

# Second quarter 2018 highlights

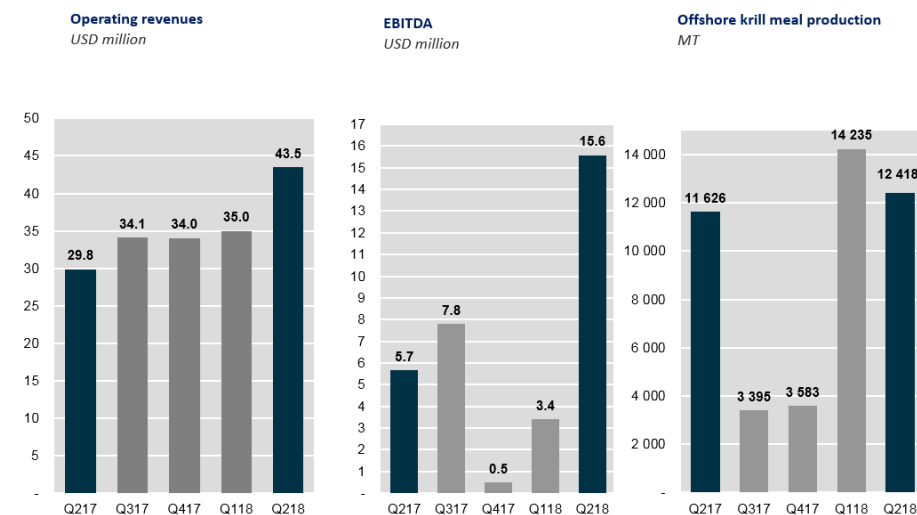
## HIGHLIGHTS

- EBITDA for the quarter USD 15.6 million, up from USD 5.7 million a year earlier
- Solid offshore performance with 12 418 MT krill meal produced

## EVENTS AND OUTLOOK

- Construction of the new krill vessel in progress
- Following recent investments and acquisitions, Aker BioMarine is well positioned to capitalize on improvements in the omega3 market, which is expected following a period of decline and subsequent stabilization
- On 9 July 2018 a fire occurred on board our vessel M/S Juvel. The vessel was docked when the fire occurred. The incident will not impact our production capacity in the ongoing fishing season, and the vessel is insured.

## 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	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Revenues from sale of products	43 533	29 434	78 560	56 597
Other income	505	410	908	811
<b>Total revenues and other income</b>	<b>44 038</b>	<b>29 844</b>	<b>79 468</b>	<b>57 408</b>
Net change in inventories	3 428	2 109	3 650	3 564
Production and misc. operating expenses	(22 791)	(18 923)	(44 297)	(36 881)
Salaries and payroll expenses	(9 027)	(7 359)	(19 771)	(15 269)
<b>Total operating expenses before depreciation, amortization and impairment</b>	<b>(28 390)</b>	<b>(24 173)</b>	<b>(60 418)</b>	<b>(48 586)</b>
Depreciation and amortization	(4 847)	(3 972)	(9 687)	(8 061)
<b>Operating profit (loss)</b>	<b>10 800</b>	<b>1 699</b>	<b>9 363</b>	<b>761</b>
Net financial expenses	(2 576)	(1 673)	(9 429)	(4 523)
<b>Net profit (loss) before tax expense</b>	<b>8 225</b>	<b>26</b>	<b>(65)</b>	<b>(3 762)</b>
Tax expense	(118)	(415)	59	(415)
<b>Net profit (loss)</b>	<b>8 106</b>	<b>(389)</b>	<b>(7)</b>	<b>(4 177)</b>
<b>Other comprehensive income</b>				
Defined benefit plan actuarial gains (losses)	-	-	-	-
Cash flow hedges gains (losses)	(3 290)	-	(191)	-
<b>Total other comprehensive income</b>	<b>(3 290)</b>	<b>-</b>	<b>(191)</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>4 816</b>	<b>(389)</b>	<b>(198)</b>	<b>(4 177)</b>

EBITDA for the quarter was USD 15.6 million, up from USD 5.7 million a year earlier reflecting higher krill oil sale, in addition to higher margins on Qrill Aqua following an efficient production in 2018.

### Revenue and other income:

Sale of products generated USD 43.5 million in revenues in the second quarter, up from USD 29.4 million last year. The growth in revenue is primarily organic growth in krill oil sales, in addition to the acquired brands NKO and KREAL.

### Operating expenses:

#### Net change in inventories:

Net change in inventories was USD 3.4 million in the second quarter, up from USD 2.1 million the same quarter last year.

### Production and misc. operating expenses:

Production and operating expenses was USD 22.8 million in the second quarter, compared with USD 18.9 million last year. The increase in production and operating expenses reflect higher offshore production in the quarter, increased fuel prices, as well as strategic research and development projects.

### Net financial expenses:

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	Q2 2018	Q2 2017	YE 2017
Total assets	415 505	320 362	377 413
Total equity	184 156	69 803	59 297
Net interest bearing debt	191 818	217 745	272 552
Net working capital	62 763	45 215	41 157
Equity ratio	44 %	22 %	16 %

### Total assets:

Total assets have significantly increased since last year. The increase reflect the acquisition of Neptune and Enzymotec's krill business, the krill vessel Juvel and paid 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 191.8 million at the end of the quarter, down USD 80.7 million from USD 272.6 million at year end 2017. The decrease primarily relates to debt conversion of USD 125.1 million of the revolving credit facility provided by Aker ASA, offset by new loans incurred in 2018 due to the Enzymotec acquisition and working capital funding while constructing the new vessel.

### Net working capital

At quarter end, net working capital (non-interest-bearing current assets less non-interest-bearing current debt) exclusive of bank deposits was USD 62.8 million, up from USD 45.2 million at year end 2017. The increase mainly reflect an increase in customer receivables and inventory in addition to a decrease in payables.

## Alternative Performance Measures

EBITDA: Operating profit (loss) + depreciation, amortization and impairment charges