

# Third-quarter 2016 highlights

## Highlights

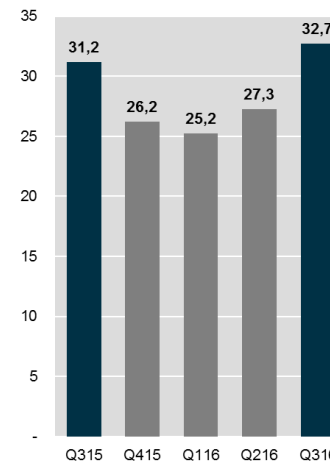
- Revenue growth of 5% compared to third quarter 2015
- Krill meal production of 5 341 MT, up 15% from third quarter 2015
- EBITDA of USD 12.5 million, up by 6.5 million compared to third quarter 2015
- Patent dispute with Neptune Technology & Bioresources Inc. settled. Settlement fee of USD 6 million expensed in the third quarter

## Events and outlook

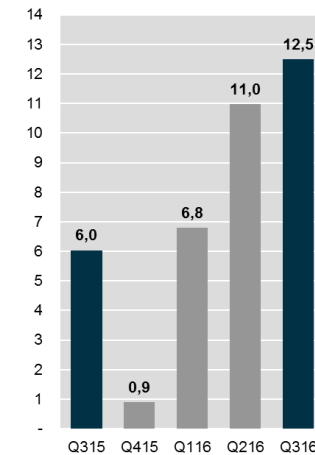
- On 30 September, Aker BioMarine and Neptune Technologies & Bioresources Inc. entered into a broad patent cross-licensing agreement, thus ending all outstanding litigation between the companies

## Key figures and operational information

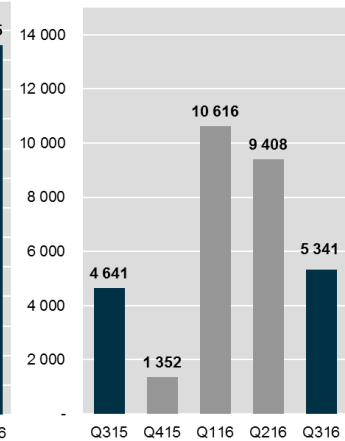
**Operating revenues**  
USD million



**EBITDA**  
USD million



**Offshore krill meal production**  
MT



## 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 third quarter 2016 compared to the third quarter 2015, and full year 2015, unless otherwise stated. Comments on EBITDA are made on developments 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	Q3 2015	Q4 2015	Q1 2016	Q2 2016	YTD		YTD 2 015
					Q3 2016	2 016	
Revenues from sale of products	30 630	25 739	24 652	27 024	32 242	83 918	77 440
Other income	537	473	589	237	476	1 302	1 468
<b>Total revenues and other income</b>	<b>31 168</b>	<b>26 213</b>	<b>25 241</b>	<b>27 261</b>	<b>32 718</b>	<b>85 220</b>	<b>78 908</b>
Net change in inventories	(5 482)	(7 880)	2 212	3 133	(1 555)	3 790	15 082
Production and misc. operating expenses	(14 193)	(11 262)	(14 687)	(13 859)	(11 517)	(40 063)	(52 691)
Salaries and payroll expenses	(5 457)	(6 141)	(5 962)	(5 551)	(7 160)	(18 673)	(16 508)
Other expenses	(62)	(401)	(356)	(88)	(6 329)	(6 773)	(590)
<b>Total operating expenses before depreciation, amortization and impairment</b>	<b>(25 194)</b>	<b>(25 683)</b>	<b>(18 793)</b>	<b>(16 365)</b>	<b>(26 561)</b>	<b>(61 719)</b>	<b>(54 708)</b>
Depreciation and amortization	(3 906)	(3 827)	(3 790)	(4 225)	(4 467)	(12 482)	(12 084)
Impairment charges	(905)	-	-	163	-	163	-
<b>Operating profit (loss)</b>	<b>2 067</b>	<b>(4 202)</b>	<b>2 657</b>	<b>6 834</b>	<b>1 690</b>	<b>11 181</b>	<b>12 115</b>
Net financial expenses	5 736	(6 248)	(3 076)	(2 036)	(3 902)	(9 014)	3 232
Share of loss from equity accounted investees	(1 054)	(187)	55	-	-	55	(3 823)
<b>Net profit (loss) before tax expense</b>	<b>6 750</b>	<b>(10 637)</b>	<b>(364)</b>	<b>4 798</b>	<b>(2 212)</b>	<b>2 222</b>	<b>11 524</b>
Tax expense	(0)	(84)	-	-	-	-	2
<b>Net profit (loss)</b>	<b>6 750</b>	<b>(10 720)</b>	<b>(364)</b>	<b>4 798</b>	<b>(2 212)</b>	<b>2 222</b>	<b>11 526</b>
<b>EBITDA</b>	<b>6 036</b>	<b>903</b>	<b>6 804</b>	<b>10 983</b>	<b>12 485</b>	<b>30 272</b>	<b>24 790</b>

### CONDENSED BALANCE SHEET AND KEY FIGURES

Amounts in thousands of U.S. Dollars	Q3 2015	Q4 2015	Q1 2016	Q2 2016	YTD		YTD 2 015
					Q3 2016	2 016	
Total assets	267 312	258 422	267 524	289 299	283 845	283 845	268 941
Total equity	82 254	76 158	75 944	80 809	77 671	77 671	80 048
Net interest bearing debt	143 715	140 311	137 653	182 046	173 959	173 959	146 513
Net working capital	45 322	36 255	35 186	53 295	41 749	41 749	47 081
Equity ratio	31 %	29 %	28 %	28 %	27 %	27 %	30 %

AKBM's third-quarter net loss was USD 2.2 million. EBITDA for the quarter was USD 12.5 million, up from USD 6.0 million year-on-year.

#### Revenue and other income:

Sale of products generated USD 32.2 million in revenues in the period, an increase of USD 1.6 million compared to last year. The growth is driven by a step-up in Qrill™ Aqua volumes, as well as

moderate growth year-on-year in Qrill™ High Protein and Qrill™ Pet. Superba™ Krill sales continue to reflect the current softness in the global omega-3 market.

#### Operating expenses:

Production and operating expenses closed the quarter at USD 11.5 million. Compared to the same quarter last year, total expenses were down 19%. The main driver was lower fuel prices for the vessels.

#### Other expenses

On 30 September, Aker BioMarine and Neptune Technologies & Bioresources Inc. entered into a broad patent cross-licensing agreement, thus ending all outstanding litigation between the two companies.

#### Key elements of the settlement and licensing agreement:

- The agreement ends all outstanding litigation, with continued access for AKBM to Neptune's composition patents, in consideration of a royalty payment of USD 10 million payable over a period of 15 months.
- Neptune acquires the rights to use AKBM's selected krill oil-related patent portfolio in consideration of a royalty payment of USD 4 million payable over the same 15-month period.

The net amount of USD 6.0 million for the settlement is fully recognised by AKBM as a special operating expense in the third quarter.

#### Financial items

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

#### Total assets:

Total assets decreased by USD 5.5 million compared to 30 June 2016. The decrease is mainly driven by the depreciation of fixed assets and a build down of inventory.

#### Net interest bearing debt

Net interest-bearing debt (interest-bearing loans less cash and cash equivalents) amounted to USD 174.0 million at the end of the quarter, down from USD 182.0 million as of 30 June 2016. The decrease results from amortization of interest-bearing debt as well reduced draw down on the company's working capital facility.