



AKER BIOMARINE  
FOURTH QUARTER 2021  
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.

## FOURTH QUARTER HIGHLIGHTS

- Revenues of USD 75.7 million in the quarter
- Adjusted EBITDA of USD 7.2 million, with 9% Adjusted EBITDA margin
- Full-year results in line with guiding: Revenue of USD 262.1 million with Adjusted EBITDA of USD 48.0 million and Adjusted EBITDA margin of 18%
- Sales in the Ingredients segment increased 35% from third quarter with strong sales of Superba krill oil
- Sales in the Brands segment increased 22% from third quarter with increased sales in Epion with shipments to Sam's Club and Costco, both offering Kori nationwide in all stores from early 2022
- Offshore production volumes of 3,101 MT in the quarter and 43,756 MT for the full year
- Continued good performance at the Houston facility with record-high production volumes of krill oil in the quarter
- Refinancing agreement signed and executed

## GROUP FINANCIAL SUMMARY

USD million	Fourth Quarter		Year	
	2021	2020	2021	2020
Net sales	75.7	75.5	262.1	288.6
Gross margin	26%	36%	34%	38%
Operating profit	(5.1)	(3.2)	(13.6)	7.0
Net profit (loss)	(9.1)	2.9	(8.7)	(5.5)
Adjusted EBITDA*	7.2	21.1	48.0	78.1
Cash flow from operations	7.6	5.6	2.6	(51.0)
CAPEX*	(15.1)	(1.9)	(81.1)	(23.7)
Equity	369.7	373.2	369.7	373.2
Total assets	754.8	700.4	754.8	700.4
Net interest-bearing debt	313.7	232.1	313.7	232.1

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

## OPERATIONAL REVIEW

### INGREDIENTS SEGMENT

Harvesting is seasonally low in the fourth quarter, as all vessels go to shore for maintenance in October. This year, the shipyard stay was comprehensive and lasted longer than usual, resulting in fewer fishing days. Total offshore production was 3,101 MT for the quarter, which was 23% above same quarter last year with 1/3 fewer fishing days. For the full year, the offshore production of krill meal was 43,756 MT, down from 44,965 in 2020.

The good performance at the krill oil plant in Houston continued this quarter, and production reached a new all-time-high of 27% above the same period last year and 10% above previous quarter. As a result of the high volumes, the company has sufficient safety stock of krill oil, and will use the opportunity for a 4–6-months plant shutdown in the second half of 2022 to carry out upgrades, both related to flexibility in the production process and implementation of efficiency and quality enhancements. This will consequently reduce the inventory levels.

Ingredients sales were USD 53.7 million for the quarter, down from USD 55.7 million same period last year. However, the growth plan for Superba has already yielded results and the revenue in the Ingredients segment increased by 35% from third quarter with Superba increasing almost 80% and was on par with same period last year. The increase was mainly driven by growth in the US. The company expects fluctuations from quarter to quarter of Superba krill oil sales in the initial growth phase. For the Qrill category, sales were USD 29.8 million in the quarter, in line with the same period last year, and 13% above previous quarter. Sales were impacted by low product availability as a result of low harvesting in 2021. Europe, Asia and Australia remain key markets and the observed market development is good with a continued strong demand recovery for both salmon and shrimp.

### BRANDS SEGMENT

Total sales in Brands were USD 30.0 million, an increase of 22% from same period last year. This is mainly due to significantly increased sales of the company's US consumer brand, Kori, as a result of the national roll-out of the brand in both Sam's Club and Costco with large shipments to both retailers in the quarter. 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 and CVS in the quarter.

The full national physical store distribution to both Sam's Club and Costco is a key milestone for the growth of Kori brand. Once on the shelves, the Kori brand will be found in all of the 550 Costco warehouses and 588 Sam's Club warehouses in the US. Both retailers will feature pallet promotions as part of the launch in early 2022.

	Unit	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	2020	2021
Offshore production, krill meal	Tons	2,522	19,539	13,920	7,195	3,101	44,965	43,756
Revenue per product*:								
Krill Oil	USD mill.	24.4	17.7	16.6	13.3	23.7	99.8	71.3
Qrill Aqua	USD mill.	27.0	9.5	24.5	22.0	27.1	82.9	83.1
Brands	USD mill.	20.4	23.2	32.3	24.8	30.0	104.6	110.4
Other**	USD mill.	3.6	3.1	4.5	4.5	2.8	14.8	14.9

\* Excluding eliminations between Ingredients and Brands

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

## FINANCIAL REVIEW

Revenue in the quarter was USD 75.7 million, on par with the same period last year. Sales in the Ingredients segment was 4% lower at USD 53.7 million, while sales in the Brands segment was 22% higher at USD 30.0 million. Internal sales between segments are eliminated. Gross revenue distribution in the quarter was 64% for Ingredients and 36% for Brands, compared to 69% and 31% respectively in fourth quarter last year.

Adjusted EBITDA was USD 7.2 million, a decrease from USD 21.1 million same period last year. The main reasons for the decline are fourth quarter 2020 adjustments for Kori marketing cost (USD 6.7 million) and logistical cost related to Covid-19 (USD 3.0 million) compared to USD 1.2 million in adjustments this quarter. In addition, the low krill harvesting volumes in 2021 led to high unit cost and consequently an inventory value adjustment of Qrill Aqua down to the expected Net Realizable Value (NRV) affecting the EBITDA for the quarter.

Continuous cost focus throughout the year resulted in a lower SG&A cost also in the fourth quarter with a 10% reduction from same period last year. The freight market is still tight, but the use of air freight was significantly reduced as a result of the improved krill oil safety stock levels at the Houston plant.

In the Ingredients segment, gross margin was 20% in the quarter, down from 35% same period last year. The main reason for the decline was lower obtained average price for Superba krill oil caused by a one-time-sale to a certain customer. For Qrill Aqua, margins increased due to higher realized product prices and lower offshore cost.

In the Brands segment, gross margin for the private label business, Lang, was slightly down in the quarter due to customer and product mix. For Epion, the gross margin was slightly up in the quarter compared to same period last year due to lower cost of goods sold. For the Brands segment as a whole, the gross margin was 31%, in line with same quarter last year. As mentioned above, marketing cost for the Kori brand is not adjusted for in the 2021 figures and amounted to USD 1.4 million in the quarter and USD 8.1 million for the full year 2021.

Total assets at period-end were USD 754.8 million, up from USD 700.4 million at period-2020. The increase relates to inclusion of the service vessel Antarctic Provider, which was delivered in February 2021, as well as build-up of inventory of krill oil as a result of high production in Houston in the year.

Total interest-bearing debt was at USD 324.8 million, including IFRS 16 leasing commitments of USD 11.9 million as of 31 December. Cash amounted to USD 11.1 million, implying net interest-bearing debt of

USD 313.7 million, up from USD 232.1 million same period last year. The increase is mainly due to the Antarctic Provider loan facility in 2021.

Total available liquidity as of 31 December 2021 was USD 106.3 million (cash and available amounts under the debt facilities) compared to USD 105.5 million same period last year.

The company signed and executed its new financing structure with a bank group consisting of DNB Bank, Cooperatieve Rabobank and Nordea Bank. The new facility has a more favorable structure with increased flexibility on covenants, dividends, and indebtedness. The amortization profile is changed as a result of moving from several term loans into a larger corporate revolving credit facility (RCF) and only one term loan for the Endurance vessel. In addition, the new structure includes an uncommitted accordion of USD 100 million. The facility carries the same financial covenants as the old structure, but the leverage covenant threshold (Net interest-bearing debt/LTM Adjusted EBITDA) is increased providing larger headroom medium term. For year-end 2021, the company is compliant.

Cash flow from operations was positive by USD 7.6 million in the quarter, mainly driven by positive change in working capital due to release of inventory. Net cash flow was negative at USD 8.5 million in the quarter due to capital expenditure related to shipyard and innovation projects.

The four year earn-out period for Lang is due in 2022, and with current forecast for the year, the company has revised the total earn-out estimate down from USD 12.1 million to USD 10.7 million. The lower estimated commitment results in reduced debt, and a financial gain of USD 1.4 million is booked in the quarter as net financial item.

Net profit for the quarter was negative USD 9.1 million, and for the full year, negative USD 8.7 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 1.0 million recognized as fuel inventory. The unrealized loss (after rebalancing effects) for the quarter on the remaining option contracts was negative USD 0.8 million recognized in the Condensed consolidated statement of comprehensive income. The total fair value of the remaining options was USD 12.5 million booked as derivative asset.

Total equity was USD 369.7 million implying an equity ratio of around 50%.

For the full year 2021, net sales were USD 262.1 million (USD 288.6 million) and Adjusted EBITDA was USD 48.0 million (USD 78.1 million) with Adjusted EBITDA margin of 18% (27%).

## RISKS AND UNCERTAINTIES

Fluctuations in annual krill harvesting, product quality, ability to develop new products, and market risk for sale of products.

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

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 2020; Material 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 as presented at the Capital Markets Update on 1 December 2021 with expected annual sales growth of between 20-25%, and targeted Adjusted EBITDA margin of 20-25%. Due to the fourth quarter NRV adjustment discussed earlier, a zero-margin contribution is expected from Qrill Aqua in first quarter, and therefore, the company expects most of the EBITDA to be generated in the last three quarters. In addition, sales volume for Superba is not expected to be evenly distributed during the year. First quarter volumes will be impacted by a high sales the previous quarter and an accelerated sales plan throughout 2022.

The global Omega-3 supplement market is expected to grow at an annual compounded rate of around 8% towards 2026 (Grand View Research) largely impacted by a growing health awareness among Asian and US consumers, and the growth in the geriatric population, especially in developed economics. Further, krill and algae are expected to be the main growth drivers due to the declining availability of fish as the main ingredient.

Aker BioMarine expects healthy demand in the aqua market with high Omega-3 prices, especially driven by a tight salmon supply, but also a general strong post Covid-19 recovery within most seafood species.

Furthermore, the company plans for average annual harvesting volumes of 55,000 – 60,000 MT, although there will be seasonal and operational variations from year to year.

Focus on our strategic innovation projects continues:

For Lysoveta, the development continues, including scale-up of commercial and manufacturing activities in the US, the first target market. Aker BioMarine still aims to have regulatory approval for product sale in the US by the end of 2022 with technical samples already available for research. For the pharmaceutical sector, discussions are still ongoing for potential new partnerships as a result of the cooperation with MD3. Aker BioMarine is also exploring other partnership options.

For Aion, there is an ongoing process to spin off the company that is expected to be concluded during first half of 2022.

For INVI, pilot production continues in Tromsø, providing batches for R&D and commercialization purposes. The protein launch plant construction in Norway is scheduled to start in the second quarter 2022.

## OVERVIEW OF NEWSFLOW DURING FOURTH QUARTER AND KEY SUBSEQUENT EVENTS

A selection of the posts below can be found at [www.akerbiomarine.com/news](http://www.akerbiomarine.com/news)

### DATE NEW PUBLICATIONS AND SCIENCE

17 Jan	<i>New study: Krill Oil significantly reduces major cardiovascular risk factors</i> This US study shows that krill oil significantly reduces the triglyceride levels in the blood, an important measure of heart health.
21 Jan	<i>New study: Supplementing with krill oil can support intense power training</i> 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	<i>Krill meal improves health and performance of salmonids</i> Researchers conclude that Antarctic krill products have a positive impact on the feed intake, growth performance, fillet quality and organ health in salmonids.

### DATE OTHER NEWS

18 Oct	Aker BioMarine appoints Thong Luu as SVP and General Manager to lead Asia operations
25 Oct	<i>Aker BioMarine's key patent for krill oil in Europe is validated</i> The European Patent Office has rejected an opposition against Aker BioMarine's patent 2144618, covering most krill oils available on the European market.
28 Oct	<i>Partnership with one of the world's highest ranked e-sports teams</i> Aker BioMarine enters into partnership with Heroic to promote krill oil to sharpen the brain.
8 Nov	<i>Aker BioMarine enters into the pet food market in China</i> The company is increasing its focus in China with six new agreements and strategic partnerships, including with China's leading producer of pet food, Gambol Pet Food Group.
14 Nov	<i>Qrill Pet wins the Triple I Award for Best Pet Food Ingredient</i> Aker BioMarine won the award at the 2 <sup>nd</sup> China International Companion Animal Food Ingredients Conference in Shanghai for its premium ingredients with technology that contributes to the ecosystem of the pet food industry.
1 Dec	<i>Aker BioMarine hosted a Capital Markets Update</i>
17 Jan	<i>Aker BioMarine appoints Simon Seward as new EVP for Human Health &amp; Nutrition</i>
26 Jan	<i>The Antarctic krill fishery is rated as one of the world's most sustainable fisheries</i> Aker BioMarine's Antarctic krill fishery was awarded an A-rating from the Sustainable Fisheries Partnership for the seventh consecutive year.

## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

USD thousands	Note	Fourth Quarter		Year to date	
		2021	2020	2021	2020
Net sales	2	75,725	75,501	262,062	288,588
Cost of goods sold	2	(55,951)	(48,495)	(173,909)	(179,010)
<b>Gross profit</b>		<b>19,773</b>	<b>27,006</b>	<b>88,153</b>	<b>109,578</b>
Selling, general and administrative expense	2	(22,695)	(26,007)	(85,705)	(86,847)
Depreciation, amortization and impairment	2,5,6	(2,347)	(4,585)	(19,170)	(17,125)
Other operating income	2	125	406	3,150	2,348
Other operating cost	2	-	-	-	(954)
<b>Operating profit</b>		<b>(5,143)</b>	<b>(3,181)</b>	<b>(13,573)</b>	<b>7,000</b>
Net financial items		(3,752)	11,879	5,711	(6,312)
Tax expense		(213)	(5,764)	(805)	(6,151)
<b>Net profit (loss)</b>		<b>(9,108)</b>	<b>2,934</b>	<b>(8,667)</b>	<b>(5,463)</b>
<b>Earnings per share to equityholders of Aker BioMarine</b>					
Basic		(0.10)	0.03	(0.10)	(0.07)
Diluted		(0.10)	0.03	(0.10)	(0.07)

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<b>USD thousands</b>	<b>Note</b>	<b>Fourth Quarter</b>		<b>Year</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Net profit (loss)</b>		<b>(9,108)</b>	<b>2,934</b>	<b>(8,667)</b>	<b>(5,463)</b>
<b>Other comprehensive income (loss)</b>					
Defined benefit plan income gains (losses)		(21)	(79)	(21)	(79)
<b>Total items that will not be reclassified to profit and loss</b>		<b>(21)</b>	<b>(79)</b>	<b>(21)</b>	<b>(79)</b>
Translation differences			3		(11)
Translation differences from equity accounted investees					
<b>Total items that may be reclassified subsequently to profit and loss</b>		<b>-</b>	<b>3</b>	<b>-</b>	<b>(11)</b>
Change in fair value cash flow hedges		(849)	3,932	5,166	
<b>Total items that will be reclassified to profit and loss</b>		<b>(849)</b>	<b>3,932</b>	<b>5,166</b>	<b>-</b>
<b>Total other comprehensive income (loss)</b>		<b>(870)</b>	<b>3,856</b>	<b>5,145</b>	<b>(90)</b>
<b>Total comprehensive income (loss)</b>		<b>(9,978)</b>	<b>6,790</b>	<b>(3,522)</b>	<b>(5,553)</b>



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD thousands	Note	As of 31.12. 2021	As of 31.12. 2020
<b>ASSETS</b>			
Property, plant and equipment	5	327,852	266,556
Right to use assets		11,262	13,145
Intangible assets and goodwill	6	171,536	180,552
Contract cost		7,179	9,167
Other non-interest-bearing non-current receivables		11	7,761
Investments in equity-accounted investees		106	130
<b>Total non-current assets</b>		<b>517,946</b>	<b>477,311</b>
Inventories	7	138,095	114,559
Trade receivable and prepaid expenses		75,178	97,885
Derivative assets	8	12,486	-
Cash and cash equivalents		11,132	10,678
<b>Total current assets</b>		<b>236,891</b>	<b>223,121</b>
<b>Total assets</b>		<b>754,836</b>	<b>700,432</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
Share capital		75,853	75,853
Other paid-in equity		493,554	493,554
<b>Total paid-in equity</b>		<b>569,407</b>	<b>569,407</b>
Translation differences and other reserves		143	143
Retained earnings		(199,834)	(196,380)
<b>Total equity</b>		<b>369,716</b>	<b>373,170</b>
Interest-bearing debt	9	294,111	210,578
Other non-interest-bearing non-current liabilities		15,863	45,740
<b>Total non-current liabilities</b>		<b>309,974</b>	<b>256,317</b>
Interest-bearing current liabilities	9	30,731	32,222
Accounts payable and other payables		44,415	38,723
<b>Total current liabilities</b>		<b>75,145</b>	<b>70,945</b>
<b>Total liabilities</b>		<b>385,120</b>	<b>327,262</b>
<b>Total equity and liabilities</b>		<b>754,836</b>	<b>700,432</b>

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

USD thousands	Note	Fourth Quarter		Year	
		2021	2020	2021	2020
Net profit (loss) after tax		(9,108)	2,935	(8,667)	(5,463)
Tax expenses		213	5,764	805	6,151
Net interest and guarantee expenses		3,639	2,471	13,658	17,861
Interest paid		(4,572)	(3,348)	(12,799)	(30,749)
Interest received		9	426	19	871
Taxes paid		(127)	(2,993)	3,221	(2,332)
Other P&L items with no cash flow effect		(1,500)	(6,547)	(21,100)	(6,547)
Impairment charges		1,925	1,202	5,807	43
Depreciation and amortization		7,673	12,760	52,964	48,247
Foreign exchange loss (gain)		126	1576	(183)	314
Change in accounts receivable, other current receivables, inventories, accounts payable and other		9,325	(26,483)	(31,107)	(79,439)
<b>Net cash flow from operating activities</b>		<b>7,604</b>	<b>(12,239)</b>	<b>2,619</b>	<b>(51,043)</b>
Payments for property, plant and equipment		(14,138)	(11,906)	(78,686)	(21,654)
Proceeds from sale of property, plant and equipment		-	219	-	22,012
Payments for intangibles		(974)	10,000	(2,421)	(2,055)
Investments in subsidiary and associated companies		-	(356)	22	(356)
<b>Net cash flow from investing activities</b>		<b>(15,111)</b>	<b>(2,043)</b>	<b>(81,085)</b>	<b>(2,053)</b>
Proceeds from issue of debt and change in overdraft facility		2,836	5,689	4,192	(16,462)
Net change in external interest-bearing debt		(3,787)	(1,588)	74,723	(83,757)
Loan from owners		-	5	-	23,000
Repayments to owners		-	-	-	(96,795)
Net funds from issue of shares		-	-	4	224,178
<b>Net cash flow from financing activities</b>		<b>(951)</b>	<b>11,905</b>	<b>78,919</b>	<b>50,163</b>
<b>Net change in cash and cash equivalents</b>		<b>(8,458)</b>	<b>(2,377)</b>	<b>453</b>	<b>(2,932)</b>
<b>Cash and cash equivalents beginning of the period</b>		<b>19,589</b>	<b>13,055</b>	<b>10,678</b>	<b>13,610</b>
<b>Cash and cash equivalents end of period</b>		<b>11,131</b>	<b>10,678</b>	<b>11,131</b>	<b>10,678</b>

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<b>USD thousands</b>	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total
<b>Balance as of December 31, 2020</b>	<b>75,853</b>	<b>529,896</b>	<b>(36,342)</b>	<b>143</b>	<b>(196,380)</b>	<b>373,170</b>
Net profit (loss)	–	–	–	–	(8,667)	(8,667)
Other comprehensive income (loss)	–	–	–	–	5,166	5,166
Other items	–	–	–	–	46	46
<b>Total comprehensive income (loss)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3,455)</b>	<b>(3,455)</b>
<b>Balance as of December 31, 2021</b>	<b>75,853</b>	<b>529,896</b>	<b>(36,342)</b>	<b>143</b>	<b>(199,835)</b>	<b>369,716</b>

**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 2020. 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 judgements, estimates and assumptions each reporting period. The main judgements, estimates and assumptions are described in the Annual consolidated financial statements for 2020 (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 2020 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 2020, 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 Q4, full year 2021 and comparable periods. The table below also shows the basis on which revenue is recognized.

USD thousands	Fourth Quarter 2021			Total
	Ingredients	Brands	Adj	
Net sales	53,702	30,036	(8,013)	75,725
Cost of goods sold	(43,188)	(20,772)	8,008	(55,951)
<b>Gross profit</b>	<b>10,514</b>	<b>9,264</b>	<b>(4)</b>	<b>19,773</b>
SG&A	(14,758)	(6,267)	(1,670)	(22,695)
Depreciation, amortization and impairment	(5,387)	(437)	3,476	(2,347)
Other operating income/(cost), net	125	-	-	125
<b>Operating profit</b>	<b>(9,506)</b>	<b>2,560</b>	<b>1,802</b>	<b>(5,143)</b>
Net financial items	(3,683)	(759)	690	(3,752)
<b>Profit (loss) before tax</b>	<b>(13,189)</b>	<b>1,801</b>	<b>2,492</b>	<b>(8,895)</b>
Tax expense	(213)	-	-	(213)
<b>Net profit (loss)</b>	<b>(13,402)</b>	<b>1,801</b>	<b>2,492</b>	<b>(9,108)</b>

EBITDA reconciliation USD thousands	Fourth Quarter 2021			Total
	Ingredients	Brands	Adj	
<b>Net profit (loss)</b>	<b>(13,402)</b>	<b>1,801</b>	<b>2,492</b>	<b>(9,108)</b>
Tax expense	213	-	-	213
Net financial items	3,683	759	(690)	3,752
Depreciation and amortization non-production assets	5,387	437	(3,476)	2,347
Depreciation and amortization production assets <sup>1)</sup>	8,812	-	-	8,812
<b>EBITDA</b>	<b>4,693</b>	<b>2,997</b>	<b>(1,674)</b>	<b>6,016</b>
Special Operating Items	188	300	700	1,188
<b>Adjusted EBITDA</b>	<b>4,881</b>	<b>3,297</b>	<b>(974)</b>	<b>7,204</b>
Adj EBITDA margin %	9%	11%	-2%	10%
Gross profit %	20%	31%	-11%	26%

1) Included in Cost of Goods Sold

USD thousands	Fourth Quarter 2021			Total
	Ingredients	Brands	Adj	
Internal sales	8,013	-	(8,013)	-
External sales	45,689	30,036	-	75,725
<b>Net sales</b>	<b>53,702</b>	<b>30,036</b>	<b>(8,013)</b>	<b>75,725</b>

## Segment performance Year 2021

USD thousands	Year 2021			
	Ingredients	Brands	Adj	Total
Net sales	169,565	110,371	(17,874)	262,062
Cost of goods sold	(108,857)	(81,709)	16,657	(173,909)
<b>Gross profit</b>	<b>60,708</b>	<b>28,662</b>	<b>(1,217)</b>	<b>88,153</b>
SG&A	(59,152)	(25,762)	(792)	(85,705)
Depreciation, amortization and impairment	(17,173)	(2,012)	15	(19,170)
Other operating income/(cost), net	3,150	-	-	3,150
<b>Operating profit</b>	<b>(12,467)</b>	<b>888</b>	<b>(1,994)</b>	<b>(13,573)</b>
Net financial items	(13,167)	(2,665)	21,543	5,711
<b>Profit (loss) before tax</b>	<b>(25,634)</b>	<b>(1,777)</b>	<b>19,549</b>	<b>(7,862)</b>
Tax expense	1,193	(1,998)	-	(805)
<b>Net profit (loss)</b>	<b>(24,441)</b>	<b>(3,774)</b>	<b>19,549</b>	<b>(8,667)</b>

EBITDA reconciliation USD thousands	Year 2021			
	Ingredients	Brands	Adj	Total
<b>Net profit (loss)</b>	<b>(24,441)</b>	<b>(3,774)</b>	<b>19,549</b>	<b>(8,667)</b>
Tax expense	(1,193)	1,998	-	805
Net financial items	13,167	2,665	(21,543)	(5,711)
Depreciation and amortization non-production assets	17,173	2,012	(15)	19,170
Depreciation and amortization production assets <sup>1)</sup>	37,706	-	-	37,706
<b>EBITDA</b>	<b>42,412</b>	<b>2,900</b>	<b>(2,009)</b>	<b>43,303</b>
Special Operating Items	3,720	300	700	4,720
<b>Adjusted EBITDA</b>	<b>46,132</b>	<b>3,200</b>	<b>(1,309)</b>	<b>48,023</b>
Adj EBITDA margin %	27%	3%	24%	18%
Gross profit %	36%	26%	10%	34%

1) Included in Cost of Goods Sold

USD thousands	Year 2021			
	Ingredients	Brands	Adj	Total
Internal sales	17,874	-	(17,874)	-
External sales	151,691	110,371	-	262,062
<b>Net sales</b>	<b>169,565</b>	<b>110,371</b>	<b>(17,874)</b>	<b>262,062</b>

Balance sheet items USD thousands	Year 2021			
	Ingredients	Brands	Adj	Total
Property, plant and equipment	327,543	309	-	327,852
Right to use asset (leasing)	10,818	444	-	11,262
Intangible assets	108,178	2,628	60,730	171,536
Cash and cash equivalents	5,920	5,212	-	11,132
Inventory	104,207	39,415	(5,527)	138,095
Interest-bearing debt	(324,842)	-	-	(324,842)
Net interest free asset and liabilities	79,564	6,346	(51,229)	34,681
<b>Total equity</b>	<b>311,388</b>	<b>54,354</b>	<b>3,974</b>	<b>369,716</b>

## Segment performance fourth quarter 2020

USD thousands	Fourth Quarter 2020			Total
	Ingredients	Brands	Adj	
Net sales	55,657	24,692	(4,849)	75,501
Cost of goods sold	(36,000)	(18,270)	5,775	(48,495)
<b>Gross profit</b>	<b>19,657</b>	<b>6,422</b>	<b>926</b>	<b>27,005</b>
SG&A	(15,785)	(10,222)	-	(26,007)
Depreciation, amortization and impairment	(3,359)	(74)	(1,152)	(4,585)
Other operating income/(cost), net	406	-	-	406
<b>Operating profit</b>	<b>918</b>	<b>(3,874)</b>	<b>(226)</b>	<b>(3,181)</b>
Net financial items	3,117	(84)	8,846	11,879
<b>Profit (loss) before tax</b>	<b>4,035</b>	<b>(3,958)</b>	<b>8,620</b>	<b>8,698</b>
Tax expense	(4,201)	(1,563)	-	(5,764)
<b>Net profit (loss)</b>	<b>(166)</b>	<b>(5,521)</b>	<b>8,620</b>	<b>2,934</b>

EBITDA reconciliation USD thousands	Fourth Quarter 2020			Total
	Ingredients	Brands	Adj	
<b>Net profit (loss)</b>	<b>(166)</b>	<b>(5,521)</b>	<b>8,620</b>	<b>2,934</b>
Tax expense	4,201	1,563	-	5,764
Net financial items	(3,117)	84	(8,846)	(11,879)
Depreciation and amortization non-production assets	3,359	74	1,152	4,585
Depreciation and amortization production assets <sup>1)</sup>	9,549	(2)	2	9,549
<b>EBITDA</b>	<b>13,826</b>	<b>(3,802)</b>	<b>928</b>	<b>10,953</b>
Special Operating Items	3,438	6,671	-	10,109
<b>Adjusted EBITDA</b>	<b>17,265</b>	<b>2,869</b>	<b>928</b>	<b>21,062</b>
Adj EBITDA margin %	31%	12%	19%	28%
Gross profit %	35%	26%	9%	36%

1) Included in Cost of Goods Sold

USD thousands	Fourth Quarter 2020			Total
	Ingredients	Brands	Adj	
Internal sales	4,849	-	(4,849)	-
External sales	50,808	24,692	-	75,501
<b>Net sales</b>	<b>55,657</b>	<b>24,692</b>	<b>(4,849)</b>	<b>75,501</b>

## Segment performance Year 2020

USD thousands	Year 2020			Total
	Ingredients	Brands	Adj	
Net sales	198,398	104,416	(14,226)	288,588
Cost of goods sold	(115,468)	(77,596)	14,054	(179,010)
<b>Gross profit</b>	<b>82,930</b>	<b>26,820</b>	<b>(172)</b>	<b>109,578</b>
SG&A	(57,480)	(29,367)	–	(86,847)
Depreciation, amortization and impairment	(12,254)	(261)	(4,610)	(17,125)
Other operating income/(cost), net	1,394	–	–	1,394
<b>Operating profit</b>	<b>14,590</b>	<b>(2,808)</b>	<b>(4,782)</b>	<b>7,000</b>
Net financial items	(12,337)	(652)	6,677	(6,312)
<b>Profit (loss) before tax</b>	<b>2,254</b>	<b>(3,461)</b>	<b>1,895</b>	<b>688</b>
Tax expense	(2,811)	(3,340)	–	(6,151)
<b>Net profit (loss)</b>	<b>(557)</b>	<b>(6,801)</b>	<b>1,895</b>	<b>(5,463)</b>

EBITDA reconciliation USD thousands	Year 2020			Total
	Ingredients	Brands	Adj	
<b>Net profit (loss)</b>	<b>(557)</b>	<b>(6,801)</b>	<b>1,895</b>	<b>(5,463)</b>
Tax expense	2,811	3,340	–	6,151
Net financial items	12,337	652	(6,677)	6,312
Depreciation and amortization non-production assets	12,254	261	4,610	17,125
Depreciation and amortization production assets 1)	32,518	–	–	32,518
<b>EBITDA</b>	<b>59,362</b>	<b>(2,547)</b>	<b>(172)</b>	<b>56,643</b>
Special Operating Items	4,446	17,016	–	21,462
<b>Adjusted EBITDA</b>	<b>63,809</b>	<b>14,469</b>	<b>(172)</b>	<b>78,106</b>
Adj EBITDA margin %	32%	14%	18%	27%
Gross profit %	42%	26%	16%	38%

1) Included in Cost of Goods Sold

USD thousands	Year 2020			Total
	Ingredients	Brands	Adj	
Internal sales	14,226	-	(14,226)	-
External sales	184,172	104,416	-	288,588
<b>Net sales</b>	<b>198,398</b>	<b>104,416</b>	<b>(14,226)</b>	<b>288,588</b>

To reflect presentation and disclosure changes done in Q4-20 'Net sales' across the Ingredients and Brands segment has changed from USD 20.1 million to USD 24.7 million in Q4-21. Total Net sales for the group has not changed. It does not impact the year to date figures and reflect what is reported to EMT.



## NOTE 3 ADJUSTED EBITDA

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

The EMT has provided the following information at 31 December 2021:

USD thousands	Fourth Quarter		Year	
	2021	2020	2021	2020
<b>Net profit (loss)</b>	<b>(9,108)</b>	<b>2,934</b>	<b>(8,667)</b>	<b>(5,463)</b>
Tax expense	213	5,764	805	6,151
Net financial items	3,752	(11,879)	(5,711)	6,312
<b>Operating profit</b>	<b>(5,143)</b>	<b>(3,181)</b>	<b>(13,573)</b>	<b>7,000</b>
Depreciation, amortization and impairment non-production assets	2,347	4,585	19,170	17,125
Depreciation, amortization and impairment production assets <sup>1)</sup>	8,812	9,549	37,706	32,518
<b>EBITDA</b>	<b>6,016</b>	<b>10,953</b>	<b>43,303</b>	<b>56,643</b>
Special operating items	1,188	10,109	4,720	21,462
<b>Adjusted EBITDA</b>	<b>7,204</b>	<b>21,062</b>	<b>48,023</b>	<b>78,106</b>

1) Included in cost to inventory

## NOTE 4 MEASUREMENT UNCERTAINTY

As a result of the Covid-19 outbreak in 2020 there has been significant volatility in the global markets. A review of significant estimates and underlying assumptions has been conducted. The Group has since the early phase of the crisis started and continued monitoring of estimates for losses of receivables. As of the date of these interim financial statement, no significant changes in estimates have been performed.

Other than those explained in the Alternative Performance Measure section, the Group has not identified any material impact from Covid-19 in the condensed consolidated financial statement as of 31 December 2021 which requires any changes in the management's judgement, estimates or assumptions.

## NOTE 5 PROPERTY, PLANT AND EQUIPMENT

As of 31 December, 2021

<b>USD thousands</b>	<b>Vessels, transportation, equipment, etc</b>	<b>Machinery</b>	<b>Asset under construction</b>	<b>Buildings and Land</b>	<b>Total</b>
<b>Acquisition cost as of 1 January, 2021</b>	<b>206,606</b>	<b>157,337</b>	<b>12,481</b>	<b>18,623</b>	<b>395,047</b>
Investments	6,683	6,360	65,463	180	<b>78,686</b>
Asset retirements	(14,545)	(2,412)	-	-	<b>(16,957)</b>
Other reclassifications	77,766	10	(52,336)	-	<b>25,440</b>
<b>Acquisition cost as of 31 December, 2021</b>	<b>272,281</b>	<b>161,295</b>	<b>25,608</b>	<b>18,803</b>	<b>477,987</b>
<b>Acc. depreciation and impairment as of 1 January, 2021</b>	<b>(69,699)</b>	<b>(52,883)</b>	<b>(2,655)</b>	<b>(3,254)</b>	<b>(128,491)</b>
Depreciation for the year	(18,886)	(15,860)	-	(557)	<b>(35,303)</b>
Impairment	(1,812)	-	-	(271)	<b>(2,083)</b>
Asset retirements	9,463	1,905	-	-	<b>11,368</b>
Other reclassifications	606	67	-	(7)	<b>666</b>
<b>Acc. depreciation and impairment as of 31 December, 2021</b>	<b>(76,620)</b>	<b>(66,770)</b>	<b>(2,655)</b>	<b>(4,089)</b>	<b>(150,135)</b>
<b>Book value as of 31 December, 2021</b>	<b>195,661</b>	<b>94,524</b>	<b>22,953</b>	<b>14,714</b>	<b>327,852</b>
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

Investments in 2021:

In February 2021, the subsidiary Aker BioMarine Antarctic AS took delivery of the supply vessel, the Antarctic Provider. Antarctic Provider was delivered at the CIMC Raffles yard in Yantai, China 5 February 2021 and was operational from the second quarter 2021. The vessel replaced La Manche, the Group's previous supply vessel. Compared with La Manche, Antarctic Provider offers several improvements and efficiencies to the Group's offshore operation and is expected to generate savings for the years to come. Total project purchase price amounted to USD 75.0 million which was 80% debt financed, including a facility tranche from GIEK and Eksfin.

In addition to the investment in Antarctic Provider, the Group has had its annual shipyard in Q4-21 where all the vessels were upgraded. Shipyard expenses amounted to USD 6.1 million in 2021.

Asset retirements in 2021:

In October 2021, the Group sold its old supply vessel La Manche for USD 1.7 million to Avsar Gemi Sokum Sanayii Ltd. During the year the vessels' book value was adjusted down to its selling price, net of fees and proceeds payable to ship brokers. After the impairment in Q2-21 the sale resulted in a gain of USD 0.5m in Q3-21 which has been recognized under 'Other income' in the Condensed consolidated statements of profit or loss

As of 31 December, 2020

<b>USD thousands</b>	<b>Vessels, transportation, equipment, etc</b>	<b>Machinery</b>	<b>Asset under construction</b>	<b>Buildings and Land</b>	<b>Total</b>
<b>Acquisition cost as of 1 January, 2020</b>	<b>215,303</b>	<b>134,009</b>	<b>41,222</b>	<b>18,559</b>	<b>409,092</b>
Investments	4,145	7,088	10,355	66	21,654
Sale of vessel	–	–	(26,336)	–	(26,336)
Asset retirements	(1,535)	(2,793)	–	(2)	(4,330)
Other reclassifications	(11,307)	19,033	(12,760)	–	(5,034)
<b>Acquisition cost as of 31 December, 2020</b>	<b>206,606</b>	<b>157,337</b>	<b>12,481</b>	<b>18,623</b>	<b>395,047</b>
<b>Acc. depreciation and impairment as of 1 January, 2020</b>	<b>(59,404)</b>	<b>(36,312)</b>	<b>(8,555)</b>	<b>(2,454)</b>	<b>(106,726)</b>
Depreciation for the year	(15,751)	(14,571)	–	(554)	(30,875)
Sale of vessel	–	–	5,900	–	5,900
Impairment	(1,150)	–	–	(246)	(1,396)
Asset retirements	1,535	2,324	–	–	3,859
Other reclassifications	5,071	(4,324)	–	–	747
<b>Acc. depreciation and impairment as of 31 December, 2020</b>	<b>(69,699)</b>	<b>(52,883)</b>	<b>(2,655)</b>	<b>(3,254)</b>	<b>(128,491)</b>
<b>Book value as of 31 December, 2020</b>	<b>136,907</b>	<b>104,454</b>	<b>9,826</b>	<b>15,369</b>	<b>266,556</b>
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

*Specification depreciation and amortization*

<b>USD thousands</b>	<b>As of 31.12. 2021</b>	<b>As of 31.12. 2020</b>
Depreciation for the year for property, plant & equipment	(35,293)	(30,875)
Impairment	(2,083)	(1,396)
Amortization for the year Intangible assets	(11,937)	(10,158)
Amortization for the year Contract cost	(2,000)	(833)
Leasing (ROU) depreciation	(5,563)	(6,381)
<b>Total</b>	<b>(56,876)</b>	<b>(49,643)</b>
Depreciation, amortization and impairment non-production assets	(19,170)	(17,125)
Depreciation, amortization and impairment production assets and included in cost to inventory	(37,706)	(32,518)

## NOTE 6 INTANGIBLE ASSETS

As of December 31, 2021:

USD thousands	Goodwill	Development	License agreements	Fishing licences	Customer relation	Trademark	Total
<b>Acquisition cost as of 1 January, 2021</b>	<b>94,612</b>	<b>5,318</b>	<b>2,396</b>	<b>10,500</b>	<b>91,650</b>	<b>5,675</b>	<b>210,151</b>
Additions - external cost	-	2,921	-	-	-	-	2,921
<b>Acquisition cost as of 31 December, 2021</b>	<b>94,612</b>	<b>8,239</b>	<b>2,396</b>	<b>10,500</b>	<b>91,650</b>	<b>5,675</b>	<b>213,072</b>
<b>Amortization and impairment losses as of 1 January, 2021</b>	<b>-</b>	<b>(5,245)</b>	<b>(959)</b>	<b>-</b>	<b>(23,395)</b>	<b>-</b>	<b>(29,599)</b>
Amortization for the year	-	(44)	(532)	-	(10,461)	(900)	(11,937)
<b>Amortization and impairment losses as of 31 December, 2021</b>	<b>-</b>	<b>(5,289)</b>	<b>(1,491)</b>	<b>-</b>	<b>(33,856)</b>	<b>(900)</b>	<b>(41,536)</b>
<b>Book value as of 31 December, 2021</b>	<b>94,612</b>	<b>2,950</b>	<b>905</b>	<b>10,500</b>	<b>57,794</b>	<b>4,775</b>	<b>171,536</b>
Depreciation period		5-10 years	10-12 years		7-10 years		
Depreciation method		Straight-line	Straight-line		Straight-		

Additions in 2021:

Additions in 2021 primarily include development cost on Aion's proprietary Circularity as a Service (CaaS) platform as well as development of new products in Epion Brands LLC.

As of December 31, 2020:

USD thousands	Goodwill	Development	License agreements	Fishing licences	Customer relation	Trademark	Total
<b>Acquisition cost as of 1 January, 2020</b>	<b>94,557</b>	<b>5,318</b>	<b>2,396</b>	<b>10,500</b>	<b>91,293</b>	<b>5,675</b>	<b>209,739</b>
Additions - external cost	55	-	-	-	-	-	55
Acquisition	-	-	-	-	357	-	357
<b>Acquisition cost as of 31 December, 2020</b>	<b>94,612</b>	<b>5,318</b>	<b>2,396</b>	<b>10,500</b>	<b>91,650</b>	<b>5,675</b>	<b>210,151</b>
<b>Amortization and impairment losses as of 1 January, 2020</b>	<b>-</b>	<b>(5,245)</b>	<b>(578)</b>	<b>-</b>	<b>(13,619)</b>	<b>-</b>	<b>(19,442)</b>
Amortization for the year	-	-	(532)	-	(9,625)	-	(10,157)
Reclassifications	-	-	151	-	(151)	-	-
<b>Amortization and impairment losses as of 30 September, 2020</b>	<b>-</b>	<b>(5,245)</b>	<b>(959)</b>	<b>-</b>	<b>(23,395)</b>	<b>-</b>	<b>(29,599)</b>
<b>Book value as of 31 December, 2020</b>	<b>94,612</b>	<b>73</b>	<b>1,437</b>	<b>10,500</b>	<b>68,255</b>	<b>5,675</b>	<b>180,552</b>
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.

During the year there has been a build-up of inventory in the Ingredients segment, from USD 79.3 million at 31 December 2020 to USD 104.2 million as of 31 December 2021. The inventory levels have been relatively flat in the Brands segment throughout the periods. In the Ingredients segment there has been an adjustment of USD 7.0 million to reflect the net realizable value of the products. The adjustment of USD 5.5 million in the table below is the elimination of internal profit in Brands inventory.

USD thousands	Ingredients	Brands	Adj.	Total
Raw materials	–	8,514	–	8,514
Goods under production/ Semi finished	4,852	15,887	–	20,739
Finished goods	99,355	15,014	(5,527)	108,842
<b>Inventory at 31 December 2021</b>	<b>104,207</b>	<b>39,415</b>	<b>(5,527)</b>	<b>138,095</b>

USD thousands	Ingredients	Brands	Adj.	Total
Raw materials	–	9,943	–	9,943
Goods under production/ Semi finished	–	14,252	–	14,252
Finished goods	80,502	12,534	(2,672)	90,364
<b>Inventory at 31 December 2020</b>	<b>80,502</b>	<b>36,729</b>	<b>(2,672)</b>	<b>114,559</b>

**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.

<b>Year</b>	<b>Contracts</b>	<b>Value</b>
2021	7,552	952
2022	25,875	6,161
2023	25,546	3,033
2024	26,511	2,637
<b>Total</b>	<b>85,484</b>	<b>12,783</b>

## NOTE 9 BORROWINGS

On 30 November 2021, Aker BioMarine Antarctic AS entered into a new sustainability-linked multicurrency term and revolving facility. The new facility replaces seven different loans in several group companies with one loan with three tranches (RCF, Term Loan and Overdraft). Following the new loan agreement the Group has additional capacity at the parent level, as well as an uncommitted accordion of USD 100 million.

Facility fees of USD 1.8 million were payable to the lender upon signing the new facility. These fees were debited as transaction cost to the loan account, amounting to USD 367.1 million

As at 31 December 2021, the contractual maturities on the group's non-derivative financial liabilities were as follows:

Overview of maturities including estimated interest payments by category of liability:	2021 maturity structure — loans and interest						
	Book value at 31 December, 2021	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
<b>USD thousands</b>							
Current assets	294,738	(325,771)	(9,264)	(9,184)	(18,146)	(247,966)	(41,211)
Interest bearing debt, non-current, related parties	1,334	(1,801)	(93)	(93)	(93)	(93)	(1,427)
Overdraft facility	16,864	-	-	-	-	-	-
Leasing liabilities (IFRS16)	11,904	-	-	-	-	-	-
<b>Total 2021 maturity of loans and interest on interest-bearing debt</b>	<b>324,840</b>	<b>(327,572)</b>	<b>(9,357)</b>	<b>(9,277)</b>	<b>(18,239)</b>	<b>(248,059)</b>	<b>(42,638)</b>
Derivatives	-	3	(8,067)	(929)	-	-	-
Accounts payable and other current liabilities	44,415	(38,721)	(38,721)	-	-	-	-
Non-current non-interest-bearing liabilities	15,865	(10,638)	-	-	-	(10,638)	-
<b>Total liabilities</b>	<b>385,120</b>	<b>(385,926)</b>	<b>(56,145)</b>	<b>(10,206)</b>	<b>(18,239)</b>	<b>(258,697)</b>	<b>(42,638)</b>

## Loan covenants

The new facility provides for a continuation of existing financial covenants; Leverage ratio (net interest-bearing debt/ Adjusted EBITDA) and Interest Cover (Adjusted EBITDA/Net Finance Charges). The loan agreement does not refer to Adjusted EBITDA, but EBITDA before taking into consideration any items (positive or negative) of a one off, non-recurring, extraordinary, unusual or exceptional nature (including but not limited to restructuring expenditures). Such adjustments cannot exceed 10% of EBITDA for the relevant period.

Leverage ratio for the relevant reporting period expiring:

- 31 December 2021: 6.50:1
- 31 March 2022: 6.00:1
- 30 June 2022: 5.50:1
- 30 September 2022 and thereafter: 5.00:1

Interest cover ratio in respect of any reporting period shall not be less than 2.00:1

**NOTE 10 SUBSEQUENT EVENTS**

On 27 January 2022, Aker BioMarine Manufacturing LLC (in Houston, Texas) received USD 5.7m in ethanol tax refund from the US Alcohol and Tobacco tax and Trade Bureau. The refund was calculated based on actual ethanol consumption in 2019 and 2020. The refund was filed in October 2021 after several revisions of actual ethanol consumption and period end balance. Remaining ethanol tax refund to be collected from 2021 consumption is USD 4.0m (part of 'Trade receivable and prepaid expenses' in the Statement of Financial position).



## 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). For additional information on the Group's APM guideline, materiality levels and categories of Special operating items recognized in 2020, please see the APM section in the Annual Report 2020.

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 thousands	Fourth Quarter		Year	
	2021	2020	2021	2020
<b>Net profit (loss)</b>	<b>(9,108)</b>	<b>2,935</b>	<b>(8,667)</b>	<b>(5,463)</b>
Tax expense	213	5,764	805	6,151
Net financial items	3,752	(11,879)	(5,711)	6,312
<b>Operating profit</b>	<b>(5,143)</b>	<b>(3,180)</b>	<b>(13,573)</b>	<b>7,000</b>
Depreciation, amortization and impairment non-production	2,347	4,585	19,170	17,125
Depreciation, amortization and impairment production assets 1)	8,812	9,549	37,706	32,518
<b>EBITDA</b>	<b>6,016</b>	<b>10,954</b>	<b>43,303</b>	<b>56,643</b>
Special operating items	1,188	10,109	4,720	21,462
<b>Adjusted EBITDA</b>	<b>7,204</b>	<b>21,063</b>	<b>48,023</b>	<b>78,106</b>

1) Included in cost to inventory

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

USD thousands	Fourth Quarter		Year	
	2021	2020	2021	2020
Discontinued vessel gain and operating cost - 'Gains/ losses on sale of assets'	-	(63)	(428)	(1,052)
Restructuring and legal expenses- SG&A	1,061	(229)	2,681	362
Transaction related costs- SG&A	127	749	2,467	2,155
Launch cost'- SG&A	-	6,671	-	17,016
Other- 'Cost of goods sold'	-	2,981	-	2,981
<b>Total special operating items</b>	<b>1,188</b>	<b>10,109</b>	<b>4,720</b>	<b>21,462</b>

APMs recognized in 2021 is mainly a continuation of the transaction related costs the Group had in 2020. In Q2-21 the Company's shares were transferred to Oslo Børs. All costs associated with the transfer of venue have been recognized as an APM, as no new equity was raised. During Q4-21, USD 0.1 million was identified transaction related cost (full year USD 2.7 million). As part of the Superba turnaround and other initiatives the Group incurred restructuring and legal related costs amounting to USD 1.1 million in Q4-21 (full year USD 2.7 million).

In Q3-21, the Group sold the supply vessel La Manche with a booked gain of USD 0.4 million.

Launch costs have not been assessed as an APM in 2021 (as the Kori brand was launched in the US in 2020).