



# Company presentation

Aker BioMarine ASA

February 2022



AKER BIOMARINE



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Krill is among the species with  
**the largest biomass  
 on earth**

**500 million tons**

total weight of the global krill

Aker BioMarine's share of global  
 krill production

**65%**

**95**

granted patents

# Aker BioMarine at a glance

We're in business to improve human and planetary health



## Antarctic krill harvesting

The world's largest and most effective producer of Antarctic krill



## Animal Health & Nutrition

Krill meal as a sustainable source of nutrition supplement for improving aquaculture feed quality



## Human Health & Nutrition

Delivering essential omega-3 (EPA & DHA), choline, phospholipids and astaxanthin with proven effects to improve human health



## Private label and consumer brands

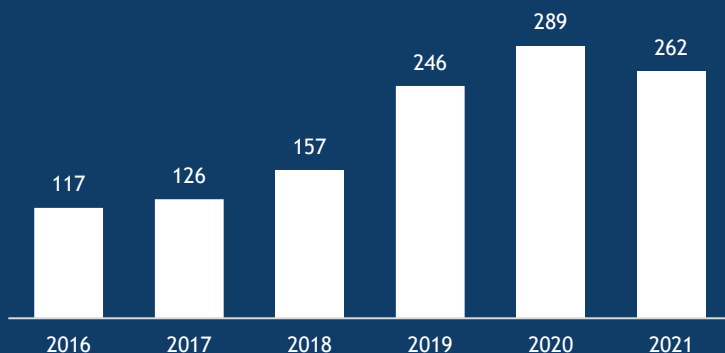
Nutrition and dietary supplement with focus on health benefit-driven products in the US. Both own brand and private label



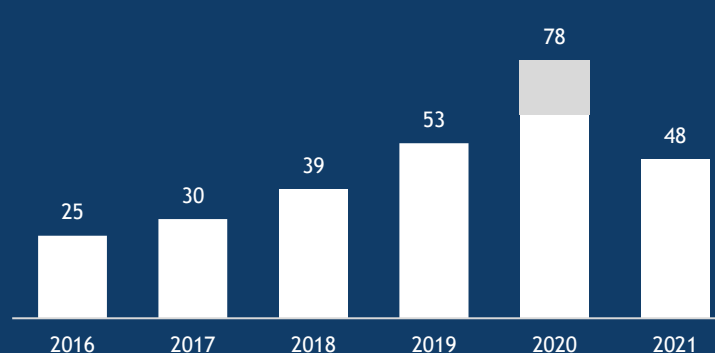
## Innovations

Innovation across the business, with new products, new business models and new technologies

Revenue, USD mill.



Adj. EBITDA, USD mill.



Ambition to nearly double revenues 2021 to 2025

Targeted adjusted EBITDA margin of around 30% in 2025

# Aker BioMarine is strongly positioned for growth and value creation

**1**

Strongly positioned in attractive market for human and animal nutrition with high sustainability standards

**2**

Fully-integrated krill producer with cost leadership and high operational leverage

**3**

Poised for high sales growth across all products and brands

**4**

Well-developed innovation pipeline driving growth in new areas

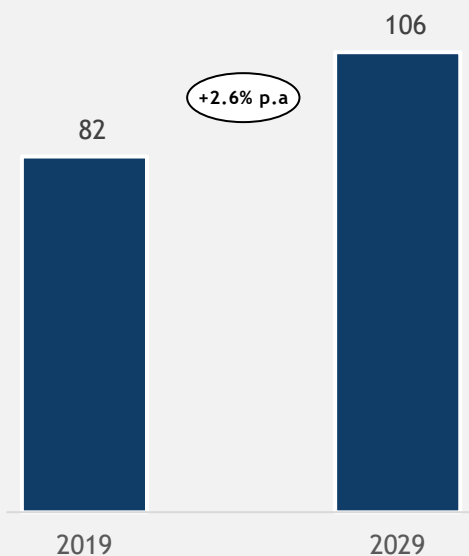
**5**

Strengthening the financial position by lifting profits and cash flow

# Aker BioMarine is positioned in markets with strong and consistent growth

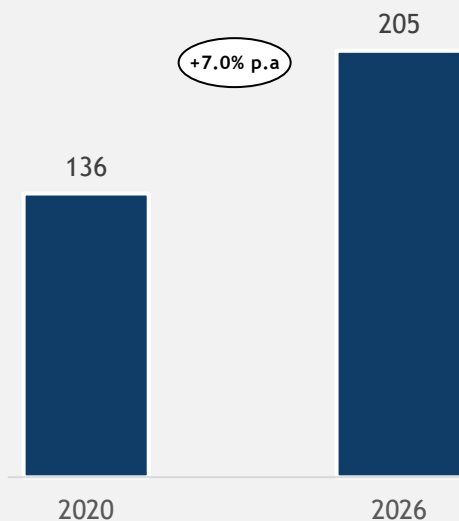
## Global aquaculture production

Million tons<sup>1</sup>



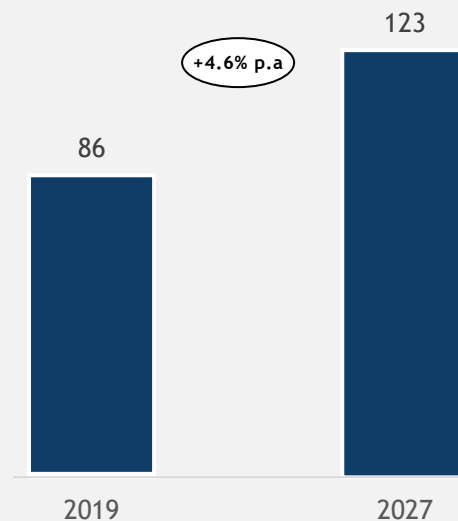
## Global supplements market

USD billion<sup>2</sup>



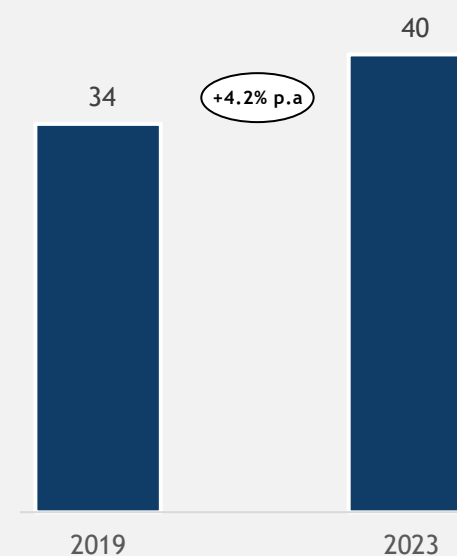
## Global pet food market

USD billion<sup>3</sup>



## Global retail protein market

USD billion<sup>4</sup>

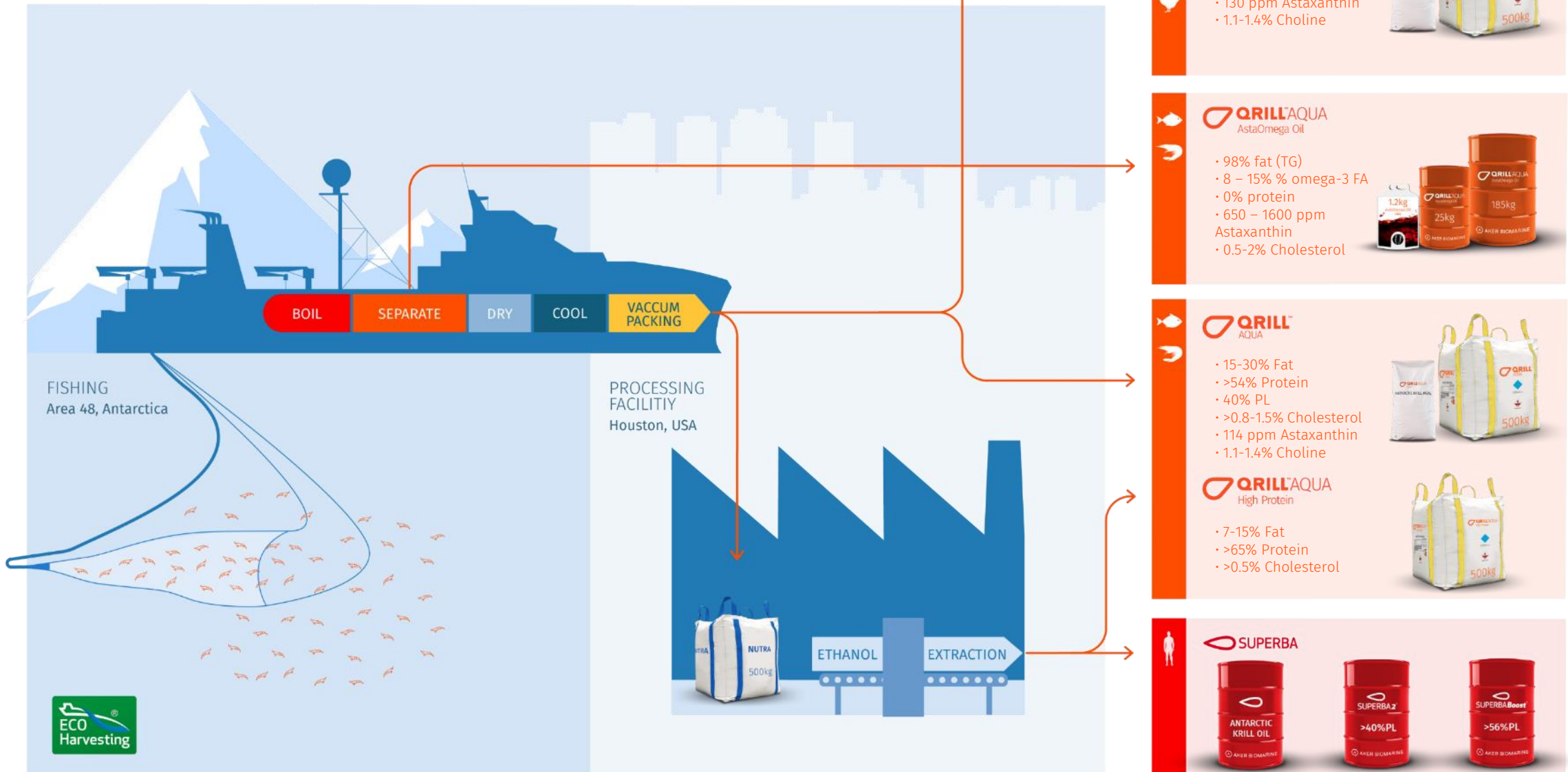




# Aker BioMarine controls the entire krill value chain from harvesting to production all the way to the consumer



# Our process from krill to products





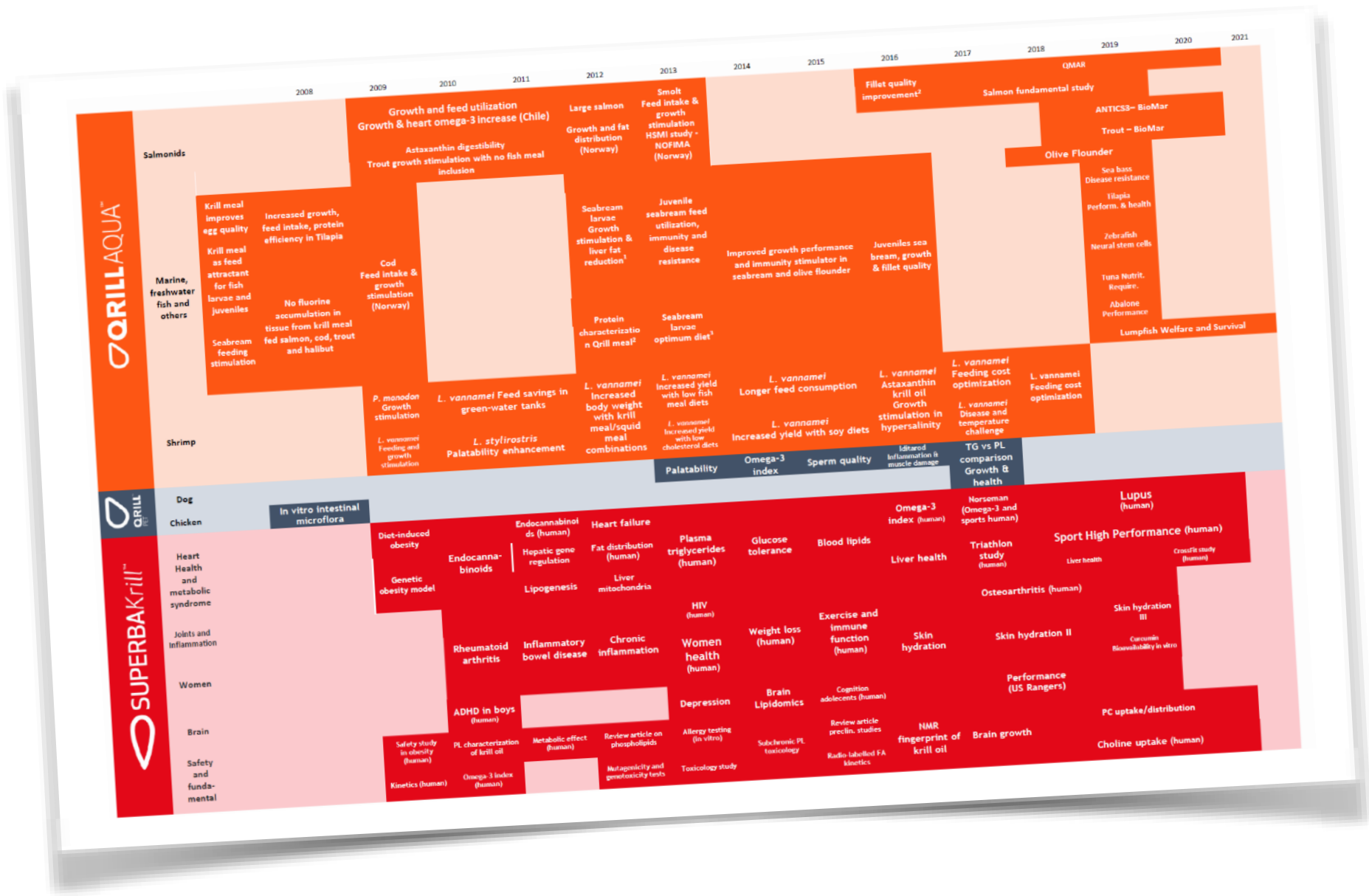
# We have invested significantly in R&D and IP to document the health and nutrition benefits and potential from krill

# 135

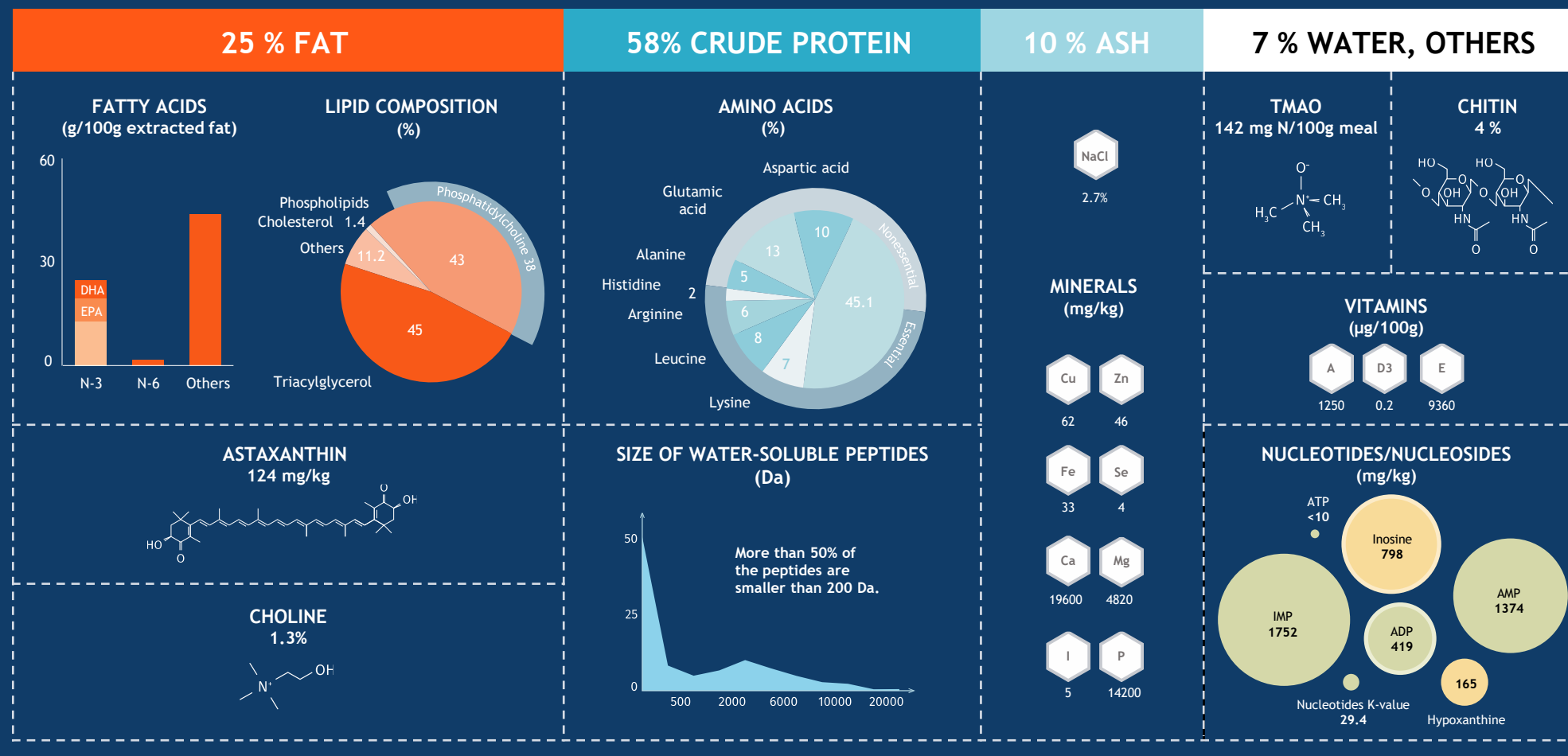
published studies

# 95

granted patents



# The rich nutritional profile of krill...



←----- SUPERBA ----->

←----- QRILL ----->

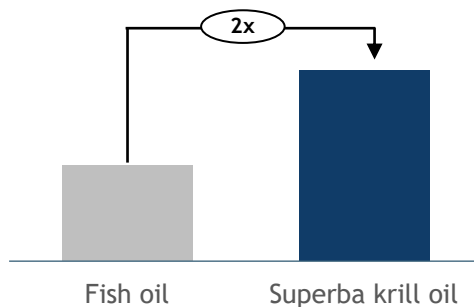
# ... promotes improvement in health & nutrition across species

## Human health & nutrition ingredients



- Higher omega-3 uptake in the body compared to fish oil, and a better consumer experience (no after-taste)
- In addition: other health promoting essential nutrients like Phospholipids, Astaxanthin and Choline

2x as effective in increasing the omega-3 index as fish oil<sup>1</sup>

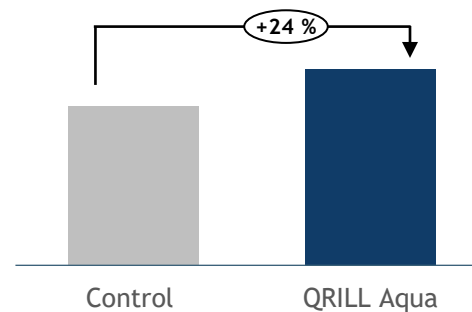


## Aquaculture health & nutrition ingredients



- Functions as a feeding stimulant leading to increased feed uptake and enhanced growth, improved health and better quality
- MSC certified Sustainable ingredient and with low Co2 and marine footprint

Faster salmon growth (grams)<sup>2</sup>

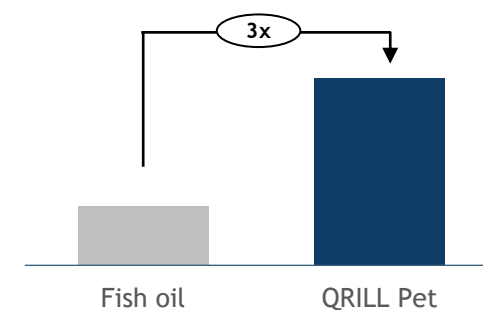


## Pet health & nutrition ingredients



- Higher omega-3 uptake compared to fish oil with broader health benefits from astaxanthin and choline
- Sustainable ingredient with rich marketing story assisting pet food brands differentiate their products

Qrill Pet increases omega-3 index significantly<sup>3</sup>



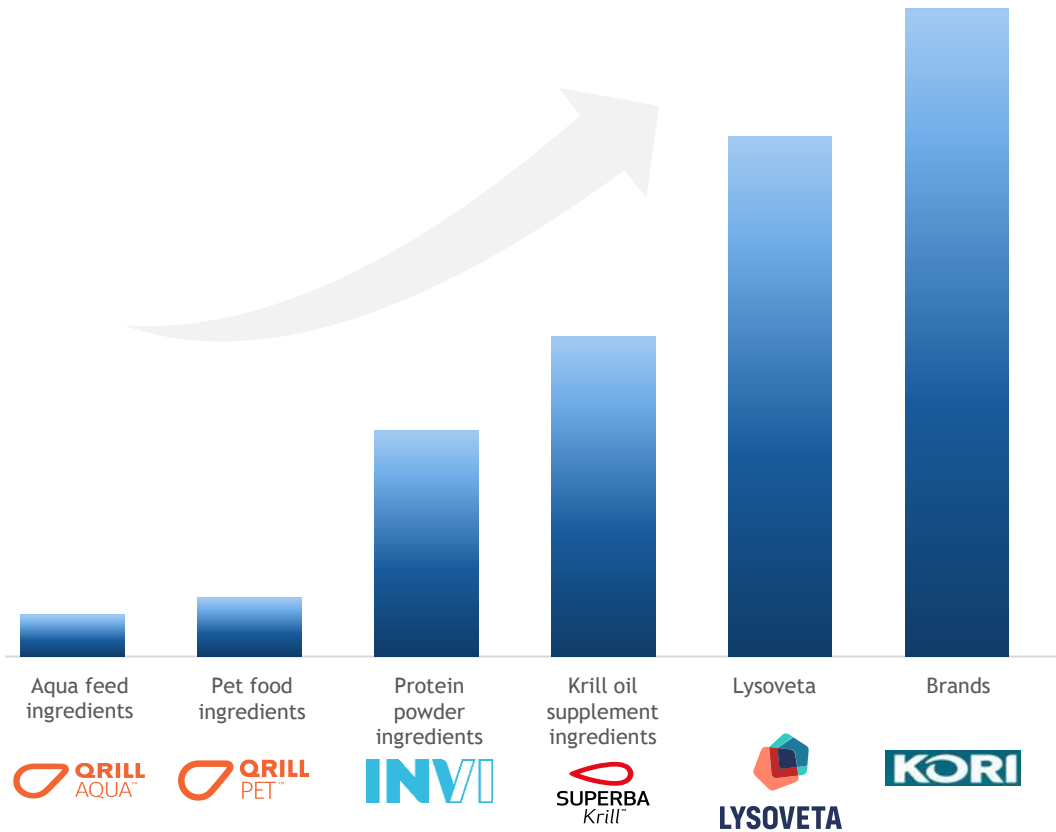
1) Ramprasath VR, Eyal I, Zchut S, Jones PJ. Lipids Health Dis. 2013; 2) Hatlen et al. 2016; 3) Burri et al., 2020



# Our agenda: Increase krill value and reduce cost

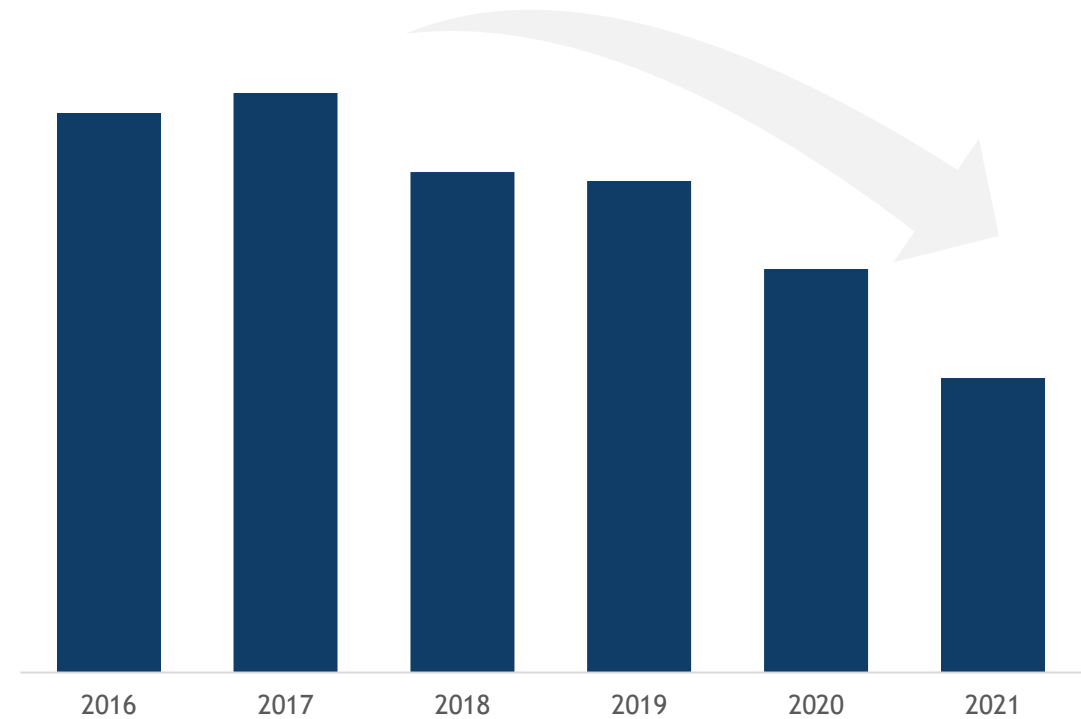
## Driving up value of krill

Relative margin contribution per product



## Driving down production cost

Example krill oil production, USD/kg



# Our agenda: Profitable growth and exploit the large market potential

## Krill harvesting

Increase # of fishing days, improve operations and yield



## Krill meal

Lift price and grow business volume in aqua and pet feed on the back of higher harvesting



## Krill oil

Short- and long-term sales increase and aggressively hunt new markets of scale

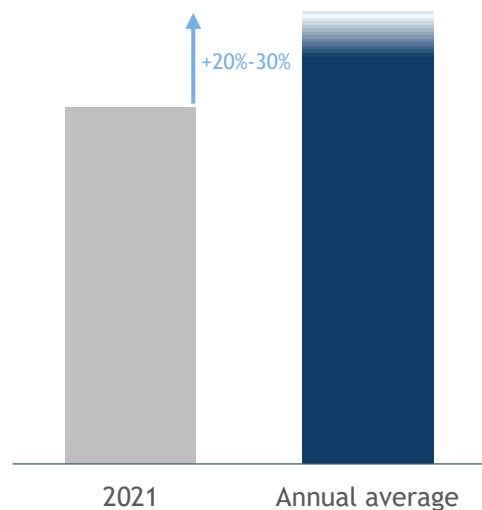


## Private label and consumer brands in US

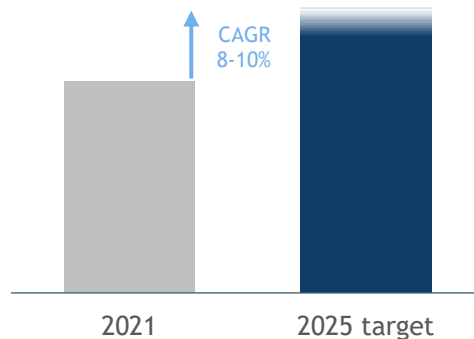
Capitalize on relationships to top retailers



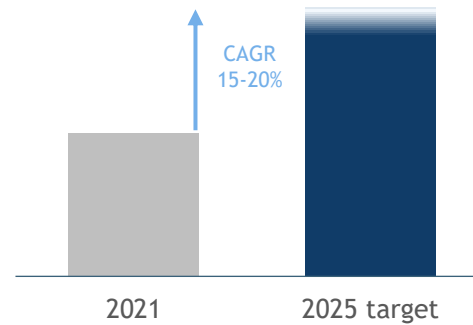
Metric tons (MT)



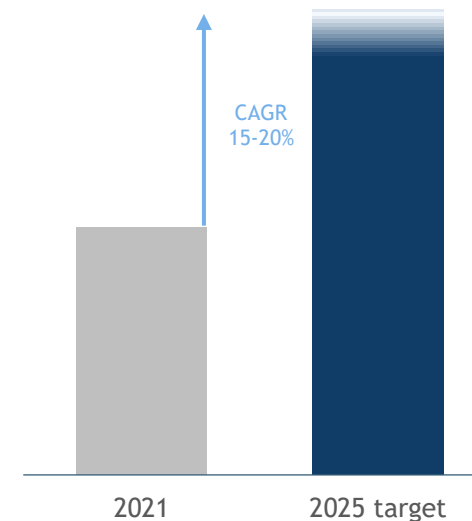
Revenue, USDm



Revenue, USDm



Revenue, USDm

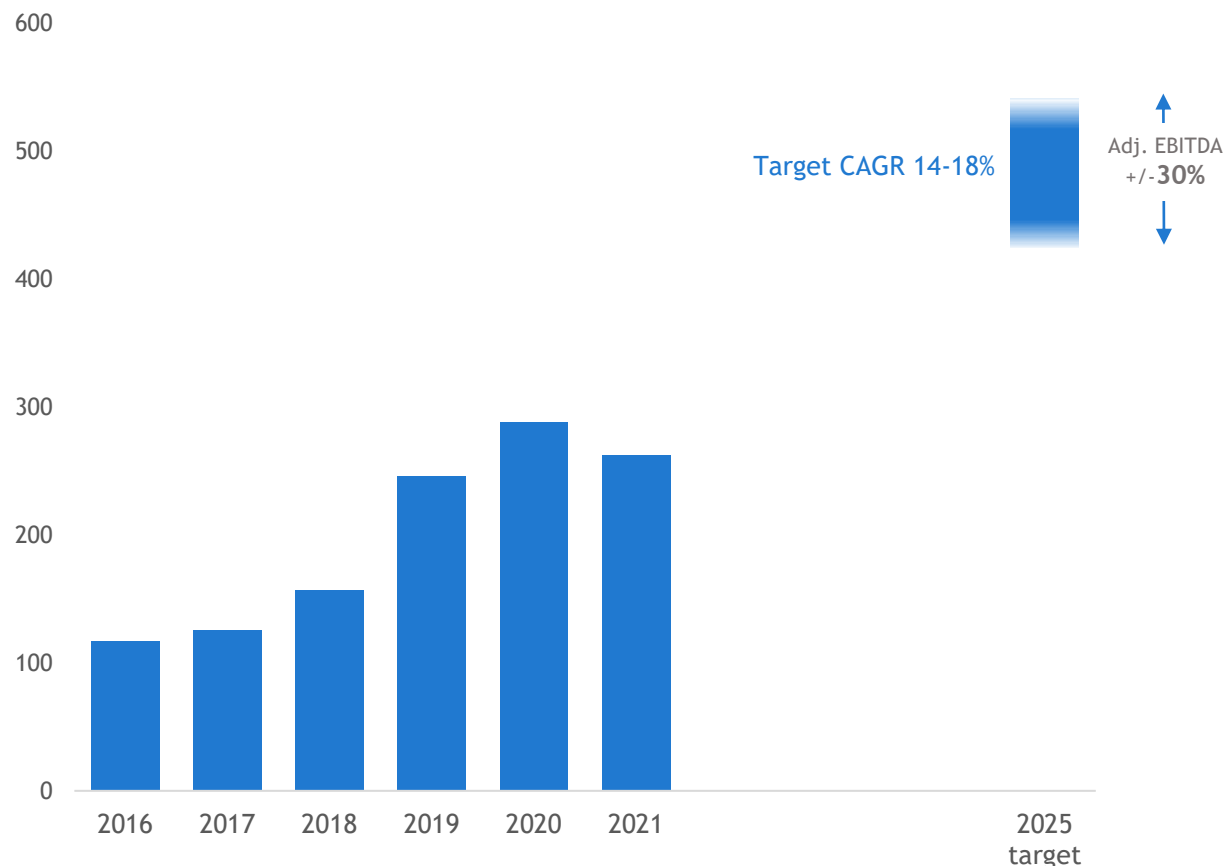


# Aker BioMarine - Roadmap for growth and value creation

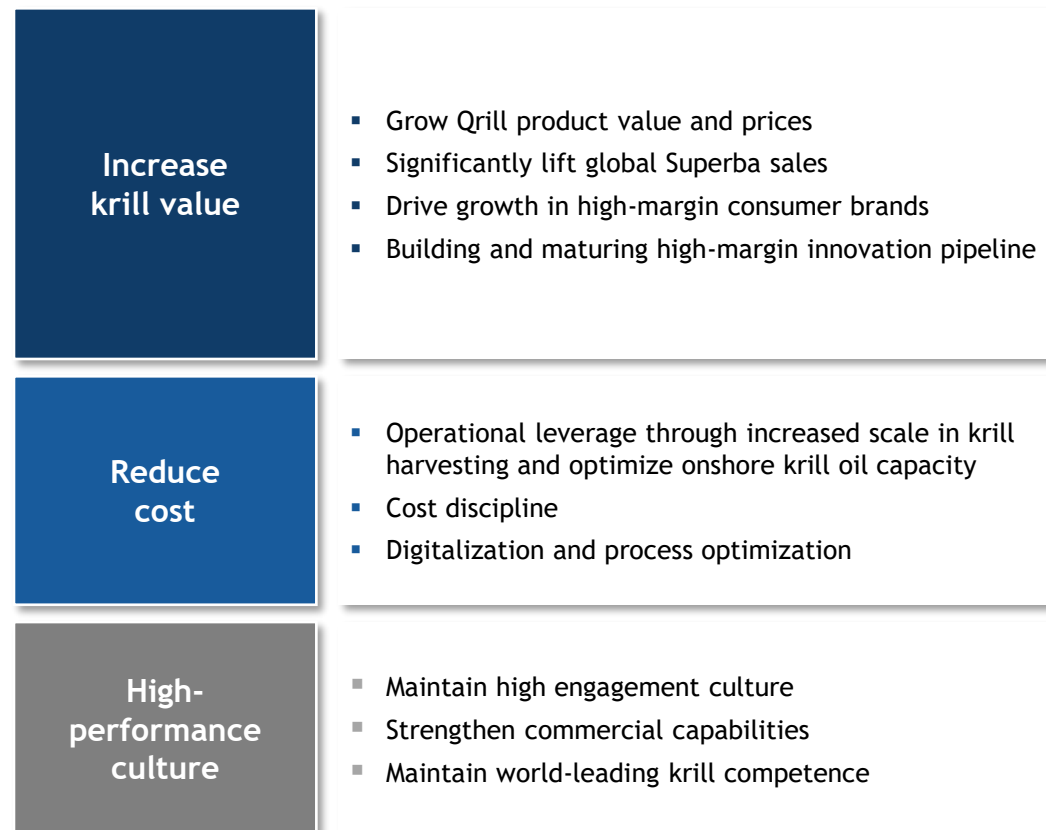
Operational leverage, margin uplift and unlocking the long-term growth potential

Ambition to nearly double revenues the next four years

Revenue, USD million<sup>1</sup>



Main value creation pillars



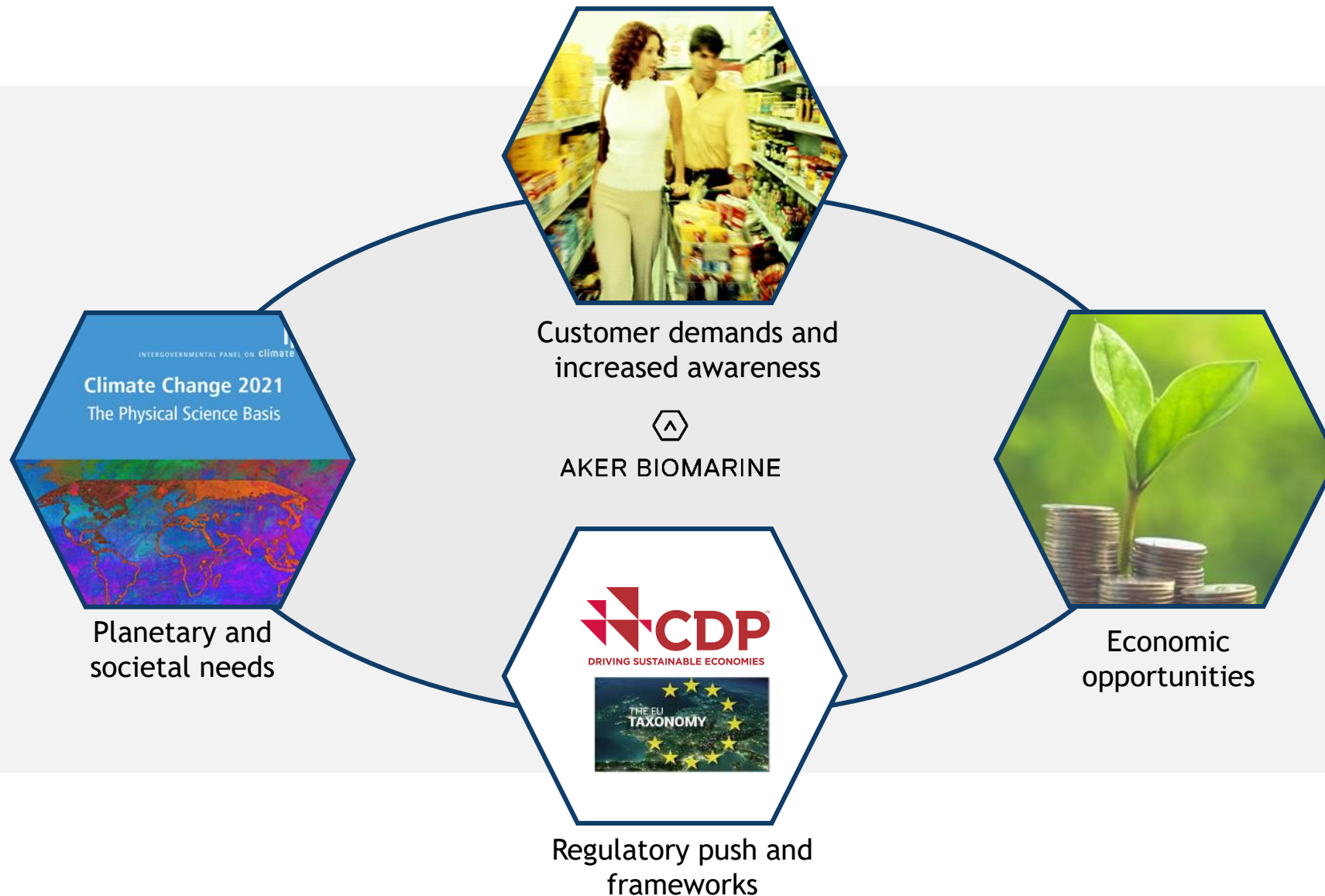
1) CAGR is for the period 2021-2025



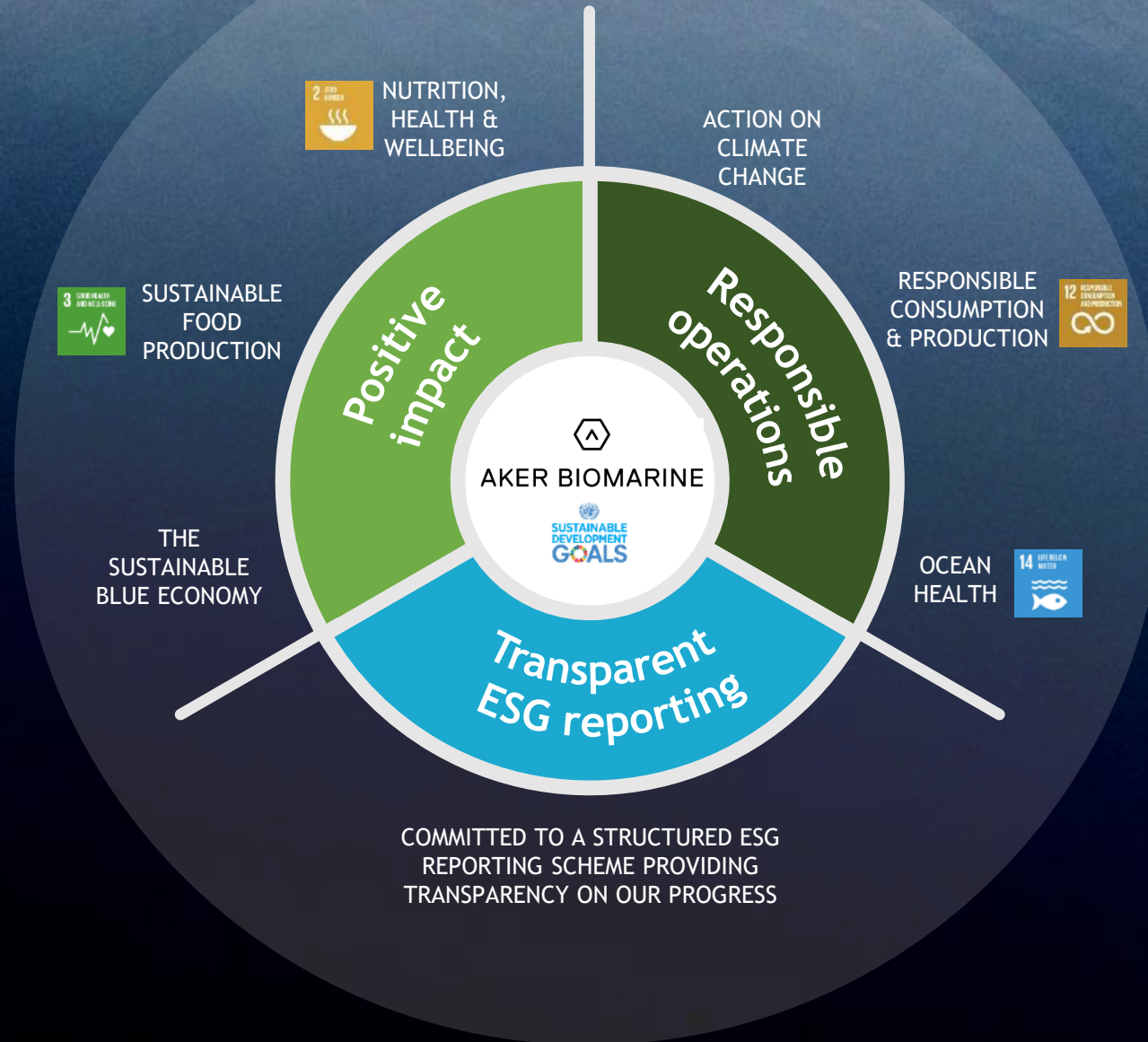


# Sustainability

# Sustainability is at the core of our business



We're in  
business to  
improve human  
and planetary  
health





# Our 2030 commitments support our mission to improve human and planetary health...



## 1 BILLION EXTRA SERVINGS

Making aquaculture production more efficient, by contributing to 1 billion extra servings of seafood produced annually



## SUSTAINABLE DIETS

Developing innovative products that play an integral role in sustainable diets and the future food system



## 5 BILLION DOSES

Combating lifestyle diseases by delivering 5 billion doses of health promoting nutrients annually



## DECARBONIZE AQUA FEED

Decarbonizing aqua and animal feed by delivering low-carbon marine ingredients

...with goals that guide us in responsible operations throughout the value chain



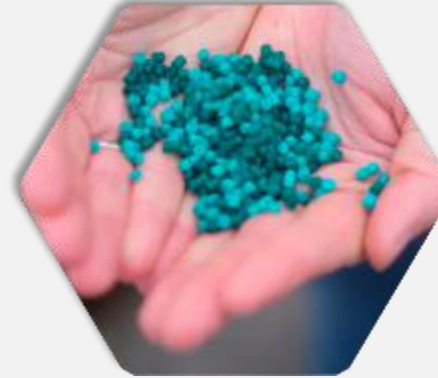
### **IMPROVE SUSTAINABILITY**

Improve sustainability of fisheries through contributing to data and science driven regulation and ocean management



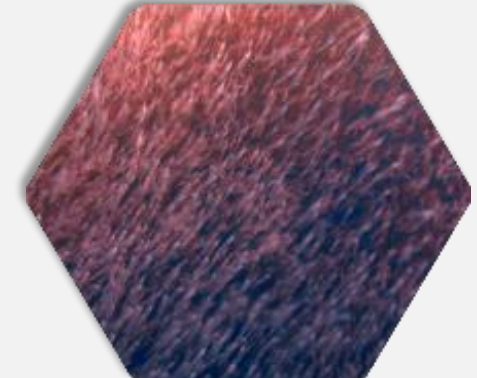
### **KEEP CERTIFICATIONS**

Maintain unconditional MSC certification and ensure transparency in vessel operations



### **FULL CIRCULARITY**

Ensure full circularity on all our principal waste streams



### **REDUCE CARBON INTENSITY**

Reduce our carbon intensity per ton krill produced by 50 percent from 2020 levels



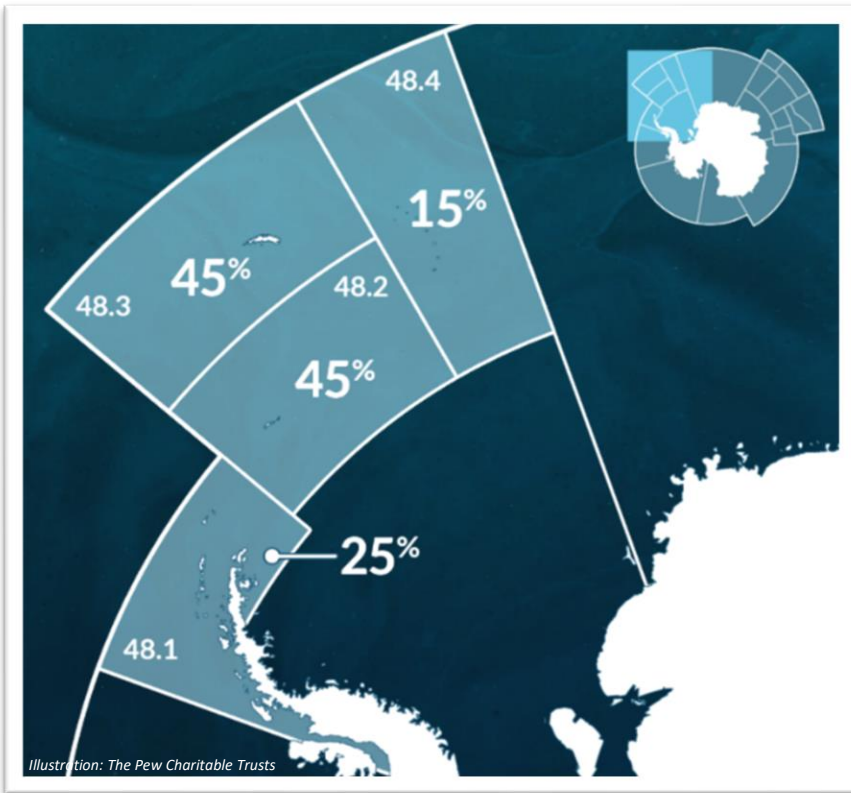
# Krill harvesting in Antarctica

# Our operations in Antarctica

Large krill resource-base with strictly regulated fisheries

## Krill fishing in Area 48

?: max share of precautionary catch limit per area



- **Large and growing krill biomass in Antarctica**
  - Scientific study<sup>1</sup> from 2019 showing a 17% increase from 2002
- **Minor share of biomass caught each year**
  - 2021 season harvest<sup>2</sup>: around 0.6% of krill biomass in area 48 (quota: ~1%)
- **Antarctic krill fishery regarded one of the most sustainable fisheries in the world<sup>4</sup>**
  - Strict regulations on krill fishing activities
  - Fishing activity and sub-area quotas governed by CCAMLR<sup>3</sup>
  - No-take fishing zones to protect local wildlife
- **Aker BioMarine contributions**
  - 100% independent observer coverage and contributions to research and science
  - Sustainable fishery certifications (Marine Stewardship Council and Friends of the Sea)
  - Trawl design and slow trawling speeds limit by-catch

1) Source: Institute of Marine Research; 2019 2) Total catch as per 5 Nov. 2021 (CCAMLR) 3) Krill catch quota set by CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources 4) Sustainable Fisheries Partnership



# A modern and effective krill vessel fleet

Aker BioMarine's global market share of catch krill volumes ~65% in the 2020/2021 season



- In operation: 2019
- Length: 129m
- Fish hold capacity: 6,400 m<sup>3</sup>
- Daily production capacity: 220 metric tons (MT)
- 2021 average: 80 MT/day
- Featuring Eco-Harvesting®



- In operation: 1999. Converted: 2009
- Length: 134m
- Fish hold capacity: 7,320 m<sup>3</sup>
- Daily production capacity: 200 metric tons (MT)
- 2021 average: 70 MT/day
- Featuring Eco-Harvesting®



- In operation: 1999. Converted: 2005
- Length: 92m
- Fish hold capacity: 3,860 m<sup>3</sup>
- Daily production capacity: 145 metric tons (MT)
- 2021 average: 50 MT/day
- Featuring Eco-Harvesting®

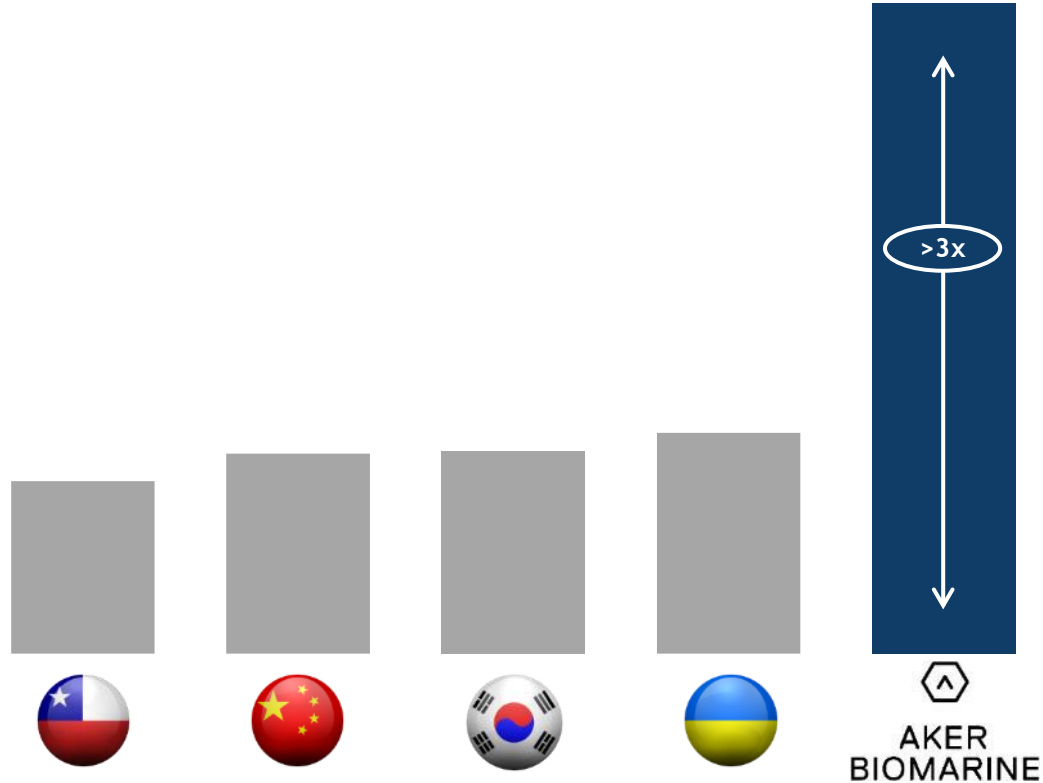


- In operation: 2021
- Length: 168m
- Transport of equipment, fuel, crew and krill between Antarctica and the port of Montevideo, Uruguay
- Cargo capacity of 40,000 m<sup>3</sup>
- Energy-effective hybrid engine

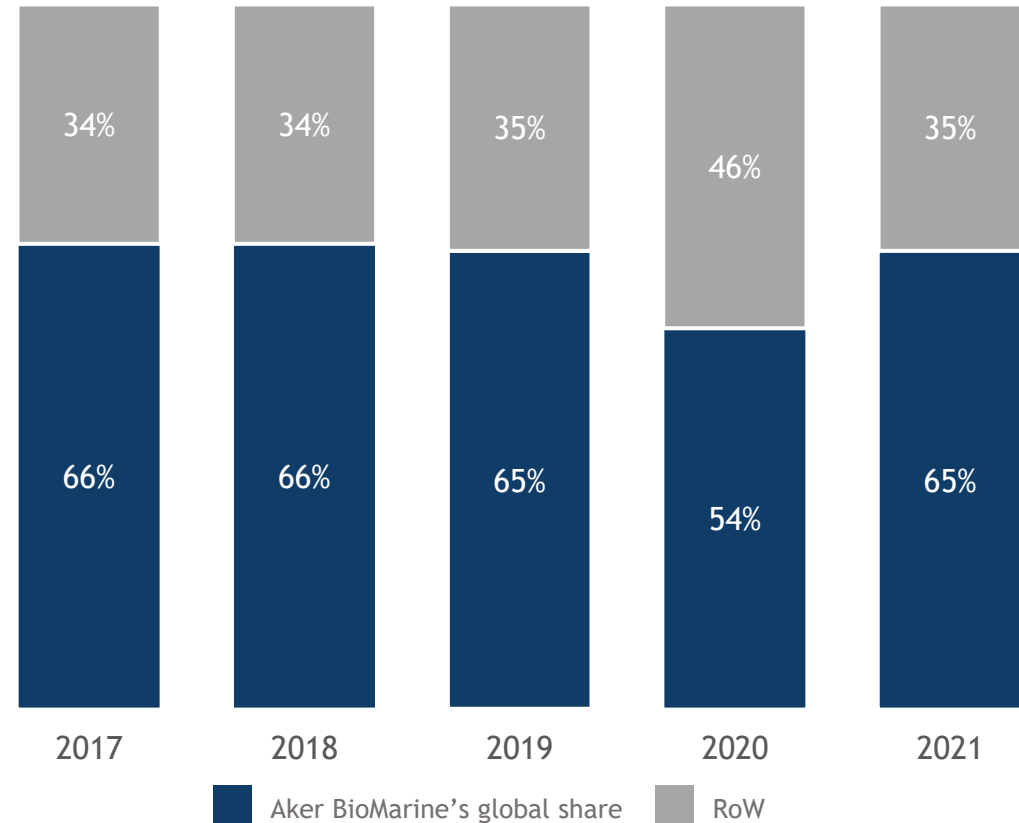
# Aker BioMarine operates the most efficient fleet in the industry

Leading to cost leadership

**>3x higher production per vessel...**  
2021 average catch per vessel in area 48.1 (MT)



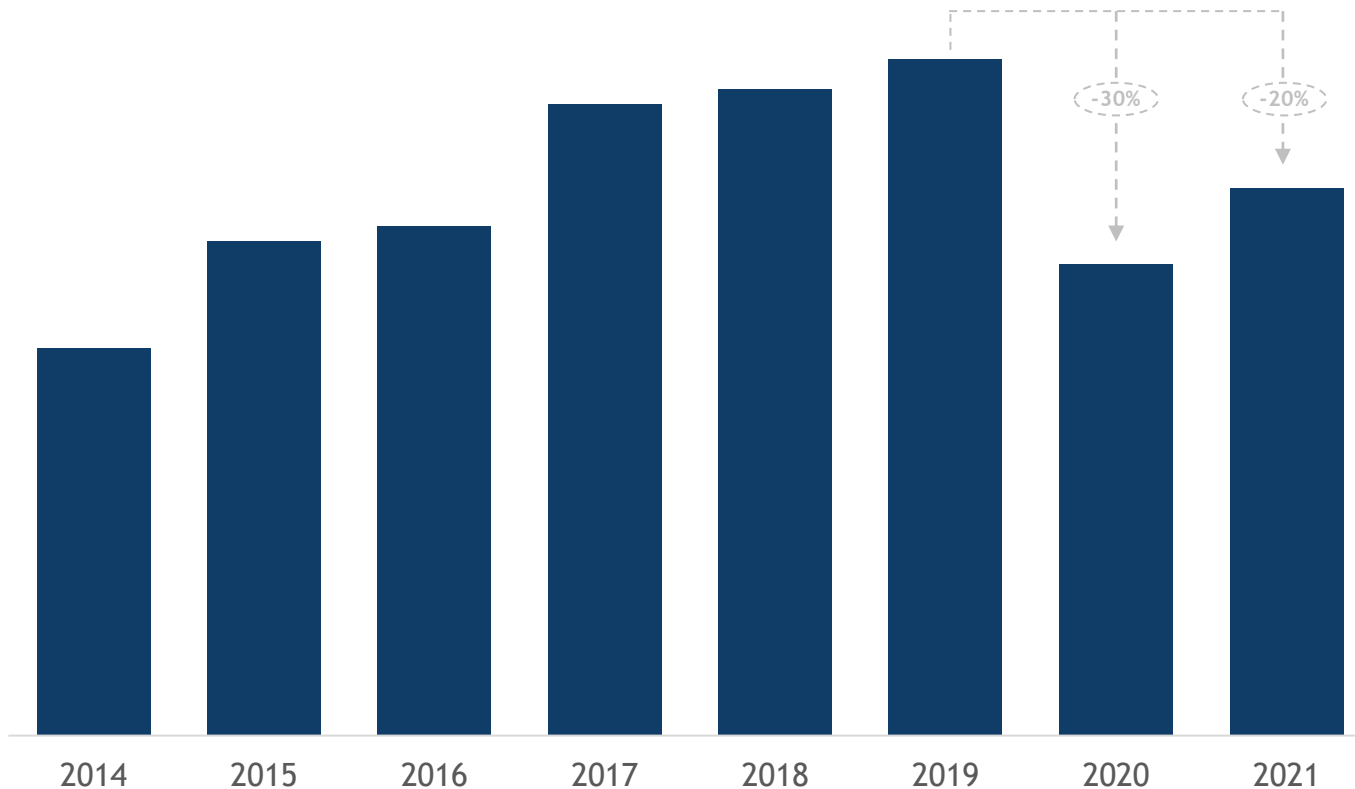
**... and the leading global producer**



# Krill harvesting in 2020 and 2021 significantly lower than expected

## Average harvesting per production day

Example from Antarctic Sea, MT per day



- 2020 was a year with significant downtime for the total fleet due to technical issues
- Fully-operational fleet in 2021
- In the 2021 season, there was limited krill availability in the area we were compared to previous seasons, combined with icy conditions



Maximize production and reduce cost

## Produce more

Increase # of fishing days

Harvesting improvements  
and product yield

## Produce cheaper

Cost efficiency program;  
minimize cost base

Optimize logistics

## Produce cleaner

Energy efficiency

Fleet decarbonization



# Offshore krill searching strategy to increase number of fishing days

Effective search with low carbon footprint

## Use of the Sounder USV\* to optimize krill harvesting



- Remotely controlled from shore or ship
- Systems from Kongsberg Maritime's range of sensors for hydroacoustic mapping, positioning, communication, krill finding, and oceanographic research are integrated into the USV
- In operation from Q2 2022
- In addition to USVs and other drones, Aker BioMarine is developing modern prediction models based on data collection and analysis

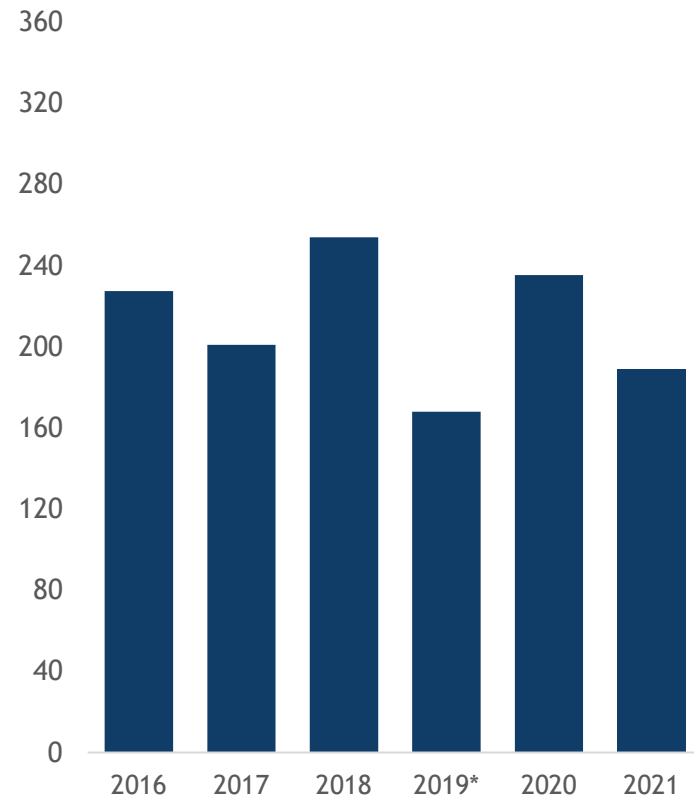
\*) Sounder USV (Unmanned Surface Vehicle) from Kongsberg Maritime

# Important measures to increase fishing volumes

However, there will be natural harvesting variations from year to year in Antarctica also in the future

## Fishing days

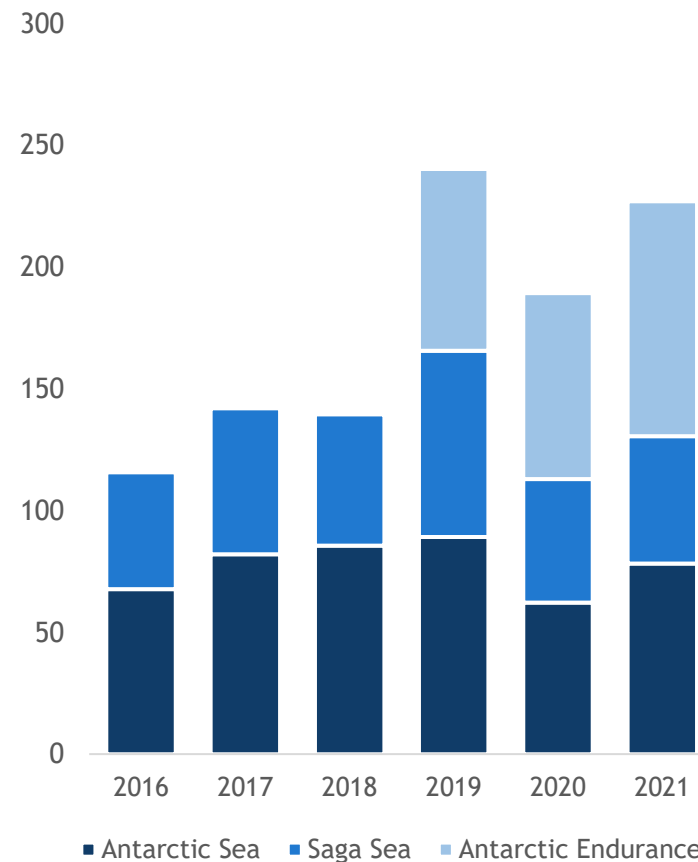
Days



\*) In 2019, Antarctic Endurance operated only approx. half the year

## Production per fishing day

MT



### ■ Increase no. of fishing days per year

#### 1. Season duration

- More efficient yard stay logistics
- New service vessel with improved offshore logistics capacity
- Drones and new service vessel to conduct scientific cruises

#### 2. Season utilization

- Improved krill searching strategy

### ■ Increase average production per fishing day

#### 1. Increase capacity with Antarctic Endurance

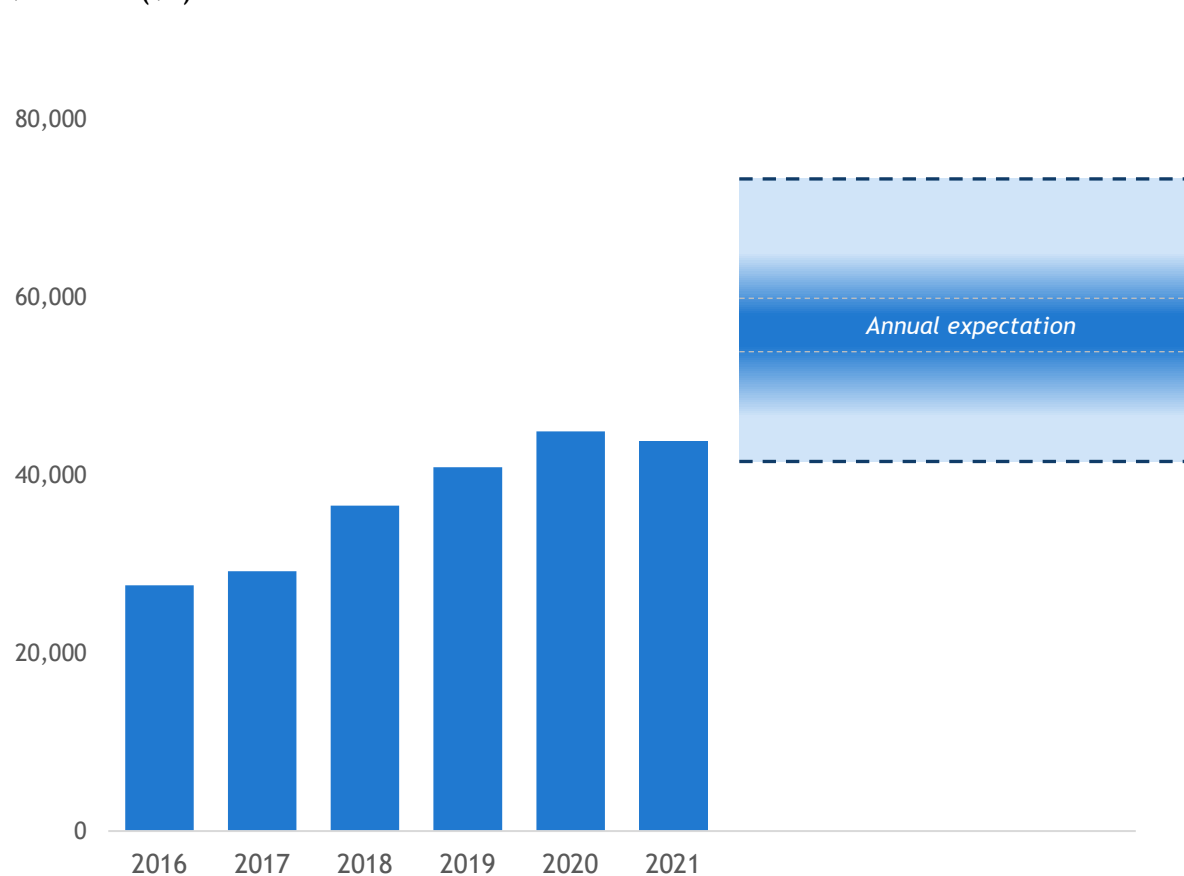
#### 2. Existing vessel investments give higher capacity and better recovery rate

# Roadmap for harvesting growth and value creation

We prepare for seasonal harvesting variations

## Offshore harvesting history and expectations

Metric tons (MT)



## Main value creation pillars

### Increase number of fishing days

- Use drones to improve the krill searching
- Expand krill holding tank capacity on vessels
- Increase offload speeds to supply vessel
- Use supply vessel and drones to carry research activities
- Improve shooting and hauling operations

### Increase operational efficiency

- Yield improvements
- Optimize supply vessel operations; Crew change logistics, transport and offloading efficiency
- Harvesting improvement; fishing depth, trawl size etc.
- Optimize fuel efficiency
- Packaging and product mix optimization

### Reduce costs

- Cost efficiency program; systematic approach to cost optimization and efficiency
- Better energy efficiency

A photograph of a glass of water and two red capsules on a wooden table, with a lake and hills in the background. The text "Animal and human health & nutrition" is overlaid on the image.

# Animal and human health & nutrition



## Better fish health, better quality and improved growth





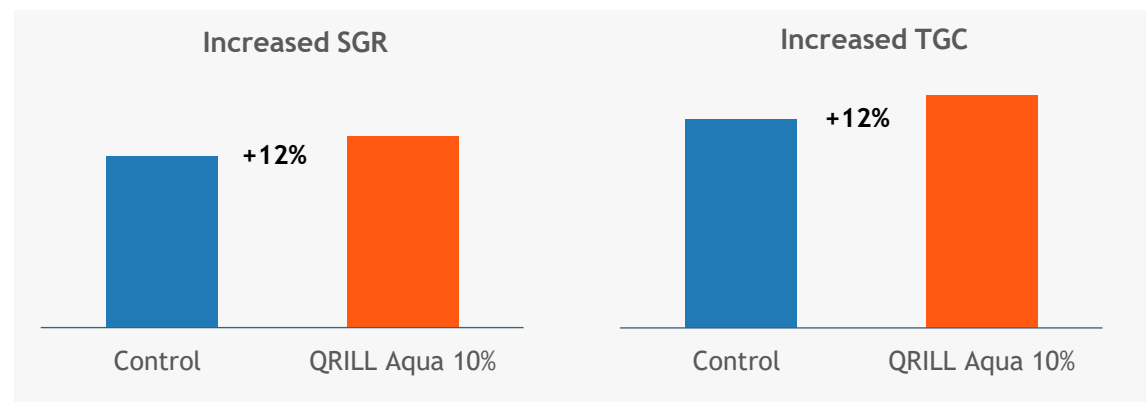
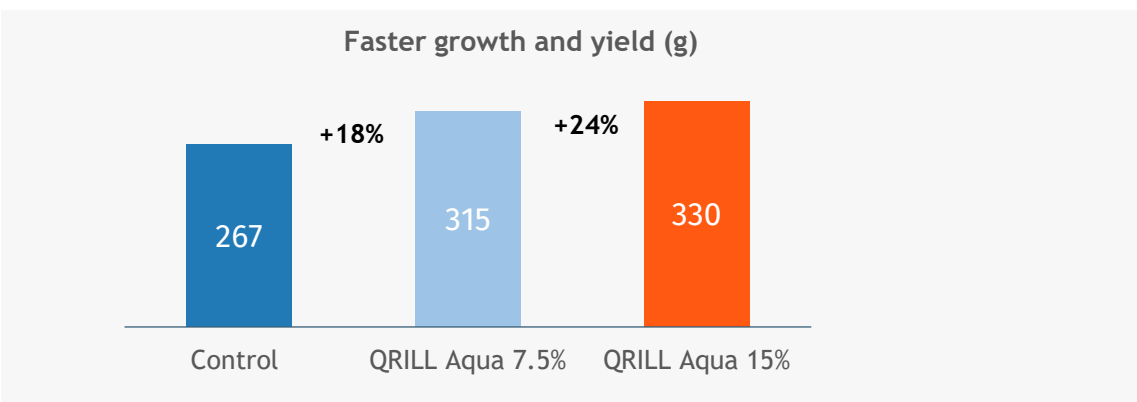
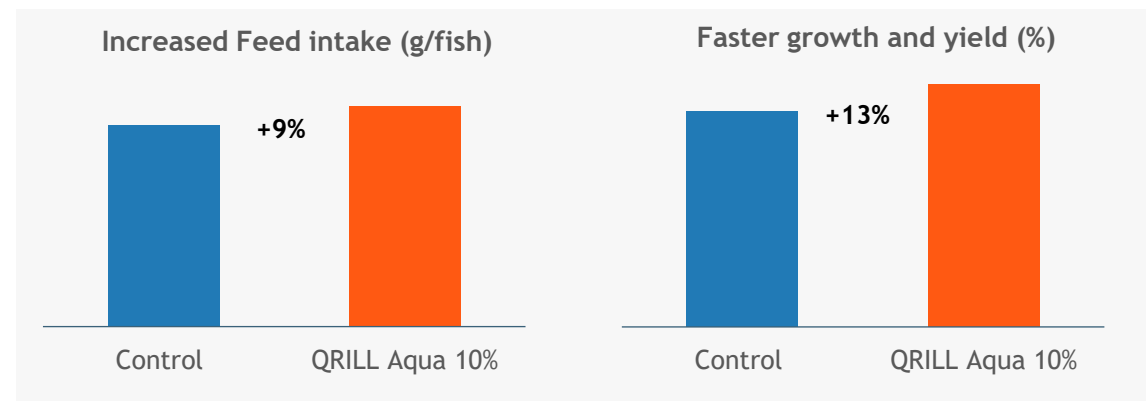
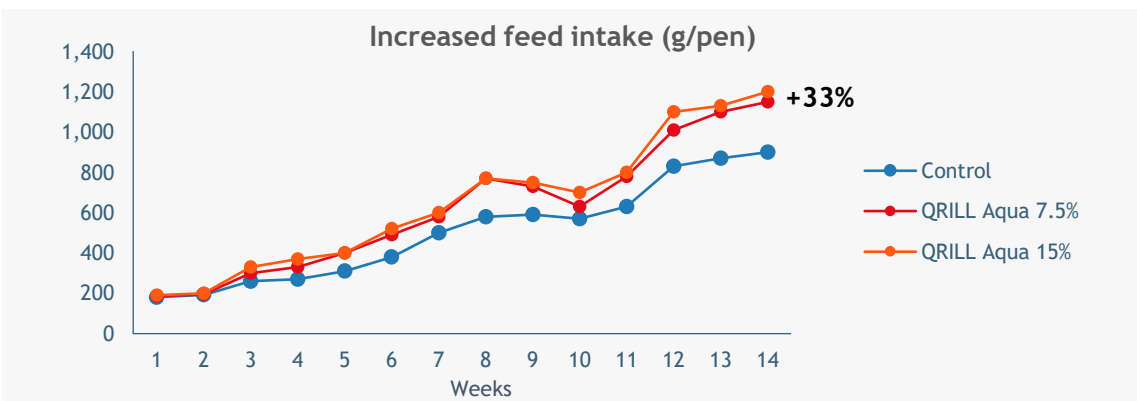
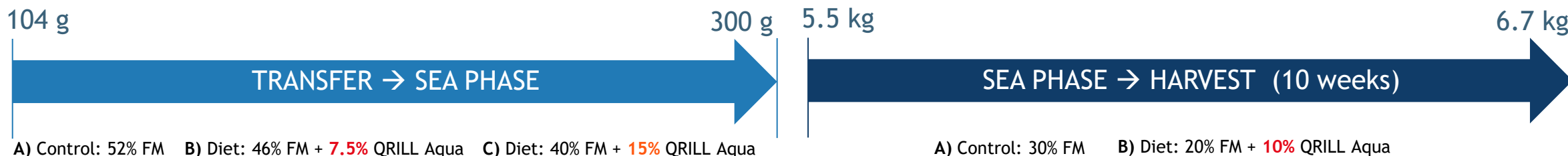
# Qrill Aqua is a specialty performance ingredient in fish feed

Providing extra performance to secure profitability, sustainability and health

- Attractive market and large demand for krill-based nutrients
- Well documented and demonstrated benefits for farmers
- Sustainable and certified ingredient
- Well-functioning partner model with the global industry
- Growing operation in China, the world's largest marine ingredient market
- A diversified and growing customer portfolio



# Qrill Aqua provides a well-documented increase in salmon growth



# Qrill Aqua with positive effects on fillet quality and salmon health

Example from *Engesund salmon* - unique feed recipe with high inclusion of Qrill Aqua



## *Engesund salmon*

UNLIKE ANY OTHER SALMON

### ALL NATURAL

Back to nature's own diet. A new and unique feed recipe.  
High inclusion of Qrill Aqua

### HEALTHY & TASTY

Rich in flavor and packed with health promoting nutrients.  
Extra high omega-3 levels. Premium source of clean protein.

### SUSTAINABLE

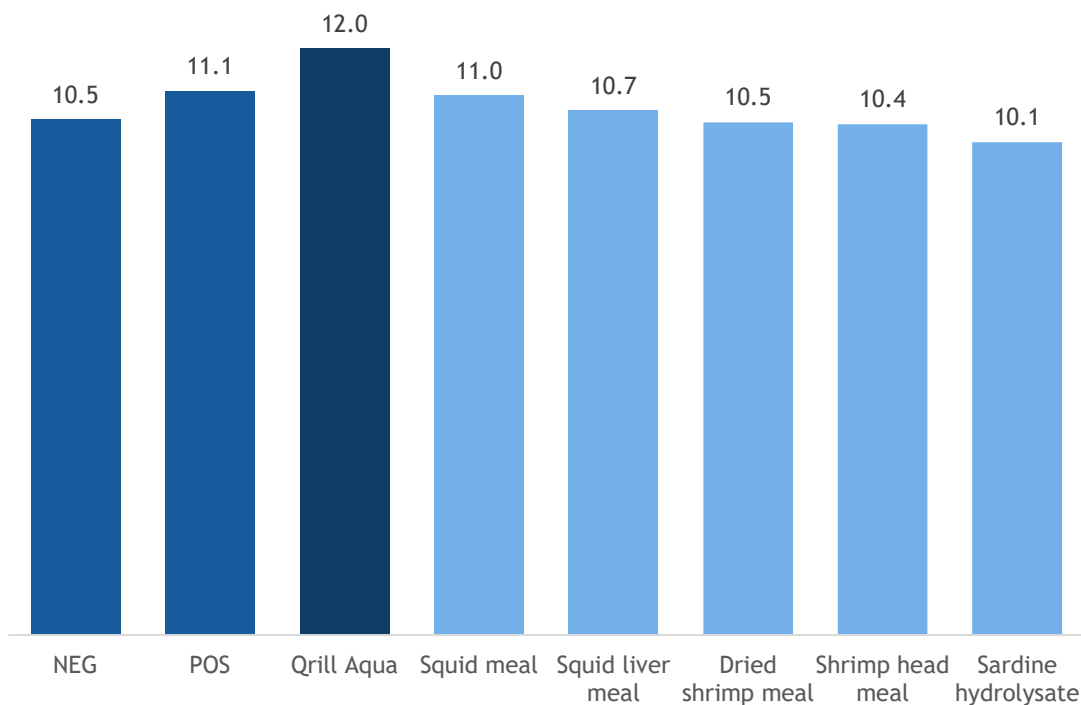
Documented sustainable value chain. Fish welfare as first priority.

# Qrill Aqua in shrimp feed improves feed intake and production

## Shrimp feed diets containing 3% krill meal

achieved the highest final body weight with a lower FCR and higher yield compared to diets with other marine ingredients

Final body weight (g)

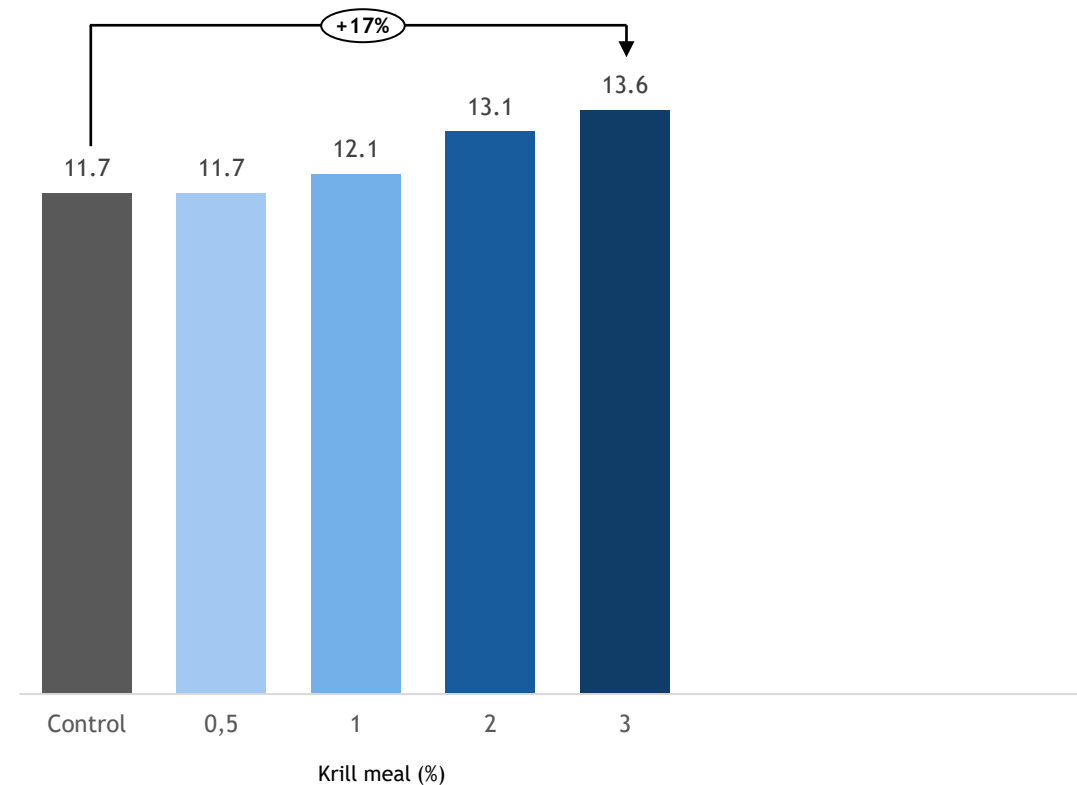


Source: A. Nunes, et al., 2018

## A minimum of 2% krill meal is needed

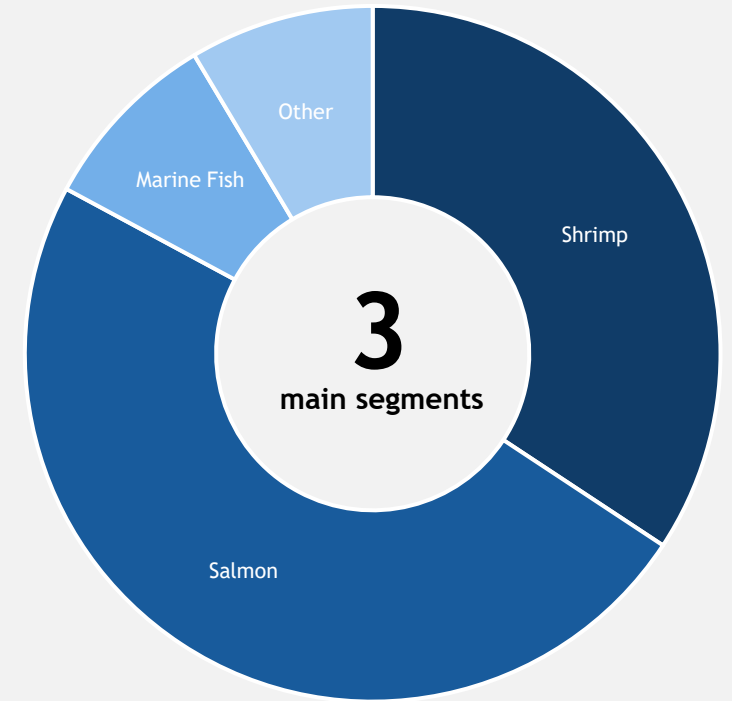
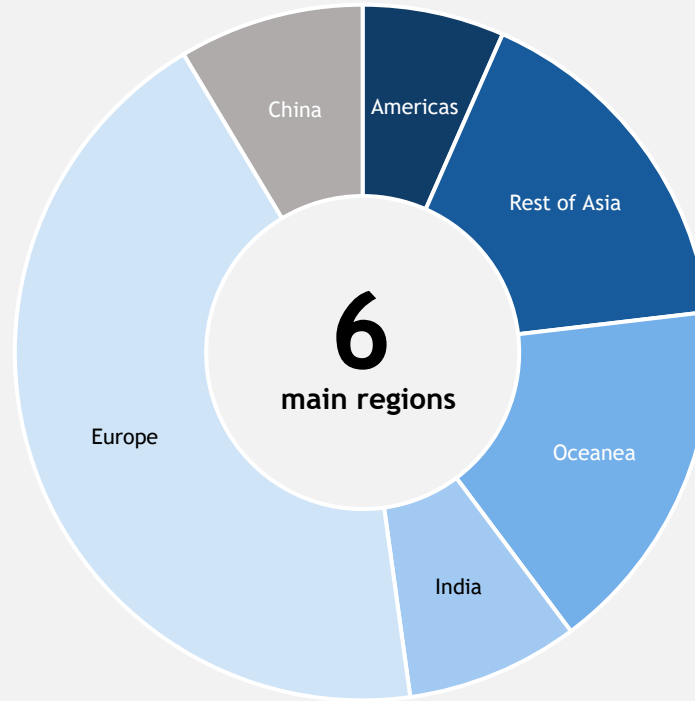
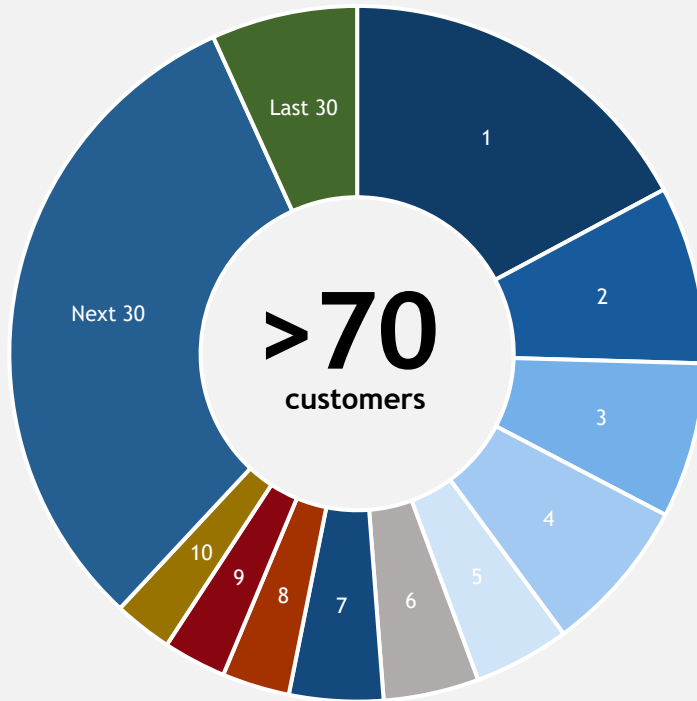
in plant-based diets to significantly accelerate shrimp growth, while increasing yield and reducing FCR

Final body weight (g)



Source: H Sabry-Neto, D Lemos, T Raggi, AJP Nunes, 2017

# Qrill Aqua has a diversified customer base

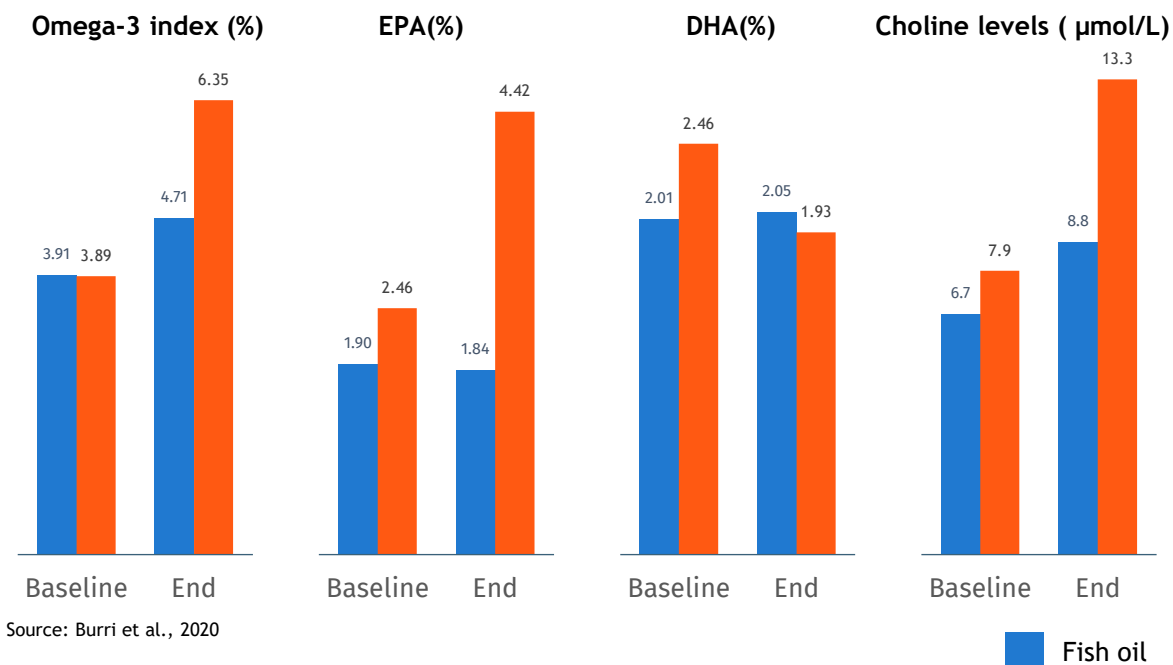




# High effect on omega-3 index from QRILL Pet

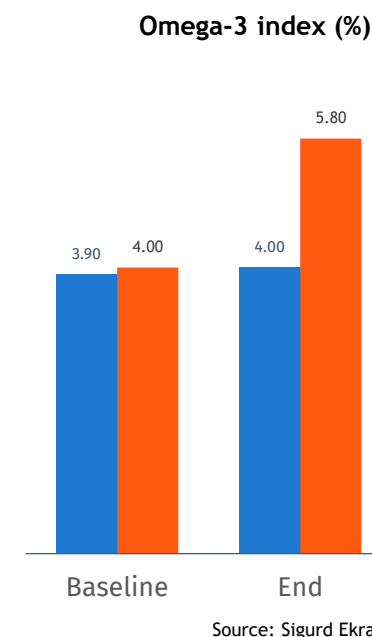


Increased omega-3 index after Qrill Pet supplementation compared with fish oil



Krill-rich diet increased the omega-3 index of active dogs by 41%

- Objective to investigate the omega-3 index in Husky dogs
- 52-day randomized study with 30 dogs; 16 received diet with an inclusion of 8% QRILL Pet, while 14 in control group
- Krill-rich diet increased the omega-3 index of active dogs by 41%. No significant increase in control group

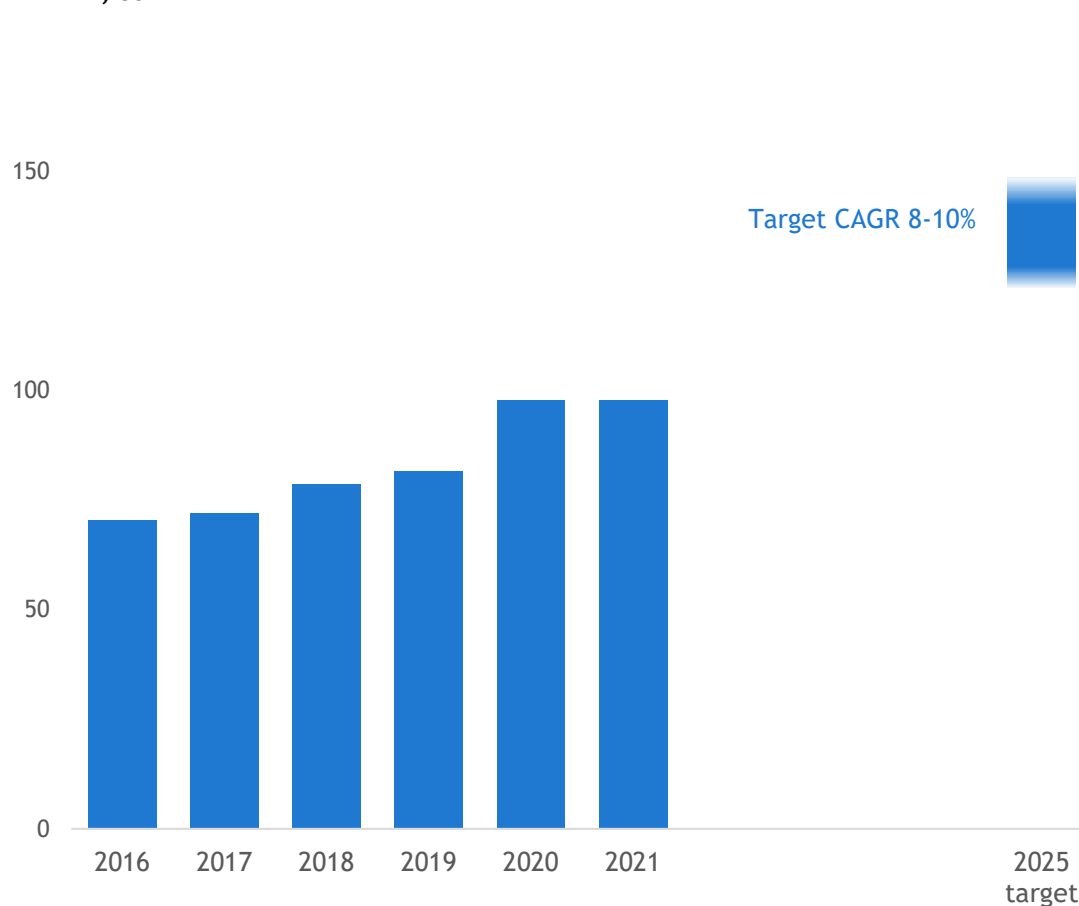


# Qrill - Roadmap for growth and value creation

Margin improvement mainly through price increase

## Delivering on our growth ambitions

Revenue, USD million<sup>1</sup>



## Main value creation pillars



Krill oil is an efficient delivery form of vital nutrients, choline & omega-3s



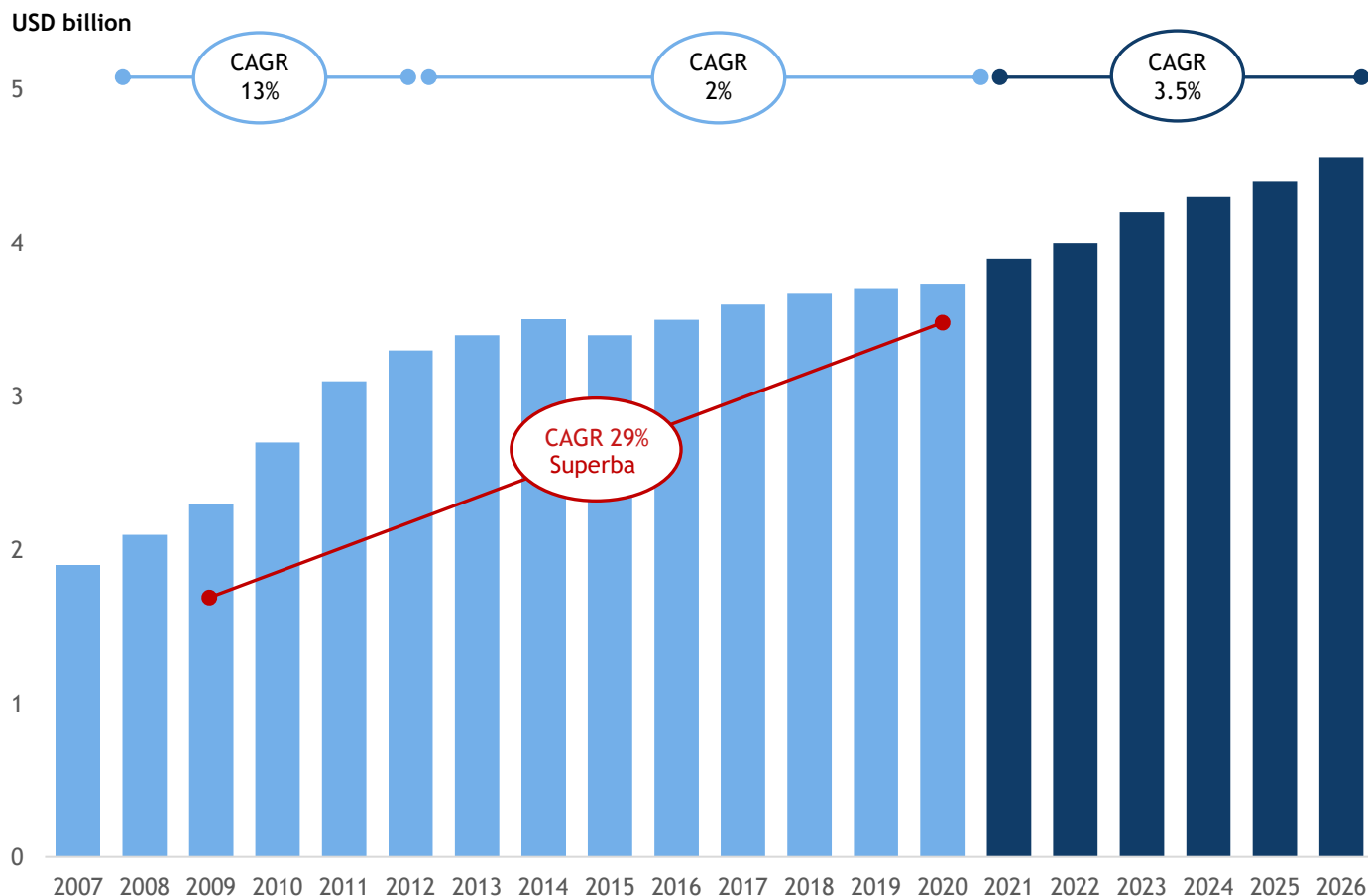
  
**SUPERBAKrill™**



# A growing and attractive omega-3 market

Superba krill oil will continue to outpace the general market growth

## Global market for omega-3 estimated growth by 3-4% annually



Sources: Euromonitor market sizes; Grand View Research



The global omega-3 market size is expected to continue to grow significantly



Consumers are increasingly shifting to healthier alternatives while adopting preventive care as a necessary tool to help them lead a better lifestyle. Thus, omega-3 supplements are being increasingly consumed



Brand name, nutritional value and safety of the products are important factors influencing the consumers' buying decision for supplements



Between 2009 and 2020, **Superba krill oil sales** grew 15x the market for omega-3 and we are certain it will outpace the growth also in the future



# Superba provides an attractive value proposition to consumers, brands and retailers

## Consumer friendly



**Schiff** Easily Absorbed  
**MegaRed**  
Superior Omega-3 Krill Oil  
EXTRA STRENGTH 500mg  
3X MORE PURE Than Regular Krill Oil  
40 SOFTGELS | DIETARY SUPPLEMENT

**MegaRed Omega-3 Krill Oil is the Superior Choice**

	MegaRed Omega-3 Krill Oil	Regular Krill Oil	Regular Fish Oil
Source of vital Omega-3 Fatty Acids	✓	✓	✓
Purest Krill Oil (3X More Pure)	✓		
In phospholipid form for easy absorption	✓	✓	
No fishy aftertaste	✓	✓	
Just one small softgel	✓	✓	
Contains powerful antioxidant astaxanthin	✓	✓	



Eco-Friendly sourced to maintain a healthy, sustainable krill population.



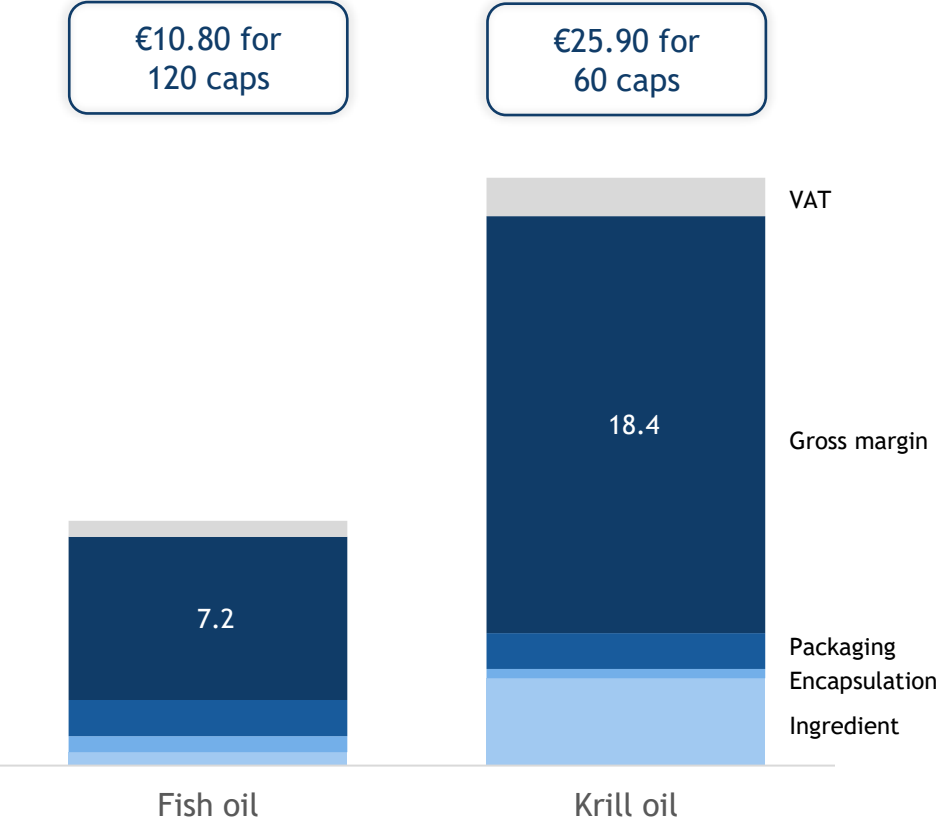
CERTIFIED SUSTAINABLE SEAFOOD MSC  
www.msc.org

Independently certified to the MSC's standard for a well-managed and sustainable fishery.



Schiff  
Quality Guarantee

Retailers and brand owners sharing a much larger gross margin per unit

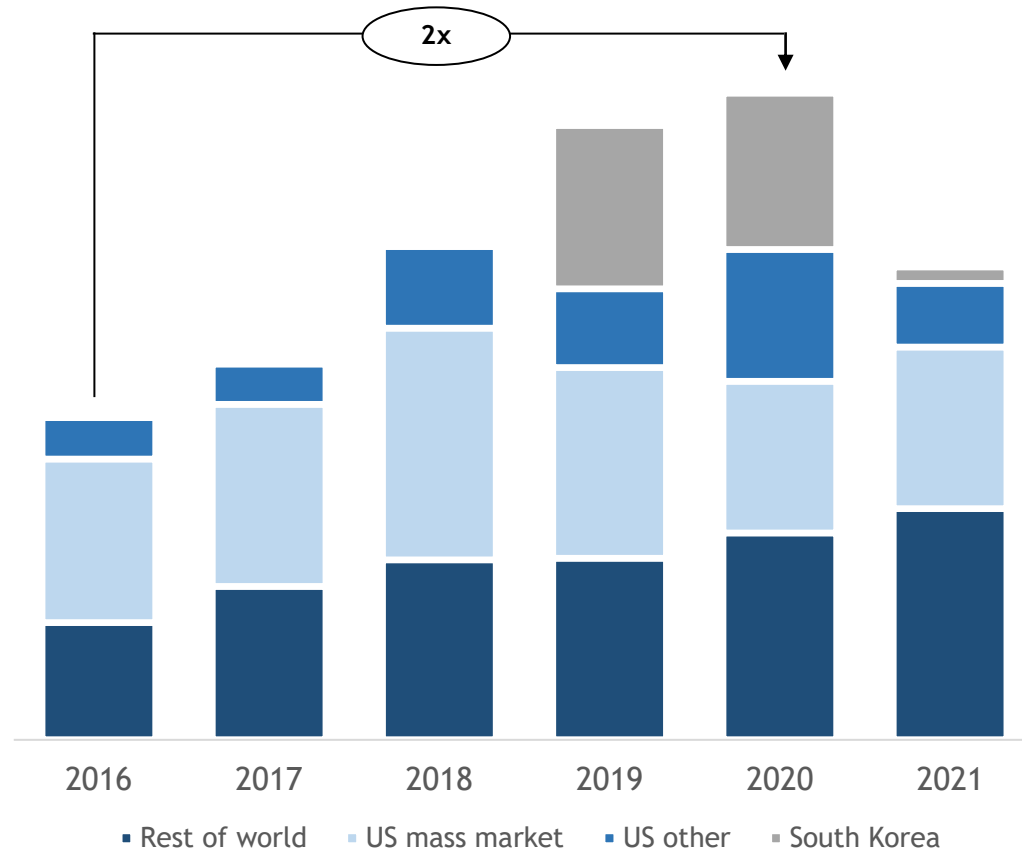


# Doubling of sales 2016-2020 - large drop in sales to South Korea in 2021

High Superba growth ambitions maintained

## Superba sales volume

Metric tons (MT)



- Regulatory issues in South Korea
  - Regulatory bodies tightened krill oil regulation impacting both the customers ability to market products and consumer trust
- These challenges imply that we are behind our original sales aspiration
  - 2021 sales volume ~25% lower than projected 18 months ago
- Our high growth ambitions are however maintained
  - Improvement program “Superba Turnaround” initiated



## Superba turnaround action plan



**Short-term fix**



**Reach full potential**

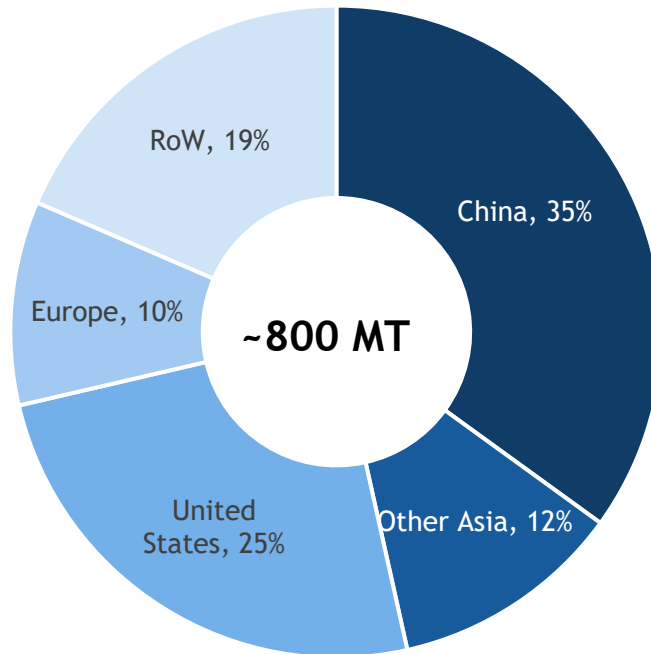


**Support & fuel**

# Short-term fix: Sales prospect work

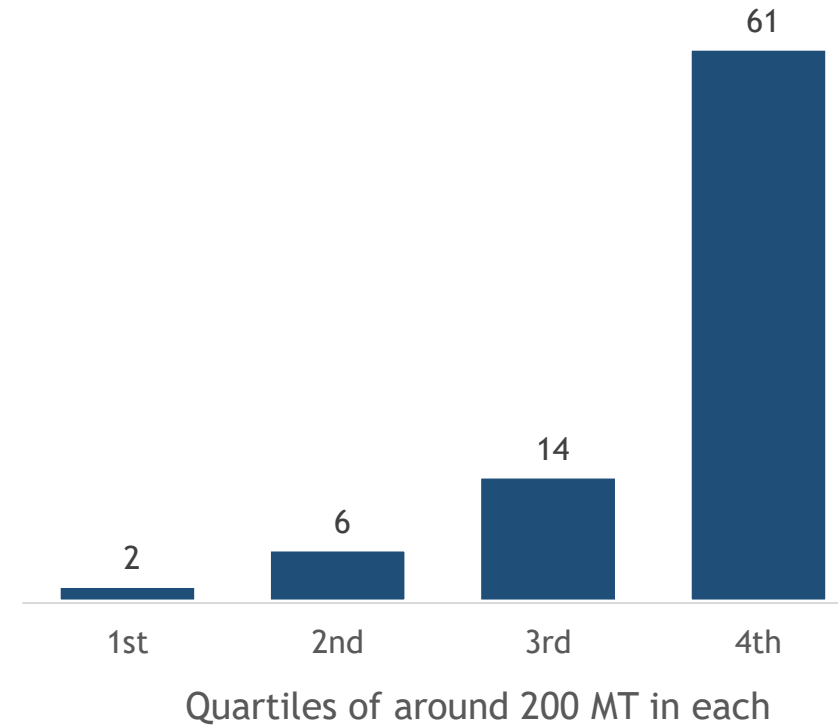
Identified and maturing >80 prospects with a total potential of ~800 MT

## Geographical diverse list



## Good mix of large and small opportunities

Number of prospects



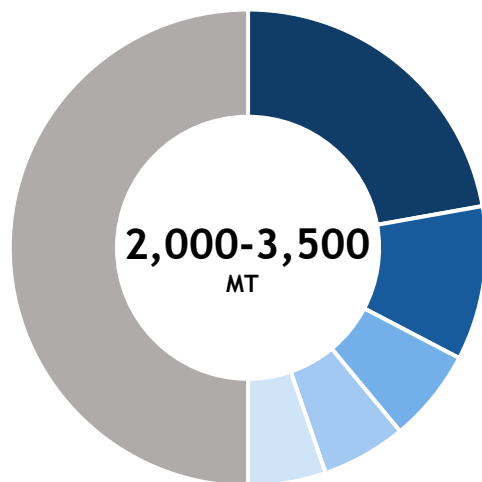


# A large potential for krill oil sales growth, independent of analysis method

Demand potential estimates ranging from 1,500 to 3,000 tons

## Krill oil penetration<sup>1</sup>

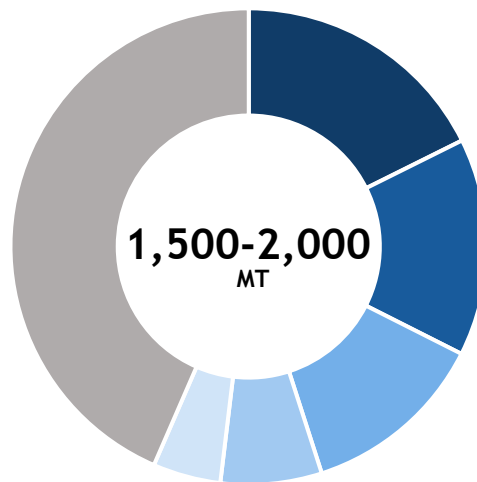
Analysis of krill oil volume sold by market in comparison to the size of medium- and high-income population. Estimate sales potential by equalizing successful market penetrations



■ China ■ Japan ■ US ■ India ■ UK ■ RoW

## Equalizing market shares

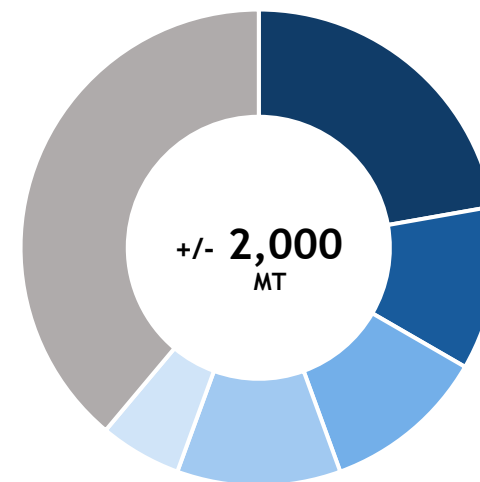
Analysis of share of krill oil in the krill + fish oil market. Estimate sales potential by equalizing the US B&M market share in other markets



■ US ■ China ■ Japan ■ Canada ■ Brazil ■ RoW

## Identified Potential per opportunity

Analysis of Aker BioMarine's bottom-up growth opportunities. Determine sales potential for each opportunity

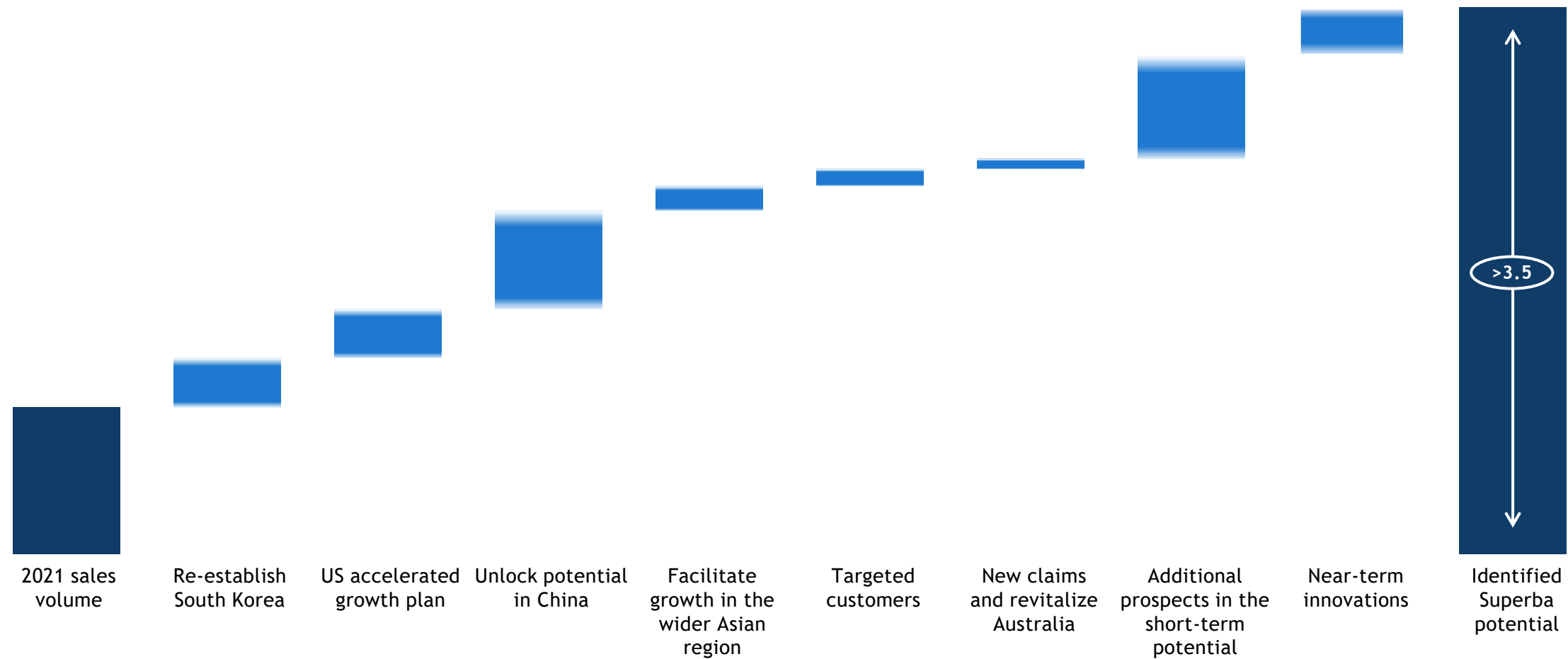


■ China ■ S Korea ■ US ■ New offerings ■ Asia ■ RoW

1) Low-, mid- and high-volume scenarios are matching markets in US, Australia and South Korea, respectively.

# The Superba turnaround and plan has identified a set of sales opportunities, incl. short-term potential

Metric tons (MT)

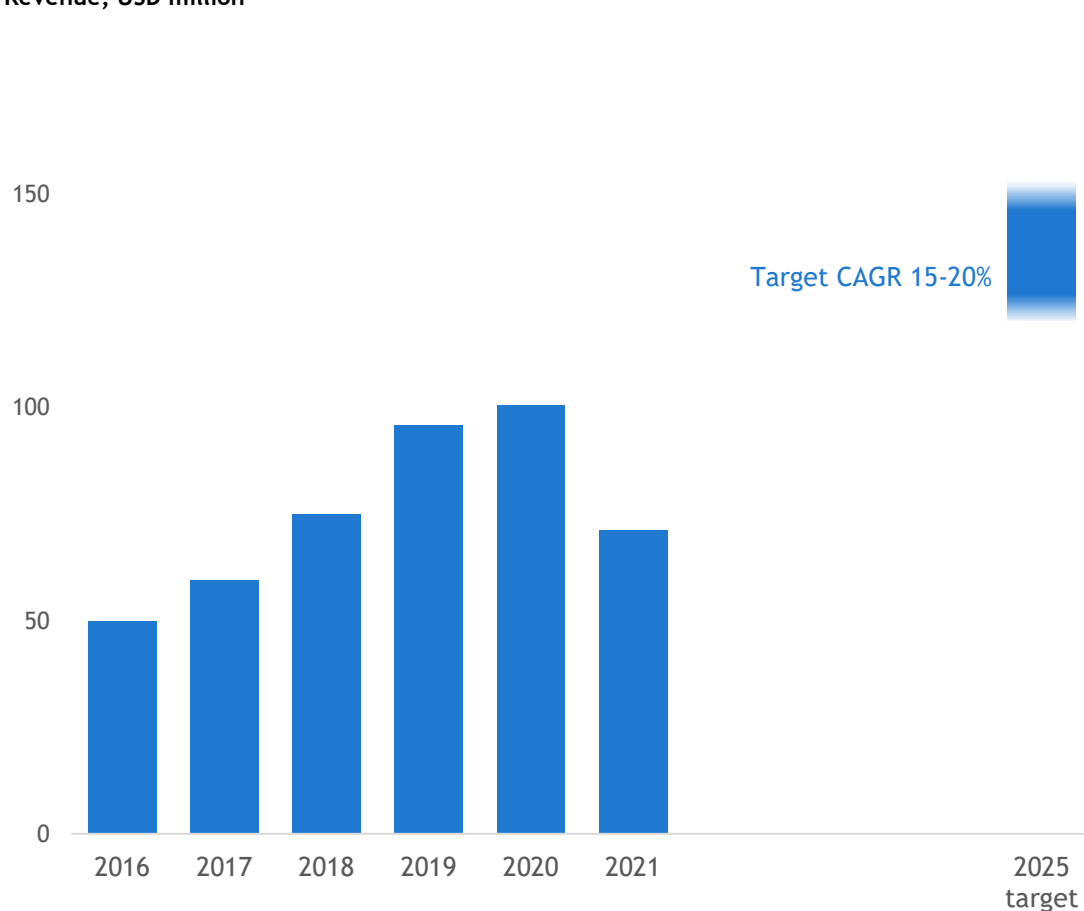


# Superba - Roadmap for growth and value creation

Utilize the large volume potential for krill oil in core markets

## Superba turnaround to provide significant growth

Revenue, USD million<sup>1</sup>



## Main value creation pillars

### Quick turnaround and boost sales

- Intensify sales prospect work
- Close the 5-10 identified quick-win potentials
- Intensify focus on “sales hunting” activities

### Exploit the large market potential

- Reigniting South Korea
- Unlock potential in China
- Facilitate growth in the wider Asian region
- Australian revamp
- US sales growth project
- Innovations/new products to open new markets

### Supporting activities

- Strengthen the organization
- Reduce non-sales activities
- Weekly new marketing concepts
- Marketing/PR

# Brands





# Consumer brands and private label brands

Two different business models in the retail market



## Customer brands

- Creating a position directly to the consumers with prominent products
- Usually, a brand name that customers recognize and trust
- Sells at a relatively high price due to costly marketing and R&D investments, and because they use brand equity to gain a profit premium

## Private label brands

- Product produced by a third-party manufacturer, like Lang, and sold under a retailer's brand name
- The retailer decides specifications of the product, everything from ingredients to labelling
- Positioned as lower-cost alternatives to consumer brands
- Usually, a follower of national brands which results in lower marketing cost, R&D investments and lower price points

# Lang Pharma Nutrition, our private label offering in the US

Strategy of being a long-term partner for retailers and bring in products that differentiate



Lang revenue breakdown by customer, 2021e



- Lang is an experienced and recognized company with a good track record and a high level of service
- In 2019, Aker BioMarine acquired Lang Pharma Nutrition. Lang has over 35 years of history in the nutrition and dietary supplement industry and focus on health benefit-driven products
- Key partner to the world's leading mass market retail chains, supplying around 70 dietary supplement and nutrition products which lead the market for both innovation and sustainability
- The US vitamin and supplement industry is a growing market. Lang is uniquely positioned to contribute to the growth ambitions of Aker BioMarine in expanding the company's branded footprint in the US

# Epion Brands, our retail and consumer brand company in the US

Two of the major retailer channels move to full distribution in stores during Q1 2022, further increasing the reach for the Kori krill oil brand



- In 2020, Aker BioMarine established the independent company Epion Brands Inc. to launch Kori krill oil brand to the consumer market through food, drug and mass retailer channels in the US
- Epion will build the krill oil category by making significant investments into digital and traditional marketing, highlighting the health benefits of krill
- The aim is to raise the awareness of krill oil and its benefits among consumers and thereby increase the sales also for Aker BioMarine's existing customers
- Epion is working closely with the largest retailers in the US, in order to secure distribution, educate and show innovations of krill.
- Kori is also launched on Amazon



# Introducing new innovations that will be ready for 2022

## Introducing Kori krill oil gummies



Q2 2022 LAUNCH

- Heart healthy omega-3s
- 1st Pure Krill Gummy in the market
- Non-GMO Krill oil with no artificial color
- Mixed fruit flavor with sugar crystals
- Consumer tested parity taste acceptance

## Introducing Kori Mind & Body



Q2 2022 LAUNCH

- Omega-3 - heart health & building blocks for a healthy brain
- Vitamin B-12 - nervous system health & healthy energy
- Plant antioxidants & Turmeric- support memory and attention
- Non-GMO Krill oil with no artificial coloring, flavor or preservatives.

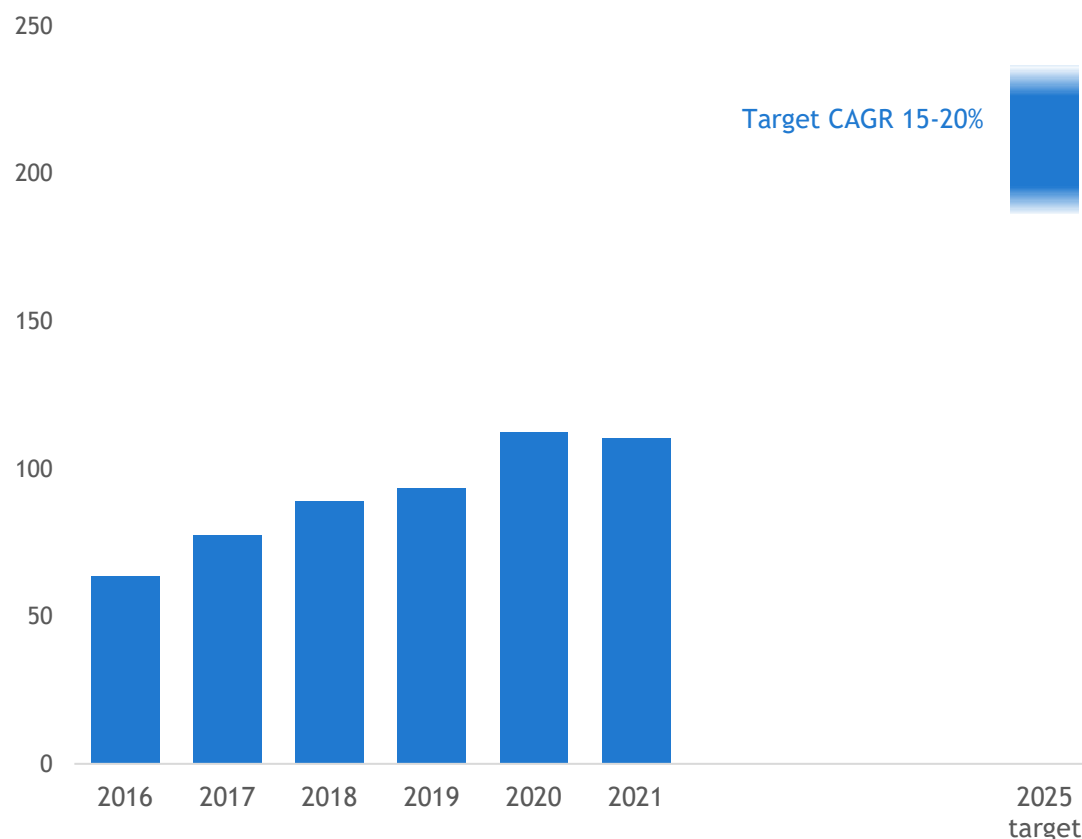


# Brands - Roadmap for growth and value creation

Grow both private label and own consumer brand activities

Steady growth the past years of 15% p.a.

Revenue, USD million<sup>1</sup>



## Main value creation pillars

### Further develop retail customer base for private label

- Capitalize on strong relationships with the seven largest retail chains; 85% of total retail sales in the US
- Continue to deliver best-in-class service level and fill rates for the largest US retail chains
- Partnering with retail to drive category innovation

### Growth initiatives

- Continue category expansion & development
- Launch improved commodity product in a proprietary way
- Category developments/new verticals
- New product forms/delivery systems

### Own consumer brand development

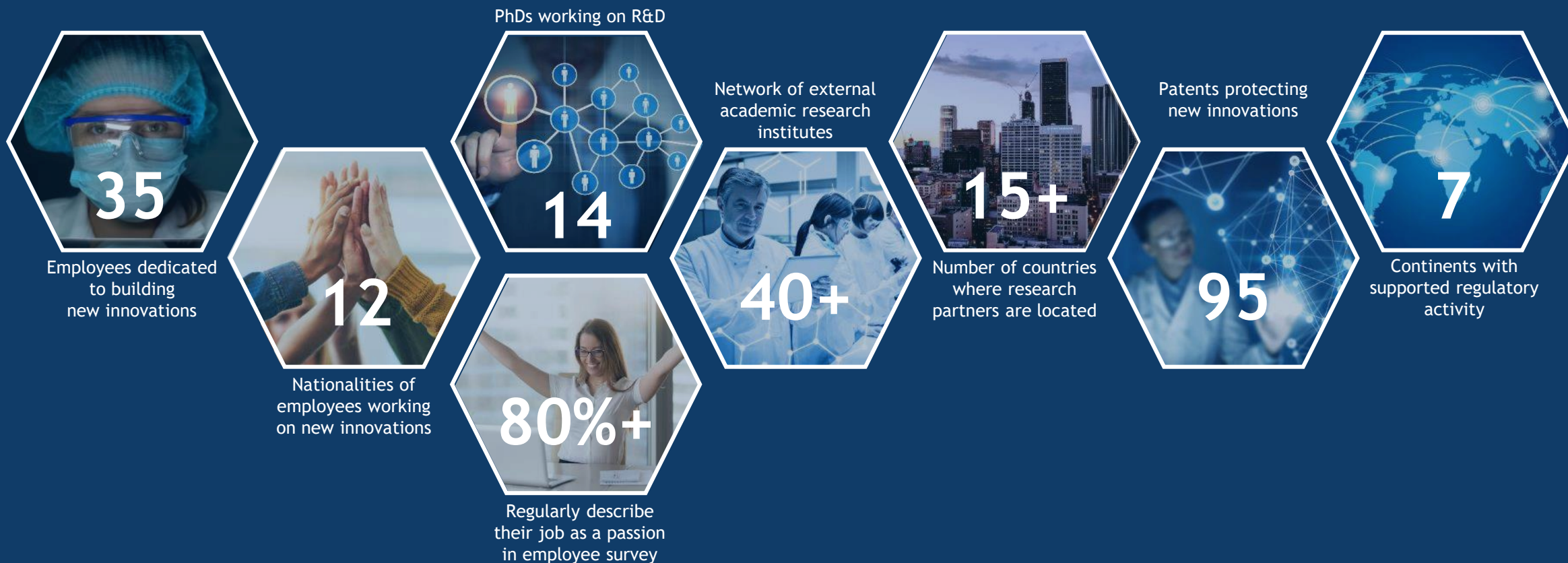
- Minimum 15% of sales come from own consumer brands
- Investing in consumer marketing to scale both Kori and the krill category
- Development of Epion brand company
- Expand Kori product offerings



# Innovations

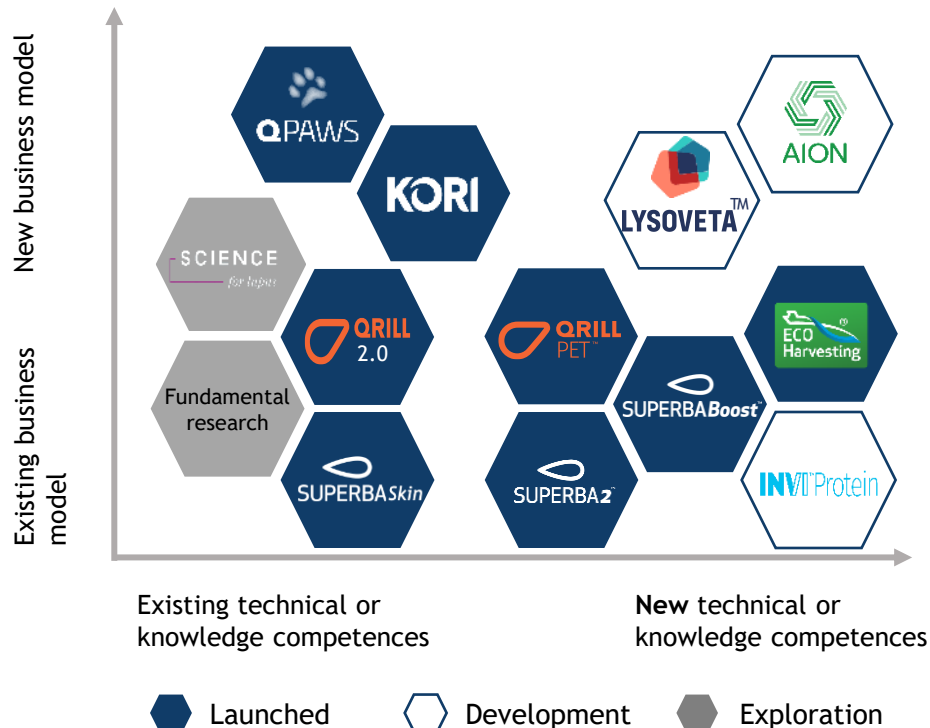
# Innovation is at the core of Aker BioMarine's DNA

It is embedded in our culture and driven by a skilled and diverse team and extensive external networks



# We innovate in all areas of the business with three new launches in 2021

Innovation across the business - new products, new business models and new technologies



## New launches in 2021

- 1 LYSOVETA**  
 A new era of innovation in brain and eye health with LPC-EPA/DHA
- 2 INVIT Protein**  
 Best-in-class protein peptides for human health and nutrition
- 3 AION**  
BY AKER BIOMARINE  
 Leading the transition towards a circular economy in industrial plastics



# Lysoveta is at the forefront of brain health innovation

## Growing focus on brain health

- The body is starting to outperform the brain as we age
  - Increasing life-expectancy
  - Increase in neurological disorders
  - Cognitive decline with age
- Increased focus on cognition and mental health across all age groups
- Increased awareness through pandemic
  - Effects of isolation and stress on healthy populations
  - Post infection cognitive deficits

## EPA/DHA is important for brain development and functioning



### Cell survival

Protective in case of stress and injury



### Neurogenesis/Plasticity

Formation of new neurons



### Anti inflammation

Decrease cell stress



### Synaptic function

Transmittance of nerve signals

## EPA/DHA is transported into the brain in LPC form - Lysoveta product family

EPA/DHA linked to:

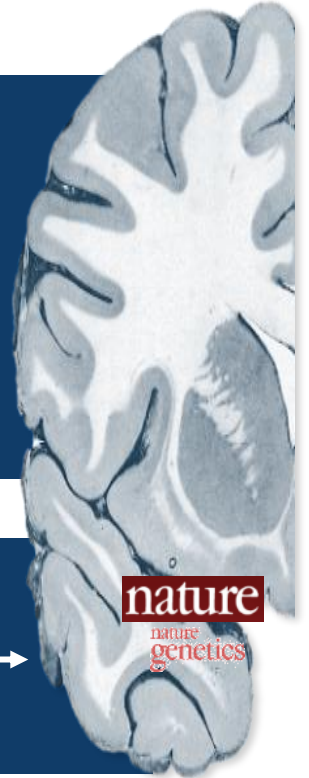
Free fatty acid/  
Ethyl ester



Triglyceride



LPC-  
DHA/EPA



## Focus in 2022



Supplement - *ready to market*



Building the LPC-EPA/DHA space

### Key next steps



#### Regulatory approval

US approval by year end 2022



#### Scientific studies

Supplement entry & build new segment opportunities



#### Nutraceutical commercial production

Dedicated production line at Houston facility



#### Scale commercial activity

Build dedicated sales and marketing team to fast-track go-to-market activity



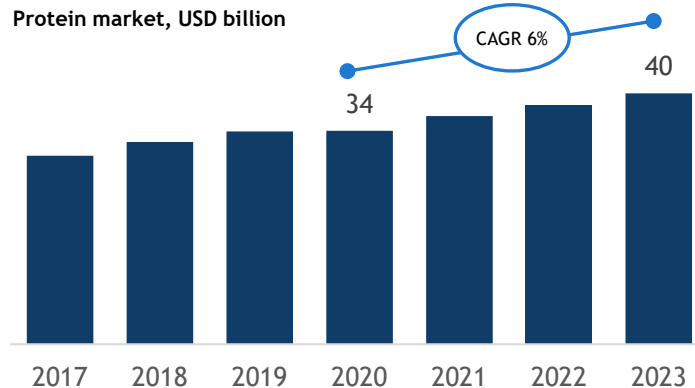
#### Partnerships and collaboration

Continue to build strength with strategic partners

# Aker BioMarine's entrance into the large and growing market for protein in human nutrition

## Protein products continue to grow in popularity from a large market size

Protein market, USD billion



- Healthy growth in protein consumer product market
- 7x consumer market size compared to omega-3 supplements (USD 34bn vs 4.6bn)
- Continued growth expected in overall and especially alternative proteins

## Growth driven by increasingly informed and demanding consumers



- Expanding consumer interest in overall protein health benefits
- Consumers increasingly seeking sustainable, alternative protein sources
- Increasing demand for pure products e.g. free from pesticides, pollutant exposure

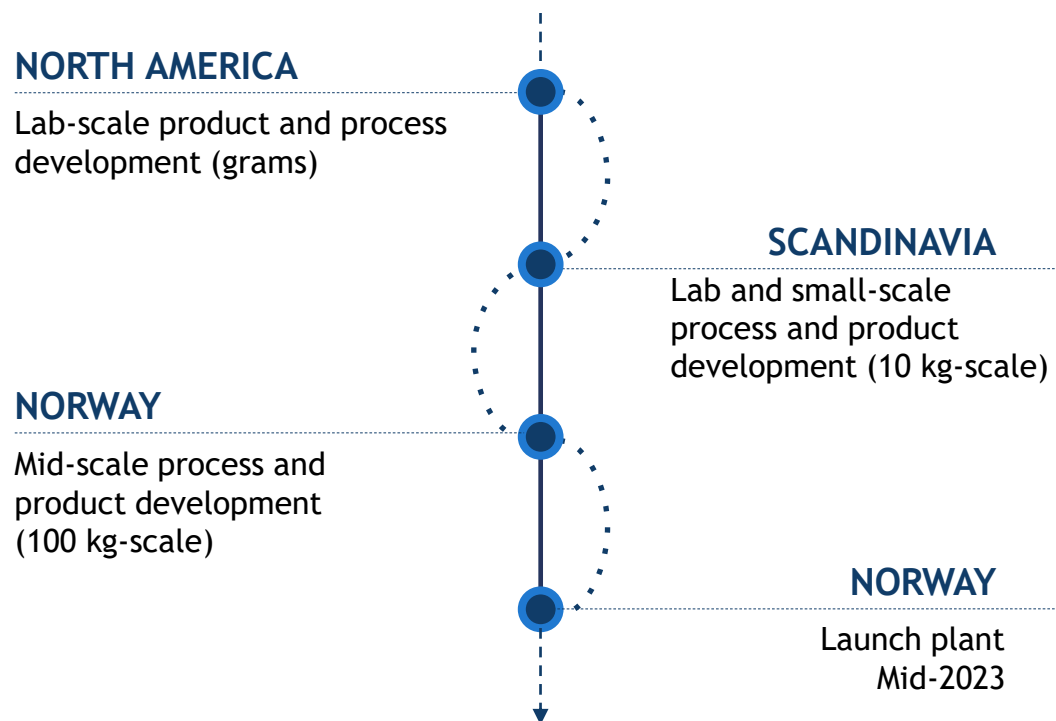
## Attractive market landscape for the launch of INVI protein peptides



- 90%+ protein powder ingredients for use in ready-to-mix and ready-to-drink beverages and food formulations
- Hydrolyzed into peptides resulting in enhanced nutrition

# Focus in 2022

## Scaling INVI protein peptides with construction of launch plant



## Key next steps



Product and process development at lab-scale and mid-scale



Construction and planning operational start-up of launch plant in Norway



Final product formulation development and nutritional R&D



Ramping up commercialization team and activities



# Current plastic use and production is unsustainable

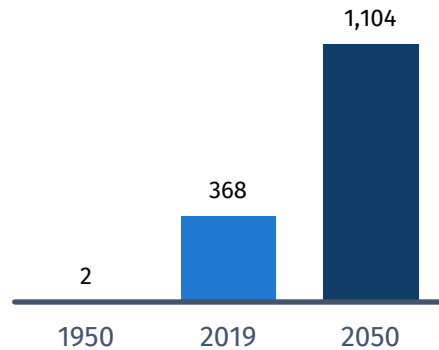
Increasing regulatory focus and pressure new solutions

## Our technologies, economies and societies need plastic products

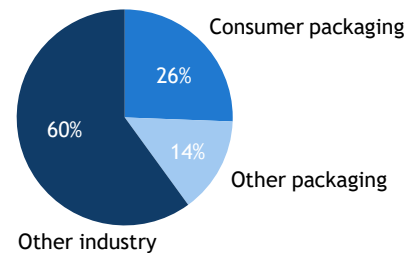
- Plastic is a key material and the demand for it will continue to grow.
- Only 15% of plastic is recycled (vs. 70-99% of steel)
- B2B products are a big part of consumption, and need to be a big part of the solution
- Plastic accounts for 7% of global oil demand, set to grow to 50% in 2050

Annual plastic production<sup>1</sup>

Million tons



Share of plastic use<sup>2</sup>

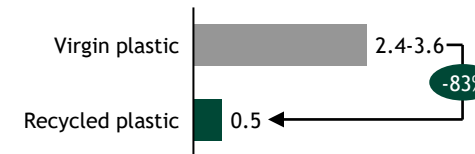


The total current plastic market is estimated at USD 1.2 trillion

## Waste management systems will not be able to cope with the linear model

- Public and regulatory pressure is mounting against the linear model for plastic
- EU and others are showing, through e.g. the single-use-plastics directive a willingness to take radical action
- Mechanical recycling is the most economic and energy efficient way to recycle the largest polymer group PP-plastics in addition to PE and others

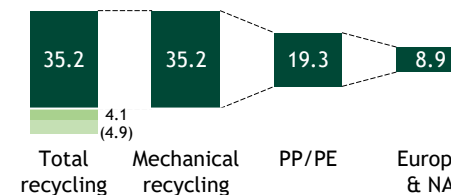
Ton emissions per ton produced<sup>3</sup>



The incumbent industry has a significant trust issue



Profit pool for mechanical recycling<sup>4</sup>



*“Exporting nations may report artificially high recycling ... strong uncertainties remain on how plastic waste shipped overseas is treated”*  
INTERPOL (2020)

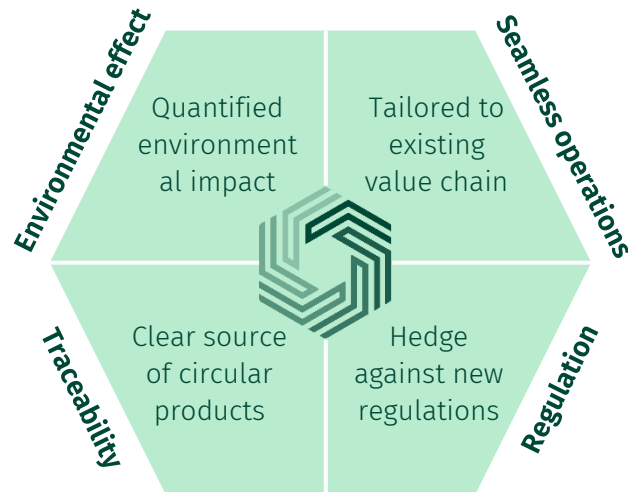
# AION is scaling circular solutions with tech at the core for industrial B2B plastic products



There is an ongoing process to find new owners for the company

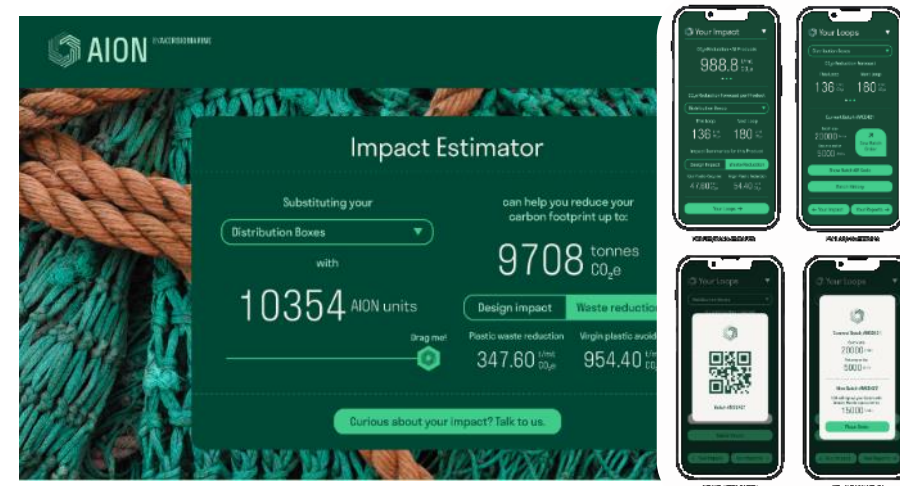
**AION offers CaaS (Circularity as a Service) for industrial plastic products with a verified and documented environmental effect**


- Products and services to achieve closed loop recycling with our customers
- Provide necessary data to prove their alignment with potential regulations or commitments on CO<sub>2</sub>-reduction, material management and more
- AION works with a network of suppliers in the physical value chain, selecting the partners that are best suited to the specific loop



**To scale the potential and impact of CaaS AION is in development of the proprietary technology platform, AION LOOP**

- AION LOOP is developed to trace, analyze and operationalize our loops
- The platform provides verified ESG, traceability analytics, KPIs to customers
- Data analysis for our supply chain partners and AIONs operational, material and utilization data to further improve
- Built with innovative partners and experts on Cognite Data Fusion





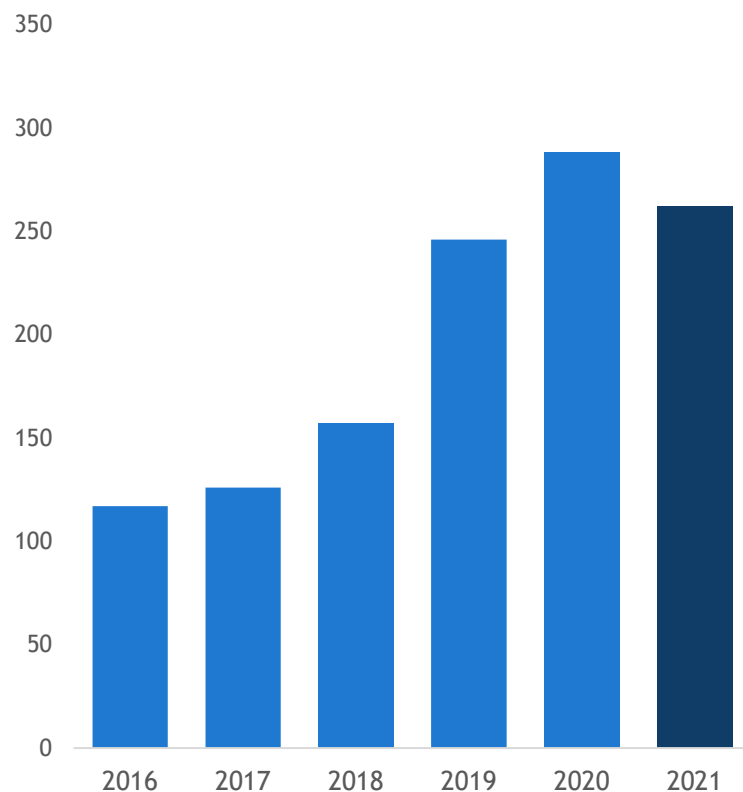
# Financials and targets

# Financial development

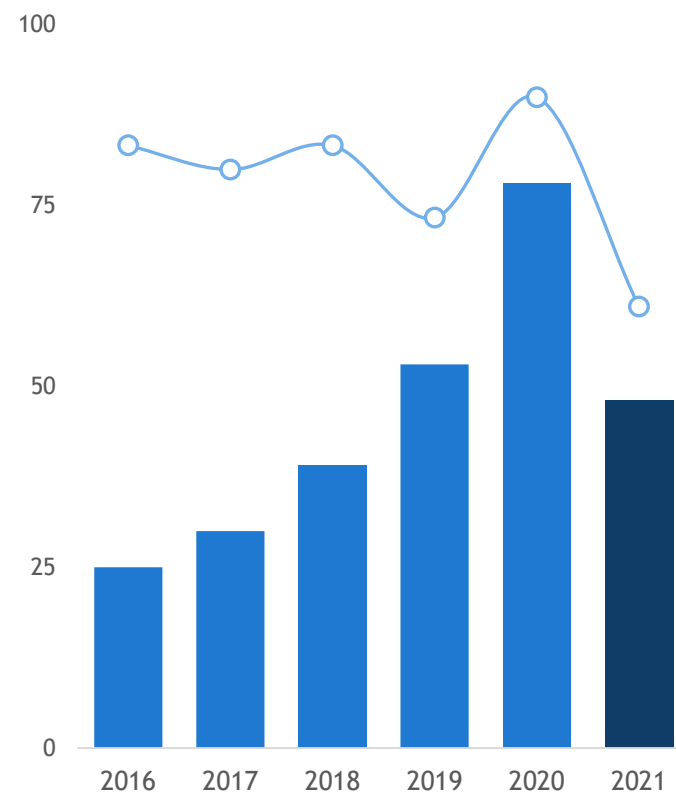
After years of growth, Aker BioMarine delivered unsatisfactory sales and profitability in 2021

USD million

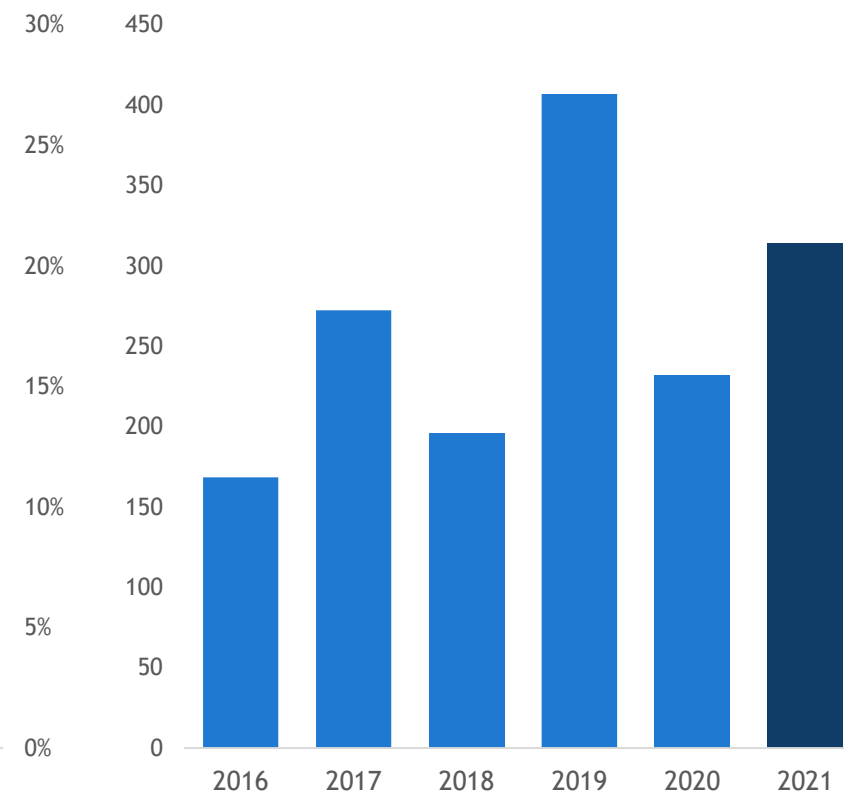
## Revenue



## Adj. EBITDA<sup>1</sup> and margin



## Net interest-bearing debt



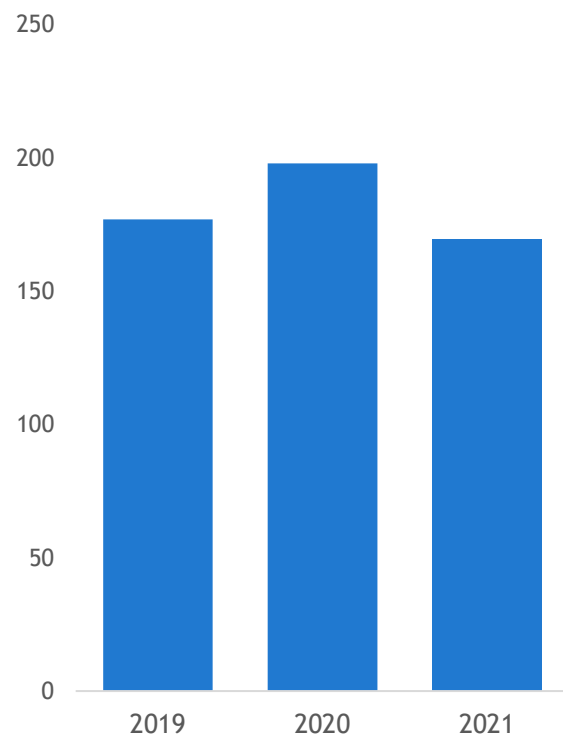
1) Aker BioMarine evaluates the performance based on Adjusted EBITDA. This metric is defined as operating profit before depreciation, amortization, write-downs and impairments, and special operating items. Special operating items include gains or losses on sale of assets, if material, restructuring expenses and other material transactions of either non-recurring nature or special in nature compared to ordinary operational income or expenses. See description of the Alternative Performance Measures (APM) in Annual Report.



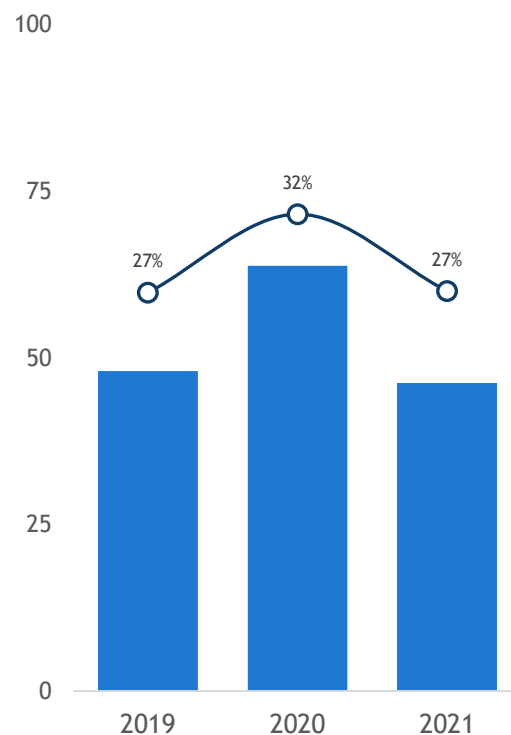
# Reporting segments

## Ingredients segment

### Revenue

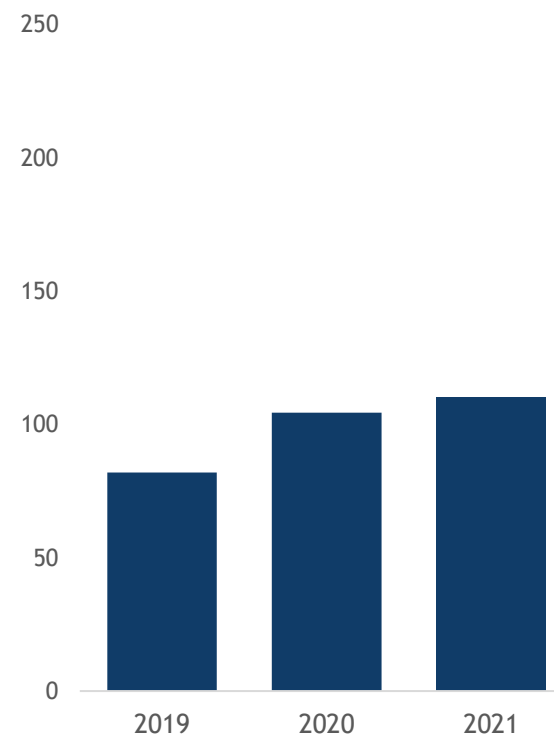


### Adj. EBITDA and margin

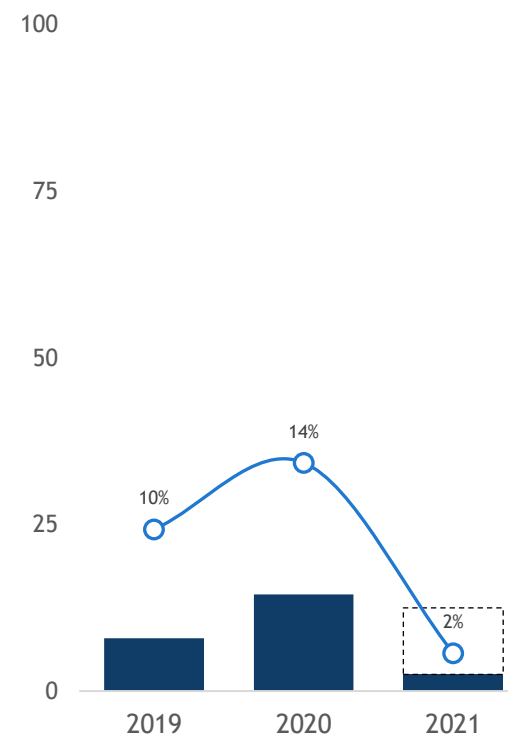


## Brands segment

### Revenue



### Adj. EBITDA\* and margin



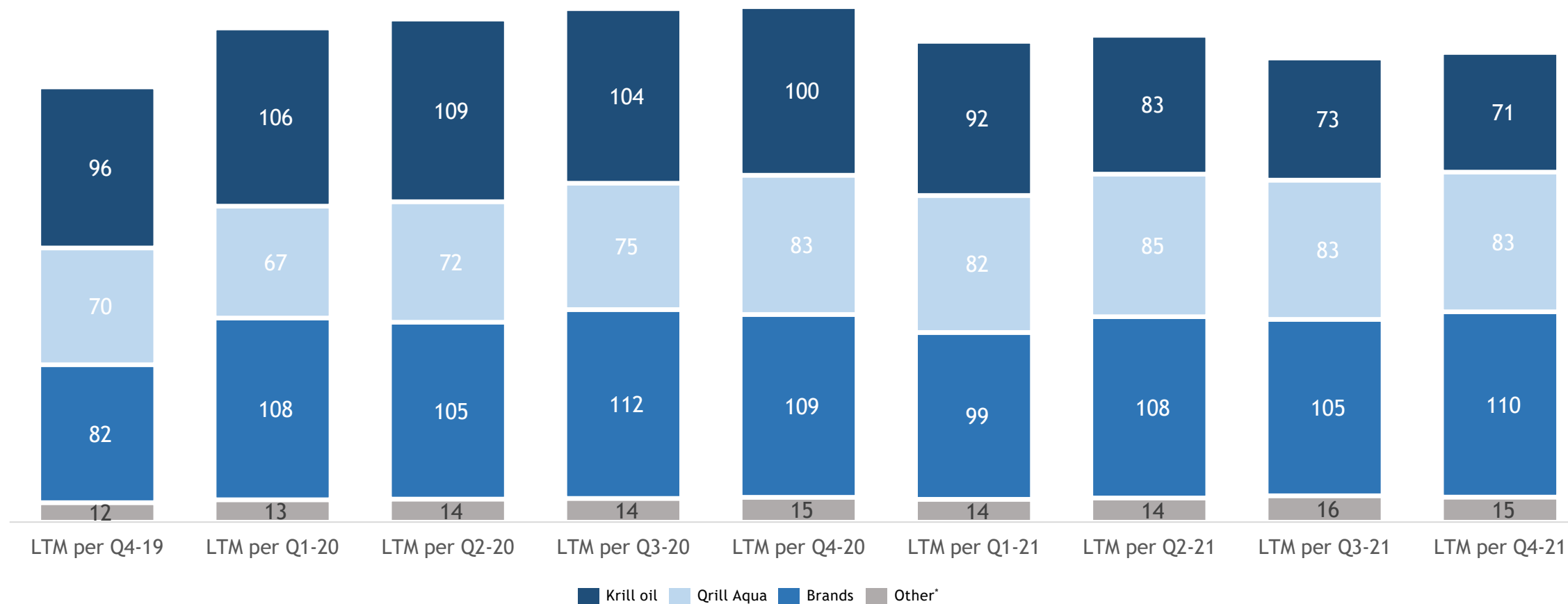
The Ingredients segment comprises of offshore harvesting and production, the logistical operation and the onshore manufacturing and sale of krill oil products globally to distributors and feed producers. The Brands segment is the human consumption distribution business which comprises of Lang and Epion.

\* In the 2020 figures, the cost related to the launch of Kori were adjusted out according to Group APM policy to better reflect the underlying performance, and hence not included in the Adjusted EBITDA margin. For 2021 this is no longer an option as this is now running business, and hence, all marketing cost is included in Epion's EBITDA figures resulting in a negative figure for Epion.

# Revenue per product

Last twelve months (LTM), excluding eliminations between Ingredients and Brands

USD million



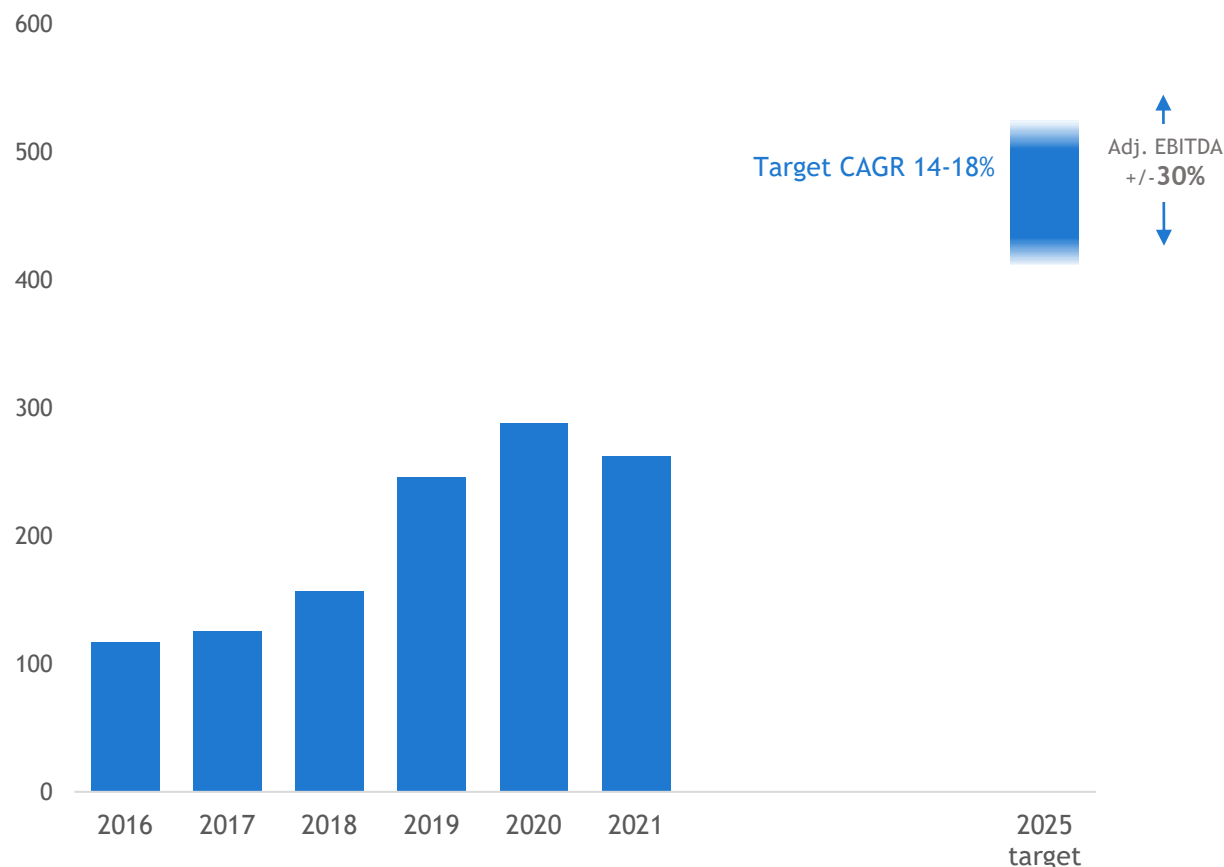
\*) "Other" includes Asta, Pet and QHP

# Aker BioMarine roadmap for growth and value creation

Operational leverage, margin uplift and unlocking the long-term growth potential

Ambition to nearly double revenues the next four years

Revenue, USD million<sup>1</sup>



Main value creation pillars

## Harvesting

- Increase number of fishing days
- Increase operational efficiency
- Reduce costs

## Human health & nutrition

- Quick turnaround and boost sales
- Exploit the large market potential
- Strengthen the organization

## Animal health & nutrition

- Qrill Aqua: Improve margins through price & grow business volume with companies in aqua feed industry
- Qrill Pet: Capitalize on strong brand position & targeting multinational pet food companies

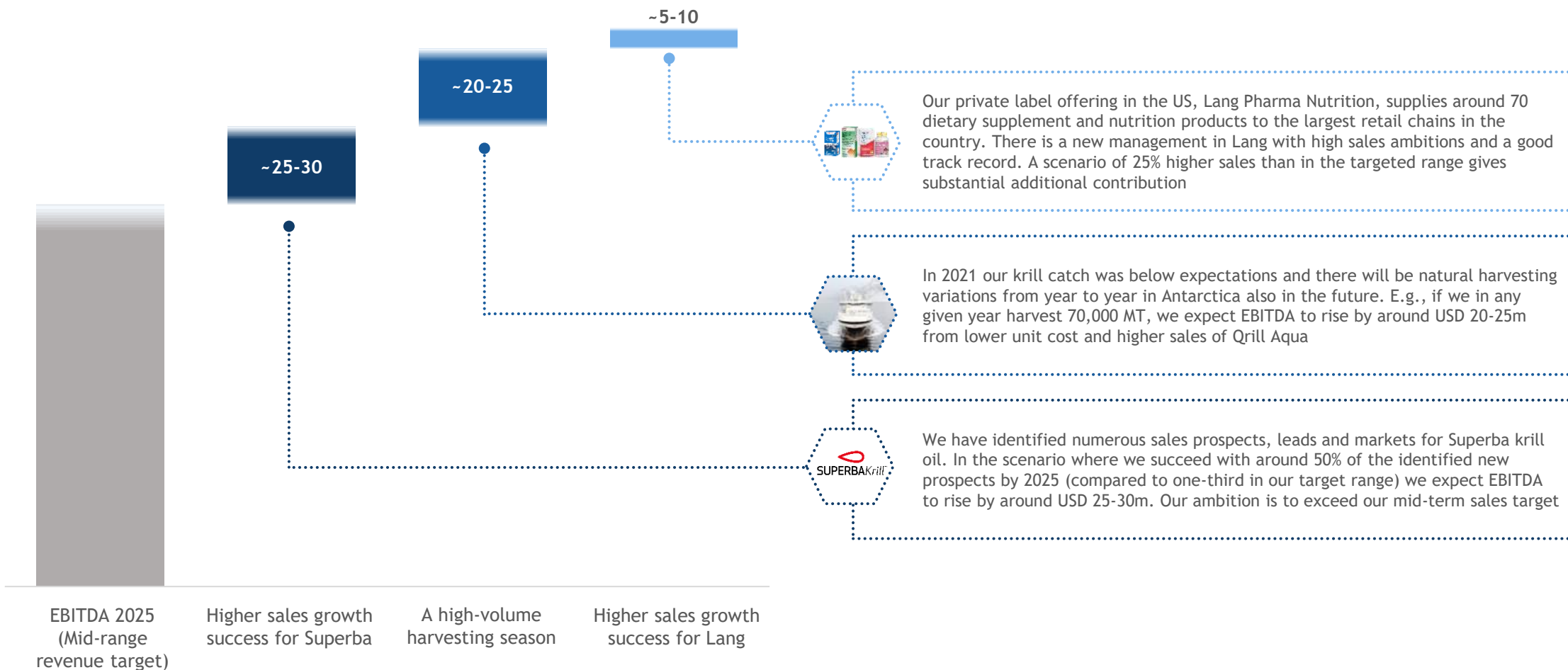
## Brands

- Further develop retail customer base for private label
- Broad growth initiatives
- Own consumer brand development

# Upside potential to our 2025 target scenario

Examples which demonstrate the impact of success exceeding our target range

EBITDA, USD million

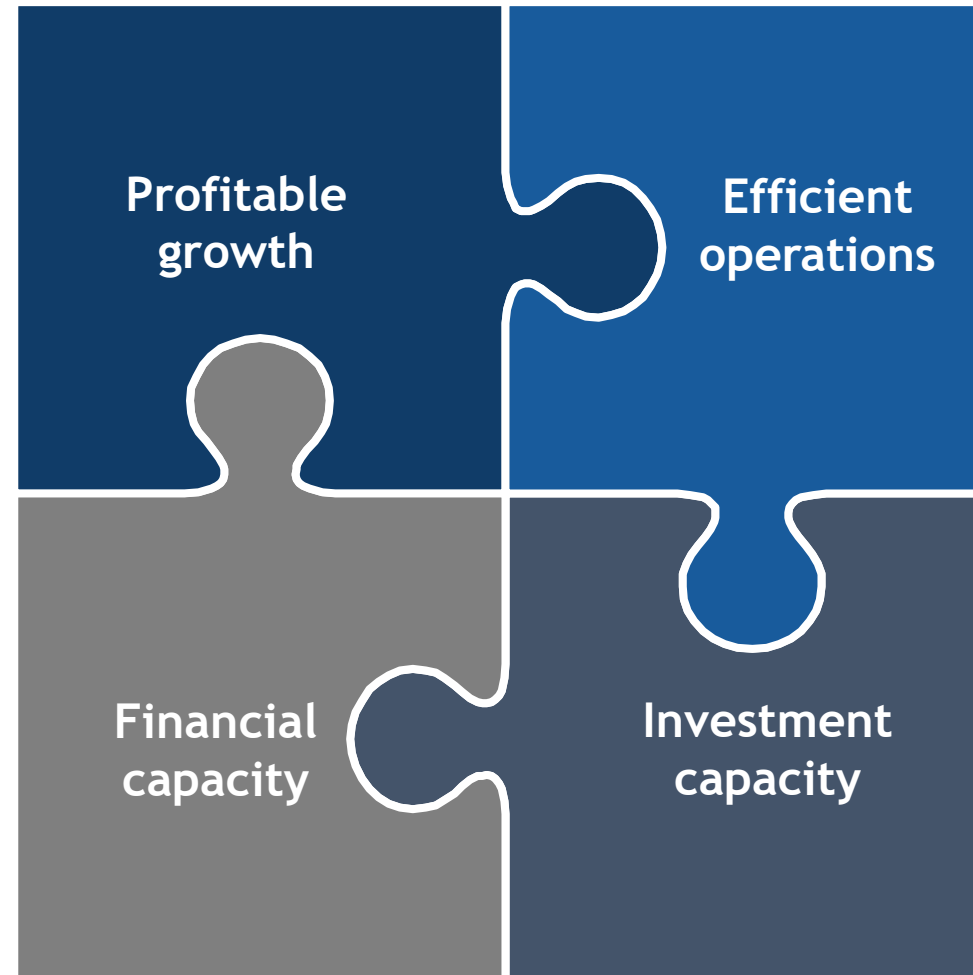




# Financial building blocks to support the company's growth strategy

- Cash flow
- Project CAPEX
- Operational leverage
- Innovations
- M&A

- Funding availability
- Leverage
- Liquidity



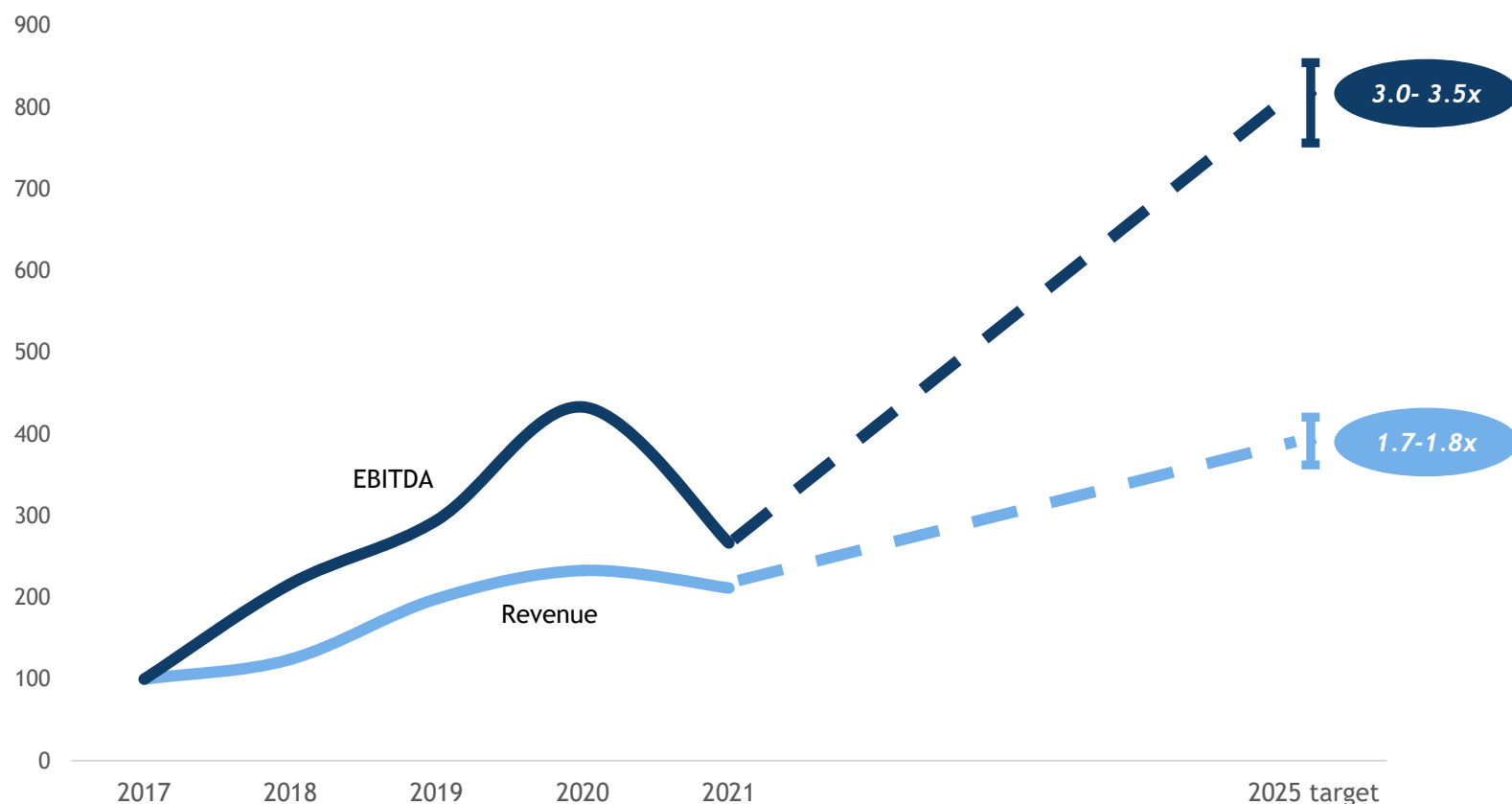
- Operational cost per unit
- Cost program

- Cash position
- Solidity

# Operational leverage: 2x growth impact on EBITDA

Realizing the company's sales target will unlock the underlying operational leverage

Index, 2017 = 100



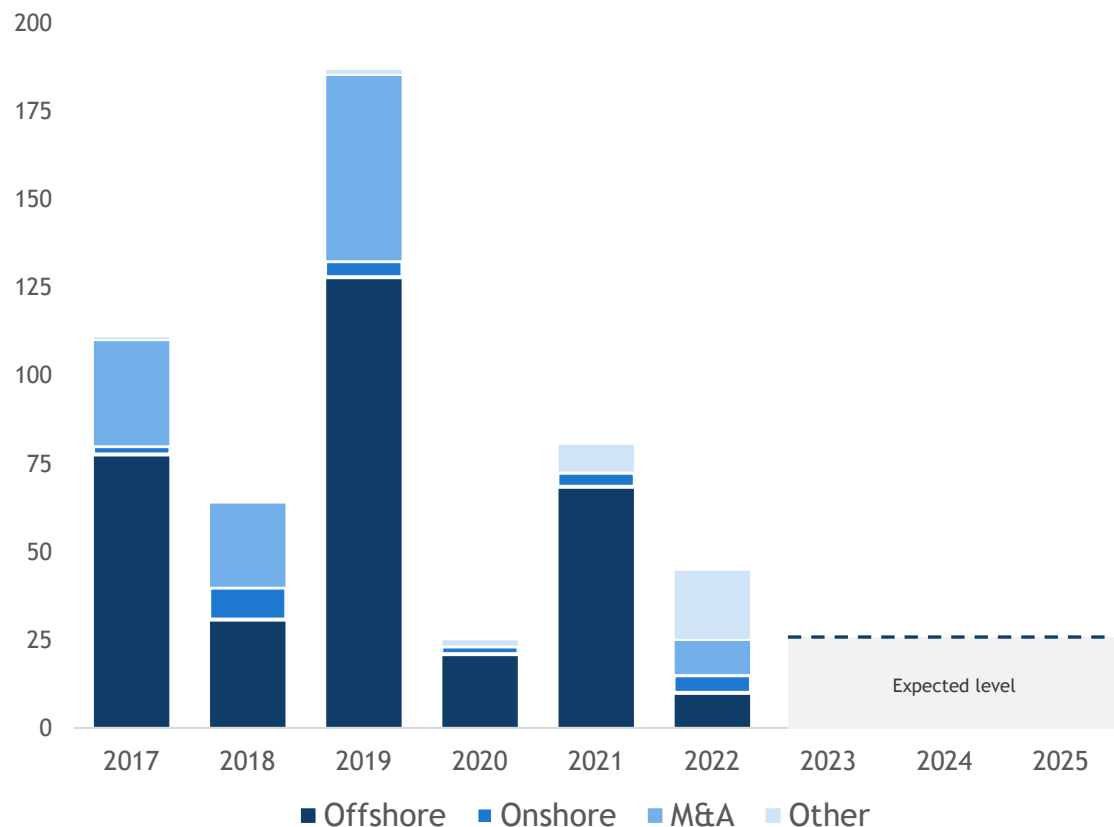
- Improved production volumes, particularly in our onshore plant, last 5 years have demonstrated our operational leverage when sales are increasing
- However, the significant dip in sales in 2021 combined with low harvesting efficiency does not give us any positive contribution this year
- Going forward, based on our target case, we will see continued effect of the operational leverage with our EBITDA figures growing almost twice the rate as our revenues

# Large historical investments in operational assets and acquisitions

Around USD 700 million in fixed asset investments past 10 years

## Total capex

USD million, estimates from 2021



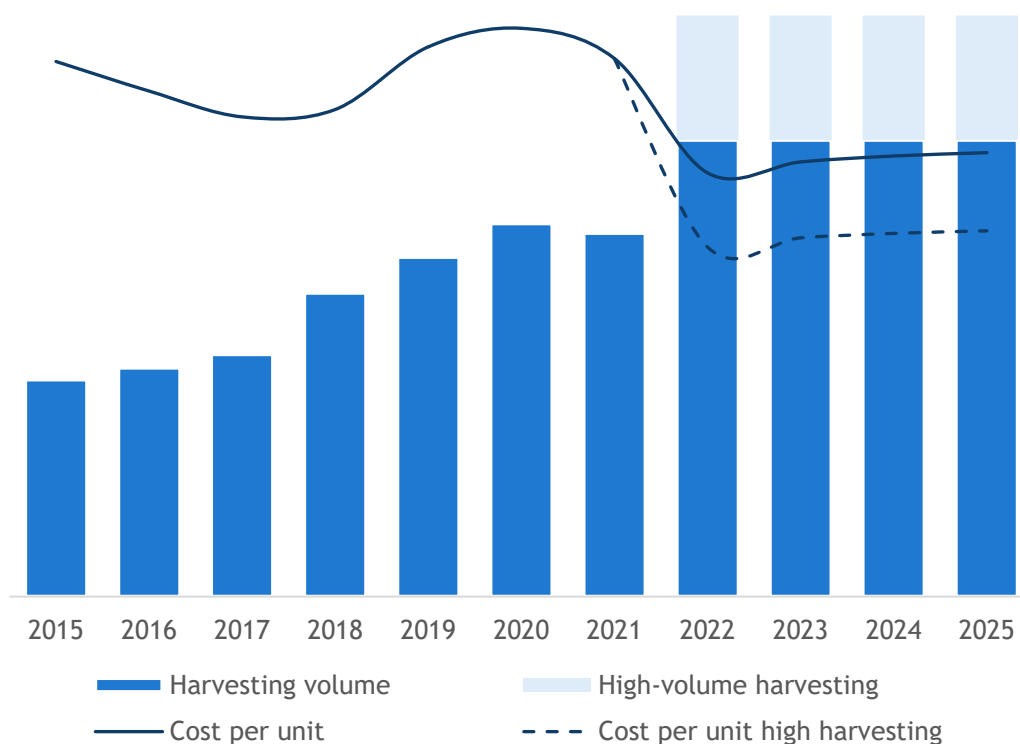
- Over the past 10 years, Aker BioMarine has invested around USD 700 million in fixed assets, including the Houston plant and vessel fleet renewals
  - Antarctic Endurance was delivered in Jan 2019
  - Antarctic Provider was delivered in Feb 2021
- M&A activity
  - 2017 - acquired Neptune's krill oil business
  - 2018 - acquired Enzymotec's krill oil business
  - 2019 - acquired Lang Pharma Nutrition
- With a capacity project in Houston reaching the intended output, there will be no need for a new krill oil plant
- Annual maintenance capex expected at USD 15-20 million
- The INVI launch plant investment in 2022/23 at around USD 20 million
- Investment opportunities
  - Further commercialize protein by investing in increased capacity
  - Explore ESG opportunities for the harvesting fleet
  - Opportunistic M&A strategy with focus on brands and innovations

# Cost per unit a key efficiency driver

Onshore facility in Houston with large efficiency gain the past years. Offshore to follow suit

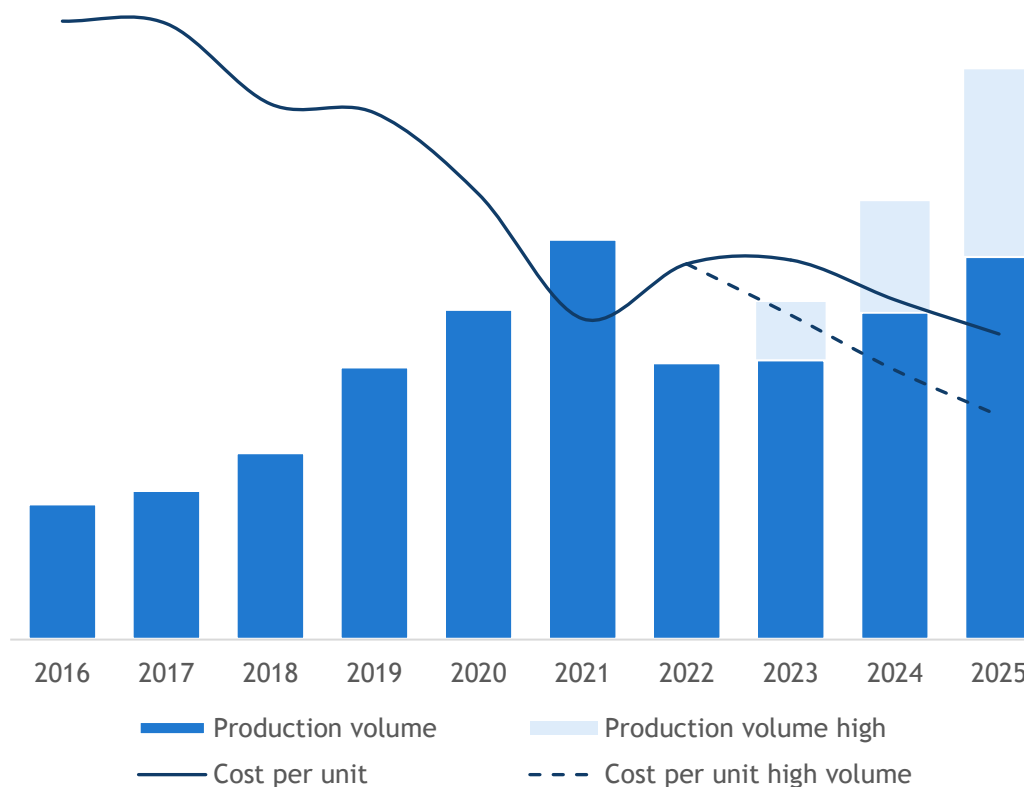
## Offshore volume and unit cost

Tons and cost per unit (line), estimates from 2021



## Onshore volume and unit cost

Tons and cost per unit (line), estimates from 2021



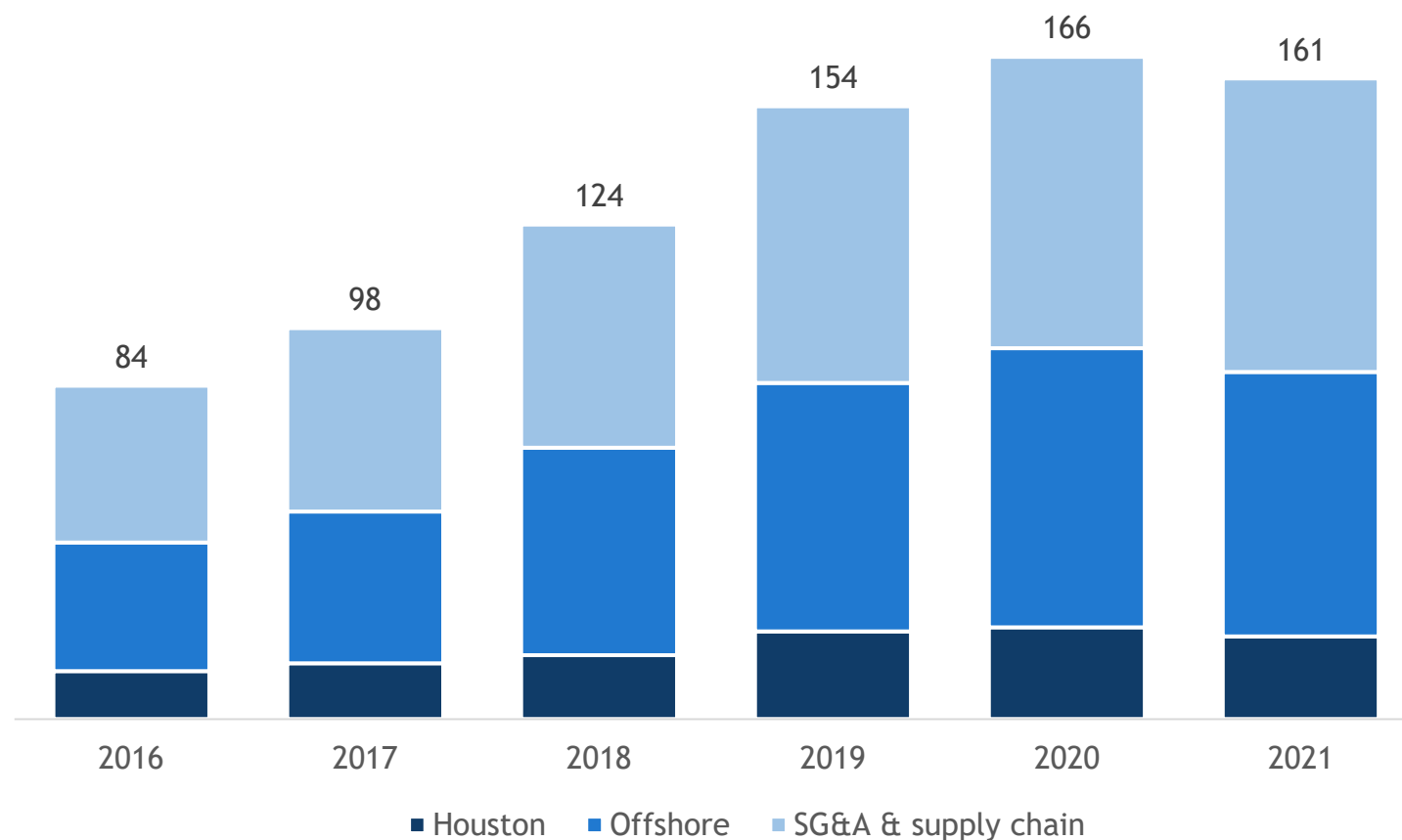


# Cost reductions in 2021

Lowering total cost in Ingredients segment with 3%

## Ingredients cost base per main area\*

USD million



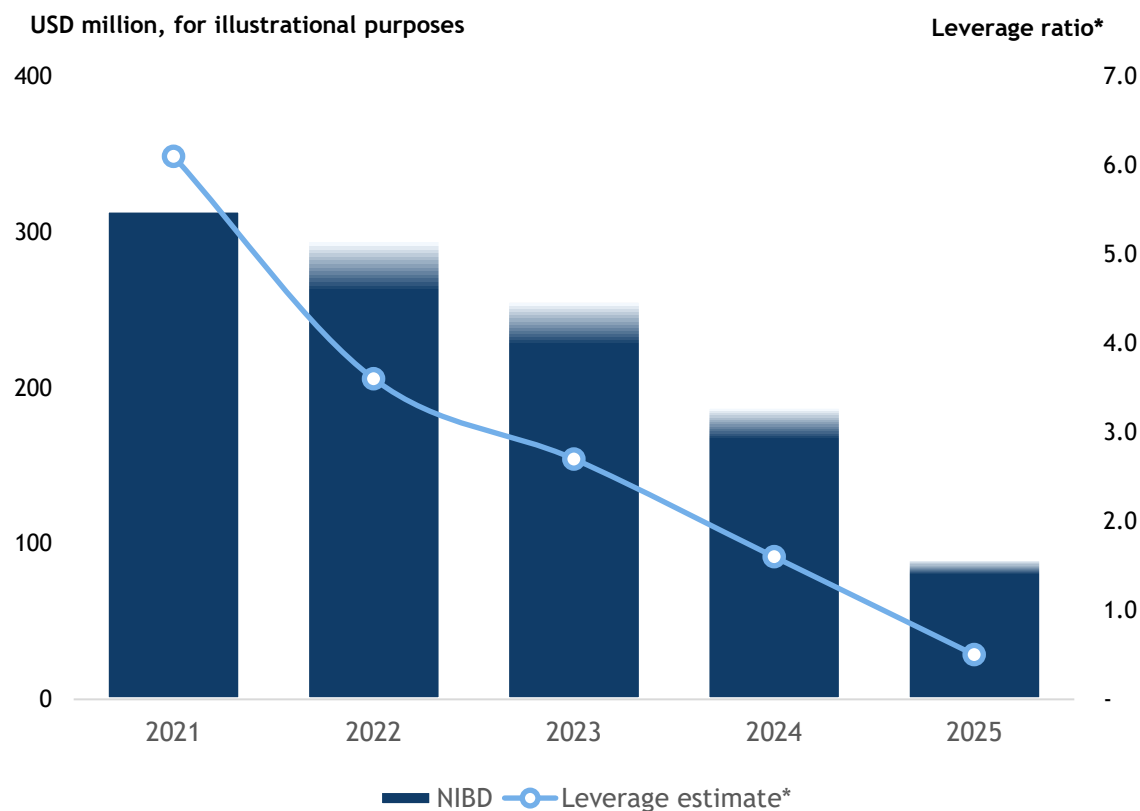
- USD 10 million in reduced cost base for 2021 from above 50 implemented initiatives
- Led to a reduction in total cost base compared to 2020 despite several cost items with unfavorable development including FX, freight rates and customs

\* Underlying cost; excluding IPO related cost, etc.

# Deleveraging from 2022 provides significant financial flexibility

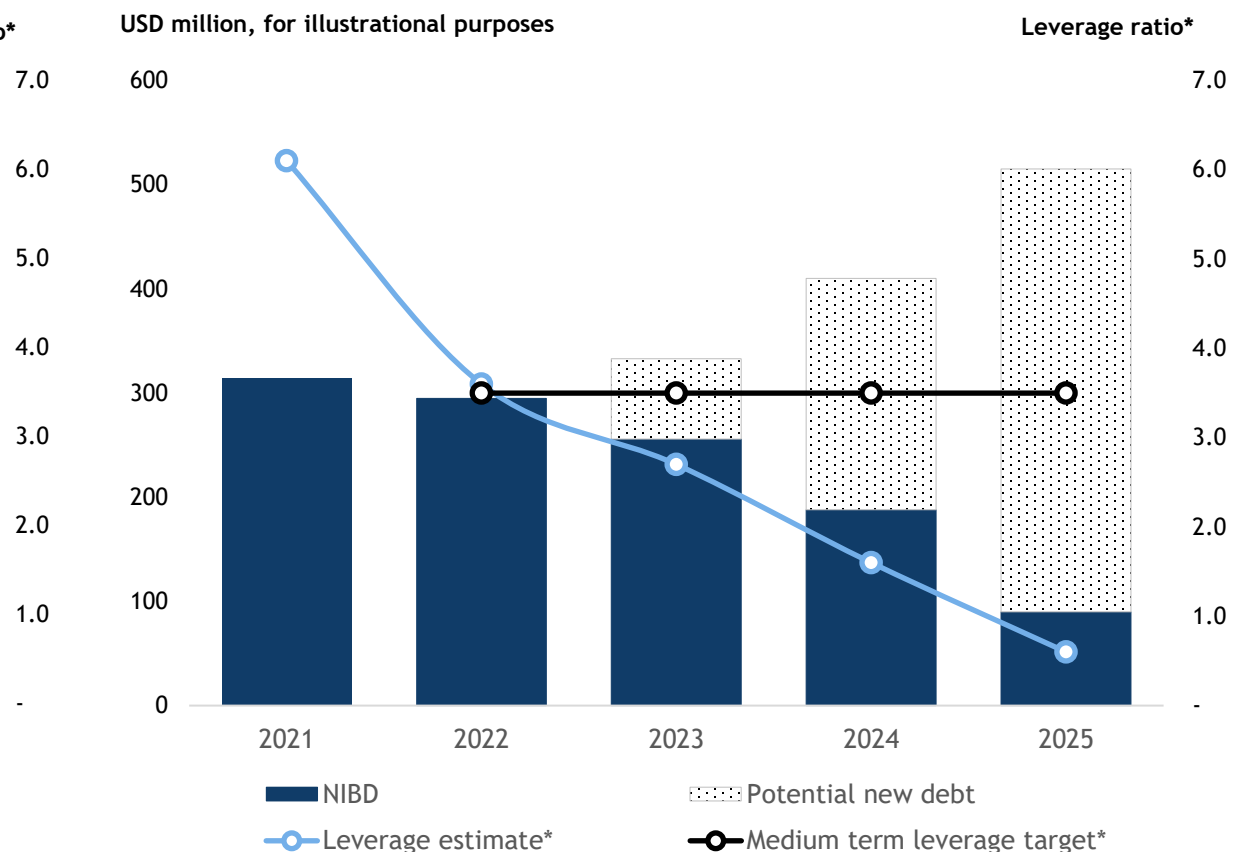
## Low leverage in the targeted development towards 2025

USD million, for illustrational purposes



## Potentially large additional debt capacity

USD million, for illustrational purposes



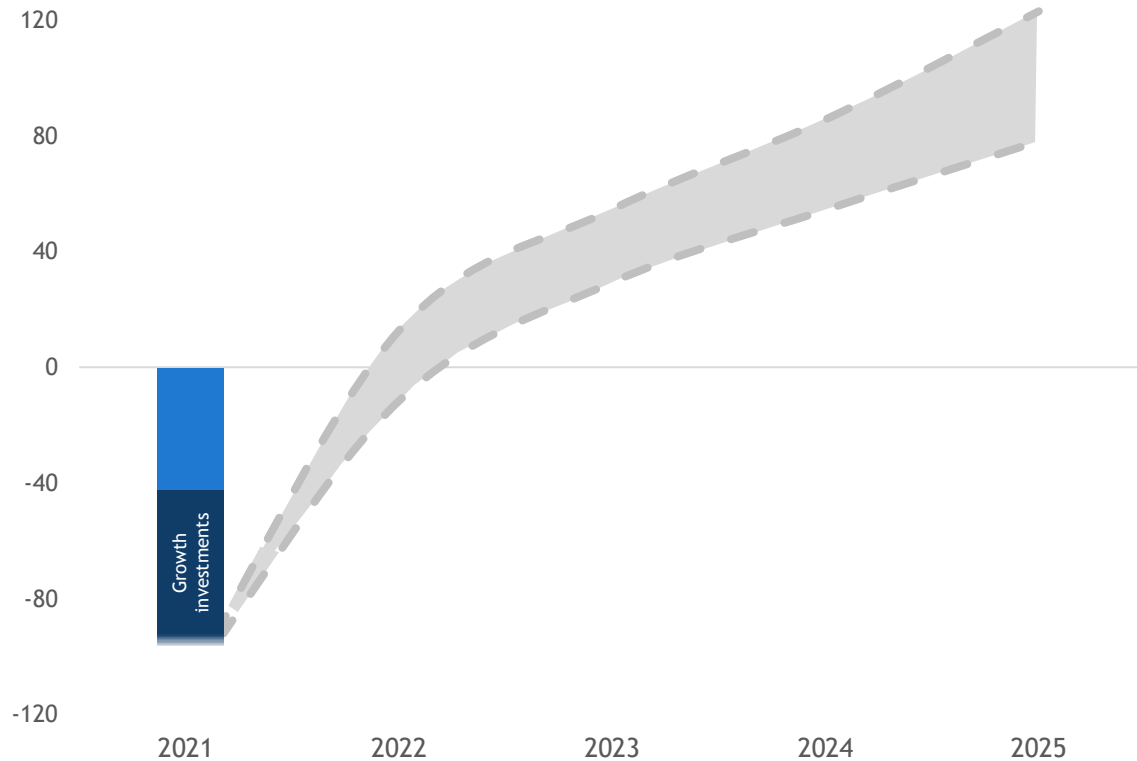
\*) Leverage ratio: Net interest-bearing debt (NIBD) / 12m adj. EBITDA. 3.5x assumed to be a sustainable leverage ratio for a growth company.

# Focus on cash generation

Further investments in growth opportunities outside current plans and direct returns

## Targeting increased free cash flow

Annual FCF, USD million, for illustrational purposes



## Aker BioMarine will...



... continue to expand its business through organic and inorganic growth



...in due course strive to follow a dividend policy favorable to the shareholders

# Our short-term priorities

Significantly increasing sales is job # 1

1 Superba turnaround

**20%-25%**

targeted 2022 revenue growth

2 Accelerate growth in US brands

**20%-25%**

targeted 2022 adj. EBITDA margin

3 High and efficient harvesting





**AKER BIOMARINE**