

# Second-quarter 2016 highlights

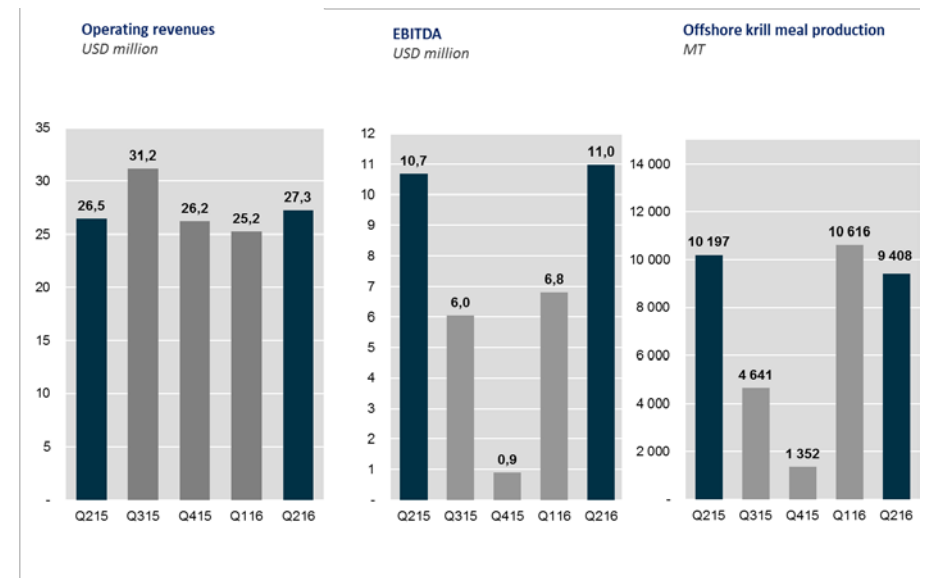
## Highlights

- Revenue growth 3% compared to second quarter 2015
- Significant step-up in Qrill™ Aqua volume growth
- Krill meal production of 9 408 MT (metric tonnes)
- EBITDA USD 11 million

## Events and outlook

- On May 2, 2016 Aker BioMarine completed the acquisition of the remaining 50% of the shares in the krill oil factory in Houston. Prior to the transaction the factory was owned through a Joint Venture with Naturex S.A
- Commercial launch of Superba2 and Superba Boost
- Extension and amendment to credit agreement

## Key figures and operational information



## Consolidated financial information – key figures

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

The comments below are on AKBM's development in the second quarter 2016 compared to the second quarter 2015, and full year 2015, unless otherwise stated. Comments on EBITDA are made on the development in operating profit before depreciation, amortization, write-downs and impairments, and Special Operating Items.

### Aker BioMarine Group STATEMENTS OF PROFIT OR LOSS

Amounts in thousands of U.S. Dollars	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	YTD 2 016	YTD 2 015
Revenues from sale of products	25 982	30 630	25 739	24 652	27 024	51 676	46 810
Other income	470	537	473	589	237	826	930
<b>Total revenues and other income</b>	<b>26 451</b>	<b>31 168</b>	<b>26 213</b>	<b>25 241</b>	<b>27 261</b>	<b>52 502</b>	<b>47 740</b>
Net change in inventories	9 344	(5 482)	(7 880)	2 212	3 133	5 345	20 563
Production and misc. operating expenses	(19 332)	(14 193)	(11 262)	(14 687)	(13 859)	(28 546)	(38 498)
Salaries and payroll expenses	(5 774)	(5 457)	(6 141)	(5 962)	(5 551)	(11 513)	(11 051)
Other expenses	(490)	(62)	(401)	(356)	(88)	(444)	(528)
<b>Total operating expenses before depreciation, amortization and impairment</b>	<b>(16 252)</b>	<b>(25 194)</b>	<b>(25 683)</b>	<b>(18 793)</b>	<b>(16 365)</b>	<b>(35 158)</b>	<b>(29 514)</b>
Depreciation and amortization	(4 001)	(3 906)	(3 827)	(3 790)	(4 225)	(8 015)	(8 178)
Impairment charges	-	-	(905)	-	163	163	-
<b>Operating profit (loss)</b>	<b>6 199</b>	<b>2 067</b>	<b>(4 202)</b>	<b>2 657</b>	<b>6 834</b>	<b>9 491</b>	<b>10 048</b>
Net financial expenses	(3 544)	5 736	(6 248)	(3 076)	(2 036)	(5 112)	(2 505)
Share of loss from equity accounted investees	(1 533)	(1 054)	(187)	55	-	55	(2 769)
<b>Net profit (loss) before tax expense</b>	<b>1 122</b>	<b>6 750</b>	<b>(10 637)</b>	<b>(364)</b>	<b>4 798</b>	<b>4 434</b>	<b>4 774</b>
Tax expense	2	(0)	(84)	-	-	-	2
<b>Net profit (loss)</b>	<b>1 124</b>	<b>6 750</b>	<b>(10 720)</b>	<b>(364)</b>	<b>4 798</b>	<b>4 434</b>	<b>4 776</b>
<b>EBITDA</b>	<b>10 689</b>	<b>6 036</b>	<b>903</b>	<b>6 804</b>	<b>10 983</b>	<b>17 787</b>	<b>18 754</b>

### CONDENSED BALANCE SHEET AND KEY FIGURES

Amounts in thousands of U.S. Dollars	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	YTD 2 016	YTD 2 015
Total assets	268 941	267 312	258 422	267 524	289 299	289 299	268 941
Total equity	80 048	82 254	76 158	75 944	80 809	80 809	80 048
Net interest bearing debt	146 513	143 715	140 311	137 653	182 046	182 046	146 513
Net working capital	47 081	45 322	36 255	35 186	53 295	53 295	47 081
Equity ratio	30 %	31 %	29 %	28 %	28 %	28 %	30 %

AKBM's second-quarter net profit was USD 4.8m compared with a profit of USD 1.1m the same period last year. EBITDA for the quarter was USD 11.0 million, up from USD 10.7 million year-on-year.

The second-quarter demonstrates AKBM's efficient offshore operations. Total volume harvested in the second quarter was 49.490 MT, a small decrease of 1.774 MT compared with the same period

in 2015. Total meal production was 9.408 MT, down from 10.197 MT in 2015. Thus, the second quarter continued the harvesting and meal production trend from the first quarter.

On 2 May 2016 AKBM completed the acquisition of the remaining 50% of shares in the krill oil factory in Houston, Aker BioMarine Manufacturing, prior to the transaction a Joint Venture with Naturex S.A. This transaction impacts operating expenses, depreciations, financial items, total assets and net interest bearing debt as the quarterly figures below include one month of accounting for Aker BioMarine Manufacturing as a joint venture (equity method) and two months as a consolidated subsidiary.

#### Revenue and other income:

Sale of products resulted in USD 27.0 million in revenues in the period, an increase by USD 1.0 million compared to last year. The growth is driven by a step-up in Krill™ Aqua volume growth, as well as moderate growth year-on-year in Krill™ High Protein. Superba™ Krill sales continue to reflect the current softness in the global omega-3 market, but were also impacted by the timing of shipments to customers moving into the third and fourth quarter.

#### Operating expenses:

Production and operating expenses stood at USD 13.9 million for the quarter, down 28% year-on-year. This was primarily due to reduced Superba™ Krill oil production and lower fuel prices for the vessels.

#### Financial items

Net financial items include interest expenses on debt facilities, unrealized loss on NOK denominated debt, and the guarantee fee to Aker ASA. Furthermore, as a result of the acquisition of Aker BioMarine Manufacturing described above, AKBM recognized a USD 0.3 million gain on its previous 50% share in the acquired company.

#### Total assets:

Total assets increased by USD 21.8 million from 31 March 2016. The increase is mainly driven by the recognition of property, plant and equipment in Aker BioMarine Manufacturing and the final investments in the Flexitech™ production technology, now fully implemented in the Houston krill oil factory.

#### Net interest bearing debt

Net interest-bearing debt (interest-bearing loans less cash and cash equivalents) amounted to USD 182.0 million at the end of the quarter, up from USD 137.7 million as of 31 March 2016. Aker BioMarine Manufacturing has an external debt of USD 7.8 million. The additional increase is mainly caused by two transactions in the second quarter; a 3 year seller-credit granted by Naturex S.A. to AKBM as consideration for the acquired shares in Aker BioMarine Manufacturing, and an extension and amendment to the Group's credit facility with DNB. In the latter transaction, AKBM extended the maturity of its revolving credit facility from April 2017 to September 2018 and the facility was increased from USD 105 million to USD 120 million, of which USD 14 million was used to pay down part of AKBM's debt to Aker ASA. Furthermore, AKBM's working capital facility of NOK 100 million was converted into USD and adjusted to USD 15 million, providing AKBM with USD 2.5 million in available liquidity, after transaction costs, for general corporate purposes.