AKER BIOMARINE

ANNUAL REPORT 2023

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CHAPTER 1

THIS IS AKER BIOMARINE

Record year of organic growth

Never have we grown more organically in a single year that we did in 2023. We spent 2022 setting the stage for growth, and in 2023, we executed the strongest sales performance in our company's 16-year history.

There's no doubt – we asked a lot of our organization in 2023. We needed to improve and grow, and so we leapt into action mode, finding efficiencies, uncovering operational improvements, and responding to increased customer demand. The result was a smooth transition to an even more optimized and robust Aker BioMarine, which has put us in an excellent position as we embark on 2024.

Major wins put wind in our sails

One of our best success stories of 2023 was the turnaround of our Superba business. The team set the plan, executed it, and delivered some major wins during the year. Together, they drove a 36% year-on-year growth increase, with especially strong development in Asia, Europe, and Australia. In addition, our Superba Boost krill oil product was approved in Australia for medical claims as a dietary supplement, a strong stamp of approval validating the efficacy of Superba's health effects. In addition, we received approval to return to the South Korean market, and we launched our first sales campaigns in September 2023. Our current Superba strategy is to focus on broader sales growth across the Asian markets, where we see China to be an especially exciting market for future growth.

We also experienced solid performance in our QRILL Aqua product category. We had stable revenue year-on-year and favourable developments in the fish meal and fish oil markets, which has opened more opportunities for krill meal/oil as the answer to the increasing scarcity of fish-based products.

During the year, our consumer goods brand, Lang Pharma Nutrition, experienced positive sales results, with an increase of 14% year-on-year. Key growth drivers were new product launches and generally solid demand for the existing portfolio of products.

In our emerging businesses segment, we launched our protein factory in Ski, Norway, and we announced our re-branded protein product, Understory. This was an important milestone for us, and it marks a step into new and exciting terrain in the nutritional supplement market for the food and beverage industry.

During the year, we implemented the 'Ingredients' improvement program within the company. This program aims to streamline operations, improve margins, cut costs, optimize cash conversion, as well as optimize procurement. In total, this program is expected to have annual recurring effects of more than USD 20 million, the majority of which were implemented in 2023.

Addressing challenges with innovation and determination

Though 2023 was a great year for Aker BioMarine, there are key areas in which we need to drive further improvements. Kori, our own brand in the US retail market, lost its distribution agreement with its largest retailer, which impacted sales significantly. Returning this product to growth will be a key focus for us in 2024.

We had a longer than planned shipyard stay in Q4, which impacted our ability to harvest that quarter and had consequences for the total offshore product for the year. However, we have high expectations for 2024. We have also implemented a machine learning and drone strategy that will help us harvest more efficiently. The drone is equipped with sensor technology to map ideal fishing locations. It went into operation at the start of 2024.

When the going gets tough, Aker BioMarine gets going

What we've learned from our recent return to growth is that we are a highly motivated organization, and no challenge is too big when we set our minds to it. This journey is a strong example of our team "grinding through" and living our values every day. Seeing what we are capable of has inspired us to adapt our values, making them more focused and reflective of what we stand for as a company today. Our three core values are now set:

- We think outside the ordinary
- We give trust and take responsibility
- We have passion and grind through

These values have been at the root of our determination in recent years, and in 2023, we benefited from the strong foundation we had built, and we were able to capitalize on the increased market demand while continuing to streamline the way we operate. The pace was fast. The demand was high. And our people showed up and demonstrated that Aker BioMarine is focused, driven, and intent on staying at the top of our game.

Continuing our momentum in 2024

A more sharply focused and flexible Aker BioMarine was the target of our improvement and restructuring efforts in 2023. We re-organized the company into four clear functional areas, each with its own organization, strategy, and P&L accountability. These areas are feed ingredients, human health ingredients, consumer health products, and emerging businesses.

Our work to optimize Aker BioMarine is not over, and we plan to continue streamlining our business and building on the strong growth trajectory from 2023.

This growth wouldn't be possible without the passionate team behind it. I want to thank all of you, at sea and on land, who spend your days finding ways to improve our operations, helping us to think bigger, and exhibiting a willingness to go above and beyond unlike anything I've ever seen before.

Matts Johansen
CEO Aker BioMarine

About us

Aker BioMarine is a biotech innovator and Antarctic krill harvesting company, created because of our strong belief in the positive health effects of krill.

Almost two decades later, we continue to develop our business as we take care of the ecosystem from which we harvest. Our fully integrated value chain stretches from sustainable krill harvesting in pristine Antarctic waters through our Montevideo logistics hub, Houston production plant, to customers around the world. The company has a strong position in its industry and is the world's leading supplier of krill.

Key non-financial figures 2023

389 employees

40 different nationalities

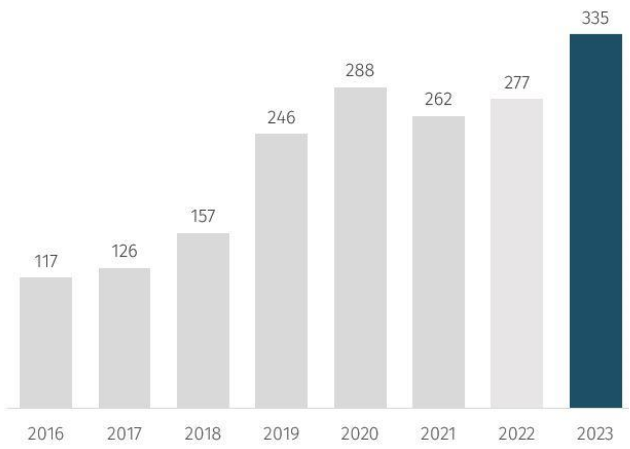
100% of big bags from Houston and trawls were recycled

37.5 % women in EMT

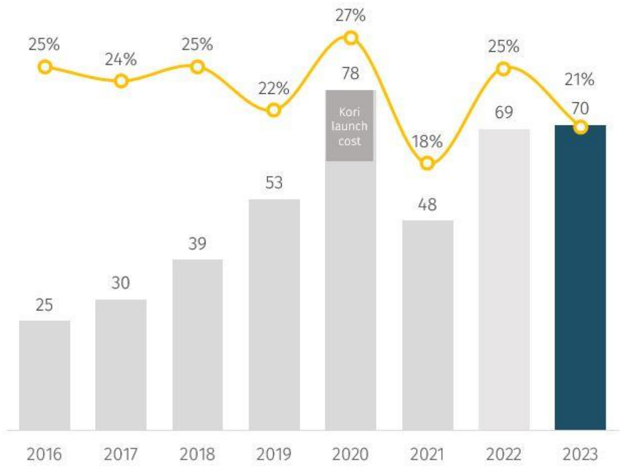
18% reduction in Co2-intensity (per krill meal produced) compared to base year 2020

12 days each year our vessel is used by Institute of Marine Research scientistst to monitor the ecosystem

Revenue
USD million



Adjusted EBITDA[1] and margin
USD million and %



1) Aker BioMarine 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.

Aker BioMarine around the world

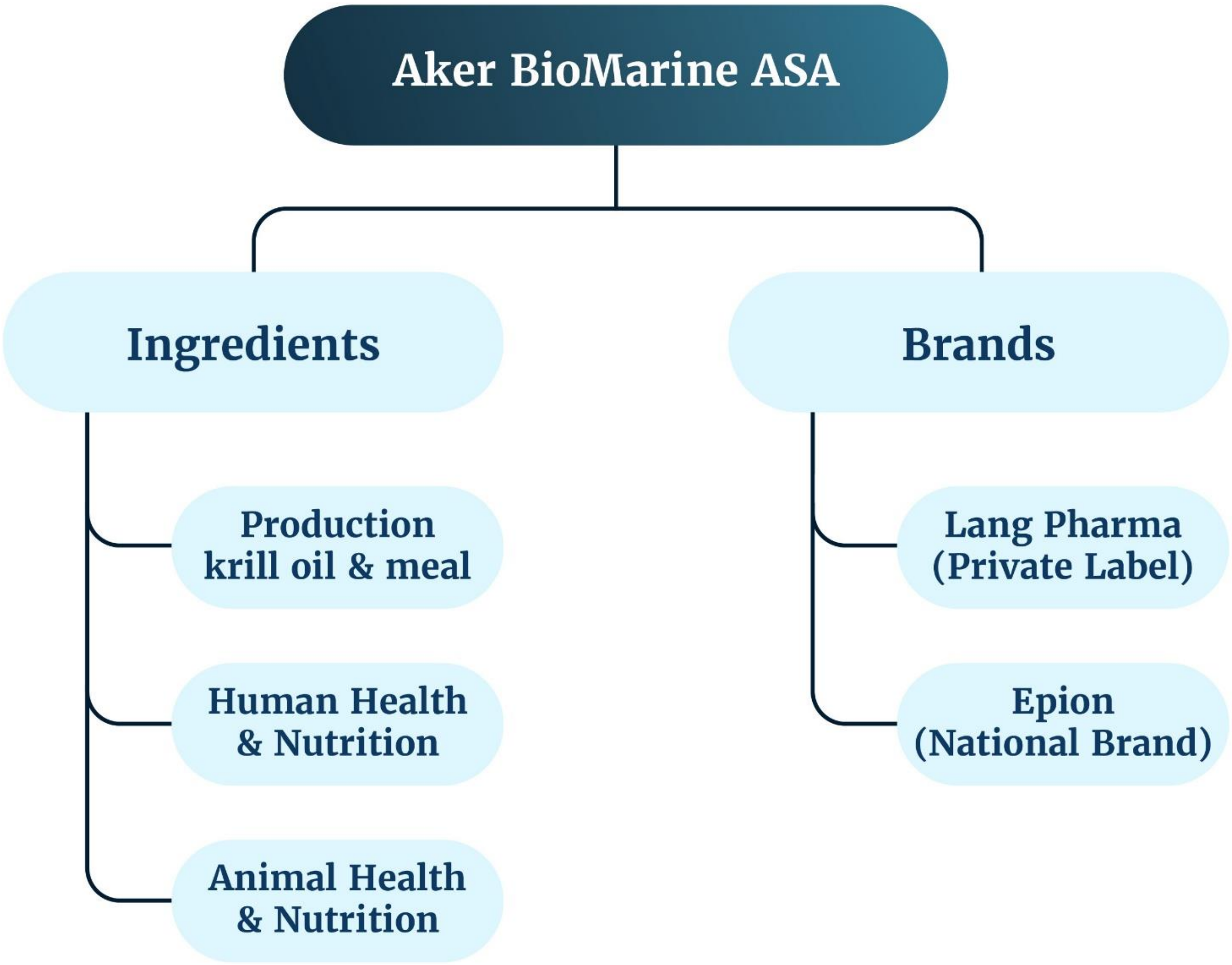
Aker BioMarine is present all over the world from Australia to the US, with headquarters in Oslo, Norway.

Company structure

In 2023, Aker BioMarine had two primary business segments: Ingredients and Brands.

The ingredients segment involves offshore harvesting and production, logistical operations, and onshore manufacturing and sales of krill-derived products. These products are distributed globally to the nutraceutical, pet food, and aquaculture industries. The Brands segment focuses on human consumer goods, with Lang Pharma Nutrition (Lang) and Epion as its two main components. Lang produces and distributes private label vitamins and supplements to the largest retailers in the US market. On the other hand, Epion is Aker BioMarine's consumer brand company, which launched its first brand, Kori, in the US mass market in 2020.

Reporting structure Annual Report 2023



Group Management

As of 31 December 2023

Matts Johansen

Chief Executive Officer (CEO)

Matts Johansen has been CEO of Aker BioMarine since 2015. He first joined the company in 2009 as Chief Operating Officer. Prior to his career in Aker BioMarine, Johansen served as the Chief Marketing Officer at Telefónica O2. He studied at Oslo University College and completed executive education at Columbia University.

Katrine Klaveness

Chief Financial Officer (CFO)

Katrine Klaveness became CFO of Aker BioMarine in 2018. Prior to joining Aker BioMarine, she spent the first part of her career in McKinsey & Company, followed by several years in senior positions in Aker ASA's investment team and Aker BP. Klaveness holds a master's degree from BI Norwegian Business School.

Simon Seward

EVP Human Health and Nutrition

Simon Seward joined Aker BioMarine in 2019. He is responsible for global sales and marketing of the company's Human Nutrition & Health products. Prior to joining Aker BioMarine, he was SVP Sales & Marketing at Algalif and Commercial Director at NutraQ. Seward has a master's degree in Marketing from Staffordshire University. From 2024, with the new organizational structure, Seward is CEO for the Human Health Ingredients-segment.

Tone Lorentzen

EVP Supply Chain

Tone Lorentzen joined Aker BioMarine in 2015 and currently oversees Aker BioMarine's entire supply chain, including global logistics, customer care, production at the krill oil factory in Houston, third party production, product quality and HSSE. Prior to joining the company, she held roles at Nycomed, Amersham, GE Healthcare and Trygg Pharm. From 2024, with the new organizational structure, Lorentzen is COO for the Human Health Ingredient-segment.

Webjørn Barstad

EVP Offshore

Webjørn Barstad joined Aker BioMarine in 2020 as Executive Vice President Offshore. Previously, he served as CEO for Lerøy Havfisk and Lerøy Norway Seafoods, and as COO at Lerøy Seafood Group. Barstad has a master's degree in International Banking and Financial Studies from HeriotWatt University Business School, Edinburgh. From 2024, with the new organizational structure, Barstad is CEO the Feed Ingredients-segment.

Hege Spaun

Chief Officer People & External Affairs

Hege Spaun joined Aker BioMarine in 2016. She is responsible for the People and Culture, as well as ensuring that the company is in the forefront of driving the sustainability agenda and transitioning our operations accordingly. She previously held various positions in DNV. Spaun holds a master's degree in Psychology from the University of Oslo.

Sigve Nordum

EVP Animal Health and Nutrition

Sigve Nordrum joined Aker BioMarine in 2007. He is responsible for the global sales and marketing of krill products for animal and aquaculture markets. Previously, he worked at BioMar and the Norwegian Ministry of Fisheries. He has a master's degree from the Norwegian School of Life Sciences and a PhD from the Norwegian Veterinary College. From 2024, with the new organizational structure, Nordum is CCO in the Feed Ingredients-segment.

Trond Atle Smedsrud

EVP Strategic Investments

Trond Atle Smedsrud joined Aker BioMarine in 2015. He is responsible for exploring, securing, and growing corporate investments. Smedsrud has also served as head of Aker BioMarine's Marketing and Innovation department. Previously, he held senior positions at Coca-Cola and PwC. He has a master's degree from BI Norwegian Business School. From 2024, with the new organizational structure, Smedsrud is CEO for the Emerging Businesses-segment.

Our journey

2003-2006

Saga Sea

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

Eco-Harvesting

Eco-Harvesting technology allows Aker BioMarine to harvest krill in a way that safeguards biodiversity and limits by-catch.

SUPERBA

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

2006-2012

QRILL Aqua

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

La Manche

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

MSC

The company achieves the Marine Stewardship Council (MSC) certificate, proving the strongest standards for sustainability in wild-caught fisheries.

2012-2013

Antarctic Sea

Aker BioMarine adds Antarctic Sea to its fleet.

QRILL Pet

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

2015-2016

AWR

Aker BioMarine establishes the Antarctic Wildlife Research Fund (AWR) to promote and facilitate research on the Antarctic ecosystem.

SUPERBA Boost

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

Production Plant

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

2017-2020

Antarctic Endurance

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

AION

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

Lysoveta

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

Invi

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

2020-2021

Oslo Stock Exchange

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

Antarctic Provider

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

Climate and Decarbonization Committee (CDC)

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

2022-2023

FloraMarine

Aker BioMarine launches its first product beyond krill, FloraMarine - algae oil for human consumption.

Understory Protein Plant

AKBM opened a plant in Ski, Norway, refining krill meal to yield a pure protein ingredient for human consuption.

2024

USV Deployed in Antarctica

Aker BioMarine's new drone was deployed in Antarctica, where it will contribute to a optimalization of the harvesting and reducing emissions.

Our fully integrated value chain

Krill Harvesting

~70%

of total global krill catch

Three state-of-the-art krill vessels secure stable production

Ingredient Production

96%*

of volume produced packed and labeled onboard vessels

Production of krill ingredients onboard vessels

Research & Development

Our krill oil products have been used in

Ca. 200

published studies

Testing, R&D, NPD and award-winning innovation

Krill Oil Production

> 70%

of global krill oil production

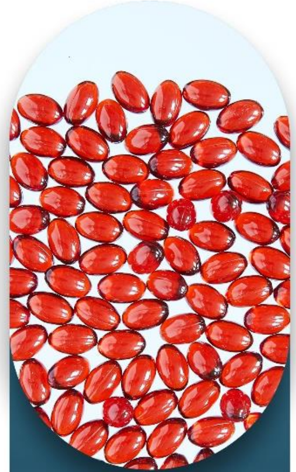
Purpose built oil extraction plant in Houston, TX

Sales & Marketing

Ca. 60

countries we sell to

Global B2B sales & marketing organizations



Consumer Brands

>215 m

capsules and soft gels with krill oil sold to US consumers the last year

*Operations at the plant in Houston were suspended for the majority of the year due to maintenance, therefore most of the ingredient production found place onboard the vessels in 2023

Ingredients and brands

Aker BioMarine sells products under the following brands:

SUPERBAKrill™

Superba Krill Oil, renowned for its significant and naturally occurring components – essential long-chained omega-3 fatty acids (EPA/DHA), phospholipids, and choline, has become a widely researched supplement that aids in bridging nutritional deficiencies. These essential components play crucial roles in maintaining cell organization and function, fostering overall health, and is supporting heart, brain, joint, muscle, skin and eye health at the cellular level.

QRILL™ PET

Omega-3s offer health benefits for both humans and companion animals. Including omega-3 in pet food is crucial for ensuring regular access to this vital nutrient. QRILL™ Pet PL NUTRI Plus, a functional marine ingredient from Antarctic krill, is a rich source of marine omega-3s, choline, astaxanthin, and marine proteins. Sustainably sourced from pristine waters, it is traceable and promotes the health of essential organs like the heart, kidney, liver, brain, and skin. Coming from one of the most sustainable fisheries, Aker BioMarine's krill fishery holds MSC certification.

FloraMarine

FloraMarine is a new plant-based, marine source of DHA omega-3 from algae, offering the highest natural concentration of algae DHA on the market today. DHA is widely known to be vital for brain and eye health, as well as early life nutrition. In the search for sustainable alternatives to DHA from fish oil, FloraMarine offers brands a competitive advantage due to its high-strength DHA from a sustainable, plant-based source – traits in line with consumer demand. The FloraMarine brand builds on Aker BioMarine's strong position as a trusted and stable supplier in the nutraceutical industry.

QRILL™ AQUA

QRILL™ Aqua products are sustainable and natural sources of nutrition that improve feed quality for farmed fish and shrimp. The QRILL Aqua ingredients for formulated feeds leave a low marine footprint and a continually declining carbon footprint, in addition to being fully traceable and certified by MSC. QRILL Aqua is rich in marine omega-3s and is naturally rich in choline, astaxanthin and marine proteins. Scientific studies show that Our QRILL Aqua products krill products have high potential to improve aquaculture feeds, enhancing their nutritional composition and attractability, and in turn stimulating the performance, health and end quality of both shrimp and fish.

Aker BioMarine has an independent company in the US, named Epion Brands Inc. Epion distributes the company's Kori krill oil product to large retail chains, including Walmart, Target, CVS, and Sam's Club. Kori krill has established a large retailer footprint in a short period of time, as the fifth biggest Omega-3 brand in the US market at an unprecedented pace in the US supplement industry. Through its market presence, Epion gets first-hand consumer information and provides valuable insight into consumer behavior and needs for Aker BioMarine. Through an innovative and positive-oriented market approach, with a focus on younger generations, Epion maintains a solid footprint on US retail shelves.

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

LYSOVETA TM is a new dietary supplement product from Aker BioMarine, specifically targeting brain health. It contains essential nutrients including LPC-bound EPA and DHA, which are important for long-term brain health and function, across the whole lifespan. In 2023 Lysoveta achieved regulatory approval via NDI status in the USA, allowing the product to be sold to the general population. Pilot production of Lysoveta commenced in 2023 at the Houston Factory with human clinical trials planned to begin in 2024.

Understory has launched the first high purity protein peptides product, with complete amino acid profile and naturally rich in nutritionally important minerals. These protein peptides are ideal for incorporation into ready-to-mix and ready-to-drink beverages, as well as other premium formats for brands targeting the beauty, wellness, and sports/active consumer segments. Understory has received regulatory approval for sale in the Unites States, Canada, Australia, and New Zealand with processes on-going in the EU and other target geographies. Aker BioMarine has opened a new launch plant and development center that will be providing commercial product to the market in 2024.

AION, a spinoff from Aker BioMarine, specializes in plastic circularity. Born from Aker BioMarine's commitment to repurpose its plastic waste, AION is a business model innovation fostering a circular economy for sustainable plastic use. AION transforms plastic challenges into solutions for diverse industries. Their digital platform, AION Loop, systematically collects data throughout the value chain, providing traceability and documented environmental impact. By December 2023, AION's clientele included major names like McDonald's, Veidekke, American Seafoods, Mester Grønn, and Kid Interiør.

New financial and legal structure

From 1 January 2024 Aker BioMarine`s business units are operational as separate business units

In 2023, the Company announced the intention to change its group financial reporting and legal entity structure, separating into the 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.

Feed Ingredients (FI)

- Krill harvesting and processing operations with 3 harvesting vessels and 1 support vessel
- Producig premium krill ingredients for aquaculture and pets under the Qrill brand
- Selling Nutrameal as ingredient to Human Health Ingredient (HHI) segment as the raw material for production of krill oil

Human Health Ingredients (HHI)

- Manufacturing and selling krill oil to the human nutraceutical / supplement and pharmaceutical B2B markets through brand name Superba Krill, with a manufacturing facility in Houston

Consumer Health Products

- Lang Pharma Nutrition – white label supplement brand selling in 7 largest retail chains in the US

Emerging Businesses

- Kori – Distributes Aker BioMarine's own omega-3 krill oil brand Epion
- AION – Spinoff within plastic circularity and circular tech
- Understory Protein – Premium protein product with new plant in Ski, Norway
- CaPre – partnership with Acasti Pharma, developing new omega-3 drug

Research and innovation

As the world's largest krill harvester and supplier, we are committed to exploring and investigating krill oil nutrients and their biological effects.

Since Aker BioMarine was founded in 2006, we have taken a leading role in the development and utilization of Antarctic krill resources through science and innovation. We harvest krill, study its biological effects, isolate important nutrients, and develop krill-derived products for the consumer health and animal nutrition markets.

Over the years, we have played a leading role in the growing krill industry, building a company filled with passionate people who put innovation at the core of our business. We invest significantly in science, with the aim to build fundamental knowledge about krill and to research the biological effects of krill nutrients. As a result, Aker BioMarine has taken several new and important products to market, with more on the way.

A key part of our strategy

Science and innovation are key elements of our strategy. We currently employ 14 scientists, all of whom hold PhDs and help drive our research agenda. Since 2006, krill products from Aker BioMarine have been used in approximately 200 studies, primarily through AKBM initiated research or donation of krill oil or meal to academic institutions. In 2023, 27 scientific articles on krill oil/meal were published in total. Refer to the section titled "Our scientific publications on krill oil and meal in 2023" for the list of studies that Aker BioMarine has invested in and/or to which we have donated product or were otherwise involved in during the year.

Our patents

Since day one, Aker BioMarine has been fully committed to scientific research and business development in the nutritional marine lipid field, specifically related to krill products. This commitment has led us to patent our own technology and to acquire technology developed by others. As a result, we currently have the world's largest and most innovative patent portfolio in our field. This includes harvesting technology and production methods, through patents covering today's commercially available krill products, as well as nutraceutical innovations that will be available to consumers in the years to come. By the end of 2023, we held 135 granted patents in total, of which 23 were acquired (from Acasti) and 13 were granted in 2023.

Research and innovation center

Aker BioMarine opened its pilot plant located in Ski Business Park, Norway, in 2023. This location is also the home to our in-house research and innovation center focused on long-term product and process development. Combing production capabilities with extensive R&D and laboratory facilities supports flexible product and process development of high-quality ingredients from biomasses. Through this, we aim to broaden the opportunity space that lies within marine biotechnology and create high-competence jobs within a sustainable and innovative industry.

Antarctic Research funding

In 2023 alone, our contribution to marine science in Antarctica, through in catch or in kind, has been more than USD 600,000. This includes our annual contribution to Antarctic Wildlife Research Fund (AWR), co-founded in 2015 with environmental NGOs to promote science about the Antarctic ecosystem and a more resilient Antarctica. AWR has since its inception financed 24 scientific projects with total funding of more than USD 1.5 million.

In 2023, significant investments were made into infrastructure that will facilitate science and data collection for years to come. During the year, the Institute of Marine Research (Norway) shared their results after more than 10 years of monitoring the krill biomass across an area of 60,000 square kilometers in Antarctic waters. The data confirmed consistently high concentrations of krill and comparatively low catches in the area in which Aker BioMarine operates. This analysis will serve as the cornerstone for krill management in The Commission for Conservation of Antarctic Marine Living Resources (CCAMLR).

Our scientific publications on krill oil and meal in 2023:

Krill meal and oil are effective sources of choline for Atlantic salmon
Choline deficiency in Atlantic salmon can lead to reduced absorption of fat in the intestine, which may result in intestinal problems. A study conducted with the Norwegian University of Life Sciences showed that choline from krill was effective in preventing accumulation of fat in the salmon intestine. This study was published in Aquaculture Research in 2023

Krill meal is an effective source of marine phospholipids for Atlantic salmon
A study, conducted with Cargill Aqua Nutrition, compared phospholipids from krill meal to phospholipids from soy and fish meal in an Atlantic salmon diet (in the freshwater phase). The study showed that krill meal phospholipids were more effective in enhancing growth and improving gill health in the salmon. This study was published in Animals in 2023.

Krill meal effectively increases omega-3 levels in dogs diets
A study with the Swedish University of Agricultural Sciences compared levels of omega-3 in dogs fed with three different omega-3 sources: krill meal, fish meal, and flax seed. The results showed that only the marine sources were effective in significantly increasing omega-3 levels in the dogs, with krill meal yielding the highest increase. This study was published in Veterinary Sciences in 2023

Krill oil is well tolerated and can increase the omega-3 levels in horses
A study with the Norwegian University of Life Sciences was conducted to evaluate whether krill oil is a safe and efficient omega-3 source for horses. The results showed that krill oil was well tolerated, and the horses' omega-3 levels increased significantly, with no adverse effects. This study was published in Animal Physiology and Animal Nutrition in 2023.

Our key milestones 2023

Understory protein plant opens in Norway

Aker BioMarine kicked off production at its new plant in Ski, Norway, where we develop our highly concentrated protein hydrolysate. This protein ingredient will be sold under the “Understory” brand – available for beauty and wellness products in the U.S., Australia, and New Zealand

Sustainable aquaculture tops the agenda

At Aker BioMarine, we are committed to raising awareness on sustainability in aquaculture, which is why our team of experts and supplier partners spent time with fish farmers along the Norwegian coast. Krill is a cost-efficient ingredient in fish feed, which promotes fish health and welfare.

Superba Krill Oil in the Australian Register of Therapeutic Goods

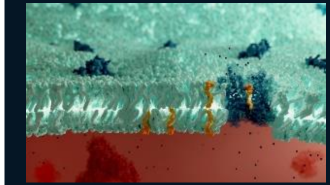
Aker BioMarine’s Superba Boost Krill oil was included in the Australia Register of Therapeutic Goods as an “assessed listed” medicine. This is due to krill oil’s ability to relieve knee pain and stiffness and increase physical function in mild to moderate osteoarthritis.

New drone to optimize fishing in Antarctica

Aker BioMarine secured its new fishing drone, which is now stationed at the fishing field in Antarctica. The drone is equipped with sensors to aid the search for krill and gather data for research and mapping purposes – leading to reduced emissions and more efficient navigation.

Agreement signed with AION to reduce plastic waste

Aker BioMarine and AION joined forces to recycle Aker BioMarine’s plastic product bags and convert them into 3,000 pallets for use in our operations – enabling us to reduce waste, expenses, and emissions through greater circularity.



Brain health ingredient Lysoveta gets FDA approval

Aker BioMarine’s novel dietary supplement Lysoveta was granted new dietary ingredient (NDI) status by the FDA. As a result, Lysoveta can be marketed to the general adult population in the U.S. as a supplement to combat cognitive decline.

Krill surplus confirmed after a decade of monitoring

The Institute of Marine Research (Norway) released findings after 10 years of monitoring the Antarctic krill population. They confirm high densities of krill– a strong sign that the krill fishery’s precautionary approach has helped ensure a sustainable krill population in Antarctica.

New study confirms benefits of choline for salmon

The Norwegian University of Life Sciences and Aker BioMarine released a new study concluding that choline in krill prevents fat accumulation in salmon intestines, thus reducing likelihood of growth-impacting syndromes in the fish.

Our Mission is to improve human and planetary health

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

Our Capitals

Human Capital

At Aker BioMarine, we aim to do things that no one has ever done before. When confronted with challenges, many companies choose to bring in outside expertise. But for us – a company that operates on the frontiers of a niche industry – we believe in building and developing our own expertise in-house. Our people are our most valuable asset.

Intellectual Capital

Innovation is part of our DNA. From pioneering the Eco-Harvesting system to developing new products verticals, we are proud of our in-house spirit of invention. We believe that transparency helps our industry evolve. That is why we share our catch data and technology to further research efforts and promote our way of thinking. However, we protect our intellectual property rights through our intellectual property strategy

Social Capital

We take responsibility for our operations in Antarctic waters and support efforts to protect precious marine resources. This requires constructive relationships with governmental and regulatory agencies, industry peers, the research community, and environmental NGOs. We actively engage and collaborate with these key stakeholders.

Manufactured Capital

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

Natural Capital

Aker BioMarine holds Antarctic krill fishing licenses issued by Norway, our home country. Our long-term access to the krill fishery depends on the responsible development of the krill industry. We must continue to ensure that there is scientific evidence and confidence that krill harvesting remains sustainable and closely aligned with global efforts to combat climate change.

Financial Capital

In 2021, Aker BioMarine transferred from Euronext Growth to the Oslo Stock Exchange. The Company has a strong majority owner, Aker ASA. At Aker BioMarine, we believe that financial and sustainable performance are interlinked and serve to reinforce each other, requiring both to be in equal focus.

Operational risk & opportunities

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

Risks	Impact	Risk mitigation and management*
Future sales growth	Increased competition from other krill fisheries entering the market plus alternative sources of omega-3s, such as GMO plants and algae, could impact growth in the demand for krill products globally and also put pressure on prices. Entry into new Asian markets with different regulatory regimes could also impact sales short to medium term, whilst offering good long-term sales potential.	We work to increase awareness among our existing and potential customers to the benefits of krill. We employ local people that are close to customers and key decision makers in our larger markets that understand both the market dynamics and regulations. We continuously develop new research and science that underpins and supports the product claims and marketing messaging. Both the Qrill Aqua and Superba customer base have been significantly diversified over the last year, across customer types and region, which makes us less vulnerable for short term regulatory changes.
Access to harvesting in the Antarctic	Changes in regulations from CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources), suggested new Marine Protected Areas (MPAs) affecting the fishing area, or other restrictions that limit access to harvesting areas. Reputational risk and negative publicity from NGOs. Increased krill harvesting competition from new countries, e.g., China and Russian could also affect the company's ability to harvest krill.	Any change to the quota and regulations requires a unanimous approval from 26 CCAMLR members. Enabling annual acoustic krill surveys. The latest study to come out (May 2023) presents a 10 year time series on subarea scale (South Orkney) collected from AKBM vessels, which confirms the healthy and stable biomass of krill and that the annual krill catches are kept well below the upper precautionary level for the area. We invest in the development of Krill Feedback Management System which will give CCAMLR scientific confidence to increase krill harvesting catch limits and ensure low risk of impact on the ecosystem. We maintain transparency through independent on-board observer, drive responsible fishing practices through ARK and actively engage with scientists, regulators, and NGOs as an observer to CCAMLR and a other formal and informal venues and opportunities for dialogue. We see our vessels as an important platform for independent scientific research and support scientists in their sampling and field work. We maintain continuity of the Antarctic Research Fund (AWR) together with WWF-Norway and The Antarctic and Southern Ocean Coalition (ASOC). We have reputable fisheries certifications such as MSC and Friends of the Sea which confirm the highest sustainability standard of krill fisheries management and AKBMs krill fisheries operations. Our superior operational efficiency limits the attractiveness to new competitors
Operational breakdown	An incident in our onshore facility in Houston or on any of our vessels due to technical issues, natural disasters or pandemic related could have serious operational, environmental, and financial impact.	We manage this risk through investments in preventive maintenance, annual shipyard and technology, in addition to conduct training, monitoring, compliance testing and vessel safety audits on a frequent basis, also with external parties. We have increased our product inventory safety stock in Houston to cater for potential downtime.
Lose key employees	Losing talented/key employees that are critical to our krill operations, being the leading global krill company, and it could be difficult to replace.	Direct communication with critical employees, competitive compensation & benefits, knowledge management (reduce dependence on personal know-how), employee / leadership development, trainee and succession planning, culture building, satisfaction surveys (monitoring), communication strategy related to restructuring and improvement programs

*The management must do its best effort defined mitigating activities that can or should reduce the risk, but there is no guarantee that the risk will be significantly reduced or eliminated despite mitigating initiatives being implemented

Risks (continued)	Impact	Risk mitigation and management*
Climate change and ocean warming effecting krill availability	Significant change in sea ice and/or ocean temperature, which is critical for krill breeding, development and migration, could cause a change in harvesting patterns and krill availability longer term. Change in composition of the krill can affect the product and product seasonality. Extreme weather can intensify wear and tear on operational equipment and affect Houston production with access to power and water.	We facilitate annual IMR surveys of krill biomass to map any patterns of change in abundance and distribution We offer scientific support and actively engage with scientists, regulators and NGOs as an observer to CCAMLR. We drive responsible fishing practices and best practice industry measures through the industry association ARK. We adapt to composition changes by continuously monitoring products and implementing adaptive production set-ups to meet any changes. We have invested in monitoring technology such as the unmanned ocean vehicles (USV) to enhance ability to find krill and collect monitoring data. We have 9-to-12-month safety stock of products to allow potential downtime.
Transitional risk related to decarbonizing maritime industry	The cost of fuel will increase, and maritime industry will be comprised by measures such as EU Emissions Trading System. A need to reduce energy use and dependency on fossil fuels in fleet and land production. Consumers will pivot towards low carbon products, and this development may happen more rapidly than the operationally viable technological solutions offshore and onshore	We have started to develop a Carbon transition plan for the company in line with EU CSRD requirements, which details levers and measures for carbon reduction. Co2-emission reduction goals are revised. Measures and investments are planned in light of availability and technological readiness of green technology and infrastructure in a hard-to-abate industry like the maritime.
Cyber and information security	An incident impacting either availability, integrity or confidentiality of critical business systems, which again impacts our ability to operate normally	Implemented cyber security program to address both technological barriers, human barriers (awareness) and organizational barriers to reduce probability and impact of an information security incident. Continuous monitoring of cyber security risk.
Opportunities	**Impact**	**Capitalize on opportunities**
Krill nutrients to support health and nutrition	Increased understanding of the benefits of krill products to support healthy lifestyles and prevent lifestyle diseases can benefit society and our business.	We invest in scientific studies to identify and substantiate benefits and marketing campaigns to increase public awareness of the benefits of krill nutrients for human and animal health and nutrition
New krill derived products	Development and launch of new products with added health and nutrition benefits increases the value of krill raw material and positive societal impact	We are developing new lipid and protein products for human nutrition for launch into growing consumer product segments e.g. LYSOVETA and Understory.
New products beyond krill	Reduce dependency on krill by utilization of sales and supply chain assets to commercialize new raw materials/products beyond krill (e.g. Algae oil).	Explore new alternative ingredients beyond krill, test new technologies, develop capacity in Houston and identify customers. Launched new algae oil product with a potential of 500 MT from 2025
Gender equality	Companies where women account for over 15 percent of senior management show higher returns. This represents an opportunity for our company to ensure democratic representation and diversity in management.	We have structured our recruitment and internal promotion processes to ensure equal opportunities, implemented performance review and leadership development program. The management team has 37,5% women. Increased focus on recruiting women into middle management positions.
Growing market demand for healthy and sustainable food.	Delivering high quality health nutrients in a sustainable way is both good for our business and society with a reduced carbon footprint.	We work together with customers to drive sustainability and increase awareness of marine ingredients as a source
Access to green finance	By proving measurable ESG commitments and sound governance and targets, we are attractive to financial institutions and on the stock market	By ensuring excellent governance, and progress towards, as well as compliance with to sustainability linked loans, EU taxonomy, and pending CSRD, AKBM will capitalize on the positive opportunities connected with the financial opportunities for companies managing the green transition.
Low carbon intensity in products and environmental focus from customers.	Consumer driven carbon and environmentally friendly products and transparency in CO2 and usage of resources	A thorough environmental declaration on products and ambition to decarbonization of value chain backed up by concrete measures and benchmarks, will be used to demonstrate improvement of the environmental footprint of our products.

Metrics and Targets	Aker BioMarine has committed to ESG targets as described in chapter 2.

CHAPTER 2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Sustainability in Aker BioMarine

Aker BioMarine is committed to achieving a positive impact on human health without compromising the health of the planet.

Sustainability, transparency, and responsibility are characteristics of our company governance and way of operating. This ensures our long-term profitability and gives us license to operate. The basis for sustainability in Aker BioMarine is the precautionary harvesting of the raw material, Antarctic krill, one of the world's biggest and most unique marine biomasses. We aim to deliver krill products that support nutritious and sustainable diets.

Continuously improving
To fully succeed with our ambition to significantly reduce the company's CO2-footprint, Aker BioMarine will, along with the systematic implementation of measures to increase energy efficiency, also depend on available technology and infrastructure in a hard-to-abate industry, and market development. We aim to eliminate product waste and be fully circular in our principal waste streams. In our efforts towards reaching our Environmental, Social and Governance (ESG) ambitions, we benchmark ourselves internally, while embracing transparency and external scrutiny of the progress we make. We are part of the solution to feed a growing population in a sustainable way, and continuously innovate to ensure that we maximize the utilization and value of our resources while causing minimal footprint.

Redefining our ESG-ambitions
In response to the evolving reporting requirements with CSRD and the introduction of AKBM's new company structure, effective January 1, 2024, we have embarked on a comprehensive strategic review of our ESG Ambitions to be finalized in 2024. Consequently, for this year's ESG reporting we are adopting a transitional approach in line with our ongoing preparations to fully comply with the Corporate Sustainability Reporting Directive (CSRD) by 2026, reporting on financial year 2025.

Listed below are ESG topics in development, material to AKBM and accompanied by KPIs and targets which will take their final shape in FY24. For a detailed exploration of our approach and the results we have achieved in key areas, refer to pages 22-28, where we discuss material topics in-depth and give a short introduction to what is to come.

Key Topics	Ambitions Outline	KPI	Status	Addressed on
Climate	Reduce carbon emission intensity	Intensity	In Progress	Page 26-31
Biodiversity	High sustainability standard for krill operations and management	Certification Bycatch	In Progress	Page 32 -33
Waste and Circularity	Full circularity from principal waste streams	% big bags recycled % trawls recycled	In Progress	Page34
Social	Safe, just and thriving workplace	LTI Sick Leave Turnover Equality and discrimination	In Progress	Page 37-43

Reporting frameworks and assessments

The following reporting frameworks have been used in Aker BioMarine's ESG-reporting for 2023.

In the financial reporting, the company has divided its operations into two segments, Ingredients and Brands. However, it should be noted that for our ESG reporting, we present a comprehensive view of the company as a whole.

This ESG reporting is structured into three sections: Environmental, Social and Governance. Under each section we discuss topics we consider material. The following frameworks have been used:

Global Reporting Initiative (GRI)

Aker BioMarine has reported in reference to the GRI Standards. The GRI Index can be found as appendix 4.

TCFD

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

Voluntary taxonomy reporting

Aker BioMarine is not yet in scope by the taxonomy regulation. However, Aker BioMarine has conducted a voluntary taxonomy report (see Appendix 1). The company reports activities linked to our supply vessel Antarctic Provider (eligible) and our fishing vessels and production plant in Houston (non-eligible).

GHG-protocol

Aker BioMarine has reported our emissions following the GHG-protocol (appendix 2) PwC has provided independent limited assurance on the company's greenhouse gas emissions in 2023. The assurance engagement covers all activities in Aker BioMarine's integrated value chain. The independent limited assurance statement includes emissions data for Scope 1, 2 and 3 for 2023.

Transparency Act

The Company's Transparency Act Report is to be found in appendix 3. It's reported in accordance with the Norwegian Transparency Act section 5 and summarizes the policies and procedures in Aker BioMarine with respect to safeguarding of human rights and decent working conditions and provides information on the implementation and results of Aker BioMarine's due diligence.

Preparing for CSRD

Aker BioMarine is proactively working towards compliance with the Corporate Sustainability Reporting Directive (CSRD), with a targeted implementation for the financial year 2025. This commitment to CSRD compliance will be a key focus for the company in 2024. As part of this strategic alignment, Aker BioMarine has initiated a comprehensive revision of its ESG ambitions, details of which are outlined on page 23 of our report.

Corporate Social Responsibility

The report on Corporate Social Responsibility, which is approved by the Board of Directors is included in the Environmental, Social and Governance chapter.

Governance structure for sustainability

Our company's sustainability governance ensures environmental stewardship and social responsibility into our core operations, ensuring a commitment to ethical practices and continual advancement.

The Board of Directors in Aker BioMarine has oversight over the company's risk and opportunity management, including climate-related risks and opportunities, and strong competence on ESG targets and governance. Aker BioMarine has identified climate-related operational and financial risks through the systematic mapping of operations and related risks, as well by identifying risk mitigation opportunities through internal and stakeholder collaboration.

The Aker BioMarine management team functions as the steering group of the climate and decarbonization committee. This group monitors all climate-related activities and prioritizes and aligns climate strategy with the business strategy.

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

In addition to our ESG targets, we have a sustainability linked loan with four ESG related KPIs on CO_2 reduction, circularity, water consumption in our production and a HSSE score on LTIFR (Lost Time Injury Frequency Rate). The progress on these KPIs is linked to the interest rate of the loan and provides additional governance for our efforts to ensure that we meet our environmental and sustainability targets.

In light of the evolving requirements for reporting, AKBM is conducting a thorough strategic evaluation of our ESG aspirations, with an anticipated conclusion in 2024. This measure forms a crucial component of our preparatory actions aimed at achieving full compliance with the Corporate Sustainability Reporting Directive (CSRD) by the year 2026, pertaining to the financial year 2025.

Subsequently, we will refine our governance architecture from 2024 to accurately mirror these impending changes.

TCFD-reporting

Aker BioMarine is committed to implementing the recommendations of the TCFD, and we will provide investors and other stakeholders with decision-useful information on climate-related risks and opportunities that are relevant to our business through the pillars of TCFDs framework for disclosure.

The principal channel for Aker BioMarine's TCFD disclosure to external stakeholders is our Annual Report. As part of our risk review, we conducted an updated climate risk analysis using the TCFD framework. In this process, we involved stakeholders from all parts of the organization and systematically mapped and assessed our exposure to climate risk. We are tracking our exposure to climate risk on an annual basis, and continuously take climate risks and opportunities into account in our strategic decision-making.

Climate-related risks and opportunities are described in "Operational risks and opportunities" in chapter 1.

Governance structure 2023

Unit / Role	Responsibility
The Board of Directors	The Board of Directors has oversight over the company's risk and opportunity management, including climate-related risks and opportunities, and strong competence on ESG targets and governance.
Chief Executive Officer	Overall responsibility for climate-related risks and opportunities, necessary strategic alignment, and updates to the Board of Directors.
Sustainability Team	Responsible for disclosing the actual and potential impact of climate-related risks and opportunities for the business model and operations, setting the frames for strategic alignment. Ensures continuous follow-up on targets and metrics across business units as chair for Climate and Decarbonization Committee and by reporting quarterly into the Board of Directors' Audit Committee
Climate and Decarbonization Committee	Responsible for ongoing oversight of climate-related issues, monitoring quarterly progress on climate-related targets and metrics. Presents and evaluates new initiatives from the business units. Provides advice on significant investment decisions. Provides input on climate-related strategic alignment. From 2024, the committee will oversee all ESG matters, in addition to climate and decarbonization efforts within the company.
Chief Financial Officer	Responsible for the annual climate-related risk management, as an integrated part of Aker BioMarine's overall risk management procedure.

Our stakeholders

Aker BioMarine has a wide range of stakeholders that are mapped and identified based on their criticality for operations and business continuity. A close dialog with our stakeholders gives us increased knowledge and understanding of our impact on our surroundings – and also how our surroundings might impact us.

STAKEHOLDER GROUP	MATERIALITY AND PURPOSE	RELATED RISK	KEY POINTS OF MEANINGFUL ENGAGEMENT
GOVERNMENTS AND REGULATORY BODIES	National legislation (fishery licenses) and international legislation (Antarctic marine management) decides the framework in which krill harvesting, logistics and market access all depend on	-Acute transitional policy towards low-emission society -Regulations that do not favor krill harvesting -Limited knowledge of and interest in Antarctica as a place of sustainable food production -Limited progress in regulations can impact reputation and independent certification schemes	-Annual participation in CCAMLR meetings and working groups -Regular dialogue and input to Governments
NON-GOVERNMENTAL AND INDUSTRY ORGANIZATIONS	Environmental advocacy can sway public opinion, customers, and policy. Industry affiliations and organization can protect interests	-Campaigns in the interest of protecting intrinsic value of protecting Antarctica may have no place for fishery -Biased advocacy can devaluate an otherwise working Antarctic marine management system -Too low industry standards	-Venues of collaboration with NGOs in AWR and governance of Industry Voluntary Measures -Regular contact meetings with environmental NGOs to exchange points of view -Regular meetings in ARK to secure industry best practice
INVESTORS AND FINANCIAL MARKET	Financial institutions, owners and investors need to see profitability, and growth in company to keep up investments long-term	-Long term view of company not attuned to short term investments -Dip in markets	-Owner dialogue and investor relations activities -Quarterly reports and Capital Markets Updates
CUSTOMERS AND CONSUMERS	A strong customer and consumer base drives profitability	- Reduced consumer demand for products - Reduced belief in omega-3 supplements - Consumer chooses cheaper options	-Communication of news, data, and messaging on the benefits of krill
SUPPLIERS AND BUSINESS PARTNERS	Third party suppliers of goods and services are key to business continuity	- Disruptions in supply chain or untrustworthy suppliers impair delivery of product -Non-compliance or lack of transparency in supply chain may lead to breaches of national/international regulations and/or breach internal codes	-Robust onboarding process for suppliers and continuous follow-up throughout supplier relationship
SCIENCE AND ACADEMIA	Generate knowledge, science and qualified opinion on sourcing and effects of krill as material and product. Fundamental for sustainability and product claims	-Too little science generated to support the niche of krill harvesting and production -Science that is critical or non- supportive, with or without solid grounds and data	-Collaboration and partnerships with academic institutions built around studies -Communication of krill related science findings
EMPLOYEES	Attracting and retaining the right people is key for growth	-Competence and knowledge loss -Delayed results, growth targets not achieved	-Dialogue and involvement of employee representatives, managers, relevant strategies for attraction and retention, strong Employer Value Proposition
PUBLIC AND SOCIETY	Public perception and legitimacy	-Risk of losing footing and social legitimacy in society	-Awareness the wider public interests beyond key markets and consumers -Educating public on health benefits of Omega 3 and importance of blue foods

ENVIRONMENTAL

To us, it makes no sense to take something out of the ocean to improve our health if it simultaneously compromises the health of the ocean or the planet. In this section we focus on the following material topics that represents our environmental impact and how we approach them:

- Aker BioMarine is actively working to reduce our impact and lower emissions from our operations, read about our initiatives in *Emissions.*
- Developing a novel source of protein, along with other important nutrients, has become an increasingly important mission. Read more in *A novel ingredient.*
- With an ambition to continue to be among one of the most sustainable fisheries in the world, *Fishery management* is a top priority.
- Aker BioMarine has built strong awareness about the Antarctic ecosystem and continuously works to minimize any negative impact. You can read about our approach in *Biodiversity and nature.*
- Dependent on ocean resources, Aker BioMarine is concerned about rising levels of plastic pollution and water emission. Read about our approach in *Waste and circularity.*
- In addition, you can also read about our approach to how we structure our work on *climate-related risks and opportunities*, and our *EU Taxonomy-report.*

Climate| Reducing our emissions

Reducing greenhouse gas (GHG) emissions while helping to meet the nutritional needs of a growing population is a key priority for Aker BioMarine.

Aker BioMarine is committed to ensure a sustainable supply of protein to the world and building a more resilient food system. At the same time, the world is facing the severe consequences of climate change and, as such, we are working steadfastly to reduce our impact and lower emissions from our operations.

Despite krill harvesting and production has a low carbon footprint compared to other animal proteins, does not diminish our commitment to sustainable practices and meeting the goals set in the Paris Agreement. We believe that new technologies must be developed to cut emissions in our operations and throughout our value chain. Today the market for alternative fuels and zero emissions technology for ships of our size and operational profile remains in its early stages of development. We stay updated on and involved in the development of new technology in this area, and we have designed our supply vessel to be more modern and energy efficient than the older vessels, as well as more easily convertible to a blend of alternative fuels once they become available.

In addition, we are improving our data quality and reporting from our operations and suppliers. Our CO_2 monitoring system allows us to closely track our emissions to determine the impact of various actions and operational adjustments.

Our guidelines/principles:

- Improving Planetary Health is a vision that requires continuous improvement.
- Continual improvement through data-based decision-making throughout the value chain.
- Use of ship transport whenever possible.
- Reduce the carbon footprint of our fishing operations and production processes, and actively search for zero emission fuel.

Our focus and results in 2023

In 2023, Aker BioMarine continued the work with our Climate and Decarbonization Committee (CDC), overseen by the Executive Management. This Committee is dedicated to ensure the reduction of our carbon emissions – both on a strategic and tactical level.

Mariner USV fishing drone

Aker BioMarine's first unmanned surface vehicle (USV), Mariner, arrived in Antarctica at year-end 2023. This fishing drone was developed by Maritime Robotics and handed over to Aker BioMarine mid-year as part of the company's data-driven approach to secure and stabilize the availability of krill. By helping to efficiently direct the vessels to areas where krill is available, the USV will enable a reduced carbon footprint for Aker BioMarine.

The company also aims to continue reaping the benefits of our data management system. This system combines direct data from the drones with data from other sources, including weather, historical fishing, and ocean data. The overall goal with both the new USV and the data management system is to verify krill availability, ensure higher asset utilization, meet our sustainability goals, and support a well-managed fishery.

Focus on energy optimization

Throughout the year we worked to reduce our energy consumption. An important part of this work is to make the most out of every kWh of energy we consume. In 2022, we installed a heat recovery system that recovered waste heat from one of our processing steps and then re-used that heat in our factory. In 2023, this resulted in a saving of up to 494 MT of fuel or, 1584 tons CO_2, through use of this technology. During the reporting period. We also conducted additional minor improvements to the heat recovery system.

In 2023, there has been a focus on increasing our krill yield, which contributes to our intensity target. The average yield this year was 18.3%, compared to 17.4% last year. During the reporting year we have experienced increased recovery rates, and even further improvements to the utilization of our krill resource.

During the year, we have also focused on the use of data and digitalization to optimize the onboard production with the aim of reducing CO_2 per ton of krill meal produced.

In addition to several energy optimization measures to reduce our emissions, we have improved our environmental impact and emissions by reducing vessel movements through detailed trip and offshore planning.

Our targeted efforts to improve operational control and offshore procedures have resulted in a reduction in fuel use and energy consumption. As a result, our CO_2 intensity is 2.19 tCO_2/ton krill meal, which is almost 18% decrease compared to base year 2020. Our intensity per revenue was 0,3 – a 25 % lower than in 2020. We reduced our absolute emissions with 8.167 MT since our base year 2020.

Collaboration towards change
Aker BioMarine is a member of The First Movers Coalition (FMC), which is a collaboration between the World Economic Forum and US Special Presidential Envoy for Climate, John Kerry. Its mission is to decarbonize heavy-emitting sectors by leveraging private sector demand for decarbonization technology. By being part of First Movers Coalition, we have committed to powering at least 5% of our deep-sea shipping with zero-emission fuel by 2030, using ships that are zero-emission fuel compliant.

Evaluation and next moves

By continued innovation and application of technology as well as operational improvements, we have continued our progress towards emission reduction using technology and operational improvement. Throughout our operations, our employees are taking steps to save fuel and reduce emissions, as shown through new ideas and initiatives stemming from all levels and functions in Aker BioMarine. Going forward, we will continue to prioritize the search for and implementation of fuel-saving technology.

Emission *(Global ton(CO_2e))*

	Base year	Comparative	
Scope	**2020**	**2022**	**2023**
Direct Emissions (Scope 1)	**98,275**	**96,864**	**93,981**
Fishery and offshore production	94,229	94,082	91,916
Production US	4,046	2,782	2,065
Indirect Emissions (Scope 2 - location based)	**5,217**	**3,953**	**3,698**
Purchased electricity Norway*	14	10	28
Purchased electricity US	5,126	3,874	3,601
Purchased electricity India	33	33	33
Purchased electricity Uruguay	44	36	36
Indirect Emissions (Scope 3)	**15,520**	**12,269**	**13,166**
Business travel (category 6)	212	234	530
Crewing travel (category 6)	881	653	470
Packaging used - bags (category 1)	1,121	1,227	1,478
Packaging used - drums (category 1)	411	288	322
Transport of goods - Archive	12,894	9,866	
Transport of goods - downstream (category 9)			6,489
Transport of goods - upstream (category 4)			3,877
Total	**119,012**	**113,086**	**110,845**
Scope 2 (market based emissions)	**4,601**	**4,028**	**4,180**

PwC has provided limited assurance on scope 1, 2, and 3 emissions for 2023. Reported according to the GHG protocol, as applied in methodology statement climate accounts (appendix 2). * New plant in Ski in 2023.

Climate | A novel ingredient

As an ingredient in feed and for human nutrition, Antarctic krill has proven positive health benefits for both people and animals.

At Aker BioMarine, we continuously work to innovate products and develop ingredients that enable more people and animals to benefit from the essential nutrients in krill, including the important omega-3 fatty acids as well as high quality protein.

We believe that krill has far-reaching potential for human and animal health, and as such, we are dedicated to expanding and developing our product portfolio. As a science-based organization, we have an in-house Research and Development department that collaborates with scientific institutions to develop new technologies and product innovations based on research and experimental trials. We also work closely with our customers to design our products according to their needs, which includes innovations stretching from healthy ageing and heart health supplementation to sports recovery and also improving health and disease resistance in farmed fish.

The world's population is increasing and to remain on track towards ambitious global climate goals, we must reduce the carbon footprint related to food production, specifically in terms of deforestation, water pollution, and greenhouse gas emissions. At the same time, we must also work to ensure the health and wellbeing of people through a stable supply of the right proteins and nutrients for the body.

To maintain full oversight and control, Aker BioMarine owns its complete supply chain – from the harvesting of krill to the manufacturing of krill oil on land. We have implemented processes for food defense and safety across the entire supply chain. This includes access restrictions, closed manufacturing, sealed packed products, and full testing of our products. All steps are monitored by our Quality department.

Traceability and mass balance is inspected by third-party certifying companies through the Marine Stewardship Council (MSC) Chain of Custody Standard and Friends of the Sea CoC programs. We qualify all suppliers and establish quality agreements with them to ensure food quality, safety, and security.

Our results in 2023:

Human health

Opening of our Understory Plant in Ski

In 2023, Aker BioMarine officially opened its new protein plant, located in Ski, Norway. This factory was funded in part by Innovation Norway, who cited the project's sustainability and potential for scalability at the time of launch. Production of the protein ingredient commenced in September 2023, and the resulting product, marketed under the Understory®™ brand, will be used as a nutritional source in different food applications. The plant is designed to be used to process not only krill products but upcycling other biomasses going forward.

First Understory™ ingredient introduced to the market

In parallel to the opening of the protein production plant, Aker BioMarine released its first-generation Understory protein ingredient to the market in 2023. Through collaboration with potential customer, we have initiated several product development and testing initiatives to prepare for final end consumer products to include understory protein as the main ingredient.

This pure, krill-based protein ingredient is a complete protein in peptide form with naturally

occurring minerals, successfully bridging the gap between nutritional needs and the need to lower the environmental burden our food systems represent.

Documented health effects
The results of a clinical trial conducted in 2022 under the guidance of Australia's national science agency, CSIRO, showed that krill oil was effective in reducing knee pain in osteoarthritis patients. Following the trial, Aker BioMarine's Superba™ Boost Krill oil, used by the Swisse brand in Australia, was in 2023 included in the Australian Register of Therapeutic Goods (ARTG) as an 'assessed listed' medicine.

New regulatory approvals in Korea
In 2023, Aker BioMarine and its long-term South Korean partner relaunched krill oil in South Korea, a strategic market for Aker BioMarine. Aker BioMarine and its partner received the approval from the Korean Ministry of Food and Drug Safety (MFDS) for krill oil as a 'Health and Functional Food'. This was followed by a reintroduction of Superba Krill in the market with a launch on a local TV home shopping channel.

NDI-approval in the US
Lysoveta, Aker BioMarine' s novel dietary supplement for targeted delivery of LPC-EPA/DHA derived from krill, officially achieved New Dietary Ingredient (NDI) status in the United States in 2023. This NDI approval allows Aker BioMarine to market Lysoveta to the general adult population in the US.

Algae oil production
In 2023 The Company used the skills and expertise in our Houston production facility to start the production of a new plant based, marine source of DHA omega-3 from algae. The product has been named FloraMarine, and is suitable for human consumption.

Animal health

Proven benefits
The sustainability of feed ingredients is increasingly important for the aquaculture industry. Antarctic krill is a sustainable ingredient that enables the aquaculture industry to reduce reliance on costly and limited-in-supply marine products, as well as help increase efficiency in the industry. In 2023, we continued to demonstrate the benefits of using QRILL™ AQUA products in aquaculture. We focused on the nutritional qualities of krill meal and oil, and how they support more efficient and sustainable aquaculture production. QRILL™ products have proven to support more robust, healthy, and faster-growing farmed species that are better able to utilize the nutrients in the feed. The effects of QRILL™ AQUA are essential for improving fish welfare, which is an important part of a more sustainable aquaculture industry.

In addition, a cost-formulation tool that demonstrates the economic benefits of using QRILL AQUA in shrimp feed was published in 2023.

Improved health across species
Increasing the omega-3 index is known to reduce inflammation and improve overall health across many species. For dogs, we demonstrated that using krill meal in the feed increases the omega-3 index after only a few weeks of feeding. Our studies also show that krill is more effective in increasing the omega-3 index as compared to fish- and plant-derived omega-3 sources.

We have also demonstrated through scientific research in 2023 that krill oil is well-tolerated in horses and that the omega-3 index among the horses in the trial increased significantly after only a few weeks of use.

Collaboration for novel ingredients
During 2023, Aker BioMarine contributed to a government-led initiative in Norway to increase the availability and diversity of sustainable feed ingredients. Aker BioMarine's role is to share our experiences and expertise as a commercial producer of a novel ingredient. In addition, Aker BioMarine is part of several Norwegian research collaborations for innovation, including two Centers for Research-based Innovation (SFIs) funded by the Norwegian Research council, both of which focus on the development and implementation of sustainable ingredients in feed.

In Aker BioMarine, we have continued our activities in the Raw Materials Pledge "Råvareløftet". This pledge is an industry-formed and Bellona-led project that aims to identify sustainable ingredients for the growing salmon aquaculture industry in Norway.

Developed EPD
During the reporting year, an externally verified EPD (environmental product declaration) report for the "2022 fisheries and production of krill meal" has been published, and we are working towards including our company specific LCA numbers in the GFLI database. Since 2020, we have significantly reduced our CO_2 footprint, and we have achieved a combined reduction in all environmental stressors of more than 30% in this period.

Partnerships for sustainability
Aker BioMarine has partnered with Terravera, a foundation rooted in academia with a mission to make sustainability values transparent, understandable, and accessible. Terravera will contribute to data and modelling driven approaches to investigate and showcase the real sustainability proposition behind krill meal.

Our evaluation and next moves:

Aker BioMarine will continue to focus on demonstrating the health, cost, and sustainability benefits from using krill as a feed ingredient for farmed species.

GRI 416-1 Assessment of the health and safety impacts of product and service categories	
a) Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	a iii)Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting
None	None

Climate| Fishery management

When we launched the Aker BioMarine krill fishery, we had the opportunity to build our business from the ground up and getting it right from the start. Our ambition was clear: to become the most sustainable fishery in the world and ingrain sustainability thinking throughout our operations and within our corporate vision.

Throughout our journey, we've prided ourselves on being a pioneer in the aquaculture industry, and the first krill company to receive an MSC certification back in 2011. We've never lost focus on pursuing best practices for the entire industry and we believe in continual improvement. This has served as a steadfast principle in the Aker BioMarine playbook, and it is what will help us maintain our position as a frontrunner among sustainable fisheries in the future as well.

Our Results in 2023

A sustainable fishery is a process of continuous improvement and learning. It's a process that began day one at Aker BioMarine, more than 15 years ago, and it remains our focus to this day. Here is an overview of what we have achieved within the field of sustainable fisheries in 2023:

Leader in the krill industry

Aker BioMarine has three harvesting vessels in the krill fishery, all of which operate under licenses granted by Norwegian authorities. The company maintains its status as a leader in the krill industry with its volume accounted for ca. 70% of total krill catches in the 2023 season, and quality of operations.

External audit and certification

As a result of the precautionary and science-based management of krill, the krill fishery has received several consecutive A-ratings from Sustainable Fisheries Partnership. Aker BioMarine was MSC re-certified in 2020 for 5 years and undergo annual surveillance audits, which records are publicly available in 2023. We have also opened up our MSC certificate for sharing with other krill harvesting companies, to maintain industry wide transparency and a high standard beyond our company.

Our guidelines/principles:

- Participate in krill management discussions and maintain an active and transparent stakeholder management approach
- 100% international observer coverage on all fishery vessels
- Independent third-party sustainability certifications to build confidence and credibility with customers and stakeholders
- Industry conservation leadership through self-imposed measures of spatial protection and gear development and application
- Active participation in with the work of the Commission on the Conservation of Antarctic Marine Living Resources (CCAMLR), compliance with and development of science-based regulations and ecosystem-based approach.

Protecting the surrounding ecosystem

In 2023, Aker BioMarine continued to participate in Voluntary Restricted Zones (VRZs) measures in area 48.1 of the Antarctic Peninsula, which provided spatial protection to breeding penguin colonies and improved the sustainability of the krill fisheries.

We maintain strong mitigation measures to avoid incidental mortality off marine mammals during operations on all vessels. No incidents were recorded during the 2023 season.

During the year, we continued to monitor and implement mitigation measures to avoid incidental mortality of birds. A previous trial, conducted in 2022, concluded that there was low risk of incidental mortality of birds due to use of net monitoring cable by the fishery. Aker BioMarine's measures to avoid bycatch of marine mammals and incidental mortality of birds are now considered best practice by CCAMLR.

Revised krill management system
During 2023, AKBM consulted extensively with CCAMLR on a revised krill management system. CCAMLR is working to spread out catches across fishing grounds in Area 48.1 of the Antarctic Peninsula. An increase in catch limits will be subject to close monitoring of the krill stock.

Increased USV-fleet
During 2023 Aker BioMarine has advanced its drone-based initiatives as the company's newest USV was handed over from producer Maritime Robotics. The drone was in operation at the fishing ground in Antarctica from end of the year.

Data sharing for science
We continued our partnership with Hub Ocean in 2023, working to structure and share vital acoustic data collected from fishery vessels during fishing operations. Our acoustic data is now publicly available.

Collaborating on ecosystem monitoring
Each year AKBM hands over control to scientists from the Institute of Marine Research (IMR) for critical work on krill biomass and ecosystem monitoring in Antarctica. In 2023 it was allocated 12 days of vessel time specifically and entirely to the purpose of conducting krill biomass science, led by the Institute of Marine Research (IMR). Part of the scope of the annual survey is also systematic sighting data of whales, penguins, and seals.

In 2023 a big milestone was reached as the results from the krill biomass monitoring from the first 10 years of collaboration with the IMR were published in a scientific article. This study on krill distribution and density from South Orkney, affirms that the annual krill catches consistently remain well below the upper precautionary level.

Our evaluation and next moves:

In 2024, Aker BioMarine targets several milestones that will substantially lift the company's performance within Sustainable Fisheries. These include:

Continue CCAMLR support: CCAMLR is reaching the next step of the krill feedback management process marked by the further consolidation of the scientific milestones that will inform its policies. We will support this work in several different ways, including the collection and sharing of acoustic data.

Maintain voluntary measures with ARK: Aker BioMarine will maintain support across countries and companies in ARK to ensure compliance and continuation of the voluntary measures for seasonal penguin protection in Antarctica.

Increase oversight with drones: We will strengthen our unmanned ocean drone initiative, as these are critical tools for locating krill and increasing our efficiency. Aker BioMarine will maintain transparency in vessel operations through 100% international observer coverage and by engaging with stakeholders to ensure industry-leading safety and transshipment practice.

Keep a low bycatch: We will strive to maintain our industry leading low levels of bycatch in our operations.

Krill and krill harvesting around the Antarctic Peninsula

Krill harvesting is restricted to the area around the Antarctic Peninsula, called CCAMLR Area 48.1- 48.4. While this area constitutes only a small part of Antarctica, it amounts to 3.5 million km2 in size, which is roughly 5% bigger than India.

What is Antarctic krill?
Antarctic krill is a free swimming, shrimp-like crustacean with a hugely abundant biomass. It is considered a keystone species in the Antarctic. Scientists have estimated there to be about 500 million tons of krill in Antarctica, the highest densities of which are found in the area around the Antarctic Peninsula (Area 48).

Who regulates Antarctic krill?
The Antarctic krill fishery is managed by Commission on the Conservation of Antarctic Marine Living Resources (CCAMLR), an international treaty organization established in 1982. Aker BioMarine serves as observer to the CCAMLR through the Association of Responsible Krill Harvesters (ARK).

Actual catches from the krill fishery
In the 2022/23 fishing season, five countries (Norway, Chile, Korea, China and Ukraine) were engaged in the krill fishery. The total recorded krill catch for all vessels was 415 000 mt.

The future of krill fishery and management
While climate is changing in Antarctica, krill is resilient, abundant and can sustain the increasing global demand for low carbon blue foods. To manage this valuable resource going forward, the CCAMLR plans to increase krill data collection, monitoring and analysis through a new system called "feedback management". The krill industry, spearheaded by Aker BioMarine, will acoustically monitor the krill biomass at the appropriate scales set by CCAMLR.

The krill biomass
Antarctic krill has been a focus of systematic scientific studies for more than 100 years. While earlier research points to the decline of the krill biomass, the acoustic monitoring conducted over the past quarter century suggests that krill is stable in density and distribution. In 2019, Norway led a large-scale, international synoptic krill survey that estimated a standing krill stock of 62.6 million metric tons in Area 48. These scientific estimates are higher than the previous large-scale krill survey conducted in 2000.

Aker BioMarine's krill fishery operations
Aker BioMarine operates three vessels: Saga Sea, Antarctic Sea, and Antarctic Endurance, in addition to the cargo vessel, Antarctic Provider. All vessels are owned by Aker BioMarine and licensed to Norway.

Industry conservation of krill through voluntary spatial measures
CCAMLR has established a network of Marine Protected Areas in the waters around Antarctica. Aker BioMarine believes that this will help enable both Antarctic wildlife and the krill fishery activity to thrive long-term. To support these efforts, Aker BioMarine and ARK adopted the voluntary restricted zones (VRZs) in 2019 to protect penguin colonies during breeding season. In 2020, these seasonal voluntary measures were expanded to a year-round permanent closure of a 4,500 square-kilometer area of ocean to ensure protection of the largest Adélie penguin colony in the region.

Biodiversity| Protecting nature and biodiversity

Antarctic krill *(Euphausia Superba*) is a vital source of food for marine predators in Antarctica. The krill fishery adheres to strict catch limits to protect biodiversity in the ocean and to maintain a healthy and abundant krill biomass.

A precautionary ecosystem-based approach to krill management helps to secure marine biodiversity Few other fisheries in the world have as low catch limits in proportion to the biomass of their target species, with actual catches well below the allowable limit.

While *precaution* is not explicitly written in the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) treaty, it is a central principle in krill fishery management. At Aker BioMarine, we strive to maintain a thriving ecosystem and to generate new knowledge about krill and its Antarctic environment. We believe that in doing so, we can help stimulate a sustainable fishery and protect nature and biodiversity in the region.

Our Approach

Since its inception, Aker BioMarine has contributed to increased awareness about the Antarctic ecosystem, and we continuously work to minimize any negative impact. As a result, Aker BioMarine and the krill fishery are considered 'best in practice' when it comes to biodiversity and nature. Our focus is centered on the following key areas:

Natural variability in the krill population

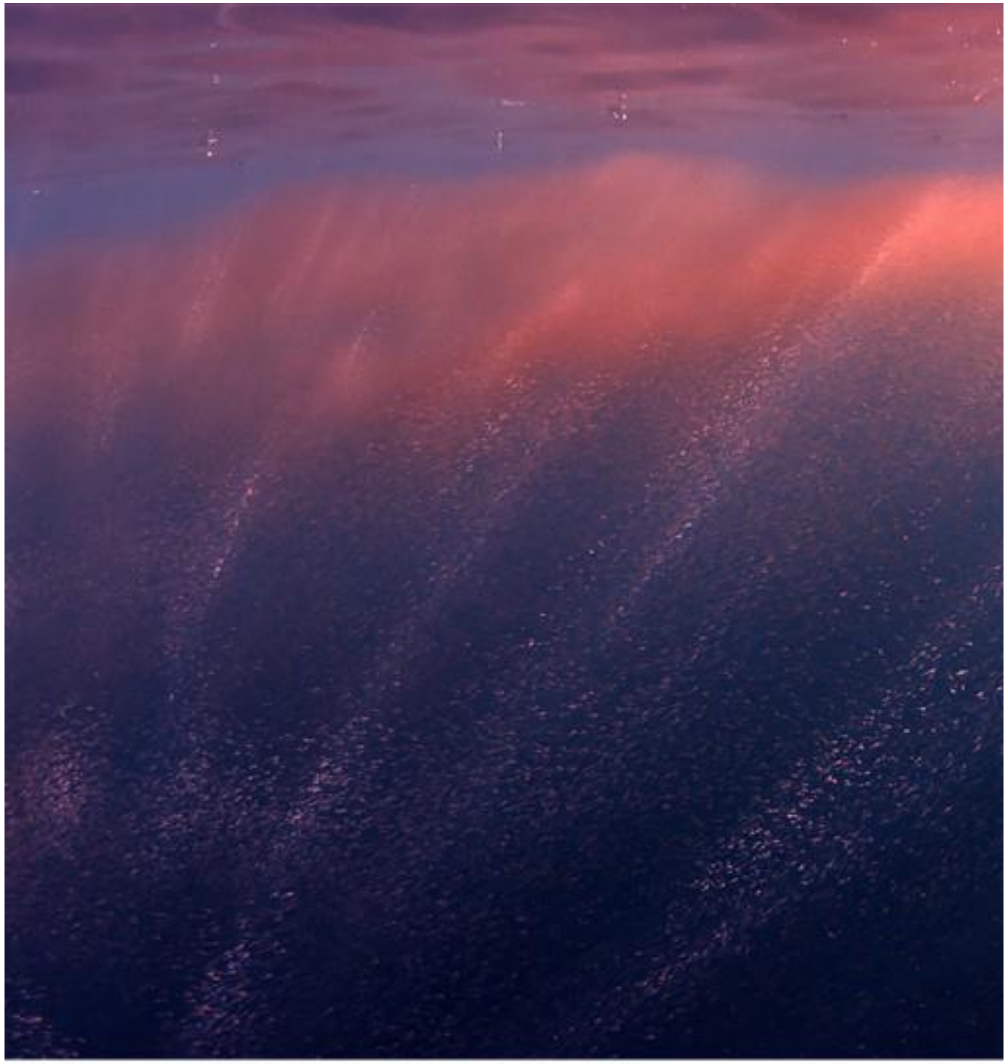
The krill biomass is consistently high, but there is also natural variability across years and across seasons. Finding krill is a captain's core expertise and well supported by advanced monitoring technology with their ability to find viable catches of krill has improved greatly over the years.

Most of the large Antarctic animals that depend on krill as a food source are relatively healthy, according to research, e.g. fin whales*. Factors such as food supply, adaptation to a changing climate, and retreating sea ice have an impact on the size of local penguin populations, for example, while research has not shown any differences between penguin populations in areas with fisheries as opposed to areas without fisheries.

Antarctic whale populations are rebounding, following near depletion due to whaling activities in the early 1900s. The reported abundance of whales is a clear sign that there is a solid supply of krill, a primary food source for whales. Whales are efficient feeders, and an adult whale can eat several tons of krill per day. Scientists have yet to establish what the growing food requirements for whales will mean for other krill-dependent species in the ecosystem, including penguins.

Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) affirms that the krill fishery is precautionary, which means that the activity does not drive changes in the krill population or threaten biodiversity. However, at a time when nature is changing rapidly, we must make sure that the krill fishery does not add pressure to an already fragile ecosystem.

For Aker BioMarine, a mediating factor is to continually pursue new knowledge and information, which is why we work to generate scientific research and fill in the gaps related to krill and the ecosystem.



* Herr, H., Viquerat, S., Devas, F. *et al.* Return of large fin whale feeding aggregations to historical whaling grounds in the Southern Ocean. *Sci Rep* 12, 9458 (2022). https://doi.org/10.1038/s41598-022-13798-7

Our Results in 2023:

New study confirms healthy biomass

In 2023, The Norwegian Institute of Marine Research (IMR) released its findings after 10 years of surveying the krill biomass in Antarctica. The science, based on data from acoustics and trawl surveys confirms the high concentration of krill in the area around the Antarctic Peninsula. The comprehensive analysis will be a cornerstone for krill management in The Commission for Conservation of Antarctic Marine Living Resources (CCAMLR).

Funding Antarctic-research

In 2015, Aker BioMarine established the Antarctic Wildlife Research Fund (AWR), in collaboration with NGOs and under the advisory of Antarctic scientists. Since then, the Fund has awarded more than USD 1.5 million to Antarctic research projects on krill and the ecosystem. Aker BioMarine contributes USD 200,000 annually to AWR, which secures the continuation of the fund. In 2022, Aker BioMarine pledged USD 1 million in funding over the next 5 years to AWR.

Contributing to the study of krill and its ecosystem

- We participated in the founding meeting of the Science-Industry Forum to coordinate and enable CCAMLR science work from industry vessels.
- We collected acoustic data on krill to increase CCAMLR's knowledge about krill density and distribution, which we can apply to ecosystem-based krill management.
- We supported ad-hoc scientific studies and sampling through our networks, in connection with CCAMLR and through MRAG observers.
- We made our industry vessels available to scientists for investigation of the unsolved mysteries of krill and the Antarctic ecosystem.

Our evaluation and next moves:

Our approach to supporting scientific research on biodiversity and the krill ecosystem will continue in 2024. There will be increased intersessional work on krill management and conservation in CCAMLR, where we will participate as part of the industry organization ARK.

We will maintain our role as an advocate for a krill management system that continuously assesses the functional relationships between the krill fishery and the krill-based ecosystem. It is key to maintain the right level of precaution necessary to secure Antarctic biodiversity for the long-term. However, an overly risk-averse management system which limits krill harvesting and its contribution to global food security and health, is not merited.

Our guidelines/principles:

- Be an industry lighthouse in Antarctic marine conservation through substantial in-cash and in-kind funding of scientific research relevant to krill
- Continue our science driven programs of monitoring of the ecosystem from our vessels and unmanned ocean vehicles
- Maintain conservation leadership as an advocate for industry wide voluntary measures where this can safeguard the ecosystem and ensure the position of krill harvesting as a long-term and sustainable contributor to food security
- Support development of evidence-based information that can enhance our understanding of the functional relationship between krill, krill-based predators and the krill fishery

Waste | Reducing waste and increasing circularity

Managing our waste responsibly is a core principle at Aker BioMarine and a part of our mission to contribute to the protection of the marine ecosystem.

Our guidelines/principles:

- 100% circularity on principal waste streams
- Follow strict rules for waste handling on ships through our Garbage Management Plan
- Adhere to port and state regulations for waste management
- Take part in initiatives to improve waste management from ships to ports, such as UN Global Compact GoLitter

As a company dependent on ocean resources, Aker BioMarine shares the global concerns about the rising levels of plastic and other pollution in the ocean. Managing this waste responsibly is critical to protecting and preserving the marine ecosystem on which we as a company are dependent, which is why Aker BioMarine has established clear principles and guidelines for responsible management of all waste generated. As part of this, we aim to achieve 100% circularity on our principal waste streams (trawls and big bags from our plants and boats) a ambition that we are continually progressing towards.

At Aker BioMarine, we believe that rather than discarding food and other product waste, these products and commodities should be redirected into areas of use, to avoid landfill or incineration as an end point. This belief has resulted in our commitment to move from a linear to a circular economy, while maintaining a strong focus on sound resource utilization.

Our focus and results in 2023

Traceable and circular waste management

In 2020, Aker BioMarine established a circular solution company called AION. AION recycles the company's plastic streams into new products, as part of fulfilling Aker BioMarine's zero-waste vision. In 2023, Aker BioMarine continued to improve product waste through circular sales and re-purposing of traditional products to eliminate waste from our production. Recycling our plastic waste through AION has helped ensure traceable and circular value chains.

New deal with Aion

In 2023, Aker BioMarine signed an agreement with AION to create a new value chain for plastic waste. Approximately 3,000 new pallets will be produced by AION out of the large, leftover product bags from Aker BioMarine's offshore production. The newly created pallets can be kept in circulation for around 10 years before being melted down to form new pallets once again, creating a fully circular system for this type of waste, as well as a reduced plastic footprint for Aker BioMarine.

Waste governance

Additional resources have been dedicated to the sorting of trawls to make this material ready for the AION circularity loop. A new standard operational procedure (SOP) for sorting and packing was established in 2023.
In 2024, the new SOP will enter into force and is expected to improve process for recycling principal waste stream/trawl from Aker BioMarine's operations.

New Plant

During 2023 we opened a new pilot plant in Ski, Norway, where we produce protein powder for Human Consumption based on residual raw material from krill. Aker BioMarine's goal is to ensure no part of the krill is wasted, and after several years of research and development, the team developed a method to extract protein from krill and transform it into powder form for human consumption. The company's plant in Ski is the first of its kind developed and built with the goal to scale production of this high-quality protein product. The plant can also be used to process and develop other raw materials in the future.

Aker BioMarine's circularity focus extends to its protein production plant in Ski. To ensure that nothing goes to waste, the company repurposes the unused material by using it as an ingredient for animal feed.

High level of circularity

In the reporting year, all of our used big bags from Houston were sent to AION. In addition, we have improved our routines for increased recycling trawls which resulted in that all our disposed trawls were sent to Aion. Our recycling through Aion in 2023 contributed to a reduction of 133 412 kg Co2e compared to 12 213 kg Co2e the preceding year.

Evaluation and next moves

During the reporting year, we demonstrated our commitment to circularity, and we are proud to have made significant progress towards our goal of 100% circularity on our principal waste streams.

We implemented new routines to increase the recycling share of our plastic waste, and we are confident this will yield results in 2024.

Going forward, we will continue to focus on collaborating with plastics suppliers who offer a greater degree of recycled materials for our packaging. We will also continue our efforts to reduce overall water consumption throughout our operations.

The Group has initiated a sales process as Aion AS is not part of the core business of the Group (see note 15).

Water		
Million liter	**Houston**	**Ski**
Total water withdrawn	95.12	8.59
Total water consumed	34.63	0.03
Emissions to water	3.27	-

Taxonomy status

Aker BioMarine's have conducted a voluntary taxonomy report.

Aker BioMarine has completed the taxonomy with the best intention and a focus on transparency and an explanation of the interpretation of the taxonomy criteria. The interpretation of the criteria is based on both the explicit information available at the time of the assessment and the understanding of the purpose of the requirement.

Aker BioMarine has mapped its operations against the process of due diligence on responsible business by the OECD Guidelines for Multinational Enterprises. Through this assessment we have identified some areas of improvements where we have defined mitigating actions being implemented within 2024. AKBM has not discovered any actual adverse impacts on human rights and decent working conditions through its due diligence.

The taxonomy regulation is still in a phase of early adoption and Aker BioMarine is closely following any clarifications from the EU Commission or any changes in industry best - practice when it comes to interpreting the activity descriptions or technical screening criteria.

Key Performance Indicators

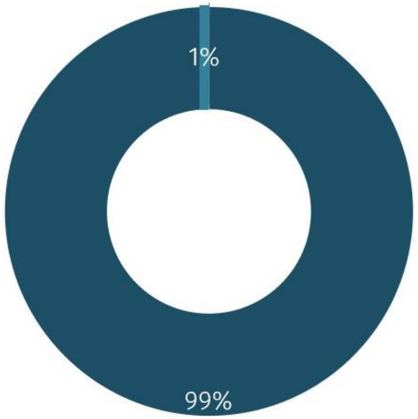
The key performance indicators presented in the report includes turnover, opex and capex. The key performance indicators presented in the report includes turnover, opex and capex. Aker BioMarine has calculated the KPIs according to the Annex 1 of Art 8 Delegated act. Aker BioMarine has one asset defined as eligible from the taxonomy requirements, transport. This relates to the asset Antarctic Provider which transport both crew from the fishing vessels in Antarctica and product to the hub in Montevideo, Uruguay. The activity is covered by four of the climate and environmental objectives, 1) climate change mitigation, 2) climate change adaption, 3) the transition to circular economy and 4) sustainable use and protection of water marine resources. See appendix 2 for more information.

Reporting requirements

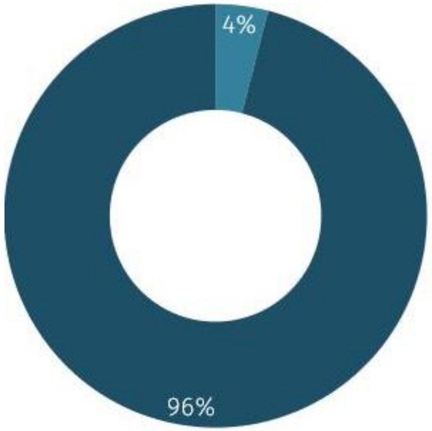
Furthermore, fisheries and aquaculture sector and manufacturing and beverages is not yet included in the EU taxonomy. These activities are main activities in the group. Therefore, Aker BioMarine has done a preliminary assessment of the fishing vessels and the Houston plant as the activities are expected to be included in later stage as it has been included in EUs earlier drafts.

In 2023 we have less percentage of alignment of the overall capex and opex compared to 2022. The reason behind this change is that in 2022 we had significant investment in the transport vessel, Antarctic Provider. The investment in the asset for 2023 is seen as a more normal year than the previous years. The total percentage of the aligned capex went down 3% from 7% to 4% in 2023. The opex cost aligned went down from 17% in 2022 to 3% in 2023. In 2023, Aker BioMarine sold fuel from Antarctic Provider, therefor we have 0,55% of the total turnover classified as aligned. We had 0% aligned turnover in 2022.

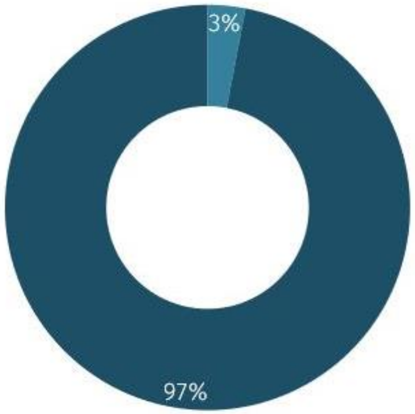
Aker BioMarine is not yet covered by the taxonomy regulation being a company with less than 500 employees. This report therefore represents Aker BioMarine voluntary taxonomy report..



Turnover



Capex



Opex

Eligible, aligned
Eligible, not aligned
Not eligible

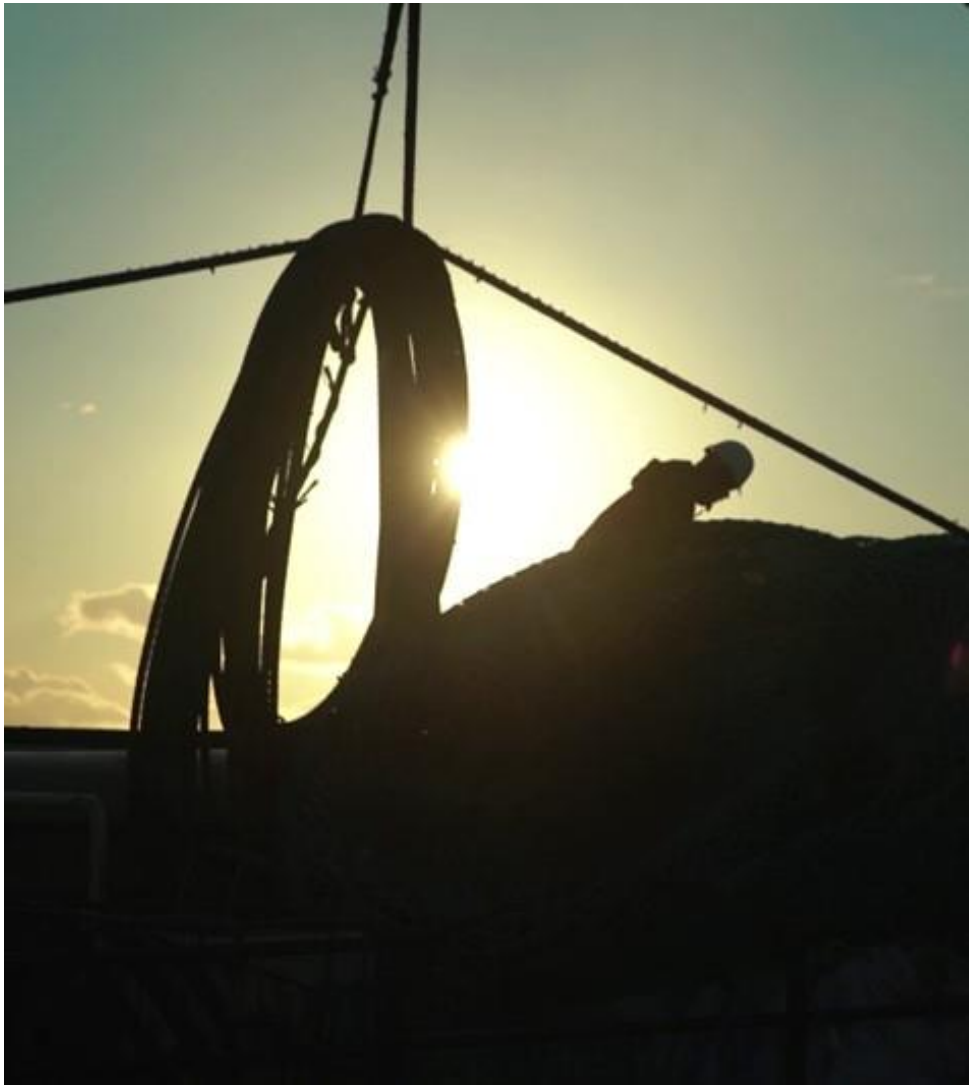
SOCIAL

We take pride in our passionate employees who always go the extra mile. We believe diversity is a prerequisite for innovation and this is reflected in our workforce, from our fishermen to our science team.
In this section we focus on three material topics that represent our social impact and our approach:

- You can read about our approach to *HSSE* and how it reflects our strong people-first culture.
- Diversity among our employees is vital to ensure that we stay innovative and successful as a company. You can read more about this in *Equality and non-discrimination*.
- You can also read about how we work to attract, foster, and build employees, in *Talented and competent employees.*

Social| Health, Safety, Security & Environment

Our HSSE approach is about protecting, preventing, and preparing – and never losing focus on our most important asset: our people.



At Aker BioMarine, our approach to HSSE reflects our strong people-first culture. We use our HSSE management process to guide us in this work, which includes a set of integrated principles underpinned by procedures. These procedures are designed to help us to:

- Prevent incidents/accidents from occurring which could have negative impact on Aker BioMarine.
- Protect our people, assets, operations, and reputation.
- Prepare our response and recovery from incidents/accidents to ensure we can maintain operations of our business during critical or major incidents.

Our guidelines/principles:
- HSSE management system
- HSSE policy
- Code of conduct

Our focus and results in 2023:

From the Antarctic waters where we fish, to the complex business environments we navigate, Aker BioMarine's operations are not without risk. We see this as a positive challenge, and we embrace the idea that some risk is essential if we are to continually innovate. That means that for us, the correct adoption of HSSE should be a business enabler rather than a restrictive measure.
We strive to be resilient and forward leaning in our HSSE approach. Here are some examples of what we accomplished in 2023:

New Crisis Management Software
During times of crisis, time is of the essence. In 2023, we implemented a software for handling incidents and crises in real time. The tool can run on PC, tablet and mobile, which enables the more efficient mobilization of our emergency organization, as well as the coordination and assignment of tasks, while communicating in real time with internal and external resources.

HSSE competence and awareness
For the second year in a row, our Houston site has reported zero incidents of note. They have continued with the "HSSE walk program", a program that invites employees from office-based roles and others (who typically would not be in an operational environment) to view and assess the operations. This initiative not only builds understanding and cooperation between departments, it also has enabled "fresh eyes" on our operation to better determine safety risks and seek improvements. This year the program revealed more than 60 hazards and instances of non-compliance, all of which were swiftly rectified. During the second half of the year, all staff at the Houston site underwent HSSE training.

Safety trainings
Aker BioMarine's vessels have undergone a series of inspections and audits this year, all of which resulted in some findings that were subsequently closed. The number of lost time injuries has declined since 2021 with 0.4 LTIF (lost time injury frequency) in 2023 already lower than the 5-year target of 0.5 for 2024-2025, and we met all our targets in 2023. The chief officers (with safety responsibility) are embarking on training to further develop their skills and awareness around

reporting and investigation for any incident on board our vessels.

Focus on information security

Since 2022, security has been highlighted as part of Aker BioMarine's overall information security improvement program, which helped us increase our maturity on the topic. The program involved procedure and framework improvements, a complete training and awareness schedule, which included our executive team, and an overall increase in preventative and protective measures of both technical and human nature. This process was further expanded in 2023 when the offshore fleet went through a thorough IT/OT security appraisal from DNV. Following the appraisal, we will continue to develop IT/OT security in the fleet through 2024.

Workers in our value chain

We work to ensure that our business operations do not cause or contribute to, or are directly linked to, actual or potential adverse impact on human rights and decent working conditions. Our commitment to promoting positive social impact has been an integral part of our work and culture. How we work to ensure a decent working condition for workers in our value chain is described in our transparency act report to be found in appendix 3.

Evaluation and next moves:

The HSSE responsible(s) for each site or office location will be responsible for further developing all areas of HSSE, and they will serve as champions, leading all activities. This will help create excitement and build a positive culture towards safety across our company in 2024.

The vessels and offload will be the operational focus, as we continue to train and engage the chief officers, captains, and key crew at all available opportunities. In 2024, we will also continue to improve and focus specifically on building the foundations for risk management. Through this work, we aim to address strategic risk management, including operational risk management and documentation at the sites.

(GRI 403-2) Number of serious incidents reported (onshore and offshore)	2022	2023
LTI	2.34	2
Fatalities	0	0
	2022	**2023**
Sick leave	0.49%	0.68%
(AKBM KPI) Number of reported whistleblowing incidents	0	1*
(AKBM KPI) Number of reported incidents concluded to constitute a breach in governing rules and regulations	0	0

*Not in breach with Code of Conduct

Social| Equality and non-discrimination

Diversity at Aker BioMarine is about valuing all the attributes that make each of us unique. We believe that to continually innovate and succeed as a company, we depend on a diverse workforce that consists of various nationalities, backgrounds, skills, and expertise.

State of gender equality

Women comprise 37.5% of our Executive Management Team (EMT). In addition, the CEOs of Houston Manufacturing and Epion Brands LLC are women. Overall, we have solid gender balance in our offices, with 49.5% female employees in Norway, and 51.3% women across our global sales organization. The female ratio in middle management positions in Norway is 50%, up from 44.1% in 2022.

While fishery is generally a heavily male-dominated industry, as is the case in Aker BioMarine, we currently have six women working onboard our vessels in key crew positions.

Our guidelines/principles:

- Aker BioMarine prohibits discrimination or harassment of any kind, which is clearly stated in our Code of Conduct.
- We acknowledge the fundamental principles of human rights, as defined in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, as well as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Considerations of equality and non-discrimination is an integral part of our employee policy.
- Our policy "AKBM Balance" supports a hybrid work model. Our employees are trusted to structure their work in a way that balances their work and family life.

Our focus and results in 2023:

Several new leader positions filled by women.

In 2021, a mapping of all positions in the onshore organization revealed that there was a gender imbalance in senior management positions. Therefore, we set a goal to fill at least 50% of vacant leadership positions with women. Over the course of 2022 and 2023, 57% of all vacant leadership positions were filled by women, of which 65% were internal promotions.

Reduced gender pay gap

For onshore office positions in Norway, our HR and EMT conducted a detailed job analysis for all positions in 2022, based on factors such as education and experience requirements, problem solving, social skills and contacts, financial responsibility, impact, and mental and physical working environment. The analysis resulted in seven different levels of job positions. Groups 1-2 represent senior managers, groups 3-5 represent experienced professionals and mid-level managers, and groups 6-7 represent entry-intermediate level employees. A consequence of this grouping is that the level of job requirements, complexity and responsibility is not equal for all positions represented in these groups, and thus, the salary level varies. Our analysis reveals that the primary rationale for salary differences include longer tenure and more work experience, as well as market level salary differences between the professions in the salary groups. However, given that women are paid less than men in all the groups, we couldn`t dismiss the notion that gender discrimination may be a factor in the gender pay gap.

Since 2020, we have focused on identifying and analyzing gender pay gaps for all employees in Norway. We have made efforts to close the gap between men and women during the annual salary adjustment process. The gender difference in cash reward was reduced by 6% for permanent employees in 2022, and this trend continued in 2023 with a 3.7% reduction. In addition, non-cash reward in 2023 showed a 4.9% difference, down from 9% in 2022.

Ensuring zero discrimination

Employees can anonymously raise a concern about misconduct, breaches, or potential violations on our webpage. The Whistleblower function is handled by an external party to ensure anonymity. In 2023, employee surveys on harassment and discrimination were also enhanced with additional questions and a broadened audience to provide a more extensive mapping of feedback. Employees in all global regions were offered the survey opportunity (Europe, Americas, Asia/Oceania, Offshore/Antarctica), and questions explored topics of fair treatment, respectful behavior, perceived opportunities for career success, experiences of unpleasant or offensive comments and/or conduct, reporting, and leadership responses to misconduct.

The 2023 employee survey results show that 95% of responding employees agreed or strongly agreed that the people they work with treat them with respect and appreciation. At the same time we work continuously to ensure employees know where to seek support and how to report concerns, so we can respond appropriately and maintain progress on our continuous goal of zero discrimination. It is worth noting that for the 2023 survey, only 6.1% of employees indicated they would not be comfortable reporting inappropriate conduct by a coworker.

In 2023, one case was reported through our anonymous Whistleblower function, and the case was deemed not in breach of our Code of Conduct. There have been no reports of discrimination related to gender, pregnancy, maternity leave or adoption, care responsibilities, ethnicity, religion, disability, sexual orientation, or gender identity.

Focus on inclusion

The headquarter office building is built in compliance with regulations regarding access for all and is wheelchair accessible with elevator access to all levels. We maintain a collaboration with Stiftelsen Vi, a foundation that aims to give people with disabilities equal opportunities for success. Together, we focus on inclusivity for people with differing abilities within our recruitment and hiring processes.

Our evaluation and next moves

We will continue to focus on reducing gender pay gaps and maintaining gender balance at management levels moving forward. For 2024, we will maintain our ambitious goal to fill 50% of our vacant leadership positions with women.

In addition, we will continue our efforts to ensure that employees are aware of the available resources and reporting mechanisms for any concerns related to discrimination or harassment, so we can take proper action. We will also focus on relevant and specific ways to enhance inclusivity for people with disabilities in our HR and people processes.

State of gender equality

	Gender balance		Temporary employees**		Parental leave		Part-time workers**		Involuntary part-time	
	N		N		Average # weeks		N		N	
Organization	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Offshore	6	84	–	–	–	–	–	–	–	–
Brands	47	30	1	–	NA*	NA*	–	–		
Houston Manufacturing	11	34	2	8	NA*	NA*	–	–	–	–
North America	5	3	–	–	NA*	NA*	–	–	–	–
Norway	54	55	1	2	38	14	1	–	–	–
Rest of the world	19	26	–	1	NA*	NA*	1	–	–	–
Total	**142**	**232**	**4**	**11**			**2**	**–**	**–**	**–**

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

**Part-time employees are interns who combine work with studies and employees working part-time on their own will. Temporary employees are mainly substitution for those who are on parental- or sick leave.

Gender pay gap overview

	Gender balance		Gender pay gap*			
	Number of employees		Cash reward		Non-cash reward	
	Women	Men	Women	Men	Women	Men
EMT**	3	4	94%	100%	104%	100%
Group 1***	1	4				
Group 2***	2	6				
Group 3	9	13	93%	100%	96%	100%
Group 4	12	8	96%	100%	101%	100%
Group 5	18	12	95%	100%	91%	100%
Group 6	8	6	92%	100%	83%	100%
Group 7***	3	2				
Total	**56**	**58**	**90.75%**	**100%**	**92.91%**	**100%**

Analysis for all Norway-based permanent employees. Cash reward includes salary, annual leave allowance, bonus. Non-cash reward include pension, insurance, newspaper, electronic communication.
* Women percentage shows women's pay in relation to men
** CEO excluded
*** Privacy regulations. At least 5 employees of each gender need to be represented in order to include in report. Exception is made for Group 1 (EMT), as this is reported in the Management Remuneration report

Action overview and action plan

HR area	Background for measures	Description of measures	Goals and KPIs for measures	Responsible	Deadline/ Status	Result
Recruitment	Majority of men in management- and senior level positions	Policy of 50% women among qualified candidates in recruitment processes for leadership positions	50% women among qualified candidates 50% of vacant leadership positions are filled by women in the period of 2022-2023	HR	2023/Complete	Over the course of 2022 and 2023, 57% of all vacant leadership positions were filled by women. The female ratio in middle management positions in Norway is 50%, up from 44,11% in 2022.
Promotion- and development opportunities	Majority of men in management and senior level positions	Encourage and promote women to pursue leadership career	50% of vacant leadership positions are filled by women of which >50% are internal promotions	HR	2023/Ongoing in 2024	Over the course of 2022 and 2023, 57% of all vacant leadership positions were filled by women, of which 65% were internal promotions.
Compensation terms	Gender difference in pay on all levels for onshore positions in Norway	Analysis of job complexity and requirements Reduce gender difference during recruitments and salary adjustment process	Equal pay for equal work of same quality	HR	Ongoing in 2024	Process of annual salary review and adjustment continues. The gender difference in cash reward was reduced by 3.75% from 2022 to 2023. Non-cash reward in 2023 showed a 4.9% overall gap, a 4.1% reduction from 2022
Harassment	In 2022, 8% of respondents have experienced unpleasant comment(s) or conduct they felt were offensive, embarrassing, or hurtful.	Monitor and measure Respond to complaints Encourage reporting	Harassment claims are reported and managed appropriately Zero discrimination Reduced level of bullying behaviors and level of discomfort with reporting if necessary (2024)	HR/Compliance Officer	2023/Ongoing in 2024	Harassment and discrimination survey in 2023 was updated to allow for more extensive mapping of feedback. 95% report being treated with respect.
Reporting misconduct	6% of employees report being uncomfortable reporting inappropriate conduct by a coworker	Share information on our Whistleblowing routines (e.g. confidentiality)	<5% report being uncomfortable reporting	HR/Compliance Officer	Q3 2024	
Discrimination factors: Gender, pregnancy, maternity leave or adoption, care responsibilities, ethnicity, religion, disability, sexual orientation, gender identity and gender expression and combinations of these factors						

Social| Engaged and competent employees

People are our greatest asset at Aker BioMarine, which is why we prioritize attracting, fostering, and developing talents that are critical to our success.

It was an eventful 2023 for Aker BioMarine. The year yielded a strong krill harvest and record-breaking sales figures, which have brought forth a high operational workload. At the same time, we initiated a comprehensive cost reduction and improvement program to optimize our operations, which resulted in some downsizing of our workforce.

Our focus and results in 2023

Strengthening our culture

In 2023, our focus was on bringing people back to the office and creating more opportunities for employees and teams to bond and develop. We also kicked off our plans to revamp our core company values (Heartbeats) which included a process to source input from our employees. The new Aker BioMarine Heartbeats were launched in January 2024.

The results of our global satisfaction survey revealed that our employees are generally content with their work environments. However, there are noticeable variations between different departments. The survey is a valuable instrument for gathering feedback on areas that require improvement, offering important insights for both our HR department and managers. These insights have triggered concrete initiatives, such as the need for prioritization and focus, time management, and improved internal communication.

Increased specialization in key areas of the organization

In 2023, the company decided to move forward with a financial and legal restructuring to improve the visibility and transparency for shareholders, with segments aligned in accordance with market dynamics. This came into effect in January 2024. For many employees, this change will result in greater focus and specialization in key focus areas for the company, as we move away from employees focusing broadly on the entire value chain.

Retaining talent

In a year of high operational activity as well as downsizing, we have had a particular focus on retaining our best people. We continued our focus on equal pay in 2023 as well as ensuring our key talent have market competitive pay. The People team facilitated team reviews with all onshore managers to identify talent and retention initiatives. A monetary recognition program was implemented. Although employee turnover was at 11.4% for the year, we experienced a close-to-zero turnover among talents and key employees.

Review and update of benefit packages

For offshore crew from the Philippines and Russia, we implemented a new health benefit insurance in 2023. These crews are covered in accordance with the existing protection and indemnity insurance while at sea. However, we have seen an increase in repatriation due to various health challenges, as well as an increase in dental care requirements among on signers. To contribute to better healthcare, we introduced a new health benefit insurance that covers doctor and dental care in the employees' home country also while offshore.

Improved offshore working conditions

While Antarctic Endurance and Antarctic Provider are newer vessels with high standards, and Saga Sea was subject to a complete renovation of living quarters in 2017, our other vessel, Antarctic Sea, has lagged in terms of the physical work and living conditions onboard. The vessel was rebuilt from a former cargo vessel and is lacking accommodation space and requires some general renovation. Several improvements and investments were made during the 2023 shipyard stay at East London, South Africa. This work will continue during future shipyard stays.

Competence development

In 2023, Aker BioMarine employees were invited to partake in Coursera, a global learning platform that offers anyone, anywhere, access to online courses and degrees from leading universities and companies. Coursera was implemented by the entire Aker Group to enhance the learning and development of the company's global employee base.

Another focus area for the Aker Group is artificial intelligence (AI). This focus has resulted in an Aker AI seminar and the introduction of the company's out-of-the-box AI tool. The Aker Group also launched training and various challenges to encourage people to explore and innovate with AI to enhance operations and uncover smarter ways of work.

Evaluation and next moves

As a result of Aker BioMarine's new organizational structure and operating model, the company anticipates a period of adjustment and competence transfer among employees. In addition, the company plans to continue its focus on improving offshore working conditions, as well as raising overall awareness and competence in the use of AI tools at work.

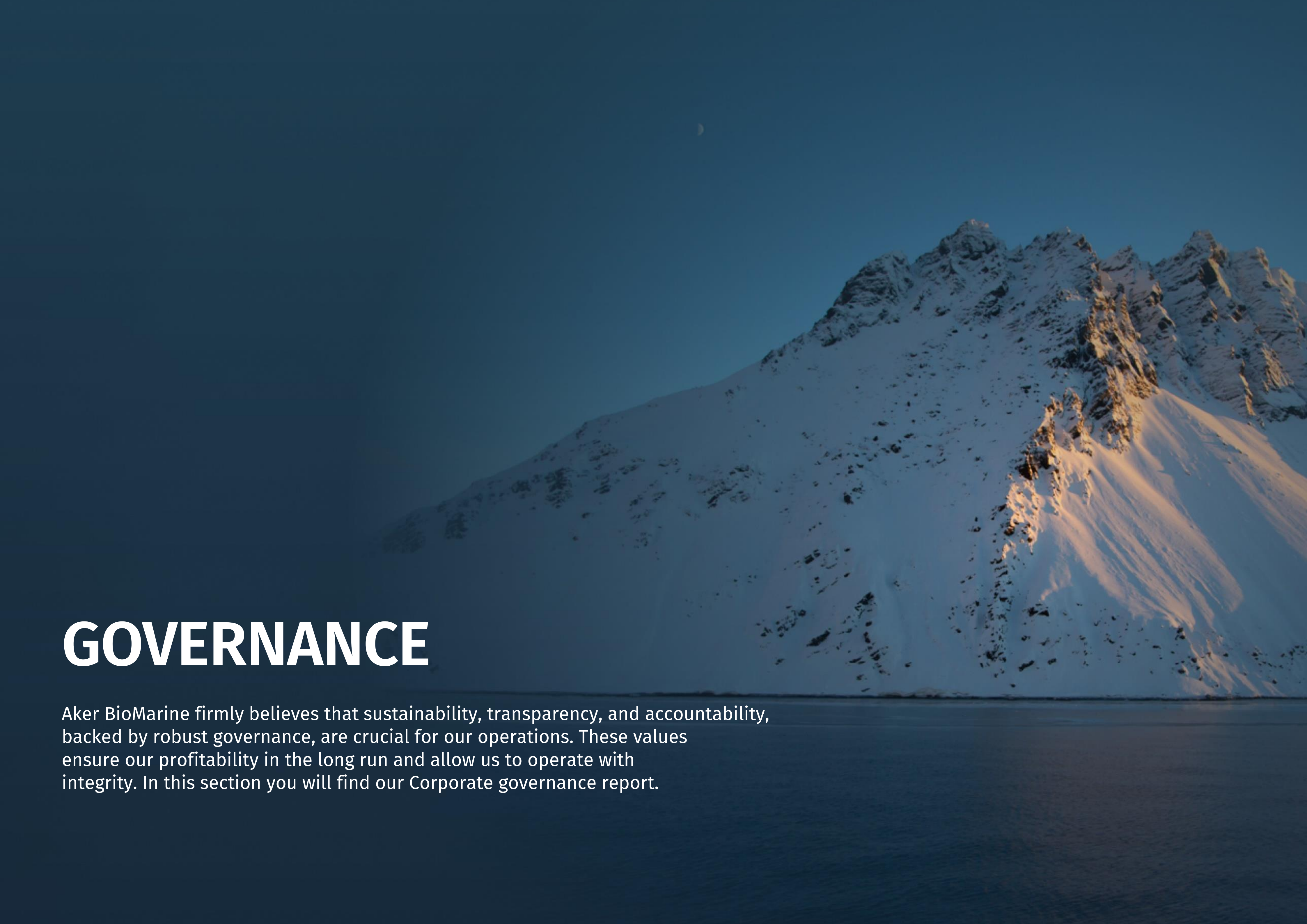
(GRI 401) New employee hires and employee turnover	2022	2023
New hires	20%	12%
Turn over	27%*	11,4 %*

The numbers are for the whole AKBM

*Largely impacted by the company downsizing in Houston Manufacturing

Percentage of employees receiving regular performance reviews	2022	2023
Offshore harvesting	100%	100%
Brands	100%	100%
Houston Manufacturing	100%	100%
US (Sales organization)	100%	100%
Norway	100%	100%
Rest of the world	100%	100%

GRI 405-1 i. Gender		2022			2023		
		Female	Male	% Female	Female	Male	% Female
Offshore harvesting		5	95	5.9 %	6	84	6.7 %
Brands		48	30	61.5 %	47	30	61.0 %
US Houston manufacturing		11	34	24.4 %	11	34	24.4 %
Sales Organization	US	8	7	53.3 %	5	3	62.5 %
	Norway	70	61	53.4 %	54	55	49.5 %
	Rest of the world *	18	27	40.0 %	19	26	42.2 %
Total		**160**	**254**	**37.3 %**	**142**	**232**	**37.5 %**



GOVERNANCE

Aker BioMarine firmly believes that sustainability, transparency, and accountability, backed by robust governance, are crucial for our operations. These values ensure our profitability in the long run and allow us to operate with integrity. In this section you will find our Corporate governance report.

Corporate governance report

Effective corporate governance provides the foundation for long-term, sustainable value creation. As such, corporate governance is a key concern for Aker BioMarine ASA (“Aker BioMarine” or “the Company”).

As a portfolio company within the Aker Group, we believe in active ownership. Our main shareholder plays a key role in setting clearly defined strategic goals for Aker BioMarine and is involved through the boardroom and in direct dialogue with company management, promoting shareholder value.

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

Corporate governance

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

Aker BioMarine’s business

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

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

Equity and dividend

Capital structure

The Aker BioMarine group had USD 366.6 million in book equity as of 31 December 2023, corresponding to an equity ratio of 44.0 per cent. The capital structure is appropriate and adapted to the objectives, strategy, and risk profile.

Dividend policy

The Company has not established any dividend policy to date but will strive to follow a dividend policy favorable to the shareholders. The Company has not paid any dividends on its shares during the three last financial years.

Board authorizations

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

Equal treatment of shareholders

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

Additional information on transactions with related parties can be found in Note 22 to the 2023 consolidated accounts.

Shares and negotiability

There are no restrictions on owning, trading, or voting for shares in Aker BioMarine. The Oslo Stock Exchange has granted a waiver from the requirement of having at least 25% free float of shares when listed on OSE per Section 6.3 of the Continuing Obligations.

General meetings

Participation

Aker BioMarine encourages all its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the Company. The annual general meeting in 2024 will take place on 16 April.

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

Meeting chair, voting, etc.

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

Attendance

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

Nomination committee

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

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

Board of directors and Audit committee – composition and independence

Board of directors

Employees' rights to representation and participation in the current composition of the board is presented on the Company's web pages and in our annual reports, as are board members' qualifications and expertise. Three of the current members of the board were elected in 2023 for a term of one year (Ola Snøve, Cilia Holmes Indahl and Frank O. Reite) and are up for election in the annual general meeting to be held 16. April 2024. Two of the current board members were elected in 2023 for a period of two years (Anne Harris, Kimberly Mathisen and Kjell Inge Røkke as deputy) and are up for election in 2025. The two board representatives elected by and amongst the employees (Kristin Holmgren and Thomas Røkke) were elected in June 2023 for a term of two years.

Audit committee

The Company has established an audit committee comprised of three members from the board of directors: Anne Harris (chair), Ola Snøve and Frank Reite. 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 related 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 implementing such recommendations.

The work of the board of directors

The board of Aker BioMarine has established board instructions that regulate areas of responsibility, tasks, and the division of roles between the board, the board chairman, and the CEO. Furthermore, the audit committee has been granted a mandate that regulates its areas of responsibility, tasks, relations with the external auditor and reporting routines to the board of directors.

The board carries out an annual self-evaluation.

Risk management and internal control

Governing principles

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

Aker BioMarine maintains a Compliance Officer. The Compliance Officer reports to the Company's CFO and directly to the audit committee upon requests or for specific projects. The Compliance Officer's main task is to ensure that Aker BioMarine is compliant with relevant laws and regulations, including the internal regulations and guidelines of Aker BioMarine. The Compliance Officer contributes to and benefits from effective knowledge sharing between the various compliance departments in the broader Aker Group.

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

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

Risk management and internal control

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

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

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

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

Board remuneration

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

The annual general meeting determines the board remuneration after considering recommendations by the Company's nomination committee. The board members elected by and among the employees do not receive board remuneration. Additional information on remuneration paid to individual board members for 2023 can be found in the financial statements and in the 2023 Remuneration report.

Remuneration of executive management

The board has adopted a declaration on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. Furthermore, the Company has drafted a remuneration report in accordance with section 6-

16b of the Norwegian Public Limited Liability Companies Act. Both documents are available on the Company's website.

The annual general meeting will hold an advisory vote over the remuneration report.

The remuneration paid to the CEO is approved by the board.. The CEO determines the remuneration payable to key executives in accordance with board guidelines. Aker BioMarine does not offer stock option programs.

Information and communication

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

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

Takeover

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

Auditor

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

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

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

The audit committee receives an overview of services rendered by the auditor to the Company. The audit committee also approves the fees paid to the auditor for material additional services. The remuneration paid to the auditor in 2023 for both audit and other services is presented in the financial statements. These details are also presented to the annual general meeting. Further, the external auditor has provided the audit committee with written confirmation that the requirement of independence is met. Extended tasks related to selection of an external auditor, purchase of audit services and follow-up of the external auditor are handled by the audit committee.

PwC is the Company's auditor. They were appointed in April 2022.

CHAPTER 3

FINANCE

2023
AKER BIOMARINE GROUP
CONSOLIDATED FINANCIAL STATEMENTS

Board of Directors

As of March 2024

Ola Snøve

is independent of the company's management and material business contacts.

Board member since 2014

Chairman

Ola Snøve has served as Aker BioMarine's Chair of the Board since 2014. Previously, he was Investment Director of Aker ASA for more than ten years, and he is the former President & CEO of Epax. Snøve holds a MSc and a PhD from the Norwegian University of Science and Technology, and an MBA with Distinction from INSEAD. He is a Norwegian citizen.

Anne Harris

is independent of the company's management, material business contacts and main shareholder.

Board member since 2021

Director

Anne Harris has been the Chief Financial Officer (CFO) of Statkraft 2019-2023, and has previously held leadership roles in Norsk Hydro ASA, Entra Eiendom AS and Multiconsult ASA. She has been on the Board at the Institute for Energy Technology (IFE) (2015-2021) and COWI Holding from 2021. She now serves as advisor and non-executive board member. Harris holds an MSc from BI Norwegian Business School. She is a Norwegian citizen.

Kimberly Mathisen

is independent of the company's management, and material business contacts.

Board member since 2022

Director

Kimberly Mathisen became CEO of HUB Ocean in January 2022, after serving as GM Norway for Microsoft. She is on the Board of Bayer and Aize and is on the Advisory Board of Nysnø and Sintef. She has served on the Boards of e.g Yara, Abelia, NHST and Kappa Bioscience. Mathisen has a bachelor's degree from the University of Illinois and MBA from Harvard Business School. She is an American and Norwegian citizen.

Cilia Holmes Indahl

is independent of the company's shareholder.

Board member since 2021

Director

Cilia Holmes Indahl leads the foundation for EQT, a global investment company. She is also the Co-founder of Sustainability Hub Norway. Indahl holds an Economics degree with a double master's degree in International Business and Sustainable Innovation from the Norwegian School of Economics (NHH) and HEC Paris. She is a Norwegian citizen.

Frank Ove Reite

is independent of the company's management and material business contacts.

Board member since 2023

Director

Frank O. Reite joined Aker in 1995 and has held several executive roles in the company, including the Aker ASA CFO position from 2015 to 2019. He currently serves as an advisor. Reite holds a B.A. in business administration from BI Norwegian Business School in Oslo. He is a Norwegian citizen.

Thomas Røkke

Board member since 2023

Director, elected by the employee

Thomas Røkke, an employee-elected representative to the Board, has been a part of Aker BioMarine since 2017. He currently serves as an Engineer in the Technology and Process Development team. Røkke holds an MSc in Mechanical Engineering from the Norwegian University of Science and Technology. Røkke is a Norwegian citizen.

Kristin Holmgren

Board member since 2023

Director, elected by the employee

Kristin Holmgren, an employee-elected representative to the Board, has been a part of Aker BioMarine since 2019. Holmgren is the company's inhouse Intellectual Property manager. Holmgren has a degree in Molecular Biology from NTNU and is in progress to be an European Patent Attorney. Holmgren is a Norwegian citizen.

BOARD OF DIRECTORS' REPORT

BUSINESS OVERVIEW

Aker BioMarine is a biotech innovator and Antarctic krill-harvesting company, dedicated to improving human and planetary health. The company has a strong position in its industry and is the world's leading supplier of krill-based ingredients for nutraceutical (Superba), aquaculture (QRILL Aqua), and animal feed applications (QRILL Pet). The company's business is supported by research, and there are around 200 published studies showing the benefits of krill for humans and animals.

Aker BioMarine's fully integrated value chain starts with sustainable krill harvesting in Antarctica. The catch technology ensures very limited bycatch and utilizes 100% of the raw material. The three harvesting vessels are outfitted to simultaneously produce ingredients while catching krill. From the logistics hub in Montevideo, Uruguay, Aker BioMarine distributes products to customers globally, and ships ingredients to Houston for the production of krill oil. The company has inhouse sales and distribution teams locally in the important markets where it operates, selling products to customers in more than 60 countries. The Company has its own private label business in the US, Lang Pharma Nutrition, and a krill oil brand, Kori, through Epion Brands LLC. Both companies are US based in Rhode Island and New York.

Aker BioMarine's purpose is to improve human and planetary health. Aker BioMarine adapted its strategy to UN's Sustainable Development Goals (SDG) in 2015, and the company focuses on four of the SDGs:

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

Aker BioMarine owns and operates three krill harvesting vessels under Norwegian flag: Saga Sea, Antarctic Sea and Antarctic Endurance. The vessels produce krill feed products and intermediates onboard. In addition, the company owns the support vessel Antarctic Provider (under Norwegian flag). Antarctic Provider transports krill products, crew, fuel and consumables between the harvesting vessels and the logistics hub in Montevideo, Uruguay. Aker BioMarine holds four krill harvesting licenses issued by the Norwegian Government, three of which are in use today. The company also owns and operates its onshore krill oil plant in Houston, US. The Aker BioMarine headquarters are located at Fornebu, Norway. The shares of the company trades on Oslo Børs.

2023 HIGHLIGHTS

Aker BioMarine increased Net sales to USD 335.3 million for 2023. Net loss for the year was USD 9.0 million, down from a profit of USD 10.0 million in 2022. The adjusted EBITDA for 2023 was USD 70.0 million with a margin of 21%. The increase in sales is driven by growth across all mature business units, including QRILL Aqua, Superba krill oil, and the private label business Lang Pharma. Aker BioMarine has a relatively high fixed cost base with high operational leverage, normally yielding higher earnings growth as the top line increases. However, in 2023, increased price of fuel and low production at our Houston facility resulted in higher unit cost and lower margin.

Krill availability and catch has been good in 2023, however the company ended up having significantly fewer harvesting days than planned. This year both the Antarctic Sea and the Antarctic Endurance vessels 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 low production in the fourth quarter. Total offshore production ended the year at 50,650 MT, 3% down from 2022.

In 2023 the company took delivery of its new USV (Unmanned Surface Vehicle) drone, which was deployed at harvesting grounds in January 2024, with the ambition that the drone will improve harvesting results.

Aker BioMarine's competitive position remains solid. In krill harvesting, the company accounts for around 70% of all the global krill catch, even while holding a minority of the total number of fishing vessels. The onshore operation in Houston, US, produced minimal volumes during the first half of the year to rebalance inventory levels of Superba krill oil. The plant gradually increased production during the second half of the year and has gradually ramped up production since the start of 2024.

QRILL Aqua continued the good sales development, with volume up 23% in 2023 compared to the year before. With higher prices as well, revenues increased 26% for the year. The growth has been driven by good customer demand in general and onboarding of some new larger accounts.

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. Revenues increased by 36% compared to the year before, driven by growth across most regions, particularly in China, South Korea, Australia, and Europe. The company received the approval of Superba krill oil as Health Functional Food by the Ministry of Food and Drug Safety (MFDS) in Korea in May 2023, and re-launched the product in the market last September.

During the year, the company implemented the improvement program for the Ingredients segment, which was initiated at the end of 2022.

This improvement program aims at streamlining operations, improve margins, cut costs, and optimize cash conversion.

In total, the improvement program is expected to have annual recurring effects of more than USD 20 million, the majority of which were implemented in 2023.

In Houston the company has also developed a production line for up to 100 MT of algae oil which was completed in 2023. The first production batch was sold in December 2023.

The Brands segment delivered revenues of USD 125.1 million, up by 9% from 2022. Growth has been driven by good development in Lang Pharma following launch of the new Multivitamin gummy product and price increases. The krill oil brand, Kori, had declining revenues compared to last year due to a loss of distribution with a major retailer.

Aker BioMarine has for many years invested in innovation, and research and development (R&D). Innovation is an integral part of the company's DNA and is at the core of the company culture. In 2023, Aker BioMarine with others published several studies documenting the benefits of both krill oil for human consumption and krill meal for animal feed. These studies equip Aker BioMarine and customers with more information about their krill-based products, which enables greater awareness and sales.

In 2023 there were progress in the ongoing strategic innovation projects. Lysoveta, Aker BioMarine's novel dietary supplement for targeted delivery of LPC-EPA/DHA derived from krill, officially received the necessary regulatory approval for commercial sale of the product in the US.

The new protein factory, located in Ski, was officially opened during the fall of 2023. Test production started a few weeks later, and customer dialogues have been initiated.

In June 2023, Aker BioMarine announced a change to its group financial reporting and legal entity structure. The new 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 restructuring was completed by year end 2023, and the business units are now operational as separate business segments. For more details on the new segment structure, see chapter 1.

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.

FINANCIAL INFORMATION

Consolidated results

In 2023, Net sales increased by 21% to USD 335.3 million, from USD 277.2 million in 2022, mainly driven by higher sales in the Ingredients segment. Net loss for the year was USD 9.0 million, down from a profit of USD 10.0 million in 2022. The decrease is driven by lower gross margins for the QRILL category, mainly due to higher fuel costs. The gross margin is also lower in the Superba category due to lower production in 2023, resulting in higher unit cost. Adjusted Group Earnings before Interest, Tax, Depreciation, Amortization and special operating items ("Adjusted EBITDA") was USD 70.0 million in 2023, compared to USD 69.0 million in 2022.

Cash flow

Cash flow from operations was USD 47.4 million in 2023, an increase from USD 15.1 million in 2022, mainly due to release of receivables and increased payables at the end of the year. Cash flow from investing activities includes cash investments in the protein plant, as well as growth and maintenance capital expenditures on existing assets. Total investments for the year were USD 48.9 million compared to USD 56.4 million in 2022. Net cash flow from financing activities was USD 6.7 million compared to USD 52.5 million in 2022.

Financial position

As of 31 December 2023, the equity ratio was 44%, compared to 46% at year-end 2022. Cash and cash equivalents amounted to USD 27.5 million, compared to USD 22.3 million as of year-end 2022. The company sold the remaining portion of its 2024 fuel hedge at the end of 2023. The fuel hedge had a book value of USD 11.0 million at the end of 2022. Total assets amounted to USD 827.1 million and total equity was USD 366.6 million. Corresponding 2022 figures were USD 822.4 million in total assets and USD 378.7 million in total equity. The increased asset base mainly comprised of investments into the vessels and protein plant as well as recognition of deferred tax asset of USD 25.0 million related to the feed ingredient business. Interest-bearing debt amounted to USD 393.0 million as of 31 December 2023, of which USD 344.0 million is long-term interest-bearing debt and USD 49.0 million is short-term interest-bearing debt. Total interest-bearing debt was USD 381.2 million in 2022. Cash and available liquidity under the company's debt facilities amounted to USD 52.8 million as of 31 December 2023.

AKER BIOMARINE ASA

The parent company Aker BioMarine ASA is a holding company, with financial activities and corporate functions. Aker BioMarine ASA had a net profit of USD 4.9 million in 2023, compared to USD 25.8 million in 2022. The decrease in net profit is primarily driven by higher operating expenses due to the restructuring process. Total assets were USD 559.1 million as of 31 December 2023, compared to USD 548.2 million in 2022. Cash and cash equivalents were USD 0.9 million as of 31 December 2023, down from USD 3.9 million in 2022.

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

FINANCIAL RISK AND RISK MANAGEMENT

Aker BioMarine is exposed to credit, liquidity, and interest risk in addition to operational risks and uncertainties related to harvesting and offshore processing technologies, fluctuations in annual krill harvesting, onshore production processes and product quality, ability to develop new products, and general market risk, which includes product sales.

Other key operational risks and uncertainties

Future sales growth: Increased competition from other fisheries entering the market plus alternative sources of omega-3s, such as GMO plants and algae, could impact growth in the demand for krill products globally and also put pressure on prices. Entry into new Asian markets with different regulatory regimes could also impact sales short to medium term, whilst offering good long-term sales potential.

Access to krill harvesting in the Antarctic: Changes in regulations from CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources), suggested new Marine Protected Areas (MPAs) affecting the krill fishing area, or other restrictions that limit access to harvesting areas. Increased krill harvesting competition from new countries, e.g., China and Russian could also affect the company's ability to harvest krill.

Climate change and ocean warming effecting krill availability: Significant changes in sea and/or ice and ocean conditions may impact krill breeding, development, and migration, and could cause a change in harvesting patterns and krill availability long-term. Extreme weather can intensify wear and tear on operational equipment and affect Houston production with access to power and water. Change in composition of the krill can affect the product and product seasonality.

Operational breakdown: A severe incident in our onshore facility in Houston or on any of our vessels due to technical issues, natural disasters or pandemic related could have serious operational, environmental, and/or financial impact.

For further information about risk management and mitigating actions, please see chapter 1.

Key financial risk and uncertainties

The company's activities create exposure to various types of risk which are associated with the financial instruments in which it operates. The most significant types of financial risk are credit risk, liquidity risk, and market risks. Risk management is carried out in order to create predictability and stability for operating cash flows and values. The Company can use financial derivatives to hedge against risk relating to operations, financing, and investment activities. The company sold its remaining 2024 fuel hedge contracts in November and December 2023, as a result of the strategic review process communicated end of June 2023. Following changes in the risk management objective, hedge accounting was terminated by the end of May 2023.

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

Liquidity risk: Inability to meet financial liabilities as they mature. The company has not hedged against exposure to interest-rate fluctuations on debt and is therefore exposed to fluctuations on the variable rate amount of interest-bearing liabilities.

The company was in need of a waiver for its leverage covenant during 2023. The company has also obtained a covenant waiver for first quarter 2024.

Other financial risk:
These are described in more detail in Note 19 (Financial risk) to the consolidated financial statements, but include:

- Currency: Aker BioMarine operates in a global market and is exposed to currency fluctuations, primarily in the USD, NOK and EUR exchange rates with USD as its functional currency. The company seeks to ensure that revenues and expenses are in the same currency. The company periodically assesses the need for foreign currency hedging. Currency risk is managed on an overall Group level.
- Interest rate: The majority of the Group's debt facilities is floating. Aker BioMarine is therefore exposed to interest rate volatility and development, and the company periodically assesses the need for interest rate swaps or fixed papers when entering new debt facilities.
- Fuel price: Fuel cost is one of the company's largest operating costs. In June 2020 the company entered into a hedging arrangement for MGO fuel by using call options for 2021-2024. Total volume over the four-year period were 143 077 metric ton of MGO with the purpose of securing the future cash-flows from operating the company's fleet. Hedge accounting was terminated in end of May 2023 and the call options were sold in November and December 2023.

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

ESG REPORTING

In response to the evolving reporting requirements coming from the Corporate Sustainability Reporting Directive (CSRD) as well as the introduction of AKBM's new company structure, effective January 1, 2024, Aker BioMarine has embarked on a comprehensive strategic review of its ESG Ambitions to be finalized in 2024. Consequently, for 2023 ESG reporting the company is adopting a transitional approach in line with our ongoing preparations to fully comply with CSRD by 2026, reporting on financial year 2025.

The company's current ambition is a reduction of CO_2 intensity by 50% in 2030 compared to 2020 and to be net zero in 2050. The probability of successfully meeting these targets is dependent on systematic implementation of measures to increase energy efficiency as well as external factors such as market willingness to pay premium for low-emission products, available technology, and infrastructure in a hard-to-abate industry.

The full ESG report is provided in Chapter 2 of the annual report.

HEALTH, SAFETY, SECURITY AND THE ENVIRONMENT (HSSE)

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

Over the years, several initiatives have been launched to enhance the safety culture. These efforts will be constantly monitored and evolved to further improve safety performance.

During 2023 the offshore operations had 1 employee injury leading to lost time. In total, the offshore operations experienced 28 recordable incidents of various nature. At the plant in Houston, US there were 0 recordable incidents. There are 0 reports of significant injuries caused by other conditions associated with the company's operations. The company views accidents and hazardous conditions with great concern. Incidents and procedures are reviewed regularly, and measures are implemented to avoid recurrence.

The registered sick leave in the company's offshore operation was 0.7% in 2023, down from 0.9% in 2022. At the Houston plant sick leave was 0.1% in 2023, down from 1.2% in 2022. In the other offices, the sick leave was 1.1% in 2023, down from 1.3% in 2022.

Aker BioMarine targets to reduce its operational footprint in all parts of the value chain. The main resources Aker BioMarine utilize are krill, energy, water, and land, where the most significant environmental impacts of the company's activities relate to climate change, biodiversity and nature, recycling and waste management.

The activities impacting the environment the most are the capture of krill, energy consumption, and emissions from the three vessels. Three vessels fishing in Antarctica and the support vessel that transports krill, supplies and crew from the fishing vessels. Energy consumption and emissions from the manufacturing facilities that produce krill products and the transport of these products to customers mainly in the US, Europe, and Asia.

Aker BioMarine's impact on the external environment and mitigating efforts are reported in detail in chapter 2 of this annual report.

ORGANIZATION

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

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

The female ratio in onshore middle management positions is 49%. The management will continue to focus on maintaining the gender balance in leadership positions in the years coming.

Aker BioMarine has a low percentage of women in its fisheries in Antarctica and manufacturing in Houston. However, the company has a balanced mix of women and men in its other offices where 52% are women among the 239 employees.

For further details see section 2 in the Annual Report. The report on Corporate Social Responsibility, which is approved by the Board of Directors, is covered in the Environmental, Social and Governance chapter.

CORPORATE GOVERNANCE

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

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

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

As of 31 December 2023, Aker Capital AS held 77.7% of the shares in Aker BioMarine ASA, and the CEO, through his wholly owned subsidiary KMMN Invest II AS, held 1.25%.

Reference is made to the Corporate Governance Report (see chapter 2 in the Annual Report), which is approved by the Board of Directors.

Transparency Act

The Company's Transparency Act reporting can be found in chapter 2 of the annual report. It's reported in accordance with the Norwegian Transparency Act section 5 and summarizes the policies and procedures in Aker BioMarine with respect to safeguarding of human rights and decent working conditions and provides information on the implementation and results of Aker BioMarine's due diligence.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The company announced on 14th of February that it is initiating a strategic review for the "Feed Ingredients" business unit.

On 29 June 2023, Aker BioMarine announced a change to its group financial reporting and legal entity structure, separating into the following business segments (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 operational as separate segments.

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

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.

BUSINESS OUTLOOK

The company's new reporting structure came into effect from 1st of January 2024, which means that Q1 2024 will be the first quarter when the company reports according to the new reporting structure.

FEED INGREDIENTS

Analysis from several sources (Kontali, BCG research, Rabobank) show that the aquaculture industry is expected to increase inclusion of marine ingredients in certain diets to improve biology and quality. This might put upward 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, even with 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 increase 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.

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 well-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 like PL+, Algae oil 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 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.

The Board recognizes that future events are uncertain in nature.

GOING CONCERN ASSUMPTION

Aker BioMarine had at year-end a total equity of USD 366.6 million, implying an equity ratio of 44% and available cash for the Group of USD 27.5 million. Based on management analysis the company has been granted a leverage covenant waiver for Q1 2024. Based on the above, it is assessed that the entity is able to continue as a going concern. As a result of this, and pursuant to section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is deemed appropriate.

Oslo 18 March 2024
The Board of Directors and CEO of Aker BioMarine ASA

Ola Snøve
Chair of the board

Frank Ove Reite
Director

Kimberly Mathisen
Director

Thomas Røkke
Director, elected by the employees

Kristin Holmgren
Director, elected by the employees

Anne Harris
Director

Cilia Holmes Indahl
Director

Matts Johansen
CEO Aker BioMarine

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the year ended 31 December

USD Millions	Note	2023	2022
Net sales	2	335.3	277.2
Cost of goods sold	12	-222.4	-162.4
Gross profit		**112.9**	**114.8**
Selling, general and administrative expense	4	-90.5	-86.5
Depreciation, amortization and impairment (non-production assets)	8, 9, 10	-21.1	-16.4
Other operating income	2	4.0	10.2
Operating profit (loss)		**5.3**	**22.1**
Financial income	5	3.6	4.0
Financial expenses	5, 19	-37.2	-22.0
Net foreign exchange gain/loss	5, 19	-2.6	8.1
Share of profit/loss of associated companies	5, 15	-3.0	-
Profit (loss) before tax		**-33.9**	**12.2**
Tax expense	7	25.0	-2.2
Net profit (loss)		**-9.0**	**10.0**
Earnings per share to equity holders of Aker BioMarine ASA	25		
Basic		0.10	0.11
Diluted		0.10	0.11

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December

USD Millions	Note	2023	2022
Net profit (loss)		**-9.0**	**10.0**
Other comprehensive income (loss)			
Other changes (FX, pension)	4	-0.1	-
Total items that will not be reclassified to profit and loss		**-0.1**	**-**
Change in fair value cash flow hedges	20	4.7	-1.9
Total items that may be reclassified to profit and loss		**4.7**	**-1.9**
Total other comprehensive income (loss)		**4.6**	**-1.9**
Total comprehensive income (loss)		**-4.4**	**8.1**

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As per 31 December

USD Millions	Note	2023	2022
ASSETS			
Property, plant and equipment	8, 10, 20	341.5	333.2
Right-of-use assets	19	9.1	9.9
Intangible assets and goodwill	9, 10	155.4	162.7
Contract cost	2	3.2	5.2
Non-current interest-bearing receivables		2.7	2.5
Investments in equity-accounted investee	1	0.1	10.2
Deferred tax assets	7	25.0	-
Total non-current assets		**537.0**	**523.7**
Inventories	12	183.7	196.6
Trade receivable and other current assets	13, 20	71.5	68.8
Derivative assets	20	-	11.0
Current interest-bearing receivables		0.3	-
Cash and cash equivalents	14, 20	27.5	22.3
Total current assets		**283.1**	**298.7**
Assets held for sale	**15**	**7.1**	**-**
Total assets		**827.1**	**822.4**
LIABILITIES AND OWNERS' EQUITY			
Share capital	24	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		0.1	3.5
Retained earnings		-203.3	-194.4
Total equity		**366.5**	**378.7**
Interest-bearing debt	16, 19, 20	344.0	333.6
Deferred tax liability	7	3.7	5.4
Other non-interest-bearing non-current liabilities	17	-	0.1
Total non-current liabilities		**347.7**	**339.0**
Interest-bearing current liabilities	16, 19, 20	49.0	47.6
Accounts payable and other payables	18, 20	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**

Oslo 18 March 2024
The Board of Directors and CEO of Aker BioMarine ASA

Ola Snøve
Chair of the board

Frank Ove Reite
Director

Kimberly Mathisen
Director

Thomas Røkke
Director, elected by the employees

Kristin Holmgren
Director, elected by the employees

Anne Harris
Director

Cilia Holmes Indahl
Director

Matts Johansen
CEO Aker BioMarine

CONSOLIDATED STATEMENTS OF CASH FLOW

for the year ended 31 December

USD Millions	Note	2023	2022
Net profit (loss)		**-9.0**	**10.0**
Tax expenses	7	-25.0	2.2
Net interest and guarantee expenses	5	31.0	19.7
Interest paid		-29.7	-17.6
Interest received		2.2	0.3
Taxes paid	7	-0.7	-2.8
Share of earnings in associated companies		3.0	-
Other P&L items with no cash flow effect		-0.1	-10.7
Impairment charges	10	0.5	-
Depreciation and amortization	8, 9	52.3	51.4
Foreign exchange loss (gain)		-	0.6
Change in accounts receivable, other current receivables, inventories, accounts payable and other		23.0	-38.0
Net cash flow from operating activities		**47.4**	**15.1**
Payments for property, plant and equipment	8	-45.9	-40.5
Payments for intangibles	9	-3.4	-5.6
New long-term receivable interest bearing		-	-2.0
New short-term receivable interest bearing		-0.3	-
Instalment short/long-term receivable, interest bearing		-	2.8
Earn Out payment	17	-	-11.1
Proceeds from sales of property,plant and equipment		0.6	-
Net cash flow from investing activities		**-48.9**	**-56.4**
Change in overdraft facility	16, 20	-18.7	16.5
Instalment interest-bearing debt	16, 20	-14.6	-14.2
Proceeds from issue of external interest-bearing debt	16, 20	40.0	50.0
Net funds from issue of shares	16	-	0.2
Net cash flow from financing activities	16	**6.7**	**52.5**
Net change in cash and cash equivalents		**5.2**	**11.2**
Cash and cash equivalents as of 1 January	14	**22.3**	**11.1**
Cash and cash equivalents as of 31 December	14	**27.5**	**22.3**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

USD Millions	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity
Balance as of 1 January 2022	**75.9**	**529.9**	**-36.3**	**5.4**	**-204.4**	**370.5**
Net profit (loss) for the year	-	-	-	-	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**
Balance as of 1 January 2023	**75.9**	**530.1**	**-36.3**	**3.5**	**-194.4**	**378.7**
Net profit (loss) for the year	-	-	-	-	-9.0	-9.0
Other comprehensive income (loss)	-	-	-	4.6	-	4.6
Total comprehensive income (loss)	**-**	**-**	**-**	**4.6**	**-9.0**	**-4.4**
Reclassification of hedge reserve to inventory	-	-	-	-8.2	-	-8.2
Total other transactions	**-**	**-**	**-**	**-8.2**	**-**	**-8.2**
Capital increase	-	0.1	-	-	-	0.1
Total transactions with owners	**-**	**0.1**	**-**	**-**	**-**	**0.1**
Balance as of 31 December 2023	**75.9**	**530.2**	**-36.3**	**-0.1**	**-203.5**	**366.6**

Note 1 – General Information

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

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

These consolidated financial statements were authorized for issue by the Board of Directors' and the CEO on 18 March 2024. The consolidated financial statements will be submitted to Aker BioMarine's annual General Assembly on 16 April 2024 for final approval.

Basis for preparation

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and the IFRS Interpretations Committee (IFRIC) as approved by the International Accounting Standards Board (IASB) as of 31 December 2023. The consolidated financial statements of Aker BioMarine ASA have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the sections below where fair value is required for derivatives and contingent consideration. Certain comparative figures may be reclassified to conform to the presentation adopted in the current year.

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

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.

Functional and presentation currency

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

Critical accounting estimates and significant judgments

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

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

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

- Technical assessments when estimating the useful life of the Group's vessels and machinery (see Note 8),
- 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 9 and 10),
- Allocation of production cost between products produced in the Ingredients segment (see Note 12).

The significant judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the financial statements relate to:

- Expenses included as part of the indirect production costs capitalized as a part of the inventory and the measurement of the krill- based products held as Inventories at year end (see Note 12),
- Recognition and measurement of expenditure on vessels and machinery included in Property, plant and equipment (see Note 8).

Changes in accounting policies and new pronouncements

There are no changes in the accounting policies for the consolidated financial statements for the year ending 31 December 2023 as compared to the accounting policies for the 2022 reporting year. The new IFRS standards applicable for reporting periods on or after 1 January 2023 adopted by the Group have not had a material impact for the Group's financial reporting.

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

Significant changes in the current reporting period

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

- Construction of protein plant: During the year the Group has capitalized investments into the new protein plant (see Note 8). The plant was finalized in 2023.
- Seasonal depreciations offshore: At the end of the year the Group has changed how seasonal offshore depreciations are estimated (see Note 8).
- Deferred tax assets: The Group has recognized part of the deferred tax asset related to the Feed Ingredient business (see Note 7).
- Hedge accounting: During the year, the Group has discontinued hedge accounting and terminated the remaining fuel option contracts (see Note 20).

Going concern

These financial statements have been prepared under the assumption of going concern. Prior to the authorization of these financial statements, the Management has asked for and been granted an elevated leverage covenant threshold for Q1 2024 that will ensure compliance with the financing facilities.

Note 2 – Revenue and Other income

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

The Group recognizes as revenue the agreed transaction price in a contract with a customer at the time when the Group transfers the control of a distinct product or service to the customer.

Ordinary purchase orders are normally the contracts with the customer which create enforceable rights and obligations. Volume discounts are the dominant sales incentives used by Aker BioMarine. 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.

Geographical allocation of revenue from sale of products (based on location of customer):

	Year ended 31 December	
USD Millions	**2023**	**2022**
Norway	33.6	26.8
EMEA	37.3	50.9
Americas	162.4	144.3
Asia Pacific	102.1	55.2
Total	**335.3**	**277.2**

	2023		2022	
USD Millions	**Ingredients**	**Brands**	**Ingredients**	**Brands**
Krill oil	78.1	112.5	57.7	100.8
Krill meal	133.0	-	105.1	-
Qrill™ Pet and other products	5.9	-	13.8	-
Other income	4.2	5.6	4.3	5.6
Total revenue and other income	**221.2**	**118.1**	**180.9**	**106.4**

During the reporting periods the Group has had one customer exceeding 9.8% of Net sales. In 2022, 16.1% of the Net sales was towards this customer. The revenue from this customer is attributable to the Ingredients segment. The Group's three largest customers in terms of revenue accounted for 25.6% of the revenue in 2023 (2022: 34.5%). North America is the Group's largest market which accounted for USD 148.2 million of total Net sales (2022: USD 134.8 million).

Assets and liabilities related to contracts with customers

The Group has recognized an incremental cost of obtaining customer contracts, which the Group expects to recover. A success fee of USD 10 million was paid upon signing of a significant contract in the Brands segment in 2020 and this contract cost is being amortized over 5 years. The carried amount as of 31 December 2023 was USD 3.2 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 less than the reporting threshold as of 31 December 2023 (2022: USD 0.1 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 is comprised of the following:

	Year ended 31 December	
USD Millions	**2023**	**2022**
Aion transaction	-	5.8
Fair value changes fuel derivatives	3.9	-
Rebalancing fuel hedge	-	2.9
Other	0.1	1.5
Total	**4.0**	**10.2**

Other income mainly consists of fair value changes of fuel derivatives after termination of hedge accounting end of May 2023. Refer to Note 20 for more information about the fuel hedge.

In 2022, the spin-off of Aion AS resulted in a total gain of USD 9.2 million where USD 5.8 million was recognized as other operating income and USD 3.4 million was recognized as Finance Income in the Statement of Profit or loss.

Note 3 – Operating segments and adjusted EBITDA

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

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

Transactions between the two segments are eliminated in the 'Adjustments & eliminations' column, as well as group adjustments in relation to financial items, depreciation and amortization on group assets (such as customer lists acquired in a transaction).

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

The Brands segment is the human consumption distribution business. As of 31 December 2023, the Brands segment comprises the group legal entities Lang Pharma Nutrition LLC (Lang), Epion Brands LLC (Epion) and the holding company New Ride LLC. Lang acquires raw materials derived from krill, fish and plants. These raw materials are then processed and packaged, labeled and sold to retailers in the US market. The Brands segment sells the products under the brand name Qrill™ Pet and other brand names.

Recognition and measurement applied to the segment reporting is consistent with the accounting principles applied when preparing the financial statements. Transactions between segments and internally within the Ingredients segment follow recognized principals of transfer pricing. 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 2023 and 2022.

The Company will implement a new Segment structure from Q1 2024 based on new operating business units. The new segments will be (1) Feed Ingredients; (2) Human Health Ingredients; (3) Consumer Health Ingredients; and (4) Emerging Businesses. Please see information on the new financial and legal structure in chapter one.

Operating segments 2023:

USD Millions	Ingredients	Brands	Adjustments & Eliminations	Total
External sales	210.2	125.1	-	335.3
Internal sales	12.5	-	-12.5	-
Cost of goods sold	-141.4	-95.1	14.1	-222.4
Gross profit	**81.3**	**30.0**	**1.6**	**112.9**
SG&A	-61.1	-29.4	-	-90.5
Depreciation, amortization and impairment	-8.8	-2.7	-9.7	-21.1
Other operating income/(cost), net	43.6	-0.2	-39.4	4.0
Operating profit	**55.0**	**-2.3**	**-47.5**	**5.3**
Net financial items	-30.6	-8.6	-	-39.2
Tax expense	25.5	-0.5	-	25.0
Net profit (loss)	**49.9**	**-11.4**	**-47.5**	**-9.0**
Depreciation, amortization and impairment (Note 8)	40.3	2.7	9.7	52.7
EBITDA	**95.3**	**0.4**	**-37.8**	**58.0**
Adjusted EBITDA	**67.6**	**0.8**	**1.5**	**70.0**

Balance sheet items	Ingredients	Brands	Adjustments & Eliminations	Total
Property, plant and equipment	341.2	0.3	-	341.5
Right-of-use assets (leasing)	9.0	0.2	-	9.2
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	3.0	-	-	3.0
Interest-bearing debt	-337.5	-55.5	-	-393.0
Net interest free asset and liabilities	85.3	-41.1	-5.0	39.3
Total equity	**355.5**	**11.0**	**-**	**366.6**

Operating segments 2022:

USD Millions	Ingredients	Brands	Adjustments & Eliminations	Total
External sales	128.7	108.2	-	236.9
Internal sales	47.9	6.7	-14.3	40.3
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	-	10.3
Operating profit	**20.2**	**-4.2**	**6.2**	**22.2**
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**
Depreciation, amortization and impairment (Note 8)	44.6	6.8	-	51.4
EBITDA	**64.8**	**2.6**	**6.2**	**73.6**
Adjusted EBITDA	**60.2**	**2.6**	**6.2**	**69.0**

Balance sheet items	Ingredients	Brands	Adjustments & Eliminations	Total
Property, plant and equipment	332.9	0.3	-	333.2
Right-of-use assets (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
Interest-bearing debt	-311.8	-69.4	-	-381.2
Inventory	151.9	39.2	5.5	196.6
Net interest free asset and liabilities	39.7	1.0	-5.5	35.2
Total equity	**324.9**	**53.8**	**-**	**378.7**

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

USD Millions	Year ended 31 December 2023	2022
Net loss	**-9.0**	**10.0**
Tax expense	-25.0	2.2
Financial income	-3.6	-4.0
Financial expenses	40.2	22.0
Net foreign exchange gain/loss	2.6	-8.1
Operating profit	**5.3**	**22.1**
Depreciation, amortization and impairment	52.7	51.4
EBITDA	**58.0**	**73.5**
Special operating items	12.0	-4.5
Adjusted EBITDA	**70.0**	**69.0**

The following table reconciles Special operating items.

USD Millions	Year ended 31 December 2023	2022
Restructuring and improvement program	11.6	1.3
Other	0.4	-
Aion transaction	-	-5.8
Special operating items	**12.0**	**-4.5**

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

The presentation of operating expenses in the consolidated statements of profit or loss is based on function of the expenses. Production and operating expenses are recognized in the same period as the corresponding revenue from sale of product is recognized.

Salaries and payroll expenses not related to production, sales and distribution costs, and other general and administrative costs are recognized when they occur or when the Group has a liability for future expenses. Production and operating expenses allocated to product is presented within Note 12 Inventories.

Selling, General and Administrative expenses consists of:

	Year ended 31 December	
USD Millions	2023	2022
Sales and Distribution Costs	-69.1	-67.7
Research and Development	-0.4	-4.0
Administrative Costs	-21.0	-14.8
Total	**-90.5**	**-86.5**

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

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

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

Government grants

During 2023 the Group received grants of USD 0.29 million (2022: USD 0.36 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.

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 90.5 million (2022: USD 86.5 million), as also presented within Note 4.

Salary specification by function:

	Year ended 31 December	
USD Millions	2023	2022
Offshore - inventoriable	-22.2	-25.2
Onshore - inventoriable	-9.6	-10.5
Selling, general and administrative	-34.3	-32.6
Total	**-66.1**	**-68.3**
Number of employees at year-end	374	327
Full time Equivalent	373	325

Total salary cost comprises of the following:

	Year ended 31 December	
USD Millions	2023	2022
Salaries	-58.1	-57.9
Employer's social security contribution	-1.0	-1.0
Pension expenses	-1.3	-1.5
Other benefits	-5.7	-7.9
Total	**-66.1**	**-68.3**

Pension plans

The Group has a defined contribution plan that covers all employees except one employee who has had a defined benefit plan. At the end of the year the defined benefit plan was terminated and the employee was moved to the defined contribution plan. As a result of this there is no defined obligation or asset at year end. The plans comply with laws and regulations set forth in the different countries of operations. During the year the Group expensed USD 0.04 million, net of settlements and curtailment on the defined benefit plan (2022: USD 0.04) USD 1.3 million for the contribution plan (2022: USD 1.5 million).

Remuneration to the Group auditors (excluding VAT):

PwC is the Group auditor of Aker BioMarine ASA (KPMG for 2021 and earlier years). The following table shows the fees to the appointed auditors for 2023 and 2022. For both categories the reported fee is the recognized expense for the year.

	Year ended 31 December	
USD Millions	**2023**	**2022**
Audit fees	-0.4	-0.3
Other audit and attestation services	-0.1	-0.1
Fees for tax services	-	-0.1
Total	**-0.5**	**-0.5**

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 guarantee fees, share of loss in associated companies, earn out provisions and foreign exchange losses recognized in the consolidated statement of profit or loss.

	Year ended 31 December	
USD Millions	**2023**	**2022**
Interest income, bank deposits	2.2	0.2
Interest income loans and receivables (amortized cost)	0.2	0.4
Subsidiaries- shares change in fair value, impairment, gain and losses	-	3.4
Other financial income	1.2	-
Total financial income	**3.6**	**4.0**
Interest expense on financial liabilities at amortized cost	-33.4	-20.3
Share of loss in associated companies	-3.0	-
Other financial expenses	-3.8	-1.7
Total financial expenses	**-40.2**	**-22.0**
Foreign exchange gains (realized and unrealized)	10.5	14.3
Foreign exchange losses (realized and unrealized)	-13.1	-6.2
Foreign exchange gains/losses net	**-2.6**	**8.1**
Net financial expenses	**-39.3**	**-9.9**

Other financial expenses include provision and guarantee expenses paid to DNB.

Note 6 – Asset acquisition and business combinations

There have been no material business combinations or asset acquisitions during 2023 and 2022.

Note 7 – 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. All the vessels operate under Norwegian tax jurisdiction. 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.

Reconciliation of nominal statutory tax rate to effective tax rate:

USD Millions	Year ended 31 December 2023	2022
Profit (loss) before tax	**-33.9**	**12.2**
Calculated income tax at statutory rate of 22%	7.5	-2.7
Tax differential Norway and abroad	0.2	-0.5
Recognized deferred tax asset	25.0	-
Unrecognized change in deferred tax assets	7.3	-5.8
Permanent differences	-	-
Currency translation and other	-14.9	6.8
Total tax expense	**25.0**	**-2.2**
Effective tax rate	74%	18%

* The Group files its tax return in NOK. The effective tax rate is affected by recognition of deferred tax asset.

Deferred tax assets comprise:

USD Millions	Year ended 31 December 2023	2022
Property, plant and equipment and intangible assets	-8.8	-10.6
Inventory	-	-
Tax losses carried forward	53.0	60.8
Interest rate deductability carry forward	12.1	13.0
Other	6.1	2.7
Net deferred tax assets	62.4	65.9
Deferred tax liability	-3.7	-5.4
Deferred tax asset	66.1	71.3
Unrecognized deferred tax assets	**41.1**	**71.3**
Recognized deferred tax asset	**25.0**	-
Recognized deferred tax liability	**-3.7**	**-5.4**

Current income tax expenses relate to subsidiaries in US (21% Federal tax rate) and Australia (30%) and recognition of deferred tax asset in Norway (22%). There were no changes in corporate tax rates in these countries over 2023 and 2022. In Norway the corporate tax rate was reduced from 23% to 22% in 2019 and is unchanged in 2023. The recognized deferred tax liability of USD 3.7 million relates to the entities in the US.

The deferred tax asset has decreased from USD 71.3 million in 2022 to USD 65.6 million in 2023 due to lower tax losses carried forward.

Based on the current ownership structure for the different entities in the Group, management has identified two separate tax groups in accordance with the Norwegian Tax Code. The first tax group is related to Aker BioMarine ASA. The second tax group consists of Aker BioMarine Holding AS and its wholly owned subsidiaries, being Aker BioMarine Antarctic AS, Aker BioMarine Distribution Holding AS, Aker BioMarine Understory AS, Aker BioMarine Human Ingredients AS and KRBNX AS. In Norway, tax losses are without expiration.

The two tax groups had the following tax losses carried forward, deferred tax assets (recognized and not recognized) as of 31 December 2023:

USD Millions Tax group	Tax losses carry forward	Deferred tax assets	Recognized deferred tax assets	Not recognized deferred tax assets
Aker BioMarine ASA	64.0	14.0	-	14.0
Aker BioMarine Holding AS	178.0	39.0	25.0	14.0
Total	**242.0**	**53.0**	**25.0**	**28.0**

For the first tax group being Aker BioMarine ASA, no deferred tax assets from historic tax losses have been recognized as there is limited possibility for the tax group to utilize these tax losses.

As for the second tax group being Aker BioMarine Holding AS and subsidiaries, management has assessed, based on 2023 results and future budgets that the Group will be in a tax position going forward. The positive development is driven by Aker BioMarine Antarctic AS where the business activities have been scaled sufficiently to be at a level where the company on a standalone basis generate taxable profits. Furthermore, Aker BioMarine Antarctic AS, being the Feed Ingredients business of the Group, has experienced increased prices for its products, mainly Qrill Aqua, Qrill Pet and Nutra combined with increased production volumes at scale with lower unit cost, and therefore higher margins. Based on an overall assessment, and particularly carried by the outlook of the Feed Ingredients business, the Group has recognized USD 25m in tax assets. The recognized deferred tax asset is calculated based on what has been considered more likely than not that the tax Group will be able to utilize within the next 3-5 years.

PILLAR 2

The OECD Pillar Two Model Rules will be effective for Aker's financial year starting on January 1, 2024. Aker ASA, and thereby Aker BioMarine ASA, is in the scope of the enacted legislation and has evaluated its potential exposure to Pillar 2 income taxes. The preliminary analysis, based on the most recent country-by-country reporting to the tax authorities and financial statements for the entities in the

Group, indicates that most jurisdictions would be covered by the Safe Harbour rules. However, it is not possible to assess the impact in 2024 with any level of confidence based on the currently available data. Aker is in the process of assessing the consequences of the Pillar 2 income taxes. The financial consequences will depend on, among others, the group structure and financial results. Aker BioMarine ASA has applied the exception from the requirements of IAS 12 not to recognise and disclose information about deferred tax assets and liabilities associated with Pillar 2 income taxes.

Note 8 – Property, plant and equipment

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

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

Movements in property, plant and equipment in 2023

USD Millions	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	-	-6.1
Other reclassifications 1)	-	20.5	-23.2	1.0	-1.7
Acquisition cost as of 31 December 2023	**297.9**	**171.9**	**46.5**	**20.6**	**537.0**
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 1)	-	-0.5	-	-	-0.5
Acc. depreciation and impairment as of 31 December 2023	**-109.7**	**-77.6**	**-2.7**	**-5.4**	**-195.5**
Book value as of 31 December 2023	**188.2**	**94.3**	**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	

1) The reclassification from Asset under classification is mainly reclassification of the protein plant and smaller projects that are reclassified to development assets, see Note 9

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.

Depreciation of vessels is included in the cost of inventory conversion (see Note 12).

Movements in property, plant and equipment in 2022

USD Millions	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**	**46.6**	**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
Impairment	12.6	21.4	-	-	34.0
Other reclassifications 1)	-	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	

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.

Reconciliation depreciation and amortization

USD Millions	2023	2022
Depreciation for the year of Property, plant & equipment	(34.4)	(34.8)
Amortization for the year of Intangible assets	(11.1)	(10.2)
Amortization for the year of Contract cost	(2.0)	(2.0)
Leasing (ROU) depreciation	(4.7)	(4.4)
Total	**(52.1)**	**(51.4)**
Depreciation and amortization related to production assets and included in cost to inventory	(21.1)	(35.0)
Depreciation and amortization related to other assets	(32.0)	(16.4)

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 32.0 million (2022: USD 16.4 million) relates to depreciation and amortization of assets not directly used in the production of goods, and therefore recognized as depreciation, amortization and impairment in the statement of profit or loss. Other assets primarily consist of the customer portfolios recognized following the business combinations /asset acquisitions of Lang, Neptune and Enzymotec, and the impairment of customer portfolios and trademarks. Inventoriable depreciation mainly consists of the Group's operating harvesting vessels and the manufacturing plant in Houston, Texas, amounting to USD 21.0 million (2022: USD 35.0 million).

Investments in 2023:
Investments in machinery and vessels are mainly installments and harvesting equipment on the vessels. Assets under construction comprise the investments the Group has in the Ski plant and Lysoveta initiatives. The Group has had its annual shipyard in Q4-23 where all the vessels were upgraded. Shipyard expenses amounted to USD 12 million in 2023.

Asset retirements in 2023:
Asset retirements mainly include machinery and harvesting equipment. All components that have been retired were fully depreciated.

As of 31 December 2023, the Group has USD 1.2 million in commitments for further investments in property, plant and equipment (2022: USD 7.4 million). For details on mortgages and pledging of security, see Note 16.

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 methodology with regards to how offshore costs are booked in the Feed Ingredients segment. The following changes will take place:

• Starting from Q4 2023, all maintenance related costs in 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 actual use in the harvesting season (10 months). USD 7.2 million has been booked as Fixed Assets in Q4 2023, reflecting a longer shipyard due to five-year class audits of two of the vessels.

• Starting from 2024, other offshore depreciations are also shifted from 12 months to the 10 harvesting months.

The change is considered to be a change in an estimate and hence no requirement to amend historical reporting.

Note 9 – Goodwill and Intangible Assets

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

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

Goodwill

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

Intangible assets

Development

Expenditures for research activities performed to gain new scientific, technical or other knowledge are expensed when incurred. Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits probable and the Group intends to and has adequate resources to complete development and to use or sell the asset. The amount capitalized includes the cost of materials and direct attributable expenses. Additions to development in 2023 include Understory (protein product project) and development of other new products.

License agreements

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

Fishing License

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

Customer relation

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

Trademark

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

Patents

Patents are intangible assets with defined useful lives and are amortized until the expiration dates. The patents are related to CaPre, acquired as part of the Acasti transaction.

Movements in intangible assets for 2023

USD Millions	Goodwill	Development	License agreements	Fishing license	Patents	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	-	-	-	-	2.6	0.1	-	2.7
Asset retirements	-	-	-	-	-	-0.5	-	-0.5
Reclassifications	-	1.7	-	-	-	-0.5	-	1.2
Acquisition cost as of 31 December 2023	**94.6**	**11.1**	**2.4**	**10.5**	**2.6**	**91.0**	**5.7**	**217.9**
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	-	-	-	-	-	0.4	-	0.4
Amortization and impairment losses as of 31 December 2023	**-**	**-6.9**	**-2.4**	**-**	**-**	**-52.4**	**-0.9**	**-62.5**
Book value as of 31 December 2023	**94.6**	**4.3**	**-**	**10.5**	**2.6**	**38.6**	**4.8**	**155.4**
Amortization period		5-10 years	10-12 years		7-10 years	7-10 years	7-10 years	
Amortization method		Straight-line	Straight-line		Straight-line	Straight-line	Straight-line	

Movements in intangible assets for 2022

USD Millions	Goodwill	Development	License agreements	Fishing license	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**
Amortization period		5-10 years	10-12 years		7-10 years	7-10 years	
Amortization method		Straight-line	Straight-line		Straight-line	Straight-line	

Segment allocation of goodwill and intangible assets:

USD Millions	Goodwill *		Development		Patents		License		Fishing license		Customer relation		Trademark	
Segment	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Ingredients	66.4	66.4	2.0	1.8	2.6	-	10.5	10.5	13.7	19.7	4.8	4.8	4.8	4.8
Brands	28.2	28.2	2.3	3.0	-	-	-	-	25.0	28.4	-	-	-	-
Total	**94.6**	**94.6**	**4.3**	**4.8**	**2.6**	**-**	**10.5**	**10.5**	**38.7**	**48.1**	**4.8**	**4.8**	**4.8**	**4.8**

Note 10 – Impairment assessment

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

Identification of CGU's involves judgment, considering if an active market exists for the output produced by an asset or group of assets, independent cash inflows as well as how management monitors the Group's operations or how management makes decisions about continuing or disposing of the Group's assets and operations.

Based on a thorough analysis, a CGU for goodwill impairment testing is assessed to be on segment level.

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

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

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

Goodwill impairment testing

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

Main assumptions for the value-in-use calculation

The Group updates its Group Business Plan for the next five years on an annual basis. The purpose of the Group Business Plan process is to set overall goals for the business and define the steps necessary to achieve these goals. The plan facilitates the strategic planning process and provides the Board of Directors/Executive Management with a structure to monitor progress towards these goals. It is a result of a bottom-up involvement of the organization, and the key goals and objectives are in turn communicated to the broader organization to set the direction for departments and employees. In the value in use assessment used for impairment testing purposes, the business plan has been risk adjusted to reflect accuracy of previous budgets towards actual figures.

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

The discount rates used reflect the current market assessment of the risks specific to each operating segment 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 BB. The Group has used different discount rates for the Ingredients and the Brands operating segments to reflect the different market operations.

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

Ingredients:

Projected cash flows are based on management's best estimates and the business plan for the Ingredients segment for the subsequent five years period. The estimates are based on detailed forecast prepared by the various departments in the ingredients segment. For subsequent periods, the model is based on an estimated terminal growth. In the forecast for the period 2024-2027, revenue projections are based on executed agreements, actual historical prices, and 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 per cent of the Group's operating expenses are fixed costs (in line with IAS 2), increased sales levels will contribute to higher operating margins. Future product pricing has as per the above been based on historical prices and management's expectation with regards to new arrangements. The calculation is based on a fairly flat development for krill oil sales volume as well as an increase in the krill meal sales prices in the forecast period, compared to the sales price levels in 2023. Sales volumes have been modelled to follow the production targets, however lagging as to allow for building and maintaining safety-stock.

In the Ingredients impairment model the forecast period is 2024-2027. At the end of the forecast period there is an extrapolation period from 2028-2032 (as no detailed budget is prepared after 2027). In the extrapolation period the volume of krill oil has been set flat for impairment test purposes while the volume of krill meal is expected to increase. The discount rate is based on a WACC of 10.0% and in the terminal value it is assumed a long-term annual growth equal to 2.0%. The discount rate has increased from last year due to an increase in the small stock premium when calculating the cost of equity.

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

Brands

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 a detailed forecast prepared by management in Lang and Epion. For subsequent periods, the model is based on an estimated terminal growth, that does not exceed the growth for the products, industry or country (US) in which the segment operates. In the forecast for the period 2024-2027, revenue projections are based on executed agreements, actual historical prices, and management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management's forecast.

In the Brands impairment model the forecast period is 2024-2027. At the end of the forecast period there is an extrapolation period from 2028-2032. In the extrapolation period growth has been set to 2.0% for Lang and higher growth rates for Epion as the company is a start-up company. The discount rate is based on a WACC of 10.0% and in the terminal value it is assumed a long-term annual growth equal to 2.0%.

	WACC post-tax		WACC pre-tax*	
Segment	**2023**	**2022**	**2023**	**2022**
Ingredients	10.0 %	9.6 %	10.5 %	9.8 %
Brands	10.0 %	10.4 %	10.5 %	10.7 %

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

Sensitivity

Ingredients

The sensitivities of the value in use have been tested by using simulations of various combinations of discount rates and terminal value growth. The segment'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.

An increase of the WACC of 1% in the Ingredients segment would lead to 11% lower recoverable amount in the Ingredients segment. Lowering the terminal growth by 1% would lead to 9% lower recoverable amount in the Ingredients segment. Neither an increase of the WACC by 1% nor a decrease of the terminal growth of 1% would lead to impairment.

Brands

The sensitivities of the value in use have been tested by using simulations of various combinations of discount rates and terminal value growth.

The operating segment'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.

An increase of the WACC of 1% in the Brands segment would lead to a lower recoverable amount of 14%. Lowering the terminal growth by 1% would lead to a 9% lower recoverable amount in the Brands segment. Neither an increase of the WACC by 1% nor a decrease of the terminal growth of 1% would lead to impairment.

Intangible assets impairment testing

For customer relations, cash inflows have been monitored at the same level as the identified operating segment for goodwill impairment testing. During 2023, Management has assessed that there was no impairment.

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

Note 11 – Climate risk

In 2021 AKBM set eight ESG ambitions, which is currently under review and further development as a response to AKBMs new company structure, effective January 1st 2024, in addition to new reporting requirement following the Corporate Sustainability Reporting Directive (CSRD). The update of the Company's ESG ambitions will be finalized in 2024. In the introduction of chapter 2 the topics considered to be material for AKBM is listed in addition to KPIs, status and where in the report the topics are addressed in more detail. Climate, circularity & waste management are among these topics.

The Group has mapped the entire value chain to identify main sources of CO_2 emissions combined with a targeted approach to reduce emissions from these sources. The Group's reporting on ESG follows the Task Force on Climate-Related Financial Disclosures (TCFD) framework (in chapter 1) , GHG-protocol and in reference to GRI (chapter 2).

The Groups governance structure for sustainability is described in detail in chapter 2.

Financial impact of climate change on main asset classes

The following assessment considers the financial impact of climate change on the Group's main assets and its ability to continue as a going concern.

Property, plant, and equipment

The Group's property, plant and equipment primarily consists of three krill harvesting vessels, one service vessel, the protein facility in Ski, Norway and the extraction facility in Houston, US. Management has assessed if climate change could be an indicator of impairment or if climate change would require modifications to the useful life assessment of the Group's assets.

Antarctic krill continues to be one of the world's biggest and most underutilized marine resources. In a scientific publication from September 2021, several Antarctic research institutions around the globe confirm the standing krill biomass of 63 million metric tonnes. This is more than was identified in the survey from 2000 and shows that the biomass is stable in density and distribution. A more recent scientific krill study that came out in May 2023 presents a 10-year time series on smaller scales (South Orkney) that confirms the healthy and stable biomass of krill within that area. The study also confirms that the annual krill catches are kept well below the upper precautionary level for the area. Recent harvest figures also support the fact that krill availability is good. The fishery is MSC and Friends of the Sea certified. In addition, we have received consecutive A-ratings from Sustainable Fisheries Partnership (SFP). These strong sustainability credentials combined with increasing market demand for krill meal reduces the risk of climate related impact on the assets.

In respect to the onshore activity, the extraction facility in Houston, Texas is in a geographical area which has from time to time been exposed to extreme weather. This has resulted in a few temporary shutdowns and increased maintenance requirements, especially for roofing and securing equipment outside factory walls (such as evaporators and skids). Based on Management's assessment, the useful life assessment and residual value reflect weather conditions in the area. The level of repair and maintenance (R&M) costs are uncertain, and these costs are expensed when R&M activities occur.

The Protein Plant located in Ski, Norway, is in a geographical area which has not been exposed to extreme weather conditions and there is no indication that this will change in the near future. However, this is something that the Group consider on an annual basis for assessment of the lifetime and residual value, as we experience potential changes in the climate globally. Currently, based on Management's assessment the useful life assessment and residual value of the Ski plant are not affected by any climate risk.

For the Group's assets, there are no known legal restrictions, government actions or natural climate events that indicate the need to reassess the useful lives or residual value of the Group's property, plant, and equipment. Management has assessed that the transition plan towards lower carbon emissions will not have material affect on the useful lifetime or impairment of the assets or impact the capital expenditure commitments.

Intangible assets

The Group's intangible assets are mainly in relation to goodwill, customer portfolios, trademarks and licenses (see Note 9). Based on the current outlook, combined with all climate related activities that the Group performs, Management concludes that climate change has not impacted the Group's assessment of value in use of these assets.

Trade and other receivables

The Group has trade and other receivables towards feed producers, distributors, and retailers. The expected credit loss (ECL) model in IFRS 9 Financial Instruments requires the use of reasonable and supportable information that is available without undue cost or effort. Based on customer segmentation and business activity, Management has assessed that climate change does not affect the assumptions that are made to estimate ECL.

Inventory

The Group's inventory is primarily krill derived products sold to customers in the aforementioned industries. Based on studies done by the decarbonization committee, krill products perform well in life cycle assessment (LCA) analyses because the products are low on many stressors, including biotic resource use, land use, freshwater use, acidification, and eutrophication potential. Compared to other ingredients, krill has one of the lowest CO_2 footprints. This low CO_2 footprint is beneficial as it is expected that there will be a decline in demand for products with high emissions, which could then indicate that inventories or assets might be impaired. Management confirms that no climate related matters impact the value of the Group's inventory.

Deferred income taxes

The Group has significant tax losses being carried forward which have not been recognized as deferred tax assets historically (see Note 7). Based on an assessment in 2023, the Group has recognized deferred tax asset related to the feed ingredient business. However, Management concludes that climate change does not impact the Group's tax losses.

Circularity

During 2023, Aker BioMarine together with Aion agreed to produce 3000 reusable pallets made from own plastic waste. The agreement will reduce the use of wooden pallets while at the same time reduce the environmental footprint of both the Feed Ingredients and Human Ingredients segments. The Company will keep these pallets in its own operation over a 10 year period when the pallets will be recycled into new pallets. 2023 also marked the year when the Company sent 100% of meal bags from Houston and 100% of trawls to be recycled through Aion. With respect to products, 12 MT was discarded, which is a decrease from 14 MT in 2022. Management confirms that the Group has systems and processes in place to reach the circularity goals.

CO_2 reduction efforts and estimated costs

The 2023 CO_2 emission was 2.2 per tonn krill meal produced, which is a 18% reduction in intensity from our base year 2020.

As a part of the Group's strategic review of the ESG ambitions, and the ongoing preparations to fully comply with the Corporate Sustainability Reporting Directive (CSRD), the Group is in the process of creating a detailed transition plan to reach our ESG-targets. This will build on our current reduction plan, ensuring that effective measures are continued, with the goal to reduce our negative impact.

The current reduction plan includes certain measures such as renewable electricity and gas in Houston as well as, low-emission transport and renewable fuels on the service vessel. These measures require limited additional investments.

As part of this reduction plan Aker BioMarine invested in a heat recovery project in one of our vessels during shipyard 2022. Cost of the project was already capitalized by the Group in 2022. In 2023 this contributed to a reduction of fuel consumption equivalent to 1,584 tonnes of CO_2 or 494 mt fuel. The Group will continue to invest in projects on the vessels to improve the carbon intensity and absolute reduction. Renewable electricity in Houston and low-emission transport will be expensed as incurred as part of regular operating costs. The actual cost of renewable fuels on the service vessel is uncertain as there are no forward curves etc. indicating a market price when the transition will occur.

Given that the identified measurements do not require substantial capital expenditures or additions to property, plant, and equipment combined with significant uncertainty on future market prices on green fuels, Management has not identified future costs that meet the definition of a contingent liability under IAS 37 'Provisions, Contingent liabilities and contingent assets.' Based on Management's assessment, the cost of the different measures does not significantly impact the impairment testing or sensitivity analysis.

Management confirms that climate related risks do not impact the Group's ability to operate as a going concern.

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 gets a neutral oil that can be blended into krill oil or used as ingredient into other applications. The low fat/ high protein krill meal is currently sold to feed customers. In future production this meal will be used as an ingredient to the Group's novel protein product.

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 2023 and 2022 are shown below:

	Year ended 31 December	
USD Millions	**2023**	**2022**
Non-product related inventory*	10.7	10.0
Packaging*	7.9	4.0
Raw materials and goods under production	28.5	20.5
Finished goods	136.6	162.2
Total	**183.7**	**196.6**
Cost of inventories recognized at net realizable value	-	-
Carrying value of inventories recognized at net realizable value	-	-
Write-down of inventories recognized towards net change in inventories in the period**	-	-
Carrying value of inventories pledged as security	183.7	196.6

*) Non product related inventory is mostly related to stock fuel.

**) Includes weight corrections, replacements to customers and obsolesence

The inventory balance is pledged as security at both 31 December 2023 and 2022 and is included in the book value of assets pledged as security, please refer to Note 16.

Movements in inventory during 2023:

USD Millions	Ingredients	Brand	Elim	Total
Inventory at 1 January 2023	**151.9**	**39.2**	**5.5**	**196.6**
Acquired raw material, packaging, and non product related inventory	18.6	-	-	4.6
Acquired inventory for sale	-	92.4	-14.6	77.8
Production	144.6	-	-	144.6
Sale	-142.6	-95.1	14.1	-223.6
Consumption	-20.3	-	-	-20.3
Other changes	2.6	-	-	2.6
Freight	1.3	-	-	1.3
Inventory at 31 December 2023	**156.1**	**36.5**	**5.0**	**183.7**

Reconciliation of net change in inventories 2023:

USD Millions	2023
Cost of goods sold before elimination of internal sales and internal profit	-237.6
Produced inventory	144.6
Acquired inventory	92.4
Changes acquired raw material and non product related inventory	4.6
Rework, consumptions and obsolete	-16.5
Elimination of internal profit on stock	-0.5
Net change in inventories	**-13.0**
Cost of goods sold before elimination of internal sales and internal profit	-236.5
Elimination of cost of internal sales	14.1
Cost of goods sold recognized in Profit and Loss	**-222.4**

Reconciliation of net change in inventories 2022:

USD Millions	2022
Cost of goods sold before elimination of internal sales and internal profit	-182.9
Produced inventory	164.5
Acquired inventory	81.5
Acquired raw material and non product related inventory	14.0
Rework, consumptions and obsolete	-29.5
Elimination of internal profit on stock	10.9
Net change in inventories	**58.5**
Cost of goods sold before elimination of internal sales and internal profit	-182.9
Elimination of cost of internal sales	20.5
Cost of goods sold recognized in Profit and Loss	**-162.4**

Movements in inventory during 2022:

USD Millions	Ingredients	Brand	Elim	Total
Inventory at 1 January	**104.2**	**39.4**	**-5.4**	**138.2**
Acquired inventory for sale	-	81.5	-9.6	71.9
Production	164.5	-	-	164.5
Sale	-101.2	-81.7	20.5	-162.4
Consumption	-31.5	-	-	-31.5
Other charges	1.3	-	-	1.3
Freight	0.6	-	-	0.6
Inventory at 31 December	**137.9**	**39.2**	**5.5**	**182.7**

The total production value of goods manufactured can be specified as follows:

	Year ended 31 December	
USD Millions	**2023**	**2022**
Salaries	-28.1	-32.2
Direct Production	-7.8	-8.9
Fuel	-28.0	-18.6
Consumables	-3.8	-4.2
R&M	-5.1	-8.0
Other	-8.4	-12.7
Nutra Freight	-1.3	-3.1
Capsulation	-5.3	-5.0
Uruguay	-9.1	-8.3
Depreciation	-24.4	-35.0
Consumption of krill raw materials	-20.3	-31.5
Total costs allocated to inventory	**-141.6**	**-167.5**

Note 13 – Trade receivable and other current assets

	As per 31 December	
USD Millions	2023	2022
Accounts receivable	57.6	59.9
Prepaid expenses	5.6	3.7
Other current receivables	8.3	5.2
Total	**71.5**	**68.8**

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.

	As per 31 December	
USD Millions	2023	2022
Cash and bank deposits	25.4	21.0
Restricted bank deposits	2.2	1.3
Cash and cash equivalents	**27.5**	**22.3**

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 2023, the Group had drawn USD 14.7 million (2022: USD 33.9 million) out of a total of USD 40.0 million available in an overdraft facility.

Note 15 – Investments in associated companies

Aker BioMarine ASA has the following investment in associates:

Entity	Country	Industry	Ownership interest	Voting rights
Aion AS	Norway	Circular plastic products	100%	-

The associated company is recognized using the equity method where the share of profit/loss is classified as financial item.

Based on an overall assessment where size and complexity are taken into account, Aion has been considered to be significant associate. Further information is disclosed below.

USD Millions	2023	2022
Book value at 1 January	**10.2**	**-**
Loss of control, reclassification from subsidiary to associated	-	10.2
Share of profit/(loss)	-3.0	-
Reclassification to "Asset held for sale"	-7.1	-
Book value at 31 December	**0.1**	**10.2**

Aker BioMarine ASA owns 100% of the shares, but the Group's involvement in Aion is limited to board participation and purchase of circular products on market terms. Aker BioMarine only have two out of five Board members. Accordingly, it is concluded that the Group does not have control over Aion AS.

As of 31 December 2023, the investment in Aion AS is classified as "Asset held for sale". The Group has initiated a sales process as Aion AS is not part of the core business of the Group. A sale is expected to close within 12 months. Aion AS is reported within the 'Ingredients' segment.

The remaining book value is an investment in Founders Fund AS.

Note 16 – 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 per 31 December	
USD Millions	**2023**	**2022**
Non-current liabilities		
Secured bank loans	337.8	326.5
Non-current NOK-denominated loan from Antarctic Harvesting Holding AS	1.3	1.3
Leasing liabilities	4.8	5.8
Book value total interest-bearing non-current liabilities	**344.0**	**333.6**
Current liabilities		
Current portion of secured loans	29.4	9.4
Overdraft facilities	14.7	33.4
Leasing liabilities	4.9	4.8
Book value total interest-bearing current liabilities	**49.0**	**47.6**
Book value total interest-bearing liabilities	**392.9**	**381.2**

Total interest-bearing debt was at USD 392.9 million, including IFRS 16 leasing commitments of USD 9.7 million as of 31 December 2023. Cash amounted to USD 27.5 million, implying net interest-bearing debt of USD 365.3 million, up from USD 358.8 million same period last year. The increase is mainly due to investments in the protein factory, upgrades at Houston Plant as well as shipyard. Total available liquidity as of 31 December 2023 was USD 52.9 million (cash and available amounts under the debt facilities).

The Company has a financing structure with a bank group consisting of DNB Bank, Cooperative Rabobank and Nordea Bank. The structure consists of a larger corporate revolving credit facility (RCF) and one term loan for the Endurance vessel. The Group obtained a covenant waiver for 2023. The waiver set out a new maximum threshold up to 6.0:1 (net interest-bearing debt / 12 month Adjusted EBITDA), up from original 5:0:1. For 2023, the Company has been within this threshold. Going into 2024, the company has also been granted a leverage covenant waiver for Q1 2024 to allow for some uncertainty start of the year as a result of low harvesting end of 2023.

Terms and debt repayment schedule per 31 December 2023:

Loan	Currency	USD Millions	Nominal interest rate		Year of maturity	Instalments
Secured bank loan - Bank syndicate	USD	67.9	3,13 % (fixed)		2,031	Quarterly
Secured loan - Bank syndicate	USD	299.3	SOFR + margin	1)	2,025	In full upon termination
Antarctic Harvesting Holding AS	NOK	1.3	7.0%		-	-
Overdraft facility with DNB	USD	14.7	NOWA+0,13% yearly framework agreement provision	2)	n/a	n/a
Leasing financing	NOK/USD	9.7	6.4 - 7.3%		<2030	Monthly

1) SOFR: Secured Overnight Financing Rate

2) NOWA: Norwegian Overnight Weighted Average

The following table displays debt secured by mortgaged assets:

	As per 31 December	
USD Millions	**2023**	**2022**
Secured bank loans	367.2	335.9
Overdraft facility	14.7	33.4
Total secured debt	**381.9**	**369.3**
Book value of assets pledged as security		
Operating assets	**684.5**	**731.9**

Asset pledged as security per company as of 31 December 2023:

USD Millions	Group total	Antarctic AS	AKBM Human Ingredients AS	Understory AS	AKBM Distribution Holding AS	AKBM US Holding	AKBM Manufacturing	New Ride	Lang Pharma Nutrition
Ships/Rigs	180.6	180.6	-	-	-	-	-	-	-
Customers receivable	45.0	28.3	-	-	-	-	-	-	16.7
Shares	273.3	0.9	3.2	-	108.1	108.2	-	52.9	-
Inventory	149.1	63.6	47.6	-	-	2.9	-	-	35.1
Other assets	36.6	14.5	2.3	-	-	0.1	1.4	-	18.4
Total	**684.6**	**287.9**	**53.1**	**-**	**108.1**	**111.1**	**1.4**	**53.0**	**70.1**

The following table reconciles the movements in liabilities to cash flow from financing activities in 2023:

USD Millions	Secured bank loans	Proceeds from owner	Lease	Bank overdraft	Total
Balance Interest bearing debt at 31 December 2022	**335.8**	**1.3**	**10.6**	**33.4**	**381.1**
Changes in Financing cash flows					
Secured bank loan - RCF - DNB/ RABO	40.0	-	-	-	40.0
Instalments interest-bearing debt	-9.4	-	-5.2	-	-14.6
Overdraft facility with DNB/RABO	-	-	-	-18.7	-18.7
Net cash flow from financing activities	**30.6**	**-**	**-5.2**	**-18.7**	**6.7**
Non-Cash changes					
Leasing financing (IFRS16)	-	-	4.3	-	4.3
Other changes, liability related					
Interest/fees charged to loan	0.8	-	-	-	0.8
Total liability related changes	**0.8**	**-**	**-**	**-**	**0.8**
Balance Interest bearing debt at 31 December 2023	**367.2**	**1.3**	**9.8**	**14.7**	**392.9**

The following table reconciles the movements in liabilities to cash flow from financing activities in 2022:

	Secured bank loans	Proceeds from owner	Lease	Bank overdraft	Total
Balance Interest bearing debt at 31 December 2021	**294.7**	**1.3**	**11.9**	**16.9**	**324.8**
Changes in Financing cash flows					
Secured bank loan - RCF + TL NewRide - DNB/ RABO	50.0	-	-	-	50.0
Instalment Secured bank loan DNB/GIEK/NEK	-9.4	-	-	-	-9.4
Lease payments			-4.8		-4.8
Overdraft facility with DNB/RABO				16.5	16.5
Net cash flow from financing activities	**40.6**	**-**	**-4.8**	**16.5**	**52.3**
Non-Cash changes					
Leasing financing (IFRS16)	-	-	3.5	-	3.5
Other changes, liability related					
Interest/fees charged to loan	0.6	-	-	-	0.6
Effect of changes in foreign exchange rates	-	-	-	-	-
Total liability related changes	**0.6**	**-**	**-**	**-**	**0.6**
Balance Interest bearing debt at 31 December 2022	**335.9**	**1.3**	**10.6**	**33.4**	**381.2**

Note 17 – Other non-current liabilities

	Year ended 31 December	
USD Millions	**2023**	**2022**
Pension liabilities	–	0.1
Total	**–**	**0.1**

Note 18 – Accounts payable and other payables

Accounts payable and other payment liabilities comprise the following items:

	Year ended 31 December	
USD Millions	**2023**	**2022**
Accounts payable	30.1	39.0
Accrued expenses	31.4	14.9
Other current liabilities	2.4	3.2
Total	**63.9**	**57.1**

Foreign exchange and liquidity risks are described in Note 20.

Note 19 – Leasing

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 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, or
- The leasing entity's incremental borrowing rate.

The Group is calculating the incremental borrowing rate in a model with an interest rate swap rate as a basis and adjustments reflecting:

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

The Group's ROU asset as at 31 December 2023 include:

USD Millions	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2023	9.8	0.1	**9.9**
Depreciation for the year	-4.6	-0.1	**-4.7**
Additions to ROU assets	1.1	0.1	**1.2**
Adjustment of ROU asset	2.8	-	**2.8**
Balance as of 31 December 2023	**9.0**	**0.1**	**9.1**

Additions to ROU assets relates to a lease extension of the Office in Shanghai, new lease of equipment in Ski, and the annual CPI adjustments in some of the lease payments.

The Group's ROU asset as at 31 December 2022 include:

USD Millions	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2022	11.0	0.3	**11.3**
Depreciation for the year	-4.2	-0.2	**-4.4**
Additions to ROU assets	0.6	-	**0.6**
Adjustment of ROU assets	2.4	-	**2.4**
Balance as of 31 December 2022	**9.8**	**0.1**	**9.9**

Additions to ROU assets relates to the new lease of offices in Bangkok, Beijing, and Uruguay; a new lease of a warehouse in Uruguay, and the annual CPI adjustments in some of the lease payments.

Amounts recognized in profit or loss:

	Year ended 31 December	
USD Millions	**2023**	**2022**
Expenses related to short-term lease	-1.2	-3.9
Expenses related to low-value asset, excl. short-term	0.2	-
Leasing expenses related to variable payments not included in lease liabilities	-2.7	-2.0
Interest on lease liabilities	-0.7	-0.7
Effect of changes in foreign exchange rates	0.2	0.2
Total	**-4.2**	**-6.4**
Instalments on lease liabilities included in cash flow statement	**-5.2**	**4.8**

Future lease liability payments as of year-end 2023 and 2022 (IFRS 16)

USD Millions	2023	2022
Within one year	5.0	5.0
1-2 years	3.3	3.3
3-5 years	0.8	1.5
More than 5 years	1.0	0.7
Total	**10.1**	**10.5**

Lease liabilities as of 31 December 2023 totaled USD 9.7 million (31 December 2022: USD 10.5 million) of which USD 4.9 million (31 December 2022: USD 4.8 million) was classified as current and USD 4.8 million (31 December 2022: USD 5.8 million) as non-current, see Note 16.

Note 20 – Financial risk

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

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 are 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:

	As per 31 December	
USD Millions	**2023**	**2022**
Not at maturity	42.1	46.5
0-30 days overdue	10.4	10.1
31-120 days overdue	5.5	2.0
121- 365 days overdue	-	2.4
More than one year overdue	0.6	0.3
Total trade receivable	**58.6**	**61.3**
Bad debt provision	**-1.0**	**-1.3**

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

Movements in allocation to loss on trade receivable and contract assets:

USD Millions	2023	2022
Balance at 1 January under IFRS 9	**-1.3**	**-0.9**
Impairment loss (write-off) on trade and other receivables	-	-0.4
Allocation to loss on trade receivable and contract assets	**-1.0**	**-1.3**

The Group`s two most significant customers account for USD 10.7 million of the receivables carrying amount as of 31 December 2023 (2022: USD 12.1 million).

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial liabilities as they mature. The Group does not hedge against exposure to interest-rate fluctuations on debt and is therefore exposed to fluctuations on the variable-rate amount of interest-bearing liabilities, which was USD 369.2 million as of 31 December 2023 (2022: USD 311.6 million).

Overview of maturities including estimated interest payments by category of liability in 2023:

USD Millions	Book value at 31 December	Contractual cash flows	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	367.2	-434.4	-39.6	-19.7	-318.1	-34.6	-22.4
Interest bearing debt, non-current, related parties	1.3	-1.8	-0.1	-0.1	-0.1	-0.1	-1.4
Overdraft facility	14.7	-14.7	-14.7	-	-	-	-
Leasing liabilities (IFRS16)	9.7	-9.7	-2.5	-2.4	-3.1	-0.7	-1.0
Total 2023 maturity of loans and interest on interest-bearing debt	**392.9**	**-460.6**	**-56.9**	**-22.2**	**-321.3**	**-35.4**	**-24.8**
Derivatives	-	-	-	-	-	-	-
Accounts payable and other current liabilities	63.9	-57.1	-57.1	-	-	-	-
Non-current non-interest-bearing liabilities	3.8	-3.8	-	-	-	-	-3.8
Total liabilities	**460.6**	**-521.6**	**-114.1**	**-22.2**	**-321.4**	**-35.4**	**-28.5**

Overview of maturities including estimated interest payments by category of liability in 2022:

USD Millions	Book value at 31 December	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	335.9	-393.1	-16.3	-16.5	-291.8	-36.0	-32.4
Interest bearing debt, non-current, related parties	1.3	-1.8	-0.1	-0.1	-0.1	-0.1	-1.4
Overdraft facility	33.4	-33.4	-33.4	-	-	-	-
Leasing liabilities (IFRS16)	10.5	-9.7	-2.5	-2.4	-3.1	-0.7	-1.0
Total 2022 maturity of loans and interest on interest-bearing debt	**381.1**	**-438.0**	**-52.3**	**-19.0**	**-295.0**	**-36.8**	**-34.9**
Accounts payable and other current liabilities	57.1	-57.1	-57.1	-	-	-	-
Non-current non-interest-bearing liabilities	5.5	-5.5	-	-	-	-	-5.5
Total liabilities	**443.7**	**-500.6**	**-109.4**	**-19.0**	**-295.0**	**-36.8**	**-40.3**

Management has had continuous dialogue with the company's bank group through 2023 and a covenant waiver was granted at an elevated leverage covenant threshold of which the company has been in compliance with. Going into 2024, the company has also been granted a leverage covenant waive.r for Q1 2024 to allow for some uncertainty start of the year as a result of low harvesting end of 2023.

Market risk

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 table below shows the Group's exposure to foreign exchange risk as per 31 December.

	2023		2022	
USD Millions	**Euro**	**NOK**	**Euro**	**NOK**
Accounts receivable	-	22.4	-	6.2
Cash	-0.7	-23.7	-0.3	-2.3
Other assets	-	0.3	-	-
Secured bank loan	-	-	-	-
Accounts payable	-0.2	-13.9	-1.1	-13.2
Other balance sheet items	-1.3	-14.5	-	-7.0
Gross balance sheet exposure	**-2.2**	**-29.3**	**-1.4**	**-16.3**
Currency forwards	-	-	-	-
Net exposure	**-2.2**	**-29.3**	**-1.4**	**-16.3**

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 0.2 million related to Euro and USD 2.9 million related to NOK, respectively.

Interest rate risk

The Group’s borrowings and any surplus cash balances are held at variable and fixed interest rates linked to the Secured Overnight Financing Rate or Commercial Interest Reference Rate (SOFR and CIRR, 3 or 6 months). A movement of 100 basis points in the interest rate on borrowings and surplus cash balances as of 31 December 2023 would have affected the Group’s profit before tax with USD 3.6 million (2022: USD 1.3 million). This analysis assumes that all other variables, especially the exchange rates, remain constant.

Interest rate profile

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

USD Millions	Year ended 31 December 2023	Effective interest rate year ended 31 December 2023	Year ended 31 December 2022	Effective interest rate year ended 31 December 2022
Fixed-interest instruments				
Loan from Antarctic Harvesting Holding AS	-1.3	7.0 %	-1.3	7.0 %
Secured bank loan - Bank syndicate	-67.9	3.1 %	-77.2	3.1 %
Net fixed interest instruments	**-69.2**		**-78.5**	
Floating-interest instruments				
Financial assets				
Cash and cash equivalents	27.5	variable *)	22.3	variable *)
Financial liabilities				
Secured bank loan - Bank syndicate	-299.3	6,9%-8,1%	-258.7	3,1%-7,1%
Overdraft facility	-14.7	variable **)	-33.4	variable **)
Leasing liabilities (IFRS16)	-9.7	variable **)	-10.5	variable **)
Net variable interest instruments	**-296.1**		**-280.3**	
Total net interest-bearing debt	**-365.3**		**-358.8**	

*) 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 presented

Fuel price risk

Marine Gasoil ("MGO") fuel used for vessel propulsion and krill meal production is one of the Groups' most significant operating costs. The profitability and cash flow of the Group will therefore be affected by the market price of MGO. To reduce Aker BioMarine's exposure to fluctuations in the fuel price, the operating subsidiary Aker BioMarine Antarctic AS purchased call options on Gasoil 0.1% at barges FOB Rotterdam in 2020. These options gave Aker BioMarine Antarctic AS the right to purchase Gasoil 0.1% at barges FOB Rotterdam at defined price ("the strike") each month until December 2024. As of 31 December 2022, Aker BioMarine held 44,604 call option contracts giving the Group the right to purchase 44,604 MT of fuel between 2023 and 2024. The value of these options was reflected in the mark-to-market ("M2M") value, which at 31 December 2022 was USD 11.0 million. As of 31 December 2023, the call option contracts for 2024 have been terminated.

Classification of derivatives

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

During 2022, the Group rebalanced its call option portfolio to align with an updated forecast of production and operations. As a result, the Group sold 7 454 call options. The sale was recognized as a rebalancing effect of designated fuel volumes and was accounted for in accordance with the requirements for discontinuation of hedge accounting. The gain from rebalancing was USD 2.9 million and was recognized as 'Other operating income' in the statement of profit or loss, see Note 2. The contracts not sold continued to follow hedge accounting.

During 2023, and as part of the Group's restructuring and strategic review, the Group's risk management objective changed. Management decided to terminate the remaining 2024 contracts. As a result of this, the hedging relationship was discontinued. Following the changes in the risk management objective, the hedge accounting ended as the hedging relationship no longer met the qualifying criteria. After the discontinuation of hedge accounting by end of May 2023, fair value adjustment of USD 3.9 million are reported in the profit or loss, see Note 2.

Fuel hedge cash flow overview:

USD Millions	2023
Hedge settlements	5.9
Sale of surplus call options	3.9
2023 net cash impact	**9.8**

Hedge reserves

The Group's hedging reserves mainly relate to fuel hedge contracts for hedging of bunkers oil for the period 2021-2024. Total hedge reserve was USD 3.5 million at the end of 2022. As of 2023, the remaining fuel options have been terminated.

Hedge effectiveness

The Group has determined hedge effectiveness at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. During 2023, the remaining fuel options have been terminated and the hedge accounting has been discontinued at the end of May 2023.

Movements in the fuel hedge reserve for the year ended 31 December:

USD Millions	2023	2022
Opening balance as per 1 January	**3.5**	**5.4**
Change in fair value of hedging instrument recognised in OCI	4.7	-1.9
Reclassified to inventory	-8.2	-15.0
Intrinsic value of options	-	17.8
Reclassified from OCI to profit or loss	-	-2.8
Closing balance as per 31 December	**-**	**3.5**

Fair values

The Group has financial instruments that are measured at fair value. These are the fuel options, which are measured according to level 2 in the fair value hierarchy. In level 2, the valuation techniques apply the lowest level input that is significant to the fair value measurement that is directly or indirectly observable. The fair values using Level 2 valuation techniques are based on discounted cash flow models.

For the short-term nature of financial instruments measured at amortized cost, the book value approximating fair value.

Capital management

The Group's objectives when managing capital are to i) ensure the Groups ability to continue as a going concern, and ii) maintain an optimal capital structure to reduce the cost of capital and be in compliance with bank covenants.

In order to maintain or adjust the capital structure, the group may obtain short term funding through supply chain financing, receivables purchase agreements, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio as agreed with the bank syndicate which is net interest-bearing debt / 12 month Adjusted EBITDA (see Note 16).

Note 21 – Contingencies and legal claims

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

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

As per 31 December 2023 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.

USD Millions	2023	2022
Office Rent Fornebu Næring	-0.6	-1.0
Recharge Rev Ocean	0.1	0.1
Miscellaneous cost	-0.4	-1.3
Total	**-1.0**	**-2.3**

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

Board remuneration

There is no remuneration paid to the Board members and Employee representative other than ordinary salaries. For details about board remuneration, refer to the Company’s Remuneration Report which is published on the Company’s website.

https://www.akerbiomarine.com/investor-other-reports-and-presentations

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 implemented share incentive programs for employees in February 2022.

In addition to the EMT bonus program also referred to in the Remuneration report, Aker BioMarine has established a bonus program for level two managers based on EBITDA performance. Sales resources have separate bonus programs linked to achievement of certain sales related KPIs.

In 2023, Management team was awarded a discretionary bonus decided by the board after the 2022 Annual Report was approved. Based on the company’s performance in 2023 no bonus for the management team awarded, except for one member of the EMT.

For details about remuneration paid to the CEO and EMT, refer to the Company’s Remuneration Report which is published on the Company’s website.

https://www.akerbiomarine.com/investor-other-reports-and-presentations

USD Millions					2023				2022
Name	**Current position within the Company**	**Salary**	**Paid bonus**	**Pension**	**Total**	**Salary**	**Paid bonus**	**Pension**	**Total**
Matts Johansen	Chief Executive Officer (CEO)	0.4	0.3	-	**0.7**	0.4	0.2	-	**0.6**
Katrine Klaveness	Chief Financial Officer (CFO)	0.3	0.1	-	**0.4**	0.3	0.1	-	**0.4**
Simon Seward	EVP Human Health and Nutrition	0.2	0.1	-	**0.3**	0.2	-	-	**0.2**
Hege Spaun	Chief Officer People & External Affairs	0.2	0.1	-	**0.3**	0.2	-	-	**0.2**
Tone Lorentzen	EVP Supply Chain	0.2	0.1	-	**0.3**	0.3	0.1	-	**0.4**
Shauna McNeill (until 31.01.2023)	EVP Innovation	-	0.1	-	**0.1**	0.2	-	-	**0.2**
Sigve Nordrum	EVP Animal Health and Nutrition	0.2	0.1	-	**0.3**	0.2	0.1	-	**0.3**
Webjørn Barstad	EVP Offshore	0.3	0.2	-	**0.5**	0.3	0.2	-	**0.5**
Trond Atle Smedsrud	EVP Strategic Investments	0.2	0.1	-	**0.3**	0.2	0.1	-	**0.3**
Seth French	CEO Lang Pharma Nutrition Inc.	0.5	0.5	-	**1.0**	0.5	0.2	-	**0.7**
TOTAL		**2.5**	**1.7**	**0.1**	**4.1**	**2.8**	**0.9**	**0.1**	**3.8**

Note 24 – Group companies

As of 31 December 2023, Aker Capital AS held 77.7% of the shares in Aker BioMarine, and the CEO, through his wholly owned subsidiary KMMN Invest II AS, held 1.2%.

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 preferred shares are included as interest bearing debt in the statement of financial position. Following the restructuring in 2023 Aker BioMarine Holding AS was established and AHH now holds 555,900 shares in the new company. Aker BioMarine Antarctic AS is fully owned by Aker BioMarine Holding AS.

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 Holding AS.

Based on the content of the shareholder agreement between the company and AHH, the company defines Aker BioMarine Holding 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.

Investments in associates

The Group accounts for investments in associates under the equity method. Aion AS has been the main investment classified as investment in associates, and the investment and the share of result has been included in the Group's financial statements. As per 31 December 2023, the investment has been classified as "Asset held for sale".

The consolidated financial statements for the Group in 2023 included the following subsidiaries:

	Shareholding in %	Voting rights in %	Administrative headquarters Location	Country
Aker BoMarine Holding AS	40	100*	Lysaker	Norway
Aker BioMarine Antarctic AS	100	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 Distribution Holding AS	100	100	Lysaker	Norway
Aker BioMarine Human Ingredients AS	100	100	Lysaker	Norway
Aker BioMarine Holding Understory AS	100	100	Lysaker	Norway
KRBNX AS	100	100	Lysaker	Norway
Aker BioMarine Manufacturing 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 (until 08 2023)	100	100	Vancouver	Canada
Euphausia LLC (until 12 2023)	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
Aker BioMarine Japan K.K	100	100	Tokyo	Japan
Aker BioMarine Chile S.A	100	100	Puerto Varas	Chile
Qpaws AS	100	100	Lysaker	Norway

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

The consolidated financial statements for the Group in 2022 included the following subsidiaries:

	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 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
Aker BioMarine Japan K.K	100	100	Tokyo	Japan
Aker BioMarine Chile S.A	100	100	Puerto Varas	Chile
Aion AS (until April 2022, see Note 1)	100	100	Lysaker	Norway

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

Note 25 – Earnings per share

USD Millions	2023	2022
Continued operations:		
Net profit (loss)	**-9.0**	**10.0**
Profit (loss) from continued operations attributable to Equity holders of the parent	**-9.0**	**10.0**
Number of shares		
Share outstanding as per 1 January	87,637,733	87,586,086
Capital increase	35,015	51,647.0
Shares outstanding as per 31 December	**87,672,748**	**87,637,733**
Weighted average number of shares as per 31 December	**87,661,076**	**87,629,125**
Earnings per share		
Basic	-0.10	0.11
Dilluted	-0.10	0.11

Note 26 – Events after the end of the reporting period

The company announced on 14th of February that it is initiating a strategic review for the “Feed Ingredients” 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. Based on external interest for the Feed Ingredients business, the Company has decided to initiate a process to explore strategic alternatives for that segment.

AKER BIOMARINE ASA

AKER BIOMARINE ASA

FINANCIAL STATEMENTS

2023

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December

USD Millions	Note	2023	2022
Operating revenues	2	0.1	0.2
Revenues from Group companies	2, 12	10.0	16.9
Total revenues		**10.1**	**17.1**
Salaries and other payroll expenses	3, 13	-9.0	-8.1
Other operating expenses	4	-12.1	-6.1
Operating expenses Group companies	12	-0.6	-0.3
Operating profit/loss before depreciation, amortization and impairment		**-11.6**	**2.6**
Depreciation, impairment, and amortization	7	-0.1	-0.1
Operating profit (loss)		**-11.7**	**2.5**
Interest income from Group companies	11	18.2	10.3
Net foreign exchange gain / loss (-)		-0.8	3.6
Other interest income and financial income	12	1.0	10.1
Interest and guarantee expenses to Group companies	11	-	-0.3
Other financial expenses	12	-1.8	-0.3
Net financial items		**16.6**	**23.4**
Profit (loss) before tax		**4.9**	**25.8**
Tax expense	6	-	-
Net profit (loss)		**4.9**	**25.8**
Allocation of loss for the year			
Profit (loss) for the year		4.9	25.8
Transferred to accumulated loss		-4.9	-25.8

STATEMENT OF FINANCIAL POSITION

As per 31 December

USD Millions	Note	2023	2022
ASSETS			
Property, plant and equipment	7	1.2	0.2
Intangible assets	7	0.5	0.2
Shares in subsidiaries and other companies	8	315.6	315.6
Other interest-bearing receivables, external, non-current		2.7	2.6
Long-term receivables from Group companies	11	232.1	213.9
Total non-current assets		**552.1**	**532.5**
Accounts receivable and other non-interest-bearing receivables		0.6	0.7
Current receivables from Group companies	11	5.2	11.1
Current interest bearing debt		0.3	-
Cash and cash equivalents	10	0.9	3.9
Total current assets		**7.0**	**15.7**
Total assets		**559.1**	**548.2**
LIABILITIES AND OWNERS' EQUITY			
Share capital	5	75.9	75.9
Share premium	5	473.0	472.9
Total paid-in capital		**548.9**	**548.8**
Accumulated loss	5	-0.2	-5.1
Total equity		**548.7**	**543.7**
Pension liabilities	9	-	0.1
Total non-current liabilities		**-**	**0.1**
Current debt to related parties	11	-	0.1
Accounts payable and other current liabilities		10.4	4.3
Total current liabilities		**10.4**	**4.4**
Total liabilities		**10.4**	**4.5**
Total equity and liabilities		**559.1**	**548.2**

Oslo 18 March 2024
The Board of Directors and CEO of Aker BioMarine ASA

Ola Snøve
Chair of the board

Frank Ove Reite
Director

Kimberly Mathisen
Director

Thomas Røkke
Director, elected by the employees

Kristin Holmgren
Director, elected by the employees

Anne Harris
Director

Cilia Holmes Indahl
Director

Matts Johansen
CEO Aker BioMarine

STATEMENT OF CASH FLOW

For the year ended 31 December

USD Millions	Note	2023	2022
Profit (loss) before tax		4.9	25.8
Net expensed interest, interest paid and received	12	-18.4	-10.5
Depreciation, impairment, and amortization	7	0.1	-9.6
Unrealized foreign exchange (gain) / loss and other non-cash-generating items		-	0.4
Changes in ordinary operating items		12.0	-7.9
Net cash flow from operating activities		**-1.4**	**-1.8**
Payments for fixed and intangible assets	7	-1.4	-0.3
Net cash flow from long term receivables	12	-	5.3
New short-term receivable interest bearing		-0.3	-
Net cash flow from investment activities		**-1.7**	**5.0**
Capital Increase		0.1	0.2
Proceeds, new short-term loans, related parties	12	-	-
Change in bank overdrafts	9	-	-
Change in bank loan	9	-	-
Net cash flow from financing activities		**0.1**	**0.2**
Net change in cash and cash equivalents		**-3.0**	**3.4**
Cash and cash equivalents as of 1 January		**3.9**	**0.5**
Cash and cash equivalents as of 31 December		**0.9**	**3.9**

Note 1 – Accounting principles

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

Subsidiaries and associated companies

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

Associated companies and investments in joint venture are valued according to the cost method in the parent company accounts.

Classification and valuation of balance sheet items

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

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

Receivables

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

Functional currency and foreign currency

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

Property, plant and equipment, and intangible assets

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

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

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

Revenue recognition

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

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

Taxes

Tax expenses in the profit and loss account comprise taxes payable for the period and any change in deferred tax/deferred tax benefit. In 2023, deferred tax is calculated as 22% of the temporary differences between accounting and tax values, as well as the tax deficit carryforward at the end of the accounting. Tax increasing and tax reducing temporary differences that are reversed or can be reversed in the same period, are offset. Net deferred tax benefit is recorded in the balance sheet to the extent it is likely that it will be used.

Cash flow statement

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

Use of estimates

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

Contingent losses deemed probable and quantifiable are expensed as incurred.

Change of accounting principles

Associated companies are valued according to the cost method. The change leads to no change in the comparable figures.

Note 2 – Operating revenues

Operating revenues in 2023 are distributed as follows:

USD Millions	Norway	EU	North America	Other	Total
Other revenue	0.1	-	-	-	0.1
Management fee from Group companies	10.0	-	-	-	10.0
Total operating revenues	**10.1**	**-**	**-**	**-**	**10.1**

Operating revenues in 2022 are distributed as follows:

USD Millions	Norway	EU	North America	Other	Total
Other revenue	0.2	-	-	-	0.2
Management fee from Group companies	16.9	-	-	-	17.0
Total operating revenues	**17.2**	**-**	**-**	**-**	**17.2**

Note 3 – Salaries and other payroll expenses

Salaries and payroll expenses comprise of the following:

	Year ended 31 December	
USD Millions	2023	2022
Salaries	-7.2	-5.5
Other personnel costs	-0.3	-1.1
Employer's social security contribution	-1.1	-1.1
Pension expenses	-0.4	-0.4
Total	**-9.0**	**-8.1**
Average number of employees	51.0	47.0

Note 4 – Other operating expenses

Other operating expenses comprise the following:

	Year ended 31 December	
USD Millions	2023	2022
Professional services	-7.9	-1.8
Office rent	-1.0	-1.1
Travel	-0.2	-0.2
Other operating expenses	-3.1	-3.0
Total other operating expenses	**-12.2**	**-6.1**

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

	Year ended 31 December	
USD Millions	2023	2022
Ordinary auditing services	-0.3	-0.2
Other services	-	-0.1
Tax advisory	-	-0.1
Total	**-0.3**	**-0.4**

1) Remuneration to the auditor is presented excluding VAT.

Note 5 – Equity

The Company's share capital amounts to NOK 526 036 488 distributed as 87 672 748 shares issued, each with a par value of NOK 6.00. All shares are equal in all respects.

As of 31 December 2023, Aker ASA owns 77.7% of the shares in the Company. The Company's CEO owns 1 094 958 shares. Members of the board holding shares in the company are; Chairman of the Board, Ola Snøve 858 619 shares and Director (elected by the employees) Kristin Holmgren 3 467 shares.

Changes in equity are set forth below:

USD Millions	Share capital	Share premium	Accumulated loss	Total equity
Equity as of 1 January 2022	**75.9**	**472.7**	**-30.9**	**517.7**
Capital Increase	-	0.2	-	0.2
Loss for the year	-	-	25.8	25.8
Equity as of 31 December 2022	**75.9**	**472.9**	**-5.1**	**543.7**
Capital Increase	-	0.1	-	0.1
Loss for the year	-	-	4.9	4.9
Equity as of 31 December 2023	**75.9**	**473.0**	**-0.2**	**548.7**

The 20 largest shareholders as per 31 December 2023:

Shareholder	Number of shares	Per cent
Aker Capital	68,132,830	77.7 %
Arctic Fund Management	2,370,830	2.7 %
Petter Stordalen (Strawberry)	1,824,088	2.1 %
Beck Asset Management AS	1,150,000	1.3 %
Matts Johansen	1,094,958	1.3 %
Ola Snøve	858,619	1.0 %
Danske Invest	708,023	0.8 %
Loe Equity AS	618,392	0.7 %
Norda ASA	573,985	0.7 %
Arne Fredly	500,000	0.6 %
Aktia Asset Management	400,000	0.5 %
Tigerstaden AS	384,158	0.4 %
Arepo AS	373,391	0.4 %
VJ Invest AS	373,168	0.4 %
Centragruppen AS	329,345	0.4 %
Tore Aksel Voldberg	300,000	0.3 %
Stenberg Holding AS	300,000	0.3 %
Varner AS	292,749	0.3 %
Mandatum Fund Management	287,577	0.3 %
Livermore Invest AS	260,711	0.3 %
Total	**81,132,824**	**93%**

Note 6 – Tax expense and deferred tax

	Year ended 31 December	
USD Millions	**2023**	**2022**
Income tax expense		
Tax base		
Profit (loss) before tax	4.9	25.8
Currency translation from USD to NOK	6.5	23.5
Tax base (statutory tax purposes)	**11.4**	**49.3**
Tax base (statutory tax purposes)	11.4	49.3
Change in temporary differences	-0.1	-
Tax base	**11.3**	**49.3**
Tax loss carried forward	-11.3	-49.3
Currency translation tax loss carried forward from previous years	-7.5	
Temporary differences		
Property, plant and equipment and intangible assets	-	-0.1
Gain and loss accounts	-	0.1
Post employment benefit liabilities	-	-0.1
Net deferred tax assets	**-**	**-0.1**
Tax losses carried forward	-64.2	-83.0
Interest rate deductability carry forward	-13.8	-15.1
Basis for deferred tax asset	**-77.9**	**-98.1**
Deferred tax asset (22%)	**-17.1**	**-21.6**
Unrecognized deferred tax assets	**17.1**	**21.6**

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

Note 7 – Fixed assets and Intangible assets

Movements in property, plant, and equipment in 2023

USD Millions	Furniture & fixtures	Assets under construction	Total
Acquisition cost as of 1 January 2023	**0.7**	**-**	**0.7**
Investments	-	1.0	1.0
Acquistion cost as of 31 December 2023	**0.7**	**1.0**	**1.7**
Accumulated amortization and impairment as of 1 January 2023	**-0.6**	**-**	**-0.6**
Depreciation for the year	-0.1	-	-0.1
Accumulated amortization and impairment as of 31 December 2023	**-0.7**	**-**	**-0.7**
Book value as of 31 December 2023	**-**	**1.0**	**1.2**

Movements in property, plant, and equipment in 2022

USD Millions	Furniture & fixtures	Total
Acquisition cost as of 1 January 2022	**0.6**	**0.6**
Investments	0.1	0.1
Acquistion cost as of 31 December 2022	**0.7**	**0.7**
Accumulated amortization and impairment as of 1 January 2022	**-0.3**	**-0.3**
Depreciation for the year	-0.1	-0.1
Retirement	-0.1	-0.1
Accumulated amortization and impairment as of 31 December 2022	**-0.5**	**-0.5**
Book value as of 31 December 2022	**0.2**	**0.2**

Movements in intangible assets in 2023

USD Millions	Intangibles	Total
Acquisition cost as of 1 January 2023	**0.3**	**0.3**
Investments	0.4	0.4
Retirement	-	-
Acquistion cost as of 31 December 2023	**0.6**	**0.6**
Accumulated amortization and impairment as of 1 January 2023	**-**	**-**
Amortization for the year	-0.1	-0.1
Accumulated amortization and impairment as of 31 December 2023	**-0.1**	**-0.1**
Book value as of 31 December 2023	**0.5**	**0.5**

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

Operating lease expense amounted to USD 1.2 million in 2023 and USD 1.3 million in 2022. The Company's lease commitments under non-cancellable leases amounts to approx. USD 1.5 million annually, until 2030. Operating lease costs are expensed as incurred. The Company has no financial lease arrangements.

Note 8 – Shares in subsidiaries

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

Shares in subsidiaries and other companies comprised the following as of 31 December 2023:

USD Millions	Ownership in % 1)	Headquarter	Equity	Profit/loss before tax	Book value
Aker BioMarine Holding AS	40	Bærum, Norway	1.8	-0.2	305.4
Aion AS 2)	100	Bærum, Norway	0.1	-1.7	10.1
Complector Ship Management AS	100	Bærum, Norway	-	0.1	-
Qpaws AS	100	Bærum, Norway	-	-	-
Shares in subsidiaries and other companies					**315.6**

1) Share of voting rights equals share of ownership. 2) Based on preliminary unaudited financials

Shares in subsidiaries and other companies comprised the following as of 31 December 2022:

USD Millions	Ownership in % 1)	Headquarter	Equity	Profit/loss before tax	Book value
Aker BioMarine Antarctic AS	40	Bærum, Norway	-6.7	-49.9	305.4
Aion AS 2)	100	Bærum, Norway	0.1	0.1	10.1
Complector Ship Management AS	100	Bærum, Norway	-	-	-
Shares in subsidiaries and other companies					**315.6**

1) Share of voting rights equals share of ownership.

Note 9 – Pension expenses and liabilities

The Company has a defined contribution plan that covers all employees except one employee who has had a defined benefit plan. At the end of the year the defined benefit plan was terminated and the employee was moved to the defined contribution plan. As a result of this there is no defined obligation or asset at year end. During the year the Company expensed USD 0.04 million, net of settlements and curtailment, on the defined benefit plan (2022: USD 0.04 million).

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

Note 10 – Restricted funds

The Company has USD 0.6 million in restricted funds associated with employee tax withholdings as of 31 December 2023 (2022: USD 0.3 million).

Note 11 – Transactions with subsidiaries and related parties

In 2023 and at year-end 2023, Aker BioMarine ASA recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

USD Millions	Aker ASA	Aker BioMarine Antarctic AS	Aker BioMarine Human Ingredients AS	Aker BioMarine Distribution Holding AS	Other subsidiaries	Other related parties	Total
Transactions recorded in profit and loss							
Management fee (income)	-	9.4	0.6	-	-	-	**10.0**
Miscellaneous cost	-0.1	-	-	-	-	-0.2	**-0.3**
Interest income	-	17.2	0.2	0.8	0.1	-	**18.2**
Transactions recognized in balance sheet at year-end							
Long-term interest bearing receivable	-	89.2	22.9	109.5	10.4	-	**232.0**
Current receivables	-	4.4	0.8	-	-	-	**5.2**

In 2022 and at year-end 2022, Aker BioMarine ASA recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

USD Millions	Aker ASA	Aker BioMarine Antarctic AS	Other subsidiaries	Fornebu Gateway Felleskost AS	Cognite	Other related parties	Total
Transactions recorded in profit and loss							
Management fee (income)	-	16.8	0.1	-	-	0.1	**17.0**
Miscellaneous cost	-0.1	-	-	-	-	-0.2	**-0.3**
Interest income	-	10.2	0.1	-	-	-	**10.3**
Transactions recognized in balance sheet at year-end							
Long-term interest bearing receivable	-	213.9	-	-	-	-	**213.9**
Current receivables	-	11.0	-	-	-	-	**11.0**

Note 12 – Other financial income and expenses

Other interest- and financial income:

	Year ended 31 December	
USD Millions	2023	2022
Interest income, bank	0.7	0.1
Other financial income	0.2	10.0
Total	**0.9**	**10.1**

Other financial expenses:

	Year ended 31 December	
USD Millions	2023	2022
Interest expenses	-0.6	-0.3
Other financial expenses	-1.2	-
Total	**-1.8**	**-0.3**

Note 13 – Salaries and other remuneration to the Board of Directors and executive management

Board remuneration

There is no remuneration paid to the Board members and Employee representative other than ordinary salaries. For details about board remuneration, refer to the Company’s Remuneration Report which is published on the Company’s website.

https://www.akerbiomarine.com/investor-other-reports-and-presentations

Remuneration paid to the CEO

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

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

In addition to the EMT bonus program also referred to in the Remuneration report, Aker BioMarine has established a bonus program for level two managers based on EBITDA performance. Sales resources have separate bonus programs linked to achievement of certain sales related KPIs.

Management team was awarded a discretionary bonus decided by the board after the 2022 Annual Report was approved. Based on the company’s performance in 2023 no bonus for the management team awarded, except for one member of the EMT.

For details about remuneration paid to the CEO and EMT, refer to the Company’s Remuneration Report which is published on the Company’s website.

https://www.akerbiomarine.com/investor-other-reports-and-presentations

Directors' responsibility statement

Today, the board of directors and the chief executive officer reviewed and approved the board of directors' report and the consolidated and separate annual financial statements of Aker BioMarine ASA, consolidated and parent company for the year ending and as of 31 December 2023.

Aker BioMarine ASA's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied per 31 December 2023. The separate financial statements of Aker BioMarine ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as at 31 December 2023. The board of directors' report for the group and the parent company satisfy with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as at 31 December 2023.

To the best of our knowledge:

The consolidated and separate annual financial statements for 2023 have been prepared in accordance with applicable accounting standards.

The consolidated and separate annual financial statements give a true and fair overall view of the assets, liabilities, financial position and profit/loss of the group and for the parent company as of 31 December 2023.

The board of directors' report provides a true and fair review of the development and performance of the business and the position of the group and the parent company, the principal risks and uncertainties the group and the parent company may face.

Fornebu, 18 March 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

To the General Meeting of Aker BioMarine ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- the financial statements of the parent company Aker BioMarine ASA (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Aker BioMarine ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss, statements of comprehensive income, statements of cash flow and statements of changes in equity for the year then ended, and notes to the financial statements, including a summary of group accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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

Basis for Opinion

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

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

We have been the auditor of the Company for two years from the election by the general meeting of the shareholders on 20 April 2022 for the accounting year 2022.

Key Audit Matters

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

The Group's business activities are largely unchanged compared to last year. Valuation of inventories and Impairment assessment of goodwill and other intangible assets have the same characteristics and risks this

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year as the previous year and consequently have been an area of focus also for the 2023 audit. Because the Group recognised deferred tax assets during this financial year, we added that as a focus area.

Key Audit Matters	How our audit addressed the Key Audit Matter

Valuation of inventories

On 31 December 2023, the carrying value of the Group's inventory amounts to USD 183.7 million, of which USD 142.1 million is related to the Ingredients segment.

Inventory in the Ingredients segment consists of raw materials, goods under production and finished goods, and is valued at the lower of cost and net realisable value (NRV). Furthermore, the cost of goods in production and finished goods comprises the cost of raw materials, direct labour, other direct cost and the allocation of production overhead cost. We focused on this area due to the significance of the amounts involved, and because cost and estimated NRV require management judgement related to:

- Determination of expenses to be included as part of the indirect production cost capitalised as a part of the inventory,
- The allocation of production cost between products produced, and
- The measurement of the krill- based products held as Inventories at year end, where the use of judgement is particularly related to estimated selling price.

See note 12 - Inventories where management explains the method of cost allocation applied, and explanations relevant to the valuation of inventory.

We observed the Group's routines for physical inventory counts and performed sample-based test counts in significant locations. Our procedures included testing of third-party confirmations from external warehouses and testing of the Group's internal control related to identifying obsolete inventories and volume reporting. These activities enabled us to obtain comfort over the quantity and existence of the inventory to which the cost allocation and estimated NRV applies.

To test management's valuation of inventory:

- We assessed the Group's inventory cost allocation policy and considered whether the policy was in accordance with IAS 2. We also performed a sample-based testing of the cost allocated to inventory
- We obtained an understanding of the Group's policy related to allocation of production cost between products produced and assessed the consistency of the principles. We also considered whether the accounting treatment was in accordance with IAS 2, and tested, on a sample basis, the cost allocation between products.
- We assessed the integrity of the inventory valuation model, reconciled volumes against tested inventory reports and reconciled expenses included in inventory against tested cost base. We also performed a sample-based recalculation of the weighted average cost at year-end of the different inventory products.
- We obtained Management's assessment of lower of cost and net realisable value. We assessed the estimated selling price and freight cost towards historical figures and towards selling price and freight cost subsequent to year-end.

We found no material errors through our testing.

Finally, we considered the adequacy of disclosures in note 12 and found them appropriate and in accordance with the requirements in current accounting standards.

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Impairment assessment of intangible assets and goodwill

On 31 December 2023, the Group had goodwill with a carrying value of USD 94.6 million and other intangible assets with a carrying value of USD 60.8 million.

We focused on management's impairment assessment of intangible assets and goodwill, due to the amounts and significant judgements involved. A potential impairment may have a material impact on the carrying value of intangible assets and goodwill. No write-down was recognised as a result of this year's impairment assessment.

The use of management judgement particularly relates to the determination of the applied discount rate (WACC), future revenues, krill harvesting and production, EBITDA and capital expenditures.

See note 10 Impairment assessment, where management explains the impairment model and key assumptions applied.

We obtained management's impairment review including identification of operating segments and assessed whether the identification was in accordance with IFRS.

We challenged key assumptions applied by management in the cash flow forecasts included in the impairment model. Specifically, we discussed with management to challenge their view on future revenues, krill harvesting and production, EBITDA and capital expenditures.

We tested the mathematical accuracy of cash flow models, and assessed relevant data to historical financial data, future budget approved by management and other obtainable market information such as relevant benchmarks for growth estimates.

We evaluated the discount rate used by management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data and our own internal data.

We found no material errors through our testing.

Finally, we considered the adequacy of disclosures in note 10 and found them appropriate and in accordance with the requirements in current accounting standards.

Valuation of deferred tax assets

As detailed in note 7, the Group has recognised deferred tax assets of USD 25 million. Based on the ownership structure in the Group, management has identified two separate Norwegian tax groups, Aker BioMarine ASA and Aker BioMarine Holding AS. For Aker BioMarine ASA tax group, no deferred tax assets from historic tax losses have been recognized. For Aker BioMarine Holding AS tax group, management has assessed, based on 2023 results and future budgets that the Group will be in a tax position going forward. Deferred relating to tax losses carried forward in Aker BioMarine Holding tax group is 39 MUSD.

Management applies judgement to determine to what extent these deferred tax assets qualify for recognition in the statement of financial position. The judgement relates to: management's assumptions about future operating results and timing of utilisation, likelihood of the realisation and sufficient taxable profits in future periods.

Valuation of deferred tax assets has been a focus area due to the materiality of the amounts and the judgement involved in estimation and recognition of deferred tax assets.

We obtained an understanding of management's processes used to calculate and value the deferred tax assets.

We challenged management's use of key assumptions in the cash flow forecasts underpinning the value calculation. In particular we discussed management's view on future development of revenues and expenses, temporary and permanent tax differences, and the expected timing of utilisation of the tax losses carried forward.

We tested the mathematical accuracy of the calculation, and traced data used in the model to historical financial data, future budgets approved by management and external valuation reports.

We found no material errors through our testing.

Finally, we considered the adequacy of disclosures in note 7 and found them appropriate and in accordance with the requirements in current accounting standards.

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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.
In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Aker BioMarine ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name AkerBioMarineASA-2023-12-31.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 18 March 2024
PricewaterhouseCoopers AS

Vidar Lorentzen
State Authorised Public Accountant

To the Board of Directors of Aker BioMarine ASA

Independent report regarding Aker BioMarine ASA's Greenhouse Gas Statement

We have undertaken a limited assurance engagement in respect of Aker BioMarine ASA's (the Company) Greenhouse Gas (GHG) Statement for the year ended 31 December 2023 (Sustainability Matter) included in the company's chapter 2 *Environmental, Social and Governance* in the Annual Report 2023 (Sustainability Information), comprising the table Emissions and the Explanatory Notes in the methodology statement in Appendix 2 on pages 129-132.

The applicable criteria against which the Greenhouse Gas Statement has been evaluated is the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (Criteria), applied as explained in the methodology statement on pages 129-132 in appendix 2 in the Annual Report 2023.

Management's Responsibility

Management is responsible for the preparation of the GHG Statement in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG Statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

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

Our Responsibility

Our responsibility is to express a conclusion on the GHG Statement based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3410 – "Assurance Engagements on Greenhouse Gas Statements" issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG Statement is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the management's use of the Criteria as the basis for the preparation of the GHG Statement, assessing the risks of material misstatement of the GHG Statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG Statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included

- Making inquiries of the persons responsible for the GHG Statement;
- Obtaining an understanding of the process for collecting and reporting the GHG Statement, including relevant internal controls;
- Performing limited substantive testing on a selective basis of the GHG Statement to test - whether data had been appropriately measured, recorded, collated and reported;
- Considering the disclosure and presentation of the GHG Statement;
- Performing analytical procedures and inquiries to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to Aker BioMarine ASA's operations.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

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

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Aker BioMarine ASA's GHG Statement for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the Criteria.

Oslo, 18 March 2024

PricewaterhouseCoopers AS

Vidar Lorentzen
State Authorised Public Accountant

ALTERNATIVE PERFORMANCE MEASURES

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

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

The Group uses the following APMs in the reporting:

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

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

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

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

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 8 'Property, plant and equipment' under line items 'Depreciation for the year' and 'Impairment'.

The following items are included in Special Operating Items over 2023 and 2022.

	Year ended 31 December	
USD Millions	**2023**	**2022**
Net loss	**(9.0)**	**10.1**
Tax expense	(25.0)	2.2
Financial income	(3.6)	(4.0)
Financial expenses	40.2	22.0
Net foreign exchange gain/loss	2.6	(8.1)
Operating profit	**5.2**	**22.2**
Depreciation, amortization and impairment	52.7	51.4
EBITDA	**58.0**	**73.6**
Special operating items	12.0	(4.5)
Adjusted EBITDA	**70.0**	**69.1**

Restructuring (2023):
In Q2 the company initiated a restructuring process including a strategic review of the Feed Ingredients segment. USD 6.3 million has occurred, which is mainly external costs.

Sale of trademarks (2023):
USD 0.4 million relates to sale of trademarks, brands and related expenses to these brands.

Improvement program (2022-2023):
In Q4 2022, the company initiated an improvement program to streamline operations, improve margins, cut costs, and optimize cash conversion. As a result of this program, USD 1.2 million in external costs as well as internal hours incurred by the project team has been recognized as APM in 2022. In 2023, USD 5.3 million has occurred. This includes external cost, internal hours and severance payments.

Aion (2022):
As a result of the Aion transaction, the Group's investment in the plastic circularity company has been deconsolidated. The gain from the Aion transaction (fair value adjustment of the investment) of USD 5.8 million is a material transaction which is non-recurring in nature and special compared to ordinary operational income or expenses.

Appendix 1: EU Taxonomy report for Aker BioMarine

Reporting period: 2023

The EU Taxonomy Regulation (Regulation 2020/852) entered into force on 12 July 2020. Since then, the EU has implemented Delegated Acts to further expand on the taxonomy framework. The Delegated Acts currently in force include the Climate Delegated Act (Regulation 2021/2139), the Disclosures Delegated Act (Regulation 2021/2178), and the Complementary Climate Delegated Act (Regulation 2022/1214). In addition, another delegated act, the Environmental Delegated Act, and amendments to the Climate Delegated Act were adopted in June 2023 and are expected to enter into force on the 1st of January 2024. As of now, large, public-interest undertakings are required to report under the EU Taxonomy Regulation.

Aggregated EU Taxonomy key performance indicators, company level:

Please note that all relative numbers in the table below refer to the company total.

	Turnover	CapEx	OpEx
Total (absolute value)	341.1m USD	48.8m USD	29.1m USD
Eligible	0.5%	3.9%	3.3%
Eligible, aligned	0.5%	3.9%	3.3%
Eligible, not aligned	0%	0%	0%

Scores per activity

Please note that the alignment ratio in each row applies only to their respective row. Company total can be seen in the "Total" row

Turnover

Activities	Turnover, USD	Alignment	Transitional or enabling activity
Taxonomy-eligible activities	1.7m	100%	--
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	1.7m	100%	TRANSITIONAL
Taxonomy-non-eligible activities	339.3m	--	--
Total	341.1m	0.5%	--

Capex

Activities	CapEx, USD	Alignment	Transitional or enabling activity
Taxonomy-eligible activities	1.9m	100%	--
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	1.9m	100%	TRANSITIONAL
Taxonomy-non-eligible activities	46.2m	--	--
Total	48.1m	3.9%	--

Opex

Activities	OpEx, USD	Alignment	Transitional or enabling activity
Taxonomy-eligible activities	976.7K	100%	--
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	976.7K	100%	TRANSITIONAL
Taxonomy-non-eligible activities	28.1m	--	--
Total	29.1m	3.3%	--

Reporting requirements for Aker BioMarine

According to the non-financial reporting directive (NFRD) article 19(a) and 29(a) non-financial undertakings which are public-interest entities (i.e. listed) with more than 500 employees, in the case of a group on a consolidated basis, are required to report on the taxonomy. As of 2023 the undertakings are required to report on the proportion of their taxonomy-eligible and taxonomy-aligned activities.

Aker BioMarine is not yet covered by the taxonomy regulation being a company with less than 500 employees. This report therefore represents Aker BioMarine voluntary taxonomy report.

Taxonomy assessment methodology

Aker BioMarine has performed the taxonomy assessment using Celsia Taxonomy software solution. The methodology of taxonomy assessment has included the following steps:

1.Defining scope of assessment

Aker BioMarine has performed a taxonomy assessment for all activities in the company. This has been done with a bottom-up approach, assessing the lowest level of reporting units and aggregated to the top company level, enabling a taxonomy assessment for the company total, per activity and per business division.

2.Defining eligibility and relevant activities

A taxonomy-eligible activity means an economic activity that is included in the taxonomy regulation. All Aker BioMarine's activities have been mapped out according to the activities defined in the Climate Delegated Act and categorized as either eligible or non-eligible following the description stated in the regulation. The eligible and non-eligible activities are listed in the table below:

Activity	Comments
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	Antarctic Provider is our transport vessel, providing crew and supplies to and from Antarctica.
Taxonomy-non-eligible activities	No ready and approved criteria set that covers our fishing vessels and production plant in Houston.

3.Defining relevant reporting units

To conduct the assessment as accurately as possible, Aker BioMarine 's operations were split into reporting units corresponding to the above-mentioned scope (see point 1). The areas identified were fishery, transport and production. Assets identified as reporting units for the taxonomy reporting were the fishing vessels, Houston plant Ski plant and transportation vessel for Aker BioMarine.

4.Assessment of criteria and defining alignment

Each of the activities under each of Aker BioMarine 's defined reporting units have been assessed against the technical screening criteria for the respective activities defined in the Climate Delegated Act. As the taxonomy regulation is still in an early phase of adoption, the focus has been on transparency, best intention, and providing explanation for choices made when interpreting the criteria. The interpretation of the criteria is based on both the explicit information available and the understanding of the purpose of the requirement.

The taxonomy regulation has not yet adopted explicit criteria for the minimum social safeguards beyond the references to OECD guidelines and UN Guiding Principles. Still, Celsia's understanding is that defined requirements on minimum social safeguards need to be placed on the company and the activities in question in order to assess activity-alignment. Aker BioMarine has therefore based compliance with minimum social safeguards on an assessment of several requirements derived from the process of due diligence on responsible business conduct as described in OECD's Guidelines for Multinational Companies and the UN Guiding Principles for Business and Human Rights. Please see *"Criteria related to minimum social safeguards"* for the actual criteria.

5.Adding financial data and calculating the three KPIs

Finally, by adding financial data to each activity in the reporting unit, the proportion of Aker BioMarine's taxonomy-eligible and taxonomy-aligned activities were calculated. This is done by calculating the three key performance indicators (KPIs): turnover, capital expenditures (capex), and operational expenditures (opex). The results were calculated for each reporting unit and activity and then aggregated for the company level.

Taxonomy Accounting Policy

The proportion of taxonomy-eligible and taxonomy-aligned turnover, capex, and opex are calculated by dividing a numerator by a denominator. The definitions of the turnover, Capex, and opex KPIs are set out in Annex I to the Disclosures Delegated Act. The following sections provide further information on how the denominators and numerators were derived for each KPI for the reporting period 2023.

Turnover KPI

The net turnover equals the external revenue according to the financial consolidated statement.

CapEx KPI

Denominator: The Capex KPI is calculated as all capitalized costs in the consolidated financial statement. The Capex denominator includes all additions to the fixed and intangible assets within the reporting period. Furthermore, capitalized cost from the relevant IFRS standards, IFRS 16 – Leases, IAS 16 – Property, plant and equipment and IAS 38 – Intangible assets.

Numerator: The numerator used for calculating the proportion of taxonomy-eligible capex is taken as the part of the capex denominator that is related to assets and processes that are associated with taxonomy-eligible activities. In addition, the numerator includes capex which are a part of a capex plan approved by the EMT and Board of Directors.

OpEx KPI

Denominator: The opex KPI is presented in the financial consolidated statement and shall include all maintenance material, cost of employees repairing a machine, cleaning factory and IT dedicated maintenance. It also includes projects related to research and development. However, general overhead cost, raw material or other cost needed to operate an asset as intended should not be included.

Numerator: The numerator used for calculating the proportion of taxonomy-eligible opex is taken as the part of the opex denominator that is associated with taxonomy- eligible activities, research and development cost non-capitalized.

General comments

Aker BioMarine has completed the taxonomy with the best intention focused on transparency and explanation of the interpretation of the taxonomy criteria. The interpretation of the criteria is based on both the explicit information available at the time of the assessment and the understanding of the purpose of the requirement.

In 2023 Aker BioMarine has updated its reporting regarding the minimum social safeguards in alignment with the new criteria set by the EU and the Transparency act that was implemented in June 2022. We have identified some areas of improvement and will mitigate actions being implemented in 2024.

The taxonomy regulation is still in a phase of early adoption and Aker BioMarine is closely following any clarifications from the EU Commission or any changes in industry best-practice when it comes to interpreting the activity descriptions or technical screening criteria.

Criteria related to minimum social safeguards

Aker BioMarine has based compliance with minimum social safeguards on an assessment of several requirements derived from the process of due diligence on responsible business conduct as described in OECD's Guidelines for Multinational Companies and the UN Guiding Principles for Business and Human Rights.

Criteria:

1.Does your company have a policy commitment on social responsibility including human rights, labor rights and anti-corruption - either as a stand-alone policy or integrated into other policies?

Yes, Aker BioMarine has a policy commitment on social responsibility which include human rights, labor rights and anti-corruption integrated in our Code of Conduct.

2.Does your policy or code of conduct contain social responsibility requirements and/or expectations towards suppliers and other key business partners?

Yes, further detailed in our Code of Conduct for Business Partners.

3.Does your company have written procedures ensuring that you have an iterative process in line with OECD's due diligence process including mapping of risks for adverse negative impact on people, implementation of ceasing or preventive measures, tracking and reporting?

Aker BioMarine has written material documenting that we carry out iterative audits with key business partner. A formal procedure setting out the process in its entirety is expected to be drafted and implemented during 2024.

4.Have you identified and assessed the salient risks, potential or factual, related to your taxonomy activity/activities, covering your value chain? Include also an explanation of why these are your prioritized risks.

No, this is as part of annual reporting and in line with the requirements of the Transparency Act (appendix 3).

5.Can you provide information and documentation on the overall measures you have implemented to reduce, cease or prevent the risks identified?

Yes, as part of annual reporting and in line with the requirements of the Transparency Act.

6.Do you have a whistle blower mechanism or similar in place, that is known and accessible for internal and external stakeholders?

Yes.

7.Do you track whether your policies and identified risks are properly managed through optimal implementation in your day-to-day business?

An overall compliance monitoring plan is expected to be drafted and implemented during 2024.

8.Does your company report on how it addresses adverse impact on human rights, labor rights and anti-corruption - where such risks exist - and the results of its actions taken?

Yes, as part of annual reporting and in line with the requirements of the Transparency Ac (appendix 3)t.

9.Is the board and top management kept informed about risks, and progress and results reached in the management of these?

Yes, through separate risk review in board meetings.

10.Are the above-mentioned steps of policy commitment, risk assessment, implementation, tracking and reporting performed on a regular and iterative basis in order to cover changes in risk exposure that can trigger more in-depth assessment and enhanced mitigation?

Yes.

Appendix 2: Aker BioMarine methodology statement climate accounts

The following company divisions and reporting frameworks have been used in Aker BioMarines ESG-reporting 2023.

Introduction

Our climate reporting is based on a climate monitoring and tracking system developed by Aker BioMarine, as we believe it is crucial to have reliable and comprehensive emissions data that can be third party verified. This statement demonstrates the criteria and standards used to report CO2e from our operations. Aker BioMarine use the Greenhouse Gas Protocol Initiative (GHG protocol) as a framework to report on GHG emissions, to ensure a complete, consistent, transparent, and accurate account of the company's GHG emissions, to the extent possible. Aker BioMarine employs full operational control, giving the company complete authority to introduce and implement its own operating policies throughout the operation.

As part of this work Aker BioMarine has engaged DNV GL to identify, assess, and document emission factors to be used in our climate accounting for annual operations. DNV GL has provided the emissions conversion factors based on publicly available sources (in 2021).

Reporting overview

The metrics used to report data on our climate impact were selected following an assessment of where our impact is the greatest. Aker BioMarine controls most of our value chain, and we have well-identified emissions sources and documented processes to ensure a reliable climate accounting system. Aker BioMarine strives to be transparent in our climate reporting, and we have internal control systems to ensure correct data and reporting.

We strive to be consistent in the use of emission factors for climate accounting. This makes it possible to better understand the development in emissions over time.

Operational boundaries

The operational boundaries used in this report cover areas across Aker BioMarine's operations, including vessel operations, land-based production, and land-based offices and warehouses. The report also includes scope 3 emissions such as packaging, travel, and transport of goods to customers.

This report includes data from the reporting year ending 31 December 2023.

Scope 1: Direct emissions from fuel combustion from owned and leased assets. This includes vessel operations, and gas usage in our Houston plant.

Scope 2: Emissions from electricity use for production, our warehouses, and offices in our Houston (US) and Ski plant (NO), main offices in Oslo, Houston, Ålesund, New Jersey and warehouses with cooling in Houston, Montevideo, and India.

Scope 3: Indirect emissions from the value chain that include Aker BioMarine's major emissions sources. This includes emissions from packaging used, transport of goods, and business and crewing travel.

We have not included most sales offices with fewer than 10 employees, or warehouses without cooling. Emissions from these sources are deemed insignificant. Aker BioMarine's pilot plant in Ski, Norway, which commenced operation in 2023, is accounted for in the climate report for the first time this reporting year.

Calculations

The calculations are based on various sources, coupled with a CO_2e conversion factor which is described in the next chapter. All data is gathered from sub-systems of our centralized data warehouse. The CO_2-calculations are made in the data warehouse.

Scope 1:

We measure, monitor, and report daily on emissions derived from fuel usage on our vessels. We use manual sounding to measure fuel usage on all vessels, except Antarctic Endurance, which uses sensor readings to assess fuel levels. The fuel use is registered manually by the crew each day in ShipAdmin, a vessel management tool. ShipAdmin is used on the ships to oversee all aspects of the ship operation. For sustainability purposes, it delivers data related to fuel usage in the main and auxiliary engines, boilers, and electric energy generators. All vessels use the same fuel type: MGO.

The amount of fuel is multiplied with a CO_2e conversion factor, described below in our climate accounting system.

We receive gas usage data from our gas provider monthly.

Emission source	Emission source	CO2e conversion factor	Reference
Fishery and offshore production	Saga Sea, Antarctic Sea, Antarctic Endurance, Antarctic Provider	3,206 $kgCO_2e$/kgMGO	IMO, 2018
Consumption of natural gas	Total use of natural gas in processing	53,11 $kgCO_2e$/MBtu	Federal Register, 2009; Energy Star, 2020

Scope 2:
We pull electricity consumption data each month from our electricity providers. As required by the GHG Protocol, we report on our scope 2 emissions using both the location-based and the market-based approach. The location-based method is considered our main reporting method.

Location- based CO2e emissions:

Aker BioMarine's location-based scope 2 emissions are calculated by multiplying electricity consumption for each location by the average grid CO2e conversion for that location.

Market-based CO2 conversion factor:

Aker BioMarine's market-based scope 2 emissions are calculated by multiplying the electricity consumption for each location, deducted for any purchased Guarantees of Origin (GOs), with the residual mix emission factor of that location. For locations where a residual mix factor is not available, the location-based emission factor is used. Aker BioMarine has not bought any Guarantees of Origin (GOs). The company uses a residual mix CO2e conversion factor for Norway, and available CO2e conversion factor for all other locations, as we have not been able to find a differentiated location and market-based CO2e conversion factor for any region other than Norway.

Emission source	Emission source	CO2e conversion factor	Reference
Purchased electricity Houston, USA	Total electricity purchased for plant	0,369 kgCO2e/KWh	EPA, 2023 (eGRID)
Purchased electricity Lang Pharma Nutrition Newport, USA	Total electricity purchased for office and warehouse	0,2392 $kgCO_2e$/KWh	EPA, 2018 (eGRID)
Purchased electricity Montevideo, Uruguay	Total electricity purchased for office and warehouse	0,0218 $kgCO_2$/KWh	IEA, 2018
Purchased electricity Ski Plant, Norway	Total electricity purchased for plant	0,369 kgCO2e/KWh 0,017 $kgCO_2e$/KWh**	NVE, 2019a NVE, 2019b
Purchased electricity for Oslo office, Norway	Total electricity purchased for office	0,396 $kgCO_2$/KWh* 0,017 $kgCO_2e$/KWh**	NVE, 2019a NVE, 2019b
	Total district heat purchased for office	0,00826 $kgCO_2e$/KWh** 0,02861 $kgCO_2e$/KWh*	Oslo Fjordvarme, 2018.
	Total district cooling purchased for office	0,00419 $kgCO_2e$/KWh** 0,02486 $kgCO_2e$/KWh*	Oslo Fjordvarme, 2018.
Purchased electricity for Ålesund office, Norway	Total electricity purchased for office	0,396 $kgCO_2$/KWh* 0,017 $kgCO_2e$/KWh**	NVE, 2019a NVE, 2019b
Purchased electricity India	Total electricity purchased for office	0.747 $kgCO_2$/KWh*/**	IEA, 2018

*Emission factors used for used for market-based approach

**Emission factors used used for location-based approach

Scope 3:

Category 1 – Purchased goods and services
Aker BioMarine's emissions under category 1 are limited to packaging, which is the company's main emissions source within this category. Calculation is based on kg CO_2 per item: Big bags and small bags (meal), and drums 25 L and 200 L (oil).

The amount of packaging used is collected from the ERP system, "Jeeves", and from the manufacturing orders. Our vendors have provided us with the necessary information on packaging, including weight and the calculation for the factor (kg CO_2) per item. The latter was updated in 2023. The calculation of emissions reported is based on packaging weight, consumption of packaging (number of bags/drums) and the kg CO_2 per item.

Packaging *Category 1*	***Co2e Convertion factor*** ***(CO2 per item [kg])***	**Reference**
Big bag 500 kg	15.08kg CO2e/tonne	Vendors (2023)
Small bag 25 kg	0,558 kg CO_2e/tonne	Vendors (2023)
Big bag 500 kg	12,019 kg CO_2e/tonne	Vendors (2023)
Big bag 500 kg	11,12 kg CO_2e/tonne	Vendors (2023)
Drums, 25 L	6,9 kg CO_2e/tonne	Vendors (2023)
Drums, 200 L	22,43 kg CO_2e/tonne	Vendors (2023)
Drums, 200 L	44 kg CO_2e/tonne	Vendors (2023)

Transportation: Category 4 - Upstream / Category 9- Downstream
Transport of Goods: We calculate the emissions based on order weight, shipment method (air, road, sea), and straight line distance from warehouse to warehouse, using the associated CO_2 conversion factor below.

Transport at sea: Based on the input from Aker BioMarine and our supplier, it has been determined that the emission factor for an "average container ship" is the most relevant and accurate measurement for vessels that Aker BioMarine charters for sea transport. Unit of measurement is in ton/km because Aker BioMarine's transported goods do not necessarily make up 100% of the cargo onboard the vessels. This calculation is based on the distance (km) from our warehouse to the customer location in a straight line. Tonne is based on actual customer order that has been shipped with packaging.

Transport by road: For transport by road, Aker BioMarine mostly uses heavy goods vehicles (HGV) for transport of goods. An average HGV CO_2 emissions factor based on km travelled for 100% laden trucks has been proposed to account for our CO_2 emissions related to this activity. BEIS (2020) is the recommended source for the emission factor due to its applicability for use in several countries.

DNV GL has also included CO_2 factors for average HGV on empty hauls (0% laden). As well as factors for average HGV based on CO_2 emissions per tonne per kilometer. This is to account for cases in which Aker BioMarine's goods do not make up the total tonnage of the haul.

Transport by air: Unit of measurement is given in kgCO_2/tonne.km due to Aker BioMarine's goods not necessarily comprising 100% of the total cargo.

Emission source Transport of goods *Category 4 and 9*	**Emission source**	**CO2e conversion factor**	**Reference**
Transport of goods - Transport by sea	Average Container ship	0,01614 kgCO2e/tonne.km	BEIS, 2020
Transport of goods – by road	Average HGV (diesel) 100% laden	1,00229 kgCO2e/km	BEIS, 2020
Transport by road	Average HGV (diesel) 0% laden	0,65811 kgCO2e/km	BEIS, 2020
Transport by road	Average HGV (diesel, tonnage-based)	0,10065 kgCO2e/tonne.km	BEIS, 2020
Transport of goods - Transport by air	International (one way)	0,59943 kgCO2e/tonne.km	BEIS, 2020

Category 6 – Business travel: the emission from travel is based on travel agency information on trips booked, including distance travelled and ticket class (economy/business).

Business travel by air (one way) *Category 6*	Economy class	0,073615 kgCO2e/pax.km	BEIS, 2020
	Premium economy class	0,11778 kgCO2e/pax.km	BEIS, 2020
	Business class	0,21348 kgCO2e/pax.km	BEIS, 2020
	First class	0,29445 kgCO2e/pax.km	BEIS, 2020
	Average passenger	0.09612 kgCO2e/pax.km	BEIS, 2020

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U.S. EPA. 2016. Documentation for Greenhouse Gas Emission and Energy Factors Used in the Wate Reduction Model (WARM) – Containers, Packaging, and Non-Durable Good Materials Chapters. https://www.epa.gov/sites/production/files/2016-03/documents/warm_v14_containers_packaging_non-durable_goods_materials.pdf

U.S. EPA's Emissions & Generation Resource Integrated Database (eGRID). eGRID2018 (released 1/30/2023) contains the complete release of year 2021 data. https://www.epa.gov/energy/egrid.

Appendix 3: Transparency Act report for Aker BioMarine ASA

This report has been prepared in accordance with the Norwegian Transparency Act (the "Transparency Act") section 5 and summarizes the policies and procedures in Aker BioMarine ASA ("AKBM" or "the Company") with respect to the safeguarding of human rights and decent working conditions and the results of AKBM's due diligence carried out in 2023.

AKBM's commitment to safeguarding human rights

AKBM respects, supports, and acknowledges the fundamental principles of human rights, labor rights and decent working conditions. AKBM works to ensure that its business operations do not cause or contribute to, or are directly linked to, actual or potential adverse impact on human rights and decent working conditions. Our commitment to promoting positive social impact has been an integral part of our work and culture. This was formalized in our Code of Conduct in 2016, and since then it has been embedded in the Company's continuous risk assessments and policy framework. The Company's mission is to "Improve human and planetary health", and as such, it is key for AKBM to contribute to a positive overall social impact and to limit the risk of any negative impact where possible. AKBM shall furthermore comply with recognized international conventions and is committed to respect basic human and trade union rights and to acknowledge the fundamental principles of human rights as defined in the Universal Declaration of Human Rights, as well as the ILO Declaration on Fundamental Principles and Rights at Work and the OECD guidelines on Multinational Companies.

Integration of commitment in policy framework and agreements

AKBM's policy framework integrates our commitment to safeguard human rights. As mentioned, our Code of Conduct sets out the overall commitments by the Company. The Code of Conduct section 3.2 commits AKBM to show respect for all individuals and to ensure a good working environment characterized by equality and diversity. This commitment is further detailed in our Sustainability Policy, which governs the environmental, social and governance ("ESG") impacts of AKBM's business. In Clauses 3.3 and 3.4 of the policy, AKBM commits to "Respect for people" and "Prosperity for all" by respecting human rights, protecting vulnerable individuals affected by our business, recognizing workers' rights and ensuring decent working conditions.

AKBM requires that all suppliers, customers, joint venture partners and other business partners give similar commitments on their end by adhering to AKBM's Code of Conduct for Business Partners. This Code of Conduct reflects an expectation that all partners respect fundamental human rights and decent working conditions and carry out risk-based human rights due diligence to identify and assess risks of adverse impact and take measures to cease, prevent or mitigate any actual or potential adverse impact they identify. In addition, it also identifies the ambitions for AKBM and its business partners to actively work together to drive positive progress for good governance, as well as for people, the planet and societies.

AKBM's commitment to respect basic human rights, trade union rights and decent working conditions is also reflected in the Global Framework Agreement between Aker, Fellesforbundet, IndustriALL, Global Union, NITO and Tekna. This agreement relates to all companies in which Aker is a significant shareholder, including AKBM.

Governance

AKBM's Board of Directors (the "Board") has the oversight responsibility for the management of the company, including responsibility for risks related to adverse impact on human rights and decent working conditions, as well as ensuring that respect for these are systematically integrated into AKBM's policies and investment decisions. AKBM's Sustainability Policy places the overall responsibility for the integration of ESG with the Board.

The Audit Committee supports the Board in executing its oversight of the management of the Company and has a review role related to ESG topics, including the risk of adverse impacts on human rights and decent working conditions. The Board and the Audit Committee review risks regularly, including risks related to actual or potential adverse impact on human rights and decent working conditions. Relevant risk factors are included in the corporate risk review process. This risk review process is carried out as a bottom-up exercise bi-annually. In addition, HSE, integrity and other topics related to sustainability are reported to the Audit Committee on a quarterly basis.

The CEO in AKBM is responsible for the daily operations of the Company, including implementation of the Company's policy framework and ensuring that ESG impacts are taken into consideration as part of the Company's daily work. This includes assessing and managing risks of adverse impact on human rights and decent working conditions related to AKBM's investment activities.

The more comprehensive implementation processes, including training and establishment of risk- based assessment, monitoring, and control procedures, are the responsibility of the General Counsel, the VP Procurement and AKBM's ESG team. The VP Procurement is also responsible for handling information requests under the Transparency Act.

2023 due diligence related to human rights and decent working conditions

Impact assessment

AKBM's operations and value chain are long and complex, stretching from krill harvesting in Antarctica, logistics operations out of Montevideo, production of human health products in Houston, through R&D, sales, marketing, and other support functions in our headquarters in Oslo, and through business partners and sales offices globally. As a vertically integrated operation, AKBM has control over and can monitor most of our key production processes and products, limiting our dependency on suppliers. This allows us to control our social impact and limit the risk of potential negative impact.

Overall, AKBM's main exposures for any negative impact related to human rights and decent working conditions relate to i) the sourcing of commodities from low-cost countries with lower focus on decent working conditions, ii) the risk of not providing sufficiently safe working conditions for the crew we hire for our harvesting operations and the personnel at our production sites and iii) our exposure towards Russia, as further described below. Our improvement actions set out below describe our work of constantly improving in these areas.

AKBM has not discovered any actual adverse impacts on human rights and decent working conditions through its due diligence.

Improvements

In our report for 2022, we aspired to more closely integrate our Brands segment in AKBM's compliance and ESG program. This work has to a large degree been finalized in 2023. AKBM's Brands segment has now implemented a policy framework and a supplier qualification process that mirror those of Aker BioMarine ASA. AKBM will continue to support the management in Brands on these topics also in 2024 to ensure that the segments are fully aligned on how the supplier qualification process and the overall supply chain due diligence is practiced.

During 2023, AKBM also started the development and implementation of a Transparency Act audit process to address key topics under the Transparency Act. This audit is conducted on selected key suppliers selected by taking a risk-based approach, assessing inter alia location and industry of the relevant supplier and the aggregate supplier spend by AKBM.

In addition, the Company developed and implemented a new Business Partner Code of Conduct as described above.

The Company also implemented a new tool, Creditsafe Protect, for screening key business partners, further described under *Risk Incident Monitoring*.

Risk Incident Monitoring

All business risks, including risks related to negative impact on human rights and decent working conditions, are monitored by internal stakeholders (see Governance above) and reported to the Audit Committee on a quarterly basis. The company has set KPIs for identified key metrics within HSE and ESG, with the key metric for potential negative impact related to human rights and decent working conditions being related to verified breaches of AKBM's Code of Conduct. AKBM maintains a whistleblowing channel available for all third parties to ensure that any concerns regarding illegal, unethical, or unwanted behavior can be reported on an anonymous basis and without risk of repercussions for the whistleblower. Furthermore, AKBM has implemented Creditsafe Protect for screening key business partners towards all relevant sanction lists, enforcement actions and corruption risks related to state-owned enterprises and politically exposed persons.

Risk analysis and mitigating actions

ABKM's approach to more in-depth risk assessment is to investigate potential risks related to our supply chain. We apply country and industry risk matrices, as risks of adverse impact on human rights and decent working conditions are highly country specific.

Further investigation into the specific human rights-related risks shows that, on a general level, there are inherent risks of actual or potential adverse impacts on fundamental human rights and decent working conditions (here "Adverse Impacts") in the following areas:

- Risk of negative impact on basic human rights and proper working conditions in the supply chain. Most business partners to AKBM are based in Norway, Europe and USA. However, AKBM has certain business partners based in countries defined with high (A) and medium (B) risk of breaching basic human rights and decent working conditions according to United Nations Environment Program.
  - *Mitigating actions*; AKBM qualifies all business partners through its Supplier Management System (SMS), a sanction tool and our Code of Conduct for Business partners. SMS is a self-assessment system where all suppliers to AKBM answer questions and give input related to topics such as certifications, human rights and decent working conditions, sanctions, anti-corruption, environmental issues and HSE. For selected high-risk suppliers, more extensive audits are carried out to verify adherence to international regulations and AKBM's policy framework.
- HSE risks due to tough working environment. Our operation – especially offshore – entails a risk of the health and safety of our people if sufficient safety considerations are not in place. This risk relates both to our own employees and to hired crew. This risk is also present in our production plant in Houston where there are manual processes in combination with heavy loads and/or handling of chemicals.
  - *Mitigating actions*. AKBM complies with strict rules and standards and carries out training programs that promote a safe culture to ensure the safety of all people carrying out work on AKBM's behalf, whether it is related to employees, business partners or other suppliers. Furthermore, we invest heavily in our fleet and other key assets, both financially and in terms of competence by always making sure our people are given relevant training possible for proper handling and use. We invest in and implement technology where relevant, to decrease the risk of error and ensure that we have policies in place for use, emergency response etc. A more detailed description of the risk related to HSE-events and our preventive and mitigating actions are set out in AKBM 's internal risk assessment.
- Exposure towards Russia. Russia's war on Ukraine has placed extra focus on AKBM's use of crew, as a large portion of the crew on board our vessels are of Russian nationality (contracted through our crew provider Hav Ship Management AS). There are no sanctions related to these individuals, the crew-providing entity, or any of the owners of the crew-provider. Furthermore, since these operations do not contribute in any way to financing the war, AKBM has concluded that using a Russian crew does not create an increased risk of negative impact on human rights or decent working conditions.
  - *Mitigating actions;* We rely on sanction screening and monitoring of key counterparties through our screening tool as described above. In addition, we maintain a close dialogue with our key suppliers during and after audits in order to have full overview of any changes or developments related to our key suppliers.

Ambitions for 2024

To further strengthen AKBM's efforts to safeguard human rights and decent working conditions, AKBM plans the following activities for 2024:

- Carry out screening and assessment of all suppliers to AKBM that are classified as medium to high criticality and situated in high-risk countries
- Increase number of audits for key suppliers and implement a formalized audit procedure
- Continue and strengthen training programs across the AKBM group to further increase understanding and knowledge related to Transparency Act requirements and the supplier qualification process.

Appendix 4:
GRI Index

Statement of use	Aker BioMarine has reported the information cited in this GRI content index for the period 01.01.22 to 31.12.22 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 51- 55
	2-2 Entities included in the organization's sustainability reporting	p. 22
	2-3 Reporting period, frequency and contact point	https://newsweb.oslobors.no/
	2-5 External assurance	p. 21, 26,30 and 46-47, 113-122
	2-6 Activities, value chain and other business relationships	p. 42-43, 51
	2-7 Employees	p. 37-43 and 53
	Governance	
	2-9 Governance structure and composition	p. 23, 45-47, 50 and 54
	2-10 Nomination and selection of the highest governance body	p. 45-47, 54
	2-11 Chair of the highest governance body	p. 50
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 45-47
	2-13 Delegation of responsibility for managing impacts	p. 23, 46
	2-14 Role of the highest governance body in sustainability reporting	p. 23
	2-15 Conflicts of interest	p. 9-10 in Code of conduct
	2-16 Communication of critical concerns	p. 18- 19, 23
	2-17 Collective knowledge of the highest governance body	p. 23
	2-19 Remuneration policies	p 87, Aker BioMarine Policy on Remuneration to the Executive Management Management remuneration report
	2-20 Process to determine remuneration	p. 46,47
	2-21 Annual total compensation ratio	p. 87
	Strategy, policies and practices	
	2-22 Statement on sustainable development strategy	p. 4 and 53
	2-23 Policy commitments	AKBM Code of Conduct https://www.akerbiomarine.com/corporate-social-responsibility
	2-24 Embedding policy commitments	Code of conduct

	2-25 Processes to remediate negative impacts	p. 17-18 and 25
	2-26 Mechanisms for seeking advice and raising concerns	p. 46 in annual report + p. 18 in Code of conduct
	2-27 Compliance with laws and regulations	p. 42-43
	2-28 Membership associations	https://www.akerbiomarine.com/sustainability/partnerships p. 30-33 in annual report
	2-29 Approach to stakeholder engagement	p. 17, 21-47, 51-54
	2-30 Collective bargaining agreements	p. 39
GRI 3: Material Topics 2021	3-1 Process to determine material topics	P. 21-44 in annual report
	3-2 List of material topics	p. 21-44
	3-3 Management of material topics	p. 21-44
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	p 79
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Code of conduct from p. 14.
	205-2 Communication and training about anti-corruption policies and procedures	Code of conduct from p. 14.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	p. 5, 12, 19, 30-33 and 53-54, appendix 2
	303-3 Water withdrawal	p.34
	303-5 Water consumption	p.34
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 30-33 MSC Certification
	304-2 Significant impacts of activities, products and services on biodiversity	p. 18, 30-33 and 53 MSC Certification
	304-3 Habitats protected or restored	p. 10, 17, 24, 26-27 and 53 MSC Certification
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 27, 22, appendix 2
	305-2 Energy indirect (Scope 2) GHG emissions	p.22, 27, appendix 2
	305-3 Other indirect (Scope 3) GHG emissions	p. 22, 27, appendix 2
	305-4 GHG emissions intensity	p. 21,27, appendix 2
	305-5 Reduction of GHG emissions	p. 33, appendix 2
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 34
	306-2 Management of significant waste-related impacts	p. 34
	306-4 Waste diverted from disposal	p. 34
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p 43

	401-3 Parental leave	p. 39-41
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 37-38
	403-2 Hazard identification, risk assessment, and incident investigation	p. 37-38
	403-3 Occupational health services	p. 37-39
		p. 9
	403-5 Worker training on occupational health and safety	p. 53
	403-6 Promotion of worker health	p. 39 and 41
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 37 and 53
	403-8 Workers covered by an occupational health and safety management system	p. 37 and 53
	403-9 Work-related injuries	p. 37 and 53
	403-10 Work-related ill health	p. 42, 53
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	p.43
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 39, 50
	405-2 Ratio of basic salary and remuneration of women to men	p 40
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 39, 43
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p.52
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2023 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, Appendix 3
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2023 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, Appendix 3
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	2023 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, Appendix 3
	413-2 Operations with significant actual and potential negative impacts on local communities	2023 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, Appendix 3
	414-1 New suppliers that were screened using social criteria	2023 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, Appendix 3
	414-2 Negative social impacts in the supply chain and actions taken	2023 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, Appendix 3
	415-1 Political contributions	AKBM Code of Conduct

List of Abbreviations

GRI – Global Reporting Initiative

TCFD – Task Force on Climate-Related Financial Disclosures.

CSRD – Corporate Sustainability Reporting Directive

ESG – Environmental, Social, and Governance

KPI – Key Performance Indicator

LTI – Lost Time Injury where an employee was absent from the next work shift because of the injury

GHG protocol – Greenhouse Gas Protocol

Location Based – Emissions calculated by multiplying electricity consumption for each location with the average grid CO_2e conversion for the location

Market based - calculated by multiplying the electricity consumption for each location, deducted for any purchased Guarantees of Origin (GOs), and multiplied with the residual mix emission factor of the location

Carbon Intensity - The amount of emissions of carbon dioxide (CO_2) released per unit of another variable such as net revenue.

LTIFR – Lost Time Injury Frequency Rate. Frequency is calculated by multiplying the number of LTIs by 1 million and dividing this by the total number of man-hours worked)

HSSE – Health, Safety, Security, and Environment

CCAMLR – Convention for the Conservation of Antarctic Living Marine Resources

NGO – Non-governmental Organization

ARK – Association of Responsible Krill Harvesters (facilitating an industry contribution to an ecologically sustainable krill harvest)

CDC – Climate and Decarbonization Committee

MSC CoC – Certification to the Marine Stewardship Council (MSC) Chain of Custody

CSIRO – The Commonwealth Scientific and Industrial Research Organization (an Australian Government agency responsible for scientific research

ARTG – Australian Register of Therapeutic Goods (an “assessed listed” medicine)

MFDS – Ministry of Food and Drug Safety

LPC-EPA/DHA – Lysophosphatidylcholine (LPC)-based omega-3 fats. Eicosapentaenoic Acid (EPA)-Docosahexaenoic Acid (DHA) – long-chain omega-3 polyunsaturated fatty acids (O-3s)

EPD – Environmental Product Declaration

GFLI – Global Feed LCA Institute (an independent animal nutrition and food industry institute with the purpose of developing a publicly available LCA

LCA –Life Cycle Analysis

IMR – Institute of Marine Research

VRZs – Voluntary Restricted Zones

AWR – Antarctic Wildlife Research Fund (facilitates and promotes research on the Antarctic ecosystem)

OECD – Organization for Economic Co-operation and Development

NFRD – Non-Financial Reporting Directive