Q1 2022

Quarterly Report

THIS IS AKER BIOMARINE

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

Aker BioMarine consists of two business segments, Ingredients and Brands. The Ingredients segment is comprised of offshore harvesting and production, the logistical operation and the onshore manufacturing and sale of krill-derived products globally to the pharmaceutical, nutraceutical, pet food and aquaculture industries. The Brands segment is the human consumer goods business, which is comprised of Lang Pharma Nutrition (Lang) and Epion. Lang is a producer and distributor of private labels within the vitamin and supplement categories to the largest retailers in the US market. Epion is Aker BioMarine’s consumer brand company. Its first brand, Kori, was launched in the US mass market in 2020.

Aker BioMarine is committed to having a positive impact on human health, without compromising the health of the planet. The company has set clear and measurable ESG targets and is committed to delivering products that support nutritious and sustainable diets, and we target a 50% emissions reduction by 2030, with the goal of being carbon neutral by 2050.

FIRST QUARTER HIGHLIGHTS

- Revenues of USD 56.9 million in the quarter, up 14% from same quarter last year
- Adjusted EBITDA of USD 8.1 million in the quarter, with 14% Adjusted EBITDA margin, compared to USD 6.8 million and 14% the same quarter last year
- Sales in the Ingredients segment in line with same quarter last year
- Sales in the Brands segment up 32% from same quarter last year
- Offshore production volumes all time high at 20,809 MT in the quarter
- Good performance at the Houston facility, with 62% higher volume compared to same period last year

GROUP FINANCIAL SUMMARY

	First Quarter		Year
USD million	**2022**	**2021**	**2021**
Net sales	56.9	50.1	262.1
Gross margin	36%	34%	34%
Operating profit	-5.5	-7.1	-13.7
Net profit (loss)	-9.8	-9.9	-8.0
Adjusted EBITDA*	8.1	6.8	47.9
Cash flow from operations	-2.7	-3.6	0.7
CAPEX	-7.4	-55.7	-79.2
Equity	373.3	366.3	370.4
Total assets	774.5	749.4	757.5
Net interest-bearing debt	324	293.3	313.7

*) See note 3 and separate disclosure covering the Aker BioMarine Group's use of Alternative Performance Measures (APMs).

OPERATIONAL REVIEW

INGREDIENTS SEGMENT

Harvesting of krill was good with total offshore production of 20,809 MT in the first quarter, 6% above same period last year. All vessels are performing well, and the company's offshore operations are going as planned.

First quarter was another strong quarter at the Houston plant, and production was 62% above same period last year. Production yield increased substantially due to product blends. A shutdown of the Houston plant is planned from June 2022 and at least for the remainder of the year. The company will carry out upgrades and perform efficiency improvements, including preparations for production of Lysoveta, and the shutdown will reduce krill oil inventory levels.

Ingredients sales were USD 30.1 million for the quarter, on par with same period last year. The Qrill category increased 38% compared with Q1 last year, driven by strong underlying demand. Superba sales were down 33% compared to the first quarter last year, following a very strong Q4. The Superba sales organization has been considerably strengthened in the quarter, and the sales acceleration initiatives are being implemented according to plan. The company targets an increase in sales volumes throughout the year.

BRANDS SEGMENT

Total sales in Brands were USD 30.5 million, an increase of 32% from same period last year. This is mainly caused by significantly increased sales of the company's US consumer krill oil brand, Kori, as a result of a national roll-out of the brand in both Sam's Club and Costco. In addition, the private label business, Lang, increased sales in the quarter as a result of the higher sales to Epion, as well as increased private label sales, especially to Costco, Sam's Club and CVS.

The full national physical store distribution to both Costco and Sam's Club is a key milestone for the Kori brand. Pallet promotions were run in both retailers during the quarter. The planogram process for retailer distribution were also concluded during the quarter, and Kori remains on the shelf of all the largest retailers, which shows continued support in the important growth phase of the brand.

	Unit	**Q1-21**	**Q2-21**	**Q3-21**	**Q4-21**	**Q1-22**	**2021**
Offshore production, krill meal	Tons	19.539	13.920	7.195	3.101	20,809	43,756
Revenue per product*:							
Krill Oil	USD mill.	17.7	16.6	13.3	23.7	12.7	71.3
Qrill Aqua	USD mill.	9.5	24.5	22.0	27.1	14.1	83.1
Brands	USD mill.	23.2	32.3	24.8	30.0	30.5	110.4
Other**	USD mill.	3.1	4.5	4.5	2.8	3.3	14.9

* Excluding eliminations between Ingredients and Brands

** "Other" includes Qrill Pet, QHP and Asta oil

FINANCIAL REVIEW

Revenue in the quarter was USD 56.9 million, 14% above the same period last year. Sales in the Ingredients segment was on par with last year at USD 30.1 million, while sales in the Brands segment was 32% higher at USD 30.5 million. Internal sales between segments are eliminated. Gross revenue distribution in the quarter was 50% for Ingredients and 50% for Brands, compared to 57% and 43% respectively in first quarter last year.

Adjusted EBITDA was USD 8.1 million, an increase from USD 6.8 million same period last year. The increase is mainly a result of high sales from the Brands segment to external customers, leading to a profit realization of USD 3.7 million. An adjustment in Net Realizable Value (NRV) of the Aqua inventory value down to expected sales price was performed at year-end, and hence, there was no margin contribution from the Aqua product in the first quarter.

The company experiences increased cost for several of its key supply items, but is managing its cost base through strong cost focus and continuous renegotiations with main suppliers.

The fuel option contracts bought in 2020 have proved to be valuable, as oil prices have significantly increased in the last months. The company has hedged 100% of expected fuel consumption to the end of 2024 at three different strike levels: 409 USD/MT in 2022, 550 USD/MT in 2023 and 580 USD/MT in 2024. The recent price level for marine gas oil in Rotterdam has been above 1,000 USD/MT, indicating significant net cost savings for the company.

In the Ingredients segment, gross margin was 32% in the quarter, down from 41% same period last year. The main reason for the decline is the higher share of zero-margin Qrill Aqua sales (due to the abovementioned NRV-adjustment) compared to Superba krill oil sales this quarter.

In the Brands segment, gross margin was 25%, similar to same period last year. However, for the total Group, gross margin increased to 37% from 34% same period last year. The reason being, as mentioned above, the margin built-up between the segments is now being realized as Brands increase external sales. Epion has still negative EBITDA margin as significant funds are spent on marketing activities. This year, first quarter marketing spend was high at USD 3.5 million due to national rollouts at Costco and Sam's Club.

As of 31 March, total assets were USD 774.5 million, up from USD 755.1 million at same period last year. The increase relates to inventory build-up of krill oil as a result of high production in Houston and increased cash holdings.

Total interest-bearing debt was at USD 343 million, including IFRS 16 leasing commitments of USD 10.8 million as of 31 March. Cash amounted to USD 19.1 million, implying net interest-bearing debt of USD 324 million, up from USD 293.3 million same period last year. The increase is driven by development of the INVI protein and Lysoveta businesses as well as general maintenance capex.

As of 31 March, total available liquidity was USD 92.5 million (cash and available amounts under the debt facilities).

The company is compliant with all debt facility covenants.

Cash flow from operations was negative by USD 3.1 million in the quarter, mainly driven by build-up of inventory partly offset by release of customer receivables and ethanol tax refund in Houston. Net cash flow was positive at USD 7.9 million in the quarter due to increase in loan proceeds.

Net profit for the quarter was negative USD 9.8 million.

In the quarter, the company's option contracts for future delivery of fuel in Rotterdam were in-the-money. Based on the volumes consumed in the quarter, the net gain on the contracts were USD 4.7 million recognized as fuel inventory. The unrealized gain for the quarter on the remaining option contracts was positive USD 11.8 million recognized in the Condensed consolidated statement of comprehensive income. The total fair value of the remaining options was USD 25.5 million booked as derivative asset.

Total equity was USD 373.3 million, implying an equity ratio of 48%.

RISKS AND UNCERTAINTIES

Fluctuations in annual krill harvesting, product quality, ability to develop new products, and market risk for sale of products names the company's largest risk

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

Short to medium term, the company considers the tight container freight market to be a risk. The company is evaluating different initiatives to ensure ability to secure containers to fulfill customer orders and shipments.

Aker BioMarine employs vessel crew from both Russia and Ukraine through third-party companies. With regards to the ongoing war between Russia and Ukraine, the company continuously assess how to provide support to the crew in this these challenging times while continuing krill harvesting operations. As of now, Aker BioMarine is operating its krill harvesting as normal, and is closely monitoring the situation.

The company has adopted a risk management policy to identify, measure, and mitigate risks. For a more detailed discussion on risk see the Annual Accounts 2021; Operational Risk and Opportunities chapter and Note 20 (Financial risk), as well as the company prospectus, published 13 April 2021

OUTLOOK

Aker BioMarine reiterates the guiding for 2022 with expected annual sales growth of 20-25%, and targeted Adjusted EBITDA margin of 20-25%. As explained, the NRV adjustment at the end of last year led to zero-margin contribution from Aqua in the first quarter, and combined with an accelerated sales plan for Superba throughout 2022, the company expects most of the EBITDA to be generated in the last three quarters.

Aker BioMarine experiences good demand for Qrill Aqua driven by high prices for feed ingredients in general and high salmon and shrimp prices in particular. As a result, the company is expecting higher Qrill prices for second half of 2022.

At present the harvesting levels are in line with a normal year with an average annual harvesting volumes of 55,000 – 60,000 MT, although there will be seasonal and operational variations from year to year.

For Lysoveta, the LPC product development continues, including scale-up of commercial and manufacturing activities in the US, the first targeted market. Aker BioMarine aims to have regulatory approval for product sale in the US by the end of 2022 with technical samples already available for research. The company expects to launch a new partnership in 2022 as a result of the earlier announced cooperation with MD3.

For Aion, the circular plastic company, there is an ongoing process to invite new owners and spin it out of Aker BioMarine's core operations. This is expected to take place in the second quarter 2022.

For INVI protein, pilot production continues in Tromsø, Norway, providing batches for R&D and commercialization purposes. The protein launch plant construction at Ski, Norway is underway with first commercial production expected mid-2023.

OVERVIEW OF NEWSFLOW DURING FOURTH QUARTER AND KEY SUBSEQUENT EVENTS

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

DATE	NEW PUBLICATIONS AND SCIENCE
17 Jan	*New study: Krill Oil significantly reduces major cardiovascular risk factors* This US study shows that krill oil significantly reduces the triglyceride levels in the blood, an important measure of heart health.
21 Jan	*New study: Supplementing with krill oil can support intense power training* The study shows that krill oil is an effective nutritional strategy for athletes to increase omega-3 and choline concentration of support intense power training.
10 Feb	*Krill meal improves health and performance of salmonids* Researchers conclude that Antarctic krill products have a positive impact on the feed intake, growth performance, fillet quality and organ health in salmonids.
30 Mar	*New study reveals krill meal's high potential for developing sustainable shrimp feed formulations* A new study, conducted by ICAR and Aker BioMarine, concluded that krill meal is a beneficial functional ingredient for shrimp dietary feed. The trial revealed that inclusion of 4 to 6% Qrill in the diet can lead to higher body weight and greater survival among the shrimp.

DATE	OTHER NEWS
17 Jan	*Aker BioMarine appoints Simon Seward as new EVP for Human Health & Nutrition*
26 Jan	*The Antarctic krill fishery is rated as one of the world's most sustainable fisheries* Aker BioMarine's Antarctic krill fishery was awarded an A-rating from the Sustainable Fisheries Partnership for the seventh consecutive year.
17 Feb	*Aker BioMarine implements an employee share purchase program*
1 Apr	*Aker BioMarine joins Innovation Norway and Aker ASA initiative to accelerate the green transition* Innovation Norway and Aker ASA, including Aker BioMarine, signed an agreement to join forces to increase Norwegian exports and strengthen the country's position as an industrial leader in green technology and sustainability.
20 Apr	*Aker BioMarine hosted its Annual General Meeting*

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

USD million	Note	First Quarter 2022	First Quarter 2021	Year 2021
Net sales	2	56.9	50.1	262.1
Cost of goods sold	2	-35.8	-32.9	-174
Gross profit		**21.1**	**17.2**	**88.1**
Selling, general and administrative expense	2	-22.5	-19.7	-85.7
Depreciation, amortization and impairment	2,5,6	-4.1	-4.8	-19.2
Other operating income	2	0.1	0.2	3.1
Other operating cost	2	-	–	–
Operating profit		**-5.5**	**-7.1**	**-13.7**
Net financial items		-4.7	-2.4	6.3
Tax expense		0.4	-0.3	-0.6
Net profit (loss)		**-9.8**	**-9.9**	**-8.0**
Earnings per share to equity holders of Aker BioMarine ASA				
Basic		-0.1	-0.1	-0.1
Diluted		-0.1	-0.1	-0.1

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

USD million	Note	First Quarter 2022	First Quarter 2021	Year 2021
Net profit (loss)		-9.8	-9.9	-8.0
Other comprehensive income (loss)				
Defined benefit plan income gains (losses)		-	-	-
Total items that will not be reclassified to profit and loss		-	-	-
Translation differences		-	-	-
Translation differences from equity accounted investees		-	-	-
Total items that may be reclassified subsequently to profit and loss		-	-	-
Change in fair value cash flow hedges		11.8	3.0	5.2
Total items that will be reclassified to profit and loss		11.8	3.0	5.2
Total other comprehensive income (loss)		11.8	3.0	5.2
Total comprehensive income (loss)		2.0	-6.9	-2.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD million	Note	As of 31.03.2022	As of 31.03.2021	As of 31.12.2021
ASSETS				
Property, plant and equipment	5	324.3	332.8	327.9
Right to use assets		10.2	14.8	11.3
Intangible assets and goodwill	6	167.1	178.6	171.5
Contract cost		6.7	8.7	7.2
Investments in equity-accounted investees		0.1	0.1	0.1
Total non-current assets		**508.4**	**535.0**	**518.0**
Inventories	7	155.3	129.6	138.2
Trade receivable and prepaid expenses		62.4	61.0	77.7
Derivative assets	8	25.5	9.9	12.5
Cash and cash equivalents		19.1	13.9	11.1
Total current assets		**262.3**	**214.4**	**239.5**
Assets held for sale		**3.8**	**-**	**-**
Total assets		**774.5**	**749.4**	**757.5**
LIABILITIES AND OWNERS' EQUITY				
Share capital		76.3	75.9	75.9
Other paid-in equity		493.6	493.6	493.6
Total paid-in equity		**569.9**	**569.5**	**569.5**
Translation differences and other reserves		5.4	0.1	5.4
Retained earnings		-201.9	-203.3	-204.4
Total equity		**373.4**	**366.3**	**370.5**
Interest-bearing debt	9	290.9	262.7	294.1
Other non-interest-bearing non-current liabilities		16.2	36.8	15.7
Total non-current liabilities		**307.1**	**299.5**	**309.8**
Interest-bearing current liabilities	9	52.2	44.4	30.7
Accounts payable and other payables		43.1	39.2	46.6
Total current liabilities		**95.3**	**83.6**	**77.3**
Liabilities held for sale		**-1.3**	**-**	**-**
Total liabilities		**401.1**	**383.1**	**387.1**
Total equity and liabilities		**774.5**	**749.4**	**757.5**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

		First Quarter		
USD million	Note	2022	2021	2021
Net profit (loss) after tax		-9.8	-9.9	-8.0
Tax expenses		-0.4	0.3	0.6
Net interest and guarantee expenses		3.7	3.1	13.7
Interest paid		-3.4	-2.2	-12.8
Taxes paid		-1.5	0.2	3.3
Depreciation and amortization		13.5	13	51.1
Foreign exchange loss (gain)		0.1	–	-0.3
Change in accounts receivable, other current receivables, inventories, accounts payable and other		-4.9	-8.1	-31.6
Net cash flow from operating activities		**-2.7**	**-3.6**	**0.7**
Payments for property, plant and equipment		-6.0	-55.2	-78.7
Proceeds from sale of property, plant and equipment		-	-	1.9
Payments for intangibles		-1.4	-0.6	-2.4
Net cash flow from investing activities		**-7.4**	**-55.7**	**-79.2**
			-	-
Proceeds from issue of debt and change in overdraft facility		21.4	7.5	4.2
Net change in external interest-bearing debt		-3.4	55	74.7
Net cash flow from financing activities		**18.0**	**62.5**	**78.9**
Net change in cash and cash equivalents		**7.9**	**3.2**	**0.5**
Effect of changes in foreign exchange rates on cash and cash equivalents				
Cash and cash equivalents beginning of the period		**11.1**	**10.7**	**10.7**
Cash and cash equivalents end of period		**19.1**	**13.9**	**11.1**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

USD million	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total
Balance as of January 1, 2022	**75.9**	**529.9**	**-36.3**	**5.4**	**-204.4**	**370.4**
Net profit (loss)	–	–	–	–	-9.8	-9.8
Other comprehensive income (loss)	–	–	–	–	11.8	11.8
Capital Increase	0.4	–	–	–	–	0.4
Other items	–	–	–	–	0.5	0.5
Total comprehensive income (loss)	**0.4**	**–**	**–**	**–**	**2.5**	**2.9**
Balance as of March 31, 2022	**76.3**	**529.9**	**-36.3**	**5.4**	**-201.9**	**373.3**

NOTE 1 REPORTING ENTITY

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

Basis of accounting

The Group's unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The Condensed interim statements are prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the consolidated financial statements that are part of the Annual Report for 2021. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

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

Judgements, estimates and assumptions

The preparation of the condensed interim financial statements according to IFRS requires management to make judgments, estimates and assumptions each reporting period. The main judgements, estimates and assumptions are described in the Annual consolidated financial statements for 2021 (note 2).

The significant judgements made by management in the preparation of this interim financial report were made applying the same accounting policies and principles as those described within the 2021 annual consolidated financial statements.

NOTE 2 OPERATING SEGMENTS

The Group's operating segments are separately managed and is segregated as they serve different markets. The identified segments are the Ingredients business, and the Brands business, see note 3 in the financial statements for the year ended 31 December 2021, for more information.

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 products include Superba Krill oil, Qrill Aqua, Qrill Pet, Qrill High Protein and AstaOmega. Sales from the Ingredient segment to the Brands segment include Superba Krill oil. These sales are presented as 'Internal sales' below.

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

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

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

Segment information provided to the Executive Management Team (EMT)

The table below shows the segment information provided to the EMT for the reportable segments for Q1, full year 2021 and comparable periods. The table below also shows the basis on which revenue is recognized.

		First Quarter 2022		
USD million	**Ingredients**	**Brands**	**Adj**	**Total**
Net sales	30.1	30.5	-3.7	56.9
Cost of goods sold	-20.5	-22.9	7.6	-35.8
Gross profit	**9.6**	**7.6**	**3.8**	**21.1**
SG&A	-12.3	-10.1	-0.1	-22.5
Depreciation, amortization and impairment	-1.3	-0.5	-2.3	-4.1
Other operating income/(cost), net	0.1	-	-	0.1
Operating profit	**-3.9**	**-3**	**1.5**	**-5.5**
Net financial items	-3.9	-0.7	-0.2	-4.7
Profit (loss) before tax	**-7.8**	**-3.7**	**1.3**	**-10.2**
Tax expense	0.9	-0.5	-	0.4
Net profit (loss)	**-6.9**	**-4.2**	**1.3**	**-9.8**

EBITDA reconciliation		First Quarter 2022		
USD million	**Ingredients**	**Brands**	**Adj**	**Total**
Net profit (loss)	**-6.9**	**-4.2**	**1.3**	**-9.8**
Tax expense	-0.9	0.5	-	-0.4
Net financial items	3.9	0.7	0.2	4.7
Depreciation and amortization non-production assets	1.3	0.5	2.3	4.1
Depreciation and amortization production assets [1)]	9.4	-	-	9.4
EBITDA	**6.9**	**-2.5**	**3.7**	**8.1**
Special Operating Items	-	-	-	-
Adjusted EBITDA	**6.9**	**-2.5**	**3.7**	**8.1**
Adj EBITDA margin %	*23%*	*-7%*	*30%*	*14%*
Gross profit %	32%	23%	9%	36%

1) Included in Cost of Goods Sold

Balance sheet items		As of 31 March 2022		
USD million	**Ingredients**	**Brands**	**Adj**	**Total**
Property, plant and equipment	324.0	0.3	-	324.3
Right to use asset (leasing)	9.8	0.4	-	10.2
Intangible assets	110.0	2.2	54.9	167.1
Cash and cash equivalents	8.3	10.8	-	19.1
Inventory	117.5	36.7	1.1	155.3
Interest-bearing debt	-272.8	-70.3	-	-343
Net interest free asset and liabilities	40.8	55.6	-56	40.4
Total equity	**337.6**	**35.7**	**-**	**373.3**

		First Quarter 2022		
USD million	**Ingredients**	**Brands**	**Adj**	**Total**
Internal sales	3.7	-	-3.7	-
External sales	26.4	30.5	-	56.9
Net sales	**30.1**	**30.5**	**-3.7**	**56.9**

Segment performance Q1 2021

USD million	Ingredients	First Quarter 2021 Brands	Adj	Total
Net sales	30.3	23.2	-3.4	50.1
Cost of goods sold	-17.9	-17.3	2.3	-32.9
Gross profit	**12.4**	**5.9**	**-1.1**	**17.2**
SG&A	-14.3	-5.4	-	-19.7
Depreciation, amortization and impairment	-3.1	-0.6	-1.2	-4.8
Other operating income/(cost), net	0.2	-	-	0.2
Operating profit	**-4.9**	**0**	**-2.2**	**-7.1**
Net financial items	-3	-0.6	1.3	-2.4
Profit (loss) before tax	**-7.9**	**-0.6**	**-1**	**-9.5**
Tax expense	0.2	-0.5	-	-0.3
Net profit (loss)	**-7.7**	**-1.2**	**(1)**	**-9.9**

EBITDA reconciliation

USD million		Ingredients	First Quarter 2021 Brands	Adj	Total
Net profit (loss)		**-7.7**	**-1.2**	**(1)**	**-9.9**
Tax expense		-0.2	0.5	-	0.3
Net financial items		3	0.6	-1.3	2.4
Depreciation and amortization non-production assets		3.1	0.6	1.2	4.8
Depreciation and amortization production assets	1)	8.2	-	-	8.2
EBITDA		**6.4**	**0.5**	**-1.1**	**5.9**
Special Operating Items		0.9	-	-	0.9
Adjusted EBITDA		**7.3**	**0.5**	**-1.1**	**6.8**
Adj EBITDA margin %		*24%*	*2%*	*22%*	*14%*
Gross profit %		41%	25%	*16%*	34%

1) Included in Cost of Goods Sold

Balance sheet items

USD million	Ingredients	As of 31 March 2021 Brands	Adj	Total
Property, plant and equipment	332.5	0.3	-	332.8
Right to use asset (leasing)	14.3	0.5	-	14.8
Intangible assets	113.8	2.1	62.7	178.6
Cash and cash equivalents	5.6	8.3	-	13.9
Inventory	95.1	38.2	-3.7	129.6
Interest-bearing debt	-244.0	-66.1	2.9	-307.1
Net interest free asset and liabilities	49.6	5.1	-51.1	3.7
Total equity	**367**	**-11.4**	**10.7**	**366.3**

USD million	Ingredients	First Quarter 2021 Brands	Adj	Total
Internal sales	3.4	-	-3.4	-
External sales	26.9	23.2	-	50.1
Net sales	**30.3**	**23.2**	**-3.4**	**50.1**

Segment performance Year 2021

USD million	Ingredients	Year 2021 Brands	Adj	Total
Net sales	169.6	110.4	-17.9	262.1
Cost of goods sold	-109	-81.7	16.7	-174
Gross profit	**60.6**	**28.7**	**-1.2**	**88.1**
SG&A	-59.2	-26.5	-0.1	-85.7
Depreciation, amortization and impairment	-17.2	-2	-	-19.2
Other operating income/(cost), net	3.1	-	-	3.1
Operating profit	**-12.6**	**0.2**	**-1.3**	**-13.7**
Net financial items	-12.6	-2.7	21.5	6.3
Profit (loss) before tax	**-25.2**	**-2.5**	**20.3**	**-7.4**
Tax expense	1.2	-1.8	-	-0.6
Net profit (loss)	**-24**	**-4.3**	**20.3**	**-8.0**

EBITDA reconciliation USD million	Ingredients	Year 2021 Brands	Adj	Total
Net profit (loss)	**-24**	**-4.3**	**20.3**	**-8.0**
Tax expense	-1.2	1.8	-	0.6
Net financial items	12.6	2.7	-21.5	-6.3
Depreciation and amortization non-production assets	17.2	2.0	-	19.2
Depreciation and amortization production assets [1)]	37.7	-	-	37.7
EBITDA	**42.3**	**2.2**	**-1.3**	**43.2**
Special Operating Items	3.7	0.3	0.7	4.7
Adjusted EBITDA	**46**	**2.5**	**-0.6**	**47.9**
Adj EBITDA margin %	27%	2%	25%	*18%*
Gross profit %	36%	26%	10%	*34%*

1) Included in Cost of Goods Sold

Balance sheet items USD million	Ingredients	As of 31 December 2021 Brands	Adj	Total
Property, plant and equipment	327.5	0.4	-	327.9
Right to use asset (leasing)	10.8	0.4	-	11.3
Intangible assets	108.2	2.6	60.7	171.5
Cash and cash equivalents	5.9	5.2	-	11.1
Inventory	104.2	39.4	-5.4	138.2
Interest-bearing debt	-324.8	-	-	-324.8
Net interest free asset and liabilities	80.1	6.3	-51.2	35.2
Total equity	**311.9**	**54.4**	**4.1**	**370.4**

USD million	Ingredients	Year 2021 Brands	Adj	Total
Internal sales	17.9	-	-17.9	-
External sales	151.7	110.4	-	262.1
Net sales	**169.6**	**110.4**	**-17.9**	**262.1**

NOTE 3 ADJUSTED EBITDA

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

The EMT has provided the following information at 31 March 2022:

USD million		First Quarter 2022	First Quarter 2021	Year 2021
Net profit (loss)		-9.8	-9.9	-8.0
Tax expense		-0.4	0.3	0.6
Net financial items		4.7	2.4	-6.3
Operating profit		-5.5	-7.1	-13.7
Depreciation, amortization and impairment non-production assets		4.1	4.8	19.2
Depreciation, amortization and impairment production assets	1)	9.4	8.2	37.7
EBITDA		8.1	5.9	43.2
Special operating items		-	0.9	4.7
Adjusted EBITDA		8.1	6.8	47.9

1) Included in cost to inventory

NOTE 4 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

The Group continuously review significant changes that may impact the financial position and performance, either climate related or other emerging business risks. As of 31 March 2022, the Group has not identified any such risks that could impact the financial performance significantly.

The financial position and performance of the Group was particularly affected by the following events and transactions during Q1-2022:

- Increase in revenue from Kori krill oil in the Brands segment impacting adjustments between segments (see note 2)
- Costs associated with the Group's operations in Montevideo have been assessed as production related costs due to operational changes over time. Costs were previously recognized as 'Selling general and administrative', but is from Q1-22 onwards treated as inventoriable costs (see note 8)
- Implementation of employee share option program (see statement of changes in equity)
- The investments the Group has had in the circularity business through the wholly owned subsidiary Aion AS have been presented as 'Assets held for sale' (see note 9)

The Group has sufficient headroom to ensure compliance with covenants under its existing borrowings and sufficient working capital and undrawn financing facilities to service its operating activities and ongoing investments.

Covid-19 implications:

The Group has adapted to the extraordinary circumstances following the Covid-19 pandemic. As described in the Consolidated Financial Statements 2021 (see note 1), the Group has implemented several operational mitigating measures on the vessels and in the Houston facility to avoid negative impact on the financial performance of the Group.

The main change from the last reporting period is increased travel activity amongst sales staff, such as travel to customer meetings and trade shows.

The Group has since the early phase of the pandemic monitored estimates for losses on trade and other receivables. As of the date of this interim financial statement, no significant changes in estimates have been performed.

Russia-Ukraine implications:

With regards to the ongoing war between Russia and Ukraine, the Group continuously assesses how this could impact the global operations and financial estimates. Due to the far-reaching nature of the global sanctions the longer term financial implications for the Group are difficult to predict.

As disclosed as a Subsequent events in the Consolidated Financial Statements 2021 (see note 26), the Group employ Russian and Ukrainian crew through third party companies. Due to Russia's limited access to the SWIFT system, the third-party's ability to pay some of the Russian crew continues to be difficult. These challenges have been solved by other measures typical in the industry (such as cash payments and deferred payments). The Group has implemented internal controls to account for these operational changes.

During the quarter, the Group has also assessed other implications from the Russia-Ukraine war. It is confirmed that the Group does not have other business activity (including investments, customers, and suppliers) in Russia or Ukraine. Furthermore, the Group does not hold any foreign currency other than USD, NOK and EUR on the balance sheet. Based on a high-level analysis of the Groups' main customers and suppliers, none of them have Russian ownership or other key relations.

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

As of 31 March, 2022 USD thousands	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2022	**272.3**	**161.3**	**25.6**	**18.8**	**478**
Investments	2.1	1.2	2.5	0.2	6.0
Asset retirements	-5.3	-0.3	-	-	-5.6
Other reclassifications	0.8	-	-1.0	-	-0.2
Acquisition cost as of 31 March, 2022	**269.9**	**162.2**	**27.1**	**19.0**	**478.2**
Acc. depreciation and impairment as of 1 January, 2022	**-76.6**	**-66.8**	**-2.7**	**-4.1**	**-150.1**
Depreciation for the year	-5.0	-4.2	-	-0.1	-9.4
Impairment	-	-	-	-	-
Asset retirements	5.3	0.3	-	-	5.5
Other reclassifications	-	-	-	-	-
Acc. depreciation and impairment as of 31 March, 2022	**-76.4**	**-70.7**	**-2.7**	**-4.2**	**-154.0**
Book value as of 31 March, 2022	**193.5**	**91.5**	**24.5**	**14.8**	**324.3**
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

Investments in 2022:

Investments in machinery and vessels is mainly from the yard installments and harvesting equipment to the vessels. Assets under construction is the continues investments in the INVI plant and LYSOVETA projects.

Asset retirements in 2022:

Mainly deck and harvesting equipment. All components are fully depreciated.

As of 31 March, 2021

USD million	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2021	**206.6**	**157.3**	**12.5**	**18.6**	**395.0**
Investments	0.8	0.8	53.5	-	55.2
Asset retirements	-0.9	-0.6	-	-	-1.5
Other reclassifications	71.7	-	-52.3	-	19.3
Acquisition cost as of 31 March, 2021	**278.1**	**157.6**	**13.7**	**18.6**	**468.0**
Acc. depreciation and impairment as of 1 January, 2021	**-69.7**	**-52.9**	**-2.7**	**-3.3**	**-128.5**
Depreciation for the year	-3.8	-4.3	-	-0.1	-8.2
Impairment	-	-	-	-	-
Asset retirements	0.9	0.6	-	-	1.5
Other reclassifications	-	-	-	-	-
Acc. depreciation and impairment as of 31 March, 2021	**-72.6**	**-56.6**	**-2.7**	**-3.4**	**-135.2**
Book value as of 31 March, 2021	**205.5**	**101.0**	**11.0**	**15.2**	**332.8**
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

As of 31 December, 2021

USD million	Vessels etc.	Machinery	Asset under construction	Buildings and Land	Total
Book value as of 1 January, 2021	**206.6**	**157.3**	**12.5**	**18.6**	**395.0**
Investments	6.7	6.4	65.5	0.2	**78.7**
Sale of vessel	-1.4	-0.5	-	-	**-1.9**
Asset retirements	-	-	-	-	**-**
Other reclassifications 1)	73.5	-	-52.3	-	**21.2**
Acquisition cost as of 31 December, 2021	**285.4**	**163.2**	**25.6**	**18.8**	**493.1**
Acc. depreciation and impairment as of 1 January, 2021	**-69.7**	**-52.9**	**-2.7**	**-3.3**	**-128.5**
Depreciation for the year	-18.9	-15.9	-	-0.6	**-35.3**
Sale of vessel	-	-	-	-	**-**
Impairment	-1.8	-	-	-0.3	**-2.1**
Asset retirements	-	-	-	-	**-**
Other reclassifications	0.6	0.1	-	-	**0.7**
Acc. depreciation and impairment as of 31 December, 2021	**-89.8**	**-68.7**	**-2.7**	**-4.1**	**-165.2**
Book value as of 31 December, 2021	**195.7**	**94.5**	**23.00**	**14.7**	**327.9**
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

Specification depreciation and amortization

USD million	As of 31.03. 2022	As of 31.03. 2021	As of 31.12. 2021
Depreciation for the year for property, plant & equipment	-9.4	-8.2	-35.3
Impairment	-	-22.0	-2.1
Amortization for the year Intangible assets	-2.5	-2.5	-11.9
Amortization for the year Contract cost	-0.5	-0.5	-0.8
Leasing (ROU) depreciation	-1.1	-1.7	-5.6
Total	**-13.5**	**-13.0**	**-55.7**
Depreciation, amortization and impairment non-production assets	-4.1	-4.8	-37.7
Depreciation, amortization and impairment production assets and included in cost to	-9.4	-8.2	-19.2

NOTE 6 INTANGIBLE ASSETS

As of March 31, 2022

USD million	Goodwill	Development	License agreements	Fishing licences	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2022	**94.6**	**8.2**	**2.4**	**10.5**	**91.7**	**5.7**	**213.1**
Additions - external cost	–	1.4	–	–	–	–	1.4
Reclassifications	–	-3.4	–	–	–	–	-3.4
Acquisition cost as of 31 March, 2022	**94.6**	**6.2**	**2.4**	**10.5**	**91.7**	**5.7**	**211.1**
Amortization and impairment losses as of 1 January, 2022	**–**	**-5.3**	**-1.5**	**–**	**-33.9**	**-0.9**	**-41.5**
Amortization for the year	–	–	-0.1	–	-2.4	–	-2.5
Reclassifications	–	0.1	–	–	–	–	0.1
Amortization and impairment losses as of 31 March, 2022	**–**	**-5.2**	**-1.6**	**–**	**-36.3**	**-0.9**	**-44.0**
Book value as of 31 March, 2022	**94.6**	**1.0**	**0.8**	**10.5**	**55.4**	**4.8**	**167.1**
Depreciation period		5-10 years	10-12 years		7-10 years		
Depreciation method		Straight-line	Straight-line		Straight-		

As of March 31, 2021:

USD million	Goodwill	Development	License agreements	Fishing licences	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2021	**94.6**	**5.3**	**2.4**	**10.5**	**91.7**	**5.7**	**210.2**
Additions - external cost	-	0.6	-	-	-	-	0.6
Acquisition cost as of 31 March, 2021	**94.6**	**5.9**	**2.4**	**10.5**	**91.7**	**5.7**	**210.7**
Amortization and impairment losses as of 1 January, 2021	**-**	**-5.2**	**-1**	**-**	**-23.4**	**-**	**-29.6**
Amortization for the year	-	-	-0.1	-	-2.4	-	-2.5
Amortization and impairment losses as of 31 March, 2021	**-**	**-5.2**	**-1.1**	**-**	**-25.8**	**-**	**-32.1**
Book value as of 31 March, 2021	**94.6**	**0.7**	**1.3**	**10.5**	**65.9**	**5.7**	**178.6**
Depreciation period		5-10 years	10-12 years		7-10 years		
Depreciation method		Straight-line	Straight-line		Straight-		

As of 31 December, 2021

USD million	Goodwill	Development	License agreements	Fishing licences	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2021	**94.6**	**5.3**	**2.4**	**10.5**	**91.7**	**5.7**	**210.2**
Additions - external cost	-	-	-	-	-	-	-
Acquisition	-	2.9	-	-	-	-	2.9
Asset retirements	1.4	-	-	-	-	-	-3.4
Reclassifications	-	-	-	-	-	-	-
Acquisition cost as of 31 December, 2021	**94.6**	**8.2**	**2.4**	**10.5**	**91.7**	**5.7**	**213.1**
Amortization and impairment losses as of 1 January, 2021	**-**	**-5.2**	**-1**	**-**	**-23.4**	**-**	**-29.6**
Amortization/ impairment for the year	-	-	-0.5	-	-10.5	-0.9	-11.9
Reclassifications	-	-	-	-	-	-	-
Amortization and impairment losses as of 31 December, 2021	**-**	**-5.3**	**-1.5**	**-**	**-33.9**	**-0.9**	**-41.5**
Book value as of 31 December, 2021	**94.6**	**2.9**	**0.9**	**10.5**	**57.8**	**4.8**	**171.5**
Depreciation period		5-10 years	10-12 years		7-10 years		
Depreciation method		Straight-line	Straight-line		Straight-		

NOTE 7 INVENTORIES

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

The Group's activities in Uruguay have changed from pure logistics to include activities necessary to have sellable product (reprocessing, packaging, labelling, analysis, release etc). Part of logistics operations include nutra storage, ie. part of production storage and distribution costs from factory to sales depot. In Q1-22 the Uruguay costs have been recognized as production related costs.

USD million	Ingredients	Brands	Adj.	Total
Raw materials	-	12.1	-	12.1
Goods under production/ Semi finished	4.9	9.9	-	14.8
Finished goods	115	14.7	-1.3	128.4
Inventory at 31 March 2022	**119.9**	**36.7**	**-1.3**	**155.3**

USD million	Ingredients	Brands	Adj.	Total
Raw materials	-	11.8	-	11.8
Goods under production/ Semi finished	-	13.7	-	13.7
Finished goods	95.1	12.7	-3.7	104.1
Inventory at 31 March 2021	**95.1**	**38.2**	**-3.7**	**129.6**

USD million	Ingredients	Brands	Adj.	Total
Raw materials	–	8.5	–	8.5
Goods under production/ Semi finished	4.9	15.9	–	20.7
Finished goods	99.4	15	-5.4	109
Inventory at 31 December 2021	**104.2**	**39.4**	**-5.4**	**138.2**

NOTE 8 DERIVATIVES

One of the Group's significant operating costs are the fuel costs. As such, the Group is exposed to fuel prices fluctuations since the vessels use fuel while steaming and in production. The profitability and cash Flow of the Group will therefore depend upon the market prices of fuel. In 2021 the operating subsidiary Aker BioMarine Antarctic AS entered option contracts for future delivery of fuel in Rotterdam; that is, the contracts will be settled without physical delivery.

The following table shows remaining contracts with mark-to-market value.

Year	Contracts	Value
2022	19.0	10.8
2023	25.5	7.9
2024	26.5	6.9
Total	**71.0**	**25.6**

NOTE 9 ASSETS HELD FOR SALE

On 29 October 2021 the Group announced its intention to spin off the circularity business Aion AS. During the first quarter of 2022, it has become certain that a sale is highly probable. Consequently, Aion's associated assets and liabilities have been presented as held for sale in the financial statements.

The following assets and liabilities have been reclassified as held for sale in relation to Aion as of 31 March 2022.

USD million	Q1 2022
Assets classified as held for sale	
Intangible assets	3.3
Property, plant and equipment	0.2
Cash and cash equivalents	0.3
Total assets held for sale	**3.8**
Liabilities directly associated with assets classified as held for sales	
Trade and other payables	-1.3
Total liabilities held for sale	**-1.3**

NOTE 10 SUBSEQUENT EVENTS

No subsequent events after the quarter.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

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

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

The Group uses the following APMs in the reporting:

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

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

The following table reconciles Adjusted EBITDA to Operating profit and Net income (loss) in the Condensed consolidated statements of Profit or loss. 'Depreciation, amortization and impairment non-production assets' in the below table is derived directly from the Condensed Consolidated Profit or loss line item 'Depreciation, amortization and impairment'. 'Depreciation, amortization and impairment production assets' in the below table can be reconciled with information in Note 5 'Property, plant and equipment' under line items 'Depreciation for the year' and 'Impairment'.

USD million		First Quarter 2022	First Quarter 2021	Year 2021
Net profit (loss)		**-9.8**	**-9.9**	**-8.0**
Tax expense		-0.4	0.3	0.6
Net financial items		4.7	2.4	-6.3
Operating profit		**-5.5**	**-7.1**	**-13.7**
Depreciation, amortization and impairment non-production assets		4.1	4.8	19.2
Depreciation, amortization and impairment production assets	1)	9.4	8.2	37.7
EBITDA		**8.1**	**5.9**	**43.2**
Special operating items		-	0.9	4.7
Adjusted EBITDA		**8.1**	**6.8**	**47.9**

1) Included in cost to inventory

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

USD million	First Quarter 2022	First Quarter 2021	Year 2021
Discontinued vessel gain and operating cost - 'Gains/ losses on sale of assets'	-	-	(0.4)
Restructuring and legal expenses- SG&A	-	-	2.7
Transaction related costs- SG&A	-	0.9	2.5
Launch cost'- SG&A	-	-	-
Other- 'Cost of goods sold'	-	-	-
Total special operating items	**-**	**0.9**	**4.7**

No cost recognized as APMs as of March 2022. APMs recognized in 2021 is mainly transaction related costs following the listing on Oslo Børs as well as restructuring and legal costs. For further details on APMs in 2021, see the group financial statements for 2021.