



# AKER BIOMARINE

*IMPROVING HUMAN AND PLANETARY HEALTH*

**Q2 2020 PRESENTATION**

**15 JULY 2020**

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## H1 2020 HIGHLIGHTS

# STRONG Q2 2020 AND H1 2020 IN LINE WITH THE BUSINESS PLAN, AND TARGET OF USD ~80 - 90 MILLION IN ADJUSTED EBITDA FOR 2020

- Kori was successfully launched with US retailers in Q2 2020, significant marketing campaign launched, now passed USD 1.6 million in shipments
- Regulatory approval and market access for Qrill Aqua and Qrill Pet in China. Significant contracts already signed securing growth into H2 2020
- Completed USD 225 million private placement with strong interest from Nordic and international investors on 24 June 2020
- Q2 2020 continues on the trajectory from Q1 2020 with continued growth and adjusted EBITDA margin of 24.3%
  - Revenues of USD 72.2 million and adjusted EBITDA of USD 17.6 million (24.3% adjusted EBITDA margin) in Q2 2020
- Q2 2020 YTD adjusted EBITDA of USD 30.2 million is in line with the Company's business plan
  - Not adjusted for development costs of QPAWS (dog food business) of USD 2.9 million and inventory adjustment of USD 2.6 million YTD Q2 2020
  - Revenues YTD 2020 up 36% over same period in 2019 and adjusted EBITDA YTD up 38% over same period in 2019
- In line with the business plan, H2 2020 is expected to provide higher contribution than H1 2020 on both revenues and adjusted EBITDA margin
  - Qrill Aqua goes into high season from July, benefitting from the capacity increase from Antarctic Endurance as well as seasonality in fish farming and new contracts signed
  - Favorable production cost in H1 2020 due to operational excellence and benefits of scale giving effect into H2 2020
  - Scale effect on Opex base on the back of higher revenues in H2 2020
- Based on YTD performance, current market conditions and assumptions, the Company targets a full-year adjusted EBITDA of approximately USD 80 - 90 million and current outlook is at the upper end of the range
  - In line with financial targets of revenue growth of 20 - 30% during 2020 - 2021, with highest growth in 2020, and gradually increasing margins towards its EBITDA margin target of 30% from 2022. Target of adjusted EBITDA margin in H2 2020 of up to 30%
  - The Company targets a higher adjusted EBITDA in Q3 2020 compared to Q3 2019, which also was the best quarter in the Company's history, and lower volatility between the quarters in H2 2020 in terms of adjusted EBITDA

Note: The targets indicated represent the Company's current goals, and should not be construed as estimates or guiding for future developments

# KORI AVAILABLE IN MAJOR US RETAILERS AND MAJOR MARKETING CAMPAIGN LAUNCHED



## MARKETING CAMPAIGN LAUNCHED

- Major marketing campaign launched in July
- More than 2bn impressions planned for 2020 (July to December) with 1.6bn impressions on TV
- Reaching 90% of US adults aged 35-64 and 80% of adults aged 65+ at least 10x from July to December
- Digital and social presence with 500m+ impressions through social media advertising, interactive ads, partnerships with health and wellness content hubs, paid Google search and targeted display advertising



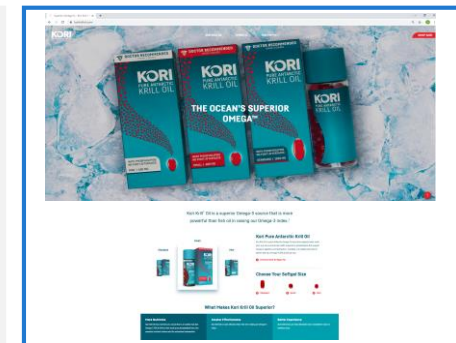
## STRONG START TO DISTRIBUTION AT KEY US RETAILERS

- Launch in the US market through multiple of the largest retailers
- Now available at CVS, HEB, Meijer, Target and Walmart
- Roll-out at additional retailers during the fall of 2020
- More than USD 1.6 million in shipments to date
- Attractive gross margin for the group in total



## ONLINE SALES THROUGH OWN WEBSITE

- Brand website officially debuted June 15 with “Buy now” option (“DTC”) launched July 6
- The most comprehensive branded resource for Krill oil and Omega-3 education
- 9k+ visits to site in first 3 days since launch of DTC and advertising
- Average order value on DTC of USD 44.65 and average 1.9 units per order on DTC



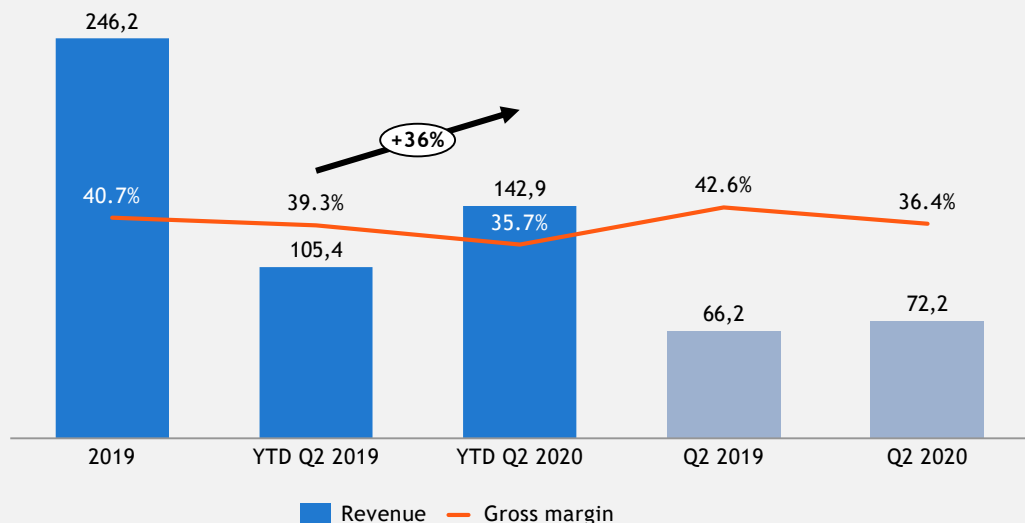


## KEY FINANCIALS

# KEY FINANCIALS SUMMARY

## REVENUE AND GROSS MARGIN DEVELOPMENT

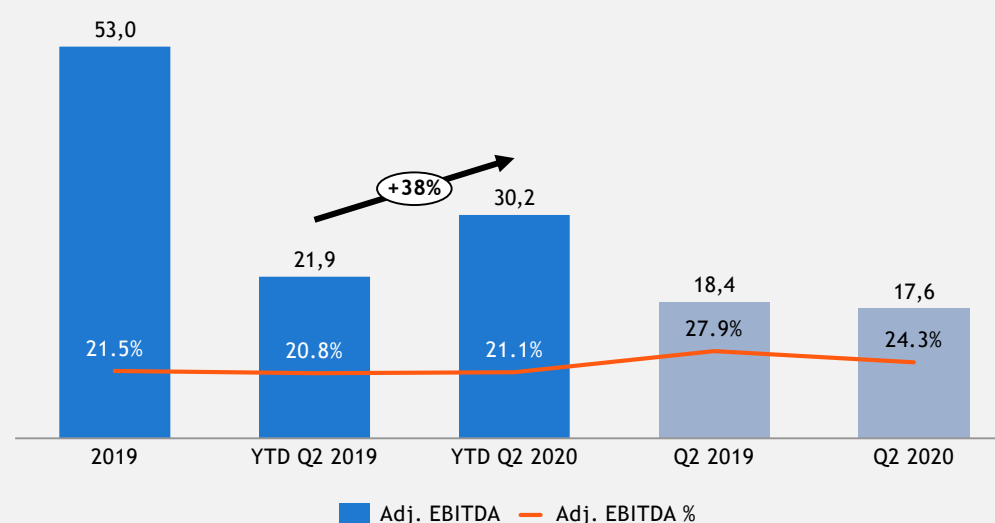
USDm



- YTD Q2 2020 revenue of USD 142.9 million, up 36% from USD 105.4 million in YTD Q2 2019
- Increase driven by krill oil sales in the Ingredients segment (USD 12.8 million up) as well as full inclusion of Lang in the Brands segment
- Q2 2019 was a record quarter with high sales in the Ingredients segment combined with high offshore production in Q1 2019
- Margins slightly down in YTD Q2 2020 compared to YTD Q2 2019 due to full inclusion of Lang in Brands segment with lower comparable margins, as well as higher offshore production cost from ramp up of new capacity, impacting the margins in the Ingredients segment
- High krill oil production in H1 2020 will favorably impact gross margins going into H2 2020

## ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN DEVELOPMENT

USDm

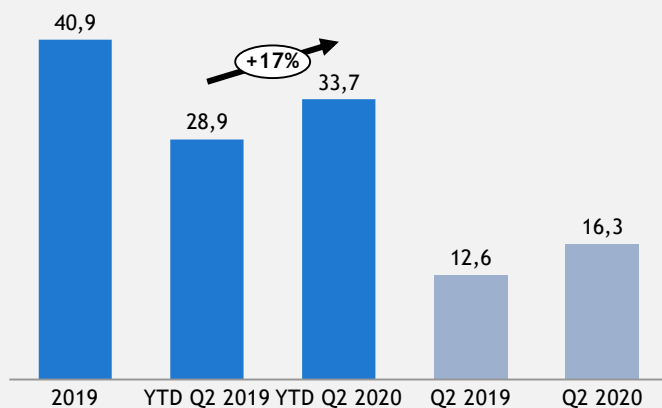


- Adjusted EBITDA slightly down against the record Q2 in 2019 which followed a weaker Q1 2019
- YTD Q2 2020 adjusted EBITDA margin of 21.1% slightly above YTD Q2 2019 of 20.8%
- Adjusted EBITDA for YTD Q2 2020 is not adjusted for development costs related to QPAWS (dog food business) of USD 2.9 million and inventory adjustment of USD 2.6 million
- Key EBITDA adjustment items include costs associated with the launch of Kori, transaction related costs, legal fees and gain from the sale of Juvel netted towards operational costs while in dock (please see appendix for further details)

# PRODUCTION VOLUME AND REVENUE PER PRODUCT

## PRODUCTION VOLUME DEVELOPMENT

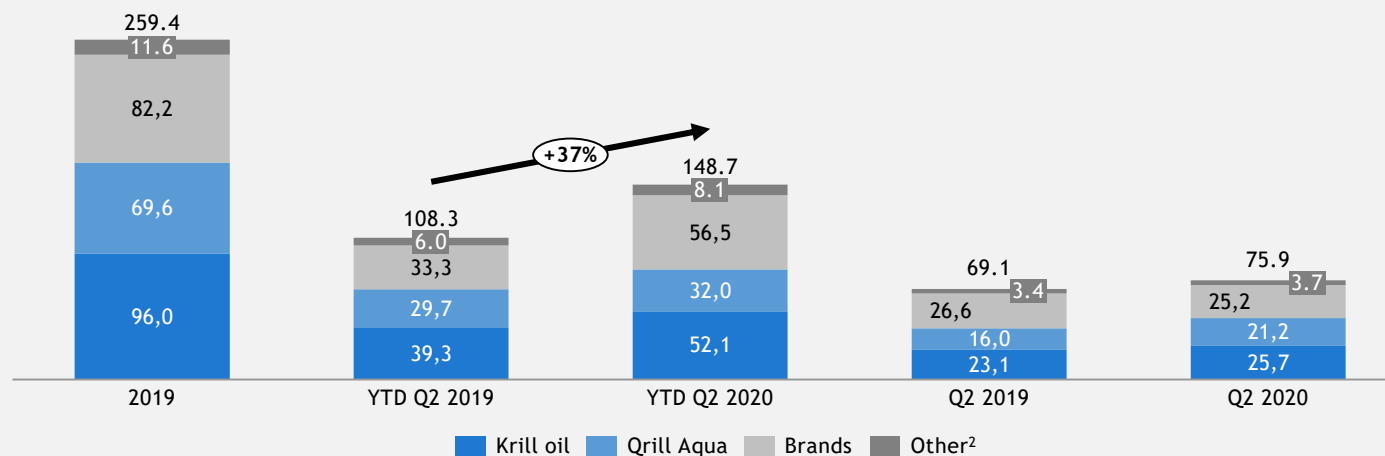
Total offshore production  
Thousand MT



- 17% increase in production volumes YTD Q2 2020 over same period in 2019
- Antarctic Endurance in operation for the full 2020 season, ramping up utilization through H1 2020
- Harvesting season started later in 2020 compared to 2019 due to larger shipyard stay after 2019 season
- Approximately 6-9 months lag from harvest to revenue recognition

## REVENUE DEVELOPMENT PER PRODUCT

Revenue per product excluding eliminations<sup>1</sup>  
USDm



- 37% increase in total revenues YTD Q2 2020 over 2019<sup>1</sup> driven by significant uplift in krill oil sales across several markets
- Brands revenue up USD 23.2 million following full inclusion of Lang in 2020 (included for 4 months in Q2 2019 YTD), strong Brands performance as well launch of Kori in late Q2 2020
- Qrill Aqua revenue slightly up YTD Q2 2020 compared to YTD Q2 2019 following increased capacity from Antarctic Endurance, but goes into high season from July

<sup>1</sup>Revenue excludes eliminations of USDm (13.4) in 2019, USDm (3.7) in Q2 2020, USDm (2.9) in Q2 2019, USDm (5.9) YTD 2020 and USDm (2.9) YTD 2019

<sup>2</sup>Other includes Asta, Pet and QHP

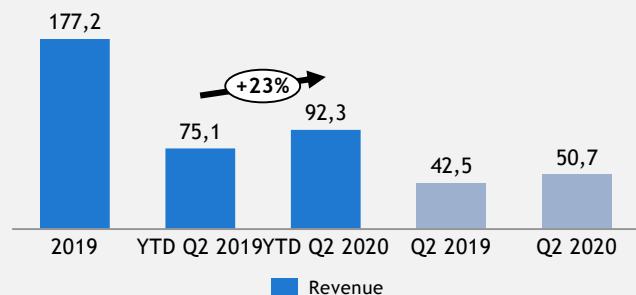


# REVENUE AND ADJUSTED EBITDA PER SEGMENT

## INGREDIENTS

### REVENUE

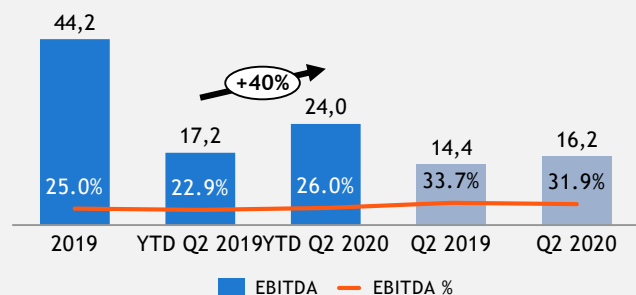
USDm



- Growth of 23% in YTD Q2 2020 over YTD Q2 2019 driven by krill oil sales
- Growth rate in H2 2020 to increase on the back of Qrill Aqua high season from July and capacity increase coming from Antarctic Endurance

### ADJUSTED EBITDA

USDm

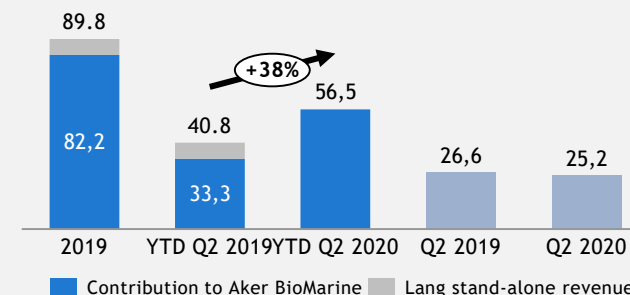


- Higher EBITDA margin YTD Q2 2020 on the back of improved scale
- Higher production costs for krill oil in H1 2020 which is set to decrease in H2 2020
- Not adjusted for development costs of QPAWS (dog food business) of USD 2.9 million and inventory adjustment of USD million 2.6 YTD Q2 2020

## BRANDS

### REVENUE<sup>1</sup>

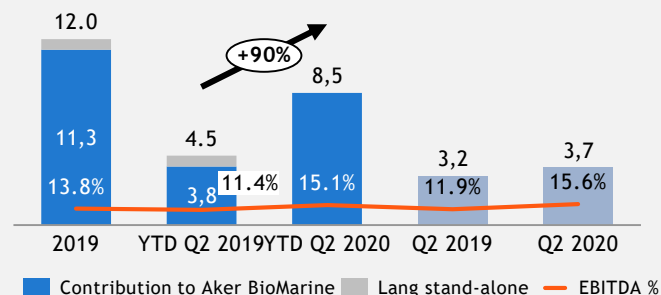
USDm



- 38% growth YTD Q2 2020 compared to YTD Q2 2019, driven by strong underlying performance
- Slight decline in Q2 2020 compared to Q2 2019 due to timing of new launches and promotions
- Kori expected to be driver for growth in H2 2020 on the back of the major ongoing marketing campaign

### ADJUSTED EBITDA<sup>1</sup>

USDm



- Margin improvements driven by favorable product mix
- Costs related to the launch of Kori of USD 6 million YTD 2020 included as adjustment
- Plan for additional USD 11 million in H2 2020 related to marketing of the Kori launch. EBITDA margin to be reinvested from 2021

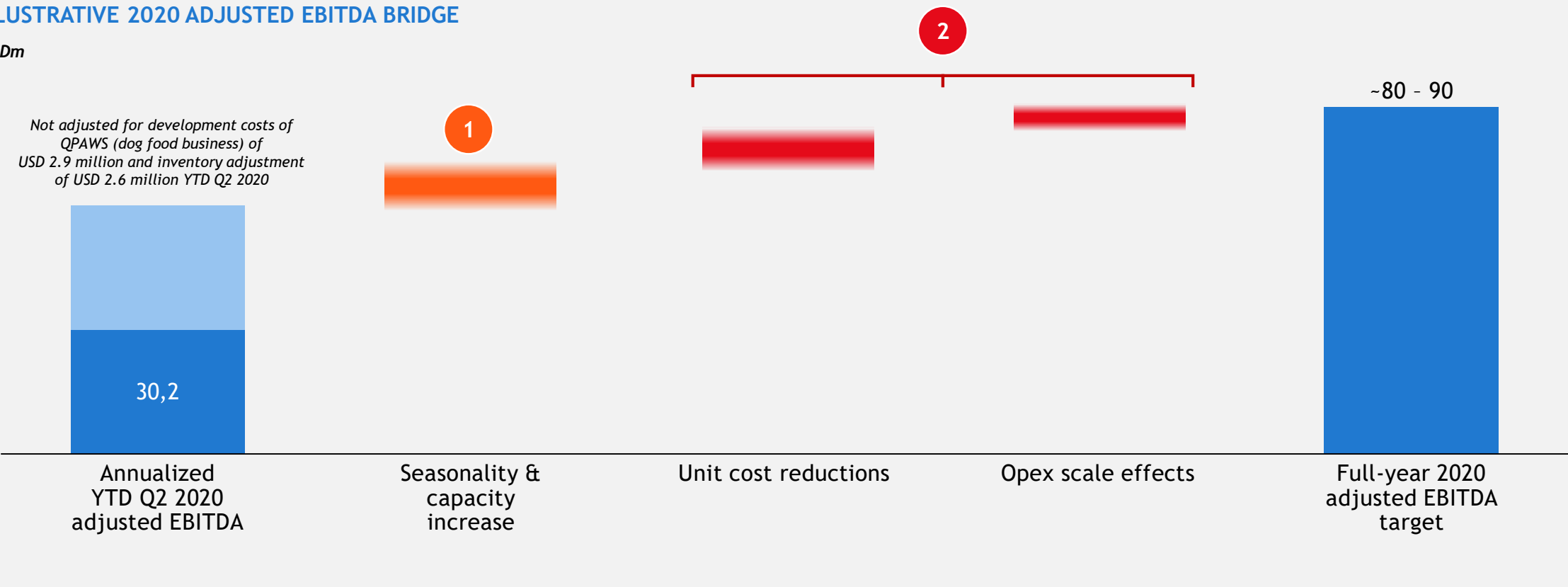
<sup>1</sup>Brands (Lang) included from March 2019 in the reported figures

Note: Revenue excludes eliminations of USDm (13.4) in 2019, USDm (3.7) in Q2 2020, USDm (2.9) in Q2 2019, USDm (5.9) YTD 2020 and USDm (2.9) YTD 2019. EBITDA excludes eliminations of USDm (2.5) in 2019, USDm (2.3) in Q2 2020, USDm 0.9 in Q2 2019, USDm (2.3) YTD 2020 and USDm 0.9 YTD 2019

# BUSINESS PLAN WITH HIGHER ADJUSTED EBITDA IN H2 2020

## ILLUSTRATIVE 2020 ADJUSTED EBITDA BRIDGE

USDm



YTD Q2 2020 adjusted EBITDA in line with the business plan

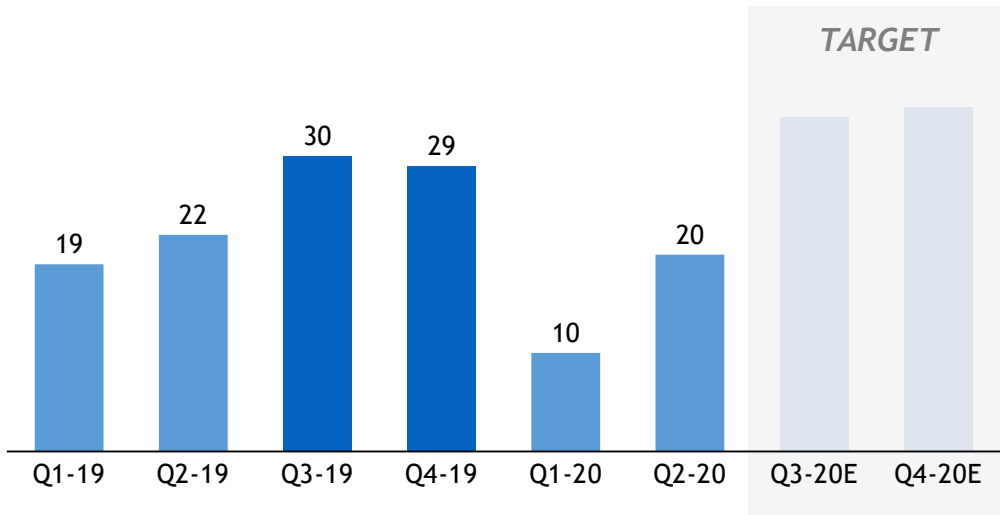
The full-year target is based on YTD performance, current market conditions and assumptions

Note: The targets indicated represent the Company's current goals, and should not be construed as estimates or guiding for future developments

# HIGHER GROWTH AND LOWER COSTS IN H2 2020

## 1 HIGHER H2 2020 GROWTH IN QRILL AQUA

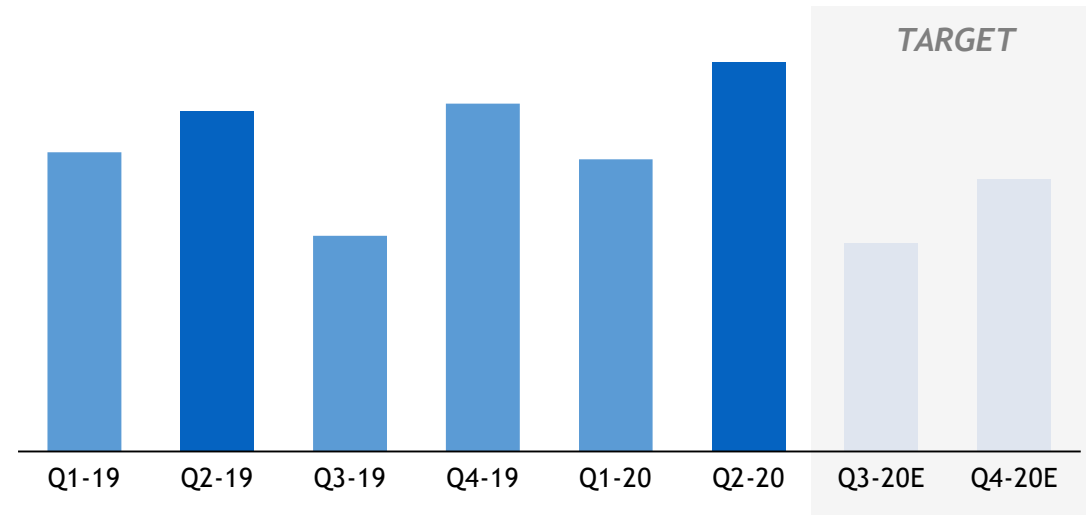
% of year total



- Capacity increase, driven by Antarctic Endurance, will be mostly realized as Qrill Aqua products
- Production of salmon in aquaculture fluctuates with sea temperature. High season starts in July
- Share of sales volume of Qrill Aqua in H2 is expected to be significantly higher in 2020 than same period 2019
- Higher volumes in H2 2020 gives lower unit costs and scale on Opex
- Lower seasonality in other products, but underlying growth giving effect in H2 2020 over H1 2020

## 2 REDUCTION IN KRILL OIL COGS H2 2020

COGS USD



- Improved COGS as a result of improved production volumes
- Results in improved gross margin during H2 2020 vs H1 2020, and also compared to 2019
- Higher sales volume in 2020 vs 2019 will further improve the EBITDA contribution from krill oil
- COGS decrease on Qrill Aqua targeted in Q4 2020 compensating for increased COGS on krill oil in Q4 2020 compared to Q3 2020

Higher revenues gives scale effects on the cost base

# PROFIT & LOSS

USD thousands	2019 (Audited)	Q2 2019 (Unaudited)	Q2 2020 (Unaudited)	YTD Q2 2019 (Unaudited)	YTD Q2 2020 (Unaudited)
Net sales	246,170	66,175	72,162	105,381	142,904
Cost of goods sold	-145,901	(37,965)	(45,929)	(63,974)	(91,828)
<b>Gross profit</b>	<b>100,269</b>	<b>28,210</b>	<b>26,233</b>	<b>41,407</b>	<b>51,076</b>
SG&A	-76,464	(17,688)	(23,601)	(32,873)	(43,454)
Depreciation, amortization and imp.	-17,822	(3,191)	(4,205)	(4,468)	(8,232)
Other operating income/(cost), net	-3,221	(312)	1,730	(1,018)	919
<b>Operating profit</b>	<b>2,762</b>	<b>7,018</b>	<b>157</b>	<b>3,048</b>	<b>309</b>
Net financial items	-26,097	(5,560)	(9,269)	(9,439)	(10,827)
Tax expense	-415	(33)	47	(124)	(264)
<b>Net profit (loss)</b>	<b>-23,751</b>	<b>1,426</b>	<b>(9,065)</b>	<b>(6,515)</b>	<b>(10,782)</b>

## EBITDA reconciliation

<b>Net profit (loss)</b>	<b>-23,751</b>	<b>1,426</b>	<b>(9,065)</b>	<b>(6,515)</b>	<b>(10,782)</b>
Tax expense	415	33	(47)	124	264
Net financial items	26,097	5,560	9,269	9,439	10,827
Depreciation, amortization and imp.	42,924	10,378	12,026	15,976	23,541
<b>EBITDA (unadjusted)</b>	<b>45,686</b>	<b>17,396</b>	<b>12,183</b>	<b>19,024</b>	<b>23,850</b>
Adjustments	7,346	1,050	5,383	2,858	6,371
<b>EBITDA (adjusted)</b>	<b>53,033</b>	<b>18,446</b>	<b>17,566</b>	<b>21,882</b>	<b>30,222</b>

## COMMENTARY

- On a YTD basis SG&A increased due to the marketing costs allocated to the launch of Kori of USD 6.0 million, the QPAWS initiative amounting to USD 2.9 million and full inclusion of Lang Pharmaceuticals acquired 1 March 2019
- Cost of goods sold include depreciation of production assets such as vessels and the production facility in Houston. The YTD 2020 depreciation charge on production assets was USD 15.3 million, whereas the historic depreciation included in cost of good sold was USD 13.5 million. The difference reflect the periodic depreciation of Antarctic Endurance
- Depreciation on non-production assets increased by USD 3.7 million year over year, mainly driven by amortization of Lang and their customer portfolio. Total depreciation and amortization YTD Q2 2020 were USD 18.4 and USD 5.1 million, respectively
- In the beginning of April 2020, the Company sold the vessel Juvel, without factory, patents and fishing license. The sales price was USD 21.5 million, resulting in an accounting gain of USD 1.2 million, recognized as 'Other operating income/ (cost), net'. The effect has been removed in adjusted EBITDA
- Increase in net financials items due to external debt following the Lang transaction as well as realized and unrealized FX effects on NOK denominated debt
- Long term leasing contracts is recognized in accordance with IFRS. The year to date leasing effect was USD 3.5 million. At the end of the second quarter 2020, the Company signed a new long term agreement on the protein pilot plant

# CASH FLOW

USD thousands	2019 (Audited)	Q2 2019 (Unaudited)	Q2 2020 (Unaudited)	YTD Q2 2019 (Unaudited)	YTD Q2 2020 (Unaudited)
Profit (loss) after tax	(23,751)	1,426	(9,065)	(6,515)	(10,782)
Depreciation and amortization	42,924	10,378	12,026	15,976	23,541
Interest expenses/ income, net	21,699	5,411	5,514	8,559	11,853
Other P&L items with no cash flow effect	7,360	1,480	1,030	1,745	(3,827)
<b>Funds provided from operating activities</b>	<b>48,232</b>	<b>18,695</b>	<b>9,506</b>	<b>19,764</b>	<b>20,786</b>
<b>Change in working capital</b>	<b>(21,410)</b>	<b>(6,580)</b>	<b>(15,058)</b>	<b>(25,789)</b>	<b>(16,958)</b>
Interest paid	(16,520)	(6,826)	(4,623)	(5,231)	(9,022)
Interest income received	1,084	(560)	-	537	243
Tax	920	(34)	(246)	(125)	661
<b>Cash flow from operations</b>	<b>12,307</b>	<b>4,696</b>	<b>(10,421)</b>	<b>(10,843)</b>	<b>(4,289)</b>
Payments for property, plant and equipment	(126,906)	(7,602)	(701)	(104,239)	(5,876)
Payments for intangibles	(10)	-	(2,055)	-	(2,055)
Proceeds from sales of property, plant and equipment	255	-	21,634	-	21,793
Investments in Lang Pharmaceuticals	(49,284)	(8)	0	(49,291)	(0)
<b>Cash flow from investing activities</b>	<b>(175,946)</b>	<b>(7,610)</b>	<b>18,878</b>	<b>(153,530)</b>	<b>13,862</b>
Proceeds from issue of debt and change in overdraft facility	(4,353)	(8,472)	2,126	(5,771)	(10,773)
Net increase in external interest-bearing debt	142,587	(5,719)	(11,545)	150,894	(16,384)
Loan from owners	36,500	25,500	7,000	31,500	23,000
<b>Cash flow from financing activities</b>	<b>174,735</b>	<b>11,309</b>	<b>(2,419)</b>	<b>176,623</b>	<b>(4,156)</b>

## COMMENTARY

- Working capital components, such as inventory and accounts receivables, increased significantly in 2020 compared to same period last year due to increased production from Antarctic Endurance combined with ramp up in sales
- At the end of Q2 2020, total krill meal inventory was 35.186 MT up from 27.540 MT the same period last year supporting the Company's growth strategy in 2020 and going forward
- During the second quarter the Company amended its purchase price allocation on the Lang acquisition increasing goodwill and liabilities in the balance sheet amounting to USD 2.0 million
- The sale of Juvel and certain other insurance settlements contributed with USD 21.6 million in proceeds from sale of assets. The initial transaction cost for Juvel was USD 30.5 million including license and patents. As part of the purchase price allocation, a value of USD 10 million was allocated to the license
- Aker ASA provided a bridge loan of USD 7.0 million in April 2020, which was subsequently paid in full in May upon receipt of the proceeds from the Juvel sale

# BALANCE SHEET

USD thousands	2019 (Audited)	Q2 2019 (Unaudited)	Q2 2020 (Unaudited)
<b>ASSETS</b>			
Cash and cash equivalents	13,610	14,755	19,026
Accounts receivable and prepaid expenses	74,264	57,734	60,366
Inventories	94,725	81,737	100,417
<b>Total current assets</b>	<b>182,599</b>	<b>154,226</b>	<b>179,809</b>
Other non-interest bearing non-current receivables	405	547	9,448
Intangible assets	190,297	176,291	185,223
Property plant and equipment	318,921	335,643	303,619
<b>Total non-current assets</b>	<b>509,624</b>	<b>512,482</b>	<b>498,291</b>
<b>TOTAL ASSETS</b>	<b>692,223</b>	<b>666,708</b>	<b>678,100</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
Accounts payable and other payables	51,994	30,945	41,847
Interest-bearing current liabilities	47,591	32,646	42,944
<b>Total current liabilities</b>	<b>99,585</b>	<b>63,591</b>	<b>84,790</b>
Other non-interest bearing non-current liabilities	65,618	50,580	77,276
Interest-bearing debt	372,473	380,651	373,028
<b>Total non-current liabilities</b>	<b>438,091</b>	<b>431,231</b>	<b>450,304</b>
<b>TOTAL LIABILITIES</b>	<b>537,676</b>	<b>494,822</b>	<b>535,095</b>
<b>Total equity</b>	<b>154,547</b>	<b>171,886</b>	<b>143,005</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>692,223</b>	<b>666,708</b>	<b>678,100</b>

## COMMENTARY

- The ingredient segment has a complex value chain with production in stages. In accordance with IFRS, actual production expenses are capitalized to inventory each quarter and new weighted average cost is calculated at the end of each quarter - weighted average cost at quarter end is used as COGS in the following quarter
- Production expenses include direct production cost and depreciation, ~20% of inventory holding cost is depreciation. Lead time varies from 6-9 months, depending on product
- Increase in inventory due to higher production during Q2 2020 compared to Q2 2019, mainly driven by full inclusion of Antarctic Endurance in the 2020 season as well as Kori safety stock production
- Accounts payable and other payables increased due to fees incurred as part of the listing of the Company, as well as the Kori launch where the advertising campaign started 6 July 2020
- The vessel Juvel was sold in Q2 2020, reducing the book value of Property, plant and equipment to USD 303.6 million. Increase in intangible assets include the Company's additional license from Juvel
- Gross proceeds of approximately USD 225 million from the private placement completed in Q2 2020, but booked in Q3 2020
- In July 2020 the shareholder loan including interest and guarantee fee amounting to USD 116 million was repaid to Aker ASA
- Total equity in excess of 21 % out of the second quarter
- Lang earn-out of up to USD 50 million recognized as 'Other non-interest bearing non-current liabilities'. Milestone payment of USD 10 million not reflected in the balance sheet
- Remaining capex of USD 60 million related to Antarctic Provider not reflected in balance sheet



## SUMMARY AND OUTLOOK

# ON TRACK TO ACHIEVE THE FULL-YEAR BUSINESS PLAN TARGET

## 5 YEAR ASPIRATION

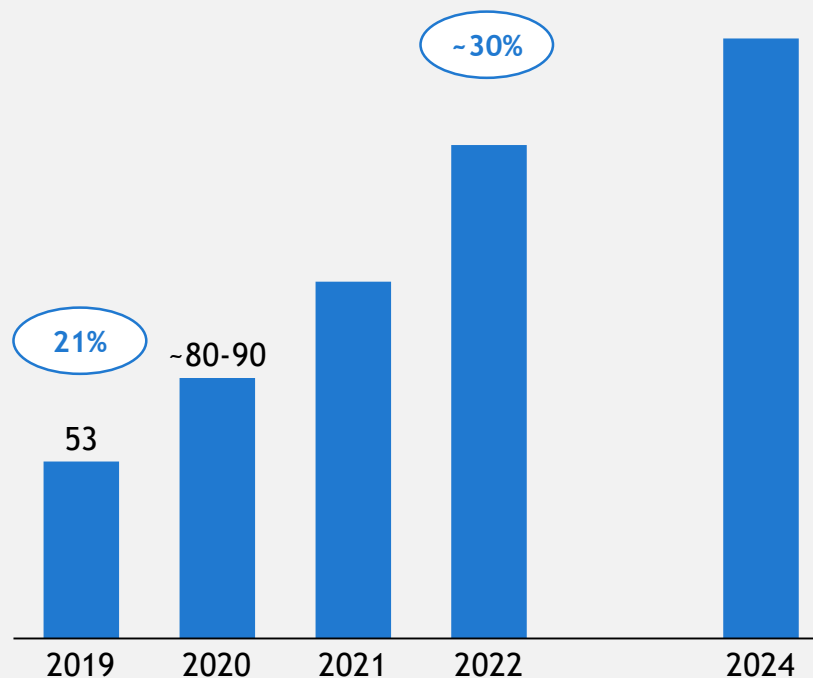
USDM 200  
IN EBITDA

STRONG OWN  
BRAND WITH  
SIGNIFICANT  
EBITDA  
POTENTIAL

## ILLUSTRATIVE ADJ. EBITDA DEVELOPMENT

USDm

○ Adj. EBITDA margin



## COMMENTS

- Based on YTD performance, current market conditions and assumptions, the Company targets a full-year adjusted EBITDA of approximately USD 80 - 90 million with outlook in the upper end of the range
- Financial targets of revenue growth of 20-30% during 2020 - 2021, with highest growth in 2020
- Gradually increasing margins towards its EBITDA margin target of 30% from 2022. Target of adjusted EBITDA margin in H2 2020 of up to 30%
- The Company targets a higher adjusted EBITDA in Q3 2020 compared to Q3 2019, which also was the best quarter in the Company's history, and lower volatility between the quarters in H2 2020 in terms of adjusted EBITDA



- Q2 2020 follows the trajectory from Q1 2020
- H1 2020 delivered adjusted EBITDA according to the business plan
- H2 2020 is expected to be significantly stronger than H1 2020 on both revenues and adjusted EBITDA margin
- Ice conditions in Antarctica impacting harvesting negatively in early Q3 2020, to be compensated with changes in shipyard plans for 2020, providing more fishing days in Q4. Stronger Q4 harvesting may positively impact Q1 2021, while weaker harvesting in Q3 2020 may negatively impact Q4 2020
- Based on YTD performance, current market conditions and assumptions, the Company targets a full-year adjusted EBITDA of approximately USD 80 - 90 million with current outlook in the upper end of the range
- The Company targets a higher adjusted EBITDA in Q3 2020 compared to Q3 2019, which also was the best quarter in the Company's history, and lower volatility between the quarters in H2 2020 in terms of adjusted EBITDA



## COMPANY HIGHLIGHTS

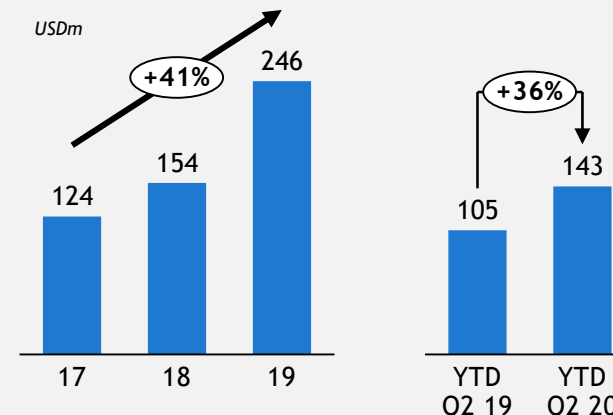
# AKER BIOMARINE IS THE FAST GROWING WORLD LEADER WITHIN KRILL WITH A 70% SHARE OF THE GLOBAL HARVEST

## KEY COMPANY FACTS

- World leader within krill harvesting and processing, accounting for ~70% of global harvest<sup>1</sup> and ~80% of global krill oil production
- Founded on the strong belief in the positive health effects of krill. Pioneer in krill research and has invested tens of millions of dollars over the last 15 years
- Sustainability has been at the core through focus on preventing lifestyle diseases, increasing resource utilization, and promoting sustainable fishery practices
- Launching own US brand in Q2 2020

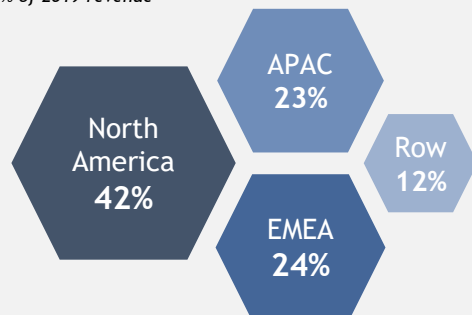


## REVENUE DEVELOPMENT



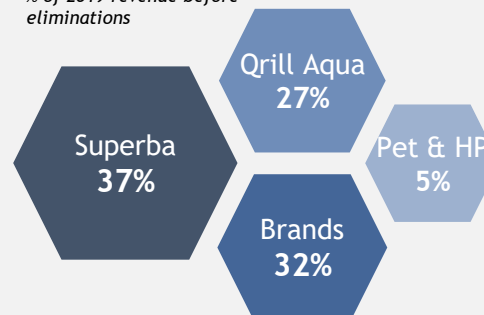
## GEOGRAPHIC BREAKDOWN OF REVENUE

% of 2019 revenue

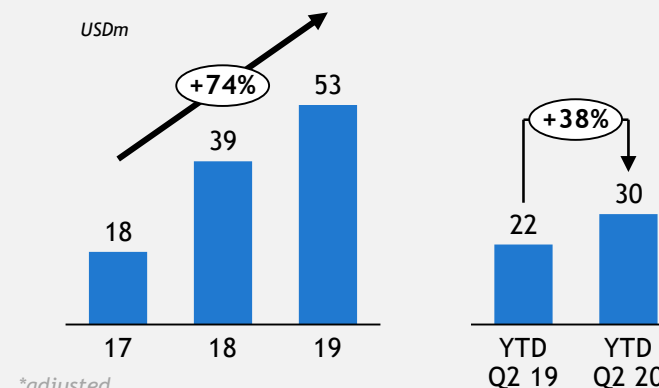


## PRODUCT BREAKDOWN OF REVENUE

% of 2019 revenue before eliminations



## EBITDA DEVELOPMENT\*



\*adjusted

<sup>1</sup>Source: CCMALR. Aker BioMarine operates in the markets for aquaculture feed industry, human supplements industry and the pet food industry with its krill based products. Please see the appendix for further details of the market where Aker BioMarine operates.

# FULLY INTEGRATED VALUE CHAIN RESULTS IN UNIQUELY EFFICIENT BUSINESS MODEL, LOWER VOLATILITY, INCREASED SPEED TO MARKET AND HIGHER MARGINS

## Harvesting



**69%** of global krill catch<sup>1</sup>

## Ingredient production



**30%** reduction in CO<sub>2</sub>-emissions

## R&D



**~60** published studies

## Krill oil production



**>80%** of global krill oil production

## Sales & marketing



**~65** countries sold to

## Distribution & brands



**35k** retail outlets reached in the US

- Clear global leader in krill fishing
- Three state-of-the art krill vessels secure stable production with total harvest capacity of ~74,000 MT in 2021
- Long season of up to 10 months secures consistent supply
- Highly sustainable harvest with zero bycatch

- Production of krill ingredients onboard unique, purpose-built vessels simultaneously to fishing
- Significant reduction of CO<sub>2</sub> emissions due to reduced need for vessels to transport catch to shore and return to fish
- >40% of revenue base produced and packaged on-board vessels

- Significant investments in R&D over the last ~15 years
- Research has proven several significant benefits of Krill to humans and animals alike
- The positive results have helped in building awareness around and demand for krill products

- Purpose-built oil extraction plant in Houston, Texas
- Acquisition of Lang brings expertise in private label manufacturing of supplements for humans as well as strong ties to 85% of relevant US retail industry
- Significantly increased margins by owning the entire value chain from harvest to consumer brand

- Global B2B and B2C sales & marketing organizations
- In-house sales and distribution team for ingredients business enables deeper relationships and higher margins
- Worldwide target market and distribution

- Unique inroads to US retailers through Lang's long-standing relationships with the major 7 US retailers
- Epion launching own brand of krill oil supplement, Kori, in Q2 2020
- Significant resources committed to developing the brand and consumer facing organisation

More than USDm 600 invested over the last 10 year in building fully integrated value chain

<sup>1</sup>Source: CCMALR. Aker BioMarine operates in the markets for aquaculture feed industry, human supplements industry and the pet food industry with its krill based products. Please see the appendix for further details of the market where Aker BioMarine operates.

# AKER BIOMARINE GROUP CONSISTS OF THREE COMPANIES WITH DISTINCT CAPABILITIES

## Ingredients

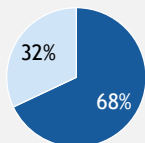


### AKER BIOMARINE

- Aker BioMarine produces and markets ingredients for aquaculture and dog feed
- Proven to increase growth and robustness in salmon and to improve quality of filet
- Dogs also benefit from including up to 5% Qrill in the feed
- The Qrill product range consist of krill meal, oil and high protein specialty meal
- Superba is the B2B brand for high quality krill oil for human consumption sold in bulk to brand owners



Share of revenues 2019



## Brands



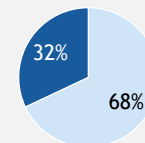
- State-of-the-art healthcare manufacturing company based in the US, acquired by Aker BioMarine in 2019
- Expertise in producing private label brands for the largest US retailers
- Established direct access to ~85% of the relevant retail market
- Produces the Kori krill oil brand for Epion

### Strong relationships with the largest retailers

Revenue breakdown 2019



Share of revenues 2019



- Epion is Aker BioMarine's FMCG brand company
- Hired significant expertise from the FMCG industry to ensure rapid roll-out and success
- Value chain integration and business model ensures a higher share of the retail sales price to the Aker BioMarine group, enabling significant investments in marketing to reach scale quickly
- Launching first product, Kori, in 2020 in the US
- Ambition to become a USD 100 million brand company within 5 years



# KRILL IS THE WORLD'S LARGEST BIOMASS AND MOST SUSTAINABLE FISHERY, AND PROVIDES SIGNIFICANT BENEFITS TO HUMANS, PETS AND OTHER ANIMALS

## Ingredients

### KRILL CAN PROVIDE SIGNIFICANT BENEFITS TO SOCIETY AS A WHOLE

Reduces the burden of lifestyle diseases

Facilitates sustainable fisheries

Improves resource efficiency through sustainable food production

### WHAT IS KRILL?



- Antarctic krill (*Euphausia Superba*) are paper clip-sized, shrimp-like crustaceans that play a key role in the oceans' ecosystem
- Krill are present in most oceans around the world, however, they gather together in huge swarms in the pristine waters of Antarctica to feed on microscopic algae and are harvested by Aker BioMarine there
- Packed full of health promoting long-chain omega-3 fatty acids (EPA & DHA), phospholipids, choline and astaxanthin
- The Convention of the Conservation of Antarctic Marine Living Resources (CCAMLR), an international treaty, regulates krill harvesting in a sustainable way (quota of ~1% of biomass)

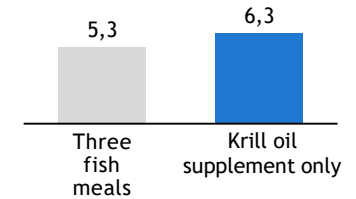
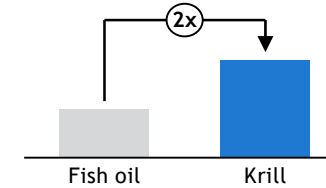
### Proven preventative health ingredients

..for the 70% of the world population with omega 3 deficiency<sup>1</sup>



Krill is 2x as effective in increasing the Omega-3 Index as fish oil<sup>4</sup>

Krill supplements results in a higher Omega-3 levels than eating fish 3x/week<sup>5</sup>



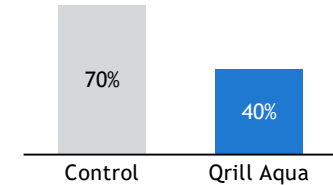
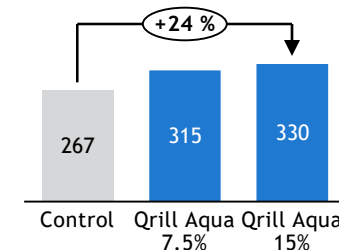
### Multi-functional sustainable marine ingredients

..for the USDbn ~200 aquaculture industry<sup>2</sup>



Faster growth (grams)<sup>6</sup>

Improved heart health Visible fat (%)<sup>7</sup>



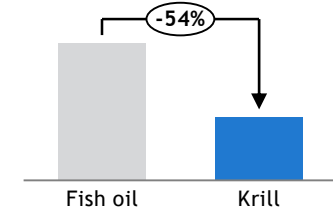
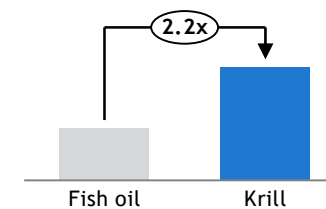
### Healthy and delicious natural ingredient

..for the 850 million pet cats and dogs in the world<sup>3</sup>















6% Qrill Pet increases omega-3 index, EPA and DHA levels in dogs<sup>8</sup> significantly in six weeks

Reducing inflammation CRP, Post-race<sup>9</sup>



# AKER BIOMARINE IS THE WORLD LEADING MANUFACTURER OF INGREDIENTS FROM KRILL WITH A STRONG AND DIVERSIFIED CONTRACT PORTFOLIO

## Ingredients

Key products	Description	Share of '19 sales	% GM
	<ul style="list-style-type: none"> <li>Powder created by cooking, drying and grounding whole Antarctic krill</li> <li>Functions as a feeding stimulant leading to increased feed uptake and enhanced growth</li> </ul>	 39%	
	<ul style="list-style-type: none"> <li>Protein rich product used in formulated diets for aquaculture nutrition</li> <li>Excellent source of marine protein for fish and shrimp, leading to increased feed uptake and enhanced growth</li> </ul>	 5%	
	<ul style="list-style-type: none"> <li>Dog food ingredient sold to multiple European and US brands</li> <li>Up to 5% added in feed</li> <li>Multiple scientifically proven benefits to dogs</li> </ul>	 2%	
	<ul style="list-style-type: none"> <li>White label krill oil for human supplements</li> <li>Natural combination and concentration of four key nutrients: omega-3, phospholipids, choline, and astaxanthin</li> <li>Growing body of evidence demonstrates krill oil's beneficial effects on health</li> </ul>	 54%	

## Houston factory purpose-built for krill oil production

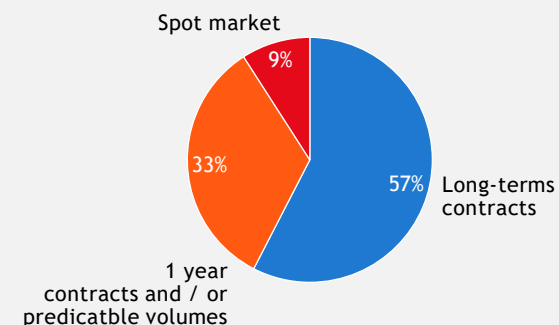


 SUPERBAKrill™

- Purpose-built plant for processing and production of krill oil located in Houston, Texas
- Produces ~85% of all krill oil globally
- Proprietary Flexitech™ technology enables Aker BioMarine to produce krill oil of unmatched quality, with higher content of beneficial compounds and no off-putting flavours and odours
- Highly sustainable factory design and operations, recycling and re-using the vast majority of ethanol and water needed in production
- 70 employees

## Long term contracts with predictable volumes and pricing

- Customer contracts are based on fixed prices and de-coupled from the commoditised fishmeal market, ensuring less volatile revenue and more predictability
- >55% of volume is bound to long-term contracts (3-5 years), with majority of remaining volumes on shorter contracts with predictable volumes and only ~10% traded in the spot market
- Diversified customer base with top 20 accounting for ~70% of revenue





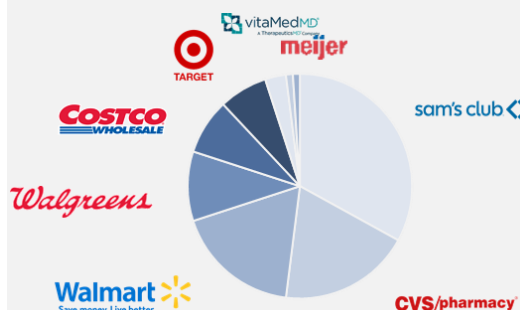
# AKER BIOMARINE HAS ESTABLISHED SIGNIFICANT EXPERTISE IN PRODUCING FINISHED CONSUMER GOODS THROUGH THE ACQUISITION OF LANG AND CREATION OF EPION

## Brands

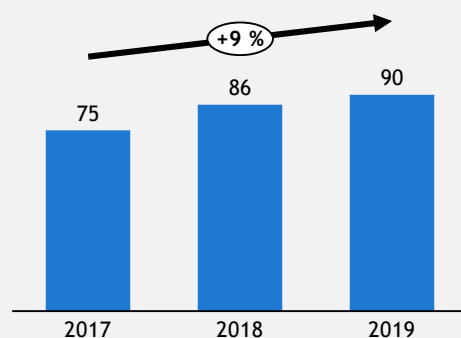


- Full service, mass market private label and brand manufacturer
- Acquired in order to gain pharmaceutical production capabilities and better access to US retailers
- Delivers turnkey solutions, managing the entire development of process from prototype development and raw materials sourcing, through regulatory review, and packaging production
- Significant in-house R&D capabilities, leveraging a global network to track emerging ingredients, technology, IP and science in order to quickly bring new market leading products to the shelf
- Produces 146 products across 15 categories for all major US retailers
- 62 employees (as of Q1 2020)

Revenue breakdown per customer 2019



Revenues<sup>1</sup> USDm

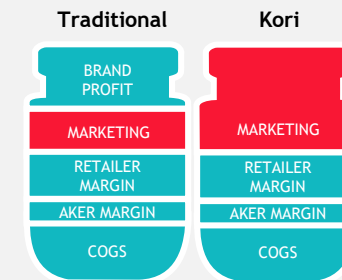


- Established by Aker BioMarine to develop consumer brands of krill based products
- Experienced team of four who have taken several successful brands to market
- Rationale for establishing own brand is to push the development of the industry through education of the end consumer
- Strategy to re-invest EBITDA into marketing allowing for market development while retaining the same margin to Aker BioMarine as supplying a third party
- Launching Kori, a krill oil supplement for humans, as its first product in Q2 2020
- Kori is a high gross margin product, and with full effects from Kori, Aker BioMarine's gross margin is targeted to be >70% as a whole
- Exciting pipeline with further products being developed

## Kori



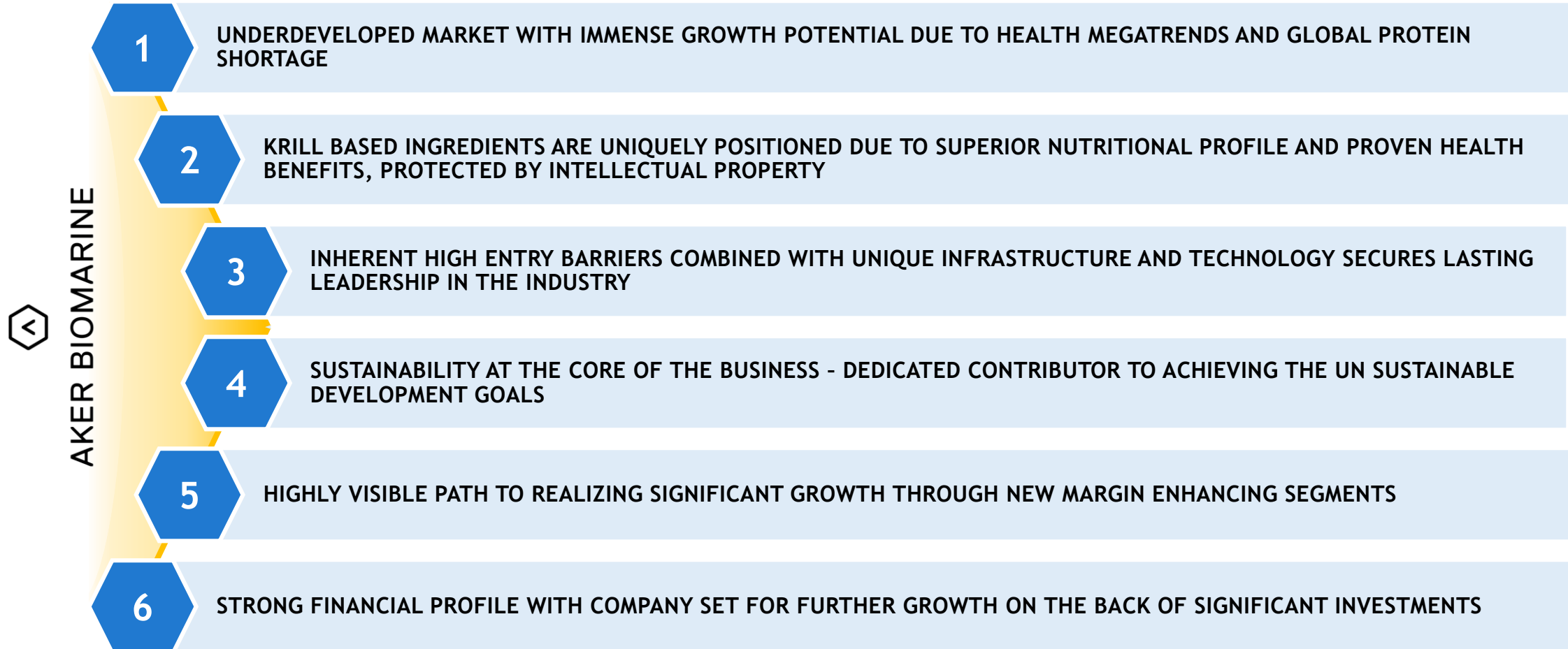
- First brand launched by Epion - krill oil supplement for humans
- Launching in the US market through multiple of the largest retailers
- Launched in CVS and Target
- Passed USDm 1 in revenues
- Launching in Walmart in June



1. Full year 2019 included



# AKER BIOMARINE INVESTMENT HIGHLIGHTS



# STRATEGIC PRIORITIES AND PROJECTS DRIVING AKER BIOMARINE'S GROWTH AMBITIONS



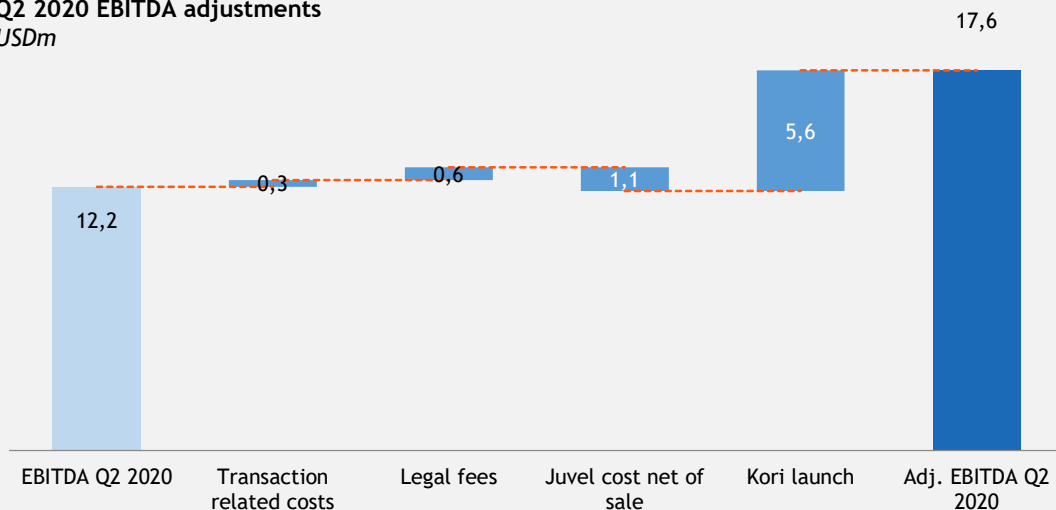


## ADDITIONAL INFORMATION

# EBITDA ADJUSTMENTS

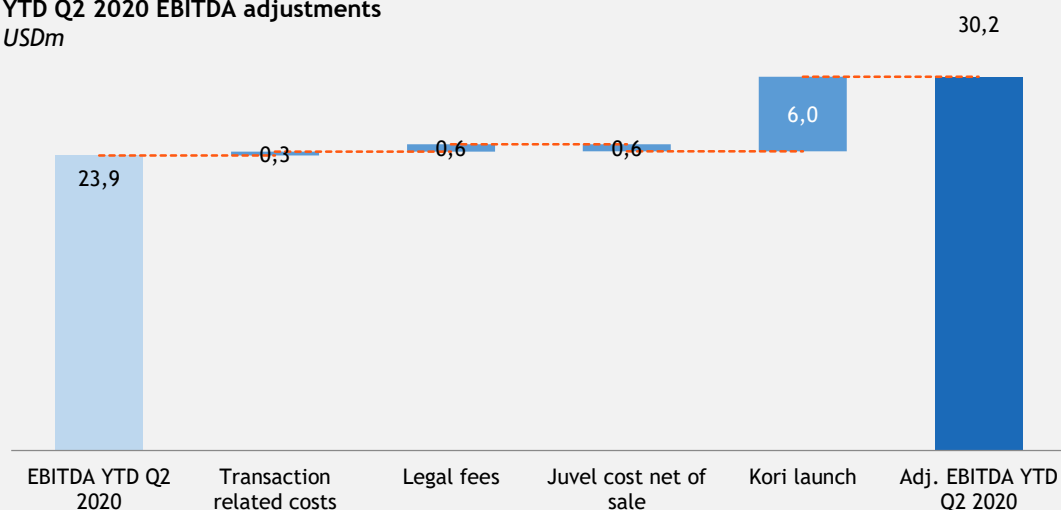
## EBITDA ADJUSTEMENTS

Q2 2020 EBITDA adjustments  
USDm



## EBITDA ADJUSTEMENTS

YTD Q2 2020 EBITDA adjustments  
USDm



- **Transaction related costs:** Costs directly attributable to the listing will be netted with the raised amount in equity, but the Company also recognized certain other costs which has been considered non-recurring in nature and has been adjusted for. Certain additional costs will also be charged in Q3 2020
- **Juvel:** The gain from the sale of Juvel has been netted towards operational costs while in yard
- **Kori:** As part of the Lang transaction, the Company is launching its own national brand in the US. Costs related to the launch are deemed material and non-recurring after the launch of the brand as the profits will be reinvested into marketing. Costs related to the launch of Kori of USD 6 million YTD 2020, of which approximately USD 4 million related to the marketing and the remainder development of the brand (design etc)

# P&L RECONCILIATION

## Revenue reconciliation

<i>USDm</i>	2019	Q2 2019	Q2 2020	YTD Q2 2019	YTD Q2 2020
Ingredients	177.2	42.5	50.7	75.1	92.3
Brands	82.2	26.6	25.2	33.3	56.5
Eliminations	(13.4)	(2.9)	(3.7)	(2.9)	(5.9)
<b>Reported revenues</b>	<b>246.2</b>	<b>66.2</b>	<b>72.2</b>	<b>105.4</b>	<b>142.9</b>

## EBITDA reconciliation

<i>USDm</i>	2019	Q2 2019	Q2 2020	YTD Q2 2019	YTD Q2 2020
Ingredients	40.3	13.3	16.8	14.3	23.7
Brands	7.9	3.2	(2.3)	3.8	2.5
Eliminations	(2.5)	0.9	(2.3)	0.9	(2.3)
<b>Reported EBITDA</b>	<b>45.7</b>	<b>17.4</b>	<b>12.2</b>	<b>19.0</b>	<b>23.9</b>
Adjustments	7.3	1.1	5.4	2.9	6.4
<b>Adjusted EBITDA</b>	<b>53.0</b>	<b>18.4</b>	<b>17.6</b>	<b>21.9</b>	<b>30.2</b>

Note: Brands (Lang) included from March 2019 in reported figures

- In order to hedge its fuel expenses going forward, Aker BioMarine has purchased call options for 100% of its expected consumption during 2021 - 2024:
  - 37,757 MT in 2021 at USD/MT of 378
  - 33,332 MT in 2022 at USD/MT of 412
  - 33,370 MT in 2023 at USD/MT of 550
  - 33,206 MT in 2024 at USD/MT of 580
- Still exposed to spread between Rotterdam index and the local price in Montevideo that historically have been 200 - 300 USD/MT
- The call options have a total costs of USD 9 million and will be settled during H1 2021, and has not been provided for in the balance sheet
- Fair value adjustments of the contracts will be provided for in other comprehensive income in the P&L. In Q2 2020 it was a loss of USD 0.8 million
- Aker BioMarine has not hedged its consumption for 2020. The majority of volumes has been purchased

# AKER BIOMARINE CERTIFIED FOR INDUSTRY LEADERSHIP ON SUSTAINABLE FISHERIES - SUSTAINABILITY COMMITMENT EVIDENT FROM FOCUS ON GREEN INVESTMENTS

## ANTARCTIC KRILL FISHERY A-RATED: THE WORLD'S MOST SUSTAINABLE REDUCTION FISHERY FOR 5 SUCCEEDING YEARS



### A Very-well-managed fisheries



- B1 Reasonably managed fisheries with stock in good condition
- B2 Reasonably managed fisheries
- DD Fisheries with high uncertainty
- C Poorly managed fisheries

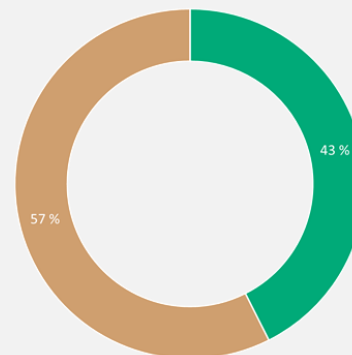
## AKER BIOMARINE'S FISHERY AND PRODUCTION CERTIFIED BY THE MSC AND FRIENDS OF THE SEA (FoS)



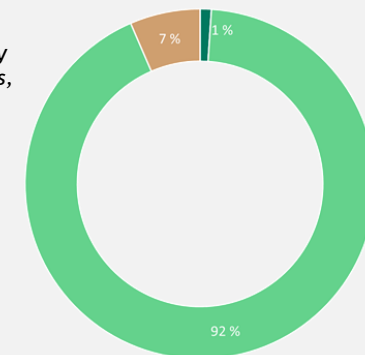
MSC Principles	Fail (>60)	Best practice (60-80)	State of the art (80-100)
Sustainability of the stock	-	-	89
Ecosystem impacts	-	-	97
Effective management	-	-	96

## AKER BIOMARINE IS TAILORING ITS 2030 TARGETS AND REPORTING REGIME TO MEET THE FUTURE ESG EXPECTATIONS

Shades of Green by annual revenue 2019



Shades of Green by annual investments 2019



Shades of Green evaluation only takes into account CO<sub>2</sub> emissions, not other ESG factors

■ Dark Green ■ Medium Green ■ Light Green ■ Light Brown ■ Medium Brown ■ Dark Brown

- First mover on in-depth evaluation against Cicero Shades of Green conducted in June 2020. The Shades of Green rating is limited to reduction of CO<sub>2</sub> emissions and not ESG in total
- Sector transition is critical to meet the growing demand for food in the years to come and Aker BioMarine's business model delivers product lines directly into the transition towards more sustainable food systems balanced with environmental and health needs
- High commitment to sustainability is highlighted by the Cicero Shades of Green investments rating
- Qrill Aqua recognized as a contributor to reduced CO<sub>2</sub> emissions by Cicero Shades of Green as it replaces alternative protein sources with greater CO<sub>2</sub> footprint (e.g. soy). Superba does not reduce CO<sub>2</sub> emissions and thus rated light brown. Positive contribution from krill oil in reducing lifestyle diseases not accounted for in the Shades of Green rating as scope of the rating is limited to reduction of CO<sub>2</sub> emissions
- Automated reporting on key impact areas (CO<sub>2</sub>, water and plastic) to report annual progress against 2030 reduction targets to internal and external stakeholders



AKER BIOMARINE