

Fourth quarter 2016 highlights

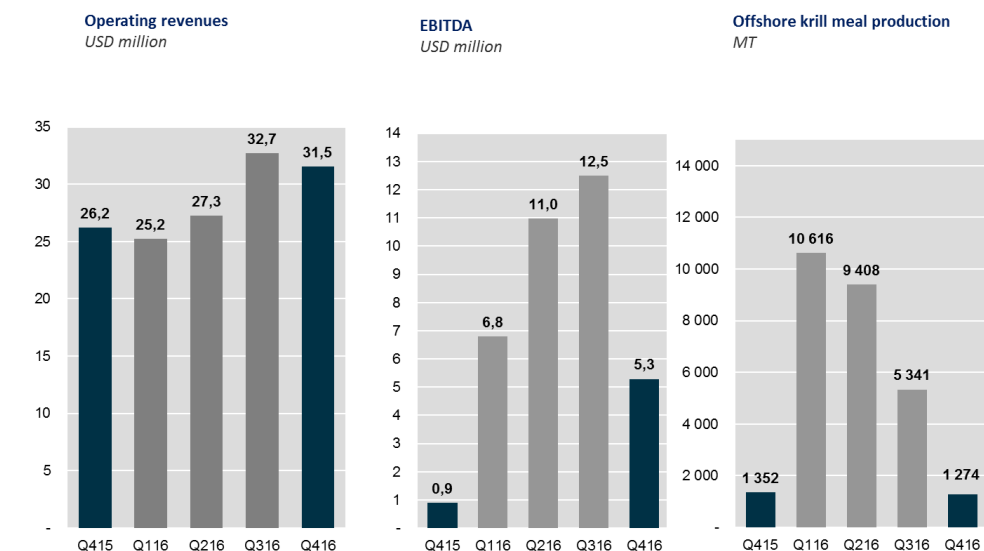
Highlights

- Krill harvesting vessels started the new season in December, harvesting in line with fourth quarter 2015
- Revenue growth of 20% compared to fourth quarter 2015
- EBITDA of USD 5.3 million, up by USD 4.4 million compared to fourth quarter 2015
- The company repaid its remaining interest bearing debt to Aker ASA of USD 7.2 million

Events and outlook

- On 14 February 2017, Aker BioMarine announced that it will build a new krill vessel. The new 130-metre-long vessel will be equipped with the latest and most advanced eco-friendly technology. The vessel is expected to be in operation in the Antarctic for the 2019 harvesting season.

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 fourth quarter compared to the fourth quarter in 2015, and full year 2015, unless otherwise stated. Comments on EBITDA are made on 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	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2 016	2 015
Revenues from sale of products	25 739	24 652	27 024	32 242	31 274	115 192	103 180
Other income	473	589	237	476	244	1 546	1 941
Total revenues and other income	26 213	25 241	27 261	32 718	31 518	116 738	105 121
Net change in inventories	(7 880)	2 184	3 133	(1 555)	(684)	3 078	7 202
Production and misc. operating expenses	(11 262)	(14 668)	(13 859)	(11 517)	(14 197)	(54 241)	(63 953)
Salaries and payroll expenses	(6 141)	(5 969)	(5 551)	(7 160)	(11 348)	(30 028)	(22 649)
Other expenses	(401)	(356)	(88)	(6 329)	(367)	(7 140)	(991)
Total operating expenses before depreciation, amortization and impairment	(25 683)	(18 809)	(16 365)	(26 561)	(26 596)	(88 331)	(80 391)
Depreciation and amortization	(3 827)	(3 790)	(4 225)	(4 467)	(6 871)	(19 353)	(15 911)
Impairment charges	(905)	-	163	-	(759)	(596)	(905)
Operating profit (loss)	(4 202)	2 641	6 834	1 690	(2 708)	8 457	7 913
Net financial expenses	(6 248)	(3 076)	(2 036)	(3 902)	(980)	(9 994)	(3 016)
Share of loss from equity accounted investees	(187)	55	-	-	-	55	(4 010)
Net profit (loss) before tax expense	(10 637)	(380)	4 798	(2 212)	(3 688)	(1 482)	887
Tax expense	(84)	-	-	-	(573)	(573)	(82)
Net profit (loss)	(10 720)	(380)	4 798	(2 212)	(4 261)	(2 055)	805
EBITDA	903	6 788	10 984	12 486	5 289	35 547	25 693

CONDENSED BALANCE SHEET AND KEY FIGURES

Amounts in thousands of U.S. Dollars	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2 016	2 015
Total assets	258 422	267 524	289 299	283 845	279 341	279 341	258 422
Total equity	76 158	75 944	80 809	77 671	74 025	74 025	76 158
Net interest bearing debt	140 311	137 653	182 046	173 959	168 661	168 661	140 311
Net working capital	36 255	35 186	53 295	41 749	33 532	33 532	36 255
Equity ratio	29 %	28 %	28 %	27 %	26 %	26 %	29 %

AKBM's fourth quarter net loss was USD 4.3m. EBITDA for the quarter was USD 5.3m, up from USD 0.9m year-on-year.

Revenue and other income:

Sale of products generated USD 31.3m in revenues in the period, an increase by USD 5.5m compared to last year. The growth is driven by a step-up in both Qril™ Aqua and Superba™ Krill

sales. Also Qril™ High Protein and Qril™ Pet show increased sales compared to same period last year, but from a much more moderate base.

Operating expenses:

During the quarter production and operating expenses ended at USD 14.2m, up from USD 11.3m in fourth quarter last year. The main reason for the increase is that the operations in Houston acquired in May 2016 was not part of the consolidated accounts in 2015.

Depreciation, amortization and impairment charges

During the fourth quarter, the Company's two krill harvesting vessel, Saga Sea and Antarctic Sea, and the trawler, La Manche, all docked for the annual overhaul after fishing season ended in September. During docking, new investments were installed replacing older components on board. The retired assets are all de-recognized from the balance sheet and their residual value expensed during the period, a total retirement cost of USD 2.5m.

Based on the run-rate and indications on future earnings received from its license partners, the company recognized an impairment loss on its license agreements for CLA®/Tonalin of USD 0.6m in the fourth quarter.

Financial items

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

Total assets:

Total assets decreased with USD 4.5m compared to 30 September 2016. The decrease is mainly driven by depreciation and retirement of fixed assets, impairment of the license agreements and reduced receivables.

Net interest bearing debt

Net interest-bearing debt (interest-bearing loans less cash and cash equivalents) amounted to USD 168.7m at the end of the quarter, down from USD 174.0m as of 30 September 2016. The decrease results from down payment of remaining interest bearing debt to Aker ASA of USD 7.2m, partly offset by increased draw down on the company's working capital facility.