



 AKER BIOMARINE
ANNUAL REPORT 2022

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CHAPTER 1

THIS IS AKER BIOMARINE

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Our course is set for growth

If there's one word to describe 2022 for Aker BioMarine it would be "turnaround".

After a challenging 2021, we drew on our "can do and grind through" attitude to focus our efforts and seize opportunities that support our mission to improve human and planetary health. I am pleased to say that that Aker BioMarine was able to turn the ship around and show growth in 2022. Years of hard work, investments and patience has finally gotten the company to scale, and our course is now set for further growth.

Our improved performance stems from growing sales, improved harvesting and a concerted effort across Aker BioMarine to streamline our operations and uncover efficiencies. The improvement program that was initiated in late 2022 is targeting to significantly reduce cost, in addition to strengthen the core business platform and create a more robust company set for further growth.

Core activities

During 2022, the Human Health & Nutrition team executed their sales acceleration plan. A great deal of effort has been put into re-organizing this line of business launching new products, publishing new science and driving regulatory approvals, and we expect to return to growth in 2023-24.

Harvesting delivered a new all-time high production record, exceeding production the year before by 19%. Thanks to an efficient supply chain and logistics operation, we also made significant strides in Animal Health & Nutrition in 2022. Feed producers, as well as fish and shrimp farmers, are benefiting from the proven advantages of the QRILL products in terms of the growth and health of their marine species. With a competent team of sales and marketing

resources locally in all the key markets we operate, we grew our Aquaculture sales significantly last year.

Our brand business also saw good developments in 2022. Our own consumer brand, Kori, continued its growth throughout the year, with both increase in distribution and same store sales. In the private label business, we transitioned in new management during 2022, as the founders exited the business. With the new management in place, we have laid the foundation for the next growth phase.

A sustainable fishery

As a company, we are only able to grow as long as we take care of the ecosystem in which we harvest. We are proud to report that in 2022, new research concluded that the Antarctic krill fishery is the cleanest in the world based on its extremely low bycatch rate. We also received the results of Sustainable Fisheries Partnership's 2021 review showing that Aker BioMarine is an A-rated fishery for the seventh consecutive year. One of our core priorities is to contribute to a thriving Antarctic ecosystem, which is why in 2022, we pledged an additional USD 1 million to support the Antarctic Wildlife Research Fund and its work to ensure a resilient Antarctica and up-to-date information.

Backed by science

We believe that scientific research is key to building better understanding of krill and its potential for both human and animal health. During the year, we participated in several scientific studies that documented the impact and potential of krill on both humans and animals. Among others we learned, through a

study with Oslo University Hospital, the University of Oslo, and Akershus University Hospital, that krill can slow down aging at a cellular level and improve quality of life in humans. We also confirmed, through a review of more than a decade's worth of data and research, that krill has a positive impact on growth performance, feed intake, filet quality and organ health in salmonids. In addition, we participated in a breakthrough study with CSIRO, Australia's national science agency, to investigate the effects of krill oil on osteoarthritis of the knee. After the six-month trial, scientists concluded that krill oil significantly reduced knee pain and improved stiffness and physical function.

Innovation

At Aker BioMarine, we are investing in technology and innovation. We made significant progress in 2022 with Aion, a company spun out of Aker BioMarine to focus on scaling circular plastics, starting with Aker BioMarine's own challenges with plastic waste. We announced during the year that Ocean 14 Capital Ltd., a private equity firm, will jointly finance Aion along with us, to support the company during its initial growth phase. It was also a year of progress for our new plant in Ski, Norway, where we plan to produce a new protein product and host our own protein innovation center. The plant is currently on track for a mid-2023 opening. In addition, we signed our first commercial agreement for Lysoveta in 2022, with the aim to develop products for important areas like Alzheimer and Gestational diabetes.

People

When I look back on 2022, I see a year of extraordinary achievements, due to our extraordinary people. Together, we have weathered all the challenges that we faced. We continue to be a 'can do and grind through' organization, meeting each challenge head on and staying laser focused on growing our company because of our strong belief in the health benefits of krill. I want to thank our people, our investors, our partners, our customers, and everyone out there cheering us on for the past 16 years. We've come a long way on our krill journey, but we have just started to tap into the great potential that lies ahead.



A handwritten signature in black ink, appearing to read "Matts Johansen".

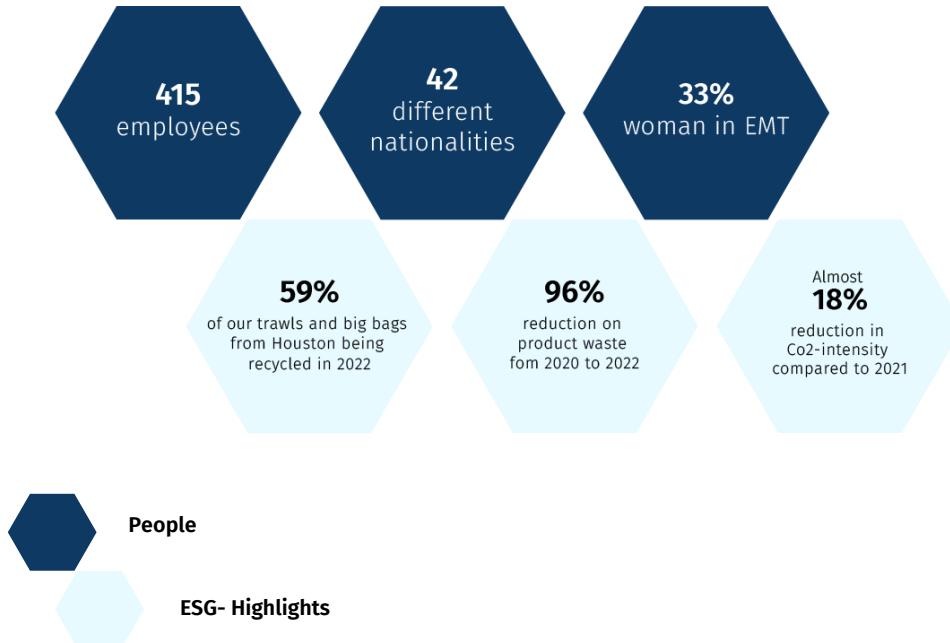
Matts Johansen
CEO Aker BioMarine

About us

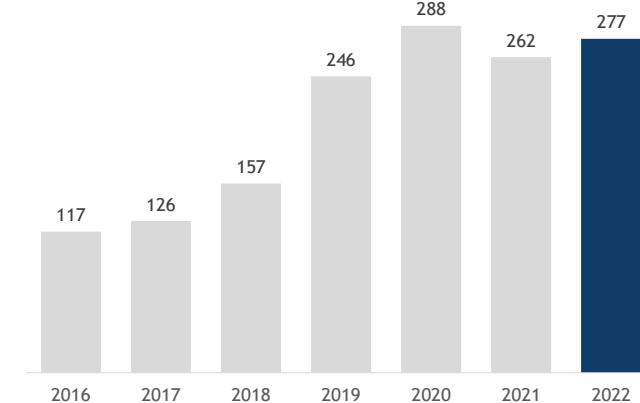
Aker BioMarine is a biotech innovator and Antarctic krill harvesting company, created because of our strong belief in the positive health effects of krill.

16 years later, we continue to develop our business as we take care of the ecosystem from which we harvest. Our fully integrated value chain stretches from sustainable krill harvesting in pristine Antarctic waters through our Montevideo logistics hub, Houston production plant, to customers around the world. The company has a strong position in its industry and is the world's leading supplier of krill.

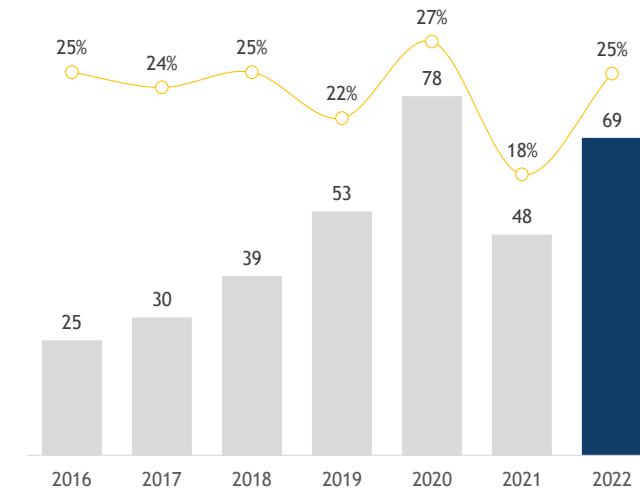
Key Figures



Revenue
USD million



Adjusted EBITDA¹ and margin
USD million and %



Aker BioMarine around the world

Aker BioMarine is present all over the world from Australia to the US, with headquarters in Oslo, Norway.



Our fully integrated value chain



Krill Harvesting

72%

of total global krill catch

Three state-of-the-art krill vessels secure stable production



Ingredient Production

86%

of volume produced packed and labeled onboard vessels

Production of krill ingredients onboard vessels



Research & Development

Our krill oil products has been used in
ca. 200
published studies

Testing, R&D, NPD and award-winning innovation



Krill Oil Production

<70%

of global krill oil production

Purpose built oil extraction plant in Houston, TX



Sales & Marketing

>60

countries we sell to

Global B2B sales & marketing organizations



Consumer Brands

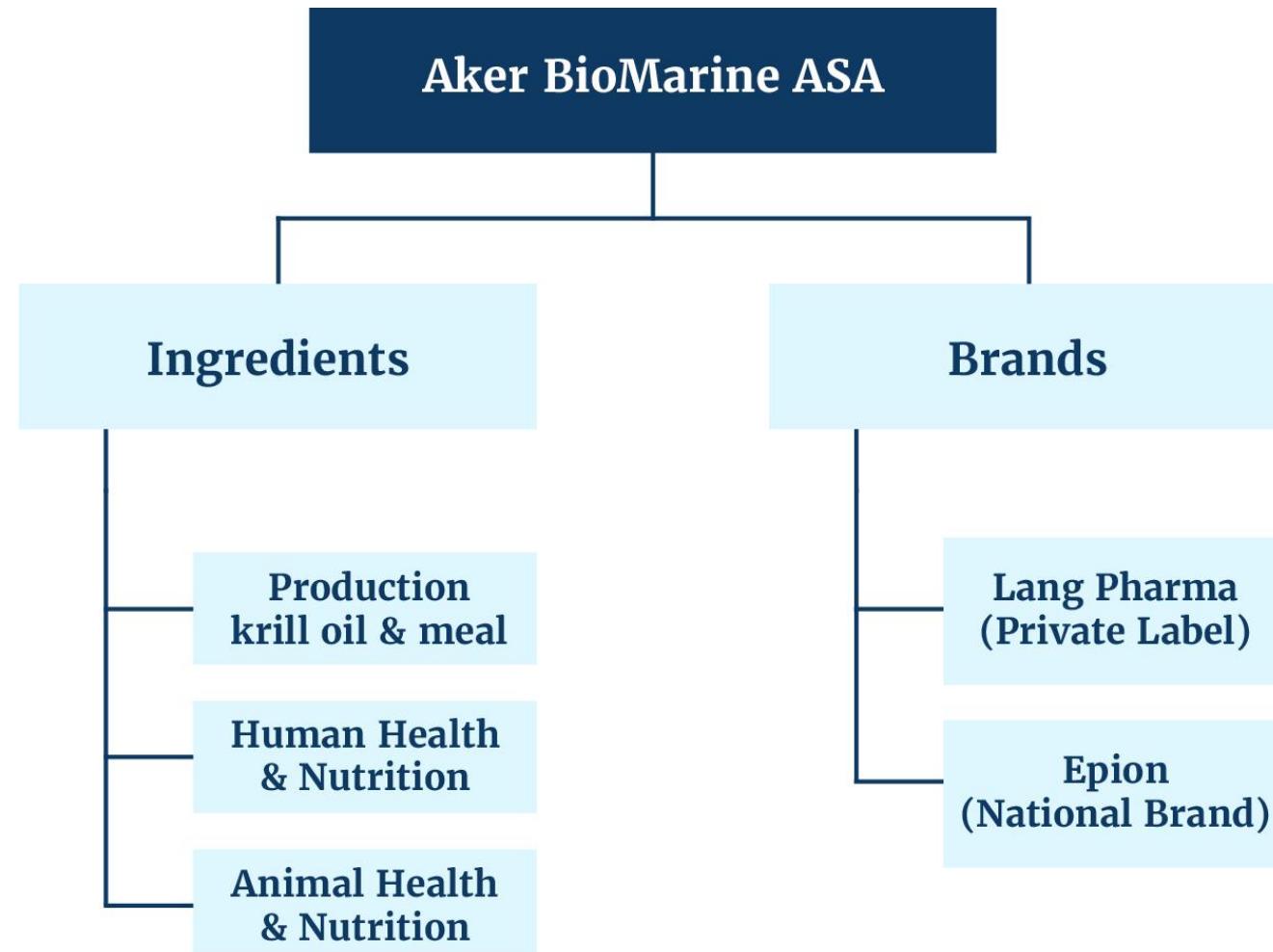
>13m

Individual units of krill products sold to US consumers the last year

Company structure

Aker BioMarine is a company with two primary business segments: Ingredients and Brands.

The ingredients segment involves offshore harvesting and production, logistical operations, and onshore manufacturing and sales of krill-derived products. These products are distributed globally to the nutraceutical, pet food, and aquaculture industries. The Brands segment focuses on human consumer goods, with Lang Pharma Nutrition (Lang) and Epion as its two main components. Lang produces and distributes private label vitamins and supplements to the largest retailers in the US market. On the other hand, Epion is Aker BioMarine's consumer brand company, which launched its first brand, Kori, in the US mass market in 2020.



Management team

As of March 2023



Matts Johansen

Chief Executive Officer (CEO)

Matts Johansen has been CEO of Aker BioMarine since 2015. He first joined the company in 2009 as Chief Operating Officer. Prior to his career in Aker BioMarine, Johansen served as the Chief Marketing Officer at Telefónica O2. He studied at Oslo University College and completed executive education at Columbia University.



Katrine Klaveness

Chief Financial Officer (CFO)

Katrine Klaveness became CFO of Aker BioMarine in 2018. Prior to joining Aker BioMarine, she spent the first part of her career in McKinsey & Company, followed by several years in senior positions in Aker ASA's investment team and Aker BP. Klaveness holds a master's degree from BI Norwegian Business School.



Simon Seward

EVP Human Health and Nutrition

Simon Seward joined Aker BioMarine in 2019. He is responsible for global sales and marketing of the company's Human Nutrition & Health products. Prior to joining Aker BioMarine, he was SVP Sales & Marketing at Algalif and Commercial Director at NutraQ. Seward has a master's degree in Marketing from Staffordshire University.



Tone Lorentzen

EVP Supply Chain

Tone Lorentzen joined Aker BioMarine in 2015 and currently oversees Aker BioMarine's entire supply chain, including global logistics, customer care, production at the krill oil factory in Houston, third party production, product quality and HSSE. Prior to joining the company, she held roles at Nycomed, Amersham, GE Healthcare and Trygg Pharm.



Webjørn Barstad

EVP Offshore

Webjørn Barstad joined Aker BioMarine in 2020 as Executive Vice President Offshore. Previously, he served as CEO for Lerøy Havfisk and Lerøy Norway Seafoods, and as COO at Lerøy Seafood Group. Barstad has a master's degree in International Banking and Financial Studies from HeriotWatt University Business School, Edinburgh



Hege Spaun

Chief Officer People & External Affairs

Hege Spaun joined Aker BioMarine in 2016. She is responsible for the People and Culture, as well as ensuring that the company is in the forefront of driving the sustainability agenda and transitioning our operations accordingly. She previously held various positions in DNV. Spaun holds a master's degree in Psychology from the University of Oslo.



Sigve Nordrum

EVP Animal Health and Nutrition

Sigve Nordrum joined Aker BioMarine in 2007. He is responsible for the global sales and marketing of krill products for animal and aquaculture markets. Previously, he worked at BioMar and the Norwegian Ministry of Fisheries. He has a master's degree from the Norwegian School of Life Sciences and a PhD from the Norwegian Veterinary College.



Trond Atle Smedsrud

EVP Strategic Investments

Trond Atle Smedsrud joined Aker BioMarine in 2015. He is responsible for exploring, securing, and growing corporate investments. Smedsrud has also served as head of Aker BioMarine's Marketing and Innovation department. Previously, he held senior positions at Coca-Cola and PwC. He has a master's degree from BI Norwegian Business School.

Our journey

2003-2006	2006-2012	2012-2013	2015-2016
<p>Saga Sea Aker BioMarine puts its first krill vessel, Saga Sea into operations.</p> <p>Eco-Harvesting Eco-Harvesting technology allows Aker BioMarine to harvest krill in a way that safeguards biodiversity and limits by-catch.</p> <p>SUPERBA The Superba krill line to bring phospholipid omega-3s to humans, is born.</p>	<p>QRILL Aqua Aker BioMarine enters the aquaculture market with QRILL Aqua, a phospholipid-rich omega-3 fish feed</p> <p>La Manche Aker BioMarine commissioned its second vessel, La Manche. It was put into operations in 2009.</p> <p>MSC The company achieves the Marine Stewardship Council (MSC) certificate, proving the strongest standards for sustainability in wild-caught fisheries.</p>	<p>Antarctic Sea Aker BioMarine adds Antarctic Sea to its fleet.</p> <p>QRILL Pet The company enters the pet market with the QRILL Pet product line.</p>	<p>AWR Aker BioMarine establishes the Antarctic Wildlife Research Fund (AWR) to promote and facilitate research on the Antarctic ecosystem.</p> <p>SUPERBA Boost Using its newest technology Flexitech, Aker BioMarine launches its first krill oil concentrate, Superba Boost.</p> <p>Production Plant Aker BioMarine acquires the Houston manufacturing facility and takes full control over its production.</p>
2017-2020	2020-2021	2022	2023
<p>Antarctic Endurance Aker BioMarine commissions a new, more environmentally friendly vessel exclusively constructed for krill harvest.</p> <p>AION Aker BioMarine launches AION, a new circularity company to recycle waste and re-use materials.</p> <p>Lysoveta Aker BioMarine launches LYSOVETA, a new delivery platform based on LPC-bound EPA and DHA from krill.</p> <p>Invi Aker BioMarine launches INV, a highly concentrated protein isolate with a protein purity above 90%.</p>	<p>Oslo Stock Exchange Aker BioMarine transferred from Euronext Growth to a new listing on Norway's main market, the Oslo Stock Exchange.</p> <p>Antarctic Provider Aker BioMarine launches a new energy efficient support vessel, fitted out with efficiency improvements and environmentally focused technologies.</p> <p>Climate and Decarbonization Committee (CDC) The CDC was established to ensure we reach our decarbonization goals with a viable sustainable business model. The CDC illustrates the dedication in the entire organization to reach ESG targets.</p>	<p>Approval in US and Canada QRILL™ AQUA secured approval from both Canadian Food Inspection Agency (CFIA) and the Food and Drug Administration (FDA) in the United States.</p>	<p>Protein plant in Ski AKBM started building the Protein plant in Ski, where the company will produce protein powder based on krill. The plant is set to open in 2023.</p>

Ingredients and brands

Our business is categorized into four main sectors: Human Health and Nutrition, Animal Health and Nutrition, Consumer Brands and Innovations

Human and Animal Health and Nutrition



SUPERBAKrill™

Omega-3s are an essential part of the diet for human health and wellbeing. However, an estimated 97 percent* of the population has less than optimal omega-3 levels, exposing them to an increased risk of various lifestyle diseases. Superba krill oil is a marine phospholipid complex of choline, omega-3s and the powerful antioxidant astaxanthin. Clinical data shows that Superba krill has multiple health benefits for heart, joint, skin, cognitive health and active lifestyle and can significantly increase the omega-3 index level after just one month when consumed daily. Superba will contribute to improving general health and support the efforts to alleviate lifestyle diseases by delivering 5 billion doses of health promoting nutrients by 2030.

*A 2016 study published in *Progress in Lipid Research*



QRILL™ AQUA

Krill meal is a well-known, sustainable source of nutrition that improves feed quality for farmed fish and shrimp. Harvested from one of the world's most well-managed fisheries (CCAMLR), QRILL Aqua ingredient for formulated feeds leaves a low marine footprint and a continually declining carbon footprint, in addition to being fully traceable and certified by MSC. Antarctic krill that is rich in marine omega-3s and is naturally rich in choline, astaxanthin and marine proteins. It is also sustainable, traceable, and sourced from some of the cleanest waters on Earth. Scientific studies show that krill products, such as QRILL Aqua, QRILL High Protein and AstaOmega Oil, have high potential to improve aquaculture feeds, enhancing their nutritional composition and attractability, and in turn stimulating the growth and health of both shrimp and fish.



QRILL™ PET

Omega-3s have recognized health benefits for dogs and humans alike. A pet food that contains omega-3 is the first step to ensuring that pets can benefit from this important nutrient on a regular basis. QRILL Pet is a functional marine ingredient made from whole Antarctic krill that is rich in marine omega-3s and is naturally rich in choline, astaxanthin and marine proteins. It is also sustainable, traceable, and sourced from some of the cleanest waters on Earth. Krill supports the health of several vital organs, including the heart, kidney, liver, brain, skin, and coat. QRILL™ Pet comes from one of the most sustainable fisheries. The Aker BioMarine krill fishery is MSC certified.

Consumer brands

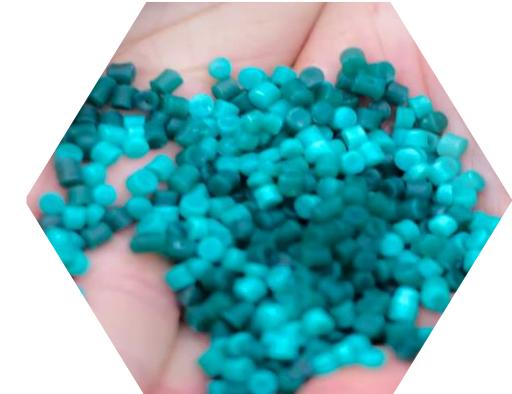
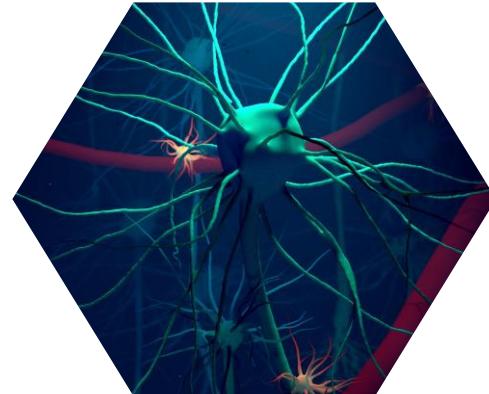


Aker BioMarine have an independent company in the US, named Epion Brands Inc. Epion distributes the company's Kori krill oil product to large retail chains, including Walmart, Target, CVS and Costco. Kori krill has established a large retailer footprint in a short period of time, at an unprecedented pace in the US supplement industry. Through its market presence, Epion gets first-hand consumer information and provides valuable insight into consumer behavior and needs for Aker BioMarine. Through an innovative and positive-oriented market approach, with a focus on younger generations, Epion maintains a solid footprint on US retail shelves.

Aker BioMarine acquired Lang Pharma Nutrition, Inc. in 2019, a company with more than 35 years of history and experience in the nutrition and dietary supplement industry. Lang Pharma is a key partner to the world's leading mass market retail chains, with close to 200 different products on shelves of retailers, including Costco, Sam's Club, Walmart, Target, CVS and Walgreens. The US vitamin and supplement industry is growing. Lang Pharma, with its lean, yet flexible market approach and responsive culture, is uniquely positioned to support Aker BioMarine's ambitions to expand the company's footprint in the US market.



Innovation Brands



LYSOVETA™ is the new supplement product from Aker BioMarine, specifically targeting brain health. It contains essential nutrients for brain function, that are important across the whole lifespan. In 2022 the first commercial agreement was signed with Trofi Nutritional Inc. Trofi aim to develop medical food products based on Lysoveta targeting brain health and reproductive health. Pilot production capabilities has been established at the Houston factory, and Aker BioMarine is expecting regulatory approval for sale in the US market in 2023.

understory

Understory, formerly called INVI, is a range of high purity protein peptides products with complete amino acid profile and naturally rich in nutritionally important minerals. These protein peptides are ideal for incorporation into ready-to-mix and ready-to-drink beverages, as well as other premium formats for brands targeting the beauty, wellness, and sports/active consumer segments. Understory has received regulatory approval for sale in the United States, Australia, and New Zealand with processes on-going in the EU and other target geographies. Aker BioMarine plans to ramp up production in a new launch plant with first product in the market in 2023.



AION is an Aker BioMarine spinoff within plastic circularity and circular tech. AION is a business model innovation that grew out of Aker BioMarine's own ambition to see own plastic waste being repurposed into new value chain, driving both environmental impact and cost efficiencies. Today AION helps companies within different sectors turn their plastic problems into impactful solutions. AION's digital platform AION Loop collects data in all parts of the value chain, providing AION's customers and the recycled plastics industry with traceability and documented environmental effects of plastic circularity. Per December 2022, AION's customer list included McDonalds, Veidekke, American Seafoods, HAVI, Sodexo, KAOS, NorgesGruppen, Circmar and Surfact.

Research and innovation

As the world's largest krill harvester and supplier, we are committed to exploring and investigating krill oil nutrients and their biological effects.

Since Aker BioMarine was founded in 2006, we have taken a leading role in the development and utilization of Antarctic krill resources through science and innovation. We harvest krill, study its biological effects, isolate important nutrients, and develop krill-derived products for the consumer health and animal nutrition markets.

Over the years, we have played a leading role in the growing krill industry, building a company filled with passionate people who put innovation at the core of our business. We invest significantly in science, with the aim to build fundamental knowledge about krill and to research the biological effects of krill nutrients. As a result, Aker BioMarine has taken several new and important products to market, with more on the way.

A key part of our strategy

Science and innovation are key elements of our strategy. We currently employ 14 scientists, all of whom hold PhDs, to help drive our research agenda. Since 2006, krill products from Aker BioMarine have been involved in approximately 200 studies, primarily through research or by donating krill oil or meal. In 2022, 35 scientific articles on krill oil/meal were published in total. Refer to the section titled "Our scientific publications on krill oil and meal in 2022" for the list of studies that Aker BioMarine has invested in and/or donated product, or was otherwise involved in, during the year.

Our patents

Since day one, Aker BioMarine has been fully committed to scientific research and business development in the nutritional marine lipid field, specifically related to krill products. This commitment has led us to patent our own technology and to acquire other technology. As a result, we currently have the world's largest and

most innovative patent portfolio in our field. This includes harvesting technology and production methods, through patents covering today's commercially available krill products, as well as nutraceutical innovations that will be available to consumers in the years to come. By the end of 2022 we held 101 patents in total, of which 25 were granted in 2022.

Research and innovation center

Following a delay in the project in 2022, Aker BioMarine is now back on track to open its pilot plant in 2023. We plan to develop a highly concentrated protein isolate at this factory, located in Ski Business Park, Norway, and it will also be home to an adjacent research and innovation center focused on long-term product development. Through this, we aim to strengthen the local environment for marine biotechnology and create high-competence jobs within a sustainable and innovative industry.

Research funding

In 2022 alone, our contribution to marine science in Antarctica, through in catch or in kind, has been in excess of USD 1 million. This includes our annual contribution to Antarctic Wildlife Research Fund (AWR), co-founded in 2015 with environmental NGOs to promote science on the Antarctic ecosystem and a more resilient Antarctica. AWR has since its inception financed 22 scientific projects with total funding of approximately USD 1.4 million.

Our scientific publications on krill oil and meal in 2022:

Krill oil can slow down aging and help improve life quality

A recent study conducted at the University of Oslo, Oslo University Hospital, and Akershus University Hospital, revealed that krill oil can slow down aging processes in cells and tissues in nematode worms and human cells. The next step for the scientists will be to investigate if we see similar results in humans. Published in Aging

Krill oil reduces knee pain and stiffness

A new study by CSIRO, Australia's national science agency (sponsored by Swisse's H&H Research) investigated the effects of krill oil on adults suffering from knee osteoarthritis. The scientists concluded that krill oil resulted in improvements in knee pain, stiffness, and physical function in the participants. Published in the American Journal of Clinical Nutrition

Krill oil beneficial for muscle function and size in seniors

A newly published study by the Institute of Cardiovascular and Medical Sciences, University of Glasgow, found that just four grams per day of krill oil can have beneficial effects on skeletal muscle strength and size in healthy, older people. Published in Clinical Nutrition

Krill meal exhibits highest protein and amino acid digestibility in shrimp diets

Leading university aquaculture research teams in Brazil evaluated the digestibility of crude protein and essential amino acids of different feed ingredients. Digestibility is an important quality parameter that defines the value of raw materials and allows formulating on a digestible protein and amino acid basis. The study concluded that aquatic ingredients, yielded higher digestibility compared to plant and terrestrial animal by-products, with krill meal exhibiting the highest values. Published in Revista Brasileira de Zootecnia (RBZ).

Krill meal improves health and performance of salmonids

In a review article from 2022, Aker BioMarine researchers concluded that Antarctic krill products, when included in feed, have a positive impact on feed intake, growth performance, fillet quality and organ health in salmonids. Published in Hindawi.

Krill meal shows high potential for developing sustainable shrimp feed formulations

ICAR and Aker BioMarine concluded that krill meal is a beneficial functional ingredient for shrimp dietary feed. The trial showed that inclusion of 4 to 6% krill meal in the diet can lead to higher body weight and greater survival among shrimp and that already 2% dietary krill meal increases immune gene expression in the hepatopancreas of shrimp. Published in Aquaculture. Reports

Our key milestones 2022



World's cleanest fishery

A study published in the journal *Fisheries Management and Ecology*, concluded that the Antarctic krill fishery is the world's cleanest due to its low bycatch rate (0.1% - 0.3%), as compared to other fishery bycatch levels (10% - 55%).



Introduced a new delivery platform: PL+

We introduced a new delivery platform for enhanced bioavailability of dietary supplement ingredients, called PL+. Utilizing the true potential of phospholipids (PL's). The platform will help bring new products to market.



Cost-effective krill

A new review article from Instituto de Ciências do Mar, Brazil (Labomar) and Aker BioMarine concluded that krill meal is a cost-effective, functional ingredient for shrimp feed that enhances growth.



Lysoveta agreement signed

Aker BioMarine signed with biotech entrepreneur, Dr. Michael Davidson, to develop pharmaceutical therapies for brain and eye diseases based on Lysoveta.



Investment in AION

Ocean 14 Capital Ltd. entered an investment agreement with AION to provide financing, along with Aker BioMarine, through a joint NOK 40 million convertible loan facility.



Healthy aging

New research found that krill oil can slow down aging and help improve life quality. The study, published in *Aging*, shows that krill oil inhibits many processes driving aging in nematodes worms used in the trial.



Norway's sustainability pledge

As a part of the Bellona initiative "The Raw Materials Pledge" (Råvareløftet), Aker BioMarine were among the industry contributors to a report on how to speed up the use of new and sustainable raw materials for fish feed where krill is an important part of the solution.

Our Mission is to improve human and planetary health

We take care of the resources on which our business depends, providing a clear strategy and building a culture of autonomy and trust.



Our Capitals



Human Capital

At Aker BioMarine, we aim to do things that no one has ever done before. When confronted with challenges, many companies choose to bring in outside expertise. But for us – a company that operates on the frontiers of a niche industry – we believe in building and developing our own expertise in-house. Our people are our most valuable asset.



Intellectual capital

Innovation is part of our DNA. From pioneering the Eco-Harvesting system to developing new products verticals, we are proud of our in-house spirit of invention. We believe that transparency helps our industry evolve. That is why we share our catch data and technology to further research efforts and promote our way of thinking. However, we protect our intellectual property rights through our patent and copyright strategy.



Social Capital

We take responsibility for our operations in Antarctic waters and support efforts to protect precious marine resources. This requires constructive relationships with governmental and regulatory agencies, industry peers, the research community, and environmental NGOs. We actively engage and collaborate with these key stakeholders.



Manufactured Capital

Aker BioMarine has made several major infrastructure investments throughout its value chain. We are boosting supply chain efficiency through capital investments in our Antarctic factory vessels, as well as at our port facilities in Montevideo and factory in Houston. We lease warehouses and office space at our headquarters in Oslo and our sales offices in the United States, Latin America, Australia, and Asia. Our krill vessels, support vessel, and the manufacturing plant in Houston are wholly owned by us.



Natural Capital

Aker BioMarine holds Antarctic krill fishing licenses issued by Norway, our home country. Our long-term access to the krill fishery depends on the responsible development of the krill industry. We must continue to ensure that there is scientific evidence and confidence that krill harvesting remains sustainable and closely aligned with global efforts to combat climate change.



Financial Capital

In 2021, Aker BioMarine transferred from Euronext Growth to the Oslo Stock Exchange. Strong financial backing is crucial for our company's growth and essential for across-the-board excellence. At Aker BioMarine, we believe that financial and sustainable performance are interlinked and serve to reinforce each other, requiring both to be in equal focus.

Operational risk & opportunities

Below is an overview of the company's operational risks and opportunities. For a comprehensive risk and opportunity view, please also see the financial risk in chapter 3 (Note 19 and the Board of Directors' Report).

Risks	Impact	Risk mitigation and management*
Future sales growth	Increased competition from other fisheries entering the market plus alternative sources of omega-3s, such as GMO plants and algae, could impact growth in the demand for krill products globally and also put pressure on prices. Entry into new Asian markets with different regulatory regimes could also impact sales short to medium term, whilst offering good long-term sales potential.	We work every day to increase awareness among our existing and potential customers to the benefits of krill. We employ local people that are close to customers and key decision makers in our larger markets that understand both the market dynamics and regulations. We continuously develop new research and science that underpins and supports the product claims and marketing messaging.
Access to harvesting in the Antarctic	Changes in regulations from CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources), new Marine Protected Areas (MPAs) affecting the fishing area, or broader regulatory bodies limiting the harvesting areas may reduce access to krill. Increased competition from new countries, e.g., China could also affect the company's ability to harvest krill.	The krill biomass survey in 2019 showed an abundant healthy krill biomass. We invest in the development of Feedback Management: the future krill management system that gives CCAMLR higher scientific certainty that krill harvesting does not negatively impact the ecosystem. We drive responsible fishing practices through ARK and actively engage with scientists, regulators and NGOs as an observer in CCAMLR and a multitude of formal and informal venues and opportunities for dialogue. We see our vessels as an important platform for independent scientific research and support scientists in their sampling and field work. We established the Antarctic Research Fund (AWR) together with WWF-Norway and ASOC.
Operational breakdown	A major incident in our onshore facility in Houston or on any of our vessels due to technical issues, natural disasters or pandemic related could have serious operational, environmental, and financial impact.	We conduct training, monitoring, compliance testing and vessel safety audits on a frequent basis, also with external parties. We have increased our product inventory safety stock in Houston to cater for potential downtime.
Economic downturn	Global economic downturn/recession that negatively would impact our growth ambitions.	Relentless work to keep fixed and variable cost base on a sustainable level and identify projects/investments that can be paused to secure low cost if sales are declining. Improvement project and implementation of capital release process are key.
Product safety	Severe adverse test results of our product quality e.g., serious incidents due to toxins in product or rumors of dangerous product.	We have stringent and comprehensive QC processes for testing for contaminants and neurotoxins.

*The management must do its best effort defined mitigating activities that can or should reduce the risk, but there is no guarantee that the risk will be significantly reduced or fully eliminated despite mitigating initiatives being implemented



Risks (continued)	Impact	Risk mitigation and management
Climate change and extreme weather can affect the krill biomass with regards to availability, composition, and movement and create a challenging operational environment.	Availability of the krill and the patterns of movement and composition and could affect the harvesting, wear and tear on equipment and affect Houston production with access to power and water Change in composition of the krill will affect the product and product seasonality.	We survey the krill biomass every season, showing an abundant healthy krill biomass. We collaborate with CCAMLR with providing scientific support, and drive responsible fishing practices through ARK. We actively engage with scientists, regulators and NGOs as an observer in CCAMLR. We also investigate alternative (ways to get) raw material (e.g. harvest in other areas such as area 58). We adapt to composition changes by continuously monitoring products and having adaptive production set-ups to meet any changes. We invest in vessels and insurance of production facilities. We conduct training, monitoring, compliance testing and vessel safety audits on a frequent basis, also with external parties.
There is a political risk related to decarbonizing shipping with likely IMO regulations on carbon and taxes on fossil fuels.	The cost of fuel will increase with an urgent need of decarbonizing the fleet.	We are actively working on decarbonization and have implemented several resources savings changes in 2021 and are planning implementation of more. We are actively monitoring the situation with regards to the availability and technological readiness of alternative fuels and infrastructure in a hard-to-abate industry like the maritime.

Opportunities	Impact	Capitalize on opportunities
Krill nutrients to support health and nutrition	Increased understanding of the benefits of krill products to support healthy lifestyles and prevent lifestyle diseases can benefit society and our business.	We invest in scientific studies to identify and substantiate benefits and marketing campaigns to increase public awareness of the benefits of krill nutrients for human and animal health and nutrition
New krill derived products	Development and launch of new products with added health and nutrition benefits increases the value of krill raw material and positive societal impact	We are developing new lipid and protein products for human nutrition for launch into growing consumer product segments e.g. LYSOVETA and Understory.
Attracting and retaining talent	Attracting and retaining the right people is critical to reach our aspirations, and it is important to us that we build an organization that can provide our people with the right opportunities for growth.	Corporate brand of sustainability and biotech innovation, as well as competitive compensation & benefits. We have built a culture based on freedom and trust to retain talent and attract the new generation of job seekers. We have implemented a career model that ensures that all our employees have equal opportunities for advancement in their career no matter if it's a managerial, professional or commercial role.
Gender equality	Companies where women account for over 15 percent of senior management show higher returns. This represents an opportunity for our company to ensure democratic representation and diversity in management.	We have structured our recruitment and internal promotion processes to ensure equal opportunities, implemented performance review and leadership development program. The management team has 40% women. Increased focus on recruiting women into middle management positions.



Opportunities	Impact	Capitalize on opportunities
The climate change is driving a growing market demand for healthy and sustainable food.	Delivering high quality health nutrients in a sustainable way is both good for our business and society with a reduced carbon footprint.	We work together with customers to drive sustainability and increase awareness of marine ingredients as a source
Access to green finance	By proving ESG commitment, governance and progress, we can be more attractive to financial institutions and on the stock market	By ensuring adherence, excellent governance and progress towards, as well as adherence to sustainability linked loans and EU taxonomy, AKBM will capitalize on the positive opportunities connected with the increasing financial opportunities I the green shift.
Low carbon intensity in products and environmental focus from customers.	Consumer driven drive towards carbon and environmentally friendly products and transparency in CO ₂ and resources usage	A thorough environmental declaration on our products and aim to decarbonization in value chain benchmarked annually by third parties will be used to demonstrate our effort to decarbonization and improvement of the environmental footprint of our products.

Metrics and Targets

Aker BioMarine has committed to ESG targets as described on page 21-34

CHAPTER 2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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Sustainability in Aker BioMarine

Aker BioMarine is committed to achieving a positive impact on human health without compromising the health of the planet.

Sustainability, transparency, and responsibility are characteristics of our company governance and way of operating. This ensures our long-term profitability and gives us license to operate. We have set ESG ambitions towards 2030 and 2050, and work in close collaboration with our stakeholders to ensure the well-being of people, communities, and nature wherever we operate. The basis for sustainability in Aker BioMarine is the precautionary harvesting of the raw material,

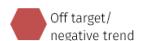
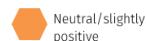
Antarctic krill, one of the world's biggest and most unique marine biomasses. We aim to deliver krill products that support nutritious and sustainable diets and have set a path towards 50% reduction of CO₂-emissions intensity by 2030, with the long-term target being carbon neutrality by 2050. To fully succeed with its ambitions to significantly reduce CO₂-footprint AKBM will, along with the systematic implementation of measures to increase energy

efficiency, also depend on available technology, and infrastructure in a hard-to-abate industry and market development. We are on track to eliminate product waste and be fully circular in our principal waste streams by 2026. The vision of circularity inspired the launch of AION in 2020, a circularity company dedicated to helping companies recycle and reuse waste. In our efforts towards reaching our ESG ambitions we benchmark ourselves internally, while embracing

transparency and external scrutiny of the progress we make. We are part of the solution to feed a growing population in a sustainable way, and continuously innovate to ensure that we maximize the utilization and value of our resources while causing minimal footprint.



In line with target/
positive trend



Our deliverables for human and planetary health towards 2030

2030 ambitions

	KPI	Fulfilment %* and result 2022	Trend
2 We aim to make aquaculture production more efficient, by contributing to 1 billion extra servings of seafood produced annually	Extra servings of sustainable seafood	2030-goal fulfilment: 22% 16,9% increase from last year	
2 We aim to develop innovative products that play an integral role in sustainable diets and the future food system	R&D spent on sustainable diets	18 376 083 USD 60% increase from last year	
3 We aim to combat lifestyle diseases by delivering 5 billion doses of health promoting nutrients annually	Doses of marine nutrients	2030-goal fulfilment: -19% 10% decrease from last year	
14 We aim to decarbonize aqua and animal feed by delivering low-carbon marine ingredients	Avoided emissions in aquaculture (ton CO ₂)	2743 mt avoided CO ₂ -emissions 14% increase from last year	
14 We aim to improve sustainability of fisheries through contributing to data and science driven regulation and ocean management	USD spent on marine science and feedback management	USD 1 043 million spent, which is a 90% increase from last year	
14 We aim to maintain MSC certification and ensure transparency in vessel operations	MSC certification, independent observer coverage on board while fishing.	Certification and observer ok Fulfilment: 100%	
12 We aim to ensure full circularity on all of our principal waste streams	Waste**	97% of annual recyclable waste recycled up 63% from last year	
13 We aim to reduce our carbon intensity per ton krill produced by 50 percent from 2020 levels	CO ₂ per ton krill produced	2030-goal fulfilment: 36% 18% intensity reduction from last year	

*Fulfillment: The development status on our 2030-target based on the 2020-numbers: 0% - same result as in 2020. 100% - We have achieved the ambition. Negative numbers- The development have moved backwards compared to the 2020-numbers.

**Waste: % big bags, trawls and discarded product recycled or sold as circular sales.

Reporting frameworks and assessments

The following company divisions and reporting frameworks have been used in Aker BioMarine's ESG-reporting 2022

In the financial reporting, the company has divided its operations into two segments, Ingredients and Brands. However, it should be noted that for our ESG (Environmental, Social, and Governance) reporting, we present a comprehensive view of the company as a whole.

This ESG-reporting is structured into three sections: Environmental, Social and Governance. Under each section we discuss relevant material topics. The following framework have been used:

With Reference to the GRI Standards

Aker BioMarine have been reporting with reference to the GRI Standards. The GRI Index is to be found as appendix 3.

TCFD

Aker BioMarine is committed to implementing the recommendations of the TCFD, and we will provide investors and other stakeholders with decision-useful information on climate-related risks and opportunities that are relevant to our business through the pillars of TCFDs framework for disclosure.

Voluntary taxonomy reporting

Being a Norwegian company, Aker BioMarine is not covered by the taxonomy regulation as the regulation has not yet come into effect in Norway. Aker BioMarine's have conducted a voluntary taxonomy report (see Appendix 1). The Company reports activities linked to our supply vessel Antarctic Provider (eligible) and our fishing vessels and production plant in Houston (non-eligible).

GHG-protocol

Aker BioMarine have reported our emissions following the GHG-protocol (appendix 2) PwC have provided independent assurance on the company's greenhouse gas emissions in 2022. The assurance engagement covers all activities in Aker BioMarine integrated value chain. The Independent Assurance Statement includes emissions data for Scope 1, 2 and 3 for 2021 and 2022.

Transparency Act

The Company have published its Transparency Act Report on the company website. It's reported accordance with the Norwegian Transparency Act (the "Transparency Act") section 5 and summarizes the policies and procedures in Aker BioMarine ASA ("AKBM") with respect to safeguarding of human rights and decent working conditions and provides information on the implementation and results of Aker BioMarine's due diligence.

Our stakeholders

Aker BioMarine has a wide range of stakeholders that are mapped and identified based on their criticality for operations and business continuity. A close dialog with our stakeholder gives us increased knowledge and understanding of our impact on our surroundings – and also how our surroundings might impact us.

STAKEHOLDER GROUP	MATERIALITY AND PURPOSE	RELATED RISK	KEY POINTS OF MEANINGFUL ENGAGEMENT
GOVERNMENTS AND POLITICIANS	National legislation (fishery licenses) and international legislation (Antarctic marine management) decides the framework in which krill harvesting, logistics and market access all depend on	-Acute transitional policy towards low-emission society -Regulations that do not favour krill harvesting -Lack of knowledge of and interest in Antarctica as a place of sustainable food production -Lack of progress in regulations can impact reputation and independent certification schemes	-Annual participation in CCAMLR meetings and working groups -Regular dialogue and input to Governments
NON-GOVERNMENTAL AND INDUSTRY ORGANIZATIONS	Environmental advocacy can sway public opinion, customers and policy. Industry affiliations and organization can protect interests	-Campaigns in the interest of protecting intrinsic value of protecting Antarctica may have no place for fishery -Biased advocacy can devalue an otherwise working Antarctic marine management system -Too low industry standard	-Venues of collaboration with NGOs in AWR and governance of Industry Voluntary Measures -Regular contact meetings with environmental NGOs to exchange points of view -Regular meetings in ARK to secure industry best practice
FINANCIAL AND INVESTORS	Financial institutions, owner and investors need to see profitability, and growth in company to keep up investments long-term	-Long term view of company not attuned to short term investments -Dip in markets	-Owner dialogue and investor relations activities -Quarterly reports and Capital Markets Updates
CUSTOMERS AND CONSUMERS	A strong customer and consumer base drives profitability in company	-loss of confidence in krill products -lack of belief in omega-3 supplements -Consumer chooses cheaper options	-Communication of news, data, and messaging on the benefits of krill
LOGISTICS AND SUPPLIERS	Third party suppliers of goods and services are key to business continuity	- Disruptions in supply chain or untrustworthy suppliers impair delivery of product -Non-compliance or lack of transparency in supply chain may lead to breaches of national/international regulations and/or breach internal codes	-Supplier screening and tight procurement policies
SCIENCE AND ACADEMIA	Generate knowledge, science and qualified opinion on sourcing and effects of krill as material and product. Fundamental for sustainability and product claims	-Too little science generated to support the niche of krill harvesting and production -Science that is critical or non- supportive, with or without solid grounds and data	-Collaboration and partnerships with academic institutions built around studies -Communication of krill related science findings
EMPLOYEES	Attracting and retaining the right people is key for growth	- Competence and knowledge loss - Delayed results, growth targets not achieved	Dialog and involvement of employee representatives, managers, relevant strategies for attraction and retention, strong Employer Value Proposition
PUBLIC AND SOCIETY	Public perception and legitimacy	-Risk of losing footing and social legitimacy in society	-Awareness the wider public interests beyond key markets and consumers -Educating public on health benefits of Omega 3 and importance of blue foods



ENVIRONMENTAL

To us, it makes no sense to take something out of the ocean to improve our health, if it simultaneously compromises the health of the ocean or the planet. In this section we focus on the following material topics that represents our environmental impact and how we approach them:

- With an ambition to become the most sustainable fishery in the world, *Fishery management* is a top priority.
- Aker BioMarine has built strong awareness about the Antarctic ecosystem and continuously works to minimize any negative impact. You can read about our approach in *Biodiversity and nature*.
- Developing a sustainable source of protein, along with other important nutrients, has become an increasingly important mission. Read more in *Sustainable ingredients*.
- Aker BioMarine are actively working to reduce our impact and lower emissions from our operations, read about our initiatives in *Emissions*.
- Dependent on ocean resources, Aker BioMarine is concerned about rising levels of plastic pollution and water emission. Read about our approach in *Waste and circularity*.
- In addition, you can also read about our approach how we structure our work on *climate-related risks and opportunities*, and our *EU Taxonomy-report*.

Climate risks and opportunities

Aker BioMarine will systematically implement, track progress, and publicly disclose climate-related efforts in alignment with the Task Force on Climate-related Financial Disclosures (TCFD).

Aker BioMarine is committed to implementing the recommendations of the TCFD, and we will provide investors and other stakeholders with decision-useful information on climate-related risks and opportunities that are relevant to our business through the pillars of TCFD's framework for disclosure.

The principal channel for Aker BioMarine's TCFD disclosure to external stakeholders is our Annual Report. As part of our risk review, we conducted an updated climate risk analysis using the TCFD framework. In this process, we involved stakeholders from all parts of the organization and systematically mapped and assessed our exposure to climate risk. We are tracking our exposure to climate risk on an annual basis, and our company strives to cut carbon intensity in half by 2030, which is an essential metric for climate risk exposure. We continuously take climate risks and opportunities into account in our strategic decision-making.

Climate-related risks and opportunities are described in "Operational risks and opportunities" table on page 17. Our ESG metrics and targets are addressed on page 21 - page 34.

Governance

The Board of Directors in Aker BioMarine has strong oversight over climate-related risks and opportunities, with most Board members possessing knowledge about climate effects, ESG targets and governance. Aker BioMarine has identified climate-related operational and financial risks through the systematic mapping of operations and related risks, as well as identifying risk mitigation opportunities through internal and stakeholder collaboration.

The Aker BioMarine management team functions as the steering group of the climate and

decarbonization committee. This group monitors all climate-related activities and prioritizes and aligns climate strategy with the business strategy. The climate and decarbonization committee is structured as a dedicated project within the company, consisting of an internal working group, an advisory board with key internal and selected external advisors, and steered by the executive management team.

The company's ESG targets are monitored and tracked through our Power BI reports, where goals are reported bi-monthly, semi-annually, or annually, depending on available granularity. Progress on ESG targets is reported bi-annually to the Board of Directors and presented to the audit committee quarterly.

In addition to our ESG targets, we have committed to a sustainability linked loan with four ESG related KPIs on CO₂ reduction, circularity, water consumption in our production and a HSSE score on LTIFR (Lost Time Injury Frequency Rate). The progress on these KPIs is linked to the interest rate of the loan and provides additional governance for our efforts to ensure that we meet our environmental and sustainability targets.

Unit / Role	Responsibility
Chief Executive Officer	Overall responsibility for climate-related risks and opportunities, necessary strategic alignment, and updates to the Board of Directors.
Sustainability Team	Responsible for disclosing the actual and potential impact of climate-related risks and opportunities for the business model and operations, setting the frames for strategic alignment. Ensures continuous follow-up on targets and metrics across business units as chair for Climate and Decarbonization Committee and by reporting quarterly into the Board of Directors' Audit Committee
Climate and Decarbonization Committee	Responsible for ongoing oversight of climate-related issues, monitoring quarterly progress on climate-related targets and metrics. Presents and evaluates new initiatives from the business units. Provides advice on significant investment decisions. Provides input on climate-related strategic alignment.
Chief Financial Officer	Responsible for the annual climate-related risk management, as an integrated part of Aker BioMarine's overall risk management procedure.

Fishery management

When we first launched the Aker BioMarine krill fishery, we had the opportunity to build our business from the ground up and getting it right from the start. Our ambition was clear: to become the most sustainable fishery in the world and ingrain sustainability thinking throughout our operations and within our corporate vision.



ESG 2030 ambitions

- We aim to maintain unconditional reputable certification and ensure transparency in vessel operations
- We aim to improve sustainability of fisheries through contributing to data and science driven regulation and ocean management

KPI

- MSC certification, independent observer coverage on board while fishing
- USD spent on marine science and feedback management

Result 2022

- 100% fulfilment
- USD 1 043 million spent, which is a 90% increase from last year



Along on our journey, we've prided ourselves in being a pioneer in the aquaculture industry, and the first krill company to receive an MSC certification back in 2011. We've never lost focus on driving best practices for the entire industry. We constantly strive to do better. This has served as a steadfast principle in the Aker BioMarine playbook and is what will help us maintain our position as a front-runner among sustainable fisheries into the future.

Our Results in 2022

A sustainable fishery is not an end point for Aker BioMarine. Rather, it's a process of continuous improvement and learning. It's a process that began more than 15 years ago, and it is still our focus today. This is what we have achieved within the field of sustainable fisheries in 2022:

Increased harvest

Aker BioMarine has three active vessels in the krill fishery, all of which operates under licenses granted by Norwegian authorities. The company maintains its status as a leader in the krill industry through its volume (accounted for 71% of total krill catches in the 2021/2022 season) and quality of operations. We increased our harvest with 23% from the previous season.

Our guidelines/principles:

- Participate in krill management discussions and maintain an active and transparent stakeholder management approach
- 100% international observer coverage on all fishery vessels
- Independent third-party sustainability certifications to build confidence and credibility with customers and stakeholders
- Industry conservation leadership through self-imposed measures of spatial protection and gear development and application
- Active participation in with the work of the Commission on the Conservation of Antarctic Marine Living Resources (CCAMLR), compliance with and development of science-based regulations and ecosystem-based approach.

External audit and certification

As a result of its precautionary and science based management of krill, the krill fishery has received consecutive A-ratings from Sustainable Fisheries Partnership. Aker BioMarine was MSC re-certified in 2020 for 5 years. During the reporting year, we also received Friends of the Sea (FoS) full recertification, following an external audit of our fisheries operation, management, and chain of custody.

Protecting the surrounding ecosystem

In 2022, Aker BioMarine continued to participate in Voluntary Restricted Zones (VRZs) measures in area 48.1 of the Antarctic Peninsula, which provided spatial protection to breeding penguin colonies and improved the sustainability of the krill fisheries.

We also worked to strengthen measures to avoid bycatch of marine mammals during operations on all vessels. The latest successful improvement resulted from learnings after a humpback whale became entangled on the mouth of the trawl in January 2022.

We introduced new measures and increased monitoring to avoid incidental mortality of birds. In 2022, the extensive offshore trials to assess the use of net monitoring cable were finalized according to CCAMLR protocol, and they concluded that there was low risk of incidental mortality of birds. Aker BioMarine's measures to avoid bycatch of marine mammals and incidental mortality of birds is now considered best practice by CCAMLR.

Science and innovation

During 2022, AKBM consulted extensively with CCAMLR on a revised krill management system. A CCAMLR scientific working group (WG-FSA) reached an agreement that krill quotas may be increased in the future if spread out across fishing grounds in Area 48.1 of the Antarctic Peninsula and subjected to more consistent biomass monitoring.

We also continued close monitoring of the fishing ground through the increased use of our unmanned ocean vehicle. This enables our fleet to detect krill more easily.

In addition, we continued our partnership with Hub Ocean in 2022, working to structure and share vital acoustic data collected from fishery vessels during fishing operations.

Our cargo vessel, Antarctic Provider, was in 2022 equipped to facilitate scientific studies with its fit-for-purpose echo sounder and research trawl that collects scientific information. We allocated 12 days of vessel time specifically and entirely to the

purpose of conducting krill biomass science, led by the Institute of Marine Research (IMR).

Our evaluation and next moves:

In 2023, Aker BioMarine targets several milestones that will substantially lift the company's performance within Sustainable Fisheries. These include:

- **Continue CCAMLR support**

CCAMLR is reaching the next step of the krill feedback management process marked by the further consolidation of the scientific milestones that will inform its policies. We will support this work in several different ways, including the collection and sharing of acoustic data.

- **Maintain voluntary measures with ARK**

Aker BioMarine will maintain support across countries and companies in ARK to ensure compliance and continuation of the voluntary measures for seasonal penguin protection in Antarctica.

- **Increase oversight with drones**

We will strengthen our unmanned ocean drone initiative, as these are critical tools for locating krill and increasing our efficiency. Aker BioMarine will maintain transparency in vessel operations through 100% international observer coverage and by engaging with stakeholders to ensure industry-leading safety and transshipment practice.

- **Reduce**

bycatch. We will strive to maintain our low bycatch levels and incidental mortality during our operations, and we will work to improve other mitigation measures according to best practices.

Krill and krill harvesting around the Antarctic Peninsula

Krill harvesting is restricted to the area around the Antarctic Peninsula, called CCAMLR Area 48.1–48.4. While this area constitutes only a small part of Antarctica, it amounts to 3.5 million km² in size, which is roughly 5% bigger than India.

What is Antarctic krill?

Antarctic krill is a free swimming, shrimp-like crustacean with a hugely abundant biomass. It is considered a keystone species in the Antarctic. Scientists have estimated there to be about 500 million tons of krill in Antarctica, the highest densities of which are found in the area around the Antarctic Peninsula (Area 48).

Who regulates Antarctic krill?

The Antarctic krill fishery is managed by Commission on the Conservation of Antarctic Marine Living Resources (CCAMLR), an international treaty organization established in 1982. Aker BioMarine serves as observer to the CCAMLR through the Association of Responsible Krill Harvesters (ARK).

Actual catches from the krill fishery

In the 2021/22 fishing season, five countries (Norway, Chile, Korea, China and Ukraine) were engaged in the krill fishery. The total recorded krill catch for all vessels was 415 000 mt.

The future of krill fishery and management

While climate is changing in Antarctica, krill is resilient, abundant and can sustain the increasing global demand for low carbon blue foods. To manage this valuable resource going forward, the CCAMLR plans to increase krill data collection, monitoring and analysis through a new system called "feedback management". The krill industry, spearheaded by Aker BioMarine, will acoustically monitor the krill biomass at the appropriate scales set by CCAMLR.

The krill biomass

Antarctic krill has been a focus of systematic scientific studies for more than 100 years. While earlier research points to the decline of the krill biomass, the acoustic monitoring conducted over the past quarter century suggests that krill is stable in density and distribution.

In 2019, Norway led a large-scale, international synoptic krill survey that estimated a standing krill stock of 62.6 million metric tons in Area 48. These scientific estimates are higher than the previous large-scale krill survey conducted in 2000.

Aker BioMarine's krill fishery operations

Aker BioMarine operates three vessels: Saga Sea, Antarctic Sea, and Antarctic Endurance, in addition to the cargo vessel, Antarctic Provider. All vessels are owned by Aker BioMarine and licensed to Norway.

Industry conservation of krill through voluntary spatial measures

CCAMLR has established a network of Marine Protected Areas in the waters around Antarctica. Aker BioMarine believes that this will help enable both Antarctic wildlife and the krill fishery activity to thrive long-term. To support these efforts, Aker BioMarine and ARK adopted the voluntary restricted zones (VRZs) in 2019 to protect penguin colonies during breeding season. In 2020, these seasonal voluntary measures were expanded to a year-round permanent closure of a 4,500 square-kilometer area of ocean to ensure protection of the largest Adélie penguin colony in the region.

Biodiversity and nature

Antarctic krill are a vital source of food for marine predators in Antarctica. Though the krill biomass remains healthy and abundant, the krill fishery adheres to strict catch limits to protect biodiversity in the ocean.

ESG 2030 ambitions

We aim to improve sustainability of fisheries through contributing to data and science driven regulation and ocean management

KPI

USD spent on marine science and feedback management

Result 2022

USD 1 043 million spent, which is a 90% increase from last year



As a result of this precautionary approach, few other fisheries in the world have as low catch limits in proportion to the biomass, with actual catch rates below the limit.

Precaution is not explicitly written in the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) treaty, but it is an all-important principle in krill fishery management. At Aker BioMarine, we strive to generate new knowledge about krill and its ecosystem, in an effort to stimulate a thriving fishery and protect nature and biodiversity in the region.

Our Approach:

Since its inception, Aker BioMarine has built strong awareness about the Antarctic ecosystem and continuously works to minimize any negative impact. This approach has made Aker BioMarine and the krill fishery ‘best in practice’ when it comes to biodiversity and nature. Our primary focus is on these key topics:

Krill and natural variability in population

Aker BioMarine’s fishers know what many scientific studies also confirm: there is no such thing as a typical krill year. The variability of the krill biomass is consistently high. During some years, the krill swarms are easy to find; in other years, it is harder work.

“A good krill year” is signified by an abundance of krill for both fisheries and the surrounding ecosystem. However, large swarms of krill can disperse just as unpredictably as they form, in response to currents, tides, and storms. Neither scientists nor fishermen fully understand the root cause of these changes, and so, they keep chasing the answer to the question, “What makes a good krill year?”.

Another variable is related to global warming and its effect on the Antarctic climate. This makes it especially important to observe any changes to sea ice. Larval krill are dependent on this ice as their nursery ground, where they feed on the ice-trapped algae. Our science and fisheries operations have also observed that krill density in winter is higher than in summer. This makes it more logical to conduct intensive krill harvesting during winter, when the Antarctic breeding season is over.

The krill-based ecosystem

Most of the large Antarctic animals that depend on krill as a food source are relatively healthy, with some variation in local populations. The size of penguin populations has changed over time, due to factors such as food supply, adaptation to a changing climate, and retreating sea ice that separate colonies from their food source. Scientists have also spotted these population changes in the areas where fisheries operate as well as the areas that are untouched.



Antarctic whale populations are on the rebound, following near depletion due to whaling activities in the early 1900s. The reported abundance of whales is a clear sign that krill, a primary food source for whales, is not in short supply. Whales are efficient feeders, and an adult whale can eat several tons of krill per day. Scientists have yet to establish what the increased feeding competition from whales will mean for other krill-dependent species in the ecosystem, including penguins.

There is no compelling evidence at present to suggest that the krill fishery is adversely affecting the krill population or that it serves as a threat to biodiversity. However, at a time when nature is changing more rapidly than ever before, we must make sure that the krill fishery does not add pressure to an already delicate ecosystem.

For Aker BioMarine, a mediating factor is to serve as a source of knowledge, which is why we work to generate new research and fill in the knowledge gaps about krill and the ecosystem.

Our Results in 2022:

AWR

In 2015, Aker BioMarine established the Antarctic Wildlife Research Fund (AWR), in collaboration with NGOs and under the advisory of Antarctic scientists. Since then, the Fund has awarded more than 1.4 million USD to Antarctic research projects on krill and the ecosystem. Aker BioMarine contributes 200,000 USD annually to AWR, which secures the continuation of the fund.

In 2022, Aker BioMarine pledged 1 million USD in funding over the next 5 years to AWR. In addition, Aker BioMarine has supported AWR in the allocation of funding to two new science projects in 2022, focused on crabeater seals and baleen whale populations. Aker BioMarine has also collaborated with AWR on a study to detect possible bycatch of ice krill in the krill fishery.

Key milestones related to the study of krill and its ecosystem

- We hosted a team of Antarctic scientists from Alfred Wegener Institute (AWI) on board our Antarctic Endurance vessel to generate greater insights into krill behavior and climate change for CCAMLR.
- We participated in the founding meeting of the Science-Industry Forum to coordinate and enable CCAMLR science work from industry vessels.
- We collected acoustic data on krill to increase CCAMLR's knowledge about krill density and distribution, which we can apply to ecosystem-based krill management.
- We supported ad-hoc scientific studies and sampling through our networks, in connection with CCAMLR and through MRAG observers.
- We made our industry vessels available to scientists for investigation of the unsolved mysteries of krill and the Antarctic ecosystem.

Our guidelines/principles:

- Be a positive force in Antarctic marine conservation through substantial in-cash and in-kind funding of scientific research relevant to krill
- Continue our science driven programs of monitoring of the ecosystem from our vessels and unmanned ocean vehicles
- Maintain conservation leadership as an advocate for industry wide voluntary measures where this can safeguard the ecosystem and ensure the position of krill harvesting as a long-term and sustainable contributor to food security
- Be supportive of development of evidence-based information that can enhance our understanding of the functional relationship between krill, krill based predators and the krill fishery

Our evaluation and next moves:

Our approach to supporting scientific research on biodiversity and the krill ecosystem will continue in 2023.

We plan to actively follow the developments in the Task Force for Nature Based Disclosures (TNFD).

Aker BioMarine has a high awareness around EU Taxonomy (see page 35) and will report in line with Environmental Delegated Act 2023, which includes fisheries and biodiversity.

We will continue to be an advocate for a krill management system that continuously evaluates new data on the functional relationships between the krill fishery and the krill-based ecosystem. A certain level of precaution is warranted and necessary to secure Antarctic biodiversity for the long-term, but an overly risk-adverse system will inhibit krill harvesting and its contribution to global food security and health.

Sustainable ingredients

Krill, when included as an ingredient in feed and for human nutrition, has proven positive health benefits for both people and animals.

ESG 2030 ambitions

- We aim to make aquaculture production more efficient, by contributing to 1 billion extra servings of seafood produced annually
- We aim to develop innovative products that play an integral role in sustainable diets and the future food system
- We aim to combat lifestyle diseases by delivering 5 billion doses of health promoting nutrients annually
- We aim to decarbonize aqua and animal feed by delivering low-carbon marine ingredients

KPI

- Extra servings of sustainable seafood
- R&D spent on sustainable diets
- Doses of marine nutrients
- Avoided emissions in aquaculture (ton CO₂)

Result 2022

- 2030-goal fulfilment: 22% 16,9% increase from last year
- 18 376 083 USD 60% increase from last year
- 2030-goal fulfilment: -19% 10% decrease from last year
- 2743 mt avoided CO₂-emissions 14% increase from last year



At Aker BioMarine, we continuously work to innovate products and develop ingredients that deliver essential nutrients from krill, including omega-3 fatty acids.

We believe that krill has far-reaching potential for human and animal health, and as such, we are dedicated to expanding and developing our product portfolio. As a science-based organization, we have an in-house Research and Development department that collaborates with scientific institutions to develop new technologies and product innovations based on research and experimental trials. We also work closely with our customers to ensure that we design our products according to their needs, which can range from better growth performance in shrimp to reduced joint pain among arthritis sufferers.

Developing a sustainable source of protein, along with other important nutrients, has become an increasingly important mission. The world's population is increasing and to remain on track towards ambitious global climate goals, we must reduce the impact of food production, specifically in terms of deforestation, water pollution, and greenhouse gas emissions. At the same time, we must also work to ensure the health and wellbeing

of people through a stable supply of the right proteins and nutrients for the body.

Aker BioMarine owns the supply chain from harvesting of krill to the manufacturing of krill oil on land. We have implemented processes for food defense and safety across the whole supply chain. Access restrictions, closed manufacturing, sealed packed product and full testing of our products. All steps are followed up by our Quality department: Traceability and mass balance is inspected by 3-party certifying companies through ours MSC CoC and Friends of the Sea CoC program. We qualify suppliers and set up quality agreements with them that can affect food quality, safety, and security.

Our results in 2022:

Human health

Krill Protein Plant and Innovation Center

Aker BioMarine's new protein plant and innovation center in Norway experienced strong development in 2022, and construction is now well underway. We are simultaneously ramping up staffing and operational planning, and we are currently on track for operational start-up in mid-2023. This new protein plant, funded in part by Innovation Norway, will enable rapid product and



process development as well as commercial production.

PL+

In 2022, Aker BioMarine announced a new and unique delivery platform in the human health space, called PL+ by Aker BioMarine. The PL+ platform is based on phospholipids from krill oil, and it is intended as a product for the dietary supplement space. The primary benefit of PL+ is that it can be used to boost the uptake of other nutritional ingredients for human health, increasing cost effectiveness and enhancing overall product quality.

Documented effects of krill oil in 2022

Research teams from the University of Oslo, Oslo University Hospital and Akershus University Hospital published a new scientific paper that concluded krill oil has the potential to inhibit many of the processes that drive aging.

In a six-month trial conducted by CSIRO, Australia's national science agency, scientists discovered that krill oil led to improvements in knee pain, stiffness, and physical function in adults with mild to moderate knee osteoarthritis.

Animal health

Proven benefits

The sustainability of ingredient sources is increasingly important for the aquaculture industry. Antarctic krill is a sustainable ingredient that enables the aquaculture industry to reduce reliance on costly and limited-in-supply marine products. In 2022, we continued to demonstrate the benefits of using QRILL™ AQUA products in aquaculture. We focused on the nutritional qualities of krill meal and oil, and how they support more efficient and robust aquaculture production. We have also published a cost-formulation tool that demonstrates the economic benefits of using QRILL AQUA in shrimp feed.

Improved health across species

Increasing the omega-3 index is known to reduce inflammation and improve overall health across many species. For dogs, we have demonstrated that using krill meal in the feed increases the omega-3 index after only a few weeks of feeding. Our studies also show that krill increases in the

omega-3 index significantly more than fish- and plant-derived omega-3 sources.

We have also demonstrated through scientific research that krill oil is well-tolerated in horses and that the omega-3 index increased significantly after only a few weeks of use.

Collaboration for novel ingredients

In Aker BioMarine, we have been active in the Raw Materials Pledge "Råvareløftet". This pledge is an industry-formed and Bellona-led project that aims to identify sustainable ingredients for the growing salmon aquaculture industry in Norway.

To speed up the inclusion of alternative ingredients in aquaculture feed, Aker BioMarine, in 2022, applied for salmon aquaculture trial licenses, along with Nofima and LetSea, and others. The goal of this project is to combine more sustainable, alternative ingredients in salmon feed, with the aim to reach a 25% inclusion level by 2030. This will help stimulate the growth of the local ingredient industry, as well as the aquaculture industry.

Developed EPD

In 2022, Aker BioMarine has continued the work to fulfill our ambitious ESG ambitions. We have further developed our decarbonization agenda, and we have developed a EPD (environmental product declaration) report for the "2022 fisheries and production of krill meal" in collaboration with external verifiers. Since 2020, we have significantly reduced our CO₂ footprint, and we have achieved a combined reduction in all environmental stressors of more than 30% in this period.

Approved for Canada and USA

We achieved significant regulatory wins in 2022, with the approval of the sale of krill meal to the aquaculture industry in Canada and USA. In addition, the Indian import duty for krill meal to shrimp aquaculture was significantly reduced, which has lowered the entry barrier to the Indian market.

Partnership with focus on data

Aker BioMarine has partnered with Terravera, a foundation rooted in academia with a mission to make sustainability values transparent, understandable, and accessible. Terravera will

apply a data and modelling driven approach to investigate and showcase the real sustainability proposition behind krill meal.

Our evaluation and next moves:

Aker BioMarine will continue to focus on demonstrating the health, cost, and sustainability benefits from using krill as a feed ingredient for farmed species.

GRI 416-1 Assessment of the health and safety impacts of product and service categories	
a) Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	a iii) Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting
None	None

Emissions

IPCC details the severe consequences of climate change on our planet and societies, and the resulting rise in extreme weather will severely impact our food.



ESG 2030 ambitions

- We aim to reduce our carbon intensity per ton krill produced by 50 percent from 2020 levels
- We aim decarbonize aqua and animal feed by delivering low-carbon marine ingredients

KPI

- CO₂ per ton krill produced
- Avoided emissions in aquaculture (ton CO₂)

Result 2022

- 2030-goal fulfillment: 36%. 18% intensity reduce from last year
- 2743 mt avoided CO₂-emissions 14% increase from last year



Aker BioMarine is committed to helping the world ensure a sustainable supply of protein, a key ingredient for a more resilient food system. At the same time, we are, across Aker BioMarine, actively working to reduce our impact and lower emissions from our operations.

While krill has a low carbon footprint compared to other animal proteins, this does not diminish our commitment to sustainable practices and to meeting the goals set in the Paris Agreement. We believe that new technologies must be developed to cut emissions in our operations and throughout our value chain.

Today the market for alternative fuels and zero emissions technology for ships of our size and

Our guidelines/principles:

- Improving Planetary Health is a vision that requires continuous improvement.
- We have an ambition to reduce our CO₂-intensity per tonne produced by 50% from 2020 to 2030, a continuation of our positive trajectory since 2012.
- We aim to be net-zero by 2050.
- Improvements through data-based decision-making throughout the value chain.
- Use of ship transport whenever possible.
- Reduce the carbon footprint of our fishing operations and production processes, and actively search for zero emission fuel.
- Engage in carbon offset initiatives.

operational profile is still in its initial stages of development.

We are currently focused on the systematic decarbonization of our value chain. We are updated and involved in new technology and have designed our supply vessel to be more updated and energy efficient than the older vessels, and more easily convertible to blending in alternative fuels once they are available.

In addition, we are improving our data quality and the reporting from our operations and suppliers. Our CO₂ monitoring system allows us to closely track our emissions to determine the effects of our different actions and operational adjustments.

Our focus and results in 2022:

In 2022, Aker BioMarine developed tighter internal controls to secure our progress according to ESG indicators. We also continued the work with our Climate and Decarbonization Committee (CDC), overseen by the Executive Management. This Committee is dedicated to ensuring, both strategically and tactically, the reduction of our carbon emissions.

Collection and utilization of data

We aim to continue reaping the benefits of our data management system. This system combines direct data gathered by drones with data from other sources, including weather, historical fishing, and ocean data, to detect and predict the

location of krill. The goal is to verify krill availability, ensure higher asset utilization, meet our sustainability goals, and support a well-managed fishery.

Focus on energy optimization

Our targeted efforts to improve operational control and offshore procedures have resulted in a reduction in fuel use and energy consumption. As a result, our CO₂ intensity is reduced to 2.17 tCO₂/ton krill meal, which is an almost 18% decrease compared to the last reporting year.

We are committed to reducing our energy consumption. An important part of this work is to make the most out of every kWh of energy we consume. In 2022, we installed a heat recovery system that recovered waste heat from one of our processing steps and then re-used that heat in our factory. We estimate that we will save up to 500 MT of fuel or 1600 tons CO₂ through use of this technology in 2023.

Collaboration for change

By joining the First Movers Coalition, we have committed to powering at least 5% of our deep-sea shipping with zero-emission fuels by 2030, using ships that are zero-emission fuels compliant. As member of environmental NGO-led Råvareløftet (Raw Materials Pledge), Aker BioMarine co-delivered a report to Norwegian politicians on how to accelerate the identification, development, industrialization and phasing in of new and sustainable raw materials for fish feed. Through these efforts, we hope to reinforce krill's role as an important part of a more sustainable aquaculture future.

Evaluation and next moves

In 2022, we made solid progress towards emissions reductions through use of technology and operational improvements. Throughout our operations, we see increased effort among our employees to save fuel and reduce emissions, as shown through innovative new ideas and initiatives stemming from all levels of Aker BioMarine. We will continue to prioritize our search for and implementation of fuel-saving technology going forward, and in 2023, we plan to report on our progress in terms of emissions reduction according to the EU taxonomy.

Scope	Emission Global tonnes CO ₂ e	
	2021	2022
Direct Emissions (Scope 1)	96,750	96,864
Fishery and offshore production	92,493	94,082
Production at Houston Plant	4,124	2,641
Production at Lang Pharma	133	141
Indirect Emissions (Scope 2 - location based)	5,304	3,953
Purchased electricity Houston	5,190	3,849
Purchased electricity India	33	33
Purchased electricity Lang Pharma	25	25
Purchased electricity Montevideo	45	36
Purchased electricity Oslo	11	10
Indirect Emissions (Scope 3)	13,786	12,270
Business travel	41	234
Crewing travel	854	653
Packaging used - bags	1,132	1,227
Packaging used - drums	357	288
Transport of goods	11,403	9,868
Total	115,868	113,087
Scope 2 (market based emissions)	4,695	4,028

PwC has provided limited assurance on scope 1, 2, and 3 emissions for 2022. Reported according to the GHG protocol, as applied in methodology statement climate accounts (appendix 2).

In 2021 we used market based conversion factor for the Norwegian locations.

-For more information on climate risk, please see Note 11

-There has been a slight increase in emission in 2022 due to increased production.

-The company's KPI is CO₂ per ton krill produced, the intensity is reduced by 18% in 2022

Waste and circularity

As a biotechnology company dependent on ocean resources, Aker BioMarine is concerned about rising levels of plastic pollution and the detrimental effects this has on marine life.

ESG 2030 ambitions	KPI	Result 2022	
We aim to ensure full circularity on all of our principal waste streams	Waste	97% of annual recyclable waste recycled 63% increase from last year	

Our guidelines/principles:

- 100% circularity on principal waste streams
- Reduce water consumption
- Follow strict rules for waste handling on ships through our Garbage Management Plan
- Adhere to port and state regulations for waste management
- Take part in initiatives to improve waste management from ships to ports, such as UN Global Compact GloLitter

The World Bank says that the world will produce 70% more waste by 2050 than we do today. It's a prediction that means that people and companies are failing to manage waste responsibly, which leads to harmful environmental consequences.

We also see food and product waste as an increasingly prevalent issue. When products are deemed lower quality, they are often discarded. At Aker BioMarine, we believe that these products and commodities should be redirected into areas of use, to avoid landfill or incineration as an end point.

With these key beliefs as our starting point, Aker BioMarine is committed to doing its part to move from a linear to a circular economy, while maintaining a strong focus on sound resource utilization.

Our focus and results in 2022:

Traceable and circular waste management

In 2020, Aker BioMarine established a circular solution company called AION. AION recycles the company's plastic streams and biological residue into new products, in alignment with Aker

BioMarine's zero-waste vision. In 2022, Aker BioMarine continued to improve product waste through circular sales and re-purposing of traditional products to eliminate waste from our production. Recycling our plastic waste through AION has helped ensure traceable and circular value chains.

High level of circularity

In the reporting year, AION recycled 59% of our plastic waste and we have improved our routines for increased recycling going forward. We also reduced product waste by 48% from 2021, and by 96% from 2020. Combined we recycled 97% of our principal waste streams compared to 2021.

Reducing emission to water

During the year, we implemented a new process for pretreating wastewater from our Houston plant. This has resulted in significant reductions in our effluent water concentrations for Carbonaceous biological oxygen demand (CBOD), total solids (TSS), and oil and grease. In 2022, we reduced our emissions to water by 4.62 tons.

Evaluation and next moves

- During the reporting year, we demonstrated our commitment to circularity, and we are proud to have made significant progress towards 100% circularity on our principal waste streams.
- We successfully developed systems for pretreating wastewater.

- We implemented new routines to increase the recycling share of our plastic waste and are confident this will give results in 2023.
- We will continue to focus on finding plastics suppliers with a greater degree of recycled materials in our packaging.
- Going forward, we will continue our efforts to reduce overall water consumption.

Water	2021	2022
Total water withdrawn, Mega liter	126,59 ML	96,23 ML
Total water consumed	38,84 ML	33,80 ML
Emissions to water	4,73 MT	4,62 MT

Taxonomy status

Aker BioMarine's have conducted a voluntary taxonomy report.

Aker BioMarine has completed the taxonomy with the best intention and a focus on transparency and an explanation of the interpretation of the taxonomy criteria. The interpretation of the criteria is based on both the explicit information available at the time of the assessment and the understanding of the purpose of the requirement.

The criteria related to minimum social safeguards are still not adopted by the EU. Still, Aker BioMarine has mapped its operations against the process of due diligence on responsible business by the OECD Guidelines for Multinational Enterprises. Through this assessment we have identified some areas of improvements where we have defined mitigating actions being implemented within 2023. Based on this, we have concluded that we comply with the minimum social safeguards.

The taxonomy regulation is still in a phase of early adoption and Aker BioMarine is closely following any clarifications from the EU Commission or any changes in industry best-practice when it comes to interpreting the activity descriptions or technical screening criteria.

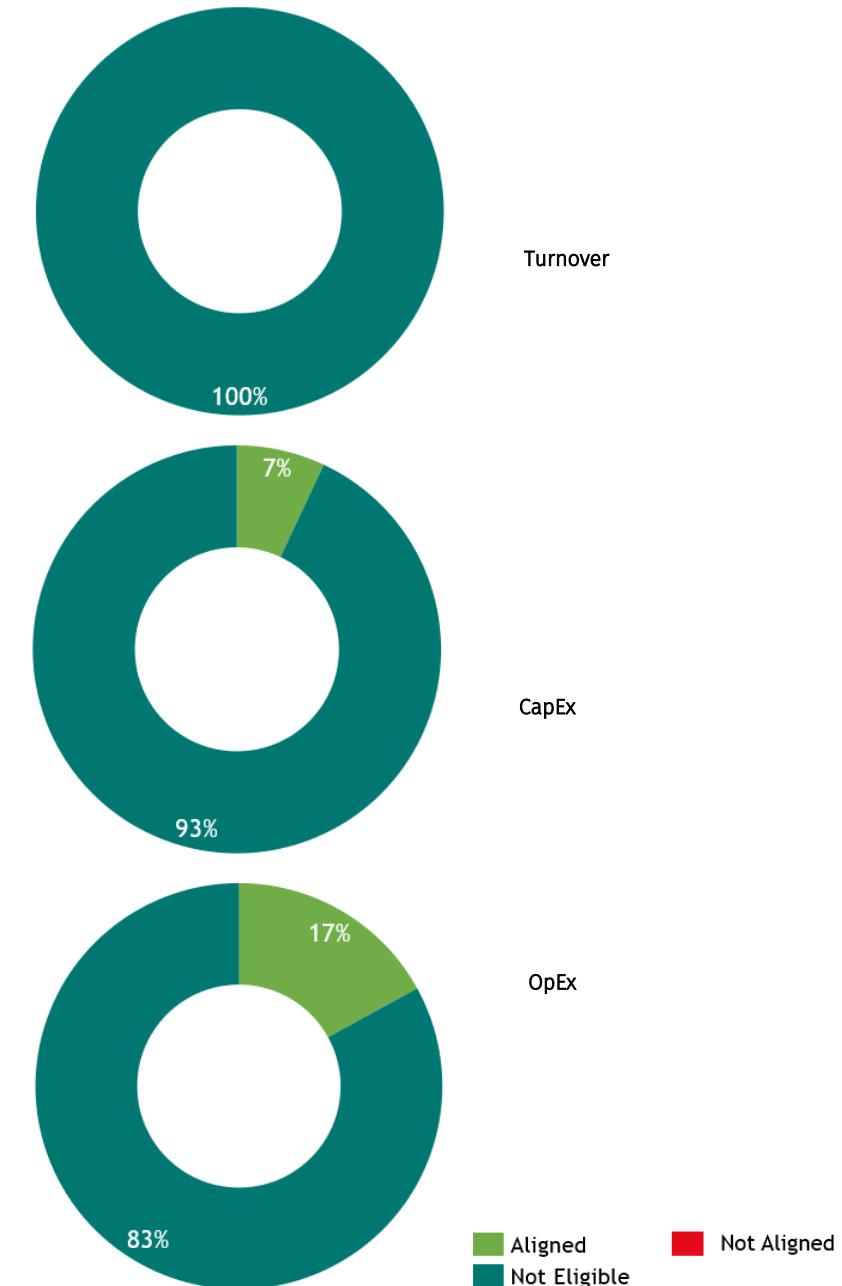
Key Performance Indicators

The key performance indicators presented in the report includes turnover, OpEx and CapEx. Aker BioMarine has calculated the KPIs according to the Annex 1 of Art 8 Delegated act. Aker BioMarine has one asset defined as eligible from the taxonomy requirements, transport, that you can see on the KPIs presented. See appendix 2 for more information.

Reporting requirements for Aker BioMarine

According to the Non-Financial Reporting Directive (NFRD) article 19(a) and 29(a), non-financial undertakings which are public-interest entities (i.e., listed) with more than 500 employees, in the case of a group on a consolidated basis, are required to report on the taxonomy. As of 2023, the undertakings are required to report on the proportion of their taxonomy-eligible and taxonomy-aligned activities.

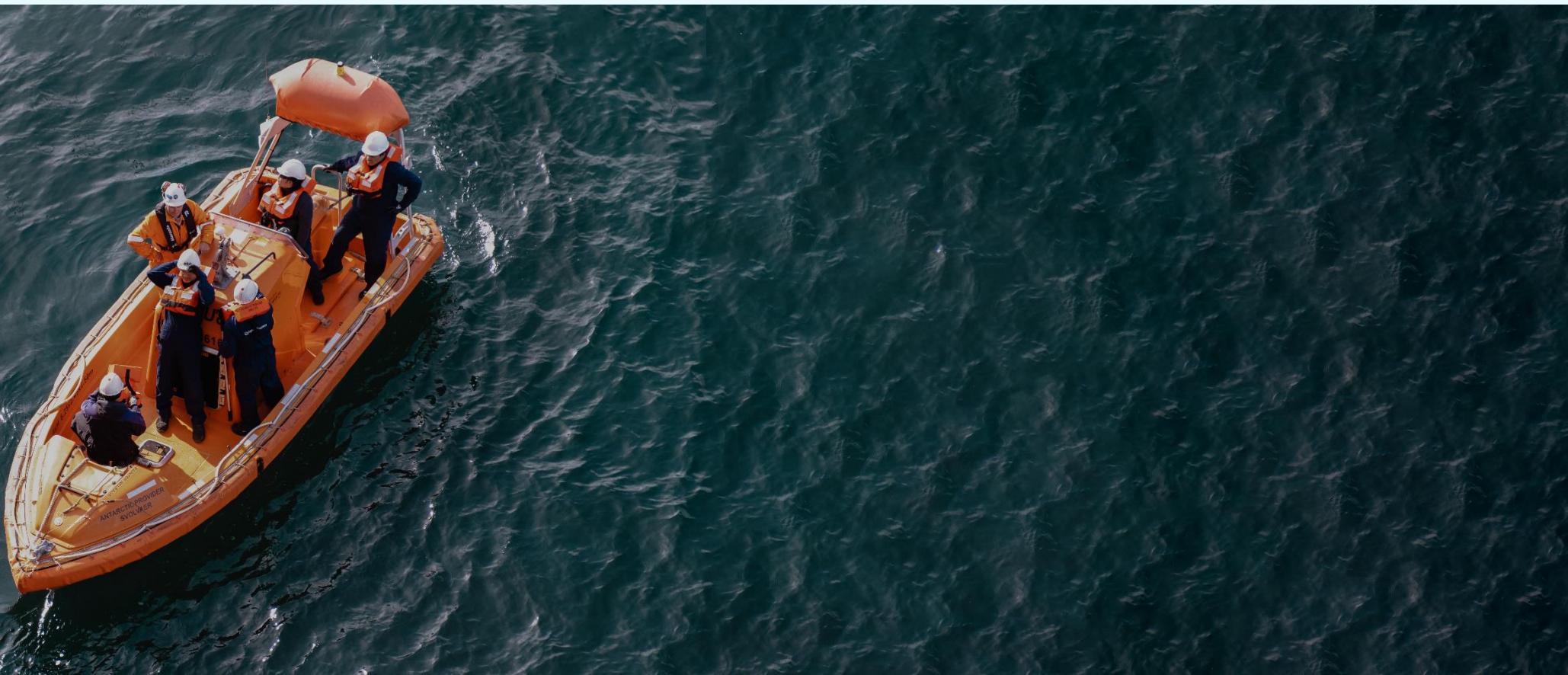
As a Norwegian company, Aker BioMarine is not covered by the taxonomy regulation since the regulation has not yet come into effect in Norway. This report is therefore Aker BioMarine's voluntary taxonomy report.



SOCIAL

We take pride in our passionate employees who always go the extra mile. We believe diversity is a prerequisite for innovation and this is reflected in our workforce, from our fishermen to our science team. In this section we focus on three material topics that represent our social impact and our approach:

- You can read about our approach to **HSSE** and how it reflects our strong people-first culture.
- You can also read about how we work to attract, foster, and build employees, in **Talented and competent employees**.
- The rich diversity among our employees is vital to ensure that we stay innovative and successful as a company. You can read more about this in **Equality and non-discrimination**.



Equality and non-discrimination

Diversity at Aker BioMarine means all the differences and similarities that make us unique as individuals. The rich variety we have among our employees both reflected in the number of different nationalities and professions is vital to ensure we stay innovative and successful as a company.

State of gender equality

Women comprise 44,4% of our Executive Management Team (EMT). In addition, the CEOs of Houston Manufacturing and Epion Brands LLC are women. Overall, we have good gender balance in our offices, with 53,44% female employees in Norway, and 50,26% of our sales organization globally. The female ratio in middle management positions is 44,11%. This is a significant improvement from the previous year (24,13%). We will continue to have focus on maintaining this improvement trend in the following years.

Fishery is generally a heavily male-dominated industry, as is the case in Aker BioMarine. We have 6 females working onboard our vessels in key crew positions. Additionally, 17 women are working in other positions in the fleet among our global employees.

Our guidelines/principles:

- Aker BioMarine shows respect for all individuals and act responsibly to prohibit discrimination or harassment of any kind, which is clearly stated in our Code of Conduct.
- Aker BioMarine complies with recognized international conventions and is committed to respect basic human and trade union rights.
- We acknowledge the fundamental principles of human rights, as defined in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, as well as the OECD guidelines on Multinational Companies. Considerations of equality and non-discrimination is an integral part of our employee policy.
- The "AKBM Balance" is still valid as our policy supporting a hybrid work model. Our employees are trusted to structure their work in a way that balances their work and family life.

Our focus and results in 2022:

Several new leader positions filled by women.

In 2021 a mapping of all positions in the onshore organization revealed that there is a gender imbalance in senior management positions. Thus, we have set a goal that 50% of vacant leadership positions shall be filled by women. This year, 67% of vacant leadership positions were filled by women. With a focus on encouraging and promoting women to pursue leadership careers, 75% of the new female leaders were internal promotions.

Reduced gender pay gap

For our onshore office positions in Norway, HR and the EMT conducted a detailed job analysis for all positions in 2022, on the factors of education and experience requirements, problem solving, social skills and -contacts, financial responsibility, impact, and mental- and physical working environment. The analysis resulted in 7 different levels of job positions. Groups 2-3 represent senior managers, groups 4-5; experienced professionals, 6-7; entry-intermediate level employees. A consequence of this grouping is that the level of job requirements, complexity and responsibility is not *equal* for all positions represented in the groups in the table below and thus, naturally the salary level will vary. Indeed, the analysis reveals that the main explanations for differences are longer tenure and work experience as well as market level salary differences between the professions in the salary groups. However, given that women are paid less than men in all the groups, we cannot reject the notion that gender discrimination may be a factor in the gender pay gap. In 2020, we started to identify and analyze gender pay gaps for all employees in Norway.

Particular focus has been placed on closing the gap between men and women during the annual salary adjustment process, which resulted in a reduction in gender difference of 6% for permanent employees in 2022 compared to 2021.

Ensuring zero discrimination

Employee surveys for our onshore personnel include questions on fair treatment, respect and valuation of differences, unpleasant comment(s) or conduct(s) that was offensive, embarrassing, or hurtful.

Employees can anonymously raise a concern on misconduct, breaches, or potential violations through our webpage. The Whistleblower function is handled by an external party to secure anonymity.

The employee survey results show that 8% of our responding employees (61% of onshore personnel) have experienced unpleasant comment(s) or conduct(s) they felt was offensive, embarrassing, or hurtful. This is a decrease by 4 % from 2021. We do not know the severity of these experiences and there have been no formal reports requiring a follow up from management and HR; however, we take this seriously and will inform and ensure that employees know where to seek support and how and where to report it, so we can manage the situation in a proper way and continue to work towards our goal of zero discrimination.

One case was reported through our anonymous Whistleblower function during 2022, but the case was found not to be in breach of our Code of Conduct. There have been no reports of discrimination related to gender, pregnancy, maternity leave or adoption, care

responsibilities, ethnicity, religion, disability, sexual orientation or gender identity.

Focus on inclusion

The headquarter office building is built in compliance with regulations on access for all and is wheelchair accessible with elevator access to all levels, low thresholds, automatic door openers and dedicated toilet rooms.

We have initiated a closer collaboration with Stiftelsen Vi, a foundation with the aim to give people with disabilities equal opportunities for success. Together we will work to increase the chances of including people with disabilities in the work-life. This collaboration will be further detailed in 2023. We celebrated Pride Month with several activities both via our online community and in the various offices. Throughout the month of October, we put a focus on mental health, reflecting on the importance of mental wellbeing by sharing our own stories internally to decrease the stigma on mental health issues.

Our evaluation and next moves

We will continue having a particular focus on reducing gender pay gaps and to improve the gender balance in management levels this and the following years. For 2023 we will keep our ambitious goal of having 50% of vacant leadership positions filled by women.

We will ensure that employees know where to seek support and how and where to report it, so we can manage the situation in a proper way and continue to work towards our goal of zero discrimination.

State of gender equality

Organization	Gender balance		Temporary employees**		Parental leave		Part-time workers**		Involuntary part-time	
	N		N		Average # weeks		N		N	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Offshore	6	95	–	2	–	2	–	–	–	–
Brands	48	30	1	–						
Houston Manufacturing	11	34	–	2	NA*	NA*	–	–	–	–
North America	8	7	–	–	NA*	NA*	–	–	–	–
Norway	70	61	7	3	48	38	4	3	–	–
Rest of the world	18	27	4	1	NA*	NA*	1	–	–	–
Total	161	254	12	8			5	3	–	–

*Not tracked for our global employees, as different national laws apply

**Part-time employees are interns who combine work with studies and employees working part-time on their own will. Temporary employees are mainly substitution for those who are on parental- or sick leave.

Gender pay gap overview

	Gender balance		Gender pay gap*			
	Number of employees		Cash reward		Non-cash reward	
	Women	Men	Women	Men	Women	Men
Group 1 (EMT)**	4	4	96%	100%	46%	100%
Group 2***	2	5				
Group 3***	3	13				
Group 4	15	10	89%	100%	85%	100%
Group 5	18	15	93%	100%	87%	100%
Group 6	18	10	85%	100%	101%	100%
Group 7	9	1		100%		100%
Total	69	58	90.75%	100%	91.00%	100%

Analysis for all Norway-based permanent employees. Cash reward includes salary, annual leave allowance, bonus. Non-cash reward include pension, insurance, newspaper, electronic communication.

* Women percentage shows women's pay in relation to men

** CEO excluded

Action overview and action plan

HR area	Background for measures	Description of measures	Goals and KPIs for measures	Responsible	Deadline/ Status	Result
Recruitment	Majority of men in management- and senior level positions	Implement policy of 50% women among qualified candidates in recruitment processes for leadership positions	50% women among qualified candidates 50% of vacant leadership positions are filled by women in the period 2022-2023	HR	2023/In process	Policy implemented In 2022, 67% of vacant leadership positions were filled by women.
Promotion- and development opportunities	Majority of men in management- and senior level positions	Encourage and promote women to pursue leadership career	50% of vacant leadership positions are filled by women in the period 2022-2023	HR	2023/In process	67% of vacant leadership positions are filled by women, of which 75% were internal promotions.
Compensation terms	Gender difference in pay on all levels for onshore positions in Norway	Analysis of job complexity and -requirements Reduce gender difference during recruitments and salary adjustment process	Equal pay for equal work of same quality	HR	In process	Reduction of gender difference by 6% in Norway
Harassment	8% of respondents have experienced unpleasant comment(s) or conduct(s) they felt was offensive, embarrassing, or hurtful.	Monitor and measure Respond to complaints Encourage reporting	Harassment claims are reported and managed appropriately Zero discrimination	HR/Compliance Officer	Started	8% vs 2021 result of 12%, (4% reduction)
Work/life balance	Enable employees to balance work and family life	Implemented 'AKBM Balance' policy on flexibility of work place	Stress levels remain at current level	HR	Complete	Stress levels remain at same level as previous years

Health, Safety, Security & Environment

People are at the core of everything we do in Aker BioMarine, and our approach to HSSE reflects our strong people-first culture.



We are in pursuit of HSSE excellence, which has led us to implement our own management system to anticipate, assess, plan, prepare, train, and equip our personnel and the environment we work in. We do this to protect our people, our assets, our reputation, and stakeholders. This system gives us the ability to respond and recover in a coordinated, proactive, robust, and effective way to prevent damaging or potentially damaging incidents, regardless of cause, wherever we operate in the world.

Our approach is documented in our HSSE management system, which was created in 2022. It is a set of integrated principles underpinned by procedures, designed to be robust enough to:

- **Prevent** incidents / accidents from occurring which could have negative impact on Aker BioMarine
- **Protect** our people, assets, operations, and reputation
- **Prepare** our response and recovery from incidents / accidents to ensure we can maintain operations of our business during critical or major incidents

Our guidelines/principles:

- HSSE management system
- HSSE policy
- Code of conduct

Our focus and results in 2022:

From the Antarctic waters we fish, to the complex business environments we navigate, Aker BioMarine is not without risk. We see this as a positive challenge, and we embrace the idea that some risk is essential if we are to continually innovate. That means that for us, the correct adoption of HSSE should be a business enabler rather than a restrictive measure.

We strive to be resilient and strong in our HSSE approach. Here are some examples of what we have accomplished in 2022:

New management system

Creation and analysis were in focus in 2022, as we laid the groundwork to build a management system and a full recovery process, enabling us to correctly identify, report, capture, investigate and share learning across our global organization for any incident, accident, or event that may occur.

This groundwork is fundamental to our continued success. It has and will continue to align the organization according to one way of working. It will also give us continuity in the way HSSE is handled globally. In addition, it also provides us with true and comprehensive information about the state of our vessels, sites, office safety, and the human occupational safety and health practice in our organization.

By using the information gathered, we will develop and promote innovative health and safety outcomes that will improve the safety and wellbeing of our entire organisation and others within our industry.

Innovative audit

Our Houston site has achieved great HSSE improvements this year, with zero reportable incidents of note. The Houston-based HSSE manager has raised awareness on these topics and serves as a single point of contact to champion HSSE on a permanent basis. One example is the innovative audit and HSSE walk program that this manager created. It is a program that invites employees from office-based roles and others (who typically would not be in an operational environment) to view and

assess the operations. This initiative not only builds understanding and cooperation between departments, it also has enabled “fresh eyes” on our business to better assess safety risks and seek improvements.

Safety trainings

Aker BioMarine’s vessels have undergone a series of inspections and audits this year, all of which resulted in only minor findings. The total recordable accidents/incidents declined since 2021, and we met all our targets. The chief officers (with safety responsibility) are embarking on training to further develop their skills and awareness around reporting and investigation for any incident on board our vessels.

Focus on information security

In 2022, security was highlighted as part of our information security improvement program, which helped us improve our maturity on the topic. The program involved procedure and framework improvements, a complete training and awareness schedule, which included our executive team, and an overall increase in preventative and protective measures of both technical and human nature.

Evaluation and next moves:

The coming year will consist of training and implementation in terms of our HSSE evolution. The HSSE responsible(s) for each site / office location will be provided training on all areas of HSSE, and they will be used to champion and lead all activities. This will help to create excitement and build a positive culture towards safety across our company in 2023.

The vessels and offload will be the operational focus, as we continue to train and engage the chief officers, captains, and key crew at all available opportunities.

In 2023, we will also continue to improve and focus specifically on building the foundations for risk management. Through this work, we aim to address strategic risk management, including operational risk management and documentation at the sites.

(GRI 403-2) Number of serious incidents reported (onshore and offshore)	2021	2022
Sick leave	0.76%	0.49%
LTI	3	2.34
Fatalities	0	0
	2021	2022
(AKBM KPI) Number of reported whistleblowing incidents	0	2
(AKBM KPI) Number of reported incidents concluded to constitute a breach in governing rules and regulations	0	0

Engaged and competent employees

People are the heart of Aker BioMarine, which means that attracting, fostering, and building talent are critical to our success.

Given the challenging labor market conditions through 2022, our primary focus was on developing ways to attract and retain employees. As part of these efforts, we hosted focus groups with our employees to better understand what makes us an attractive employer. We also implemented a process to more closely follow-up with new hires and their managers, and we reviewed and improved our employee benefits packages.

Our focus and results in 2022

Attract new talent

In 2022, we kicked off the work to create our employer branding strategy. We sought input from employees across the company and through this process, we increased our knowledge about our different employee segments, what they appreciate about our culture, and where we should focus going forward to attract the right talent in the current (and future) labor market.

New-hire follow-up

To give our new employees a solid starting point to deliver and succeed, we added a few key milestones to the first six months of employment. The HR team now follows up with each new employee after six weeks on the job, and then again at three and six months. These follow-ups are run with both the employee and the direct manager to assess the overall employee experience.

GRI 405-1 i. Gender		2021			2022		
		Female	Male	% Female	Female	Male	% Female
Offshore harvesting		7	95	6.86%	6	95	5.94%
Brands		-	-	0.00%	48	30	61.54%
US Houston manufacturing		18	58	23.68%	11	34	24.44%
Sales Organisation	US	52	35	59.77%	8	7	53.33%
	Norway	70	62	52.67%	70	61	53.44%
	Rest of the world *	13	19	40.63%	18	27	40.00%
Total		160	269	37.30%	161	254	37.53%

Review and update of benefit packages

A competitive labor market with a high number of job openings has given workers greater opportunities, while making it more challenging for companies to hire. This situation motivated the kick-off of our assessment and subsequent update of the company's global benefit packages (monetary and non-monetary). Our aim was to ensure that Aker BioMarine's benefits are attractive and competitive going forward, helping us to successfully recruit and retain our employees.

Inspired by our Norwegian values, many of our locations offer health and wellness grants, training and development support, generous paid vacation, and parental leave, in addition to flexible working hours.

Our offshore operation unit has implemented a loyalty program that offers a salary increase every second year until the employee completes 10-years with the company.

Performance enablement

We implemented an OKR (Objectives and Key Result) framework in 2022 across the organization to track progress, create alignment, and encourage engagement around measurable goals.

Leadership development

During the reporting year, we launched "People Syncs", an experience exchange group for people managers to align on people matters, share goals, challenges, and concerns, and lean on each other for support and other perspectives. This has proven to be a valuable initiative that has helped

us to continually improve the employee experience. As of 2022, all employees entering their first people manager roles are enrolled in "Leadership Fundamentals", our online training program that covers key aspects of leadership in Aker BioMarine. In addition, several of our more experienced people managers attended external communication and leadership training based on individual needs during the year.

Evaluation and next moves

Our people managers play an important role in ensuring a great employee experience. Going forward, we will continue to emphasize leadership development and work closely with all people managers to create a global common practice, which will include how we motivate employees to continuously develop and grow.

(GRI 401) New employee hires and employee turnover

	2021	2022
New hires	19%	20%
Turn over	14%	27%*

The numbers are for the whole AAKM

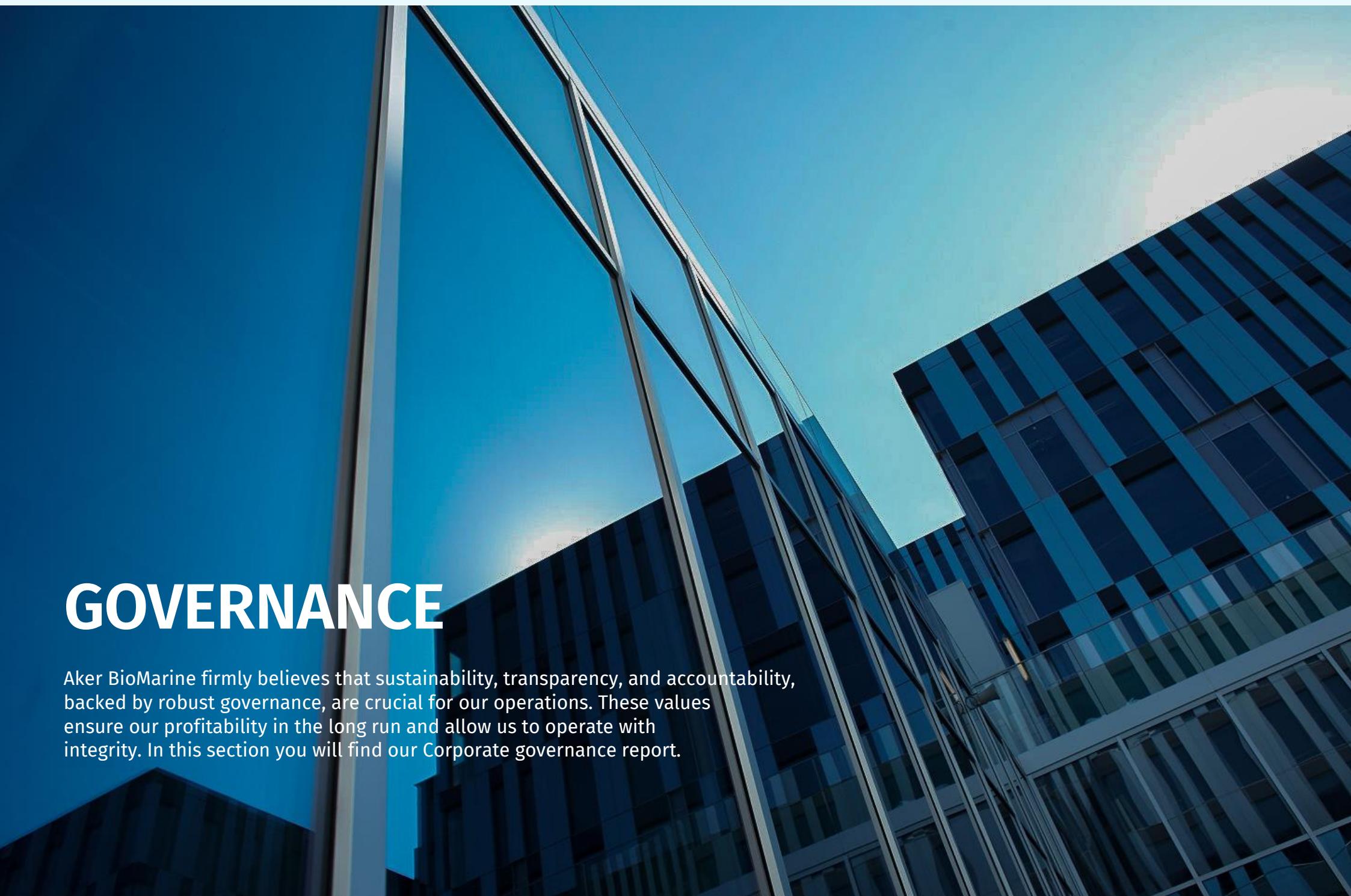
*Largely impacted by the company downsizing in Houston Manufacturing

Percentage of employees receiving regular performance reviews

	2021	2022
Offshore harvesting	A process to implement performance review will be initiated in 2022	100%
Brands		100%
Houston Manufacturing	42%	100%
US (Sales organization)	100%	100%
Norway	100%	100%
Rest of the world	100%	100%

GOVERNANCE

Aker BioMarine firmly believes that sustainability, transparency, and accountability, backed by robust governance, are crucial for our operations. These values ensure our profitability in the long run and allow us to operate with integrity. In this section you will find our Corporate governance report.



Corporate governance report

Effective corporate governance provides the foundation for long-term, sustainable value creation. Corporate governance is therefore a key concern for Aker BioMarine ASA (“Aker BioMarine” or “the Company”).

As a portfolio company within the Aker family, we believe in active ownership. Our main shareholder is active in setting clearly defined strategic goals for the Company and is involved through the boardroom and direct dialogue with company management, promoting shareholder value.

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance, most recently revised in the autumn of 2021, the board has reviewed and updated the Company's corporate governance principles. The individual recommendations of the Norwegian Corporate Governance Board (NUES) are discussed below. Aker BioMarine's principles are largely consistent with the recommendations.

Corporate governance

Aker BioMarine's corporate governance principles are established by the board. The purpose is to ensure a productive division of roles and responsibilities among Aker BioMarine's owners, board and executive management, as well as to ensure satisfactory controls of the Company's activities.

Aker BioMarine's business

Aker BioMarine's business purpose is expressed in the Company's Articles of Association: “The company's purpose is to carry out sustainable krill fishing, develop, produce, transport, commercialize and market products from krill and other raw materials for use within human and animal health and nutrition, including investments in and operation of other businesses with similar purpose.”

The board has prepared clear goals, strategies, and a risk profile for the company's business activities such that the Company creates value for

shareholders in a sustainable manner. The Company has defined sustainability as a foundation for the entire operation, with an overall mission to “improve human and planetary health”. The Company reports on ESG - Environmental, Social, Governance – as part of its Annual Report. The board evaluates targets, strategies, and its risk profile on an annual basis, at a minimum.

Equity and dividend

Capital structure

The Aker BioMarine group had USD 378.7 million in book equity as of 31 December 2022, corresponding to an equity ratio of 46.0 per cent. The capital structure is appropriate and adapted to the objectives, strategy, and risk profile.

Dividend policy

The Company has not established any dividend policy to date but will strive to follow a dividend policy favorable to the shareholders. The Company has not paid any dividends on its shares during the financial years ended 31 December 2022, 2021, or 2020.

Board authorizations

The board's proposals for board authorizations comply with the relevant recommendation in the Norwegian Code of Practice for Corporate Governance. Board authorizations are limited to defined purposes and are dealt with as separate items at the annual general meeting. Board authorizations are limited in time to no later than the date of the next annual general meeting.

Equal treatment of shareholders

The Company has a single class of shares, and all shares carry equal rights. Aker BioMarine has developed principles and guidelines for transaction agreements and other agreements

not forming part of ordinary operations involving companies in which Aker BioMarine and/or entities within the Aker group has significant ownership interests. Transactions involving own shares are executed on Oslo Børs. Buybacks of own shares are executed at the current market rate.

Additional information on transactions with related parties can be found in Note 21 to the 2022 consolidated accounts.

Shares and negotiability

There are no restrictions on owning, trading or voting for shares in Aker BioMarine. Oslo Stock Exchange has granted a waiver from the requirement of having at least 25% free float of shares when listed on OSE per Section 6.3 of the Continuing Obligations.

General meetings

Participation

Aker BioMarine encourages all its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the Company. The annual general meeting in 2023 will take place on 20 April.

Aker BioMarine has decided to hold its general meeting as a digital meeting to ease participation both for foreign and national shareholders compared to a physical meeting. Shareholders unable to attend the general meeting live during the digital event may use electronic voting to vote directly on individual agenda items during the pre-meeting registration period. Shareholders unable to attend the meeting may also vote by proxy. The procedures for electronic voting and the proxy voting instructions are described in the

meeting notification and published on the Company's website.

Meeting chair, voting, etc

The Public Companies Act stipulates that a general meeting must be declared open by the chairman of the board of directors, or a person nominated by the board of directors. The general meeting then elects a chairman for the meeting. The NUES Code of Practice further stipulates that the board of directors should ensure that the general meeting is able to elect an independent chairman. Aker BioMarine follows this principle.

Attendance

The leader of the nomination committee and the Company's auditor shall normally attend general meetings in order to present the committee's proposal. The general meeting elects the members of the nomination committee and shareholder-elected board members. The nomination committee focuses on composing a board that works optimally, and on ensuring that board members' experience and qualifications complement each other, and that statutory gender representation requirements are met. The general meeting will be requested to vote for board members individually.

Nomination committee

Aker BioMarine has a nomination committee as required by its articles of association. The nomination committee must comprise at least two members, and each member is normally elected for a two-year period. The members and chairman of the nomination committee are elected by the Company's general meeting, which also determines the remuneration payable to committee members. Instructions for the nomination committee's operations were adopted by the annual general meeting in 2021. The

primary responsibilities of the nomination committee are to recommend candidates and remuneration for the Company's board of directors and nomination committee, and remuneration for members of the audit committee.

Svein Oskar Stoknes, CFO of Aker ASA, is Aker BioMarine's current chairman of the nomination committee. The instructions to and the current composition of the nomination committee is in line with NUES' Code of Practice. Shareholders who wish to contact the nomination committee can do so using the following email address: svein.stoknes@akerasa.com.

Board of directors and Audit committee – composition and independence

Board of directors

Employees' rights to representation and participation in the current composition of the board is presented on the Company's web pages and in our annual reports, as are board members' qualifications and expertise. The current members of the board were elected in 2021 for a term of two years and are up for election in 2023.

Audit committee

The Company has established an audit committee comprising of two members from the board of directors. The composition of the audit committee fulfils the required qualifications and competence in accounting and auditing under the Norwegian Public Limited Liability Companies Act.

The Company has resolved a mandate for the work to be carried out by the audit committee. The function of the audit committee is to prepare matters to be considered by the board of directors and to support the board of directors in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit, and internal control. The audit committee shall report and make

recommendations to the board of directors, but the board of directors retains responsibility for implementing such recommendations.

The work of the board of directors

The board of Aker BioMarine has established board instructions that regulate areas of responsibility, tasks, and the division of roles between the board, the board chairman, and the CEO. Furthermore, the audit committee has been granted a mandate which regulates its areas of responsibilities, tasks, relations with the external auditor and reporting routines to the board of directors. The composition of the committee is presented in the Annual Report. The board has considered whether Aker BioMarine should have a separate compensation committee but has concluded that it is currently not necessary.

The board carries out an annual self-evaluation.

Risk management and internal control

Governing principles

The board of Aker BioMarine establishes the overall principles for governance and control in the Company through the adoption of various governing documents. For particularly important areas of group-wide relevance, the board ensures that governing documents of Aker BioMarine are aligned with the broader Aker group. For example, Aker's Code of Conduct also expresses Aker's expectations of the portfolio companies' respective codes of conduct. The same applies to important areas such as human rights, anti-corruption, and supplier conduct.

Aker BioMarine has established a compliance officer function with dual reporting duties to the Company's CEO and audit committee. The compliance officer's main task is to ensure that Aker BioMarine is compliant with relevant laws and regulations, including the internal regulations and guidelines of Aker BioMarine. Aker BioMarine has chosen a risk-based approach to the compliance officer's mandate. The compliance

officer contributes to and benefits from effective information and knowledge sharing between the various compliance departments in the broader Aker group.

Aker BioMarine has implemented a whistleblowing channel for reporting of serious matters, such as potential breaches of ethical guidelines and violations of the law. Information about the whistleblowing channel, including contact information and the procedure for dealing with whistle blows, is available on the Company's website.

Furthermore, the Company seeks to promote diversity and prevent gender discrimination in the workforce through clear recruitment requirements and the development of individuals and programs that support equal opportunity. This means that the Company is committed to both promoting and paying employees fairly, regardless of individual characteristics, and that individuals with the same jobs, with equal professional experience, who perform equally well, shall receive the same pay in Aker BioMarine.

Risk management and internal control

The board carries out a bi-annual risk-based review of the Company's operations. Prior to the bi-annual risk reporting to the board, the audit committee reviews the reported main risks and relevant risk-mitigating measures. The audit committee also reviews the Company's internal controls and overall risk management.

Aker BioMarine has established a procedure for internal control over financial reporting (ICFR). The ICFR framework is based on COSO Internal Control Integrated Framework. The ICFR framework is implemented through a risk-based and top-down approach, to provide appropriate organization of the financial reporting, ensuring that Aker BioMarine's activities, accounts and management are subject to adequate control.

In connection with the process of preparing Aker BioMarine's financial statements, clearing meetings are held with Aker ASA with the main

purpose of ensuring the quality of the financial reporting. The clearing meetings focus on significant valuation items, off-balance sheet items, related transactions, new or modified accounting principles, ICFR, and special judgmental items in the annual report. External auditors are present at the meetings.

The audit committee prepares a preliminary review to the board of the quarterly and annual financial statements, focusing on valuation items, judgmental items, and the application of new accounting principles, as well as any material related-party transactions.

Board remuneration

Board remuneration reflects the board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker BioMarine's financial performance, and there are no option programs for any of the board members.

The annual general meeting determines the board remuneration after considering recommendations by the Company's nomination committee. The board members elected by and among the employees do not receive board remuneration. Additional information on remuneration paid to individual board members for 2022 can be found in the financial statements and in the 2022 Remuneration report.

Remuneration of executive management

The board has adopted a declaration on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. Furthermore, the Company has drafted a remuneration report in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act. Both documents are available on the Company's website, and the 2022 remuneration report is attached to the Company's

annual report for 2022. The annual general meeting will hold an advisory vote over the remuneration report.

The employment contract of the CEO has been approved by the board. The remuneration paid to the CEO is approved by the board after considering recommendations from the chairman of the board. The CEO determines the remuneration payable to key executives in accordance with board guidelines. Aker BioMarine has no stock option programs.

Information and communication

Aker BioMarine's reporting of financial figures and other information is based on transparency and equal treatment of stakeholders. All stock exchange notifications and press releases are published on the Company's website, www.akerbiomarine.com. Stock exchange notices are also available at www.newsweb.no.

The Company organizes presentations in connection with its financial reporting. These meetings are generally broadcasted directly via the internet (webcast) or run as a physical meeting. The Company's financial calendar is published on Aker BioMarine's website and www.newsweb.no.

Takeover

Aker BioMarine does not have separate guidelines on how to respond in the event of a takeover bid. The Norwegian Code of Practice for Corporate Governance recommends the adoption of such guidelines. Aker Capital AS controls a total of 77.78 percent of Aker BioMarine's shares. In view of this, the board has deemed separate takeover guidelines as recommended by the Code to be unnecessary.

Auditor

The external auditor makes an annual presentation of the auditing plan to the audit committee.

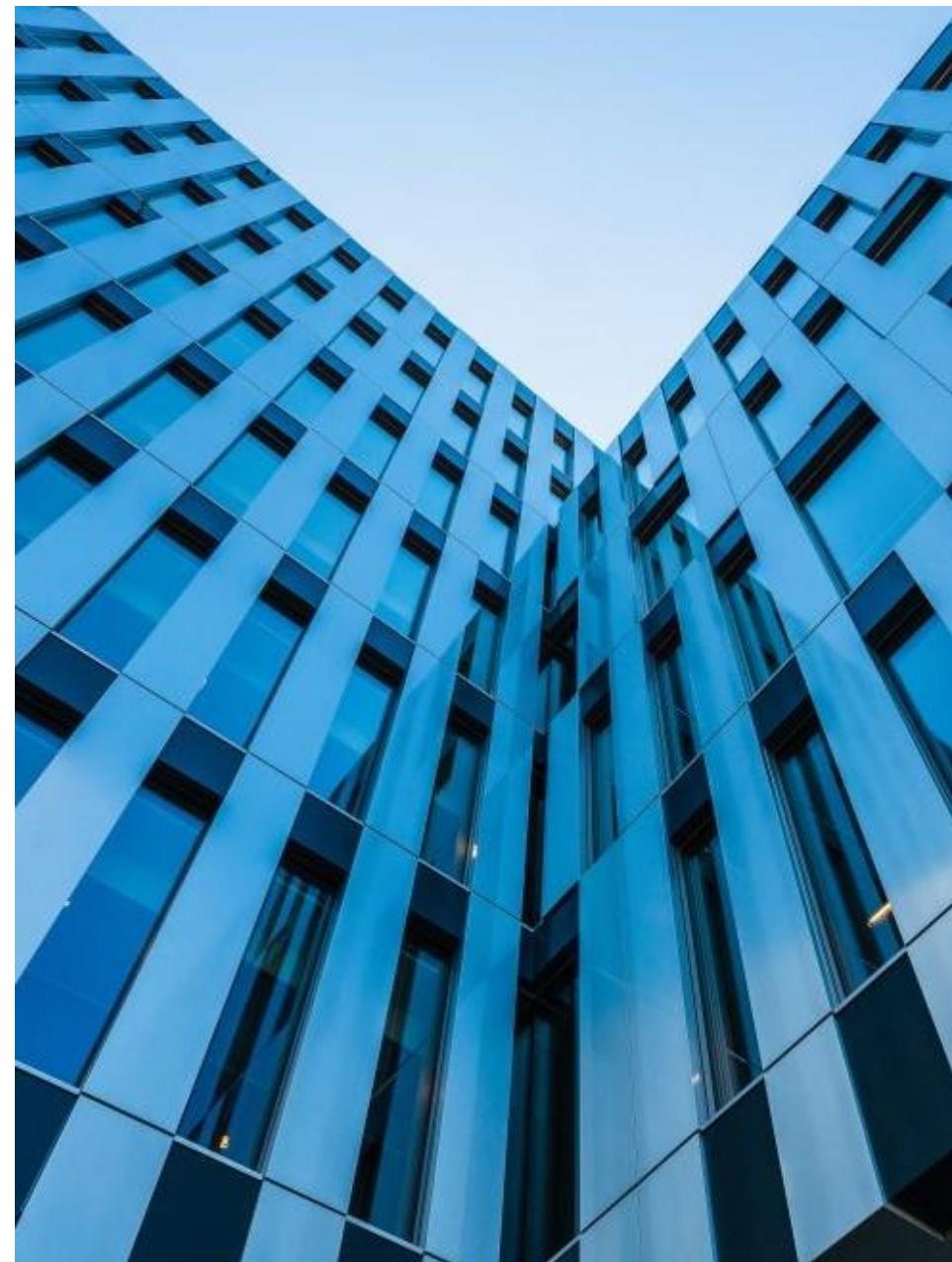
The external auditor participates in all meetings of the audit committee and in the board meeting when the annual accounts are approved. The minutes from the audit committee meetings are distributed to the board. The external auditor reviews, with the audit committee, any material

changes in the Company's accounting principles and assessments of material accounting estimates. There have been no disagreements between the external auditor and management on any material issues.

The auditor reports to the audit committee on its assessment of the internal controls over financial reporting process. The outcome of this review is presented to the audit committee and the board. The audit committee meets with the auditor without representatives of executive management being present.

The audit committee receives an overview of services rendered by the auditor to the Company. The audit committee also approves the fees paid to the auditor for material additional services. The remuneration paid to the auditor in 2022 for both audit and other services is presented in the financial statements. These details are also presented to the annual general meeting. Further, the external auditor has provided the audit committee with written confirmation that the requirement of independence is met. Extended tasks related to selection of an external auditor, purchase of audit services and follow-up of the external auditor are handled by the audit committee.

With effect from the annual general meeting held in April 2022, PwC has been the auditor of the Group.



CHAPTER 3

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Board of Directors

As of March 2023



Ola Snøve

is independent of the company's management and material business contacts.

Board member since 2014

Chairman

Ola Snøve has served as Aker BioMarine's Chair of the Board since 2014. Previously, he was Investment Director of Aker ASA for more than ten years, and he is the former President & CEO of Epax. Snøve holds a MSc and a PhD from the Norwegian University of Science and Technology, and an MBA with Distinction from INSEAD. He is a Norwegian citizen.



Anne Harris

is independent of the company's management, material business contacts and main shareholder.

Board member since 2021

Director

Anne Harris has been the Chief Financial Officer (CFO) of Statkraft since 2019, and has previously held leadership roles in Norsk Hydro ASA, Entra Eiendom AS and Multiconsult ASA. She has been on the Board at the Institute for Energy Technology (IFE) (2015-2021) and COWI Holding from 2021. Harris holds an MSc from BI Norwegian Business School. She is a Norwegian citizen.



Kimberly Mathisen

is independent of the company's management, and material business contacts.

Board member since 2022

Director

Kimberly Mathisen became CEO of HUB Ocean in January 2022, after serving as GM Norway for Microsoft. She is on the Board of Bayer and Aize and is on the Advisory Board of Nynsø and Sintef. She has served on the Boards of e.g Yara, Abelia, NHST and Kappa Bioscience. Mathisen has a bachelor's degree from the University of Illinois and MBA from Harvard Business School. She is an American and Norwegian citizen.



Cilia Holmes Indahl

is independent of the company's shareholder.

Board member since 2021

Director

Cilia Holmes Indahl leads the foundation for EQT, a global investment company. She is also the Co-founder of Sustainability Hub Norway. Indahl holds an Economics degree with a double master's degree in International Business and Sustainable Innovation from the Norwegian School of Economics (NHH) and HEC Paris. She is a Norwegian citizen.



Kjell Inge Røkke

is independent of the company's management and material business contacts.

Board member since 2016

Director

Kjell Inge Røkke, Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. In 1996, the Røkke controlled company, RGI, became Aker's largest shareholder, which later merged with Aker. Røkke is currently chairman of Aker ASA, The Resource Group TRG AS, TRG Holding AS. He is a Norwegian citizen.



Lise Wiger

Director, elected by the employees

Board member since 2021

Lise Wiger, an employee-elected representative to the Board, has been a part of Aker BioMarine since 2017. Wiger started her Aker BioMarine career as part of the accounting team, and she now serves as FRC Manager for the company. Wiger studied at Santa Barbara City College and BI Norwegian Business School. She is a Norwegian citizen.



Sindre Skjøn

Director, elected by the employees

Board member since 2019

Sindre Skjøn, an employee-elected representative to the Board, has been in Aker BioMarine since 2005. He currently serves as the company's VP Technical Operations of Offshore Operations. Skjøn holds a Class I Chief Engineer degree from Aalesund Maritime Skole and was educated as a Coastal Captain at Aukra Maritime Skole. He is a Norwegian citizen.

BOARD OF DIRECTORS' REPORT

Aker BioMarine increased Net sales to USD 277.2 million for 2022 and improved Net profit substantially, reaching USD 10.0 million. The adjusted EBITDA for 2022 was USD 69.0 million with a solid margin of 25%. The increase in sales from the previous year is largely explained by both higher volumes and higher prices of QRILL Aqua. Aker BioMarine has a relatively high fixed cost base with high operational leverage, yielding higher earnings growth as the top line increases.

Harvesting operations for the year were good, with all three vessels in full operation. Offshore production was 52,000 tons, 19% up from 2021. Although offshore production still reflects the full capacity of the fleet, 2022 volume was the highest in the company's history.

Aker BioMarine's competitive position remains solid. In krill harvesting, the company accounts for around 70% of all the global krill catch, even while holding a minority of the total number of fishing vessels. The onshore operation in Houston, US, produced at high efficiency in the first half of the year. As planned, the plant closed 1 June to allow for upgrades and improvements of the facility, rebalancing inventory levels, as well as preparing the plant for production of new products. Towards the end of the year, a particular krill oil quality was produced to prepare for the planned re-entry to South Korea for Superba.

In the animal health and nutrition business, QRILL Aqua ingredients continued with good sales development. Sales volume increased 15% in 2022 compared to the year before, and with higher product prices, revenues increased 27% for the year. Good customer demand and higher offshore krill meal production were the main reasons for the high growth. In the human health and nutrition business, total krill oil sales are still impacted by the shortfall of volumes in South Korea.

Aker BioMarine's own krill oil brand, Kori, is sold on the shelves of the largest retailers in the US. Kori sales increased to USD 14.1 million in 2022 from USD 7.5 million compared to 2021, which is an 88% increase. During the year Aker BioMarine introduced two new Kori stock-keeping units currently sold direct to consumers through Amazon.

Aker BioMarine has for many years invested in innovation and research and development (R&D). Innovation is an integral part of the company's DNA and is at the core of the company culture. In 2022, Aker BioMarine and others published several studies documenting the benefits of both krill oil for human consumption and krill meal for animal feed. These studies equip Aker BioMarine and customers with more information about their krill-based products, which enables greater awareness and sales.

In 2022 there were good progress in the ongoing strategic innovation projects. At the plant in Houston, US, preparation and commissioning for producing LysoVeta in small scale were completed and the product is waiting for US regulatory approval expected in the first half of 2023. Customer outreach and dialog has started to prepare for market launch. In September, Aker BioMarine signed an agreement with Trofi Nutritional Inc. with the aim to develop medical foods products based on LysoVeta, targeting Alzheimer's disease, male infertility and gestational diabetes, in addition to pre-natal supplements in the US.

The INVI protein product was in 2022 rebranded "Understory". The protein plant in Norway is close to completion, and subject to commissioning, first commercial production is expected mid-2023. In 2022, Aker BioMarine completed a spin-off of AION and transferred the operational control and majority of the voting rights and board representatives in Aion AS to Ocean 14 Capital Ltd.

Aker BioMarine further developed the company's ESG framework with ambitious targets for 2030 and 2050. The company's ambition is a reduction of CO₂ emissions by 50% in 2030 and to be net zero in 2050. The probability of successfully meeting these targets is dependent on systematic implementation of measures to increase energy efficiency as well as external factors such as market willingness to pay premium for low-emission products, available technology, and infrastructure in a hard-to-abate industry. In its 2022 review, Sustainable Fisheries Partnership awarded Aker BioMarine's Antarctic krill fishery an A-rating for the 7th consecutive year, and hence, it is rated as one of the world's most sustainable fisheries.

BUSINESS OVERVIEW

Aker BioMarine is a biotech innovator and Antarctic krill-harvesting company, dedicated to improving human and planetary health. The company has a strong position in its industry and is the world's leading supplier of krill-based ingredients for nutraceutical (Superba), aquaculture (QRILL Aqua), and animal feed applications (QRILL Pet). In addition, the company develops a new potential product, LysoVeta, for targeted transporter of EPA and DHA from krill. Aker BioMarine is also targeting the protein market with the new product Understory, a highly concentrated protein isolate from krill. The company's business is supported by research, and there are around 200 published studies showing the benefits of krill for humans and animals.

Aker BioMarine's fully integrated value chain starts with sustainable krill harvesting in Antarctica. The catch technology ensures very limited bycatch and utilizes 100% of the raw material. The three harvesting vessels are outfitted to simultaneously produce ingredients while catching krill. From the logistics hub in Montevideo, Uruguay, Aker BioMarine distributes products to customers globally, and ships

ingredients to Houston for the production of krill oil. The company has inhouse sales and distribution teams locally in the important markets where it operates, selling products to customers in more than 60 countries. The Company has its own private label business in the US, Lang Pharma Nutrition, and a krill oil brand, Kori, through Epion Brands LLC. Both companies are US based in Rhode Island and New York.

Aker BioMarine's purpose is to improve human and planetary health, and this guides all employees and management when making decisions and setting priorities. Aker BioMarine adapted its strategy to UN's Sustainable Development Goals (SDG) in 2015, and the company focuses on four of the SDGs:

- GOOD HEALTH AND WELL-BEING by combating lifestyle deceases through its Superba krill oil products.
- ZERO HUNGER by making aquaculture more efficient through its QRILL Aqua products.
- RESPONSIBLE CONSUMPTION AND PRODUCTION through mapping out CO₂ and waste stream and implementing new initiatives to reduce the footprint each year.
- LIFE BELOW WATER by building the most sustainable fishery in the world, and being transparent, responsible, and contributing to science in Antarctica.

Aker BioMarine owns and operates three krill harvesting vessels under Norwegian flag: Saga Sea, Antarctic Sea and Antarctic Endurance. The vessels produce krill feed products and intermediates onboard. In addition, the company owns the newbuilt support vessel Antarctic Provider (under Norwegian flag), that was delivered in 2021. Antarctic Provider transports krill products, crew, fuel and consumables between the harvesting vessels and the logistics hub in Montevideo, Uruguay. Aker BioMarine holds four krill harvesting licenses issued by the

Norwegian Government, three of which are in use today. The company also owns and operates its onshore krill oil plant in Houston, US.

The Aker BioMarine headquarters are located at Fornebu, Norway. The shares of the company trades on Oslo Børs.

FINANCIAL INFORMATION

Consolidated results

In 2022, Net sales increased by 6% to 277.2 million, from 262.1 million in 2021, mainly driven by higher sales in the Ingredients segment. Net profit for the year was USD 10.0 million, up from a loss of USD 8.0 million in 2021. The significant improvement in Net profit is driven by higher offshore production and gross margins for the QRILL category as well as a gain following the Aion transaction of USD 5.8 million recognized as 'Other operating income' and USD 3.4 reported as 'Other financial Income'. Adjusted Group Earnings before Interest, Tax, Depreciation, Amortization and special operating items ("Adjusted EBITDA") was USD 69.0 million in 2022, compared to USD 47.9 million in 2021.

Cash flow

Cash flow from operations was USD 15.1 million in 2022, an increase from USD 2.6 million in 2021, mainly due to release of receivables and several effects in 2021 not recurring in 2022. The difference between cash flow from operations and the operating profit (loss) in the statements of profit or loss mainly represents changes in working capital, depreciation and amortization, as well as financial expenses such as interest and guarantee fees included in cash flow from operations. Cash flow from investing activities includes cash investments in the protein plant, as well as growth and maintenance capital expenditures on existing assets. Total investments for the year were USD 56.4 million compared to USD 81.1 million in 2021, where 2021 was impacted by the delivery of the transport vessel Antarctic Provider. Net cash flow from financing activities was USD 52.5 million compared to USD 78.9 million in 2021.

Financial position

As of 31 December 2022, the equity ratio was 46%, compared to 49% at year-end 2021. Cash and cash equivalents amounted to USD 22.3 million, compared to USD 11.1 million as of year-end 2021. In addition, the company's fuel hedge amounted

to USD 11.0 million, USD 12.5 million last year. Total assets amounted to USD 822.4 million and total equity was USD 378.7 million. Corresponding 2021 figures were USD 757.5 million in total assets and USD 370.4 million in total equity. The increased asset base mainly comprised of investments into the protein plant as well as higher inventory values following build-up of krill oil inventory. Interest-bearing debt amounted to USD 381.2 million as of 31 December 2022, of which USD 333.6 million is long-term interest-bearing debt and USD 47.6 million is short-term interest-bearing debt. Total interest-bearing debt was USD 324.8 million last year. The available liquidity under the company's debt facilities amounted to USD 48.9 million as of 31 December 2022.

AKER BIOMARINE ASA

The parent company Aker BioMarine ASA is a holding company, with financial activities and with corporate functions. Aker BioMarine ASA had a Net gain of USD 25.8 million in 2022, compared to USD 5.2 million in 2021. The increase in Net gain is primarily driven by lower operating expenses as well as gain following the Aion transaction. Total assets were USD 548.2 million as of 31 December 2022, compared to USD 523.5 million in 2021. Cash and cash equivalents were USD 3.9 million as of 31 December 2022, up from USD 0.5 million in 2021.

The Board of Directors has proposed that the Net profit for the period is allocated to retained earnings.

FINANCIAL RISK AND RISK MANAGEMENT

Aker BioMarine is exposed to credit, liquidity, and interest risk in addition to operational risks and uncertainties related to harvesting and offshore processing technologies, fluctuations in annual krill harvesting, onshore production processes and product quality, ability to develop new products, and general market risk, which includes product sales.

Other key operational risks and uncertainties

Future sales growth: Increased competition from e.g., China could impact the ability to grow the demand for krill products globally, but also putting pressure on prices. New and stricter regulatory regimes could also impact sales short

to medium term, similar to the situation the company experienced in South Korea.

Access to harvesting in the Antarctic: Changes in any regulations from CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources), new Marine Protected Areas (MPAs) affecting the fishing area, or transitional climate risk of broader regulatory bodies limiting the harvesting areas may reduce access to krill. Increased competition from other harvesting countries, e.g., China could also affect the company's ability to harvest krill. Weather- and ice conditions might also affect harvesting from year to year.

Climate change: Any climate change affecting the krill biomass with regards to availability and fat composition, could significantly affect the harvesting. In addition, ice and weather conditions could create a more challenging operational environment both offshore, and also for the onshore plant in Houston.

Operational breakdown: A major disaster or incident, due to technical issues or natural disasters, in the Houston plant or on any of the harvesting and support vessels could have serious operational, environmental, and financial impact.

Key financial risk and uncertainties

The company's activities create exposure to various types of risk which are associated with the financial instruments and markets in which it operates. The most significant types of financial risk are credit risk, liquidity risk, and market risks. Risk management is carried out in order to create predictability and stability for operating cash flows and values. The Company can use financial derivatives to hedge against risk relating to operations, financing, and investment activities. In 2020 the company entered into a fuel hedge contract with DNB for hedging of bunkers oil for the period 2021-2024.

Credit risk: Relates to receivables from customers and is monitored on a routine basis with credit evaluations being performed on customers as appropriate. When entering significant sales contracts, the sales department seeks to reduce credit risk through more stringent payment terms including requirement of up-front payments. The

company has had low losses on receivables as the sales department is maintaining close contact with each customer and routine billing and cash collection is performed.

Liquidity risk: Inability to meet financial liabilities as they mature. The company has not hedged against exposure to interest-rate fluctuations on debt and is therefore exposed to fluctuations on the variable rate amount of interest-bearing liabilities.

The company was in need of a waiver for its leverage covenant during 2022, and there is a risk that the company will need a waiver for part of 2023 as well. As a result of this, the company has engaged in dialogue with its bank group and obtained a waiver for 2023.

Other financial risk:

These are described in more detail in Note 19 (Financial risk) to the consolidated financial statements, but include:

- **Currency:** Aker BioMarine operates in a global market and is exposed to currency fluctuations, primarily in the USD, NOK and EUR exchange rates with USD as its functional currency. The company seeks to ensure that revenues and expenses are in the same currency. The company periodically assesses the need for foreign currency hedging. Currency risk is managed on an overall Group level.
- **Interest rate:** The majority of the Group's debt facilities is floating. Aker BioMarine is therefore exposed to interest rate volatility and development, and the company periodically assesses the need for interest rate swaps or fixed papers when entering new debt facilities.
- **Fuel price:** Fuel cost is one of the company's largest operating costs. In June 2020 the company entered into a hedging arrangement for MGO fuel by using call options for 2021-2024. Total volume over the four-year period were 143 077 metric ton of MGO with the purpose of securing the future cash-flows from operating the company's fleet.

The Group has adopted a risk management policy to identify, measure, and mitigate risks.

HEALTH AND SAFETY

The krill-harvesting vessels, as well as the support vessel, operate in rough waters in Antarctica. Crew health and the working environment are important concerns for the company. Despite the demanding conditions, illness, and accident rates onboard are low. 'Safety first' is key focus throughout the company's different operations. Sick leave rates are low onboard the vessels, at the plant in Houston, and in the other office locations.

In 2022, the company implemented a global and holistic approach for health and safety to integrate the production sites, vessels, and office spaces, in addition aligning strategic, tactical, and operational needs. The key achievement has been the establishment of a management system and a full recovery process, enabling us to correctly identify, report, capture and investigate any incident, accident, or event that may occur.

The company has established an emergency preparedness manual for the total business and an emergency response notification telephone system, which allows employees to report/notify an emergency incident anywhere in the world at any time. Aker BioMarine has put in place systems to ensure that crew members have access to medical attention, in case of injury or illness when vessels are operating far from shore. The onboard working environment is reported as good, as evidenced by the low crew turnover rate.

The company aims to minimize personnel injuries, environmental harm, and vessel or property damage, and conducts systematic safety drills that prepare crew and onshore personnel for handling demanding scenarios that may occur on board or onshore. Personnel safety is important and efforts to further improve safety are ongoing.

During 2022 the offshore operations had four employee injuries leading to lost time. In total, the offshore operations experienced 29 recordable incidents of various nature. At the plant in Houston, US there were no recordable incidents in 2022. There are no reports of significant injuries caused by other conditions associated with the

company's operations. The company views accidents and hazardous conditions with great concern. Incidents and procedures are reviewed regularly, and measures are implemented to avoid recurrence.

The registered sick leave in the company's offshore operation was 0.9% in 2022, up from 0.6% in 2021. At the Houston plant sick leave was 1.2% in 2022, up from 0.5% in 2021. In the other offices, the sick leave was 1.3% in 2022, up from 1.0% in 2021.

ENVIRONMENT

Aker BioMarine targets to reduce its operational footprint in all parts of the value chain. The main resources Aker BioMarine utilize are krill, energy, water, and land, where the most significant environmental impacts of the company's activities relate to climate change, biodiversity and nature, recycling and waste management.

The activities mostly impacting the environment are the capture of krill, energy consumption and emissions from the three vessels. Two vessels fishing in Antarctica and the support vessel that transports krill, supplies and crew from the fishing vessels. Energy consumption and emissions from the manufacturing facilities that produce krill products and the transport of these products to customers mainly in the US, Europe and Asia.

Environmental sustainability has always been an integral part of Aker BioMarine's operations and business model. Known for its transparent operations and voluntary measures to set industry best practice and contributions to Antarctic science, the company was the first krill fishery to receive the Marine Stewardship Council (MSC) certification in 2010, and its second re-certification 2020 for another 5 years, once again rated as state-of-the-art both on sustainability of the stock, limited ecosystem impact of operations and effective management of krill.

Aker BioMarine's Eco-Harvesting technology was designed and patented to efficiently harvest krill and reduce by-catch to a minimum compared to conventional trawling. The technology has evolved significantly and played an important role for krill fisheries being recognized by a scientific study in 2022 as one of the world's cleanest fisheries.

Aker BioMarine's ESG framework details our ambition to reach targets, such as reduction of CO₂ intensity by 50% in 2030 and the aim to be net zero in 2050. Targets also include 100% circularity in principal waste streams by 2030 and dedicated efforts to protect marine biodiversity and environment. In 2022, the company has developed an improved internal control procedure to secure progress along ESG indicators and continued the work of the Climate and Decarbonization Committee (CDC), overseen by the Executive Management, dedicated to work strategically and tactically to ensure CO₂ emission reduction. The CO₂ emissions are disclosed in a separate section of the Annual Report.

For Aker BioMarine, environmental sustainability is also about positive impact. The Company is committed to utilize its platforms and resources to increase scientific knowledge to the best for krill management and conservation. Examples are annual allocation of vessel days dedicated to scientific surveys and investigations of krill by marine scientists. Furthermore, annual cash contributions secures the running of the Antarctic Wildlife Research Fund (AWR) which from 2015 to date has funded 22 Antarctic krill and ecosystem projects with the total of USD 1.4 million.

Aker BioMarine established the circular solution company AION, which recycles the company's own plastic streams and biological residue into new products and hence driving the company towards its zero-waste vision. In 2022, Aker BioMarine has continued to improve product waste through circular sales and re-purposing of traditional products.

Aker BioMarine maintains an extensive stakeholder collaboration with authorities, science institutions and environmental NGOs that are engaged in the Antarctica specifically, as well as the broader community, in order to position marine resources as an important component into future foods and nutrients.

For further information, see chapter 2 in the Annual report.

ORGANIZATION

Driving equality and diversity through an engaged and well-respected workforce is a key enabler to

delivering on the company's overall strategy. Therefore, it is fundamental for Aker BioMarine to maintain a working environment with equal opportunities for all based on qualifications, regardless of gender, ethnicity, religion, age, sexual orientation, or disability. Aker BioMarine's diverse workforce consists of approximately 40 nationalities and includes a wide range of competencies and insights, which serves to benefit both customers and the overall business.

Aker BioMarine seeks to promote diversity and prevent gender discrimination in the workforce through clear recruitment requirements and the development of individuals and programs that support equal opportunity. This means that the company is committed to both promote and pay employees fairly, regardless of individual characteristics, and that individuals with the same jobs, with equal professional experience, who perform equally well, shall receive the same pay in Aker BioMarine. Salary reports identified certain differences with respect to equal pay, and the company is making necessary adjustments to align the identified differences, and in 2022 Aker BioMarine was able to reduce the gap by 6 % through the salary adjustment process. Further analysis is conducted to evaluate whether any differences in salary are linked, directly or indirectly, to gender. The female ratio in middle management positions is 44%, a significant improvement from the year before (24%). The management continue focus on improving and maintaining the gender balance in leadership positions in the years coming.

Aker BioMarine has a low percentage of women in its fisheries in Antarctica and manufacturing in Houston. However, the company has a balanced mix of women and men in its other offices where 54% are women among the 269 employees.

In 2022, Aker BioMarine invited employees to participate in an employee share purchase program. The program offers employees on active payroll in the Norwegian Group Companies to purchase ordinary shares in the company at a reduced offer price conditional upon a lock-up period of two years. The main purpose of the program is to align the interest between the shareholders and the Aker BioMarine employees and encourage participation in the long-term

value creation of Aker BioMarine. In 2022, a total of 51 647 shares were subscribed to by a total of 45 employees.

For further details see section 2 in the Annual Report. The report on Corporate Social Responsibility, which is approved by the Board of Directors, is included in the Environmental, Social and Governance chapter.

CORPORATE GOVERNANCE

Aker BioMarine is a public limited liability company organized under Norwegian law and with a governance structure based on Norwegian corporate law and other regulatory requirements.

The company's corporate governance model is designed to provide a foundation for long-term value creation and to ensure good oversight. Aker BioMarine has seven board members, none of whom are members of the company's management and two of whom are employee representatives. Three of the board members are female and four are male. A majority of the board members are independent of the company management and significant business partners, and two of the shareholder-elected board members are independent of Aker ASA. The Chairman is elected by the General Meeting.

The Board of Aker BioMarine establishes the overall principles for governance and control in Aker BioMarine ASA through the adoption of various governing documents. Aker BioMarine

follows the Norwegian Code of Practice for Corporate Governance. The company's practice is largely in accordance with these recommendations. Aker BioMarine ASA holds a Directors and Officers Liability Insurance on behalf of the Board of Directors and the CEO

As of 31 December 2022, Aker Capital AS held 77.7% of the shares in Aker BioMarine, and the CEO, through his wholly owned subsidiary KMMN Invest II AS, held 1.2%.

Reference is made to the Corporate Governance Report (see chapter 2 in the Annual Report), which is approved by the Board of Directors.

Transparency Act

The Company have published its Transparency Act Report on the company website; <https://www.akerbiomarine.com/investor-other-reports-and-presentations>. It's reported in accordance with the Norwegian Transparency Act (the "Transparency Act") section 5 and summarizes the policies and procedures in Aker BioMarine ASA ("AKBM") with respect to safeguarding of human rights and decent working conditions and provides information on the implementation and results of Aker BioMarine's due diligence.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no events after the balance sheet date.

BUSINESS OUTLOOK

The global omega-3 supplement market is, according to Grand View Research, expected to grow at an annual compounded rate of around 7-8% towards 2030 largely attributable to the rising use of omega 3-based ingredients in the human diet to support brain and heart health. Further, krill and algae are expected to be the main growth drivers due to the declining availability of fish as the main ingredient. Aker BioMarine expects healthy demand in the aqua feed market.

Aker BioMarine will continue to expand its sales and marketing efforts to develop the company's existing and new markets with prospective leads and new customers, in addition to further increasing sales among its current customer-base. Asia is expected to be an important growth region for both Superba™ and QRILL Aqua. The company targets higher sales in its consumer brands business in the US.

Aker BioMarine has historically observed annual variations in catch volumes, due to both weather conditions and the occurrence of krill in the various sub-areas in Antarctica. The company plans for average annual harvesting volumes of 55,000 – 60,000 metric tons, although there will still be seasonal and operational variations from year to year.

Aker BioMarine aims long-term annual average company sales growth of around 15% p.a.

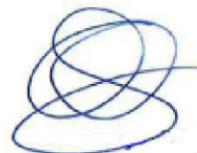
The company continue to focus' on the ongoing strategic innovation projects. For Lysoveta, the expected development includes scale-up of commercial and manufacturing activities in the US, that is the first target market. Aker BioMarine aims to have regulatory approval for product sale in the US by the end of 2023 with technical samples already available for research, and in 2022, the company signed an agreement with Trofi Nutritional Inc. with the aim to develop medical foods products based on Lysoveta.

The Board recognizes that future events are uncertain in nature.

GOING CONCERN ASSUMPTION

Aker BioMarine had at year-end a total equity of USD 378.7 million, implying an equity ratio of 46%. In addition, there is available capacity under the debt facilities, and it is assessed that the entity is able to continue as a going concern. Management has close dialog with the bank group on financing and covenant levels for 2023. Therefore, pursuant to section 3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is deemed appropriate.

Oslo 21 March 2023
The Board of Directors and CEO of Aker BioMarine



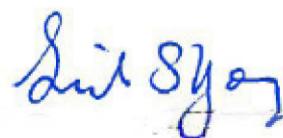
Ola Snøve
Chair of the board



Kjell Inge Røkke
Director



Kimberly Mathisen
Director



Sindre Skjong
Director, elected by the employees



Lise Wiger
Director, elected by the employees



Anne Harris
Director



Cilia Holmes Indahl
Director



Matts Johansen
CEO Aker BioMarine

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the year ended 31 December

USD Millions	Note	2022	2021
Net sales	2	277.2	262.1
Cost of goods sold	12	-162.4	-174.0
Gross profit		114.8	88.1
Selling, general and administrative expense	4	-86.5	-85.7
Depreciation, amortization and impairment (non-production assets)	8, 9, 10	-16.4	-19.2
Other operating income	2	10.2	3.1
Operating profit (loss)		22.1	-13.7
Financial income	5	4.0	21.3
Financial expenses	5, 18	-22.0	-15.7
Net foreign exchange gain/loss	5, 18	8.1	0.6
Profit (loss) before tax		12.2	-7.4
Tax expense	7	-2.2	-0.6
Net profit (loss)		10.0	-8.0
Earnings per share to equity holders of Aker BioMarine ASA	24		
Basic		0.11	-0.09
Diluted		0.11	-0.09

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December

USD Millions	Note	2022	2021
Net profit (loss)		10.0	-8.0
Change in fair value cash flow hedges	19	-1.9	5.2
Total items that may be reclassified to profit and loss		-1.9	5.2
Total other comprehensive income (loss)		-1.9	5.2
Total comprehensive income (loss)		8.1	-2.8

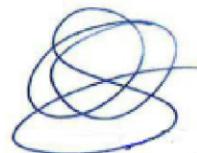
AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As per 31 December

USD Millions	Note	2022	2021
ASSETS			
Property, plant and equipment			
Right-of-use assets	8, 10, 19	333.2	327.9
Intangible assets and goodwill	18	9.9	11.3
Contract cost	9, 10	162.7	171.5
Non-current interest-bearing receivables	2	5.2	7.2
Investments in equity-accounted investee	1	2.5	-
Total non-current assets		523.7	518.0
Inventories			
Trade receivable and other current assets	12	182.7	138.2
Derivative assets	13, 19	82.7	77.7
Cash and cash equivalents	19	11.0	12.5
Total current assets		298.7	239.5
Total assets		822.4	757.5
LIABILITIES AND OWNERS' EQUITY			
Share capital			
Other paid-in equity	23	75.9	75.9
Total paid-in equity		569.6	569.4
Translation differences and other reserves		3.5	5.4
Retained earnings		-194.4	-204.4
Total equity		378.7	370.4
Interest-bearing debt			
Deferred tax liability	16	333.6	294.1
Other non-interest-bearing non-current liabilities	7	5.4	4.9
Total non-current liabilities		339.0	309.8
Interest-bearing current liabilities	16	0.1	10.8
Accounts payable and other payables	17, 19	47.6	30.7
Total current liabilities		104.7	77.3
Total liabilities		443.7	387.1
Total equity and liabilities		822.4	757.5

Oslo 21 March 2023
The Board of Directors and CEO of Aker BioMarine



Ola Snøve

Chair of the board



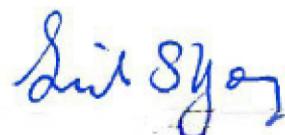
Kjell Inge Røkke

Director



Kimberly Mathisen

Director



Sindre Skjong

Director, elected by the employees



Lise Wiger

Director, elected by the employees



Anne Harris

Director



Cilia Holmes Indahl

Director



Matts Johansen

CEO Aker BioMarine

CONSOLIDATED STATEMENTS OF CASH FLOW

for the year ended 31 December

USD Millions	Note	2022	2021
Net profit (loss)		10.0	-8.0
Tax expenses	7	2.2	0.6
Net interest and guarantee expenses	5	19.7	13.7
Interest paid		-17.6	-12.8
Interest received		0.3	-
Taxes paid	7	-2.8	3.3
Other P&L items with no cash flow effect		-10.7	-21.1
Impairment charges	10	-	5.8
Depreciation and amortization	8, 9	51.4	53.0
Foreign exchange loss (gain)		0.6	-0.3
Change in accounts receivable, other current receivables, inventories, accounts payable and other		-38.0	-31.6
Net cash flow from operating activities		15.1	2.6
Payments for property, plant and equipment	8	-40.5	-78.7
Payments for intangibles	9	-5.6	-2.4
New long-term receivable interest bearing		-2.0	-
Instalment short/long-term receivable, interest bearing		2.8	-
Earn Out payment	16	-11.1	-
Net cash flow from investing activities		-56.4	-81.1
Proceeds from issue of debt and change in overdraft facility	15, 19	16.5	4.2
Instalment interest-bearing debt	15, 19	-14.2	-260.3
Proceeds from issue of external interest-bearing debt	15, 19	50.0	335.0
Net funds from issue of shares	15	0.2	-
Net cash flow from financing activities	15	52.5	78.9
Net change in cash and cash equivalents		11.2	0.4
Cash and cash equivalents as of 1 January	14	11.1	10.7
Cash and cash equivalents as of 31 December	14	22.3	11.1

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

USD Millions	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity
Balance as of 1 January 2021	75.9	529.9	-36.3	0.1	-196.4	373.2
Net profit (loss) for the year	-	-	-	-	-8.0	-8.0
Other comprehensive income (loss)	-	-	-	5.2	-	5.2
Total comprehensive income (loss)	-	-	-	5.2	-8.0	-2.8
Balance as of 31 December 2021	75.9	529.9	-36.3	5.4	-204.4	370.4
Balance as of 1 January 2022	75.9	529.9	-36.3	5.4	-204.4	370.4
Net profit (loss) for the year	-	-	-	-	10.0	10.0
Other comprehensive income (loss)	-	-	-	-1.9	-	-1.9
Total comprehensive income (loss)	-	-	-	-1.9	10.0	8.1
Capital increase	-	0.2	-	-	-	0.2
Total transactions with owners	-	0.2	-	-	-	0.2
Balance as of 31 December 2022	75.9	530.1	-36.3	3.5	-194.4	378.7

Note 1 – General Information

These consolidated financial statements are for the reporting entity Aker BioMarine ASA (the "Company") and its subsidiaries (together, the "Group"). The Company is a limited liability company domiciled in Norway with its registered office at Oksenøyveien 10, 1366 Lysaker, Norway.

The Group is a global supplier of krill-derived products, with a fully owned supply chain. The operations of the Group spans from harvesting krill in the Antarctica with vessels owned by the Group, includes distribution world-wide from Uruguay, and further processing of the krill into oil-products in the United States.

These consolidated financial statements were authorized for issue by the Board of Directors' and the CEO on 21 March 2023. The consolidated financial statements will be submitted to Aker BioMarine's annual General Assembly on 20 April 2023 for final approval.

Basis for preparation

The consolidated financial statements have been prepared in accordance with IFRS and the IFRS Interpretations Committee (IFRIC) interpretations as approved by the IASB and adopted by the EU as of 31 December 2022. The consolidated financial statements of Aker BioMarine AS have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the sections below where fair value is required for derivatives and contingent consideration. Certain comparative figures may be reclassified to conform to the presentation adopted in the current year.

In these consolidated financial statements amounts have been rounded to the nearest million USD, unless otherwise stated. As a result of rounding differences, amounts may not add up to the total.

Summary of Group accounting policies

Accounting policies that relate to the consolidated financial statements in general are set out below, while the accounting policies related to specific assets, liabilities or financial statements line items are included in the corresponding note disclosure. All accounting policies have been consistently applied to all the years presented, except for the accounting policies related to leasing agreements. IFRS 16 *Leases* was implemented as of January 1, 2019. See Note 18 for additional information.

Functional and presentation currency

Transactions recorded in the financial statements of each subsidiary are done in its functional currency, i.e. the currency that best reflects the primary economic environment in which the entity operates. The consolidated financial statements are presented in US Dollars ("USD"), which is the Group's presentation currency as the Group's cash flow and economic returns are principally denominated in USD and is the functional currency of each key subsidiary. The functional currency of the parent company Aker BioMarine ASA is USD.

Critical accounting estimates and significant judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable, and constitute management's best judgment at the date of the consolidated financial statements. In the future, actual results may differ from those estimates.

Where appropriate, present values are calculated using discount rates reflecting the currency and maturity of the items being valued. Further details of critical estimates and significant judgments are set out in the related notes to the consolidated financial statements.

The critical estimates that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year results relate to:

- Technical assessments when estimating the useful life of the Group's vessels and machinery (see Note 8),
- Estimating the recoverable amount of the tangible and intangible assets, goodwill and RoU (not explained) assets allocated to the Krill cash generating unit when conducting impairment tests (see Note 9 and 10),
- Allocation of production cost between products produced in the Ingredients segment (see Note 12).

The significant judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the financial statements relate to:

- Expenses included as part of the indirect production costs capitalized as a part of the inventory and the measurement of the krill- based products held as Inventories at year end (see Note 12),
- Recognition and measurement of expenditure on vessels and machinery included in Property, plant and equipment (see Note 8).

Changes in accounting policies and new pronouncements

There are no changes in the accounting policies for the consolidated financial statements for the year ending 31 December 2022 as compared to the accounting policies for the 2021 reporting year. The new IFRS standards applicable for reporting periods on or after 1 January 2022 adopted by the Group have not had a material impact for the Group's financial reporting.

None of the issued, not yet effective IFRS standards, amendments to such standards or IFRIC interpretations are expected to have significant effects for the Group's financial reporting.

Significant changes in the current reporting period

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

- Aion transaction: In April 2022, a third party obtained control of the Group's investment in Aion AS leading to derecognition of consolidated assets and liabilities and a subsequent gain recognized as 'Other operating income' in the Statement of Profit or Loss (see Note 2). The Group's involvement in Aion is limited to board participation and purchase of circular products on market terms. The investment in Aion is treated as 'Investments in equity-accounted investees' in the Statement of Financial Position.
- Construction of protein plant: During the year the Group has capitalized investments into the new protein plant (see Note 8). The plant will be finalized in 2023.

Going concern

These financial statements have been prepared under the assumption of going concern. Prior to the authorization of these financial statements, Management has been in dialog with the bank group regarding additional financing alternatives and covenants for 2023.

Note 2 – Revenue and Other income

Revenue primarily stems from the sale of Qrill™ branded ingredients, or Krill oil during the year, used either in the feed industry or within human health and nutrition. Lang, the distributor of private labels within the Brands segment operates within the human health and nutrition markets but also sells other natural supplements in addition to Krill oil. The Group's main performance obligation is related to the delivery of agreed volumes of the above-mentioned products. Some customers have longer term frame agreements, agreeing the prices of the product per MT/KG, but all sales are based on individual purchase orders detailing the volume to be delivered at a certain point in time, at a designated location.

The Group recognizes as revenue the agreed transaction price in a contract with a customer at the time when the Group transfers the control of a distinct product or service to the customer.

Ordinary purchase orders are normally the contracts with the customer which create enforceable rights and obligations. Volume discounts are the dominant sales incentives used by Aker BioMarine. Volume discounts with retrospective effect are systematically accrued and recognized as reduction of revenue based on the best estimate of the amounts potentially due to the customer.

Under IFRS 15 the Group's revenue from sale of Krill oil and Qrill™ is recognized at a point in time, when the customer obtains control over the goods.

Control is transferred to the customer according to agreed delivery terms, which is based on standardized contract templates as published by the International Chamber of Commerce (set forth in the Incoterms 2010). All sales are conducted using F-terms (delivery terms where the risk and responsibility for any cost of transport, insurance etc. are transferred to the buyer when the goods are on board the vessel/truck) or C-terms (delivery terms where seller pays the costs and freight to bring the goods to the port of destination), meaning the risk is transferred upon handing the goods over to the carrier engaged by either the customer or Group, respectively.

The main performance obligations for the Group are related to the sale of goods of specified amounts and quality to customers. For a significant part of the sales, the Group organizes and pays for shipping of the goods (C-terms). The Group has assessed that for these sales, there are two performance obligations, and that the Group acts as an agent for the shipping services. As a result, shipping revenue and related shipping costs are netted in the consolidated statement of profit or loss. The shipping commission for transport of goods is considered by the Group to be immaterial and further, the Group's delivery obligation is satisfied at the same time as the control of the goods is transferred to the customers. Consequently, the shipping commission is not separated from the revenues of sale of goods.

The goods are sold with standard warranties that the goods sold comply with agreed upon specification and condition. The Group does not have any significant obligations for returns or refunds, and any warranties would be accounted for using IAS 37 *Provisions, contingent liabilities and contingent assets*.

Payment terms are usually between 30-60 days. The Group does not have any contracts with a significant financing component.

Geographical allocation of revenue from sale of products (based on location of customer):

USD Millions	Year ended 31 December	
	2022	2021
Norway	26.8	22.9
EMEA	50.9	54.0
Americas	144.3	138.6
Asia Pacific	55.2	46.6
Total	277.2	262.1

During the reporting periods the Group has had one customer exceeding 16.1% of Net sales. In 2021, 12.6% of the Net sales was towards this customer. The revenue from this customer is attributable to the Ingredients segment. The Group's three largest customers in terms of revenue accounted for 34.5% of the revenue in 2022 (2021: 32.8%). North America is the Group's largest market which accounted for USD 134.8 million of total Net sales (2021: USD 130.7 million).

Assets and liabilities related to contracts with customers

The Group has recognized an incremental cost of obtaining customer contracts, which the Group expects to recover. A success fee of USD 10 million was paid upon signing of a significant contract in the Brands segment in 2020 and this contract cost is being amortized over 5 years. The carried amount as of 31 December 2022 was USD 5.2 million. The Group expects to recover this cost from future sales and the Group would not have incurred these incremental costs if a certain contract had not been obtained.

Liabilities with customers is less than the reporting threshold as of 31 December 2022 (2021: USD 0.1 million), the liabilities relate to prepayments from customers.

The timing of revenue recognition, billings, and cash collections results in billed trade receivables (Note 13 and 19) and prepayments from customers (contract liabilities). Prepayments up front is common practice to reduce price risk for new customers.

Other operating income is comprised of the following:

USD Millions	Year ended 31 December	
	2022	2021
Aion transaction	5.8	-
Gain from sale of fixed asset	-	0.4
Rebalancing fuel hedge	2.9	2.5
Other	1.5	0.2
Total	10.2	3.1

The spin-off of Aion AS (see Note 1) in Q2 resulted in a total gain of USD 9.2 million where USD 5.8 million has been recognized as other operating income and USD 3.4 million has been recognized as Finance Income in the Statement of Profit or loss. In September 2021 the supply vessel La Manche was sold with a transaction price of USD 1.8 million. This resulted in a gain of USD 0.4 million. Other consists of insurance and other reimbursements. Refer to Note 19 for more information about the fuel hedge.

Note 3 – Operating segments and adjusted EBITDA

The Group discloses segment information and identifies reportable segments in accordance with IFRS 8 *Operating Segments*. IFRS 8 requires management to report segment information according to the organization and reporting structure used by the chief operating decision maker (CODM). The Group defines the CODM as the Executive Management Team (EMT) and the CEO.

The Group's operations have historically occurred in one reportable segment with the production and sale of krill products. This is the Ingredients business segment. Following the acquisition of Lang on 1 March 2019, the Group has two reportable segments. The production and sale of krill products remains the same, but with Lang there is now a distribution segment, the Brands business. The two segments are operated and managed separately, and financial results are measured and reported on a stand-alone basis for the two operating segments. The key financial metric that management uses for decision making is Adjusted EBITDA.

Transactions between the two segments are eliminated in the 'Adjustments' column, as well as group adjustments in relation to financial items (such as changes in earn-outs) and depreciation and amortization on group assets (such as customer lists acquired in a transaction).

The Ingredients business consists of offshore harvesting and production activities, the logistical operations and the onshore manufacturing and sale of krill oil products globally to distributors and feed producers. This segment sells the products Krill oil and Krill Meal. This was the Group's core business and only identified segment up until the acquisition of Lang on 1 March 2019.

The Brands segment is the human consumption distribution business. As of 31 December 2022, the Brands segment comprises the group legal entities Lang Pharma Nutrition LLC (Lang), Epion Brands LLC (Epion) and the holding company New Ride LLC. Lang acquires raw materials derived from krill, fish and plants. These raw materials are then processed and packaged, labeled, and sold to retailers in the US market. The Brands segment sells the products under the brand name Qrill™ Pet and other brand names.

Recognition and measurement applied to the segment reporting is consistent with the accounting principles applied when preparing the financial statements. Transactions between segments and internally within the Ingredients segment follow recognized principals of transfer pricing. The geographical distribution of revenue is presented in Note 2. This is not part of the monthly/bi-monthly segment reporting to management. Segment financial information is given in the tables below for the years 2022 and 2021.

Operating segments 2022:

USD Millions	Ingredients	Brands	Unallocated & Eliminations	Total
External sales	128.7	108.2	-	236.9
Internal sales	47.9	6.7	-14.3	40.3
Cost of goods sold	-101.2	-81.7	20.5	-162.4
Gross profit	75.4	33.2	6.2	114.8
SG&A	-55.7	-30.8	-	-86.5
Depreciation, amortization and impairment	-9.6	-6.8	-	-16.4
Other operating income/(cost), net	10.1	0.2	-	10.2
Operating profit	20.2	-4.2	6.2	22.1
Net financial items	-6.1	-3.9	-	-10.0
Tax expense	-0.5	-1.7	-	-2.2
Net profit (loss)	13.6	-9.8	6.2	10.0
Depreciation, amortization and impairment (Note 8)	44.6	6.8	-	51.4
EBITDA	64.8	2.6	6.2	73.6
Adjusted EBITDA	60.2	2.6	6.2	69.0

Balance sheet items	Ingredients	Brands	Unallocated & Eliminations	Total
Property, plant and equipment	332.9	0.3	-	333.2
Right-of-use assets (leasing)	9.7	0.2	-	9.9
Intangible assets	92.6	70.1	-	162.7
Cash and cash equivalents	9.9	12.4	-	22.3
Interest-bearing debt	-311.8	-69.4	-	-381.2
Inventory	138.0	39.2	5.5	182.7
Net interest free asset and liabilities	53.6	1.0	-5.5	49.1
Total equity	324.9	53.8	-	378.7

Operating segments 2021:

USD Millions	Unallocated &			
	Ingredients	Brands	Eliminations	Total
External sales	83.3	104.1	-	187.4
Internal sales	86.3	6.3	-17.9	74.7
Cost of goods sold	-109.0	-81.7	16.7	-174.0
Gross profit	60.6	28.7	-1.2	88.1
SG&A	-59.2	-26.5	-	-85.7
Depreciation, amortization and impairment	-17.2	-2.0	-	-19.2
Other operating income/(cost), net	3.1	-	-	3.1
Operating profit	-12.7	0.2	-1.2	-13.7
Net financial items	-10.6	16.9	-	6.3
Tax expense	1.2	-1.8	-	-0.6
Net profit (loss)	-22.1	15.3	-1.2	-8.0
Depreciation, amortization and impairment (Note 8)	54.9	2.0	-	56.9
EBITDA	42.5	2.2	-1.2	43.2
Adjusted EBITDA	45.4	2.5	-	47.9

Balance sheet items	Unallocated &			
	Ingredients	Brands	Eliminations	Total
Property, plant and equipment	327.5	0.4	-	327.9
Right-of-use assets (leasing)	10.8	0.4	-	11.2
Intangible assets	104.7	66.9	-	171.6
Cash and cash equivalents	5.9	5.2	-	11.1
Interest-bearing debt	-324.8	-	-	-324.8
Inventory	104.2	39.4	-5.4	138.2
Net interest free asset and liabilities	76.6	-46.8	5.4	35.2
Total equity	304.9	65.5	-	370.4

Adjusted EBITDA

The Executive Management Team (EMT) evaluates the performance based on Adjusted EBITDA. This metric is defined as operating profit before depreciation, amortization, write-downs and impairments, and special operating items. Special operating items include gains or losses on sale of assets, if material, restructuring expenses and other material items which are not primarily related to the period in which they are recognized or special in nature compared to ordinary operational income or expenses. See description of the Alternative Performance Measures (APM) attached to the consolidated financial statement.

The EMT has provided the following information:

USD Millions	Year ended 31 December	
	2022	2021
Krill oil	158.6	163.8
Krill meal	105.1	83.1
Qrill™ Pet and other products	13.0	15.4
Other income	10.6	3.1
Total revenue and other income	287.3	265.4
Total operating expenses before depreciation, amortization and impairment	-213.8	-222.2
Special operating items	-4.5	4.7
Adjusted EBITDA	69.0	47.9

The following table reconciles Adjusted EBITDA to Net loss in the consolidated statements of profit or loss.

USD Millions	Year ended 31 December	
	2022	2021
Net loss	10.0	-8.0
Tax expense	2.2	0.6
Financial income	-4.0	-21.3
Financial expenses	22.0	15.7
Net foreign exchange gain/loss	-8.1	-0.6
Operating profit	22.1	-13.7
Depreciation, amortization and impairment	51.4	56.9
EBITDA	73.5	43.2
Special operating items	-4.5	4.7
Adjusted EBITDA	69.0	47.9

The following table reconciles Special operating items.

USD Millions	Year ended 31 December	
	2022	2021
La Mance operating cost and gain from sale	-	0.4
Restructuring and improvement program	1.3	-2.7
Transaction related costs- SG&A	-	-1.3
Oslo Børs listing	-	-1.1
Aion transaction	-5.8	-
Special operating items	-4.5	-4.7

Note 4 – Selling, General & Administration expenses and Other operating cost

The presentation of operating expenses in the consolidated statements of profit or loss is based on function of the expenses. Production and operating expenses are recognized in the same period as the corresponding revenue from sale of product is recognized.

Salaries and payroll expenses not related to production, sales and distribution costs, and other general and administrative costs are recognized when they occur or when the Group has a liability for future expenses. Production and operating expenses allocated to product is presented within Note 12 Inventories.

Selling, General and Administrative expenses consists of:

USD Millions	Year ended 31 December	
	2022	2021
Sales and Distribution Costs	-67.7	-63.5
Research and Development	-4.0	-3.0
Administrative Costs	-14.8	-19.2
Total	-86.5	-85.7

Sales and Distribution costs are all costs related to selling, marketing, and distributing and storing the goods world-wide.

Research and Development costs represent the Innovation department where ongoing studies within the application and use of krill as an ingredient both for human and for animal feed is being expensed. The department also works on early phase product development, finding new application for the raw material, and bringing this out to the market.

Administrative costs represent the head office costs which includes the management group, finance, and Transformation (sustainability, strategy, and IT), providing services to the entire Group.

Government grants

During 2022 the Group received grants of USD 0.36 million (2021: USD 0.68 million). The grants are partly included in the Research and Development and partly 'Asset under construction' to net the costs that the grants are intended to compensate. There are not any unfulfilled conditions or other contingencies on these grants.

Salary specification by function

The below schedule describes the total salary costs of the Group. Salaries from the onshore and offshore part of the Group is allocated to inventory, as presented in Note 12. Selling, general and administrative salaries specifies the salary part of the total expenses of USD 86.5 million (2021: USD 85.7 million), as also presented within Note 4.

Salary specification by function:

USD Millions	Year ended 31 December	
	2022	2021
Offshore - inventoriable	-25.2	-27.2
Onshore - inventoriable	-10.5	-12.4
Selling, general and administrative	-32.6	-32.0
Total	-68.3	-71.6
Number of employees at year-end	628	589
Full time Equivalent	626	568

Total salary cost comprises of the following:

USD Millions	Year ended 31 December	
	2022	2021
Salaries	-57.9	-61.8
Employer's social security contribution	-1.0	-1.1
Pension expenses	-1.5	-1.9
Other benefits	-7.9	-6.8
Total	-68.3	-71.6

Pension plans

The Group has a defined contribution plan that cover all employees except one employee who has a defined benefit plan. The plans comply with laws and regulations set forth in the different countries of operations. At the end of the year the defined benefit obligations were USD 0.5 million and the assets were USD 0.4 million. The fair value of the net obligation has been calculated using an appropriate discount rate. During the year the Group expensed USD 0.04 million, net of settlements and curtailment, on the defined benefit plan (2021: USD 0.05 million), and USD 1.5 million for the contribution plan (2021: USD 1.9 million).

Remuneration to the Group auditors (excluding VAT):

PwC is the Group auditor of Aker BioMarine ASA (KPMG for 2021 and earlier years). The following table shows the fees to the appointed auditors for 2022 and 2021. For both categories the reported fee is the recognized expense for the year.

USD Millions	Year ended 31 December	
	2022	2021
Audit fees	-0.3	-0.3
Other audit and attestation services	-0.1	-0.1
Fees for tax services	-0.1	-
Total	-0.5	-0.4

Note 5 – Financial income and expenses

Financial income comprises interest income on financial investments and foreign exchange gains recognized in the consolidated statement of profit or loss. Financial expenses include interest expense and guarantee fees.

USD Millions	Year ended 31 December	
	2022	2021
Interest income, bank deposits	0.2	-
Interest income loans and receivables (amortized cost)	0.4	-
Subsidiaries- shares change in fair value, impairment, gain and losses	3.4	-
Earn Out adjustment	-	21.1
Other financial income	-	0.2
Total financial income	4.0	21.3
Interest expense on financial liabilities at amortized cost	-20.3	-13.7
Other financial expenses	-1.7	-2.0
Total financial expenses	-22.0	-15.7
Foreign exchange gains (realized and unrealized)	14.3	6.0
Foreign exchange losses (realized and unrealized)	-6.2	-5.3
Foreign exchange gains/losses net	8.1	0.6
Net financial expenses	-9.9	6.2

Other financial expenses include provision and guarantee expenses paid to DNB.

Capitalized borrowing costs

Borrowing and refinancing costs have been capitalized. The applied interest rate is the CIRR (Commercial Interest Reference Rates).

USD Millions	Year ended 31 December	
	2022	2021
Endurance	0.4	0.5
Refinancing - New Bank Syndicate	1.4	1.9
Total	1.8	2.4

Note 6 – Asset acquisition and business combinations

There have been no material business combinations or asset acquisitions during 2022 and 2021.

Note 7 – Income tax

The Group is headquartered in Norway and pays taxes according to the rates applicable in the countries and states in which it operates. All the vessels operate under Norwegian tax jurisdiction. Most taxes are recorded in the statement of profit or loss and relate to taxes payable for the reporting period (current tax), but also deferred taxes. Deferred tax is calculated based on the differences between the accounting value and tax value of assets and liabilities at the reporting period date using the applicable tax rate.

Reconciliation of nominal statutory tax rate to effective tax rate:

USD Millions	Year ended 31 December	
	2022	2021
Profit (loss) before tax	12.2	-7.4
Calculated income tax at statutory rate of 22%	-2.7	1.6
Tax differential Norway and abroad	-0.5	0.2
Unrecognized change in deferred tax assets	-5.8	-6.9
Permanent differences	-	-0.5
Currency translation and other	6.8	5.0
Total tax expense	-2.2	-0.6
Effective tax rate	18%	-8%

* The Group files its tax return in NOK

Deferred tax assets comprise:

USD Millions	Year ended 31 December	
	2022	2021
Property, plant and equipment and intangible assets	-10.6	-12.6
Inventory	-	1.5
Tax losses carried forward	60.8	67.0
Interest rate deductability carry forward	13.0	11.0
Other	2.7	-
Deferred tax assets	65.9	66.9
Unrecognized deferred tax assets	-71.3	-71.8
Recognized deferred tax asset (liabilities)	-5.4	-4.9

Current income tax expenses relate to subsidiaries in US (21% Federal tax rate) and Australia (30%). There were no changes in corporate tax rates in these countries over 2022 and 2021. In Norway the

corporate tax rate was reduced from 23% to 22% in 2019 and is unchanged in 2022. The recognized deferred tax liability of USD 5.4 million relates to the entities in the US.

The movement in deferred tax assets from USD 71.8 million in 2021 to USD 71.3 million in 2022 is mainly due to decrease in taxable losses, interests where deductibility has been denied, and temporary differences related to the Group's fixed and intangible assets.

Based on the historical losses of the Group, it was concluded that deferred tax assets could not be recognized in the consolidated statement of financial position as of 31 December 2022 or 2021.

Of the Group's tax losses carried forward, USD 0.7 million was in the US subsidiary Aker BioMarine Manufacturing LLC, whereas the remaining tax loss carried forward was with Aker BioMarine ASA and Aker BioMarine Antarctic AS, both Norwegian legal entities.

Note 8 – Property, plant and equipment

Property, plant and equipment are recorded at cost, less any accumulated depreciation and any accumulated impairment losses. Depreciation is recognized on a straight-line basis over the estimated useful lives of each major component of property, plant and equipment. Assets under construction are not depreciated until the items are available for use as intended by management.

Expenditures to replace a component of property, plant and equipment are capitalized if it is probable that future economic benefits associated with the asset will flow to the Group and the costs can be measured reliably. Gains and losses are recognized upon asset de-recognition. The costs of consumables used, and day-to-day maintenance of property, plant and equipment are expensed as incurred. Costs incurred for major inspections and overhauls or to improve a vessel's operating efficiency, functionality or safety are capitalized.

Movements in property, plant and equipment in 2022

USD Millions	Vessels, transportation equipment, etc.	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January 2022	285.4	163.2	25.7	18.8	493.1
Investments	10.1	7.7	21.9	0.8	40.5
Asset retirements	-12.6	-21.3	-	-	-33.9
Deconsolidation	-	-0.4	-	-	-0.4
Other reclassifications	0.8	-0.2	-1.0	-	-0.4
Acquisition cost as of 31 December 2022	283.7	149.0	46.5	19.6	498.8
 Acc. depreciation and impairment as of 1 January 2022	-89.8	-68.7	-2.7	-4.0	-165.2
Depreciation for the year	-18.9	-15.2	-	-0.7	-34.8
Asset retirements	12.6	21.4	-	-	34.0
Other reclassifications	-	0.4	-	-	0.4
Acc. depreciation and impairment as of 31 December 2022	-96.1	-62.1	-2.7	-4.7	-165.6
 Book value as of 31 December 2022	187.6	86.9	43.8	14.9	333.2
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

Major inspections of vessels are performed on a regular basis as required by the classification society, such as Det Norske Veritas and according to laws and regulations. The costs of such inspections are, including replacement spares and labor costs, capitalized and amortized over the

average expected life between major inspections. All other costs relating to maintenance of vessels is charged to the statement of profit or loss on consumption or as incurred.

Depreciation of vessels is included in the cost of inventory conversion (see Note 12).

Movements in property, plant and equipment in 2021

USD Millions	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land 2	Total
Acquisition cost as of 1 January 2021	206.6	157.3	12.5	18.6	395.0
Investments	6.7	6.4	65.5	0.2	78.8
Sale of vessel	-1.4	-0.5	-	-	-1.9
Other reclassifications 1)	73.5	-	-52.3	-	21.2
Acquisition cost as of 31 December 2021	285.4	163.2	25.7	18.8	493.1
 Acc. depreciation and impairment as of 1 January 2021	-69.7	-52.9	-2.7	-3.2	-128.5
Depreciation for the year	-18.9	-15.9	-	-0.5	-35.3
Impairment	-1.8	-	-	-0.3	-2.1
Other reclassifications 1)	0.6	0.1	-	-	0.7
Acc. depreciation and impairment as of 31 December 2021	-89.8	-68.7	-2.7	-4.0	-165.2
 Book value as of 31 December 2021	195.6	94.5	23.0	14.8	327.9
Depreciation period	10-30 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

1) Net Other reclassifications include reclassifications payments related to construction of a new charter vessel from Asset under construction to prepayment. See Note 13 Trade receivable and other current assets.

Reconciliation depreciation and amortization

USD Millions	2022	2021
Depreciation for the year of Property, plant & equipment	(34.8)	(35.3)
Impairment Property, plant & equipment	-	(2.1)
Amortization for the year of Intangible assets	(10.2)	(11.9)
Amortization for the year of Contract cost	(2.0)	(2.0)
Leasing (ROU) depreciation	(4.4)	(5.6)
Total	(51.4)	(56.9)
Depreciation and amortization related to production assets and included in cost to inventory	(35.0)	(37.7)
Depreciation and amortization related to other assets	(16.4)	(19.2)

The Group's total depreciation, amortization, and impairment is presented in the above schedule. As compared to the consolidated statement of profit or loss the USD 16.4 million (2021: USD 19.2 million) relates to depreciation and amortization of assets not directly used in the production of goods, and therefore recognized as depreciation, amortization, and impairment in the statement of profit or loss. Other assets primarily consist of the customer portfolios recognized following the business combinations /asset acquisitions of Lang, Neptune and Enzymotec, and the impairment of customer portfolios and trademarks. Inventoriable depreciation mainly consists of the Group's operating harvesting vessels and the manufacturing plant in Houston, Texas, amounting to USD 35.0 million (2021: USD 37.7 million).

Investments in 2022:

Investments in machinery and vessels are mainly installments and harvesting equipment on the vessels. Assets under construction comprise the investments the Group has in Understory and Lysoveta initiatives. The Group has had its annual shipyard in Q4-22 where all the vessels were upgraded. Shipyard expenses amounted to USD 12 million in 2022.

Asset retirements in 2022:

Asset retirements mainly include machinery and harvesting equipment. All components that have been retired were fully depreciated.

See Note 18 Leasing of right-of-use assets.

The decrease in depreciation of fixed asset from 2021 to 2022 is mainly related to asset retirement.

As of 31 December 2022, the Group has USD 7.4 million in commitments for further investments in property, plant, and equipment (2021: USD 10.0 million). For details on mortgages and pledging of security, see Note 15.

Note 9 – Goodwill and Intangible Assets

Intangible assets, acquired individually or as a group, are recognized at cost when acquired. Intangible assets with finite useful lives are carried at cost less accumulated amortization, recognized on a straight-line basis over their estimated useful lives, and accumulated impairment losses. The estimated useful life and amortization method are reviewed at the end of each reporting period, and assets are tested for impairment if impairment indicators exist.

Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. These assets are not amortized, but are tested for impairment annually, and more frequently if indicators of possible impairment are observed, in accordance with IAS 36.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities, and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is not amortized, and thus tested for impairment annually, and more frequently if indicators of possible impairment are observed. Goodwill is allocated to the cash generating units ("CGU"), which are expected to benefit from synergies of the combination. Each unit to which goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes and reporting.

Intangible assets

Development

Expenditures for research activities performed to gain new scientific, technical or other knowledge are expensed when incurred. Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits probable and the Group intends to and has adequate resources to complete development and to use or sell the asset. The amount capitalized includes the cost of materials and direct attributable expenses. Additions to development in 2022 include Understory (protein product project) and development of other new products.

License agreements

License agreements acquired separately are measured at cost. Following initial recognition, the Group's license agreements are recorded less any accumulated amortization and impairment losses. The license relates to the Group's technology to extract purified krill oil at the facility in Houston, Texas.

Fishing License

One of the Group's fishing licenses is recognized at USD 10.5 million. The license relates to krill fishery in the Southern Ocean and will remain in the Group's possession if all applicable requirements are met, and as such they are determined to have an indefinite life.

Customer relation

Customer relation (customer contracts) were acquired as part of business combinations recognized at fair value. Following initial recognition, the customer relations are recorded less any accumulated amortization and impairment losses.

Trademarks

Trademarks are intangible assets with indefinite useful lives that are not amortized but carried at cost less accumulated impairment losses. The trademarks include NKO and KREAL.

Movements in intangible assets for 2022

USD Millions	Goodwill	Development	License agreements	Fishing license	Customer relation	Trademark	Total
Acquisition cost as of 1 January 2022	94.6	8.2	2.4	10.5	91.7	5.7	213.1
Additions - external cost	-	5.7	-	-	-	-	5.7
Deconsolidation	-	-4.0	-	-	-0.3	-	-4.3
Reclassifications	-	-0.5	-	-	0.5	-	-
Acquisition cost as of 31 December 2022	94.6	9.4	2.4	10.5	91.9	5.7	214.5
Amortization and impairment losses as of 1 January 2022	-	-5.3	-1.5	-	-33.9	-0.9	-41.6
Amortization for the year	-	-0.2	-0.5	-	-9.5	-	-10.2
Reclassifications	-	0.1	-0.2	-	0.1	-	-
Amortization and impairment losses as of 31 December 2022	-	-5.4	-2.2	-	-43.3	-0.9	-51.8
Book value as of 31 December 2022	94.6	4.0	0.2	10.5	48.6	4.8	162.7
Amortization period		5-10 years	10-12 years		7-10 years		
Amortization method		Straight-line	Straight-line		Straight-line		

Movements in intangible assets for 2021

USD Millions	Goodwill	Development	License agreements	Fishing license	Customer relation	Trademark	Total
Acquisition cost as of 1 January 2021	94.6	5.3	2.4	10.5	91.7	5.7	210.2
Acquisition	-	2.9	-	-	-	-	2.9
Acquisition cost as of 31 December 2021	94.6	8.2	2.4	10.5	91.7	5.7	213.1
Amortization and impairment losses as of 1 January 2021	-	-5.3	-1.0	-	-23.4	-	-29.7
Amortization/ impairment for the year	-	-	-0.5	-	-10.5	-0.9	-11.9
Amortization and impairment losses as of 31 December 2021	-	-5.3	-1.5	-	-33.9	-0.9	-41.6
Book value as of 31 December 2021	94.6	2.9	0.9	10.5	57.8	4.8	171.5
Amortization period		5-10 years	10-12 years		7-10 years		
Amortization method		Straight-line	Straight-line		Straight-line		

Segment allocation of goodwill and intangible assets:

USD Millions	Goodwill *		Development		License		Fishing license		Customer relation		Trademark	
	Segment	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Ingredients		66.4	66.4	1.8	2.4	-	0.9	10.5	10.5	19.7	24.6	4.8
Brands		28.2	28.2	3.0	0.6	-	-	-	-	28.4	33.3	-
Total		94.6	94.6	4.8	3.0	-	0.9	10.5	10.5	48.1	57.9	4.8
*In 2021 the Group revised the internal allocation of goodwill and intangible assets between the 2 segments.												

*In 2021 the Group revised the internal allocation of goodwill and intangible assets between the 2 segments.

Note 10 – Impairment assessment

Property, plant and equipment, RoU assets, intangible assets and goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with IAS 36 Impairment of Assets. Goodwill and intangible assets with indefinite life are required to be tested for impairment annually, in addition to any tests required when impairment indicators are determined to be present.

Identification of CGU's involves judgment, considering if an active market exists for the output produced by an asset or group of assets, independent cash inflows as well as how management monitors the Group's operations or how management makes decisions about continuing or disposing of the Group's assets and operations.

Based on a thorough analysis, a CGU for goodwill impairment testing is assessed to be the krill business as a whole (the "Ingredients" segment) because the offshore harvesting and production, logistical operation, onshore manufacturing and sale of krill oil products globally to distributors and feed producers form an integrated value chain for which no independent prices for the intermediate products exist. This level is also the level at which management monitors, makes strategies, operates, allocates resources and makes decisions on acquisitions, continuation, or disposals.

For the "Brands" segment, goodwill is monitored and tested at segment level which is a group of CGUs. The segment consists of the human consumption distribution business, which comprises of Lang and Epion. Lang acquires products derived from krill, fish and, plants then packages, labels, and sells the products onwards to retailers in the US market. Approximately 30% of Lang's revenue is derived from sale of krill oil and part of this revenue is towards Epion. The Group sells Kori Krill oil (own national krill oil brand in the US) through Epion to the same retailers as Lang. The purpose of Kori krill oil is to increase the awareness of krill oil in the Omega-3 category, which also benefits the private label sale of krill oil from Lang. The Brands segment has management functions such as CEO and Finance Director (overlooking both Lang and Epion). Impairment testing has been done at the operating segment level.

Indicators that could trigger an impairment test includes such conditions as significant underperformance in sales volumes or margins relative to historical or projected results, significant changes in the Group's planned use of the assets, obsolescence or physical damage of an asset, or significant negative industry or economic trends.

Fair value may be estimated based on recent transactions on comparable assets. Calculation of the value in use of an asset or CGU involves estimating the future cash inflows and outflows to be derived from continuing use of the asset/CGU and from its ultimate disposal.

Impairment losses are only reversed to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation, if no impairment had been recognized.

Goodwill impairment testing

Mandatory annual tests for impairment are performed for CGUs and operating segments with allocated goodwill or assets with indefinite useful life, and for assets/CGUs/operating segments where impairment indicators have been identified. Impairment tests are performed on Ingredients and Brands (the Ingredients CGU and Brands operating segment both with allocated goodwill). The impairment test of the Ingredients segment also includes a fishing license and trademark assets with indefinite useful life.

Main assumptions for the value-in-use calculation

The Group updates its Group Business Plan for the next five years on an annual basis. The purpose of the Group Business Plan process is to set overall goals for the business and define the steps necessary to achieve these goals. The plan facilitates the strategic planning process and provides the Board of Directors/Executive Management with a structure to monitor progress towards these goals. It is a result of a bottom-up involvement of the organization, and the key goals and objectives are in turn communicated to the broader organization to set the direction for departments and employees. In the value in use assessment used for impairment testing purposes, the business plan has been risk adjusted to reflect accuracy of previous budgets towards actual figures.

The Group Business Plan uses sensitivities and scenarios to analyze and understand how changes in one or more internal/external variables impacts the future of the Group's financials. Scenario planning and sensitivity analysis provides a rational and structured way to analyze the impact from altering key variables such as sales units, prices and timing, production volumes, COGS, etc. The scenarios and sensitivities are used by the Board of Directors/Executive Management to measure and manage the risk profile.

The discount rates used reflect the current market assessment of the risks specific to each CGU or operating segment and are estimated based on the weighted average cost of capital. The discount rate is estimated based on a weighted average of equity return requirements and expected costs of debt, assuming a projected debt-to-equity ratio of 1. The basis for the discount rate is a risk-free interest rate set at 10 years US government bonds, and the credit risk premium has been set equal to the credit spread (compared to government bonds) for US corporate bonds with credit rating B. The Group has used different discount rates for the Ingredients CGU and the Brands operating segment to reflect the different market operations.

Climate risk has been assessed when performing the value-in-use calculation, primarily in the Ingredients CGU. Any climate change affecting the krill biomass with regards to availability and nutrients composition could significantly impact the harvesting. In addition, ice and general weather conditions could create operational difficulties. In the value-in-use calculations the normal production capacity of krill meal considers these uncertainties.

Ingredients:

Projected cash flows are based on management's best estimates and the business plan for the Ingredients segment for the subsequent five years period. The estimates are based on detailed forecast prepared by the various departments in the ingredients segment. For subsequent periods, the model is based on an estimated terminal growth. In the forecast for the period 2023-2026, revenue projections are based on executed agreements, actual historical prices, and management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management's forecast which is based on the scalability in the business model. As approximately 65 per cent of the Group's operating expenses are fixed costs (in line with IAS 2), increased sales levels will contribute to higher operating margins. Future product pricing has as per the above been based on historical prices and management's expectation with regards to new arrangements. The Group expects slightly lower krill oil sales prices as well as a moderate increase in the krill meal sales prices in the forecast period, compared to the sales price levels in 2022. Sales volumes have been modelled to follow the production targets, however lagging as to allow for building and maintaining safety-stock.

In the Ingredients impairment model the forecast period is 2023-2026. At the end of the forecast period there is an extrapolation period from 2027-2031 (as no detailed budget is prepared after 2026). In the extrapolation period growth has been set to 10.0%. The growth rate is set to 10% to reflect increased sale of krill oil in regions such as South Korea and China, combined with further increase of prices for premium products. The discount rate is based on a WACC of 9.6% and in the terminal value it is assumed a long-term annual growth equal to 2.0%. The discount rate has decreased from last year due to a reduction in the small stock premium when calculating the cost of equity.

Capital expenditure is based on the long-term technical and operations program and firm commitments. It is also assumed that the vessels will be replaced upon the end of the assumed useful life.

Brands

Projected cash flows are based on management's best estimates and the business plan for the Brands segment for the subsequent five years period. The estimates are based on a detailed forecast prepared by management in Lang and Epion. For subsequent periods, the model is based on an estimated terminal growth, that does not exceed the growth for the products, industry, or country (US) in which the segment operates. In the forecast for the period 2022-2025, revenue projections are based on executed agreements, actual historical prices, and management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management's forecast.

In the Brands impairment model the forecast period is 2023-2026. At the end of the forecast period there is an extrapolation period from 2027-2031. In the extrapolation period growth has been set to

5.0%. The discount rate is based on a WACC of 10.4% and in the terminal value it is assumed a long-term annual growth equal to 2.0%.

Segment	WACC post-tax		WACC pre-tax*	
	2022	2021	2022	2021
Ingredients	9.6 %	10.0 %	9.8 %	11.6 %
Brands	10.4 %	8.0 %	10.7 %	11.5 %

* The pre-tax discount rate is the discount rate without tax charge in the cash flow yielding the same recoverable amount.

Sensitivities - impact of possible changes in key assumptions:

Ingredients

The sensitivities of the value in use have been tested by using simulations of various combinations of discount rates, terminal value growth, changes in vessel production volumes, sales prices, krill production and sales in addition to fuel cost and EBITDA. The CGU's value in use is significantly higher than the carrying amount. No reasonable possible change in any of the key assumptions would cause the unit's recoverable amount to be lower than the carrying value.

Brands

The sensitivities of the value in use have been tested by using simulations of various combinations of discount rates, terminal value growth, sales, and EBITDA.

The operating segment's value in use is significantly higher than the carrying amount. No reasonable possible change in any of the key assumptions would cause the unit's recoverable amount to be lower than the carrying value.

Intangible assets impairment testing

For customer relations, cash inflows can be monitored at a lower level than the identified CGU/operating segment for goodwill impairment testing. During 2022, Management has assessed that there was no impairment based on a separate impairment test per customer portfolio in 2022.

All other intangible assets have been assessed for impairment with the conclusion that the value in use is higher than the book value.

Note 11 – Climate risk

The Group's ambition on ESG is to be 100% circular in its principal waste streams by 2030, reduce CO₂ emission intensity by 50% by 2030, and be net zero in 2050. Given the increasing concerns globally regarding climate matters and the increasing demand for action, the Group has mapped the entire value chain to identify main sources of CO₂ emissions combined with a targeted approach to reduce emissions from these sources. The Group's reporting on ESG follow the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

The Group has established a decarbonization committee responsible for ongoing oversight of climate-related issues as well as monitoring quarterly progress on climate-related targets and metrics. The Committee presents and evaluates new initiatives from different parts of the business, provides advice on significant investment decisions and provides input on climate-related strategic alignment.

To achieve 50% carbon reduction by 2030 and net-zero by 2050, the decarbonization committee is currently analyzing potential future investments in the harvesting and production operations, working to realize greater efficiencies, and evaluating new measures to implement, such as how the Group transports goods and eliminating waste streams.

Financial impact of climate change on main asset classes

The following assessment considers the financial impact of climate change on the Group's main assets and its ability to continue as a going concern.

Property, plant, and equipment

The Group's property, plant and equipment primarily consists of three krill harvesting vessels, one service vessel, the protein facility in Ski, Norway and the extraction facility in Houston, US. Management has assessed if climate change could be an indicator of impairment or if climate change would require modifications to the useful life assessment of its assets.

In respect to the offshore activity, there was a large-scale research survey on krill biomass around the Antarctic Peninsula in 2019 which found more krill than what was found in the large-scale krill survey in 2000. Recent harvest figures also support the fact that krill availability is good. In addition, the Group's Antarctic krill fishery was awarded an A-rating from the Sustainable Fisheries Partnership in 2021 and the fishery is also an MSC certified fishery. The increasing krill availability and A-rated/MSC certified fishery combined with increasing market demand for krill meal reduces the risk of climate related impact on the assets. During 2022, the Group reassessed the useful life for one of the vessels and determined it could extend the end of useful life from 2025 to 2029.

In respect to the onshore activity, the extraction facility in Houston, Texas is in a geographical area which has from time to time been exposed to extreme weather. This has resulted in a few temporary shutdowns and increased maintenance requirements, especially for roofing and securing equipment outside factory walls (such as evaporators and skids). Based on Management's assessment, the useful life assessment and residual value reflect weather conditions in the area. The level of repair and maintenance (R&M) costs are uncertain, and these costs are expensed when R&M activities occur.

For the Group's assets, there are no known legal restrictions, government actions or natural climate events that indicate the need to reassess the useful lives or residual value of the Group's property, plant, and equipment.

Intangible assets

The Group's intangible assets are mainly in relation to goodwill, customer portfolios, trademarks, and licenses (see Note 9). Based on the current outlook, combined with all climate related activities that the

Group performs, Management concludes that climate change has not impacted the Group's assessment of value in use of these assets.

Trade and other receivables

The Group has trade and other receivables towards feed producers, distributors, and retailers. The expected credit loss (ECL) model in IFRS 9 Financial Instruments requires the use of reasonable and supportable information that is available without undue cost or effort. Based on customer segmentation and business activity, Management has assessed that climate change does not affect the assumptions that are made to estimate ECL.

Inventory

The Group's inventory is primarily krill derived products sold to customers in the aforementioned industries. Based on studies done by the decarbonization committee, krill products perform well in life cycle assessment (LCA) analyses because the products are low on many stressors, including biotic resource use, land use, freshwater use, acidification, and eutrophication potential. Compared to other ingredients, krill has one of the lowest CO₂ footprints. This low CO₂ footprint is beneficial as it is expected that there will be a decline in demand for products that emit greenhouse gases, which could then indicate that inventories or assets might be impaired. Management confirms that no climate related matters impact the value of the Group's inventory.

Deferred income taxes

The Group has significant tax losses being carried forward which have not been recognized as deferred tax assets (see Note 7). Based on an overall assessment, the Group has not recognized any deferred tax assets. However, Management concludes that climate change does not impact the Group's tax losses in carryforwards.

Circularity

The Group's goal is to be 100% circular in its principal waste streams by 2030. In 2022, 59% of all plastic waste in the Ingredients segment was recycled and prepared for circular products (pallets, trays, tags etc.), increased from 50% in 2021. With respect to products, 14 MT was discarded, equivalent to 0.024% of produced volume in 2022, which is a decrease from 30 MT in 2021. Management confirms that the Group has systems and processes in place to reach the circularity goals.

CO₂ reduction efforts and estimated costs

The current CO₂ emission is 2.2 per tonn krill meal produced. The current reduction plan includes certain measures such as green electricity and gas in Houston, as well as heat recovery on one of the krill harvesting vessels (0.3 reduction), green transport (0.3 reduction), and green fuels on the service vessel (0.3 reduction). These measurements require limited additional investments. The remaining reduction would likely take form of abatement programs. The goal of these measures is to reduce the CO₂ emission per tonn produced by 50% in 2030, therefore reaching the first goal. To bring the CO₂ emission to net zero in 2050 will require additional efforts including technology yet unknown with related uncertain capital requirements.

As part of the reduction plan the costs associated with each activity have been estimated and certain costs have already been capitalized by the Group as part of the 2022 shipyard. Green electricity in Houston and green transport will be expensed as incurred as part of regular operating costs. The actual cost of green fuels on the service vessel is uncertain as there are no forward curves etc. indicating the market price when the transition will occur.

Given that the identified measurements do not require substantial capital expenditures or additions to property, plant, and equipment combined with significant uncertainty on future market prices on green fuels, Management has not identified future costs that meet the definition of a contingent liability

under IAS 37 'Provisions, Contingent liabilities and contingent assets.' Based on Management's assessment, the cost of the different measures does not significantly impact the impairment testing or sensitivity analysis.

Management confirms that climate related risks does not impact the Group's ability to operate as a going concern.

Note 12 – Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of finished goods and raw material and goods under production comprises the costs of raw materials, direct labor and other direct costs, and related production overheads. Indirect costs allocated to inventories, include salaries, depreciation and certain other directly attributable operating expenses. The Group allocate cost of inventories using a weighted average cost formula.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The impairment from cost to net realizable value is recognized in 'Cost of goods sold' in the Consolidated statement of Profit or loss.

Ingredients:

The production of krill derived products in the Ingredients segment is highly complex in several stages. First, the raw krill is harvested in the Southern Ocean using Eco-Harvesting. Then the raw krill is processed into krill meal and raw krill oil onboard the vessels. These products are subsequently shipped to the logistics hub in Montevideo, Uruguay. From Uruguay the meal is sent to feed customers or to the Group's krill oil facility in Houston where krill oil is extracted from the meal. After the oil extraction, the Group has a low fat/ high protein krill meal and krill oil, where krill oil is the main product. As part of the reprocessing of krill oil the Group gets a neutral oil that can be blended into krill oil or used as ingredient into other applications. The low fat/ high protein krill meal is currently sold to feed customers. In future production this meal will be used as an ingredient to the Group's novel protein product.

Brands:

In the Brands segment, raw materials and goods under production and finished goods inventory include processing cost incurred by the Group from outside manufacturing service providers.

Inventory balances as of 31 December 2022 and 2021 are shown below:

USD Millions	Year ended 31 December	
	2022	2021
Raw materials and goods under production	20.5	24.4
Finished goods	162.2	113.8
Total	182.7	138.2
Cost of inventories recognized at net realizable value	-	37.2
Carrying value of inventories recognized at net realizable value	-	30.3
Write-down of inventories recognized towards net change in inventories in the period*	-	-6.9
Carrying value of inventories pledged as security	182.7	138.2

*) Includes weight corrections, replacements to customers and obsolescence

The inventory balance is pledged as security at both 31 December 2022 and 2021 and is included in the book value of assets pledged as security, please refer to Note 15.

Movements in inventory during 2022:

USD Millions	Ingredients	Brand	Elim	Total
Inventory at 1 January 2022	104.2	39.4	-5.4	138.2
Acquired inventory for sale	-	81.5	-9.6	71.9
Production	164.5	-	-	164.5
Sale	-101.2	-81.7	20.5	-162.4
Consumption	-31.5	-	-	-31.5
Other changes	1.3	-	-	1.3
Freight	0.6	-	-	0.6
Inventory at 31 December 2022	137.9	39.2	5.5	182.7

Reconciliation of net change in inventories 2022:

USD Millions	2022
Cost of goods sold before elimination of internal sales and internal profit	-182.9
Produced inventory	164.5
Acquired inventory	81.5
Rework, consumptions and obsolete	-29.5
Elimination of internal profit on stock	10.9
Net change in inventories	44.5
Cost of goods sold before elimination of internal sales and internal profit	-182.9
Elimination of cost of internal sales	20.5
Cost of goods sold recognized in Profit and Loss	-162.4

Movements in inventory during 2021:

USD Millions	Ingredients	Brand	Elim	Total
Inventory at 1 January	80.5	36.7	-2.7	114.6
Acquired inventory for sale	-	84.4	-19.4	65.0
Production	169.8	-	-	169.8
Sale	-109.0	-81.7	16.7	-174.0
Consumption	-38.9	-	-	-38.9
Other charges	6.3	-	-	6.3
Freight	2.3	-	-	2.3
NRV	-6.9	-	-	-6.9
Inventory at 31 December	104.2	39.4	-5.4	138.2

Reconciliation of net change in inventories 2021:

USD Millions	2021
Cost of goods sold before elimination of internal sales and internal profit	-190.7
Produced inventory	169.8
Acquired inventory	84.4
Rework, consumptions and obsolete	-37.2
Elimination of internal profit on stock	-2.7
Net change in inventories	23.6
Cost of goods sold before elimination of internal sales and internal profit	-190.7
Elimination of cost of internal sales	16.7
Cost of goods sold recognized in Profit and Loss	-174.0

The total production value of goods manufactured can be specified as follows:

USD Millions	Year ended 31 December	
	2022	2021
Salaries	-32.2	-35.7
Direct Production	-8.9	-7.9
Fuel	-18.6	-17.2
Consumables	-4.2	-4.2
R&M	-8.0	-6.7
Other	-12.7	-15.3
Nutra Freight	-3.1	-2.3
Capsulation	-5.0	-4.9
Contract manufacturing	-	-0.7
Uruguay	-8.3	-
Depreciation	-35.0	-37.7
Consumption of krill raw materials	-31.5	-38.9
Total costs allocated to inventory	-167.5	-171.5

Note 13 – Trade receivable and other current assets

USD Millions	As per 31 December	
	2022	2021
Accounts receivable	59.9	50.3
Prepaid expenses	9.6	17.3
Other current receivables	13.2	10.1
Total	82.7	77.7

The change in prepayments relates mainly to stock of fuel, packing material and other equipment related to the operation of the vessels and the factory in Houston.

Note 14 – Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position and statement of cash flow comprise cash at banks, including restricted deposits, and cash on hand.

USD Millions	As per 31 December	
	2022	2021
Cash and bank deposits	21.0	9.1
Restricted bank deposits	1.3	2.0
Cash and cash equivalents	22.3	11.1

Restricted bank deposits relate to employee tax withholdings used to settle tax remittances with the tax authorities on a periodic basis. As of 31 December 2022, the Group had drawn USD 33.9 million (2021: USD 16.9 million) out of a total of USD 40.0 million available in an overdraft facility.

Note 15 – Interest bearing debt

The Group recognizes interest-bearing debt initially at fair value, net of transaction costs incurred. Subsequently, the debt is carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statements of profit or loss over the period of the debt using the effective interest method.

USD Millions	As per 31 December	
	2022	2021
Non-current liabilities		
Secured bank loans	326.5	285.3
Non-current NOK-denominated loan from Antarctic Harvesting Holding AS	1.3	1.3
Leasing liabilities	5.8	7.5
Book value total interest-bearing non-current liabilities	333.6	294.1
Current liabilities		
Current portion of secured loans	9.4	9.4
Overdraft facilities	33.4	16.9
Leasing liabilities	4.8	4.4
Book value total interest-bearing current liabilities	47.6	30.7
Book value total interest-bearing liabilities	381.2	324.8

Total interest-bearing debt was at USD 381.2 million, including IFRS 16 leasing commitments of USD 10.5 million as of 31 December 2022. Cash amounted to USD 22.3 million, implying net interest-bearing debt of USD 370.6 million, up from USD 313.7 million same period last year. The increase is mainly due to investments in the protein factory, upgrades at Houston Plant as well as shipyard. Total available liquidity as of 31 December 2022 was USD 48.9 million (cash and available amounts under the debt facilities).

The company signed and executed its new financing structure with a bank group consisting of DNB Bank, Cooperative Rabobank and Nordea Bank. The new facility has a more favorable structure with increased flexibility on covenants, dividends, and indebtedness. The amortization profile is changed as a result of moving from several term loans into a larger corporate revolving credit facility (RCF) and only one term loan for the Endurance vessel. The Group obtained a covenant waiver for the second quarter and the rest of 2022. The waiver was granted by the bank group prior to 30 June 2022 and sets out a new maximum threshold up to 6.5:1 (net interest-bearing debt / 12 month Adjusted EBITDA). For fourth quarter 2022 (and year 2022) the company is compliant with the loan Covenants.

Terms and debt repayment schedule per 31 December 2022:

Loan	Currency	USD Millions	Nominal interest rate	Year of maturity	Instalments
Secured bank loan - Bank syndicate	USD	77.3	3,13 % (fixed)	2031	Quarterly
Secured loan - Bank syndicate	USD	258.6	SOFR + margin 1)	2024	In full upon termination
Antarctic Harvesting Holding AS	NOK	1.3	7.0%	-	-
Overdraft facility with DNB	USD	33.4	NOWA+0,13% yearly framework agreement provision 2)	n/a	n/a
Leasing financing	NOK/USD	10.5	6.4 - 7.3%	< 2026	Monthly

1) SOFR: Secured Overnight Financing Rate

2) NOWA: Norwegian Overnight Weighted Average

The following table displays debt secured by mortgaged assets:

USD Millions	As per 31 December	
	2022	2021
Secured bank loans	335.9	294.7
Overdraft facility	33.4	16.9
Total secured debt	369.3	311.6
Book value of assets pledged as security		
Operating assets	731.9	721.1

Asset pledged as security per company as of 31 December 2022:

USD Millions	Group total	Antarctic AS	AKBM US Holding	AKBM Manufacturing	New Ride	Lang
Ships/Rigs	187.2	187.2	-	-	-	-
Customers receivable	46.3	32.0	-	-	-	14.3
Shares	261.7	108.2	100.6	-	52.9	-
Inventory	128.9	91.4	-	-	-	37.5
Other assets	107.8	50.4	-	57.0	-	0.4
Total	731.9	469.2	100.6	57.0	52.9	52.2

The following table reconciles the movements in liabilities to cash flow from financing activities in 2022:

USD Millions	Secured bank loans	Proceeds from owner	Lease	Bank overdraft	Total
Balance Interest bearing debt at 31 December 2021	294.7	1.3	11.9	16.9	324.8
<u>Changes in Financing cash flows</u>					
Secured bank loan - RCF - DNB/ RABO	50.0	-	-	-	50.0
Instalment Secured bank loan DNB/GIEK/NEK	-9.4	-	-	-	-9.4
Lease payments	-	-	-4.8	-	-4.8
Overdraft facility with DNB/RABO	-	-	-	16.5	16.5
Net cash flow from financing activities	40.6	-	-4.8	16.5	52.3
<u>Non-Cash changes</u>					
Leasing financing (IFRS16)	-	-	3.5	-	3.5
<u>Other changes, liability related</u>					
Interest/fees charged to loan	0.6	-	-	-	0.6
Total liability related changes	0.6	-	-	-	0.6
Balance Interest bearing debt at 31 December 2022	335.9	1.3	10.6	33.4	381.2

The following table reconciles the movements in liabilities to cash flow from financing activities in 2021:

	Secured bank loans	Proceeds from owner	Lease	Bank overdraft	Total
Balance Interest bearing debt at 31 December 2020	215.0	1.3	13.8	12.7	242.8
Changes in Financing cash flows					
Refinancing new bank syndicate	210.0	-	-	-	210.0
Secured bank loan - RCF + TL NewRide - DNB/ RABO	65.0	-	-	-	65.0
Secured bank loan - DNB and Eksportkredit (Provider)	60.0	-	-	-	60.0
Instalment Secured bank loan DNB/GIEK/NEK	-182.3	-	-	-	-182.3
Instalment bank loan Provider	-60.0	-	-	-	-60.0
Instalment Innovation Norway	-10.2	-	-	-	-10.2
Instalment Caterpillar Finance	-1.4	-	-	-	-1.4
Lease payments	-	-	-6.3	-	-6.3
Overdraft facility with DNB/RABO	-	-	-	4.2	4.2
Net cash flow from financing activities	81.1	-	-6.3	4.2	79.0
Non-Cash changes					
Leasing financing (IFRS16)	-	-	4.5	-	4.5
Other changes, liability related					
Interest/fees charged to loan	-1.5	-	-	-	-1.5
Effect of changes in foreign exchange rates	0.1	-	-0.1	-	-
Total liability related changes	-1.4	-	-0.1	-	-1.5
Balance Interest bearing debt at 31 December 2021	294.7	1.3	11.9	16.9	324.8

Note 16 – Other non-current liabilities

USD Millions	Year ended 31 December	
	2022	2021
Contingent consideration	-	10.6
Pension liabilities	0.1	0.2
Total	0.1	10.8

The earn-out period related to Lang Acquisition was from 2019 through 2021. The fair value of the earn-out (USD 10.2 million) was reevaluated per 31 December 2021 and paid out in 2022.

Note 17 – Accounts payable and other payables

Accounts payable and other payment liabilities comprise the following items:

USD Millions	Year ended 31 December	
	2022	2021
Accounts payable	39.0	25.3
Accrued expenses	14.9	17.6
Other current liabilities	3.2	3.7
Total	57.1	46.6

Foreign exchange and liquidity risks are described in Note 19.

Note 18 – Leasing

The Group leases various types of assets, with the most significant monetarily being the leases for office buildings, warehouses, and a tramer vessel. The smaller leases comprise mainly leases for housing for employees, IT equipment and production-related equipment in the factory.

Management determines the lease term as the non-cancellable term of the lease, as well as any additional periods covered by an option to extend the lease if it is reasonably certain to be exercised. Time periods in the lease covered by an option to terminate the lease are also included in the lease term if it is reasonably certain the termination clause will not be exercised. Management applies judgement in evaluating whether it is reasonably certain to exercise a renewal option, considering all relevant factors as well as the potential economic incentives related to the exercise of the renewal option. The lease period in the current leases held by the Group varies from one to five years. Several of the leases have a lease term that includes the optional renewal period. Most of the leases include a clause for annual price increases during the term of the lease agreement.

The Group has elected not to recognize right-of-use (ROU) assets and lease liabilities for the following types of leases, as allowed under IFRS 16:

- Short-term leases with a lease term of less than 12 months from commencement that does not include any purchase or renewal options, and
- Leases of low-value assets.

The Group recognizes a ROU asset as of the lease commencement date. The ROU asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is generally depreciated on a straight-line-basis over the shorter of the estimated useful life of the asset or the lease term and is subject to impairment assessments of non-financial assets.

The lease liability is initially measured at the present value of the future lease payments at commencement date discounted using either:

- The rate implicit in the lease, or if that cannot be determined, or
- The leasing entity's incremental borrowing rate.

The Group is calculating the incremental borrowing rate in a model with an interest rate swap rate as a basis and adjustments reflecting:

- Credit worthiness of the lessee
- Lease term of the contract
- Acquisition cost of the ROU
- Type of asset and
- Jurisdiction and the contact's currency.

The Group's ROU asset as at 31 December 2022 include:

USD Millions	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2022	11.0	0.3	11.3
Depreciation for the year	-4.2	-0.2	-4.4
Additions to ROU assets	0.6	-	0.6
Adjustment of ROU asset	2.4	-	2.4
Balance as of 31 December 2022	9.8	0.1	9.9

Additions to ROU assets relates to the new lease of offices in Bangkok, Beijing, and Uruguay; a new lease of a warehouse in Uruguay, and the annual CPI adjustments in some of the lease payments.

The Group's ROU asset as at 31 December 2021 include:

USD Millions	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2021	12.6	0.5	13.1
Depreciation for the year	-5.3	-0.2	-5.5
Additions to ROU assets	3.5	-	3.5
Adjustment of ROU assets	0.2	-	0.2
Balance as of 31 December 2021	11.0	0.3	11.3

Additions to ROU assets relates to the new lease of a factory in Ski, Norway, warehouses in India and Uruguay, and the annual CPI adjustments in some of the lease payments.

Amounts recognized in profit or loss:

USD Millions	Year ended 31 December	
	2022	2021
Expenses related to short-term lease	-3.9	-1.8
Leasing expenses related to variable payments not included in lease liabilities	-2.0	-0.1
Interest on ROU lease liabilities	-0.7	-0.9
Effect of changes in foreign exchange rates	0.2	0.1
Total	-6.4	-2.7
ROU assets recognized in cash flow statement:	-4.8	-6.3

Future lease liability payments as of year-end 2022 and 2021 (IFRS 16)

USD Millions	2022	2021
Within one year	4.9	4.2
1-2 years	3.1	3.4
3-5 years	0.7	4.0
More than 5 years	1.0	0.3
Total	9.7	11.9

Lease liabilities as of 31 December 2022 totaled USD 10.5 million (31 December 2021: USD 11.9 million) of which USD 4.8 million (31 December 2021: USD 4.4 million) was classified as current and USD 5.8 million (31 December 2021: USD 7.5 million) as non-current, see Note 15.

Note 19 – Financial risk

The Group's activities expose it to various types of risk which are associated with the financial instruments and markets in which it operates. The most significant types of financial risk the Group is exposed to are credit risk, liquidity risk, and market risks (including foreign exchange risk, interest rate risk and bunker risk). To manage these risks, risk management is carried out in order to create predictability and stability for operating cash flows and values. Management can use financial derivatives to hedge against risk relating to operations, financing, and investment activities if the financial derivative has been approved by the Board of Directors. In 2020 the company entered a fuel hedge contract with DNB, see further description of the contract below under iii) Fuel price risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's main credit risk relates to receivables from customers. Exposure to that risk is monitored on a routine basis and credit evaluations are performed on customers as appropriate. When entering significant sales contracts, the sales department seeks to reduce credit risk through more stringent payment terms including requirement of up-front payments. The Group has had low losses on receivables as the sales department is maintaining close contact with each customer and routine billing and cash collection is performed.

The book value of financial assets represents the maximum credit exposure.

Receivables presented under Trade Receivables are ordinary account receivables generated through sales of goods, accounted for under IFRS 15. The Group does not grant any payment terms more than 12 months, meaning that if the Group were to estimate expected credit losses (ECL) as according to general or simplified approach, the ECL would (for all material purposes) represent the lifetime expected credit losses.

The Group has determined to apply the practical expedient for measuring ECL of the Account Receivable, mainly due to the large extent of smaller clients, and the limited amount of losses over the past years.

The Group has designed a provision matrix based on the assessment on historical data over the last years to identify whether there are either geographical or market (Qrill / Superba) indications of whether any additional breakdowns into sub-portfolios is required. The reasonability of the ECL

accruals compared to prior years actual losses has also been assessed, to ensure it constitutes a reasonable expectation.

The ECL rates per portfolio will be reviewed at each reporting date to assess if the matrix still reflects the current conditions, and if the provision still is at a reasonable and supportable level, reflecting the future economic conditions.

Aging profile of accounts receivable and bad debt provisions:

USD Millions	As per 31 December	
	2022	2021
Not at maturity	46.5	28.2
0-30 days overdue	10.1	10.2
31-120 days overdue	2.0	9.5
121- 365 days overdue	2.4	3.3
More than one year overdue	0.3	-
Total trade receivable	61.3	51.2
Bad debt provision	-1.3	-0.9

Write off and allocation for loss on trade receivable are included under operating expenses in the consolidated profit and loss.

Movements in allocation to loss on trade receivable and contract assets:

USD Millions	2022	2021
Balance at 1 January under IFRS 9	-0.9	-0.7
Impairment loss (write-off) on trade and other receivables	-0.4	-0.4
Effects of changes in foreign exchange rates	-	0.2
Allocation to loss on trade receivable and contract assets at 31 December	-1.3	-0.9

The Group's two most significant customers account for USD 10.7 million of the receivables carrying amount as of 31 December 2022 (2021: USD 12.1 million).

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial liabilities as they mature. The Group does not hedge against exposure to interest-rate fluctuations on debt and is therefore exposed to fluctuations on the variable-rate amount of interest-bearing liabilities, which was USD 369.2 million as of 31 December 2022 (2021: USD 311.6 million).

Overview of maturities including estimated interest payments by category of liability in 2022:

USD Millions	Book value at 31 December	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	335.9	-393.1	-16.3	-16.5	-291.8	-36.0	-32.4
Interest bearing debt, non-current, related parties	1.3	-1.8	-0.1	-0.1	-0.1	-0.1	-1.4
Overdraft facility	33.4	-33.4	-33.4	-	-	-	-
Leasing liabilities (IFRS16)	10.5	-9.7	-2.5	-2.4	-3.1	-0.7	-1.0
Total 2022 maturity of loans and interest on interest-bearing debt	381.1	-438.0	-52.3	-19.0	-295.0	-36.8	-34.9
Accounts payable and other current liabilities	57.1	-57.1	-57.1	-	-	-	-
Non-current non-interest-bearing liabilities	5.5	-5.5	-	-	-0.0	-	-5.5
Total liabilities	443.8	-500.6	-109.4	-19.0	-295.1	-36.8	-40.3

Overview of maturities including estimated interest payments by category of liability in 2021:

USD Millions	Book value at 31 December	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	294.7	-325.8	-9.3	-9.2	-18.1	-248.0	-41.2
Interest bearing debt, non-current, related parties	1.3	-1.8	-0.1	-0.1	-0.1	-0.1	-1.4
Overdraft facility	16.9	-16.8	-16.8	-	-	-	-
Leasing liabilities (IFRS16)	11.9	-11.9	-2.1	-2.1	-3.5	-4.0	-0.3
Total 2021 maturity of loans and interest on interest-bearing debt	324.8	-356.3	-28.3	-11.4	-21.7	-252.0	-42.9
Accounts payable and other current liabilities	46.6	-46.6	-46.6	-	-	-	-
Non-current non-interest-bearing liabilities	15.7	-15.5	-	-	-10.6	-	-4.9
Total liabilities	387.1	-418.4	-74.9	-11.4	-32.3	-252.0	-47.8

Due to lower-than-expected sales, there is a risk for the Group to be in breach with its leverage covenant (net debt/LTM Adjusted EBITDA). The Group had an optional waiver through 2022 and has for 2023 continued the dialogue with its bank group to obtain waivers for the leverage covenant for part of the year where this could be necessary.

Market risk

Foreign exchange risk

The Group operates in a global market and is exposed to currency fluctuations, primarily through fluctuations in the USD, NOK and EUR exchange rates. In addition, the Group has operations with exposure to local currencies in Uruguay, Australia, India, Thailand, New Zealand, Canada and China, but these exposures are regarded minimal. The Group has USD as its presentation and functional currency in the main group companies. The Group has NOK denominated financial instruments thus the consolidated statement of financial position is exposed to changes in NOK/USD exchange rate.

The Group seeks to ensure that revenues and expenses are in the same currency. Future cash flows are estimated and offset. The Group periodically assesses the need for foreign currency hedging. Currency risk is managed on an overall Group level.

As of 31 December 2022, the Group recognized an asset of USD 11.0 million from a fuel hedge contract, see description under iii) Fuel price risk.

The table below shows the Group's exposure to foreign exchange risk as per 31 December.

USD Millions	2022		2021	
	Euro	NOK	Euro	NOK
Accounts receivable	-	6.2	0.3	6.1
Cash	-0.3	-2.3	-	-15.3
Other assets	-	-	-	-
Secured bank loan	-	-	2.5	-22.6
Accounts payable	-1.1	-13.2	-1.9	-11.9
Other balance sheet items	-	-7.0	-	-0.2
Gross balance sheet exposure	-1.4	-16.3	0.9	-43.9
Currency forwards	-	-	-	-
Net exposure	-1.4	-16.3	0.9	-43.9

Sensitivity analysis

A 10% increase or decrease in USD relative to the Euro and the NOK would have reduced or increased the Group's profit before tax with USD 0.1 million related to Euro and USD 1.6 million related to NOK, respectively.

Interest rate risk

The Group's borrowings and any surplus cash balances are held at variable and fixed interest rates linked to the Norwegian or London interbank offered rate (NIBOR and LIBOR, 3 or 6 months). A movement of 100 basis points in the interest rate on borrowings and surplus cash balances as of 31 December 2022 would have affected the Group's profit before tax with USD 2.8 million (2021: USD 1.3 million). This analysis assumes that all other variables, especially the exchange rates, remain constant.

Interest rate profile

At the close of the year, the interest- rate profile for the Group's interest-bearing financial instruments was as follows:

USD Millions	Year ended 31 December 2022	Effective interest rate year ended 31 December 2022	Year ended 31 December 2021	Effective interest rate year ended 31 December 2021
Fixed-interest instruments				
Loan from Antarctic Harvesting Holding AS	-1.3	7.0 %	-1.3	7.0 %
Secured bank loan - Bank syndicate	77.2	3.1 %	-96.0	3.1 %
Net fixed-interest instruments	75.9		-97.3	
Floating-interest instruments				
Financial assets				
Cash and cash equivalents	22.3	variable *)	11.1	variable *)
Financial liabilities				
Secured bank loan - Bank syndicate	-335.9	3,1%-7,1%	-198.7	3.1 %
Overdraft facility	-33.4	variable **)	-16.9	variable **)
Leasing liabilities (IFRS16)	-10.5	variable **)	-11.9	variable **)
Net variable interest instruments	-357.5		-216.4	
Total net interest-bearing debt	-281.6		-313.7	

*) different cash and cash equivalents carry different interest rates, as such no effective interest rate has been calculated

**) different loans/ receivables carry different interest rates, as such no effective interest rate has been presented

Fuel price risk

Marine Gasoil ("MGO") fuel used for vessel propulsion and krill meal production is one of the Groups' most significant operating costs. The profitability and cash flow of the Group will therefore be affected by the market price of MGO. To reduce Aker BioMarine's exposure to fluctuations in the fuel price, the operating subsidiary Aker BioMarine Antarctic AS purchased call options on Gasoil 0.1% at barges FOB Rotterdam in 2020. These options give Aker BioMarine Antarctic AS the right to purchase Gasoil 0.1% at barges FOB Rotterdam at defined price ("the strike") each month until December 2024. As of 31 December 2022, Aker BioMarine held 44,604 call option contracts giving the Group the right to purchase 44,604 MT of fuel between 2022 and 2024. The value of these options is reflected in the mark-to-market ("M2M") value, which at 31 December 2022 was USD 11.0 million.

	Contracts (000)	Strike (USD/MT)	M2M 31 December 2022 (USDM)
2023	22.3	550.0	6.2
2024	22.3	580.0	4.8
Total	44.6		11.0

Classification of derivatives

The Group uses fuel options for economic hedging purposes and not as speculative investments. From 1 January 2021 the Company met the requirements for using hedge accounting on its fuel options which means that the options are recognized in the balance sheet under the line item 'Derivative assets'.

During 2022, the Group rebalanced its call option portfolio to align with an updated forecast of production and operations. As a result, the Group sold 7 454 call options. The sale has been recognized as a rebalancing effect of designated fuel volumes and have been accounted for in accordance with the requirements for discontinuation of hedge accounting. The gain from rebalancing was USD 2.9 million and was recognized as 'Other operating income' in the statement of profit or loss, see Note 2. Contracts not sold continue to follow hedge accounting.

In addition to the USD 2.9 million recognized from the rebalancing exercise, the Group also recognized profits from cash-settling expiring option contracts throughout the year. In total, the Group realized a gain of USD 14.6 million on cash settled contracts.

Fuel hedge cash flow overview:

USD Millions	2022
Hedge settlements	15.0
Sale of surplus call options	2.9
2021 net cash impact	17.9
M2M Hedge value 2023-2024 calls	11.0
Net cash equivalent 2023-2024	11.0

Hedge reserves

The Group's hedging reserves mainly relate to fuel hedge contracts for hedging of bunkers oil for the period 2021-2024. Total hedge reserve was USD 5.4 million as of December 2021. The fair value of the hedging instrument decreased by USD 1.9 million in 2022, leading to a total hedge reserve of USD 3.5 million at the end of the year.

Hedge effectiveness

The Group determines hedge effectiveness at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. As of 31 December 2022, the hedge was found effective.

Movements in the fuel hedge reserve for the year ended 31 December:

USD Millions	2022	2021
Opening balance as per 1 January	5.4	0.1
Change in fair value of hedging instrument recognised in OCI	-1.9	5.2
Reclassified to the cost of inventory – not included in OCI	-15.0	-3.8
Intrinsic value of options	17.8	6.9
Reclassified from OCI to profit or loss	-2.8	-3.0
Closing balance as per 31 December	3.5	5.4

Fair values

The Group had financial receivables that under IFRS 9, based on evaluation of business model applied, will be measured at fair value over the profit and loss; however, this is in line with how these assets previously have been accounted for, and the last applicable receivable was settled in 2019.

Trade receivables are classified at amortized cost. An expected loss recognition process is used, utilizing the practical expedient. Expected credit losses (ECL) are calculated based on a matrix taking into consideration customer risk, and geographical segments and historical data.

Based on the Group's assessment, there were no new classification requirements following IFRS 9 implementation, which had material impact on accounting for financial assets or liabilities upon implementation in 2018.

The fair values quoted in the table below are categorized within the fair value hierarchy, described below, and based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All fair values using Level 2 valuation techniques are based on discounted cash flow models.

The short-term nature of financial instruments such as cash and bank deposits result in the book value approximating fair value. The same approach applies to receivables and debt associated with the

business cycle. Financial assets that are classified as held for sale and financial assets at fair value through profit and loss are recorded at fair value.

Capital management

The Group's objectives when managing capital are to i) ensure the Groups ability to continue as a going concern, and ii) maintain an optimal capital structure to reduce the cost of capital and be in compliance with bank covenants.

In order to maintain or adjust the capital structure, the group may obtain short term funding through supply chain financing, receivables purchase agreements, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio as agreed with the bank syndicate which is net interest-bearing debt / 12 month Adjusted EBITDA (see Note 15).

Note 20 – Contingencies and legal claims

The Group recognizes a provision when it has a legal or constructive obligation as a result of a past event, when it is probable that payment or the transfer of other assets will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

With worldwide operations, the Group is involved in disputes in the ordinary course of its business activities. Provisions to cover projected losses arising from such disputes are made to the extent negative outcomes are probable and reliable estimates can be prepared. However, the outcome of any such dispute is inherently uncertain, and the resulting liability may exceed any provision made.

As per 31 December 2022 no provisions were made for legal claims.

Note 21 – Related parties

The Group's consolidated financial statements include the following transactions and intercompany balances with Aker ASA and companies controlled by Aker ASA. Refer to Note 22 for remuneration to key management.

Aker ASA is the controlling shareholder of the Group.

The guarantee fee relates to the guarantee provided from Aker ASA related to the Group's long-term loan with DNB/Rabobank (see Note 15).

USD Millions	2022	2021
Office Rent Fornebu Næring	-1.0	-1.1
Recharge Rev Ocean	0.1	0.1
Management fee	-1.3	-0.8
	-2.3	-1.8
Guarantee fee Aker ASA	-	-0.3
Total	-2.3	-2.1

Note 22 – Salaries and other remuneration to the Board of Directors and executive management

Board remuneration

There is no remuneration paid to the Board members and Employee representative other than ordinary salaries. For details about board remuneration, refer to the Company's Remuneration Report which is published on the Company's website.

<https://www.akerbiomarine.com/investor-other-reports-and-presentations>

Remuneration paid to the CEO and Executive management team (EMT)

The CEO is member of the defined contribution pension and insurance plans that cover all employees. The Group uses standard employment contracts. The CEO may be dismissed upon three months' notice. If the company terminates the employment, the CEO is entitled to three months' severance pay after the end of the notice period. The pension is capped at a salary of 12 times the National Social Security base amount.

The Group implemented share incentive programs for employees in February 2022.

In addition to the EMT bonus program also referred to in the Remuneration report, Aker BioMarine has established a bonus program for level two managers based on EBITDA performance. Sales resources have separate bonus programs linked to achievement of certain sales related KPIs.

Based on the company's performance in 2020, management team was awarded a bonus totaling USD 0.9 million that was accrued in 2021 and paid in 2022. No bonus awarded in 2021 or 2022, except for one member of the EMT.

For details about remuneration paid to the CEO and EMT, refer to the Company's Remuneration Report which is published on the Company's website.

<https://www.akerbiomarine.com/investor-other-reports-and-presentations>

Note 23 – Group companies

As of 31 December 2022, Aker Capital AS held 77.7% of the shares in Aker BioMarine, and the CEO, through his wholly owned subsidiary KMMN Invest II AS, held 1.2%.

Assessment of non-controlling interests:

Through its fully owned company Antarctic Harvesting Holding AS (AHH), The Resource Group TGR AS, subscribed to 555,900 new shares (the A-shares) in Aker BioMarine Antarctic AS for a cash consideration of NOK 11 million in September 2015. The shares subscribed to constitute a separate share class with rights to an annual preferential dividend of 7% of the invested capital, but with no economic rights to any profits above this level. The preferred shares are included as interest bearing debt in the statement of financial position.

The structure enables the company to access foreign capital while remaining in compliance with its fishing licenses. Through the shareholders agreement, the company holds the majority of the voting rights for all matter except the reserved matters. The reserved matters give AHH some rights, but not power over the relevant activities. AHH's rights are either protective or relates to activities that does not significantly affect the return. The company has power over the relevant activities, and has control over Aker BioMarine Antarctic AS.

Based on the content of the shareholder agreement between the company and AHH, the company defines Aker BioMarine Antarctic AS as a subsidiary, even if the ownership is 40% (the B-shares). It has therefore been assessed that the shareholders agreement does not give rise to any non-controlling interests in the Group financial statements.

Investments in associates

The Group accounts for investments in associates under the equity method. As per 31 December 2022, the investment and share of results are immaterial to the Group's financial statements.

The consolidated financial statements for the Group in 2022 included the following subsidiaries:

	Shareholding	Voting rights	Administrative headquarters	
	in %	in %	Location	Country
Aker BioMarine Antarctic AS	40	100*	Lysaker	Norway
Aker BioMarine Antarctic US LLC	100	100	Issaquah	USA
Aker BioMarine Antarctic Services AS	100	100	Lysaker	Norway
Aker BioMarine Antarctic Australia Pty Ltd	100	100	Melbourne	Australia
Aker BioMarine Manufacturing LLC	100	100	Houston	USA
Aker BioMarine Antarctic SA (former Odalson S.A.)	100	100	Montevideo	Uruguay
Aker BioMarine US Holding Inc	100	100	Issaquah	USA
Complector Ship Management AS	100	100	Lysaker	Norway
Aker BioMarine Asia Ltd	100	100	Hong Kong	China
Aker BioMarine Shanghai International Trading Co Ltd	100	100	Shanghai	China
Aker BioMarine Canada Inc	100	100	Vancouver	Canada
Euphausia LLC	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India Private Ltd	100	100	Mumbai	India
NewRide LLC	100	100	Issaquah	USA
Epion Brands LLC	100	100	Issaquah	USA
Lang Pharma Nutrion Inc	100	100	Middletown	USA
Wanaka BioMarine Ltd	100	100	Nelson	New Zealand
Aker BioMarine Japan K.K	100	100	Tokyo	Japan
Aker BioMarine Chile S.A	100	100	Puerto Varas	Chile
Aion AS (until April 2022, see Note 1)	100	100	Lysaker	Norway

*) Aker BioMarine ASA has all voting rights except for certain fundamental matters which require consent from both shareholders

The consolidated financial statements for the Group in 2021 included the following subsidiaries:

	Shareholding in %	Voting rights in %	Location	Country
Aker BioMarine Antarctic AS	40	100*	Lysaker	Norway
Aker BioMarine Antarctic US LLC	100	100	Issaquah	USA
Aker BioMarine Antarctic Services AS	100	100	Lysaker	Norway
Aker BioMarine Antarctic Australia Pty Ltd	100	100	Melbourne	Australia
Aker BioMarine Manufacturing LLC	100	100	Houston	USA
Aker BioMarine Financing LLC	100	100	Houston	USA
Aker BioMarine Antarctic SA (former Odalson S.A.)	100	100	Montevideo	Uruguay
Aker BioMarine US Holding Inc	100	100	Issaquah	USA
Complector Ship Management AS	100	100	Lysaker	Norway
Aker BioMarine Asia Ltd	100	100	Hong Kong	China
Aker BioMarine Shanghai International Trading Co Ltd	100	100	Shanghai	China
Aker BioMarine Canada Inc	100	100	Vancouver	Canada
Euphausia LLC	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India Private Ltd	100	100	Mumbai	India
NewRide LLC	100	100	Issaquah	USA
Epion Brands LLC	100	100	Issaquah	USA
Lang Pharma Nutrion Inc	100	100	Middletown	USA
Wanaka BioMarine Ltd	100	100	Nelson	New Zealand
Aion AS	100	100	Lysaker	Norway

*) Aker BioMarine ASA has all voting rights except for certain fundamental matters which require consent from both shareholders

Note 24 – Earnings per share

USD Millions	2022	2021
Continued operations:		
Net profit (loss)	10.0	-8.0
Profit (loss) from continued operations attributable to Equity holders of the parent	10.0	-8.0
Number of shares		
Share outstanding as per 1 January	87,586,086	87,586,086
Capital increase	51,647	-
Shares outstanding as per 31 December	87,637,733	87,586,086
Weighted average number of shares as per 31 December	87,629,125	87,586,086
Earnings per share		
Basic	0.11	-0.09
Diluted	0.11	-0.09

Note 25 – Events after the end of the reporting period

The Group performed a review of events after the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

AKER BIOMARINE ASA

AKER BIOMARINE ASA

FINANCIAL STATEMENTS

2022

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December

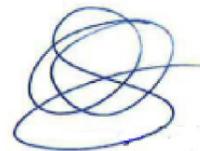
USD Millions	Note	2022	2021
Operating revenues	2	0.2	0.2
Revenues from Group companies	12	16.9	16.8
Total revenues		17.1	17.0
Salaries and other payroll expenses	3, 14	-8.1	-10.8
Other operating expenses	4	-6.1	-8.9
Operating expenses Group companies	12	-0.3	-0.6
Operating profit/loss before depreciation, amortization and impairment		2.6	-3.3
Depreciation, impairment, and amortization	7	-0.1	-0.1
Operating profit (loss)		2.5	-3.4
Interest income from Group companies	12	10.3	14.3
Net foreign exchange gain / loss (-)		3.6	0.5
Other interest income and financial income	13	10.1	-
Interest and guarantee expenses to Group companies	12	-0.3	-2.5
Other financial expenses	13	-0.3	-3.7
Net financial items		23.4	8.6
Profit (loss) before tax		25.8	5.2
Tax expense	6	-	-
Net profit (loss)		25.8	5.2
Allocation of loss for the year			
Profit (loss) for the year		25.8	5.2
Transferred to accumulated loss		-25.8	-5.2

STATEMENT OF FINANCIAL POSITION

As per 31 December

USD Millions	Note	2022	2021
ASSETS			
Property, plant and equipment	7	0.2	0.3
Intangible assets	7	0.2	-
Shares in subsidiaries and other companies	8	315.6	305.8
Other interest-bearing receivables, external, non-current		2.6	-
Long-term receivables from Group companies	12	213.9	211.4
Total non-current assets		532.5	517.5
Accounts receivable and other non-interest-bearing receivables		0.7	0.5
Current receivables from Group companies	12	11.1	5.0
Cash and cash equivalents	11	3.9	0.5
Total current assets		15.7	6.0
Total assets		548.2	523.5
LIABILITIES AND OWNERS' EQUITY			
Share capital	5	75.9	75.9
Share premium	5	472.9	472.7
Total paid-in capital		548.8	548.6
Accumulated loss	5	-5.1	-30.9
Total equity		543.7	517.7
Pension liabilities	10	0.1	0.2
Total non-current liabilities		0.1	0.2
Current debt to related parties	12	0.1	0.3
Accounts payable and other current liabilities		4.3	5.3
Total current liabilities		4.4	5.6
Total liabilities		4.5	5.8
Total equity and liabilities		548.2	523.5

Oslo 21 March 2023
The Board of Directors and CEO of Aker BioMarine ASker



Ola Snøve

Chair of the board



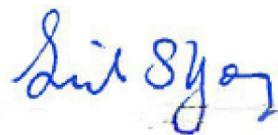
Kjell Inge Røkke

Director



Kimberly Mathisen

Director



Sindre Skjøn

Director, elected by the employees



Lise Wiger

Director, elected by the employees



Anne Harris

Director



Cilia Holmes Indahl

Director



Matts Johansen

CEO Aker BioMarine

STATEMENT OF CASH FLOW

For the year ended 31 December

USD Millions	Note	2022	2021
Profit (loss) before tax		25.8	5.2
Net expensed interest, interest paid and received	12,13	-10.5	21.4
Depreciation, impairment, and amortization	7	-9.6	0.1
Unrealized foreign exchange (gain) / loss and other non-cash-generating items		0.4	-
Changes in ordinary operating items		-7.9	18.4
Net cash flow from operating activities		-1.8	45.1
Payments for fixed and intangible assets	7	-0.3	-
Net cash flow from long term receivables	12	5.3	15.0
Net cash flow from investment activities		5.0	15.0
Capital Increase		0.2	-
Proceeds, new short-term loans, related parties	12	-	-
Change in bank overdrafts	9	-	-
Change in bank loan	9	-	-59.9
Net cash flow from financing activities		0.2	-59.9
Net change in cash and cash equivalents		3.4	0.2
Cash and cash equivalents as of 1 January		0.5	0.3
Cash and cash equivalents as of 31 December		3.9	0.5

Note 1 – Accounting principles

The annual report is prepared and presented according to the Norwegian Accounting Act of 1998 and generally accepted accounting practices in Norway.

Subsidiaries and associated companies

Subsidiaries are valued according to the cost method. Investments are valued at acquisition cost for the shares unless a write-down has been necessary. Investments are written down to market value if the decline is viewed as not transitory in nature and when deemed necessary according to generally accepted accounting principles. Write-downs are reversed if the basis for the write-down is no longer present.

Associated companies and investments in joint venture are valued according to the equity method in the parent company accounts. The latter Investments are initially valued at acquisition cost for the shares, and subsequently adjusted to reflect the investor's share of the net assets of the associate.

Classification and valuation of balance sheet items

Current assets and short-term liabilities include items that are due within one year. Other items are classified as non-current assets or long-term liabilities. Current assets are valued at the lower of acquisition cost or market value. Current liabilities are recorded in the balance sheet at face value at the time of the transaction.

Non-current assets are recorded at acquisition cost. Upon a change in value not deemed to be temporary, the affected fixed asset is written down to market value. Long-term liabilities are recorded in the balance sheet at face value at the date they are assumed.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at face value after provision for expected losses. Provisions for losses are made based on individual assessment of receivables.

Functional currency and foreign currency

Aker BioMarine ASA has US Dollars as functional currency and the financial statements are presented in US Dollars. Foreign-currency-denominated monetary items are valued at the year-end exchange rate, and currency translation effects are presented within net foreign exchange gain/loss in the financial statement.

Property, plant and equipment, and intangible assets

Other acquired intangible assets are recognized in the balance sheet at acquisition cost, less any accumulated amortization and impairment losses.

Estimated useful lives for the current and comparative reporting periods are as follows:

- Property, plant, and equipment: 0–5 years
- Intangible assets: 0–3 years

Revenue recognition

Income arising from royalties and management services provided to subsidiaries shall be recognized if all the following conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The amount of revenue can be measured reliably.

Taxes

Tax expenses in the profit and loss account comprise taxes payable for the period and any change in deferred tax/deferred tax benefit. In 2022, deferred tax is calculated as 22% of the temporary differences between accounting and tax values, as well as the tax deficit carryforward at the end of the accounting. Tax increasing and tax reducing temporary differences that are reversed or can be reversed in the same period, are offset. Net deferred tax benefit is recorded in the balance sheet to the extent it is likely that it will be used.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents comprise cash, bank deposits, and other short-term liquid placements.

Use of estimates

Preparation of the financial statement in accordance with generally accepted accounting practices requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities, and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results may differ from estimates.

Contingent losses deemed probable and quantifiable are expensed as incurred.

Note 2 – Operating revenues

Operating revenues in 2022 are distributed as follows:

USD Millions	North				
	Norway	EU	America	Other	Total
Other revenue	0.2	-	-	-	0.2
Management fee from Group companies	16.9	-	-	-	16.9
Total operating revenues	17.1	-	-	-	17.1

Operating revenues in 2021 are distributed as follows:

USD Millions	North				
	Norway	EU	America	Other	Total
Other revenue	0.2	-	-	-	0.2
Management fee from Group companies	16.7	-	-	-	16.8
Total operating revenues	17.0	-	-	-	17.0

Note 3 – Salaries and other payroll expenses

Salaries and payroll expenses comprise of the following:

USD Millions	Year ended 31 December	
	2022	2021
Salaries	-5.5	-8.7
Other personnel costs	-1.1	-0.7
Employer's social security contribution	-1.1	-1.0
Pension expenses	-0.4	-0.4
Total	-8.1	-10.8
Average number of employees	47.0	54.0

Note 4 – Other operating expenses

Other operating expenses comprise the following:

USD Millions	Year ended 31 December	
	2022	2021
Professional services	-1.8	-4.9
Office rent	-1.1	-1.1
Travel	-0.2	-0.3
Other operating expenses	-3.0	-2.6
Total other operating expenses	-6.1	-8.9

Remuneration paid to auditor included in other operating expenses 1):

USD Millions	Year ended 31 December	
	2022	2021
Ordinary auditing services	-0.2	-0.1
Other services	-0.1	-0.1
Tax advisory	-0.1	-0.1
Total	-0.4	-0.3

1) Remuneration to the auditor is presented excluding VAT.

Note 5 – Equity

The Company's share capital amounts to NOK 525 516 516 distributed as 87 637 733 shares issued, each with a par value of NOK 6.00. All shares are equal in all respects.

As of 31 December 2022, Aker ASA owns 77.7% of the shares in the Company, 1.2% are owned by the Company's CEO through a holding company, and the remaining 21.1% shares by other investors.

Changes in equity are set forth below:

USD Millions	Share capital	Share premium	Accumulated loss	Total equity
Equity as of 1 January 2021	75.9	472.7	-41.7	506.9
Correction from prior year	-	-	5.6	5.6
Loss for the year	-	-	5.2	5.2
Equity as of 31 December 2021	75.9	472.7	-30.9	517.7
Capital Increase	-	0.2	-	0.2
Loss for the year	-	-	25.8	25.8
Equity as of 31 December 2022	75.9	472.9	-5.1	543.7

The 20 largest shareholders as per 31 December 2022:

Shareholder	Number of shares	Per cent
Aker Capital as	68,132,830	77.7 %
Arctic Fund Management AS	2,003,769	2.3 %
Danske Capital AS	1,579,123	1.8 %
Strawberry Capital AS	1,475,105	1.7 %
DNB Asset Management AS	1,156,021	1.3 %
KMMN Invest II AS	1,050,308	1.2 %
Storbrea AS	665,000	0.8 %
VJ Invest AS	604,902	0.7 %
Beck Asset Management AS	600,000	0.7 %
OP Asset Management AS	518,253	0.6 %
Tigerstaden Marine AS	456,119	0.5 %
Handelsbanken Fonder	426,128	0.5 %
Aktia Asset Management	400,000	0.5 %
RAM Rational Asset Management	395,000	0.5 %
Varner AS	334,282	0.4 %
Centragruppen AS	329,345	0.4 %
Mandatum Fund Management	287,577	0.3 %
Haadem Invest AS	250,000	0.3 %
Loe Equity AS	240,000	0.3 %
DNB Asset Management AS	197,264	0.2 %
Total	81,101,026	93%

Note 6 – Tax expense and deferred tax

USD Millions	Year ended 31 December	
	2022	2021
Income tax expense		
Change in deferred tax	-	2.9
Unrecognized change in deferred tax assets	-	-2.9
Tax base		
Profit (loss) before tax	25.8	5.2
Currency translation from USD to NOK	23.5	-
Tax base (statutory tax purposes)	49.3	5.2
Tax base (statutory tax purposes)	49.3	5.2
Change in deferred tax	-	0.6
Tax base	49.3	5.8
Tax loss carried forward	-49.3	-5.8
Temporary differences		
Property, plant and equipment and intangible assets	-0.1	-
Gain and loss accounts	0.1	0.1
Post employment benefit liabilities	-0.1	-0.2
Net deferred tax assets	-0.1	-0.1
Tax losses carried forward	-83.0	-155.1
Interest rate deductability carry forward	-15.1	-16.5
Basis for deferred tax asset	-98.1	-171.6
Deferred tax asset (22%)	-21.6	-37.8
Unrecognized deferred tax assets	21.6	37.8

Deferred tax has not been capitalized as it is not considered probable that the Company will have future taxable profit available, against which the unused tax losses and unused tax credits can be utilized.

Note 7 – Fixed assets and Intangible assets

Movements in property, plant, and equipment in 2022

USD Millions	Furniture & fixtures	Total
Acquisition cost as of 1 January 2022	0.6	0.6
Retirement	0.1	0.1
Acquisition cost as of 31 December 2022	0.7	0.7
Accumulated amortization and impairment as of 1 January 2022	-0.3	-0.3
Depreciation for the year	-0.1	-0.1
Retirement	-0.1	-0.1
Accumulated amortization and impairment as of 31 December 2022	-0.5	-0.5
Book value as of 31 December 2022	0.2	0.2

Movements in property, plant, and equipment in 2021

USD Millions	Furniture & fixtures	Total
Acquisition cost as of 1 January 2021	0.6	0.6
Acquisition cost as of 31 December 2021	0.6	0.6
Accumulated amortization and impairment as of 1 January 2021	-0.2	-0.2
Depreciation for the year	-0.1	-0.1
Accumulated amortization and impairment as of 31 December 2021	-0.3	-0.3
Book value as of 31 December 2021	0.3	0.3

Movements in intangible assets in 2022

USD Millions	Intangibles	Total
Acquisition cost as of 1 January 2022	-	-
Investments	0.3	0.3
Retirement	-	-
Acquisition cost as of 31 December 2022	0.3	0.3
Accumulated amortization and impairment as of 1 January 2022	-	-
Amortization for the year	-	-
Accumulated amortization and impairment as of 31 December 2022	-	-
Book value as of 31 December 2022	0.3	0.3

All fixed assets are depreciated using the straight-line method and have estimated useful life of 5 years.

Operating lease expense amounted to USD 1.3 million in 2022 and USD 1.3 million in 2021. The Company's lease commitments under non-cancellable leases amounts to approx. USD 1.4 million annually, until 2025. Operating lease costs are expensed as incurred. The Company has no financial lease arrangements.

Note 8 – Shares in subsidiaries

Through its fully owned company Antarctic Harvesting Holding AS, The Resource Group Trg AS, owns 555,900 A-shares in Aker BioMarine Antarctic AS. The remaining 370,600 B-shares are held by Aker Biomarine ASA. Based on the content of the shareholder agreement between the Company and Antarctic Harvesting Holding, the Company defines Aker BioMarine Antarctic AS as a subsidiary for accounting purposes, even if the ownership is 40%.

Shares in subsidiaries and other companies comprised the following as of 31 December 2022:

USD Millions	Ownership in % ¹⁾	Headquarter	Equity	Profit/loss before tax	Book value
Aker BioMarine Antarctic AS	40	Bærum, Norway	-6.7	-49.9	305.4
Aion AS 2)	100	Bærum, Norway	-1.8	-0.3	0.4
Complector Ship Management AS	100	Bærum, Norway	-	-	-
Shares in subsidiaries and other companies					305.8

1) Share of voting rights equals share of ownership. 2) Based on preliminary unaudited financials

Shares in subsidiaries and other companies comprised the following as of 31 December 2021:

USD Millions	Ownership in % ¹⁾	Headquarter	Equity	Profit/loss before tax	Book value
Aker BioMarine Antarctic AS	40	Bærum, Norway	49.6	-32.4	305.4
Aion AS	100	Bærum, Norway	0.1	0.1	0.4
Complector Ship Management AS	100	Bærum, Norway	-	-	-
Shares in subsidiaries and other companies					305.8

1) Share of voting rights equals share of ownership.

Note 9 – Interest-bearing loans from external parties:

USD Millions	As per 31 December	
	2022	2021
Non-current liabilities		
Loan from DNB ASA	-	-
Current liabilities		
Working capital facility from DNB ASA	-	-
Total interest-bearing current liabilities	-	-

In November 2021, Aker BioMarine Antarctic AS entered into a new sustainability-linked multicurrency term and revolving facility, and all loans in Aker BioMarine ASA were repaid.

Note 10 – Pension expenses and liabilities

The Company has a combination of defined contribution and defined benefit plans that cover virtually all employees. These schemes comply with laws and regulations set forth in the different countries of operations. The Company's defined benefit obligation cover one employee. At the end of the year the defined benefit obligations were USD 0.5 million and the assets were USD 0.4 million. The fair value of the net obligation has been calculated using an appropriate discount rate. During the year the Company expensed USD 0.4 million, net of settlements and curtailment, on the defined benefit plan (2021: USD 0.4 million). In addition, USD 0.02 million related to changes in actuarial assumptions is expensed in other comprehensive income (2021: USD 0.02 million).

Pension expenses and liabilities relating to the defined-benefit plan are discussed in Note 4 to the consolidated financial statements for Aker BioMarine Group. The Company complies with all requirements for coverage by a collective pension plan, and all relevant laws and regulations.

Note 11 – Restricted funds

The Company has USD 0.3 million in restricted funds associated with employee tax withholdings as of 31 December 2022 (2021: USD 0.3 million).

Note 12 – Transactions with subsidiaries and related parties

In 2022 and at year-end 2022, Aker BioMarine ASA recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

USD Millions	Aker ASA	Aker BioMarine Antarctic AS	Other subsidiaries	Fornebu Gateway Felleskost AS	Cognite	Other related parties	Total
Transactions recorded in profit and loss							
Management fee (income)	-	16.8	0.1	-	-	0.1	17.0
Mangement fee (costs)	-0.1	-	-	-	-	-0.2	-0.3
Interest income	-	10.2	0.1	-	-	-	10.3

Transactions recognized in balance sheet at year-end

Long-term interest bearing receivable	-	213.9	-	-	-	-	213.9
Current receivables	-	11.0	-	-	-	-	11.0

In 2021 and at year-end 2021, Aker BioMarine ASA recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

USD Millions	Aker ASA	Aker BioMarine Antarctic AS	Other subsidiaries	Fornebu Gateway Felleskost AS	Cognite	Other related parties	Total
Transactions recorded in profit and loss							
Management fee (income)	-	16.7	0.1	-	-	0.1	16.9
Mangement fee (costs)	-0.1	-	-	-0.2	-0.3	-	-0.6
Interest income	-	14.3	-	-	-	-	14.3
Guarantee fee	-0.3	-2.2	-	-	-	-	-2.5

Transactions recognized in balance sheet at year-end

Long-term interest bearing receivable	-	209.4	2.0	-	-	-	211.4
Current receivables	-	4.9	0.1	-	-	-	5.0
Current liabilities	0.2	-	-	-	-	0.1	0.3

Note 13 – Other financial income and expenses

Other interest- and financial income:

USD Millions	Year ended 31 December	
	2022	2021
Interest income, bank	0.1	-
Other financial income	10.0	-
Total	10.1	-

Other financial expenses:

USD Millions	Year ended 31 December	
	2022	2021
Interest expenses	-0.3	-3.2
Other financial expenses	-	-0.5
Total	-0.3	-3.7

Note 14 – Salaries and other remuneration to the Board of Directors and executive management

Board remuneration

There is no remuneration paid to the Board members and Employee representative other than ordinary salaries. For details about board remuneration, refer to the Company's Remuneration Report which is published on the Company's website.

<https://www.akerbiomarine.com/investor-other-reports-and-presentations>

Remuneration paid to the CEO

The CEO is member of the defined contribution pension and insurance plans that cover all employees. The Group uses standard employment contracts. The CEO may be dismissed upon three months' notice. If the company terminates the employment, the CEO is entitled to three months' severance pay after the end of the notice period. The pension is capped at a salary of 12 times the National Social Security base amount.

The Group implemented share incentive programs for employees in February 2022.

In addition to the EMT bonus program also referred to in the Remuneration report, Aker BioMarine has established a bonus program for level two managers based on EBITDA performance. Sales resources have separate bonus programs linked to achievement of certain sales related KPIs.

Based on the company's performance in 2020, management team was awarded a bonus totaling USD 0.9 million that was accrued in 2021 and paid in 2022. No bonus awarded in 2021 or 2022, except for one member of the EMT.

For details about remuneration paid to the CEO and EMT, refer to the Company's Remuneration Report which is published on the Company's website.

<https://www.akerbiomarine.com/investor-other-reports-and-presentations>

Directors' responsibility statement

Today, the board of directors and the chief executive officer reviewed and approved the board of directors' report and the consolidated and separate annual financial statements of Aker BioMarine ASA, consolidated and parent company for the year ending and as of 31 December 2022.

Aker BioMarine ASA's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs adopted by the EU as well as additional disclosure requirements in the

Norwegian Accounting Act and as such are to be applied per 31 December 2022. The separate financial statements of Aker BioMarine ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as at 31 December 2022. The board of directors' report for the group and the parent company satisfy with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as at 31 December 2022.

To the best of our knowledge:

The consolidated and separate annual financial statements for 2022 have been prepared in accordance with applicable accounting standards.

The consolidated and separate annual financial statements give a true and fair overall view of the assets, liabilities, financial position, and profit/loss of the group and for the parent company as of 31 December 2022.

The board of directors' report provides a true and fair review of the development and performance of the business and the position of the group and the parent company, the principal risks and uncertainties the group and the parent company may face.

Fornebu, 21 March 2023
The Board of Directors and CEO of Aker BioMarine ASA



Ola Snøve
Chair of the board



Kjell Inge Røkke
Director



Kimberly Mathisen
Director



Sindre Skjøng
Director, elected by the employees



Lise Wiger
Director, elected by the employees



Anne Harris
Director



Cilia Holmes Indahl
Director



Matts Johansen
CEO Aker BioMarine



To the General Meeting of Aker BioMarine ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker BioMarine ASA, which comprise:

- the financial statements of the parent company Aker BioMarine ASA (the Company), which comprise the balance sheet as at 31 December 2022, the statement of profit or loss and cash flow for the year then ended, and notes to the financial statements, including a summary of accounting policies, and
- the consolidated financial statements of Aker BioMarine ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of cash flow and consolidated statements of changes in equity for the year then ended, and notes to the financial statements, including a summary of group accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.



We have been the auditor of the Company for 1 year from the election by the general meeting of the shareholders on 20 April 2022 for the accounting year 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of inventories <p>On 31 December 2022, the carrying value of the Group's inventory amounts to USD 182 659 thousand, of which USD 143 446 thousand is related to the Ingredients segment.</p> <p>Inventory in the Ingredients segment consists of raw materials, goods under production and finished goods, and is valued at the lower of cost and net realisable value (NRV). Furthermore, the cost of goods in production and finished goods comprises the cost of raw materials, direct labour, other direct cost and the allocation of production overhead cost. We focused on this area due to the significance of the amounts involved, and because cost and estimated NRV require management judgement related to:</p> <ul style="list-style-type: none"> • Determination of expenses to be included as part of the indirect production cost capitalised as a part of the inventory, • The allocation of production cost between products produced, and • The measurement of the krill-based products held as Inventories at year end, where the use of judgement is particularly related to estimated selling price. <p>See note 12 - Inventories where Management explains the method of cost allocation applied, and explanations relevant to the valuation of inventory.</p>	<p>We observed the Group's routines for physical inventory counts and performed sample-based test counts in significant locations. Our procedures included testing of third-party confirmations from external warehouses and testing of the Group's internal control related to identifying obsolete inventories and internal and external volume reporting. These activities enabled us to obtain comfort over the quantity and existence of the inventory to which the cost allocation and estimated NRV applies.</p> <p>To test Management's valuation of inventory:</p> <ul style="list-style-type: none"> • We assessed the Group's policy on the type of expenditures to be included as part of the indirect production cost and considered whether the policy was in accordance with IAS 2 Inventories. We also performed a sample-based testing of the cost capitalised as part of inventory as it relates to the application of the Group's policy. • We obtained an understanding of the Group's policy related to allocation of production cost between products produced and assessed the consistency of the principles. We also considered whether the accounting treatment was in accordance with IAS 2 Inventories, and tested, on a sample basis, the cost allocation between products according to the Group's policy. • We assessed the integrity of the inventory valuation model, reconciled volumes (i.e. produced, consumed, sold etc.) against tested inventory reports and reconciled expenses included in inventory against tested cost base, and performed a sample-based recalculation of



Impairment assessment of goodwill and other intangible assets

On 31 December 2022, the Group had goodwill with a carrying value of USD 94 612 thousand and other intangible assets with a carrying value of USD 67 716 thousand.

We focused on Management's impairment assessment of goodwill and other intangible assets, due to the amounts involved, and due to the use of significant Management judgements. A potential impairment may have a material impact on the carrying value of the Group's assets. No write-down was recognised as a result of this year's impairment assessment.

The use of Management judgement particularly relates to the determination of the applied discount rate (WACC), future sales revenues, krill harvesting and production, EBITDA and capital expenditures.

See note 10 Impairment assessment, where Management explains the impairment model and key assumptions applied.

the weighted average cost at year-end of the different inventory products.

- We considered the Group's assessment related to slow moving and obsolete inventories at year-end and obtained Management's assessment of lower of cost and net realisable value. We assessed the estimated selling price and freight cost towards historical figures and towards selling price and freight cost subsequent to year-end.

We found no material errors through our testing.

Finally, we considered the adequacy of disclosures in note 12 and found them appropriate and in accordance with the requirements in current accounting standards.

We obtained Management's impairment review including identification of cash generating units and operating segments and assessed whether the identification was in accordance with IFRS requirements.

We challenged key assumptions applied by Management in the cash flow forecasts included in the impairment model. Specifically, we discussed with management to challenge their view on future revenues, krill harvesting and production, EBITDA and capital expenditures.

We tested the mathematical accuracy of cash flow models, and assessed relevant data to historical financial data, future budget approved by Management and other obtainable market information such as relevant benchmarks for growth estimates.

We evaluated the discount rate used by Management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data and our own internal data.

We found no material errors through our testing.

Finally, we considered the adequacy of disclosures in note 10 and found them appropriate and in accordance with the requirements in current accounting standards.



Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Aker BioMarine ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Annual Report 2022 Aker BioMarine ASA ESEF.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisionsberetninger>

Oslo, 21 March 2023

PricewaterhouseCoopers AS


Vidar Lorentzen
State Authorised Public Accountant



To the Board of Directors of Aker BioMarine ASA

Independent Report on Aker BioMarine ASA's Greenhouse Gas (GHG) statement

We have undertaken a limited assurance engagement of the accompanying GHG statement of Aker BioMarine ASA, comprising the table Emission for the period 1 January 2022 - 31 December 2022 under chapter 2 Sustainability in the Annual Report 2022, including the explanatory information in Methodology Statement in Appendix 2.

Our limited assurance engagement comprises whether Aker BioMarine ASA has developed measurements and reporting of GHG emissions and whether the GHG emissions are presented according to the GHG Protocol Corporate Accounting and Reporting Standard (2004), applied as explained in the Methodology Statement in Appendix 2 (criteria). The GHG Protocol Corporate Accounting and Reporting Standard, published by the World Resources Institute and the World Business Council for Sustainable Development, is available at <https://ghgprotocol.org/corporate-standard>.

Management's responsibility

Management is responsible for Aker BioMarine ASA's preparation of the GHG statement and that the GHG emissions are measured and reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Their responsibility includes designing, implementing and maintaining internal controls that ensure appropriate measurement and reporting of GHG emissions.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality control

We are independent of the company in accordance with the law and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our ethical obligations in accordance with these requirements. We use ISQM 1 - Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements and maintain a comprehensive system of quality control including documented guidelines and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory claim.



Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion on Aker BioMarine ASA's GHG statement based on the procedures we have performed and the evidence we have obtained. We have performed our work and will issue our statement in accordance with the International Standard on Assurance Engagements ISAE 3410 Assurance Engagements on Greenhouse Gas Statements. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Aker BioMarine ASA's use of GHG Protocol Corporate Accounting and Reporting Standard as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Through inquiries, obtained an understanding of Aker BioMarine ASA's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Aker BioMarine ASA's methods for estimating emissions based on energy use and emission factors for the use of different energy sources are appropriate and have been consistently applied and reported.
- Performed analytical procedures to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to estimate emissions from a selection of Aker BioMarine ASA's emission sources.
- Performed limited substantive testing on a selective basis of the Greenhouse Gas scope 1, scope 2 and scope 3 emissions to check that data had been appropriately measured, recorded, collated and reported. The test procedures were chosen taking into consideration the emission sources' contribution to total emissions and our understanding of the risk of material errors in measurements and reporting of emissions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Aker BioMarine ASA's GHG statement has been prepared, in all material respects, in accordance with the criteria.



Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Aker BioMarine ASA's GHG statement for the period 1 January 2022 – 31 December 2022, is not prepared, in all material respects, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004) applied as explained in the Methodology Statement in Appendix 2.

Oslo, 21 March 2023
PricewaterhouseCoopers AS


Vidar Lorentzen
State Authorised Public Accountant

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures, meaning financial performance measures not included within the applicable financial reporting framework, are used by the Group to provide supplemental information by excluding items that in management's view, does not give indications of the periodic operating results. Financial APMs are used to enhance comparability of the results from a period to the next, and management uses these measures internally when driving performance in terms of long- and short-term forecasts. The measures are adjusted IFRS measures, and are defined, calculated, and consistently applied in the Group's financial reporting. The Group focuses on EBITDA and Adjusted EBITDA when presenting the period's financial result internally and externally. Adjusted EBITDA is adjusted for special operating items.

Financial APMs should not be considered as substitute for measures of performance in accordance with applicable financial reporting framework.

The Group uses the following APMs in the reporting:

- EBITDA: Operating profit before depreciation, amortization, write-downs and impairments
- Adjusted EBITDA: Operating profit before depreciation, amortization, write-downs and impairments, and Special operating items
- EBITDA margin %: EBITDA as a percentage of Net sales
- Adjusted EBITDA margin %: Adjusted EBITDA as a percentage of Net sales
- Gross margin %: Gross profit as a percentage of Net sales
- CAPEX: The sum of Payments for property, plant and equipment and Payments for intangibles (included in the consolidated statement of cash flow)

"EBITDA" and "Adjusted EBITDA" are used as APMs to facilitate operating performance comparisons from period to period, and the others are relevant key figures mainly in connection with the mentioned performance measures. The significant items of income and expenditure represent the difference between EBITDA and Adjusted EBITDA and are labeled "Special operating items" (which is also the wording used in the Group's financing agreements).

As per the Group's APM guideline, Special operating items fall within these brackets:

- Restructuring costs: In the event of the initiation of a restructuring program, IAS 37 defines a restructuring as a program that materially changes the scope of a business or the manner in which it is conducted, and any associated costs are non-recurring.
- Launch cost: In the event of the launch of a new brand, the related costs are considered as non-recurring until the launch of the brand. Examples of relevant costs are employment of management team, R&D on packaging and capsules, general start-up cost, and significant market development costs.
- Transaction related costs: These costs include fee to legal and tax advice related to a share issue (unless not carried towards equity) or M&A valuation fee, underwriting fee, roadshow costs, certain bonus schemes directly linked to the transaction.
- Settlements: In the event where the company has paid settlements to other parties.
- Legal expenses: Litigation expenses in the form of a lawsuit settlement, legal and consultancy fees are all nonrecurring expenses.

- Gains/ losses on sale of assets: The sale of assets is not part of the company's normal operations, and any (material) gains or losses are considered non-recurring.
- Impairments: When the (reversal of) impairment is the result of an isolated, non-recurring event, this is considered non-recurring.
- Other: Other material transactions of either non-recurring nature or special in nature compared to ordinary operational income or expenses.

As per the Group's APM guidelines, the materiality level for recognizing a Special operating item is USD 1.0 million.

The following table reconciles Adjusted EBITDA to Operating profit and Net income (loss) in the consolidated statements of Profit or loss. 'Depreciation, amortization and impairment non-production assets' in the below table is derived directly from the Profit or loss line item 'Depreciation, amortization and impairment'. 'Depreciation, amortization and impairment production assets' in the below table can be reconciled with information in Note 8 'Property, plant and equipment' under line items 'Depreciation for the year' and 'Impairment'.

The following items are included in Special Operating Items over 2022 and 2021.

	Year ended 31 December	
USD Millions	2022	2021
Net loss	10.0	(8.0)
Tax expense	2.2	0.6
Financial income	(4.0)	(21.3)
Financial expenses	22.0	15.7
Net foreign exchange gain/loss	(8.1)	(0.7)
Operating profit	22.1	(13.7)
Depreciation, amortization and impairment	51.4	56.9
EBITDA	73.5	43.2
Special operating items	(4.5)	4.7
<i>Consisting of:</i>		
La Manche operating costs and gain from sale	-	(0.4)
Restructuring costs	1.2	2.7
Legal expenses SG&A	-	1.4
Oslo Børs listing - 'Transaction related costs'	-	1.1
Aion transaction	(5.8)	-
Adjusted EBITDA	69.0	47.9

Improvement program (2022):

In Q4, the company initiated an improvement program to streamline operations, improve margins, cut costs, and optimize cash conversion. As a result of this program, USD 1.2 million in external costs as well as internal hours incurred by the project team has been recognized as APM.

Aion (2022):

The spin-off of Aion AS (see Note 1) in Q2 resulted in a total gain of USD 9.2 million where USD 5.8 million has been recognized as other operating income and USD 3.4 million has been recognized as Finance Income in the Statement of Profit or loss. USD 5.8 million is a material transaction which is non-recurring in nature and special compared to ordinary operational income or expenses.

La Manche operating cost and gain from sale (2021):

In October 2021, the Group sold the supply vessel La Manche with a resulting gain of USD 0.4 million.

Restructuring cost (2021):

As part of the Superba turnaround and other initiatives, the Group incurred restructuring and legal related costs amounting to USD 2.7 million

Appendix 1: EU Taxonomy report for Aker BioMarine

Reporting period: 2022

The EU Taxonomy Regulation (Regulation 2020/852) came into effect on 12 July 2020. Since then, the EU has implemented Delegated Acts to further expand on the taxonomy framework. This includes the Climate Delegated Act (Regulation 2021/2139), the Disclosures Delegated Act (Regulation 2021/2178), and the Complementary Climate Delegated Act (Regulation 2022/1214). In addition, another delegated act, the Environmental Delegated Act, is currently being drafted. As of now, under the taxonomy regulation, large, public-interest undertakings are required to report on the proportion of their economic activities that meet taxonomy technical screening criteria.

Aggregated EU Taxonomy key performance indicators, company level:

Please note that all relative numbers in the table below refer to the company total.

	Turnover	CapEx	OpEx
Total (absolute value)	2,732,269k NOK	412,035k NOK	141,625k NOK
Eligible	0%	7.3%	16.7%
Aligned	0%	7.3%	16.7%
Eligible, not aligned	0%	0%	0%
Not eligible	100%	92.7%	83.3%

Scores per activity

Please note that the alignment ratio in each row applies only to their respective row. Company total can be seen in the "Total" row

Turnover

Activities	Turnover, NOK	Alignment	Transitional or enabling activity
Taxonomy-eligible activities	0	0%	--
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	0	0%	TRANSITIONAL
Taxonomy-non-eligible activities	2,732,269k	--	--
Total	2,732,269k	0%	--

CapEx

Activities	CapEx, NOK	Alignment	Transitional or enabling activity
Taxonomy-eligible activities	29,929k	100%	--
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	29,929k	100%	TRANSITIONAL
Taxonomy-non-eligible activities	382,106k	--	--
Total	412,035k	7.3%	--

OpEx

Activities	OpEx, NOK	Alignment	Transitional or enabling activity
Taxonomy-eligible activities	23,627k	100%	--
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	23,627k	100%	TRANSITIONAL
Taxonomy-non-eligible activities	117,998k	--	--
Total	141,625k	16.7%	--

Reporting requirements for Aker BioMarine

According to the Non-Financial Reporting Directive (NFRD) article 19(a) and 29(a), non-financial undertakings which are public-interest entities (i.e. listed) with more than 500 employees, in the case of a group on a consolidated basis, are required to report on the taxonomy. As of 2023, the undertakings are required to report on the proportion of their taxonomy-eligible and taxonomy-aligned activities.

As a Norwegian company, Aker BioMarine is not covered by the taxonomy regulation since the regulation has not yet come into effect in Norway. This report is therefore Aker BioMarine's voluntary taxonomy report.

Taxonomy assessment methodology

Aker BioMarine has performed the taxonomy assessment using Celsia Taxonomy software solution. The methodology of taxonomy assessment has included the following steps:

1. Defining scope of assessment

Aker BioMarine has performed a taxonomy assessment for all activities in the company. This has been done with a bottom-up approach, assessing the lowest level of reporting units, and aggregated to the top company level, enabling a taxonomy assessment for the company total, per activity and per business division.

2. Defining eligibility and relevant activities

A taxonomy-eligible activity means an economic activity that is included in the taxonomy regulation. All Aker BioMarine's activities have been mapped out according to the activities defined in the Climate Delegated Act and categorized as either eligible or non-eligible following the description stated in the regulation. The eligible and non-eligible activities are listed in the table below:

Activity	Comments
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities Antarctic Provider is our transport vessel, providing crew and supplies to and from Antarctica.	
Taxonomy-non-eligible activities	No ready and approved criteria set that covers our fishing vessels and production plant in Houston.

3. Defining relevant reporting units

To conduct the assessment as accurately as possible, Aker BioMarine's operations were split into reporting units that correspond with the above-mentioned scope (see point 1). The areas identified were fishery, transport and production. Assets identified as reporting units for the taxonomy reporting were the fishing vessels, plant and transportation vessel for Aker BioMarine.

4. Assessment of criteria and defining alignment

Each of the activities listed under Aker BioMarine's defined reporting units have been assessed against the technical screening criteria for the respective activities defined in the Climate Delegated Act. As the taxonomy regulation is still in an early phase of adoption, the focus has been on transparency, best intention, and providing explanation for choices made when interpreting the criteria. The interpretation of the criteria is based on both the explicit information available and the understanding of the purpose of the requirement.

The taxonomy regulation has not yet adopted explicit criteria for the minimum social safeguards beyond the references to OECD guidelines and UN Guiding Principles. Still, Celsia's understanding is that defined requirements on minimum social safeguards need to be placed on the company and the activities in question in order to assess activity-alignment. Aker BioMarine has therefore based compliance with

minimum social safeguards on an assessment of several requirements derived from the process of due diligence on responsible business conduct as described in OECD's Guidelines for Multinational Companies and the UN Guiding Principles for Business and Human Rights. Please see Appendix 1 for the actual criteria.

5. Adding financial data and calculating the three KPIs

Finally, by adding financial data to each activity in the reporting unit, the proportion of Aker BioMarine's taxonomy-eligible and taxonomy-aligned activities were calculated. This was done by calculating the three key performance indicators (KPIs): turnover, capital expenditures (CapEx), and operational expenditures (OpEx). The results were calculated for each reporting unit and activity and then aggregated for the company level.

Taxonomy Accounting Policy

The proportion of taxonomy-eligible and taxonomy-aligned turnover, CapEx, and OpEx are calculated by dividing a numerator by a denominator. The definitions of the turnover, Capex, and Opex KPIs are set out in Annex I to the Disclosures Delegated Act. The following sections provide further information on how the denominators and numerators were derived for each KPI for the reporting period 2022.

Turnover KPI

The net turnover equals the external revenue according to the financial consolidated statement.

CapEx KPI

Denominator: The Capex KPI is calculated as all capitalized costs in the consolidated financial statement. The Capex denominator includes all additions to the fixed and intangible assets within the reporting period. Furthermore, capitalized cost from the relevant IFRS standards, IFRS 16 – Leases, IAS 16 – Property, plant and equipment and IAS 38 – Intangible assets.

Numerator: The numerator used for calculating the proportion of taxonomy-eligible Capex is taken as the part of the Capex denominator that is related to assets and processes that are associated with taxonomy-eligible activities. In addition, the numerator includes Capex which are a part of a Capex plan approved by the EMT and Board of Directors.

OpEx KPI

Denominator: The OpEx KPI is presented in the financial consolidated statement and shall include all maintenance material, cost of employees repairing a machine, cleaning the factory and IT dedicated maintenance. It also includes projects related to research and development. However, general overhead cost, raw material or other cost needed to operate a fixed asset as intended should not be included.

Numerator: The numerator used for calculating the proportion of taxonomy-eligible OpEx is taken as the part of the OpEx denominator that is associated with taxonomy-eligible activities, research, and development cost non-capitalized.

General comments

Aker BioMarine has completed the taxonomy with the best intention and a focus on transparency and an explanation of the interpretation of the taxonomy criteria. The interpretation of the criteria is based on both the explicit information available at the time of the assessment and the understanding of the purpose of the requirement.

The criteria related to minimum social safeguards are still not adopted by the EU. Still, Aker Biomarine has mapped its operations against the process of due diligence on responsible business by the OECD Guidelines for Multinational Enterprises. Through this assessment we have identified some areas of

improvements where we have defined mitigating actions being implemented within 2023. Based on this, we have concluded that we comply with the minimum social safeguards.

The taxonomy regulation is still in a phase of early adoption and Aker BioMarine is closely following any clarifications from the EU Commission or any changes in industry best-practice when it comes to interpreting the activity descriptions or technical screening criteria.

Appendix 1: Criteria related to minimum social safeguards

Please note: The taxonomy regulation has not yet adopted explicit criteria for the minimum social safeguards beyond the references to OECD guidelines and UN Guiding Principles. Still, Celsia's understanding is that defined requirements on minimum social safeguards need to be placed on the company and the activities in question in order to assess activity-alignment. Celsia has therefore based compliance with minimum social safeguards on an assessment of several requirements derived from the process of due diligence on responsible business conduct as described in OECD's Guidelines for Multinational Companies and the UN Guiding Principles for Business and Human Rights. Please see below for the actual criteria.

All activities

Criteria:

1. Does your company have a policy commitment on social responsibility including human rights, labor rights and anti-corruption - either as a stand-alone policy or integrated into other policies?

Yes, Aker BioMarine has a policy commitment on social responsibility which include human rights, labor rights and anti-corruption integrated in our Code of Conduct and furthermore in a separate ESG-policy.

2. Does your policy or code of conduct contain social responsibility requirements and/or expectations towards suppliers and other key business partners?

Yes, further detailed in our Code of Conduct, ESG-policy and Supplier Declaration.

3. Does your company have written procedures ensuring that you have an iterative process in line with OECD's due diligence process including mapping of risks for adverse negative impact on people, implementation of ceasing or preventive measures, tracking and reporting?

Yes, through our annual risk review process, which includes ESG topics, in addition to policy and procedures for carrying out supplier qualification, since this is considered to be the area where AKBM is most likely to have a negative impact.

4. Have you identified and assessed the salient risks, potential or factual, related to your taxonomy activity/activities, covering your value chain? Also include an explanation of why these are your prioritized risks.

Yes, in our risk analysis we have identified the follow three material risks for Aker BioMarine;

Risk of negative impact on decent working conditions through sourcing from low-cost countries

Aker BioMarine has more than 1,000 suppliers from all over the world and as we depend on the quality and consistent supply from many of these suppliers, it is vital for Aker BioMarine that the employees of these suppliers can work in safe and good conditions. Most suppliers to Aker BioMarine are based in Norway, Europe, and USA, however, Aker BioMarine has selected suppliers based in low-cost countries defined with high (A) and medium (B) risk of breaching basic human rights and decent working conditions according to United Nations Environment Program.

In order to minimize risk of negative social impact, Aker BioMarine has implemented a rigorous supplier qualification process in which all suppliers must confirm adherence to Aker BioMarine's governing documents and submit a thorough supplier self-assessment topics on Anti-Corruption and Integrity, Human & Labor Rights and Health & Safety, and ultimately be subject to an audit if any information deviates from Aker BioMarine's standards for its suppliers.

Risk of exposing employees and contractors to unsafe working conditions. Our operation – especially offshore – entails an inherent risk of negative social impact on the health and safety of our people if sufficient safety considerations are not made. This risk relates to both our own employees and to the hired crew. This risk is also present in our production plant in Houston, where there are manual processes combined with heavy loads and/or handling of chemicals. To mitigate this, Aker BioMarine complies with strict rules and standards and carries out trainings to promote a safety culture that ensures the safety of all people carrying out work on Aker BioMarine's behalf, including employees, business partners or other suppliers.

Potential community impact. Aker BioMarine's operations have the potential to cause harm to a sensitive ecosystem should any of our vessel incur spills or breakdowns in the South Antarctic Ocean. Similarly, with our production plant in Houston, there is an inherent risk of spills, waste, etc.

5. Can you provide information and documentation on the overall measures you have implemented to reduce, cease or prevent the risks identified?

Our risk-mitigating actions related to supply chain management are described above. A more detailed description is set out in Aker BioMarine's 2022 Annual Report under the Transparency Act.

To mitigate risk of unhealthy working conditions, Aker BioMarine complies with strict rules and standards and carries out trainings to promote a safety culture that ensures the safety of all people carrying out work on Aker BioMarine's behalf, including employees, business partners or other suppliers. A more detailed description of the risks related to HSE-events and our preventive and mitigating actions can be found in Aker BioMarine's Annual Report 2022, chapter 2.

To mitigate risks related to community impact, Aker BioMarine invests in its vessels and other assets both financially as well as in terms of competency by always ensuring that people are given the best training possible for proper handling and use. We furthermore invest in and implement technology where relevant to decrease the risk of error.

6. Do you have a whistle blower mechanism or similar in place, that is known and accessible for internal and external stakeholders?

Yes, accessible through our webpage, with separate instructions and procedure for use.

7. Do you track whether your policies and identified risks are properly managed through optimal implementation in your day-to-day business?

As part of our risk review process, we track Aker BioMarine's salient risks. We report quarterly on KPIs within ESG such as emissions, spill, HSE-events, breaches of Code of Conduct, etc. See also question 9 below.

8. Does your company report on how it addresses adverse impact on human rights, labor rights and anti-corruption - where such risks exist - and the results of its actions taken?

Yes, as part of annual reporting and in line with the requirements of the Transparency Act.

9. Is the board and top management kept informed about risks, and progress and results reached in the management of these?

Yes, through separate risk review in our Audit Committee, with risks reported on a quarterly basis in addition to a more thorough review with the Board of Directors on annual basis.

10. Are the above-mentioned steps of policy commitment, risk assessment, implementation, tracking, and reporting performed on a regular and iterative basis in order to cover changes in risk exposure that can trigger more in-depth assessment and enhanced mitigation?

Yes.

Appendix 2: Aker BioMarine methodology statement climate accounts

The following company divisions and reporting frameworks have been used in Aker BioMarine's ESG-reporting 2022.

Introduction

The climate reporting is based on a climate monitoring and tracking system developed by Aker BioMarine as it is crucial to have reliable and comprehensive data of our emissions that can be third party verified. This statement demonstrates the criteria and standards used to report CO₂e. Aker BioMarine use the Greenhouse Gas Protocol Initiative (GHG protocol) as a framework to report on GHG emissions, to ensure as much as possible a complete, consistent, transparent, and accurate account of the company's GHG emissions. Aker BioMarine use operational control as the company has full authority to introduce and implement its operating policies of the operation.

As part of this work Aker BioMarine has engaged DNV GL to identify, assess and document emission factors to be used in our climate accounting for annual operations. DNV GL has provided the emissions conversion factors based on publicly available sources (in 2021).

Reporting overview

The metrics used to report data of our climate impact was selected after an assessment of how we impact the most. The company controls most of our value chain, and we have well identified emissions sources. We have documented processes to ensure a climate accounting system that is reliable. Aker BioMarine strive to be transparent in our climate reporting. We have internal control systems to ensure correct data and reporting.

We strive to be consistent over time in the use of emission factors for climate accounting. This makes it possible to better understand the development in emissions.

Operational boundaries

This report includes the operations of Aker BioMarine such as vessel operations, land-based production and land-based offices and warehouses. The report also includes scope 3 emissions like packaging, travel and transport of goods to customers.

The reporting data in this report includes data to the year ending 31 December 2022.

Scope 1: Direct emissions from fuel combustion from owned and leased assets. This includes vessel operations, and gas usage in our Houston plant.

Scope 2: Emissions from electricity use for production, warehouse and office in our Houston plant, main offices in Oslo, Houston, Ålesund, New Jersey and warehouses with cooling in Houston, Montevideo, and India.

Scope 3: Emissions from packaging used, transport of goods and business and crewing travel.

We have not included most sales offices with less than 10 employees, or warehouses without cooling. Emissions from these sources are deemed to be insignificant. The pilot plant in Ski is in the future scope and will be included when operational.

Calculations

The calculations are based on various sources, coupled with a CO₂e conversion factor which is described in the next chapter. All data is gathered from sub-systems to our centralized data warehouse. The CO₂-calculations are made in the data warehouse.

Scope 1:

We measure, monitor, and report our emissions derived from our fuel usage on vessels, daily. We use manual sounding to measure fuel usage on all vessels, except Antarctic Endurance which use sensor reading of fuel level. The fuel use is registered manually in ShipAdmin, daily by the crew. Shipadmin is a vessel management tool. It's used on the ships to oversee all aspects of a ship operation. For sustainability, it delivers data related to fuel usage by the main and auxiliary engines, boilers, and electric energy generators. All vessels use the same fuel, MGO.

The amount of fuel is multiplied with a CO₂e conversion factor described below, in our climate accounting system.

We receive gas usage from our gas provider on a monthly basis.

Emission source	Emission source	CO ₂ e conversion factor	Reference
Fishery and offshore production	Saga Sea, Antarctic Sea, Antarctic Endurance, Antarctic Provider	3,206 kgCO ₂ e/kgMGO	IMO, 2018
Consumption of natural gas	Total use of natural gas in processing	53,11 kgCO ₂ e/MBtu	Federal Register, 2009; Energy Star, 2020

Scope 2:

We pull data from our electricity providers on the electricity consumption, monthly. As required by the GHG Protocol, we report our scope 2 emissions using both the location based and the marked based approach. The location-based method is considered our main reporting method.

Location- based CO₂e emissions:

Aker BioMarine's location-based scope 2 emissions are calculated by multiplying electricity consumption for each location with the average grid CO₂e conversion for that location.

Market-based CO₂ conversion factor:

Aker BioMarines market-based scope 2 emissions are calculated by multiplying the electricity consumption for each location, deducted for any purchased Guarantees of Origin (GOs), and multiplied with the residual mix emission factor of that location. For locations where a residual mix factor is not available, the location-based emission factor is used. Aker BioMarine has not bought any Guarantees of Origin (GOs). The company uses residual mix CO₂e conversion factor for Norway, and available CO₂e conversion factor for all other locations as we have not been able to find a differentiated location and market-based CO₂e conversion factor for any region besides Norway.

Emission source	Emission source	CO ₂ e conversion factor	Reference
Purchased electricity Houston, USA	Total electricity purchased for plant	0,369 kgCO ₂ e/KWh	EPA, 2023 (eGRID)
Purchased electricity Lang Pharma Nutrition Newport, USA	Total electricity purchased for office and warehouse	0,2392 kgCO ₂ e/KWh	EPA, 2018 (eGRID)
Purchased electricity Montevideo, Uruguay	Total electricity purchased for office and warehouse	0,0218 kgCO ₂ /KWh	IEA, 2018.
Purchased electricity for Oslo office, Norway	Total electricity purchased for office	0,396 kgCO ₂ /KWh* 0,017 kgCO ₂ e/KWh**	NVE, 2019a NVE, 2019b
	Total district heat purchased for office	0,00826 kgCO ₂ e/KWh** 0,02861 kgCO ₂ e/KWh*	Oslo Fjordvarme, 2018.
	Total district cooling purchased for office	0,00419 kgCO ₂ e/KWh** 0,02486 kgCO ₂ e/KWh*	Oslo Fjordvarme, 2018.
Purchased electricity for Ålesund office, Norway	Total electricity purchased for office	0,396 kgCO ₂ /KWh* 0,017 kgCO ₂ e/KWh**	NVE, 2019a NVE, 2019b

* emission factor used for market based approach ** emission factors used for location based approach

Scope 3:

Packaging: We base the calculation of the kg CO₂ per meal bag. The number of packaging used is based on produced meal with data from the ERP system, Jeeves, from the manufacturing orders. We have been provided the weight and product mix from our vendors. The calculation is based on the factors per material, product mix, weight, and the conversion factor (BEIS, 2020), PP and PE. For the meal bags where we find PA and EVOH we have calculated the conversion factor from input from the vendors, regarding weight and product mix. The number of bags with PA and EVOH is used to a minimum.

Material	Kg CO ₂ /ton plastic	Reference
PP	3104,73kg CO ₂ e/tonne	BEIS, 2020
PE	2600,64kg CO ₂ e/tonne	BEIS, 2020;
PA	3400,00 kg CO ₂ e/tonne	Vendors
EVOH	3400,00 kg CO ₂ e/tonne	Vendors

Transport of Goods: We calculate the emissions based on order weight, shipment method (air, road, sea), distance in straight line between warehouse to warehouse and use the associated CO₂ conversion factor seen below.

Transport at sea: Based on the input from Aker BioMarine and their supplier, it is regarded that emission factor for "average container ship" is the most relevant and accurate option for the vessels Aker Biomarine charter for sea transport. Unit of measurement is in tonne.km, because Aker BioMarine's transported goods do not necessarily make up 100% of the cargo on the vessels. This calculation is based on the distance (km) from our warehouse to the customer location in straight line. Tonne is based on actual customer order that has been shipped with packaging.

Transport by road: For transport by road Aker BioMarine mostly use heavy goods vehicles (HGV) for transporting their goods. An average HGV CO₂ emissions factor based on km travelled for 100% laden trucks have been proposed to account for their CO₂ emissions related to this activity. BEIS (2020) is the recommended source for the emission factor due to its applicability for use in several countries.

DNV GL have also included CO₂ factors for average HGV on empty hauls (0% laden). As well as factor for average HGV based on CO₂ emissions per tonne per kilometer. This to account for cases where Aker BioMarine's goods do not make up the total tonnage of the haul.

Transport by air: Unit of measurement is given in kgCO₂/tonne.km due to Aker BioMarine's goods not necessarily making up 100% of the total cargo.

Emission source	Emission source	CO ₂ e conversion factor	Reference
Transport of goods - Transport by sea	Average Container ship	0,01614 kgCO ₂ e/tonne.km	BEIS, 2020
Transport of goods - by road	Average HGV (diesel) 100% laden	1,00229 kgCO ₂ e/km	BEIS, 2020
Transport by road	Average HGV (diesel) 0% laden	0,65811 kgCO ₂ e/km	BEIS, 2020
Transport by road	Average HGV (diesel, tonnage-based)	0,10065 kgCO ₂ e/tonne.km	BEIS, 2020
Transport of goods - Transport by air	International (one way)	0,59943 kgCO ₂ e/tonne.km	BEIS, 2020

Business and crewing travel: The emission from travel is based on travel agency information on trips booked with distance travelled and ticket class (economy/business).

Business travel by air (one way)	Economy class	0,073615 kgCO ₂ e/pax.km	BEIS, 2020
	Premium economy class	0,11778 kgCO ₂ e/pax.km	BEIS, 2020
	Business class	0,21348 kgCO ₂ e/pax.km	BEIS, 2020
	First class	0,29445 kgCO ₂ e/pax.km	BEIS, 2020
	Average passenger	0,09612 kgCO ₂ e/pax.km	

References

BEIS, 2020. UK Government GHG Conversion Factors for Company Reporting. [https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020].

Energy Star, 2020. Portfolio Manager – Technical Reference – Greenhouse Gas Emissions. [https://portfoliomanager.energystar.gov/pdf/reference/Emissions.pdf].

EY, 2014. Life Cycle Assessment of Newly Manufactured and Reconditioned Industrial Packing. [https://www.reusablepackaging.org/wp-content/uploads/Life-Cycle-Analysis-Report-2014.pdf]

International Maritime Organization (IMO). 2018. Annex 5: 2018 Guidelines on the method of calculation of the attained energy efficiency design index (EEDI) for new ships. https://wwwcdn.imo.org/localresources/en/OurWork/Environment/Documents/Air%20pollution/MEPC.308(73).pdf

Norwegian Environmental Agency (NEA), 2020. Greenhouse Gas Emissions 1990-2018, National Inventory Report. [https://www.miljodirektoratet.no/globalassets/publikasjoner/m1643/m1643.pdf].

NVE. 2019a. Varedeklerasjon for strømleverandører. https://www.nve.no/energiforsyning/oppriinnelsesgarantier/varedeklarasjon-for-stromleverandorer/ (Norwegian)

NVE. 2019b. Hvor kommer strømmen fra?. https://www.nve.no/energiforsyning/kraftproduksjon/hvor-kommer-strommen-fra/ (Norwegian).

Oslofjord Varme. 2018. Miljørappart 2018 – Nøkkeltall for miljøregnskap og BREEAM-sertifisering. https://www.oslofjordvarme.no/wp-content/uploads/Milj%C3%B8rapport-2018.pdf. (Norwegian)

Solid, gaseous, liquid and biomass fuels: Federal Register (2009) EPA; 40 CFR Parts 86, 87, 89 et al; Mandatory Reporting of Greenhouse Gases; Final Rule, 30Oct09, 261 pp. Tables C-1 and C-2 at FR pp. 56409-56410. Revised emission factors for selected fuels: Federal Register (2010) EPA; 40 CFR Part 98; Mandatory Reporting of Greenhouse Gases; Final Rule, 17Dec10, 81 pp. With Amendments from Memo: Table of Final 2013 Revisions to the Greenhouse Gas Reporting Rule (PDF) to 40 CFR part 98, subpart C: Table C-1 to Subpart C—Default CO₂ Emission Factors and High Heat Values for Various Types of Fuel and Table C-2 to Subpart C—Default CH₄ and N₂O Emission Factors for Various Types of Fuel.

U.S. EPA. 2016. Documentation for Greenhouse Gas Emission and Energy Factors Used in the WARM Reduction Model (WARM) – Containers, Packaging, and Non-Durable Good Materials Chapters. https://www.epa.gov/sites/production/files/2016-03/documents/warm_v14_containers_packaging_non-durable_goods_materials.pdf

U.S. EPA's Emissions & Generation Resource Integrated Database (eGRID). eGRID2018 (released 1/30/2023) contains the complete release of year 2021 data. https://www.epa.gov/energy/egrid.

Appendix 3:

GRI Index

Statement of use	Aker BioMarine has reported the information cited in this GRI content index for the period 01.01.22 to 31.12.22 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021		
2-1 Organizational details	p. 52, 54 and 61	
2-2 Entities included in the organization's sustainability reporting	p. 22	
2-3 Reporting period, frequency and contact point	https://newsweb.oslobors.no/	
2-5 External assurance	p. 21, 25 and 46-47, 104.113	
2-6 Activities, value chain and other business relationships	p. 42-43, 51	
2-7 Employees	p. 37-38 and 42, 56, 65	
Governance		
2-9 Governance structure and composition	p. 45-47, 50 and 54	
2-10 Nomination and selection of the highest governance body	p. 45-47, 54	
2-11 Chair of the highest governance body	p. 50	
2-12 Role of the highest governance body in overseeing the management of impacts	p. 45	
2-13 Delegation of responsibility for managing impacts	p. 25, 46	
2-14 Role of the highest governance body in sustainability reporting	p. 25 and 113	
2-15 Conflicts of interest	p. 9-10 in Code of conduct	
2-16 Communication of critical concerns	p. 17- 19, 25	
2-17 Collective knowledge of the highest governance body	p. 25	
2-19 Remuneration policies	p. 88, Aker BioMarine Policy on Remuneration to the Executive Management Management remuneration report	
2-20 Process to determine remuneration	p. 46,47	
2-21 Annual total compensation ratio	p. 88	
Strategy, policies and practices		
2-22 Statement on sustainable development strategy	p. 4 and 53	
2-23 Policy commitments	AKBM Code of Conduct https://www.akerbiomarine.com/corporate-social-responsibility	
2-24 Embedding policy commitments	Code of conduct	
2-25 Processes to remediate negative impacts	p. 17-18, 26	

	2-26 Mechanisms for seeking advice and raising concerns	p. 46 in annual report + p. 18 in Code of conduct
	2-27 Compliance with laws and regulations	p. 41
	2-28 Membership associations	https://www.akerbiomarine.com/sustainability/partnerships p. 27 in annual report
	2-29 Approach to stakeholder engagement	p. 16, 20-47, 53 & 54
	2-30 Collective bargaining agreements	p. 37
GRI 3: Material Topics 2021		
	3-1 Process to determine material topics	P. 20-47 in annual report
	3-2 List of material topics	P. 20-47 in annual report
	3-3 Management of material topics	p. 17-19, 20-47, and 53
GRI 201: Economic Performance 2016		
	201-2 Financial implications and other risks and opportunities due to climate change	p. 17-18 and 25
	205-1 Operations assessed for risks related to corruption	Code of conduct from p. 14.
	205-2 Communication and training about anti-corruption policies and procedures	Code of conduct from p. 14.
GRI 303: Water and Effluents 2018		
	303-1 Interactions with water as a shared resource	p. 5, 11, 19, 26-29 and 53, appendix 2
	303-2 Management of water discharge-related impacts	p.34
	303-3 Water withdrawal	p.34
	303-5 Water consumption	p.34
GRI 304: Biodiversity 2016		
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 28 and 53 MSC Certification
	304-2 Significant impacts of activities, products and services on biodiversity	p. 17, 26- 29 and 53 MSC Certification
	304-3 Habitats protected or restored	p. 10, 17, 24, 26-27 and 53 MSC Certification
GRI 305: Emissions 2016		
	305-1 Direct (Scope 1) GHG emissions	p. 33, 22, appendix 2
	305-2 Energy indirect (Scope 2) GHG emissions	p.22, 33, appendix 2
	305-3 Other indirect (Scope 3) GHG emissions	p. 22, 33, appendix 2
	305-4 GHG emissions intensity	p. 21,32, appendix 2

	305-5 Reduction of GHG emissions	p. 33, appendix 2
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 34
	306-2 Management of significant waste-related impacts	p. 21 and 34
	306-4 Waste diverted from disposal	p. 5 and 34
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 43
	401-3 Parental leave	p. 43
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 40 and 53
	403-2 Hazard identification, risk assessment, and incident investigation	p. 40 and 53
	403-3 Occupational health services	p. 37-39
		p. 9
	403-5 Worker training on occupational health and safety	p. 53
	403-6 Promotion of worker health	p. 37 and 39
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 40 and 53
	403-8 Workers covered by an occupational health and safety management system	p. 40 and 53
	403-9 Work-related injuries	p. 40 and 53
	403-10 Work-related ill health	p. 39, 53
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	p.43
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 37, 50
	405-2 Ratio of basic salary and remuneration of women to men	p 38
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 37, 41
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p.52
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2022 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, published on company website
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2022 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, published on company website
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	2022 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, published on company website
	413-2 Operations with significant actual and potential negative impacts on local communities	2022 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, published on company website
	414-1 New suppliers that were screened using social criteria	2022 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, published on company website
	414-2 Negative social impacts in the supply chain and actions taken	2022 TRANSPARENCY ACT REPORT FOR AKER BIOMARINE ASA, published on company website
	415-1 Political contributions	AKBM Code of Conduct