

# Fourth quarter 2013 highlights

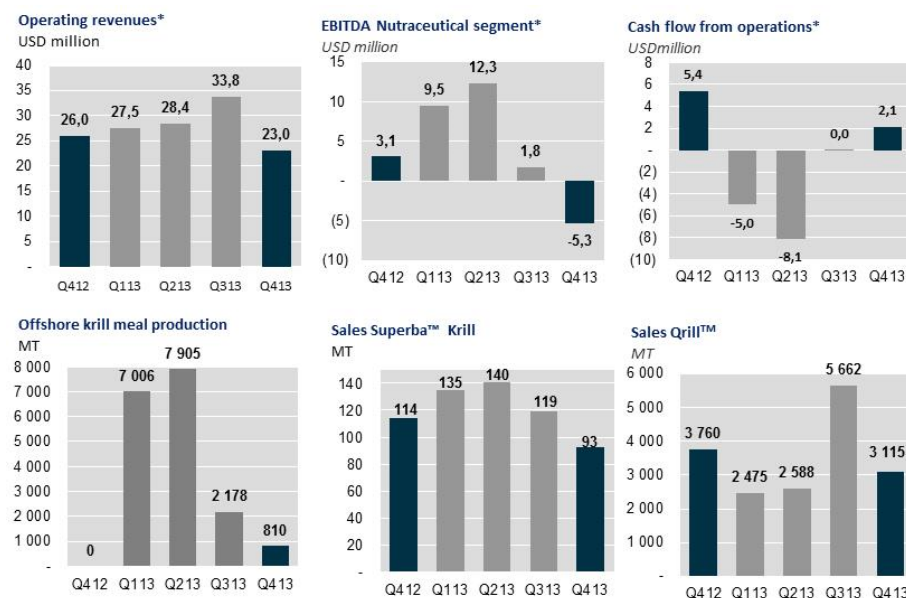
## Highlights

- Reached settlement and license agreement with Neptune Technologies and Bioresources in the ITC case, giving Aker BioMarine full freedom to market and sell Superba™ Krill.
- Both krill harvesting vessels and La Manche completed annual upgrade and maintenance programs and started a new harvesting season in Antarctica in December 2013.

## Events and outlook

- Superba™ Krill oil sales extended declines in the fourth quarter after certain customers experienced inventory build-up in the first half of 2013. However, the company expects the sales to normalize in 2014 and that the growing demand in the European market experienced in 2013 will continue.
- 3 115 tons Qrill™ were sold in the fourth quarter at 6 per cent higher prices year-on-year.
- The krill harvesting vessels Antarctic Sea and Saga Sea were docked in the fourth quarter for their annual upgrade and maintenance program. Both vessels started the 2014 harvesting season in December.
- As part of the settlement in the ITC case, Neptune granted a world-wide, non-exclusive, royalty-bearing license to Aker BioMarine, allowing Aker BioMarine to market and sell its nutraceutical products in the patented countries. Under the terms of the settlement, royalty levels are dependent on the outcome of the pending inter partes review proceedings before the U.S. Patent and Trademark Office (USPTO) regarding Neptune's '351 composition of matter patent (No. 8,278,351). Aker BioMarine also agreed to pay Neptune an additional non-refundable one-time payment for the manufacture and sale of krill products prior to the effective USPTO decision date. The financial terms of the license are confidential.

## Key figures



\* Figures from 2012 are not adjusted for potential effects from the merger between Aker BioMarine AS and Aker Seafoods Holding AS completed in January 2013, as these effects are considered to be immaterial.

## Audited consolidated accounts – key figures

Income statement								
Amounts in USD million	Actual Q4 2012*	Actual Q1 2013	Actual Q2 2013	Actual Q3 2013	Actual Q4 2013	Actual YTD 2012*	Actual YTD 2013	Year 2012*
Operating revenues	26,0	27,5	28,4	33,8	23,0	80,6	112,7	80,7
Cost of goods sold and other selling costs	(15,1)	(13,5)	(13,6)	(20,4)	(12,7)	(44,6)	(60,2)	(44,7)
Salaries and other personell expenses	(4,0)	(3,1)	(2,2)	(2,9)	(12,4)	(10,4)	(20,5)	(10,5)
Production and other operating expenses	(3,8)	(1,4)	(0,3)	(10,2)	(4,2)	(14,3)	(16,2)	(14,3)
<b>Operating profit before depreciation and amortization</b>	<b>3,1</b>	<b>9,5</b>	<b>12,3</b>	<b>0,3</b>	<b>(6,4)</b>	<b>11,3</b>	<b>15,8</b>	<b>11,3</b>
Depreciation and amortization	(4,4)	(4,5)	(4,7)	(4,8)	(5,0)	(13,9)	(18,9)	(13,9)
Impairment changes and special operating items	(1,7)	(0,5)	(0,3)	(4,6)	(4,8)	(3,5)	(10,2)	(3,5)
<b>Operating profit</b>	<b>(3,0)</b>	<b>4,5</b>	<b>7,3</b>	<b>(9,1)</b>	<b>(16,1)</b>	<b>(6,0)</b>	<b>(13,3)</b>	<b>(6,1)</b>
Financial income	0,0	0,0	0,1	1,4	0,9	7,5	2,3	7,3
Financial expenses	(3,4)	(2,2)	(6,6)	(3,0)	(3,1)	(10,8)	(14,9)	(10,8)
Share of profit of equity-accounted investees	0,7	(1,3)	(0,4)	44,6	(1,9)	(1,7)	41,0	(1,7)
<b>Profit before tax</b>	<b>(5,6)</b>	<b>1,0</b>	<b>0,4</b>	<b>33,9</b>	<b>(20,2)</b>	<b>(11,0)</b>	<b>15,1</b>	<b>(11,3)</b>
Income tax expense	(0,3)	(0,0)	(0,2)	37,6	(4,4)	(0,3)	33,0	(0,4)
<b>Net profit</b>	<b>(5,9)</b>	<b>1,0</b>	<b>0,2</b>	<b>71,6</b>	<b>(24,6)</b>	<b>(11,4)</b>	<b>48,1</b>	<b>(11,6)</b>
<b>Other income</b>								
Translation differences and other comprehensive income	(1,8)	(3,9)	(1,6)	0,2	(3,4)	6,5	(8,7)	(6,9)
<b>Total profit for the period</b>	<b>(7,7)</b>	<b>(2,9)</b>	<b>(1,4)</b>	<b>71,8</b>	<b>(28,0)</b>	<b>(4,9)</b>	<b>39,4</b>	<b>(18,5)</b>

## Balance sheet and cash flow

Amounts in USD million	Actual Q4 2012*	Actual Q1 2013	Actual Q2 2013	Actual Q3 2013	Actual Q4 2013	Actual YTD 2012*	Actual YTD 2013	Year 2012*
Total assets	374	393	400	408	401	374	401	374
Total equity	232	198	197	256	230	232	230	232
Net interest bearing debt	116	170	183	128	134	116	134	116
Net working capital	17	28	46	42	28	17	28	17
Equity ratio	62 %	50 %	49 %	63 %	57 %	62 %	57 %	62 %
Cash flow from operating activities	5	(5)	(8)	0	2	5	(11)	5
Cash flow from investing activities	(14)	(22)	(9)	71	(16)	(56)	24	(56)
Cash flow from financing activities	7	27	17	(65)	14	49	(7)	49

\* Figures from 2012 are not adjusted for potential effects from the merger between Aker BioMarine AS and Aker Seafoods Holding AS completed in January 2013, as these effects are considered to be immaterial.

As a result of lower sales in the fourth quarter 2013 compared to a year prior for both Qrill™ and Superba™ Krill, operating revenues was down USD 3 million in the fourth quarter 2013. Total sales volume ended at 3 115 metric tons of Qrill™ Aqua and 93 metric tons of Superba™ Krill.

EBITDA declined to minus USD 6.4 million from USD 3.1 million year-on-year. The reduced EBITDA is due to decreased gross profit of USD 0.4 million, net increase in costs from harvesting of USD 1.1 million due to the new season starting in December 2013, and increased onshore and SG&A costs of USD 7.9 million, of which USD 1.1 million relate to the Pharma segment. Parts of the license fee to Neptune following the settlement described above were recognized as cost in the fourth quarter 2013.

Depreciation and amortization in the fourth quarter 2013 was USD 5.0 million, up USD 0.6 million from the fourth quarter 2012. This is mainly due to investments in the vessels in the fourth quarter 2013.

Impairment charges and special operating items of USD 4.8 million in the fourth quarter 2013 comprise USD 3.8 million in legal fees related to the patent dispute with Neptune and a USD 1.0 million impairment cost related to intangible assets.

The USD 0.9 million in financial income represents a valuation gain generated from the Lindsay Goldberg receivable, in relation to a milestone achievement in Trygg Pharma, USD 3.1 million in financial expenses includes USD 2.4 million in interest costs and USD 0.8 million in disagio.

In the fourth quarter 2013, profit from joint ventures amounted to minus USD 1.9 million, which represents the company's share of profit from the Trygg Pharma Group.

Income tax expenses in fourth quarter 2013 mainly relate to a revaluation of deferred tax assets in the Norwegian tax regime, due to a reduction in the Norwegian corporate tax rate from 28 per cent to 27 per cent.

Cash flow from operations in the fourth quarter was USD 2.0 million. The negative impact of the results in the quarter was offset by a decrease of USD 20.9 million in working capital.

Aker BioMarine established "Pharma" as a separate reporting segment for its pharma-related businesses in the third quarter. This segment is composed of Aker BioPharma and the 50 per cent ownership in Trygg Pharma.

## Audited segment reporting – key figures

### Income statement pr segment

Amounts in USD million	Krill segment			Pharma segment		
	Actual Q3 2013	Actual Q4 2013	Actual YTD 2013	Actual Q3 2013	Actual Q4 2013	Actual YTD 2013
Operating revenues	33,8	23,0	112,8	-	-	-
EBITDA	1,8	(5,3)	18,5	(1,5)	(1,1)	(2,6)
EBIT	16,4	(14,8)	(9,1)	(2,6)	(1,5)	(4,1)
EBT	22,2	(17,1)	(21,8)	44,7	(7,6)	37,1
Net profit	59,8	(21,7)	11,2	44,7	(7,6)	37,1