

# Third quarter 2018 highlights

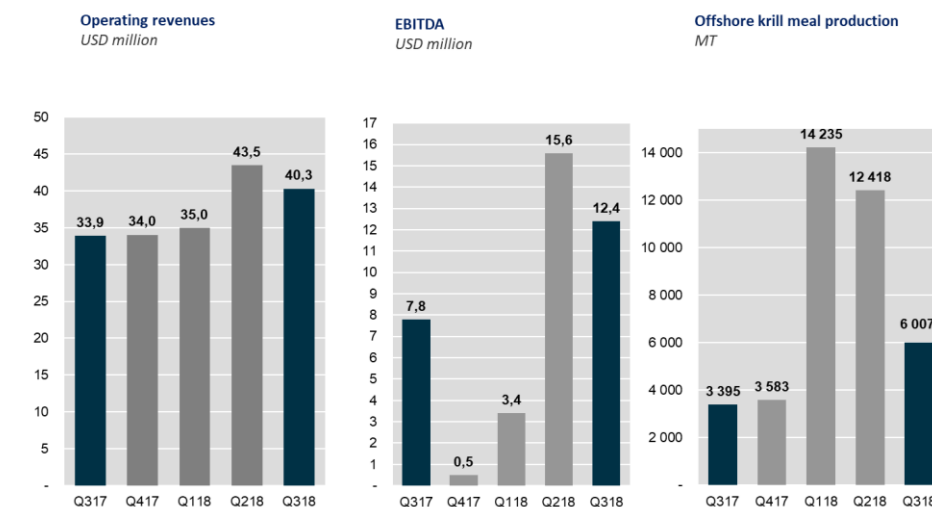
## HIGHLIGHTS

- Revenue for the quarter was USD 40.3 million, up from 33.9 million in third quarter last year.
- EBITDA for the quarter was USD 12.4 million, up from USD 7.8 million one year earlier.
- Solid offshore performance with 6.007 MT krill meal produced in the quarter compared to 3.395 MT in the same period last year.
- Total equity at the end of the third quarter was USD 188.5 million.

## EVENTS AND OUTLOOK

- Construction of the new krill vessel in progress, expected delivery in Q1 2019.
- The market for omega-3 products, which is the key market for Superba™ krill oil, maintains a cautiously optimistic outlook. The outlook for the market for krill derived product remains positive.

## 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	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Revenues from sale of products	39 855	33 710	118 415	90 307
Other income	457	207	1 365	1 018
<b>Total revenues and other income</b>	<b>40 312</b>	<b>33 917</b>	<b>119 780</b>	<b>91 325</b>
Production and misc. operating expenses	(18 192)	(17 378)	(58 840)	(50 695)
Salaries and payroll expenses	(9 748)	(8 694)	(29 515)	(23 963)
<b>Total operating expenses before depreciation, amortization and impairment</b>	<b>(27 940)</b>	<b>(26 072)</b>	<b>(88 354)</b>	<b>(74 658)</b>
Depreciation and amortization	(5 354)	(3 958)	(15 041)	(12 019)
<b>Operating profit (loss)</b>	<b>7 019</b>	<b>3 887</b>	<b>16 385</b>	<b>4 648</b>
Net financial expenses	(2 414)	(6 506)	(11 843)	(11 029)
<b>Net profit (loss) before tax expense</b>	<b>4 604</b>	<b>(2 619)</b>	<b>4 542</b>	<b>(6 381)</b>
Tax expense	260	(166)	319	(581)
<b>Net profit (loss)</b>	<b>4 865</b>	<b>(2 785)</b>	<b>4 861</b>	<b>(6 962)</b>
<b>Other comprehensive income</b>				
Defined benefit plan actuarial gains (losses)	-	-	-	-
Cash flow hedges gains (losses)	(533)	5 719	(724)	5 719
<b>Total other comprehensive income</b>	<b>(533)</b>	<b>5 719</b>	<b>(724)</b>	<b>5 719</b>
<b>Total comprehensive income (loss)</b>	<b>4 332</b>	<b>2 934</b>	<b>4 137</b>	<b>(1 243)</b>

EBITDA for the quarter was USD 12.4 million, up from USD 7.8 million a year earlier reflecting higher krill oil sale.

### Revenue and other income

Sale of products generated USD 39.9 million in revenues in the third quarter, up from USD 33.7 million last year. The increase is primarily explained by a combination of organic and acquired growth in the krill oil segment.

### Operating expenses

#### Production, operating expenses and change in inventories

Production and operating expenses was USD 18.2 million in the third quarter, compared with USD 17.4 million last year. The increase in production and operating expenses reflects 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	Q3 2018	Q3 2017	YE 2017
Total assets	433 985	363 225	377 413
Total equity	188 485	72 780	59 297
Net interest bearing debt	201 084	255 894	272 552
Net working capital	63 495	54 865	41 157
Equity ratio	43 %	20 %	16 %

### Total assets

Total assets have significantly increased since year-end 2017. The increase reflects the acquisition of Enzymotec's krill business, krill-oil extraction technology 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 201.1 million at the end of the quarter, down USD 71.5 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 63.5 million, up from USD 41.2 million at year-end 2017. The increase mainly reflects 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