on Euronext Growth in July 2020, all employees received a bonus of NOK 15k each. Based on the company's performance in 2020, management team was awarded a bonus totaling USD 1.2 million. No bonus awarded in 2021, except for one member of the EMT.

Payments to the CEO for the year ended December 31:

USD Thousands	2021	2020
Fixed salary	459	420
Bonus	–	197
Other remuneration	–	1
Net pension cost	8	8
Total	**467**	**627**

Directors' responsibility statement

Today, the board of directors and the chief executive officer reviewed and approved the board of directors' report and the consolidated and separate annual financial statements of Aker BioMarine ASA, consolidated and parent company for the year ending and as of 31 December 2021.

Aker BioMarine ASA's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied per 31 December 2021. The separate financial statements of Aker BioMarine ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as at 31 December 2021. The board of directors' report for the group and the parent company satisfy with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as at 31 December 2021.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2021 have been prepared in accordance with applicable accounting standards.
- The consolidated and separate annual financial statements give a true and fair overall view of the assets, liabilities, financial position and profit/loss of the group and for the parent company as of 31 December 2021.
- The board of directors' report provides a true and fair review of the development and performance of the business and the position of the group and the parent company, the principal risks and uncertainties the group and the parent company may face.

Oslo 22 March 2022

The Board of Directors and CEO of Aker BioMarine ASA

Ola Snøve
Chair of the Board

Kjell Inge Røkke
Director

Øyvind Eriksen
Director

Sindre Skjong
Director,
elected by the employees

Lise Wiger
Director,
elected by the employees

Anne Harris
Director

Cila Holmes Indahl
Director

Matts Johansen
CEO

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To the General Meeting of Aker BioMarine ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker Biomarine ASA, which comprise:

- The financial statements of the parent company Aker Biomarine ASA (the Company), which comprise the balance sheet as at 31 December 2021, the statement of profit or loss, the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Aker Biomarine ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flow and the consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 8 years from the election by the general meeting of the shareholders on 30 June 2014 for the accounting year 2014.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. *Valuation of inventories (Amount USD 138 million)*

Reference is made to Note 1 *General information, critical accounting estimates and significant judgements* and Note 12 *Inventories* in the Consolidated Financial Statements.

<table>
<tr><th>The Key Audit Matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>
The production of krill derived products in the ingredients segment is highly complex in several stages. The production process offshore is inherently uncertain and volatile due to factors such as length of the fishing season, ice conditions and quality of the krill harvested. These factors impact the parameters for capitalization of indirect production costs and the total cost of the products.
Management exercise significant judgement in their cost allocation method and the measurement of the krill-based products held as inventories at year end.
The valuation of inventories of work in progress and finished goods for the ingredient segment is therefore considered a key audit matter.
The key estimates include judgements about forecasted market sales prices at the time the products are expected to be sold, and the method used to allocate costs between the products in the ingredients segment.

Forecast demand and market sales prices can fluctuate significantly over the holding period and are influenced by the fundamentals of the industry, including fluctuations in demand, supply and other factors that impact the krill industry. These factors influence the Group's determination of the most likely market conditions at the estimated date of sale and is therefore subject to estimation uncertainty.
The Group values the different products based on cost per unit. As the majority of the production costs is fixed, cost per unit is sensitive to the quantity harvested in Q4. Historically, there has been a low harvest in Q4, which increases the cost per unit and may

</td><td>
Our audit procedures on this area included:

Testing year-end inventory valuation models, in particular the identification and valuation of work in progress and finished goods considered to be assertions where the costs may potentially exceed the estimated net realizable value at the time of sale;
Assessing the Group's process to identify slow moving and obsolete inventories;
Comparing the estimated selling price towards historical selling price and selling price subsequent to year end;
Assessing the integrity of the inventory valuation models used, including the mathematical accuracy of the underlying calculation formulas;
Obtaining and assessing the Group's cost allocation policies and challenging management on their different scenarios;
Attending year-end inventory counts in significant locations, which included observing the process of identifying slow moving and potentially obsolete inventory, and obtaining confirmation from external warehouses; and
Assessing the Group's inventory valuation methodologies and the Group's disclosures in respect of inventory valuation against the requirements of relevant accounting standards.

</td></tr>
</table>

trigger impairment as costs are higher than sales prices. There is also estimation uncertainty related to the applied cost allocation method and how the costs are allocated to products with different margins. Allocating costs to products with low margins might trigger impairment as the cost per unit exceeds the selling price. As at 31 December 2021, the Group has inventories of USD 138 million, of which inventories of work in progress and finished goods for the ingredient segment amount to USD 104 million.	

2. *Impairment assessment of goodwill and intangible assets (Amount USD 172 million)*

Reference is made to Note 1 *General information, critical accounting estimates and significant judgements*, Note 10 *Goodwill and Intangible assets* and Note 11 *Impairment assessment* in the Consolidated Financial Statements.

The key audit matter	*How the matter was addressed in our report*
The Group's operations are sensitive to competitive market conditions and other factors, including productions volumes which impact key assumptions in cash flow forecasts and can give rise to impairment indicators. Management exercise judgement related to expected timing of future cash flows and key assumptions. Estimating the recoverable amount of intangible assets related to license agreements, fishing licences, customer relation and trademarks, and goodwill is therefore considered a key audit matter. Assessment of intangible assets and goodwill is based on net present value calculation on defined Cash Generating Units (CGUs). These methods are complex, based on manually developed models and involves significant forward-looking assumptions such as future cash flows, discount rate and growth rates. An important factor in this process is to identify and classify CGU's. CGU's are based on segments and the appropriateness of these CGU's are part of the focus areas. Impairment charges of USD 1,8 million were recognized in 2021 in relation to trademarks and customer relationships.	Our audit procedures in this area included: • Assessing management's process and results for identification and classification of CGU's and assessing whether they were appropriate and in accordance with relevant accounting standards; • Evaluating management's assessment of impairment indicators; • Performing retrospective reviews of the accuracy of management's estimates in terms of timing of cash outflows and other assumptions when impairment indicators are identified; • Considering the appropriateness of the value-in-use method applied by the Group to perform annual test of goodwill and intangible assets against the requirements of the accounting standards; • Evaluating and challenging the forecasted cash flows including timing of future cash flows applied in the models with reference to historical accuracy and Board of Directors approved business plans;

As at 31 December 2021, the Group has intangible assets of USD 77 million and goodwill of USD 95 million.	• Testing the integrity of the value-in-use model used, including the mathematical accuracy of the underlying calculation formulas; • Testing the sensitivity of the model by varying key assumptions such as forecast growth rates, terminal growth rate and discount rate; and • Assessing the adequacy of the disclosures in the financial report against the requirements of the accounting standards.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other accompanying information otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the parent company, and International Financial Reporting Standards as adopted by the EU for the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit 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 Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name "akerbiom-2021-12-31-en" have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 22 March 2022
KPMG AS

Monica Hansen
State Authorised Public Accountant
(This document is signed electronically)

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Monica Hansen
Statsautorisert revisor
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IP: 80.232.xxx.xxx
2022-03-22 18:59:17 UTC

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Independent Auditor's Assurance Report to Aker BioMarine ASA

We have been engaged by the management of Aker BioMarine ASA ('Aker BioMarine') to provide limited assurance in respect of the carbon emission data in the Annual and Sustainability Report of Aker BioMarine.

Our limited assurance engagement covers the carbon emissions data for the year ended 31 December 2021 as described in table on page 29.

Our Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described below, nothing has come to our attention, to indicate that the carbon emission data on page 29 in the Annual and Sustainability Report 2021 is not presented, in all material respects, in accordance with the criteria as defined by the GRI Standard 305: Emission.

Management of Aker BioMarine's responibility

The management of Aker BioMarine is responsible for the preparation and presentation of the carbon emission data for 2021 in accordance with the criteria as defined by the following GRI Standards; Disclosure 305-1, Disclosure 305-2 and Disclosure 305-3, as described in page 29 in the Annual and Sustainability Report 2021. It is important to view the information on the carbon emission data for 2021 in the context of these criteria.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the information on the carbon emission data for 2021 that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement on Aker Horizons' preparation and presentation of the carbon emission data for 2021, and to express a conclusion based on the work performed.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE 3410): "Assurance Engagements on Greenhouse Gas Statements ", issued by the International Auditing and Assurance Standards Board.

ISAE 3410 requires that we plan and perform the engagement to obtain limited assurance about whether the information of the carbon emission data for 2021 is free from material misstatement.

KPMG

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. A limited assurance engagement in accordance with ISAE 3410 involves assessing the risks of material misstatement, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement.

Limited Assurance of the carbon emissions data for 2021

The procedures selected depend on our understanding of the carbon emission data for 2021 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. Our procedures for limited assurance on the carbon emission data for 2021 included, amongst others:

- Interviews with relevant staff at corporate level responsible for providing the information, carrying out internal control procedures and consolidating the carbon emission data for 2021;
- Reviewing relevant internal documentation, on a limited test basis, in order to determine the reliability of the carbon emission data for 2021;
- Reconciliation of relevant data input to the carbon emission data for 2021 against financial information and other documentation obtained during the audit of the 2021 financial statements.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Oslo, 22 March 2022
KPMG AS

Monica Hansen
State Authorized Public Accountant

Torbjørn Westman
Sustainability Specialist