Fourth quarter report 2023

AKER BIOMARINE

www.akerbiomarine.com

THIS IS AKER BIOMARINE

Aker BioMarine is a leading biotech innovator and Antarctic krill-harvesting company developing krill-derived products for consumer health and wellness as well as animal nutrition. The company has a strong position in its industry and is the world's leading supplier of krill, the natural, powerful and health promoting source of nutrients from the pristine waters of Antarctica.

Aker BioMarine currently consists of two business segments, Ingredients and Brands. The Ingredients segment is comprised of offshore harvesting and production, the logistical operation and the onshore manufacturing and sale of krill-derived products globally to the nutraceutical, pet food and aquaculture industries. The Brands segment is the human consumer goods business, which is comprised of Lang Pharma Nutrition (Lang) and Epion. Lang is a producer and distributor of private labels within the vitamin and supplement categories to the largest retailers in the US market. Epion is Aker BioMarine's consumer brand company.

The company has completed the restructuring including new business units and segment reporting as communicated in June and will start reporting on the new format from Q1 2024. The new financial reporting, legal entity and operational structure will improve each business unit's strategy, operations, and financials, and result in increased transparency of the development of earnings in the business segments. The current two segments will be deconsolidated into 1) Feed Ingredients including Qrill Aqua and Pet, harvesting operations and Uruguay distribution, 2) Human Health Ingredients including Superba, Lysoveta and Houston manufacturing, 3) Consumer Health Products including Lang, and 4) Emerging Businesses, including Epion, Aion AS and Understory Protein. The company will explore how the increased focus and flexibility can drive shareholder value by enabling potential partnerships and transactions for each of the entities.

Aker BioMarine is committed to have a positive impact on human health, without compromising the health of the planet. We aim to deliver krill products that support nutritious and sustainable diets and have set a path towards 50% reduction of CO_2-emissions intensity by 2030, with the long-term target being carbon neutral by 2050. The company's bank loan is established as a sustainability linked facility with ESG KPIs that are reported on an annual basis.

FOURTH QUARTER HIGHLIGHTS

- Revenue of USD 82.9 million in the quarter, up 5% from USD 79.0 million in the same quarter last year. Both sales in the Ingredients and Brands segment were up compared to same quarter last year.
- Adjusted EBITDA of USD 17.7 million, down 15% from USD 20.7 million same quarter last year. The Adjusted EBITDA margin was 21% compared to 26% in the same quarter last year, mainly due to higher unit cost in offshore from higher regional fuel price spread.
- Full-year revenue of USD 335.3 million, up 21% from USD 277.2 million the year before. Adjusted EBITDA of USD 70.0 million for the year, marginally up from the year before. The Adjusted EBITDA margin was 21% for the full year compared to 25% in 2022.
- Qrill Aqua sales were on par with same quarter last year, while Superba krill oil sales increased by 11% compared to same quarter last year.
- Krill offshore production volume was 879 MT in the quarter compared to 1,963 MT in the same quarter last year. Shipyard stay was long due to 5-year class audit for two of the vessels, resulting in limited harvesting capacity in the quarter.
- Net debt for the quarter was USD 365.4 million, down from USD 388.0 the previous quarter.
- First production of algae oil at the Houston site completed and sold. Order for 100 MT of algae oil with USD 6 million in revenue for delivery in 2024 was received.
- Subsequent event: The USV (Unmanned Surface Vehicle) drone was commissioned and successfully deployed at harvesting grounds early January.
- Subsequent event: The company announced on publication date that a strategic review of the Feed Ingredients segment is initiated.

GROUP FINANCIAL SUMMARY

	Fourth Quarter		Year	
USD million	2023	2022	2023	2022
Net sales	82.9	79.0	335.3	277.2
Gross margin	32%	40%	34%	41%
Operating profit (loss)	-2.0	5.9	5.3	22.1
Net profit (loss)	9.9	0.2	-9.0	10.0
Adjusted EBITDA[1]	17.7	20.7	70.0	69.0
Cash flow from operations	47.3	24.7	47.4	15.1
Cash flow related to CAPEX	-24.4	-19.8	-49.3	-46.1
Equity	366.6	378.7	366.6	378.7
Total assets	827.1	822.4	827.1	822.4
Net interest-bearing debt	365.4	358.8	365.4	358.8

[1] See Note 3 and separate disclosure covering the Aker BioMarine Group's use of Alternative Performance Measures (APMs).

OPERATIONAL REVIEW

INGREDIENTS SEGMENT

Offshore production volume was 879 MT in the quarter compared to 1,963 MT same quarter last year. Full year offshore production was 50,650 MT compared to 52,042 MT last year. This year both the Antarctic Sea and the Antarctic Endurance had their 5-year class audit. During the 5-year class, the vessels go in dry dock with an extended scope and higher risk of uncovering unforeseen maintenance issues. Hence, the company experienced significant delays resulting in the two vessels entering the fishing ground end of December and mid-January respectively. The Saga Sea entered the fishing ground on 5 December and conducted good harvesting. The USV drone was transported to the fishing grounds and deployed at sea early January. Proof of concept is in progress as the drone successfully has spotted krill and, as a result, moved the fishing fleet to more attractive harvesting locations.

The production plant in Houston continued to produce mainly Superba Boost in the quarter. Production of algae oil also started in Houston this quarter, with the first production batch of 3.5 MT sold in December as an important milestone.

Net sales in the Ingredients segment were USD 54.6 million for the quarter, up 3% from the same period last year. Sales in the Qrill category were on par with the same quarter last year, while the Superba krill oil was 11% higher compared to same quarter last year driven by higher volume. For the full year, Qrill Aqua sales were up 26% (Qrill category up 22%) and Superba krill oil sales were up 36% compared to 2022. Annual increase is driven by higher volume and higher price for Qrill Aqua, and higher volume for Superba krill oil.

The company is pleased with the development of the Superba krill oil sales as a result of the turnaround that was initiated two years ago and is now yielding results. The year has shown growth across most regions, particularly in China, South Korea, Australia and Europe. In South Korea the ramp-up continues and the application for a second health claim has been submitted to the authorities.

The protein factory in Ski, Norway is preparing for commercial production. The company signed its first LOI with a customer early January with the intention of buying a significant share of the 2024 production of 10 MT. The company is expecting ramp up of the plant capacity as customer contracts are landed.

BRANDS SEGMENT

Net sales in the Brands segment were USD 30.9 million for the quarter, up 3% from the same period last year. For the full year, Brands sales increased 9% compared to previous year. Sales in Lang Pharma Nutrition were up 8% compared to same quarter last year. Growth is mainly driven by increased sales of gummies, prenatal and brain health products with some of the largest retailers. Revenue from the Kori brand was 27% lower this quarter compared to same period due to negative impact by a loss of distribution with a major retailer, as reported earlier. However, POS (Point of Sales) figures showed 23% growth out of stores in the fourth quarter compared to same quarter last year adjusting for change of distribution. To further grow the brand, the company is looking to expand Kori outside of the US, and as a first step Kori has won distribution with Costco Japan for the Kori krill oil and will start shipping during 2024, although relatively small volumes to begin with.

	Unit	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	2023	2022
Offshore production	Tons	1,963	19,852	17,846	12,073	879	50,650	52,042
Revenue per product[1]:								
Krill Oil	USD mill.	16.9	18.3	20.7	20.9	18.6	78.5	57.7
Qrill Aqua	USD mill.	32.9	20.6	40.1	39.9	32.4	133.0	105.8
Brands	USD mill.	29.9	33.5	29.6	31.1	30.9	125.1	114.9
Other[2]	USD mill.	3.2	2.7	1.4	3.5	3.1	10.7	13.1

[1] Excluding eliminations between Ingredients and Brands

[2] "Other" includes Qrill Pet, QHP and Asta oil

FINANCIAL REVIEW

Revenue in the quarter was USD 82.9 million, up 5% from the same period last year. Gross revenue distribution in the quarter was 64% for Ingredients and 36% for Brands, similar to fourth quarter last year.

Adjusted EBITDA in the quarter was USD 17.7 million, down from USD 20.7 million same period last year, and Adjusted EBITDA margin was slightly lower at 21% compared to 26% same period last year. The reduced margin was driven by higher fuel spreads leading to increased offshore harvesting cost and hence higher unit cost for Qrill meal, as well as lower margin for Epion with high marketing spend in the quarter.

Although secured against the MGO fuel index price at Rotterdam with the hedge program, the company is not protected against fluctuations in the regional spread between European and South American fuel prices. Due to global unrest and uncertainty, the regional spread has been record-high the last 15 months leading to an increased fuel cost of approximately USD 10 million for 2023 compared to 2022. The fuel spread has over the past months come down but is still higher than the historical average.

SG&A cost is up in the quarter, but a large portion is related to non-recurring items mainly related to the restructuring process and the announced strategic review for the Feed Ingredients segment.

The ongoing improvement program continues the implementation of identified initiatives, and in addition, procurement initiatives have been implemented in the quarter. In total the improvement programs have annual recurring effects of more than USD 20 million whereof the majority has been implemented in 2023. Program cost is adjusted out from the reported EBITDA as non-recurring cost item.

The EBITDA contribution from the Brands segment is negative in the quarter due to lower sales from Epion combined with high marketing spend, eliminating the positive EBITDA contribution from Lang.

In the Ingredients segment, gross margin was 41% in the quarter, similar to same period last year. For Superba krill oil, the gross margin was on par with the same quarter last year as Houston production has ramped up production second half of the year improving krill oil margins. Qrill Aqua showed a lower margin with higher fuel prices driving offshore cost up leading to higher unit cost for Qrill Aqua in the quarter compared to the same period last year.

In the Brands segment, gross margin was 20% in the quarter, down from 29% same period last year due to reduced margin in Epion and slightly lower margin for Lang due to customer and product mix. Lang's EBITDA margin improved from the same period last year as all operating expenses are lower compared to a year ago due to implementation of cost control levers. Epion had a lower gross margin due to customer mix, and negative EBITDA margin due to high marketing investments coupled with reduced sales. Fourth quarter marketing spend for Epion was USD 1.1 million.

For the company, the gross margin was 32%, down from 40% same period last year, mainly driven by Brands and the above-mentioned unit cost development in the Ingredients segment for Qrill Aqua.

The new organizational structure that was announced in June was fully implemented 8 January. The company will report on this new segment structure from Q1 2024. However, included in the presentation material for the fourth quarter, the Feed Ingredients segment is presented in more detail to provide additional information to the market as part of the announced strategic review.

For the Group, the EBITDA adjustments of USD 5.8 million in the quarter include costs linked to the above-mentioned company restructuring, cost related to the announced strategic review and the improvement program (see APM note for further description).

As part of the internal restructuring and the new reporting format, the company has decided to make a change with regards to how offshore costs are booked in the Feed Ingredients segment to better reflect periods with operational activity. This will lead to an improved gross margin for the Feed Ingredients segment in Q1 2024 as the unit cost from Q4 2023 will be significantly lower, and hence better reflect profit in the following quarter with high production and sales. Please see note 4 (Property, Plant and Equipment) in the Consolidated Financial Statements for further details.

As of 31 December, total assets were USD 827.1 million, down from USD 822.4 million at same period last year. The decrease relates to lower accounts receivables and a reduction in intangible asset as a result of amortizations. Property, Plant & Equipment is up due to the abovementioned estimated change described in note 4.

Total interest-bearing debt was at USD 392.9 million, including leasing commitments of USD 9.6 million as of 31 December. Cash amounted to USD 27.5 million, implying net interest-bearing debt of USD 365.4 million, up from USD 358.8 million same period last year with increase driven by investments in the protein factory and other projects. Net interest-bearing debt was down USD 22.7 million from third quarter 2023 and down USD 33.7 million from net interest-bearing debt reported for Q2 2023 of USD 399 million.

As of 31 December, total available liquidity was USD 52.9 million, consisting of cash and available amounts under the debt facilities.

Cash flow from operations was USD 47.3 million in the quarter, mainly driven by increased sales and a reduction in working capital due to higher accounts payable and lower accounts receivable in the Ingredients segment. Cash flow from investing activities was negative USD 23.9 million and included payments for growth projects like the protein launch plant as well as payments for the annual shipyard. Net cash flow was positive at USD 8.8 million in the quarter.

The banks have granted a leverage covenant waiver for Q4 2023 up to 6.0:1 (net interest-bearing debt / 12 month Adjusted EBITDA). The company is within this threshold for the quarter.

Net profit for the quarter was USD 9.9 million impacted by deferred tax asset of USD 25 million recognized in the balance sheet. The deferred tax asset is allocated to the Feed Ingredients segment as a result of the demerger of the former operational company and restructuring into new entities and segments, where the Feed Ingredients segment is expected to be in a tax payable position for 2024.

With the ongoing strategic review process for the Feed Ingredients segment, the company decided to end the current fuel hedging program. The fair value adjustment after the termination of the hedge accounting is booked as other income. At the end of the quarter the company sold off the remaining fuel options for 2024.

Total equity was USD 366.6 million, implying an equity ratio of 44%.

For the full year 2023, net sales were USD 335.3 million (up from USD 277.2 million) and Adjusted EBITDA was USD 70.0 million (up from USD 69.0 million) with Adjusted EBITDA margin of 21% (down from 25%). Net loss for the full year was USD 9.0 million (down from a profit of USD 10.0 million).

HEALTH, SAFETY, SECURITY AND THE ENVIRONMENT

Aker BioMarine has defined a set of ESG ambitions towards 2030 and 2050 and works closely with all stakeholders to ensure the well-being of people, environment, and communities in vicinity of our operations. The company works to improve the operations and to reach our ambition of 50% reduction in CO_2 emission intensity (CO_2/produced ton) by 2030 from 2020 levels. The company is currently working on process optimalization, more efficient offshore operations and energy efficiency measures to reduce the CO_2 intensity. The transport vessel Antarctic Provider, in operation from 2021, is an example of a future-minded sustainability measure which makes a substantial contribution towards our goal by being highly fuel efficient. Another example is the heat recovery project installed on the Antarctic Sea last year, which is yielding significant fuel savings.

Sick leave rates are low onboard the vessels, at the factory in Houston, and in the office locations.

Aker BioMarine is committed to a goal of zero harm to people and the environment, and our targets are supported by a forward leaning HSSE roadmap designed for continuous performance improvement. Ultimately, HSSE is all about keeping our people safe at all times, in everything we do and, wherever we are in the world.

The company is well underway preparing for compliance with the Corporate Sustainability Reporting Directive (CSRD) and will start to report according to this framework for the financial year 2025.

	Unit	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	2023	2022
CO_2 per ton krill meal produced[1]	Tons	2.2	2.2	2.1	2.1	2.2	2.2	2.2
Lost Time Injuries (LTI)[2]	Amount	2.0	-	-	1.0	-	-	4.0
Sick leave[3]	Percent	1.0 %	0.9 %	0.6 %	0.4 %	0.7 %	0.7 %	0.9 %

[1]CO_2 emissions: Scope 1, 2 and 3.

[2]LTI: any injury that causes the person to be off work the following day.

[3]Sick leave: all sites and vessels.

RISKS AND UNCERTAINTIES

The company is exposed to market, commercial, operational, regulatory, financial and liquidity risks that affect the assets, liabilities, available liquidity, and future cash flows. The company's largest risks are fluctuations in annual krill harvesting, product quality, ability to develop new products, and market risk for sale of products.

The company is also exposed to climate risk, and the exposure is assessed using the TCFD framework. Access to continuous harvesting in the Antarctic as well as climate changes affecting the krill biomass could significantly affect the offshore operations. In addition, climate changes creating a more challenging operational environment both offshore, but also for the onshore plant in Houston could significantly impact the company's ability to operate effectively.

Aker BioMarine employs vessel crew from both Russia and Ukraine through third-party crewing agencies. With regards to Russia's invasion of Ukraine, the Company is continuously assessing how to provide support to the crew in these challenging times, while continuing krill harvesting operations. Aker BioMarine has taken measures to ensure that the krill harvesting can be operated as normal throughout this period, although the cost of crew travel has increased.

The company also closely monitors the situation in the Suez Canal. A prolonged conflict for this important trade route could disrupt global supply leading to delays of goods and increased freight cost.

The company has adopted a risk management policy to identify, measure, and mitigate risks. For a more detailed discussion on risk, see the Annual Accounts 2022; Operational Risk and Opportunities chapter and Note 19 (Financial risk).

OUTLOOK

FEED INGREDIENTS

Analysis from several sources (Kontali, BCG research, Rabobank) show that the aquaculture industry will increase inclusion of marine ingredients in certain diets to improve biology and quality. This might put pressure on prices during the coming decade as wild fisheries are at their limit and cannot increase output even to cope with aquaculture's base growth. Qrill Aqua should benefit from this trend and we could expect higher prices with slightly increased production in the coming years. Contracted sales of raw materials to Human Health Ingredients at premium prices will impact the product mix positively.

Over time, production is expected to exceed 60,000 MT with the USV drone now deployed and continuous efforts underway to improve yield for the existing fleet. Further growth can be unlocked by investing in a new vessel, which may also justify an expansion to CCAMLR's Area 58.

YTD 13 February production stands at 11,450 MT, which is up 15% from same period last year.

HUMAN HEALTH INGREDIENTS

According to the NBJ Supplement Business Report from 2022, the global nutrition market is expected to continue its positive trend of 4% annual growth on the back of a growing middleclass in emerging markets and increased focus on a healthy lifestyle globally. Most governments recommend their population to increase their intake of Omega-3s, which will continue to drive increased adoption. With the company's differentiated and documented Omega-3 offering we expect a higher market share in the expanding Omega-3 market.

Superba sales is expected to grow across most sales regions at stable prices only affected by product mix. Several Asian markets are expected to demonstrate high annual sales growth over the next years, whereas other more mature regions trend closer to gross domestic product growth.

Product portfolio expansions PL+, Algae and Lysoveta will enable growth outside the core Superba products and beyond krill. Houston will have enough capacity to supply required krill and algae oil volumes short to medium term, and the company has identified debottlenecking initiatives for the longer term.

Based on an increased Superba sales, the production at the Houston facility will ramp up. This should drive a gradual margin improvement throughout the year with full effect expected from 2025 onwards.

CONSUMER HEALTH PRODUCTS

The private label market in the US follows the positive trends of the human health ingredients market with a general increased focus among retailers on private label offerings to compete with the growing e-commerce market.

Growth will be driven by private label product innovation across the major US retailers. New product categories and new retailers are key drivers for future growth.

EMERGING BUSINESSES

The ambition is to turn loss making business units into profitable companies. We expect losses to be significantly reduced in 2024 with an aim to turn profitable in 2026 at the latest.

Meanwhile, we will consider partnerships and other types of transactions to the extent we can accelerate that objective and create more competitive units that can grow profitably at higher rates.

INVESTMENTS

All major capital projects have been completed, and 2024 capital expenditures will be related to maintenance and smaller improvement projects totaling USD 15-20 million.

SUBSEQUENT EVENTS

The company announced on publication date that it is initiating a strategic review for the "Feed Ingredients" business unit.

On 29 June 2023, Aker BioMarine ASA ("Aker BioMarine" or the "Company") announced a change to its group financial reporting and legal entity structure, separating into business units (1) Feed Ingredients; (2) Human Health Ingredients; (3) Consumer Health Ingredients; and (4) Emerging Businesses. As of 1 January 2024, the financial and legal reorganization has been completed and the business units are now operational as separate business units.

Based on external interest for the Feed Ingredients business, the Company has decided to initiate a process to explore strategic alternatives for that business unit.

Aker BioMarine Feed Ingredients is the world's largest krill harvester and producer of krill meal. Krill meal is a premium marine ingredient used in aquaculture feed, pet food and for extraction of krill oil for human consumption. Feed Ingredients owns and operates three specialized harvesting vessels and a support vessel. Production takes place in Antarctica utilizing an efficient and sustainable harvesting technology.

Feed Ingredients has experienced strong growth over the recent years and realized FY23 adjusted revenues of approximately USD 156 million and an adjusted cash EBITDA of approximately USD 49 million, with a current run rate cash EBITDA at USD 57 million. See further details in the Q4 2023 presentation.

To assist Aker BioMarine in this process, the Company has engaged Arctic Securities, Carnegie and Rabobank as financial advisers.

OVERVIEW OF NEWSFLOW DURING FOURTH QUARTER AND KEY SUBSEQUENT EVENTS

A selection of the posts below can be found at www.akerbiomarine.com/news

DATE	OTHER NEWS
8 Dec	*Aker BioMarine receives purchase for algae-based omega-3 oil* Aker BioMarine has received purchase orders of USD 6.0 million for Algae based Omega-3 Oils (for human consumption) with a gross margin similar to Superba. Delivery will be throughout 2024. The Algae Oil will be produced in the company's factory in Houston, where we have built a dedicated production line which is on stream.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Fourth Quarter		Year	
USD million	Note	2023	2022	2023	2022
Net sales	2	82.9	79.0	335.3	277.2
Cost of goods sold	2	-56.0	-47.2	-222.4	-162.4
Gross profit		26.9	31.8	112.9	114.8
Selling, general and administrative expense	2	-26.9	-22.1	-90.5	-86.5
Depreciation, amortization and impairment	2, 4, 5	-5.8	-3.9	-21.1	-16.4
Other operating income	2	3.9	0.1	4.0	10.2
Operating profit (loss)		-2.0	5.9	5.3	22.1
Net financial items		-13.2	-4.5	-39.3	-9.9
Tax expense		25.1	-1.2	25.0	-2.2
Net profit (loss)		9.9	0.2	-9.0	10.0
Earnings per share to equity holders of Aker BioMarine ASA					
Basic		0.11	-0.10	-0.10	0.11
Diluted		0.11	-0.10	-0.10	0.11

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Fourth Quarter		Year	
USD million	Note	2023	2022	2023	2022
Net profit (loss)		9.9	0.2	-9.0	10.0
Change in fair value cash flow hedges		-0.2	-2.3	-3.3	-1.9
Total items that will be reclassified to profit and loss		-0.2	-2.3	-3.3	-1.9
Total other comprehensive income (loss)		-0.2	-2.3	-3.3	-1.9
Total comprehensive income (loss)		9.7	-2.1	-12.3	8.1

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD million	Note	As of 31.12.2023	As of 31.12.2022
ASSETS			
Property, plant and equipment	4	341.5	333.2
Right to use assets		9.1	9.9
Intangible assets and goodwill	5	155.4	162.7
Contract cost		3.2	5.2
Deferred tax asset		25.0	-
Other interest-bearing non-current receivables		2.7	2.5
Investments in equity-accounted investees		-	10.2
Total non-current assets		536.9	523.7
Inventories	6	183.7	182.7
Trade receivable and prepaid expenses		71.8	82.7
Derivative assets	7	-	11.0
Cash and cash equivalents		27.5	22.3
Total current assets		283.1	298.6
Assets held for sale	8	7.1	-
Total assets		827.1	822.4
LIABILITIES AND OWNERS' EQUITY			
Share capital		75.9	75.9
Other paid-in equity		493.8	493.7
Total paid-in equity		569.7	569.6
Translation differences and other reserves		0.2	3.5
Retained earnings		-203.3	-194.4
Total equity		366.6	378.7
Interest-bearing debt		344.0	333.6
Deferred tax liability		3.7	5.4
Other non-interest-bearing non-current liabilities		-	0.1
Total non-current liabilities		347.7	339.0
Interest-bearing current liabilities		49.0	47.6
Accounts payable and other payables		63.9	57.1
Total current liabilities		112.9	104.7
Total liabilities		460.6	443.7
Total equity and liabilities		827.1	822.4

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

		Fourth Quarter		Year	
USD million	Note	2023	2022	2023	2022
Net profit (loss) after tax		9.9	0.2	-9.0	10.0
Tax expenses		-25.1	1.2	-25.0	2.2
Net interest and guarantee expenses		7.9	18.5	31.0	19.7
Interest paid		-7.0	-7.3	-29.7	-17.6
Interest received		0.8	0.2	2.2	0.3
Taxes paid		0.5	-0.6	-0.8	-2.8
Share of earnings in associated companies		1.4	-	3.0	-
Other P&L items with no cash flow effect		-0.1	-	-0.1	-10.7
Impairment charges		0.4	-	0.5	-
Depreciation and amortization		13.4	12.5	52.3	51.4
Foreign exchange loss (gain)		0.1	-7.7	-	0.6
Change in accounts receivable, other current receivables, inventories, accounts payable and other		45.1	7.7	23.0	-38.0
Net cash flow from operating activities		47.3	24.7	47.4	15.1
Payments for property, plant and equipment		-24.2	-16.3	-45.9	-40.5
Payments for intangibles		-0.2	-3.5	-3.4	-5.6
New long-term receivable interest-bearing		-	-2.0	-	-2.0
New short-term receivable interest-bearing		-0.1	-	-0.3	-
Installment short/long-term receivable, interest-bearing		-	2.8	-	2.8
Earn Out payment		-	-	-	-11.1
Proceeds from sales of property,plant and equipments		0.6	-	0.6	-
Net cash flow from investing activities		-23.9	-19.0	-48.9	-56.4
Proceeds from issue of debt and change in overdraft facility		-10.9	-9.7	-18.7	16.5
Instalment interest-bearing debt		-3.6	-7.1	-14.6	-14.2
Proceeds from issue of external interest-bearing debt		-	20.0	40.0	50.0
Net funds from issue of shares		-0.1	-	-	0.2
Net cash flow from financing activities		-14.6	3.2	6.7	52.5
Net change in cash and cash equivalents		8.8	8.9	5.2	11.2
Cash and cash equivalents beginning of the period		18.7	13.5	22.3	11.1
Cash and cash equivalents end of period		27.5	22.3	27.5	22.3

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

USD million	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total
Balance as of 1 January 2023	75.9	530.1	-36.3	3.5	-194.3	378.8
Net profit (loss)	-	-	-	-	-9.0	-9.0
Other comprehensive income (loss)	-	-	-	-3.3	-	-3.3
Capital Increase	-	0.1	-	-	-	0.1
Total comprehensive income (loss)	-	0.1	-	-3.3	-9.0	-12.2
Balance as of 31 December 2023	75.9	530.2	-36.3	0.2	-203.3	366.6
Balance as of 1 January 2022	75.9	529.9	-36.3	5.4	-204.4	370.4
Net profit (loss)	-	-	-	-	10.0	10.0
Other comprehensive income (loss)	-	-	-	-1.9	-	-1.9
Total comprehensive income (loss)	-	-	-	-1.9	10.0	8.1
Capital Increase	-	0.2	-	-	-	0.2
Total transactions with owners	-	0.2	-	-	-	0.2
Balance as of 31 December 2022	75.9	530.1	-36.3	3.5	-194.4	378.7

NOTE 1 REPORTING ENTITY

Aker BioMarine ASA is a public limited company with the headquarters located in Norway. The condensed consolidated interim financial statements comprise Aker BioMarine ASA (the Company) and its subsidiaries (the Group). The Group is a global supplier of krill-derived products, with a fully owned supply chain. The operations span from harvesting krill in the Southern Ocean with vessels owned by the Group, distribution world-wide from Uruguay, and further processing into oil-products in the United States.

Basis of accounting

The Group's unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The condensed interim statements are prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the consolidated financial statements that are part of the Annual Report for 2022. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The Group's latest Annual Report can be found at https://www.akerbiomarine.com/investor.

In this report amounts have been rounded to the nearest million USD, unless otherwise stated. As a result of rounding differences, amounts may not add up to the total.

Judgements, estimates and assumptions

The preparation of the condensed interim financial statements according to IFRS requires management to make judgements, estimates and assumptions each reporting period. The main judgements, estimates and assumptions are described in the annual consolidated financial statements for 2022 (Note 1).

The significant judgements made by management in the preparation of this interim financial report were made applying the same accounting policies and principles as those described within the 2022 annual consolidated financial statements.

NOTE 2 OPERATING SEGMENTS

The Group's operating segments are separately managed and segregated as they serve different markets. The identified segments are the Ingredients business, and the Brands business, see Note 3 in the financial statements for the year ended 31 December 2022 for more information.

The Ingredients segment comprises of offshore harvesting and production, as well as the logistical operation, onshore manufacturing, and sale of krill oil products globally to distributors and feed producers. The products include Superba Krill oil, Qrill Aqua, Qrill Pet, Qrill High Protein and AstaOmega. Sales from the Ingredient segment to the Brands segment include Superba Krill oil. These sales are presented as 'Internal sales' below.

The Brands segment is the human consumption distribution business which comprises of Lang Pharma Nutrition and Epion. Lang is a mass market private label and corporate brand manufacturer specialized within healthcare products. Epion was launched by Aker BioMarine to build a strong national brand in mass market retail. In 2020, Epion launched the Group's omega-3 consumer brand, Kori.

Internally generated intangible assets are recognized under each segment, whereas amortization of intangible assets arising from transactions are presented in the 'adjustments' column.

Segment performance is evaluated based on net revenues, Adjusted EBITDA and net profit (loss).

The Company will implement a new Segment structure from Q1 2024.

Segment information provided to the Executive Management Team (EMT)

The tables below show the segment information provided to the EMT for the reportable segments for Q4 2023, Q4 2022, full year 2023, and the full year 2022. The table below also shows the basis on which revenue is recognized.

Segment performance Q4 2023

		Fourth Quarter 2023		
USD million	Ingredients	Brands	Adj	Total
Net sales	54.6	30.9	-2.6	82.9
Cost of goods sold	-32.3	-24.6	0.9	-56.0
Gross profit	22.3	6.3	-1.7	26.9
SG&A	-20.6	-6.3	-	-26.9
Depreciation, amortization and impairment	-2.7	-0.7	-2.5	-5.8
Other operating income/(cost), net	3.9	-	-	3.9
Operating profit (loss)	2.8	-0.7	-4.2	-2.0
Net financial items	-11.0	-2.2	-	-13.2
Tax expense	24.7	0.4	-	25.1
Net profit (loss)	16.5	-2.5	-4.2	9.9

EBITDA reconciliation		Fourth Quarter 2023		
USD million	Ingredients	Brands	Adj	Total
Net profit (loss)	16.5	-2.5	-4.2	9.9
Tax expense	-24.7	-0.4	-	-25.1
Net financial items	11.0	2.2	-	13.2
Depreciation and amortization non-production assets	2.7	0.7	2.5	5.8
Depreciation and amortization production assets[1]	8.0	-	-	8.0
EBITDA	13.5	-	-1.8	11.9
Special operating items	5.8	-	-	5.8
Adjusted EBITDA	19.3	-	-1.8	17.7
Adj EBITDA margin %	*35%*	*0%*		*21%*
Gross margin %	41%	20%		32%

[1] Included in Cost of Goods Sold

		Fourth Quarter 2023		
USD million	Ingredients	Brands	Adj	Total
Internal sales	2.6	-	-2.6	-
External sales	52.0	30.9	-	82.9
Net sales	54.6	30.9	-2.6	82.9

Segment performance Q4 2022

USD million	Ingredients	Fourth Quarter 2022 Brands	Adj	Total
Net sales	53.0	29.9	-3.9	79.0
Cost of goods sold	-31.5	-21.2	5.6	-47.2
Gross profit	21.5	8.7	1.8	31.8
SG&A	-16.0	-6.6	0.5	-22.1
Depreciation, amortization and impairment	-1.0	-0.5	-2.4	-3.9
Other operating income/(cost), net	-	0.2	-	0.1
Operating profit (loss)	4.5	1.8	-0.2	5.9
Net financial items	-3.4	-1.3	-	-4.5
Tax expense	-1.3	-	-	-1.2
Net profit (loss)	-0.1	0.5	-0.2	0.2

EBITDA reconciliation

USD million	Ingredients	Fourth Quarter 2022 Brands	Adj	Total
Net profit (loss)	-0.1	0.5	-0.2	0.2
Tax expense	1.3	-	-	1.2
Net financial items	3.4	1.3	-	4.5
Depreciation and amortization non-production assets	1.0	0.5	2.4	3.9
Depreciation and amortization production assets[1]	8.6	-	-	8.6
EBITDA	14.1	2.3	2.3	18.4
Special operating items	2.3	-	-	2.3
Adjusted EBITDA	16.4	2.3	2.3	20.7
Adj EBITDA margin %	*31%*	*8%*		*26%*
Gross margin %	41%	29%		40%

[1] Included in Cost of Goods Sold

USD million	Ingredients	Fourth Quarter 2022 Brands	Adj	Total
Internal sales	3.9	-	-3.9	-
External sales	49.1	29.9	-	79.0
Net sales	53.0	29.9	-3.9	79.0

Segment performance Year 2023

	Year 2023			
USD million	Ingredients	Brands	Adj	Total
Net sales	222.7	125.1	-12.5	335.3
Cost of goods sold	-141.5	-95.1	14.1	-222.4
Gross profit	81.3	30.0	1.5	112.9
SG&A	-61.1	-29.4	-	-90.5
Depreciation, amortization and impairment	-8.8	-2.7	-9.6	-21.1
Other operating income/(cost), net	43.6	-0.2	-39.4	4.0
Operating profit (loss)	55.0	-2.3	-47.5	5.3
Net financial items	-30.7	-8.6	-	-39.3
Tax expense	25.5	-0.5	-	25.0
Net profit (loss)	49.8	-11.4	-47.5	-9.0

EBITDA reconciliation	Year 2023			
USD million	Ingredients	Brands	Adj	Total
Net profit (loss)	49.8	-11.4	-47.5	-9.0
Tax expense	-25.5	0.5	-	-25.0
Net financial items	30.7	8.6	-	39.3
Depreciation and amortization non-production assets	8.8	2.7	9.6	21.1
Depreciation and amortization production assets[1]	31.5	-	-	31.6
EBITDA	95.3	0.4	-37.9	58.0
Special Operating Items	-27.8	0.4	39.4	12.0
Adjusted EBITDA	67.5	0.8	1.5	70.0
Adj EBITDA margin %	*30%*	*1%*		*21%*
Gross margin %	36%	24%		34%

[1]Included in Cost of Goods Sold

	Year 2023			
USD million	Ingredients	Brands	Adj	Total
Internal sales	12.5	-	-12.5	-
External sales	210.2	125.1	-	335.3
Net sales	**222.7**	**125.1**	**-12.5**	**335.3**

Balance sheet items	As of 31 December 2023			
USD million	Ingredients	Brands	Adj	Total
Property, plant and equipment	341.2	0.3	-	341.5
Right to use asset (leasing)	8.9	0.2	-	9.1
Intangible assets	101.2	54.2	-	155.4
Cash and cash equivalents	11.2	16.3	-	27.5
Inventory	142.1	36.6	5.0	183.7
Interest-bearing receivable	2.7	-	-	2.7
Interest-bearing debt	-337.4	-55.5	-	-392.9
Net interest free asset and liabilities	85.7	-41.1	-5.0	39.6
Total equity	355.6	11.0	-	366.6

Segment performance Year 2022

USD million	Ingredients	Year 2022 Brands	Adj	Total
Net sales	176.6	114.9	-14.3	277.2
Cost of goods sold	-101.2	-81.7	20.5	-162.4
Gross profit	75.4	33.2	6.2	114.8
SG&A	-55.7	-30.8	-	-86.5
Depreciation, amortization and impairment	-9.6	-6.8	-	-16.4
Other operating income/(cost), net	10.1	0.2	-	10.2
Operating profit (loss)	20.2	-4.2	6.2	22.1
Net financial items	-6.1	-3.9	-	-10.0
Tax expense	-0.5	-1.7	-	-2.2
Net profit (loss)	13.6	-9.8	6.2	10.0

EBITDA reconciliation

USD million	Ingredients	Year 2022 Brands	Adj	Total
Net profit (loss)	13.6	-9.8	6.2	10.0
Tax expense	0.5	1.7	-	2.2
Net financial items	6.1	3.9	-	9.9
Depreciation and amortization non-production assets	9.6	6.8	-	16.4
Depreciation and amortization production assets[1]	35.0	-	-	35.0
EBITDA	64.8	2.6	6.2	73.5
Special operating items	-4.5	-	-	-4.5
Adjusted EBITDA	60.3	2.6	6.2	69.0
Adj EBITDA margin %	*34%*	*2%*		*25%*
Gross margin %	43%	29%		41%

[1] Included in Cost of Goods Sold

USD million	Ingredients	Year 2022 Brands	Adj	Total
Internal sales	14.3	-	-14.3	-
External sales	162.3	114.9	-	277.2
Net sales	176.6	114.9	-14.3	277.2

Balance sheet items

USD million	Ingredients	As of 31 December 2022 Brands	Adj	Total
Property, plant and equipment	332.9	0.3	-	333.2
Right to use asset (leasing)	9.7	0.2	-	9.9
Intangible assets	92.6	70.1	-	162.7
Cash and cash equivalents	9.9	12.4	-	22.3
Inventory	137.9	39.2	5.5	182.7
Interest-bearing debt	-311.7	-69.4	-	-381.1
Net interest-free asset and liabilities	53.6	1.0	-5.5	49.1
Total equity	324.9	53.8	-	378.7

NOTE 3 ADJUSTED EBITDA

The 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 transactions of either non-recurring nature or special in nature compared to ordinary operational income or expenses. See reconciliation and description of the Alternative Performance Measures (APM) included in this report.

The EMT has provided the following information at 31 December 2023:

	Fourth Quarter		Year	
USD million	2023	2022	2023	2022
Net profit (loss)	9.9	0.2	-9.0	10.0
Tax expense	-25.1	1.2	-25.0	2.2
Net financial items	13.2	4.5	39.3	9.9
Operating profit	-2.0	5.9	5.3	22.1
Depreciation, amortization and impairment non-production	5.8	3.9	21.1	16.4
Depreciation, amortization and impairment production	8.0	8.6	31.6	35.0
EBITDA	11.9	18.4	58.0	73.5
Special operating items	5.8	2.3	12.0	-4.5
Adjusted EBITDA	17.7	20.7	70.0	69.0

[1] Included in cost to inventory

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

USD million	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January 2023	283.7	149.0	46.5	19.6	498.8
Investments	18.5	3.6	23.8	-	45.9
Asset retirements	-4.3	-1.1	-0.6	-	-6.0
Other reclassifications	-	13.0	-23.2	1.0	-9.2
Acquisition cost as of 31 December 2023	297.9	164.5	46.5	20.6	529.5
Acc. depreciation and impairment as of 1 January 2023	-96.1	-62.1	-2.7	-4.7	-165.6
Depreciation for the year	-18.0	-15.7	-	-0.7	-34.4
Asset retirements	4.3	0.7	-	-	5.0
Other reclassifications	-	7.0	-	-	7.0
Acc. depreciation and impairment as of 31 December 2023	-109.8	-70.1	-2.7	-5.4	-188.0
Book value as of 31 December 2023	188.1	94.4	43.8	15.2	341.5
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

Investments in 2023:

Investments in assets under construction are continued investment in the Protein Plant and other various projects. Vessel and machinery investments are mainly from the shipyard and harvesting equipment for the vessels.

Asset retirements in 2023:

Mainly machinery and harvesting equipment. The majority of the components were fully depreciated.

Change of estimate seasonal depreciations offshore

As part of the restructuring and the new reporting format, the company has decided to make a change to its estimation policy with regards to how offshore costs are booked in the Feed Ingredients segment.

The following changes will take place:

- Starting from Q4 2023, all operational costs related to the normal yearly shipyard period (October and November) are booked as fixed assets in the balance sheet and then depreciated over the first 10 months of the following year to reflect the harvesting season. USD 7.2 million has been booked as Fixed Assets in Q4 2023.
- Starting from 2024, other offshore depreciations are also shifted from 12 months to the 10 harvesting months.
- A standard costing approach is implemented based on budgeted offshore unit cost for the year and applied to each quarter.

The accounting effect of the change will be reduce volatility in gross margin and increase correlation between gross margin and actual harvesting during the year. The Company expects a higher gross margin in the Feed Ingredient segment for Q1-24 but no expected annual effects in steady state. The change is considered to be a change in an estimate and hence no requirement to amend historical reporting.

USD million	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January 2022	285.4	163.2	25.7	18.8	493.1
Investments	10.1	7.7	21.9	0.8	40.5
Asset retirements	-12.6	-21.3	-	-	-33.9
Deconsolidation	-	-0.4	-	-	-0.4
Other reclassifications	0.8	-0.2	-1.0	-	-0.4
Acquisition cost as of 31 December 2022	283.7	149.0	46.5	19.6	498.8
Acc. depreciation and impairment as of 1 January 2022	-89.8	-68.7	-2.7	-4.0	-165.2
Depreciation for the year	-18.9	-15.2	-	-0.7	-34.8
Asset retirements	12.6	21.4	-	-	34.0
Other reclassifications	-	0.4	-	-	0.4
Acc. depreciation and impairment as of 31 December 2022	-96.1	-62.1	-2.7	-4.7	-165.6
Book value as of 31 December 2022	187.6	86.9	43.8	14.9	333.2
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

Specification depreciation and amortization

USD million	As of 31 December 2023	As of 31 December 2022
Depreciation for the year for property, plant & equipment	-34.4	-34.8
Amortization for the year, - Intangible assets	-11.2	-10.2
Amortization for the year, - Contract cost	-2.0	-2.0
Loss on disposal	0.4	-
Leasing (ROU) depreciation	-4.6	-4.4
Total	-51.8	-51.4
Depreciation, amortization and impairment non-production assets	-21.1	-16.4
Depreciation, amortization and impairment production assets and included in cost to inventory	-31.6	-35.0

NOTE 5 INTANGIBLE ASSETS

USD million	Goodwill	Development	License agreements	Fishing licenses	Customer relation	Trademark	Total
Acquisition cost as of 1 January 2023	94.6	9.4	2.4	10.5	91.9	5.7	214.5
Additions - external cost	-	0.8	0.9	-	0.1	0.3	2.1
Asset retirements	-	-	-	-	-0.1	-	-0.1
Reclassifications	-	0.6	-3.2	-	-27.4	-0.3	-30.3
Acquisition cost as of 31 December 2023	94.6	10.8	0.1	10.5	64.5	5.7	186.1
Amortization and impairment losses as of 1 January 2023	-	-5.4	-2.2	-	-43.3	-0.9	-51.8
Amortization for the year	-	-1.5	-0.2	-	-9.5	-	-11.2
Reclassifications	-	0.3	2.4	-	29.4	-	32.2
Amortization and impairment losses as of 31 December 2023	-	-6.5	-	-	-23.4	-0.9	-30.7
Book value as of 31 December 2023	94.6	4.3	0.1	10.5	41.1	4.8	155.4
Depreciation period		5-10 years	10-12 years		7-10 years		
Depreciation method		Straight-line	Straight-line		Straight-line		

Investments in 2023:

As part of an agreement with Acasti, Aker BioMarine has been compensated with assets totaling USD 3.7 million, of which the majority is intangible assets (patents, trademarks and data/studies). Other investments made in 2023 are related to various development projects.

USD million	Goodwill	Development	License agreements	Fishing licenses	Customer relation	Trademark	Total
Acquisition cost as of 1 January 2022	94.6	8.2	2.4	10.5	91.7	5.7	213.1
Additions - external cost	-	5.7	-	-	-	-	5.7
Deconsolidation	-	-4.0	-	-	-0.3	-	-4.3
Reclassifications	-	-0.5	-	-	0.5	-	-
Acquisition cost as of 31 December 2022	94.6	9.4	2.4	10.5	91.9	5.7	214.5
Amortization and impairment losses as of 1 January 2022	-	-5.3	-1.5	-	-33.9	-0.9	-41.6
Amortization/ impairment for the year	-	-0.2	-0.5	-	-9.5	-	-10.2
Reclassifications	-	0.1	-0.2	-	0.1	-	-
Amortization and impairment losses as of 31 December 2022	-	-5.4	-2.2	-	-43.3	-0.9	-51.8
Book value as of 31 December 2022	94.6	4.0	0.2	10.5	48.6	4.8	162.7
Depreciation period		5-10 years	10-12 years		7-10 years		
Depreciation method		Straight-line	Straight-line		Straight-line		

NOTE 6 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 warehouse materials. The cost of finished goods and work in progress is comprised of the costs of raw materials, direct labor and other direct costs, and related production overheads. Indirect costs allocated to inventories, includes salaries, depreciation and certain other operating expenses. The company assigns cost of inventories using a weighted average cost formula.

USD million	Ingredients	Brands	Adj.	Total
Non-product related inventory	7.7	-	-	7.7
Packaging	7.9	-	-	7.9
Raw materials and goods under production	3.6	24.9	-	28.5
Finished goods	122.9	11.7	5.0	139.6
Inventory at 31 December 2023	142.1	36.6	5.0	183.7

USD million	Ingredients	Brands	Adj,	Total
Raw materials and goods under production	-	20.5	-	20.5
Finished goods	137.9	18.7	5.5	162.2
Inventory at 31 December 2022	137.9	39.2	5.5	182.7

NOTE 7 DERIVATIVES

One of the Group's significant operating costs are the fuel costs. As such, the Group is exposed to fuel prices 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 prices of fuel. In 2021 the operating subsidiary Aker BioMarine Antarctic AS entered into option contracts for future delivery of fuel in Rotterdam; that is, the contracts will be settled without physical delivery. During the year, the Company evaluated the qualifying criteria for hedge accounting. Following the assessment, the Company discontinued the hedging relationship with the effect that amounts in the cash flow hedging reserve were reclassified to the profit and loss. In addition to this, the Company sold its 2024 fuel option contracts at the end of the year.

NOTE 8 ASSETS HELD FOR SALE

The investment in Aion is classified as held for sale as of 31 December 2023 as the investment is expected to be sold in 2024.

NOTE 9 RELATED PARTIES

The Group has not entered into any new contracts with related parties during the quarter.

In the ordinary course of business, the Group has certain transactions with related parties covering office rent, digital development services and other. As of 31 December 2023 the Group had USD 0.2 million towards related parties recognized as 'Accounts payable and other payables' in the 'Consolidated statement of financial position'. In the 'Condensed consolidated statements of profit or loss' under 'Selling, general and administrative expense' the Group has recognized USD 1.0 million in the quarter as related party costs.

NOTE 10 SUBSEQUENT EVENTS

On 29 June 2023, Aker BioMarine ASA ("Aker BioMarine" or the "Company") announced the intention to change its group financial reporting and legal entity structure, separating into business units (1) Feed Ingredients; (2) Human Health Ingredients; (3) Consumer Health Ingredients; and (4) Emerging Businesses. As of 1 January 2024, the financial and legal reorganization has been completed and the business units are now operational as separate business units.

Based on external interest for the Feed Ingredients business unit following the reorganization, the Company has decided to initiate a process to explore strategic alternatives for that business unit.

Aker BioMarine Feed Ingredients is the world's largest krill harvester and producer of krill meal. Krill meal is a premium marine ingredient used in aquaculture feed, pet food and for extraction of krill oil for human consumption. Feed Ingredients owns and operate three specialized harvesting vessels and a support vessel. Production takes place in Antarctica utilizing an efficient and sustainable harvesting technology.

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, do not give indications of the periodic operating results. Financial APMs are used to enhance comparability of the results from one 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 Condensed 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).

Total special operating items in Q4-23 was USD 5.8 million related to the improvement program in the Ingredients segment. APMs recognized in 2022 are cost related to the improvement program as well as Aion adjustment to reflect fair value. For further details on APMs in 2022, see the group financial statements for 2022.

	Fourth Quarter		Year to date	
USD million	2023	2022	2023	2022
Net profit (loss)	9.9	0.2	-9.0	10.0
Tax expense	-25.1	1.2	-25.0	2.2
Net financial items	13.2	4.5	39.3	9.9
Operating profit (loss)	-2.0	5.9	5.3	22.1
Depreciation, amortization and impairment non-production	5.8	3.9	21.1	16.4
Depreciation, amortization and impairment production assets[1]	8.0	8.6	31.6	35.0
EBITDA	11.9	18.4	58.0	73.5
Special operating items	5.8	2.3	12.0	-4.5
Adjusted EBITDA	17.7	20.7	70.0	69.0

[1] Included in cost to inventory

The following table reconciles special operating items in the above table.

	Fourth Quarter		Year	
USD million	2023	2022	2023	2022
Restructuring costs	5.8	1.2	11.6	1.2
Other	-	-	0.4	-
Aion transaction	-	1.1	-	-5.8
Total special operating items	5.8	2.3	12.0	-4.6

Based on the Group's policy on APMs, the restructuring costs and tax/structure analysis are material transactions that are non-recurring in nature, and special compared to the ordinary operational income or expenses. The gain in 2022 from the Aion transaction (fair value adjustment of the investment) is also a material transaction which is non-recurring in nature and special compared to ordinary operational income or expenses. These transactions are therefore adjusted from the Adjusted EBITDA in the respective periods.

DIRECTORS' RESPONSIBILITY STATEMENT

Today, the Board of Directors and the company's chief executive officer reviewed and approved the unaudited condensed interim consolidated financial statements and interim financial report as of 31 December 2023 and the year of 2023.

The interim consolidated financial statement has been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

To the best of our knowledge:

- The interim consolidated financial statement for the year of 2023 has been prepared in accordance with applicable accounting standards.
- The information disclosed in the accounts provides a true and fair portrayal of the Group's assets, liabilities, financial position, and profit as of 31 December 2023. The interim management report for the year 2023 also includes a fair overview of key events during the reporting period and their effect on the financial statement as of Fourth Quarter 2023. It also provides a true and fair description of the most important risks and uncertainties facing the business in the upcoming reporting period.

Fornebu, 13 February 2024
The Board of Directors and CEO of Aker BioMarine ASA

Ola Snøve
Board Chairman

Frank Reite
Director

Kimberly Mathisen
Director

Kristin Holmgren
Director,
elected by the employees

Thomas Røkke
Director,
elected by the employees

Anne Harris
Director

Cilia Holmes Indahl
Director

Matts Johansen
CEO