Admission Document

Aker BioMarine AS

(Organisation number: 913 915 062)

Admission to trading of outstanding shares on Merkur Market

This admission document (the "**Admission Document**") has been prepared by Aker BioMarine AS (the "**Company**" or "**Aker BioMarine**"), a private limited liability company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**"), solely for use in connection with the admission to trading of the Company's 87,586,086 outstanding shares, each with a par value of NOK 6.00 (the **"Shares"**) on Merkur Market (the "**Admission to Trading**").

The Company's Shares have been admitted for trading on Merkur Market and it is expected that the Shares will start trading on 6 July 2020 under the ticker symbol "AKBM-ME".

Merkur Market is a multilateral trading facility operated by Oslo Børs ASA. Merkur Market is subject to the rules in the Securities Trading Act and the Securities Trading Regulations that apply to such marketplaces. These rules apply to companies admitted to trading on Merkur Market, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on Oslo Børs and Oslo Axess. Merkur Market is not a regulated market, and is therefore not subject to the Stock Exchange Act or to the Stock Exchange Regulations. Investors should take this into account when making investment decisions.

THIS ADMISSION DOCUMENT SERVES AS AN ADMISSION DOCUMENT ONLY, AS REQUIRED BY THE MERKUR MARKET ADMISSION RULES. THIS ADMISSION DOCUMENT DOES NOT CONSTITUE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

Merkur Advisors

6 July 2020

IMPORTANT NOTICE

This Admission Document has been prepared solely by the Company in connection with the Admission to Trading. The purpose of the Admission Document is only to provide information about the Company and its underlying business and in relation to the Admission to Trading on Merkur Market. This Admission Document has been prepared solely in the English language.

For definitions of terms used throughout this Admission Document, see Section 12 "Definitions and Glossary".

The Company has engaged Arctic Securities AS ("**Arctic**"), DNB Markets, a part of DNB Bank ASA ("**DNB Markets**"), and Skandinaviska Enskilda Banken AB (publ), Oslo branch ("**SEB**") as Merkur Market advisors (collectively, the "**Merkur Advisors**") for the Admission to Trading.

This Admission Document has been prepared to comply with the Merkur Market Admission Rules. The Admission Document does not constitute a prospectus under the Norwegian Securities Trading Act and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and has not been reviewed or approved by any governmental authority.

All inquiries relating to this Admission Document should be directed to the Company or the Merkur Advisors. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Merkur Advisors in connection with the Admission to Trading, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Merkur Advisors.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company subsequent to the date of this Admission Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Admission Document and before the Admission to Trading will be published and announced promptly in accordance with the Merkur Market regulations. Neither the delivery of this Admission Document nor the completion of the Admission to Trading at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Admission Document is correct as of any time since its date.

The contents of this Admission Document shall not be construed as legal, business or tax advice. Each reader of this Admission Document should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Admission Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Admission Document in certain jurisdictions may be restricted by law. Persons in possession of this Admission Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of this Admission Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Admission Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Asker and Bærum District Court (Norwegian: *"Asker og Bærum tingrett"*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Admission to Trading or this Admission Document.

Investing in the Company's Shares involves risks. See Section 2 "Risk Factors" of this Admission Document.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a private limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "Articles of Association"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "Board Members" and the "Board of Directors", respectively) and the members of the Company's senior executive management team are not residents of the United States of America (the "United States"), and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United Stated (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

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APPENDICES

1 RESPONSIBILITY FOR THE ADMISSION DOCUMENT

This Admission Document has been prepared by Aker BioMarine, with business address Oksenøyveien 10, N-1366 Lysaker, Norway, solely in connection with the Admission to Trading on Merkur Market.

The Board of Directors of Aker BioMarine accepts responsibility for the information contained in this Admission Document. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Admission Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

6 July 2020

The Board of Directors of Aker BioMarine AS

Ola Snøve *Chair*	Øyvind Eriksen *Board member*	Kjell Inge Røkke *Board member*
Frank O. Reite *Board member*	Line Johnsen *Board member*	Sindre Skjong *Board member*

2 RISK FACTORS

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this section before making an investment decision in respect of the Shares. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Company's business operations and adversely affect the price of the Company's Shares. If any of the following risks materialize, individually or together with other circumstances, the Company's business, prospects, financial position and/or operating results could be materially and adversely affected, which in turn could lead to a decline in the value of the Shares and the loss of all or part of an investment in the Shares.

A prospective investor should consider carefully the factors set forth below, and elsewhere in the Admission Document, and should consult his or her own expert advisors as to the suitability of an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of an investment in the Shares.

The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements. Forward-looking statements will however be updated if required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described in this Admission Document.

The order in which the below risks are presented is not intended to provide an indication of the likelihood of their occurrence nor their severity or significance.

2.1 Risks related to the business of the Group and the industry in which it operates

2.1.1 The majority of the Group's revenues derive from sales of products containing krill-derived omega-3 fatty acids or proteins, and the Group is heavily dependent on the market acceptance of such products and the long-term price development

The Group's business consists primarily of harvesting, processing, distributing and selling krill-derived products for the omega-3 fatty acid and protein markets. Such products accounts for a high portion of the Group's total revenues and the Group's business is heavily dependent on the stability of the market for products containing omega-3 fatty acids as well as the markets for krill-derived omega-3 fatty acids and proteins. Shifts in consumer preferences away from the Group's products would have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects. Furthermore, there can be no assurance that the Group will be successful in establishing the Kori brand in the United States. The new brand may fail to obtain sufficient demand in the market, and the Group's existing customers could react negatively to the Group's establishment of its own brand, which may be considered as a competitor to the customers' brands.

The degree of market acceptance for the Group's products will depend upon a number of factors, including consumer perception regarding the quality and safety of the Group's products and omega-3 fatty acid and protein products generally, and the establishment and demonstration of the potential advantages of the Group's products over new and competing products. Adverse publicity about the Group, other participants in the markets in which the Group operates or the overall market, in the form of published scientific research or otherwise that associates consumption of omega-3 fatty acid or protein products with illness or other adverse effects, that questions the benefits of such products or that claims such products are ineffective could have a material effect on the Group's ability to generate revenue. For example, any negative articles, studies, reports or other publicity questioning the safety or efficacy of omega-3 fatty acid or protein products may have a material adverse effect on the Group's reputation, the demand for the Group's products and the Group's revenues. Similarly, the Group's QRILL™ products is an ingredient for the aquaculture feed and pet food industries. The Group may lose revenue and suffer product liability claims if customers suffer outbreaks of disease upon consumption of fish, which reduces demand for fish and in turn for the Group's ingredients, included in the feeds or if pets become ill in connection with the ingestion of QRILL™. Additionally, omega-3 fatty acids may be obtained through other sources, including fish and potentially certain types of plants. The Group's business and financial prospects may be harmed to the extent that other sources of omega-3 fatty acids or protein are perceived to be superior in the markets the Group target to those derived from krill.

The Group is exposed to long-term price developments. Unfavorable price development would affect the Group negatively. The Group depends on continued growth in demand for phospholipid-bound omega-3 fatty acids in the nutraceutical market. The Group has relatively high fixed cost bases, which translate to high loss of earnings should revenues drop significantly. There is no guarantee that the Group can defend its book value in the future. Unfavorable long-term price development of commodity and value added fats and proteins could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.2 Although the Group's customer base is diversified, there is some degree of customer concentration

The Group's customer base is diversified. Most customers that purchase products from the Group are on the basis of purchase orders (take or pay). There is, however, some degree of customer concentration due to the fact that a large part of the volumes sold (both in relation to Human health and nutrition and animal health and nutrition) are made pursuant to frame agreements with certain key customers. The frame agreements contain no fixed purchase commitments. There is a risk that such customers may purchase less of the Group's products or may terminate their frame agreement, in which could materially adversely impact the Group's results of operations, cash flows and/or prospects.

2.1.3 The Group is dependent on its harvesting vessels for the supply of krill and the on-board manufacture of krill meal and other raw materials for its products

The Group's products are manufactured from krill that is harvested by its three harvesting vessels. In addition, krill meal and other raw materials for the Group's products are manufactured on-board the harvesting vessels. The Group's harvesting vessels operate in rough weather conditions several sailing days from the nearest port. The Group's vessels are therefore at greater risk of routine breakdowns and catastrophic damage in the event of a fire or hull breach.

If one of the Group's harvesting vessels were to become severely damaged or inoperable due to the need for replacement parts that are not readily available on-board, the Group may be required to expend significant time and considerable resources to cease harvesting and repair the damage. Repair or replacement of a harvesting vessel would require significant capital expenditures and additional capital may not be available on commercially acceptable terms, or at all.

If any of the Group's harvesting vessels is not operational over a longer period of time for any reason, the Group may not be able to obtain adequate supplies of Antarctic krill from its other harvesting vessels to meet the Group's commitments to customers. In addition, if one of the Group's vessels is damaged or impaired, or if the continued operation of a vessel is otherwise disrupted, the Group's ability to manufacture the Group's products on-board and otherwise would be significantly impacted. In any event, the Group's business could be significantly impacted to the extent the Group are not able to maintain the full operational status of the Group's harvesting vessels.

Significant increases in fuel price could affect the Group's production costs, and requirements to reduce CO_2 footprint could lead to significant additional investment requirements.

2.1.4 The Group is exposed to risk relating to adverse weather or oceanic conditions or other calamities

The main raw materials for the Group's products come from the Antarctic Ocean, where cold, northward flowing waters from the Antarctic mix with warmer sub-Antarctic waters. Due to the location of the Group's harvesting operations, the Group is at risk of severe adverse weather or oceanic conditions. Iceberg formations, which, in sufficient quantities, can restrict the Group's access to the krill supply, can occur at any time of year throughout the Antarctic Ocean. Some icebergs may have drafts up to several hundred meters; smaller icebergs, iceberg fragments and sea-ice (generally 0.5 to 1 meter thick) could also pose problems for the Group's vessels. Other adverse conditions affecting the Group's harvesting vessels include severe cold, strong storms, cyclones and tsunamis. These and other weather conditions may cause the Group's vessels to dock earlier than planned, decrease the volume of the Group's krill catches or even completely halt the Group's harvesting operations. The company is highly dependent on its Houston factory for production of krill oil.

Any adverse weather or oceanic conditions or other calamities, or any accident or disasters halting production at the Houston factory, may result in disruption in the Group's operations and could adversely affect the Group's sales, business, results of operations, financial condition, cash flows and/or prospects.

2.1.5 Krill supply may be exposed to environmental hazard, oil or petroleum products and other pollutants from open seas resulting in mortality and rendering the surviving krill supply unusable to the Group's operations

Since the Group's harvesting vessels operate in an open environment in the Antarctic Ocean, the krill supply is exposed to the pollution of open seas. Accidental release of oil or petroleum products in the Group's harvesting area may severely affect the krill's ability for normal oxygen uptake, increase mortality and result in pollution of surviving krill. The Group's concentrated operations around Antarctica increase its vulnerability in case of oil spills. Oil spills and other pollution from accidents may have a material adverse effect on the Group's harvest and operations, and in turn on the Group's results of operations, financial position, cash flows and/or prospects.

2.1.6 The Group is dependent on access to high-quality krill

The Group's Krill Oil products are largely dependent on the continuous supply of high-quality krill. The quality of the krill the Group utilize for its Krill Oil products, meaning the level of fat found in the krill meal, impacts the Group's gross profit as higher quality krill meal is sold at a higher price. The amount of fat the Group is able to extract from the krill meal the Group harvests varies based on both seasonal fluctuations in fat percentages of the krill harvested and the extraction procedure used to extract the oil. Increase in competition from could also affect the access to krill. With more competition in an Olympic fishery, there is a risk that the current areas would not support all krill harvesting vessels, and the Group may have to explore additional fishing grounds in order to harvest what is required to support the business plans and current sales volumes. Other factors that can restrict the Group's access to high-quality krill include, but are not limited to, environmental factors, the availability of food and nutrition to the krill stock, spawning conditions, weather conditions, water contamination and pressure from environmental or animal rights groups. Any disruptions in the supply of high-quality krill could adversely affect the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.7 The Group may not be permitted to continue to operate at sites located close to protected or highly sensitive areas

Some of the Group's harvesting operations are located close to protected areas or highly sensitive areas with respect to biodiversity. The effect of krill harvesting on the environment and biodiversity will continue to be under discussion among certain scientific groups. Developments in the perception of the impact of krill harvesting on the environment may result in new limitations on the Group's operations located in vulnerable areas or new requirements to implement costly measures. Compliance with such laws, rules and regulations, or a breach of them, may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and/or prospects.

2.1.8 There are risks related to the health, safety, security, hiring, retention and organization of the Group's crew

The operation of the Group's harvesting vessels involves the risk of incidents involving crew members and contractors, including those caused by illnesses, such as from the spread of contagious diseases, operational accidents that result in bodily injuries and other incidents at sea or while in port. For example, the ongoing corona virus situation (COVID-19) could potentially affect the entire crew of one or more of the Group's vessels. The Group's crews and contractors often conduct operations in extreme weather, in difficult locations that are not easily accessible and under other hazardous conditions. The Group cannot assure that its insurance will be sufficient or effective against potential injuries to the Group's crew members and contractors under all circumstances.

The Group's growth and success depends on its ability to attract, hire and retain experienced and skilled crew to work aboard its harvesting vessels. Competition for such skilled personnel is hard and the unexpected loss of an employee with a particular skill could materially adversely affect the Group's operations until a replacement can be found and trained. If the Group experience shortage of skilled crew, or, if a significant portion of the crew were to engage in strikes, work slowdowns or other actions, the Group may not be able to continue to harvest, process and sell its products. Further, any failure to effectively integrate new personnel could prevent the Group from successfully growing.

The Company is currently evaluating its existing offshore crewing arrangement, which includes considerations on the use of local management companies, the use of employed crew versus hired crew from crewing companies, employment terms and conditions, and tax implications of various offshore crewing arrangements. In these evaluations, external HR and legal advisors will support the Company, with the aim of further developing and adapting its crew management organization to recent expansions of the Company's offshore activities. These evaluations may lead to amendments of the Group's offshore crewing arrangements, which in turn may have an effect on the Group's crewing costs.

Should any of the above risks materialize, this may have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.9 The Group generally relies on its customers' ability to market and distribute its products

The Group relies to a large extent on its customers' ability to create and sustain demand for their products. There can be no assurance that the Group's customers will market, sell and distribute their products successfully or choose the best means for maintaining or achieving an increase in the demand for products featuring the Group's products.

In addition, the Group may incur liabilities relating to the distribution and commercialization by its customers of its ingredients. While some agreements with customers include customary indemnification provisions indemnifying the Group for liabilities relating to the packaging of ingredients and their use and storage, there can be no assurance that these indemnification rights will be sufficient in amount, scope or duration to fully offset the potential liabilities associated with the Group's customers' handling and use of the Group's ingredients. Any such liabilities, individually or in the aggregate, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.1.10 The Group has entered into long-term supply contracts with several of its customers

The Group has entered into long-term supply contracts with several of its customers. Under these contracts, the Group is obligated to supply products to its customers in accordance with their requirements. The Group may be unable to meet these requirements due to a number of factors, including an exceptionally poor harvest, ability to produce the meal with the right quality, a failure in logistics operation or contamination of the Group's products. If the Group is unable to meet its customers' requirements under contracts, the customers may terminate their contracts or, pursuant to the term of the contracts, require the Group to compensate them for losses from obtaining replacement supplies from third parties. In the event that the Group does not satisfy its obligations under such contracts, the Group's business, results of operations, financial position, cash flows and/or prospects could be materially adversely affected if one or more of long-term customers terminate their contracts with the Group, or if the Group is obligated to compensate them for losses.

2.1.11 The Group may not be able to develop new products that achieve commercial success

The Group's goal is to grow the market and expand its customer base for existing and new products. Research and development is expensive, prolonged, and entails considerable uncertainty. Due to long product development processes, evolving regulatory requirements, changing market conditions and consumer preferences and other factors, new variants of existing products or new products may take longer and cost more to develop and may be less successful than the Group anticipated. No assurance can be given that any new products under research and development will be commercially successful, which could adversely affect the future development on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.1.12 The Group anticipates that the markets in which it operates will become more competitive

The Group believes that the number of companies seeking to develop krill-derived products or other products that aim to provide the same health benefits as krill-derived products will increase in the future. The Group's competitors range in size from small, single product companies to large, diversified corporations, which may have greater financial, technical, marketing and other resources.

Furthermore, there are several potential alternative supplies of phospholipid-bound omega-3 fatty acids, including but not limited to beans, seeds, and certain forms of algae and insects. Currently, certain technological obstacles prevent the large scale sourcing of omega-3 phospholipids from these plants. However, the Group's current or future competitors may develop and commercialize new technologies and products that may gain market share from the Group and cause declines in its revenues and profits.

Any business combinations or mergers among the Group's competitors that result in larger competitors with greater resources or distribution networks, or the acquisition of a competitor by a major technology, pharmaceutical or nutrition corporation seeking to enter the markets in which the Group operates, could further increase competition the Group face and have a material adverse effect on its business, financial condition, results of operations, cash flow and/or prospects.

2.1.13 Dependence on international sales exposes the Group to risks associated with business environment in multiple countries

The Group's revenues are derived from sales in multiple countries around the world, including the United States of America (the "**U.S.**" or the **"United States"**), the European Union (the "**EU**"), Asia, Australia, China and South Korea. The Group's international operations and sales are subject to a number of risks, including multiple regulatory regimes; potentially longer accounts receivable collection periods and greater difficulties in their collection; disruptions or delays in shipments caused by customs brokers, work stoppages or government agencies; potential imposition by governments of controls that prevent or restrict the transfer of funds; regulatory limitations imposed by foreign governments and unexpected changes in regulatory requirements, tariffs, customs duties, tax laws and other trade barriers; difficulties in staffing and managing foreign operations; laws and business practices favoring local competition and potential preferences for locally produced products; potentially adverse tax consequences; difficulties in protecting or enforcing intellectual property rights in certain foreign countries; fluctuations in exchange rates, as described more fully below; the difficulties and increased expense in complying with multiple and potentially conflicting domestic and foreign laws, regulations, product approvals and trade standards; political or social unrest; economic instability, conflict or war in a specific country or region, which could have an adverse impact on, among other things, the Group's ability to hire crew members for its vessels; and protests by non-governmental organizations ("**NGOs**"). If the Group fails to overcome the challenges that it encounters in its international sales operations, the Group's business, results of operations, financial position, cash flows and/or prospects could be materially adversely affected.

2.1.14 Global economic and social conditions could adversely impact sales of the Group's products, especially premium branded products

The uncertainties and recent downturn of the global economy and other macroeconomic factors could adversely affect the Group's business, including the ongoing COVID-19 situation. The prospects for global economic growth remain uncertain with respect to credit, liquidity and interest risk in addition to operational risks and uncertainties relating to harvesting and offshore processing technologies, fluctuations in annual krill harvesting, onshore production processes and product quality, ability to develop new products and market risk. The ongoing COVID-19 crisis inherently increases many of these risks; markets become more uncertain, operations becomes more vulnerable to interruptions and policy makers around the world gravitate towards stricter regulations impacting international trade. Without global economic growth, the anticipated growth in the sales of the Group's products could be adversely affected or delayed, especially given the premium branding of some of the Group's products compared to alternative ingredients. For example alternatives, such as fish oil, with a lower price, could be favored by the end customers and in turn reduce sales to our customers.

2.1.15 Any claims relating to improper handling, storage or disposal of hazardous materials used in the Group's business could be costly

The Group may face restrictions on its ability to transport krill meal by freight. Meals that have high fat content, including krill meal, have potential flammable characteristics if stored or transported in large quantities. This potential risk may adversely affect the Group's ability to store krill meal in large quantities. The Group's harvesting operations and oil extraction facilities involve the controlled use of potentially harmful hazardous materials, including volatile solvents and chemicals. The Group face the risk of fire, explosion, contamination or injury from the use, storage, handling and disposal of these materials. In the event of fire, explosion, contamination or injury, the Group could be subject to civil or criminal sanctions or fines or be held liable for damages, operating licenses could be revoked, or the Group could be required to suspend or modify its operations.

2.1.16 Contamination of raw materials or products could result in supply interruptions and human exposure to hazardous substances and subject the Group to civil or criminal enforcement actions, private litigation and product recall obligations

The Group's products may be subject to contamination by food-borne pathogens, such as Listeria monocytogenes, Clostridia, Salmonella and E. Coli, or contaminants. These pathogens and substances are found in the environment; therefore, there is a risk that one or more of these organisms and pathogens can be introduced into the Group's products as a result of improper handling, failed quality controls, poor processing hygiene or cross-contamination by the Group, the ultimate consumer or any intermediary. The krill that the Group harvests, freezes and processes is perishable and may deteriorate due to, among other things, malfunctioning cold storage facilities, delivery delays or poor handling. The Group also has little, if any, control over handling procedures once it ships its products for distribution. Furthermore, the Group may not be able to prevent contamination of its krill supply by pollutants such as polychlorinated biphenyls, dioxins or heavy metals. Such contamination is primarily the result of environmental contamination. Residues of environmental pollutants present in the Group's products may pass undetected in its products and may reach consumers due to failure in surveillance and control systems. The industry in general experiences high levels of customer awareness with respect to safety and product quality, information and traceability. The Group may fail to meet new and exacting customer requirements, which could reduce demand for its products. Any contamination could therefore have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.17 The Group's business relies on the experience and expertise of its senior management, as well as on its ability generally to retain existing, or hire additional, skilled personnel

The Group's success depends upon the continued service and performance of its senior management. The loss of the services of any of these individuals could delay or prevent the continued successful implementation of its growth strategy, or could otherwise affect its ability to manage the Group effectively and to carry out its business plan. Members of the senior management team may resign at any time and there can be no assurance that the Group may be able to continue to retain such individuals.

The Group's growth and success also depend on its ability to attract, hire and retain additional highly qualified and skilled technical, research, sales, managerial and finance personnel as well as experienced and skilled crew to work aboard its harvesting vessels. Competition for such skilled personnel is tough and the unexpected loss of an employee with a particular skill could materially adversely affect the Group's operations until a replacement can be found and trained. If the Group experience shortage of skilled personnel, or, if a significant portion of the employees were to engage in strikes, work slowdowns or other actions, the Group may not be able to continue to harvest, process and sell its products, develop new products or effectively manage its global operations. Further, any failure to effectively integrate new personnel could prevent the Group from successfully growing.

2.1.18 If the Group fails to manage its growth effectively, then the business could be disrupted

The Group has experienced business growth, and the Group's future financial performance and its ability to commercialize its products and to compete effectively will depend, in part, on its ability to manage any future growth effectively. The Group has made and expect to continue to make significant investments to enable future growth through, among other things, new product innovation and development of additional manufacturing capacity in Houston and third party manufacturing. Lower ramp-up of krill oil production capacity than planned could lead to slower growth curve for the Group. The Group must also be prepared to expand its work force and to train, motivate and manage additional employees as the need for additional personnel arises. The Group's personnel, facilities, systems, procedures and controls may not be adequate to support its future operations. Any failure to manage future growth effectively could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

2.1.19 Interruptions in information technology systems could adversely affect the Group's business

The Group relies on the efficient and uninterrupted operation of several information technology systems and networks to operate its business. The Group relies on such systems to track all harvested krill from the time it is brought on-board a harvesting vessels through the entire supply chain and to the ultimate sale somewhere in the world to its customers. Any significant disruptions to the Group's systems or networks, including, but not limited to, new system implementations, computer viruses, security breaches, facility issues, natural disasters, terrorism, war, telecommunication failures or energy blackouts could have a material adverse impact on the Group's operations, sales and operating results.

The Group's third-party service providers and other vendors have access to certain portions of the Group's information technologies system. Certain failure or negligence of these service providers may cause material disruptions in the Group's supply chain, which could affect the Group's ability to deliver its products in a timely manner.

2.1.20 The Group's vessels and/or manufacturing plants are at risk of being damaged or lost

Damaged or loss of the Group's vessels and/or manufacturing plants may result in severe loss of revenue. The Group may also experience losses or higher costs resulting from death or injury to its personnel, contractors, repair or new-build costs and/or higher insurance rates. Any environmental accidents and/or current or past non-compliance with applicable laws or permits may result in severe governmental and international fines, penalties or restrictions on conducting business, or may damage the Group's reputation and customer relationships generally. The costs of unpredicted vessel repairs or manufacturing plants repairs can be substantial and the Group will lose earnings while vessels and manufacturing plants are being repaired. There can be no assurance that such events and costs will be covered by the Group's insurance. Any of these consequences could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.1.21 The Group's operations may depend on access to new vessels and vessel construction

The Group's operations may be dependent on access to new vessels. The Group has from time to time inherent risk related to vessel construction, where the Group is exposed to risks for late delivery or cancellations of newbuilding contracts. For example, the construction delivery date of a transportation vessel (to be named "Antarctic Provider") enabling the transport of crew, fuel, products and consumables back and forth from the fishing grounds, which is currently under construction in the People's Republic of China, may be delayed by approximately 16 weeks (based on current estimates) due to the ongoing corona virus outbreak (COVID-19). This vessel will replace the existing service vessel, La Manche, and also remove the need for chartering additional service vessel capacity through the harvesting season. Because of the delay, the Group may need to continue chartering additional vessels in order to maintain the Group's operations, which may increase the Group's costs during the delay. Any delay or cancellation of newbuilds may adversely affect the Group's business, results of operations, financial conditions, cash flows and/or prospects.

2.2 Risks related to laws, regulations and compliance

2.2.1 The Group's harvesting operations are dependent on licenses from the Norwegian government and quotas set by the CCAMLR

The Group relies on harvesting licenses issued by Norwegian authorities, which together with applicable Norwegian laws and regulations, set out a number of conditions with which the Group need to comply. In addition, the Group is dependent on access to the Antarctic krill resource, which is managed by the Commission for the Conservation of Antarctic Marine Living Resources ("**CCAMLR**").

The Group currently possess four Norwegian licenses, providing vessels with the right to harvest krill by trawl in the CCAMLR area. Three of these licenses are in use. The validity period of the fourth fishery license, which is not in use today, has to be extended so that it can be attached to another krill vessel at a future date. Under the regulations and rules of the Norwegian authorities, the Group's licenses may be permanently or temporarily revoked, suspended, modified or limited if their conditions are breached or the applicable harvesting quotas or permitted fishing areas change based on the resource availability and other conditions in the Antarctic Ocean. The Group may furthermore be denied access to the Antarctic krill resource if the Group fail to comply with the regulations applicable to the Antarctic krill fisheries or because of changes in the resource situation.

The fishing vessels the Group operates in the krill fisheries in the Antarctic Ocean are subject to regulation under the Norwegian Participation in Fisheries Act of 26 March 1999 no. 15 (the "**Participation Act**") and certain regulations issued pursuant to the Participation Act. Pursuant to the Participation Act, in order to retain its right to hold the krill fishing licenses used to operate certain vessels, Aker BioMarine Antarctic AS must be headquartered in Norway, its board of directors must be based in Norway and the majority of its board members, including the chairman, must be Norwegian nationals who are domiciled in Norway and have lived there during the last two years.

The Participation Act and the Group's fishing licenses also impose certain share ownership requirements, including that at least 60% of Aker BioMarine Antarctic AS' share capital and voting rights must be held directly or indirectly by Norwegian nationals and certain Norwegian state and municipal entities. Under the Participation Act, any direct or indirect transfer of shares in Aker BioMarine Antarctic AS requires notification or prior approval from the relevant Norwegian authorities. However, on 8 June 2020 the Norwegian Directorate of Fisheries made a decision that facilitates a listing by making an exception to the obligation to report all changes in the ownership of the Company. According to the decision, it is sufficient to report on changes of ownership once a year limited to shareholding of at least 5%. If the Group fails to comply with the requirements and conditions in the Participation Act and the Group's fishing licenses, the Group's licenses may be permanently or temporarily revoked, suspended, modified or limited, which could have a material adverse effect on the Group.

The Group's krill harvesting operations must also comply with any rules and decisions made by the CCAMLR. The CCAMLR establishes an annual maximum permitted catch, based on, among other things, research into the biomass for a given species and a political process. With respect to krill harvesting in the CAMLR Convention Area, the "Olympic" model is currently applied, meaning that the maximum permitted catch is not divided between countries or operators, but is open for all eligible operators until it has been fully harvested. A company operating in the CCAMLR area is required to be licensed and have other relevant approvals from a member state. Norway is a member of CCAMLR and the Group's Norwegian licenses provide the Group with the requisite approval to operate in the CCAMLR Convention Area. The Group may lose the Group's licenses and approvals if the Group breach the conditions set by the CCAMLR, or if the Group otherwise fail to comply with applicable laws and regulations.

Resource management regimes in the fisheries industry are subject to changes, due to, among other things, fluctuations in the biomass, environmental concerns and political factors. No assurance can be given that one or more of the Group's fishing licenses will not be revoked if all conditions are not satisfied. If the Group's licenses are reduced, it could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.2.2 The Group could incur significant costs in complying with environmental, health and safety laws or permits or as a result of satisfying any liability or obligation imposed under such laws or permits

The Group is subject to extensive environmental, health and safety laws and regulations in multiple jurisdictions governing the use, storage, registration, handling and disposal of chemicals, waste materials and sewage, air, water and ground contamination, air emissions and the cleanup of contaminated sites, including any contamination that results from spills due to the Group's failure to properly dispose of chemicals, waste materials and sewage. Regulatory authorities may take enforcement actions and the Group may be required to recall affected products from the market and may not be able to reintroduce them into the market. The cost of any such recall could have a material adverse effect on the Group's operations and financial performance. Any past or current failure by the Group to comply with environmental laws, regulations or permits, the Group may be subject to damages, fines and other civil, administrative or criminal sanctions, including the revocation of permits and licenses necessary to continue its business activities, or damage the Group's reputation and customer relationships. Any such developments could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and/or prospects.

2.2.3 The Group is subject to laws, regulations and standards in several jurisdictions, including export, sanction and other international trade laws, regulations and standards

The processing, manufacturing, formulation, packaging, labeling, advertising and distribution of the Group's products or products containing its ingredients are subject to comprehensive laws, regulations and standards enforced by various regional, national and local regulatory bodies. This exposes the Group towards risk relating to repeal laws or enact new laws or regulations, changed processes, regulations, and policies, as well as disharmony among the laws, regulations and standards in different countries. Although compliance with legal or regulatory requirements is costly, non-compliance may expose the Group to various enforcement actions. Moreover, the Group is subject to export, sanction and other international trade laws and regulations through its international operations, which may limit or restrict the Group's business (e.g prohibition of shipping products to certain embargoed countries) or may require the Group and third parties to comply with import, export and/or re-export licensing as well as custom regulations. Failure to obtain required license may result in civil and criminal penalties, reputational harm, or delay or loss of sales opportunities in certain jurisdictions. In addition, the Group is required to obtain regulatory approvals. These processes may be costly and time consuming and there can be no assurance that required approvals will be granted, which may delay or prevent production and commercialization of new products or products. Changes in or failure to comply with laws, regulations and standards may have a material adverse effect on the Group's reputation, operations, financial position, result of operations, cash flow and/or prospects.

2.2.4 The Group's manufacturing processes for Krill Oil may not adequately comply with regulatory requirements, or may be subject to delays or hindrances in production

The Group must comply with comprehensive manufacturing requirements and practices relating to its development of products for the dietary supplements market, including quality-, procedure-, storage- and handling control, training of employees and hygienic standards. There is a risk that the Group, joint ventures or other third parties with responsibility for the operations may not be able to meet applicable standards, which may disrupt production (e.g. due to suspension or closing of processing or production). In addition, there is an inherent risk of delay or hindrances in production due to mechanical or manual failure or malfunction, human error or other unforeseen events, which could result in delays of the production of whole or parts of product batches, leading to costs or damages. Any failure in the manufacturing process could have a material adverse effect on the group's business, financial condition, results of operations, reputation and/or prospects.

2.2.5 Risk of violations of anti-corruption, anti-bribery and anti-kickback laws

The Group's business operations and sales are subject to anti-corruption, anti- bribery and anti-kickback laws in multiple jurisdictions, which prohibits improper payments and require the Group to keep accurate books and records as well as appropriate internal controls. The Group's policies mandate compliance with such laws. There can, however, be no assurance that such policies will protect the Group from reckless or criminal acts committed by employees or third-parties. Any violations may incur civil and criminal penalties or other sanctions, or make the Group suffer significant internal investigation costs or reputational harm, which could have a material adverse effect on the group's business, financial condition, results of operations, reputation and/or prospects.

2.2.6 The Group may be party to various claims, legal proceedings or disputes, including class action lawsuits

The nature of the business of the Group’s portfolio companies exposes the Group to the risk of claims, legal proceedings and disputes, including contractual litigation with distributors, customers, contractors and vendors, personal injury litigation, environmental litigation, intellectual property litigation, tax or securities litigation, labor and employment disputes, anti-discrimination, payments, privacy disputes, data security disputes, competition litigation, unionizing and collective action, arbitration agreements, and/or class action lawsuits from consumers. The Group cannot predict with certainty the outcome or effect of any current or future claim or other litigation matters or disputes. Any litigation or dispute may have a material adverse effect on the Group's business, financial position, results of operations, cash flows and/or prospects due to potential negative outcomes, the costs associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters. Any claims against the Group could result in professional liability, product liability, criminal liability, warranty obligations, and other liabilities which, to the extent the Group is not insured, or cannot insure, against a loss or the insurer may fail to provide coverage, which could have a material adverse impact on the business, results of operation, financial condition, cash flows and/or prospects of the Group. The Group may make provisions to cover expected outcome of proceedings and disputes to the extent that negative outcomes are likely and reliable estimates can be made, but the final outcome of these and other cases may be subject to uncertainties and resulting liabilities which may exceed booked provisions.

2.2.7 The Group could be subject to product liability lawsuits, which could result in costly and time-consuming litigation and significant liabilities

The development of ingredients for human and animal nutrition products involves an inherent risk of product liability claims and associated negative publicity. The Group's products may be found to be harmful, or to contain harmful substances. This exposes the Group to substantial risk of litigation and liability and may force the Group to discontinue production of certain products. Although the Group has product liability insurance, this coverage may not insure the Group against all claims made or the full loss incurred. Product liability insurance is costly and often limited in scope. There can be no assurance that the Group will be able to obtain or maintain insurance on reasonable terms or to otherwise be protected against potential product liability claims that could impede or prevent continued commercialization of one or more of its products. Furthermore, a product liability claim could damage the Group's reputation, whether or not such claim is covered by insurance or is with or without merit. A product liability claim against the Group or the withdrawal of a product from the market could have a material adverse effect on the Group's business, results of operations, financial condition, cash flow and/or prospects. Furthermore, product liability lawsuits, regardless of their success, would likely be time consuming and expensive to resolve and would divert management's time and attention, which could materially harm the Group's business, results of operations, financial condition, cash flow and/or prospects.

2.3 Risks Related to intellectual property

2.3.1 The Group relies on a variety of intellectual property rights, other proprietary information and trade secrets

The Group relies on a variety of intellectual property rights, other proprietary information and trade secrets, which are used in its operations and products. The Group companies may not be able to successfully preserve such intellectual property rights, proprietary information or trade secrets; and intellectual property rights could be invalidated, circumvented, or challenged. In addition, the laws of some foreign countries in which the services and products of the Group may be sold do not adequately protect intellectual property rights. Failure to protect intellectual property rights or otherwise information or trade secrets used in the services and products used or owned by companies within the Group, could have a material adverse effect on the Group's business, competitive position and/or prospects.

2.3.2 The Group may be subject to litigation regarding intellectual property rights

The Group may be a party to litigation to determine the scope and validity of its intellectual property, which, if resolved adversely to the Group, could invalidate or render unenforceable its intellectual property or generally preclude it from restraining competitors from commercializing products using technology developed by the Group. If the Group's products infringes others validly and enforceable patents, then it may not be able to sell applicable products or could be forced to pay substantial royalties or redesign a product to avoid infringement. A successful claim of infringement against the Group, or its failure or inability to develop non-infringing technology or license the infringed technology could materially adversely affect its business and results of operations, and/or prospects. Furthermore, litigation to establish or challenge the validity of patents, to defend against infringement, enforceability or invalidity claims or to assert infringement, invalidity or enforceability claims against others, if required, regardless of its merit or success, would likely be time-consuming and expensive to resolve and would divert management's time and attention, which could seriously harm the Group's business.

2.3.3 Changes in patent law could diminish the value of patents, thereby impairing the Group's ability to protect its products

Obtaining and enforcing patents involves technological and legal complexity, and is costly, time consuming, and inherently uncertain. Patent policy also continues to evolve and the issuance, scope, validity, enforceability and commercial value of the Group's patent rights is highly uncertain.

Furthermore, decisions by courts could change the laws and regulations governing patents in unpredictable ways that may weaken or undermine the Group's ability to obtain new patents or to enforce its existing or future patents. Any such development could impair the Group's ability to protect its products, which could have a material adverse effect on the Group's results of operations, financial position and/or cash flows.

2.3.4 The Group may not be able to protect its intellectual property rights throughout the world

Filing, prosecuting, maintaining and defending patents on the Group's products throughout the world would be prohibitively expensive, and the extent of the Group's intellectual property rights may vary in different countries. Consequently, The Group may be unable to prevent third parties from using its inventions in all countries, or from selling or importing products made using the Group's inventions in the jurisdictions in which it does not have (or are unable to effectively enforce) patent protection. Competitors may use technologies in jurisdictions where the Group has not obtained patent protection to develop, market or otherwise commercialize products, and the Group may be unable to prevent those competitors from importing those infringing products into territories where the Group have patent protection. These products may compete with the Group's products and its patents and other intellectual property rights may not be effective or sufficient to prevent them from competing in those jurisdictions. Moreover, competitors or others in the chain of commerce may raise legal challenges against the Group's intellectual property rights or may infringe upon the Group's intellectual property rights, including through means that may be difficult to prevent or detect.

Furthermore, proceedings to enforce the Group's patent rights could result in substantial costs and divert the Group's efforts and attention from other aspects of its business, could put its patents at risk of being invalidated or interpreted narrowly and its patent applications at risk of not issuing, and could provoke third parties to assert patent infringement or other claims against the Group. The Group may not prevail in any lawsuits that the Group initiates and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, the Group's efforts to enforce its intellectual property rights may be inadequate to obtain a significant commercial advantage from the intellectual property that the Group develops or licenses from third parties.

2.4 Risk related to financial matters and market risk

2.4.1 The Group is exposed to currency exchange rate risk

USD is the Group's reporting currency and the functional currency in most of the Group’s subsidiaries. Although most of the Group's revenues and a portion of the Group's expenses are denominated in USD, a significant portion of the Group's operating expenses and certain of its revenues are incurred in other currencies, including NOK and EUR. As a result, the Group is exposed to the risks that the NOK or EUR may appreciate or depreciate relative to the USD, which could have a material adverse effect on the Group's results of operations, financial position and/or cash flows.

2.4.2 The Group's indebtedness could limit cash flow available for its operations, limit ability to react to changes in the economy or industry

The Group's debt could negatively affect its business and financial results, e.g. by requiring the Group to dedicate a portion of its cash flow from operations to service debt, thereby reducing funds available for operations, working capital, capital expenditures, future business opportunities, paying dividends or for other purposes; limiting the Group's ability to obtain additional financing for working capital, renovation, redevelopment and rebranding plans, acquisitions and other purposes; limiting the Group's ability to refinance existing debt; requiring the Group to agree to additional restrictions and limitations on the Group's business operations and capital structure to obtain financing; forcing the Group to dispose of current long-term assets, possibly on unfavorable terms; increasing the Group's vulnerability to adverse economic and industry conditions; forcing the Group to issue additional equity, possibly on terms unfavorable to existing shareholders; limiting the Group's flexibility to make, or react to, changes in the business and industry; and/or placing the Group at a competitive disadvantage. Failure to make payments or comply with other covenants under debt instruments could result in an event of default and acceleration of amounts due, and could have a material adverse effect on the Group's business, operations, assets and/or prospects. In addition, covenants under debt instruments may pledge the Group's assets as collateral and any negative pledge with respect to the Group's intellectual property could limit its ability to obtain additional debt financing.

2.4.3 Increases in interest rates could increase the amount of debt payments

Interest payments reduces the Group's cash available for distributions and increases in interest rates could raise the Group's interest costs, which reduces its cash flows and ability to make distributions to shareholders.

2.4.4 Covenants and clauses in debt agreements and other contracts could limit the Group's flexibility

Terms of debt agreements and other contracts may require the Group to comply with a number of customary financial and other covenants and clauses that may limit the Group's flexibility in its operations. For example, the Group’s existing loan arrangements contain, and any future borrowing arrangements may contain, covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, such as change of control provisions (e.g. if Aker ASA or The Resource Group TRG AS controls directly or indirectly less than 50% of the Shares in the Company), which could affect the operational and financial flexibility of the Group. Similarly, certain of the Group's contracts and lease agreements relating to real property contains change of control provisions which will be triggered by a sale of more than 50% of the Shares in the Company. The satisfaction of these restrictive covenants and performance requirements could also be affected by factors outside of the Group’s control, such as a slowdown in economic activity which could result in a decline in the value of the Group’s assets. Such restrictions could affect, and in many respects limit or prohibit, among other things, the Group’s ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. Any breach of covenants could result in defaults under instruments governing applicable indebtedness and cross-default provisions could be triggered in the event of default on other indebtedness and may require the Group to repay or restructure indebtedness. If the Group's properties are foreclosed upon, or if the Group is unable to refinance indebtedness at maturity or meet payment obligations, the amount of distributable cash flows and the Group's financial condition would be adversely affected.

2.4.5 The Group will require a significant amount of cash to service indebtedness

The Group's operations are conducted through subsidiaries and its ability to make cash payments on indebtedness and to fund planned capital expenditures will depend on the earnings and the distribution of funds from subsidiaries. The ability will depend on the Group's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to financial, business, legislative, regulatory and other factors beyond the Group's control. None of the subsidiaries is obligated to make funds available to the Group for payment of its indebtedness. Further, terms of debt instruments may restrict subsidiaries from paying dividends and otherwise transferring assets to the Company. If the Group is unable to generate sufficient cash flow or are otherwise unable to obtain funds necessary to meet required payments on indebtedness, then the Group could default under terms of agreements covering such indebtedness. The holders of such indebtedness could elect to declare all the funds thereunder to be due and payable, together with accrued and unpaid interest and the Group could be forced into bankruptcy or liquidation. If operating performance declines, the Group may need to obtain waivers from lenders to avoid being in default.

2.4.6 The Group is dependent upon lenders for financing to execute its business strategy and meet liquidity needs

During periods of volatile credit markets, there is a risk that any lenders could fail or refuse to honor their legal commitments and obligations under credit commitments. If the Group's lenders are unable to fund borrowings under their credit commitments or the Group is unable to borrow, it could be difficult in such an environment to obtain sufficient liquidity to meet the Group's operational needs.

2.4.7 The Group's ability in the future to obtain additional capital on commercially reasonable terms may be limited

The Group may need in the future to seek additional financing to compete effectively. If the Group is unable to obtain capital on commercially reasonable terms, it could reduce funds available to the Group for purposes such as working capital, capital expenditures, strategic acquisitions and other general corporate purposes; restrict the Group's ability to introduce new products or exploit business opportunities; increase the Group's vulnerability to economic downturns and competitive pressures in the markets in which it operates; and place the Group at a competitive disadvantage.

2.4.8 The Group is exposed to risk relating to impairment of intangible assets, including goodwill

Intangible assets, including goodwill, constitute a large portion of the Group's assets. Goodwill acquired in a business combination is not amortized pursuant to IFRS, but is tested for impairment annually, or more often, if an event or circumstance indicates that an impairment loss may have been incurred. The key assumption affecting the present value of cash flows are the development of the net sales (expected growth rate), profitability (production volumes and future capex requirements), the discount rate and the growth rate. In impairment testing, the discounted present value of the recoverable cash flows of the cash-generating unit is compared to the unit's underlying value. If the present value of a cash generating unit's cash flows is lower than its carrying value, the difference is recorded as an expense in the income statement for the current financial year. Even though the estimates and assumptions used, which are based on the view of management in each subsidiary, are sufficiently accurate to determine the recoverable amount of goodwill, the estimated recoverable amount may differ significantly from the actual future amounts. Changes in the development of the net sales (expected growth rate), profitability, the discount rate and the cash flow growth rate, forecasts or a combination of these factors, could lead to impairment losses on goodwill. In the event that the Group’s definition of a cash generating unit is changed, this may lead to impairment losses on goodwill. Impairment losses relating to goodwill cannot be reversed in future periods. If the value of intangible assets, including goodwill, is impaired, then it could have an adverse effect on the Group's financial condition, results of operations, equity and/or its ability to pay dividends or distributions.

2.4.9 Fluctuations in the Group's tax obligations and effective tax rate and realization of the Group's deferred tax assets, including net operating loss and carryforwards, may result in volatility in the Group's operating results

The Group is subject to taxation in multiple jurisdiction in which it operates. The Group has recorded tax expense based on estimates of future payments, which may include reserves for uncertain tax positions in multiple tax jurisdictions, and valuation allowances related to certain net deferred tax assets, including net operating loss carryforwards. These records are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues.

In addition, the Group's effective tax rate in a given financial statement may be materially impacted by a variety of factors including but not limited to changes in the mix and level of earnings, inability to utilize the tax assets, varying tax rates in the different jurisdictions in which the Group operates, fluctuations in the valuation allowance, timing of the utilization of net operating loss carryforwards, or by changes to existing accounting rules or regulations. Further, tax legislation may be enacted in the future which could negatively impact the Group's current or future tax structure and effective tax rates.

2.5 Risks related to the Shares

2.5.1 There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. Prior to the Admission to Trading, there has been no public market for the Shares, as the Shares have not been listed or admitted to trading on any, stock exchange, regulated market or multilateral trading facility. Following an Admission to Trading on Merkur Market, an active or liquid trading market for the Shares may not develop or be sustained. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be in a position to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Merkur Market can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

2.5.2 Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer and issue new Shares or other securities in order to finance new capital intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the Shares and would dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

2.5.3 Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a private limited company organized under the laws of Norway. The majority of the members of the Board of Directors and management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

2.5.4 Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Company's Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

2.5.5 Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote for such Shares unless their ownership is re-registered in their names with the Norwegian Central Securities Depository (VPS) prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting of shareholders in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

2.5.6 Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction.

The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. Doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

2.5.7 The Company has a major shareholder with significant voting power and the ability to influence matters requiring shareholder approval

As of the date of this Admission Document, Aker ASA controls directly and indirectly approximately 77.8% of the Shares of the Company and it is expected that Aker ASA will continue to control more than two thirds of the Shares also after a listing on Merkur Market. This means that Aker ASA has the ability to determine the outcome of matters that require approval by a majority of shareholders at a general meeting of shareholders, including the election of members of the Board of Directors, as well as matters where a two-thirds majority of the votes cast and share capital represented is required.

3 GENERAL INFORMATION

3.1 Other important information

The Company has furnished the information in this Admission Document. The Merkur Advisors makes no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Admission Document is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Merkur Advisors disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Admission Document or any such statement.

None of the Company or the Merkur Advisors, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implies, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk factors" beginning on page 4.

3.2 Presentation of financial and other information

3.2.1 Financial information

The Company has prepared the audited annual consolidated financial statement for the financial year ended 31 December 2019, with comparable figures for 2018, in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU, as well as the Norwegian disclosure requirements pursuant to the Norwegian Accounting Act. The financial statement for 2019, which is included as Appendix B to this Admission Document, was audited by KPMG AS ("**KPMG**"), as set forth in their report included therein.

The Company's separate audited annual financial statements for the year ended 31 December 2018 was prepared in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles ("**NGAAP**"). The audited financial statement for 2018, which is included as Appendix C to this Admission Document, was audited by KPMG as set forth in their report included therein. The Company did not prepare a set of consolidated financial statement for the Group for 2018 in accordance with the Norwegian Accounting Act, as the Group's financial statements was consolidated into the consolidated financial statements of the Aker ASA group.

The Company has prepared unaudited condensed interim financial statement for the three-month period ended 31 March 2020, with comparable figure for the three-month period ended 31 March 2019 (the "**Interim Financial Statement**"), in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"). The Interim Financial Statement is included as Appendix D to this Admission Document.

The financial statement for the year ended 31 December 2019, with comparable figures for 2018, and the Interim Financial Statement are together referred to as the "**Financial Information**".

With respect to the annual report, the Company's management is responsible for the other information such as the board of directors report. For more information, see the auditor's report, included in the financial statement for 2019, appended as Appendix B to this Admission Document.

Other than set out above, KPMG has not audited, reviewed or produced any report or any other information provided in this Admission Document.

3.2.2 Functional currency and foreign currency

In this Admission Document, all references to "**NOK**" are the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States, and all references to "**EUR**" are to euro, the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency.

The Company has USD as functional currency and the Financial Information is presented in USD.

Transactions recorded in the financial statements of each subsidiary are done in its functional currency, i.e. the currency that best reflects the primary economic environment in which the entity operates. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of each transaction. Receivables, liabilities and other monetary items in foreign currencies are translated into the functional currency at the exchange rates on the balance sheet date. Foreign currency exchange gains or losses resulting from such transactions are recognized in the consolidated statement of profit or loss.

3.2.3 Rounding

Certain figures included in this Admission Document have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

3.2.4 Alternative performance measures

In order to enhance investors' understanding of the Group's performance, the Group presents certain measures and ratios in this Admission Document that might be considered as alternative performance measures ("**APM**"), meaning financial performance measures not included within the applicable financial reporting framework, which are used by the Group to provide supplemental information by excluding items that in the Group's view, does not give indications of the periodic operating results. Financial APMs are used to enhance comparability of the results from one 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 financial reporting. The Group focuses on earnings before net financial items, tax, depreciation, amortization and impairment ("**EBITDA**") and Adjusted EBITDA (as defined below) when presenting the period's financial result. Adjusted EBITDA is adjusted for special operating items. Financial APMs should not be considered as a substitute for measures of performance in accordance with an applicable financial reporting framework, and are upon disclosure subject to internal control procedures. Since companies may present APMs differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The following terms are used by the Group in the definition of financial APMs in this Admission Document:

- **EBIT**: Earnings before interest and taxes.

- **EBITDA:** EBIT plus depreciation and amortization and impairments.

- **Adjusted EBITDA:** EBITDA + special operating items. Special operating items include gains or losses on sale of assets, restructuring expenses and other material transactions of either non-recurring nature or special in nature compared to ordinary operational income or expenses.

The following table reconciles Adjusted EBITDA to EBIT and net income (loss) in the consolidated statements of profit or loss. For more information, see note 2 of the consolidated financial statement for 2019, attached hereto as Appendix B and note 3 of the Interim Financial Statement, attached hereto as Appendix D.

Table 1 - Adjusted EBITDA	**Quarter ended 31 March**		**Year ended 31 December**	
	2020	**2019**	**2019**	**2018**
(Amounts in USD thousands)	(IAS 34)	(IAS 24)	(IFRS)	(IFRS)
Net income (loss)	**(1,717)**	**(7,941)**	**(23,751)**	**(1,022)**
Tax expense	311	91	415	(259)
Net financial items	1,558	3,879	26,097	11,540
EBIT	**152**	**(3,971)**	**2,762**	**10,258**
Depreciation, amortization and impairment (1)	11,515	5,598	42,924	22,861
Special operating items (2)	988	1,808	7,346	5,901
Adjusted EBITDA	**12,656**	**3,436**	**53,032**	**39,020**

(1) For information about the Group's total depreciation, amortization, and impairment, see note 10 in the consolidated financial statement for 2019.

(2) For a specification of 'Special operating items' see note 2 in the consolidated financial statements for 2019 and in the Alternative Performance Measures appendix in the Interim Financial Statement as of Q1-2020.

3.3 Third-party information

Throughout this Admission Document, the Company have used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. The Company has not independently verified such data. Similarly, whilst the Company believe that its internal surveys are reliable, they have not been verified by independent sources and the Company cannot assure potential investors of their accuracy. Thus, the Company does not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Admission Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

The Company confirms that no statement or report attributed to a person as an expert is included in this Admission Document.

Unless otherwise indicated in the Admission Document, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

3.4 Cautionary note regarding forward-looking statements

This Admission Document includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “should”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Admission Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. For a non-exhaustive overview of important factors that could cause those differences, please refer to Section 2 "Risk factors".

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Admission Document.

4 PRESENTATION OF THE COMPANY

4.1 Information about Aker BioMarine

The Company's registered legal and commercial name is Aker BioMarine AS. The Company is a private limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Private Limited Companies Act of 1997 no. 44 (the "**Companies Act**"). The Company's registration number in the Norwegian Register of Business Enterprises is 913 915 062. The Company was incorporated in Norway on 30 June 2014.

The Company's registered office is located at Oksenøyveien 10, N-1366 Lysaker, Norway and the Company's main telephone number is +47 24 13 00 00. The Company's website can be found at www.akerbiomarine.com. The content of the Company's website is not incorporated by reference into, nor otherwise forms part of, this Admission Document.

4.2 Important events

The table below provides an overview of key events in the history of the Group:

Table 2 - Overview of key events in the history of the Group	
Year	**Event**
2003 - 2006	Eco-Harvesting™ technology to safeguard biodiversity was developed
2006	The first krill vessel, Saga Sea was put into operations
2006 - 2012	The Superba™ krill line was developed
2006 - 2012	Company enters the aquaculture market with QRILL™ Aqua
2012	The Company achieved the Marine Stewardship Council (MSC) certificate, a third party verification that the company adheres to the strongest standards of sustainability in wild-caught fisheries
2012	Aker BioMarine added Antarctic Sea to its fleet
2013	The Company entered the pet market with the QRILL™ Pet product line
2014	Aker BioMarine expanded vertically by entering a joint venture to transform a factory in Houston into a state-of-the-art omega 3 krill oil extraction facility
2017	The Company acquired krill operations from Neptune Technologies & Bioressources Inc.
2017	Flexitech™ krill oil extraction technology installed to bring more innovation to the krill oil market
2017	Named Norway's most innovative company by Innovasjonsmagasinet
2018	Aker BioMarine acquired of Enzymotec's krill operations
2018	Named Europe's most innovative company by the European Business Awards
2019	Acquisition of private label production and branding company Lang Pharma Nutrition Inc. (Lang)
2019	Antarctic Endurance vessel delivered
2020	Epion product Kori launched in the US market

4.3 Group structure

The Company functions as both as an operative entity and the parent company of the Group. The Group's operations are mainly carried out by the Company's subsidiaries. The following table sets out information about the Company's (directly or indirectly owned) subsidiaries:

Table 3 - Group structure

Subsidiary / Operating division	Share-holding	Voting rights	Country	Description
Aker BioMarine Antarctic AS	40% (1)	100%(2)	Norway	Developer of marine raw materials into high-quality products for humans and animals and conduct research and development in this field, as well as providing advice to other players with similar areas of interest in marine raw materials.
Aker BioMarine Antarctic US LLC	100%	100%	U.S.	Distribution and sales company for the US market.
Aker BioMarine Antarctic Services AS	100%	100%	Norway	Staffing services for the Group's vessels and other related services.
Aker BioMarine Australia Pty Ltd	100%	100%	Australia	Distribution, marketing and sales company for the Australian market
Aker BioMarine Manufacturing LLC	100%	100%	U.S	Tolling manufacturer of krill products for Aker BioMarine Antarctic AS.
Aker BioMarine Financing LLC	100%	100%	U.S.	Financing vehicle for Aker Biomarine Manufacturing LLC
Aker BioMarine Antarctic SA (former Odalson SA)	100%	100%	Uruguay	Provides logistics and warehousing services to Aker Biomarine Antarctic AS.
Aker BioMarine US Holding Inc	100%	100%	U.S.	Holding company and parent for the various US subsidiaries.
Complector Ship Management AS	100%	100%	Norway	Business, investment and participation in other enterprises.
Aker BioMarine Asia Ltd	100%	100%	China	Holding company for Aker Biomarine Shanghai International Trading Co Ltd
Aker BioMarine Shanghai International Trading Co Ltd	100%	100%	China	Marketing and sales company for the Chinese market.
Aker BioMarine Canada Inc	100%	100%	Canada	Distribution and sales company for the Canadian market.
Euphausia LLC	100%	100%	U.S.	Currently dormant company, established as a potential B2C company in the United States
Aker BioMarine (Thailand) Ltd	100%	100%	Thailand	Distribution, sales and marketing company for the Thai and neighboring markets. Company not fully operational at this time.
Aker BioMarine India Private Ltd	100%	100%	India	Distribution, sales and marketing company for the Indian and neighboring markets.
NewRide LLC	100%	100%	U.S.	Parent/ holding company of Epion Brands LLC.
Epion Brands LLC	100%	100%	U.S.	Distribution, marketing and advertising company established in the United States.
Epion IP AS	100%	100%	Norway	Part of Epion Brands LLC setup.
Lang Pharma Nutrition Inc	100%	100%	U.S.	Full service, mass-market dietary supplement manufacturer.
Aker BioMarine New Zealand Ltd	100%	100%	New Zealand	Distribution, sale and marketing company for the New Zealand market.

(1) Through its fully owned company Antarctic Harvesting Holding AS, The Resource Group TGR AS, subscribed to 555,900 new shares (the A-shares) in Aker BioMarine Antarctic AS for a cash consideration of NOK 11 million in September 2015. The shares subscribed to constitute a separate share class with rights to an annual preferential dividend of 7% of the invested capital, but with no economic rights to any profits above this level. The structure enables the Company to access foreign capital while remaining in compliance with its fishing licenses. Based on the content of the shareholder agreement between the Company and Antactic Havesting Holding AS, the Company defines Aker BioMarine Antarctic AS as a subsidiary for accounting purposes, even if the ownership is 40% (the B-shares). In the Company accounts, the NOK 11 million is accounted for as interest bearing debt. For more information, see note 24 in the Company's 2019 financial statement attached hereto as Appendix B and note 8 in the Company's 2018 financial statement attached hereto as Appendix C.

(2) The Company has all voting rights except for certain fundamental matters which require consent from both shareholders.

4.4 Business overview

4.4.1 Introduction

The Group is a Norwegian vertically integrated biotech innovator and Antarctic krill-harvesting company with its core business consisting of harvesting, production, sales and marketing of krill-derived products. The Group develops and sells food and nutritional supplements for humans and ingredients for aquaculture and animal feed.

The Group is a world leader within krill harvesting and processing, accounting for approximately 70% of global krill harvesting in Antarctica and over 80% of global krill oil production. The Group operates 3 out of 13 krill harvesting vessels globally, and owns a krill oil extraction facility in Houston, Texas. The Group has made significant investments in technology and infrastructure over the last decade.

The Group was founded because of a strong belief in the positive health effects of krill, and with a conviction that marine harvesting could be done without any negative effects on the eco-system. Antarctic krill form one of the largest biomasses of any individual animal species, and the harvesting operations in Antarctica are within the bounds of strict quota regulations set out by The Convention on the Conservation of Antarctic Marine Living Resources (CCAMLAR).

The Group is certified for sustainable fishery, dedicated to contributing to the United Nations Sustainable Development Goals and focused on transparency from ocean to end-customer. With machine learning, technology for fishery management, and efficient operational set-ups, the Group focuses on minimizing industrial impact and CO_2 emissions. Believing in the importance of sharing best-practice and promoting industry responsibility, Aker BioMarine co-founded the Association of Responsible Krill Harvesting Companies (ARK) in 2010.

The Group is uniquely positioned in several high potential markets and while core operations have very high barriers to entry. With innovation at the forefront of the Group's operations, the Group is continuously improving its knowledge of fishery, harvesting and production efficiency with data and technology. The Group owns a large portfolio of patents with 76 patent families, and more than 1,200 patent claims. This, along with extensive regulatory processes to become an approved operator, protects the Group's unique position in the market.

4.4.2 Business description

4.4.2.1 Ingredients

The Group operates within two segments; ingredients and brands. Within the ingredient segment, the Group produces and distributes a product portfolio consisting of a range of krill-derived products for aquaculture, pet food and human consumption. Krill oil for human consumption is sold under the brand Superba™. The oil is a natural source of essential omega-3s, phospholipids, choline and astaxanthin. The product contributed with 54% of the Ingredients segment revenue in 2019. QRILL™ Aqua and QRILL™ High Protein are the Company's nutrient rich feed ingredients for aquaculture. The ingredients are known for promoting faster growth in fish and shrimps, as well as to improve health, quality and stress tolerance. In 2019, QRILL™ Aqua accounted for 39% of the Ingredients segment revenue and QRILL™ High Protein for 5% of revenue. QRILL™ Pet is made of whole Antarctic krill and is a functional ingredient for pet food. Products enriched with QRILL™ Pet provide a natural source of omega-3 fatty acids and offers several health benefits to pets, including healthy organs, joints and fur. The product contributed with 2% of the Ingredients segment revenue in 2019.

4.4.2.2 Brands

In addition to ingredient production, the Group owns the two brand companies, Lang Pharma Nutrition Inc. and Epion. The companies have distinct and separate functions, but operate as an integrated value chain. Lang was acquired by Aker BioMarine in 2019, and is a full-service, mass market private label and corporate brand manufacturer that specializes in producing innovative healthcare products. Lang Pharma Nutrition Inc. has significant in-house R&D capabilities, a global network to track emerging trends and innovations and 146 products across 15 categories for all major US retailers such as Walmart, Target, CVS Pharmacy and more. Epion Brands LLC was established by the Group to develop consumer brands of krill-derived ingredients. It will launch its first krill oil consumer brand, Kori, at the largest US retailers during 2020. The products are already available in many retailer stores and online as of June 2020.

4.4.2.3 Value chain

The Company controls a fully vertically integrated value chain. The value chain is fully transparent and stretches from sustainable krill harvesting in Antarctica through the logistics hub in Montevideo, Houston krill oil extraction plant, and all the way to customers around the world.

Krill harvesting set-up is designed to optimize time to market and minimize by-catch, with three, state of the art harvesting vessels and a harvesting season of up to 10 months. Production of krill ingredient is done immediately after the krill has been brought onboard to ensure optimal product quality. A fully owned support vessel also ensures limited interruption of harvesting operations, by picking up and delivering finished krill ingredient products to Montevideo. Independent observers are always stationed onboard the krill vessels during harvesting operation in Antarctic waters.

The distribution hub in Montevideo, Uruguay is the main logistics hub for The Group. With significant warehouse capacity and custom-built re-packaging facilities, the hub successfully handles the distribution of large volumes of krill ingredient products. The hub’s operation makes the Group one of Uruguay’s biggest exporters by tonnage.

Aker BioMarine owns a krill oil extraction plant in Houston, Texas. Proprietary technology Flexitech™ enables the company to produce krill oil of high quality, with higher share of beneficial compounds and no off-putting flavors or odors. All krill oil products are certified 100% sustainable and traceable and produced through a vertically integrated and owned supply chain. The plant is constantly increasing its sustainability efforts, and several of the utilities used during operation are recycled and reused.

The acquisition of Lang Pharma Nutrition Inc. enhanced the Company’s expertise in private label manufacturing of supplements of healthcare products. Lang Pharma Nutrition Inc. has significant pharmaceutical production capabilities and connections to approximately 85% of the relevant US retail industry. Lang will further increase the Group’s penetration of the US market. With resources committed to R&D and a global network to track emerging ingredients, technology, intellectual property and science, Lang Pharma Nutrition Inc. can quickly bring new market leading products to the shelf.

Aker BioMarine has taken on the global challenge to raise awareness around the significant health benefits of omega-3s found in krill. The Company has made large investments into R&D and krill studies over the last approximately 15 years. The studies underline the benefits krill can have by reducing the risk of several lifestyle diseases, including heart and brain-related issues, and help increase awareness around krill products in the market. The studies have also resulted in distinct value propositions for the Group's products, highlighting the significant health benefits both for human and animal consumption.

4.4.2.4 Customer contracts

The Company's customer contracts are based on fixed prices and predictable volumes. The majority of the contracts are either long-term "take or pay" contracts of 3-5 years (57% of 2019 revenue), or one-year contracts (33% of 2019 revenue), and the Company therefore largely operates de-coupled form the commoditized spot-priced fishmeal market. This allows for high revenue transparency and low volatility of sales. The customer base is largely diversified, with top 20 customers accounting for approximately 70% of revenue for Aker BioMarine, and access to 85% of the US retail market for the two brands Lang and Epion.

4.4.2.5 Business plan

Going forward, the Group will drive topline growth through clearly visible levers. The Group has recently increased its krill harvesting capacity with the introduction of the new vessel Antarctic Endurance in 2019. A new supply ship Antarctic Provider is under construction and expected to be delivered end 2021. This vessel will further increase operational efficiency and utilization of the krill harvesting fleet in addition to reducing the production unit costs. The company expects a margin uplift by switching product mix from aquaculture, to a larger share of other high-margin products such as krill oil for human consumption and pet food. In order to tap into the large, global pet food market, the Company is developing a new dog food brand aiming to initiate retail sales in 2021. Further on, the Company has invested in R&D and is now developing a human protein product to be launched into the large and global sports nutrition market. The company seeks to create significant growth from the launch of the Epion brand Kori in 2020. Lastly, the Company expects to see continued strong growth of the Lang business. For further information, also see the company presentation referred to under Section 11.3 "External documents of interest".

4.4.2.6 Recent acquisitions

Acquisition of Lang Pharma Nutrition, Inc.

On 1 March 2019, the Group (though a holding company in the United States) acquired 100% of the issued shares in Lang Pharma Nutrition, Inc. (Lang), a full service, mass market dietary supplement manufacturer, for a consideration of USD 91.3 million. The contribution consisted of a cash consideration paid on closing, in addition to a contingent consideration. The contingent consideration arrangement required Aker BioMarine to pay the seller an earn-out calculated each fiscal year using a measurement of company EBITDA as its basis. The contingent consideration period is from 2019 through 2022.

Acquisition of the krill oil business of Enzymotec Ltd.

The Company entered into an asset purchase agreement with Enzymotec Ltd. in January 2018, granting Aker BioMarine ownership to Enzymotec Ltd.'s krill oil business and the IP related to it. The business was spun off from Enzymotec Ltd.'s other business areas. The transaction valued the krill oil business at USD 26.4 million.

Acquisition of the krill oil business of Neptune Technologies & Bioressources Inc.

The Company entered into a purchase agreement with Neptune in August 2017, granting Aker BioMarine ownership to Neptune's krill oil business, inventory and IP. The transaction valued the krill business at USD 34 million.

4.5 Material contracts

Neither the Company nor any other member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Admission Document. Further, the Group has not entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as of the date of this Admission Document.

4.6 Related party transactions

The Group's related parties include the Company and its subsidiaries, as well as members of the Board of Directors, members of management and their related parties. Related parties also include companies in which the individuals mentioned in this paragraph have significant influence.

The Group's consolidated financial statements include the following transactions and intercompany balances with Aker ASA and companies controlled by Aker ASA. Aker ASA is the controlling shareholder of the Group. See note 22 in the Company's 2019 financial statement, attached hereto as Appendix B for remuneration to key management.

Table 4 – Related party transactions	**Quarter ended 31 March**		**Year ended 31 December**	
	2020	**2019**	**2019**	**2018**
(Amounts in USD thousands)	(IAS 34)	(IAS 34)	(IFRS)	(IFRS)
Office rent, facilities services and information technology	(330)	(313)	(1,404)	(1,084)
Interest expenses and guarantee fee	(1,885)	(1,202)	(6,292)	(6,555)
Total	**(2,214)**	**(1,515)**	**(7,696)**	**(7,639)**

The interest expense relates to the interest-bearing debt to Aker ASA, see note 15 in the Company's 2019 financial statement for details on amounts due as of 31 December 2019. The guarantee fee relates to the guarantee provided from Aker ASA related to the Group's long-term loan with DNB/Rabobank (see note 16 in the Company's 2019 financial statement, attached hereto as Appendix B, for more information).

In addition, the Company has entered into an agreement for consulting services with Converto Consulting AS in order to streamline its offshore segment. Board member Frank Reite has an ownership stake of approximately 40% of Converto Consulting AS.

Furthermore, the Group CEO, Matts Johansen, owns approximately 1.05% of the shares in the Company (through KMMN Invest II AS) and receives salary as agreed by the Board of Directors. The CEO of Lang Pharma Nutrition LLC, Dave Lang, is also the recipient of any earn-out payments in accordance with the share purchase agreement from the acquisition.

Management believes that the services are provided on arms-length principles and conditions.

4.7 Legal and regulatory proceedings

The Group is not, nor has been, during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened.

4.8 ESG assessments

4.8.1 Sustainable Fisheries Partnership

The Antarctic krill fishery has for the fifth year in a row received an "A" ranking from Sustainable Fisheries Partnership for having a biomass that is deemed to be in very good condition. The Antarctic krill fishery is the only reduction fishery to receive such "A" rating. For more information, please see the Sustainable Fisheries Partnership's website.[1]

4.8.2 Marine Stewardship Council (MSC)

The Group was the first krill fishery to receive the Marine Stewardship Council ("**MSC**") certification in 2010, and received a re-certification in 2015 for another five years.[2] The certification expires on 15 December 2020. This gives the Group the right to claim that it is a "Well Managed and Sustainable Fishery" in accordance with the MSC's Principles and Criteria for Sustainable Fishing.

4.8.3 Friends of the Sea

Aker BioMarine Antarctic AS is certified by Friends of the Sea.[3]

Friends of the Sea is a non-governmental organization established in 2008, whose aim is to safeguard the marine environment and its resources incentivizing a sustainable market and implementing specific conservation projects. Friends of the Sea certification program allows assessment of fisheries and aquaculture products according to sustainability criteria and requirements. The certification, granted by Independent Certification Bodies following an audit, ensures that a product complies with the sustainability requirements.

[1] Sustainable Fisheries Partnership's website: https://www.sustainablefish.org/News/SFP-releases-2019-reduction-fisheries-report
[2] MSC certification: https://fisheries.msc.org/en/fisheries/aker-biomarine-antarctic-krill/@@view (extracted on 24 June 2020)
[3] Friends of the Sea: https://friendofthesea.org/company/aker-biomarine-antarctic-as/ (extracted on 24 June 2020)

4.8.4 Cicero Shades of Green AS – Second Opinion June 2020

Figure 1 – Shades of Green by annual revenue

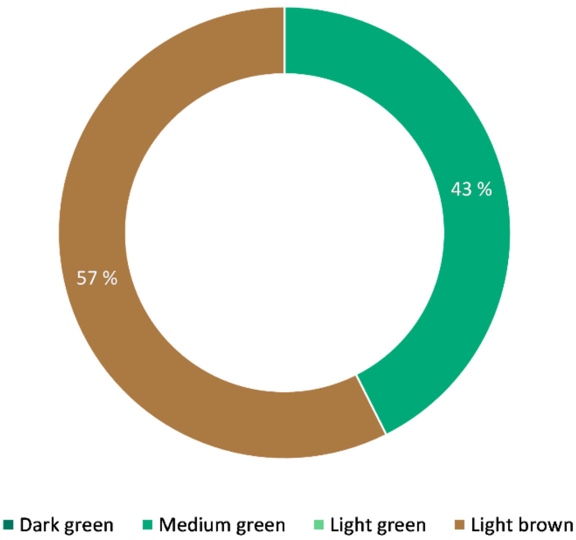
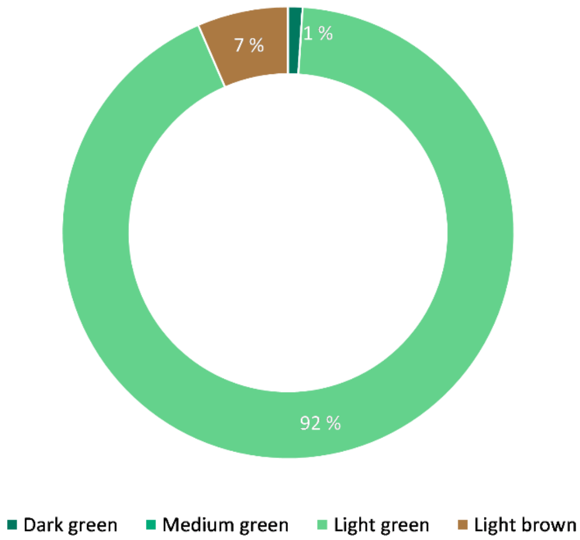


Figure 2 – Shades of green by annual investment 2019



In its June 2020 Second Opinion, Cicero Shades of Green ("**Cicero**") concludes that in 2019, 43% of the Group's revenues resulted from products sold to aquaculture and are considered Medium Green while 57 % of the Group's activities are related to sales that are Light Brown. Krill meal's ability to replace deforestation-causing soy in aquaculture feed is the main reason for awarding this revenue segment Medium Green, but the high sustainability standard the Company adheres to for its harvesting operations in Antarctica and the strategy to improve the efficiency of its transportation and harvesting vessels were also factored in the assessment. In addition to shading from dark green via light green to dark brown, Cicero also includes a governance score to show the robustness of the governance structure. Cicero's assessment is also intended to provide investors and lenders with information on possible alignment to the EU Taxonomy as well as the companies' environmental governance structure, including an assessment of how companies respond to the Task Force on Climate-Related Financial Disclosures recommendations on climate-related risk disclosure.

Further reference is made to the Cicero Second Opinion available at the Company's website.[4]

4.8.5 The EU Taxonomy

On 18 June 2020, the European Parliament adopted the Taxonomy Regulation, which is the main legal instrument in the EU Taxonomy Framework. The Taxonomy Regulation identifies six environmental objectives including climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control; protection and restoration of biodiversity and ecosystems. In order to be classified as sustainable, an economic activity must (i) substantially contribute to at least one of the objectives, (ii) do no significant harm to any of the other objectives, (iii) meet certain minimum safeguards as to social and governance matters, and (iv) comply with technical screening criteria established by the European Commission.

The European Commission is to adopt delegated acts with specific and technical screening criteria, based on inter alia a report from the Technical Group of March 2020 (the TEG Report). Delegated acts for the two first objectives (climate change mitigation and climate change adaptation) is planned be

[4] Company website: www.akerbiomarine.no

adopted by the end of 2020, while criteria on the other four objectives is planned to be in place by the end of 2021.

The TEG Report does not cover fishing activities and provides no specific guidance for this sector. The European Commission will now establish the Platform on Sustainable Finance to inter alia advice on specific criteria for other activities to be included in the EU Taxonomy. As there are not yet any specific criteria and the Group's activities have not been assessed under the general provisions of the Taxonomy Regulation there can be no assurance that the Group's current activities will qualify as sustainable activities under the EU Taxonomy.

5 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

5.1 Introduction

The Company's highest decision making authority is the general meeting of shareholders. All shareholders in the Company are entitled to attend or be presented by proxy and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

5.2 Board of Directors

5.2.1 Overview

The Company's Articles of Association provide that the Board of Directors shall consist of between three to nine board members elected by the Company's shareholders. Please find details regarding the Company’s members of the Board of Directors, as at the date of this Admission Document, in the table below:

Table 5 – Overview of the members of the Company's Board of Directors

Name	Position	Served since	Term expires	Shares	Options
Ola Snøve	Chair	2014	2022	-	-
Øyvind Eriksen	Board Member	2016	2022	-	-
Kjell Inge Røkke	Board Member	2016	2022	-	-
Frank O. Reite	Board Member	2016	2022	-	-
Line Johnsen	Board Member, employee representative	2020	2021	-	-
Sindre Skjong	Board Member, employee representative	2019	2021	-	-

The Company's registered office at Oksenøyveien 10, N-1366 Lysaker, Norway, serves as the business address for the members of the Board of Directors in relation to their positions in the Company.

5.2.2 Brief biographies of the Board of Directors

The following sets out a brief introduction to each of the members of the Company's Board of Directors:

Ola Snøve – *Chairman*

Ola Snøve has been Chair of the Company since 2014. Mr. Snøve was Investment Director of Aker ASA for more than ten years and was previously President & CEO of Epax, a world-leading fish oil-based omega-3 supplier. Mr. Snøve works with and is a Non-Executive Director in multiple innovative technology companies, including Cognite who develops software to empower the digital industrial revolution on a global scale. Mr. Snøve holds M.Sc. and Ph.D. degrees from the Norwegian University of Science and Technology, and an M.B.A. with Distinction from INSEAD.

Øyvind Eriksen – *Board Member*

Øyvind Eriksen joined Aker ASA in January 2009. Mr. Eriksen holds a law degree from the University of Oslo. He joined Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/ chairman in 2003. As a corporate attorney he among other things worked with strategic and operational development, M&A and negotiations. Mr. Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry. As CEO Mr. Eriksen is currently chairman of the board in Aker BP ASA, Aker Solutions ASA, Cognite AS, Aker Capital AS, Aker Kværner Holding AS, and REV Ocean Inc. He is also a director of several companies, including Aker Energy AS, Akastor ASA, The Resource Group TRG AS, TRG Holding AS, The Norwegian Cancer Society (Kreftforeningen), and a member of World Economic Forum C4IR Global Network Advisory Board.

Kjell Inge Røkke – *Board Member*

Kjell Inge Røkke, Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke controlled company, RGI, purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Mr. Røkke is also currently director of Aker BP, Kvaerner, Ocean Yield, Aker BioMarine and Aker Energy.

Frank O. Reite – *Board Member*

Frank O. Reite first joined Aker in 1995, and held the position as CFO in Aker ASA from August 2015 until August 2019. He is now an advisor. He holds a B.A. in business administration from Handelshøyskolen BI in Oslo. Mr. Reite has previously held the position as President & CEO of Akastor, and has previously held a variety of executive positions in the Aker group, including overseeing and developing Aker's investments in Converto Capital Fund AS, Havfisk ASA, Norway Seafoods AS and Aker Yards ASA. Mr. Reite also has experience from banking and served as Operating Director at Paine & Partners, a New York-based private equity firm. Mr. Reite is chairman of Ocean Yield ASA and Converto AS and a board member of Aker Biomarine As and Solstad Offshore ASA.

Line Johnsen – *Board Member, employee representative*

Line Johnsen joined the Company in 2012 and functions as director for science and regulatory affairs. She was elected as employee representative to the Company's Board of Directors in 2019. Line holds a Ph.D. degree from the University of Oslo within Biochemistry.

Sindre Skjong – *Board Member, employee representative*

Sindre Skjong joined the Company in 2017 and functions as technical director. He was elected as employee representative to the Company's Board of Directors in 2019. He has previously worked 9 years in various positions with Aker BioMarine Antarctic AS. He was educated as a coastal captain from the Aukra Maritime School.

5.3 Management

5.3.1 Overview

The management of the Company consists of 9 individuals. Please find details regarding the Company's management, as at the date of this Admission Document, in the table below:

Table 6 – Overview of the members of the Company's management

Name	Position	Employed since	Shares	Options
Matts Johansen	Chief Executive Officer (CEO)	2009	920,714 (1)	-
Katrine Klaveness	Chief Financial Officer (CFO)	2018	-	-
Tim de Haas	EVP Human Health and Nutrition	2010	-	-
Kristine Hartmann	EVP Transformation	2011	-	-
Tone Lorentzen	EVP Supply Chain	2015	-	-
Shauna McNeill	EVP Innovation	2017	-	-
Sigve Nordrum	EVP Animal Health and Nutrition	2007	-	-
Todd Norton	EVP Special Advisor	2010	-	-
Trond Atle Smedsrud	EVP Strategic Investments	2015	-	-

(1) Matts Johansen owns 920,714 Shares through his wholly owned company KMMN Invest II AS (representing approximately 1.05% of the Shares in the Company).

The Company's registered office, at Oksenøyveien 10, N-1366 Lysaker, Norway, serves as the business address for the members of the management in relation to their positions in the Company.

5.3.2 Biographies of the members of management

The following sets out a brief introduction to each of the members of the Company's management:

Matts Johansen – *Chief Executive Officer (CEO)*

Matts joined Aker BioMarine in 2009. Before being named the CEO in 2015, Matts was the Chief Operating Officer of Aker BioMarine. As the CEO of Aker BioMarine, Matts is on a mission to improve human and planetary health. Prior to joining Aker BioMarine, he was the Chief Marketing Officer at Telefonica O2. Before that Matts studied at Oslo University College and Columbia University.

Katrine Klaveness – *Chief Financial Officer (CFO)*

Katrine is the CFO of Aker BioMarine, responsible for the Company's finance and accounting function, overseeing treasury, tax, legal, accounting and business intelligence. She joined Aker BioMarine from Yara where she was CFO for the Production segment, and prior to that she spent more than 10 years in the Aker system in different senior corporate financial positions, including Aker ASA and Aker BP (formerly Det norske oljeselskap ASA). Katrine spent her first years in McKinsey & Company, and holds a Master's from BI, the Norwegian Business School.

Tim de Haas – *EVP Human Health and Nutrition*

Joining Aker BioMarine in 2010, Tim is responsible for global sales and marketing of the company's Human Nutrition & Health products. Prior to joining Aker BioMarine, Tim was a Management Consultant for Capgemini, working on market entry and growth strategies for a number of telecommunication companies in Europe and the Middle East. Tim has a Master's degree in Economics from the University of Hamburg.

Kristine Hartmann – *EVP Transformation*

Kristine joined Aker BioMarine in 2011. She is responsible for increasing Aker BioMarine's transparency, connecting the day-to-day operations with the company's strategy and transforming the business to meet increasing expectations from customers, employees and other stakeholders. Prior to joining Aker BioMarine, Kristine held several senior consulting positions at PwC and Accenture. Kristine has a Master's degree from the Norwegian University of Science and Technology and University of New Orleans.

Tone Lorentzen – *EVP Supply Chain*

Tone joined Aker BioMarine in 2015. She oversees Aker BioMarine's entire supply chain from harvest to production, including the vessels in Antarctica, the krill oil factory in Houston, product quality and global logistics. Tone has 25 years of experience with global supply chain operations. Prior to joining Aker BioMarine, Tone worked at Nycomed, Amersham, GE Healthcare and Trygg Pharma.

Shauna McNeill – *EVP Innovation*

Shauna has been with Aker BioMarine since 2017. She is responsible for the company's new and on-going programs to research, develop and commercialize krill derived products and applications. Shauna has worked in a variety of strategy, product and business development roles including at Ecolab and the Boston Consulting Group. Shauna holds both an MBA from Harvard Business School and a B.S. in Chemical Engineering from the University of Minnesota.

Sigve Nordrum – *EVP Animal Health and Nutrition*

Sigve has been with Aker BioMarine since 2007. He is responsible for the sales, marketing and R&D for krill products for the animal and aquaculture markets globally. Prior to joining the company, Sigve worked at BioMar and the Norwegian Ministry of Fisheries. Sigve has a Master's degree from the Norwegian School of Life Sciences and a PhD from the Norwegian Veterinary College.

Todd Norton – *EVP Special Advisor*

Todd has been with Aker BioMarine since 2010. He is responsible for strategic initiatives, as well as the company's operations in the U.S. Prior to joining Aker BioMarine, Todd was the President and chief operating officer at Sabinsa. He also has more than 40 years' experience working in the nutraceutical industry. Todd has a B.A. degree in Business Management.

Trond Atle Smedsrud – *EVP Strategic Investments*

Trond Atle joined Aker BioMarine in 2015 and previously ran Aker BioMarine's Marketing and Innovation department. In order to secure future relevance and financial growth for the company, in his current role Trond Atle is responsible for exploring, securing and growing new corporate investments. Prior to joining Aker BioMarine, Trond Atle worked in senior positions at Coca-Cola and PwC. Trond Atle has a Master’s degree from BI Norwegian School of Management.

5.4 Employees

The Group had 481 employees as at 1 April 2020.

The table below shows the development in the number of employees in the Group for the years ended 31 December 2019 and 2018. Reference is made to the Board of Directors' report in the audited consolidated financial statement for 2019, attached hereto as Appendix B for more information on the Group's employees.

Employees	As at 31 December 2019	As at 31 December 2018
Group	504	364

5.5 Benefits upon termination

If the company terminates the employment, Matts Johansen (CEO) and Todd Norton (EVP Special Advisor) are entitled to three months' severance pay after the end of the notice period, while Sigve Nordrum (EVP Animal Health and Nutrition) is entitled to six months' severance pay after the end of the notice period (as well as early retirement benefit from the age of 62).

None of the other members of the Board of Directors or the members of management have service contracts with the Company or its subsidiary and none will be entitled to any benefits upon termination of office.

5.6 Corporate Governance

5.6.1 Overview

The Company’s Board of Directors is responsible for ensuring satisfactory corporate governance.

The Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the **“Code”**) does not apply on Merkur Market. However, the Company will consider the implications of the Code going forward.

5.6.2 Audit committee

The Company has established an audit committee comprising of Frank Reite (leader and member of the Board of Directors), Ola Snøve (member and Chairman of the Board of Directors) and Ove Taklo (member, Corporate Controller Aker ASA).

5.6.3 Remuneration committee

The Company has currently not established a remuneration committee, but may consider establishing such committee going forward.

5.7 Other information

No member of the board of directors, management or senior employees has:

- had any potential conflict of interests between their private interests and the interests of the Company;

- during the last five years preceding the date of this Admission Document: (a) any convictions in relation to indictable offences or convictions in relation to fraudulent offences; (b) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or (c) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

6 PRINCIPAL MARKETS

This Section provides an overview of the principal market in which the Group operates. Information concerning future market developments, the markets in general, competition, industry trends and similar information, is based on data compiled by professional analysts, consultants and other professionals. The Merkur Advisors has provided statistical information and data, and information is sourced from the Merkur Advisors databases and other professional industry sources.

6.1 Market introduction

The Sustainable Development goals (SDGs) set by United Nations all have one thing in common – they are indirectly affected by food security and nutrition. According to the Global Nutrition Report (2020)[5], 1 in 9 people is undernourished and every third person in the world is overweight or obese. A growing population and increasing middle class are changing eating patterns, with a food industry that already accounts for approximately 25% of the global greenhouse gas emissions (Poore and Nemecek, 2018)[6]. Improving health and nutrition for both humans and animals through sustainable innovation in products and supplements containing important nutrients is a key contributor to a healthy and prosperous life for all.

Krill is an abundant source of key nutritional components such as the Omega-3 fatty acids eicosapentaenoic acid ("**EPA**") / docosahexaenoic acid ("**DHA**") and a source of protein. The Group develops, markets and sells krill-based ingredients for three main end-markets, which are the human nutrition market, the pet nutrition market and the aquaculture feed market.

Catch volumes in the Antarctic are restricted by the Precautionary Catch Limits (PLCs) developed by CCAMLR, see figure 3.[7] According to the CCAMLR, the Antarctic krill catch was at 377,000 MT in 2019 (see figure 4).[8] The Group harvested approximately 69% of the global volume in 2019.[9] Unlike the market for e.g. salmon, the trade of krill is a no commodity market which is based on fixed, long-term contracts.

Figure 3 – Catch limits

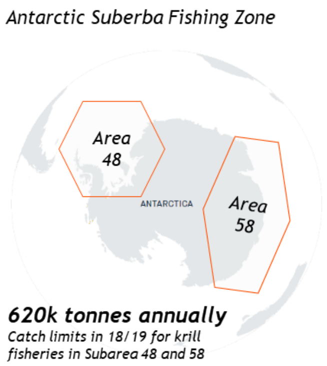
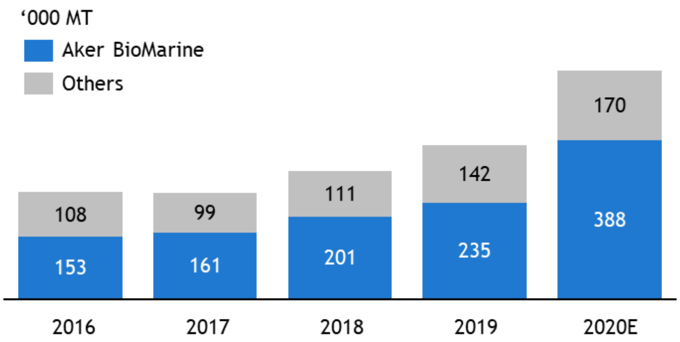


Figure 4 – Krill harvest in Area 48



[5] The 2020 Global Nutrition Report, Development Initiatives Poverty Research Ltd, (https://globalnutritionreport.org/reports/2020-global-nutrition-report/)
[6] Reducing food's environmental impacts through producers and consumers, J. Poore and T.Nemecek, 2018
[7] CCAMLR catch limit (https://www.ccamlr.org/en/fisheries/krill)
[8] CCAMLR estimate per 13 September 2019 (https://www.ccamlr.org/en/system/files/e-cc-38_1.pdf, page 12)
[9] Company information

6.2 The human nutrition market

Approximately 70% of the current population is in a state of omega-3 deficiency (Hamilton et al., 2020).[10] Furthermore, the existing food system will struggle to deliver enough protein to a growing population. The Group can address both issues efficiently through krill-based dietary supplements and forthcoming protein products for humans, mainly in the form of oil or meal.

The global market of dietary supplements was estimated at USD 65 billion in 2019 (Euromonitor, 2020).[11] The largest markets are the United States and Europe, followed by China and the rest of Asia. The global market for omega-3 fatty EPA/DHA supplements amounted to USD 4.5 billion in 2019.

Figure 5 – Global market for dietary supplements (USD billion)

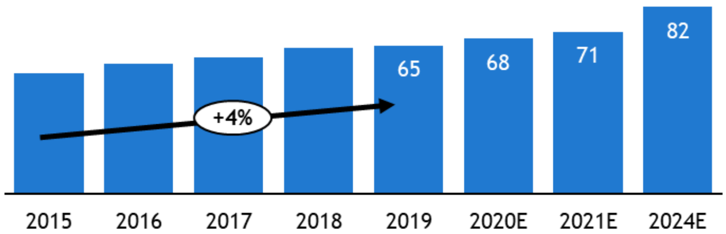
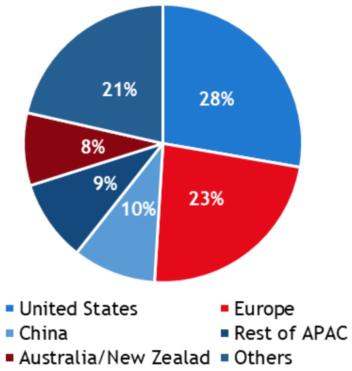


Figure 6 – The EPA/DHA market



The main growth drivers in the human nutrition market is an increasing interest in the health benefits of krill, the demand for "clean" products, focus on sustainability and alternative protein sources, and expanding ranges by fortification (Euromonitor, 2019).

Figure 7 – The global protein product market

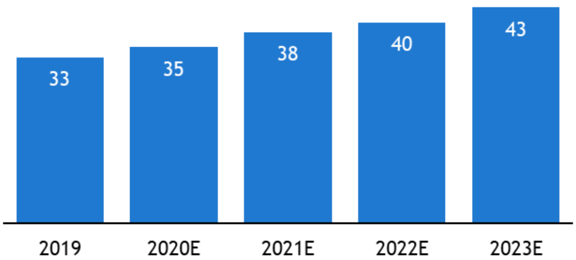
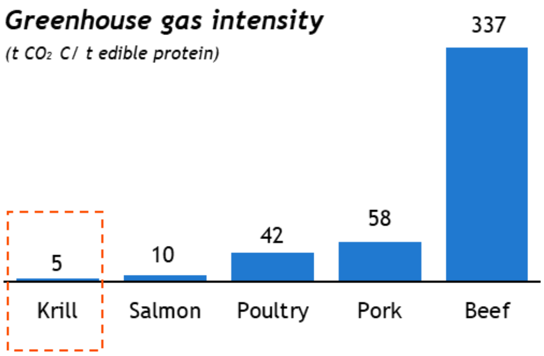


Figure 8 – Protein sources CO_2 emissions[12]



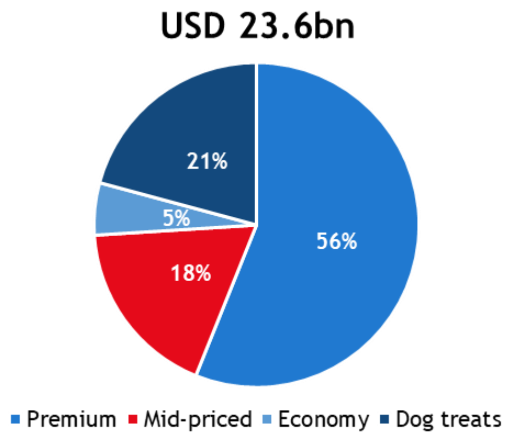
The global market for protein products amounted to USD 33 billion globally in 2019.[13]

[10] System approach to quantify the global omega-3 fatty acid cycle (p. 59–62), Hamilton et al., Nature, 2020
[11] Dietary supplements market study, Euromonitor 2020
[12] Meat consumption, health and the environment, H.C.J Godfrey et. al, 2018
[13] Euromonitor, Global trends in protein 2016 and The Evolution of sports nutrition, 2019

6.3 The pet nutrition market

The pet nutrition market is traditionally a lower value category, but one that has experienced high growth in recent years. Currently, only a small percentage of pet foods are fortified with omega-3 oils (GOED, 2018).[14]

Figure 9 – US dog food market by category



The Group's strategy is focused on the United States dog food market, with a market value of approximately USD 23.6 billion in 2019[15]. The premium dry dog food segment was the largest segment in 2019 at almost 50% of the market (Euromonitor, 2019), driven by the trend that pet owners are becoming increasingly focused on quality nutrition, and more specific demands to ingredients.

6.4 The aquaculture feed market

Fed aquaculture production has grown significantly over the last decade, with a production of 56.0 million MT in 2018.[16] This has consequently led to an increasing demand for aquaculture feed, a market the Group is exposed to trough its QRILL™ Aqua products. The global production of aquatic feed was 45 million MT in 2019.[17]

Most of the aquatic feed produced in the world is used for carp (26%), which is the largest group among aquatic species. Other major species incl. salmonids (10%), shrimp (21%) and tilapia (13%).[18] The Group's aquafeeds are used for salmonids, shrimps and marine fish such as sea bass or sea bream.

[14] The Global Organization for EPA and DHA Omega-3s (GOED), 2018
[15] Dog food in the US 2019, Euromonitor, June 2019
[16] IFFO Statistical Yearbook 2018, Fishmeal market
[17] Mowi, Salmon Farming Industry Handbook 2020 (https://mowi.com/investors/resources/)
[18] Mowi, Salmon Farming Industry Handbook 2020 (https://mowi.com/investors/resources/)

Figure 10 – The global fed-aquaculture market

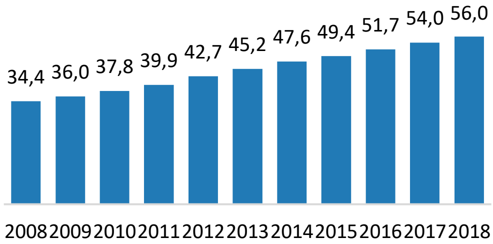
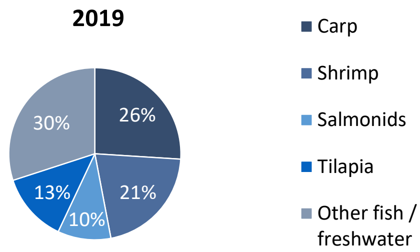


Figure 11 – Global production of aquatic feed



One of the challenges in the aquaculture industry is how to increase productivity, i.e. grow a healthy fish or shrimp at the lowest cost possible. Compared to traditional aquatic feeds such as fishmeal and fish oil, the Group's products have shown to be an excellent source of marine protein for fish and shrimp, leading to increased feed uptake and enhanced growth. In total 325 million extra meals have been produced as a result of using QRILL™ Aqua instead of regular feed for the Group's customers.[19]

6.5 Business-critical regulations, contracts, intellectual property rights and patents

6.5.1 Dependency on krill harvesting regulations

The available harvest volume of Antarctic krill in Area 48 is determined on an annual basis by CCAMLR. The Group must adhere to the restrictions and regulations in the harvest area, and there are numerous guidelines in which the Group must comply to be able to harvest the krill. As of the date of this Admission document, all relevant approvals have been obtained for the relevant area. The Group currently has three vessels that are approved for harvesting by CCAMLR.

6.5.2 Intellectual property rights

The Group has by far the largest portfolio of IP within the krill industry, with 20 years+ history of targeted research and innovation with IP and R&D in the marine phospholipid space from the Group's predecessor Natural ASA. Currently, the Group holds over 20 patent families consisting of around 80 patents and more than 1200 enforceable patent claims. While the phospholipid space has been the target for a lot of the IP work initially, the Group has newly implemented an improved system to identify and capture new innovative activity and technology development within the Group and revealed great potential for portfolio expansion. The Group has a strategy of being at the forefront within research and development, technology development and capturing IP across all processes. The Group has also successfully defended and enforced its patents in several jurisdictions, and has taken an active role in cleaning up the krill IP space by opposing competitor patents. See https://www.akerbiomarine.com/patents for full overview of approved patents.

In addition to patenting, the Group has a broad portfolio of trademarks globally securing exclusive rights of use of its most important trademarks. SUPERBA® and QRILL® brands are protected both as word marks and various logo varieties. Supplemental brands such as Flexitech® and Eco-Harvesting® are also protected and available for licensing to its partners. The Group has also recently invested in broad and early protection of new brands, e.g. KORI® and QrillPaws®.

[19] Company information

6.5.3 Dependency on contracts

The Group has not entered into any material contracts outside the ordinary course of business, see Section 4.5 "Material Contracts".

7 FINANCIAL INFORMATION

7.1 Introduction and basis for preparation

The following selected financial information has been derived from the Group's audited consolidated financial statement for the financial year ended 31 December 2019, with comparable figures for 2018 (prepared in accordance with IFRS), and the Group's Interim Financial Statement for the three-month period ended 31 March 2020, with comparable figures for the three-month ended 31 March 2019 (prepared in accordance with IAS 34). The Financial Statement for 2019, with comparable figures for 2018 has been audited by KPMG. The Interim Financial Statement is unaudited. The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Financial Information attached as Appendix B to D to this Admission Document.

7.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see note 1 of the Company's audited consolidated financial statement for the year ended 31 December 2019, attached hereto as Appendix B.

7.3 Financial figures

7.3.1 Income Statement

The tables below sets out selected data extracted from the Group's audited consolidated statement of profit or loss and consolidated statement of comprehensive income for the years ended 31 December 2019 with comparable information for 2018 (prepared in accordance with IFRS) (see table 7) and extracted from the unaudited condensed consolidated statement of profit or loss for the three-month periods ended 31 March 2020 and 2019 and unaudited consolidated statement of comprehensive income for the three-month periods ended 31 March 2020 and 2019 (see table 8) (prepared in accordance with IAS 34).

Table 7 - Consolidated statement of profit or loss	**Quarter ended 31 March**		**Year ended 31 December**	
	2020	**2019**	**2019**	**2018**
(Amounts in USD thousands)	(IAS 34)	(IAS 34)	(IFRS)	(IFRS)
Net sales	70,742	39,207	246,170	154,182
Cost of goods sold	(45,899)	(26,009)	(145,901)	(88,829)
Gross profit	**24,843**	**13,198**	**100,269**	**65,352**
Selling general and administrative expense	(19,853)	(15,185)	(76,464)	(44,686)
Depreciation, amortization and impairment	(4,027)	(1,277)	(17,822)	(5,539)
Other operating income/(cost), net	(811)	(706)	(3,221)	(4,869)
Operating profit	**152**	**(3,970)**	**2,762**	**10,259**
Net financial items	(1,558)	(3,879)	(26,097)	(11,540)
Tax expense	(311)	(91)	(415)	259
Net profit (loss)	**(1,717)**	**(7,941)**	**(23,751)**	**(1,022)**

Table 8 - Consolidated statement of comprehensive income	Quarter ended 31 March		Year ended 31 December	
	2020	2019	2019	2018
(Amounts in USD thousands)	(IAS 34)	(IAS 34)	(IFRS)	(IFRS)
Net profit (loss)	**(1,717)**	**(7,941)**	**(23,751)**	**(1,022)**
Other comprehensive income (loss)				
Defined benefit plan income gains (loss)	-	-	(111)	119
Total items that will not be reclassified to profit and loss	**-**	**-**	**(111)**	**119**
Translation differences	(14)			
Translation differences from equity accounted investees	(14)	-	-	(14)
Total items that may be reclassified subsequently to profit and loss	**-**	**-**	**-**	**(14)**
Change in fair value cash flow hedges	-	1,472	-	(4,625)
Total items that will be reclassifies to profit and loss	**-**	**1,472**	**-**	**(4,625)**
Total other comprehensive income (loss)	**(14)**	**1,472**	**(111)**	**(4,520)**
Total comprehensive income (loss)	**(1,731)**	**(6,469)**	**(23,862)**	**(5,542)**

7.3.2 Balance Sheet

The table below sets out selected data extracted from the Group's audited consolidated statements of financial position as at 31 December 2019 and with comparative information for 2018 (prepared in accordance with IFRS) and extracted from the unaudited condensed interim statement of financial position as at 31 March 2020 and 2019 (prepared in accordance with IAS 34).

Table 9 – The Group's consolidated balance sheet	**As at 31 March**		**As at 31 December**	
	2020	**2019**	**2019**	**2018**
(Amounts in USD thousands)	(IAS 34)	(IAS 34)	(IFRS)	(IFRS)
ASSETS				
Property, plant and equipment	330,493	325,737	318,921	232,383
Intangible assets	186,516	176,999	190,297	114,158
Other non-interest bearing non-current receivables	1,084	2,064	145	2,026
Investments in equity-accounted investee	174	258	260	240
Total non-current assets	**518,267**	**505,058**	**509,624**	**348,806**
Inventories	96,537	77,526	94,725	43,704
Trade receivable and prepaid expenses	55,682	49,933	74,264	35,223
Cash and cash equivalents	11,690	6,360	13,610	2,515
Total current assets	**163,909**	**133,819**	**182,599**	**81,442**
Total assets	**682,176**	**638,877**	**692,223**	**430,248**
LIABILITIES AND OWNERS' EQUITY				
Share capital	68,003	68,003	68,003	68,003
Other paid-in equity	277,227	277,227	277,227	277,227
Total paid-in equity	**345,230**	**345,230**	**345,230**	**345,230**
Translation differences and other reserves	154	154	154	154
Retained earnings	(192,569)	(173,042)	(190,838)	(166,570)
Total equity	**152,816**	**172,342**	**154,547**	**178,814**
Interest-bearing debt	367,831	352,875	372,473	179,424
Other non-interest-bearing non-current liabilities	65,340	38,660	65,618	17,657
Total non-current liabilities	**433,171**	**391,535**	**438,091**	**197,081**
Interest-bearing current liabilities	48,917	38,568	47,591	25,944
Derivative liabilities	-	-	-	1,472
Accounts payable and other payables	47,272	36,432	51,994	26,937
Total current liabilities	**96,189**	**74,999**	**99,585**	**54,353**
Total liabilities	**529,360**	**466,535**	**537,676**	**251,435**
Total equity and liabilities	**682,176**	**638,877**	**692,223**	**430,248**

7.3.3 Cash Flow Statement

The table below sets out selected data extracted from the Group's audited consolidated cash flow statement for the years ended 31 December 2019 with comparable information for 2018 (prepared in accordance with IFRS) and extracted from the Group's unaudited condensed consolidated statement of cash flows for the three-month periods ended 31 March 2020 and 2019 (prepared in accordance with IAS 34).

Table 10 – Cash flow statement	**Quarter ended 31 March**		**Year ended 31 December**	
	2020	**2019**	**2019**	**2018**
(Amounts in USD thousands)	(IAS 34)	(IAS 34)	(IFRS)	(IFRS)
Net profit (loss) after tax	(1,717)	(7,941)	(23,751)	(1,022)
Tax expenses	311	91	415	(259)
Net interest and guarantee expenses	6,339	3,148	21,699	12,101
Interest paid	(4,399)	1,595	(16,520)	(10,523)
Interest received	243	1,097	1,084	161
Taxes paid	907	(91)	920	87
Impairment charges	15	-	6,155	-
Depreciation and amortization	11,515	5,598	36,947	22,861
Foreign exchange loss (gain)	(5,183)	173	790	(2,401)
Change in accounts receivable, other current receivables, inventories, accounts payable and other	(3,197)	(19,219)	(15,432)	(13,111)
Net cash flow from operating activities	**4,834**	**(15,549)**	**12,307**	**7,894**
Payment for property, plant and equipment	(5,175)	(96,637)	(126,906)	(40,254)
Payments for intangibles	-	-	(10)	(24,258)
Proceeds from sales of property, plant and equipment's	159	-	255	6
Investments in subsidiary and associated companies	(0)	(49,283)	(49,284)	(36)
Net cash flow from investment activities	**(5,017)**	**(145,920)**	**(175,946)**	**(64,542)**
Proceeds from issue of debt and change in overdraft facility	(12,899)	2,702	(4,353)	(866)
Net increase in external interest-bearing debt	(4,839)	156,613	142,587	(4,687)
Loan from owners	16,000	6,000	36,500	62,000
Net cash flow from financing activities	**(1,738)**	**165,314**	**174,735**	**56,447**
Net change in cash and cash equivalents	**(1,920)**	**3,846**	**11,096**	**(201)**
Cash and cash equivalents as of 1 January	**13,610**	**2,515**	**2,515**	**2,715**
Cash and cash equivalents as of 31 December	**11,690**	**6,360**	**13,610**	**2,515**

7.3.4 Statement of changes in equity

The table below sets out selected data extracted from the Company's audited statement of changes in equity for the years ended 31 December 2019 with comparative information for 2018 (prepared in accordance with IFRS) and extracted from the Group's unaudited condensed consolidated statement of changes in equity for the three month period ended 31 March 2020 (prepared in accordance with IAS 34).

Table 11 - Statement of changes in equity

(Amounts in USD thousands)	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2018	**63,684**	**192,102**	**(35,617)**	**154**	**(161,028)**	**59,296**
Net profit (loss) for the year	-	-	-	-	(1,022)	(1,022)
Other comprehensive income (loss)	-	-	-	-	(4,520)	(4,520)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(5,542)**	**(5,542)**
Transactions with owners, recognized directly in equity:						
Contribution from owner, debt conversion	4,319	120,742	-	-	-	125,061
Contribution to owners	-	-	-	-	-	-
Other items charged directly to equity	-	-	(0)	-	-	(0)
Total transactions with owners, recognized directly in equity	**4,319**	**120,742**	**(0)**	**-**	**-**	**125,061**
Balance as at 31 December 2018	**68,003**	**312,844**	**(35,617)**	**154**	**(166,570)**	**178,814**
Change in accounting policies IFRS 16	-	-	-	-	(405)	(405)
Balance as at 1 January 2019	**68,003**	**312,884**	**(35,617)**	**154**	**(166,975)**	**178,409**
Net profit (loss) for the year	-	-	-	-	(23,751)	(23,751)
Other comprehensive income (loss)	-	-	-	-	(111)	(111)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(23,862)**	**(23,862)**
Balance as at 31 December 2019	**68,003**	**312,844**	**(35,617)**	**154**	**(190,838)**	**154,547**
Net profit (loss) for the year	-	-	-	-	(1,717)	(1,717)
Other comprehensive income (loss)	-	-	-	-	(14)	(14)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(1,731)**	**(1,731)**
Balance as of March 31, 2020	**68,003**	**312,844**	**(35,617)**	**154**	**(192,569)**	**152,816**

7.4 Recent development and significant change since last reported financials

The following events have occurred since the end of the last interim financial period, 30 March 2020:

- In April 2020, Aker BioMarine Antarctic AS sold the vessel Juvel to Al Wusta Fisheries Industrian LLC for a total consideration of USD 21.6 million. The sale resulted in a net profit of approximately USD 1.2 million, accounted for in April 2020.
- In May 2020, Aker Biomarine Antarctic AS received an unfavorable verdict from the Appellate Court in the matter of the Juvel patent family, which resulted in fees of approximately USD 0.6 million being accrued for. In June 2020, it was decided to appeal the verdict and try to bring it in before the Supreme Court. The Appeals Selection Committee will decide if the legal aspects from the Appellate Court will be tried in the Supreme Court.
- In June 2020, Aker Biomarine Antarctic AS signed a contract to hedge MGO fuel by using call options for 2021-2024 to protect fuel cost. The four-year hedging program aims to reduce the

risk of a potential sharp oil price rebound. Total volume over the four-year period is 143,077 metric ton of MGO.

The Group has not carried out any transactions after the last audited accounts that represent a change of more than 25% in its total assets, revenue or profit or loss.

The Group is taking measures to mitigate the risk for operational disruptions following the COVID-19 outbreak; both offshore and onshore on the production facility in Houston as well as in the offices. Even though the development is followed closely, a worst-case scenario with outbreak in the Houston facility or on the fishing vessels may have significant operational and financial impact. However, the financial impact on the world economic is still uncertain with an unclear ending. So far, the COVID-19 has not had any significant financial impact for the company.

7.5 Working Capital

As of the date of this Admission Document, the Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements.

7.6 Dependency on contracts, patents, licenses etc.

The Group is fully committed to the research and development behind krill oil products and patenting innovations allows the Group to continue investing in research and development for years to come. The Group has been granted the patents in its main markets. See section 6.5 "Business-critical regulations, contracts, intellectual property rights and patents" for more information.

The Group's existing business is, however, not dependent on any patents, licenses or other intellectual property rights.

8 THE SHARES, SHARE CAPITAL AND SHAREHOLDER MATTERS

This section includes a summary of certain information relating to the Company's shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Admission Document. The mentioned summaries do not purport to be complete and is qualified in its entirety by the Company's Articles of Association (attached hereto as Appendix A and Norwegian law.

8.1 The Shares

As of the date of this Admission Document, the Company has 87,586,086 Shares outstanding. The Shares have been created under the laws of Norway and are registered in book-entry form in the Norwegian Central Securities Depository (the **"VPS"**) under the ISIN number NO 001 0886625. All the outstanding Shares are validly issued and fully paid. The Company has only one class of Shares. Each Share carries one vote and all Shares carry equal rights in all respects, including rights to dividends. The Company's Legal Entity Identifier code (LEI-code) is 549300V34T6VWDSYWE64.

On 2 July 2020, the Merkur Market listing committee resolved to admit all of the Company's Shares for listing on Merkur Market. The first day of trading of the Shares on Merkur Market is expected to be on or about 6 July 2020 under the ticker code "AKBM-ME". The Company does not, in connection with the Admission to Trading, plan to either (i) execute any capital increases, distribution sales or similar, or (ii) arrange for any price stabilization measures. The Company further intends to proceed with a listing on the Oslo Stock Exchange (OSE) within Q1 2021. The Company's Shares have not been admission to trading on any other stock exchange, regulated market or multilateral trading facility (MTF).

The Company's registrar is DNB Bank ASA, DNB Markets Registrars department, with registered address Dronning Eufemias gate 30, 0021 Oslo, Norway (the "**VPS Registrar**").

8.2 Share capital and share capital history

As of the date of this Admission Document, the Company's current share capital is NOK 525,516,516 divided on 87,586,086 Shares, each with a nominal value of NOK 6.00.

The table below summarizes the development in the Company's share capital since 1 January 2018:

Table 12 – Development in Share capital

Date registered	Type of change	Share capital increase (NOK)	Share capital (NOK)	Subscription price (NOK/share)	Par value (NOK/share)	Issued shares	Total shares
01.06.2018	Debt conversion (1)	34,534,696.23	414,321,264.00	-	6.00	-	69,053,544
On or about 03.07.2020	Share capital increase	111,195,252.00	525,516,516.00	115.85	6.00	18,532,542	87,586,086

(1) In May 2018, USD 125 million of a loan from Aker ASA were converted to equity as capital contribution.

8.3 Private placement

On 24 June 2020, the Company completed the application period for a private placement with gross proceeds of approximately USD 225 million, or NOK 2,147 million based on a USD/NOK exchange rate of 9.54, by issuance of 18,532,542 new Shares, each with a par value of NOK 6 per share, at a subscription price of NOK 115.85 per new Share. The share capital increase related to the issue of the new Shares were registered with the Norwegian Register of Business Enterprises on or about 3 July 2020.

The Company intends to use the net proceeds from the issue of new Shares in the private placement to strengthen the balance sheet, including the repayment of a shareholder loan to Aker ASA of approximately USD 90 million plus accrued interest, increase flexibility for growth investments, and for general corporate purposes.

In connection with the private placement, the Company's CEO Matts Johansen, Aker ASA and Aker Capital AS entered into customary lock-up arrangements with DNB Markets that restrict, subject to certain exceptions, their ability to, without the prior written consent of DNB Markets, issue, sell or dispose of Shares, as applicable. Matts Johansen, through his company KMMN Invest II AS, is subject to lock-up periods of 12 months, while Aker ASA and Aker Capital AS are subject to a lock-up period of 6 months. DNB Markets shall consent to Aker ASA and Aker Capital AS selling Shares or distributing Shares in the Company to Aker ASA or Aker Capital AS' shareholders to secure the required free-float for a listing on Oslo Stock Exchange, and to the Company issuing shares related to a subsequent initial public offering on Oslo Stock Exchange in order to secure the required free-float for a listing.

In addition, Aker ASA and the CEO of the Company, Matts Johansen, entered into an agreement that Aker Capital AS purchased 460,357 shares from KMMN Invest II AS, a company owned by Matts Johansen, at the price per Share of NOK 115.85, with a potential incremental payment calculated as the final subscription price in the offering of shares to be conducted in connection with an initial public offering on the main list of the Oslo Stock Exchange, less 5.75 per cent interest p.a. on the price per share of NOK 115.85 from the date of listing on Merkur Market until the date of completion of the initial public offering, and less the price per share of NOK 115.85. Part of the settlement will go to settle a loan from Aker ASA to Matts Johansen related to the Shares in the Company.

8.4 Rights to purchase shares and share options

There are no acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the Company's share capital.

8.5 Treasury shares

As of the date of this Admission Document, the Company owns no treasury shares.

8.6 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares or any shares in subsidiaries of the Company. Further, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

8.7 Dividend and dividend policy

8.7.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal restrictions set out in the Companies Act (see Section 8.7.2 "Legal constraints on the distribution of dividends") and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 8.7.2 "Legal constraints on the distribution of dividends", further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time.

The Company has not established any dividend policy to date, but will strive to follow a dividend policy favorable to the shareholders.

8.7.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealised gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount;
- the calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the general meeting of shareholders may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts.
- dividends may also be resolved by the general meeting of shareholders based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the general meeting's resolution; and
- dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian private limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

8.7.3 Manner of dividend payments

Any future payments of dividends on the Shares will be made in the currency of the bank account of the relevant shareholder registered with the VPS and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS registrar, and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the exchange rate of the relevant bank on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar.

8.8 Takeover bids and forced transfer of shares

The Company has not received any takeover bids since its inception.

The Company is not subject to the takeover regulations set out in the Norwegian Securities Trading Act, or otherwise. The Shares are, however, subject to the provisions on compulsory transfer of shares as set out in the Norwegian Private Companies Act. If a private limited liability company alone, or through subsidiaries, owns 9/10 or more of the shares in the subsidiary, and may exercise a corresponding part of the votes that may be cast in the general meeting, the board of directors of the parent company may resolve that the parent company shall take over the remaining shares in the company. Each of the other shareholders in the subsidiary have the right to require the parent company to take over the shares. The parent company shall give the shareholders a redemption offer pursuant to the provisions of the Norwegian Private Companies Act. The redemption amount will in the absence of agreement or acceptance of the offer be fixed by a discretionary valuation.

8.9 Change in control

As of the date of this Admission Document, to the knowledge of the Company, there are no arrangements or agreements, which may at a subsequent date result in a change in control in the Company.

8.10 Transferability of the Shares

The Shares are freely transferable pursuant to the Company's articles of association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Company's articles of association, the Company's Shares shall be registered in the VPS.

8.11 Major shareholders

As of 3 July 2020, the Company had a total of 280 registered shareholders in the VPS. An overview of shareholders holding 5% or more of the Shares of the Company as of 3 July 2020 is set out below:

Table 13 – Overview of major shareholders

#	Shareholder	No. of Shares	Percentage
1	Aker Capital AS	68,132,830	77.8%

8.12 Certain aspects of Norwegian corporate law

8.12.1 General meeting of shareholders

Through the general meeting of shareholders, shareholders exercises supreme authority in a Norwegian private limited liability company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that a written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders with a known address no later than seven days before the annual general meeting of a Norwegian private limited liability company shall be held, unless the articles of association stipulate a longer deadline.

A shareholder may vote at the general meeting of shareholders either in person or by proxy (the proxy holder is appointed at their own discretion). However, Norwegian law does not require a private limited liability company to send proxy forms to its shareholders for general meetings of shareholders. All of a company's shareholders who are registered in the shareholders' register kept and maintained with VPS as of the date of the general meeting of shareholders, or who otherwise have reported and documented ownership of shares in a company, are entitled to participate at general meeting of shareholders, without any requirement of pre-registration.

Apart from the annual general meeting of shareholders, extraordinary general meetings of shareholders may be held if a company's board of directors considers it necessary. An extraordinary general meeting of shareholders shall also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 10% of the share capital demands such in writing. The requirements for notice and admission to the annual general meeting of shareholders also apply to extraordinary general meeting of shareholders.

8.12.2 Voting rights – amendments to the articles of association

Each share carries one vote. In general, decisions shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments (e.g. to the board of directors), the person(s) who receive(s) the greatest number of votes cast is elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in a private limited liability company, to approve a merger or demerger of the company, to amend the articles of association, to authorize an increase or reduction of the share capital, to authorize an issuance of convertible loans or warrants or to authorize the board of directors to purchase shares and hold them as treasury shares or to dissolve the company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at the general meeting in question. Moreover, Norwegian law requires that certain decisions, i.e. decisions that have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of a private limited liability company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the shares, require that at least 90% of the share capital represented at the general meeting in question vote in favor of the resolution, as well as the majority required for amending the articles of association.

In general, for companies with its shares registered in a VPS register, only a shareholder registered in VPS is entitled to vote for such shares at a general meeting of shareholders. Beneficial owners of shares registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such shares as nominees.

There are no quorum requirements that apply to the general meeting of shareholders.

8.12.3 Additional issuances and preferential rights

If a private limited liability company issues any new shares, including bonus share issues, the company's articles of association must be amended, which requires the same vote as other amendments to the articles of association. In addition, under Norwegian law, a company's shareholders have a preferential right to subscribe for new shares issued by the company. The preferential rights may be deviated from by a resolution in the general meeting of shareholders passed with the same vote required to amend the articles of association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares.

The general meeting of shareholders may, by the same vote as is required for amending the articles of association, authorize the board of directors to issue new shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the shares to be issued may not exceed 50% of the registered par share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, a private limited liability company may increase its share capital by a bonus share issue, subject to approval by the company's shareholders, by transfer from the company's distributable equity or from the company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the company's existing shareholders or by increasing the nominal value of the company's outstanding Shares.

Issuance of new shares to shareholders who are citizens or residents of the United States and other jurisdictions upon the exercise of preferential rights may require a private limited liability company to file a registration statement or prospectus in the United States under United States securities laws or in such other jurisdictions under the laws of such jurisdictions. Should a company in such a situation decide not to file a registration statement or prospectus, the company's U.S. shareholders and shareholders in such other jurisdictions may not be able to exercise their preferential rights. To the extent that shareholders are not able to exercise their rights to subscribe for new shares, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the company will be reduced.

8.12.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of a private limited liability company, including those described in this Section and the description of general meeting of shareholders set out in Section 8.12.1 "General meeting of shareholders". Any of a private limited liability company's shareholders may petition Norwegian courts to have a decision of the board of directors or the company's shareholders made at the general meeting of shareholders declared invalid on the grounds that it unreasonably favors certain shareholders or third parties to the detriment of other shareholders or the company itself. A company's shareholders may also petition the courts to dissolve the company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the company.

Minority shareholders holding 10% or more of a company's share capital have a right to demand in writing that a company's board of directors convenes an extraordinary general meeting of shareholders to discuss or resolve specific matters. In addition, any of a company's shareholders may in writing demand that the company place an item on the agenda for any general meeting of shareholders as long as the company is notified in time for such item to be included in the notice of the general meeting of shareholders. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting of shareholders has not expired.

8.12.5 Rights of redemption and repurchase of shares

The share capital of a private limited liability company may be reduced by reducing the nominal value of the shares or by cancelling issued and outstanding shares. Such decision requires approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting of shareholders. Redemption of individual shares requires the consent of the holders of the shares to be redeemed.

A company may purchase its own shares (treasury shares) provided that the company's board of directors have been granted an authorization to do so by a general meeting of shareholder with approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the general meeting of shareholders. The aggregate nominal value of treasury shares so acquired, and held by the company must not lead to the share capital with deduction of the aggregate nominal of the holding of own shares is less than the minimum allowed share capital of NOK 30,000, and treasury shares may only be acquired if the company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the general meeting of shareholders cannot be granted for a period exceeding two years.

8.12.6 Shareholder vote on certain reorganizations

A decision to merge or demerge a private limited liability company requires a resolution by the general meeting of shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting of shareholders. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all of the company's shareholders, or if the articles of association stipulate that, made available to the shareholders on the company's website, at least one month prior to the general meeting of shareholders to pass upon the matter.

8.12.7 Liability of board members

The members of the board of directors of a Norwegian private limited liability company owe a fiduciary duty to the company and its shareholders. Such fiduciary duty requires that the board of directors act in the best interests of the company when exercising their functions and exercise a general duty of loyalty and care towards the company. Their principal task is to safeguard the interests of the company.

The board of directors may each be held liable for any damage they negligently or willfully cause the company. Norwegian law permits the general meeting of shareholders to discharge any such person from liability, but such discharge is not binding on the company if substantially correct and complete information was not provided at the general meeting passing upon the matter. If a resolution to discharge the members of the board of directors from liability or not to pursue claims against such a person has been passed by a general meeting of shareholders with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the company's behalf and in its name. The cost of any such action is not the company's responsibility but can be recovered from any proceeds the company receives as a result of the action. If the decision to discharge any of the members of the board of directors from liability or not to pursue claims against the members of board of directors is made by such a majority as is necessary to amend the articles of association, the minority shareholders of a company cannot pursue such claim in the company's name.

8.12.8 Indemnification of board members

Norwegian does not contain any provision concerning indemnification by a private limited liability company's board of directors. A company is permitted to purchase insurance for the members of the board of directors against certain liabilities that they may incur in their capacity as such.

8.12.9 Distribution of assets on liquidation

Under Norwegian law, a private limited liability company may be wound-up by a resolution of the Company's shareholders at the general meeting of shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting of shareholders. In the event of liquidation, the shares rank equally in the event of a return on capital.

9 NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation (“**resident or Norwegian shareholders”**) and holders that are not residents of Norway for such purposes (“**non-resident or foreign shareholders”**).*

The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Admission Document. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.

Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

9.1 Taxation of dividends

9.1.1 Resident corporate shareholders

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the participation exemption method (Norwegian: "*Fritaksmetoden*"). However, 3% of such dividends are taxable as general income at a current rate of 22%, implying that dividends distributed from the Company to resident corporate shareholders are effectively taxed at a rate of 0.66%.

9.1.2 Resident personal shareholders

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22% to the extent the dividends exceed a statutory tax-exempt allowance (Norwegian: "*Skjermingsfradrag*"). The tax basis is upward adjusted with a factor of 1.44 before taxation, implying that dividends exceeding the tax free allowance are effectively taxed at a rate of 31.68%.

The tax-exempt allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills with three months maturity plus 0.5 percentage point, and adjusted downwards with the tax rate. The allowance one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends / capital gains on other Shares). Furthermore, for the purpose of calculating the allowance the following years, any excess allowance is added to the cost price of the share and thereby included in the basis for the calculation of allowance the following years.

9.1.3 Non-resident shareholders

Dividends distributed from the Company to non-resident shareholders are in general subject to Norwegian withholding tax at a rate of currently 25%, unless otherwise provided for in an applicable tax treaty or the recipient is corporate shareholder tax resident within the European Economic Area (the EEA) (ref. Section 9.1.4 below for more information on the EEA exemption). Norway has entered into tax treaties with approximate 80 countries. In most tax treaties the withholding tax rate is reduced to 15% or lower.

Shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax.

If foreign shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian shareholders.

Foreign shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming refund of withholding tax.

9.1.4 Shareholders tax resident within the EEA

Dividends distributed from the Company to personal shareholders tax-resident within the EEA are upon request entitled to a deductible allowance. The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in the applicable tax treaty or (ii) withholding tax at 25% after deduction of the tax-free allowance. Any excess allowance may be carried forward.

Dividends distributed from the Company to corporate shareholders tax resident within the EEA are exempt from Norwegian withholding tax, provided the shareholder is the beneficial owner of the Shares and genuinely established and performs genuine economic business activities within the EEA.

9.2 Taxation upon realization of shares

9.2.1 Resident corporate shareholders

For Norwegian corporate shareholders capital gains upon realization of Shares are generally exempt from tax. Losses are not deductible.

9.2.2 Resident personal Shareholders

For Norwegian personal shareholders capital gains upon realization of Shares are taxable as general income in the year of realization, and have a corresponding right to deduct losses that arise upon such realization. The tax liability applies irrespective of time of ownership and the number of Shares realized. The tax rate for general income is currently 22%. The tax basis is adjusted upward with a factor of 1.44 before taxation/deduction, implying an effective taxation at a rate of 31.68%.

The taxable gain or loss is calculated per Share as the difference between the consideration received and the cost price of the Share, including any costs incurred upon acquisition or realization of the Share. Any unused allowance on a Share (see above) may be set off against capital gains on the same

Share, but will not lead to or increase a deductible loss. I.e. any unused allowance exceeding the capital gain upon realization of the Share will be annulled. Any unused allowance on one Share may not be set of against gains on other Shares.

If a shareholder disposes of Shares acquired at different times, the Shares that were first acquired will be deemed as first disposed (the FIFO-principle) when calculating a taxable gain or loss.

Special exit tax rules apply for resident personal shareholders that cease to be tax resident in Norway.

9.2.3 Non-resident shareholders

Gains from realization of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax.

9.3 Net wealth tax

Norwegian corporate shareholders are not subject to net wealth tax.

Norwegian personal shareholders are generally subject to net wealth taxation at a current rate of 0.85% on net wealth exceeding NOK 1,500,000. The general rule is that the Shares will be included in the net wealth with 65% of their proportionate share of the Company's calculated wealth tax value as of 1 January in the income year.

Non-resident shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held in connection with business activities carried out or managed from Norway.

9.4 Stamp duty / transfer tax

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

9.5 The Company's responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

10 TRANSFER RESTRICTIONS

10.1.1 United States

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Admission Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares, was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Admission Document.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Merkur Market Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Admission Document and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The purchaser acknowledges that the Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.
- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- The purchaser acknowledges that the these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Merkur Market

Advisor and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

10.1.2 European Economic Area

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Admission Document will be deemed to have represented, warranted and agreed to and with the Merkur Market Advisor and the Company that:

- it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and

- in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Merkur Market Advisor has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

11 ADDITIONAL INFORMATION

11.1 Independent auditor

The Company's independent auditor is KPMG AS (KPMG), with registration number 935 174 627 and business address at Sørkedalsveien 6, N-0369 Oslo, Norway. KPMG is a member of The Norwegian Institute of Public Accountants (Norwegian: *"Den Norske Revisorforeningen"*). KPMG has been the Company's auditor throughout the period covered by financial information included in this Admission Document.

The Company's consolidated financial statements for the year ended 31 December 2019, with comparable figures for 2018, prepared in accordance with IFRS as adopted by the EU, as well as the Norwegian disclosure requirements pursuant to the Norwegian Accounting Act, have been audited by KPMG, as set forth in their report included herein.

The Company's separate financial statements for the year ended 31 December 2018, prepared in accordance with the Norwegian Accounting Act and NGAAP was audited by KPMG as set forth in their report included herein.

KPMG has not audited, reviewed or produced any report on any other information provided in this Admission Document.

11.2 Advisors

Arctic Securities AS (Haakon VIIs gate 5, N-0161 Oslo, Norway), DNB Bank ASA, DNB Markets (Dronning Eufemias gate 30, N-0191 Oslo, Norway) and Skandinaviska Enskilda Banken AB (publ), Oslofilialen norsk avdeling av utenlandsk foretak (Filipstad brygge 1, N-0252 Oslo, Norway) are acting as Merkur Advisors in connection with the Admission to Trading.

Advokatfirmaet Schjødt AS (**"Schjødt"**) functions as the Company's Norwegian legal counsel.

11.3 External documents of interest

The table below shows a list of external documents that may be of interest to the reader of this Admission Document.

Table 14 – Overview of external documents of interest

Document	Hyperlink
Patents	www.akerbiomarine.com/patents
Website	www.akerbiomarine.com
Company presentation	www.akerasa.com

12 DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Admission Document unless otherwise dictated by the context, including the foregoing pages of this Admission Document:

Adjusted EBITDA	EBITDA plus special operating items (including items include gains or losses on sale of assets, restructuring expenses and other material transactions of either non-recurring nature or special in nature compared to ordinary operational income or expenses)
Admission Document	This Admission Document dated 6 July 2020
Admission to Trading	Admission to trading of Aker Biomarine's Shares on Merkur Market
AKBM-ME	Aker BioMarine's ticker code on the Merkur Market
APM	Alternative performance measures
Arctic	Arctic Securities AS
Articles of Association	The articles of association of the Company
Board of Directors	The board of directors of the Company
CCAMLR	The Commission for the Conservation of Antarctic Marine Living Resources
CEO	Chief Executive Officer
Cicero	Cicero Shades of Green
CFO	Chief Financial Officer
Code	Norwegian Code of Practice for Corporate Governance, dated 17 October 2018
Companies Act	Norwegian Private Limited Companies Act of 1997 No. 44
Company or Aker BioMarine	Aker BioMarine AS (company registration number 913 915 062)
DNB Markets	DNB Markets, a part of DNB Bank ASA
DHA	Docosahexaenoic acid
EBIT	Earnings before interest and taxes
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EEA	The European Economic Area
EPA	Eicosapentaenoic acid
EU	The European Union
EUR	The single currency of the participating member states in the EU participating in the European Monetary Union having adopted euro as its lawful currency
Financial Information	The financial statement for the year ended 31 December 2019, with comparable figures for 2018, and the Interim Financial Statement
Forward-looking statements	All statements other than historic facts or present facts, typically indicated by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar
Group	The Company together with its consolidated subsidiaries
IAS 34	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU
IFRS	International Financial Reporting Standards as adopted by the EU

Interim Financial Statement	The unaudited condensed consolidated interim financial statement for the three-month period ended 31 March 2020, with comparable figure for the three-month period ended 31 March 2019
ISIN	Securities number with the Norwegian Central Securities Depository (VPS)
Merkur Advisors	Arctic, DNB Markets and SEB
Merkur Market	A multilateral trading facility operated by Oslo Børs ASA
MSC	Marine Stewardship Council
NGAAP	Norwegian Generally Accepted Accounting Principles
NGOs	Non-governmental organizations
NOK	Norwegian Kroner, the lawful currency of Norway
Non-resident or foreign shareholders	Shareholders who are not resident in Norway for tax purposes
Participation Act	The Norwegian Participation in Fisheries Act of 26 March 1999 no. 15
Resident or Norwegian shareholders	Shareholders who are resident in Norway for tax purposes
SEB	Skandinaviska Enskilda Banken AB (publ), Oslo branch
Securities Trading Act	Securities Trading Act of 29 June 2007 no. 75 (*Norwegian*: "Verdipapirhandelloven")
Share	The Company's outstanding shares, each with a par value of NOK 6.00.
Schjødt	Advokatfirmaet Schjødt AS
USD	The lawful currency of the United States
U.S. or United States	The United States of America
VPS	The Norwegian Central Securities Depository (Norwegian: *"Verdipapirsentralen"*)
VPS Registrar	DNB Bank ASA, DNB Markets Registrars department (address: Dronning Eufemias gate 30, 0021 Oslo, Norway)

APPENDIX A:

Articles of Association

AKER BIOMARINE

VEDTEKTER FOR

AKER BIOMARINE AS

(sist endret 24. juni 2020)

§ 1 Navn

Selskapets navn er Aker BioMarine AS.

§ 2 Forretningskontor

Selskapets forretningskontor er i Bærum kommune.

§ 3 Formål

Selskapets formål er å drive bærekraftig krillfiskeri, utvikle, produsere, transportere, kommersialisere og markedsføre produkter av krill og andre råmaterialer for bruk til ernæring og helse for dyr og mennesker, herunder investeringer i og drift av andre virksomheter med tilsvarende formål.

§ 4 Aksjekapital

Selskapets aksjekapital er NOK 525 516 516, fordelt på 87 586 086 aksjer a NOK 6. Aksjene i selskapet skal være registrert i VPS.

§ 5 Aksjenes omsettelighet

Selskapets aksjer er fritt omsettelige.

§ 6 Styre

Selskapet skal ha et styre bestående av fra 3 til 9 medlemmer etter generalforsamlingens nærmere beslutning.

§ 7 Daglig leder

Selskapet skal ha én daglig leder.

§ 8 Firma

Selskapets firma tegnes av styreleder alene eller to styremedlemmer i fellesskap. Styret kan meddele prokura.

§ 9 Generalforsamlingen

Den ordinære generalforsamling skal behandle:

1. Godkjennelse av årsregnskap og årsberetning.
2. Anvendelse av overskuddet eller dekning av underskudd i henhold til den fastsatte balanse, samt utdeling av utbytte.
3. Valg av styre.
4. Andre saker som i henhold til lov hører under generalforsamlingen.

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke lovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt slike dokumenter.

Styret kan i forbindelse med innkalling til generalforsamlinger bestemme at aksjeeierne skal kunne avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen.

(Office translation)

AKER BIOMARINE

ARTICLES OF ASSOCIATION FOR

AKER BIOMARINE AS

(last amended 24 June 2020)

§ 1 Name

The company's name is Aker BioMarine AS.

§ 2 Registered address

The company's registered business address is in Bærum municipality.

§ 3 Object

The company's purpose is to carry out sustainable krill fishing, develop, produce, transport, commersialize and market products from krill and other raw materials for use within human and animal health and nutrition, including investments in and operation of other businesses with similar purpose.

§ 4 Share capital

The company's share capital is NOK 525,516,516, divided on 87,586,086 shares, each with a nominal value of NOK 6. The company's shares shall be registered in the Norwegian Central Securities Depository (VPS).

§ 5 Transfer of shares

The company's shares are freely transferable.

§ 6 Board of directors

The board of directors shall consist of between 3 to 9 board members, as decided by the general meeting.

§ 7 General manager

The company shall have a general manager.

§ 8 Signature

The chairman of the board or two board members jointly signs on behalf of the company. The board of directors may grant power of procuration.

§ 9 General meeting

Den annual general meeting shall resolve:

1. The approval of the annual accounts and annual report.
2. The utilization of annual profits or cover of deficit in accordance with the resolved balance sheet, as well as distribution of dividends.
3. The appointment of the board of directors.
4. Other matters that the general meeting is required by law to resolve.

When documents pertaining to matters which shall be handled at a general meeting have been made available for the shareholders on the company's website, the statutory requirement that the documents shall be distributed to the shareholders, does not apply. This is also applicable to documents which according to statutory law shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless demand to be sent such documents.

The Board of Directors may in connection with notices of general meetings determine that shareholders shall be able to cast their votes in writing, including through use of electronic communication, in a period prior to the general meeting.

APPENDIX B:

The Group's audited consolidated financial statement for 2019

2019

Aker BioMarine

Consolidated financial statements

Board of Directors' report

BUSINESS AND LOCATION

Aker BioMarine has its headquarter at Fornebu, Norway. The supply chain stretches from krill harvesting operations in Antarctica through the logistics hub in Montevideo to the krill oil manufacturing facility in Houston, and onwards to sales distribution units across the world. The integrated value chain allows for efficient adaption to changing market demands and high product quality with full traceability.

The Aker BioMarine Group owns and operates the krill-harvesting vessels Saga Sea, Antarctic Sea and Antarctic Endurance. Antarctic Endurance was delivered from Vard in January 2019 and has completed its first season in the Antarctica during 2019. The vessels have onboard production of krill feed products and intermediates. The Group also owns the freighter vessel La Manche, which refuels and offloads the krill harvesting vessels at sea and performs crew changes. The Group holds four krill harvesting licenses issued by the Norwegian Government.

The Group has over the past two years invested heavily in the future of krill through construction of new vessels, capacity build up in the oil extraction plant in Houston, and strategic acquisitions. To further strengthen the position in the market for krill derived products, the Group has performed the following significant transactions during 2019:

<u>Construction of new freighter vessel</u>

In December 2018 the Group entered into a shipbuilding contract with Yantai CIMC Raffles Offshore Ltd, a China based shipbuilding company, to build a state-of-the-art tramper enabling the transport of crew, fuel, products and consumables back and forth from the fishing grounds. The new 170-metre-long vessel will be equipped with the latest and most eco-friendly technology and will improve logistical capabilities and efficiency. The vessel will replace the existing tramper, La Manche, and also remove the need for chartering additional tramper capacity through the harvesting season. Due to the COVID-19 crisis, there is a risk for delays in delivery for the new tramper vessel.

<u>Delivery of new harvesting vessel</u>

Antarctic Endurance was formally delivered from the yard 15 January 2019 and started commercial harvesting that season.

<u>Acquisition of Lang Pharma</u>

On 1 March 2019 Aker BioMarine, through a US holding company, acquired 100% of the issued shares in Lang Pharma Nutrition, Inc. ("Lang"), a full service, mass market dietary supplement manufacturer, for a total consideration of USD 89.3 million at acquisition date. The USD 89.3 million contains a contingent consideration element where additional payment could be made if certain financial targets are achieved up through 2022. The acquisition gives Aker BioMarine access to Lang's position in the dietary supplement market, their skilled workforce and long-term relationships towards the largest retailers in the US.

Following the acquisition of Lang, the Group now has two operating segments, Ingredients and Brands, where Brands represents the business acquired through the acquisition. The Brands operating segment will over the next year be operated, monitored and reported separately from the Ingredients segment.

FINANCIAL INFORMATION

Profit and loss account

Total revenue and other income increased by 59 percent to USD 247.1 million, up from USD 155.3

million in 2018.

Group Earnings before Interest, Tax, Depreciation, Amortization and special operating items ("EBITDA") was USD 53.0 million in 2019, compared to USD 39.0 million in 2018. The significant increase primarily reflects the combination of increased revenue from krill oil, and the consolidation of Lang.

Depreciation and amortization totaled USD 36.7 million in 2019, compared to USD 22.9 million in 2018. The increase in depreciation is driven by Antarctic Endurance, and intangibles recognized upon the acquisition of Lang. Aker BioMarine has further recognized an impairment of USD 6.1 million, where USD 5.9 million relates to the vessel Juvel.

In May 2018, USD 125 million of the loan from Aker ASA were converted to equity as capital contribution. As result, net financial expenses in 2018 decreased to USD 11.5 million as compared to previous years. Comparing against 2019 net financial expenses has increased by USD 14.6 million, to USD 26.1 million. This increase is driven by interest expense on acquisition related external loans, and loans from Aker ASA to support the growth initiatives and Antarctic Provider milestones. The other significant impact was foreign exchange, where the Group incurred a net loss if USD 1.1 million in 2019 as compared to a gain of USD 2.6 million in 2018.

The net loss in 2019 amounted to USD 23.8 million, compared to a net loss of USD 1.0 million in 2018.

Cash flow
Cash flow from operations was USD 12.3 million in 2019, an increase of USD 4.4 million from 2018. The cash flow from operations was absorbed by net cash outflow on investments in vessels and the acquisition of Lang. Total cash outflow from investments amounted to USD 175.9 million. The investments were funded by debt. Net cash flow from financing activity was USD 174.7 million. The difference between cash flow from operations and the operating loss in the statements of profit or loss mainly represents changes in working capital, depreciation and amortization, as well as finance expenses such as interest and guarantee fees included in cash flow from operations.

Balance sheet and liquidity
As of 31 December 2019, the equity ratio was 22 percent, compared with 42 percent at year-end 2018. Cash and cash equivalents amounted to USD 13.6 million, compared with USD 2.5 million as of year-end 2018. Total assets amounted to USD 690.2 million and total equity was USD 154.5 million. Corresponding 2018 figures were USD 430.2 million in total assets and USD 178.8 million in total equity. The increased asset base mainly comprises of including the business of Lang, and the investment in Antarctic Endurance, where the most significant part of the payment was due upon delivery 15 January 2019.

Interest-bearing debt amounted to USD 420.1 million as of 31 December 2019, of which USD 372.5 million is long-term interest-bearing debt and USD 47.6 million is short-term interest-bearing debt. Net interest-bearing debt (interest-bearing debt less cash and cash equivalents) amounted to USD 406.5 million as of 31 December 2019, an increase of 203.6 million from 31 December 2018.

As of year-end 2019, net working capital (non-interest-bearing current assets less non-interest-bearing current debt) exclusive of bank deposits, amounted to USD 117.0 million, compared with USD 52.0 million as of 31 December 2018.

FINANCIAL RISK AND RISK MANAGEMENT
Aker BioMarine is exposed to credit, liquidity and interest risk in addition to operational risks and uncertainties relating to harvesting and offshore processing technologies, fluctuations in annual krill harvesting, onshore production processes and product quality, ability to develop new products, and

general market risk. The ongoing COVID-19 crisis inherently increases many of these risk factors; markets become more uncertain, operations become more vulnerable to interruptions and policy makers around the world may gravitate towards stricter regulations impacting international trade.

The Group has adopted a risk management policy to identify, measure, and mitigate risks. For a more detailed discussion on market risk, credit risk, and liquidity risk, see Note 20 (Financial risk) to the consolidated financial statement.

EVENTS AFTER THE BALANCE SHEET DATE

Aker BioMarine is taking measures to mitigate the risk for operational disruptions following the COVID-19 outbreak; both offshore and onshore on the production facility in Houston as well as in the offices. Even though the development is followed closely, a worst-case scenario with outbreak in the Houston facility or on the fishing vessels may have significant operational and financial impact. However, the financial impact on the world economic is still uncertain with an unclear ending. So far, the COVID-19 has not had any significant financial impact for the company.

GOING CONCERN ASSUMPTION

The world is currently in the middle of the COVID-19 crisis, and how it will unfold is uncertain. Aker BioMarine is taking measures to mitigate substantial negative impact for the company. However, in a worst-case scenario, the COVID-19 crisis may have devastating effects for the world economy, including Aker BioMarine.

The COVID-19 crisis increases the risk regarding the going concern assumption for most companies, and this is also the case for Aker BioMarine. Although the risk has increased, the assessment is that the entity has the ability to continue as a going concern.

Therefore, pursuant to section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is deemed appropriate.

HEALTH, SAFETY AND ENVIRONMENT

The krill-harvesting vessels as well as the freighter *La Manche* operate in rough Antarctic waters. Crew health and working environment are important concerns. Despite the demanding conditions, illness and accident rates onboard are low. Safety first is a key focus throughout the company’s value chain. Sick leave rates are low both at the factory in Houston and in the global office locations.

To keep illness and accident rates low, the company carefully examines and improves work tasks and working environments. Aker BioMarine has put in place systems to ensure that crew members have access to medical attention in case of injury or illness when vessels are operating far from shore. The onboard working environment is deemed good, as evidenced by the low crew turnover rate.

Aker BioMarine’s objective is to minimize personnel injuries, environmental harm, and vessel or property damage. The company conducts systematic safety drills that prepare crew and onshore personnel for handling demanding scenarios that might occur on board or onshore. Personnel safety is important and efforts to further improve safety are ongoing.

There were 35 injury incidents on board the vessels in 2019, hereof 5 lost time injuries. At the plant in Houston, 4 personnel incidents occurred during the year, hereof 3 lost time injuries. The company views accidents and hazardous conditions with great concern; incidents and procedures are reviewed regularly, and measures implemented to avoid reoccurrences.

ORGANIZATION
Aker BioMarine aims to be an attractive workplace. Fundamental to the human resources policy is ensuring equal opportunities for all employees, regardless of ethnicity, gender, religion, or age. Aker BioMarine's human resources policy includes measures aimed at preventing gender discrimination in terms of pay, promotion, recruitment, or other workplace-related issues. The company recruits employees from professional environments that include both men and women, and believes it has, and aims to maintain, a balanced workforce. Aker BioMarine does not tolerate discrimination or harassment of any kind.

As of 31 December 2019, Aker BioMarine had 504 employees (2018: 364), of whom 117 employees were located in Norway (2018: 97), 152 in the US (2018: 81), and 209 employees were located onboard the vessels (2018: 164). Aker BioMarine did in addition have employees located across seven different countries, counting in total 26 employees (2018: 22). The employees are from approximately 27 different nationalities and 29.6 percent of employees are women. Group management had four female members as of 2019. There are no women among shareholder-elected Board members; however, one of the Board's two employee representatives is female.

CORPORATE GOVERNANCE
Aker BioMarine's corporate governance policy is intended to ensure an appropriate division of roles and responsibilities among shareholders, the Board of Directors, and executive management.

As of 31 December 2019, Aker ASA holds 98 % of the shares in the parent company, the other 2 % is owned by the CEO of Aker BioMarine AS, through his wholly owned subsidiary KMMN Invest II AS.

AKER BIOMARINE AS:
The parent company Aker Biomarine AS had revenues of USD 11.5 million compared to USD 11.5 million last year. Net loss in 2019 was USD 4.8 million, compared to a loss of USD 4.5 million in 2018. The change in net loss reflect an increase in staff and operations needed to govern a growing base of subsidiaries and activities. The increase in operational cost in 2019 was offset by lower interest expenses to Aker ASA due to a debt conversion in 2018. The board of directors propose the following allocation of the loss for the year:

Loss for the year	USD 4.8 million
Transferred to accumulated loss	USD 4.8 million

According to section 3-3 of the Norwegian Accounting Act, the board of directors confirms that the financial statements have been prepared on the assumption of a going concern.

Fornebu, 11 June 2020

The Board of Directors and CEO of Aker BioMarine AS

Ola Snøve Board Chairman	**Kjell Inge Røkke** Director	**Øyvind Eriksen** Director
Sindre Skjong Director, elected by the employees	**Line Johnsen** Director, elected by the employees	**Frank O. Reite** Director
Matts Johansen CEO		

Aker BioMarine Group accounts

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31,

Amounts in thousands of U.S. Dollars	Note	2019	2018
Net sales	2	246 170	154 182
Cost of goods sold	12	(145 901)	(88 829)
Gross profit		**100 269**	**65 353**
Selling, general and administrative expense	4	(76 464)	(44 686)
Depreciation, amortization and impairment	10,11	(17 822)	(5 539)
Other operating income/(cost), net	5	(3 221)	(4 869)
Operating profit		**2 762**	**10 259**
Net financial items	6,18	(26 097)	(11 540)
Tax expense	9	(415)	259
Net profit (loss)		**(23 751)**	**(1 022)**

Earnings per share to equityholders of Aker BioMarine AS

Basic		0.34	0.01
Diluted		0.34	0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31,

Amounts in thousands of U.S. Dollars	Note	2019	2018
Net loss		**(23 751)**	**(1 022)**
Other comprehensive income (loss)			
Defined benefit plan income gains (losses)	4	(111)	119
Total items that will not be reclassified to profit and loss		**(111)**	**119**
Translation differences		-	(14)
Translation differences from equity accounted investees		-	(14)
Total items that may be reclassified subsequently to profit and loss		**-**	**-**
Change in fair value cash flow hedges	8,10,20	-	(4 625)
Total items that will be reclassified to profit and loss		**-**	**(4 625)**
Total other comprehensive income (loss)		**(111)**	**(4 520)**
Total comprehensive income (loss)		**(23 862)**	**(5 542)**

Aker BioMarine Group accounts

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31,

Amounts in thousands of U.S. Dollars	Note	2019	2018
ASSETS			
Property, plant and equipment	10,18,20	318 921	232 383
Intangible assets	11	190 297	114 158
Other non-interest-bearing non-current receivables	20	145	2 026
Investments in equity-accounted investee		260	240
Total non-current assets		**509 624**	**348 806**
Inventories	12	94 725	43 704
Trade receivable and prepaid expenses	13,20	74 264	35 223
Cash and cash equivalents	14,20	13 610	2 515
Total current assets		**182 599**	**81 442**
Total assets		**692 223**	**430 248**
LIABILITIES AND OWNERS' EQUITY			
Share capital	24	68 003	68 003
Other paid-in equity		277 227	277 227
Total paid-in equity		**345 230**	**345 230**
Translation differences and other reserves		154	154
Retained earnings		(190 838)	(166 570)
Total equity		**154 547**	**178 814**
Interest-bearing debt	15,18,20	372 473	179 424
Other non-interest-bearing non-current liabilities	16	65 618	17 657
Total non-current liabilities		**438 091**	**197 081**
Interest-bearing current liabilities	15,18,20	47 591	25 944
Derivative liabilites	8,20	-	1 472
Accounts payable and other payables	17,20	51 994	26 937
Total current liabilities		**99 585**	**54 353**
Total liabilities		**537 676**	**251 435**
Total equity and liabilities		**692 223**	**430 248**

Fornebu, 11 June 2020
The Board of Directors and CEO of Aker BioMarine AS

Ola Snøve Board Chairman	**Kjell Inge Røkke** Director	**Øyvind Eriksen** Director
Sindre Skjong Director, elected by the employees	**Line Johnsen** Director, elected by the employees	**Frank O. Reite** Director

Matts Johansen
CEO

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31,

Amounts in thousands of U.S. Dollars	**Note**	**2019**	**2018**
Net profit (loss) after tax		(23 751)	(1 022)
Tax expenses	9	415	(259)
Net interest and guarantee expenses	6	21 699	12 101
Interest paid		(16 520)	(10 523)
Interest received		1 084	161
Taxes paid	9	920	87
Impairment charges	11	6 155	-
Depreciation and amortization	10,11	36 947	22 861
Foreign exchange loss (gain)		790	(2 401)
Change in accounts receivable, other current receivables, inventories, accounts payable and other		(15 432)	(13 111)
Net cash flow from operating activities		**12 307**	**7 894**
Payments for property, plant and equipment	10	(126 906)	(40 254)
Payments for intangibles	11	(10)	(24 258)
Proceeds from sales of property,plant and equipments		255	6
Investments in subsidiary and associated companies	7	(49 284)	(36)
Net cash flow from investing activities		**(175 946)**	**(64 542)**
Proceeds from issue of debt and change in overdraft facility	15,20	(4 353)	(866)
Net increase in external interest-bearing debt	15,20	142 587	(4 687)
Loan from owners	15	36 500	62 000
Net cash flow from financing activities	15	**174 735**	**56 447**
Net change in cash and cash equivalents		**11 096**	**(201)**
Cash and cash equivalents as of January 1.	14	**2 515**	**2 715**
Cash and cash equivalents as of December 31.	14	**13 610**	**2 515**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of U.S. Dollars	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total
Balance as of January 1, 2018	**63 684**	**192 102**	**(35 617)**	**154**	**(161 028)**	**59 296**
Net profit (loss) for the year	-	-	-	-	(1 022)	**(1 022)**
Other comprehensive income (loss)	-	-	-	-	(4 520)	**(4 520)**
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(5 542)**	**(5 542)**
Transactions with owners, recognized directly in equity:						**-**
Contributions from owner, debt conversion	4 319	120 742	-			**125 061**
Contributions to owner						**-**
Other items charged directly to equity			(0)			**(0)**
Total transactions with owners, recognized directly in equity	**4 319**	**120 742**	**(0)**	**-**	**-**	**125 061**
Balance as of December 31, 2018	**68 003**	**312 844**	**(35 617)**	**154**	**(166 570)**	**178 814**
Change in accounting policies IFRS 16					(405)	**(405)**
Balance as of January 1, 2019	**68 003**	**312 844**	**(35 617)**	**154**	**(166 975)**	**178 409**
Net profit (loss) for the year	-	-	-	-	(23 751)	**(23 751)**
Other comprehensive income (loss)	-	-	-	-	(111)	**(111)**
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(23 862)**	**(23 862)**
Balance as of December 31, 2019	**68 003**	**312 844**	**(35 617)**	**154**	**(190 838)**	**154 547**

* There were no transactions with owners, recognized directly in equity in 2019

Notes to the consolidated financial statements

Note 1 – General Information

These consolidated financial statements comprise of the profit or loss statements and statement of financial position for Aker BioMarine AS (the "Company") and its subsidiaries (together, the "Group") for the year ended December 31, 2019. The Company is a limited liability company domiciled in Norway with its registered office at Oksenøyveien 10, 1366 Lysaker, Norway.

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

These consolidated financial statements were authorized for issue by the Board of Directors and CEO on June 11, 2020.

Basis for preparation

The consolidated financial statements have been prepared in accordance with IFRS and IFRS Interpretation Committee (IFRS IC) interpretation as adopted by the EU. The consolidated financial statements of Aker Biomarine AS have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the sections below. Certain comparative figures may be reclassified to conform to the presentation adopted in the current year.

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

Significant changes in the current reporting period

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

- Delivery of Antarctic Endurance (note 10)
- Acquisition of Lang Pharma Nutrition Inc ("Lang", note 7)

Summary of significant accounting policies

Accounting policies that relate to the consolidated financial statements in general are set out below, while those that relate to specific areas of the consolidated financial statements are shown in the corresponding note. All accounting policies have been consistently applied to all the years presented.

Management regards the following as the most significant accounting policies for these financial statements:

- *Revenue recognition* from the sale of Superba™ Krill oil and Qrill™ branded ingredients (note 2)
- Measurement of our krill- based products held as *Inventories* at year end (note 12)
- Recognition and measurement of expenditure on vessels and machinery included in *Property, plant and equipment* (note 10)

- *Impairment of intangible assets* (note 11)

Critical accounting estimates and judgments

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

The key estimates and judgments that could have a significant effect upon the Group's financial results relate to:

- Expenses included in indirect production cost recognized to inventories (note 12)
- Technical assessment of the useful life of the Group's vessels and machinery (note 10)
- Calculating the fair value of tangible and intangible assets allocated to the Krill cash generating unit (note 11)
- Fair Value of earn-out related to the acquisition of Lang during 2019 (note 16)

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

Functional and presentation currency

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of each transaction. Receivables, liabilities and other monetary items in foreign currencies are translated into the functional currency at the exchange rates on the balance sheet date. Foreign currency exchange gains or losses resulting from such transactions are recognized in the consolidated statement of profit or loss.

Consolidation

Subsidiary undertakings are entities over which the Group has the power to govern the financial and operating policies. Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary undertaking is the fair values of the assets transferred and the liabilities incurred by the Group, including those from any contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

An acquisition of a group of assets that does not constitute a business is accounted for as asset acquisition in accordance with accounting standards applicable.

Inter-company transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiary undertakings have been changed where necessary to ensure consistency with the policies adopted by the Group.

New standards adopted in the year

Group has initially adopted IFRS 16 Leases from 1 January 2019. IFRS 16 Leases replaces IAS 17 Leases and related interpretations. The new standard introduces a single, on-balance sheet accounting model for lessees, with optional exemptions for short-term leases and leases of low value items. A lessee recognises a right-of-use asset representing its right to use the adjusted assets and a lease liability representing its obligation to make lease payments. The details of the changes from IFRS 16 is disclosed below and in Note 18 Leasing.

The Group assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a time period in exchange for consideration.

The Group has recognized new assets and liabilities for its operating leases of warehouses, offices, transportation equipment and in addition various equipment if it is not a low-value asset (see below). The nature of expenses related to those leases has changed because the Group has recognized a depreciation charge for right-of-use assets and interest expenses on lease liabilities.

However, the Group has elected not to recognize right-of-use assets and lease liabilities for short term leases and for leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized as an adjustment to the opening balance of retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

- Their carrying amounts as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application; or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognise right-of-use asset and liabilities for leases with less than 12 months of lease term
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application
- Non-lease components for housing contracts, machines and vehicles is not separated.
- Relied on assessment of whether leases are onerous applying IAS 37 on 31 December 2018 as an alternative to performing an impairment review of right-of-use assets for all leases on 1 January 2019.

The impact on equity on transition at 1 January 2019 is summarized below:

Amounts in thousands of U.S. Dollars	**At 1 January 2019**
Lease liability at 1 January, 2019	(5 345)
Right-of-use asset	4 940
Difference between lease liability and right-of-use asset at 1 January, 2019	(405)
Equity per December 31, 2018	178 814
Equity at 1 January, 2019	**178 409**

Disclosure materiality

Management provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision making of the users of these consolidated financial statements or not applicable.

Note 2 – Revenue and adjusted EBITDA

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

Revenue is measured at the fair value of consideration received or receivable on sale, including rebates, fair value adjustments and excluding VAT. Revenue is recognized when the Company's identified performance obligations are fulfilled. The Group does not have any contracts with a significant financing component.

Under IFRS 15 the Groups revenue from sale of Krill oil and Qrill™ is recognized at a point in time, when the customer obtains control over the goods. Transfer of control to the customer is based on the agreed delivery term. The Group applies the Incoterms 2010, issued by International Chamber of Commerce, to make this determination and all sales are conducted using F- or C-terms meaning the risk is transferred upon handing the goods over to the carrier engaged by either the customer or Group, respectively.

Upon sale of product, each sale would normally constitute two performance obligations, the product sold and the freight. Some contractual terms may therefore result in the Group delivering freight services after control has passed to the customer, however this timing effect would have an insignificant impact on profit and loss. The applies to C-term sales, as presented above.

The goods are sold with standard warranties that the goods sold complies with agreed upon specification and condition. The Group does not have any significant obligations for returns or refunds, and any warranties would be accounted for using IAS 37, provisions, contingent liabilities and contingent assets.

The introduction of Lang in the Group has not resulted in any significant new interpretations or changes in the application of IFRS 15. Like the Krill oil and Qrill™ business, Lang sells commodities and recognizes revenues at a point in time, predominantly in the US market applying the same principles of transfer of control as described previously.

Geographical segments based on company location:

	Revenues from sale of products	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Norway	29 300	30 747
EMEA	37 331	31 563
Americas	118 323	60 960
Asia Pacific	61 217	30 912
Total	**246 170**	**154 182**

In 2019 the two largest customers exceeded 28% of the Group's total revenues from sale of products (2018: 40%).

The Group's operations have historically occurred in one reportable segment; the production and sale of krill products. Following the acquisition of Lang on 1 March 2019, the Group has two reportable segments. The historic production and sale of krill products remain the same, but Lang has introduced the distribution segment. Their business consists of distributing commodities for human consumption. See table and further details in note 3, operating segments.

Adjusted EBITDA

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

The EMT has provided the following information at December 31, 2019 and 2018:

Amounts in thousands of U.S. Dollars	**2019**	**2018**
Krill oil	99 764	74 418
Krill meal	69 403	70 697
Qrill™ Pet and other products	77 002	8 530
Other income	900	1 689
Total revenue and other income	**247 070**	**155 334**
Total operating expenses before depreciation, amortization and impairment	(201 377)	(122 215)
Special operating items	7 346	5 901
Adjusted EBITDA	**53 039**	**39 020**

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

Amounts in thousands of U.S. Dollars	**2019**	**2018**
Net income (loss)	**(23 751)**	**(1 022)**
Tax expense	415	(259)
Net financial items	26 097	11 540
EBIT	**2 762**	**10 258**
Depreciation, amortization and impairment	42 931	22 861
Special operating items	7 346	5 901
Adjusted EBITDA	**53 039**	**39 020**

The following table reconciles special operating items.

Amounts in thousands of U.S. Dollars	**2019**	**2018**
Juvel operating cost - Other operating income/(cost), net	(1 784)	(4 204)
Legal costs	(836)	(291)
Transaction related costs	(1 298)	(1 406)
Epion launch	(3 428)	-
Special operating items	**(7 346)**	**(5 901)**

Special operating items have historically comprised of material non-recurring items, such as legal and settlement fees. Such costs are not included in management's assessment of Adjusted EBITDA. In 2019 there has been several items that have been classified as non-recurring and material such as transaction related costs, legal fees, restructuring cost and development costs, total amount USD 7.3 million.

Note 3 – Operating Segments

The Group discloses segment information and identifies our reportable segments under IFRS 8 Operating Segments. The standard requires The Group to report segment according to organization and reporting structure used by the chief operating decision maker (CODM). The Group defines the CODM as the management team and the CEO.

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.

The Ingredients business 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. This was The Group's core business and only identified segment for the past years, up until the acquisition of Lang 1 March 2019.

The Brands segment is the human consumption distribution business which comprises of Lang and Epion. Lang acquires raw materials derived from krill, fish and plants. Then package, labels and sells the product onwards to retailers in the US market. As of 31 December 2019, the segment only comprise the legal entity Lang Pharma Nutrition LLC (Lang) which was acquired in 2019 (note 7). The segment will be known as the "brands" segment.

During the first operating year since acquisition, the segments have been operated separately, and financial results been measured on a stand-alone basis for the two operating segments. The key financial metric that has been evaluated is the EBITDA and EBIT. The use of these measures is aligned across the segments. As managed on a standalone basis, transactions between the two segments are eliminated in the "adjustments" column in the below schedule.

Since Lang is part of the US tax Group, taxes are assessed on a consolidated basis and there is a tax-sharing agreement in place which drives why ingredients has a tax income, while brands has a tax expense, and no elimination or group adjustments are performed for this line item.

Transactions between the segments are conducted at arm's length basis. Some of the prices and mark-ups on services used between the segments are over the first years regulated by agreements that were part of the original share purchasing agreement, negotiated on arm's length basis.

The accounting policies used in the below segment reporting reflects those used for the Group. The Lang numbers are to the extent where GAAP differences are identified, aligned with IFRS. The below represents the statement of profit and loss for the year 2019 and presents the balance sheet as of 31 December 2019.

Amounts in thousands of U.S. Dollars	INGREDIENTS	BRANDS	ADJUSTMENTS	**TOTAL**
Net sales	177 225	82 330	(13 384)	**246 170**
Operating profit	4 034	7 903	(9 175)	**2 762**
Net profit (loss)	(17 378)	5 817	(12 190)	**(23 751)**
Depreciation, amortization and impairment (note 10)	(11 136)	(11)	(6 675)	**(17 822)**
EBITDA	40 303	7 884	(2 500)	**45 687**
Adjusted EBITDA	47 655	7 884	(2 500)	**53 039**
Balance sheet items				
Property, plant and equipment	302 066	301	-	**302 366**
Right to use asset (leasing)	15 947	-	608	**16 555**
Intangible assets	145 960	79	44 258	**190 297**
Cash and cash equivalents	8 266	5 344	-	**13 610**
Interest-bearing debt	(404 693)	(17 767)	2 396	**(420 064)**
Inventory	60 147	37 078	(2 500)	**94 725**
Net interest free asset and liabilities	57 023	(2 285)	(97 681)	**(42 942)**
Total equity	**184 716**	**22 750**	**(52 919)**	**154 547**

Note 4 – Selling, General & Administration expenses

The presentation of operating expenses in the consolidated statements of profit or loss is based on function of the expenses. Production and operating expenses are recognized in the same period as the corresponding revenue from sale of product is recognized. Salaries and payroll expenses not related to production, sales and distribution costs, and other general and administrative costs are recognized when they occur or when the Group has a liability for future expenses. Production and operating expenses allocated to product is presented within note 12.

Selling, General and Administrative expenses consists of:

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Sales and Distribution Costs	(48 309)	(20 718)
Research and Development	(5 404)	(9 070)
Administrative Costs	(22 751)	(14 898)
Total	**(76 463)**	**(44 686)**

Sales and Distribution costs are all costs related to selling, marketing, and distributing and storing the goods world-wide. All abroad distribution companies, including Lang are included in these costs.

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

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

Government grants

During 2019 the Group received grants of USD 0.6 million (2018: USD 0.8 million). The grants are partly included in the Research and Development and partly 'Asset under construction' to net the costs that the grants are intended to compensate. There are not any unfulfilled conditions or other contingencies on these grants. The Group did not benefit directly from any other forms of government assistance.

Salary specification by function

The below schedule describes the total salary costs of the Group. Salaries from the onshore and offshore part of the Group is allocated to inventory, as presented in note 12. Selling, general and administrative salaries specifies the salary part of the total expenses of USD 76.5 million (2018: USD 44.7 million), as also presented within note 4.

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Offshore - inventoriable	(21 173)	(16 683)
Onshore - inventoriable	(9 438)	(6 078)
Selling, general and administrative	(27 229)	(15 689)
Juvel - Other operating income/(cost), net	(694)	(1 565)
Total	**(58 535)**	**(40 016)**

Number of employees at year-end	504	364
Full time Equivalent	496	364

Total salary cost comprises of the following:

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	2019	2018
Salaries	(49 616)	(32 838)
Employer's social security contribution	(2 041)	(2 009)
Pension expenses	(1 306)	(1 122)
Other benefits	(5 570)	(4 045)
Total	**(58 533)**	**(40 014)**

Pension plans

The Group has a defined contribution plan that cover all employees except one employee who has a defined benefit plan. The plans comply with laws and regulations set forth in the different countries of operations. At the end of the year the defined benefit obligations were USD 0.41 million and the assets were USD 0.31 million. The fair value of the net obligation has been calculated using an appropriate discount rate. During the year the Group expensed USD 0.035 million, net of settlements and curtailment, on the defined benefit plan (2018: 0.1 million), and USD 1.3 million for the contribution plan (2018: 1.0 million). In addition, USD 0.1 million related to changes in actuarial assumptions is expensed in other comprehensive income (2018: gain USD 0.1 million).

Remuneration to the Group auditors (excluding VAT):

KPMG is the Group auditor of Aker Biomarine AS. The following table shows fees to the appointed auditors for 2019 and 2018. For both categories the reported fee is the recognized expense for the year.

	Year ended 31 December,	
Amounts in thousands of U.S Dollars	2019	2018
Audit fees 1)	(335)	(183)
Other audit and attestation services	(28)	(65)
Total	**(363)**	**(247)**

1) Audit fees of TUSD 335 (2018: TUSD 183) consist of fees to KPMG of TUSD 194 (2018: TUSD 183). TUSD 141 of the total audit fee in 2019 was payable to other audit firms than KPMG. Other audit and attestations services were fees to KPMG.

Note 5 – Other operating Income / Cost

Other operating income/cost comprise of the following:

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Other income	900	1 152
Juvel	(1 784)	(4 204)
Inventory changes	(4 990)	(1 098)
IFRS16 impact	3 784	-
Other expenses	(1 132)	(719)
Total	**(3 221)**	**(4 869)**

Inventory changes relates to scrapping, write-downs to net realizable value and other inventory changes like volume adjustments. Majority of these expenses is due to write-down as of 31 December 2019, please refer to note 12 for further descriptions.

Following the implementation of IFRS 16 leasing, operational lease expenses are deducted from operational expenses and accounted for in accordance with the standard. To please refer to note 18 for further information about the accounting for leasing.

Juvel is a vessel acquired in 2017 but has due to ongoing legal cases concerning the use of the onboard factory never been in operation. The costs related to the vessel, and costs related to the fire that took place onboard the vessel in 2018, has been accounted for separately, and are disclosed as other operating cost. The vessel was sold in 2020, please refer to note 25 “events after the balance sheet date”.

Other income comprises of the following:

Other income by category

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Royalty	-	1 329
Insurance refund	1 116	-
Other	(216)	(177)
Total	**900**	**1 152**

In addition to revenue from the sale of krill derived products, the Group received settlement for older insurance claims during 2019. The royalty agreement ended 31 December 2018, and the Group had no revenue from royalty arrangements during 2019. Other income includes marketing contributions and loss on sale of fixed asset.

Note 6 – Financial income and expenses

Financial income comprises interest income on financial investments and net foreign exchange gains recognized in the consolidated statement of profit or loss. Financial expenses include interest expense and guarantee fees. Financial income and expenses are presented on a net basis in the consolidated statement of profit or loss.

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Interest income, bank deposits	288	155
Interest income loans and receivables (amortized cost)	799	(123)
Foreign exchange gains (realized and unrealized)	5 065	7 572
Other financial income	518	225
Total financial income	**6 669**	**7 829**
Interest expense on financial liabilities valued at amortized cost	(22 785)	(12 263)
Foreign exchange losses (realized and unrealized)	(6 140)	(4 976)
Other financial expenses	(3 841)	(2 130)
Total financial expenses	**(32 766)**	**(19 369)**
Net financial expenses	**(26 097)**	**(11 540)**

Other financial expenses include guarantee fee payable to the parent company Aker ASA.

Note 7 – Asset acquisition and business combinations

On 1 March 2019 the Group, through a US holding company, acquired 100% of the issued shares in Lang Pharma Nutrition, Inc. (Lang), a full service, mass market dietary supplement manufacturer, for a consideration of USD 89.3 million. The acquisition was performed of strategical reasons, both to ensure that Lang remained heavily invested in the krill oil segment, to further explore and utilize the synergizes and competence within Lang when conducting business directly with major US retailers, and using this to establish a foot-print to over time launch and sell own branded products.

The contribution consisted of a cash consideration of USD 52.9 million paid on closing in addition to a contingent consideration with an estimated fair value as further described below.

Details of the purchase consideration, the net acquired assets and goodwill are as follows:

Amounts in millions of U.S Dollars	
Accounts receivables and other assets	11.7
Inventories	31.8
Intangible assets - Customer base	46.1
Cash and cash equivalents	3.7
Total Assets	**93.3**
Borrowings	19.9
Accounts payables and other payables	9.7
Total Liabilities	**29.6**
Total identifiable net assets at fair	63.7
Goodwill arising on acquisition	27.6
Contingent consideration	(36.4)
Contingent consideration	(2.0)
Total consideration paid on acquisition	**52.9**
Less cash and cash equivalents	(3.7)
Acquisition, net of cash acquired	**49.2**

The goodwill is attributable to Lang's position and profitability in the dietary supplement market and the assembled and skilled workforce in the organization. Lang will continue to operate as a separate company. The results from Lang have been included in the Group's consolidated income statement and balance sheet as of 1 March 2019. Acquisition-related costs of USD 1.5 million are included in administrative expenses in profit or loss. The goodwill is assessed to be deductible in the US.

The contingent consideration arrangement, amounting to USD 36.4 million at acquisition date, requires the Group to pay the seller an earn-out calculated each fiscal year using a measurement of company EBITDA as its basis. The earn-out period is from 2019 through 2022. The fair value of the contingent consideration arrangement was estimated calculating the present value of the future expected cash flows, based on a discount rate of 11%. The nominal range of the outcome is a cash payment of USD 0 – USD 50.0 million, over the years mentioned above with the potentially last payment in 2023. In addition to the earnout there is a liability of USD 2 .0 million which will be released based on further employment of resources over the next 3 years. The full contingent consideration is recognized as of 31 December 2019.

As at 31 December 2019, the contingent consideration related to the earnout was USD 39.7 million, which represents full payment of the nominal amount over the future years. The liability is presented within other non-interest-bearing non-current liabilities in the balance sheet (note 16), value adjustments of USD 3.3 million, representing the effect of unwinding the discounting, is presented within net financial expenses (note 6).

Revenue and net profit contribution

The Lang business contributed revenues of USD 82.2 million and net profit of USD 5.7 million to the Group for the period from 1 March to 31 December 2019. If the acquisition had occurred on 1 January 2019, the additional contribution in revenue and net profit for the year ended 31 December 2019 would have been USD 11.1 million and USD 0.4 million respectively. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the group and the subsidiary.

Asset acquisitions and business combinations in 2018

On 17 January 2018, the subsidiary Aker Biomarine Antarctic AS (AKBMA) entered into an Asset Purchase Agreement pursuant to which AKBMA acquired from Enzymotec Ltd (Enzymotec) assets and certain liabilities related to the global krill operations of Enzymotec.

Total payable was USD 26.4 million. The purchase price reflects, among other things, payment of transferred inventory, consideration for Enzymotec's non-competition agreement and consideration for other transferred assets as listed below.

The following table summarizes the assets and liability identified by management:

Amounts in millions of U.S Dollars	
Customer Relationship	18.8
Trademark	1.8
Inventory	4,5
Goodwill	1,2
Total transaction price	**26.4**

Note 8 – Derivatives

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Forward exchange contracts assets	-	-
Forward exchange contracts liabilities	-	(1 472)
Total	**-**	**(1 472)**

In May 2017 the Group entered into a currency contract for hedging of currency risk from future instalment related to the vessel under construction, Antarctic Endurance. The last instruments matured in 2019 after delivery of the vessel. See Note 20 for further description of the derivative.

Note 9 – Income tax

The Group is headquartered in the Norway and pays taxes according to the rates applicable in the countries and states in which it operates. Most taxes are recorded in the statement of profit or loss and relate to taxes payable for the reporting period (current tax), but also deferred taxes. Deferred tax is calculated based on the differences between the accounting value and tax value of assets and liabilities at the balance sheet date using the applicable tax rate.

The major components of income tax expense for the years ended 31 December 2019 and 2018 are:

Reconciliation of nominal statutory tax rate to effective tax rate:

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	2018
Profit (loss) before tax	**(23 335)**	(1 281)
Calculated income tax at statutory rate of 22%	**5 134**	295
Tax differential Norway and abroad	**(441)**	(34)
Unrecognized change in deferred tax assets	**(3 934)**	2 158
Permanent differences	**(1 175)**	51
Currency translation and other *	**1**	(2 211)
Total tax expense	**(415)**	259
Effective tax rate	-2 %	20 %

* The Group files its tax return in NOK

Deferred tax assets comprise:

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	2018
Property, plant and equipment and intangible assets	**5 280**	(2 204)
Inventory	**1 091**	(512)
Other	**23**	15
Tax losses carried forward	**52 868**	49 964
Interest rate deductability carry forward	**7 958**	6 141
Deferred tax assets	**67 220**	53 404
Unrecognized deferred tax assets	**(67 220)**	(53 404)

Current income tax expenses relate to subsidiaries in US (21% Federal tax rate) and Australia (30%). There were no changes in corporate tax rates in these countries over 2018 and 2019. In Norway the corporate tax rate was reduced from 23 % in 2018, to 22 % in 2019.

The movement in deferred tax assets from USD 53.4 million to USD 67.2 million is mainly due to increase in taxable losses, interests where deductibility has been denied, and temporary differences related to the Group's fixed and intangible assets.

Based on the historical losses of the Group, it was concluded that deferred tax assets could not be recognized in the balance sheet as of 31 December 2019 or 2018. Since 2008 the Aker Biomarine AS has been involved in discussions with the tax authorities concerning deductibility of losses on receivables. The Norwegian Tax authorities concluded that losses of NOK 296 million was not deductible. Aker Biomarine AS has appealed the decision to The Norwegian Tax Appeal Board ("Skatteklagenemnda") and are currently waiting for their conclusion. The appealed losses are not part of the tax losses carried forward as presented in the above table.

Note 10 – Property, plant and equipment

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

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

Major inspections of vessels are performed on a regular basis as required by the classification society, such as Det Norske Veritas and according to laws and regulations. The costs of such inspections are, including replacement spares and labor costs, capitalized and amortized over the average expected life between major inspections. All other costs relating to maintenance of vessels is charged to the statement of profit or loss on consumption or as incurred.

Assets that will be disposed, which are classified as held-for-sale, are reported at the lower of their book value and their fair value less cost to sell. Depreciation of vessels is included in the cost of inventory conversion (see Note 12).

Movements in property, plant and equipment in 2019 and 2018:

Amounts in thousands of U.S. Dollars	Vessels, transportation equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2019	**105 250**	**95 840**	**105 271**	**8 708**	**315 069**
Investments	4 223	4 802	117 556	326	**126 906**
Investments from merger & acquisition	-	73	-	-	**73**
Asset retirements	-	(428)	-	-	**(428)**
Other reclassifications 1)	105 830	33 721	(181 605)	9 525	**(32 529)**
Acquisition cost as of 31 December, 2019	**215 303**	**134 009**	**41 222**	**18 559**	**409 092**
Acc. depreciation and impairment as of 1 January, 2019	**(46 278)**	**(33 027)**	**(2 654)**	**(728)**	**(82 687)**
Depreciation for the year	(14 979)	(9 952)	-	(313)	**(25 244)**
Impairment	-	(255)	(5 900)	-	**(6 155)**
Asset retirements	-	-	-	-	**-**
Other reclassifications 1)	1 853	6 921	(1)	(1 413)	**7 360**
Acc. depreciation and impairment as of 31 December, 2019	**(59 404)**	**(36 312)**	**(8 555)**	**(2 454)**	**(106 726)**
Book value as of 31 December, 2019	**155 899**	**97 696**	**32 667**	**16 105**	**302 366**
Depreciation period	10-30 years	3-20 years			
Depreciation method	Straight-line	Straight-line			

1) Net Other reclassifications include reclassifications of fishing licenses related to Juvel and milestone payments related to construction of a new charter vessel from asset under construction above to, respectively, intangible assets and prepayment. See Note 11-Intangible assets and Note 13-Trade receivable and other current receivables.

Amounts in thousands of U.S. Dollars	Vessels, transportation equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2018	**104 777**	**93 874**	**72 701**	**8 087**	**279 439**
Investments from merger & acquisition	-	-	-	-	-
Asset retirements	(4 833)	(2 846)	-	-	**(7 679)**
Other reclassifications	672	929	1 454	-	**3 055**
Acquisition cost as of 31 December, 2018	**105 250**	**95 840**	**105 271**	**8 708**	**315 069**
Acc. depreciation and impairment as of 1 January, 2018	**(41 773)**	**(27 662)**	**(2 654)**	**(547)**	**(72 636)**
Depreciation for the year	(8 109)	(8 149)	-	(181)	**(16 439)**
Impairment	-	-	-	-	-
Asset retirements	4 340	2 048	-	-	**6 388**
Other reclassifications	(736)	736	-	-	**-**
Acc. depreciation and impairment as of 31 December, 2018	**(46 278)**	**(33 027)**	**(2 654)**	**(728)**	**(82 687)**
Book value as of 31 December, 2018	**58 972**	**62 814**	**102 617**	**7 980**	**232 383**
Depreciation period	10-20 years	3-20 years			
Depreciation method	Straight-line	Straight-line			

Reconciliation depreciation and amortization

Amounts in thousands of U.S. Dollars	2019	2018
Depreciation for the year of Property, plant & equipment	(25 244)	(16 439)
Impairment Property, plant & equipment	(6 155)	(900)
Amortization for the year of Intangible assets	(8 699)	(5 521)
Leasing (ROU) depreciation	(2 833)	-
Total	(42 931)	(22 860)
Depreciation and amortization related to production assets and included in cost to inventory	(25 109)	(17 321)
Depreciation and amortization related to other assets	(17 822)	(5 539)

The Groups total depreciation, amortization, and impairment is presented in the above schedule. As compared to the consolidated statement of profit or loss the USD 17.8 million (2018: USD 5.5 million) relates to amortization of assets not directly used in the production of goods, and therefore recognized as depreciation, amortization and impairment in the statement of profit or loss. Other assets primarily consist of the customer portfolios recognized following the business combinations / asset acquisitions of Lang, Neptune and Enzymotec (refer to note 7 for further description), and the impairment of Juvel in 2019. Inventoriable depreciation mainly consists of the Groups operating harvesting vessels, and the manufacturing plant in Houston, Texas, amounting to USD 25.1 million (2018: USD 17.3 million).

In April 2017 the Group entered into a new contract for a new krill harvesting vessel, Antarctic Endurance. In 2019 the Group paid NOK 489 million and EUR 21 million upon delivery. The payments were financed by debt of USD 113 million and the total cost of the vessel was USD 147.0 million, which includes capitalized interests, the mobilization period, build costs and project management.

See Note 20 Financial risk for hedge of currency risk related to the instalments on the new vessel.

See Note 18 Leasing for right-of-use assets.

The increase in depreciation fixed asset is due to the completion of Antarctic Endurance, while of the impairment of USD 6.1 million, USD 5.9 million relates to an impairment of the vessel Juvel. Juvel has not been in operation due to the ongoing legal case concerning the rights to the patented production technology in the factory onboard the vessel. Due to the uncertainty about the future use of the vessel and time the vessel has been in yard the Group could no longer defend the vessel through the overall krill business CGU. A separate valuation was performed to estimate the fair value of the vessel as per IAS 36. Seeing a value in use could not be utilized, a separate assessment of potential sales price was performed. The book value of the vessel at the time of valuation was USD 35.0 million. The Group valued the vessel at USD 18.7 million after subtracting costs to sell and separated the value of the krill harvesting license at USD 10.5 million. An impairment of USD 5.9 million was accounted for.

See Note 11 Intangible assets for further details concerning the amortization, and krill license assumptions.

As of 31 December 2019, the Group has USD 60 million in commitments for further investments in property, plant and equipment (2018: USD 140 million). For details on mortgages and pledging of security, see Note 15.

Note 11 – Intangible assets

Goodwill
Goodwill resulting from business combinations is allocated to each of the cash generating units ("CGU"), which are expected to benefit from synergies of the combination. Each unit to which goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes and reporting. The Group has two different CGUs, Ingredients and Brands, representing the two operating segments of the Group, both CGUs generate independent cash flows.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Impairment is determined for goodwill by assessing the recoverable amount of each unit to which the goodwill relates. When the recoverable amount of the unit is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

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

License agreements
License agreements acquired separately are measured at cost. Following initial recognition, the Groups license agreements are recorded less any accumulated amortization and impairment losses. The

Group’s license agreements are amortized on a straight-line basis and tested for impairment if impairment indicators exist.
The investment of USD 2.4 million in License agreements relates to patents and purification technology acquired from Orochem in July 2018. The asset retirements relate to CLA/Tonalin licensing agreements which expired in 2018.

Fishing Licenses
The Groups fishing licenses are recognized at 10.5 million and are not amortized. The licenses relate to krill fishery in the Antarctica and will remain in the Groups possession as long as all applicable requirements are met, and as such they are determined to have an indefinite life.

Customer relation, Trademark and Goodwill
The recognized goodwill of USD 26.1 million, and the customer relations of USD 46.2 million are intangible assets recognized at Group level following the acquisition of Lang.

The 2018 additions comprising of USD 18.8 million in customer relation, USD 1.8 million in trademark and USD 1.2 million in goodwill relates to acquisition of Enzymotec’s krill-oil business in January 2018. The 2018 opening balance relates to the 2017 asset acquisition of the krill business in Neptune, where the Group recognized USD 23.3 million in customer relations, and USD 3.9 million in trademarks.

See further details in Note 7 Asset acquisition and Business combinations.

Movements in intangible assets for 2019:

Amounts in thousands of U.S. Dollars	**Goodwill**	**Development**	**License agreements**	**Fishing licences**	**Customer relation**	**Trademark**	**Total**
Acquisition cost as of 1 January, 2019	**66 401**	**5 318**	**25 514**		**45 110**	**5 675**	**148 018**
Additions - external cost					9		9
Acquisition Lang	28 156	-	-		46 174	-	74 330
Asset retirements	-	-	(23 118)		-	-	(23 118)
Reclassifications 1)	-	-	-	10 500	-	-	10 500
Acquisition cost as of 31 December, 2019	**94 557**	**5 318**	**2 396**	**10 500**	**91 293**	**5 675**	**209 739**
							-
Amortization and impairment losses as of 1 January, 2019	**-**	**(5 162)**	**(23 469)**		**(5 229)**	**-**	**(33 860)**
Amortization for the year	-	(83)	(377)		(8 239)	-	(8 699)
Impairment	-	-	-		-	-	-
Asset retirements	-	-	23 118		-	-	23 118
Reclassifications	-	-	151		(151)	-	-
Amortization and impairment losses as of 31 December, 2019	**-**	**(5 245)**	**(578)**	**-**	**(13 619)**	**-**	**(19 442)**
							-
Book value as of 31 December, 2019	**94 557**	**73**	**1 818**	**10 500**	**77 674**	**5 675**	**190 297**
Amortization period		5-10 years	10-12 years		7-10 years		
Amortization method		Straight-line	Straight-line		Straight-line		

1) Reclassified from asset under construction in property, plant and equipment, see Note 10-Property, plant and equipment.

Movements in intangible assets for 2018:

Amounts in thousands of U.S. Dollars	Goodwill	Development	License agreements	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2018	**65 153**	**5 430**	**23 118**	**26 277**	**3 894**	**123 872**
Additions - external cost	1 248	-	2 396	18 833	1 781	24 258
Asset retirements	-	(112)	-	-	-	(112)
Reclassifications	-	-	-	-	-	-
Acquisition cost as of 31 December, 2018	**66 401**	**5 318**	**25 514**	**45 110**	**5 675**	**148 018**
						-
Amortization and impairment losses as of 1 January, 2018	**-**	**(5 191)**	**(22 384)**	**(876)**	**-**	**(28 451)**
Amortization for the year	-	(83)	(1 085)	(4 353)	-	(5 521)
Impairment	-	-	-	-	-	-
Asset retirements	-	112	-	-	-	112
Reclassifications	-	-	-	-	-	-
Amortization and impairment losses as of 31 December, 2018	**-**	**(5 162)**	**(23 469)**	**(5 229)**	**-**	**(33 860)**
						-
Book value as of 31 December, 2018	**66 401**	**156**	**2 045**	**39 881**	**5 675**	**114 158**
Amortization period		5-10 years	10-12 years	7-10 years		
Amortization method		Straight-line	Straight-line	Straight-line		

Impairment testing

The Group tests goodwill for impairment on an annual basis. Goodwill was allocated to the Ingredients segment that represented all business operations of the Group as of 31 December 2018. As from the acquisition of Lang in March 2019, the Group recognizes Brands as a separate segment and CGU but except for the Brands segment (see Note 3) there are no other separate cash generating units.

The recoverable amount for the Ingredients segment as a cash generating unit is estimated based on its value in use. The estimated value in use is based on discounted future cash flows. The following assumptions were applied for 2019:

- Projected cash flows are based on management's best estimates and the business plan for the Ingredients segment for the subsequent five years period. The estimates are based on detailed forecast prepared by the various departments in the Ingredients segment. For subsequent periods, the model is based on estimated terminal growth of 2.0 percent, which is in line with long-term forecasts for growth in GDP. In the forecast for the period 2020-2024, revenue projections are based on agreements entered into, actual historical prices along with management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management`s forecast which is based on the scalability in the business model. As large proportion of the Group's operating expenses are independent of production volumes means that increased sales levels will contribute to higher operating margins.

- Future product pricing has as per the above been based on historical prices, and managements expectation with regards to new arrangements. The Group has prudently kept the krill oil prices at 2019 levels going forward and expect also the krill meal sales prices to over time remain at the same levels as seen in 2018. Sales volumes has been modelled to follow the production targets, however lagging as to allow for building and maintaining safety-stock.

- The terminal value in the model used to calculate value in use in 2019 is based on a WACC of 11% and an assumed long-term annual growth equal to 2%.

- Capital expenditure is based on the long-term technical and operations program and firm commitments. It is also assumed that the vessels will be re-acquired upon end of the assumed useful life and that the business will continue with 3 operating vessels.

- The discount rate is estimated based on a weighted average of equity return requirements and expected costs of debt, assuming a projected debt-to-equity ratio of 1 (2018: 1). The cost of debt is based a credit spread which is based on average US corporate bond yields with B credit rating less the on risk-free interest rates 10-year U.S. government bonds yield at the date of the valuation, which is applied separately.

The sensitivity of the value in use has been tested by using simulations of various combinations of discount rates and changes in vessel production volumes, krill production and -sales in addition to fuel cost. No reasonably combination of these factors results in a value in use being lower than the value recognized in the balance sheet as of 31 December 2019.

Development
No development costs related to development of production processes, production technology for krill oil and maintenance of patents and licenses were capitalized in 2019 and 2018.

Note 12 – 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 Group assigns cost of inventories using a weighted average cost formula.

Net realizable value is the estimated sales price in the ordinary course of business, less the costs of completion such as freight and commission. The impairment from actual production cost (including freight) to net realizable value is recognized in “Net change in inventories”.

The production of both Krill oil and Qrill™ branded ingredients is highly complex where the Group controls the entire value chain from harvesting of raw krill in the Antarctic, to the onboard krill meal processing, oil extraction and quality control. Furthermore, the process is very sensitive to harvesting conditions, such as length of the fishing season and other external factors like specification of the krill harvested. These factors all influence the parameters for capitalization of indirect production costs in the Group and full cost of the products.

The inventory balance as of 31.12.2019 is pledged as security, and is included in the book value of assets pledged as security, please refer to note 15.

Inventory balances as of 31 December 2019 and 2018 are shown below:

Amounts in thousands of U.S. Dollars	Year ended 31 December, 2019	2018
Raw materials and goods under production	21 304	6 960
Finished goods	73 421	36 744
Total	**94 725**	**43 704**
Cost of inventories recognized at net realizable value	33 617	26 670
Carrying value of inventories recognized at net realizable value	29 420	24 481
Write-down of inventories recognized towards net change in inventories in the period*	(4 197)	(2 189)
Carrying value of inventories pledged as security	94 725	33 468

*) Includes weight corrections, replacements to customers and obsolesence

Movements in inventory during the year comprise:

Amounts in thousands of U.S. Dollars		2019
Inventory at 1 January 2019		**43 704**
Purchased inventory		
Inventory at acquisition date	31 684	
Cost of goods sold	(63 357)	
Acquired inventory for sale	68 751	
Inventory at 31 December 2019	**37 078**	**37 708**
Elimination of internal profit in inventory sold to Brands		(2 500)
Ingredrients production value		133 508
Ingredients cost of goods sold		(93 586)
Other changes 1)		(24 240)
Spare parts inventory		760
Inventory at 31 December 2019		**94 725**

1) Include USD 20 million in consumption and rework and USD 4 million in obsolete and other

From the above, acquired inventory of USD 31.7 million represents the inventory Brands had as per acquisition date. Seeing Brands is a distributor, no production is performed, and Brands purchases of products for processing and sale are therefore presented as "acquired inventory for sale" in the above schedule. Elimination and other changes comprise mainly rework and consumption.

Net change in inventories - reconciliation	
Cost of goods sold before elimination of internal sales and internal profit	(156 943)
Produced inventory	133 508
Acquired inventory	100 435
Changes sparepart inventory	760
Rework, consumptions and obsolete	(24 241)
Elimination of internal profit on stock	(2 500)
Net change in inventories	**51 020**
Cost of goods sold before elimination of internal sales and internal profit	(156 943)
Elimination of cost of internal sales	13 542
Elimination of internal profit on stock	(2 500)
Cost of goods sold recognized in Profit and Loss	**(145 901)**

The total production value of goods manufactured in 2019 can be specified as follows:

	Year ended 31 December	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Salaries	(30 611)	(22 762)
Direct Production	(9 878)	(11 068)
Fuel	(19 042)	(18 450)
Consumables	(3 948)	(2 027)
R&M	(5 230)	(3 578)
Other	(14 832)	(9 607)
Nutra Freight	(1 556)	(1 794)
Capsulation	(4 603)	(6 230)
Depreciation	(25 109)	(16 273)
Consumption of krill raw materials	(18 698)	(17 764)
Total costs allocated to inventory	**(133 508)**	**(109 554)**

Note 13 – Trade receivable and other current assets

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Accounts receivable	37 393	20 438
Prepaid expenses	24 209	6 713
Other current receivables	12 662	8 072
Total	**74 264**	**35 223**

The increase in prepayments relates mainly to increased stock of fuel, packing material and other equipment related to the operation of the vessels. Further the milestones paid on the vessel currently under construction in China, Provider, is classified prepaid expenses. Provider installments amount to USD 14.4 million as per 31.12.2019.

Note 14 – Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet and cash flow statement comprise cash at banks, including restricted deposits, and cash on hand.

Cash and cash equivalents comprise the following items:

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Cash and bank deposits	12 425	1 526
Restricted bank deposits	1 185	989
Cash and cash equivalents	**13 610**	**2 515**

Restricted bank deposits relate to employee tax withholdings used to settle tax remittances with the tax authorities on a periodic basis. As of 31 December 2019, the Group had drawn USD 14.4 million (2018: USD 13.6 million) out of a total of USD 15.0 million available in an overdraft facility. With regards to the new overdraft facility related to the Lang acquisition, the Group had drawn USD 14.8 million out of an overdraft facility of USD 25.0 million.

Note 15 – Interest bearing debt

The Group recognizes interest-bearing debt initially at fair value, net of transaction costs incurred. Subsequently the debt is carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statements of profit or loss over the period of the debt using the effective interest method.

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Non-current liabilities		
Secured bank loans	279 509	132 995
Non-current NOK-denominated loan from Antarctic Harvesting Holding AS	1 334	1 334
Non-current USD-denominated debt to Aker ASA	73 795	37 295
Other secured debt	7 800	7 800
Leasing liabilities	10 035	
Book value total interest-bearing non-current liabilities	**372 473**	**179 424**
Current liabilities		
Current portion of secured loans	11 811	12 357
Overdraft facilities	29 135	13 587
Leasing liabilities	6 646	
Book value total interest-bearing current liabilities	**47 591**	**25 944**
Book value total interest-bearing liabilities	**420 064**	**205 368**

In 2019 the Group renewed one loan agreement and entered into two new loan agreements. The revolving credit facility (USD 135 million) was extended in 2018 and amended in 2019 to reflect the inclusion of a second bank into the agreement. The first new loan in 2019 was drawn to fund the acquisition of Lang and the second new loan to fund the take-out of Antarctic Endurance. The first new loan agreement is structured as an RCF, whereas the second loan is repaid through quarterly instalments over the next 12 years from the utilization date.

The Group has also through 2019 paid down the loan towards Naturex (seller credit Naturex) on maturity.

Terms and debt repayment schedule:

Loan	Currency	Amount in USD	Nominal interest rate	Year of maturity	Instalments
Secured bank loan - CAT	USD	2 328	3 mths LIBOR + 3.95%	2022	Semi-annual
Secured bank loan - RCF-DNB/RABO	USD	120 000	6 mths LIBOR + 3.4%	2023	Annual from 2020
Secured bank loan - RCF + TL NewRide - DNB/ RABO		45 000	6 mhts LIBOR + 3,25 %	2022	Quarterly, Term Loan
Secured bank loan - RCF + TL NewRide - DNB/ RABO		7 919	6 mhts LIBOR + 2,5 %	2022	In full upon termination
Secured bank loan - DNB/GIEK/NEK	USD	105 357	3,13 % (fixed)	2031	n/a
Secured loan from Innovation Norway - 1	NOK	3 498	5.2% (fixed to 2020)	2026	Semi-annual
Secured loan from Innovation Norway - 2	NOK	7 089	5.2% (fixed to 2020)	2026	Semi-annual
Secured loan from Innovation Norway - 3	NOK	683	4.95% (floating)	2023	Semi-annual
Loan from AKER ASA	USD	73 795	3 mths LIBOR + 5%	-	-
Antarctic Harvesting Holding AS	NOK	1 334	7.0%	-	-
Overdraft facility with DNB	USD	14 372	LIBOR + 2.5%	n/a	n/a
Overdraft facility with DNB/RABO	USD	14 763	6 mhts LIBOR + 2,5 %	n/a	n/a
New Market Tax Credit US (NMTC loan)	USD	7 800	3.4%	2020	To be recognized 1. half 2020
Leasing financing	NOK/USD	16 681	6.4 - 7.3%	< 2026	Mthly

LOAN TERMS AND CONDITIONS

All financial covenants presented below are the ones currently applied to the Group. The covenants compliance tests referred to below are all based on historical figures for the Group.

Secured USD-denominated bank loan covenants
The Caterpillar Finance loan agreement features covenants on equity and debt to equity ratio and minimum net worth in Aker BioMarine AS. The company complied with all covenants in 2019 and 2018.

Secured USD-denominated bank loan covenants
The DNB/Rabobank loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements. The Group is compliant with all loan covenants.

Term Loan and Guarantee facilities agreement
The vessel loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements, interest cover ratio requirements and a condition with regards to available liquidity. The Group is compliant with all loan covenants.

Term Loan and Guarantee facilities agreement
The vessel loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements and interest cover ratio requirements. The Group is compliant with all loan covenants.

Loans from Innovation Norway
The loans from Innovation Norway do not feature any restrictive covenants associated with key financial performance figures.

Overdraft facility
Total amount drawn on the overdraft facility from DNB shall not exceed the sum of:

1. 75% of external accounts receivable; and
2. 60% of total inventory.

The Group's borrowings did not exceed the borrowing base in 2019 or 2018.

The following table display debt secured by mortgaged assets:

Debt secured by mortgage assets

	Year ended 31 December,	
Amounts in thousands of U.S. Dollars	**2019**	**2018**
Secured bank loans	291 319	145 352
Other secured debt	7 800	7 800
Overdraft facility	29 135	13 587
Total	**328 255**	**166 740**
Book value of assets pledged as security		
Operating assets	**382 439**	**285 071**

The following table reconciles the movements in liabilities to cash flow from financing activities in 2019:

Amounts in thousands of U.S. Dollars	Secured bank loans	Proceeds from owner	Other long term loans	Bank overdraft	Other short term loans	Total
Balance at 1 January 2019	**135 337**	**38 629**	**17 815**	**13 587**		**205 368**
Overdraft facility from Lang acquisition				19 900		**19 900**
Changes in Financing cash flows						
New loan from owner- Aker ASA	-	36 500	-	-		**36 500**
Secured bank loan - RCF + TL NewRide - DNB/ RABO	45 000		7 919			**52 919**
Secured bank loan - DNB/GIEK/NEK	112 385					**112 385**
Instalment Secured bank loan - DNB/GIEK/NEK	(7 033)					**(7 033)**
Instalment Innovation Norway - 1	(396)	-	-	-		**(396)**
Instalment Innovation Norway - 2	(818)	-	-	-		**(818)**
Instalment Innovation Norway - 3	(161)	-	-	-		**(161)**
Instalment Caterpillar Finance	(931)	-	-	-		**(931)**
Instalment Naturex	-	-	(10 015)	-		**(10 015)**
Leasepayments			(3 360)			**(3 360)**
Overdraft facility with DNB/RABO				14 763		**14 763**
Repayment of overdraft from Lang acquisition				(19 900)		**(19 900)**
New/increase withdrawal overdraft facility- DNB		-	-	785		**785**
Total changes in Financing cash flows	148 044	36 500	(5 456)	(4 353)	-	**174 735**
Non-Cash changes						
Loan converted to equity- Aker ASA	-	-	-	-		**-**
Leasing financing (IFRS16)			13 395		6 646	**20 041**
Other changes, liability related						
Interest/fees charged to loan	-	-	-	-		**-**
Effect of changes in foreign exchange rates	20	-	-	-		**20**
Total liability related changes	20	-	-	-	-	**20**
Balance at 31 December, 2019	**283 401**	**75 129**	**25 754**	**29 135**	**6 646**	**420 064**

The following table reconciles the movements in liabilities to cash flow from financing activities in 2018:

Amounts in thousands of U.S. Dollars	Secured bank loans	Proceeds from owner	Other long term loans	Bank overdraft	Total
Balance at 1 January 2018	**139 031**	**101 690**	**19 960**	**14 453**	**275 134**
Changes in Financing cash flows					
New loanfrom owner- Aker ASA	-	62 000	-	-	**62 000**
Increase withdrawal overdraft facility- DNB	-	-	-	(866)	**(866)**
Instalment Innovation Norway - 1	(601)	-	-	-	**(601)**
Instalment Innovation Norway - 2	(834)	-	-	-	**(834)**
Instalment Innovation Norway - 3	(176)	-	-	-	**(176)**
Instalment Caterpillar Finance	(931)	-	-	-	**(931)**
Instalment Naturex	-	-	(2 145)	-	**(2 145)**
Total changes in Financing cash flows	(2 542)	62 000	(2 145)	(866)	**56 447**
Non-Cash changes					
Loan converted to equity- Aker ASA	-	(125 061)	-	-	**(125 061)**
Other changes, liability related					
Interest/fees charged to loan	-	-	-	-	**-**
Effect of changes in foreign exchange rates	(1 152)	-	-	-	**(1 152)**
Total liability related changes	(1 152)	-	-	-	**(1 152)**
Balance at December 31, 2018	**135 337**	**38 629**	**17 815**	**13 587**	**205 368**

Note 16 – Other non-current liabilities

Amounts in thousands of U.S .Dollars	Year ended 31 December 2019	2018
Guarantee premium payable to Aker ASA	11 596	9 964
Interest payable to Aker ASA	12 185	7 626
Earn out and other non-current liabilities	41 732	
Pension liabilities	106	67
Total	**65 618**	**17 657**

Aker ASA has issued a guarantee for the Group's secured bank loan with DNB. The Group pays a guarantee fee to Aker ASA of 5 percent of NOK 305 million (guarantee amount). The fee accrues up to the maturity date of the DNB loan and become payable at the same time. The interest payable to Aker ASA relates to the interest-bearing long-term loans from Aker ASA.

The earn-out period is from 2019 through 2022, and could if certain financial targets, EBITDA, are met result in a gross payment of USD 50 million over the next years, with the last payment in 2023. The payment will range between 0 and USD 50 million, depending on whether the financial targets are met or not. There is a gliding scale between the high and low end.

The fair value of the contingent consideration arrangement was estimated calculating the present value of the future expected cash flows using on a discount rate of 11%. There were no changes to the assumptions with regards to target achievement as compared to the acquisition date. The Group expensed USD 3.3 million as financial expense to account for the fair value adjustments as per 31.12.2019, and as per above this fair value adjustment was due to the discounting effect.

Note 17 – Accounts payable and other payables

Accounts payable and other payment liabilities comprise the following items:

Amounts in thousands of U.S. Dollars	Year ended 31 December, 2019	2018
Accounts payable	23 340	11 469
Accrued expenses	26 311	11 332
Other current liabilities	2 342	4 136
Total	**51 994**	**26 937**

Foreign exchange and liquidity risks are described in Note 20.

Note 18 – Leasing

The Group has various type of lease asset, the main leases being office locations, several warehouses and a tramper vessel. The smaller leases comprise mainly apartments for employees and IT equipment in addition to equipment in factory.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise a renewal option, considering all relevant factors and economic incentive to exercise the renewal option. The lease period in the current leases varies from one to five years, several of them with option for renewal. Most of the leases include a clause for price increases during the lease period.

The Group has elected not to recognize right-of-use (**ROU**) assets and lease liability for the following type of leases:

- Short term leases with lease term less than 12 months from commencement that does not include a purchase or renewal options
- Leases of low value (USD 5 000)
- Non-lease components in a contract is not separated. This applies mainly to housing contracts if for example services is included
- Contracts that include both equipment and services is not included if service is the main part of the contract, this applies for example to the waste and water contracts in Houston.

The Group recognizes a ROU asset the lease commencement date. The ROU asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of ROU asset includes the amount of lease liability recognized, initial direct costs incurred, and the lease payments made at or before the commencement date less any lease incentives received. The ROU asset is generally depreciated on a straight-line-basis over the shorter of its estimated useful life and the lease term and is subject to impairment assessment of non-financial assets.

The lease liability is initially measured at the present value of the future lease payments at commencement date discounted using either:

- The rate implicit in the lease, or if that cannot be determined
- The Group's incremental borrowing rate.

Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group's incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the ROU asset in a similar economic environment. The Group is calculating the incremental borrowing rate in a model with swap rate as a basis and adjustments reflecting

- Credit worthiness of the lessee
- Length of the contract
- Amount
- Type of asset and
- Jurisdiction and the currency.

Following the above the rates used by the Group varies between 5.7% and 7.6%.

The Groups ROU asset as at 31 December 2019 include:

Amounts in thousands of U.S. Dollars	Buildings and vessel	Machinery and equipment	**Total**
Balance as of 1 January 2019	4 870	69	**4 940**
Depreciation for the year	(2 802)	(31)	**(2 833)**
Additions to ROU assets	18 268	129	**18 397**
Derecognition of ROU asset	(3 947)		**(3 947)**
Total	**16 389**	**167**	**16 557**

Derecognition of asset in 2019 relates to mainly to office relocation at the Fornebu building. The company moved to a larger area and as a result the initial contract was terminated and replaced with a new contract.

Amounts recognized in profit or loss

Amounts in thousands of U.S. Dollars	**2019**
Expenses related to short-term lease	(884)
Expenses related to low-value asset, excl. short-term	(40)
Leasing expenses related to variable	(278)
Interest on ROU lease liabilites	(729)
Recognition of difference between lease liability and ROU asset per 1 Jan 2019 on derecognized asset	424
Effect of changes in foreign exchange	57
Total	**(1 450)**

2018 Operating lease payments under IAS 17

Amounts in thousands of U.S. Dollars	**2018**
Lease expense	(4 436)
Sub-lease income	319
Total	**(4 117)**

ROU assets recognized in cash flow statement (in thousands U.S. Dollars)**:**	**(3 360)**

2019 Lease payments under IFRS 16:

Amounts in thousands of U.S. Dollars	**Minimum lease payments**
Within one year	6 679
1-2 years	3 628
3-5 years	8 301
More than 5 years	1 049
Total	**19 657**

See also Note 20 Liquidity risk

2018 Operating lease payments under IAS 17:

Amounts in thousands of U.S. Dollars	**Minimum lease payments**
Within one year	1 354
In 1-5 years	4 465
More than 5 years	626
Total	**6 445**

Increase in leases in 2019 relates mainly to several new warehouse contracts in Uruguay, Houston and Haugesund, a charter vessel contract and in addition several new and extended office contracts.

Note 19 – Foreign exchange rates

In preparing the Group's consolidated financial statements, the following exchange rates have been applied:

Country	**Denomination**		**Average rate year ended 31 December, 2019**	**Rate at 31 December, 2019**	**Average rate year ended 31 December, 2018**	**Rate at 31 December, 2018**
Norway	NOK	1	0,1136	0,1139	0,1230	0,1151
European Union (EU)	EUR	1	1,1192	1,1234	1,1803	1,1450

The monthly average exchange rates and the exchange rates as of 31 December have been used in translating profit or loss and balance sheet items, respectively. If the monthly average fails to provide a reasonable approximation of the exchange rate to apply to the nominal transaction price, then the exchange rate on the date of the transaction will be applied.

Note 20 – Financial risk

The Group's activities expose it to various types of risk which are associated with the financial instruments and markets in which it operates. The most significant types of financial risk the Group is exposed to are credit risk, liquidity risk, and market risks (including foreign exchange risk, interest rate risk and bunker risk. To manage these risks, risk management is carried out in order to create predictability and stability for operating cash flows and values. Management can use financial derivatives to hedge against risk relating to operations, financing, and investment activities if the financial derivative has been approved by the Board of Directors. In 2017 the Group entered into a currency contract with DNB for hedging of future currency risk against NOK in future payment obligations related to the construction of the new vessel Antarctic Endurance, see further description of the contract below. The last payment related to this contract was in 2019.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's main credit risk relates to receivables from customers. Exposure to that risk is monitored on a routine basis and credit evaluations are performed on customers as appropriate. When entering into significant sales contracts, the sales department seeks to reduce credit risk through more stringent payment terms including requirement of up-front payments. The Group has had low losses on receivables as the sales department is maintaining close contact with each customer and routine billing and cash collection is performed.

The book value of financial assets represents the maximum credit exposure.

Receivables presented under Trade Receivables are ordinary account receivables generated through sales of goods, accounted for under IFRS 15. The Group does not grant any payment terms more than 12 months, meaning that if the Group were to estimate expected credit losses (ECL) as according to general or simplified approach, the ECL would (for all material purposes) represent the lifetime expected credit losses.

The Group has determined to apply the practical expedient for measuring ECL of the Account Receivable, mainly due to the large extent of smaller clients, and the limited amount of losses over the past years.

The Group has designed a provision matrix based on the assessment on historical data from the past six years to identify whether there are either geographical or market (Qrill / Superba) indications of whether any additional breakdowns into sub-portfolios is required. The reasonability of the ECL accruals compared to prior years actual losses has also been assessed, to ensure it constitutes a reasonable expectation.

The ECL rates per portfolio will be reviewed at each reporting date to assess if the matrix still reflects the current conditions, and if the provision still is at a reasonable and supportable level, reflecting the future economic conditions.

Aging profile of accounts receivable and bad debt provisions:

	Gross trade receivable and bad debt provision	
Amounts in thousands of U.S. Dollars	2019	2018
Not at maturity	29 598	16 609
Due within 0-30 days	7 387	3 255
Due within 31-120 days	331	508
Due within 121- 365 days	125	119
More than one year	136	160
Total trade receivable	**37 577**	**20 651**
Bad debt provision	**(185)**	**(213)**

Movements in allocation to loss on trade receivable and contract assets

Balance at 1 January under IFRS 9	(213)
Impairment loss (write-off) on trade and other receivables	316
Provision/reversal on impairment loss on trade and other receivables	41
Write off receivables not provisioned for	(329)
Effects of changes in foreign exchange rates	0
Allocation to loss on trade receivable and contract assets	**(185)**

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

The Group`s two most significant customers account for USD 9.8 million of the receivables carrying amount as of 31 December 2019 (2018: USD 8.7 million).

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial liabilities as they mature. The Group does not hedge against exposure to interest-rate fluctuations on debt and is therefore exposed to fluctuations on the variable-rate amount of interest-bearing liabilities, which was USD 279 million as of 31 December 2019 (2018: USD 192 million).

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

			2019 maturity structure — loans and interest				
Amounts in thousands of U.S. Dollars	**Book value at 31 December, 2019**	**Nominal values**	**Up to 6 months**	**6-12 months**	**1-2 years**	**3-5 years**	**More than 5 years**
Secured bank loans	291 319	(352 221)	(13 631)	(18 482)	(31 805)	(216 273)	(72 029)
Other non-current interest bearing liabilities	7 800	-	-	-	-	-	-
Interest bearing debt, non-current, related parties	75 129	(95 330)	-	-	-	(93 903)	(1 427)
Overdraft facility	29 135	(29 125)	-	-	-	(29 125)	
Leasing liabilities (IFRS16)	16 681	(19 657)	(3 648)	(3 031)	(6 981)	(5 997)	-
Total 2019 maturity of loans and interest on interest-bearing debt	**420 064**	**(496 332)**	**(17 279)**	**(21 513)**	**(38 786)**	**(345 297)**	**(73 456)**
Accounts payable and other current liabilities	51 994	51 994	51 994	-	-	-	-
Non-current non-interest-bearing liabilities	63 618	(73 881)	-	-	(21 200)	(44 981)	(7 700)
Total liabilities	**535 676**	**(518 219)**	**34 714**	**(21 513)**	**(59 986)**	**(390 278)**	**(81 156)**

			2018 maturity structure — loans and interest				
Amounts in thousands of U.S. Dollars	**Book value at 31 December, 2018**	**Nominal values**	**Up to 6 months**	**6-12 months**	**1-2 years**	**3-5 years**	**More than 5 years**
Secured bank loans	135 337	172 414	5 320	5 305	10 533	145 261	5 995
Other non-current interest bearing liabilities	17 815	18 011	10 211	-	7 800	-	-
Interest bearing debt, non-current, related parties	38 629	47 589	1 483	1 483	2 967	41 656	-
Overdraft facility	13 587	13 587	13 587	-	-	-	-
Forward exchange contract	1 472	1 472	1 472	-	-	-	-
Total 2018 maturity of loans and interest on interest-bearing debt	**206 840**	**253 073**	**32 073**	**6 788**	**21 300**	**186 917**	**5 995**
Accounts payable and other current liabilities	26 937	26 937	26 937	-	-	-	-
Non-current non-interest-bearing liabilities	17 657	17 657	-	-	17 590	-	67
Total liabilities	**251 435**	**297 668**	**59 010**	**6 788**	**38 890**	**186 917**	**6 062**

Market risk

i) Foreign exchange risk

The Group operates in a global market and is exposed to currency fluctuations, primarily through fluctuations in the USD, NOK and EUR exchange rates. In addition, the Group has operations with exposure to local currencies in Uruguay, Australia, India, Thailand, New Zealand, Canada and China, but these exposures are regarded minimal. The Group has USD as its presentation and functional currency in the main group companies. The Group has NOK denominated financial instruments thus the balance sheet is exposed to changes in NOK/USD exchange rate.

The Group seeks to ensure that revenues and expenses are in the same currency. Future cash flows are estimated and offset. The Group periodically assesses the need for foreign currency hedging. Currency risk is managed on an overall Group level.

The Group used derivatives to hedge the currency risks related to the instalments on the construction of the new vessel, Antarctic Endurance, see Note 8 and Note 10. The instruments fixes currency exposure related to payments in NOK on future instalments. The arrangement is accounted for as a cash flow hedge, where upon reclassification from OCI, the amounts becomes a basis adjustment. The remaining instalments were due in 2019. No ineffectiveness was recognized in the consolidated statement of profit and loss over the lifetime of the instrument.

The table below gives aggregated numbers related to the cash flow hedges for the period 2019.

Amounts in thousands of U.S. Dollars	**2019**	**2018**	**2017**
Reclassified to expected fixed asset	(1,0)	-	-
Reclassified to related fixed asset from OCI during the year	-	0.5	0.4

As per 31 December 2018 a liability of USD 1.5 million was recognized and is presented under “derivative liabilities” in the balance sheets, the Group had no such instruments as of 31.12.2019.

The table below shows the Group's exposure to foreign exchange risk at year end.

	Year ended 31 December, 2019		**Year ended 31 December, 2018**	
Amounts in thousands of U.S. Dollars	**Euro**	**NOK**	**Euro**	**NOK**
Accounts receivable and prepayments	2 739	2 865	2 814	906
Cash	(5 086)	(10 237)	-	968
Secured bank loan	116	(15 426)	-	(14 634)
Accounts payable	(3 409)	(7 852)	(2 414)	(4 327)
Other balance sheet items	-	(9 424)	(284)	(3 269)
Gross balance sheet exposure	**(5 640)**	**(40 074)**	**116**	**(20 356)**
Currency forwards				
Net exposure	**(5 640)**	**(40 074)**	**116**	**(20 356)**

Sensitivity analysis

A 10% increase or decrease in USD relative to the Euro and the NOK would have reduced or increased the Group’s profit before tax with USD 0.6 million and USD 4.0 million, respectively.

ii) Interest rate risk

The Group’s borrowings and any surplus cash balances are held at variable and fixed interest rates linked to the Norwegian or London interbank offered rate (NIBOR and LIBOR, 3 or 6 months). A movement of 100 basis points in the interest rate on borrowings and surplus cash balances through the year would have affected the Groups profit before tax with USD 3.6 million. (2018: USD 1.8 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Interest rate profile

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

Amounts in thousands of U.S. Dollars	Year ended 31 December, 2019	Effective interest rate year ended 31 December, 2019	Year ended 31 December, 2018	Effective interest rate year ended 31 December, 2018
Fixed-interest instruments				
Secured loans from Innovasjon Norge	(10 587)	5,27 %	(11 937)	5,45 %
Loan from Antarctic Harvesting Holding AS	(1 334)	7.00%	(1 334)	7.00%
Net fixed interest instruments	**(11 921)**		**(13 271)**	
Floating-interest instruments				
Financial assets				
Cash and cash equivalents	13 610	variable *)	2 515	variable *)
Financial liabilities				
Secured bank loan - RCF + TL - DNB/ RABO	-52 919	5,4 %		
Secured bank loan - DNB/GIEK/NEK	-105 357	6,4 %		
Secured bank loan - Innovasjon Norge	(683)	5,27 %	(863)	4,92 %
Secured bank loan - Caterpillar Finance	(2 328)	6,44 %	(3 259)	6,15 %
Secured bank loan - DNB	(119 446)	6,02 %	(119 275)	6,61 %
Liquidity loan from Aker ASA	(73 795)	7,38 %	(37 295)	8,07 %
Seller Credit Naturex	-	-	(10 015)	3,70 %
New Market Tax Credit US (NMTC loan)	(7 800)	3,40 %	(7 800)	3,40 %
Overdraft facility	(29 135)	variable **)	(13 587)	variable **)
Leasing liabilites (IFRS16)	(16 681)	variable **)		
Net variable interest instruments	**(394 533)**		**(181 780)**	
Total net interest-bearing debt	**(406 454)**		**(195 051)**	

*) different cash and cash equivalents carry different interest rates, as such no effective interest rate has been calculated

**) different loans/ receivables carry different interest rates, as such no effective interest rate has been calculated

iii) Fuel price risk

One of the Group’s significant operating costs is the fuel cost. As such, the Group is exposed to fuel price 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 price of fuel. The Group did not in 2018 and 2019 hedge the fuel price risk but monitored movement in prices closely in order to implement other actions. In 2020 certain fuel option contracts have been entered, as described in note 25 ‘Subsequent events’

The recent COVID-19 crisis inherently increases many of these risk factors; markets become more uncertain, operations become more vulnerable to interruptions and policy makers around the world may gravitate towards stricter regulations impacting international trade.

Fair values

The Group had financial receivables that under IFRS 9, based on evaluation of business model applied, will be measured at fair value over the profit and loss; however, this is in line with how these assets previously have been accounted for, and the last applicable receivable was settled in 2019.

Trade receivables are classified at amortized cost. An expected loss recognition process is used, utilizing the practical expedient. Expected credit losses (ECL) are calculated based on a matrix taking into consideration customer risk, and geographical segments and historical data.

Based on the Group's assessment, there were no new classification requirements following IFRS 9 implementation, which had material impact on accounting for financial assets or liabilities upon implementation in 2018.

The fair values quoted in the table below are categorized within the fair value hierarchy, described below, and based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All fair values using Level 2 valuation techniques are based on discounted cash flow models.

The short-term nature of financial instruments such as cash and bank deposits results in the book value approximating fair value. The same approach applies to receivables and debt associated with the business cycle. Financial assets that are classified as held for sale and financial assets at fair value through profit and loss are recorded at fair value.

Year ended 31 December 2019	**Carrying amount**								**Fair value**			
	Fair value through P&L	Derivates (not hedge accounting)	Amortised cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts					
Amounts in thousands of U.S. Dollars	*Fair value through P/L*				*Qualified for hedge accounting*			**Total book value**	Level 1	Level 2	Level 3	**Total fair value**
Other non-interest-bearing non-current assets			145					145		145		145
Accounts receivables	133		49 454					49 587		49 454		49 454
Other non-interest-bearing current receivables			1 185					1 185		1 185		1 185
Cash and cash equivalents			12 425					12 425		12 425		12 425
Total financial assets	**133**	**-**	**63 209**	**-**	**-**	**-**	**-**	**63 342**	**-**	**63 209**	**-**	**63 209**
Secured bank loans			266 590					266 590		266 590		266 590
Interest-bearing non-current liabilities			7 919					7 919		7 919		7 919
Interest-bearing current liabilities,external			24 611					24 611		24 611		24 611
Forward exhange contracts								-		-		-
Overdrafts			29 135					29 135		29 135		29 135
Accounts payable and other interest free liabilities			89 390					89 390		89 390		89 390
Total financial liabilities	**-**	**-**	**417 644**	**-**	**-**	**-**	**-**	**417 644**	**-**	**417 644**	**-**	**417 644**

Year ended 31 December 2018	Carrying amount								Fair value			
	Fair value through P&L	Derivates (not hedge accounting)	Amortised cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts					
Amounts in thousands of U.S. Dollars	*Fair value through P/L*				*Qualified for hedge accounting*			**Total book value**	Level 1	Level 2	Level 3	**Total fair value**
Other non-interest-bearing non-current assets	1 673		353					2 026		2 026		2 026
Accounts receivables			28 284					28 284		28 284		28 284
Other non-interest-bearing current receivables			1 526					1 526		1 526		989
Cash and cash equivalents			989					989		989		989
Total financial assets	**1 673**	**-**	**31 152**	**-**	**-**	**-**	**-**	**32 288**	**-**	**32 825**	**-**	**32 288**
Secured bank loans			132 995					132 995		132 995		132 995
Interest-bearing non-current liabilities			7 800					7 800		7 800		7 800
Interest-bearing non-current liabilities,external			12 357					12 357		12 357		12 357
Forward exhange contracts						1 472		1 472		1 472		1 472
Overdrafts			13 587					13 587		13 587		13 587
Accounts payable and other interest free liabilities			25 846					25 846		25 846		25 846
Total financial liabilities	**-**	**-**	**192 585**	**-**	**-**	**1 472**	**-**	**194 057**	**-**	**194 057**	**-**	**194 057**

Capital management

One objective of the Group's asset management is to build and maintain financial flexibility to realize its strategic goals. The capital structure should reflect the Group's operational risk and offer flexibility for potential investments. The Group's liquid funds should be readily available and subject to a conservative investment strategy with low risk. As a subsidiary of Aker ASA, the company has been dependent on financial support relating to fund expansion over 2019 and 2018.

The Group manages its capital structure and makes any necessary modifications based on an ongoing assessment of the financial conditions under which the business operates, and short- to medium term projections. The company is in a development and growth phase and thus subject to higher volatility in its net cash flows than a mature company in addition to re-investing any cash proceeds into further growth.

Note 21 – Contingencies and legal claims

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

With worldwide operations, the Group is involved in disputes in the ordinary course of its business activities. Provisions to cover projected losses arising from such disputes are made to the extent negative outcomes are probable and reliable estimates can be prepared. However, the final outcome of any such dispute is inherently uncertain, and the resulting liability may exceed any provision made. As per 31 December 2019 and 31 December 2018, no provisions were made for legal claims.

Note 22 – Related parties

The Group's consolidated financial statements include the following transactions and intercompany balances with Aker ASA and companies controlled by Aker ASA. Refer to Note 23 for remuneration to key management.

Aker ASA is the controlling shareholder of the Group.

Amounts in thousands of U.S. Dollars	Year ended 31 December, 2019	2018
Office rent, facilities services and IT	(1 404)	(1 084)
Interest expenses and guarantee fee	(6 292)	(6 555)
Total	**(7 696)**	**(7 639)**

The interest expense relates to the interest-bearing debt to Aker ASA, refer to Note 15 for details on amounts due as of 31 December 2019. The guarantee fee relates to the guarantee provided from Aker ASA related to the Group's long-term loan with DNB/Rabobank (see Note 16).

Management believes that the services are provided on arms-length principles and conditions.

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

Board remuneration

Amounts in U.S Dollars	Board membership	Year ended 31 December, 2019	2018
Ola Snøve	Chairman of the Board	56 794	91 129
Kjell-Inge Røkke*	Board member	-	-
Øyvind Eriksen*	Board member	-	-
Frank O. Reite*	Board member	-	-
Sindre Skjong**	Employee representative	-	-
Line Johnsen***	Employee representative	-	-
Total		**56 794**	**91 129**

** Elected at annual shareholder meeting February 2016*

***Employee representative from August 2019*

***Employee representative from June 2020*

The fee paid to the Chairman of the Board in 2018 relates to both 2018 and 2017 and was paid in full in 2018. There is no remuneration paid to the Board members and Employee representative other than ordinary salaries.

Remuneration paid to the CEO

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

The Group does not offer any share incentive programs for employees. However, in April 2019, Aker ASA sold 2% of the shares in the company to a holding company of the CEO and granted a loan for approx. 90 % of the purchase price. The holding company accepted a 5-year lock-up period and will have a right to sell the shares in case of an IPO or a private sale (tag-along and drag-along). The sale was carried out at fair market value, and a future sale will be based on the same valuation methodology. External consultants were used to perform the valuation.

Based on the company's performance in 2019, management team has been awarded a bonus totaling USD 0.7 million, the CEO is eligible to USD 0.2 million of this bonus. The bonus will be paid in 2020.

Payments to the CEO for the year ended 31 December 2019 and 2018:

	Year ended 31 December,	
Amounts in U.S. Dollars	**2019**	**2018**
Fixed salary	446 393	573 057
Bonus	204 293	-
Other remuneration	8 382	2 225
Net pension cost	9 793	10 805
Total	**668 861**	**586 087**

Note 24 – Group companies

Aker ASA owns 98% of the shares in the parent company Aker BioMarine AS. The remaining 2% are owned by the Group CEO through his wholly owned subsidiary KMMN Invest II AS. As per 31 December 2019 the total number of shares was 69 053 544 with par value of NOK 6.00 per share. There has been no change in number of shares outstanding through 2018 and 2019. All shares care equal right and obligations, except for restrictions as mentioned in Note 23.

Aker ASA's main shareholder is TRG Holding AS. The main shareholder of TRG Holding AS, The Resource Group TRG AS, owns through its fully owned company Antarctic Harvesting Holding AS 60% of the shares in Aker BioMarine Antarctic AS.

The consolidated financial statements for the Group in 2019 included the following subsidiaries:

			Administrative headquarters	
	Shareholding in %	**Voting rights in %**	**Location**	**Country**
Aker BioMarine Antarctic AS	40	100*	Lysaker	Norway
Aker BioMarine Antarctic US LLC	100	100	Issaquah	USA
Aker BioMarine Antarctic Services AS	100	100	Lysaker	Norway
Aker BioMarine Antarctic Australia Pty Ltd	100	100	Melbourne	Australia
Aker BioMarine Manufacturing LLC	100	100	Houston	USA
Aker BioMarine Financing LLC	100	100	Houston	USA
Aker BioMarine Antarctic SA (former Odalson S.A.)	100	100	Montevideo	Uruguay
Aker BioMarine US Holding Inc	100	100	Issaquah	USA
Complector Ship Management AS	100	100	Lysaker	Norway
Aker BioMarine Asia Ltd	100	100	Hong Kong	China
Aker BioMarine Shanghai International Trading Co Ltd	100	100	Shanghai	China
Aker BioMarine Canada Inc	100	100	Vancouver	Canada
Euphausia LLC	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India Private Ltd	100	100	Mumbai	India
NewRide LLC	100	100	Issaquah	USA
Epion Brands LLC	100	100	Issaquah	USA
Lang Pharma Nutrion Inc	100	100	Middletown	USA
Aker BioMarine New Zealand Ltd	100	100	Nelson	New Zealand

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

The consolidated financial statements for the Group in 2018 included the following subsidiaries:

	Shareholding in %	Voting rights in %	Administrative headquarters Location	Country
Aker BioMarine Antarctic AS	40	100*	Lysaker	Norway
AKBM Antarctic S.A. (dormant)	100	100	Nueva Palmira	Uruguay
Aker BioMarine Antarctic US LLC	100	100	Issaquah	USA
Aker BioMarine Antarctic Services AS	100	100	Lysaker	Norway
Aker BioMarine Antarctic Australia Pty Ltd	100	100	Melbourne	Australia
Aker BioMarine Manufacturing LLC	100	100	Houston	USA
Aker BioMarine Financing LLC	100	100	Houston	USA
Aker BioMarine Antarctic SA (former Odalson S.A.)	100	100	Montevideo	Uruguay
Aker BioMarine US Holding Inc	100	100	Issaquah	USA
Complector Ship Management AS	100	100	Lysaker	Norway
Aker BioMarine Asia Ltd	100	100	Hong Kong	China
Aker BioMarine Shanghai International Trading Co Ltd	100	100	Shanghai	China
Aker BioMarine Canada Inc	100	100	Vancouver	Canada
Euphausia LLC	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India Private Ltd	100	100	Mumbai	India
NewRide LLC	100	100	Issaquah	USA
Epion Brands LLC	100	100	Issaquah	USA

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

Note 25 – Events after the balance sheet date

In January 2020 it was decided to invest in a Protein Launch plant in Norway. This launch plant will both produce product for commercial testing, as well as being an asset for future process improvement, research and development.

In April 2020 Aker BioMarine Antarctic AS sold the vessel Juvel to Al Wusta Fisheries Industrian LLC for a total consideration of USD 21.6 million. The sale resulted in a net profit of approximately USD 1.2 million, accounted for in 2020.

In May 2020, Aker Biomarine Antarctic AS received an unfavorable verdict from the Appellate Court in the matter of the Juvel patent family, which resulted in fees of approx. USD 0.6 million being accrued for. In June 2020 it was decided to appeal the verdict and try to bring it in before the Supreme Court. The Appeals Selection Committee will decide if the legal aspects from the Appellate Court will be tried in the Supreme Court.

In June 2020, Aker Biomarine Antarctic AS signed a contract to hedge MGO fuel by using call options for 2021-2024 to protect fuel cost. The four-year hedging program aims to reduce the risk of a potential sharp oil price rebound. Total volume over the four-year period is 143 077 metric ton of MGO.

As the COVID-19 virus develops across the world, Aker BioMarine is taking measures to mitigate the risk for operational disruptions and reduce risk of outbreaks and its consequences; both offshore and onshore on the production facility in Houston as well as in the offices. Even though the development is followed closely, a worst-case scenario with outbreak in the Houston facility or on the fishing vessels may have significant operational and financial impact. As the COVID-19 virus is having a growing impact on the world economy, including Aker BioMarine's main market, the negative financial impact is uncertain with an unclear ending.

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 our 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 financial reporting. The Group focuses on EBITDA and adjusted EBITDA when presenting the period's financial result. 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's financial APMs

EBITDA: EBIT + depreciation and amortization and impairments

Adjusted EBITDA: EBITDA + special operating items. Special operation items include gains or losses on sale of assets, restructuring expenses and other material transactions of either non-recurring nature or special in nature compared to ordinary operational income or expenses.

The following table reconciles Adjusted EBITDA to EBIT and Net income (loss) in the consolidated statements of profit or loss.

Amounts in thousands of U.S. Dollars	**2019**	**2018**
Net income (loss)	**(23 751)**	**(1 022)**
Net financial items	26 097	11 540
EBIT	**2 762**	**10 258**
Depreciation, amortization and impairment	42 931	22 861
Special operating items	7 346	5 901
Adjusted EBITDA	**53 039**	**39 020**

The following comprises the items included un Special Operating Items over 2018 and 2019.

- Enzymotec transaction: In 2018 Aker Biomarine Antarctic AS entered into an agreement to acquire the krill business from Enzymotec. The transaction was accounted for as an IFRS 3 transaction, implying that transaction related costs have been expensed as incurred.

- Juvel – operating cost: In 2018 there was a fire in the superstructure when the vessel was in Montevideo. In 2019, the vessel has not in any way been used in the ordinary course of business as intended by management. As part of the repair work the Company has incurred costs while in dock. These costs are recognized in the EBITDA and will be reimbursed from the Company's insurer. In addition, the vessel will be sold in 2020, so Juvel operating costs will not occur in the future.

- Lang transaction cost: On 1 March 2019 the company acquired Lang Pharma. The transaction related costs have been booked as an operating expense and recognized in the EBITDA under IFRS 3 'Business Combinations'. Given the complexity of the transaction and being cross-border, transaction related cost is deemed material. The amount is a non-recurring item, and there will be no further acquisitions the next couple of years.

- Legal cost – Rimfrost: During the year the Company has been in a legal dispute with Rimfrost in relation to Juvel production related patents. Given the complexity of the case the legal costs have been material. Cost are non-recurring in its nature.

- EPION: As part of the Lang transaction, the Company is launching its own national brand in the US. The incurred costs are material and will continue through part of 2020. The costs are committed by Aker ASA. These costs include employment of Epion management team, R&D on packaging and capsules, general start-up cost, and significant market development costs. Furthermore, these costs are deemed material and non-recurring after the launch of the brand.

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To the General Meeting of Aker BioMarine AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Aker BioMarine AS (the Company), which comprise the balance sheet as at 31 December 2019, the statement of profit or loss and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Aker BioMarine AS and its subsidiaries (the Group), which comprise the financial position at 31 December 2019, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Other Matters

This audit report replaces our previous audit report as of 17 March 2020 issued on the parent company financial statements. Statutory consolidated financial statements were at this point in time not prepared by the Board of Directors and Managing Director, as the Aker Biomarine Group is not required by law to prepare consolidated financial statements as the group is consolidated in the Aker ASA financial statements.

Oslo, 11 June 2020
KPMG AS

Monica Hansen
State Authorised Public Accountant

Appendix C:

The Company's audited financial statement for 2018

Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	913 915 062
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	AKER BIOMARINE AS
Forretningsadresse:	Oksenøyveien 10 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Lasse Johansen
Dato for fastsettelse av årsregnskapet:	21.03.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 02.06.2020

Resultatregnskap

Beløp i: USD	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		11 474 000	8 130 000
Sum inntekter		**11 474 000**	**8 130 000**
Kostnader			
Lønnskostnad		5 937 000	4 597 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		1 075 000	1 499 000
Annen driftskostnad		5 210 000	3 579 000
Sum kostnader		**12 222 000**	**9 675 000**
Driftsresultat		**-748 000**	**-1 545 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		12 835 000	4 924 000
Annen renteinntekt		25 000	331 000
Annen finansinntekt		325 000	
Sum finansinntekter		**13 185 000**	**5 255 000**
Rentekostnad til foretak i samme konsern		8 966 000	7 177 000
Annen finanskostnad			1 100 000
Annen finanskostnad		7 961 000	6 613 000
Sum finanskostnader		**16 927 000**	**14 890 000**
Netto finans		**-3 742 000**	**-9 635 000**
Ordinært resultat før skattekostnad		**-4 490 000**	**-11 180 000**
Ordinært resultat etter skattekostnad		**-4 490 000**	**-11 180 000**
Årsresultat		**-4 490 000**	**-11 180 000**
Overføringer og disponeringer			
Udekket tap		-4 490 000	-11 180 000
Sum overføringer og disponeringer		**-4 490 000**	**-11 180 000**

Balanse

Beløp i: USD	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter			963 000
Sum immaterielle eiendeler			**963 000**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		392 000	481 000
Sum varige driftsmidler		**392 000**	**481 000**
Finansielle anleggsmidler			
Investering i datterselskap		305 456 000	305 456 000
Lån til tilknyttet selskap og felles kontrollert virksomhet		164 401 000	105 318 000
Sum finansielle anleggsmidler		**469 857 000**	**410 774 000**
Sum anleggsmidler		**470 249 000**	**412 218 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		719 000	3 593 000
Konsernfordringer		17 021 000	14 964 000
Sum fordringer		**17 740 000**	**18 557 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		215 000	166 000
Sum bankinnskudd, kontanter og lignende		**215 000**	**166 000**
Sum omløpsmidler		**17 955 000**	**18 723 000**
SUM EIENDELER		**488 204 000**	**430 941 000**

BALANSE - EGENKAPITAL OG GJELD

Balanse

Beløp i: USD	Note	2018	2017
Egenkapital			
Innskutt egenkapital			
Selskapskapital		68 003 000	63 684 000
Overkurs		256 386 000	135 644 000
Sum innskutt egenkapital		**324 389 000**	**199 328 000**
Opptjent egenkapital			
Udekket tap		31 735 000	22 740 000
Sum opptjent egenkapital		**-31 735 000**	**-22 740 000**
Sum egenkapital		**292 654 000**	**176 588 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		68 000	237 000
Sum avsetninger for forpliktelser		**68 000**	**237 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		119 275 000	119 868 000
Langsiktig konserngjeld		37 295 000	100 356 000
Sum annen langsiktig gjeld		**156 570 000**	**220 224 000**
Sum langsiktig gjeld		**156 638 000**	**220 461 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		13 587 000	14 453 000
Leverandørgjeld		4 912 000	4 084 000
Kortsiktig konserngjeld		20 414 000	15 356 000
Sum kortsiktig gjeld		**38 913 000**	**33 893 000**
Sum gjeld		**195 551 000**	**254 354 000**
SUM EGENKAPITAL OG GJELD		**488 205 000**	**430 942 000**

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To the General Meeting of Aker Biomarine AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker Biomarine AS showing a loss of kUSD 4 489. The financial statements comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG

Aker Biomarine AS

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KPMG

Aker Biomarine AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 21 March 2019
KPMG AS

Monica Hansen
State Authorised Public Accountant

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	23.02.2015	26.02.2015
Telefon	Deres referanse	Vår referanse
977 59 464	Martin H. Arnholdt	2013/952802

SUPERBA ASA
Postboks 1423 Vika
0115 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Superba ASA, org.nr. 913 915 062

Vi viser til deres brev av 23. februar 2014 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Superba ASA.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Superba ASA tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig, samt at selskapet gis tillatelse til å rapportere på engelsk til Oslo Børs i tilfelle børnotering.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Superba ASA ble stiftet 30. juni 2014 og var i desember 2014 overtakende selskap i en fisjon fra Aker BioMarine AS. Det fremgår av fisjonsplanen at fisjonen skjedde som ledd i restruktureringen av Aker BioMarine-gruppen, i forbindelse med en potensiell børsnotering. Suberba ASA et integrert bioteknologikonsern som gjennom en optimalisert verdikjede, utvikler og leverer høyverdige produkter til markeder for dyrefôr, kosttilskudd og farmasøytiske ingredienser. Konsernets kjerneaktiviteter er fangst, produksjon, salg og markedsføring av krillbaserte produkter. Konsernets kosttilskudd Superba™ krill olje selges til kunder primært i Europa, USA, Australia og Asia. Kun 0,35 % av selskapets omsetning gikk til norske kunder i 2012, mens det tilsvarende tallet pr. november 2013 var på 0,16 % relatert til salg av Superba™ krill olje. 99 % av selskapets aksjer er eid av Aker ASA og 1 % av selskapets ledelse. Akers hovedaksjonær Kjell Inge Røkke og hans familie eier 67,8 % av aksjene gjennom private selskaper i TRG. Superba ASA er et internasjonalt konsern med ansatte fra 20 ulike nasjonaliteter. Selskapets forretningsforbindelser hører også i all hovedsak til utenfor Norge. Mange av selskapets strategiske muligheter ligger utenfor Norges grenser og krever således korrespondanse og dokumentasjon på engelsk. Det bemerkes at konsernet for øyeblikket blant annet er i ferd med å etablere landbasert produksjon i Houston, Texas. Konsernets rapportering til selskapets ledelse er på engelsk, og dokumentasjon som oversendes til styret er i all hovedsak på engelsk. All intern dokumentasjon og presentasjoner utarbeides på engelsk. Konsernet har således engelsk som arbeidsspråk både internt, men også i stor grad eksternt mot kunder og andre.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk.*

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	22 17 08 60

Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et 99 % eid datterselskap av Aker ASA og at eierkretsen således er begrenset. Videre er det vektlagt at konsernets arbeidsspråk er engelsk og at konsernet er internasjonalt og i stor grad benytter engelsk mot kunder og andre.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

AKER BIOMARINE AS

FINANCIAL STATEMENT

2018

The board of directors report 2018 for Aker BioMarine AS

Operations and locations

Aker BioMarine AS is the parent company in the Aker BioMarine Group, and serves as a holding company for the operational entities within the Group. Besides providing administrative, management, financial and strategic services to the Group, Aker BioMarine AS also owns the intellectual property rights for CLA Tonalin®, which it licenses out and receives royalty income.

The company is located at Lysaker in Bærum.

Going concern

In accordance with §3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is considered to be appropriate.

Comments related to the financial statements

The company's revenues increased from USD 8.1 million in 2017 to USD 11.5 million in 2018. Net loss in 2018 was USD 4.5 million, an improvement from USD 11.2 million in 2017. The improved net loss was driven by the debt conversion performed by Aker ASA in May 2018 where USD 125.1 million in debt was converted to equity. Operating revenues amounts to approximately USD 1.7 million, the company generally increased its operating expenses in 2018 compared to previous years. The increase is primarily related to an increase in staff and operations.

Net financial items in 2018 ended at negative USD 3.7 million compared to negative USD 9.6 million in 2017. The change is mainly due to the debt conversion, and relative higher interest income from Group companies.

Total cash flow from operating activities was minus USD 10.3 million in 2018 and the operating loss constituted USD 0.7 million. The difference mainly concerns ordinary depreciation, impairment expenses and other non-cash generating items, where timing effects of receivables against other Group companies is the most significant effect.

The company has through 2018 borrowed USD 62.0 million from Aker ASA to fund the Aker Biomarine Groups investments in new vessels and other acquisitions. This has also resulted in an increase in long-term receivables against Group companies as money have been borrowed to subsidiaries.

At year-end 2018, the company had USD 0.2 million in cash and cash equivalents, and a total of USD 0.9 million undrawn on its working capital facility.

The company's short-term debt as of 31 December 2018 was USD 38.9 million, compared to USD 33.9 million 31 December 2017. This increase is mainly due to accumulated guarantee fees and interests on intercompany loans.

Total assets at year-end amounted to USD 488.2 million, of which USD 305.5 million is the carrying value of the company's investment in Aker BioMarine Antarctic AS. Furthermore, the company has a long term receivable on Aker BioMarine Antarctic AS of USD 164.4 million. The equity ratio was 59,9 % as of 31 December 2018, compared to 41 % the year before.

Financial risk

Overall view on objectives and strategy

The company is exposed to financial risk in different areas, especially exchange rate risk. The goal is to reduce the financial risk as much as possible. The company's current strategy include the use of financial instruments if deemed efficient. This is however, continuously being assessed by the Board of Directors.

Market risk

Aker BioMarine is exposed to exchange rate risk, especially NOK, as a substantial part of the company's operating expenses are in NOK. The company has entered into derivative contracts during 2018 to reduce the exchange rate risk and the related market risk.

The company is also exposed to changes in the interest rate, as the company debt has a floating interest rate.

Credit risk

The risk for losses on receivables is considered to be low.

Liquidity risk

The company's liquidity is satisfactory, but continuously monitored.

The working environment and the employees

Leave of absence due to illness totaled 240 hours in 2018 (292 hours in 2017), which equals approximately 0,47 % (0,75 % in 2017) of the total working hours in the company.

No incidences or reporting of work related accidents resulting in significant material damage or personal injury occurred during the year.

The working environment is considered to be good, and efforts for improvements are made on an ongoing basis.

Equal opportunities

Aker BioMarine aims to be an attractive workplace. Fundamental to the Aker BioMarine's human resources policy is ensuring equal opportunities for all employees, regardless of ethnicity, gender, religion, or age. Aker BioMarine's human resources policy includes measures aimed at preventing gender discrimination in terms of pay, promotion, recruitment, or other workplace-related issues. Aker

BioMarine recruits employees from professional environments that include both men and women. Aker BioMarine believes it has, and aims to maintain, a balanced workforce. Aker BioMarine does not tolerate discrimination or harassment of any kind.

The company has 34 employees, of which 18 are women. Executive management had three female members as of 2018. None of the shareholder-elected Board members is female, but one of the two employee representatives is female.

Working time arrangements are determined by the various positions and do not depend on gender.

Allocation of net loss

The Board of Directors proposes the following allocation of the loss for the year:

Allocation for dividends	-
Loss for the year	USD 4.5 million
Transferred to accumulated loss	USD 4.5 million

Fornebu, 21 March 2019

The Board of Directors and CEO of Aker BioMarine AS

Ola Snøve
Board Chairman

Kjell Inge Røkke
Director

Øyvind Eriksen

Øyvind Eriksen
Director

Frank Grebstad
Director,
elected by the employees

Torill Nielsen

Torill Nielsen
Director,
elected by the employees

Frank O. Reite
Director

Matts Johansen
CEO

Aker BioMarine AS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER,

Amounts in thousands of U.S. Dollars	Note	2018	2017
Operating revenues	2	1 678	1 534
Revenues from Group companies	12	9 796	6 596
Total revenues		**11 474**	**8 130**
Salaries and other payroll expenses	3, 14	(5 937)	(4 597)
Other operating expenses	4	(3 916)	(2 858)
Operating expenses Group companies	12	(1 293)	(722)
Operating profit/loss before depreciation, amortization and impairment		**327**	**(46)**
Depreciation, impairment, and amortization	7	(1 075)	(1 499)
Operating loss		**(748)**	**(1 545)**
Interest income from Group companies	12	12 835	4 924
Net foreign exchange gain / loss (-)		325	(1 100)
Other interest income and financial income	13	25	331
Interest and guarantee expenses to Group companies	12	(8 966)	(7 177)
Other financial expenses	13	(7 961)	(6 613)
Net financial items		**(3 742)**	**(9 635)**
Net loss before tax expense		**(4 489)**	**(11 180)**
Tax expense	6	-	-
Net loss		**(4 489)**	**(11 180)**

Allocation of loss for the year			
Loss for the year		(4 489)	(11 180)
Transferred to accumulated loss		4 489	11 180
Total		-	-

Aker BioMarine AS

BALANCE SHEET AS OF 31 DECEMBER,

Amounts in thousands of U.S. Dollars	Note	2018	2017
ASSETS			
Property, plant and equipment	7	392	481
Intangible assets	7	0	963
Shares in subsidiaries and other companies	8	305 456	305 456
Long-term receivables from Group companies	12	164 401	105 318
Total non-current assets		**470 250**	**412 218**
Accounts receivable and other non-interest-bearing receivables	13	719	3 593
Current receivables from Group companies	12	17 021	14 964
Cash and cash equivalents	11	213	166
Total current assets		**17 954**	**18 723**
Total assets		**488 204**	**430 941**
EQUITY AND LIABILITIES			
Share capital	5	68 003	63 684
Share premium	5	256 386	135 644
Total paid-in capital		**324 389**	**199 328**
Accumulated loss	5	(31 735)	(22 740)
Total equity		**292 654**	**176 588**
Interest-bearing loans	9	119 275	119 868
Pension liabilities	10	68	237
Other long term debt to Group companies and related parties	12	37 295	100 356
Total non-current liabilities		**156 638**	**220 461**
Current debt to related parties	12	20 414	15 356
Accounts payable and other current liabilities		4 912	4 084
Bank overdraft	9	13 587	14 453
Total current liabilities		**38 912**	**33 892**
Total liabilities		**195 550**	**254 353**
Total equity and liabilities		**488 204**	**430 941**

Fornebu, 21 March 2019

The Board of Directors and CEO of Aker BioMarine AS

Ola Snøve Board Chairman	**Kjell Inge Røkke** Director	**Øyvind Eriksen** Director
Frank Grebstad Director, elected by the employees	**Torill Nielsen** Director, elected by the employees	**Frank O. Reite** Director
Matts Johansen CEO		

Aker BioMarine AS

CASH FLOW FOR THE YEAR ENDED 31 DECEMBER,

Amounts in thousands of U.S. Dollars	Note	2018	2017
Net loss before tax expense		(4 489)	(11 180)
Net expensed interest, interest paid and received	12,13	(269)	643
Depreciation, impairment, and amortization	7	1 075	1 499
Unrealized foreign exchange (gain) / loss and other non-cash-generating items		(621)	343
Changes unrealized position cash flow hedge	5, 13	(4 162)	3 153
Changes in ordinary operating items		(1 808)	(11 248)
Net cash flow from operating activities		**(10 275)**	**(16 790)**
Payments for fixed and intangible assets	7	(32)	(443)
Net cash flow from long term receivables	12	(50 779)	(87 318)
Net cash flow from investment activities		**(50 811)**	**(87 761)**
Proceeds, new short-term loans, related parties	12	62 000	100 356
Change in bank overdrafts	9	(866)	4 227
Change in bank loan	9	-	-
Net cash flow from financing activities		**61 134**	**104 583**
Net change in cash and cash equivalents		**48**	**32**
Effect of changes in foreign exchange rates on cash and cash equivalents			
Cash and cash equivalents as of January 1		166	134
Cash and cash equivalents as of December 31		**213**	**166**

Note 1 – Accounting principles

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

There has not been prepared a set of consolidated financial statements for the Aker BioMarine Group for 2018 in accordance with the Norwegian Accounting Act of 1998, as the Group's financial statements are consolidated into the consolidated financial statements of the Aker ASA Group. The parent company, Aker ASA, has it registered offices in Oksenøyveien 10, 1366 Lysaker, where the consolidated accounts which include the company can be obtained.

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

Associated companies and investments in joint venture are valued according to the equity method in the parent company accounts. The latter Investments are initially valued at acquisition cost for the shares, and subsequently adjusted to reflect the investor's share of the net assets of the associate.

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

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

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

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

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

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

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

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

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

Taxes
Tax expenses in the profit and loss account comprise taxes payable for the period and any change in deferred tax/deferred tax benefit. In 2018, deferred tax is calculated as 22 percent of the temporary differences between accounting and tax values, as well as the tax deficit carryforward at the end of the accounting year (2017: 23 percent). Tax increasing and tax reducing temporary differences that are reversed or can be reversed in the same period, are offset. Net deferred tax benefit is recorded in the balance sheet to the extent it is likely that it will be used.

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

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

Contingent losses deemed probable and quantifiable are expensed as incurred.

Note 2 – Operating revenues

Operating revenues in 2018 are distributed as follows:

Amounts in thousands of U.S. Dollars	Norway	EU	North America	Other	Total
Other revenue	348				348
Royalty revenues		1 329	-		1 329
Management fee from Group companies	9 762		18	16	9 796
Total operating revenues	**10 110**	**1 329**	**18**	**16**	**11 474**

Operating revenues in 2017 are distributed as follows:

Amounts in thousands of U.S. Dollars	Norway	EU	North America	Other	Total
Other revenue	337				337
Royalty revenues		1 110	87		1 197
Management fee from Group companies	6 562		18	16	6 596
Total operating revenues	**6 899**	**1 110**	**105**	**16**	**8 130**

Note 3 – Salaries and other payroll expenses:

Salaries and payroll expenses comprise the following:

Amounts in thousands of U.S. Dollars	2018	2017
Salaries	(4 344)	(2 823)
Other personnel costs	(391)	(234)
Employer's social security contribution	(597)	(1 107)
Pension expenses	(606)	(432)
Total	**(5 937)**	**(4 597)**
Average number of employees	34	23

Note 4 – Other operating expenses

Other operating expenses comprise the following:

Costs to auditor are presented excluding VAT.

Amounts in thousands of U.S. Dollars	**2018**	**2017**
Professional services	(1 686)	(591)
Office rent	(872)	(834)
License fee CLA®/Tonalin portfolio	(300)	(388)
Travel	(255)	(247)
Other operating expenses	(803)	(798)
Total other operating expenses	**(3 916)**	**(2 858)**

Remuneration paid to auditor included in other operating expenses:		
Amounts in thousands of U.S. Dollars	**2018**	**2017**
Ordinary auditing services	84	76
Other services	7	7
Tax advisory	-	6
Total	**91**	**89**

Note 5 – Equity

The company's share capital amounts to NOK 414 321 264 distributed as 69 053 544 shares issued, each with a par value of NOK 6.00. All shares are equal in all respects.

As of 31 December 2018 all shares are owned by Aker ASA.

Changes in equity are set forth below:

Amounts in thousands of U.S. Dollars	**Share capital**	**Share premium**	**Retained earnings**	**Total equity**
Equity as of December 31 2016	**63 684**	**135 644**	**(14 594)**	**184 734**
Acturial gain (loss)			(118)	(118)
Cash Flow Hedges gain (loss)			3 153	3 153
Loss for the year			(11 180)	(11 180)
Equity as of December 31 2017	**63 684**	**135 644**	**(22 739)**	**176 588**
Acturial gain (loss)			119	119
Cash Flow Hedges gain (loss)			(4 625)	(4 625)
Debt Conversion	**4 319**	**120 742**		125 061
Loss for the year			(4 489)	(4 489)
Equity as of December 31 2018	**68 003**	**256 386**	**(31 735)**	**292 654**

Note 6 – Tax expense and deferred tax

Amounts in thousands of U.S. Dollars	2018	2017
Income tax expense		
Current tax on profits for the year (24%)	-	-
Change in deferred tax	(19 628)	3 318
Effect of change in tax rate	(1 118)	(1 828)
Unrecognized change in deferred tax assets	20 746	(1 491)
Income tax expense	-	-
Tax base		
Profit (loss) before tax	(4 489)	(11 180)
Currency translation from USD to NOK		
Tax base (statutory tax purposes)	**(4 489)**	**(11 180)**
Tax base (statutory tax purposes)	(4 489)	(11 180)
Expenses not tax deductible	23	3
Interest rate deductability	-	4 054
Change in deferred tax	9 317	4 428
Tax base	**4 850**	**(2 695)**
Tax loss carried forward	(4 850)	2 695
Tax base	-	-

Temporary differences	**2018**	**2017**
Property, plant and equipment and intangible assets	(54)	1 025
Gain and loss accounts	134	177
Borrowings in foreign currencies	-	2 762
Post employment benefit liabilities	(67)	(237)
Pension posted directly towards equity (gross)	-27	-118
Net deferred tax assets	**(14)**	**3 609**
Tax losses carried forward	(95 620)	(183 634)
Interest rate deductability carry forward	(16 210)	(17 158)
Basis for deferred tax asset	**(111 844)**	**(197 183)**
Deferred tax asset (2018: 22% 2017: 23 %)	(24 606)	(45 352)
Unrecognized deferred tax assets	**24 606**	**45 352**

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

Since 2008 the Aker Biomarine AS has been involved in discussions with the tax authorities concerning deductibility of losses on certain receivables. The Norwegian Tax authorities concluded that losses of NOK 296 million was not deductible. Aker Biomarine AS has appealed the decision to The Norwegian Tax Appeal Board (Skatteklagenemnda) and the case is expected to be concluded during 2019. This is the key reason for the change in tax losses carried forward in the above schedule.

Note 7 – Fixed assets and Intangible assets

Amounts in thousands of U.S. Dollars	Furnitures & fixtures	Development	Licence agreements	Total
Acquisition cost as of January 1, 2018	**629**	**2 059**	**17 086**	**19 774**
Investments	23			23
Retirement				-
Acquistion cost as of December 31, 2018	**652**	**2 059**	**17 086**	**19 797**
Accumulated amortization and impairment as of January 1, 2018	**(148)**	**(1 785)**	**(16 396)**	**(18 330)**
Amortization for the year	(112)	(273)	(690)	(1 075)
Impairment				-
Retirement				-
Accumulated amortization and impairment as of December 31, 2018	**(260)**	**(2 059)**	**(17 086)**	**(19 405)**
Book value as of December 31, 2018	**392**	**0**	**(0)**	**392**

Amounts in thousands of U.S. Dollars	Furnitures & fixtures	Development	Licence agreements	Total
Acquisition cost as of January 1, 2017	**259**	**3 597**	**17 682**	**21 537**
Investments	371	67	-	438
Retirement		(1 605)	(596)	(2 201)
Acquistion cost as of December 31, 2017	**629**	**2 059**	**17 086**	**19 774**
Accumulated amortization and impairment as of January 1, 2017	**(67)**	**(3 132)**	**(15 832)**	**(19 032)**
Amortization for the year	(81)	(258)	(965)	(1 304)
Impairment			(195)	(195)
Retirement		1 605	596	2 201
Accumulated amortization and impairment as of December 31, 2017	**(148)**	**(1 785)**	**(16 396)**	**(18 330)**
Book value as of December 31, 2017	**481**	**274**	**690**	**1 444**

The company's intangible assets mainly comprise of the CLA®/Tonalin patent portfolio and the related royalty agreements, which terminates in January 2019. All intangible assets are amortized using the straight-line method.

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

Operating lease expense amounted to USD 0.89 million in 2018 and USD 0.83 million in 2017. The company's lease commitments under non-cancellable leases amounts to approx. USD 0.8 million annually, until 2025.

Operating lease costs are expensed as incurred. The company has no financial lease arrangements.

Note 8 – Shares in subsidiaries

Through its fully owned company Antarctic Harvesting Holding AS, TRG AS, subscribed to 555 900 new shares in Aker BioMarine Antarctic AS for a cash consideration of NOK 11 million in September 2015. Aker BioMarine Antarctic AS is a subsidiary of Aker BioMarine AS. The shares subscribed to constitute a separate share class with rights to an annual preferential dividend of 7 per cent of the invested capital, but with no economic rights to any profits above this level. The structure enables Aker BioMarine to access foreign capital while remaining in compliance with its fishing licenses. Based on the content of the shareholder agreement between the company and Antarctic Harvesting Holding, the company defines Aker BioMarine Antarctic AS as a subsidiary for accounting purposes, even if the ownership is 40%.

Amounts in thousands of U.S. Dollars	Ownership in % 1)	Headquarter	Equity as of December 31, 2018	Profit/loss before tax	Book value December 31, 2018
Aker BioMarine Antarctic AS	40	Bærum, Norge	127 199	(594)	305 450

1) Share of voting rights equals share of ownership.

Amounts in thousands of U.S. Dollars	Ownership in % 1)	Headquarter	Equity as of December 31, 2017	Profit/loss before tax	Book value December 31, 2017
Aker BioMarine Antarctic AS	40	Bærum, Norge	127 793	(11 098)	305 450

1) Share of voting rights equals share of ownership.

Note 9 – Interest-bearing loans from external parties:

NOTE 9: INTEREST-BEARING LOANS EXTERNAL PARTIES

Amounts in thousands of U.S. Dollars	2018	2017
Non-current liabilities		
Loan from DNB ASA	119 275	119 868
Current liabilities		
Working capital facility from DNB ASA	13 587	14 453
Total interest-bearing current liabilities	**132 862**	**134 321**

In January 2018, the company extended the revolving credit facility of USD 120 million and the overdraft facility of USD 15 million.

LOAN TERMS AND CONDITIONS

The DNB loan agreement features covenants on EBITDA ("Earnings Before Interest, Tax, Depreciation and Amortization"). For purposes of the DNB loan agreement, EBITDA is operating profit before depreciation, amortization, write downs and impairments, and Special Operating Items." The loan covenants also have leverage ratio requirements. The company is compliant with all loan covenants.

Total amount drawn on the overdraft facility from DNB shall not exceed the sum of (on an Aker BioMarine Group consolidated level):

1. 75% of external accounts receivable; and
2. 60% of total inventory.

The company's borrowings did not exceed the borrowing base in 2017 or 2018.

Note 10 – Pension expenses and liabilities

The company has a combination of defined contribution and defined benefit plans that cover virtually all employees. These schemes comply with laws and regulations set forth in the different countries of operations. The company's defined benefit obligation cover one employee. At the end of the year the defined benefit obligations were USD 0.33 million and the assets were USD 0.25 million. The fair value of the net obligation has been calculated using an appropriate discount rate. During the year the Company expensed USD 0.1 million, net of settlements and curtailment, on the defined benefit plan (2017: 0.1 million). In addition, USD 0.1 million related to changes in actuarial assumptions is included in other comprehensive income (2017: expense USD 0.1 million).

Pension costs associated with contribution-based pension plans amounted to USD 164 k in 2018 (2017: USD 119 k).

Note 11 – Restricted funds

The company has USD 213 k in restricted funds associated with employee tax withholdings as of 31 December 2018 (2017: USD 166 k).

Note 12 – Transactions with subsidiaries and related parties

In 2018 and at year-end 2018, Aker BioMarine AS recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

Amounts in thousands of U.S. Dollars	Aker ASA	Aker BioMarine Antarctic AS	Aker BioMarine Antarctic US LLC	Aker BioMarine Antarctic Australasia Pty Ltd	Cognite	Fornebuporten	**Total**
Transactions recorded in profit and loss							
Management fee (income)		9 762	18	16			**9 796**
Mangement fee (costs)	1 111		84			182	**1 377**
Office rent (income)					319		**319**
Interest income		12 835					**12 835**
Interest expenses	(4 685)						**(4 685)**
Guarantee fee	(1 870)	(2 411)					**(4 281)**
Transactions recognized in balance sheet at year-end							
Long-term interest bearing receivable		164 402					**164 402**
Current recivables		12 315	18	16			**12 349**
Accrued guarantee fees, long-term	9 964						**9 964**
Long term interest bearing debt	44 923						**44 923**
Current liabilities	304	954	84			6	**1 348**

In 2017 and at year-end 2017, Aker BioMarine AS recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

Amounts in thousands of U.S. Dollars	Aker ASA	Aker BioMarine Antarctic AS	Aker BioMarine Antarctic US LLC	Aker BioMarine Antarctic Australasia Pty Ltd	Cognite	Aker BioMarine US Holding inc	**Total**
Transactions recorded in profit and loss							
Management fee	(587)	6 562	18	16			**6 009**
Office rent					167		**167**
Accrual for value creation bonus							**-**
Interest income	(2 943)	4 924					**1 981**
Interest expenses							**-**
Guarantee fee	(1 848)	(2 386)					**(4 234)**
Transactions recognized in balance sheet at year-end							
Long-term interest bearing receivable		105 318					**105 318**
Accrual for value creation bonus							**-**
Current recivables		14 805			81		**14 886**
Accrued guarantee fees, long-term							**-**
Long term interest bearing debt	109 048						**109 048**
Current liabilities	17	3 596	84				**3 697**

Note 13 – Other financial income and expenses

Other interest- and financial income		
Amounts in thousands of U.S. Dollars	**2018**	**2017**
Interest income, bank	24	7
Other financial income *)	0	324
Total	**24**	**331**

* The majority of other financial income relates to hedging, refer to below table

Other financial expenses		
Amounts in thousands of U.S. Dollars	**2018**	**2017**
Interest expenses	(7 905)	(6 557)
Other financial expenses	(56)	(56)
Total	**(7 961)**	**(6 613)**

Aker Biomarine uses derivatives to hedge the currency risks related to the installments on the construction of a new vessel in Aker Biomarine Antarctic AS. The instruments fixes currency exposure related to payments in NOK, and are hedged back to back towards Aker Biomarine Antarctic AS, who holds the hedging object. The fair value of the asset, unrealized portion, is accounted for as a gain/loss under "other comprehensive income" and will be recycled through p&l upon realization of the positions. The majority of the remaining installments are due in 2018, the last in 2019. No inefficiencies are identified through 2017 and 2018.

The company had the following posting related to cash flow hedges in 2018

USD thousands	Nominal Value	Liability	OCI
Cash Flow Hedges	59 667	1 472	-4 625

The company had the following posting related to cash flow hedges in 2017

USD thousands	Nominal Value	Asset	OCI
Cash Flow Hedges	70 040	3 153	3 153

The cash flow hedge between Aker Biomarine AS and Aker Biomarine Antarctic AS is accounted for at gross level, with an unrealized liability of USD 1,472 million. Realized gains of USD 0.95 million has been allocated to Aker Biomarine Antarctic AS through 2017 and 2018. The fair value of the hedges represents the difference between the USD/NOK foreign exchange rate as of 31.12.2018, and the foreign exchange rate agreed upon at maturity of the instruments through 2019. Due to the company not capitalizing deferred tax assets, the gross gain has been accounted for through other comprehensive income.

Note 14 – Salaries and other remuneration to the Board of Directors and executive management

Amounts in U.S. Dollars	Board membership	2018	2017
Ola Snøve *	Chairman of the Board	91 129	-
Kjell-Inge Røkke	Board member	-	-
Øyvind Eriksen	Board member	-	-
Frank O. Reite	Board member	-	-
Frank Grebstad	Employee representative	-	-
Torill Nielsen	Employee representative	-	-
Total		**91 129**	-

** The fee to the Chairman of the Board relates to both 2018 and 2017 and was paid in full in 2018*

Remuneration paid to the CEO

The CEO is member of the defined contribution pension and insurance plans that cover all employees. The Group uses standard employment contracts; customary terms govern severance pay for the Group CEO in the event of resignation or dismissal. The Group does not offer any share incentive programs for employees. The previous Executive Management Compensation Program consisting of a short- term ("Annual Bonus") and long-term ("Value Creation Bonus") incentive scheme expired at year end 2016. For the year 2018 the management team was eligible for a combined bonus of in total USD 0.6 million, to be paid in 2019.

The CEO may be dismissed upon three months' notice. In the event that the company terminates the employment, the CEO is entitled to three months' severance pay after the end of the notice period.

The CEO is covered by the company's defined contribution pension plan. The pension is capped at a salary of 12 times the National Social Security base amount

Payments to the CEO for the year ended 31 December:

	Year ended 31 December,	
Amounts in U.S. Dollars	**2018**	**2017**
Fixed salary	573 057	290 300
Annual bonus	-	320 902
Value creation bonus	-	1 641 208
Other remuneration	2 225	1 929
Net pension cost	10 805	9 899
Total	**586 087**	**2 264 238**

Note 15 – Events after the balance sheet date

In January 2019 Aker Biomarine AS subsidiary Aker Biomarine Antarctic AS took delivery of their new krill fishing vessel, Antarctic Endurance. This was partly financed by an external loan from Eksportkreditt Norge AS of approximately USD 113 million.

On 1 March 2019 a US-subsidiary in the Group acquired 100.0% of the issued shares in a US-company. This acquisition consisted of an initial payment of USD 52.9 million that in the future could increase based on certain financial performance criteria. The transaction was funded through external loans where Rabobank and DnB was involved.

Appendix D:

The Group's unaudited condensed interim financial statement for Q1 2020 (IAS 34)

Aker BioMarine

First Quarter 2020 Report

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED MARCH 31,

Amounts in thousands of U.S. Dollars	Q1-20	Q1-19	2019
Net sales	70 742	39 207	246 170
Cost of goods sold	(45 899)	(26 009)	(145 901)
Gross profit	**24 843**	**13 198**	**100 269**
Selling, general and administrative expense	(19 853)	(15 185)	(76 464)
Depreciation, amortization and impairment	(4 027)	(1 277)	(17 822)
Other operating income/(cost), net	(811)	(706)	(3 221)
Operating profit	**152**	**(3 970)**	**2 762**
Net financial items	(1 558)	(3 879)	(26 097)
Tax expense	(311)	(91)	(415)
Net profit (loss)	**(1 717)**	**(7 941)**	**(23 751)**
Earnings per share to equityholders of Aker BioMarine AS			
Basic	(0,02)	(0,11)	(0,34)
Diluted	(0,02)	(0,11)	(0,34)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED MARCH 31,

Amounts in thousands of U.S. Dollars	Q1-20	Q1-19	2019
Net loss	**(1 717)**	**(7 941)**	**(23 751)**
Other comprehensive income (loss)			
Defined benefit plan income gains (losses)	-	-	(111)
Total items that will not be reclassified to profit and loss	**-**	**-**	**(111)**
Translation differences	(14)	-	-
Translation differences from equity accounted investees	(14)	-	-
Total items that may be reclassified subsequently to profit and loss	**-**	**-**	**-**
Change in fair value cash flow hedges	-	1 472	-
Total items that will be reclassified to profit and loss	**-**	**1 472**	**-**
Total other comprehensive income (loss)	**(14)**	**1 472**	**(111)**
Total comprehensive income (loss)	**(1 731)**	**(6 469)**	**(23 862)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF MARCH 31,

Amounts in thousands of U.S. Dollars	**Q1-20**	**Q1-19**	**2019**
ASSETS			
Property, plant and equipment	330 493	325 737	318 921
Intangible assets	186 516	176 999	190 297
Other non-interest-bearing non-current receivables	1 084	2 064	145
Investments in equity-accounted investee	174	258	260
Total non-current assets	**518 267**	**505 058**	**509 624**
Inventories	96 537	77 526	94 725
Trade receivable and prepaid expenses	55 682	49 933	74 264
Cash and cash equivalents	11 690	6 360	13 610
Total current assets	**163 909**	**133 819**	**182 599**
Total assets	**682 176**	**638 877**	**692 223**
LIABILITIES AND OWNERS' EQUITY			
Share capital	68 003	68 003	68 003
Other paid-in equity	277 227	277 227	277 227
Total paid-in equity	**345 230**	**345 230**	**345 230**
Translation differences and other reserves	154	154	154
Retained earnings	(192 569)	(173 042)	(190 838)
Total equity	**152 816**	**172 342**	**154 547**
Interest-bearing debt	367 831	352 875	372 473
Other non-interest-bearing non-current liabilities	65 340	38 660	65 618
Total non-current liabilities	**433 171**	**391 535**	**438 091**
Interest-bearing current liabilities	48 917	38 568	47 591
Accounts payable and other payables	47 272	36 432	51 994
Total current liabilities	**96 189**	**74 999**	**99 585**
Total liabilities	**529 360**	**466 535**	**537 676**
Total equity and liabilities	**682 176**	**638 877**	**692 223**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED MARCH 31,

Amounts in thousands of U.S. Dollars	**Q1-20**	**Q1-19**	**2019**
Net profit (loss) after tax	(1 717)	(7 941)	(23 751)
Tax expenses	311	91	415
Net interest and guarantee expenses	6 339	3 148	21 699
Interest paid	(4 399)	1 595	(16 520)
Interest received	243	1 097	1 084
Taxes paid	907	(91)	920
Impairment charges	15	-	6 155
Depreciation and amortization	11 515	5 598	36 947
Foreign exchange loss (gain)	(5 183)	173	790
Change in accounts receivable, other current receivables, inventories, accounts payable and other	(3 197)	(19 219)	(15 432)
Net cash flow from operating activities	**4 834**	**(15 549)**	**12 307**
Payments for property, plant and equipment	(5 175)	(96 637)	(126 906)
Payments for intangibles	-	-	(10)
Proceeds from sales of property,plant and equipments	159	-	255
Investments in subsidiary and associated companies	(0)	(49 283)	(49 284)
Net cash flow from investing activities	**(5 017)**	**(145 920)**	**(175 946)**
Proceeds from issue of debt and change in overdraft facility	(12 899)	2 702	(4 353)
Net increase in external interest-bearing debt	(4 839)	156 613	142 587
Loan from owners	16 000	6 000	36 500
Net cash flow from financing activities	**(1 738)**	**165 314**	**174 735**
Net change in cash and cash equivalents	**(1 920)**	**3 846**	**11 096**
Cash and cash equivalents as of January 1.	**13 610**	**2 515**	**2 515**
Cash and cash equivalents as of December 31.	**11 690**	**6 360,29**	**13 610**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of U.S. Dollars	**Share capital**	**Share premium**	**Other paid-in capital**	**Other reserves**	**Retained earnings**	**Total**
Balance as of January 1, 2018	**63 684**	**192 102**	**(35 617)**	**154**	**(161 028)**	**59 296**
Net profit (loss) for the year	-	-	-	-	(1 022)	**(1 022)**
Other comprehensive income (loss)	-	-	-	-	(4 520)	**(4 520)**
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(5 542)**	**(5 542)**
Transactions with owners, recognized directly in equity:						**-**
Contributions from owner, debt conversion	4 319	120 742	-			**125 061**
Total transactions with owners, recognized directly in equity	**4 319**	**120 742**	**(0)**	**-**	**-**	**125 061**
Balance as of December 31, 2018	**68 003**	**312 844**	**(35 617)**	**154**	**(166 570)**	**178 814**
Change in accounting policies IFRS 16					(405)	**(405)**
Balance as of January 1, 2019	**68 003**	**312 844**	**(35 617)**	**154**	**(166 975)**	**178 409**
Net profit (loss) for the year	-	-	-	-	(23 751)	**(23 751)**
Other comprehensive income (loss)	-	-	-	-	(111)	**(111)**
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(23 862)**	**(23 862)**
Balance as of December 31, 2019	**68 003**	**312 844**	**(35 617)**	**154**	**(190 838)**	**154 547**
Net profit (loss) for the year	-	-	-	-	(1 717)	**(1 717)**
Other comprehensive income (loss)	-	-	-	-	(14)	**(14)**
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(1 731)**	**(1 731)**
Balance as of March 31, 2020	**68 003**	**312 844**	**(35 617)**	**154**	**(192 569)**	**152 816**

* There were no transactions with owners, recognized directly in equity in 2019 or 2020

Note 1 Reporting Entity

Aker Biomarine AS is a limited liability company located in Norway. The condensed consolidated interim financial statements comprise Aker Biomarine AS and its subsidiaries (the Group). The Group is a global supplier of krill-derived products, with a fully owned supply chain. The operations spans from harvesting krill in the Antarctica with vessels owned by the Group, distribution world-wide from Uruguay, and further processing into oil-products in the United States

Basis of accounting

Aker BioMarine's 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 Aker BioMarine's Annual Report for 2019. 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.

Judgements, estimates and assumptions

The preparation of the consolidated 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 2019 (note 2). Actual results may differ from these estimates.

The significant judgements made by management were made applying the same accounting policies and principles as those described within the 2019 annual report.

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 and 7 in the financial statements for the year ended 31 December 2019, 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 Brands segment is the human consumption distribution business which comprises of Lang and Epion. Lang acquires product derived from krill, fish and plants. Then package, labels and sells the product onwards to retailers in the US market. Intangible assets recognized through the acquisition is presented within "adjustments", and not within the Brands segment.

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

	Q1-2020			
Amounts in thousands of U.S. Dollars	INGREDIENTS	BRANDS	ADJUSTMENTS	**TOTAL**
Net sales	48 733	32 748	(10 739)	**70 742**
Operating profit	543	4 821	(2 634)	**2 730**
Net profit (loss)	626	3 361	(3 126)	**861**
Depreciation, amortizationd and impairment	(8 878)	(3)	(2 634)	**(11 515)**
EBITDA	6 877	4 791	-	**11 668**
Adjusted EBITDA	7 865	4 791	-	**12 656**

Balance sheet items

Amounts in thousands of U.S. Dollars	INGREDIENTS	BRANDS	ADJUSTMENTS	**TOTAL**
Property, plant and equipment	314 570	320	-	**314 890**
Right to use asset (leasing)	14 995	-	608	**15 603**
Intangible assets	119 175	79	67 262	**186 516**
Cash and cash equivalents	7 860	3 830	-	**11 690**
Interest-bearing debt	(403 985)	(12 763)	-	**(416 748)**
Inventory	68 670	31 607	(3 740)	**96 537**
Net interest free asset and liabilities	58 373	3 005	(117 049)	**(55 671)**
Total equity	**179 657**	**26 078**	**(52 919)**	**152 816**

Amounts in thousands of U.S. Dollars	Q1-2019 INGREDIENTS	BRANDS	ADJUSTMENTS	TOTAL
Net sales	40 348	6 670	(7 812)	**39 207**
Operating profit	(4 593)	622	-	**(3 970)**
Net profit (loss)	(8 562)	622	-	**(7 941)**
Depreciation, amortizationd and impairment	(5 597)	(1)	-	**(5 598)**
EBITDA	1 006	622	-	**1 628**
Adjusted EBITDA	2 814	622	-	**3 436**

Balance sheet items

Amounts in thousands of U.S. Dollars	INGREDIENTS	BRANDS	ADJUSTMENTS	TOTAL
Property, plant and equipment	325 284	453	-	**325 737**
Right to use asset (leasing)	-	-	-	**-**
Intangible assets	126 227	70	64 000	**190 297**
Cash and cash equivalents	3 497	2 863	-	**6 360**
Interest-bearing debt	(367 761)	(23 682)	-	**(391 443)**
Inventory	48 023	29 503	-	**77 526**
Net interest free asset and liabilities	72 280	8 505	(116 919)	**(36 134)**
Total equity	**207 549**	**17 712**	**(52 919)**	**172 342**

Amounts in thousands of U.S. Dollars	2019 INGREDIENTS	BRANDS	ADJUSTMENTS	TOTAL
Net sales	177 225	82 330	(13 384)	**246 170**
Operating profit	4 034	7 903	(9 175)	**2 762**
Net profit (loss)	(17 378)	5 817	(12 190)	**(23 751)**
Depreciation, amortizationd and impairment	(36 238)	(11)	(6 675)	**(42 924)**
EBITDA	40 303	7 884	(2 500)	**45 687**
Adjusted EBITDA	47 655	7 884	(2 500)	**53 039**

Balance sheet items

Amounts in thousands of U.S. Dollars	INGREDIENTS	BRANDS	ADJUSTMENTS	TOTAL
Property, plant and equipment	302 066	301	-	**302 366**
Right to use asset (leasing)	15 947	-	608	**16 555**
Intangible assets	145 960	79	44 258	**190 297**
Cash and cash equivalents	8 266	5 344	-	**13 610**
Interest-bearing debt	(404 693)	(17 767)	2 396	**(420 064)**
Inventory	60 147	37 078	(2 500)	**94 725**
Net interest free asset and liabilities	57 023	(2 285)	(97 681)	**(42 942)**
Total equity	**184 716**	**22 750**	**(52 919)**	**154 547**

Note 3 Adjusted EBITDA

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

The EMT has provided the following information at 31 March 2020:

USD thousands	*Q1-2020*	*Q1-2019*	*2019*
Net profit (loss)	**(1 716)**	**(7 940)**	**(23 750)**
Tax expense	311	91	415
Net financial items	1 558	3 879	26 097
Depreciation, amortization and impairment	11 515	5 598	42 924
Special operating items:	988	1 808	7 346
Adjusted EBITDA	**12 656**	**3 436**	**53 033**

Note 4 **Measurement uncertainty**

As a result of the Covid-19 outbreak during the first quarter 2020 there has been significant volatility in the global markets. A review of significant estimates and underlying assumptions have been conducted.

Aker BioMarine has through the early phase of the crisis started and continued monitoring of estimates for losses of receivable. As of the date of these interim financial statement, no significant changes in estimates have been performed.

None of Aker BioMarine's operating vessels or the plant in Houston has experienced any significant disruptions and the main operational challenges have been related to conducting crew-changes in a safe manner and handling the global logistics without significant delays.

Aker BioMarine has not identified any impact of Covid-19 in the condensed consolidated financial statement as of 31 March 2020 which requires any changes in the management's judgement, estimates or assumptions.

Note 5 Subsequent events

In April 2020 Aker BioMarine Antarctic AS sold the vessel Juvel to Al Wusta Fisheries Industrian LLC for a total consideration of USD 21.6 million. The sale resulted in a net profit of approximately USD 1.2 million, accounted for in 2020.

In May 2020, Aker Biomarine Antarctic AS received an unfavorable verdict from the Appellate Court in the matter of the Juvel patent family, which resulted in fees of approx. USD 0.6 million being accrued for. In June 2020 it was decided to appeal the verdict and try to bring it in before the Supreme Court. The Appeals Selection Committee will decide if the legal aspects from the Appellate Court will be tried in the Supreme Court.

In June 2020, Aker Biomarine Antarctic AS signed a contract to hedge MGO fuel by using call options for 2021-2024 to protect fuel cost. The four-year hedging program aims to reduce the risk of a potential sharp oil price rebound. Total volume over the four-year period is 143 077 metric ton of MGO.

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 our 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 financial reporting. The Group focuses on EBITDA and adjusted EBITDA when presenting the period's financial result. 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's financial APMs

EBITDA: EBIT + depreciation and amortization and impairments

Adjusted EBITDA: EBITDA + special operating items. Special operation items include gains or losses on sale of assets, restructuring expenses and other material transactions of either non-recurring nature or special in nature compared to ordinary operational income or expenses.

The following table reconciles Adjusted EBITDA to EBIT and Net income (loss) in the consolidated statements of profit or loss.

USD thousands	*Q1-2020*	*Q1-2019*	*2019*
Net profit (loss)	**(1 716)**	**(7 940)**	**(23 750)**
Tax expense	311	91	415
Net financial items	1 558	3 879	26 097
Depreciation, amortization and impairment	11 515	5 598	42 924
Special operating items:	988	1 808	7 346
Adjusted EBITDA	**12 656**	**3 436**	**53 033**

The following comprises the items included in Special Operating Items over Q1 2020, Q1 2019 and the full year 2020:

	Q1-2020	*Q1-2019*	*2019*
Transaction related costs	-	1 298	1 298
Legal costs	-	156	836
Juvel	602	354	1 784
Epion Launch	386	-	3 428
Sum Special Operating Items	***988***	***1 808***	***7 346***

Juvel – operating cost: In 2018 there was a fire in the superstructure when the vessel was in Montevideo. In 2019, the vessel has not in any way been used in the ordinary course of business as intended by management. As part of the repair work the Company has incurred costs while in dock. These costs are recognized in the EBITDA and will be reimbursed from the Company's insurer. In addition, the vessel will be sold in 2020, so Juvel operating costs will not occur in the future.

Lang transaction cost: On 1 March 2019 the company acquired Lang Pharma. The transaction related costs have been booked as an operating expense and recognized in the EBITDA under IFRS 3 'Business Combinations'. Given the complexity of the transaction and being cross-border, transaction related cost is deemed material. The amount is a non-recurring item, and there will be no further acquisitions the next couple of years.

Legal cost – Rimfrost: During the year the Company has been in a legal dispute with Rimfrost in relation to Juvel production related patents. Given the complexity of the case the legal costs have been material. Cost are non-recurring in its nature.

EPION: As part of the Lang transaction, the Company is launching its own national brand in the US. The incurred costs are material and will continue through part of 2020. The costs are committed by Aker ASA. These costs include employment of Epion management team, R&D on packaging and capsules, general start-up cost, and significant market development costs. Furthermore, these costs are deemed material and non-recurring after the launch of the brand.

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