

Fourth quarter 2017 highlights

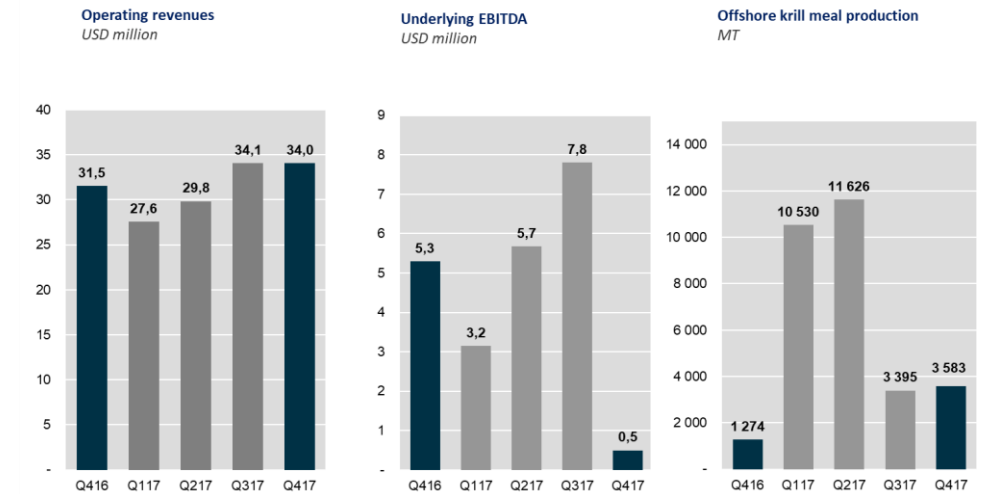
HIGHLIGHTS

- Revenue growth 8% compared to fourth quarter 2016
- Strong Q4 offshore production with 3.583MT krill meal produced
- Quarterly EBITDA of USD 0.5 million, impacted by lower gross margin

EVENTS AND OUTLOOK

- To further strengthen our position in the krill oil market, Aker BioMarine acquired Enzymotec's krill business in January 2018
- Construction of the new krill vessel is progressing according to plan and scheduled to be ready to participate in the 2019 season
- Aker BioMarine is experiencing increased demand in the aquaculture segment, driving both prices and volumes positively
- Following recent investments and acquisitions, Aker BioMarine is well positioned to capitalize on improvements in the omega3, which is expected following a period of decline and subsequent stabilization

KEY FIGURES



Consolidated financial information – key figures

Aker BioMarine (AKBM) is an integrated biotechnology group that harvests, processes, markets, and sell krill-derived ingredients for health and nutrition applications ranging from fish feed to dietary supplements.

Amounts in thousands of U.S. Dollars	Q4 2017	Q4 2016	2 017	2 016
Revenues from sale of products	33 847	31 274	124 154	115 188
Other income	368	244	1 386	1 549
Total revenues and other income	34 215	31 518	125 540	116 737
Net change in inventories	(10 087)	(684)	(8 090)	3 146
Production and misc. operating expenses	(14 613)	(14 197)	(67 305)	(54 309)
Salaries and payroll expenses	(8 969)	(11 348)	(32 932)	(30 028)
Other expenses	-	(367)	-	(7 140)
Total operating expenses before depreciation, amortization and impairment	(33 669)	(26 596)	(108 327)	(88 331)
Depreciation and amortization	(6 532)	(6 871)	(18 551)	(19 353)
Impairment charges	(345)	(759)	(345)	(596)
Operating profit (loss)	(6 331)	(2 708)	(1 683)	8 457
Net financial expenses	(4 045)	(980)	(15 074)	(9 941)
Share of loss from equity accounted investees	-	-	-	-
Net profit (loss) before tax expense	(10 376)	(3 688)	(16 757)	(1 482)
Tax expense	(430)	(573)	(1 011)	(573)
Net profit (loss)	(10 806)	(4 261)	(17 768)	(2 055)
Other comprehensive income				
Defined benefit plan actuarial gains (losses)	(91)	-	(91)	(77)
Cash flow hedges gains (losses)	(2 566)	-	3 153	-
Total other comprehensive income	(2 657)	-	3 062	(77)
Total comprehensive income (loss)	(13 463)	(4 261)	(14 706)	(2 132)
Underlying EBITDA reconciliation				
EBITDA	546	4 922	17 213	28 406
Other expenses	-	367	-	7 140
Underlying EBITDA	546	5 289	17 213	35 547

AKBM's fourth quarter net loss was USD 10.8 million, compared with a net loss of USD 4.3 million in fourth quarter 2016. EBITDA for the quarter was USD 0.5 million, down from USD 5.3 million a year earlier reflecting lower gross margins, yard stay and planned growth initiated costs.

Revenue and other income:

Revenue from sale of products generated USD 33.8 million in revenues in the fourth quarter, up from USD 31.3 million last year. The growth is driven by improved krill oil, Qrill™ Aqua and Qrill™ High Protein sales. Qrill™ Pet sales are lower this quarter compared with the quarter last year.

Operating expenses:

Net change in inventories:

Net change in inventories was USD 10.8 million in the fourth quarter, up from USD 0.7 million the same quarter last year. The average gross margin on sold products in the quarter was 29% compared with 46% in 2016. On a year to date basis the margin was 34% in 2017 compared with 45% in 2016.

Production and misc. operating expenses:

Production and operating expenses was USD 14.6 million in the fourth quarter, compared with USD 14.2 million last year. The increase in production and operating expenses reflect higher offshore production in the quarter, incurred costs on yard stay, as well as strategic research and development projects. In addition, the acquisition of Enzymotec's krill business in January 2018 has been assessed as a business combination. Transaction costs up to 31 December 2017 has therefore been recognized as operating expenses.

On a year to date basis production and operating expenses has increased with USD 13.0 million reflecting primarily higher encapsulation fee and full year consolidation of the Houston factory (previously held as a joint venture until May 2016).

Salaries and payroll expenses:

The increase in salaries on a year to date basis is primarily full consolidation of the krill oil factory in Houston, which previously was accounted for as a joint venture.

Depreciation, amortization and impairment charges:

Depreciation, amortization and impairment charges decreased this quarter compared with last year. The decrease is due to lower depreciation on the company's krill harvesting vessels offset by losses on scrapped machinery.

Financial items:

Net financial items include interest expense on debt facilities, unrealized losses on NOK denominated debt, and the guarantee fee to Aker ASA.

CONDENSED BALANCE SHEET AND KEY FIGURES

Amounts in thousands of U.S. Dollars	2 017	2 016
Total assets	376 436	279 341
Total equity	59 325	74 025
Net interest bearing debt	272 552	168 765
Net working capital	38 897	33 532
Equity ratio	16 %	26 %

Total assets:

Total assets have significantly increased since last year. The increase reflect the acquisition of Neptune's krill business, the krill vessel Juvel and instalments on the new krill vessel Antarctic Endurance.

Net interest bearing debt

Net interest-bearing debt (interest-bearing loans less cash and cash equivalents) amounted to USD 272.5 million at the end of the quarter, up from USD 168.8 million the same quarter last year. The increase reflect the transactions described above, funded by new debt from Aker ASA.

Net working capital

At year end, net working capital was USD 38.9 million, up from USD 33.5 million. The change from 2016 is a reduction in inventory by USD 2.8 million, offset by higher receivables and prepaid expenses amounting to USD 4.1 million. Accounts payables and other payables was reduced by USD 4.0 million during the year, thus increasing the net working capital by USD 5.4 million in total.

Alternative Performance Measures

EBITDA: EBIT + depreciation, amortization and impairments

Underlying 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 expense