PROSPECTUS

AKER BIOMARINE ASA

(A public limited liability company incorporated under the laws of Norway)

Listing of the Company's Shares on Oslo Børs

This Prospectus (the "**Prospectus**") has been prepared by Aker BioMarine ASA (the "**Company**" or "**Aker BioMarine**"), a public limited liability company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**"), solely for use in connection with the listing (the "**Listing**") of the Company's 87,586,086 outstanding shares, each with a par value of NOK 6.00 (the **"Shares"**) on Oslo Børs, a stock exchange operated by Oslo Børs ASA ("**Oslo Børs**" or the "**Oslo Stock Exchange**").

The Shares have been trading on Euronext Growth Oslo (formerly named Merkur Market), a multilateral trading facility operated by Oslo Børs since 6 July 2020 under the ticker code "AKBM" with ISIN NO 001 0886625. On 6 April 2021, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 9 April 2021. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 14 April 2021, under the ticker code "**AKBM**".

The Shares are registered in the Norwegian Central Depository (Nw.: *Verdipapirsentralen i Norge*") (the "**VPS**") in book-entry form. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any restrictions. See Section 14 *"Transfer restrictions"*.

THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES, BENEFICIAL INTERESTS OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 *"Risk Factors"* when considering an investment in the Company.

Managers

ARCTIC SECURITIES | DNB MARKETS | SEB

The date of this Prospectus is 13 April 2021

IMPORTANT NOTICE

This Prospectus has been prepared by Company in connection with the Listing of the Shares on Oslo Børs and in order to provide information about the Group and its business.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors between the time of approval of this Prospectus by the Norwegian FSA and the Listing on Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing or the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of the affiliates, representatives, advisors of the foregoing.

No Shares or any other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell, any of the securities described herein. No one has taken any action that would permit a public offering of the Shares. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 14 *"Transfer restrictions"*.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

No Shares or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. Neither the Company nor any of its representatives or advisers, are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 *"General Information"*. Investing in the Shares involves certain risks. See section 2 *"Risk Factors"*. For definitions of certain other terms used throughout this Prospectus, see Section 18 *"Definitions and glossary"*.

Arctic Securities AS ("**Arctic**"), DNB Markets, part of DNB Bank ASA ("**DNB Markets**") and Skandinaviska Enskilda Banken AB (publ), Oslofilialen norsk avdeling av utenlandsk foretak ("**SEB**") (collectively, the "**Managers**") acts as Managers in connection with the Listing.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Listing or this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Company's senior executive management team are not residents of the United States of America (the "**U.S.**" or "**United States**"), and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United Stated (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

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APPENDICES

1 SUMMARY

INTRODUCTION

Warning................................	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Securities.............................	The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN NO 001 0886625.
Issuer...................................	The Company's registration number in the Norwegian Register of Business Enterprises is 913 915 062 and its Legal Entity Identifier (LEI) is 549300V34T6VWDSYWE64. The Company's registered office is located at Oksenøyveien 10, 1366 Lysaker, Norway. The Company's website can be found at www.akerbiomarine.com and its telephone number is (+47) 24 13 00 00.
Competent authority...........	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number (+47) 22 93 98 00 has reviewed and, on 13 April 2021, approved this Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information.........	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 30 June 2014 as a private limited liability company and transformed to a public limited liability company following the extraordinary general meeting held on 12 March 2021, its registration number in the Norwegian Register of Business Enterprises is 913 915 062 and its Legal Entity Identifier (LEI) is 549300V34T6VWDSYWE64.
Principal activities...............	Aker BioMarine is a biotech innovator and Antarctic krill-harvesting company and parent of the Group, developing krill-based ingredients for nutraceutical, aquaculture, and animal feed applications. The Company's fully transparent value chain stretches from sustainable krill harvesting in pristine Antarctic waters through its Montevideo logistics hub, Houston production plant, and all the way to customers around the world. The company is dedicated to improving human and planetary health.

Major shareholders…………… Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 12 April 2021.

Table 1 – Major shareholders			
#	**Shareholders**	**Number of Shares**	**Percent**
1	Aker Capital AS	68,132,830	77.8%

Oslo Børs has granted the Company with an exemption from the 25% free float requirement for companies to be admitted to trading at Oslo Børs, subject to a deadline for obtaining a 25% free float no later than 18 months after the first day of trading on Oslo Børs.

Key managing directors…… The Company's executive management consists of nine individuals. The names of the members of the management and their respective positions are presented in the below table.

Table 3 – Overview of the executive management	
Name	**Current position within the Company**
Matts Johansen	Chief Executive Officer ("**CEO**")
Katrine Klaveness	Chief Financial Officer ("**CFO**")
Tim de Haas	Executive Vice President ("**EVP**") Human Health and Nutrition
Hege Spaun	Chief Officer People and External Affairs
Tone Lorentzen	EVP Supply Chain
Shauna McNeill	EVP Innovation
Sigve Nordrum	EVP Animal Health and Nutrition
Todd Norton	EVP Special Advisor
Trond Atle Smedsrud	EVP Strategic Investments
Webjørn Barstad	EVP Offshore

Independant auditor……………… The Company's independent auditor is KPMG AS, with company registration number 935 174 627 and registered business address at Sørkedalsveien 6, N-0369 Oslo, Norway, Norway.

What is the key financial information regarding the issuer?

The table below sets out key financial information extracted from the Company’s audited consolidated income statements for the years ended 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS, as defined below).

Table 4 – Key Financials – Income statement	**Year ended 31 December**		
	2020	**2019**	**2018**
Total net sales *(USD thousands)*	288,588	246,170	154,182
Operating profit or loss *(USD thousands)*	7,000	2,762	10,259
Net profit or loss *(USD thousands)*	(5,463)	(23,750)	(1,022)
Operating profit margin *(%)*	2.4	1.1	6.7
Basic earnings per share *(USD/share)*	0.07	0.34	0.01
Diluted earnings per share *(USD/share)*	0.07	0.34	0.01

The table below sets out key financial information extracted from the Company’s audited consolidated statements of financial position as of 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS, as defined below).

Table 5 – Key Financials – Financial position	**As at 31 December**		
	2020	**2019**	**2018**
Total assets *(USD thousands)*	700,432	692,223	430,248
Total equity *(USD thousands)*	373,170	154,547	178,814
Net financial debt *(interest-bearing debt less cash, USD thousands)*	232,121	406,454	202,853

The table below sets out key financial information extracted from the Company's audited consolidated cash flow statements for the years ended 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS, as defined below).

Table 6 – Key Financials – Cash flow	**As at 31 December**		
(USD thousands)	**2020**	**2019**	**2018**
Net cash flows from operating activities	(51,043)	12,307	7,894
Net cash flows from investment activities	(2,053)	(175,946)	(64,542)
Net cash flows from financing activities	50,163	174,734	56,447

What are the key risks that are specific to the issuer?

Material risk factors…………

- The majority of the Group's net sales derive from sales of products containing krill-derived omega-3 fatty acids or proteins, and the Group is heavily dependent on the market acceptance of such products and the long-term price development.
- There are risks related to the health, safety, security, hiring, retention and organization of the Group's crew (including COVID-19), which may may result in disruption in the Group's business.
- Although the Group's customer base is diversified, there is some degree of customer concentration.
- The Group is dependent on its harvesting vessels for the supply of krill and the on-board manufacture of krill meal for its products.
- Fuel cost is one of the Group's largest operating costs. Significant increases in fuel price could have material adverse effect on the Group's business, production costs, results of operations, cash flows and/or prospects.
- The Group is exposed to risk relating to adverse weather or oceanic conditions or other calamities. Any adverse weather or oceanic conditions or other calamities, or any accident or disasters halting production at the Houston factory, may result in disruption in the Group's business.
- Krill supply may be exposed to environmental hazard, oil or petroleum products and other pollutants from open seas resulting in mortality and rendering the surviving krill supply unusable to the Group's operations.
- The Group is dependent on access to high-quality krill.
- The Group's harvesting operations are dependent on licenses from the Norwegian government and quotas set by the CCAMLR.
- There can be no assurance that the Group will be able to comply with changes in laws and regulations in the areas it operates and successfully mitigate measures relating to political transition, including changes in laws and regulations (e.g. the EU Taxonomy), reduced fishing quotas, implementation of no-fish zones, or requirements relating to decarbonization.
- The Group could incur significant costs in complying with environmental, health and safety laws or permits or as a result of satisfying any liability or obligation imposed under such laws or permits.
- The Group relies on a variety of intellectual property rights, other proprietary information and trade secrets.
- The Group may be subject to litigation regarding intellectual property rights.
- The Group has a high level of indebtedness. The Group's debt could negatively affect its business and financial results, e.g. its ability to service debt, to have suficcient working capital or able to pay for capital expenditures.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN……….	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO 001 0886625.
Currency, par value and number of securities…………	The Shares will be traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's share capital is NOK 525,516,516 divided on 87,586,086 Shares, each with a nominal value of NOK 6.00.
Rights attached to the securities…………………………	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Shares carries one vote.
Transfer restrictions…………	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy…………………………………	The Company has not established any dividend policy to date, but will strive to follow a dividend policy favorable to the shareholders.

Where will the securities be traded?

The Shares have been admitted to trading on Euronext Growth Oslo, a market operated by Oslo Børs since 6 July 2020 under the ticker code "AKBM" with ISIN NO 001 0886625. On 6 April 2021 the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 9 April 2021. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on 14 April 2021, under the ticker code "AKBM".

What are the key risks that are specific to the securities?

Material risk factors…………	• The Shares have not been listed on a regulated market prior to the Listing. There can be no assurance that an active and liquid trading market for the Shares will develop or be sustained following Listing. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares. There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly. • The Company has a major shareholder with significant voting power and the ability to influence matters requiring shareholder approval.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Admission to trading…………	On 6 April 2021, the Company applied for admission to trading and listing of its Shares on Oslo Børs. Oslo Børs approved the listing application on 9 April 2021. The Company expects commencement of trading in the Shares on Oslo Børs on or about 14 April 2021.

Why is this prospectus being produced?

Reasons for the Listing……	The main reason for the Listing is to facilitate greater liquidity in the Shares attracting new prospective shareholders in order to build a more diversified shareholder base. The Company believes it will have an enhanced profile with investors, business partners and customers through the Listing. In addition, the

Company will have enhanced access to the capital markets for financing of potential growth opportunities in the future.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.

2.1 Risks related to the business of the Group and the industry in which it operates

2.1.1 *The majority of the Group's net sales derive from sales of products containing krill-derived omega-3 fatty acids or proteins, and the Group is heavily dependent on the market acceptance of such products and the long-term price development*

The majority of the Group's net sales derive from sales of products containing krill-derived omega-3 fatty acids or proteins. The Group's business is heavily dependent on the stability of the market for products containing omega-3 fatty acids, as well as the markets for krill-derived omega-3 fatty acids and proteins. Negative shifts in demand away from the Group's products would have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects. Furthermore, there can be no assurance that the Group will be successful in establishing the Kori brand in the United States, and that the new brand may fail to obtain sufficient demand in the market.

The demand for the Group's products will depend upon a number of factors, including consumer perception regarding the quality and safety of the Group's products and omega-3 fatty acid and protein products generally, and the establishment and demonstration of the potential advantages of the Group's products over new and competing products. Negative adverse publicity for the Group or its products may reduce demand could have a material adverse effect on the Group's ability to generate net sales. For example, any negative articles, studies, reports or other publicity questioning either the effect, safety or efficacy of omega-3 fatty acid or protein products may have a material adverse effect on the Group's reputation and demand for the Group's products. Similarly, the Group's QRILL™ products is an ingredient for the aquaculture feed and pet food industries. The Group may lose net sales and suffer product liability claims if customers suffer outbreaks of disease upon consumption of fish, which reduces demand for fish and in turn for the Group's ingredients, included in the feeds or if pets become ill in connection with the ingestion of QRILL™. Additionally, omega-3 fatty acids may be obtained through other sources, including fish, algeas and potentially certain types of plants. The Group's business and financial prospects may be harmed to the extent that other sources of omega-3 fatty acids or protein are perceived to be superior in the markets the Group target to those derived from krill.

The Group is exposed to long-term price developments. Unfavorable price development would affect the Group negatively. The Group depends on continued growth in demand for phospholipid-bound omega-3 fatty acids in the nutraceutical market. The Group has relatively high fixed cost bases, which translate to high loss of earnings should net sales drop significantly. Unfavorable long-term price development of commodity and value added fats and proteins could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.2 *There are risks related to the health, safety, security, hiring, retention and organization of the Group's crew*

The operation of the Group's harvesting vessels involves the risk of incidents involving crew members and contractors, including those caused by illnesses, such as from the spread of contagious diseases, operational accidents that result in bodily injuries and other incidents at sea or while in port. For example, the ongoing corona virus situation (COVID-19) could potentially affect the entire crew of one or more of the Group's vessels (e.g. a pandemic outbreak on a vessel in production due to breach of quarantine or faulty testing of crew before crew changes, would impacting harvesting capacity and production, or a vessel with outbreak may be denied to enter port). However, during 2020 there has been no outbreak of any of the vessels, and the Group has put in place measures in order to carry out all required crew changes. The Group's crews and contractors often conduct operations in extreme weather, in difficult locations that are not easily accessible and under other hazardous conditions. The Group cannot assure that its insurance will be sufficient or effective against potential injuries or fatalities to the Group's crew members and contractors under all circumstances.

The Group's growth and success depends on its ability to attract, hire and retain experienced and skilled crew to work aboard its harvesting vessels. Competition for such skilled personnel is hard and the unexpected loss of an employee with a particular skill could materially adversely affect the Group's operations until a replacement can be found and trained. If the Group experience shortage of skilled crew, or, if a significant portion of the crew were to engage in strikes, work slowdowns or other actions, the Group may not be able to continue to harvest, process and sell its products. Further, any failure to effectively integrate new personnel could prevent the Group from successfully growing.

Should any of the above risks materialize, this may have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.3 *Although the Group's customer base is diversified, there is some degree of customer concentration*

The Group considers its customer base to be diversified. Most customers that purchase products from the Group are on the basis of medium (one year) or longer term (3-5 years) contracts. There is, however, some degree of customer concentration due to the fact that a large part of the volumes sold (both in relation to human health and nutrition, and animal health and nutrition) are made pursuant to frame agreements with certain large and important customers. The frame agreements contain no fixed purchase commitments. There is a risk that such customers may purchase less of the Group's products or may terminate their frame agreement, which could materially adversely impact the Group's results of operations, cash flows and/or prospects.

2.1.4 *The Group is dependent on its harvesting vessels for the supply of krill and the on-board manufacture of krill meal for its products*

The Group's products are manufactured from krill that is harvested by its three harvesting vessels. In addition, krill meal for the Group's products are manufactured on-board the harvesting vessels. The Group's harvesting vessels operate in rough weather conditions several sailing days from the nearest port. The Group's vessels are therefore at greater risk of routine breakdowns and catastrophic damage in the event of a fire or hull breach.

If one of the Group's harvesting vessels were to become severely damaged or inoperable due to the need for replacement parts that are not readily available on-board, the Group may be required to expend significant time and considerable resources to cease harvesting and repair the damage. Repair or replacement of a harvesting vessel would require significant capital expenditures and additional capital may not be available on commercially acceptable terms, and the Group will lose earnings while vessels are being repaired. There can be no assurance that such events and costs will be covered by the Group's insurance.

If any of the Group's harvesting vessels is not operational over a longer period of time for any reason, the Group may not be able to obtain adequate supplies of Antarctic krill from its other harvesting vessels to meet the Group's commitments to customers. In addition, if one of the Group's vessels is damaged or impaired, or if the continued operation of a vessel is otherwise disrupted, the Group's ability to manufacture the Group's products on-board and otherwise would be significantly impacted. In any event, the Group's business could be significantly impacted to the extent the Group are not able to maintain the full operational status of the Group's harvesting vessels.

2.1.5 *The Group is exposed to risk of increased fuel costs*

Fuel cost is one of the Group’s largest operating costs. As such, the Group is exposed to fuel price fluctuations, and the profitability and cash flow will therefore depend upon the market price of fuel. Although the Group may from time to time enter into hedging programs aiming to reduce the risk of a potential sharp oil price increase, there can be no assurance that the Group will be able to hedge against fuel price fluctuations. Significant increases in fuel price could have material adverse effect on the Group's business, production costs, results of operations, cash flows and/or prospects. In addition, any new requirements to reduce CO_2 footprint could lead to significant additional investment requirements for the Group.

2.1.6 *The Group is exposed to risk relating to adverse weather or oceanic conditions or other calamities*

The raw materials for the Group's products come from the Southern Ocean, where cold, northward flowing waters from the Antarctic mix with warmer sub-Antarctic waters. Due to the location of the Group's harvesting operations, the Group is at risk of severe adverse weather or oceanic conditions. Iceberg formations, which, in sufficient quantities, can restrict the Group's access to the krill supply, can occur at any time of year throughout the Southern Ocean. Some icebergs may have drafts up to several hundred meters; smaller icebergs, iceberg fragments and sea-ice (generally 0.5 to 1 meter thick) could also pose problems for the Group's vessels. Other adverse conditions affecting the Group's harvesting vessels include severe cold, strong storms, cyclones and tsunamis. These and other weather conditions may cause the Group's vessels to dock earlier than planned, decrease the volume of the Group's krill catches or even completely halt the Group's harvesting operations.

Furthermore, the company is highly dependent on its Houston factory for production of krill oil. The Houston factory is an integral part of the Group's value chain and enables the Group to further refine krill into products which contribute to a larger gross margin for the Group. The facility thereby enables both net sales growth, in addition to margin growth. The refining volumes passing through the Houston facility will be negatively affected by production downtime. Any adverse weather, major accidents or disasters halting production at the Houston factory, may result in disruption in the Group's operations and could adversely affect the Group's sales, business, results of operations, financial condition, cash flows and/or prospects.

2.1.7 *Krill supply may be exposed to environmental hazard, oil or petroleum products and other pollutants from open seas resulting in mortality and rendering the surviving krill supply unusable to the Group's operations*

Since the Group's harvesting vessels operate in an open environment in the Antarctic Ocean, the krill supply is exposed to the pollution of open seas. Accidental release of oil or petroleum products in the Group's harvesting area may severely affect the krill’s ability for normal oxygen uptake, increase mortality and result in pollution of surviving krill. The Group's concentrated operations around Antarctica increase its vulnerability in case of oil spills. Oil spills and other pollution from accidents may have a material adverse effect on the Group's harvest and operations, and in turn on the Group's results of operations, financial position, cash flows and/or prospects.

2.1.8 *The Group is dependent on access to high-quality krill*

The Group's krill oil products are largely dependent on the continuous supply of high-quality krill. The quality of the krill the Group utilize for its krill oil products, meaning the level of fat found in the krill meal, impacts the Group's gross profit as higher quality krill meal is sold at a higher price. The amount of fat the Group is able to extract from the krill meal the Group harvests varies based on both seasonal fluctuations in fat percentages of the krill harvested and the extraction procedure used to extract the oil. Increase in competition from other harvesting nations could also affect the access to krill. With more competition in an olympic fishery, there is a risk that the current areas would not support all krill harvesting vessels, and the Group may have to explore additional fishing grounds in order to harvest what is required to support the business plans and current sales volumes. Other factors that can restrict the Group's access to high-quality krill include environmental factors (including rising ocean temperatures and ocean acidification chronically impacting the krill populations and krill distribution shifts and habitat contraction), the availability of food and nutrition to the krill stock, spawning conditions, weather conditions, water contamination and pressure from environmental or animal rights groups. Any disruptions in the supply of high-quality krill could adversely affect the Group's business, results of operations, financial condition, cash flows and/or prospects. For a further description on the olympic fishery model, please see Section 7.3.2.

2.1.9 *The Group may not be permitted to continue to operate at sites located close to protected or highly sensitive areas*

Some of the Group's Antarctic krill harvesting operations in the Southern Ocean are located close to protected areas or highly sensitive areas with respect to biodiversity. The effect of krill harvesting on the environment and biodiversity will continue to be under discussion among certain scientific groups. Developments in the perception of the impact of krill harvesting on the environment may result in new limitations on the Group's operations located in vulnerable areas or new requirements to implement costly measures. Compliance with such laws, rules and regulations, or a breach of them, may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and/or prospects.

2.1.10 *Interruptions in information technology systems could adversely affect the Group's business*

The Group relies on the efficient and uninterrupted operation of several information technology systems and networks to operate its business. The Group relies on such systems to track all harvested krill from the time it is brought on-board a harvesting vessel through the entire supply chain and to the ultimate sale somewhere in the world to its customers. Any significant disruptions to the Group's systems or networks, including new system implementations, computer viruses, cyber- or other security breaches (including phishing), facility issues, natural disasters, terrorism, war, telecommunication failures or energy blackouts could have a material adverse impact on the Group's operations, sales and operating results.

The Group's third-party service providers and other vendors have access to certain portions of the Group's information technologies system. Certain failure or negligence of these service providers may cause material disruptions in the Group's supply chain, which could affect the Group's ability to deliver its products in a timely manner.

2.1.11 *The Group generally relies on its customers' ability to market and distribute its products*

The Group relies to a large extent on its customers' ability to create and sustain demand for their products. There can be no assurance that the Group's customers will market, sell and distribute their products successfully or choose the best means for maintaining or achieving an increase in the demand for products featuring the Group's products.

In addition, the Group may incur liabilities relating to the distribution and commercialization by its customers of its ingredients. While some agreements with customers include customary indemnification provisions indemnifying the Group for liabilities relating to the packaging of ingredients and their use and storage, there can be no assurance that these indemnification rights will be sufficient in amount, scope or duration to fully offset the potential liabilities associated with the Group's customers' handling and use of the Group's ingredients. Any such liabilities, individually or in the aggregate, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.1.12 *The Group has entered into long-term supply contracts with several of its customers*

The Group has entered into long-term supply contracts with several of its customers. Under these contracts, the Group is obligated to supply products to its customers in accordance with their requirements. The Group may be unable to meet these requirements due to a number of factors, including an exceptionally poor harvest, ability to produce the meal with the right quality, a failure in logistics operation or contamination of the Group's products. If the Group is unable to meet its customers' requirements under contracts, the customers may terminate their contracts or, pursuant to the term of the contracts, require the Group to compensate them for losses from obtaining replacement supplies from third parties. In the event that the Group does not satisfy its obligations under such contracts, the Group's business, results of operations, financial position, cash flows and/or prospects could be materially adversely affected if one or more of long-term customers terminate their contracts with the Group, or if the Group is obligated to compensate them for losses.

2.1.13 *The Group may not be able to develop new products that achieve commercial success*

The Group's goal is to grow the market and expand its customer base for existing and new products. Research and development is expensive, prolonged, and entails considerable uncertainty. Due to long product development processes, evolving regulatory requirements, changing market conditions and consumer preferences and other factors, new variants of existing products or new products may take longer and cost more to develop and may be less successful than the Group anticipated. No assurance can be given that any new products under research and development will be commercially successful, which could adversely affect the future development on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.1.14 *The Group may see increased competition in the markets in which it operates*

The Group could experience that the number of companies seeking to develop krill-derived products or other products that aim to provide the same health benefits as krill-derived products will increase in the future. The Group's competitors range in size from small, single product companies to large, diversified corporations, which may have greater financial, technical, marketing and other resources.

Furthermore, there are several potential alternative supplies of phospholipid-bound omega-3 fatty acids, including but not limited to herring roe, beans, seeds, and certain forms of algae and insects. The Group's current or future competitors may develop and commercialize new technologies (for example technologies with various degree of alignment with emission targets, alternative energy carriers and sources that offer low-emission operations or energy efficiency gains in existing processing technologies) and products that may gain market share from the Group and cause declines in its net sales and net profit (loss).

The Group is also subject to increased competition, with competitors competing for the quota which may threaten the marketplace and the Group's position in the market.

Any business combinations or mergers among the Group's competitors that result in larger competitors with greater resources or distribution networks, or the acquisition of a competitor by a major technology, pharmaceutical or nutrition corporation seeking to enter the markets in which the Group operates, could further increase competition the Group face and have a material adverse effect on its business, financial condition, results of operations, cash flow and/or prospects.

2.1.15 *Dependence on international sales exposes the Group to risks associated with business environment in multiple countries*

The Group's net sales are derived from sales in multiple countries around the world, including the United States, the European Union (the "**EU**"), Australia, and Asia including Japan, India, China and South Korea. The Group's international operations and sales are subject to a number of risks, including multiple regulatory regimes; potentially longer accounts receivable collection periods and greater difficulties in their collection; disruptions or delays in shipments caused by customs brokers, work stoppages or government agencies; potential imposition by governments of controls that prevent or restrict the transfer of funds; regulatory limitations imposed by foreign governments and unexpected changes in regulatory requirements, tariffs, customs duties, tax laws and other trade barriers; difficulties in staffing and managing foreign operations; laws and business practices favoring local competition and potential preferences for locally produced products; potentially adverse tax consequences; difficulties in protecting or enforcing intellectual property rights in certain foreign countries; fluctuations in exchange rates, as described more fully below; the difficulties and increased expense in complying with multiple and potentially conflicting domestic and foreign laws, regulations, product approvals and trade standards; political or social unrest; economic instability, conflict or war in a specific country or region, which could have an adverse impact on, among other things, the Group's ability to hire crew members for its vessels; and protests by non-governmental organizations ("**NGOs**"). If the Group fails to overcome the challenges that it encounters in its international sales operations, the Group's business, results of operations, financial position, cash flows and/or prospects could be materially adversely affected.

2.1.16 *Global economic and social conditions could adversely impact sales of the Group's products, especially premium branded products*

The uncertainties and recent downturn of the global economy and other macroeconomic factors could adversely affect the Group's business, including the ongoing COVID-19 situation. The prospects for global economic growth remain uncertain with respect to credit, liquidity and interest risk in addition to operational risks and uncertainties relating to harvesting and offshore processing technologies, fluctuations in annual krill harvesting, onshore production processes and product quality, ability to develop new products and market risk. The ongoing COVID-19 crisis inherently increases many of these risks; markets become more uncertain, operations becomes more vulnerable to interruptions and policy makers around the world gravitate towards stricter regulations impacting international trade. Without global economic growth, the anticipated growth in the sales of the Group's products could be adversely affected or delayed, especially given the premium branding of some of the Group's products compared to alternative ingredients. For example alternatives, such as fish oil, with a lower price, could be favored by the end customers and in turn reduce sales to the Group’s customers.

2.1.17 *Any claims relating to improper handling, storage or disposal of hazardous materials used in the Group's business could be costly*

The Group may face restrictions on its ability to transport krill meal by freight. Meals that have high fat content, including krill meal, have potential flammable characteristics if stored or transported in large quantities. This potential risk may adversely affect the Group's ability to store krill meal in large quantities. The Group's harvesting operations and oil extraction facilities involve the controlled use of potentially harmful hazardous materials, including volatile solvents and chemicals. The Group face the risk of fire, explosion, contamination or injury from the use, storage, handling and disposal of these materials. In the event of fire, explosion, contamination or injury, the Group could be subject to civil or criminal sanctions or fines or be held liable for damages, operating licenses could be revoked, or the Group could be required to suspend or modify its operations.

2.1.18 *Contamination of raw materials or products could result in supply interruptions and human exposure to hazardous substances and subject the Group to civil or criminal enforcement actions, private litigation and product recall obligations*

The Group's products may be subject to contamination by food-borne pathogens, such as Listeria monocytogenes, Clostridia, Salmonella and E. Coli, or contaminants. These pathogens and substances are found in the environment; therefore, there is a risk that one or more of these organisms and pathogens can be introduced into the Group's products as a result of improper handling, failed quality controls, poor processing hygiene or cross-contamination by the Group, the ultimate consumer or any intermediary. The krill that the Group harvests, freezes and processes is perishable and may deteriorate due to, among other things, malfunctioning cold storage facilities, delivery delays or poor handling. The Group also has little, if any, control over handling procedures once it ships its products for distribution. Furthermore, the Group may not be able to prevent contamination of its krill supply by pollutants such as polychlorinated biphenyls, dioxins or heavy metals. Such contamination is primarily the result of environmental contamination. Residues of environmental pollutants present in the Group's products may pass undetected in its products and may reach consumers due to failure in surveillance and control systems. The industry in general experiences high levels of customer awareness with respect to safety and product quality, information and traceability. The Group may fail to meet new and existing customer requirements, which could reduce demand for its products. Any contamination could therefore have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.19 *If the Group fails to manage its growth effectively, then the business could be disrupted*

The Group has experienced business growth, and the Group's future financial performance and its ability to commercialize its products and to compete effectively will depend, in part, on its ability to manage any future growth effectively. The Group has made and expect to continue to make significant investments to enable future growth through, among other things, new product innovation and development of additional manufacturing capacity in Houston. Lower ramp-up of krill oil production capacity than planned could lead to slower growth curve for the Group. The Group must also be prepared to expand its work force and to train, motivate and manage additional employees as the need for additional personnel arises. The Group's personnel, facilities, systems, procedures and controls may not be adequate to support its future operations. Any failure to manage future growth effectively could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.2 Risks related to laws, regulations and compliance

2.2.1 *The Group's harvesting operations are dependent on licenses from the Norwegian government and quotas set by the CCAMLR*

The Group relies on harvesting licenses issued by Norwegian authorities and is dependent on access to the Antarctic krill resource, which is managed by the Commission for the Conservation of Antarctic Marine Living Resources ("**CCAMLR**"). The Group's licenses may be permanently or temporarily revoked, suspended, modified or limited if their conditions are breached or the applicable harvesting quotas or permitted fishing areas change based on the resource availability and other conditions in the Southern Ocean. The Group's fishing licenses are subject to statutory share ownership requirements, which sets out that at least 60% ownership must be held directly or indirectly by Norwegian nationals and certain Norwegian state and municipal entities. In addition, the Group is required to report to Norwegian authorities on changes of ownership once a year for shareholdings in the Company of at least 5%. Resource management regimes in the fisheries industry are subject to changes, due to, among other things, fluctuations in the biomass, environmental concerns and political factors. No assurance can be given that one or more of the Group's fishing licenses will not be revoked if all conditions are not satisfied. If the Group fails to comply with applicable requirements and conditions set out in its fishing licenses, applicable laws and regulations, or rules and decisions made by the CCAMLR, the Group's licenses may be permanently or temporarily revoked, suspended, modified or limited, as well as imposition of fines, which it could have a material adverse effect on the Group's reputation, business, financial condition, results of operations, cash flows and/or prospects.

2.2.2 *The Group is subject to political transition risk*

There can be no assurance that the Group will be able to comply with changes in laws and regulations in the areas it operates and successfully mitigate measures relating to political transition, including relating to de-carbonization. For example, any higher carbon tax may impact both fuel costs, as well as use of virgin plastics in packaging. Further, there can be no assurance that the Company may not be able to comply with changes in regulations related to catch quota and fishing rights. For example, due to potential climate stressors in the Antarctic and Southern Ocean, regulations surrounding fishing quotas could be reduced as a precautionary measure. In addition, any political push towards ocean sanctuaries, or no-fish zones, in the areas the Group operates, may harm the Group's business operations. The EU Taxonomy poses a compliance risk related to reporting and the Group may be subject to regulatory pressures for lower-carbon packaging alternatives, including EU regulations such as the European Green Deal and EU Strategy for Plastics in a Circular Economy. Failure to implement mitigation measures relating to changes in laws and regulation, and political transition, could have a material adverse effect on the Group's business, financial condition, results of operations, reputation and/or prospects. Inability to decarbonize or losing any license to operate due to political changes or reputation linked to climate harms in the Southern Ocean could also harm the Group's reputation.

2.2.3 *The Group could incur significant costs in complying with environmental, health and safety laws or permits or as a result of satisfying any liability or obligation imposed under such laws or permits*

The Group is subject to extensive environmental, health and safety laws and regulations in multiple jurisdictions governing the use, storage, registration, handling and disposal of chemicals, waste materials and sewage, air, water and ground contamination, air emissions and the cleanup of contaminated sites, including any contamination that results from spills due to the Group's failure to properly dispose of chemicals, waste materials and sewage. Any environmental accidents and/or current or past non-compliance with applicable laws or permits may result in severe governmental and international fines, penalties or restrictions on conducting business, or may damage the Group's reputation and customer relationships generally. Further, regulatory authorities may take enforcement actions and the Group may be required to recall affected products from the market and may not be able to reintroduce them into the market. The cost of any such recall could have a material adverse effect on the Group's operations and financial performance. Any past or current failure by the Group to comply with environmental laws, regulations or permits, the Group may be subject to damages, fines and other civil, administrative or criminal sanctions, including the revocation of permits and licenses necessary to continue its business activities, or damage the Group's reputation and customer relationships. Any such developments could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and/or prospects.

2.2.4 *The Group is subject to laws, regulations and standards in several jurisdictions, including export, sanction and other international trade laws, regulations and standards*

The processing, manufacturing, formulation, packaging, labeling, advertising and distribution of the Group's products or products containing its ingredients are subject to comprehensive laws, regulations and standards enforced by various regional, national and local regulatory bodies. This exposes the Group towards risk relating to repeal laws or enact new laws or regulations, changed processes, regulations, and policies, as well as disharmony among the laws, regulations and standards in different countries. Although compliance with legal or regulatory requirements is costly, non-compliance may expose the Group to various enforcement actions. Moreover, the Group is subject to export, sanction and other international trade laws and regulations through its international operations, which may limit or restrict the Group's business (e.g. prohibition of shipping products to certain embargoed countries) or may require the Group and third parties to comply with import, export and/or re-export licensing as well as custom regulations. Failure to obtain required license may result in civil and criminal penalties, reputational harm, or delay or loss of sales opportunities in certain jurisdictions. In addition, the Group is required to obtain regulatory approvals. These processes may be costly and time consuming and there can be no assurance that required approvals will be granted, which may delay or prevent production and commercialization of new products or products. Changes in or failure to comply with laws, regulations and standards may have a material adverse effect on the Group's reputation, operations, financial position, result of operations, cash flow and/or prospects.

2.2.5 *The Group's manufacturing processes for krill oil may not adequately comply with regulatory requirements, or may be subject to delays or hindrances in production*

The Group must comply with comprehensive manufacturing requirements and practices relating to its development of products for the dietary supplements market, including quality-, procedure-, storage- and handling control, training of employees and hygienic standards. There is a risk that the Group, joint ventures or other third parties with responsibility for the operations may not be able to meet applicable standards, which may disrupt production (e.g. due to suspension or closing of processing or production). In addition, there is an inherent risk of delay or hindrances in production due to mechanical or manual failure or malfunction, human error or other unforeseen events, which could result in delays of the production of whole or parts of product batches, leading to costs or damages. Any failure in the manufacturing process could have a material adverse effect on the group's business, financial condition, results of operations, reputation and/or prospects.

2.2.6 *The Group may be party to various claims, legal proceedings or disputes, including class action lawsuits*

The nature of the business of the Group’s portfolio companies exposes the Group to the risk of claims, legal proceedings and disputes, including contractual litigation with distributors, customers, contractors and vendors, personal injury litigation, environmental litigation, intellectual property litigation, tax or securities litigation, labor and employment disputes, anti-discrimination, payments, privacy disputes, data security disputes, competition litigation, unionizing and collective action, arbitration agreements, and/or class action lawsuits from consumers. This risk is particularly relevant to the Group given its presence in the United States, where class action lawsuits are common. The Group cannot predict with certainty the outcome or effect of any current or future claim or other litigation matters or disputes. Any litigation or dispute may have a material adverse effect on the Group's business, financial position, results of operations, cash flows and/or prospects due to potential negative outcomes, the costs associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters. Any claims against the Group could result in professional liability, product liability, criminal liability, warranty obligations, and other liabilities which, to the extent the Group is not insured, or cannot insure, against a loss or the insurer may fail to provide coverage, which could have a material adverse impact on the business, results of operation, financial condition, cash flows and/or prospects of the Group. The Group may make provisions to cover expected outcome of proceedings and disputes to the extent that negative outcomes are likely and reliable estimates can be made, but the final outcome of these and other cases may be subject to uncertainties and resulting liabilities which may exceed booked provisions.

2.2.7 *The Group could be subject to product liability lawsuits, which could result in costly and time-consuming litigation and significant liabilities*

The development of ingredients for human and animal nutrition products involves an inherent risk of product liability claims and associated negative publicity. The Group's products may be found to be harmful, or to contain harmful substances. This exposes the Group to substantial risk of litigation and liability and may force the Group to discontinue production of certain products. Although the Group has product liability insurance, this coverage may not insure the Group against all claims made or the full loss incurred. Product liability insurance is costly and often limited in scope. There can be no assurance that the Group will be able to obtain or maintain insurance on reasonable terms or to otherwise be protected against potential product liability claims that could impede or prevent continued commercialization of one or more of its products. Furthermore, a product liability claim could damage the Group's reputation, whether or not such claim is covered by insurance or is with or without merit. A product liability claim against the Group or the withdrawal of a product from the market could have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and/or prospects. Furthermore, product liability lawsuits, regardless of their success, would likely be time consuming and expensive to resolve and would divert management’s time and attention, which could materially harm the Group's business, results of operations, financial condition, cash flow and/or prospects.

2.3 Risks related to intellectual property

2.3.1 *The Group relies on a variety of intellectual property rights, other proprietary information and trade secrets*

The Group relies on a variety of intellectual property rights, other proprietary information and trade secrets, which are used in its operations and products. The Group companies may not be able to successfully preserve such intellectual property rights, proprietary information or trade secrets; and intellectual property rights could be invalidated, circumvented, or challenged. In addition, the laws of some foreign countries in which the services and products of the Group may be sold do not adequately protect intellectual property rights. Failure to protect intellectual property rights or otherwise information or trade secrets used in the services and products used or owned by companies within the Group, could have a material adverse effect on the Group’s business, competitive position and/or prospects.

2.3.2 *The Group may be subject to litigation regarding intellectual property rights*

The Group may be a party to litigation to determine the scope and validity of its intellectual property, which, if resolved adversely to the Group, could invalidate or render unenforceable its intellectual property or generally preclude it from restraining competitors from commercializing products using technology developed by the Group. If the Group's products infringe others validly and enforceable patents, then it may not be able to sell applicable products or could be forced to pay substantial royalties or redesign a product to avoid infringement. A successful claim of infringement against the Group, or its failure or inability to develop non-infringing technology or license the infringed technology could materially adversely affect its business and results of operations, and/or prospects. Furthermore, litigation to establish or challenge the validity of patents, to defend against infringement, enforceability or invalidity claims or to assert infringement, invalidity or enforceability claims against others, if required, regardless of its merit or success, would likely be time-consuming and expensive to resolve and would divert management's time and attention, which could seriously harm the Group's business.

2.3.3 *Changes in patent law could diminish the value of patents, thereby impairing the Group's ability to protect its products*

Obtaining and enforcing patents involves technological and legal complexity, and is costly, time consuming, and inherently uncertain. Patent policy also continues to evolve, and the issuance, scope, validity, enforceability and commercial value of the Group's patent rights is highly uncertain. Furthermore, decisions by courts could change the laws and regulations governing patents in unpredictable ways that may weaken or undermine the Group's ability to obtain new patents or to enforce its existing or future patents. Any such development could impair the Group's ability to protect its products, which could have a material adverse effect on the Group's results of operations, financial position and/or cash flows.

2.3.4 *The Group may not be able to protect its intellectual property rights throughout the world*

Filing, prosecuting, maintaining and defending patents on the Group's products throughout the world would be prohibitively expensive, and the extent of the Group's intellectual property rights may vary in different countries. Consequently, The Group may be unable to prevent third parties from using its inventions in all countries, or from selling or importing products made using the Group's inventions in the jurisdictions in which it does not have (or are unable to effectively enforce) patent protection. Competitors may use technologies in jurisdictions where the Group has not obtained patent protection to develop, market or otherwise commercialize products, and the Group may be unable to prevent those competitors from importing those infringing products into territories where the Group have patent protection. These products may compete with the Group's products and its patents and other intellectual property rights may not be effective or sufficient to prevent them from competing in those jurisdictions. Moreover, competitors or others in the chain of commerce may raise legal challenges against the Group's intellectual property rights or may infringe upon the Group's intellectual property rights, including through means that may be difficult to prevent or detect.

Furthermore, proceedings to enforce the Group's patent rights could result in substantial costs and divert the Group's efforts and attention from other aspects of its business, could put its patents at risk of being invalidated or interpreted narrowly and its patent applications at risk of not issuing, and could provoke third parties to assert patent infringement or other claims against the Group. The Group may not prevail in any lawsuits that the Group initiates and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, the Group's efforts to enforce its intellectual property rights may be inadequate to obtain a significant commercial advantage from the intellectual property that the Group develops or licenses from third parties.

2.4 Risk related to financial matters and market risk

2.4.1 *The Group's indebtedness could limit cash flow available for its operations, limit ability to react to changes in the economy or industry*

The Group has a high level of indebtedness. As at 31 December 2020, the Group had USD 327,262 thousands in total liabilities, of which USD 210,578 thousands was related to interest-bearing debt. The Group's debt could negatively affect its business and financial results, e.g. by requiring the Group to dedicate a portion of its cash flow from operations to service debt, thereby reducing funds available for operations, working capital, capital expenditures, future business opportunities, paying dividends or for other purposes; limiting the Group's ability to obtain additional financing for working capital, renovation, redevelopment and rebranding plans, acquisitions and other purposes; limiting the Group's ability to refinance existing debt; requiring the Group to agree to additional restrictions and limitations on the Group's business operations and capital structure to obtain financing;

forcing the Group to dispose of current long-term assets, possibly on unfavorable terms; increasing the Group's vulnerability to adverse economic and industry conditions; forcing the Group to issue additional equity, possibly on terms unfavorable to existing shareholders; limiting the Group's flexibility to make, or react to, changes in the business and industry; and/or placing the Group at a competitive disadvantage. Failure to make payments or comply with other covenants under debt instruments could result in an event of default and acceleration of amounts due, and could have a material adverse effect on the Group's business, operations, assets and/or prospects. In addition, covenants under debt instruments may pledge the Group's assets as collateral and any negative pledge with respect to the Group's intellectual property could limit its ability to obtain additional debt financing.

2.4.2 *The Group is exposed to currency exchange rate risk*

USD is the Group's reporting currency and the functional currency in most of the Group’s subsidiaries. Although most of the Group's net sales and a portion of the Group's expenses are denominated in USD, a significant portion of the Group's operating expenses and certain of its net sales are incurred in other currencies, including NOK and EUR. As a result, the Group is exposed to the risks that the NOK or EUR may appreciate or depreciate relative to the USD, which could have a material adverse effect on the Group's results of operations, financial position and/or cash flows.

2.4.3 *Increases in interest rates could increase the amount of debt payments*

As at 31 December 2020, the Group had USD 210,578 thousands outstanding in interest-bearing debt. The majority of the Group's debt facilities is floating. The Group is therefore exposed to interest rate volatility and development. Interest payments reduces the Group's cash available for distributions and increases in interest rates could raise the Group's interest costs, which reduces its cash flows and ability to make distributions to shareholders, exploiting investment opportunities and operational expenses.

2.4.4 *Covenants and clauses in debt agreements and other contracts could limit the Group's flexibility*

Terms of debt agreements and other contracts may require the Group to comply with a number of customary financial and other covenants and clauses that may limit the Group's flexibility in its operations. For example, the Group’s existing loan arrangements contain, and any future borrowing arrangements may contain, covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, such as change of control provisions (e.g. if Aker ASA or The Resource Group TRG AS controls directly or indirectly less than 50% of the Shares in the Company), which could affect the operational and financial flexibility of the Group. Similarly, certain of the Group's contracts and lease agreements relating to real property contains change of control provisions which will be triggered by a sale of more than 50% of the Shares in the Company. The satisfaction of these restrictive covenants and performance requirements could also be affected by factors outside of the Group’s control, such as a slowdown in economic activity which could result in a decline in the value of the Group’s assets. Such restrictions could affect, and in many respects limit or prohibit, among other things, the Group’s ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. Any breach of covenants could result in defaults under instruments governing applicable indebtedness and cross-default provisions could be triggered in the event of default on other indebtedness and may require the Group to repay or restructure indebtedness. If the Group's properties are foreclosed upon, or if the Group is unable to refinance indebtedness at maturity or meet payment obligations, the amount of distributable cash flows and the Group's financial condition would be adversely affected.

2.4.5 *The Group will require a significant amount of cash to service indebtedness*

The Group has a high level of indebtedness, including USD 210,578 thousands was related to interest-bearing debt at 31 December 2020. The Group's operations are conducted through subsidiaries and its ability to make cash payments on indebtedness and to fund planned capital expenditures will depend on the earnings and the distribution of funds from subsidiaries. The ability will depend on the Group's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors beyond the Group's control. None of the subsidiaries is obligated to make funds available to the Group for payment of its indebtedness. Further, terms of debt instruments may restrict subsidiaries from paying dividends and otherwise transferring assets to the Company. If the Group is unable to generate sufficient cash flow or are otherwise unable to obtain funds necessary to meet required payments on indebtedness, then the Group could default under terms of agreements covering such indebtedness. The holders of such indebtedness could elect to declare all the funds thereunder to be due and payable, together with accrued and unpaid interest and the Group could be forced into bankruptcy or liquidation. If operating performance declines, the Group may need to obtain waivers from lenders to avoid being in default.

2.4.6 *The Group is exposed to risk relating to impairment of intangible assets, including impairment of goodwill*

Intangible assets, including goodwill, constitute a large portion of the Group's assets. As at 31 December 2020, the Group's total non-current assets amounted to approximately USD 180,552 thousands (which constituted approximately 68% of the Group's total assets), including USD 180,552 thousands in intangible assets and goodwill (which constituted approximately 26% of the Group's total assets). Goodwill acquired in a business combination is not amortized pursuant to IFRS, but is tested for impairment annually, or more often, if an event or circumstance indicates that an impairment loss may have been incurred. The key assumption affecting the present value of cash flows are the development of the net sales (expected growth rate), profitability (production volumes and future capital expenditure requirements), the discount rate and the growth rate. In impairment testing, the discounted present value of the recoverable cash flows of the cash-generating unit is compared to the unit's underlying value. If the present value of a cash generating unit's cash flows is lower than its carrying value, the difference is recorded as an expense in the income statement for the current financial year. Even though the estimates and assumptions used, which are based on the view of management in each subsidiary, are sufficiently accurate to determine the recoverable amount of goodwill, the estimated recoverable amount may differ significantly from the actual future amounts. Changes in the development of the net sales (expected growth rate), profitability, the discount rate and the cash flow growth rate, forecasts or a combination of these factors, could lead to impairment losses on goodwill. In the event that the Group’s definition of a cash generating unit is changed, this may lead to impairment losses on goodwill. Impairment losses relating to goodwill cannot be reversed in future periods. If the value of intangible assets, including goodwill, is impaired, then it could have an adverse effect on the Group's financial condition, results of operations, equity and/or its ability to pay dividends or distributions.

2.4.7 *Fluctuations in the Group's tax obligations and effective tax rate and realization of the Group's deferred tax assets, including net operating loss and carryforwards, may result in volatility in the Group's operating results*

The Group is subject to taxation in multiple jurisdictions in which it operates. The Group has recorded tax expense based on estimates of future payments, which may include reserves for uncertain tax positions in multiple tax jurisdictions, and valuation allowances related to certain net deferred tax assets, including net operating loss carryforwards. These records are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues.

In addition, the Group's effective tax rate in a given financial statement may be materially impacted by a variety of factors including but not limited to changes in the mix and level of earnings, inability to utilize the tax assets, varying tax rates in the different jurisdictions in which the Group operates, fluctuations in the valuation allowance, timing of the utilization of net operating loss carryforwards, or by changes to existing accounting rules or regulations. Further, tax legislation may be enacted in the future which could negatively impact the Group's current or future tax structure and effective tax rates.

2.5 Risks related to the Shares

2.5.1 *There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly*

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. The Shares have not been listed on a regulated market prior to the Listing. Prior to the Listing, the Shares were admitted to trading on Euronext Growth Oslo (formerly named Merkur Market), a multilateral trading facility operated by Oslo Børs. There can be no assurance that an active and liquid trading market for the Shares will develop or be sustained following Listing. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Oslo Børs can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

2.5.2 *The Company has a major shareholder with significant voting power and the ability to influence matters requiring shareholder approval*

As of the date of this Prospectus, Aker ASA controls directly and indirectly approximately 77.8% of the Shares of the Company and it is expected that Aker ASA will continue to control more than two thirds of the Shares also after a listing on Oslo Børs. This means that Aker ASA has the ability to determine the outcome of matters that require approval by a majority of shareholders at a general meeting of shareholders, including the election of members of the Board of Directors, as well as matters where a two-thirds majority of the votes cast and share capital represented is required.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared by Aker BioMarine, with business address Oksenøyveien 10, N-1366 Lysaker, Norway, solely in connection with the Listing of the Shares on Oslo Børs described herein.

The Board of Directors of Aker BioMarine accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

13 April 2021

The Board of Directors of Aker BioMarine AS

Ola Snøve
Chair

Øyvind Eriksen *Board Member*	Kjell Inge Røkke *Board Member*	Anne Harris *Board Member*
Cilia Holmes Indahl *Board Member*	Line Johnsen *Board Member, employee elected*	Sindre Skjong *Board Member, employee elected*

4 GENERAL INFORMATION

4.1 Other important information

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Shares, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The Company has furnished the information in this Prospectus. The Managers makes no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implies, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 *"Risk factors"* beginning on page 4.

4.2 Presentation of financial and other information

4.2.1 *Financial information*

The Company has prepared the annual consolidated financial statements that were audited as of and for the financial years ended 31 December 2020, 2019 and 2018 (the "**Annual Financial Statements**" in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"). The consolidated financial statements which are included as Appendix B to this Prospectus (the "**Consolidated Financial Statements**"), were audited by KPMG AS ("**KPMG**") for the sole purpose of being included in this Prospectus, as set forth in the auditor's report included therein (see description in 'Other matters'). The auditor's reports do not contain any modifications of emphasis on matters. The Consolidated Financial Statements are an extract of the Annual Financial Statements approved by the board of directors, as the Consolidated Financial Statements do not include the board of directors' report the standalone financial statements of the Parent Company.

Other than set out above, KPMG has not audited, reviewed or produced any report or any other information provided in this Prospectus.

4.2.2 *Functional currency and foreign currency*

In this Prospectus, all references to "**NOK**" are the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States, and all references to "**EUR**" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency.

The Company has USD as functional currency and the Consolidated Financial Statements are presented in USD.

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. 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 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.

4.2.3 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.4 *Alternative performance measures*

In order to enhance investors' understanding of the Group's performance, the Group presents certain measures and ratios in this Prospectus that might be considered alternative performance measures (each an "**APM**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures published by ESMA on 5 October 2015. These APMs are: EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Gross Margin and Capex.

An APM is defined as a measure of financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS. The Group uses APMs to provide supplemental information by excluding items that in its 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 financial reporting. The Group focuses on EBITDA and adjusted EBITDA when presenting the period's financial result. 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 APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) net sales or profit/(loss) for the period (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the APMs presented herein are commonly reported by companies in the markets in which the Group competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practice or external and non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods, and of the Group's ability to service its debt. Because companies calculate the APMs presented herein differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies. As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 *"Risk factors"* and elsewhere in this Prospectus.

The APMs used by the Group are as follows:

- **EBITDA:** Net profit (loss) for the period before net financial items, income tax expense, total depreciation, amortization and impairment. The Group's total depreciation, amortization and impairment includes both depreciation, amortization and impairment on production assets and other assets. Depreciation, amortization and impairment of other assets relates to assets not directly used in the production of goods and is recognized in the statement of profit and loss under the financial statement line item Depreciation, amortization and impairment. Depreciation, amortization and impairment of production assets, that is those directly used in the production of goods, is recognized in the statement of profit and loss under the financial statement line item Cost of goods sold. EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of profit generation in the Group's operating activities;

- **Adjusted EBITDA:** EBITDA adjusted for (i) material gains or losses on sale of assets, (ii) legal and consulting costs relating to transactions, settlement of disputes and litigations, (iii) restructuring costs, (iv) impairments if result of an isolated event, (v) costs incurred prior to launch of a new brand, (vi) unrealized gains/losses on financial instruments, and (vii) other material transactions that are not part of ordinary operational income or costs. Adjusted EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the underlying profit generation in the Group's operating activities without the impact of changes in net sales and costs due to: (i) transaction expenses related to M&A and IPO; and (ii) certain items affecting comparability;
- **EBITDA Margin (%):** EBITDA margin is defined by the Group as the EBITDA as a percentage of Net Sales
- **Adjusted EBITDA Margin (%):** Adjusted EBITDA margin is defined by the Group as the Adjusted EBITDA as a percentage of net sales
- **Gross Profit Margin (%):** The gross margin is defined by the Group as Gross profit as a percentage of net sales
- **Capex:** Capex is defined by the Group as the sum of payments for property, plant and equipment and payments for intangibles as they appear in the consolidated statement of cash flow. The Group has presented this APM because it considers it an important supplemental measure for investors to understand the impact of investments on the free cash flow of the Group.

The following table reconciles EBITDA and Adjusted EBITDA to net profit (loss) in the consolidated statements of profit or loss. For more information, see note 3 of the Consolidated Financial Statement for 2020.

Table 7 - EBIT, EBITDA and Adjusted EBITDA	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
Net profit (loss)	**(5,463)**	**(23,751)**	**(1,022)**
Tax expense	6,151	415	(259)
Net financial items	6,312	26,097	11,540
Operating profit	**7,000**	**2,762**	**10,258**
Total depreciation, amortization and impairment (1)	49,644	42,931	22,861
Consisting of:			
- Depreciation, amortization and impairment production assets	17,125	17,822	5,539
- Depreciation, amortization and impairment other assets	32,518	25,109	17,321
EBITDA	**56,643**	**45,694**	**33,119**
Special operating items (2)	21,462	7,346	5,901
Consisting of:			
- Juvel operating cost – Other operating income/(cost), net	(1,052)	1,784	4,204
- Legal costs – SG&A	362	836	291
- Transaction related costs – SG&A	-	1,298	1,406
- Epion launch	17,016	3,428	-
- Oslo Børs listing – SG&A	2,155	-	-
- Crew – cost of goods sold	1,462	-	-
- Charter – Cost of goods sold	1,519	-	-
Adjusted EBITDA	**78,106**	**53,032**	**39,020**

(1) For information about the Group's total depreciation, amortization, and impairment, please see note 9, 10 and 11 in the Consolidated Financial Statements, appended hereto as Appendix B.

(2) For a specification of 'Special operating items' see note 2 in the Consolidated Financial Statements, appended hereto as Appendix B.

Table 8 – EBITDA Margin and Adjusted EBITDA Margin	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
EBITDA	56,643	45,687	33,119
Divided by:			
Net sales	288,588	246,170	154,182
EBITDA Margin (%)	**19.6**	**18,6**	**21,5**
Adjusted EBITDA	**78,106**	55,039	39,020
Divided by:			
Net sales	288,588	246,170	154,182
Adjusted EBITDA Margin (%)	**27.1**	**21.5**	**25,3**

Table 9 – Gross Profit Margin (%)	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
Gross profit	109,578	95,279	62,461
Divided by:			
Net sales	288,588	246,170	154,182
Gross Profit Margin (%)	**38.0**	**38.7**	**40.5**

Table 10 – Capex	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
Payments for property, plant and equipment	(21,654)	(126,906)	(40,254)
Payments for intangibles	(2,055)	(10)	(24,258)
Capex	**(23,709)**	**(126,916)**	**(64,512)**

4.3 Third-party information

In this Prospectus, the Group has used industry and market data from independent industry publications and market research as set out in footnotes to Section 7 *"Industry and Market Overview"* and Section 8 *"Business of the Group"* and other publicly available information. While the Group has compiled, extracted and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Group may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position in the future is based on the Group's own assessment and knowledge of the potential market in which it operates.

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Group does not intend, and does not assume any obligations to update industry or market data set forth in the Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 *"Risk factors"* and elsewhere in this Prospectus.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Prospectus; Section 7 *"Industry and market overview"*, Section 9 *"Capitalisation and indebtedness"*, Section 10 *"Selected financial and other information"*, and Section 11 *"Operating and financial review"*, and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, important factors that could cause those differences include:

- The majority of the Group's net sales derive from sales of products containing krill-derived omega-3 fatty acids or proteins, and the Group is heavily dependent on the market acceptance of such products and the long-term price development;
- There are risks related to the health, safety, security, hiring, retention and organization of the Group's crew;
- Although the Group's customer base is diversified, there is some degree of customer concentration;
- The Group is dependent on its harvesting vessels for the supply of krill and the on-board manufacture of krill meal for its products;
- The Group is exposed to risk of increased fuel costs;
- The Group is exposed to risk relating to adverse weather or oceanic conditions or other calamities;
- Krill supply may be exposed to environmental hazard, oil or petroleum products and other pollutants from open seas resulting in mortality and rendering the surviving krill supply unusable to the Group's operations;
- The Group is dependent on access to high-quality krill;
- The Group may not be permitted to continue to operate at sites located close to protected or highly sensitive areas;
- Interruptions in information technology systems could adversely affect the Group's business;

- The Group generally relies on its customers' ability to market and distribute its products;
- The Group has entered into long-term supply contracts with several of its customers;
- The Group may not be able to develop new products that achieve commercial success;
- The Group may see increased competition in the markets in which it operates;
- Dependence on international sales exposes the Group to risks associated with business environment in multiple countries;
- Global economic and social conditions could adversely impact sales of the Group's products, especially premium branded products;
- Any claims relating to improper handling, storage or disposal of hazardous materials used in the Group's business could be costly;
- Contamination of raw materials or products could result in supply interruptions and human exposure to hazardous substances and subject the Group to civil or criminal enforcement actions, private litigation and product recall obligations;
- If the Group fails to manage its growth effectively, then the business could be disrupted;
- The Group's vessels and/or manufacturing plants are at risk of being damaged or lost;
- The Group is subject to political transition risk;
- The Group's harvesting operations are dependent on licenses from the Norwegian government and quotas set by the CCAMLR;
- The Group could incur significant costs in complying with environmental, health and safety laws or permits or as a result of satisfying any liability or obligation imposed under such laws or permits;
- The Group is subject to laws, regulations and standards in several jurisdictions, including export, sanction and other international trade laws, regulations and standards;
- The Group's manufacturing processes for krill oil may not adequately comply with regulatory requirements, or may be subject to delays or hindrances in production;
- Risk of violations of anti-corruption, anti-bribery and anti-kickback laws;
- The Group may be party to various claims, legal proceedings or disputes, including class action lawsuits;
- The Group could be subject to product liability lawsuits, which could result in costly and time-consuming litigation and significant liabilities;
- The Group relies on a variety of intellectual property rights, other proprietary information and trade secrets;
- The Group may be subject to litigation regarding intellectual property rights;
- Changes in patent law could diminish the value of patents, thereby impairing the Group's ability to protect its products;
- The Group may not be able to protect its intellectual property rights throughout the world;
- The Group is exposed to currency exchange rate risk;
- The Group's indebtedness could limit cash flow available for its operations, limit ability to react to changes in the economy or industry;
- Increases in interest rates could increase the amount of debt payments;
- Covenants and clauses in debt agreements and other contracts could limit the Group's flexibility;
- The Group will require a significant amount of cash to service indebtedness;
- The Group is dependent upon lenders for financing to execute its business strategy and meet liquidity needs;
- The Group's ability in the future to obtain additional capital on commercially reasonable terms may be limited;
- The Group is exposed to risk relating to impairment of intangible assets, including impairment of goodwill; and
- Fluctuations in the Group's tax obligations and effective tax rate and realization of the Group's deferred tax assets, including net operating loss and carryforwards, may result in volatility in the Group's operating results.

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 *"Risk Factors"*.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE LISTING

The main reason for the Listing is to facilitate greater liquidity in the Shares attracting new prospective shareholders in order to build a more diversified shareholder base. The Company believes it will have an enhanced profile with investors, business partners and customers through the Listing. In addition, the Company will have enhanced access to the capital markets for financing of potential growth opportunities in the future.

6 DIVIDEND AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal requirements set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (see Section 6.2 *"Legal constraints on the distribution of dividends"*) and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 6.2 *"Legal constraints on the distribution of dividends"*, further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time.

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 16 *"Norwegian Taxation"*.

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.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealised gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount;

- the calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the general meeting of shareholders may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts;

- dividends may also be resolved by the general meeting of shareholders based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the general meeting's resolution; and

- dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Liability Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be made in the currency of the bank account of the relevant shareholder registered with the VPS and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with DNB Bank ASA (address: DNB Bank ASA, DNB Markets Registrars department, Dronning Eufemias gate 30, 0021 Oslo, Norway) as the Company's VPS registrar ("**VPS Registrar**"), and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the exchange rate of the relevant bank on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar.

7 INDUSTRY AND MARKET OVERVIEW

This Section provides an overview of the principal market in which the Group operates. Information concerning future market developments, the markets in general, competition, industry trends and similar information, is based on data compiled by professional analysts, consultants and other professionals. The Managers has provided statistical information and data, and information is sourced from the Managers databases and other professional industry sources.

7.1 Market introduction

Aker BioMarine sells krill-based products to the human supplements industry, aquaculture feed industry, and pet food industry, both as ingredients to brands and directly with products under its own brand. Following the recent launches of INVI, Lysoveta and Aion, Aker BioMarine will, going forward, also be active in the markets for protein ingredients for food and beverages, LPC-bound EPA and DHA as well as plastic recycling.

The Sustainable Development goals (SDGs) set by United Nations all have one thing in common – they are indirectly affected by food security and nutrition. According to the Global Nutrition Report (2020)[1], 1 in 9 people is undernourished and every third person in the world is overweight or obese. A growing population and increasing middle class are changing eating patterns, with a food industry that already accounts for approximately 25% of the global greenhouse gas emissions (Poore and Nemecek, 2018)[2]. Hence, improving health and nutrition for both humans and animals through sustainable innovation in products and supplements containing important nutrients is a key contributor to a healthy and prosperous life for all.

Krill is an abundant source of key nutritional components such as the Omega-3 fatty acids eicosapentaenoic acid ("**EPA**") / docosahexaenoic acid ("**DHA**") and a source of protein. The Group develops, markets and sells krill-based ingredients for three main end-markets, which are the human nutrition market, the pet nutrition market and the aquaculture feed market.

Catch volumes in the Antarctic are restricted by the Precautionary Catch Limits (PLCs) developed by CCAMLR, see figure 1.[3] The catch limits were set at 1% of the krill biomass and is not expected to change, as any change requires an unanimous vote from all the CCAML membership countries. According to the CCAMLR, the Antarctic krill catch was at 377,000 million tonnes ("**MT**") in 2019 (see figure 2).[4] It is expected that post 2020 close to the full quota of 620,000 MT in area 48 will be harvested, depending on the total number of harvesting vessels. This sets the bar very high for any new entry. There is also an area 58 further east that allows for krill harvesting that is not yet explored and has a quota of 892 000 MT. The Group harvested approximately 69% of the global volume in 2019 and 55% in 2020.[5] Unlike the market for e.g. salmon, the trade of krill is not a commodity market which is based on fixed, long-term contracts.

Figure 1 – Catch limits

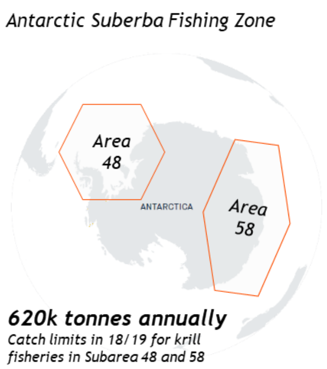
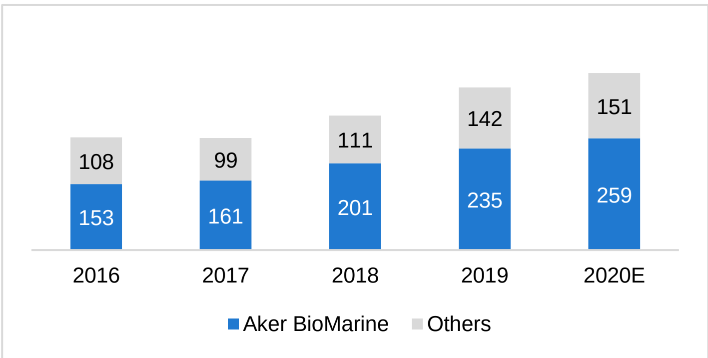


Figure 2 – Krill harvest in Area 48 ('000 MT)



[1] The 2020 Global Nutrition Report, Development Initiatives Poverty Research Ltd, (https://globalnutritionreport.org/reports/2020-global-nutrition-report/)
[2] Reducing food's environmental impacts through producers and consumers, J. Poore and T.Nemecek, 2018
[3] CCAMLR catch limit (https://www.ccamlr.org/en/fisheries/krill)
[4] CCAMLR estimate per 13 September 2019 (https://www.ccamlr.org/en/system/files/e-cc-38_1.pdf, page 12)
[5] CCAMLR: A summary of catches of target species in the Convention Area in 2018/2019 and 2019/2020, Oct 5, 2020

7.2 Market segments

7.2.1 *The human nutrition market*

Aker BioMarine offers krill oil for human consumption through the B2B brand Superba, sold in bulk and capsules to brand owners, and through Kori, a consumer brand launched during the summer of 2020, offering krill oil supplements for humans.

Approximately 70% of the global population is in a state of omega-3 deficiency (Hamilton et al., 2020).[6] Aker BioMarine is in a strong position to address this issue as krill oil is considered a superior source of Omega-3, being twice as efficient as fish oil and containing fatty acids (EPA and DHA) with documented health benefits for the heart, brain and eyes.[7]

The global market of dietary supplements was estimated at USD 65 billion in 2019 (Euromonitor, 2020).[8] The largest markets are the United States and Europe, followed by China and the rest of Asia. The global market for omega-3 fatty EPA/DHA supplements amounted to USD 4.5 billion in 2019.

Figure 3 – Global market for dietary supplements (USD billion)

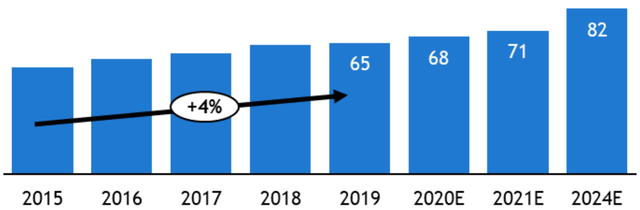
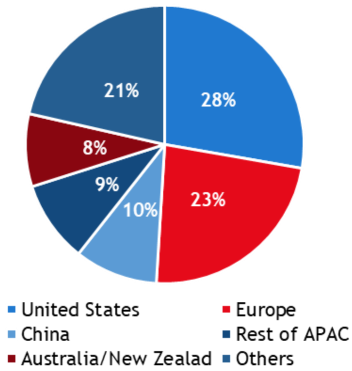


Figure 4 – The EPA/DHA market



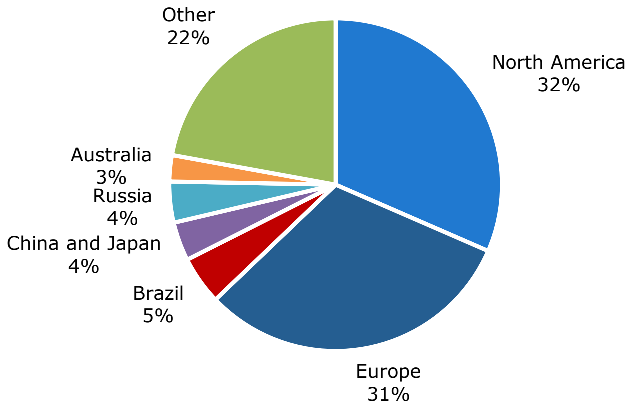
The main growth drivers for the Group's products in the human nutrition market is an increasing interest in the health benefits of krill, the demand for "clean" products, focus on sustainability and alternative protein sources, and expanding ranges by fortification (Euromonitor, 2019).

7.2.2 *The pet nutrition market*

Aker BioMarine produces and markets krill-based ingredients for pet food through QRILL Pet, offering a number of benefits for pets, including healthy organs, joints and fur. The pet nutrition market has experienced steady growth in recent years, with the high value, premium product segment seeing particularly strong growth. In 2019, the global pet food market was valued at USD 92.2 billion, with North America and Europe accounting for USD 29.9 billion and USD 29.2 billion, respectively.[9] Currently, only a small percentage of pet foods are fortified with omega-3 oils (GOED, 2018).[10]

[6] System approach to quantify the global omega-3 fatty acid cycle (p. 59–62), Hamilton et al., Nature, 2020
[7] https://www.nutritionaloutlook.com/view/omega-3-market-2019
[8] Dietary supplements market study, Euromonitor 2020
[9] Food Report 2019 – Pet Food Statista Consumer Market Outlook – Segment Report, April 2019
[10] The Global Organization for EPA and DHA Omega-3s (GOED), 2018

Figure 5 – Global pet food market by country



The Group's strategy is focused on the European and United States dog food market. The US dog food market was valued at approximately USD 23.6 billion in 2019[11]. The premium dry dog food segment was the largest segment in 2019 at almost 50% of the market (Euromonitor, 2019), driven by the trend that pet owners are becoming increasingly focused on quality nutrition, and more specific demands to ingredients.

7.2.3 *The aquaculture feed market*

The aquaculture market has seen growth over the past 20 years in order to meet the protein demand with greater control over production and decease risk, with salmon and shrimp being key demand drivers. As a result, greater demand for aquaculture feed to serve the growing production base of aquaculture. Feed aquaculture production has grown significantly over the last decade, with a production of 56.0 million MT in 2018.[12] This has consequently led to an increasing demand for aquaculture feed, a market the Group is exposed to trough its QRILL™ Aqua products. The global production of aquatic feed was 45 million MT in 2019.[13]

Most of the aquatic feed produced in the world is used for carp (26%), which is the largest group among aquatic species. Other major species incl. salmonids (10%), shrimp (21%) and tilapia (13%).[14] The Group's aquafeeds are used for salmonids, shrimps and marine fish such as sea bass or sea bream.

Figure 6 – The global fed-aquaculture market (mill MT)

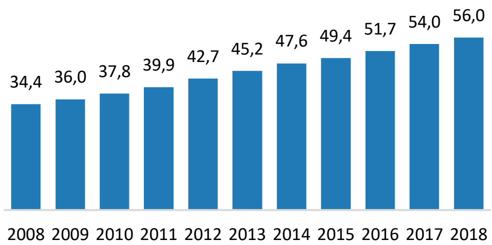
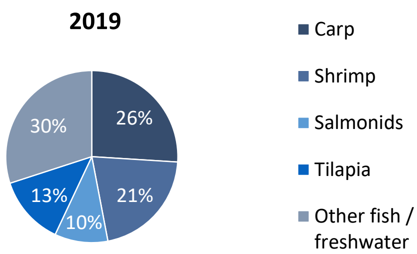


Figure 7 – Global production of aquatic feed



One of the challenges in the aquaculture industry is how to increase productivity, i.e. grow a healthy fish or shrimp at the lowest cost possible. Compared to traditional aquatic feeds such as fishmeal and fish oil, the Group's products have shown to be an excellent source of marine protein for fish and shrimp, leading to increased feed uptake and enhanced growth. In total 325 million extra meals have been produced as a result of using QRILL™ Aqua instead of regular feed for the Group's customers.[15]

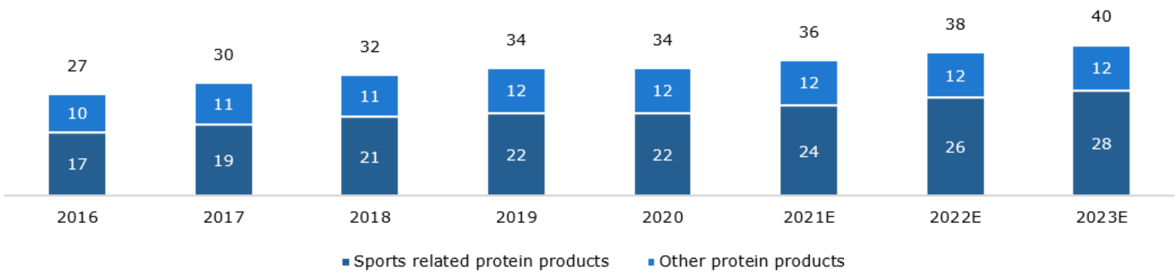
[11] Dog food in the US 2019, Euromonitor, June 2019
[12] IFFO Statistical Yearbook 2018, Fishmeal market
[13] Mowi, Salmon Farming Industry Handbook 2020 (https://mowi.com/investors/resources/)
[14] Mowi, Salmon Farming Industry Handbook 2020 (https://mowi.com/investors/resources/)
[15] Company information

7.2.4 *The market for protein for human consumption*

The Group is about to enter a new market through its' recent launch of INVI, a novel protein for human consumption. INVI is a hydrolyzed protein isolate with a complete amino acid profile and is ideal for incorporation into powder and ready-to-drink beverages in addition to broader food and beverage applications.

The size of the global retail protein market was estimated at USD 34 billion in 2020 and is forecasted to grow to USD 40 billion in 2023, with the market for sports related protein products, where the Company will focus its' efforts, accounting for USD 22 billion in 2020[16]

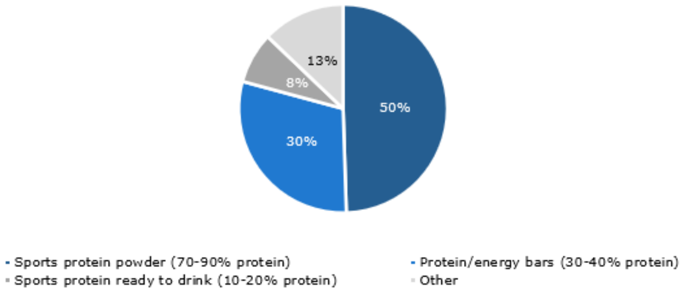
Figure 8 – Global retail protein market size (USD billion)



Source: Euromonitor 2020 - Protein & supplement market data (2020 might include forecasted figures)

Sports protein powder accounts for half of the sports related protein product market, followed by protein/energy bars and ready-to-drink sports protein drinks accounting for 30% and 8%, respectively.

Figure 9 – Global sports protein product market share by category

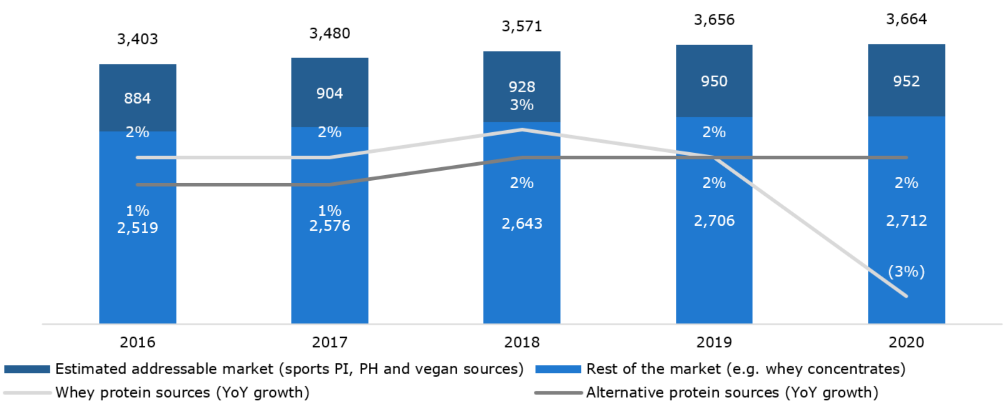


Source: Euromonitor 2020 – Protein market data

The global market for protein ingredients was estimated at 3.7 million MT in 2020, of which the addressable market for INVI was estimated at 950,000 MT.[17] Demand for whey protein sources declined in 2020, as consumer demand is shifting towards alternative protein sources including natural products with "clean" and "free-from" claims such as products without GMO and soy ingredients. While non-diary alternatives like plant-based proteins offers a healthy and sustainable option, these are typically GMO and not complete proteins, positioning krill-based protein ingredients as a strong contender in the growing alternative protein ingredients space.

[16] Euromonitor 2020 – Protein & supplement market data (2020 might include forecasted figures)
[17] Euromonitor 2020 – Protein market data

Figure 10 – Global protein ingredient market ('000 MT)



Note: PI – protein isolate, PH – protein hydrolysate, vegan sources contain a conservative estimate of comparable vegan sources used in in sport products. Source: Euromonitor 2020 – Protein market data

7.2.5 *The market for LPC-bound EPA and DHA*

In November 2020, Aker BioMarine launched the new business segment Lysoveta, a new delivery platform based on LPC bound EPA and DHA from krill, opening new opportunities within the global dietary supplement and pharmaceutical market for brain and eye health. Studies have identified LPC-bound EPA and DHA as a superior delivery platform for EPA and DHA to the brain and eye. However, prior to the launch of Lysoveta, there were no commercially available LPC products in the market (except for costly and small amounts of synthetically produced material for research purposes), positioning Aker BioMarine a front runner to offer commercial volumes.

There is substantial and increasing interest and concern around brain and eye health. With an aging population, brain health will continue to be an area of focus for consumers, pharmaceutical companies and researchers in decades to come. There is also an increased focus on eye health related to people spending more time in front of screens. With degenerative brain disorders and eye diseases on the rise globally, new and innovative treatment options are urgently needed. It is scientifically established that EPA and DHA play a crucial role in supporting the structural integrity and functioning of the cells and organs of the brain and eyes.

The global dietary supplement market for brain health was valued at USD 6.7 billion in 2019 and is expected to grow to USD 10.8 billion in 2025[18]. The dietary supplement market for eye health was valued at USD 1.5 billion in 2019 and is forecasted to reach USD 2.1 billion in 2025[19].

Figure 11 – Global brain health dietary supplement market (USDbn)

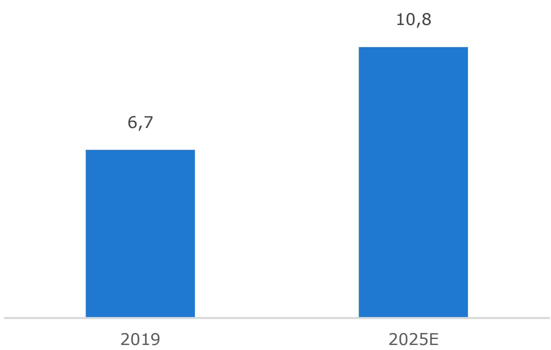
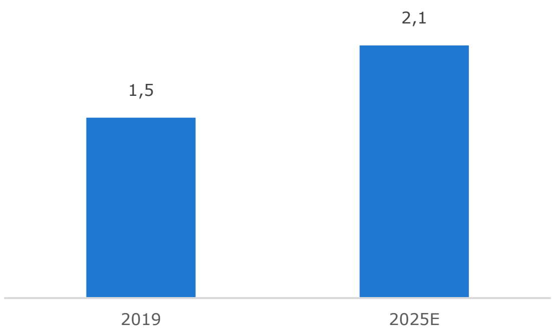


Figure 12 – Global eye health dietary supplement market (USDbn)



In addition to the dietary supplement market, Lysoveta has market potential in the sizeable pharmaceutical industry. The size of the global pharmaceutical brain market was USD 86 billion in 2019 and is expected to grow

[18] Grand View Research - industry analysis brain health supplements
[19] Grand View Research - industry analysis eye health supplements

to USD 131 billion in 2025.[20] The pharmaceutical eye market is estimated to grow from USD 23.5 billion to USD 32.1 billion in the same period.[21]

Figure 13 – Global pharmaceutical brain market (USDbn)

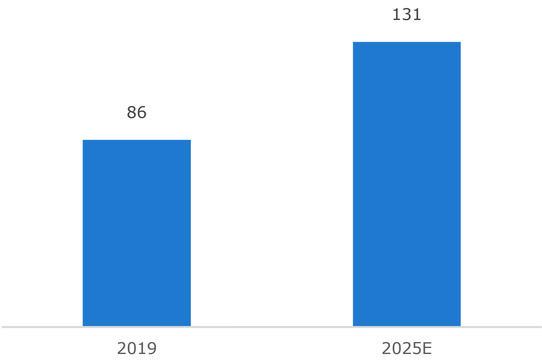
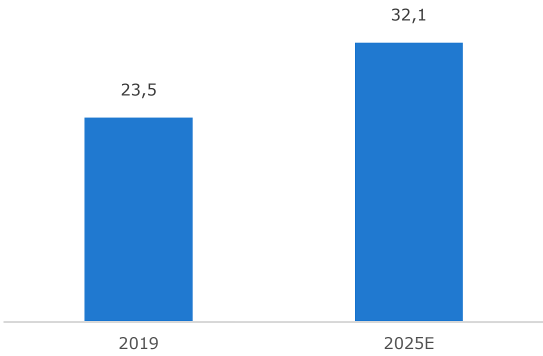


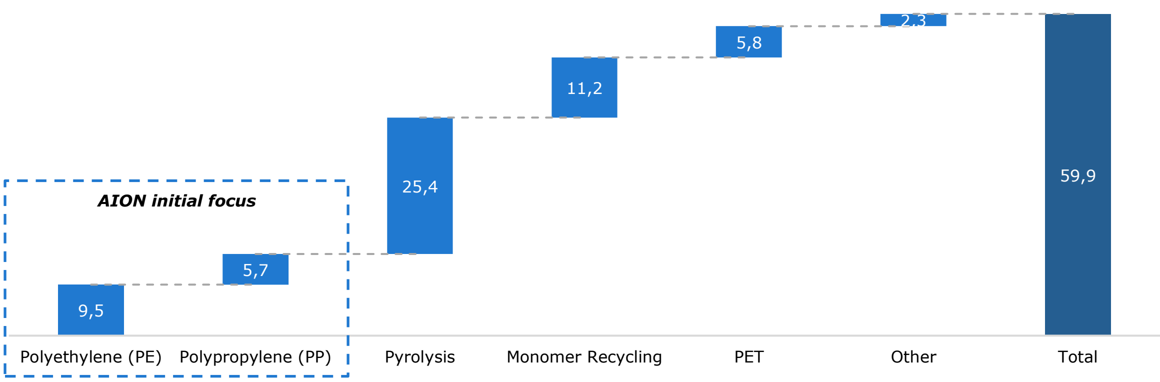
Figure 14 – Global pharmaceutical eye market (USDbn)



7.2.6 *The market for plastic recycling*

In December 2020, Aker BioMarine launched Aion AS ("**Aion**"), a new circular economy company that will offer products and services to companies with a desire to recycle waste and re-use materials. The market for plastic recycling has significant potential, today 260 million tons of plastic waste is generated worldwide each year, with only 16% of plastic packaging waste being recycled.[22] Additional regulatory tightening is expected in terms of plastic recycling – 127 countries have adopted legislation relating to plastic recycling[23] and the EU has set a target of 55% recycling of plastic packaging waste by 2030.[24] During 2021, the technical specifications of the EU Taxonomy objective on circular economy will be defined and the EU has put in place a Circular Plastics Alliance with a target of increasing the EU market for recycled plastic to 10 million MT by 2025. This is likely to create a pull in the market for recycled products. Based on the target of a 55% recycling rate, McKinsey predicts a market potential of USD 60 billion by 2030.[25]

Figure 15 – Market potential for plastic recycling 2030 (USD billion)



Source: McKinsey (2018), How plastics waste recycling could transform the chemical industry

[20] Source: Nature
[21] Evaluate Pharma – World Preview 2020, Outlook to 2026/World Preview 2019, Outlook to 2024
[22] McKinsey (2018), No time to waste: What plastics recycling could offer
[23] World Economic Forum (2020), Plastic, the Circular Economy and Global Trade
[24] European Commission, European strategy for plastics
[25] McKinsey (2018), How plastics waste recycling could transform the chemical industry

7.3 Regulatory environment

7.3.1 *Introduction*

As a result of its organizational structure and the scope of its operations, the Group is subject to a variety of laws and regulations in different countries, including those related to the fishery industry in general and the food production industry in particular. These laws and regulations may be interpreted, implemented or amended in a manner that affects the Group's business negatively as well as positively.

This section sets forth a summary of material laws and regulations relevant to the Group's business operations, as well as information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the Group's operations. A more detailed presentation of the risk factors relating to the regulatory environment is given in Section 2.2 *"Risks related to laws, regulations and compliance"* above.

7.3.2 *Permits and licenses needed for the Group's harvesting operations*

The Group relies on harvesting licenses issued by Norwegian authorities, which together with applicable Norwegian laws and regulations, set out a number of conditions for the harvesting activities. In addition, the Group is dependent on access to the Antarctic krill resource, which is managed by the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR). The Group currently possess four Norwegian fishing licenses, providing vessels with the right to harvest krill by trawl in the CCAMLR area. Three of the Group's four licenses are in use. In order to prevent revocation of the fourth fishing license, which is not in use today, the Group must by the end of 2025 attach this license to a fourth krill vessel owned by the Group, or apply for an extension of the validity period of the license to a date beyond 2025. Under the regulations and rules of the Norwegian authorities, the Group's licenses may be permanently or temporarily revoked, suspended, modified or limited if their conditions are breached or the applicable harvesting quotas or permitted fishing areas change based on the resource availability and other conditions in the Southern Ocean. One of the conditions for maintaining the licenses is that the vessel it is attached to must participate in the krill harvest every season. However, the Norwegian Directorate of Fisheries has practised this rule with some flexibility, where for example the Norwegian krill harvesting company Rimfrost AS has been allowed to maintain its two licenses despite not having owned or operated a krill harvesting vessel since July 2016. Furthermore, the Group may be denied access to the Antarctic krill resource if the Group fail to comply with the regulations applicable to the Antarctic krill fisheries or because of changes in the resource situation.

The fishing vessels the Group operates in the krill fisheries in the Southern Ocean are subject to regulation under the Norwegian Participation in Fisheries Act of 26 March 1999 no. 15 (the "**Participation Act**") and certain regulations issued pursuant to the Participation Act. Pursuant to the Participation Act, in order to retain its right to hold the krill fishing licenses used to operate certain vessels, Aker BioMarine Antarctic AS must be headquartered in Norway, its board of directors must be based in Norway and the majority of its board members, including the chairman, must be Norwegian nationals who are domiciled in Norway and have lived there during the last two years.

The Participation Act and the Group's fishing licenses also impose certain share ownership requirements, including that at least 60% of Aker BioMarine Antarctic AS' share capital and voting rights must be held directly or indirectly by Norwegian nationals and certain Norwegian state and municipal entities. Under the Participation Act, any direct or indirect transfer of shares in Aker BioMarine Antarctic AS requires notification or prior approval from the relevant Norwegian authorities. However, on 8 June 2020 the Norwegian Directorate of Fisheries made a decision that facilitates a listing by making an exception to the obligation to report all changes in the ownership of the Company. According to the decision, it is sufficient to report on changes of ownership once a year limited to shareholding of at least 5%.

If the Group fails to comply with the requirements and conditions in the Participation Act and the Group's fishing licenses, the Group's licenses may be permanently or temporarily revoked, suspended, modified or limited by the Norwegian Directorate of Fisheries, which could have a material adverse effect on the Group.

The Group's krill harvesting operations must also comply with any rules and decisions made by the CCAMLR. The CCAMLR establishes an annual maximum permitted catch, based on, among other things, research into the biomass for a given species and a political process. With respect to krill harvesting in the CCAMLR Convention Area, the "Olympic" model is currently applied, meaning that the maximum permitted catch is not divided between countries or operators, but is open for all eligible operators until it has been fully harvested. A company operating in the CCAMLR area is required to be licensed and have other relevant approvals from a member state. Norway is a member of CCAMLR and the Group's Norwegian licenses provide the Group with the requisite approval to operate in the CCAMLR Convention Area. The Group may lose the Group's licenses and approvals if the Group breach the conditions set by the CCAMLR, or if the Group otherwise fail to comply with applicable laws and regulations.

7.3.3 *Environmental, health and safety laws and permits*

The Group has to comply with extensive environmental, health and safety laws and regulations in several jurisdictions governing the use, storage, registration, handling and disposal of chemicals, waste materials and sewage, air, water and ground contamination, air emissions and the cleanup of contaminated sites. Any past or current failure by the Group to comply with such regulations may result in damages, fines and other civil, administrative or criminal sanctions as well as damage the Group's reputation and customer relationships. Any such developments could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and/or prospects.

7.3.4 *Other laws, regulations and standards*

The processing, manufacturing, formulation, packaging, labeling, advertising and distribution of the Group's products or products containing its ingredients are subject to comprehensive laws, regulations and standards enforced by various regional, national and local regulatory bodies. The Group must comply with comprehensive manufacturing requirements and practices relating to its development of products for the dietary supplements market, including quality-, procedure-, storage- and handling control, training of employees and hygienic standards. Furthermore, the Group must adhere to international trade laws and regulations through its international operations, which may limit or restrict the Group's business or may require the Group and third parties to comply with import, export and/or re-export licensing as well as custom regulations. Failure to comply with laws, regulations and standards may result in civil and criminal penalties, reputational harm, or delay or loss of sales opportunities in certain jurisdictions.

7.3.5 *The regulatory regime for the vessels*

All Group vessels are subject to regulatory requirements of the flag state where the vessels are registered (Norway and Vanuatu). The flag state requirements are international maritime requirements. These include engineering, safety and other requirements related to the maritime industry. In addition, each of Group’s vessels must be “classed” by a classification society. The classification society certifies that the vessel is “in-class,” signifying that such vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the flag state and the international conventions of which the relevant flag state is a member. Maintenance of class certification represents substantial costs, both directly and indirectly through taking a vessel out of service from time to time for survey, repairs or modifications to meet class requirements. The vessels “Antarctic Endurance”, “Saga Sea”, “Antarctic Sea” and “La Manche” all have valid class certificates and nationality certificates. Aker BioMarine Antarctic AS's registered title to each of these vessels is also evidenced by certificates of ownership and encumbrance.

Applicable international maritime regime requirements include, but are not limited to, the International Convention for the Prevention of Pollution from Ships (the “**MARPOL**”), the International Convention on Civil Liability for Oil Pollution Damage of 1969 (the “**CLC**”), the International Convention on Civil Liability for Bunker Oil Pollution Damage of 2001 (ratified in 2008), the International Convention for the Safety of Life at Sea of 1974, the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the “**ISM Code**”). These various conventions regulate emissions and other discharges to the environment, which apply to the Group’s vessels. The Group may incur costs to comply with these regimes and continue to comply with these regimes, including having to address any new requirements in the future. In addition, these conventions (as implemented in applicable law) impose liability for certain discharges, including strict liability in some cases.

The operation of the Group’s vessels is subject to the requirements set forth in IMO’s ISM Code. The ISM Code requires ship owners, ship managers and bareboat charterers to develop and maintain an extensive “Safety Management System” that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation of vessels and describing procedures for dealing with emergencies. In addition, vessel classification societies impose significant safety and other requirements on the Group’s vessels.

The failure of a vessel owner to comply with the ISM Code may subject it to increased liability, may invalidate existing insurance or decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Each vessel owned by the Group achieved ISM certification on delivery. Any failure to comply with the ISM Code could negatively affect the Group's business, financial condition, cash flows and results of operations.

8 BUSINESS OF THE GROUP

8.1 Introduction to Aker BioMarine ASA

Aker BioMarine is a biotech innovator and Antarctic krill-harvesting company and parent of the Group, developing krill-based ingredients for nutraceutical, aquaculture, and animal feed applications. The Company's fully transparent value chain stretches from sustainable krill harvesting in pristine Antarctic waters through its Montevideo logistics hub, Houston production plant, and all the way to customers around the world. The company is dedicated to improving human and planetary health.

8.2 Competitive strengths

Aker BioMarine is a fully integrated company, controlling each step of the value chain. This gives the Company opportunities to quickly adjust and adapt to changes upstream or downstream that will affect the rest of the supply chain. The Company has also invested significant capital into building up its logistical operations, and is currently the undisputed leader in its field; both within krill harvesting operations (60-70% of all krill is harvested by the Company during 2019 and 2020), and within the krill oil production (80% of the total krill oil produced globally during 2019 and 2020). As a result of significant investments over a period of many years, the Company now see the benefits of scale throughout its entire operations. With a relatively high fixed cost base, incremental growth in both offshore and onshore production leads to high operational leverage, and subsequently higher margins across all products.

In addition, the Company has spent significant time and resources building up a strong intellectual property ("**IP**") portfolio covering both product and technology related patents and IP rights. The Company currently has 76 patent families and more than 1,200 patent claims, and coupled with a strong knowledge leadership after decades of dedicated krill research and product development, the Company has a strong presence in the krill space. The people in Aker BioMarine are considered to be one of its most valuable assets. The Company operates in a niche market with very few relevant peers, and is reliant on in-house development of new research, insight and capabilities within the krill and the krill harvesting space.

Finally, the Company has spent the last 15 years developing the market for krill derived products and has a robust and diversified customer base spread across geographies with well-established routes to the global markets including US, Europe, Australia, South America and Asia. The majority of the Group's contracts are long term and rooted in strong customer relationships that have been developed over many years in addition to new customers that have come onboard as the Company has entered new markets, for example the Asian market.

8.3 Strategy and objectives

Aker BioMarine has a strong purpose of improving human and planetary health through its krill solutions. This means that all strategic decisions are made with a clear sustainability mindset as the Group's wants to be part of the solution to solve the climate challenges.

The Group's overall strategy is to develop a variety of products from krill as nutritional supplements for both humans and animals. Increasing sales through accelerated growth within the Group's core business with the Superba krill oil and the Qrill ingredient is a key priority, but continued innovation will further develop the Company's portfolio with products such as the newly launched Lysoveta product for brain and eye health and the INVI Human protein product.

Utilizing its operational scale is another key strategic priority to improve margins. With the significant capital investments done over the past 15 years, the Company is now in a position where it can harvest the benefits of scale through a high fixed cost base coupled with high production capacity both offshore and onshore,

The Group's has also communicated a growth ambition within the Brand segment where the Company moves from B2B sales further down the value chain selling own brands directly to the end customers via the largest U.S. retailers. The launch of Kori in July 2020 was an example of this to the Human supplement market, and additional branded products may follow.

The Group has a broad geographic focus by selling their products globally and has established local marketing and sales organization in the larger markets in both US, South America, Europe, Australia and Asia. The customer base has developed over several years and is largely diversified, but the Company continues to further broaden the customer portfolio to make it as robust as possible.

8.4 History and important events

The table below provides an overview of key events in the history of the Group:

Table 11 - Overview of key events in the history of the Group

Year	Event
2003 - 2006	Eco-Harvesting™ technology to safeguard biodiversity was developed
2006	The first krill vessel, Saga Sea was put into operations
2006 - 2012	The Superba™ krill line was developed
2006 - 2012	Company enters the aquaculture market with QRILL™ Aqua
2012	The Company achieved the Marine Stewardship Council (MSC) certificate, a third party verification that the company adheres to the strongest standards of sustainability in wild-caught fisheries
2012	Aker BioMarine added Antarctic Sea to its fleet
2013	The Company entered the pet market with the QRILL™ Pet product line
2014	Aker BioMarine expanded vertically by entering a joint venture to transform a factory in Houston into a state-of-the-art omega 3 krill oil extraction facility
2017	The Company acquired krill operations from Neptune Technologies & Bioressources Inc.
2017	Flexitech™ krill oil extraction technology installed to bring more innovation to the krill oil market
2017	Named Norway's most innovative company by Innovasjonsmagasinet
2018	Aker BioMarine acquired Enzymotec's krill operations
2018	Named Europe's most innovative company by the European Business Awards
2019	Acquisition of private label production and branding company Lang Pharma Nutrition Inc. (Lang)
2019	The Company took delivery of the world's first purpose built krill factory trawler, the Antarctic Endurance
2020	Epion product Kori launched in the U.S. market
2020	Admission to trading of the Company's Shares on Euronext Growth Oslo (formerly named Merkur Market)
2020	Launch of Lysoveta, a transport molecule for fatty acids to the brain
2020	Purchase of Aion and launch of Circularity as a Service
2021	Human protein product INVI launched
2021	The Company took delivery of a new, purpose built logistic vessel, the Antarctic Provider

8.5 Business operations

8.5.1 *Introduction*

Aker BioMarine is a Norwegian vertically integrated biotech innovator and Antarctic krill-harvesting company with its core business consisting of harvesting, production, sales and marketing of krill-derived products. Aker BioMarine develops and sells nutritional supplements for humans and ingredients for aquaculture and animal feed.

The Group is a world leader within krill harvesting and processing, accounting for approximately 55-70% of global krill harvesting in the Southern Ocean[26] and over 80% of global krill oil production.[27] The Group operates 3 out of 12 krill harvesting vessels globally, and owns a krill oil extraction facility in Houston, Texas. The Group has made significant investments in technology and infrastructure over the last decade.

Aker BioMarine was founded because of a strong belief in the positive health effects of krill, and with a conviction that marine harvesting could be done without any negative effects on the eco-system. Antarctic krill form one of the largest biomasses of any individual animal species, and the harvesting operations in the Southern Ocean are

[26] CCAMLR, A summary of catches of target species in the Convention Area in 2018/2019 and 2019/2020, 5 Oct 2020
[27] Aker BioMarine data

within the bounds of strict quota regulations set out by The Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR).

Aker BioMarine is certified for sustainable fishery, dedicated to contributing to the United Nations Sustainable Development Goals and focused on transparency from ocean to end-customer. With machine learning, technology for fishery management, and efficient operational set-ups, the Group focuses on minimizing industrial impact and CO_2 emissions. Believing in the importance of sharing best-practice and promoting industry responsibility, Aker BioMarine co-founded the Association of Responsible Krill Harvesting Companies (ARK) in 2010. With the recent purchase and launch of Aion (see below in (8.5.2.6), the Group has an ambition to reach full circularity for the Group’s plastic and biomass and to subsequently commercialize circularity as a service by offering this to the market.

8.5.2 *Business description*

The Group operates within two segments; the ingredients segment ("**Ingredients**" or the "**Ingredients segment**") and the brands segment ("**Brands**" or the "**Brands segment**").

8.5.2.1 Ingredients

Within the ingredient segment, the Group produces and distributes a product portfolio consisting of a range of krill-derived products for aquaculture, pet food and human consumption. Krill oil for human consumption is sold under the brand Superba™. The oil is a natural source of essential omega-3s, phospholipids, choline and astaxanthin. The product contributed with 51% of the Ingredients segment net sales in 2020. QRILL™ Aqua and QRILL™ High Protein are the Company’s nutrient rich feed ingredients for aquaculture. The ingredients are known for promoting faster growth in fish and shrimps, as well as to improve health, quality and stress tolerance. In 2020, QRILL™ Aqua accounted for 47% of the Ingredients segment net sales and QRILL™ High Protein for 5% of net sales. QRILL™ Pet is a functional ingredient for pet food and products enriched with QRILL™ Pet provide a natural source of omega-3 fatty acids and offers several health benefits to pets, including healthy organs, joints and fur. The product contributed with 2% of the net sales in the Ingredients segment in 2020.

8.5.2.2 Brands

In addition to ingredient production, the Group owns a private label manufacturer & distributor, Lang Pharma Nutrition Inc. (“**Lang**”) and a brand company, Epion Brands LLC (“**Epion**”). The companies have distinct and separate functions, but operate as an integrated value chain. Lang was acquired by Aker BioMarine in March 2019, and is a full-service, mass market private label and corporate brand manufacturer that specializes in producing innovative healthcare products. Lang Pharma Nutrition Inc. has significant in-house research and development ("**R&D**") capabilities, a global network to track emerging trends and innovations and 146 products across 15 categories for all major U.S. retailers such as Walmart, Target, CVS Pharmacy, Costco and more. Epion Brands LLC was established by the Group to develop own consumer brands of krill-derived ingredients. The first krill oil consumer brand, Kori, was launched during the summer of 2020 and rolled out to the largest U.S. retailers during 2020.

8.5.2.3 Value chain

The Company controls a fully vertically integrated value chain. The value chain is fully transparent and stretches from sustainable krill harvesting in the Southern Ocean through the logistics hub in Montevideo, Houston krill oil extraction plant, and all the way to customers around the world.

Krill harvesting set-up is designed to optimize time to market and minimize by-catch, with three purpose designed and outfitted harvesting vessels, including the state-of-the-art Antarctic Endurance which is a newbuild from 2019, and a harvesting season of up to 10 months. Production of krill ingredient is done immediately after the krill has been brought onboard to ensure optimal product quality. A fully owned support vessel (currently La Manche – the Antarctic Provider is expected to be fully operational early May 2021) also ensures limited interruption of harvesting operations, by picking up and delivering processed krill ingredient products to Montevideo. Independent observers are always stationed onboard the krill vessels during harvesting operation in Antarctic waters.

The distribution hub in Montevideo, Uruguay is the main logistics hub for the Group and where all the Group's offshore production is transported. The krill meal is packed onboard the vessels in large bags (500 kg) or small bags (25 kg) and for Qrill Aqua and Qrill Pet, the product can be shipped directly from Montevideo to the Group's customers globally. The nutra krill meal that will go into krill oil is shipped in big bags to the Group's online facility in Houston where the meal is further processes and refined to krill oil for human consumption. Between 15-20% of all meal produced offshore is shipped to Houston for krill oil production. With significant warehouse capacity and custom-built re-packaging facilities, the hub successfully handles the distribution of large volumes of krill ingredient products. The hub's operation is expected to make the Group one of Uruguay's biggest exporters by tonnage in the coming years.[28]

Aker BioMarine owns a krill oil extraction plant in Houston, Texas. Proprietary technology Flexitech™ enables the Group to produce krill oil of high quality, with higher share of beneficial compounds and no off-putting flavors or odors. All krill oil products are certified 100% sustainable and traceable and produced through a vertically integrated and owned supply chain. The plant is constantly increasing its sustainability efforts, and several of the utilities used during operation are recycled and reused.

In December 2020, the Group acquired Aion, a circularity as a service company ("**CaaS**"), with the aim of reaching full circularity for the Group's plastic and biomass by reducing waste to a minimum. The plan is to reach the goal by eliminating all plastic waste from trawl, meal bags and other plastic waste for the Group during 2021 and utilise the entire biostream from the Krill.

The acquisition of Lang enhanced the Company's expertise in manufacturing and distribution of healthcare products. Lang has significant pharmaceutical production capabilities and long-term strong relationships to approximately 85% of the relevant U.S. retail industry. Lang will further increase the Group's penetration of the U.S. market. With resources committed to R&D and a global network to track emerging ingredients, technology, intellectual property and science, Lang has the ability to quickly introduce new and innovative products to the shelf in cooperation with its' key customers.

Aker BioMarine has taken on the global challenge to raise awareness around the significant health benefits of omega-3s found in krill. The Company has made large investments into R&D and krill studies over the last 15 years. The studies underline the benefits krill can have by reducing the risk of several lifestyle diseases, including heart and brain-related issues, and help increase awareness around krill products in the market. The studies have also resulted in distinct value propositions for the Group's products, highlighting the significant health benefits both for human and animal consumption.

8.5.2.4 Customer contracts

The Company's customer contracts are to a large extent based on fixed prices and predictable volumes. The majority of the contracts are either long-term "take or pay" contracts of 3-5 years or one-year contracts, and the Company therefore largely operates de-coupled from the commoditized spot-priced fishmeal market. This allows for high net sales transparency and low volatility of sales. The Group's customer base is largely diversified, where the largest 20 customers within the Ingredients segment accounted for approximately 60% of net sales for Aker BioMarine in the year ended 31 December 2020, while the Brands segment had access to 85% of the U.S. retail market through Lang and Epion.

8.5.2.5 Business plan

Going forward, the Group will drive net sales growth through clearly visible levers. The Group has recently increased its krill harvesting capacity with the introduction of the vessel Antarctic Endurance in 2019. The new logistic vessel, Antarctic Provider, was delivered on 5 February 2021. This vessel will further increase operational efficiency and utilization of the krill harvesting fleet in addition to reducing the offshore production unit costs. The company expects a margin uplift by switching product mix from aquaculture, to a larger share of other high-margin products such as krill oil for human consumption, pet food and own brands, such as Kori. Further on, the Company has invested significantly in R&D and aims to develop several new product verticals, such as the recently launched Lysoveta for brain and eye health, and INVI, a human protein product to be launched into the large global sports nutrition market. The company seeks to create significant growth from the launch of the Epion brand Kori over the years to come as well as continued strong growth of the Lang business. Lastly, with regards to Aion, the Company aims to spin this new company out as a separate listed company as soon as it is mature enough as this is not part of core business. For further information, also see the company presentation from December 2020 referred to under Section 17.4 *"External documents of interest".*

[28] Aker BioMarine press release, 16 October 2019

8.5.2.6 Recent acquisitions

Acquisition of Aion AS

On 16 December 2020 the Group acquired 100% of the issued shares in Aion AS from Cedrus AS, a private limited liability company owned by an employee of Aker BioMarine, for a consideration of USD 0.3 million. As part of the share purchase agreement, the previous owner is entitled to certain earn-outs if the Group becomes waste free and if Aion AS reaches certain financial targets over a 3-5 years period. The fair value of these earn-outs are set to zero as of 31 December 2020 as the outlook is currently highly uncertain. Aion is a CaaS company, with the aim of reaching full circularity for the Group's plastic and biomass by reducing waste to a minimum. The plan is to reach the goal by eliminating all plastic waste from trawl, meal bags and other plastic waste for the Group during 2021 and utilise the entire biostream from the krill. Once the concept is proven internally, the aim is to sell CaaS to other companies.

Acquisition of Lang Pharma Nutrition, Inc.

On 1 March 2019, the Group (through a holding company in the U.S. named Newride LLC) acquired 100% of the issued shares in Lang, a full service, mass market dietary supplement manufacturer, for a consideration of USD 91.3 million. The contribution consisted of a cash consideration paid on closing, in addition to a contingent consideration. The contingent consideration arrangement requires Aker BioMarine to pay the seller an earn-out calculated each fiscal year using a measurement of company EBITDA as its basis. The contingent consideration period is from 2020 through 2022. The contingent consideration arrangement, amounting to USD 36.4 million at acquisition date, requires the Group to pay the seller an earn-out calculated each fiscal year using a measurement of company EBITDA as its basis. The earn-out period is from 2019 through 2022. As at 31 December 2020, the fair value of the earn-out was estimated to USD 31.7 million and has been entered into the accounts as a liability to be checked annually against Lang's forecast EBITDA.

Acquisition of certain assets and liabilities from Enzymotec Ltd.

The Company entered into an agreement with Enzymotec Ltd. in January 2018, where Aker BioMarine acquired their krill business. The acquisition included certain assets including customer relations, trademark and inventory and certain liabilities. The purchase price was USD 26.4 million.

8.6 Products

Figure 16: Products

Aker BioMarine's core product offering consists of the three products illustrated above:

Superba krill oil is a premium health ingredient for dietary supplements with natural composition of Phospholipid bound Omega-3s (EPA and DHA), Choline and Astaxanthin. Superba Krill oil has many health benefits for heart, brain, liver, eyes, and joint health backed by own research and clinical studies resulting in approved health claims. Superba is sold for human consumption in bulk or capsules through the Company's B2B customers' various brands. The oil is produced in the Group's onshore facility in Houston, Texas where the krill meal from the Group's offshore operations is further processed and purified. Superba krill oil is a high margin product in Aker BioMarine's ingredient portfolio. In 2020, the brand represented 50.7% of the total Ingredients net sales. Superba krill oil is the ingredient that is used in the newly launched consumer brand in the US, Kori Krill Oil, and also provides Lang with krill oil in their manufacturing of private label krill products for the largest U.S. retailers.

Qrill Aqua is whole dried Antarctic krill that are used as a high-quality feed ingredient into aquaculture feeds for fish and shrimp. The whole package of nutrients, including omega-3 phospholipids, choline, protein of high quality, the superior antioxidant, astaxanthin, and minerals are proven to have a positive effect on aquaculture, enhancing growth, fillet quality and health. The krill meal is also a pure source of nutrients, with low levels of contaminants. The Qrill Aqua is produced and packed onboard the vessels and sent directly to customers around the world from the Group's logistic hub in Montevideo, Uruguay. In 2020, the product amounted to 47.2% of the Ingredients net sales.

Qrill Pet is an important ingredient for pet food as omega-3s have demonstrated great health benefits for pets, including fur quality, joint health and reduced levels of inflammation. The nutritional advantage of Antarctic krill is the superior bioavailability of its omega-3s. The omega-3s in Qrill Pet are mostly bound to phospholipids, which differentiates them from some traditional omega-3 sources. Known as the foundation of all cells, phospholipids are more effectively incorporated into tissues and cells The Qrill Pet is produced and packed onboard the vessels and sent directly to customers, mainly in US and Europe, from the Group's logistic hub in Montevideo, Uruguay. In 2020, the product amounted to 2.1% of the Ingredients net sales.

New product launches

Aker BioMarine invests significantly into the R&D space and is constantly working to develop more advanced or new products and derived from krill. Recently the Company has launched two new such products with significant growth potential:

Lysoveta LPC is a transport molecule that targetly delivers fatty acids to the brain, by transporting them across the blood-brain barrier and to other vital organs such as the liver and the retina. It is proven that this molecule is an effective transporter of DHA and EPA to the brain with much higher uptakes than non-LPC bound DHA. The Lysoveta product will target the large brain and eye health markets, and the Company has already secured valuable partnerships. In order to strengthen the intellectual property platform for the Group's LPC project, Aker BioMarine has obtained exclusive license to the IPR based on research carried out by the University of Illinois at Chicago within this space. Furthermore, Aker BioMarine has entered into a collaboration agreement with serial biotech entrepreneur Dr. Michael Davidson and his wholly owned company Medical Food Solutions Research, to develop pharmaceutical therapies for brain and eye health based on LPC bound EPA/DHA. The plan is leverage Dr. Davidson's experience and expertise to fund a company aiming to develop pharmaceutical therapies, with Aker BioMarine both as a supplier to and a co-owner of the venture company. The Group furthermore aims to enter into additional partnerships with universities and research scientists to further develop this product into various applications. The Company's ambition is to have the first commercial product approved for the supplement market in US early 2023. The production process of Lysoveta, with krill oil as a starting point, is quite unique as the krill phospholipids molecule has a close similarity to the LPC molecule. Hence this allows for a very cost-efficient process, unlike other existing methods of producing LPC.

INVI Human Protein is a novel complete natural protein ingredient derived from krill meal as 60% of the krill is protein. INVI is a B2B brand promoting a protein ingredient with broad application potential for human consumption. The krill protein is hydrolyzed and has exceptional quality having an ideal amino acid profile, being highly digestible, soluble and mixable, and rich in minerals such as magnesium and calcium. In addition, the protein ingredient is non-GMO (genetically modified organism) and free from dairy and soy. The Company plans to target the substantial sport segment as a natural first step. The Group is in the process of setting up a plant in Ski, Norway to further develop the product and evaluate the market. This plant will start producing commercial product late 2022/early 2023. The plan is to expand production capacity into a full commercial plant of 5,000 MT protein per year.

8.7 Material contracts

Neither the Company nor any other member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as of the date of this Prospectus.

8.8 Legal and regulatory proceedings

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 2020, 2019 or 2018. Since 2008, the Company has been involved in discussions with the tax authorities concerning deductibility of losses on receivables. The Norwegian Tax authorities concluded that losses of NOK 296 million was not deductible. The Company has appealed the decision to the Norwegian Tax Appeal Board (Nw.: "*Skatteklagenemnda*") and are currently waiting for their conclusion. The Group does not see any additional tax exposure if the conclusion from the Norwegian Tax Appeal Board in disfavor of the Company.

Other than above, the Group is not, nor has been, during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened.

8.9 Dependency on patents, licenses etc.

8.9.1 *Krill harvesting regulations*

The available harvest volume of Antarctic krill in Area 48 is determined by CCAMLR and has been on the same level for the past years. Any changes to his harvest volume require a unanimous vote, hence the Company doesn't expect this volume to change. The Group must adhere to the restrictions and regulations in the harvest area, and there are numerous guidelines in which the Group must comply to be able to harvest the krill. As of the date of this Prospectus, all relevant approvals have been obtained for the relevant area. The Group currently has three vessels that are approved for harvesting by CCAMLR. For more information about permits and licenses needed for the Group's harvesting operations, see Section 7.3.2 *"Permits and licenses needed for the Group's harvesting operations"*.

8.9.2 *Intellectual property rights*

The Group is fully committed to the research and development behind krill oil products and patenting innovations allows the Group to continue investing in research and development for years to come. The Group has been granted the patents in its main markets.

The Group's existing business is, however, not dependent on any specific patents, licenses or other intellectual property rights.

The Group has by far the largest portfolio of IP within the krill industry, with 15 years+ history of targeted research and innovation with IP and R&D in the marine phospholipid space from the Group's predecessor Natural ASA. Currently, the Group holds 76 patent families and more than 1,200 enforceable patent claims. While the phospholipid space has been the target for a lot of the IP work initially, the Group has newly implemented an improved system to identify and capture new innovative activity and technology development within the Group and revealed great potential for portfolio expansion. The Group has a strategy of being at the forefront within research and development, technology development and capturing IP across all processes. The Group has also successfully defended and enforced its patents in several jurisdictions and has taken an active role in cleaning up the krill IP space by opposing competitor patents. See https://www.akerbiomarine.com/patents for full overview of approved patents.

In addition to patenting, the Group has a broad portfolio of trademarks globally securing exclusive rights of use of its most important trademarks. SUPERBA® and QRILL® brands are protected both as word marks and various logo varieties. Supplemental brands such as Flexitech® and Eco-Harvesting® are also protected and available for licensing to its partners. The Group has also recently invested in broad and early protection of new brands, e.g. KORI®; QrillPaws®, Lysoveta™ and INVI™.

8.10 Sustainability assessments

8.10.1 *Sustainability as a strategy*

Aker BioMarine has a clear mission to improve human and planetary health. Sustainability is at the core of all actions taken and decisions made. The Company was among the first to select the most relevant UN Sustainability

Development Goals (SDGs) and build its strategy around them. The Company currently focuses on four of the SDGs:

- No 3: Good health and well-being; through dedication to improving human health
- No 14: Life below water; through pioneering sustainable fisheries
- No 2: Zero hunger; through making ingredients for a more sustainable aquaculture
- No 12: Responsible consumption and production; through doing more and better with less

The Company is about to implement an ESG framework with ambitious and concrete KPIs for 2030, dedicated to being part of the solution to solve the climate challenge.

8.10.2 *Sustainable Fisheries Partnership*

The Antarctic krill fishery has for the sixth year in a row received the highest score, an "A" rating from Sustainable Fisheries Partnership for having a biomass that is deemed to be in very good condition. The Antarctic krill fishery is the only reduction fishery to receive such "A" rating. For more information, please see the Sustainable Fisheries Partnership's website.[29]

8.10.3 *Marine Stewardship Council (MSC)*

The Group was the first krill fishery to receive the Marine Stewardship Council ("**MSC**") certification in 2010, and received a re-certification in 2015 for another five years.[30] The Company's harvesting practice was again end of 2020 rated with a state of art rating both on sustainability of the stock, limited ecosystem impact and effective management. This gives the Group the right to claim that it is a "Well Managed and Sustainable Fishery" in accordance with the MSC's Principles and Criteria for Sustainable Fishing.

8.10.4 *Friends of the Sea*

Aker BioMarine Antarctic AS is certified by Friends of the Sea.[31]

Friends of the Sea is a non-governmental organization established in 2008, whose aim is to safeguard the marine environment and its resources incentivizing a sustainable market and implementing specific conservation projects. Friends of the Sea certification program allows assessment of fisheries and aquaculture products according to sustainability criteria and requirements. The certification, granted by Independent Certification Bodies following an audit, ensures that a product complies with the sustainability requirements.

8.10.5 *Cicero Shades of Green AS – Second Opinion June 2020*

Figure 17 – Shades of Green by annual net sales

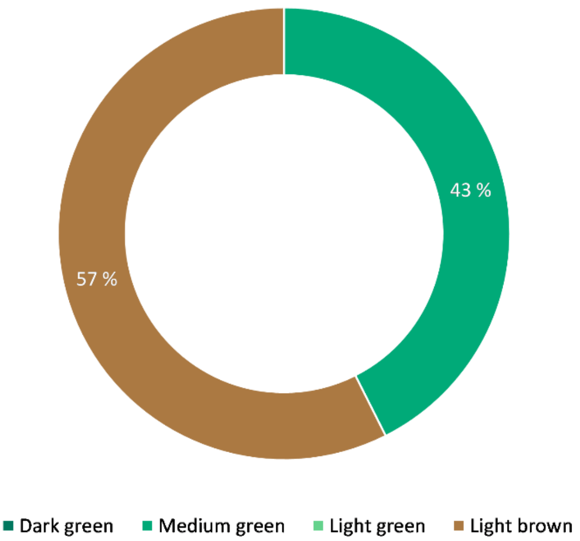
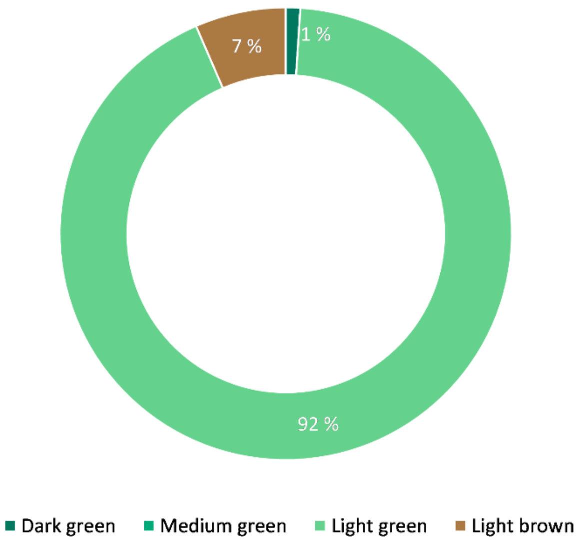


Figure 18 – Shades of green by annual investment 2019



As part of the Euronext Growth process in June, Aker BioMarine completed a Cicero Shades of Green ("**Cicero**") assessment. Cicero provides independent, research-based evaluation of investment frameworks to determine

[29] Sustainable Fisheries Partnership's website: https://www.sustainablefish.org/News/SFP-releases-2019-reduction-fisheries-report
[30] MSC certification: https://fisheries.msc.org/en/fisheries/aker-biomarine-antarctic-krill/@@view (extracted on 24 June 2020)
[31] Friends of the Sea: https://friendofthesea.org/company/aker-biomarine-antarctic-as/ (extracted on 24 June 2020)

companies' environmental robustness. Cicero's Second Opinions are graded dark green, medium green and light green to offer investors better insight into the environmental aspects of an investment. Furthermore, Cicero concluded that in 2019, 43% of the Group's net sales resulted from products sold to aquaculture and are considered medium green while 57 % of the Group's activities are related to sales that are light brown. Krill meal's ability to replace deforestation-causing soy in aquaculture feed is the main reason for awarding this net sales segment medium green. On the investment side, the high sustainability standard the Company adheres to for its harvesting operations in the Southern Ocean and the strategy to improve the efficiency of its transportation and harvesting vessels were factored in the assessment, and rated 92% of the Group's investments in 2019 light green. Cicero also includes a governance score to show the robustness of the governance structure. Cicero's assessment is also intended to provide investors and lenders with information on possible alignment to the EU Taxonomy as well as the companies' environmental governance structure, including an assessment of how companies respond to the Task Force on Climate-Related Financial Disclosures recommendations on climate-related risk disclosure.

Further reference is made to the Cicero Second Opinion available at the Company's website.[32]

8.10.6 *The EU Taxonomy*

On 18 June 2020, the European Parliament adopted the Taxonomy Regulation (Regulation (EU) 2020/852), which is the main legal instrument in the EU Sustainable Finance plan. The Taxonomy Regulation identifies six environmental objectives: (a) climate change mitigation; (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control; and (f) the protection and restoration of biodiversity and ecosystems. In order to be classified as environmentally sustainable, an economic activity must (i) substantially contribute to at least one of the six objectives, (ii) do no significant harm to any of the other objectives, and (iii) meet certain minimum safeguards as to social and governance matters. Further, the activities must comply with technical screening criteria established by the European Commission.

The European Commission is to adopt delegated acts with technical screening criteria. Draft delegated acts relevant to the two first environmental objectives (climate change mitigation and climate change adaptation) were issued by the EU Commission in November 2020. The adaptation of final delegated acts is postponed following an abundancy of hearing comments however the final acts are likely to be passed within first half 2021. Delegated acts with technical screening criteria relevant to the other four objectives (water resources protection, contributions to a circular economy, pollution prevention and promotion of bio-diversity) are scheduled to be introduced in 2021, with effect from 2023. In 2022 economical activities meeting one these four objectives may possibly qualify on a "narrative basis" if there are no technical screening criteria.

The Taxonomy will come into force from 2022.

The draft delegated acts from the Commission does not currently cover fishing activities. However, it is expected that this will be covered in the draft technical screening criteria relating to the four remaining environmental objectives, to be published during the summer 2021. The European Commission has established a Platform on Sustainable Finance to inter alia advice on criteria for other activities to be included in the EU Taxonomy. Unless there are technical screening criteria relevant to the Group's activities by end of 2021, the Group's current activities will most likely not qualify as sustainable activities under the EU Taxonomy with effect from 2022. There can be no guarantee given as to what extent the Commission will issue technical screening criteria relevant to the Group's activities, and to what extent the Group will be in position to meet any such criteria (and at which cost and/or potential loss of profit).

[32] Company website: www.akerbiomarine.no

9 CAPITALISATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below has been extracted from the Group's Consolidated Financial Statements, and should be read in conjunction with the other parts of the Prospectus, in particular Section 10 *"Selected Financial Information and Other Information"* and Section 11 "Operating and Financial Review".

This Section 9 *"Capitalisation and indebtedness"* provides information about the Group's audited consolidated capitalisation and net financial indebtedness on an actual basis as at 31 December 2020 and, in the "Adjustment amount" column, the estimated impact to the Group's consolidated capitalisation and net financial indebtedness of the additional draw down on the Group's financing arrangements of USD 60,000 thousand relating to the final instalment with delivery of the new logistic vessel, Antarctic Provider, on 5 February 2021 of USD 50,500 thousand. The remaining amount of USD 8,077 thousand after the payment of capitalized transaction costs of USD 1,423 thousand is held as cash for general corporate purposes.

Other than as set forth above, there has been no material change to the Group's consolidated capitalisation and net financial indebtedness since 31 December 2020.

9.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as at 31 December 2020:

Table 12 - Capitalisation

(In USD thousands)	**As at 31 December 2020**	**Adjustment amount**	**As adjusted as of the date of the Prospectus**
Total current debt:			
Guaranteed			
Secured (1)	32,222		32,222
Unguaranteed and unsecured (2)	38,721		38,721
Total current debt:	**70,943**		**70,943**
Total non-current debt:			
Guaranteed			
Secured (3)	210,578	58,577 (6)	269,155
Unguaranteed and unsecured (4)	45,742		45,742
Total non-current debt:	**256,319**		**314,896**
Total indebtedness	**327,262**	**58,577**	**385,839**
Shareholders' equity(5)			
Share capital (6)	75,853		75,853
Additional paid-in capital (7)	493,555		493,555
Retained earnings	(196,380)		(196,380)
Translation differences	143		143
Total shareholders' equity	**373,170**		**373,170**
Total capitalisation	**700,432**	**58,577**	**759,009**

(1) Current secured debt of USD 32,222 thousand consists wholly of the financial statement line item interest-bearing current liabilities and consists of the current portion of secured loans of USD 12,010 thousand, the current portion of leasing liabilities of USD 7,539 thousand and overdraft facilities of USD 12,673 thousand. For breakdown by individual debt faciltiiy see table under. For extended details on secured debt see Section 11.6.7 *"Financing Arrangements"*.

Table 13 - Breakdown of secured interest-bearing debt by individual facility

(In USD thousands)	Total	Non-current	Current	Secured	Interest Bearing	Financial statement line item
Debt description:						
Secured bank loan - CAT	1,397	-	1,397	Secured*[(a),(b)]	Int. Bearing	Interest-bearing current liabilities
Secured bank loan - RCF-DNB/RABO	54,616	54,616	-	Secured*[(c)]	Int. Bearing	Interest-bearing debt
Secured bank loan - RCF + TL NewRide - DNB/ RABO	45,000	45,000	-	Secured*[(c)]	Int. Bearing	Interest-bearing debt
Secured bank loan - RCF + TL NewRide - DNB/ RABO	7,919	7,919	-	Secured*[(c)]	Int. Bearing	Interest-bearing debt
Secured bank loan - DNB/GIEK/NEK	95,995	95,475	520	Secured*[(a),(b)]	Int. Bearing	Interest-bearing debt / Interest-bearing current liabilities
Secured loan from Innovation Norway - 1	3,161	-	3,161	Secured*[(a),(b)]	Int. Bearing	Interest-bearing current liabilities
Secured loan from Innovation Norway - 2	6,406	-	6,406	Secured*[(a),(b)]	Int. Bearing	Interest-bearing current liabilities
Secured loan from Innovation Norway - 3	527	-	527	Secured*[(a),(b)]	Int. Bearing	Interest-bearing current liabilities
Antarctic Harvesting Holding AS	1,334	1,334	-	Secured*[(a),(b)]	Int. Bearing	Interest-bearing debt
Overdraft facility with DNB	4,910	-	4,910	Secured*	Int. Bearing	Interest-bearing current liabilities
Overdraft facility with DNB/RABO	7,763	-	7,763	Secured*	Int. Bearing	Interest-bearing current liabilities
Leasing financing	13,772	6,234	7,539	Secured against underlying leased asset	Int. Bearing	Interest-bearing debt / Interest-bearing current debt
Total interest-bearing debt:	**242,799**	**210,578**	**32,222**			
Total secured:	**242,799**	**210,578**	**32,222**			
**Total secured by mortgaged assets below (excludes leasing financing):*	229,027	204,344	24,684			
a) Ships/Rigs	136,384					
b) Machines	68,627					
c) Shares	358,741					
Total book value of pledged assets:	563,752					

**For details on pledged assets as they apply to individual facilities see Section 11.6.7. "Financing Arrangments".*

(2) Current unguaranteed and unsecured debt of USD 38,721 thousand consists wholly of the financial statement line item accounts payable and other payables.

(3) Non-current secured debt of USD 210,578 thousand consists wholly of the non-current financial stateement line item interest-bearing debt whereof USD 203,010 thousand are secured bank loans, USD 1,334 thousand is the non-current loan from Antarctic Harvesting Holding AS and USD 6,234 thousand are non-current leasing liabilities. For a breakdown by individual debt facility see table above in footnote 1. For extended details on secured debt see Section 11.6.7 *"Financing Arrangements".*

(4) Non-current unguaranteed and unsecured debt of USD 45,742 thousand consists of the financial statement line items other non-interest-bearing non-current liabilities of USD 31,929 thousand, derivative liabilities, non-current of USD 8,996 thousand and deferred tax liability of USD 4,817 thousand.

(5) Total shareholders' equity of USD 373,170 thousand consists of USD 75,853 thousand in share capital, USD 493,555 thousand in additional paid-in capital in the form of share premium, USD (196,380) thousand in retained earnings and USD 143 thousand in translation reserves from the financial statement line item translation differences and other reserves.

(6) The additional drawdown of USD 60,000 thousand on the Guarantee under USD 60 million term loan facilities (see Section 11.6.7 *"Financing Arrangements"*) to pay the final installment on the logistics vessel Antarctic Provider on 5 February 2021 of USD 50,500 thousand and related capitalized transaction costs of USD 1,423 thousand. The remaining USD 8,077 thousand is held as cash for general corporate purposes. The loan is secured by accounts receivables, inventory, the logistics vessel Antarctic Provider and the vessel Antarctic Endurance.

9.3 Net financial indebtedness

The following table set forth information about the Group's consolidated net financial indebtedness as at 31 December 2020:

Table 14 – Net financial indebtedness

(In NOK thousands)	As at 31 December 2020	Adjustment amount	As adjusted as date of the Prospectus
(A) Cash	10,678	8,077[4]	18,755
(B) Cash equivalents			
(C) Trading securities			
(D) Liquidity (A)+(B)+(C)	**10,678**	**9,500**	**18,755**
(E) Current financial receivables			
(F) Current bank debt			
(G) Current portion of non-current debt [1]	32,222		32,222
(H) Other current financial debt [2]			
(I) Current financial debt (F)+(G)+(H)	**32,222**		**32,222**
(J) Net current financial indebtedness (I)-(E)-(D)	**21,544**	**1,423**	**13,467**
(K) Non-current bank loans	210,578	58,577[4]	269,155
(L) Bonds issued			
(M) Other non-current loans [3]			
(N) Non-current financial indebtedness (K)+(L)+(M)	**210,578**	**58,577**	**269,155**
(O) Net financial indebtedness (J)+(N)	**232,121**	**60,000**	**282,621**

[1] Cash consists of the financial statement line item cash and cash equivalents of USD 10,678 thousand.
[2] Current portion of non-current debt of USD 32,222 thousand consists solely of the financial statement line item interest-bearing current liabilities. For breakdown by individual debt facility see table below. For extended details on secured debt see Section 11.6.7 *"Financing Arrangements".*

Table 15 - Breakdown of interest-bearing debt by individual facility

(In USD thousands)	Total	Non-current	Current	Secured	Interest Bearing	Financial statement line item
Debt description:						
Secured bank loan - CAT	1,397	-	1,397	Secured*(a),(b)	Int. Bearing	Interest-bearing current liabilities
Secured bank loan - RCF-DNB/RABO	54,616	54,616	-	Secured*(c)	Int. Bearing	Interest-bearing debt
Secured bank loan - RCF + TL NewRide - DNB/ RABO	45,000	45,000	-	Secured*(c)	Int. Bearing	Interest-bearing debt
Secured bank loan - RCF + TL NewRide - DNB/ RABO	7,919	7,919	-	Secured*(c)	Int. Bearing	Interest-bearing debt
Secured bank loan - DNB/GIEK/NEK	95,995	95,475	520	Secured*(a),(b)	Int. Bearing	Interest-bearing debt / Interest-bearing current liabilities
Secured loan from Innovation Norway - 1	3,161	-	3,161	Secured*(a),(b)	Int. Bearing	Interest-bearing current liabilities
Secured loan from Innovation Norway - 2	6,406	-	6,406	Secured*(a),(b)	Int. Bearing	Interest-bearing current liabilities
Secured loan from Innovation Norway - 3	527	-	527	Secured*(a),(b)	Int. Bearing	Interest-bearing current liabilities
Antarctic Harvesting Holding AS	1,334	1,334	-	Secured*(a),(b)	Int. Bearing	Interest-bearing debt
Overdraft facility with DNB	4,910	-	4,910	Secured*	Int. Bearing	Interest-bearing current liabilities
Overdraft facility with DNB/RABO	7,763	-	7,763	Secured*	Int. Bearing	Interest-bearing current liabilities
Leasing financing	13,772	6,234	7,539	Secured against underlying leased asset	Int. Bearing	Interest-bearing debt / Interest-bearing current debt
Total interest-bearing debt:	**242,799**	**210,578**	**32,222**			
Total secured:	242,799	210,578	32,222			

**For details on secured facilities see footnote 1 in Section 9.2 Capitalisation above and Section 11.6.7. "Financing Arrangments".*

(3) Non-current bank loans of USD 210,578 thousand consists solely of the financial statement line item interest bearing debt. For breakdown by individual debt facility see table above in footnote 2. For extended details on secured debt see Section 11.6.7 *"Financing Arrangements"*.
(4) The additional drawdown of USD 60,000 thousand on the Guarantee under USD 60 million term loan facilities (see Section 11.6.7 *"Financing Arrangements"*) to pay the final installment on the logistics vessel Antarctic Provider on 5 February 2021 of USD 50,500 thousand and related capitalized transaction costs of USD 1,423 thousand. The remaining USD 8,077 thousand is held as cash for general corporate purposes. The loan is secured by accounts receivables, inventory, the logistics vessel Antarctic Provider and the vessel Antarctic Endurance.

9.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

The Group does not have any material contingent or indirect indebtedness as of the date of the Prospectus beyond that described in the tables above.

10 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following selected financial information has been derived from the Annual Financial Statements for the financial years ended 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS). The Annual Financial Statements have been audited by KPMG. The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Consolidated Financial Statements attached as Appendix B this Prospectus.

10.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see note 1 of the Company's Consolidated Financial Statements, attached hereto as Appendix B.

10.3 Condensed consolidated statement of profit and loss

The tables below set out selected data extracted from the Group's audited consolidated statement of profit or loss for the years ended 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS).

Table 8 - Consolidated statement of profit or loss	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
Net sales	288,588	246,170	154,182
Cost of goods sold	(179,010)	(150,891)	(89,927)
Gross profit	**109,578**	**95,279**	**64,255**
Selling general and administrative expense	(86,847)	(73,812)	(45,405)
Depreciation, amortization and impairment (non-production assets)	(17,125)	(17,822)	(5,539)
Other operating income	2,348	900	1,152
Other operating cost	(954)	(1,784)	(4,204)
Operating profit	**7,000**	**2,762**	**10,259**
Financial income	16,794	1,604	257
Financial expenses	(22,827)	(26,626)	(14,393)
Net foreign exchange gain/(loss)	(279)	(1,075)	2,596
Tax expense	(6,151)	(415)	259
Net profit (loss)	**(5,463)**	**(23,750)**	**(1,022)**

10.4 Condensed consolidated statement of comprehensive income

The tables below set out selected data extracted from the Group's audited consolidated statement of comprehensive income for the years ended 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS).

Table 9 - Condensed consolidated statement of comprehensive income	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
Net profit (loss)	(5,463)	(23,750)	(1,022)
Other comprehensive income (loss)			
Defined benefit plan income gains (losses)	(79)	(111)	119
Total items that will not be reclassified to profit and loss	**(79)**	**(111)**	**119**
Translation differences	(11)	-	(14)
Change in fair value cash flow hedges	-	-	(4,625)
Total items that will be reclassified to profit or loss	**(11)**	**-**	**(4,625)**
Total other comprehensive income (loss)	**(90)**	**(111)**	**(4,520)**
Total comprehensive income (loss)	**(5,553)**	**(23,862)**	**(5,542)**

10.5 Statement of financial position

The table below sets out selected data extracted from the Group's audited consolidated statements of financial position as at 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS). The development in the balance sheet is commented further in Section 11 *"Operating and financial review"*.

Table 16 – The Group's consolidated balance sheet	**As at 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
ASSETS			
Property, plant and equipment	266,556	302,366	232,383
Right-of-use assets	13,145	16,555	-
Intangible assets and goodwill	180,552	190,297	114,158
Contract Cost	9,167	-	-
Derivative Assets, non-current	7,743	-	-
Other non-interest bearing non-current receivables	18	145	2,026
Investments in equity-accounted investee	130	261	240
Total non-current assets	**477,311**	**509,624**	**348,806**
Inventories	114,559	94,725	43,704
Trade receivable and prepaid expenses	97,885	74,264	35,223
Cash and cash equivalents	10,678	13,610	2,515
Total current assets	**223,121**	**182,599**	**81,442**
Total assets	**700,432**	**692,223**	**430,248**
LIABILITIES AND OWNERS' EQUITY			
Share capital	75,853	68,003	68,003
Other paid-in equity	493,555	277,227	277,227
Total paid-in equity	**569,408**	**345,230**	**345,230**
Translation differences and other reserves	143	154	154
Retained earnings	(196,380)	(190,838)	(166,570)
Total equity	**373,170**	**154,547**	**178,814**
Interest-bearing debt	210,578	372,473	179,424
Derivative liabilities, non-current	8,996	-	-
Deferred tax liability	4,817	-	-
Other non-interest-bearing non-current liabilities	31,929	65,618	17,657
Total non-current liabilities	**256,319**	**438,091**	**197,081**
Interest-bearing current liabilities	32,222	47,591	25,944
Derivative liabilities, current	-	-	1,472
Accounts payable and other payables	38,721	51,994	26,937
Total current liabilities	**70,943**	**99,585**	**54,353**
Total liabilities	**327,262**	**537,676**	**251,435**
Total equity and liabilities	**700,432**	**692,223**	**430,248**

10.6 Statement of cash flow

The table below sets out selected data extracted from the Group's audited consolidated cash flow statement for the years ended 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS).

Table 17 – Cash flow statement	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
Net profit (loss) after tax	(5,463)	(23,750)	(1,022)
Tax expenses	6,151	415	(259)
Net interest and guarantee expenses	17,861	21,699	12,101
Interest paid	(30,749)	(16,520)	(10,523)
Interest received	871	1,084	161
Taxes paid	(2,332)	920	87
Impairment charges	43	6,155	-
Depreciation and amortization	48,248	36,947	22,861
Other P&L items with no cash effect	(6,547)	-	-
Foreign exchange loss (gain)	314	790	(2,401)
Change in non-current interest free asset and liabilities	(29,459)	6,841	1,874
Change in inventory	(20,545)	(19,336)	(7,506)
Change in accounts receivable, other current receivables, inventories, accounts payable and other current liabilities	(29,435)	(2,937)	(7,479)
Net cash flow from operating activities	**(51,043)**	**12,307**	**7,894**
Payment for property, plant and equipment	(21,654)	(126,906)	(40,254)
Payments for intangibles	(2,055)	(10)	(24,258)
Proceeds from sales of property, plant and equipment	22,012	255	6
Investments in subsidiary and associated companies	(356)	(49,284)	(36)
Net cash flow from investment activities	**(2,053)**	**(175,946)**	**(64,542)**
Change in overdraft facility	(16,462)	(4,353)	(866)
New long-term debt, external	10,000	-	-
Instalments long-term debt, external	(93,757)	142,587	(4,687)
Loan from owners	23,000	36,500	62,000
Payments to owners	(96,795)	-	-
Net repayment and issue of interest-bearing debt	**(174,014)**	**174,735**	**56,447**
Capital increase	224,178	-	-
Net cash flow from financing activities	**50,163**	**174,735**	**56,447**
Net change in cash and cash equivalents	**(2,933)**	**11,096**	**(201)**
Effect of changes in foreign exchange rates on cash and cash equivalents	-	-	-
Cash and cash equivalents as of 1 January	**13,610**	**2,515**	**2,715**
Cash and cash equivalents as of 31 December	**10,678**	**13,610**	**2,515**

10.7 Statement of changes in equity

The table below sets out selected data extracted from the Company's audited statement of changes in equity for the years ended 31 December 2020, 2019 and 2018 (prepared in accordance with IFRS).

Table 18 - Statement of changes in equity						
(Amounts in USD thousands)	**Share capital**	**Share premium**	**Other paid-in capital**	**Other reserves**	**Retained earnings**	**Total equity**
Balance as at 1 January 2018	**63,684**	**192,102**	**(35,617)**	**154**	**(161,028)**	**59,296**
Net profit (loss) for the year	-	-	-	-	(1,022)	(1,022)
Other comprehensive income (loss)	-	-	-	-	(4,520)	(4,520)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(5,542)**	**(5,542)**
Transactions with owners, recognized directly in equity:						
Contribution from owner, debt conversion	4,319	120,742	-	-	-	125,061
Total transactions with owners, recognized directly in equity	**4,319**	**120,742**	**(0)**	**-**	**-**	**125,061**
Balance as at 31 December 2018	**68,003**	**312,844**	**(35,617)**	**154**	**(166,570)**	**178,814**
Change in accounting policies IFRS 16	-	-	-	-	(405)	(405)
Balance as at 1 January 2019	**68,003**	**312,884**	**(35,617)**	**154**	**(166,975)**	**178,409**
Net profit (loss) for the year	-	-	-	-	(23,751)	(23,751)
Other comprehensive income (loss)	-	-	-	-	(111)	(111)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(23,862)**	**(23,862)**
Balance as at 31 December 2019	**68,003**	**312,844**	**(35,617)**	**154**	**(190,838)**	**154,547**
Change in accounting policies IFRS 16	-	-	-	-	-	-
Balance as at 1 January 2020	**68,003**	**312,844**	**(35,617)**	**154**	**(190,838)**	**154,547**
Net profit (loss) for the year	-	-	-	-	(5,463)	(5,464)
Other comprehensive income (loss)	-	-	-	(11)	(79)	(90)
Total comprehensive income (loss)	**-**	**-**	**-**	**(11)**	**(5,542)**	**(5,553)**
Transactions with owners, recognized directly in equity:						
Issue of shares	7,850	217,052	(724)	-	-	224,177
Total transactions with owners, recognized directly in equity	**7,850**	**217,052**	**(724)**	**-**	**-**	**224,177**
Balance as of 31 December 2020	**75,853**	**529,896**	**(36,341)**	**143**	**(196,380)**	**373,170**

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 4 "General Information", Section 8 "Business of the Group", Section 10 "Selected Financial and Other Information" and the Consolidated Financial Statements, including related notes, included in Appendix Bof this Prospectus. This operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.4 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other sections of this Prospectus.

11.1 Segment information for the Group for the years ended 2020, 2019 and 2018

The Group operates and manages two segments comprising Ingredients and Brands.

The Ingredients segment comprises an offshore krill harvesting fleet which produces of a range of krill-derived products for aquaculture, pet food and human consumption. The Group’s logistical operations, onshore manufacturing and sale of krill oil products is also part of the segment.

The Brands segment is the human consumption distribution business which includes the private label manufacturer and distributor Lang and the brand company Epion. Lang is a full-service, mass market private label and corporate brand manufacturer that specializes in innovative healthcare products. Lang acquires raw materials derived from krill, fish and plants and then packages, labels and sells these products to retailers in the U.S. market. Epion launched its first consumer brand, Kori, in the U.S. market in July 2020.

11.2 Key factors affecting the Group’s results of operations and financial performance

The Group's business and results of operations have been, and are expected to continue to be, affected by certain key factors including, in particular:

- Sustainability factors
- Scalability through operating leverage and utilization of assets
- Development in product mix, geographic presence and strategic customers
- Research and development projects
- Human capital
- Krill biomass and seasonality

Sustainability factors

The Group places strong emphasis on sustainability of its operations and believes this is critical for the success of the Group. This is reflected in the Group’s mission to improve human and planetary health. The Group is a dedicated contributor to achieving the UN sustainable development goals and has identified four goals where it believes it has a strong impact; life below water, responsible consumption and production, zero hunger and good health and well-being.

Sustainable production

The Group believes that understanding and maintaining the ecosystems in which it operates are critical for the success of the Group. The Group has through internal efforts developed the patented technology ‘Eco-Harvesting’, in which the Group’s harvesting vessels can catch krill without any unwanted by-catch and thereby contribute to sustainable fisheries.

Further, the Group is focusing R&D efforts on maximizing its resource allocation to do more with the same or less, exemplified by the use of big data and other technologies to minimize the Group’s carbon footprint. For instance, the Group owns a customized sea drone ‘Sailbuoy’ that collects data that the vessels utilize to harvest krill more efficiently. This allows the Group to spend less time searching for krill which lowers the carbon footprint. The use of big data in the harvesting operation and the krill oil manufacturing plant in Houston further allows the Group to achieve better utilization of its assets.

In December 2020, the Group acquired Aion with the aim of reaching full circularity for the Group’s plastic and biomass by reducing waste to a minimum. The plan is to reach the goal by eliminating all plastic waste from trawl, meal bags and other plastic waste for the Group during 2021 and utilize the entire krill. Aion will acquire all the plastic waste and biomass from the rest of the Group and recirculate the plastic into products such as trays, shopping carts and the biomass will be used to produce soap among other products. Aion will gather, package, distribute and supervise the recycling and production to ensure circularity. The recycling and the production of the products will be performed by external renovation and production companies, under Aion supervision. Once the concept is proven internally, the aim is to sell CaaS to other companies.

Sustainable products (global health trends)

The Group believes it is positioned well within the global trend of increasing focus on health. The Group produces and sells products that are beneficial for the health and well-being of humans, pets and domesticated animals, and the Group believes it will be able to capitalize on the growth in these markets. Several of the Group's R&D projects are currently focused on meeting demand caused by such health trends, and the Group will continue to monitor the development in consumer demand for such products.

The Group's products help to prevent lifestyle diseases, and as such believes there is a large untapped market for products for human consumption. Among these, the Group intends to launch a new protein supplement based on krill.

Scalability through operating leverage and utilization of assets

The Group's primary assets relate to the fishing vessels, in addition to the manufacturing plant in Houston.

The Group's operating costs mainly consist of cost of goods sold, sales and distribution costs and administrative costs. The operating costs comprise of (i) fixed costs (which are deemed independent of the fishing and production volume), such as depreciation of the fishing vessels and the manufacturing plant in Houston, part of sales and distribution, part of personnel expenses both administrative and operational part of the fuel expenses and part of utilities, and (ii) variable costs, such as capsulation, consumables, part of the fuel expenses and part of personnel expenses. The Group's average fixed operating costs for the period from 1 January 2018 through 31 December 2020 was approximately two-thirds of total operating expenses. These costs are impacted by initiatives to improve operational efficiency and benefit from the scalability of the business model. As a result, additional krill harvest or increase in production volume in the Houston factory will generate additional net sales at a lower incremental cost. The Group benefits from its high fixed cost base and capacity to increase fishing and production volumes.

A high portion of the Group's costs being fixed combined with the capacity to catch larger volumes of krill will increase the Group's gross margin. With the current harvesting fleet, the Group estimates the theoretical catch capacity is equal to approximately 435,000 metric tonnes, compared to a catch volume of 232,599 metric tonnes for 2019 and 244,707 metric tonnes for 2020. To further increase the theoretical catch capacity, the Group would be required to invest in additional krill harvesting vessels.

The Group's ability to adjust fixed costs is limited. The Group fully owns the vessel fleet it operates as well as the factory in Houston. Additionally, a large part of the fuel and personnel expenses related to fishing is independent on the harvesting volume.

The Fishing vessels are required to undergo scheduled maintenance, which takes up to approximately 45 days per year. Such planned maintenance is undertaken during the months of October and November, which coincide with the low season for krill fishing. In addition to the planned maintenance, the Group will also from time to time need to perform unplanned maintenance.

Unplanned maintenance days for the fishing vessels will directly impact the krill volumes the Group is able to harvest, if such days will occur outside of the low season for krill fishing. The Group therefore has initiatives in place to reduce unplanned maintenance, such as continuous monitoring of the vessel through big data, and onboard personnel capable of making repairs as needed while the vessel is offshore.

The Group has optimized the factory layout on the vessels to improve the efficiency of the production onboard, which has increased the quality of the products produced.

Further, the Group's Houston facility enables the Group to further refine krill into products which contribute to a larger gross margin for the Group. The facility thereby enables both net sales growth, in addition to margin growth. The refining volumes passing through the Houston facility will be negatively affected by production downtime. In order to limit the downtime of the Houston facility, the Group initiated a maintenance optimization project in the first quarter 2019 which continuously monitors the different parts and functions at the plant through big data. The monitoring allows the Group to make repairs on a running basis before critical parts break and lead to downtime, in addition to providing the option to choose the optimal timing for repairs. Through these initiatives the Group has been able to significantly reduce unplanned downtime from 21% in 2019 to 4% in 2020 through slight increase in planned maintenance. The Group has also improved the planning of production whereby the required input is available at the factory prior to production, also contributing to the reduction in downtime at the factory. To increase the yield, a measure of production output relative to input, and reduce the costs related to replacing expensive filters in the production, the Group has installed different distillery tanks to clean the oil before it is filtered.

Development in product mix, geographic presence and long-term customers

The Group's product mix has great impact on its profitability as its products have different margins, where nutraceutical products based on krill oil for human consumption have higher margins compared to krill-derived products for pet food and aquaculture. The availability and quality of krill differs during the harvesting season, and krill with the highest fat content is generally preferred for krill oil extraction at the Group's factory in Houston. The other harvested krill normally processed and sold to pet food and aquaculture companies. The Group expects growth in demand of nutraceutical products with high margins, impacting the product mix for the Group going forward.

The Group's main segment relates to the 'Ingredients' segment, where the Group sells large quantities of raw materials wholesale. The segment benefits from the operational leverage as described above. Further, the segment has seen positive developments in terms of penetrating new markets, where the Asia-Pacific ("**APAC**") region has opened new markets to the Group. The Group is currently in the process of further enhancing its market position in the APAC region, where the Group will start selling their products in China, Thailand and Malaysia starting from 2021.

Aquaculture companies has been one of the Group's major customers within the 'Ingredients' segment, and as such the segment has and will benefit by the growth in the aquaculture industry. The Group continues to maintain its strong position within this industry.

The Group further enjoys a large customer base, where a majority of the Group's contracts are long term in nature. This creates predictable volumes and pricing for the Group, which is important for the Group considering its operating leverage and that generally there is a six-month period between the time of catch and net sales recognition. The Group's ability to maintain its market position and maintain and develop long-term customer relationships will be a key success factor for the Group.

The Group's product mix will also be affected by the establishment of the Brands segment. The segment allows the Group to increase its margins in the future as the Group has increased control over the entire value chain from raw krill catch to finished krill oil supplement products for consumers. To establish its market position, the Group will for a period invest heavily in marketing in the key markets, the US and the APAC region. The success of such marketing campaigns will be a key factor for the Group in terms of establishing the segment.

Further, the Brands segment will be affected by the Group's ability to integrate previous acquisitions which primarily relates to the acquisition of Lang in 2019. Lang is currently an important driver in the future success of the Brands segment.

R&D

The Group currently has a pipeline of several research and development projects, and has concluded several similar research and development projects in the past. The outcome of such research and development projects are a key factor for the Group, as such projects may open up new markets for the Group to sell its products. The success of such projects may have a significant impact on the Group's operating profit going forward. The Group has over the last five years invested over USD 20 million in R&D products, resulting in the Group currently possessing 76 patents related to inter alia fishing equipment, products (formulas and applications) and production technology.

Selected results from historical and ongoing R&D projects comprise:

- Lysoveta, a new dietary supplement for brain and eye health, which will expand the market for such products. The krill is a unique starting raw material to produce LPC-bound EPA and DHA. Lysoveta is the result of a six years of research and development, several patents in the field and is expected to be approved by regulators by the end of 2022. The Group is scaling up production capacity of the molecule at its manufacturing plant in Houston.

- INVI, a hydrolyzed protein isolate derived from krill, with a complete amino acid profile, which is also rich in minerals, including calcium and magnesium. The product is ideal for incorporation into powder and ready-to-drink beverages, as well as broader food and beverage applications. The Group's plant in Ski, Norway will start producing commercial product late 2022/early 2023. The plan is to expand production capacity into a full commercial plant of 5,000 MT protein per year.
- SailBuoy, a sea drone sent from the fishing vessels to collect data and search for krill. The SailBuoy enables the Group to analyze the krill's movement and identify the optimal fishing areas. This increase the harvest volumes and utilization of the fishing vessels by reducing time spent searching for krill, and thereby lowering fuel consumption and CO_2 emissions.
- EcoHarvest, a patented fish trawl design where other species than krill, such as seals, can escape the trawl, eliminating unwanted bycatch. The EcoHarvest thereby contribute to more sustainable fisheries and higher utilization of vessels.

Human capital

The Group believes that its most important assets are the people working at Aker BioMarine. The quality of its human capital is an integral driver of its financial performance and therefore an important focus area for management. The Group believes that the key factors driving attraction and retention of talented employees are the appeal of its corporate culture and values, its mission to improve human and planetary health and the economic success of the Group's business. Through the tracking of employee satisfaction 86% of the office employees are proud to work for Aker BioMarine, 83% report their job to be a passion and 98% would apply for their current job today if they had the chance. The Group promotes to many of its leadership positions internally.

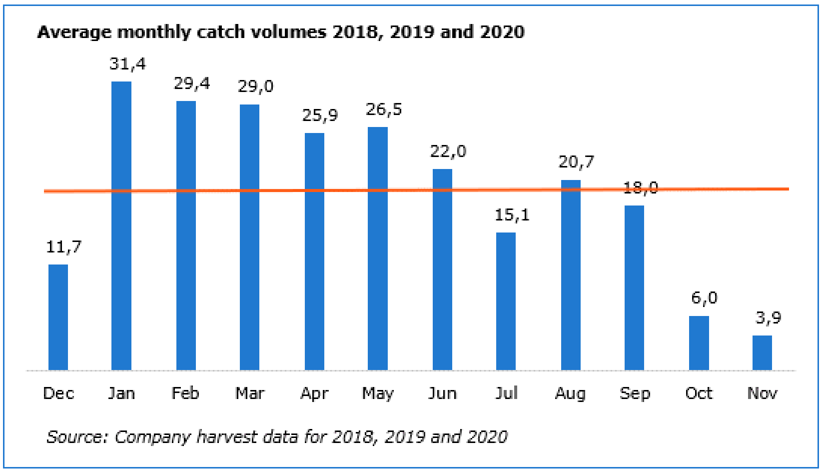
The Group's extensive experience within the industry has resulted in the Group maintaining and developing one of the leading environments within krill harvesting and processing. The Group has employees who have been with the Group for 15 years, and as such the Group's employees have extensive experience and technical knowhow.

The Group further benefits from the large scale of the organization. The Group currently account for approximately 70% of the global harvest volumes, and approximately 80% of the global krill oil production. The scale of the Group's operations thereby affords opportunities for its employees.

Seasonality in the business

The Group's operations are impacted by the krill harvesting seasonality, which varies significantly within the season and from season to season. As a result, the Group's results for any particular quarter may not be indicative of the results that can be expected for any other quarter within the same year, for the entire year, or for the corresponding quarter of any other year. The figure below sets forth the seasonal patterns in harvest volumes, net sales and EBITDA based on an average for the financial years ended 31 December 2018, 2019 and 2020.

Figure 19: Seasonality fishing season and yard in 2018-2020



Harvest volumes

The harvest volumes also vary as a result of the weather conditions in the Southern Ocean and the quantity and quality of krill in the ocean. The harvest season starts in December and typically lasts until around the middle of September. Historically the peak season for harvest is normally in the months from January until May, where the average monthly harvest volume is significantly higher than the months at the beginning and the end of the season. The season also affect the quality of the krill, where the krill has higher fat content in the peak season. The krill with high fat content is very suitable for production of nutrition supplements based on krill oil. In order to maximize the krill harvest volume, it is critical that the Group is able to utilize its krill vessels during these peak season months.

The Group has implemented certain measures to ensure the vessels are utilized appropriately. This includes using internal data to continuously monitor performance and maintenance needs on the vessels in order to limit the number of unplanned maintenance days. Further, the Group utilizes support vessels to bring supplies and collect resources and change crew, which facilitates continuous harvesting operation throughout the season for the vessels. The Group has also directed R&D efforts to help optimize the fishing of the harvest vessels, for instance exemplified by the Group's "Sailbuoy" and "EcoHarvesting".

Net sales from customers

The Group's net sales and profits are also impacted by seasonality. Historically, the net sales from the Brands segment typically increase towards the end of the year and in the beginning of the first quarter. This is primarily a result of the planogram decision for the major retailers, where they decide on the product lines for the year. The Group's main variable expenses in the Brands segment, such as cost of goods sold follow the same pattern.

The Group's net sales from the Ingredients segment is also impacted by seasonality. Historically, the net sales from Qrill Aqua, which is used as feed in the fish farming industry, follow the seasonality in the fish farming industry with higher net sales in the third and fourth quarter and lower net sales in the first quarter. The main variable expenses in the Ingredients segment, such as cost of goods sold follow the same pattern.

11.3 Recent developments and trends

The Group expects a natural variation in krill harvest volumes throughout the season due to weather and krill availability in the various sub-areas in the Southern Ocean. This has the potential to result in material variations in offshore production between the quarters, but as long as vessels are technically operating, this seasonal variation will smooth out throughout the year, and the Group expects to deliver consistent yearly harvesting.

Realizing scalability effects from the Group's supply chain, and particularly through a fully operational offshore fleet, is a key driver for the results going forward. With Antarctic Endurance expected to reach near full capacity, a significant reduction will be seen in the offshore unit cost with correspondingly increased gross margins.

The Group will continue to expand its sales and marketing efforts to develop the Group's existing and new markets with prospective leads and new customers, in addition to further increased sales to current customer base. APAC will be an important growth driver going forward.

Strategic priorities going forward includes the continuous development of Lysoveta as well as the securing of new commercial and research partnerships. In 2021, the Group expect their current pharma partner MD3 to become fully financed and start the development of the new drug indications. For Aion, the ambition is to spin off the company once the business concept and value chain are firmly established and a strong organization is in place. For INVI, the protein product launched in January 2021, the focus is to start the building of the launch plant in Ski, Norway, and in parallel start building demand with potential customers.

The Group expects net sales growth in the year ending 31 December 2021, to be somewhat lower than the 17% growth that was seen in the year ended 31 December 2020. Management have decided to maintain a cautious outlook for 2021 due to the global pandemic situation and corresponding challenges. The main EBITDA contribution for 2021 is expected to come from scalability effects in the offshore and onshore production as a result of the expected increase in net sales combined with a large portion of the Group's costs being fixed in nature. This coupled with measures to reduce overall costs, the Group expects the Adjusted EBITDA Margin to continue to improve.

11.4 Results of operations

11.4.1 *Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019*

Table 19 - Consolidated statement of profit or loss	Year ended 31 December		
(Amounts in USD thousands)	**2020**	**Change in %**	**2019**
Net sales	288,588	17.2	246,170
Cost of goods sold	(179,010)	18.6	(150,891)
Gross profit	**109,578**	**15.0**	**95,279**
Selling general and administrative expense	(86,847)	17.7	(73,812)
Depreciation, amortization and impairment (non-production assets)	(17,125)	(3.9)	(17,822)
Other operating income/(cost), net	1,394	(257.7)	(884)
Operating profit	**7,000**	**153.4**	**2,762**
Net financial items	(6,033)	(75.9)	(25,022)
Net foreign exchange gain/(loss)	(279)	74.0	(1,075)
Tax expense	(6,151)	1,380.0	(415)
Net profit (loss)	**(5,463)**	**(77.0)**	**(23,750)**

Net sales

The Group's net sales increased by USD 42,418 thousand, or 17.2%, from USD 246,170 thousand for the year ended 31 December 2019 to USD 288,588 thousand for the year ended 31 December 2020. The increase in net sales was primarily due to volume growth in the 'Ingredients' segment and the effects of a full year's net sales in 2020 from the Brands segment acquisition of Lang (acquired March 2019). The Group avoided any major interruptions in its operations in 2020 arising from the global pandemic.

Table 20 – Geographical segments based on company location	Year ended 31 December		
(Amounts in USD thousands)	**2020**	**Change in %**	**2019**
Norway	20,758	(29.2)	29,300
EMEA	35,301	(5.4)	37,331
Americas	146,862	24.1	118,323
Asia Pacific	85,666	39.9	61,217
Total	**288,588**	**29.5**	**246,170**

The increase in the Group's net sales principally occurred in the Americas and APAC, and was offset by a decrease in net sales in the Europe, Middle East and Africa ("**EMEA**") region and Norway. Further, the net sales base was increasingly diversified during the year ended 31 December 2020, with the Group's two largest customers representing 19% of the net sales from sale of products for this period, compared to 28% of net sales from sale pf products for the year ended 31 December 2019.

Net sales per segment

Table 21 – Segment net sales	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**Change in %**	**2019**
Net sales	**288,588**	**17.2**	**246,170**
Of which Ingredients	198,398	11.9	177,225
Of which Brands	104,416	26.8	82,330
Of which eliminations	(14,226)	6.3	(13,384)

Ingredients

The Group's net sales from the Ingredients segment increased by USD 21,173 thousand (11.9%), from USD 177,225 thousand for the year ended 31 December 2019 to USD 198,398 thousand for the year ended 31 December 2020. The Ingredients segment comprises of offshore harvesting and production, the logistical operation and the onshore manufacturing and sale of krill oil products globally to distributors and feed producers. The increase in net sales within the Ingredients segment was principally due to volume growth which increased sales of Qrill Aqua of USD 13,474 thousand in 2020 and sales volume of krill oil USD 7,548 thousand in 2020. Increased production volumes were supported through the Group's increased production capacity in the krill oil extraction plant in Houston, which enabled the Group to process and sell a larger volume of high value krill products. The obtained prices for Qrill Aqua and krill oil was relatively stable in the year ended 31 December 2020 compared to the corresponding period in 2019. Additionally, Qrill Pet and QHP contributed to the increase in net sales with USD 3,246 thousand as a result of higher volumes sold, which more than offset the decline in average price per metric tonne in 2020 compared to 2019.

Brands

The Group's net sales from the Brands segment increased by USD 22,086 thousand, or 26.8%, from USD 82,330 thousand for the year ended 31 December 2019 to USD 104,416 thousand for the year ended 31 December 2020. Established 1 March 2019, the Brands segment relates to the human consumption distribution business selling products ready for consumption directly to retailers and having a strong presence among private label Brands in the US including Walmart, Costco, CVS, Walgreen and Sam's Club. The increase in net sales within the Brands segment was primarily due to a full year of trading of Lang in 2020 compared to ten months in 2019 as Lang was acquired and consolidated from 1 March 2019. Lang had a 15.4% organic net sales growth for the year ended 31 December 2020 compared to the same period in 2019, further contributing to the increase in net sales. The organic growth was primarily driven by further expanding its product portfolio and partnerships with key U.S. Retailers. Furthermore, the Group's own developer of consumer products made by krill derived ingredients, Epion launched Kori krill oil in July 2020 in the U.S., which further contributed to the increase in net sales.

Cost of goods sold

The Group's cost of goods sold increased by USD 28,119 thousand, or 18.6, from USD 150,891 thousand for the year ended 31 December 2019 to USD 179,010 thousand for the year ended 31 December 2020. The increase in cost of goods sold was principally driven by increased sales volumes in the Ingredients segment and the full-year cost of goods sold in the Brands segment compared to the 2019 acquisition year. The organic growth in Lang in 2020 also contributed to the increase in cost of goods sold. The Group's costs of goods sold also increased due to additional incremental costs incurred as a result of Covid-19. The Group had to charter airplanes to transport the crew to the harvesting vessels, and incurred overtime payments for the crew that had to work additional shifts. The Group also incurred hotel related costs to quarantine of the crew before boarding the harvesting vessels.

Gross profit

The Group's gross profit increased by USD 14,299 thousand, or 15.0% from USD 95,279 thousand for the year ended 31 December 2019 to USD 109,578 thousand for the year ended 31 December 2020. The increase was principally as a result of the factors discussed above.

Selling, general and administrative expenses

The Group's selling general and administrative expenses increased by USD 13,035 thousand, or 17.7%, from USD 73,812 thousand for the year ended 31 December 2019, to USD 86,847 thousand for the year ended 31 December 2020. The increase was principally a result of the USD 17 million marketing campaign related to the launch of Kori in the United States, which was only partly offset by reduced selling, general and administrative expenses in the rest of the Group.

Depreciation, amortization and impairment

The Group's depreciation, amortization and impairment decreased slightly by USD 697 thousand, or 3.9%, from USD 17,822 thousand for the year ended 31 December 2019 to USD 17,125 thousand for the year ended 31 December 2020. The slight decrease was principally due to the decrease in impairments totaling USD 6.1 million in 2019, where USD 5.9 million is related to the vessel Juvel, this more than offset the increase in depreciation and amortization which was a result of the full year effect of the depreciation of the property, plant and equipment and amortization the customer based from the acquisition of Lang.

Other operating income/(cost), net

The Group's net other operating cost decreased by USD 2,278 thousand, from a cost of USD 884 thousand for the year ended 2019 to an income of USD 1,394 thousand for the year ended 2020. The increase was mainly driven by the sale of the vessel Juvel in April 2020 for USD 20.5 million, which resulted in a gain of USD 1.3 million. Additionally, salaries and operative expenses for the vessel Juvel decreased by USD 830 thousand, from USD 1,784 thousand for the year 2019 to USD 954 thousand for the year 2020.

Operating profit

The Group's operating profit increased by USD 4,238 thousand, or 153.4%, from USD 2,762 thousand for the year ended 31 December 2019 to USD 7,000 thousand for the year ended 31 December 2020. The increase in operating profit for the periods was principally as a result of the factors in the discussion above.

Net financial items

The Group's net financial expenses decreased by USD 20,242 thousand, from an expense of USD 25,022 thousand for the year ended 31 December 2019 to an expense of USD 4,780 thousand for the year ended 31 December 2020. The increase was primarily a result of lower interest rate on the Group's floating rate interest bearing debt, the repayment of debt to Aker ASA and part of the revolving credit facility, totaling USD 192.4 million with the net proceeds from the capital increase in July 2020 and the USD 7.8 million debt forgiveness from the New Market Tax Credit ("**NMTC**") loan program that Aker BioMarine Manufacturing LLC participated in. The NMTC program offer tax credits to investors and lenders, who in return offer loans to different borrowers for the purpose of incentivizing community development and economic growth to distressed communities. The factory in Houston that Aker BioMarine Manufacturing LLC purchased was in such a distressed community. On 21 December 2020 the loan under the NMTC program became due. AKBMM had fully complied with the terms of the loan, therefore at maturity USD 7.8 million of the loan was forgiven. This more than offset the financial expenses related to the unrealized loss on the fuel hedge contracts of USD 1,253 thousand in 2020.

Tax expense

The Group's tax items increased by USD 5,736 thousand, from a tax expense of USD 415 thousand for the year ended 31 December 2019 to a tax expense of USD 6,151 thousand for the year ended 31 December 2020. The increase in tax expense is principally due to unrecognized changes in deferred tax assets, arising from tax losses carried forward in Norway and the U.S.

Net profit (loss)

The Group's net loss decreased by USD 19,541 thousand, from a loss of USD 23,751 thousand loss for the year ended 31 December 2019 to a loss of USD 4,210 thousand loss for the year ended 31 December 2020. The decrease in net loss was principally due to the factors in the discussion above.

Gross profit margin

The Group's Gross Profit Margin decreased by 0.7 percentage points from 38.7% in the year ended 31 December 2019 to 38.0% in the year ended 31 December 2020. The decrease was primarily a result of the Brands segment comprising a larger share of Net sales in 2020 compared to 2019. The majority of the net sales from the Brands segment comprise of private label and finished goods with lower margins than the rest of the Group. The products with higher gross profit margins, such as Kori krill oil which was launched in July 2020, makes up a smaller part of the net sales from the Brands segment. Additionally, the margins in Qrill Aqua, which is large part of the Ingredients segment, decreased in 2020 compared to lower prices and higher cost of goods sold related to this product.

EBITDA and Adjusted EBITDA

Table 22 – EBITDA and Adjusted EBITDA	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**Change in %**	**2019**
EBITDA	56,643	24.0	45,693
Adjusted EBITDA	78,106	47.3	53,039

The Group's EBITDA increased by USD 10,950 thousand, or 24.0%, from 45,693 thousand for the year ended 31 December 2019 to USD 56,643 thousand for the year ended 31 December 2020. The increase was principally due to the increase in EBITDA in the Ingredients segment were the growth in net sales outpaced the growth in the Group's expenses when excluding depreciation, amortization and impairment charges due to the scalability and operating leverage. The EBITDA in the Brands segment decreased by USD 10,431 thousand primarily as a result of the launch costs of USD 17,016 thousand related to the launch of Kori krill oil brand in the U.S. The EBITDA Margin was 19.6% for the year ended 31 December 2020, which was an increase from an EBITDA Margin of 18.6% for the year ended 31 December 2019.

The same pattern is reflected in the Group's Adjusted EBITDA which increased by USD 25,067 thousand, or 47.3%, from USD 53,039 thousand for the year ended 31 December 2019 to USD 78,106 thousand for the year ended 31 December 2020. Where among other adjustments the launch costs related to the launch of Kori krill oil brand of USD 17,016 thousand is adjusted for. The Adjusted EBITDA Margin for the year ended 31 December 2020 was 27.1%, against 21.5% for the year ended 31 December 2019.

The increase in EBITDA Margin and Adjusted EBITDA Margin was primarily due to increased margins in the Ingredients segment with increased sales volumes against reduced cost of goods sold. This was marginally offset by a reduced EBITDA Margin in the Brands segment which had a negative EBITDA Margin of 2.4%. The impact of the lower EBITDA Margin in the Brands segment was more than offset by an increase in the EBITDA Margin in the Ingredients segment from 22.7% to 29.9%.

Table 23 – EBITDA and Adjusted EBITDA per segment	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**Change in %**	**2019**
EBITDA	**56,643**	**24.0**	**45,693**
Of which Ingredients	59,362	47.3	40,303
Of which Brands	(2,547)	(132.3)	7,884
Of which eliminations	(172)	(93.1)	(2,500)
Adjusted EBITDA	**78,106**	**47.3**	**53,039**
Of which Ingredients	63,808	33.9	47,655
Of which Brands	14,469	83.5	7,884
Of which eliminations	(172)	(93.1)	(2,500)

11.4.2 *Results of operations for the year ended 31 December 2019 compared to the year ended 31 December 2018*

Table 24 - Consolidated statement of profit or loss	Year ended 31 December		
(Amounts in USD thousands)	**2019**	**Change in %**	**2018**
Net sales	246,170	59.7	154,182
Cost of goods sold	(150,891)	67.8	(89,927)
Gross profit	**95,279**	**48.3**	**64,255**
Selling general and administrative expense	(73 812)	62.6	(45,405)
Depreciation, amortization and impairment (non-production assets)	(17,822)	221.7	(5,539)
Other operating income/(cost), net	(884)	(71.0)	(3,052)
Operating profit	**2,762**	**(73.1)**	**10,259**
Net financial items	(25,022)	77.0	(14,136)
Net foreign exchange gain/(loss)	(1,075)	(141.4)	2,596
Tax expense	(415)	(260.3)	259
Net profit (loss)	**(23,750)**	**2,223.1**	**(1,022)**

Net sales

The Group's net sales increased by USD 91,988 thousand, or 59.7%, from USD 154,182 thousand for the year ended 31 December 2018 to USD 246,170 thousand for the year ended 31 December 2019. The increase in net sales was principally as a result of the introduction of the Brands segment on 1 March 2019 as a result of the acquisition of Lang, which accounted for 89% of the increase in net sales. Further, net sales from the Ingredients segment increased by USD 23,043 thousand, or 14.9%.

Table 25 – Geographical segments based on company location	Year ended 31 December		
(Amounts in USD thousands)	**2019**	**Change in %**	**2018**
Norway	29,300	(4,7)	30,747
EMEA	37,331	18,3	31,563
Americas	118,323	94,1	60,960
Asia Pacific	61,217	98,0	30,912
Total	**246,171**	**59.7**	**154,182**

The increase in the Group's net sales principally occurred in the Americas and Asia Pacific, with a moderate increase in net sales in the EMEA region. Net sales from the Norwegian operations were largely unchanged for the year ended 31 December 2019 compared to the year ended 31 December 2018. Further, the net sales base was increasingly diversified during the year ended 31 December 2019, with the Group's two largest customers representing 28% of the net sales for this period, compared to 40% of net sales for the year ended 31 December 2018.

Net sales per segment

Table 26 – Segment net sales	Year ended 31 December		
(Amounts in USD thousands)	**2019**	**Change in %**	**2018**
Net sales	246,170	53,4	154,182
Of which Ingredients	177,225	14,9	154,182
Of which Brands	82,330	-	N/A
Of which eliminations	(13,384)	-	N/A

Ingredients

The Group's net sales from the Ingredients segment increased by USD 23,043 thousand, or 14.9%, from USD 154,182 thousand for the year ended 31 December 2018 to USD 177,225 thousand for the year ended 31 December 2019. The Ingredients segment comprises of offshore harvesting and production, the logistical operation and the onshore manufacturing and sale of krill oil products globally to distributors and feed producers. The increase in net sales within the Ingredients segment was principally due to organic growth through the increase in sales of Superba, contributing to an overall higher volume and a more favorable product mix. This was principally due to the Group's increased production capacity in the oil-extraction plant in Houston, which enabled the Group to process and sell a larger volume of high value krill products.

Further, the company took delivery of the fishing vessel Antarctic Endurance on 15 January 2019. After sea trials and training, the delivery of the newbuilding contributed with about 50 fishing days and to the higher sale volumes for both krill meal and krill oil for the year ended 31 December 2019 compared to the year ended 31 December 2018.

Brands

The Group established the Brands segment as from 1 March 2019. Hence, there are no comparative figures for the year ended 31 December 2018. The Brands segment relates to the human consumption distribution business. The brands segment thereby sells products ready for consumption directly to retailers. The Brands segment has strong presence among the private label brands for the largest U.S. retailers, including Walmart, Costco, CVS, Walgreens and Sam's Club.

The Brands segment intends to have a high degree of value chain integration, and the business model for the brands segment thereby ensures that a larger share of the retail sales price reaches Aker BioMarine.

Cost of goods sold

The Group's cost of goods sold increased by USD 60,964 thousand, or 67.8%, from USD 89,927 thousand for the year ended 31 December 2018 to USD 150,891 thousand for the year ended 31 December 2019. The increase in cost of goods sold was principally driven by the introduction of the 'Brands' segment in March 2019. In addition, the vessel Antarctic Endurance faced certain technical challenges during 2019 leading to only a limited number of fishing days for the year. The technical challenges for Antarctic Endurance led to increased production costs allocated to cost of goods sold.

The increase in cost of goods sold from the introduction of the Brands segment which sells more refined products, was partly offset by lower fuel prices for the Group's fishing vessels as well as the Houston production facility which operates more efficiently with fewer maintenance days and with higher volumes for the production of Superba.

Gross profit

The Group's gross profit increased by USD 32,818 thousand, or 48.3%, from USD 64,255 thousand for the year ended 31 December 2018 to USD 95,279 thousand for the year ended 31 December 2019. The increase was principally as a result of the factors discussed above.

Selling general and administrative expenses

The Group's selling general and administrative expenses increased by USD 28,795 thousand, or 63.4%, from USD 45,405 thousand for the year ended 31 December 2018, to USD 74,200 thousand for the year ended 31 December 2019. The increase was principally a result of increased marketing for the Brands segment, as well higher distribution costs due to higher sales volumes. Further, selling, general and administration expenses saw an increase for the year ended 31 December 2019 compared to the corresponding period in 2018, due to increased full-time employees and salary increases at corporate headquarters.

Depreciation, amortization and impairment

The Group's depreciation, amortization and impairment increased by USD 12,282 thousand, or 222%, from USD 5,539 thousand for the year ended 31 December 2018 to USD 17,822 thousand for the year ended 31 December 2019. The increase was principally due to the impairment of the vessel Juvel of USD 5,900 thousand. Further, depreciation, amortization and impairment increased for the year ended 31 December 2019 compared to the year ended 31 December 2018 due increased amortization of intangible assets following the acquisition of Lang and the delivery of Antarctic Endurance on 15 January 2019 increased the depreciation of vessels.

Other operating income/(cost), net

The Group's net other operating cost decreased by USD 2,168 thousand, or 71.0%, from USD 3,052 thousand for the year ended 31 December 2018 to USD 884 thousand for the year ended 31 December 2019. The change was related to multiple factors, including increased other operating costs due to increased inventory charges and other expenses. The increase in other operating cost was partly offset by IFRS 16 Leases implementation effects with effect from 1 January 2019 and insurance claims.

Operating profit

The Group's operating profit decreased by USD 7,497 thousand, or 73%, from USD 10,259 thousand for the year ended 31 December 2018 to USD 2,762 thousand for the year ended 31 December 2019. The decrease in operating profit for the periods was principally as a result of the factors in the discussion above.

Ingredients

The Group's EBITDA in the Ingredients segment increased by USD 7,184 thousand, or 22%, from USD 33,119 thousand for the year ended 31 December 2018 to USD 40,303 thousand for the year ended 31 December 2019. The Group's adjusted EBITDA in the Ingredients segment increased by USD 8,635 thousand, or 22%, from USD 39,020 thousand for the year ended 31 December 2018 to USD 47,655 thousand for the year ended 31 December 2019.

The EBITDA margin in the Ingredients segment was 22.7% for the year ended 31 December 2019, against 21.5% for the year ended 31 December 2018. The increase in margin was largely due to a more favorable product mix, as the Houston factory enabled the Group to sell more refined krill oil products, which has higher margins, in addition to increased volumes sold within the segment.

Brands

The Group established the Brands segment as from 1 March 2019. Hence, there are no comparative figures for the year ended 31 December 2018.

The EBITDA margin for the Brands segment was 9.6% for the year ended 31 December 2019. During 2019, the segment principally sold raw materials and packaging to private label brands for United States retailers, hence the EBITDA margin for 2019 does not reflect the introduction of Aker BioMarine's own brands.

Net financial items

The Group's net financial items decreased by USD 14,557 thousand, or 126%, from a net financial expense of USD 11,540 thousand for the year ended 31 December 2018 to net financial expenses of USD 26,097 thousand for the year ended 31 December 2019. The decrease in net financial items was principally due to an increase in financial expenses related to an increase in financial liabilities and foreign exchange losses, primarily related to the Group's NOK exposure.

Tax expense

The Group's tax items increased by USD 674 thousand, from a tax income of USD 259 thousand for the year ended 31 December 2018 to a tax expense of USD 415 thousand for the year ended 31 December 2019. The increase in tax expense is principally due to the Lang acquisition and unrecognized changes in deferred tax assets, arising from tax losses carried forward in Norway and the U.S.

Net profit (loss)

The Group's net profit (loss) decreased by USD 22,729 thousand, from a loss of USD 1,022 thousand for the year ended 31 December 2018 to a loss of USD 23,721 thousand for the year ended 31 December 2019. The decrease in net profit (loss) was principally due to the factors in the discussion above.

Gross Profit Margin

The Group's Gross Profit Margin decreased by 1.8 percentage points from 40.5% in the year ended 31 December 2018 to 38.7% in the year ended 31 December 2019. The decrease was primarily a result of the Brands segment comprising a larger share of Net sales in 2020 compared to 2019. The majority of the net sales from the Brands segment comprise of private label and finished goods with lower margins than the rest of the Group.

EBITDA and Adjusted EBITDA

Table 27 – EBITDA and Adjusted EBITDA	**Year ended 31 December**		
(Amounts in USD thousands)	**2019**	**Change in %**	**2018**
EBITDA	45,687	37,9	33,119
Adjusted EBITDA	53,039	35,9	39,020

The Group's EBITDA increased by USD 12,568 thousand, or 38%, from 33,119 thousand for the year ended 31 December 2018 to USD 45,693 thousand for the year ended 31 December 2019. The increase was principally due to the introduction of the Brands segment in 2019 which contributed with an EBITDA of USD 7,884 thousand and the increase in EBITDA in the Ingredients segment due to the scalability and operating leverage where the growth in net sales outpaced the growth in the Group's expenses when excluding depreciation, amortization and impairment charges, which to a large degree is assessed as fixed costs by management. The EBITDA Margin was 18,6% for the year ended 31 December 2019, which was a decrease from an EBITDA Margin of 21.5% for the year ended 31 December 2018.

The same pattern is reflected in the Group's Adjusted EBITDA which increased by USD 14,019 thousand, or 35.9%, from USD 39,020 thousand for the year ended 31 December 2018 to USD 53,039 thousand for the year ended 31 December 2019. The Adjusted EBITDA Margin for the year ended 31 December 2019 was 21.5%, against 25.3% for the year ended 31 December 2018.

The decrease in EBITDA Margin and Adjusted EBITDA Margin was principally due to the introduction of the Brands segment, which had an EBITDA margin of 9.5% for 2019. Where among other adjustments the launch costs related to the launch of Kori krill oil of USD 3,428 thousand is adjusted for. The impact of lower EBITDA Margin in the Brands segment was only partly offset by an increase in EBITDA Margin in the Ingredients segment from 21.5% to 22.7%. The Brands segment sells more finished and private label products which have lower margins than the rest of the Group.

Table 28 – EBITDA and Adjusted EBITDA per segment	**Year ended 31 December**		
(Amounts in USD thousands)	**2019**	**Change in %**	**2018**
EBITDA	**45,687**	**53,4**	**33,119**
Of which Ingredients	40,303	14,9	33,119
Of which Brands	7,884	-	N/A
Of which eliminations	(2,500)	-	N/A
Adjusted EBITDA	**53,039**	**35,9**	**39,020**
Of which Ingredients	47,655	22,1	39,020
Of which Brands	7,884	-	N/A
Of which eliminations	(2,500)	-	N/A

11.5 Financial position

11.5.1 *Financial position as of 31 December 2020 compared to 31 December 2019*

Table 29 – Compare financial position 2020 vs 2019	As at 31 December		
(Amounts in USD thousands)	**2020**	**Change in %**	**2019**
ASSETS			
Property, plant and equipment	266,556	(11.8)	302,366
Right-of-use assets	13,145	(20.6)	16,555
Intangible assets and goodwill	180,552	(5.1)	190,297
Contract Cost	9,167	n.m.	-
Derivative assets, non-current	7,743	n.m.	-
Other non-interest bearing non-current receivables	18	(87.6)	145
Investments in equity-accounted investee	130	(50.1)	261
Total non-current assets	**477,311**	**(6.3)**	**509,624**
Inventories	114,559	20.9	94,725
Trade receivable and prepaid expenses	97,885	31.8	74,264
Cash and cash equivalents	10,678	(21.5)	13,610
Total current assets	**223,121**	**22.2**	**182,599**
Total assets	**700,432**	**1.2**	**692,223**
LIABILITIES AND OWNERS' EQUITY			
Share capital	75,853	11.5	68,003
Other paid-in equity	493,555	78.0	277,227
Total paid-in equity	**569,408**	**64.9**	**345,230**
Translation differences and other reserves	143	(7.1)	154
Retained earnings	(196,380)	2.9	(190,838)
Total equity	**373,170**	**141.5**	**154,547**
Interest-bearing debt	210,578	(43.5)	372,473
Derivative liabilities, non-current	8,996	n.m.	-
Deferred tax liability	4,817	n.m.	-
Other non-interest-bearing non-current liabilities	31,929	(51.3)	65,618
Total non-current liabilities	**256,319**	**(41.5)**	**438,091**
Interest-bearing current liabilities	32,222	(32.3)	47,591
Derivative liabilities, current	-	n.m.	-
Accounts payable and other payables	38,721	(25.5)	51,994
Total current liabilities	**70,943**	**(28.8)**	**99,585**
Total liabilities	**327,262**	**(39.1)**	**537,676**
Total equity and liabilities	**700,432**	**1.2**	**692,223**

Non-current assets

The Group's non-current assets decreased by USD 32,313 thousand, or 6.3%, from USD 509,624 as at 31 December 2019 to USD 477,311 as at 31 December 2020. The decrease in non-current assets was principally due to the sale of the vessel Juvel in April 2020 for a total consideration of approximately USD 21.6 million, depreciation of the vessels and the factory and amortization of intangible assets. This was only partly offset by the increase in vessels under construction.

Current assets

The Group's current assets increased by USD 40,522 thousand, or 22.2%, from USD 182,599 thousand as at 31 December 2019 to USD 223,121 thousand as at 31 December 2020. The increase was principally as a result of increased inventories and an increase in trade receivables.

The increase in inventories was primarily driven by the purchase of krill oil extraction services from contract manufacturers in the United States and New Zealand of USD 6.0 million. The increase in trade receivables is principally explained by higher net sales at the end of 2020 compared to 2019, especially in the Ingredients segment. The increase was only partly offset by the decrease in cash and cash equivalents, which was primarily a result of earlier payments to the shipyard due to the strategic decision to send the vessels to the annual maintenance earlier than in 2019.

Non-current liabilities

The Group's non-current liabilities decreased by USD 181,772, or 41.5%, from USD 438,091 thousand as at 31 December 2019, to 256,319 thousand as at 31 December 2020. The decrease in non-current liabilities was principally due to the repayment of the loan from Aker ASA and part of the revolving credit facility with the net proceeds from the capital increase in June 2020. The Group's Capex and investments was also lower in 2020 than 2019, reducing the drawdowns under the Financing facilities in 2020 compared to 2019.

Current liabilities

The Group's current liabilities decreased by USD 28,642 thousand, or 28.8%, from USD 99,585 thousand as at 31 December 2019, to USD 70,943 thousand as at 31 December 2020. The decrease was principally due to the decrease in accounts payable mainly due to the payment for the shipyard maintenance before the balance sheet date in 2020.

Equity

The Group's equity increased by USD 218,624 thousand, or 141.5%, from USD 154,547 thousand as at 31 December 31 December 2019 to USD 373,170 thousand as at 31 December 31 December 2020. The increase was principally due to the capital increase of USD 224,177 thousand in connection with the stock listing of the Company on Euronext Growth Oslo in July 2020 and, which more than offset the total comprehensive loss for the year of USD 5,554 thousand.

11.5.2 *Financial position as of 31 December 2019 compared to 31 December 2018*

Table 30 – Compare financial position 2019 vs 2018	**As at 31 December**		
(Amounts in USD thousands)	**2019**	**Change in %**	**2018**
ASSETS			
Property, plant and equipment	302,366	30,1	232,383
Right-of-use assets	16,555	-	-
Intangible assets and goodwill	190,297	66,7	114,158
Contract cost	-	n.m.	-
Derivative assets, non-current	-	n.m.	-
Other non-interest bearing non-current receivables	145	n.m.	2,026
Investments in equity-accounted investee	261	8,3	240
Total non-current assets	**509,624**	**46,1**	**348,806**
Inventories	94,725	116,7	43,704
Trade receivable and prepaid expenses	74,264	110,8	35,223
Cash and cash equivalents	13,610	441,2	2,515
Total current assets	**182,599**	**124,2**	**81,442**
Total assets	**692,223**	**60,9**	**430,248**
LIABILITIES AND OWNERS' EQUITY			
Share capital	68,003	0,0	68,003
Other paid-in equity	277,227	0,0	277,227
Total paid-in equity	**345,230**	**0,0**	**345,230**
Translation differences and other reserves	154	0,0	154
Retained earnings	(190,838)	14,6	(166,570)
Total equity	**154,547**	**-13,6**	**178,814**
Interest-bearing debt	372,473	107,6	179,424
Derivative liabilities, non-current	-	(100)	-
Deferred tax liability	-	n.m.	-
Other non-interest-bearing non-current liabilities	65,618	271.6	17,657
Total non-current liabilities	**438,091**	**122,3**	**197,081**
Interest-bearing current liabilities	47,591	83,4	25,944
Derivative liabilities, current	-	-100,0	1,472
Accounts payable and other payables	51,994	93,0	26,937
Total current liabilities	**99,585**	**83,2**	**54,353**
Total liabilities	**537,676**	**113,8**	**251,435**
Total equity and liabilities	**692,223**	**60,9**	**430,248**

11.5.3 *Non-current assets*

The Group's non-current assets increased by USD 160,818 thousand, or 46.1%, from USD 348,806 thousand as at 31 December 2018 to USD 509,624 as at 31 December 2019. The increase in non-current assets was principally due to the acquisition of Lang and payments made for vessels under construction, partly offset by depreciation, amortization and impairments. Further, non-current assets increased due to capitalisation of right-to-use assets related to the head office in Oslo and a tramper vessel when implementing IFRS 16 Leases as of 1 January 2019.

At the date of acquisition of Lang on 1 March 2019, the Group recognized goodwill of USD 28,156 thousand and customer relations of USD 46,174 thousand, representing an increase in non-current assets of USD 74,330 thousand. The Group also invested a total of USD 117,556 thousand related to assets under construction during the year ended 31 December 2019. IFRS 16 Leases implementation effects resulted in the company recognizing right of use assets.

Current assets

The Group’s current assets increased by USD 101,157 thousand, or 124%, from USD 81,442 thousand as at 31 December 2018 to USD 182,599 thousand as at 31 December 2019. The increase was principally as a result of increased inventories and an increase in trade receivables.

The increase in inventories was primarily driven by the introduction of the Brands segment. Additionally, the Group had more fishing days during the season due to the delivery of Antarctic Endurance, fewer maintenance days for the other vessels in the fleet and better harvesting conditions in the Southern Ocean.

The increase in trade receivables is principally explained by the increase in net sales following the establishment of the Brands segment, which has a longer credit cycle.

Non-current liabilities

The Group’s non-current liabilities increased by USD 241,010, or 122%, from USD 197,081 thousand as at 31 December 2018, to 438,091 thousand as at 31 December 2019. The increase in non-current liabilities was principally due to increased interest-bearing debt due to take-out payments for Antarctic Endurance, as well as an increase in bank borrowings to finance the acquisition of Lang. Further, the Group booked a provision for earn-out liabilities related to the acquisition of Lang, and recognized lease liabilities with the implementation of IFRS 16 Leases.

Current liabilities

The Group’s current liabilities increased by USD 45,232 thousand, or 83%, from USD 54,353 thousand as at 31 December 2018, to USD 99,585 thousand as at 31 December 2019. The increase was principally due to an increase in overdraft facilities due to investments related to the improvement initiatives in the Houston factory, finance annual shipyard of the vessels and funding of increased working capital primarily as a result of inventory build-up. Additionally, current liabilities increased as a result of the recognition of lease liabilities in accordance with IFRS 16 Leases.

Equity

The Group’s equity decreased by USD 24,267 thousand, or 14%, from USD 178,814 thousand as at 31 December 2018 to USD 154,547 thousand as at 31 December 31 December 2019, as a result of total comprehensive income for the year of USD (23,862) thousand and implementation effects relating to IFRS 16 Leases of USD (405) thousand.

11.6 Liquidity and capital resources

11.6.1 *Sources of liquidity*

The Group's principal sources of liquidity are cash generated from its operating activities and proceeds from its borrowing facilities.

The Group's liquidity requirements consist primarily of funding of the Group's operations and growth strategy, including installments on the vessel Antarctic Provider, marketing campaigns, investments in the factory in Houston, development projects, servicing the Group's debt and tax liabilities, and funding of the Group's working capital requirements, operating expenses and capital expenditure arising from maintenance of the vessels.

As of 31 December 2020, the Group had USD 10,678 thousand (equivalent) of available cash, which is primarily held in USD, undrawn credit facilities of USD 94,793 thousand and an equity to total assets ratio of 53.3%. The Group does not currently employ any systematic foreign currency hedging, but has done so historically related to construction of vessels. The Group's estimated equity ratio and cash and cash equivalents as at 31 December 2020, as adjusted for the drawdown of USD 60 million on the under the Guarantee under USD 60 million term loan facilities on 5 February 2021 to pay the final installment on the vessel Antarctic Provider, was 49.1% and USD 18,755 thousand. For more information about the capitalization and indebtedness and Financing of the Group, see Section 9 *"**Feil! Fant ikke referansekilden.**"* and Section 11.7.1 *"Financing arrangements"*. The net interest-bearing debt to EBITDA ratio was 3.1 while the interest coverage ratio, defined as EBITDA divided by net finance charges, was 2.4. The Group’s covenant requirements are net interest-bearing debt to EBITDA ratio below

5.5 and interest coverage ratio above 2.0. As of 31 December 2020, the Group's was in compliance with all financial covenants.

The Group's ability to generate cash from its operations depends on the Group's future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, political, regulatory and other factors, many of which are beyond the Group's control, as well as other factors discussed in the Section **Feil! Fant ikke referansekilden.** "***Feil! Fant ikke referansekilden.***".

The Group's objective when managing its capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders and other benefits for its various stakeholders and maintain financial flexibility to realize its strategic goals.

11.6.2 *Restrictions on use of capital*

Most of the Group's financing agreements place restrictions on the right to pay dividends, repurchase shares or make other forms of distribution to the shareholders of the Company, and in certain cases within the Group. For more information about the Group's financing arrangements, see Section 11.6.7 "*Financing arrangements*".

11.6.3 *Summarized cash flow information*

The following table presents the Company's historical cash flows for the years ended 31 December 2020, 2019 and 2018.

Table 31 - Statement of cash flows	**Year ended 31 December**		
(In NOK thousands)	**2020**	**2019**	**2018**
Cash flow from operating activities	(51,043)	12,307	7,894
Cash flow from investing activities	(2,053)	(175,946)	(64,542)
Cash flow from financing activities	50,163	174,735	56,447
Net change in cash and cash equivalents	**(2,933)**	**11,096**	**(201)**
Cash and cash equivalents end of period	**10,678**	**13,610**	**2,515**

11.6.4 *Cash flow from operating activities*

The Group's cash in flow from operating activities decreased by USD 63,350 thousand, from USD 12,307 thousand for the year ended 31 December 2019 to an out flow of USD (51,043) thousand for the year ended 31 December 2020. The decrease in cash flow from operating activities is principally due to the increase in cash outflow related to changes in accounts receivable, other current receivables, inventories, accounts payable and other primarily as a result of a strategic build-up of inventory to meet future demand, increase in trade receivable and prepaid expenses as a result of higher sales in December 2020 compared to 2019 and the decrease in accounts payable and other payables as a result of earlier docking of vessels and payment of to the shipyard. The trade receivables increased by USD 23,621 thousand as of 31 December 2020 compared to 31 December 2019, inventory increased by USD 19,834 thousand. The increased outflow from changes in accounts receivable, other current receivables, inventories, accounts payable and other was only partly offset by the increase in EBITDA of USD 11,359 thousand.

The Group's cash flow from operating activities increased by USD 4,413 thousand, from USD 7,894 thousand for the year ended 31 December 2018 to USD 12,307 thousand for the year ended 31 December 2019. The increase in cash flow from operating activities is principally due to a higher profit before tax, after taking into account and correcting for increased depreciation, amortization and impairment expenses and increased financial expenses. The increase was partly offset by increased working capital build-up in addition to higher interest paid for the period.

11.6.5 *Cash flow from investing activities*

The Group's cash out flow from investing activities decreased by USD 173,893 thousand, from USD (175,946) thousand for the year ended 31 December 2019 to USD (2,053) thousand for the year ended 31 December 2020. The decrease in cash flow from investing activities is principally due to the high Capex in 2019 related to the delivery of Antarctic Endurance of USD 94,963 thousand. In 2019 the Group also invested USD 4,450 thousand in the factory in Houston and paid instalments related to the building of Antarctic Provider with delivery in February 2021 of USD 7,496 thousand. The instalments related to Antarctic Provider increased to USD 11,158 thousand in 2020, while the investments in the factory in Houston was reduced to USD 2,153 thousand in 2020. The Group also invested USD 13,599 thousand in the marketing and launch of Epion. In 2020 the Group sold the vessel Juvel for a consideration of USD 21,597 thousand.

The Group's cash flow from investing activities decreased by USD 111,404 thousand, from USD (64,542) thousand for the year ended 31 December 2018 to USD (175,946) thousand for the year ended 31 December 2019. The decrease in cash flow from investing activities was principally due to increased payments related to take-out payments for Antarctic Endurance, in addition to the acquisition of Lang.

11.6.6 *Cash flow from financing activities*

The Group's cash in flow from financing activities decreased by USD 124,571 thousand, from USD 174,735 thousand for the year ended 31 December 2019 to USD 50,163 thousand for the year ended 31 December 2020. The increase in cash flow from operating activities is principally due to the capital increase in July 2020 of USD 224.2 million, which was only partly offset by the repayments of the interest-bearing debt to Aker ASA of USD 101.4 million and repayment of part of the revolving credit facility of USD 75.0 million.

The Group's cash flow from financing activities increased by USD 118,288 thousand, from USD 56,447 thousand for the year ended 31 December 2018 to USD 174,735 thousand for the year ended 31 December 2019. The increase was principally due to increased interest-bearing debt related to the take-out payments for Antarctic Endurance and the acquisition of Lang.

11.6.7 *Financing arrangements*

As per 31 December 2020, the Group had a total outstanding interest-bearing debt of USD 242,798 thousand. Below is an overview of the Group's financing arrangements as of the date of this Prospectus:

Guarantee for term loan facility with Caterpillar

Aker BioMarine is guarantor under a USD 22 million term loan facility maturing in May 2022 with interest rate of 3 months London Interbank Offered Rate ("**LIBOR**") + 3.95%, between the Group company Aker BioMarine Antarctic AS (as borrower) and Caterpillar Financial Services Corporation (as lender) in 2007. The purpose of the loan was relating to Saga Sea. The term loan facility is subject to semi-annual instalments with remainder repayable in full on maturity. Security is mortgage over the vessel Saga Sea and assignment of insurances for Saga Sea (all on first priority) and as well as guarantee from the Company. The loan facility contains financial covenants, including minimum net woth of USD 89.6 million and debt to net worth ratio of 3:1. As of 31 December 2020, the outstanding debt amounted to USD 1.4 million.

Guarantee for term loan facilities with Innovasjon Norge

In 2012, the group company Aker BioMarine Antarctic AS (as borrower) entered into a total of approximately NOK 138.6 million term loan facility in three tranches with Innovasjon Norge (as lender). Facility A has an interest rate of 2.8% and is maturing in September 2026, facility B has an interest rate of 2.85% and is maturing in November 2026, and facility C has an interest rate of 3.95% and is maturing in November 2023. The interest rates were changed in June 2020 according to Innovasjon Norge's interest periods and is valid unitl a new interest is set. The term loan facilities are subject to semi-annual instalments for each facility, with remainder repayable in full on maturity. Security for the term loan facilities are mortgage over the vessel Antarctic Sea and assignment of insurances for Antarctic Sea (all on first priority), as well as guarantee from the Company. As of 31 December 2020, the outstanding debt amounted to USD 10.1 million.

USD 120 million revolving loan facility agreement

In 2013 (as most recently amended and restated in 2019), Aker BioMarine (as borrower) entered into a USD 135 million revolving loan facility agreement with DNB Bank ASA (as agent, arranger and lender) and Coöperatieve Rabobank U.A. (as arranger and lender) with interest rate of three or six months LIBOR + 3.40 subject to a margin ratched based on leverage with flexibility down to 2.10%. The facility is maturing in April 2023. The purpose of the facility was refinancing of existing debt and future investments and general corporate and working capital purposes of the group. Repayment of the loan is on the last day of an interest period, subject to roll-over. All amounts are to be repaid in full on maturity. The loan agreement contains financial covenants, including leverage ratio of 5:1 and leverage ratio without guarantee by Aker ASA of 4:1. Security for the loan facility is charges over accounts receivable, inventory and machinery and plant of the Company and Aker BioMarine Antarctic AS (save for machinery and plant), share pledge over Aker BioMarine Antarctic AS, mortgage over the vessel La Manche and assignment of insurances for La Manche (all on first priority), as well as guarantee from Aker ASA. As of 31 December 2020, the outstanding debt amounted to USD 54.6 million.

USD 15 million multicurrency overdraft facility

In 2019, the Company entered into a USD 15 million multicurrency overdraft facility with DNB Bank ASA (as lender) with with interest rate of three or six months LIBOR + 2.50%, subject to ratchet based on leverage with flexibility down to 1.50%. The purpose of the overdraft facility was refinancing existing debt and general corporate and working capital purposes. The facility matures 364 days after the date of the agreement, subject to annual renewal. The overdraft facility is subject to final termination and payment in full in April 2023 and is secured by the security under the USD 120 million revolving credit facility agreement described below. The loan agreement contains financial covenants, including leverage ratio of 5:1 and leverage ratio without guarantee by Aker ASA of 4:1. As of 31 December 2020, the outstanding debt amounted to USD 4.9 million.

Guarantor under USD 120 million term loan facility

In 2017, the group company Aker BioMarine Antarctic AS (as borrower) entered into a term loan facility with Eksportkreditt Norge AS (as original lender) and DNB Bank ASA (as original bank guarantor, hedging bank, mandated lead arranger, bookrunner, ECA coordinator and agent) in a maximum amount of USD 120 million (of which 60% is guaranteed by The Norwegian Export Credit Guarantee Agency, GIEK) and guarantee facility in a maximum amount of USD 48 million, with the Company as parant guarantor. The purpose for the term loan facility was the long-term post-delivery financing of the vessel Antarctic Endurance, and the guarantee facility was issued in favour of the lender as security for the obligations of the borrower under the loan agreement. The commercial interest reference rate for the term loan facility is at 3.13%. Security for the term loan facility is charges over accounts receivable, inventory and machinery and plant of the Company and and Aker BioMarine Antarctic AS (save for machinery and plant), mortgage over the vessel Antarctic Endurance and assignment of insurances for Antarctic Endurance, guarantee from Aker BioMarine AS, assignment of hedging agreements (other than those entered into with DNB Bank ASA). The term loan facility is subject to financial covenants, including leverage ratio of 5:1, interest coverage ratio of 2:1 and liquidity over USD 4 million. As of 31 December 2020, the outstanding debt amounted to USD 96.0 million.

Guarantee under USD 60 million term loan facilities

In 2019, the group company Aker BioMarine Antarctic AS (as borrower) entered into a term loan facilities with Eksportkreditt Norge AS (as original ECA lender) and DNB Bank ASA (as original commercial lender, hedging bank, arranger, bookrunner, ECA coordinator and agent), and the Company as guarantor, in the maximum amount of USD 60 million (USD 36.6 million commercial facility and USD 23.4 million ECA facility). Purpose of the facility is long-term post-delivery financing of the vessel Antarctic Provider. The term loan has floating interest rate of three month LIBOR + 2.90%. Maturity for the commercial facility is the earlier of (i) the date falling 5 years after the delivery date and (ii) 31 March 2026 and maturity for the ECA facility is the earlier of (i) the date falling 12 years after the delivery date and 31 March 2033. The term loan facilities is subject to quarterly instalments with the remainder repayable in full on maturity. Security for the term loan is charges over accounts receivable and inventory of Aker BioMarine Antarctic AS (all on third priority), mortgage over vessel Antarctic Provider (first priority), assignment of insurances for Antarctic Provider (first priority), assignment of hedging agreement (other than those entered into with DNB Bank ASA) (first priority), mortgage over vessel Antarctic Endurance (second priority), assignment of insurances for Antarctic Endurance (second priority) and assignment of hedging agreement under Endurance financing (other than those entered into with DNB Bank ASA) (second priority), as well as guarantee from the Company. The facility was undrawn until the delivery of Provider as of 5 February 2021. As of 31 December 2020, the outstanding debt amounted to USD 0 million.

Guarantee under USD 70 million term and revolving facilities

In 2019 (as amended and restated), the group company NewRide LLC (as company and original borrower), Aker BioMarine (as parent and guarantor), and the group company Aker BioMarine US Holding, Inc. (as US parent and guarantor) entered into a USD 70 million term and revolving facilities (USD 45 million term loan facility and USD 25 million revolving credit facility) with DNB Bank ASA and Coöperatieve Rabobank U.A. (as lenders, arrangers and issuing banks, DNB Bank ASA as agent). Lang has later acceded as an additional borrower and additional guarantor. The interest rate of term loan facility is 3 months LIBOR + 3.25%, subject to ratchet based on leverage with flexibility down to 3.00% and the interest rate of the revolving credit facility is either 1 month, 3 months or 6 months LIBOR + 2.50%, subject to ratchet based on leverage with flexibility down to 2.25%. Purpose for the term loan facility was financing the acquisition of Lang (incl. refinancing of debt) and the revolving credit facility was for general corporate and working capital purposes of the Group, financing in connection with the acquisition of Lang and honouring earn-out obligations. Maturity for the term loan facility is 3 years from the closing date. Maturity for the revolving credit facility was 1 year from the closing date. Both facilities are subject to extension options (2 x 12 months and 4 x 12 months, respectively. Share pledges over NewRide LLC and Lang Pharma Nutrition, Inc. Security for the facilities are assignment of claims under the share purchase agreement, security in respect of all material assets of NewRide LLC and Lang (all on first priority). The facilities are subject to financial covenants, including leverage ratio of 6:1 (5.5:1 from 31 March 2021) and interest coverage ratio of 2:1. As of 31 December 2020, the outstanding debt amounted to USD 60.7 million.

Guarantee for USD 10 million multicurrency overdraft facility

In 2020, Lang (as borrower) entered into a USD 10 million multicurrency overdraft facility with DNB Bank ASA (as lender) with interest rate of LIBOR + 2.00%, subject to ratchet based on leverage with flexibility down to 1.75%. Repayment for the overdraft facility is 364 days after the date of the agreement, subject to annual renewal. Final termination and payment in full on the maturity date for the revolving credit facility under which it is drawn. The overdraft facility is secured by the security under the USD 70 million term and revolving facilities. The facilities are subject to financial covenants, including leverage ratio of 6:1 (5.5:1 from 31 March 2021) and interest coverage ratio of 2:1. As of 31 December 2020, the outstanding debt amounted to USD 0 million.

Debt maturity details

The below tables shows the estimated repayment schedule for outstanding debt and interest payment forecast as 31 December 2020.

Table 32 – Debt repayment schedule *(In USD millions)*	**2021**	**2022**	**2023**	**2024**	**2025-**
Term loan facility with Caterpillar	0.9	0.5	0	0	0
Term loan facilities with Innovasjon Norge	1.6	1.7	1.7	1.6	3.4
USD 120 million revolving loan facility agreement	0	0	54,6	0	0
USD 15 million multicurrency overdraft facility	0	0	4,9	0	0
USD 120 million term loan facility	9,4	9,4	9,4	9,4	58,3
USD 60 million term loan facilities	3.7	5	5	5	41,3
USD 70 million term and revolving facilities	0	0	60,7	0	0
USD 10 million multicurrency overdraft facility	0	0	0	0	0
Total	**15,6**	**16,6**	**136,3**	**16,0**	**103,0**

Table 33 – Interest payment forecast *(In USD millions)*	**2021**	**2022**	**2023**	**2024**	**2025-**
Term loan facility with Caterpillar	0	0	0	0	0
Term loan facilities with Innovasjon Norge	0,3	0,2	0,2	0,1	0,1
USD 120 million revolving loan facility agreement	2,0	1,8	0,8	0	0,0
USD 15 million multicurrency overdraft facility	0,5	0,5	0,5	0	0
USD 120 million term loan facility	2,9	2,6	2,3	2,0	6,0
USD 60 million term loan facilities	1,2	1,5	1,3	1,2	6,6
USD 70 million term and revolving facilities	1,9	1,9	1,9	0	0
USD 10 million multicurrency overdraft facility	0	0	0	0	0
Total	**8,7**	**8,5**	**7,0**	**3,3**	**12,7**

Other

All of the Group's major loans - including the facilities for the ship owning companies - have a change of control clause of 50% or more, with regards to Aker ASA's ownership in the Company.

Aker ASA has provided a financial guarantee of NOK 305 million in relation to the Company's revolving credit facility of USD 135 million. The guarantee can be released and terminated when the Company has reported a financial debt covenant of less than 3.5X for two consecutive quarters. The Company has now reported a financial debt covenant of less than 3.5X for Q3 and Q4 2020 respectively, hence in connection with the submission of compliance certificates to DNB Bank ASA for Q4, the Company will include a guarantee release note and expects that the Aker ASA guarantee will lapse.

11.7 Capex and Investments

The table below sets forth the Group's cash outflow related to Capex and investments in subsidiaries and associated companies for the years ended 31 December 2020, 2019 and 2018.

Table 34 - Capex	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
Payments for property, plant and equipment	(21,654)	(126,906)	(40,254)
Payments for intangibles	(2,055)	(10)	(24,258)
Capex	**(23,709)**	**(126,916)**	**(64,512)**
Investments in subsidiaries and associated companies	(356)	(49,284)	(36)
Total Capex and investments	**(24,065)**	**(176,200)**	**(64,548)**

The Group's Capex and investments consists mainly of the acquisitions of subsidiaries, maintenance and building of new vessels, investments in production facilities and launch of new brands. In order to establish the market position in the Brands segment the Group will for a period invest heavily in marketing, product development and possibly M&A. In 2019 the Group initiated the strategic vertical integration of the value chain by establishing the Brands segment. The Brands segment seeks to penetrate and vertically integrate the consumer market, and as such the Group will be able to control the entire value chain from krill harvest in Antarctica to finished krill oil supplement brand for consumers.

Capex for the year ended 31 December 2020 compared to the year ended 31 December 2019

The Group's Capex decreased by USD 103,207 thousand, from USD 126,916 thousand for the year ended 31 December 2019 to USD 21,654 thousand for the year ended 31 December 2020. The decrease was primarily a result of large Capex investments in 2019 related to the delivery of Antarctic Endurance of USD 94,963 thousand In 2019 the Group also invested USD 4,450 thousand in the factory in Houston and paid instalments related to the building of Antarctic Provider with delivery in February 2021 of USD 7,496 thousand. The instalments related to Antarctic Provider increased to USD 11,158 thousand in 2020, while the investments in the factory in Houston was reduced to USD 2,153 thousand in 2020. The Group also invested USD 13,599 thousand in the marketing and launch of Epion.

Acquisition of Aion in 2020

On 16 December 2020, the Group acquired 100% of the issues shares in Aion, a CaaS company for a consideration of USD 356 thousand, which was paid with cash.

Acquisition of Lang in 2019

On 1 March 2019, the Group acquired 100% of the issued shares in Lang, a full service, mass market dietary supplement manufacturer, for a consideration of USD 91.3 million. The contribution consisted of a cash consideration paid on closing of USD 49.2 million, acquired cash and cash equivalents of USD 3.7 million, in addition to a contingent consideration with an estimated fair value of USD 38.4 million at the acquisition date. The contingent consideration arrangement required Aker BioMarine to pay the seller an earn-out calculated each fiscal year using a measurement of company EBITDA as its basis. The contingent consideration period is from 2019 through 2022. Based on Lang's performance and the fulfilment of certain earn-out targets in the year ended 31 December 2020 the previous owners of Lang are entitled to an additional consideration of USD 9.2 million which will be paid by the Group in 2021. The amount is reflected in the balance sheet as of 31 December 2020.

Capex for the year ended 31 December 2019 compared to the year ended 31 December 2018

The Group's Capex increased by USD 62,404 thousand, from USD 64,512 thousand for the year ended 31 December 2018 to USD 126,916 thousand for the year ended 31 December 2019. The increase was primarily a result of the Capex investments related to the delivery of Antarctic Endurance of USD 94,963 in 2019. In 2018 the Group acquired customer relations of USD 18.8 million, trademarks of USD 1.2 million and goodwill of USD 1.2 million from Enzymotec and patents and purification technology from Orochem for USD 2.4 million.

Acquisition of the krill oil business of Enzymotec Ltd. in 2018

The Company entered into an asset purchase agreement with Enzymotec Ltd. in January 2018, granting Aker BioMarine ownership to Enzymotec Ltd.'s krill oil business and the IP related to it. The business was spun off from Enzymotec Ltd.'s other business areas. The transaction valued the krill oil business at USD 26.4 million.

11.7.1 *Investments in progress or for which firm commitments have already been made*

As part of the Group's business, the Group will regularly have to invest in its assets to maintain its production capacity. Additionally, the Group intends to continue to invest in in the development of new products and intangible assets that increase the future financial performance of the Group. The Group's ongoing investments in tangible and intangible are described below.

R&D and intangible assets

The Group intends to invest USD 2.5 million in internally developed intangible assets related to the development of the product, studies, regulatory approval, patent filings and other investments in Invi. The Group has not made any firm commitments for these investments and expects to fund them through existing financing arrangements and cash flow from operations.

Vessels

The Group conducts annual shipyard maintenance for all its vessels where required fixed assets replacements, additions and maintenance backlog are maintained. The annual shipyard takes place between October and November. The capital expenditures vary between the vessels and the years dependant on maintenance scope and classification. In 2020 the Group paid USD 6.7 million for annual shipyard maintenance excluding inspection and classification costs. Going forward the Group will also incur shipyard maintenance expenses on its new vessel Antarctic Provider.

Major inspections of the vessels are done on a regular basis as required by the classification society and according to laws and regulations, typically every fifth year, with intermediate docking every 2-3 years. The classification costs vary from vessel and period but has historically been approximately USD 2.5 million per vessel over the five year period.

The table below sets forth the Group's planned schedule for next classification of its vessels:

Table 35 – Overview of the Group's planned schedule for next classification of its vessels

Vessel	Next major inspection and classification
Antarctic Sea	2023
Saga Sea	2024
Antarctic Endurance	2024
Antarctic Provider	2025

The Group paid USD 50.5 million relating to the final instalment with delivery of the new logistic vessel, Antarctic Provider, on 5 February 2021. No further commitment is remaining related to the delivery of the vessel.

Production facilities

The Group is in progress to increase the capacity of krill oil production in its Houston factory. The capacity increase is expected to be finalised in 2022. The estimated cost of initiative 1 in 2021 is approximately USD 3.7 million. The cost estimate for initiative 2 in 2022 is not finalised and depended on the outcome of initiative 1. The investment will be funded with the Group's current financing arrangements and cash flow from operations.

The Group is in the process of setting up a plant in Ski, Norway to further develop the product and evaluate the market. This plant will start producing commercial product late 2022/early 2023. The plan is to expand production capacity into a full commercial plant of 5,000 MT protein per year. The Group estimates that it will invest approximately USD 15-20 million in 2021 and 2022 related to the factory in Ski, Norway. The investment will be funded with the Group's current financing arrangements, NOK 21.5 million in grants from Innovation Norway (Norw: Innovasjon Norge) and cash flow from operations.

Except for the investments listed above, the Group does not have any material investments in progress nor made firm commitments for such investments.

11.7.2 *Joint venture and undertakings*

The Group is currently not involved in any joint ventures or undertakings.

11.7.3 *Environmental issues affecting the Group's utilization of the tangible fixed assets*

The Group is not aware of any environmental issues that may affect the Group’s utilization of its factory, logistics assets or vessels. The Group’s vessels are certified by DNV, a classification society, to operate in the Southern Ocean. The Houston facility is regulated by the Texas Commission of Environmental Quality (TCEQ) and is in good standing with all required permitting and authorizations required to operation in the state of Texas.

The Group has to comply with extensive environmental, health and safety laws and regulations in several jurisdictions governing the use, storage, registration, handling and disposal of chemicals, waste materials and sewage, air, water and ground contamination, air emissions and the clean-up of contaminated sites. Any past or current failure by the Group to comply with such regulations may result in damages, fines and other civil, administrative or criminal sanctions as well as damage the Group's reputation and customer relationships. Any such developments could have a material adverse effect on the utilization of the Group’s tangible fixed assets. This is a general risk for companies operating vessels, and not a specific risk for the Group.

11.8 Related party transactions

The Group’s related parties includes the related parties to the Company and its subsidiaries, as well as to the members of the Board of Directors, and the members of management. Related parties also include companies in which the individuals mentioned in this paragraph have significant influence.

The Group’s Consolidated Financial Statements include the following transactions with related parties, including with Aker ASA, the controlling shareholder of the Group, and companies controlled by Aker ASA. See note 22 in the Company's Consolidated Financial Statements, attached hereto as Appendix B for remuneration to key management.

Table 36 – Related party transactions	**Year ended 31 December**		
(Amounts in USD thousands)	**2020**	**2019**	**2018**
Office rent, facilities services and information technology	(1,513)	(1,404)	(1,084)
Interest expenses and guarantee fee	(4,631)	(6,292)	(6,555)
Total	**(6,144)**	**(7,696)**	**(7,639)**

The interest expense relates to the interest-bearing debt to Aker ASA, see note 15 in the Consolidated Financial Statements for details, the interest-bearing debt to Aker ASA was repaid with the proceeds from the capital increase registered in July 2020 (for more information about the capital increase, see Section 13.3 *"Share capital and share capital history"*). The guarantee fee relates to the guarantee provided from Aker ASA related to the Group’s long-term loan with DNB Bank ASA and Coöperatieve Rabobank U.A. (see note 16 in the Company's Consolidated Financial Statements, attached hereto as Appendix B, for more information).

On 16 December 2020, the Group acquired 100% of the issued shares in Aion from Cedrus AS, a private limited liability company owned by an employee of Aker BioMarine AS, for a consideration of USD 0.3 million. As part of the share purchase agreement, the previous owner is entitled to certain earn-outs if the Group becomes waste free and if Aion AS reaches certain financial targets over a 3-5 years period. The fair value of these earn-outs are set to zero as of 31 December 2020 as the outlook is currently highly uncertain. See Section 8.6.2.6 *"Recent acquisitions"* for further information.

The Group purchased information technology services from Cognite AS, a wholly owned subsidiary of Aker ASA in 2020, 2019 and 2018. These costs are presented within office rent, facilities services and information technology in the table above.

The Group’s paid rent for its headquarter to Fornebu Gateway AS, a company owned by Aker ASA and The Resource Group TRG AS in 2020, 2019 and 2018. These costs are presented within office rent, facilities services and information technology in the table above.

In 2020 the Company has entered into an agreement for consulting services with Converto Consulting AS in order to streamline its offshore segment. Former board member, Frank Reite, has an ownership stake of approximately 40% of Converto Consulting AS.[33] These costs are presented within office rent, facilities services and information technology in the table above.

Furthermore, the Group CEO, Matts Johansen, owns approximately 1.05% of the shares in the Company (through KMMN Invest II AS) and receives salary as agreed by the Board of Directors. The CEO of Lang Pharma Nutrition LLC, Dave Lang, is also the recipient of any earn-out payments in accordance with the share purchase agreement from the acquisition.

Management believes that the services are provided on arms-length principles and conditions.

11.9 Critical accounting policies and estimates

The Group's general accounting policies are summerized in note 1 in the Consolidated Financial Statements, attached hereto as Appendix B. Summarised below are those acounting policies deemed critical by the Group.

11.9.1 *Net sales recognition*

Net sales 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 deals within the human health and nutrition 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.

Net sales is measured at the fair value of consideration received or receivable on sale, including rebates, fair value adjustments and excluding VAT. Net sales is recognized when the Company's identified performance obligations are fulfilled. The Group does not have any contracts with a significant financing component.

Under IFRS 15 the Group's net sales from sale of krill oil and Qrill™ is recognized at a point in time, when the customer obtains control over the goods. Transfer of control to the customer is based on the agreed delivery term. The Group applies the Incoterms 2010, issued by International Chamber of Commerce, to make this determination and all sales are conducted using F- or C-terms meaning the risk is transferred upon handing the goods over to the carrier engaged by either the customer or Group, respectively.

Upon sale of product, each sale would normally constitute two performance obligations, the product sold and the freight. Some contractual terms may therefore result in the Group delivering freight services after control has passed to the customer, however this timing effect would have an insignificant impact on profit and loss. The applies to C-term sales, as presented above.

The goods are sold with standard warranties that the goods sold complies 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.

11.9.2 *Inventories*

Inventories are measured at the lower of actual production cost (including freight) and net realizable value. Acquisition cost is based on the actual cost of warehoused materials. The cost of finished goods and work in progress comprises the costs of raw materials, direct labour and other direct costs, and related production overheads. Indirect costs allocated to inventories, includes salaries, depreciation and certain other operating expenses. The Group assigns cost of inventories using a weighted average cost formula.

Net realizable value is the estimated sales price in the ordinary course of business, less the costs of completion such as freight and commission. The impairment from actual production cost (including freight) to net realizable value is recognized in "Net change in inventories".

The production of both krill oil and Qrill™ branded ingredients is highly complex where the Group controls the entire value chain from harvesting of raw krill in the Antarctic, to the onboard krill meal processing, oil extraction and quality control. Furthermore, the process is very sensitive to harvesting conditions, such as length of the

[33] Frank Reite was board member for the financial period covered by this Prospectus (2018-2020) and was replaced at the general meeting held on 12 March 2021.

fishing season and other external factors like specification of the krill harvested. These factors all influence the parameters for capitalization of indirect production costs in the Group and full cost of the products.

11.9.3 *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.

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 labour 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.

11.9.4 *Recoverable amount of intangible assets with indefinite useful lives*

Goodwill resulting from business combinations is allocated to each of 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. The Group has two different CGUs, Ingredients and Brands, representing the two operating segments of the Group, both CGUs generate independent cash flows.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Impairment is determined for goodwill by assessing the recoverable amount of each unit to which the goodwill relates. When the recoverable amount of the unit is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

11.9.5 *Critical accounting estimates and judgements*

The preparation of the Annual Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and judgments are evaluated on a continually basis and are based on historical experiences and other factors that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual outcome.

The key estimates and judgments that could have a significant effect upon the Group's financial results relate to:
- (i) Net realizable value of inventory (note 12)
- (ii) Technical assessment of the useful life of the Group's vessels and machinery (note 9)
- (iii) Calculating the fair value of tangible and intangible assets allocated to the krill cash generating unit (note 11)
- (iv) Fair Value of earn-out related to the acquisition of Lang during 2019 (note 16)

Where appropriate, present values are calculated using discount rates reflecting the currency and maturity of the items being valued. Further details of estimates and judgments are set out in the related notes to the Consolidated Financial Statements.

11.10 Trend information

The Group is not aware of any recent significant changes in the trends related to production, sales or inventory, costs or selling prices in the period between 31 December 2020 and to the date of this Prospectus. The Group is also not aware of any significant changes to the Group’s financial performance in the period between 31 December 2020 and to the date of this Prospectus.

The Group has historically seen, and going forward expects to see, a natural variation in catch volumes throughout the season, due to weather and the occurrence of krill in the various sub-areas in Antarctica. This could result in material variations in offshore production between the quarters, but as long as the vessels are technically operating, this seasonal variation should even out throughout the year. The Group aims to deliver a consistent harvesting year-on-year. Harvesting is currently going well, and both Antarctic Endurance and Antarctic Sea have set all-time-high production per day records in February 2021.

The demand for the Group’s krill-derived products for aquaculture may be impacted by price fluctuations in fish meal prices. Aquaculture feed producers may increase their share of fish meal in the feed formulation mix in scenarios with very low fish meal price, as was observed in late 2019 and early 2020. In the period from 31 December 2020, up to the date of this Prospectus, the Group has experienced stable selling prices for its products.

On 5 February 2021 the Group made a drawdown of USD 60 million on its financing arrangements to pay the final instalment of USD 50.5 million related to the delivery of the vessel Antarctic Provider. The remaining USD 9.5 million is held as cash for general corporate purposes.

The COVID-19 outbreak is a driver of global uncertainty and concern. Foreign exchange and oil price have seen significant fluctuations since the outbreak of the disease. The Group has through its operations exposure to several currencies and the price of marine gas oil for its vessels, which might influence the financial results. To reduce this exposure the Group has secured the price of 100% of expected use marine gas oil in 2021.

The Group is taking measures to mitigate the risk for operational disruptions both for the vessel operation offshore and for the production facility onshore in Houston, as well as in the offices. However, the COVID-19 pandemic continues to inflict inefficiencies and extra costs, especially related to crew changes, and the company expects this to continue at least through first half 2021.

11.11 Significant changes in the issuer’s financial position

On 5 February 2021 the Group made a drawdown of USD 60 million on its financing arrangements to pay the final instalment of USD 50.5 million related to the delivery of the vessel Antarctic Provider.

Other than above, there has been no significant change in the Group's financial position which has occurred since the end of the last financial period for which the audited financial statement has been published to the date of this Prospectus.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The Company's highest decision-making authority is the general meeting of shareholders. All shareholders in the Company are entitled to attend or be presented by proxy and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO, is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

12.2 Board of Directors

12.2.1 *Overview*

The Company's Articles of Association provide that the Board of Directors shall consist of between three to nine board members elected by the Company's shareholders. Please find details regarding the Company’s members of the Board of Directors, as at the date of this Prospectus, in the table below:

Table 37 – Overview of the members of the Company's Board of Directors

Name	Position	Served since	Term expires	Shares	Options
Ola Snøve	Chair	2014	2022	185,000 (1)	-
Øyvind Eriksen	Board Member	2016	2022	- (2)	-
Kjell Inge Røkke	Board Member	2016	2022	68,132,830 (3)	-
Anne Harris	Board Member	2021	2023	-	-
Cilia Holmes Indahl	Board Member	2021	2023	-	-
Line Johnsen	Board Member, employee representative	2020	2021	-	-
Sindre Skjong	Board Member, employee representative	2019	2021	-	-
Frank Ove Reite	Deputy Board Member (4)	2021 (5)	2023	-	-
Siri Okkenhaug	Deputy Board Member, employee representative	2019	2021	-	-

(1) Ola Snøve owns 185,000 Shares through his wholly owned company Storbrea AS.
(2) Øyvind Eriksen holds indirectly a small portion of shares in the Company through his ownership in Erøy AS. Erøy AS holds 100,000 shares (approximately 0.2% shareholding) in TRG Holding AS, which is the majority shareholder in Aker ASA, which in turn holds indirectly shares in the Company through Aker Capital AS.
(3) Kjell Inge Røkke is the controlling shareholder and chair of Aker ASA, which owns 100% of Aker Capital AS, the Company's largest shareholder. Aker Capital AS holds 68,132,830 Shares.
(4) Frank Ove Reite is deputy Board Member for Øyvind Eriksen with right of attendance to all board meetings.
(5) Frank Ove Reite was Board Member from 2016 to the annual general meeting held on 12 March 2021.

The Company's registered office at Oksenøyveien 10, N-1366 Lysaker, Norway, serves as the business address for the members of the Board of Directors in relation to their positions in the Company.

12.2.2 *Brief biographies of the Board of Directors*

The following sets out a brief introduction to each of the members of the Company's Board of Directors:

Ola Snøve – *Chairman*

Ola Snøve has been Chair of the Company since 2014. Mr. 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. Mr. Snøve works with and is a Non-Executive Director in multiple innovative technology companies, including Cognite who develops software to empower the digital industrial revolution on a global scale. Mr. Snøve holds M.Sc. and Ph.D. degrees from the Norwegian University of Science and Technology, and an M.B.A. with Distinction from INSEAD.

Øyvind Eriksen – *Board Member*

Øyvind Eriksen joined Aker ASA in January 2009. Mr. Eriksen holds a law degree from the University of Oslo. He joined 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. Mr. Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry. As CEO Mr. Eriksen is currently chairman of the board in Aker BP ASA, Aker Solutions ASA, Cognite AS, Aker Capital AS, Aker Holding AS, Aker Horizons AS and REV Ocean Inc. He is also a director of several companies, including Aker Energy AS, Akastor ASA, 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.

Kjell Inge Røkke – *Board Member*

Kjell Inge Røkke, Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke controlled company, RGI, purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Mr. Røkke is also currently director of Aker BP, Aker Solutions, Aker Horizons, Ocean Yield, Cognite, Aker BioMarine and Aker Energy.

Anne Harris – *Board Member*

Anne Harris is CFO in Statkraft since 2019 and has a nearly 15 years of experience as executive from companies like Norsk Hydro ASA, Entra Eiendom AS and Multiconsult ASA. Mrs. Harris holds a MSc, Economics and Management from BI, Norwegian School of Management. Mrs. Harris has served as board member at Insititutt for Energiteknikk (IFE) from 2015.

Cilia Holmes Indahl – *Board Member*

Cilia Holmes Indahl is Head of EQT Foundation, which invests 1% of the proceeds from EQT AB with an aim of creating a more inclusive and regenerative tomorrow. Prior to working with the EQT Foundation, Indahl worked as CEO of Katapult Group and as Director of Sustainability in Aker BioMarine. Ms. Indahl holds a BsC from NHH and a degree within International Business and Sustainable Development from HEC Paris.

Line Johnsen – *Board Member, employee representative*

Line Johnsen joined the Company in 2012 holds the position as Vice President of Science and Regulatory Affairs. She was elected as employee representative to the Company's Board of Directors in 2019. Line holds a Ph.D. degree from the University of Oslo within Biochemistry.

Sindre Skjong – *Board Member, employee representative*

Sindre Skjong joined the Company in 2017 and holds the position as Vice President of Technical Operations. He was elected as employee representative to the Company's Board of Directors in 2019. He has previously worked 9 years in various positions with Aker BioMarine Antarctic AS. He was educated as a coastal captain from the Aukra Maritime School.

Frank O. Reite – *Deputy Board Member for Øyvind Eriksen*

Frank O. Reite holds the position as Deputy Board Member in Aker BioMarine. Mr. Reite first joined Aker in 1995, and held the position as CFO in Aker ASA from August 2015 until August 2019. He is now an advisor. He holds a B.A. in business administration from Handelshøyskolen BI in Oslo. Mr. Reite has previously held the position as President & CEO of Akastor, and has previously held a variety of executive positions in the Aker group, including overseeing and developing Aker's investments in Converto Capital Fund AS, Havfisk ASA, Norway Seafoods AS and Aker Yards ASA. Mr. Reite also has experience from banking and served as Operating Director at Paine & Partners, a New York-based private equity firm. Mr. Reite is chairman of Ocean Yield ASA, Converto AS Norron AB and board member of Solstad Offshore ASA, and was a board member of Aker Biomarine AS until the annual general meeting in 2021.

Siri Okkenhaug – *Deputy Board Member, employee representative*

Siri Okkenhaug joined Aker BioMarine in 2013 and holds the positions as QC Manager. She was elected as deputy employee representative to the Company's Board of Directors in 2019. She has previously worked as Quality Controller in the Company and as Engineer at the Ullevål University Hospital. She holds a Master's degree in molecular biology from the University of Tromsø and a bachelor degree in biotechnology from the Norwegian University of Science and Technology (NTNU) and Bond University.

12.3 Management

12.3.1 *Overview*

The management of the Company consists of 9 individuals. Please find details regarding the Company's management, as at the date of this Prospectus, in the table below:

Table 38 – Overview of the members of the Company's management

Name	Position	Employed since	Shares	Options
Matts Johansen	Chief Executive Officer (CEO)	2009	920,714 (1)	-
Katrine Klaveness	Chief Financial Officer (CFO)	2018	4,450	-
Tim de Haas	EVP Human Health and Nutrition	2010	4,650	-
Hege Spaun	Chief Officer People and External Affairs	2016	-	-
Tone Lorentzen	EVP Supply Chain	2015	4,500	-
Shauna McNeill	EVP Innovation	2017	4,870	-
Sigve Nordrum	EVP Animal Health and Nutrition	2007	5,600	-
Todd Norton	EVP Special Advisor	2010	-	-
Trond Atle Smedsrud	EVP Strategic Investments	2015	4,800 (2)	-
Webjørn Barstad	EVP Offshore	2020	-	-

(1) Matts Johansen owns 920,714 Shares through his wholly owned company KMMN Invest II AS (representing approximately 1.05% of the Shares in the Company).
(2) Trond Atle Smedsrud owns 4,800 Shares through his wholly-owned investment company Hawi Holding AS.

The Company's registered office, at Oksenøyveien 10, N-1366 Lysaker, Norway, serves as the business address for the members of the management in relation to their positions in the Company.

12.3.2 *Biographies of the members of management*

The following sets out a brief introduction to each of the members of the Company's management:

Matts Johansen – *Chief Executive Officer (CEO)*

Matts joined Aker BioMarine in 2009. Before being named the CEO in 2015, Matts was the Chief Operating Officer of Aker BioMarine. As the CEO of Aker BioMarine, Matts is on a mission to improve human and planetary health. Prior to joining Aker BioMarine, he was the Chief Marketing Officer at Telefonica O2. Before that Matts studied at Oslo University College and Columbia University.

Katrine Klaveness – *Chief Financial Officer (CFO)*

Katrine is the CFO of Aker BioMarine, 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). Katrine spent her first years in McKinsey & Company, and holds a Master's from BI, the Norwegian Business School.

Tim de Haas – *EVP Human Health and Nutrition*

Joining Aker BioMarine in 2010, Tim is responsible for global sales and marketing of the company's Human Nutrition & Health products. Prior to joining Aker BioMarine, Tim was a Management Consultant for Capgemini, working on market entry and growth strategies for a number of telecommunication companies in Europe and the Middle East. Tim has a Master's degree in Economics from the University of Hamburg.

Hege Spaun – *Chief Officer People and External Affairs*

Hege 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, Hege was a

Senior Consultant for organizational development at DNV GL. Hege has a Master's degree in Psychology from the University of Oslo.

Tone Lorentzen – *EVP Supply Chain*

Tone joined Aker BioMarine in 2015. She oversees Aker BioMarine's entire supply chain from harvest to production, including the vessels in Southern Ocean, the krill oil factory in Houston, product quality and global logistics. Tone has 25 years of experience with global supply chain operations. Prior to joining Aker BioMarine, Tone worked at Nycomed, Amersham, GE Healthcare and Trygg Pharma.

Shauna McNeill – *EVP Innovation*

Shauna 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. Shauna has worked in a variety of strategy, product and business development roles including at Ecolab and the Boston Consulting Group. Shauna holds both an MBA from Harvard Business School and a B.S. in Chemical Engineering from the University of Minnesota.

Sigve Nordrum – *EVP Animal Health and Nutrition*

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

Todd Norton – *EVP Special Advisor*

Todd has been with Aker BioMarine since 2010. He is responsible for strategic initiatives, as well as the company's operations in the U.S. Prior to joining Aker BioMarine, Todd was the President and chief operating officer at Sabinsa. He also has more than 40 years' experience working in the nutraceutical industry. Todd has a B.A. degree in Business Management.

Trond Atle Smedsrud – *EVP Strategic Investments*

Trond Atle 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, in his current role Trond Atle is responsible for exploring, securing and growing new corporate investments. Prior to joining Aker BioMarine, Trond Atle worked in senior positions at Coca-Cola and PwC. Trond Atle has a Master's degree from BI Norwegian School of Management.

Webjørn Barstad – EVP Offshore

A self-described 'boat guy', Webjørn Barstad has jumped on board a new mission as EVP Offshore in December 2020, 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. Webjørn has an MSC in International Banking and Financial Studies from Heriot-Watt University Business School, Edinburgh.

12.4 Remuneration and benefits

12.4.1 *Remuneration of the Board of Directors*

For the period from the annual general meeting in 2020 until the annual general meeting in 2021, Ola Snøve received NOK 500,000 in remuneration for the role as chairman of the Board of Directors, while Frank Reite (stepped down on 12 March 2021) received NOK 250,000 as board member. None of the other members of the Board of Directors described in Section 12.2 *"Board of Directors"* above received any remunerations for their directorships up until the annual general meeting in 2021. Øyvind Eriksen, Kjell Inge Røkke, Line Johnsen, Sindre Skjong and Siri Okkenhaug are employed in the Aker group and did not receive any remuneration for their directorships, while Anne Harris and Cilia Holmes Indahl were elected as board members in 2021.

12.4.2 *Remuneration of the Management*

The below table sets forth the amount of remuneration paid by the Company to its executive management for the financial year ended 31 December 2020.

Table 39 – Remuneration of the Management

Name and position	**Position**	**Salary** *(In USD thousands)*	**Benefits in kind** *(In USD thousands)*	**Bonus** *(In USD thousands)*	**Pensions costs** *(In USD thousands)*	**Total remuneration** *(In USD thousands)*
Matts Johansen	CEO	420	1	200	10	620
Katrine Klaveness	CFO	240	1	180	10	430
Tim de Haas	EVP Human Health and Nutrition	200	1	130	10	340
Hege Spaun	Chief Officer People and External Affairs	30	1	-	-	30
Tone Lorentzen	EVP Supply Chain	230	1	140	10	380
Shauna McNeill	EVP Innovation	160	1	120	10	290
Sigve Nordrum	EVP Animal Health and Nutrition	190	1	130	30	350
Todd Norton	EVP Special Advisor	230	0	110	10	350
Trond Atle Smedsrud	EVP Strategic Investments	250	1	150	10	410
Webjørn Barstad	EVP Offshore	20	0.1	-	-	20

12.5 Employees

The Group had 551 employees as of 31 December 2020.

The table below shows the development in the number of employees in the Group for the years ended 31 December 2020, 2019 and 2018.

Table 40 - Employees	**As at 31 December 2020**	**As at 31 December 2019**	**As at 31 December 2018**
Group	551	504	364

The below table below shows the number of full-time employees of the Group by main category of activity.

Table 41 - Category of activity	**As of 31 December 2020**	**As at 31 December 2019**	**As at 31 December 2018**
Onshore	310	295	199
Offshore	241	209	165

The below table below shows the number of full-time employees of the Group by geographic location.

Table 42 - Geographic location	**As of 31 December 2020**	**As at 31 December 2019**	**As at 31 December 2018**
Norway	130	125	107
US	151	144	76
Rest of the world	29	26	16

12.6 Share incentive programs

The Company does not have any share incentive program in place, but is considering implementing a program going forward.

12.7 Benefits upon termination

If the Company terminates the employment, Matts Johansen (CEO) and Todd Norton (EVP Special Advisor) are entitled to three months' severance pay after the end of the notice period, while Sigve Nordrum (EVP Animal Health and Nutrition) is entitled to six months' severance pay after the end of the notice period (as well as early retirement benefit from the age of 62).

None of the other members of the Board of Directors or the members of management have service contracts with the Company or its subsidiary and none will be entitled to any benefits upon termination of office.

12.8 Pension and retirement benefits

For the year ended 31 December 2020, the pension cost for members of the Management employed in the Group was approximately USD 95 thousand.

The Group has no pension or retirement benefits for its Board Members.

12.9 Nomination committee

The Company's Articles of Association provide for a nomination committee elected by the general meeting. The composition of the Company's nomination committee will subject to and with effect from Listing comprise of Ingebret Hisdal (committee chair) and Svein Oskar Stoknes (committee member). The members of the nomination committee are appointed until the annual general meeting of the Company in 2023.

The nomination committee shall present proposals to the general meeting regarding election of the chair of the Board, board members and any deputy members of the Board and election of members of the nomination committee.

The nomination committee shall also present proposals to the general meeting for remuneration of the Board and the nomination committee.

12.10 Audit committee

The Company has established an audit committee comprising of Anne Harris (leader and member of the Board of Directors) and Ola Snøve (member and Chairman of 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.

12.11 Remuneration committee

The Board of Directors has not established any separate remuneration committee. Instead, matters of remuneration will be dealt with by the whole Board of Directors.

12.12 Corporate Governance

The Company has adopted and implemented a corporate governance regime which complies with the Norwegian Code of Practice for Corporate Governance, dated 17 October 2018 (the "**Corporate Governance Code**").

Neither the Board of Directors nor the Company's general meeting of shareholders have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

12.13 Conflict of interests

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or

- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

13 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

This section includes a summary of certain information relating to the Company's shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Prospectus. The mentioned summaries do not purport to be complete and is qualified in its entirety by the Company's Articles of Association (attached hereto as Appendix A) and Norwegian law.

13.1 Company corporate information

The Company's registered legal and commercial name is Aker BioMarine ASA. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company's registration number in the Norwegian Register of Business Enterprises is 913 915 062 and the Company's Legal Entity Identifier code (LEI-code) is 549300V34T6VWDSYWE64.

The Company was incorporated in Norway on 30 June 2014 as a private limited liability company and transformed to a public limited liability company following the extraordinary general meeting held on 12 March 2021.

The Shares, including the Offer Shares, have been created under the Norwegian Public Limited Liability Companies Act. The Offer Shares are registered in book-entry form with the VPS under ISIN 001 0886625. The Company's register of shareholders in the VPS is administrated by the VPS Registrar.

The Company's registered office is located at Oksenøyveien 10, N-1366 Lysaker, Norway and the Company's main telephone number is +47 24 13 00 00. The Company's website can be found at www.akerbiomarine.com. The content of the Company's website is not incorporated by reference into, nor otherwise forms part of, this Prospectus.

13.2 Legal structure

The Company functions as parent company of the Group. The Group's operations are mainly carried out by the Company's subsidiaries. The following table sets out information about the Company's (directly or indirectly owned) subsidiaries:

Table 43 - Group structure

Subsidiary / Operating division	Share-holding	Voting rights	Country of incorporation	Description
Aion AS	100%	100%	Norway	Ensure circularity and upcycling of the company's waste streams.
Aker BioMarine Antarctic AS	40% (1)	100%(2)	Norway	Developer of marine raw materials into high-quality products for humans and animals and conduct research and development in this field, as well as providing advice to other players with similar areas of interest in marine raw materials.
Aker BioMarine Antarctic US LLC	100%	100%	U.S.	Distribution and sales company for the US market.
Aker BioMarine Antarctic Services AS	100%	100%	Norway	Staffing services for the Group's vessels and other related services.
Aker BioMarine Australia Pty Ltd	100%	100%	Australia	Distribution, marketing and sales company for the Australian market
Aker BioMarine Manufacturing LLC	100%	100%	U.S	Tolling manufacturer of krill products for Aker BioMarine Antarctic AS.
Aker BioMarine Financing LLC	100%	100%	U.S.	Financing vehicle for Aker Biomarine Manufacturing LLC
Aker BioMarine Antarctic SA	100%	100%	Uruguay	Provides logistics and warehousing services to Aker Biomarine Antarctic AS.
Aker BioMarine US Holding Inc	100%	100%	U.S.	Holding company and parent for the various US subsidiaries.
Complector Ship Management AS	100%	100%	Norway	Business, investment and participation in other enterprises.
Aker BioMarine Asia Ltd	100%	100%	China	Holding company for Aker Biomarine Shanghai International Trading Co Ltd
Aker BioMarine Shanghai International Trading Co Ltd	100%	100%	China	Marketing and sales company for the Chinese market.
Aker BioMarine Canada Inc	100%	100%	Canada	Distribution and sales company for the Canadian market.
Euphausia LLC	100%	100%	U.S.	Currently dormant company, established as a potential B2C company in the United States

Aker BioMarine (Thailand) Ltd	100%	100%	Thailand	Distribution, sales and marketing company for the Thai and neighboring markets. Company not fully operational at this time.
Aker BioMarine India Private Ltd	100%	100%	India	Distribution, sales and marketing company for the Indian and neighboring markets.
NewRide LLC	100%	100%	U.S.	Parent/ holding company of Epion Brands LLC.
Epion Brands LLC	100%	100%	U.S.	Distribution, marketing and advertising company established in the United States.
Lang Pharma Nutrition Inc	100%	100%	U.S.	Full service, mass-market dietary supplement manufacturer.
Wanaka Biomarine Ltd	100%	100%	New Zealand	Distribution, sale and marketing company for the New Zealand market.

(1) Through its fully owned company Antarctic Harvesting Holding AS, 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. Based on the content of the shareholder agreement between the Company and Antarctic Harvesting Holding AS, the Company defines Aker BioMarine Antarctic AS as a subsidiary for accounting purposes, even if the ownership is 40% (the B-shares). In the Company accounts, the NOK 11 million is accounted for as interest bearing debt.
(2) The Company has all voting rights except for certain fundamental matters which require consent from both shareholders.

As at the date of this Prospectus, the Company is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the on the assessment of its own assets and liabilities, financial position or profits and losses.

13.3 Share capital and share capital history

As of the date of this Prospectus, the Company's current share capital is NOK 525,516,516 divided on 87,586,086 Shares, each with a nominal value of NOK 6.00. All Shares are validly issued, fully paid and non-assessable.

The Company has only one class of Shares. Accordingly, there are no differences in the voting rights among the Shares. Each Share carries one vote and all Shares carry equal rights in all respects, including rights to dividends.

The table below shows the development in the Company's share capital for the period covered by the historical financial information, i.e. from 2018 and up to the date of this Prospectus:

Table 44 – Development in Share capital

Date registered	Type of change	Share capital increase (NOK)	Share capital (NOK)	Subscription price (NOK/share)	Par value (NOK/share)	Issued shares	Total shares
01.06.2018	Debt conversion (1)	34,534,696.23	414,321,264	14.48	6.00 (1)	-	69,053,544
02.07.2020	Share capital increase	111,195,252	525,516,516	115.85	6.00	18,532,542	87,586,086

(1) In May 2018, USD 125 million of a loan from Aker ASA were converted to equity as capital contribution. The share capital was increased from NOK 379,786,568 to 414,321,264 NOK, by increasing the par value per share from approximately NOK 5.499885245 to NOK 6.

13.4 Lock-up

In connection with the private placement registered on 2 July 2020, the Company's CEO Matts Johansen, Aker ASA and Aker Capital AS entered into customary lock-up arrangements with DNB Markets that restrict, subject to certain exceptions, their ability to, without the prior written consent of DNB Markets, issue, sell or dispose of Shares, as applicable. Matts Johansen, through his company KMMN Invest II AS, is subject to a lock-up period of 12 months, while Aker ASA and Aker Capital AS were subject to a lock-up period of 6 months, which has now expired.

In addition, Aker ASA and the CEO of the Company, Matts Johansen, has entered into an agreement that Aker Capital AS purchased 460,357 shares from KMMN Invest II AS, a company owned by Matts Johansen, at the price per Share of NOK 115.85, with a potential incremental payment calculated as the final subscription price in the offering of shares to be conducted in connection with a transaction done to fulfil the free float requirements on the main list of the Oslo Stock Exchange, less 5.75 per cent interest p.a. on the price per share of NOK 115.85 from the date of listing on Merkur Market until the date of completion of such transaction, and less the price per share of NOK 115.85.

13.5 Admission to trading

The Shares have been admitted to trading on Euronext Growth Oslo, a market operated by Oslo Børs since 6 July 2020 under the ticker code "AKBM" with ISIN NO 001 0886625.[34] On 6 April 2021, the Company applied for the Shares to be admitted to trading and Listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 9 April 2021. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 14 April 2021, under the ticker code "AKBM". Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

13.6 Board authorization to issue shares

On 12 March 2021, the ordinary general meeting of the Company authorized the Board of Directors to increase the share capital by a maximum amount of NOK 105,103,302 in one or more share capital increases through issuance of new shares. The subscription price per share shall be fixed by the Board of Directors in connection with each issuance. The authorisation is valid until the annual general meeting in 2022, however no longer than until 30 June 2022. Existing shareholders' pre-emptive rights to subscribe for and to be allocated shares may be derogated from. This authorisation may only be used in connection with (i) capital raisings for the financing of the company's business; and (ii) in connection with acquisitions and mergers, or (iii) to increase the spread of ownership in the shares. The authorisation covers share capital increases against contribution in cash, as well as share capital increases against contribution in kind and with special subscription terms, cf. section 10-2 of the Norwegian Public Limited Liability Companies Act. The authorization also covers issuance of consideration shares in a merger. The Board shall resolve the necessary amendments to the articles of association in accordance with capital increases resolved pursuant to this authorisation.

On 12 March 2021, the ordinary general meeting of the Company authorized the Board of Directors to increase the share capital by a maximum amount of NOK 26,275,770 in one or more share capital increases through issuance of new shares. The subscription price per share shall be fixed by the Board in connection with each issuance. The authorisation is valid until the annual general meeting in 2022, however no longer than until 30 June 2022. Existing shareholders' pre-emptive rights to subscribe for and to be allocated shares may be derogated from. This authorisation may only be used in connection with issuance of shares to the group's employees in relation with option and incentive programs, both individual and general. The Board shall resolve the necessary amendments to the articles of association in accordance with capital increases resolved pursuant to this authorisation.

13.7 Authorization to acquire treasury Shares

As of the date of this Prospectus, the Company owns no treasury shares.

At the ordinary general meeting held on 12 March 2021, the Board of Directors was granted an authorisation to, on one or several occasions, to repurchase the Company's own shares within a total nominal value of up to NOK 52,551,648. If the Company disposes of or cancels treasury shares, this amount shall be increased with an amount corresponding to the nominal value of the disposed and cancelled shares. When acquiring treasury shares the consideration per share may not be less than NOK 75 and may not exceed NOK 200. The Board determines the methods by which own shares can be acquired or disposed of. The authorisation can be used in situations as described in the Norwegian Securities Trading Act section 6-17. The authorization is valid until the annual general meeting in 2022, however no longer than until 30 June 2022.

13.8 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares or any shares in subsidiaries of the Company. Further, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

[34] The admission document was announced on 6 July 2020 (https://newsweb.oslobors.no/message/509333). The announcement or the content of the admission document relating to the admission to trading on Merkur Market (renamed Euronext Growth Oslo) is not incorporated by reference into, nor otherwise forms part of, this Prospectus.

13.9 Shareholder rights

The Company has one class of Shares on issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 0 *"The articles of Association and certain aspects of Norwegian law"*.

13.10 Takeover bids and forced transfer of shares

The Company has not received any takeover bids since its inception.

13.11 Change in control

As of the date of this Prospectus, to the knowledge of the Company, there are no arrangements or agreements, which may at a subsequent date result in a change in control in the Company.

13.12 Transferability of the Shares

The Shares are freely transferable pursuant to the Company's articles of association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Company's articles of association, the Company's Shares shall be registered in the VPS.

13.13 Ownership structure

As of 12 April 2021, the Company had a total of 2,525 registered shareholders in the VPS. An overview of shareholders holding 5% or more of the Shares of the Company as of 12 April 2021 is set out below:

Table 45 – Overview of major shareholders

#	Shareholder	No. of Shares	Percentage
1	Aker Capital AS	68,132,830	77.8%

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.8 *"Disclosure obligations"* for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act. As at the date of this Prospectus, no shareholder other than Aker Capital AS (77.8%) holds 5% or more of the Shares of the Company.

As Aker Capital AS holds approximately 77.8% of the Shares of the date of this Prospectus, the Company does not satisfy the 25% free float requirement for companies to be admitted to trading at Oslo Børs, cf. Section 3.1.4.1. *"Spread of Share ownership"* of Rule Book II – Issuer Rules. Oslo Børs has granted the Company with an exemption from this requirement, subject to a deadline for obtaining a 25% free float no later than 18 months after the first day of trading on Oslo Børs. In order to comply with the free float requirement, the Company expects to increase its shareholder base through a contemplated transaction after Listing (i.e. either a private placement, a public offering, a share sale by the major shareholder, or a combination of these alternatives).

The Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Section 0 *"Certain aspects of Norwegian law"* and 15.11 *"Compulsory acquisition"* for further information.

13.14 The Articles of Association and certain aspects of Norwegian law

13.14.1 *The Articles of Association*

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of certain of the provisions of the Articles of Association (office translation).

Company name

Pursuant to Section 1 of the Articles of Association, the Company's name is Aker BioMarine ASA. The company is a public limited liability company.

Registered office

Pursuant to Section 2 of the Articles of Association, the Company's business address is in Bærum municipality.

Objective of the Company

Pursuant to Section 3 of the Articles of Association, the Company's objective is to carry out sustainable krill fishing, develop, produce, transport, commersialize 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.

Share capital and nominal value

Pursuant to Section 4 of the Articles of Association, the company's share capital is NOK 525,516,516, divided on 87,586,086 shares, each with a nominal value of NOK 6. The company's shares shall be registered in the Norwegian Central Securities Depository (VPS).

Transfer of shares

Pursuant to Section 5, the company's shares are freely transferable.

Board of Directors

Pursuant to Section 6, the board of directors shall consist of between 3 to 9 board members, as decided by the general meeting.

General manager

Pursuant to Section 7, the company shall have a general manager.

Signature

Pursuant to Section 8, the chairman of the board or two board members jointly signs on behalf of the company. The board of directors may grant power of procuration.

Nomination committee

Pursuant to Section 9 of the Articles of Association, the Company shall have a nomination committee, elected by the General Meeting.

General meetings

Pursuant to Section 10 of the Articles of Association, the General Meeting shall resolve:

- Adoption of the annual accounts and the annual report.
- Use of profits or coverage of losses in accordance with the approved balance sheet, as well as distribution of dividends.
- Election of board of directors.
- Approval of the statement from the board of directors regarding salary and other remuneration to the executive management.
- Any other matters which pursuant to law or the Articles of Association pertain to the general meeting.

Change of control

There are no provisions in the Articles of Association that would have an effect of delaying, deferring or preventing a change in control of the Company.

13.14.2 *Certain aspects of Norwegian law*

13.14.2.1 General meeting of shareholders

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting, provided that the Company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's general meeting of shareholders.

Each of the Company's shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

13.14.2.2 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the

Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

13.14.2.3 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

13.14.2.4 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company cannot be granted for a period exceeding 24 months.

13.14.2.5 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the

Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

13.14.2.6 Liability of board members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

13.14.2.7 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for its Board Members against certain liabilities that they may incur in their capacity as such.

13.14.2.8 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

13.15 Shareholder agreements

The Company is not aware of any shareholders' agreements related to the Shares which will be in force upon Listing.

14 TRANSFER RESTRICTIONS

14.1 General

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or sold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risk of the investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same, or transfer the Shares to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 14 *"Transfer restrictions".*

The Shares may not be transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to transfer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction it would not be permissible to transfer the Shares.

The information in this Section 14 *"Transfer restrictions"* is intended as a general guide only. If any recipient is in any doubt of any of the contents of these restrictions, or whether any of these restrictions apply to that recipient, the recipient should obtain independent professional advice without delay.

14.2 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that

it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.

- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

14.3 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

15 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

15.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway through five different marketplaces; Oslo Børs, Euronext Expand, Euronext Growth, Nordic ABM and Oslo Connect. Oslo Børs ASA is 100% owned by Oslo Børs VPS Holding ASA, which was in 2019 acquired by Euronext N.V., a European stock exchange with registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris. Oslo Børs ASA owns 97% of the shares in Fish Pool ASA. Oslo Børs ASA complies with the European code of conduct commitments on service unbundling and accounting separation. Oslo Børs VPS Holding ASA also wholly-owns the Norwegian Central Securities Depository (VPS).

15.2 Market value of shares on Oslo Børs

The market value of all shares on Oslo Børs, including the Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

15.3 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Optiq, which is the the electronic trading system of Euronext.

Official regular trading for equities on Oslo Børs takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 08:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 17:30 hours (Oslo time). Reporting of after exchange trades can be done until 17:30 hours (Oslo time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

15.4 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

15.5 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway'), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of Shares will receive notices of any General Meetings in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. For more information on nominee accounts, see Section 0 *"Certain aspects of Norwegian corporate law"* under the subheading *"Voting rights – amendments to the articles of association"*.

15.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign. Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 0 *"Certain aspects of Norwegian corporate law"*.

15.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

15.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Chapter 2 of the Article Market Abuse Regulation (EU) 596/2014, pursuant to Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

15.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

15.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

15.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

15.13 Other information

15.13.1 *Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares*

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

15.13.2 *Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway*

The Company is a public limited liability company organized under the laws of Norway. The majority of the members of the Board of Directors and management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

15.13.3 *Norwegian law could limit shareholders' ability to bring an action against the Company*

The rights of holders of the Shares are governed by Norwegian law and by the Company's Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

15.13.4 *Investors could be unable to exercise their voting rights for Shares registered in a nominee account*

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

15.13.5 *Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders*

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

16 NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation ("**resident or Norwegian shareholders"**) and holders that are not residents of Norway for such purposes ("**non-resident or foreign shareholders"**).*

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

16.1 Taxation of dividends

16.1.1 *Resident corporate shareholders*

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the participation exemption method (Norwegian: "*Fritaksmetoden*"). However, 3% of such dividends are taxable as general income at a current rate of 22%, implying that dividends distributed from the Company to resident corporate shareholders are effectively taxed at a rate of 0.66%.

16.1.2 *Resident personal shareholders*

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22% to the extent the dividends exceed a statutory tax-exempt allowance (Norwegian: "*Skjermingsfradrag*"). The tax basis is upward adjusted with a factor of 1.44 before taxation, implying that dividends exceeding the tax free allowance are effectively taxed at a rate of 31.68%.

The tax-exempt allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills with three months maturity plus 0.5 percentage point, and adjusted downwards with the tax rate. The allowance one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends / capital gains on other Shares). Furthermore, for the purpose of calculating the allowance the following years, any excess allowance is added to the cost price of the share and thereby included in the basis for the calculation of allowance the following years.

16.1.3 *Non-resident shareholders*

Dividends distributed from the Company to non-resident shareholders are in general subject to Norwegian withholding tax at a rate of currently 25%, unless otherwise provided for in an applicable tax treaty or the recipient is corporate shareholder tax resident within the European Economic Area (the EEA) (ref. Section 16.1.4*"Shareholders tax resident within the EEA"* below for more information on the EEA exemption). Norway has entered into tax treaties with approximate 80 countries. In most tax treaties the withholding tax rate is reduced to 15% or lower.

Shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax.

If foreign shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian shareholders.

Foreign shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming refund of withholding tax.

16.1.4 *Shareholders tax resident within the EEA*

Dividends distributed from the Company to personal shareholders tax-resident within the EEA are upon request entitled to a deductible allowance. The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in the applicable tax treaty or (ii) withholding tax at 25% after deduction of the tax-free allowance. Any excess allowance may be carried forward.

Dividends distributed from the Company to corporate shareholders tax resident within the EEA are generally exempt from Norwegian withholding tax, provided the shareholder is the beneficial owner of the Shares and genuinely established and performs genuine economic business activities within the EEA.

16.2 Taxation upon realization of shares

16.2.1 *Resident corporate shareholders*

For Norwegian corporate shareholders capital gains upon realization of Shares are generally exempt from tax. Losses are not deductible.

16.2.2 *Resident personal Shareholders*

For Norwegian personal shareholders capital gains upon realization of Shares are taxable as general income in the year of realization, and have a corresponding right to deduct losses that arise upon such realization. The tax liability applies irrespective of time of ownership and the number of Shares realized. The tax rate for general income is currently 22%. The tax basis is adjusted upward with a factor of 1.44 before taxation/deduction, implying an effective taxation at a rate of 31.68%.

The taxable gain or loss is calculated per Share as the difference between the consideration received and the cost price of the Share, including any costs incurred upon acquisition or realization of the Share. Any unused allowance on a Share (see above) may be set off against capital gains on the same Share, but will not lead to or increase a deductible loss. I.e. any unused allowance exceeding the capital gain upon realization of the Share will be annulled. Any unused allowance on one Share may not be set of against gains on other Shares.

If a shareholder disposes of Shares acquired at different times, the Shares that were first acquired will be deemed as first disposed (the FIFO-principle) when calculating a taxable gain or loss.

Special exit tax rules apply for resident personal shareholders that cease to be tax resident in Norway.

16.2.3 *Non-resident shareholders*

Gains from realization of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax.

16.3 Net wealth tax

Norwegian corporate shareholders are not subject to net wealth tax.

Norwegian personal shareholders are generally subject to net wealth taxation at a current rate of 0.85% on net wealth exceeding NOK 1,500,000. The general rule is that the Shares will be included in the net wealth with 55% of the Shares' listing value as of 1 January in the assessment year, i.e. the year following the income year.

Non-resident shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held in connection with business activities carried out or managed from Norway.

16.4 Stamp duty / transfer tax

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

16.5 The Company’s responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

17 ADDITIONAL INFORMATION

17.1 Independent auditor

The Company's independent auditor is KPMG AS (KPMG), with registration number 935 174 627 and business address at Sørkedalsveien 6, N-0369 Oslo, Norway. KPMG is a member of The Norwegian Institute of Public Accountants (Norwegian: *"Den Norske Revisorforeningen"*). KPMG has been the Company's auditor throughout the period covered by financial information included in this Prospectus.

The Consolidated Financial Statements as of and for the years ended 31 December 2020, 2019 and 2018 have been audited by KPMG, as set forth in their report included herein.

KPMG has not audited, reviewed or produced any report on any other information provided in this Prospectus.

17.2 Advisors

Arctic Securities AS (address: Haakon VIIs gate 5, N-0161 Oslo, Norway), DNB Bank ASA, DNB Markets (address: Dronning Eufemias gate 30, N-0191 Oslo, Norway) and Skandinaviska Enskilda Banken AB (publ), Oslofilialen norsk avdeling av utenlandsk foretak (address: Filipstad brygge 1, N-0252 Oslo, Norway) are acting as Managers in connection with the Listing.

Advokatfirmaet Schjødt AS (address: Ruseløkkveien 14-16, N-0251 Oslo, Norway) functions as the Company's Norwegian legal counsel. Advokatfirmaet Thommessen AS (address: Haakon VIIs gate 10, N-0161 Oslo, Norway) is acting as Norwegian legal counsel to the Managers.

17.3 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Oksenøyveien 10, 1366 Lysaker, Bærum, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and
- this Prospectus.

The documents are also available at the Company's website www.akerbiomarine.com. The content of www.akerbiomarine.com is not incorporated by reference into, or otherwise form part of, this Prospectus.

17.4 External documents of interest

The information incorporated by reference in this Prospectus should be read in connection with the cross-reference table set out below. Except from this section, no other information is incorporated by reference in this Prospectus.

Table 46 – External documents of interest

Section in the Prospectus	Disclosure requirement	Reference document and link	Page(s) in reference document
8.5.2.5	N/A	**Company presentation (11 November 2020):** https://www.akerbiomarine.com/hubfs/Aker%20BioMarine%20Presentation%20November_2020.pdf	1 – 29
13.5	N/A	**Admission document Euronext Growth Oslo (6 July 2020):** https://newsweb.oslobors.no/message/509333	1 – 178

18 DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus:

Table 47 – Definitions and glossary	
Defined terms	**Meanings**
Adjusted EBITDA	EBITDA adjusted for (i) material gains or losses on sale of assets, (ii) legal and consulting costs relating to transactions, settlement of disputes and litigations, (iii) restructuring costs, (iv) impairments if result of an isolated event, (v) costs incurred prior to launch of a new brand, (vi) unrealized gains/losses on financial instruments, and (vii) other material transactions that are not part of ordinary operational income or costs
Adjusted EBITDA Margin (%)	Adjusted EBITDA margin is defined by the Group as the Adjusted EBITDA as a percentage of net sales
Aion	Aion AS
AKBM	Aker BioMarine's ticker code on Oslo Børs
Annual Financial Statements	The Company's annual consolidated financial statements that were audited for the financial years ended 31 December 2020, 2019 and 2018.
APAC	Asia-Pacific
APM	Alternative performance measures
Arctic	Arctic Securities AS
Articles of Association	The articles of association of the Company
Board Members or Board of Directors	The members of the board of directors of the Company
Brands or Brands segment	The brand segment of the Group
CaaS	Circularity as a service company
Capex	The sum of payments for property, plant and equipment and payments for intangibles as they appear in the consolidated statement of cash flow
CCAMLR	The Commission for the Conservation of Antarctic Marine Living Resources
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Cicero	Cicero Shades of Green
Consolidated Financial Statements	The Company's annual consolidated financial statements that were extracted from the Annual Financial Statements and are attached hereto as Appendix B.
CLC	International Convention on Civil Liability for Oil Pollution Damage of 1969
Code	Norwegian Code of Practice for Corporate Governance, dated 17 October 2018
Companies Act	Norwegian Public Limited Companies Act of 1997 No. 45
Company or Aker BioMarine	Aker BioMarine ASA (company registration number 913 915 062)
Corporate Governance Code	Norwegian Code of Practice for Corporate Governance, dated 17 October 2018
DNB Markets	DNB Markets, a part of DNB Bank ASA
DHA	Docosahexaenoic acid
EBIT	Earnings before interest and taxes
EBITDA	Net profit (loss) for the period before net financial items, income tax expense, total depreciation, amortization and impairment
EBITDA Margin (%)	EBITDA margin is defined by the Group as the EBITDA as a percentage of Net Sales

EEA	The European Economic Area
EMEA	Europe, Middle East and Africa
EPA	Eicosapentaenoic acid
Epion	Epion Brands LLC
ESMA	The European Securities and Markets Authority
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
EUR	The single currency of the participating member states in the EU participating in the European Monetary Union having adopted euro as its lawful currency
Euronext Growth	A multilateral trading facility operated by Oslo Børs ASA
EVP	Executive Vice President
Forward-looking statements	All statements other than historic facts or present facts, typically indicated by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar
Group	The Company together with its consolidated subsidiaries
Gross Profit Margin (%)	The gross margin is defined by the Group as Gross profit as a percentage of net sales
IFRS	International Financial Reporting Standards as adopted by the EU
Ingredients or Ingredients segment	The ingredients segment for the Group
ISIN	Securities number with the Norwegian Central Securities Depository (VPS)
ISM Code	International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention
IP	Intellectual property
KPMG	KPMG AS (reg. no. 935 174 627), the Company's independent auditor
Lang	Lang Pharma Nutrition Inc
LIBOR	London Interbank Offered Rate
Listing	Listing of the Company's Shares on Oslo Børs
Managers	Arctic, DNB Markets and SEB, collectively
MARPOL	The International Convention for the Prevention of Pollution from Ships
MSC	Marine Stewardship Council
MT	Million tonnes
NGAAP	Norwegian Generally Accepted Accounting Principles
NGOs	Non-governmental organizations
NMTC	New Market Tax Credit
NOK	Norwegian Kroner, the lawful currency of Norway
Non-resident or foreign shareholders	Shareholders who are not resident in Norway for tax purposes
Norwegian FSA	Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*)
Norwegian Public Limited Liability Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45

Norwegian Securities Trading Act	Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended
Oslo Børs or Oslo Stock Exchange	Oslo Børs, a stock exchange operated by Oslo Børs ASA
Participation Act	The Norwegian Participation in Fisheries Act of 26 March 1999 no. 15
Prospectus	This Prospectus dated 13 April 2021
R&D	Research and development
RCF	Revolving credit facility
Resident or Norwegian shareholders	Shareholders who are resident in Norway for tax purposes
SEB	Skandinaviska Enskilda Banken AB (publ), Oslo branch
Securities Trading Act	Securities Trading Act of 29 June 2007 no. 75 (*Norwegian*: "Verdipapirhandelloven")
Share(s)	The Company's outstanding shares, each with a par value of NOK 6.00.
Schjødt	Advokatfirmaet Schjødt AS
USD	The lawful currency of the United States
U.S. or United States	The United States of America
VPS	The Norwegian Central Securities Depository (Norwegian: *"Verdipapirsentralen"*)
VPS Registrar	DNB Bank ASA, DNB Markets Registrars department (address: Dronning Eufemias gate 30, 0021 Oslo, Norway)

APPENDIX A:

Articles of Association

VEDTEKTER FOR

AKER BIOMARINE ASA

(sist endret 12. mars 2021)

§ 1 Navn

Selskapets navn er Aker BioMarine ASA. Selskapet er et allmennaksjeselskap.

§ 2 Forretningskontor

Selskapets forretningskontor er i Bærum kommune.

§ 3 Formål

Selskapets formål er å drive bærekraftig krillfiskeri, utvikle, produsere, transportere, kommersialisere og markedsføre produkter av krill og andre råmaterialer for bruk til ernæring og helse for dyr og mennesker, herunder investeringer i og drift av andre virksomheter med tilsvarende formål.

§ 4 Aksjekapital

Selskapets aksjekapital er NOK 525 516 516, fordelt på 87 586 086 aksjer a NOK 6. Aksjene i selskapet skal være registrert i VPS.

§ 5 Aksjenes omsettelighet

Selskapets aksjer er fritt omsettelige.

§ 6 Styre

Selskapet skal ha et styre bestående av fra 3 til 9 medlemmer etter generalforsamlingens nærmere beslutning.

§ 7 Daglig leder

Selskapet skal ha én daglig leder.

§ 8 Firma

Selskapets firma tegnes av styreleder alene eller to styremedlemmer i fellesskap. Styret kan meddele prokura.

§ 9 Valgkomité

Selskapet skal ha en valgkomité, som velges av generalforsamlingen.

Valgkomitéen fremmer forslag til generalforsamlingen om (i) valg av styrets leder, styremedlemmer og eventuelle varamedlemmer til styret, og (ii) valg av medlemmer til valgkomitéen. Valgkomitéen fremmer videre forslag til generalforsamlingen om honorar til styret og valgkomitéen.

Generalforsamlingen fastsetter instruks for valgkomitéen og fastsetter honoraret til valgkomitéens medlemmer.

§ 10 Generalforsamlingen

På den ordinære generalforsamling skal følgende saker behandles og avgjøres:

1. *Godkjennelse av årsregnskap og årsberetning.*
2. *Anvendelse av overskuddet eller dekning av underskudd i henhold til den fastsatte balanse, samt utdeling av utbytte.*
3. *Valg av styre.*
4. *Godkjennelse av styrets erklæring om lønn og annen godtgjørelse til ledende ansatte.*
5. *Andre saker som etter loven eller vedtektene hører under generalforsamlingen.*

Retten til å delta og stemme på generalforsamlinger i selskapet kan bare utøves for aksjer som er ervervet og innført i aksjeeierregisteret den femte virkedagen før generalforsamlingen.

Aksjeeiere som vil delta i en generalforsamling i selskapet, skal melde dette til selskapet innen en frist som angis i innkallingen til generalforsamling, og som ikke kan utløpe tidligere enn fem dager før generalforsamlingen. Aksjeeiere som ikke har meldt fra innen fristens utløp, kan nektes adgang.

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke lovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt slike dokumenter.

Styret kan i forbindelse med innkalling til generalforsamlinger bestemme at aksjeeierne skal kunne avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen.

(Office translation)

ARTICLES OF ASSOCIATION

AKER BIOMARINE ASA

(amended 12 March 2021)

§ 1 Name

The company's name is Aker BioMarine ASA. The company is a public limited liability company.

§ 2 Business office

The company's business office is located in Bærum municipality.

§ 3 Purpose

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.

§ 4 Share capital

The company's share capital is NOK 525,516,516, divided on 87,586,086 shares each with a face value of NOK 6. The shares shall be registered with the Norwegian Central Securities Depository.

§ 5 Negotiability

The company's shares are freely negotiable.

§ 6 Board of Directors

The company shall have a Board of Directors consisting of 3-9 members as decided by the General Meeting.

§ 7 Chief executive officer

The company shall have one Chief Executive Officer.

§ 8 Signature

The chairman alone, or two directors jointly, are empowered to sign on behalf of the company. The Board of Directors can grant power of procuration.

§ 9 Nomination committee

The company shall have a nomination committee, which is elected by the General Meeting.

The nomination committee shall present proposals to the General Meeting regarding (i) election of the Chairman of the Board, board members and any deputy members of the Board and (ii) election of members of the nomination committee. The nomination committee shall also present proposals to the General Meeting for remuneration of the Board and the nomination committee.

The General Meeting shall adopt instructions for the nomination committee and determine the remuneration of the members of the nomination committee.

§ 10 General meeting

The annual general meeting shall consider and decide the following matters:

1. *Adoption of the annual accounts and the annual report.*
2. *Use of profits or coverage of losses in accordance with the approved balance sheet, as well as distribution of dividends.*
3. *Election of board of directors.*
4. *Approval of the statement from the board of directors regarding salary and other remuneration to the executive management.*
5. *Any other matters which pursuant to law or the Articles of Association pertain to the general meeting.*

The right to participate and vote at general meetings of the company can only be exercised for shares which have been acquired and registered in the shareholders register in the shareholders on the fifth business day prior to the general meeting.

Shareholders who intend to attend a general meeting of the company shall give the company written notice of their intention within a time limit given in the notice of the general meeting, which cannot expire earlier than five days before the general meeting. Shareholders, who have failed to give such notice within the time limit, can be denied admission.

When documents pertaining to matters which shall be handled at a general meeting have been made available for the shareholders on the company's website, the statutory requirement that the documents shall be distributed to the shareholders, does not apply. This is also applicable to documents which according to statutory law shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless demand to be sent such documents.

The Board of Directors may in connection with notices of general meetings determine that shareholders shall be able to cast their votes in writing, including through use of electronic communication, in a period prior to the general meeting.

APPENDIX B:

The Group's Consolidated Financial Statements for 2020, 2019 and 2018

2020
AKER BIOMARINE

CONSOLIDATED FINANCIAL STATEMENTS

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

for the year ended december 31

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
Net sales	2	**288 588**	246 170	154 182
Cost of goods sold	12	**(179 010)**	(150 891)	(89 927)
Gross profit		**109 578**	95 279	64 255
Selling, general and administrative expense	4	**(86 847)**	(73 812)	(45 405)
Depreciation, amortization and impairment	9,10,11	**(17 125)**	(17 822)	(5 539)
Other operating income	2	**2 348**	900	1 152
Other operating cost	4	**(954)**	(1 784)	(4 204)
Operating profit		**7 000**	2 762	10 259
Financial income	5	**16 794**	1 604	257
Financial expenses	5,7,18	**(22 827)**	(26 626)	(14 393)
Net foreign exchange gain/loss	5,18	**(279)**	(1 075)	2 596
Profit (loss) before tax		**688**	(23 335)	(1 281)
Tax expense	8	**(6 151)**	(415)	259
Net loss		**(5 463)**	(23 750)	(1 022)
Earnings per share to equityholders of Aker BioMarine AS	25			
Basic		**(0,07)**	(0,34)	(0,01)
Diluted		**(0,07)**	(0,34)	(0,01)

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended December 31

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
Net loss		**(5 463)**	(23 751)	(1 022)
Other comprehensive income (loss)				
Defined benefit plan income gains (losses)	4	**(79)**	(111)	119
Total items that will not be reclassified to profit and loss		**(79)**	(111)	119
Translation differences		**(11)**	-	(14)
Change in fair value cash flow hedges	20	**-**	-	(4 625)
Total items that may be reclassified subsequently to profit and loss		**(11)**	-	(4 625)
Total other comprehensive income (loss)		**(90)**	(111)	(4 520)
Total comprehensive income (loss)		**(5 553)**	(23 862)	(5 542)

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
ASSETS				
Property, plant and equipment	9,11,20	**266 556**	302 366	232 383
Right-of-use assets	18	**13 145**	16 555	-
Intangible assets and goodwill	10,11	**180 552**	190 297	114 158
Contract cost	2	**9 167**	-	-
Derivative assets, non-current	7,20	**7 743**	-	-
Other non-interest-bearing non-current receivables	20	**18**	145	2 026
Investments in equity-accounted investee		**130**	261	240
Total non-current assets		**477 311**	509 624	348 806
Inventories	12	**114 559**	94 725	43 704
Trade receivable and other current assets	13,20	**97 885**	74 264	35 223
Cash and cash equivalents	14,20	**10 678**	13 610	2 515
Total current assets		**223 121**	182 599	81 442
Total assets		**700 432**	692 223	430 248

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
LIABILITIES AND OWNERS' EQUITY				
Share capital	24	**75 853**	68 003	68 003
Other paid-in equity		**493 555**	277 227	277 227
Total paid-in equity		**569 408**	345 230	345 230
Translation differences and other reserves		**143**	154	154
Retained earnings		**(196 380)**	(190 838)	(166 570)
Total equity		**373 170**	154 547	178 814
Interest-bearing debt	15,18,20	**210 578**	372 473	179 424
Derivative liabilites, non-current	7,20	**8 996**	-	-
Deferred tax liability	8	**4 817**	-	-
Other non-interest-bearing non-current liabilities	16	**31 929**	65 618	17 657
Total non-current liabilities		**256 319**	438 091	197 081
Interest-bearing current liabilities	15,18,20	**32 222**	47 591	25 944
Derivative liabilites, current	7,20	**-**	-	1 472
Accounts payable and other payables	17,20	**38 721**	51 994	26 937
Total current liabilities		**70 943**	99 585	54 353
Total liabilities		**327 262**	537 676	251 435
Total equity and liabilities		**700 432**	692 223	430 248

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF CASH FLOW

for the year ended December 31

Amounts in thousands of U.S. Dollars	Note	**2020**	2019	2018
Net loss		**(5 463)**	(23 750)	(1 022)
Tax expenses	8	**6 151**	415	(259)
Net interest and guarantee expenses	5	**17 861**	21 699	12 101
Interest paid		**(30 749)**	(16 520)	(10 523)
Interest received		**871**	1 084	161
Taxes paid	8	**(2 332)**	920	87
Impairment charges	11	**43**	6 155	-
Depreciation and amortization	9,10	**48 247**	36 947	22 861
Fuel hedge and new market tax credit	5,7,15,20	**(6 547)**	-	-
Foreign exchange loss (gain)		**314**	790	(2 401)
Change in non-current interest free asset and liabilities		**(29 459)**	6 841	1 874
Change in inventory	12	**(20 545)**	(19 336)	(7 506)
Change in accounts receivable, other current receivables, accounts payable and other current liabilities		**(29 435)**	(2 937)	(7 479)
Net cash flow from operating activities		**(51 043)**	12 307	7 894
Payments for property, plant and equipment	9	**(21 654)**	(126 906)	(40 254)
Payments for intangibles	10	**(2 055)**	(10)	(24 258)
Proceeds from sales of property,plant and equipments		**22 012**	255	6
Investments in subsidiary and associated companies	6	**(356)**	(49 284)	(36)
Net cash flow from investing activities		**(2 053)**	(175 946)	(64 542)
Change in overdraft facility	15,20	**(16 462)**	(4 353)	(866)
New long-term debt, external	15,20	**10 000**	-	-
Instalments long-term debt, external	15,20	**(93 757)**	142 587	(4 687)
Loan from owners	15	**23 000**	36 500	62 000
Payments to owners		**(96 795)**	-	-
Net repayment and issue of interest-bearing debt		**(174 014)**	174 734	56 447
Capital increase		**224 178**	-	-
Net cash flow from financing activities	15	**50 163**	174 734	56 447
Net change in cash and cash equivalents		**(2 933)**	11 096	(201)
Cash and cash equivalents as of January 1.	14	**13 610**	2 515	2 715
Cash and cash equivalents as of December 31.	14	**10 678**	13 610	2 515

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Amounts in thousands of U.S. Dollars	Share capital	Share premium	Other paid-in capital	Translation and other reserves	Retained earnings	Total
Balance as of January 1, 2018	63 684	192 102	(35 617)	154	(161 028)	59 296
Net profit (loss) for the year	-	-	-	-	(1 022)	(1 022)
Other comprehensive income (loss)	-	-	-	-	(4 520)	(4 520)
Total comprehensive income (loss)	-	-	-	-	(5 542)	(5 542)
Transactions with owners, recognized directly in equity:						
Contributions from owner, debt conversion	4 319	120 742	-	-	-	125 061
Total transactions with owners, recognized directly in equity	4 319	120 742	(0)	-	-	125 061
Balance as of December 31, 2018	68 003	312 844	(35 617)	154	(166 570)	178 814
Change in accounting policies IFRS 16					(405)	(405)
Balance as of January 1, 2019	68 003	312 844	(35 617)	154	(166 975)	178 409
Net profit (loss) for the year	-	-	-	-	(23 751)	(23 751)
Other comprehensive income (loss)	-	-	-	-	(111)	(111)
Total comprehensive income (loss)	-	-	-	-	(23 862)	(23 862)
Balance as of December 31, 2019	**68 003**	**312 844**	**(35 617)**	**154**	**(190 838)**	**154 547**
Net profit (loss) for the year	**-**	**-**	**-**	**-**	**(5 463)**	**(5 463)**
Other comprehensive income (loss)	**-**	**-**	**-**	**(11)**	**(79)**	**(90)**
Total comprehensive income (loss)	**-**	**-**	**-**	**(11)**	**(5 542)**	**(5 553)**
Transactions with owners, recognized directly in equity:						
Issus of shares	**7 850**	**217 052**	**(724)**			**224 177**
Total transactions with owners, recognized directly in equity	**7 850**	**217 052**	**(724)**	**-**	**-**	**224 177**
Balance as of December 31, 2020	**75 853**	**529 896**	**(36 341)**	**143**	**(196 380)**	**373 170**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL INFORMATION

These consolidated financial statements are for the reporting entity Aker BioMarine AS (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 February 22, 2021. The consolidated financial statements will be submitted to Aker BioMarine's annual General Assembly on March 5, 2021 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, 2020. 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.

The 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

The Group's performance in 2020 was affected by the global conditions and uncertainties relating to the global Covid-19 outbreak. From the start of the pandemic, the Group's primary focus has been to implement measures to prevent an outbreak within the Group, in order to maintain the health and safety of all employees in combination with continued production and sales. Although the measures resulted in increased costs, the Group avoided any major interruptions in its operations in 2020 arising from the pandemic. The financial impacts have been monitored closely and reported separately to the Group's management team. At the start of the pandemic, several external reports pointed towards increased revenue within supplements (where the Group derives more than 50% of its revenue). This prediction is not evident in the reported figures, and further analysis becomes subjective. Additional Covid-19 incremental costs and implied savings have been separately tracked and reported to the management team. Most notably, the Group has incurred significant identifiable and separable costs to ensure continued supply of raw material. During 2020 the Group had to privately charter flights as well as hold crew in the Southern Ocean through double and triple shifts. The Group has also incurred costs for mandatory quaranteen hotel in Oslo and Montevideo, as well as increased costs related to general health and safety issues (e.g. PCR test regimes).

The table below shows the implied cost reduction and incremental cost the Group has incurred during 2020 due to Covid-19. If the identified cost is an inventoriable cost, the EBITDA impact will be different from the initial cost as the cost will be recognized in profit or loss when the produced volume is sold.

Amounts in thousands of U.S. Dollars	Incremental cost
Private charter flights	(2 120)
Quarantine hotel costs	(700)
Crew cost - overtime payments	(1 930)
COVID-19 test kits	(120)
Offices & other	(430)
Additional cost (compared to budget)	**(5 300)**

Amounts in thousands of U.S. Dollars	Implied cost reduction
Corporate travel	1 570
Trade shows	720
Savings	2 290
Net impact	**(3 010)**

Based on management's current knowledge, adaptability and planning, it will probably not be necessary to privately charter flights to transport crew to Montevideo going forward and the crew change will follow pre-COVID-19 routines.

For additional information, see the disclosure given in the Alternative Performance Measures section of these consolidated financial statements.

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 U.S. 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 AS 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 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.

Intercompany 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.

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:
- Estimating the recoverable amount of the tangible and intangible assets, goodwill and RoU 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 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, 2020 as compared to the accounting policies for the 2019 reporting year. The new IFRS standards applicable for reporting periods on or after January 1, 2020 adopted by the Group have not had a material impact for the Group's financial reporting. IFRS 16 Leases was implemented by the Group as of January 1, 2019; the December 31, 2018 statement of financial position is prepared on the basis of the previous standard, IAS 17 Leases.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – REVENUE AND ADJUSTED EBITDA

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 long-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.

Revenue is recognized as 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		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Norway	**20 758**	29 300	30 747
EMEA	**35 301**	37 331	31 563
Americas	**146 862**	118 323	60 960
Asia Pacific	**85 668**	61 217	30 912
Total	**288 588**	246 170	154 182

During the reporting periods the Group has had one customer exceeding 10% of Net sales. In 2020, 12.5% of the Net sales was towards this customer, down from 16.5% in 2019 and 16.0% in 2018. The revenue from this customer is attributable to the Ingredients segment. The Group's three largest customers in terms of revenue accounted for 24.6% of the revenue in 2020 (2019: 27.8%, 2018: 28.0%). North America is the Group's largest market which accounted for USD 139.3 million of total Net sales (2019: USD 114.6 million, 2018: USD 51.5 million)

In 2018, the Group had one reportable business segment, the production and sale of krill products (Ingredients). Following the acquisition of Lang on 1 March 2019 and the launch of Kori krill oil in the US, the Group introduced Brands as a separate reportable segment in 2019. See table and further details in Note 3, Operating segments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2020 was USD 9.2 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 0.4 million as of 31 December 2020 (2019: USD 0.6 million, 2018: USD 0.4 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		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Royalty	**-**	-	1 329
Gain from sale of fixed asset	**1 307**	-	-
Insurance refund	**901**	1 116	-
Other	**141**	(216)	(177)
Total	**2 348**	900	1 152

Juvel assessment – gain from sale and insurance refund:

In April 2017 the Group acquired the vessel Juvel from the Emerald Fisheries bankruptcy estate. Total acquisition cost was USD 30.5 million comprising the vessel, factory, and fishing license. During 2017 and 2018 the vessel was upgraded for the purpose of becoming an operating asset. Total capital expenditure was USD 4.5 million. In 2018 the vessel was used in a two-week research expedition (combined with sea trial) then subsequently taken to Montevideo. While in Montevideo the vessel caught fire 10 July 2018 with substantial damages. From 2018 up until the sale in 2020 the vessel was repaired at the expense of the insurer. The cost of carrying out the repairs was initially covered by the Group (as disclosed in Note 4 and therefore recognized as Other operating cost in the Statement of profit or loss. When the Group received the insurance refund, this has been recognized as Other operating income. and the refund booked as Other income.

Based on internal and external factors the Group did a valuation of the vessel, factory and fishing license in 2019 as it was clear that the vessel would not operate as initially intended by management. Based on that assessment, the license, which was transferred to the newbuild Antarctic Endurance (thereby securing operational activity), was recognized as an intangible asset valued at USD 10.5 million. The estimated fair value of the vessel and factory was valued at USD 18.7 million (net of removal cost and broker fee, USD 2.3 million), implying an impairment of USD 5.8 million. During the entire period the vessel was recognized in the statement of financial position as an asset under construction due to uncertainties. Operating cost and borrowing cost have been recognized as Other expenses in the Consolidated statement of profit or loss.

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

Total capital expenditures and operating cost of Juvel exceeded USD 40 million as of 31 December 2019. The factory equipment has been sold or used in the vessel Saga Sea. In accordance with the Group's guidance on Alternative Performance Measures, this gain, associated cost and insurance refund have been adjusted from the EBITDA.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – OPERATING SEGMENTS

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 the 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 2020, 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 QrillTM 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 2020 and 2019. The 2018 segment information is the same as the information given in the Group consolidated financial statements as the entire Group was one segment that year.

Operating segments 2020:

Amounts in thousands of U.S. Dollars	Ingredients	Brands	Adjust-ments	**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)**
Net profit (loss)	(557)	(6 801)	1 895	**(5 463)**
Depreciation, amortization and impairment (note 9)	44 772	261	4 610	**49 643**
EBITDA	59 362	(2 547)	(172)	**56 643**
Adjusted EBITDA	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 assets	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**

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Operating segments 2019:

Amounts in thousands of U.S. Dollars	Ingredients	Brands	Adjust-ments	**Total**
Net sales	177 225	82 330	(13 384)	**246 170**
Operating profit	4 034	7 903	(9 175)	**2 762**
Net profit (loss)	(17 378)	5 817	(12 190)	**(23 751)**
Depreciation, amortization and impairment (note 9)	(11 136)	(11)	(6 675)	**(17 822)**
EBITDA	40 303	7 884	(2 500)	**45 687**
Adjusted EBITDA	47 655	7 884	(2 500)	**53 039**
Balance sheet items				
Property, plant and equipment	302 066	301	-	**302 366**
Right to use asset (leasing)	15 947	-	608	**16 555**
Intangible assets	145 960	79	44 258	**190 297**
Cash and cash equivalents	8 266	5 344	-	**13 610**
Interest-bearing debt	(404 693)	(17 767)	2 396	**(420 064)**
Inventory	60 147	37 078	(2 500)	**94 725**
Net interest free asset and liabilities	57 023	(2 285)	(97 681)	**(42 942)**
Total equity	184 716	22 750	(52 919)	**154 547**

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, 2020, 2019 and 2018:

Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Krill oil	**105 847**	99 764	74 418
Krill meal	**82 877**	69 403	70 697
Qrill™ Pet and other products	**99 863**	77 002	8 530
Other income	**2 348**	900	1 689
Total revenue and other income	**290 936**	247 070	155 334
Total operating expenses before depreciation, amortization and impairment	**(234 292)**	(201 377)	(122 215)
Special operating items	**21 462**	7 346	5 901
Adjusted EBITDA	**78 106**	53 039	39 020

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Net loss	**(5 463)**	(23 751)	(1 022)
Tax expense	**6 151**	415	(259)
Financial income	**(16 794)**	(1 604)	(257)
Financial expenses	**22 827**	26 626	14 393
Net foreign exchange gain/loss	**279**	1 075	(2 596)
Operating profit	**7 000**	2 762	10 258
Depreciation, amortization and impairment	**49 644**	42 931	22 861
EBITDA	**56 644**	45 693	33 119
Special operating items	**21 462**	7 346	5 901
Adjusted EBITDA	**78 106**	53 039	39 020

The following table reconciles Special operating items.

Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Juvel gain and operating cost	**690**	(2 620)	(4 495)
Lang and Enzymotech transaction	**-**	(1 298)	(1 406)
Kori national brand US launch	**(17 016)**	(3 428)	-
Oslo Børs listing	**(2 155)**	-	-
Charter cost	**(1 519)**	-	-
Crew cost	**(1 462)**	-	-
Special operating items	**(21 462)**	(7 346)	(5 901)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – SALARIES, GENERAL & ADMINISTRATION EXPENSES

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:

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2019**	2018	2018
Sales and Distribution Costs	**(65 735)**	(48 309)	(20 718)
Research and Development	**(3 905)**	(5 404)	(9 070)
Administrative Costs	**(17 206)**	(20 099)	(15 617)
Total	**(86 847)**	(73 811)	(45 405)

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

Research and Development costs represents 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.

Other operating cost consists of:

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Salaries and operative expenses related to Juvel	**(954)**	(1 784)	(4 204)
Total	**(954)**	(1 784)	(4 204)

Juvel is a vessel acquired in 2017 but has due to ongoing legal cases concerning the use of the onboard factory never been in operation. The costs related to the vessel, and costs related to the fire that took place onboard the vessel in 2018, have been accounted for separately, and are disclosed as other operating cost. The vessel was sold in 2020, see Note 2 Revenue and Other income and Note 9 Property, plant and equipment.

Government grants

During 2020 the Group received grants of USD 0.5 million (2019: USD 0.6 million, 2018: USD 0.8 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 92.3 million (2019: USD 76.5 million, 2018: USD 44.7 million), as also presented within Note 4.

Salary specification by function

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2019**	2018	2018
Offshore - inventoriable	**(25 178)**	(21 173)	(16 683)
Onshore - inventoriable	**(9 382)**	(9 438)	(6 078)
Selling, general and administrative	**(30 651)**	(27 229)	(15 689)
Juvel - Other operating income/(cost), net	**(180)**	(694)	(1 565)
Total	**(65 390)**	(58 535)	(40 016)

Number of employees at year-end	551	504	364
Full-time Equivalent	549	496	364

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Total salary cost comprises of the following:

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Salaries	**(54 963)**	(49 616)	(32 838)
Employer's social security contribution	**(3 359)**	(2 041)	(2 009)
Pension expenses	**(1 512)**	(1 306)	(1 122)
Other benefits	**(5 556)**	(5 572)	(4 047)
Total	**(65 390)**	(58 535)	(40 016)

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 obligation was USD 0.6 million and the asset was 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 (2019: 0.04 million, 2018: 0.1 million), and USD 1.5 million for the contribution plan (2019: 1.3 million, 2018: 1.0 million). In addition, USD 0.1 million related to changes in actuarial assumptions is expensed in other comprehensive income (2019: USD 0.1 million loss, 2018: USD 0.1 million gain).

Remuneration to the Group auditors (excluding VAT):

KPMG is the Group auditor of Aker BioMarine AS. The following table shows fees to the appointed auditors for 2020, 2019 and 2018. For both categories the reported fee is the recognized expense for the year.

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Audit fees 1)	**(333)**	(335)	(183)
Other audit and attestation services	**(74)**	(28)	(65)
Total	**(407)**	(363)	(247)

[1)] Audit fees of TUSD 333 (2019: TUSD 335, 2018: TUSD 183) consist of fees to KPMG of TUSD 284 (2019: TUSD 194, 2018: TUSD 183). TUSD 48 (2019: TUSD141) of the total audit fee in 2020 was payable to other audit firms than KPMG. Other audit and attestations services were fees to KPMG.

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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.

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Interest income, bank deposits	**53**	288	155
Interest income loans and receivables (amortized cost)	**823**	799	(123)
Other financial income	**15 918**	518	225
Total financial income	**16 794**	1 604	257
Interest expense on financial liabilities at amortized cost	**(18 737)**	(22 785)	(12 263)
Other financial expenses	**(4 091)**	(3 841)	(2 130)
Total financial expenses	**(22 827)**	(26 626)	(14 393)
Foreign exchange gains/losses net	**(279)**	(1 075)	2 596
Net financial expenses	**(6 312)**	(26 097)	(11 540)

Other financial income in 2020 include USD 7.8 million debt forgiveness from the New Market Tax Credit (NMTC) loan program that Aker BioMarine Manufacturing LLC ("AKBMM") participated in, see Note 15 Interest bearing debt. Generally, the NMTC program offer tax credits to investors/ lenders, who in return offer loans to different borrowers for the purpose of incentivizing community development and economic growth to distressed communities. The building that AKBMM purchased was in such a distressed community. Therefore, in 2013 AKBMM entered into the NMTC loan program wherein it borrowed USD 27.5 million to fund the purchase of the building. As long as AKBMM complied with the terms of the loan agreement, it would not have to repay USD 7.8 million of the loan obligation at maturity. On 21 December 2020 the loan under the NMTC program became due. AKBMM had fully complied with the terms of the loan, therefore at maturity USD 7.8 million of the loan was forgiven. Other financial income also includes a negative fair value adjustment of contingent consideration, see Note 16.

Other financial expenses include a guarantee fee paid to Aker ASA as well as a fair value adjustment of the fuel hedge amounting to USD 1.3 million, see Note 20.

Capitalized borrowing costs

During the reporting periods the Group has taken delivery of one harvesting vessel and started the construction of one transport vessel. Borrowing costs have been capitalized on both newbuilds. On Antarctic Endurance the applied interest rate is CIRR and on Antarctic Provider the applied interest rate has been LIBOR + 2.9%.

Amounts in thousands of U.S. Dollars	2017	2018	2019	2020	**TOTAL**
Endurance	240	799	1 641	-	**2 681**
Provider	-	-	563	734	**1 297**
Total	**240**	**799**	**2 204**	**734**	**3 978**

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NOTE 6 – ASSET ACQUISITION AND BUSINESS COMBINATIONS

Asset acquisitions and business combinations in 2020

Asset acquisition:

On 16 December 2020, Aker BioMarine AS acquired all shares in Aion AS from Cedrus AS, a private limited company owned by an employee of Aker BioMarine AS, for USD 0.3 million. As part of the share purchase agreement, the previous owner is entitled to certain earn-outs if the Group becomes waste free and if Aion AS reaches certain financial targets over a 3-5 years period. The fair value of these earn-outs is set to zero as of 31 December 2020 as the outlook is currently highly uncertain.

Asset acquisitions and business combinations in 2019

Business combination:

On 1 March 2019, the Group, through a US holding company, acquired 100% of the issued shares in Lang Pharma Nutrition, Inc. (Lang), a full service, mass market dietary supplement manufacturer, for a consideration of USD 91.3 million. The acquisition was performed for strategical reasons, both to ensure that Lang remained heavily invested in the krill oil segment, to further explore and utilize the synergizes and competence within Lang when conducting business directly with major US retailers, and using this to establish a foot-print to launch and sell own branded products over time.

The contribution consisted of a cash consideration of USD 52.9 million paid on closing in addition to a contingent consideration with an estimated fair value as further described below.

Acquisition of Lang:

Details of the purchase consideration, the net acquired assets and goodwill are as follows:

Amounts in thousands of U.S. Dollars	
Accounts receivables and other assets	11.7
Inventories	31.8
Intangible assets - Customer base	46.1
Cash and cash equivalents	3.7
Total Assets	**93.3**
Borrowings	19.9
Accounts payables and other payables	9.7
Total Liabilities	**29.6**
Total identifiable net assets at fair value	63.7
Goodwill arising on acquisition	27.6
Total consideration	**91.3**
Contingent consideration	38.4
Total consideration paid on acquisition	**52.9**
Less cash and cash equivalents acquired	(3.7)
Acquisition, net of cash acquired	**49.2**

The goodwill is attributable to Lang's position and profitability in the dietary supplement market and the assembled and skilled workforce in the organization. Lang will continue to operate as a separate company. The results from Lang have been included in the Group's consolidated statement of profit or loss and financial position as of 1 March 2019. Acquisition-related costs of USD 1.5 million are included in 'Selling, general and administrative expense' in the consolidated statement of profit or loss. The goodwill is assessed to be deductible in the US.

The contingent consideration arrangement, amounting to USD 38.4 million at acquisition date, requires the Group to pay the seller an earn-out calculated each fiscal year using a measurement of company EBITDA (as defined in the Share purchase agreement) as its basis. The earn-out period is from 2019 through 2022. The fair value of the contingent consideration arrangement was estimated

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calculating the present value of the future expected cash flows, based on a discount rate of 11%. The nominal range of the outcome is a cash payment of USD 0 – USD 50.0 million, over the years mentioned above with the potentially last payment in 2023. In addition to the earnout there is a liability of USD 2 .0 million which will be released based on further employment of resources over the next 3 years.

As at 31 December 2019, the contingent consideration related to the earn-out was USD 39.7 million, which represents full payment of the nominal amount over the future years. As at 31 December 2020 the contingent consideration related to the earn-out was USD 31.7 million. The fair value adjustment in 2020 amounted to USD 8.0 million, representing the effect of a lower company EBITDA in the earn-out period, is presented within Financial expenses (Note 5). The liability is presented within other non-interest-bearing non-current liabilities in the consolidated statement of financial position (Note 16).

Revenue and net profit contribution
The Lang business contributed revenues of USD 82.2 million and net profit of USD 5.7 million to the Group for the period from 1 March to 31 December 2019. If the acquisition had occurred on 1 January 2019, the additional contribution in revenue and net profit for the year ended 31 December 2019 would have been USD 11.1 million and USD 0.4 million respectively. These amounts have been calculated using the subsidiary’s results and adjusting them for differences in the accounting policies between the Group and the subsidiary.

Asset acquisitions and business combinations in 2018
Business combination:
On 17 January 2018, a Group subsidiary, Aker BioMarine Antarctic AS, acquired Enzymotec Ltd (Enzymotec) krill related business consisting of assets and certain liabilities. Total acquisition cost was USD 26.4 million. The purchase price reflects, among other things, payment of transferred inventory, consideration for Enzymotec's non-competition agreement and consideration for other transferred assets as listed below.

The following table summarizes the assets and liability identified by management:

Amounts in thousands of U.S. Dollars	
Customer Relationship	**18.8**
Trademark	**1.8**
Inventory	**4.5**
Goodwill	**1.2**
Total consideration paid at acquisition	**26.4**

NOTE 7 – DERIVATIVES

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Fuel hedge contracts assets	**7 743**	-	-
Fuel hedge contracts liabilities	**(8 996)**	-	(1 472)
Total	**(1 253)**	-	(1 472)

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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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 2020, 2019 and 2018 are:

Reconciliation of nominal statutory tax rate to effective tax rate:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Profit (loss) before tax	**688**	(23 335)	(1 281)
Calculated income tax at statutory rate of 22%	**(151)**	5 134	295
Tax differential Norway and abroad	**(630)**	(441)	(34)
Unrecognized change in deferred tax assets	**(5 497)**	(3 934)	2 158
Permanent differences	**272**	(1 175)	51
Currency translation and other	**(144)**	1	(2 211)
Total tax expense	**(6 151)**	(415)	259
Effective tax rate	**-894 %**	2 %	20 %

Deferred tax assets comprise:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Property, plant and equipment and intangible assets	**(12 531)**	5 280	(2 204)
Inventory	**736**	1 091	(512)
Tax losses carried forward	**59 054**	52 868	49 964
Interest rate deductability carry forward	**11 867**	7 958	6 141
Other	**40**	23	15
Deferred tax assets	**59 166**	67 220	53 404
Unrecognized deferred tax assets	**(63 983)**	(67 220)	(53 404)
Recognized deferred tax liabilities	**(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 2019 and 2020. In Norway the corporate tax rate was reduced to 22% in 2019 and is unchanged in 2020. The recognized deferred tax liability of USD 4.8 million relates to the entities in the US.

The movement in deferred tax assets from USD 53.4 million in 2018 to USD 63.0 million in 2020 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 2020, 2019 or 2018. Since 2008 the Aker BioMarine AS has been involved in discussions with the tax authorities concerning deductibility of losses on receivables. The Norwegian Tax authorities concluded that losses of NOK 296 million was not deductible. Aker BioMarine AS has appealed the decision to The Norwegian Tax Appeal Board ("Skatteklagenemnda") and are currently waiting for their conclusion. The appealed losses are not part of the tax losses carried forward as presented in the above table. The Group does not see any additional tax exposure if the conclusion from Skatteklagenemnda in disfavor of Aker BioMarine.

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 USD 57 million with Aker BioMarine AS and Aker BioMarine Antarctic AS, both Norwegian subsidiaries.

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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.

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).

Movements in property, plant and equipment in 2020:

Amounts in thousands of U.S. Dollars	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
Sale of vessel	-		(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)
Sale of vessel			5900		5 900
Impairment	(1 150)	-	-	(246)	(1 396)
Asset retirements	1 535	2 324	-	-	3 859
Other reclassifications 1)	5 071	(4 324)	-	-	747
Acc. depreciation and impairment as of 31 December, 2020	**(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	10-20 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.
[2] Hereof USD 1.5 million related to Land

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Movements in property, plant and equipment in 2019:

Amounts in thousands of U.S. Dollars	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2019	**105 250**	**95 840**	**105 271**	**8 708**	**315 069**
Investments	4 223	4 802	117 556	326	126 906
Sale of vessel	-	73	-	-	73
Asset retirements	-	(428)	-	-	(428)
Other reclassifications 1)	105 830	33 721	(181 605)	9 525	(32 529)
Acquisition cost as of 31 December, 2020	**215 303**	**134 009**	**41 222**	**18 559**	**409 092**
Acc. depreciation and impairment as of 1 January, 2019	**(46 278)**	**(33 027)**	**(2 654)**	**(728)**	**(82 687)**
Depreciation for the year	(14 979)	(9 952)	-	(313)	(25 244)
Impairment	-	(255)	(5 900)	-	(6 155)
Other reclassifications 1)	1 853	6 921	(1)	(1 413)	7 360
Acc. depreciation and impairment as of 31 December, 2019	**(59 404)**	**(36 312)**	**(8 555)**	**(2 454)**	**(106 726)**
Book value as of 31 December, 2019	**155 899**	**97 696**	**32 667**	**16 105**	**302 366**
Depreciation period	10-20 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.

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Movements in property, plant and equipment in 2018:

Amounts in thousands of U.S. Dollars	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2018	**104 777**	**93 874**	**72 701**	**8 087**	**279 439**
Investments	4 634	3 883	31 116	621	40 254
Asset retirements	(4 833)	(2 846)	-	-	(7 679)
Other reclassifications	672	929	1 454	-	3 055
Acquisition cost as of 31 December, 2018	**105 250**	**95 840**	**105 271**	**8 708**	**315 069**
Acc. depreciation and impairment as of 1 January, 2018	**(41 773)**	**(27 662)**	**(2 654)**	**(547)**	**(72 636)**
Depreciation for the year	(8 109)	(8 149)	-	(181)	(16 439)
Asset retirements	4 340	2 048	-	-	6 388
Acc. depreciation and impairment as of 31 December, 2018	(46 278)	(33 027)	(2 654)	(728)	(82 687)
Book value as of 31 December, 2018	**58 972**	**62 814**	**102 617**	**7 980**	**232 383**
Depreciation period	10-20 years	3-20 years			
Depreciation method	Straight-line	Straight-line			

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Reconciliation depreciation and amortization

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Depreciation for the year of Property, plant & equipment	**(30 875)**	(25 244)	(16 439)
Impairment Property, plant & equipment	**(1 396)**	(6 155)	(900)
Amortization for the year of Intangible assets	**(10 157)**	(8 699)	(5 521)
Amortization for the year of Contact cost	**(833)**		
Leasing (ROU) depreciation	**(6 381)**	(2 833)	-
Total	**(49 643)**	(42 931)	(22 860)
Depreciation and amortization related to production assets and included in cost to inventory	**(32 518)**	(25 109)	(17 321)
Depreciation and amortization related to other assets	**(17 125)**	(17 822)	(5 539)

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 17.1 million (2019: USD 17.8 million, 2018: USD 5.5 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 (see Note 6 for further description), and the impairment of Juvel in 2019. Inventoriable depreciation mainly consists of the Group's operating harvesting vessels and the manufacturing plant in Houston, Texas, amounting to USD 32.5 million (2019: 25.1 million, 2018: USD 17.3 million).

The new krill harvesting vessel, Antarctic Endurance, was delivered in 2019 and put in operation during the second quarter. Total investment was USD 147.0 million, including capitalized interests, the mobilization period, build costs and project management. The payments were financed by loan of USD 113 million.

In 2018 the Group entered a contract of building a new support vessel with CIMC Raffles yard in Yantai, China. The vessel was delivered in Q1 2021. Total investment as per 31 December 2020 is USD 18.8 million in constructions cost and project management. The investments are reclassified as prepayments as per 31 December 2020, see Note 13 Accounts receivable and other current assets.

See Note 20 Financial risk for hedge of currency risk related to the instalments on the Antarctic Endurance.

See Note 18 Leasing of right-of-use assets.

The increase in depreciation of fixed asset during the years 2018-2020 is due to the completion of Antarctic Endurance, while the impairment of USD 6.1 million in 2019 is mainly related to impairment of the vessel Juvel. Juvel has not been in operation due to legal case concerning the rights to the patented production technology in the factory onboard the vessel. The vessel was sold in the first quarter 2020, the gain from sale was USD 1.2 million.

See Note 10 Intangible assets for further details concerning the amortization, and krill license assumptions.

As of 31 December 2020, the Group has USD 50 million in commitments for further investments in property, plant and equipment (2019: USD 60 million, 2018: USD 140 million). For details on mortgages and pledging of security, see Note 15.

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NOTE 10 – INTANGIBLE ASSETS AND GOODWILL

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.

No addition of goodwill is recognized in 2020. The 2019 addition comprising of USD 28.1 million in goodwill relates to the acquisition of Lang.

Movements in intangible and contract cost assets for 2020:

Amounts in thousands of U.S. Dollars	Goodwill	Development	License agreements	Fishing licences	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	-	-	-		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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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.

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 investment of USD 2.4 million in License agreements relates to patents and purification technology acquired from Orochem in July 2018.

Fishing License
One of the Group's fishing license is recognized at USD 10.5 million and are not amortized. The license relates to krill fishery in the Southern Ocean and will remain in the Group's possession as long as all applicable requirements are met, and as such they are determined to have an indefinite life.

Customer relation and Trademark
Customer relation and Trademark are intangible assets acquired in business combinations recognized at fair value. Following initial recognition, the customer relations are recorded less any accumulated amortization and impairment losses. Trademark are intangible assets with indefinite useful lives that are not amortized but carried at cost less accumulated impairment losses. The 2019 addition comprising of USD 46.2 million in customer relation relates to the acquisition of Lang.

See further details in Note 6 Asset acquisition and Business combinations and Impairment assessment below.

Movements in intangible assets for 2019:

Amounts in thousands of U.S. Dollars	Goodwill	Development	License agreements	Fishing licences	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2019	**66 401**	**5 318**	**25 514**	**-**	**45 110**	**5 675**	**148 018**
Additions - external cost					9		9
Acquisition Lang	28 156	-	-	-	46 174	-	74 330
Asset retirements	-	-	(23 118)	-	-	-	(23 118)
Reclassifications 1)	-	-	-	10 500	-	-	10 500
Acquisition cost as of 31 December, 2019	**94 557**	**5 318**	**2 396**	**10 500**	**91 293**	**5 675**	**209 739**
Amortization and impairment losses as of 1 January, 2019	**-**	**(5 162)**	**(23 469)**	**-**	**(5 229)**	**-**	**(33 860)**
Amortization for the year	-	(83)	(377)	-	(8 239)	-	(8 699)
Asset retirements	-	-	23 118	-	-	-	23 118
Reclassifications	-	-	151	-	(151)	-	-
Amortization and impairment losses as of 31 December, 2019	**-**	**(5 245)**	**(578)**	**-**	**(13 619)**	**-**	**(19 442)**
Book value as of 31 December, 2019	**94 557**	**73**	**1 818**	**10 500**	**77 674**	**5 675**	**190 297**
Amortization period		5-10 years	10-12 years		7-10 years		
Amortization method		Straight-line	Straight-line		Straight-line		

1) Reclassified from asset under construction in property, plant and equipment, see Note 9 Property, plant and equipment.

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Movements in intangible assets for 2018:

Amounts in thousands of U.S. Dollars	Goodwill	Development	License agreements	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2018	**65 153**	**5 430**	**23 118**	**26 277**	**3 894**	**123 872**
Additions - external cost	1 248	-	2 396	18 833	1 781	24 258
Asset retirements	-	(112)	-	-	-	(112)
Acquisition cost as of 31 December, 2018	**66 401**	**5 318**	**25 514**	**45 110**	**5 675**	**148 018**
Amortization and impairment losses as of 1 January, 2018	**-**	**(5 191)**	**(22 384)**	**(876)**	**-**	**(28 451)**
Amortization for the year	-	(83)	(1 085)	(4 353)	-	(5 521)
Asset retirements	-	112	-	-	-	112
Amortization and impairment losses as of 31 December, 2018	**-**	**(5 162)**	**(23 469)**	**(5 229)**	**-**	**(33 860)**
Book value as of 31 December, 2018	**66 401**	**156**	**2 045**	**39 881**	**5 675**	**114 158**
Amortization period		5-10 years	10-12 years	7-10 years		
Amortization method		Straight-line	Straight-line	Straight-line		

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 – IMPAIRMENT ASSESSMENT

Property, plant and equipment, intangible assets and RoU assets 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 an asset or a Cash Generating Unit (CGU), defined as the smallest identifiable group of assets that generates cash inflows that are largely independent from other assets or groups of assets, 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.

The Group assess conditions that could cause an asset or a CGU to become impaired. 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 flows 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 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 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.

As of 1 January 2019, goodwill was recognized at a total of USD 66.4 million and the entire amount was allocated to the ingredient segment (CGU), which included all business operations in the Group before the acquisition of Lang in March 2019. Upon the acquisition of Lang, additional goodwill of USD 28.1 million was recognized and allocated as follows: Ingredients USD 20 million and Brands USD 8.1 million.

The acquisition was performed of strategical reasons, both to ensure that Lang remained heavily invested in the krill oil segment, to further explore and utilize the synergizes and competence within Lang when conducting business directly with major US retailers, and using this to establish a foot-print to over time launch and sell own branded products. The main motive for the transaction was, however, to increase catch values in the Ingredients segment and based on underlying assessments, approximately 70% of goodwill is therefore allocated to the Ingredients segment.

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.

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of fair value (estimated sales price) less costs to sell and the value in use (the discounted estimated future cash flows). 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.

Previously recognized impairment losses, except for impaired goodwill, are reversed if the assumptions for impairment are no longer present. 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.

Impairment 2020

In 2020 the value of the vessel La Manche was impaired by USD 1.0 million to reflect the vessel's useful life. In addition, equipment on the other harvesting vessels were impaired by USD 0.2 million and the building in Houston by USD 0.2 million. The accumulated cost of USD 1.2 million has been recognized in 'Cost of goods sold' in the consolidated statement of profit or loss as it has been viewed as an offshore inventoriable cost when the assessment occurred.

Impairment 2019

The increase in depreciation of fixed asset is due to the completion of Antarctic Endurance, while of the impairment of USD 6.1 million, USD 5.9 million relates to an impairment of the vessel Juvel. Juvel has not been in operation due to the ongoing legal case concerning the rights to the patented production technology in the factory onboard the vessel. Due to the uncertainty about the future use of

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the vessel and time the vessel has been in yard the Group could no longer defend the vessel through the overall krill business CGU. A separate valuation was performed to estimate the fair value of the vessel as per IAS 36. Seeing a value in use could not be utilized, a separate assessment of potential sales price was performed. The book value of the vessel at the time of valuation was USD 35.0 million. The Group valued the vessel at USD 18.7 million after subtracting costs to sell and separated the value of the krill harvesting license at USD 10.5 million. An impairment of USD 5.9 million was accounted for.

Impairment 2018:
No impairment of non-current assets is recognized in 2018.

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. The impairment testing also include contract assets.

The Group tests whether goodwill or assets with indefinite useful life have suffered any impairment on an annual basis. For the reporting periods, the recoverable amount of the cash-generating unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

Main assumptions for the value-in-use calculation:
- 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.

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, which is in line with long-term forecasts for growth in gross domestic product (GDP). In the forecast for the period 2021-2025, 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, 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 2020. Sales volumes has been modelled to follow the production targets, however lagging as to allow for building and maintaining safety-stock.

- In the forecast for the period 2021-2025 the discount rate is based on a WACC of 10%. The terminal value in the model used to calculate value in use is based on a WACC of 10% and an assumed 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 re-acquired upon end of the assumed useful life and that the business will continue with 3 operating vessels. The Group has a fourth fishing license from the vessel Juvel. The license is kept if any situation in the future would require an additional license (for example a new vessel).

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 is the model based on an estimated terminal growth that is not exceeding the growth for the products, industry or country (US) in which the CGU operate. In the forecast for the period 2021-2025, 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 forecast for the period 2021-2025 the discount rate is based on a WACC of 10.5%. The terminal value in the model used to calculate value in use is based on a WACC of 10.5% and an assumed long-term annual growth equal to 2%.

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Amounts in thousands of U.S. Dollars	Goodwill			Fishing licence & Trademark			WACC			Discount rate pre-tax*		
Segment	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Ingredients	86 456	86 401	66 401	16 175	16 175	5 675	10,0 %	11,0 %	11,0 %	12,8 %	14,1 %	14,1 %
Brands	8 156	8 156					10,5 %	11,0 %		14,3 %	15,0 %	
Total	**94 612**	**94 557**	**66 401**	**16 175**	**16 175**	**5 675**						

*) The discount rate pretax is the WACC grossed up by the relevant tax rate.

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, 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.

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.

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 aquaculture feeds customers. In future production this meal will be used as an ingredient to the Group's novel protein product (see Note 26). Throughout all production stages the product is subject to internal and external quality control. The production process offshore is very sensitive to harvesting conditions, such as length of the fishing season, ice conditions and other factors such as quality of the krill harvested. These factors impact the parameters for capitalization of indirect production costs and the total cost of the products.

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, see Note 26) require more offshore search activity and increased logistics costs which was not recognized under the previous volume allocation method.

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Based on an internal assessment, producing food grade krill meal for further processing is approximately 10% more expensive than regular feed grade krill meal. Food grade krill meal is valued at USD 19.7 million as of 31 December 2020. Following this improved allocation method, additional cost has been allocated to the production of krill oil, implying lower margins on future sale of krill oil, with corresponding improved margins on krill meal sale. In 2020, 23% of the produced volumes offshore was food grade krill meal, consuming 25% of the total offshore cost allocated to inventory. In 2020 the new allocation method has reduced Cost of goods sold in the statement of profit or loss by USD 2.3 million.

During 2020 the krill oil facility in Houston has done production optimization and technological advancements where previously discarded volumes (neutral oil) have been successfully used in production of krill oil. It has therefore been concluded that these volumes should have allocated costs in line with other finished goods, to ensure that the revenue has a cost of goods sold. The neutral oil has been recognized in production during 2020 and the production optimization has impacted the Cost of goods sold in the Statement of profit or loss by approximately USD 3.5 million due lower Cost of goods sold on krill oil sold. The book value of the neutral oil was USD 6.5 million as of 31 December 2020.

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 2020, 2019 and 2018 are shown below:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Raw materials and goods under production	**24 195**	21 304	6 960
Finished goods	**90 364**	73 421	36 744
Total	**114 559**	94 725	43 704
Cost of inventories recognized at net realizable value	**34 417**	33 617	26 670
Carrying value of inventories recognized at net realizable value	**29 569**	29 420	24 481
Write-down of inventories recognized towards net change in inventories in the period*	**(4 848)**	(4 197)	(2 189)
Carrying value of inventories pledged as security	**79 382**	94 725	33 468

*) Includes weight corrections, replacements to customers and obsolesence

The inventory balance as of 31 December 2020 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:

				As of 31 December,
Amounts in thousands of U.S. Dollars	**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*	(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**

*) Include USD 24 million in consumption and rework and USD 2 million in obsolete and other

Net change in inventories - reconciliation	
Cost of goods sold before elimination of internal sales and internal profit	(197 330)
Produced inventory	157 394
Acquired inventory	81 998
Changes sparepart inventory	169
Rework, consumption, obsolete and eliminations	(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)**

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Movements in inventory during 2019:

Amounts in thousands of U.S. Dollars		As of 31 December, 2019
Inventory at 1 January 2019		**43 704**
Brands Inventory:		
Inventory at acquisition date	31 684	
Cost of goods sold	(63 357)	
Acquired inventory for sale	68 751	
Brands Inventory at 31 December 2019	**37 078**	**37 708**
Elimination of internal profit in inventory sold to Brands		(2 500)
Ingredrients production value		133 508
Ingredients cost of goods sold		(93 586)
Other changes 1)		(24 240)
Spare parts inventory		760
Inventory at 31 December 2019		**94 725**

[1] Include USD 20 million in consumption and rework and USD 4 million in obsolete and other

From the above, acquired inventory of USD 31.7 million represents the inventory Brands had as per acquisition date in 2019. Seeing Brands as a distributor, no production is performed and Brands purchases of products for processing and sale are therefore presented as "acquired inventory for sale" in the above schedule. Elimination and other changes comprise mainly rework and consumption.

Net change in inventories - reconciliation 2019	
Cost of goods sold before elimination of internal sales and internal profit	(161 933)
Produced inventory	133 508
Acquired inventory	100 435
Changes sparepart inventory	760
Rework, consumption, obsolete and eliminations	(19 251)
Elimination of internal profit on stock	(2 500)
Net change in inventories	**51 020**

Cost of goods sold before elimination of internal sales and internal profit	(161 933)
Elimination of cost of internal sales	13 542
Elimination of internal profit on stock	(2 500)
Cost of goods sold recognized in Profit and Loss	**(150 891)**

The total production value of goods manufactured in the years 2020, 2019 and 2018 can be specified as follows:

			As of 31 December,
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Salaries	**(34 559)**	(30 611)	(22 762)
Direct Production	**(10 150)**	(9 878)	(11 068)
Fuel	**(19 185)**	(19 042)	(18 450)
Consumables	**(4 307)**	(3 948)	(2 027)
R&M	**(2 541)**	(5 230)	(3 578)
Other	**(14 832)**	(14 473)	(9 181)
Nutra Freight	**(2 567)**	(1 556)	(1 794)
Capsulation	**(3 611)**	(4 603)	(6 230)
Contract manufacturing	**(5 995)**		
Depreciation	**(32 518)**	(25 109)	(16 273)
Consumption of krill raw materials	**(27 129)**	(19 057)	(18 190)
Total costs allocated to inventory	**(157 394)**	**(133 508)**	**(109 554)**

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NOTE 13 – TRADE RECEIVABLE AND OTHER CURRENT ASSETS

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Accounts receivable	**53 723**	37 393	20 438
Prepaid expenses	**33 775**	24 209	6 713
Other current receivables	**10 387**	12 662	8 072
Total	**97 885**	74 264	35 223

The change in prepayments relates mainly to stock of fuel, packing material and other equipment related to the operation of the vessels and the factory in Houston. Further the milestones paid on the vessel currently under construction in China, Antarctic Provider, is classified prepaid expenses. Antarctic Provider installments amount to USD 21.1 million as per 31.12.2020 (2019: USD 14.4 million).

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.

Cash and cash equivalents comprise the following items:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Cash and bank deposits	**9 094**	12 425	1 526
Restricted bank deposits	**1 584**	1 185	989
Cash and cash equivalents	**10 678**	13 610	2 515

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 2020, the Group had drawn USD 12.6 million (2019: USD 29.2 million, 2018: USD 13.6 million) out of a total of USD 40.0 million available in an overdraft facility.

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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.

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Non-current liabilities			
Secured bank loans	**203 010**	279 509	132 995
Non-current NOK-denominated loan from Antarctic Harvesting Holding AS	**1 334**	1 334	1 334
Non-current USD-denominated debt to Aker ASA	**-**	73 795	37 295
Other secured debt	**-**	7 800	7 800
Leasing liabilities	**6 234**	10 035	
Book value total interest-bearing non-current liabilities	**210 578**	372 473	179 424
Current liabilities			
Current portion of secured loans	**12 010**	11 811	12 357
Overdraft facilities	**12 673**	29 135	13 587
Leasing liabilities	**7 539**	6 646	
Book value total interest-bearing current liabilities	**32 222**	47 591	25 944
Book value total interest-bearing liabilities	**242 799**	420 064	205 368

In 2019 the Group renewed one loan agreement and entered into two new loan agreements. The revolving credit facility (USD 135 million) was extended in 2018 and amended in 2019 to reflect the inclusion of a second bank into the agreement. The first new loan in 2019 was drawn to fund the acquisition of Lang and the second new loan to fund the take-out of Antarctic Endurance. The first new loan agreement is structured as an RCF, whereas the second loan is repaid through quarterly instalments over the next 12 years from the utilization date.

The Group paid in 2019 the loan from Naturex (seller credit Naturex) on maturity.

The entire loan from the owner, Aker ASA, was paid in July 2020 including outstanding interest and guarantee liabilities. At the same time a down-payment of USD 75 million was done on the secured bank loan from DNB (RCF-DNB/RABO).

The New Market Tax Credit (NMTC) loan in Aker BioMarine Manufacturing was settled in December 2020. This settlement had no cash effect as the loan was granted by community development entities (CDE) as a credit against federal income taxes for making Qualified Equity Investments QEIs in qualified CDEs. The loan settlement/forgiveness is recognized as financial income in the Income Statement per 31 December 2020, see Note 5 Financial income and expenses.

In December 2020 an additional USD 10 million was drawn on the DNB (RCF-DNB/RABO) loan agreement.

As of 31 December 2020, the Group had USD 93.0 million in available liquidity where unused credit facilities amounted to USD 82.3 million separated on overdraft facilities and revolving credit facilities. The Ingredients segment had USD 55.1 million and Brands USD 27.2 million. The credit facilities are with DNB/ RABO.

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Terms and debt repayment schedule per 31 December 2020:

Loan	Currency	Amount in USD	Nominal interest rate	Year of maturity	Installments
Secured bank loan - CAT	USD	1 397	3 mths LIBOR + 3.95%	2022	Quarterly
Secured bank loan - RCF-DNB/RABO	USD	54 616	6 mths LIBOR + 3.4%	2023	Annual from 2020
Secured bank loan - RCF + TL NewRide - DNB/ RABO	USD	45 000	6 mhts LIBOR + 3,25 %	2023	In full upon termination
Secured bank loan - RCF + TL NewRide - DNB/ RABO	USD	7 919	6 mhts LIBOR + 2.5 %	2023	In full upon termination
Secured bank loan - DNB/GIEK/NEK	USD	95 995	3,13 % (fixed)	2031	Quarterly
Secured loan from Innovation Norway - 1	NOK	3 161	2,85% (floating)	2026	Semi-annual
Secured loan from Innovation Norway - 2	NOK	6 406	2,85% (floating)	2026	Semi-annual
Secured loan from Innovation Norway - 3	NOK	527	3.95% (floating)	2023	Semi-annual
Antarctic Harvesting Holding AS	NOK	1 334	7.0%	-	-
Overdraft facility with DNB	USD	4 910	LIBOR + 2.5%	n/a	n/a
Overdraft facility with DNB/RABO	USD	7 763	6 mhts LIBOR + 2.5 %	n/a	n/a
Leasing financing	NOK/USD	13 772	6.4 - 7.3%	< 2026	Mthly

LOAN TERMS AND CONDITIONS

All financial covenants presented below are the ones currently applied to the Group. The covenants compliance tests referred to below are all based on historical figures for the Group.

Secured USD-denominated bank loan covenants

The Caterpillar Finance loan agreement features covenants on equity and debt to equity ratio and minimum net worth in Aker BioMarine AS. The company complied with all covenants in 2020, 2019 and 2018.

Secured USD-denominated bank loan covenants

The DNB/Rabobank loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements. The Group is compliant with all loan covenants.

Term Loan and Guarantee facilities agreement

The vessel loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements, interest cover ratio requirements and a condition with regards to available liquidity. The Group is compliant with all loan covenants.

Term Loan and Guarantee facilities agreement

The vessel loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements and interest cover ratio requirements. The Group is compliant with all loan covenants.

Loans from Innovation Norway

The loans from Innovation Norway do not feature any restrictive covenants associated with key financial performance figures.

Overdraft facility

Total amount drawn on the overdraft facility from DNB shall not exceed the sum of:

1. 75% of external accounts receivable; and
2. 60% of total inventory

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The Group's borrowings did not exceed the borrowing base in 2020, 2019 or 2018.

Debt secured by mortgage assets

	As of 31 December,		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Secured bank loans	215 020	291 319	145 352
Non-current NOK-denominated loan from Antarctic Harvesting Holding AS		7 800	7 800
Non-current USD-denominated debt to Aker ASA	12 673	29 135	13 587
Book value total interest-bearing non-current liabilities	**227 694**	**328 255**	**166 740**
Book value of assets pledged as security			
Operating assets	**563 752**	**382 439**	**285 071**

Asset pledged as security per company as of 31 December 2020:

Amounts in thousands of U.S. Dollars	Group total	Akbm AS	New Ride	Antarctic AS
Ships/Rigs	136 384			136 384
Machines	68 627			68 627
Shares	358 741	305 822	52 919	
Total	**563 752**	**305 822**	**52 919**	**205 011**

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

Amounts in thousands of U.S. Dollars	Secured bank loans	Proceeds from owner	Long term Lease and NMTC	Bank overdraft	Short term leas	Share capital	Reserves	Retained earnings	**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 - DNB/ GIEK/NEK	(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 exchange rates	185		-		144				**329**
Total liability related changes	132	-	-	-	144	-	-	**-**	**275**
Balance 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.

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Reconciliation of the movements in liabilities to cash flow from financing activities in 2019:

Amounts in thousands of U.S. Dollars	Secured bank loans	Proceeds from owner	Other long term loans	Bank overdraft	Other short term loans	**Total**
Balance at 1 January 2019	**135 337**	**38 629**	**17 815**	**13 587**		**205 368**
Overdraft facility from Lang acquisition				19 900		**19 900**
Changes in Financing cash flows						
New loan from owner- Aker ASA	-	36 500	-	-		**36 500**
Secured bank loan - RCF + TL NewRide - DNB/ RABO	45 000		7 919			**52 919**
Secured bank loan - DNB/GIEK/NEK	112 385					**112 385**
Instalment Secured bank loan - DNB/ GIEK/NEK	(7 033)					**(7 033)**
Instalment Innovation Norway - 1	(396)	-	-	-		**(396)**
Instalment Innovation Norway - 2	(818)	-	-	-		**(818)**
Instalment Innovation Norway - 3	(161)	-	-	-		**(161)**
Instalment Caterpillar Finance	(931)	-	-	-		**(931)**
Instalment Naturex	-	-	(10 015)	-		**(10 015)**
Leasepayments			(3 360)			**(3 360)**
Overdraft facility with DNB/RABO				14 763		**14 763**
Repayment of overdraft from Lang acquisition				(19 900)		**(19 900)**
New/increase withdrawal overdraft facility- DNB		-	-	785		**785**
Total changes in Financing cash flows	148 044	36 500	(5 456)	(4 353)	-	**174 735**
Non-Cash changes						
Loan converted to equity- Aker ASA	-	-	-	-		**-**
Leasing financing (IFRS16)			13 395		6 646	**20 041**
Other changes, liability related						
Interest/fees charged to loan	-	-	-	-		**-**
Effect of changes in foreign exchange rates	20	-	-	-		**20**
Total liability related changes	20	-	-	-	-	**20**
Balance at 31 December, 2019	283 401	75 129	25 754	29 135	6 646	**420 064**

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Reconciliation of the movements in liabilities to cash flow from financing activities in 2018:

Amounts in thousands of U.S. Dollars	Secured bank loans	Proceeds from owner	Other long term loans	Bank overdraft	Total
Balance at 1 January 2018	**139 031**	**101 690**	**19 960**	**14 453**	**275 134**
Changes in Financing cash flows					
New loanfrom owner- Aker ASA	-	62 000	-	-	**62 000**
Increase withdrawal overdraft facility- DNB		-	-	(866)	**(866)**
Instalment Innovation Norway - 1	(601)	-	-	-	**(601)**
Instalment Innovation Norway - 2	(834)	-	-	-	**(834)**
Instalment Innovation Norway - 3	(176)	-	-	-	**(176)**
Instalment -Caterpillar Finance	(931)	-	-	-	**(931)**
Naturex	-	-	(2 145)	-	**(2 145)**
Total changes in Financing cash flows	(2 542)	62 000	(2 145)	(866)	**56 447**
Non-Cash changes					
Loan converted to equity- Aker ASA	-	(125 061)	-	-	**(125 061)**
Other changes, liability related					
Effect of changes in foreign exchange rates	(1 152)	-	-	-	**(1 152)**
Total liability related changes	(1 152)	-	-	-	**(1 152)**
Balance at December 31, 2018	135 337	38 629	17 815	13 587	**205 368**

NOTE 16 – OTHER NON-CURRENT LIABILITIES

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Guarantee premium payable to Aker ASA	**-**	11 596	9 964
Interest payable to Aker ASA	**-**	12 185	7 626
Earn out and other non-current liabilities	**31 745**	41 732	-
Pension liabilities	**183**	106	67
Total	**31 928**	65 618	17 657

Aker ASA has issued a guarantee for the Group's secured bank loan with DNB. The Group pays a guarantee fee to Aker ASA of 5 percent of NOK 305 million (guarantee amount). The fee is payable quarterly. The interest payable to Aker ASA in 2019 and 2018 related to the interest-bearing long-term loans from Aker ASA which were repaid in 2020, See Note 15 Interest-bearing debt.

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 payment will range between 0 and USD 50 million, depending on whether the financial targets are met or not. There is a gliding scale between the high and low end.

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%. Of the USD 10.0 million change in Contingent consideration from 2019 to 2020, the Group recognized USD 8.0 million (2019: USD 3.3 million) as financial income to account for the fair value adjustments as per 31 December 2020. As per above this fair value adjustment was due to the discounting effect and lower EBITDA prognosis in the earn-out period. In addition to the earn-out there is a liability of USD 2 .0 million which will be released based on further employment of resources over the next 3 years.

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NOTE 17 – ACCOUNTS PAYABLE AND OTHER PAYABLES

Accounts payable and other payment liabilities comprise the following items:

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Accounts payable	**20 255**	23 340	11 469
Accrued expenses	**15 223**	26 311	11 332
Other current liabilities	**3 244**	2 342	4 136
Total	**38 721**	51 994	26 937

Foreign exchange and liquidity risks are described in Note 20.

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.

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

Amounts in thousands of U.S. Dollars	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2020	16 389	167	**16 557**
Depreciation for the year	(6 133)	(248)	**(6 382)**
Additions to ROU assets	2 595	611	**3 205**
Derecognition of ROU asset	(235)		**(235)**
Balance as of 31 December 2020	**12 616**	**530**	**13 145**

Additions to ROU assets relates 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. Derecognition of the asset in 2020 of USD 235 thousand relates to exiting from a housing apartment contract.

The Group's ROU asset as at 31 December 2019 include:

Amounts in thousands of U.S. Dollars	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2019	4 870	69	**4 940**
Depreciation for the year	(2 802)	(31)	**(2 833)**
Additions to ROU assets	18 268	129	**18 397**
Derecognition of ROU asset	(3 947)		**(3 947)**
Total	**16 389**	**167**	**16 557**

Derecognition of the ROU asset in 2019 relates mainly to the office relocation at the Fornebu building. The company moved to a larger area and as a result the initial contract was terminated and replaced with a new contract.

AMOUNTS RECOGNIZED IN PROFIT OR LOSS

Amounts in thousands of U.S. Dollars	2020	2019
Expenses related to short-term lease	(1 512)	(884)
Expenses related to low-value asset, excl. short-term	(100)	(40)
Leasing expenses related to variable payments not included in lease liabilities	(304)	(278)
Interest on ROU lease liabilites	(1 069)	(729)
Recognition of difference between lease liability and ROU asset per 1 Jan 2019 on derecognized asset	(1)	424
Effect of changes in foreign exchange rates	(144)	57
Total	**(3 130)**	**(1 450)**

ROU assets recognized in cash flow statement:	(7 045)	(3 360)

FUTURE LEASE LIABILITY PAYMENTS AS OF YEAR-END 2020 AND 2019 (IFRS 16)

Amounts in thousands of U.S. Dollars	2020	2019
Within one year	4 831	6 679
1-2 years	3 116	3 628
3-5 years	5 825	8 301
More than 5 years	-	1 049
Total	**13 772**	19 657

Lease liabilities as of December 31, 2010 totaled USD 13 773 thousand (December 31, 2019: USD 16 681 thousand) of which USD 7 539 thousand (December 31, 2019: USD 10 035 thousand) was classified as current and USD 6 234 thousand (December 31, 2019: USD 6 646 thousand) was classified as non-current. There are no lease liabilities as of December 31, 2018 as this was prior to the implementation of IFRS 16.

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2018 OPERATING LEASE PAYMENTS UNDER IAS 17

Amounts in thousands of U.S. Dollars	**2018**
Lease expense	(4 436)
Sub-lease income	319
Total	**(4 117)**

FUTURE OPERATING LEASE PAYMENTS AS OF DECEMBER 31, 2018, UNDER IAS 17

Amounts in thousands of U.S. Dollars	**Minimum lease payments**
Within one year	1 354
In 1-5 years	4 465
More than 5 years	626
Total	**6 445**

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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:

Country	Denomi-nation		Average rate year ended 31 December, 2020	Rate at 31 December, 2020	Average rate year ended 31 December, 2019	Rate at 31 December, 2019	Average rate year ended 31 December, 2018	Rate at 31 December, 2018
Norway	NOK	1	0,1064	0,1172	0,1136	0,1139	0,1230	0,1151
European Union (EU)	EUR	1	1,1405	1,2271	1,1192	1,1234	1,1803	1,1450

The monthly average exchange rates and the exchange rates as of 31 December 2020 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.

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 2017 the Group entered a currency contract with DNB for hedging of future currency risk against NOK in future payment obligations related to the construction of the vessel Antarctic Endurance. The last payment related to this contract was in 2019. 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	Gross trade receivable and bad debt provision		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Not at maturity	47 248	29 598	16 609
0-30 days overdue	6 326	7 387	3 255
31-120 days overdue	254	331	508
121- 365 days overdue	553	125	119
More than one year overdue	-	136	160
Total trade receivable	**54 381**	**37 577**	**20 651**
Bad debt provision	**(658)**	**(185)**	**(213)**

Movements in allocation to loss on trade receivable and contract assets

	2020	2019
Balance at 1 January under IFRS 9	(185)	(213)
Impairment loss (write-off) on trade and other receivables	(181)	316
Provision/reversal of impairment loss on trade and other receivables	(278)	41
Write off receivables not provisioned for	-	(329)
Effects of changes in foreign exchange rates	(14)	0
Allocation to loss on trade receivable and contract assets	**(658)**	**(185)**

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

The Group`s two most significant customers account for USD 16.7 million of the receivables carrying amount as of 31 December 2020 (2019: USD 9.8 million, 2018: USD 8.7 million).

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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 145 million as of 31 December 2020 (2019: USD 279 million, 2018: USD 192 million).

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

					2020 maturity structure — loans and interest		
Amounts in thousands of U.S. Dollars	Book value at 31 December, 2020	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)**

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					2019 maturity structure — loans and interest		
Amounts in thousands of U.S. Dollars	Book value at 31 December, 2019	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	291 319	(352 221)	(13 631)	(18 482)	(31 805)	(216 273)	(72 029)
Other non-current interest bearing liabilities	7 800	-	-	-	-	-	-
Interest bearing debt, non-current, related parties	75 129	(95 330)	-	-	-	(93 903)	(1 427)
Overdraft facility	29 135	(29 125)	-	-	-	(29 125)	
Leasing liabilities (IFRS16)	16 681	(19 657)	(3 648)	(3 031)	(6 981)	(5 997)	-
Total 2019 maturity of loans and interest on interest-bearing debt	**420 064**	**(496 332)**	**(17 279)**	**(21 513)**	**(38 786)**	**(345 297)**	**(73 456)**
Accounts payable and other current liabilities	51 994	51 994	51 994	-	-	-	-
Non-current non-interest-bearing liabilities	65 618	(75 881)	-	-	(21 866)	(46 315)	(7 700)
Total liabilities	**537 676**	**(520 219)**	**34 714**	**(21 513)**	**(60 652)**	**(391 612)**	**(81 156)**

					2018 maturity structure — loans and interest		
Amounts in thousands of U.S. Dollars	Book value at 31 December, 2018	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	135 337	172 414	5 320	5 305	10 533	145 261	5 995
Other non-current interest bearing liabilities	17 815	18 011	10 211	-	7 800	-	-
Interest bearing debt, non-current, related parties	38 629	47 589	1 483	1 483	2 967	41 656	-
Overdraft facility	13 587	13 587	13 587	-	-	-	-
Forward exchange contract	1 472	1 472	1 472	-	-	-	-
Total 2018 maturity of loans and interest on interest-bearing debt	**206 840**	**253 073**	**32 073**	**6 788**	**21 300**	**186 917**	**5 995**
Accounts payable and other current liabilities	26 937	26 937	26 937	-	-	-	-
Non-current non-interest-bearing liabilities	17 657	17 657	-	-	17 590	-	67
Total liabilities	**251 435**	**297 668**	**59 010**	**6 788**	**38 890**	**186 917**	**6 062**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

The Group used derivatives to hedge the currency risks related to the instalments on the construction of the vessel, Antarctic Endurance, see Note 7 and Note 9. The hedge was accounted for as a cash flow hedge, where upon reclassification from OCI, the amounts becomes a basis adjustment. The last instalments were paid in 2019. No ineffectiveness was recognized in the consolidated statement of profit and loss over the lifetime of the instrument.

The table below gives aggregated numbers related to the cash flow hedges for the period 2018-2020.

Amount in USD million	2020	2019	2018
Reclassified to expected fixed asset	-	(1.0)	-
Reclassified to related fixed asset from OCI during the year	-	-	0.5

As per 31 December 2018 a liability of USD 1.5 million was recognized and presented under “derivative liabilities” in the consolidated statement of financial position while there were no such instruments as of 31.12.2019. As of 31.12.2020 the Group recognized an asset of USD 7.7 million and a liability of USD 9.0 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, 2020		Year ended 31 December, 2019		Year ended 31 December, 2018	
Amounts in thousands of U.S. Dollars	Euro	NOK	Euro	NOK	Euro	NOK
Accounts receivable	**2 856**	**7 228**	2 739	2 865	2 814	906
Cash	**555**	**(8 742)**	(5 086)	(10 237)	-	968
Secured bank loan	**(100)**	**(4 448)**	116	(15 426)	-	(14 634)
Accounts payable	**(2 272)**	**(7 591)**	(3 409)	(7 852)	(2 414)	(4 327)
Other balance sheet items	**-**	**-**	-	(9 424)	(284)	(3 269)
Gross balance sheet exposure	**1 039**	**(13 553)**	(5 640)	(40 074)	116	(20 356)
Currency forwards						
Net exposure	**1 039**	**(13 553)**	(5 640)	(40 074)	116	(20 356)

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 1.4 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 2020 would have affected the Group’s profit before tax with USD 1.2 million. (2019: USD 3.6 million, 2018: USD 1.8 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:

Amounts in thousands of U.S. Dollars	Year ended 31 December, 2020	Effective interest rate year ended 31 December, 2020	Year ended 31 December, 2019	Effective interest rate year ended 31 December, 2019	Year ended 31 December, 2018	Effective interest rate year ended 31 December, 2018
Fixed-interest instruments						
Secured loans from Innovasjon Norge			(10 587)	5,27 %	(11 937)	5,45 %
Loan from Antarctic Harvesting Holding AS	**(1 334)**	7.00%	(1 334)	7.00%	(1 334)	7.00%
Secured bank loan - DNB/GIEK/NEK	**(95 994)**	3,1 %	(105 357)	6,4 %		
Net fixed interest instruments	**(97 328)**		(117 278)		(13 271)	
Floating-interest instruments						
Financial assets						
Cash and cash equivalents	**10 678**	variable *)	13 610	variable *)	2 515	variable *)
Financial liabilities						
Secured bank loan - RCF + TL - DNB/ RABO	**(52 919)**	3.11%	(52 919)	5,4 %		
Secured bank loan - DNB/GIEK/NEK						
cash and cash equivalents	**(527)**	3,95 %	(683)	5,27 %	(863)	4,92 %
Secured bank loan - Innovasjon Norge	**(3 161)**	2,85 %				
Secured bank loan - Innovasjon Norge	**(6 406)**	2,85 %				
Secured bank loan - Caterpillar Finance	**(1 397)**	4,21 %	(2 328)	6,44 %	(3 259)	6,15 %
Secured bank loan - DNB	**(54 616)**	3,66 %	(119 446)	6,02 %	(119 275)	6,61 %
Liquidity loan from Aker ASA	**-**		(73 795)	7,38 %	(37 295)	8,07 %
Seller Credit Naturex	**-**	-	-	-	(10 015)	3,70 %
New Market Tax Credit US (NMTC loan)	**Settled**		(7 800)	3,40 %	(7 800)	3,40 %
Overdraft facility	**(12 673)**	variable **)	(29 135)	variable **)	(13 588)	variable **)
Leasing liabilites (IFRS16)	**(13 772)**	variable **)	(16 681)	variable **)		
Net variable interest instruments	**(134 793)**		(289 176)		(189 582)	
Total net interest-bearing debt	**(232 121)**		(406 454)		(200 339)	

*) 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

iii) Fuel price risk

One of the Group's significant operating costs is the fuel cost. As such, the Group is exposed to fuel price fluctuations since the vessels use fuel while steaming and in production. The profitability and cash flow of the Group will therefore depend upon the market price of fuel. The Group did not hedge the fuel price in 2018 and 2019 but monitored movement in prices closely in order to implement other actions. In June 2020 Aker BioMarine Antarctic AS signed a contract to hedge MGO fuel by using call options for 2021-2024 to protect fuel cost. The four-year hedging program aims to reduce the risk of a potential sharp oil price rebound. Total volume over the four-year period is 137 665 MT of MGO. The options were bought at a premium of USD 9.0 million and will be settled as they are due as from Q1 2021. The purpose of the instruments is to secure the future cash-flows from operating the company's fleet, and as such the hedging object is the future fuel consumption.

The fuel hedge has the following carrying amount, notional amount and premiums per year.

Amounts in thousands of U.S. Dollars	2020
Carrying amount	
Derivative liability fuel options, non current	(8 996)
Derivative assets fuel options, non current	7 743
Total	**(1 253)**

Maturity date: January 2021 - December 2024

Amounts in thousands of U.S. Dollars	2021	2022	2023	2024	**Total**
Notional amount in MT	37 757	33 332	33 370	33 206	**137 665**
Weighted average strike rate for outstanding call options					**479**
Premiums from the trade-confirmations					
Deal 000622A	(812)	(931)	(699)	(873)	**(3 315)**
Deal 00062X	(794)	(788)	(497)	(634)	**(2 714)**
Deal 00062E	(717)	(832)	(634)	(785)	**(2 968)**
Total premium liability					**(8 996)**

The difference between the value of the derivative asset and the premium amounting to USD 1.3 million as of 31 December 2020 has been recognized as Other financial expense in the Consolidated statement of profit or loss.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Per 31 December 2020								Carrying amount				Fair value
	Fair value through P&L	Derivates (not hedge accounting)	Amortised cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts	**Total book value**	Level 1	Level 2	Level 3	**Total fair value**
Amounts in thousands of U.S. Dollars		Fair value through P/L			Qualified for hedge accounting							
											129	**129**
Other non-interest-bearing non-current assets	129							**129**				**0**
Accounts receivables			53 724					**53 724**				**7 743**
Other forward contracts							7 743	**7 743**		7 743		**0**
Other non-interest-bearing current receivables			10 388					**10 388**				**10 678**
Cash and cash equivalents			10 678					**10 678**		10 678		**18 550**
Total financial assets	**129**	**-**	**74 789**	**-**	**-**	**-**	**7 743**	**82 661**	**-**	**18 421**	**129**	**63 209**
Secured bank loans			195 091					**195 091**		195 091		**195 091**
Interest-bearing non-current liabilities			7 919					**7 919**		7 919		**7 919**
Interest-bearing current liabilities,external			12 010					**12 010**		12 010		**12 010**
Other interest free liabilities, non-current			31 745					**31 745**				**0**
Loan from Antarctic Harvesting Holding AS			1 334					**1 334**		1 334		**1 334**
Leasing liabilities			13 772					**13 772**		13 772		**13 772**
Other forward contracts							8 996	**8 996**		8 996		**8 996**
Overdrafts			12 673					**12 673**		12 673		**12 673**
Accounts payable and other interest free liabilities	-		35 476					**35 476**				**0**
Total financial liabilities		**-**	**310 019**	**-**	**-**	**-**	**8 996**	**319 015**	**-**	**251 795**	**-**	**251 795**

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Per 31 December 2019								Carrying amount				Fair value
	Fair value through P&L	Derivates (not hedge accounting)	Amortised cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts	**Total book value**	Level 1	Level 2	Level 3	**Total fair value**
Amounts in thousands of U.S. Dollars		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**

Per 31 December 2018								Carrying amount				Fair value
	Fair value through P&L	Derivates (not hedge accounting)	Amortised cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts	**Total book value**	Level 1	Level 2	Level 3	**Total fair value**
Amounts in thousands of U.S. Dollars		Fair value through P/L			Qualified for hedge accounting							
Other non-interest-bearing non-current assets	1 673		353					**2 026**		2 026		**2 026**
Accounts receivables			28 284					**28 284**		28 284		**28 284**
Other non-interest-bearing current receivables			1 526					**1 526**		1 526		**989**
Cash and cash equivalents			989					**989**		989		**989**
Total financial assets	**1 673**	**-**	**31 152**	**-**	**-**	**-**	**-**	**32 288**	**-**	**32 825**	**-**	**32 288**
Secured bank loans			132 995					**132 995**		132 995		**132 995**
Interest-bearing non-current liabilities			7 800					**7 800**		7 800		**7 800**
Interest-bearing non-current liabilities,external			12 357					**12 357**		12 357		**12 357**
Loan from AKER ASA			37 295					**37 295**		37 295		**37 295**
Loan from Antarctic Harvesting Holding AS			1 334					**1 334**		1 334		**1 334**
Forward exhange contracts						1 472		**1 472**		1 472		**1 472**
Overdrafts			13 587					**13 587**		13 587		**13 587**
Accounts payable and other interest free liabilities			25 846					**25 846**		25 846		**25 846**
Total financial liabilities	**-**	**-**	**192 585**	**-**	**-**	**1 472**	**-**	**194 057**	**-**	**194 057**	**-**	**194 057**

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.

During the year the company's shares were admitted to trading on Euronext Growth (formerly Merkur Market). As part of the admission the Company raised USD 224 million from of a private placement. Part of the raised capital was used to pay debt to Aker ASA as well as down-payments on the Company's external debt. The remaining capital has been maintained to secure the funding of future development of the business, such as investments in a pilot plant for production of Protein (INVI). As of 31 December 2020, the Group had USD 93 million in available liquidity, see note 15.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 discussed in Note 4, the Group has been involved in a patent dispute regarding the Juvel production related assets during the reporting periods. The legal proceedings ended in July 2020 and the associated costs have been recognized in 'Other operating expenses' in the Statement of profit or loss. The Company is not aware of any such proceedings which are pending or threatened.
As per 31 December 2020, 31 December 2019 and 31 December 2018, no provisions were made for legal claims.

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.

	As of 31 December,,		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Office rent, facilities services and IT	(1 513)	(1 404)	(1 084)
Interest expenses and guarantee fee	(4 631)	(6 292)	(6 555)
Total	**(6 144)**	**(7 696)**	**(7 639)**

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).

Director of the Board, Frank Reite, is the Chairman of the Board in Converto AS (earlier Converto Consulting AS) a consulting company assisting the Group in structuring of the Offshore organization and hiring new EVP of Offshore Supply chain. Total fee paid in 2020 is USD 65 thousand excl VAT.

David Lang is the former owner and current president of Lang Pharma Nutrition, Inc. The Group has a receivable due from David Lang of USD 236 thousand. Of that amount, USD 233 thousand, relates to a tax allocation per the stock purchase agreement and was repaid subsequently to year-end. The remaining amount consists of life insurance premiums and credit card charges (non-business related).

NOTE 23 – SALARIES AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Board remuneration

		As of 31 December,,		
Amounts in U.S Dollars	Board membership	2020	2019	2018
Ola Snøve	Chairman of the Board	-	56 794	91 129
Kjell-Inge Røkke*	Board member	-	-	-
Øyvind Eriksen*	Board member	-	-	-
Frank O. Reite*	Board member	10 638	-	-
Sindre Skjong**	Employee representative	-	-	-
Line Johnsen***	Employee representative	-	-	-
Total		**10 638**	**56 794**	**91 129**

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

The fee paid to Frank O. Reite relates to second half of 2019. The fee paid to the Chairman of the Board in 2018 relates to both 2018 and 2017 and was paid in full in 2018. There is no remuneration paid to the Board members and Employee representative other than ordinary salaries. See also Note 22 Related parties.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

The Group does not offer any share incentive programs for employees. However, in April 2019, Aker ASA sold 2% of the shares in the company to a holding company of the CEO and granted a loan for approx. 90% of the purchase price. The holding company accepted a 5-year lock-up period and will have a right to sell the shares in case of an IPO or a private sale (tag-along and drag-along). The sale was carried out at fair market value, and a future sale will be based on the same valuation methodology. External consultants were used to perform the valuation.

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 has been awarded a bonus totaling USD 1.2 million (2019: USD 0.7 million), the CEO is eligible to USD 0.2 million (2019: USD 0.2 million) of this bonus. The bonus was paid in 2020.

Salary and compensation to EMT

Amounts in U.S Dollars				2020				2019	
Name	Current position within the Company	Salary	Bonus	Pension	Total	Salary	Bonus	Pension	Total
Matts Johansen	Chief Executive Officer (CEO)	420	200	10	620	450	200	10	660
Katrine Klaveness	Chief Financial Officer (CFO)	240	180	10	430	240	30	10	280
Tim de Haas	EVP Human Health and Nutrition	200	130	10	340	210	40	10	260
Kristine Hartmann	EVP Transformation Jan-Sep 2020	140	60	10	210	200	50	10	260
Hege Spaun	EVP Transformation Oct-Dec 2020	30	-	-	30	-	-	-	-
Tone Lorentzen	EVP Supply Chain	230	140	10	380	240	60	10	310
Shauna McNeill	EVP Innovation	160	120	10	290	140	0	0	140
Sigve Nordrum	EVP Animal Health and Nutrition	190	130	30	350	200	50	30	280
Todd Norton	EVP Special Advisor	230	110	10	350	230	70	10	310
Webjørn Barstad	EVP Offshore (From Dec 2020)	20	-	-	20	-	-	-	-
Trond Atle Smedsrud	EVP Strategic Investments	250	150	10	410	270	50	10	330
Total		**2 110**	**1 220**	**110**	**3 430**	**2 180**	**550**	**100**	**2 830**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 – GROUP COMPANIES

As per 31 December 2019 Aker ASA owned 98% of the shares in the company. The remaining 2% were owned by the Group CEO through his wholly owned company KMMN Invest II AS. The total number of shares was 69 053 544 with par value of NOK 6.00 per share. There was no change in number of shares outstanding through 2018 and 2019. All shares had equal rights and obligations, except for restrictions as mentioned below under Assessment of non-controlling interests.

The Company was admitted to trading on Euronext Growth (previously Merkur Market) on 6 July 2020. As part of the admission to trading, Aker ASA reduced its ownership to 78% and KMMN Invest II reduced its ownership to 1.1%. The total number of shares was increased to 87 586 086 shares with par value NOK 6.00 each. Net capital contribution from the listing was USD 224 million.

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.

Presentation in the Group's statement of financial position:

The Group has assessed that the Company has a contractual obligation to deliver cash to AHH. It follows from IAS 32 AG6 that perpetual debt, a contractual right to receive interest on a fixed date extending into indefinite future, with or without a right to a return if the principal, is a financial liability and not equity. Based on this the Company has assessed that the share capital (with interest rate payment) should be treated as a liability in the Group's Statement of financial position. The NOK 11 million has therefore been treated as a liability as of 31 December in the reporting periods.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Company	Shareholding in %	Voting rights in %	Administrative headquarters 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 AS has all voting rights except for certain fundamental matters which require consent from both shareholders

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the Group in 2019 included the following subsidiaries:

Company	Shareholding in %	Voting rights in %	Administrative headquarters 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 Inc	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India 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
Aker BioMarine New Zealand Ltd	100	100	Nelson	New Zealand

*) Aker BioMarine AS 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 2018 included the following subsidiaries:

Company	Shareholding in %	Voting rights in %	Administrative headquarters Location	Country
Aker BioMarine Antarctic AS	40	100*	Lysaker	Norway
AKBM Antarctic S.A. (dormant)	100	100	Nueva Palmira	Uruguay
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 Inc	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India Ltd	100	100	Mumbai	India
NewRide LLC	100	100	Issaquah	USA
Epion Brands LLC	100	100	Issaquah	USA

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 – EARNINGS PER SHARE

	As of 31 December,,		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Continued operations:			
Net profit (loss)	(5 463)	(23 750)	(1 022)
Minority interest	-	-	-
Profit (loss) from continued operations attributable to Equity holders of the parent	**(5 463)**	**(23 750)**	**(1 022)**
Number of shares			
Share outstanding as per 1 January	69 053 544	69 053 544	69 053 544
Change from Trading admittance	18 532 542		
Shares outstanding as per 31 December	**87 586 086**	**69 053 544**	**69 053 544**
Weighted average number of shares as per 31 December	78 062 419	69 053 544	69 053 544
Earnings per share			
Basic	(0,07)	(0,34)	(0,01)
Dilluted	(0,07)	(0,34)	(0,01)

NOTE 26 – EVENTS AFTER THE END OF THE REPORTING PERIOD

Delivery of Antarctic Provider

In February 2021, a Group company, Aker BioMarine Antarctic AS, took delivery of its new state-of-the-art supply vessel, The Antarctic Provider. Antarctic Provider was delivered at the CIMC Raffles yard in Yantai, China 5 February 2021 and is expected to be operational early Q2 2021. The vessel will immediately enter service, and fully replace La Manche, the Group's existing supply vessel, before its class expires in October 2021. 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. Antarctic Provider was delivered on time, and on budget. 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.

First pharma partnership

On 11 January 2021, Aker BioMarine announced that the company has entered into a partnership with serial biotech entrepreneur Dr. Michael Davidson and his wholly owned company Medical Food Solutions Research. The agreement constituted development of pharmaceutical therapies for brain and eye health based on Aker BioMarine's product Lysoveta™, LPC bound EPA/DHA. This was the first commercial pharmaceutical agreement for the company's new Lysoveta™ business area. Under the terms of the agreement, a new company will be established to develop the therapies for treatment of brain and eye diseases.

Launch of INVI™, a novel protein for human consumption

Aker BioMarine expanded its ingredient portfolio with the launch of INVI™, as announced on 14 January 2021. INVI™ is a hydrolyzed protein isolate with a complete amino acid profile, and is also rich in minerals, including calcium and magnesium. 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. With INVI™, Aker BioMarine aims to penetrate the global retail protein market of USD 34 billion, with a focus on the sports segment.

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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. There need to be a defined launch period with a clear end date.
- 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 9 'Property, plant and equipment' under line items 'Depreciation for the year' and 'Impairment'.

AKER BIOMARINE GROUP ACCOUNTS

ALTERNATIVE PERFORMANCE MEASURES (APMS)

The following comprises the items included un Special Operating Items over 2020, 2019 and 2018.

	As of 31 December,		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Net loss	**(5 463)**	**(23 751)**	**(1 022)**
Tax expense	6 151	415	(259)
Financial income	(16 794)	(1 604)	(257)
Financial expenses	22 827	26 626	14 393
Net foreign exchange gain/loss	279	1 075	(2 596)
Operating profit	**7 000**	**2 762**	**10 258**
Depreciation, amortization and impairment	49 644	42 931	22 860
EBITDA	**56 644**	**45 693**	**33 118**
Special operating items	21 462	7 346	5 901
Consisting of:			
Juvel gain and operating cost - 'Gains/ losses on sale of assets'/ 'Other'	(690)	2 620	4 495
Lang and Enzymotech transaction - 'Transaction related costs'	-	1 298	1 406
Kori national brand US launch - 'Launch cost'	17 016	3 428	-
Oslo Børs listing - 'Transaction related costs'	2 155	-	-
Private charter flights - 'Other'	1 519	-	-
Crew cost - 'Other'	1 462	-	-
Adjusted EBITDA	**78 106**	**53 039**	**39 019**

AKER BIOMARINE GROUP ACCOUNTS

ALTERNATIVE PERFORMANCE MEASURES (APMS)

Juvel gain, operating cost and legal expenses:
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 2. 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.

Lang and Enzymotec transaction:
On 1 March 2019 the Group acquired Lang Pharma. The transaction related costs have been booked as an operating expense and recognized in the Profit or loss under IFRS 3 'Business Combinations'. Given the complexity of the transaction and being cross-border, transaction related cost has been material. The amount is non-recurring, and no Lang acquisition costs are recognized after Q4 2019. For further detail on the Lang transaction see the annual financial statements from 2019.

In 2018 a subsidiary of the company, Aker BioMarine Antarctic AS, entered into an agreement to acquire the krill business from Enzymotec. The transaction was accounted for as an IFRS 3 transaction, implying that transaction related costs have been expensed as incurred.

Kori national brand US launch including start-up cost:
As part of the Lang transaction, the Group has launched its own national brand in the US. The incurred costs have been material (aggregated USD 17 million) from start date up until December 2020.. These costs include employment of Epion management team, R&D on specially designed packaging and capsules, general start-up cost, and significant market development costs.

Furthermore, the Group assesses the national brand launch to be a Special operating item as the Group has incurred significant costs to enter the largest retail chains in the US. These costs, which predominantly include marketing spend, has been a necessity for the Group to obtain shelf space for Kori krill oil with the retailers. The marketing spend has been used on TV, paper, digital and radio advertisements of Krill oil The purpose of the launch campaign was to quickly establish Kori brand awareness, that in turn would generate the necessary sales at the retailers to earn the given shelf space.

At 31 December 2020 the initial launch investment was finished. Epion is now evaluating the results from the initial investment and will use the data generated from the 2020 marketing activities to optimize marketing activities for 2021 and beyond.

Admission to Euronext Growth and preparatory work to be listed on Oslo Børs in 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.

Private charter flights:
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 1 for further details.

Crew cost:
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 1.9 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. See Note 1 for further details.

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To the Board of Directors of Aker Biomarine AS

Independent auditor's report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aker Biomarine AS. The consolidated financial statements of Aker Biomarine AS and its subsidiaries (the Group) comprise the consolidated statements of financial position as of 31 December 2020, 31 December 2019 and 31 December 2018 and the related consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of cash flow and the consolidated statements of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial positions of the Group as at 31 December 2020, 31 December 2019 and 31 December 2018, and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 Group as required by laws and regulations in Norway, 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.

Responsibilities of the Board of Directors and the Managing Director for the Consolidated Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation, and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 consolidated financial statements, management is responsible for assessing 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated 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 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 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 Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated 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.

Other matter

We previously reported on the parent and consolidated financial statements as of and for the year ended 31 December 2020 and issued our audit report dated 22 February 2021. This report is issued for the purpose of reporting on our audit of the consolidated financial statements as of 31 December 2020 and for the year then ended, and the comparative periods as of 31 December 2019 and 31 December 2018 and for the years then ended, for the purpose of a listing on the Oslo Stock Exchange.

This matter is also described in section 4.2.1 Financial information in the Prospectus, where management describes that these Consolidated Financial Statements are an extract from the Annual Financial Statements as approved by the Board of Directors on 22 February 2021.

Oslo, 11 March 2021
KPMG AS

Monica Hansen
State Authorised Public Accountant

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