Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	913 915 062
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	AKER BIOMARINE ASA
Forretningsadresse:	Oksenøyveien 10 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Lasse Johansen
Dato for fastsettelse av årsregnskapet:	22.02.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert

År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 31.08.2022

Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Operating revenues	2	117 000	224 000
Revenues from group companies	12	11 069 000	11 299 000
Sum inntekter		**11 186 000**	**11 523 000**
Kostnader			
Salaries and other payroll exp	3,14	7 774 000	7 525 000
Depreciation, Imp, amort	7	136 000	163 000
Other operating exp	4	7 415 000	7 419 000
Other exp group comp	12	356 000	473 000
Sum kostnader		**15 681 000**	**15 580 000**
Driftsresultat		**-4 495 000**	**-4 057 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	12	14 300 000	15 924 000
Other interest inc	13	5 000	526 000
Sum finansinntekter		**14 305 000**	**16 450 000**
Rentekostnad til foretak i samme konsern	12	6 714 000	8 551 000
Net FX		-304 000	309 000
Other financial exp	13	5 089 000	8 355 000
Sum finanskostnader		**11 499 000**	**17 215 000**
Netto finans		**2 806 000**	**-765 000**
Ordinært resultat før skattekostnad		**-1 689 000**	**-4 822 000**
Ordinært resultat etter skattekostnad		**-1 689 000**	**-4 822 000**
Årsresultat		**-1 689 000**	**-4 822 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	5	-1 689 000	-4 822 000
Sum overføringer og disponeringer		**-1 689 000**	**-4 822 000**

Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
PPE	7	398 000	562 000
Sum varige driftsmidler		**398 000**	**562 000**
Finansielle anleggsmidler			
Investering i datterselskap	8	305 822 000	305 464 000
Lån til foretak i samme konsern	12	226 352 000	198 717 000
Sum finansielle anleggsmidler		**532 174 000**	**504 181 000**
Sum anleggsmidler		**532 572 000**	**504 743 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		592 000	334 000
Konsernfordringer	12	38 978 000	20 989 000
Sum fordringer		**39 570 000**	**21 323 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	303 000	361 000
Sum bankinnskudd, kontanter og lignende		**303 000**	**361 000**
Sum omløpsmidler		**39 873 000**	**21 684 000**
SUM EIENDELER		**572 445 000**	**526 427 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			

Balanse

Beløp i: USD	Note	2020	2019
Selskapskapital	5	75 853 000	68 003 000
Overkurs	5	472 718 000	256 386 000
Sum innskutt egenkapital		**548 571 000**	**324 389 000**
Opptjent egenkapital			
Udekket tap	5	41 665 000	35 195 000
Sum opptjent egenkapital		**-41 665 000**	**-35 195 000**
Sum egenkapital		**506 906 000**	**289 194 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	10	183 000	106 000
Sum avsetninger for forpliktelser		**183 000**	**106 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	9	54 615 000	119 446 000
Langsiktig konserngjeld	12		73 795 000
Sum annen langsiktig gjeld		**54 615 000**	**193 241 000**
Sum langsiktig gjeld		**54 798 000**	**193 347 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	9	4 900 000	14 487 000
Leverandørgjeld	13	4 886 000	4 656 000
Kortsiktig konserngjeld	12,13	954 000	24 744 000
Sum kortsiktig gjeld		**10 740 000**	**43 887 000**
Sum gjeld		**65 538 000**	**237 234 000**
SUM EGENKAPITAL OG GJELD		**572 444 000**	**526 428 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	288 588 000	246 170 000
Sum inntekter		**288 588 000**	**246 170 000**
Kostnader			
Varekostnad	12	179 010 000	150 891 000
Lønnskostnad		65 390 000	58 535 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		17 125 000	17 822 000
Annen driftskostnad		20 063 000	16 160 000
Sum kostnader		**281 588 000**	**243 408 000**
Driftsresultat		**7 000 000**	**2 762 000**
Finansinntekter og finanskostnader			
Annen renteinntekt	5	876 000	1 086 000
Annen finansinntekt	5	15 918 000	518 000
Sum finansinntekter		**16 794 000**	**1 604 000**
Annen rentekostnad	5	18 737 000	22 785 000
Annen finanskostnad	5	4 369 000	4 916 000
Sum finanskostnader		**23 106 000**	**27 701 000**
Netto finans		**-6 312 000**	**-26 097 000**
Ordinært resultat før skattekostnad		**688 000**	**-23 335 000**
Skattekostnad på ordinært resultat	8	6 151 000	415 000
Ordinært resultat etter skattekostnad		**-5 463 000**	**-23 750 000**
Årsresultat		**-5 463 000**	**-23 750 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-5 463 000	-23 750 000
Sum overføringer og disponeringer		**-5 463 000**	**-23 750 000**

Konsernets balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	2	9 167 000	
Goodwill	10,11	180 552 000	190 297 000
Sum immaterielle eiendeler		**189 719 000**	**190 297 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	9,11,20	15 369 000	18 559 000
Tomter, bygninger og annen fast eiendom	18	13 145 000	16 555 000
Maskiner og anlegg	9,11,20	9 826 000	41 221 000
Skip, rigger, fly og lignende	9,11,20	136 907 000	108 577 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		104 454 000	134 009 000
Sum varige driftsmidler		**279 701 000**	**318 921 000**
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		130 000	261 000
Andre fordringer	7,20	7 743 000	
Andre fordringer	20	18 000	145 000
Sum finansielle anleggsmidler		**7 891 000**	**406 000**
Sum anleggsmidler		**477 311 000**	**509 624 000**
Omløpsmidler			
Varer			
Varer	12	114 559 000	94 725 000
Sum varer		**114 559 000**	**94 725 000**
Fordringer			
Kundefordringer	13,20	53 723 000	37 393 000
Andre fordringer	13,20	44 162 000	36 871 000
Sum fordringer		**97 885 000**	**74 264 000**

Konsernets balanse

Beløp i: USD	Note	2020	2019
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	14,20	10 677 000	13 610 000
Sum bankinnskudd, kontanter og lignende		**10 677 000**	**13 610 000**
Sum omløpsmidler		**223 121 000**	**182 599 000**
SUM EIENDELER		**700 432 000**	**692 223 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	24	75 853 000	68 003 000
Annen innskutt egenkapital		493 555 000	277 227 000
Sum innskutt egenkapital		**569 408 000**	**345 230 000**
Opptjent egenkapital			
Annen egenkapital		143 000	154 000
Udekket tap		196 380 000	190 838 000
Sum opptjent egenkapital		**-196 237 000**	**-190 684 000**
Sum egenkapital		**373 171 000**	**154 546 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		183 000	106 000
Utsatt skatt		8 996 000	
Sum avsetninger for forpliktelser		**9 179 000**	**106 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	15,80, 20	203 010 000	279 509 000
Langsiktig konserngjeld		1 334 000	75 129 000
Øvrig langsiktig gjeld		6 234 000	7 800 000
Øvrig langsiktig gjeld		36 562 000	75 547 000
Sum annen langsiktig gjeld		**247 140 000**	**437 985 000**

Konsernets balanse

Beløp i: USD	Note	2020	2019
Sum langsiktig gjeld		**256 319 000**	**438 091 000**
Kortsiktig gjeld			
Konvertible lån	15	12 010 000	11 811 000
Gjeld til kredittinstitusjoner	15	12 673 000	29 135 000
Leverandørgjeld	15	38 721 000	51 994 000
Annen kortsiktig gjeld	15,18, 20	7 539 000	6 646 000
Sum kortsiktig gjeld		**70 943 000**	**99 586 000**
Sum gjeld		**327 262 000**	**537 677 000**
SUM EGENKAPITAL OG GJELD		**700 433 000**	**692 223 000**

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

for the year ended december 31

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
Net sales	2	**288 588**	246 170	154 182
Cost of goods sold	12	**(179 010)**	(150 891)	(89 927)
Gross profit		**109 578**	95 279	64 255
Selling, general and administrative expense	4	**(86 847)**	(73 812)	(45 405)
Depreciation, amortization and impairment	9,10,11	**(17 125)**	(17 822)	(5 539)
Other operating income	2	**2 348**	900	1 152
Other operating cost	4	**(954)**	(1 784)	(4 204)
Operating profit		**7 000**	2 762	10 259
Financial income	5	**16 794**	1 604	257
Financial expenses	5,7,18	**(22 827)**	(26 626)	(14 393)
Net foreign exchange gain/loss	5,18	**(279)**	(1 075)	2 596
Profit (loss) before tax		**688**	(23 335)	(1 281)
Tax expense	8	**(6 151)**	(415)	259
Net loss		**(5 463)**	(23 750)	(1 022)
Earnings per share to equityholders of Aker BioMarine AS	25			
Basic		**(0,07)**	(0,34)	(0,01)
Diluted		**(0,07)**	(0,34)	(0,01)

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended December 31

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
Net loss		**(5 463)**	(23 751)	(1 022)
Other comprehensive income (loss)				
Defined benefit plan income gains (losses)	4	**(79)**	(111)	119
Total items that will not be reclassified to profit and loss		**(79)**	(111)	119
Translation differences		**(11)**	-	(14)
Change in fair value cash flow hedges	20	-	-	(4 625)
Total items that may be reclassified subsequently to profit and loss		**(11)**	-	(4 625)
Total other comprehensive income (loss)		**(90)**	(111)	(4 520)
Total comprehensive income (loss)		**(5 553)**	(23 862)	(5 542)

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
ASSETS				
Property, plant and equipment	9,11,20	**266 556**	302 366	232 383
Right-of-use assets	18	**13 145**	16 555	-
Intangible assets and goodwill	10,11	**180 552**	190 297	114 158
Contract cost	2	**9 167**	-	-
Derivative assets, non-current	7,20	**7 743**	-	-
Other non-interest-bearing non-current receivables	20	**18**	145	2 026
Investments in equity-accounted investee		**130**	261	240
Total non-current assets		**477 311**	509 624	348 806
Inventories	12	**114 559**	94 725	43 704
Trade receivable and other current assets	13,20	**97 885**	74 264	35 223
Cash and cash equivalents	14,20	**10 678**	13 610	2 515
Total current assets		**223 121**	182 599	81 442
Total assets		**700 432**	692 223	430 248

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
LIABILITIES AND OWNERS' EQUITY				
Share capital	24	**75 853**	68 003	68 003
Other paid-in equity		**493 555**	277 227	277 227
Total paid-in equity		**569 408**	345 230	345 230
Translation differences and other reserves		**143**	154	154
Retained earnings		**(196 380)**	(190 838)	(166 570)
Total equity		**373 170**	154 547	178 814
Interest-bearing debt	15,18,20	**210 578**	372 473	179 424
Derivative liabilites, non-current	7,20	**8 996**	-	-
Deferred tax liability	8	**4 817**	-	-
Other non-interest-bearing non-current liabilities	16	**31 929**	65 618	17 657
Total non-current liabilities		**256 319**	438 091	197 081
Interest-bearing current liabilities	15,18,20	**32 222**	47 591	25 944
Derivative liabilites, current	7,20	-	-	1 472
Accounts payable and other payables	17,20	**38 721**	51 994	26 937
Total current liabilities		**70 943**	99 585	54 353
Total liabilities		**327 262**	537 676	251 435
Total equity and liabilities		**700 432**	692 223	430 248

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF CASH FLOW

for the year ended December 31

Amounts in thousands of U.S. Dollars	Note	2020	2019	2018
Net loss		**(5 463)**	(23 750)	(1 022)
Tax expenses	8	**6 151**	415	(259)
Net interest and guarantee expenses	5	**17 861**	21 699	12 101
Interest paid		**(30 749)**	(16 520)	(10 523)
Interest received		**871**	1 084	161
Taxes paid	8	**(2 332)**	920	87
Impairment charges	11	**43**	6 155	-
Depreciation and amortization	9,10	**48 247**	36 947	22 861
Fuel hedge and new market tax credit	5,7,15,20	**(6 547)**	-	-
Foreign exchange loss (gain)		**314**	790	(2 401)
Change in non-current interest free asset and liabilities		**(29 459)**	6 841	1 874
Change in inventory	12	**(20 545)**	(19 336)	(7 506)
Change in accounts receivable, other current receivables, accounts payable and other current liabilities		**(29 435)**	(2 937)	(7 479)
Net cash flow from operating activities		**(51 043)**	12 307	7 894
Payments for property, plant and equipment	9	**(21 654)**	(126 906)	(40 254)
Payments for intangibles	10	**(2 055)**	(10)	(24 258)
Proceeds from sales of property,plant and equipments		**22 012**	255	6
Investments in subsidiary and associated companies	6	**(356)**	(49 284)	(36)
Net cash flow from investing activities		**(2 053)**	(175 946)	(64 542)
Change in overdraft facility	15,20	**(16 462)**	(4 353)	(866)
New long-term debt, external	15,20	**10 000**	-	-
Instalments long-term debt, external	15,20	**(93 757)**	142 587	(4 687)
Loan from owners	15	**23 000**	36 500	62 000
Payments to owners		**(96 795)**	-	-
Net repayment and issue of interest-bearing debt		**(174 014)**	174 734	56 447
Capital increase		**224 178**	-	-
Net cash flow from financing activities	15	**50 163**	174 734	56 447
Net change in cash and cash equivalents		**(2 933)**	11 096	(201)
Cash and cash equivalents as of January 1.	14	**13 610**	2 515	2 715
Cash and cash equivalents as of December 31.	14	**10 678**	13 610	2 515

AKER BIOMARINE GROUP ACCOUNTS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Amounts in thousands of U.S. Dollars	Share capital	Share premium	Other paid-in capital	Translation and other reserves	Retained earnings	Total
Balance as of January 1, 2018	63 684	192 102	(35 617)	154	(161 028)	59 296
Net profit (loss) for the year	-	-	-	-	(1 022)	(1 022)
Other comprehensive income (loss)	-	-	-	-	(4 520)	(4 520)
Total comprehensive income (loss)	-	-	-	-	(5 542)	(5 542)
Transactions with owners, recognized directly in equity:						
Contributions from owner, debt conversion	4 319	120 742	-	-	-	125 061
Total transactions with owners, recognized directly in equity	4 319	120 742	(0)	-	-	125 061
Balance as of December 31, 2018	68 003	312 844	(35 617)	154	(166 570)	178 814
Change in accounting policies IFRS 16					(405)	(405)
Balance as of January 1, 2019	68 003	312 844	(35 617)	154	(166 975)	178 409
Net profit (loss) for the year	-	-	-	-	(23 751)	(23 751)
Other comprehensive income (loss)	-	-	-	-	(111)	(111)
Total comprehensive income (loss)	-	-	-	-	(23 862)	(23 862)
Balance as of December 31, 2019	**68 003**	**312 844**	**(35 617)**	**154**	**(190 838)**	**154 547**
Net profit (loss) for the year	-	-	-	-	**(5 463)**	**(5 463)**
Other comprehensive income (loss)	-	-	-	**(11)**	**(79)**	**(90)**
Total comprehensive income (loss)	-	-	-	**(11)**	**(5 542)**	**(5 553)**
Transactions with owners, recognized directly in equity:						
Issus of shares	**7 850**	**217 052**	**(724)**			**224 177**
Total transactions with owners, recognized directly in equity	**7 850**	**217 052**	**(724)**	-	-	**224 177**
Balance as of December 31, 2020	**75 853**	**529 896**	**(36 341)**	**143**	**(196 380)**	**373 170**

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL INFORMATION

These consolidated financial statements are for the reporting entity Aker BioMarine AS (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 February 22, 2021. The consolidated financial statements will be submitted to Aker BioMarine's annual General Assembly on March 5, 2021 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 December 31, 2020. 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.

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

Covid-19 impacts

The Group's performance in 2020 was affected by the global conditions and uncertainties relating to the global Covid-19 outbreak. From the start of the pandemic, the Group's primary focus has been to implement measures to prevent an outbreak within the Group, in order to maintain the health and safety of all employees in combination with continued production and sales. Although the measures resulted in increased costs, the Group avoided any major interruptions in its operations in 2020 arising from the pandemic. The financial impacts have been monitored closely and reported separately to the Group's management team. At the start of the pandemic, several external reports pointed towards increased revenue within supplements (where the Group derives more than 50% of its revenue). This prediction is not evident in the reported figures, and further analysis becomes subjective. Additional Covid-19 incremental costs and implied savings have been separately tracked and reported to the management team. Most notably, the Group has incurred significant identifiable and separable costs to ensure continued supply of raw material. During 2020 the Group had to privately charter flights as well as hold crew in the Southern Ocean through double and triple shifts. The Group has also incurred costs for mandatory quaranteen hotel in Oslo and Montevideo, as well as increased costs related to general health and safety issues (e.g. PCR test regimes).

The table below shows the implied cost reduction and incremental cost the Group has incurred during 2020 due to Covid-19. If the identified cost is an inventoriable cost, the EBITDA impact will be different from the initial cost as the cost will be recognized in profit or loss when the produced volume is sold.

Amounts in thousands of U.S. Dollars	Incremental cost
Private charter flights	(2 120)
Quarantine hotel costs	(700)
Crew cost - overtime payments	(1 930)
COVID-19 test kits	(120)
Offices & other	(430)
Additional cost (compared to budget)	**(5 300)**

Amounts in thousands of U.S. Dollars	Implied cost reduction
Corporate travel	1 570
Trade shows	720
Savings	2 290
Net impact	**(3 010)**

Based on management's current knowledge, adaptability and planning, it will probably not be necessary to privately charter flights to transport crew to Montevideo going forward and the crew change will follow pre-COVID-19 routines.

For additional information, see the disclosure given in the Alternative Performance Measures section of these consolidated financial statements.

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 U.S. 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 AS is USD.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of each transaction. Receivables, liabilities and other monetary items in foreign currencies are translated into the entity's functional currency at the exchange rates on the balance sheet date. Foreign currency exchange gains or losses resulting from such transactions are recognized in the consolidated statement of profit or loss.

Consolidation
Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are deconsolidated from the date that control ceases.

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary undertaking is the fair values of the assets transferred and the liabilities incurred by the Group, including those from any contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recognized as goodwill.

An acquisition of a group of assets that does not constitute a business is accounted for as an asset acquisition in accordance with the applicable IFRS accounting standards.

Intercompany transactions, balances and unrealized gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiary undertakings have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

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:
- Estimating the recoverable amount of the tangible and intangible assets, goodwill and RoU assets allocated to the Krill cash generating unit when conducting impairment tests (see Note 10 and 11).
- Measurement of the fair value of the contingent consideration based on management's judgements related to the probability of meeting earn-out targets related to the acquisition of Lang during 2019 (see Note 16),
- Allocation of production cost between products 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 9)

Changes in accounting policies and new pronouncements
There are no changes in the accounting policies for the consolidated financial statements for the year ending December 31, 2020 as compared to the accounting policies for the 2019 reporting year. The new IFRS standards applicable for reporting periods on or after January 1, 2020 adopted by the Group have not had a material impact for the Group's financial reporting. IFRS 16 Leases was implemented by the Group as of January 1, 2019; the December 31, 2018 statement of financial position is prepared on the basis of the previous standard, IAS 17 Leases.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – REVENUE AND ADJUSTED EBITDA

Revenue represents amounts recoverable primarily 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 long-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.

Revenue is recognized as 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. These discounts may have prospective or retrospective effect. 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.

The introduction of Lang in the Group in 2019 did not result in any significant new interpretations or changes in the application of IFRS 15. Like the Krill oil and Qrill™ products in the Ingredients segment, Lang sells private label supplements and recognizes revenues at a point in time, predominantly in the US market applying the same criteria for transfer of control as described previously.

Geographical allocation of revenue	Revenues from sale of products		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Norway	**20 758**	29 300	30 747
EMEA	**35 301**	37 331	31 563
Americas	**146 862**	118 323	60 960
Asia Pacific	**85 668**	61 217	30 912
Total	**288 588**	246 170	154 182

During the reporting periods the Group has had one customer exceeding 10% of Net sales. In 2020, 12.5% of the Net sales was towards this customer, down from 16.5% in 2019 and 16.0% in 2018. The revenue from this customer is attributable to the Ingredients segment. The Group's three largest customers in terms of revenue accounted for 24.6% of the revenue in 2020 (2019: 27.8%, 2018: 28.0%). North America is the Group's largest market which accounted for USD 139.3 million of total Net sales (2019: USD 114.6 million, 2018: USD 51.5 million)

In 2018, the Group had one reportable business segment, the production and sale of krill products (Ingredients). Following the acquisition of Lang on 1 March 2019 and the launch of Kori krill oil in the US, the Group introduced Brands as a separate reportable segment in 2019. See table and further details in Note 3, Operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. The USD 10 million addition in 2020 relates to a success fee paid upon completion of a significant contract in the Brands segment. The contract cost is amortized over 5 years. The carried amount as of 31 December 2020 was USD 9.2 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 USD 0.4 million as of 31 December 2020 (2019: USD 0.6 million, 2018: USD 0.4 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 20) and prepayments from customers (contract liabilities). Prepayments up front is common practice to reduce price risk for new customers.

Other operating income comprise of the following:

	Other income		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Royalty	-	-	1 329
Gain from sale of fixed asset	**1 307**	-	-
Insurance refund	**901**	1 116	-
Other	**141**	(216)	(177)
Total	**2 348**	900	**1 152**

Juvel assessment – gain from sale and insurance refund:

In April 2017 the Group acquired the vessel Juvel from the Emerald Fisheries bankruptcy estate. Total acquisition cost was USD 30.5 million comprising the vessel, factory, and fishing license. During 2017 and 2018 the vessel was upgraded for the purpose of becoming an operating asset. Total capital expenditure was USD 4.5 million. In 2018 the vessel was used in a two-week research expedition (combined with sea trial) then subsequently taken to Montevideo. While in Montevideo the vessel caught fire 10 July 2018 with substantial damages. From 2018 up until the sale in 2020 the vessel was repaired at the expense of the insurer. The cost of carrying out the repairs was initially covered by the Group (as disclosed in Note 4 and therefore recognized as Other operating cost in the Statement of profit or loss. When the Group received the insurance refund, this has been recognized as Other operating income. and the refund booked as Other income.

Based on internal and external factors the Group did a valuation of the vessel, factory and fishing license in 2019 as it was clear that the vessel would not operate as initially intended by management. Based on that assessment, the license, which was transferred to the newbuild Antarctic Endurance (thereby securing operational activity), was recognized as an intangible asset valued at USD 10.5 million. The estimated fair value of the vessel and factory was valued at USD 18.7 million (net of removal cost and broker fee, USD 2.3 million), implying an impairment of USD 5.8 million. During the entire period the vessel was recognized in the statement of financial position as an asset under construction due to uncertainties. Operating cost and borrowing cost have been recognized as Other expenses in the Consolidated statement of profit or loss.

In April 2020 the Vessel was sold as a whitefish trawler for a transaction price of USD 20.5 million. This resulted in a gain of 1.3 million, partly reflecting lower removal cost than initially estimated.

Total capital expenditures and operating cost of Juvel exceeded USD 40 million as of 31 December 2019. The factory equipment has been sold or used in the vessel Saga Sea. In accordance with the Group's guidance on Alternative Performance Measures, this gain, associated cost and insurance refund have been adjusted from the EBITDA.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – OPERATING SEGMENTS

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.

In the 'Adjustments' column transactions between the two segments are eliminated 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 the 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 2020, 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 QrillTM 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 are conducted on market terms and conditions. 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 2020 and 2019. The 2018 segment information is the same as the information given in the Group consolidated financial statements as the entire Group was one segment that year.

Operating segments 2020:

Amounts in thousands of U.S. Dollars	Ingredients	Brands	Adjust-ments	Total
Net sales	198 398	104 416	(14 226)	**288 588**
Operating profit	14 590	(2 808)	(4 782)	**7 000**
Net financial items	(12 337)	(652)	6 677	**(6 312)**
Net profit (loss)	(557)	(6 801)	1 895	**(5 463)**
Depreciation, amortization and impairment (note 9)	44 772	261	4 610	**49 643**
EBITDA	59 362	(2 547)	(172)	**56 643**
Adjusted EBITDA	63 809	14 469	(172)	**78 106**
Balance sheet items				
Property, plant and equipment	266 248	308	-	**266 556**
Right to use asset (leasing)	12 561	584	-	**13 145**
Intangible assets	114 617	2 132	63 803	**180 552**
Cash and cash equivalents	7 774	2 903	-	**10 678**
Interest-bearing debt	(179 879)	(65 770)	2 850	**(242 799)**
Inventory	80 502	36 729	(2 672)	**114 559**
Net interest free asset and liabilities	72 146	10 639	(52 304)	**30 480**
Total equity	373 968	(12 475)	11 677	**373 170**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Operating segments 2019:

Amounts in thousands of U.S. Dollars	Ingredients	Brands	Adjust-ments	**Total**
Net sales	177 225	82 330	(13 384)	**246 170**
Operating profit	4 034	7 903	(9 175)	**2 762**
Net profit (loss)	(17 378)	5 817	(12 190)	**(23 751)**
Depreciation, amortization and impairment (note 9)	(11 136)	(11)	(6 675)	**(17 822)**
EBITDA	40 303	7 884	(2 500)	**45 687**
Adjusted EBITDA	47 655	7 884	(2 500)	**53 039**
Balance sheet items				
Property, plant and equipment	302 066	301	-	**302 366**
Right to use asset (leasing)	15 947	-	608	**16 555**
Intangible assets	145 960	79	44 258	**190 297**
Cash and cash equivalents	8 266	5 344	-	**13 610**
Interest-bearing debt	(404 693)	(17 767)	2 396	**(420 064)**
Inventory	60 147	37 078	(2 500)	**94 725**
Net interest free asset and liabilities	57 023	(2 285)	(97 681)	**(42 942)**
Total equity	184 716	22 750	(52 919)	**154 547**

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 at December 31, 2020, 2019 and 2018:

Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Krill oil	**105 847**	99 764	74 418
Krill meal	**82 877**	69 403	70 697
Qrill™ Pet and other products	**99 863**	77 002	8 530
Other income	**2 348**	900	1 689
Total revenue and other income	**290 936**	247 070	155 334
Total operating expenses before depreciation, amortization and impairment	**(234 292)**	(201 377)	(122 215)
Special operating items	**21 462**	7 346	5 901
Adjusted EBITDA	**78 106**	53 039	39 020

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Net loss	**(5 463)**	(23 751)	(1 022)
Tax expense	**6 151**	415	(259)
Financial income	**(16 794)**	(1 604)	(257)
Financial expenses	**22 827**	26 626	14 393
Net foreign exchange gain/loss	**279**	1 075	(2 596)
Operating profit	**7 000**	2 762	10 258
Depreciation, amortization and impairment	**49 644**	42 931	22 861
EBITDA	**56 644**	45 693	33 119
Special operating items	**21 462**	7 346	5 901
Adjusted EBITDA	**78 106**	53 039	39 020

The following table reconciles Special operating items.

Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Juvel gain and operating cost	**690**	(2 620)	(4 495)
Lang and Enzymotech transaction	-	(1 298)	(1 406)
Kori national brand US launch	**(17 016)**	(3 428)	-
Oslo Børs listing	**(2 155)**	-	-
Charter cost	**(1 519)**	-	-
Crew cost	**(1 462)**	-	-
Special operating items	**(21 462)**	(7 346)	(5 901)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – SALARIES, GENERAL & ADMINISTRATION EXPENSES

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:

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2019**	2018	2018
Sales and Distribution Costs	**(65 735)**	(48 309)	(20 718)
Research and Development	**(3 905)**	(5 404)	(9 070)
Administrative Costs	**(17 206)**	(20 099)	(15 617)
Total	**(86 847)**	(73 811)	(45 405)

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

Research and Development costs represents 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.

Other operating cost consists of:

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Salaries and operative expenses related to Juvel	**(954)**	(1 784)	(4 204)
Total	**(954)**	(1 784)	(4 204)

Juvel is a vessel acquired in 2017 but has due to ongoing legal cases concerning the use of the onboard factory never been in operation. The costs related to the vessel, and costs related to the fire that took place onboard the vessel in 2018, have been accounted for separately, and are disclosed as other operating cost. The vessel was sold in 2020, see Note 2 Revenue and Other income and Note 9 Property, plant and equipment.

Government grants

During 2020 the Group received grants of USD 0.5 million (2019: USD 0.6 million, 2018: USD 0.8 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. The Group did not benefit directly from any other forms of government assistance.

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 92.3 million (2019: USD 76.5 million, 2018: USD 44.7 million), as also presented within Note 4.

Salary specification by function

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2019**	2018	2018
Offshore - inventoriable	**(25 178)**	(21 173)	(16 683)
Onshore - inventoriable	**(9 382)**	(9 438)	(6 078)
Selling, general and administrative	**(30 651)**	(27 229)	(15 689)
Juvel - Other operating income/(cost), net	**(180)**	(694)	(1 565)
Total	**(65 390)**	(58 535)	(40 016)
Number of employees at year-end	551	504	364
Full-time Equivalent	549	496	364

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Total salary cost comprises of the following:

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Salaries	**(54 963)**	(49 616)	(32 838)
Employer's social security contribution	**(3 359)**	(2 041)	(2 009)
Pension expenses	**(1 512)**	(1 306)	(1 122)
Other benefits	**(5 556)**	(5 572)	(4 047)
Total	**(65 390)**	(58 535)	(40 016)

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 obligation was USD 0.6 million and the asset was 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 0.05 million, net of settlements and curtailment, on the defined benefit plan (2019: 0.04 million, 2018: 0.1 million), and USD 1.5 million for the contribution plan (2019: 1.3 million, 2018: 1.0 million). In addition, USD 0.1 million related to changes in actuarial assumptions is expensed in other comprehensive income (2019: USD 0.1 million loss, 2018: USD 0.1 million gain).

Remuneration to the Group auditors (excluding VAT):
KPMG is the Group auditor of Aker BioMarine AS. The following table shows fees to the appointed auditors for 2020, 2019 and 2018. For both categories the reported fee is the recognized expense for the year.

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Audit fees 1)	**(333)**	(335)	(183)
Other audit and attestation services	**(74)**	(28)	(65)
Total	**(407)**	(363)	(247)

[1] Audit fees of TUSD 333 (2019: TUSD 335, 2018: TUSD 183) consist of fees to KPMG of TUSD 284 (2019: TUSD 194, 2018: TUSD 183). TUSD 48 (2019: TUSD141) of the total audit fee in 2020 was payable to other audit firms than KPMG. Other audit and attestations services were fees to KPMG.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Interest income, bank deposits	**53**	288	155
Interest income loans and receivables (amortized cost)	**823**	799	(123)
Other financial income	**15 918**	518	225
Total financial income	**16 794**	1 604	257
Interest expense on financial liabilities at amortized cost	**(18 737)**	(22 785)	(12 263)
Other financial expenses	**(4 091)**	(3 841)	(2 130)
Total financial expenses	**(22 827)**	(26 626)	(14 393)
Foreign exchange gains/losses net	**(279)**	(1 075)	2 596
Net financial expenses	**(6 312)**	(26 097)	(11 540)

Other financial income in 2020 include USD 7.8 million debt forgiveness from the New Market Tax Credit (NMTC) loan program that Aker BioMarine Manufacturing LLC ("AKBMM") participated in, see Note 15 Interest bearing debt. Generally, the NMTC program offer tax credits to investors/ lenders, who in return offer loans to different borrowers for the purpose of incentivizing community development and economic growth to distressed communities. The building that AKBMM purchased was in such a distressed community. Therefore, in 2013 AKBMM entered into the NMTC loan program wherein it borrowed USD 27.5 million to fund the purchase of the building. As long as AKBMM complied with the terms of the loan agreement, it would not have to repay USD 7.8 million of the loan obligation at maturity. On 21 December 2020 the loan under the NMTC program became due. AKBMM had fully complied with the terms of the loan, therefore at maturity USD 7.8 million of the loan was forgiven. Other financial income also includes a negative fair value adjustment of contingent consideration, see Note 16.

Other financial expenses include a guarantee fee paid to Aker ASA as well as a fair value adjustment of the fuel hedge amounting to USD 1.3 million, see Note 20.

Capitalized borrowing costs
During the reporting periods the Group has taken delivery of one harvesting vessel and started the construction of one transport vessel. Borrowing costs have been capitalized on both newbuilds. On Antarctic Endurance the applied interest rate is CIRR and on Antarctic Provider the applied interest rate has been LIBOR + 2.9%.

Amounts in thousands of U.S. Dollars	2017	2018	2019	2020	**TOTAL**
Endurance	240	799	1 641	-	**2 681**
Provider	-	-	563	734	**1 297**
Total	**240**	**799**	**2 204**	**734**	**3 978**

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NOTE 6 – ASSET ACQUISITION AND BUSINESS COMBINATIONS

Asset acquisitions and business combinations in 2020

Asset acquisition:

On 16 December 2020, Aker BioMarine AS acquired all shares in Aion AS from Cedrus AS, a private limited company owned by an employee of Aker BioMarine AS, for USD 0.3 million. As part of the share purchase agreement, the previous owner is entitled to certain earn-outs if the Group becomes waste free and if Aion AS reaches certain financial targets over a 3-5 years period. The fair value of these earn-outs is set to zero as of 31 December 2020 as the outlook is currently highly uncertain.

Asset acquisitions and business combinations in 2019

Business combination:

On 1 March 2019, the Group, through a US holding company, acquired 100% of the issued shares in Lang Pharma Nutrition, Inc. (Lang), a full service, mass market dietary supplement manufacturer, for a consideration of USD 91.3 million. The acquisition was performed for strategical reasons, both to ensure that Lang remained heavily invested in the krill oil segment, to further explore and utilize the synergizes and competence within Lang when conducting business directly with major US retailers, and using this to establish a foot-print to launch and sell own branded products over time.

The contribution consisted of a cash consideration of USD 52.9 million paid on closing in addition to a contingent consideration with an estimated fair value as further described below.

Acquisition of Lang:

Details of the purchase consideration, the net acquired assets and goodwill are as follows:

Amounts in thousands of U.S. Dollars	
Accounts receivables and other assets	**11.7**
Inventories	**31.8**
Intangible assets - Customer base	**46.1**
Cash and cash equivalents	**3.7**
Total Assets	**93.3**
Borrowings	**19.9**
Accounts payables and other payables	**9.7**
Total Liabilities	**29.6**
Total identifiable net assets at fair value	**63.7**
Goodwill arising on acquisition	**27.6**
Total consideration	**91.3**
Contingent consideration	**38.4**
Total consideration paid on acquisition	**52.9**
Less cash and cash equivalents acquired	**(3.7)**
Acquisition, net of cash acquired	**49.2**

The goodwill is attributable to Lang's position and profitability in the dietary supplement market and the assembled and skilled workforce in the organization. Lang will continue to operate as a separate company. The results from Lang have been included in the Group's consolidated statement of profit or loss and financial position as of 1 March 2019. Acquisition-related costs of USD 1.5 million are included in 'Selling, general and administrative expense' in the consolidated statement of profit or loss. The goodwill is assessed to be deductible in the US.

The contingent consideration arrangement, amounting to USD 38.4 million at acquisition date, requires the Group to pay the seller an earn-out calculated each fiscal year using a measurement of company EBITDA (as defined in the Share purchase agreement) as its basis. The earn-out period is from 2019 through 2022. The fair value of the contingent consideration arrangement was estimated

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calculating the present value of the future expected cash flows, based on a discount rate of 11%. The nominal range of the outcome is a cash payment of USD 0 – USD 50.0 million, over the years mentioned above with the potentially last payment in 2023. In addition to the earnout there is a liability of USD 2 .0 million which will be released based on further employment of resources over the next 3 years.

As at 31 December 2019, the contingent consideration related to the earn-out was USD 39.7 million, which represents full payment of the nominal amount over the future years. As at 31 December 2020 the contingent consideration related to the earn-out was USD 31.7 million. The fair value adjustment in 2020 amounted to USD 8.0 million, representing the effect of a lower company EBITDA in the earn-out period, is presented within Financial expenses (Note 5). The liability is presented within other non-interest-bearing non-current liabilities in the consolidated statement of financial position (Note 16).

Revenue and net profit contribution

The Lang business contributed revenues of USD 82.2 million and net profit of USD 5.7 million to the Group for the period from 1 March to 31 December 2019. If the acquisition had occurred on 1 January 2019, the additional contribution in revenue and net profit for the year ended 31 December 2019 would have been USD 11.1 million and USD 0.4 million respectively. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the Group and the subsidiary.

Asset acquisitions and business combinations in 2018

Business combination:

On 17 January 2018, a Group subsidiary, Aker BioMarine Antarctic AS, acquired Enzymotec Ltd (Enzymotec) krill related business consisting of assets and certain liabilities. Total acquisition cost was USD 26.4 million. The purchase price reflects, among other things, payment of transferred inventory, consideration for Enzymotec's non-competition agreement and consideration for other transferred assets as listed below.

The following table summarizes the assets and liability identified by management:

Amounts in thousands of U.S. Dollars	
Customer Relationship	**18.8**
Trademark	**1.8**
Inventory	**4.5**
Goodwill	**1.2**
Total consideration paid at acquisition	**26.4**

NOTE 7 – DERIVATIVES

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Fuel hedge contracts assets	**7 743**	-	-
Fuel hedge contracts liabilities	**(8 996)**	-	(1 472)
Total	**(1 253)**	-	(1 472)

In June 2020 the Group entered into a hedge contract for hedging risk related to variances in the fuel price. See Note 20 for further description of the derivative.

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NOTE 8 – 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. 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.

The major components of income tax expense for the years ended 31 December 2020, 2019 and 2018 are:

Reconciliation of nominal statutory tax rate to effective tax rate:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	2020	2019	2018
Profit (loss) before tax	**688**	(23 335)	(1 281)
Calculated income tax at statutory rate of 22%	**(151)**	5 134	295
Tax differential Norway and abroad	**(630)**	(441)	(34)
Unrecognized change in deferred tax assets	**(5 497)**	(3 934)	2 158
Permanent differences	**272**	(1 175)	51
Currency translation and other	**(144)**	1	(2 211)
Total tax expense	**(6 151)**	(415)	259
Effective tax rate	**-894 %**	2 %	20 %

Deferred tax assets comprise:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	2020	2019	2018
Property, plant and equipment and intangible assets	**(12 531)**	5 280	(2 204)
Inventory	**736**	1 091	(512)
Tax losses carried forward	**59 054**	52 868	49 964
Interest rate deductability carry forward	**11 867**	7 958	6 141
Other	**40**	23	15
Deferred tax assets	**59 166**	67 220	53 404
Unrecognized deferred tax assets	**(63 983)**	(67 220)	(53 404)
Recognized deferred tax liabilities	**(4 817)**	-	-

Current income tax expenses relate to subsidiaries in US (24% Federal tax rate) and Australia (30%). There were no changes in corporate tax rates in these countries over 2019 and 2020. In Norway the corporate tax rate was reduced to 22% in 2019 and is unchanged in 2020. The recognized deferred tax liability of USD 4.8 million relates to the entities in the US.

The movement in deferred tax assets from USD 53.4 million in 2018 to USD 63.0 million in 2020 is mainly due to increase 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 2020, 2019 or 2018. Since 2008 the Aker BioMarine AS has been involved in discussions with the tax authorities concerning deductibility of losses on receivables. The Norwegian Tax authorities concluded that losses of NOK 296 million was not deductible. Aker BioMarine AS has appealed the decision to The Norwegian Tax Appeal Board ("Skatteklagenemnda") and are currently waiting for their conclusion. The appealed losses are not part of the tax losses carried forward as presented in the above table. The Group does not see any additional tax exposure if the conclusion from Skatteklagenemnda in disfavor of Aker BioMarine.

Of the Group's tax losses carried forward, USD 2.0 million was in the US subsidiary Aker BioMarine Manufacturing LLC, whereas the remaining tax loss carried forward was USD 57 million with Aker BioMarine AS and Aker BioMarine Antarctic AS, both Norwegian subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – 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.

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.

Assets that will be disposed, which are classified as held-for-sale, are reported at the lower of their book value and their fair value less cost to sell. Depreciation of vessels is included in the cost of inventory conversion (see Note 12).

Movements in property, plant and equipment in 2020:

Amounts in thousands of U.S. Dollars	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land 2)	Total
Acquisition cost as of 1 January, 2020	**215 303**	**134 009**	**41 222**	**18 559**	**409 092**
Investments	4 145	7 088	10 355	66	21 654
Sale of vessel	-		(26 336)	-	(26 336)
Asset retirements	(1 535)	(2 793)		(2)	(4 330)
Other reclassifications 1)	(11 307)	19 033	(12 760)		(5 034)
Acquisition cost as of 31 December, 2020	**206 606**	**157 337**	**12 481**	**18 623**	**395 046**
Acc. depreciation and impairment as of 1 January, 2020	**(59 404)**	**(36 312)**	**(8 555)**	**(2 454)**	**(106 726)**
Depreciation for the year	(15 751)	(14 571)	-	(554)	(30 875)
Sale of vessel			5900		5 900
Impairment	(1 150)	-	-	(246)	(1 396)
Asset retirements	1 535	2 324	-	-	3 859
Other reclassifications 1)	5 071	(4 324)	-	-	747
Acc. depreciation and impairment as of 31 December, 2020	**(69 699)**	**(52 883)**	**(2 655)**	**(3 254)**	**(128 490)**
Book value as of 31 December, 2020	**136 907**	**104 454**	**9 826**	**15 369**	**266 556**
Depreciation period	10-20 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.
[2] Hereof USD 1.5 million related to Land

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Movements in property, plant and equipment in 2019:

Amounts in thousands of U.S. Dollars	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2019	**105 250**	**95 840**	**105 271**	**8 708**	**315 069**
Investments	4 223	4 802	117 556	326	126 906
Sale of vessel	-	73	-	-	73
Asset retirements	-	(428)	-	-	(428)
Other reclassifications 1)	105 830	33 721	(181 605)	9 525	(32 529)
Acquisition cost as of 31 December, 2020	**215 303**	**134 009**	**41 222**	**18 559**	**409 092**
Acc. depreciation and impairment as of 1 January, 2019	**(46 278)**	**(33 027)**	**(2 654)**	**(728)**	**(82 687)**
Depreciation for the year	(14 979)	(9 952)	-	(313)	(25 244)
Impairment	-	(255)	(5 900)	-	(6 155)
Other reclassifications 1)	1 853	6 921	(1)	(1 413)	7 360
Acc. depreciation and impairment as of 31 December, 2019	**(59 404)**	**(36 312)**	**(8 555)**	**(2 454)**	**(106 726)**
Book value as of 31 December, 2019	**155 899**	**97 696**	**32 667**	**16 105**	**302 366**
Depreciation period	10-20 years	3-20 years		30-50 years	
Depreciation method	Straight-line	Straight-line		Straight-line	

[1] Net Other reclassifications include reclassifications of fishing licenses related to Juvel and payments related to construction of a new charter vessel from Asset under construction to Intangible assets and prepayment, respectively. See Note 11-Impairment and Note 13-Trade receivable and other current assets.

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Movements in property, plant and equipment in 2018:

Amounts in thousands of U.S. Dollars	Vessels, transportation, equipment, etc	Machinery	Asset under construction	Buildings and Land	Total
Acquisition cost as of 1 January, 2018	**104 777**	**93 874**	**72 701**	**8 087**	**279 439**
Investments	4 634	3 883	31 116	621	40 254
Asset retirements	(4 833)	(2 846)	-	-	(7 679)
Other reclassifications	672	929	1 454	-	3 055
Acquisition cost as of 31 December, 2018	**105 250**	**95 840**	**105 271**	**8 708**	**315 069**
Acc. depreciation and impairment as of 1 January, 2018	**(41 773)**	**(27 662)**	**(2 654)**	**(547)**	**(72 636)**
Depreciation for the year	(8 109)	(8 149)	-	(181)	(16 439)
Asset retirements	4 340	2 048	-	-	6 388
Acc. depreciation and impairment as of 31 December, 2018	(46 278)	(33 027)	(2 654)	(728)	(82 687)
Book value as of 31 December, 2018	**58 972**	**62 814**	**102 617**	**7 980**	**232 383**
Depreciation period	10-20 years	3-20 years			
Depreciation method	Straight-line	Straight-line			

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Reconciliation depreciation and amortization

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Depreciation for the year of Property, plant & equipment	**(30 875)**	(25 244)	(16 439)
Impairment Property, plant & equipment	**(1 396)**	(6 155)	(900)
Amortization for the year of Intangible assets	**(10 157)**	(8 699)	(5 521)
Amortization for the year of Contact cost	**(833)**		
Leasing (ROU) depreciation	**(6 381)**	(2 833)	-
Total	**(49 643)**	(42 931)	(22 860)
Depreciation and amortization related to production assets and included in cost to inventory	**(32 518)**	(25 109)	(17 321)
Depreciation and amortization related to other assets	**(17 125)**	(17 822)	(5 539)

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 17.1 million (2019: USD 17.8 million, 2018: USD 5.5 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 (see Note 6 for further description), and the impairment of Juvel in 2019. Inventoriable depreciation mainly consists of the Group's operating harvesting vessels and the manufacturing plant in Houston, Texas, amounting to USD 32.5 million (2019: 25.1 million, 2018: USD 17.3 million).

The new krill harvesting vessel, Antarctic Endurance, was delivered in 2019 and put in operation during the second quarter. Total investment was USD 147.0 million, including capitalized interests, the mobilization period, build costs and project management. The payments were financed by loan of USD 113 million.

In 2018 the Group entered a contract of building a new support vessel with CIMC Raffles yard in Yantai, China. The vessel was delivered in Q1 2021. Total investment as per 31 December 2020 is USD 18.8 million in constructions cost and project management. The investments are reclassified as prepayments as per 31 December 2020, see Note 13 Accounts receivable and other current assets.

See Note 20 Financial risk for hedge of currency risk related to the instalments on the Antarctic Endurance.

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

The increase in depreciation of fixed asset during the years 2018-2020 is due to the completion of Antarctic Endurance, while the impairment of USD 6.1 million in 2019 is mainly related to impairment of the vessel Juvel. Juvel has not been in operation due to legal case concerning the rights to the patented production technology in the factory onboard the vessel. The vessel was sold in the first quarter 2020, the gain from sale was USD 1.2 million.

See Note 10 Intangible assets for further details concerning the amortization, and krill license assumptions.

As of 31 December 2020, the Group has USD 50 million in commitments for further investments in property, plant and equipment (2019: USD 60 million, 2018: USD 140 million). For details on mortgages and pledging of security, see Note 15.

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NOTE 10 – INTANGIBLE ASSETS AND GOODWILL

Intangible assets, acquired individually or as a group, are recognized at fair value 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.

No addition of goodwill is recognized in 2020. The 2019 addition comprising of USD 28.1 million in goodwill relates to the acquisition of Lang.

Movements in intangible and contract cost assets for 2020:

Amounts in thousands of U.S. Dollars	Goodwill	Development	License agreements	Fishing licences	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2020	**94 557**	**5 318**	**2 396**	**10 500**	**91 293**	**5 675**	**209 739**
Additions - external cost	55						55
Acquisition	-	-	-		357	-	357
Acquisition cost as of 31 December, 2020	**94 612**	**5 318**	**2 396**	**10 500**	**91 650**	**5 675**	**210 151**
Amortization and impairment losses as of 1 January, 2020	-	**(5 245)**	**(578)**	-	**(13 619)**	-	**(19 442)**
Amortization for the year	-	-	(532)	-	(9 625)	-	(10 157)
Reclassifications	-	-	151	-	(151)	-	-
Amortization and impairment losses as of 31 December, 2020	-	**(5 245)**	**(959)**	-	**(23 395)**	-	**(29 599)**
							-
Book value as of 31 December, 2020	**94 612**	**73**	**1 437**	**10 500**	**68 255**	**5 675**	**180 552**
Amortization period		5-10 years	10-12 years		7-10 years		
Amortization method		Straight-line	Straight-line		Straight-line		

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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.

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 investment of USD 2.4 million in License agreements relates to patents and purification technology acquired from Orochem in July 2018.

Fishing License
One of the Group's fishing license is recognized at USD 10.5 million and are not amortized. The license relates to krill fishery in the Southern Ocean and will remain in the Group's possession as long as all applicable requirements are met, and as such they are determined to have an indefinite life.

Customer relation and Trademark
Customer relation and Trademark are intangible assets acquired in business combinations recognized at fair value. Following initial recognition, the customer relations are recorded less any accumulated amortization and impairment losses. Trademark are intangible assets with indefinite useful lives that are not amortized but carried at cost less accumulated impairment losses. The 2019 addition comprising of USD 46.2 million in customer relation relates to the acquisition of Lang.

See further details in Note 6 Asset acquisition and Business combinations and Impairment assessment below.

Movements in intangible assets for 2019:

Amounts in thousands of U.S. Dollars	Goodwill	Development	License agreements	Fishing licences	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2019	**66 401**	**5 318**	**25 514**	**-**	**45 110**	**5 675**	**148 018**
Additions - external cost					9		9
Acquisition Lang	28 156	-	-	-	46 174	-	74 330
Asset retirements	-	-	(23 118)	-	-	-	(23 118)
Reclassifications 1)	-	-	-	10 500	-	-	10 500
Acquisition cost as of 31 December, 2019	**94 557**	**5 318**	**2 396**	**10 500**	**91 293**	**5 675**	**209 739**
Amortization and impairment losses as of 1 January, 2019	**-**	**(5 162)**	**(23 469)**	**-**	**(5 229)**	**-**	**(33 860)**
Amortization for the year	-	(83)	(377)	-	(8 239)	-	(8 699)
Asset retirements	-	-	23 118	-	-	-	23 118
Reclassifications	-	-	151	-	(151)	-	-
Amortization and impairment losses as of 31 December, 2019	**-**	**(5 245)**	**(578)**	**-**	**(13 619)**	**-**	**(19 442)**
Book value as of 31 December, 2019	**94 557**	**73**	**1 818**	**10 500**	**77 674**	**5 675**	**190 297**
Amortization period		5-10 years	10-12 years		7-10 years		
Amortization method		Straight-line	Straight-line		Straight-line		

[1] Reclassified from asset under construction in property, plant and equipment, see Note 9 Property, plant and equipment.

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Movements in intangible assets for 2018:

Amounts in thousands of U.S. Dollars	Goodwill	Development	License agreements	Customer relation	Trademark	Total
Acquisition cost as of 1 January, 2018	**65 153**	**5 430**	**23 118**	**26 277**	**3 894**	**123 872**
Additions - external cost	1 248	-	2 396	18 833	1 781	24 258
Asset retirements	-	(112)	-	-	-	(112)
Acquisition cost as of 31 December, 2018	**66 401**	**5 318**	**25 514**	**45 110**	**5 675**	**148 018**
Amortization and impairment losses as of 1 January, 2018	-	**(5 191)**	**(22 384)**	**(876)**	-	**(28 451)**
Amortization for the year	-	(83)	(1 085)	(4 353)	-	(5 521)
Asset retirements	-	112	-	-	-	112
Amortization and impairment losses as of 31 December, 2018	-	**(5 162)**	**(23 469)**	**(5 229)**	-	**(33 860)**
Book value as of 31 December, 2018	**66 401**	**156**	**2 045**	**39 881**	**5 675**	**114 158**
Amortization period		5-10 years	10-12 years	7-10 years		
Amortization method		Straight-line	Straight-line	Straight-line		

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NOTE 11 – IMPAIRMENT ASSESSMENT

Property, plant and equipment, intangible assets and RoU assets 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.

When an asset or a Cash Generating Unit (CGU), defined as the smallest identifiable group of assets that generates cash inflows that are largely independent from other assets or groups of assets, is tested for impairment, the recoverable amount is estimated as the higher of the CGU's fair value less cost of disposal, or its value in use. The carrying amount is not recoverable if it exceeds the recoverable amount. An impairment loss is recognized in the amount that the carrying value exceeds its recoverable amount. Losses are reversed in the event of a subsequent increase in the recoverable amount of an impaired asset, however, impairment of goodwill is not reversed.

The Group assess conditions that could cause an asset or a CGU to become impaired. 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 flows 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 is assessed to be the krill business as a whole (the "Ingredients" segment) as the offshore harvesting and production, the logistical operation and the onshore manufacturing and sale of krill oil products globally to distributors and feed producers form an integrated value chain where no independent prices for the intermediate products exist. This is also the level at which management monitors, makes strategies, operates, allocates resources and makes decisions on acquisitions, continuation or disposals. The other identified CGU is the "Brands" segment, the human consumption distribution business which comprises of Lang and Epion. Lang acquires products derived from krill, fish and plants and packages, labels and sells the products onwards to retailers in the US market.

As of 1 January 2019, goodwill was recognized at a total of USD 66.4 million and the entire amount was allocated to the ingredient segment (CGU), which included all business operations in the Group before the acquisition of Lang in March 2019. Upon the acquisition of Lang, additional goodwill of USD 28.1 million was recognized and allocated as follows: Ingredients USD 20 million and Brands USD 8.1 million.

The acquisition was performed of strategical reasons, both to ensure that Lang remained heavily invested in the krill oil segment, to further explore and utilize the synergizes and competence within Lang when conducting business directly with major US retailers, and using this to establish a foot-print to over time launch and sell own branded products. The main motive for the transaction was, however, to increase catch values in the Ingredients segment and based on underlying assessments, approximately 70% of goodwill is therefore allocated to the Ingredients segment.

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.

An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of fair value (estimated sales price) less costs to sell and the value in use (the discounted estimated future cash flows). 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.

Previously recognized impairment losses, except for impaired goodwill, are reversed if the assumptions for impairment are no longer present. 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.

Impairment 2020

In 2020 the value of the vessel La Manche was impaired by USD 1.0 million to reflect the vessel's useful life. In addition, equipment on the other harvesting vessels were impaired by USD 0.2 million and the building in Houston by USD 0.2 million. The accumulated cost of USD 1.2 million has been recognized in 'Cost of goods sold' in the consolidated statement of profit or loss as it has been viewed as an offshore inventoriable cost when the assessment occurred.

Impairment 2019

The increase in depreciation of fixed asset is due to the completion of Antarctic Endurance, while of the impairment of USD 6.1 million, USD 5.9 million relates to an impairment of the vessel Juvel. Juvel has not been in operation due to the ongoing legal case concerning the rights to the patented production technology in the factory onboard the vessel. Due to the uncertainty about the future use of

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the vessel and time the vessel has been in yard the Group could no longer defend the vessel through the overall krill business CGU. A separate valuation was performed to estimate the fair value of the vessel as per IAS 36. Seeing a value in use could not be utilized, a separate assessment of potential sales price was performed. The book value of the vessel at the time of valuation was USD 35.0 million. The Group valued the vessel at USD 18.7 million after subtracting costs to sell and separated the value of the krill harvesting license at USD 10.5 million. An impairment of USD 5.9 million was accounted for.

Impairment 2018:
No impairment of non-current assets is recognized in 2018.

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

The Group tests whether goodwill or assets with indefinite useful life have suffered any impairment on an annual basis. For the reporting periods, the recoverable amount of the cash-generating unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

Main assumptions for the value-in-use calculation:
- The discount rates used reflect the current market assessment of the risks specific to each CGU 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.

Ingredients (CGU):
- 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, which is in line with long-term forecasts for growth in gross domestic product (GDP). In the forecast for the period 2021-2025, revenue projections are based on agreements entered into, actual historical prices along with 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 percent of the Group's operating expenses are fixed costs, increased sales levels will contribute to higher operating margins. Future product pricing has as per the above been based on historical prices and managements 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 2020. Sales volumes has been modelled to follow the production targets, however lagging as to allow for building and maintaining safety-stock.

- In the forecast for the period 2021-2025 the discount rate is based on a WACC of 10%. The terminal value in the model used to calculate value in use is based on a WACC of 10% and an assumed long-term annual growth equal to 2%.

- Capital expenditure is based on the long-term technical and operations program and firm commitments. It is also assumed that the vessels will be re-acquired upon end of the assumed useful life and that the business will continue with 3 operating vessels. The Group has a fourth fishing license from the vessel Juvel. The license is kept if any situation in the future would require an additional license (for example a new vessel).

Brands (CGU)
- 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 detailed forecast prepared by management in Lang and Epion. For subsequent periods is the model based on an estimated terminal growth that is not exceeding the growth for the products, industry or country (US) in which the CGU operate. In the forecast for the period 2021-2025, revenue projections are based on agreements entered into, actual historical prices along with management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management`s forecast.

- In the forecast for the period 2021-2025 the discount rate is based on a WACC of 10.5%. The terminal value in the model used to calculate value in use is based on a WACC of 10.5% and an assumed long-term annual growth equal to 2%.

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Amounts in thousands of U.S. Dollars	Goodwill			Fishing licence & Trademark			WACC			Discount rate pre-tax*		
Segment	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Ingredients	86 456	86 401	66 401	16 175	16 175	5 675	10,0 %	11,0 %	11,0 %	12,8 %	14,1 %	14,1 %
Brands	8 156	8 156					10,5 %	11,0 %		14,3 %	15,0 %	
Total	**94 612**	**94 557**	**66 401**	**16 175**	**16 175**	**5 675**						

*) The discount rate pretax is the WACC grossed up by the relevant tax rate.

Sensitivities - impact of possible changes in key assumptions:

Ingredients (CGU)

The sensitivities of the value in use has been tested by using simulations of various combinations of discount rates, terminal value growth, changes in vessel production volumes, 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 (CGU)

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

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 get 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 aquaculture feeds customers. In future production this meal will be used as an ingredient to the Group's novel protein product (see Note 26). Throughout all production stages the product is subject to internal and external quality control. The production process offshore is very sensitive to harvesting conditions, such as length of the fishing season, ice conditions and other factors such as quality of the krill harvested. These factors impact the parameters for capitalization of indirect production costs and the total cost of the products.

At the start of the 2021 fishing season in November 2020, the Group changed its cost allocation method based on an assessment that producing food grade krill meal for further processing (and new applications such as Protein/ INVI and Lysoveta, see Note 26) require more offshore search activity and increased logistics costs which was not recognized under the previous volume allocation method.

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Based on an internal assessment, producing food grade krill meal for further processing is approximately 10% more expensive than regular feed grade krill meal. Food grade krill meal is valued at USD 19.7 million as of 31 December 2020. Following this improved allocation method, additional cost has been allocated to the production of krill oil, implying lower margins on future sale of krill oil, with corresponding improved margins on krill meal sale. In 2020, 23% of the produced volumes offshore was food grade krill meal, consuming 25% of the total offshore cost allocated to inventory. In 2020 the new allocation method has reduced Cost of goods sold in the statement of profit or loss by USD 2.3 million.

During 2020 the krill oil facility in Houston has done production optimization and technological advancements where previously discarded volumes (neutral oil) have been successfully used in production of krill oil. It has therefore been concluded that these volumes should have allocated costs in line with other finished goods, to ensure that the revenue has a cost of goods sold. The neutral oil has been recognized in production during 2020 and the production optimization has impacted the Cost of goods sold in the Statement of profit or loss by approximately USD 3.5 million due lower Cost of goods sold on krill oil sold. The book value of the neutral oil was USD 6.5 million as of 31 December 2020.

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 2020, 2019 and 2018 are shown below:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Raw materials and goods under production	**24 195**	21 304	6 960
Finished goods	**90 364**	73 421	36 744
Total	**114 559**	94 725	43 704
Cost of inventories recognized at net realizable value	**34 417**	33 617	26 670
Carrying value of inventories recognized at net realizable value	**29 569**	29 420	24 481
Write-down of inventories recognized towards net change in inventories in the period*	**(4 848)**	(4 197)	(2 189)
Carrying value of inventories pledged as security	**79 382**	94 725	33 468

*) Includes weight corrections, replacements to customers and obsolesence

The inventory balance as of 31 December 2020 is pledged as security and is included in the book value of assets pledged as security, please refer to Note 15.

Movements in inventory during the year comprise of:

				As of 31 December,
Amounts in thousands of U.S. Dollars	**Ingredients**	**Brand**	**Elim**	**2020**
Inventory at 1 January 2020	60 147	37 078	(2 500)	94 725
Acquired inventory for sale		81 998		81 998
Production value	157 394			157 394
Cost of goods sold	(115 490)	(81 840)		(197 330)
Other changes*	(21 718)			(21 718)
Elimination of internal profit in inventory		(507)	(172)	(679)
Change in spare parts inventory	169			169
Inventory at 31 December 2020	**80 502**	**36 729**	**(2 672)**	**114 559**

*) Include USD 24 million in consumption and rework and USD 2 million in obsolete and other

Net change in inventories - reconciliation	
Cost of goods sold before elimination of internal sales and internal profit	(197 330)
Produced inventory	157 394
Acquired inventory	81 998
Changes sparepart inventory	169
Rework, consumption, obsolete and eliminations	(21 718)
Elimination of internal profit on stock	(679)
Net change in inventories	**19 834**

Cost of goods sold before elimination of internal sales and internal profit	(197 330)
Elimination of cost of internal sales	18 999
Elimination of internal profit on stock	(679)
Cost of goods sold recognized in Profit and Loss	**(179 010)**

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Movements in inventory during 2019:

Amounts in thousands of U.S. Dollars		As of 31 December, 2019
Inventory at 1 January 2019		**43 704**
Brands Inventory:		
Inventory at acquisition date	31 684	
Cost of goods sold	(63 357)	
Acquired inventory for sale	68 751	
Brands Inventory at 31 December 2019	**37 078**	**37 708**
Elimination of internal profit in inventory sold to Brands		(2 500)
Ingredrients production value		133 508
Ingredients cost of goods sold		(93 586)
Other changes 1)		(24 240)
Spare parts inventory		760
Inventory at 31 December 2019		**94 725**

[1] Include USD 20 million in consumption and rework and USD 4 million in obsolete and other

From the above, acquired inventory of USD 31.7 million represents the inventory Brands had as per acquisition date in 2019. Seeing Brands as a distributor, no production is performed and Brands purchases of products for processing and sale are therefore presented as "acquired inventory for sale" in the above schedule. Elimination and other changes comprise mainly rework and consumption.

Net change in inventories - reconciliation 2019	
Cost of goods sold before elimination of internal sales and internal profit	(161 933)
Produced inventory	133 508
Acquired inventory	100 435
Changes sparepart inventory	760
Rework, consumption, obsolete and eliminations	(19 251)
Elimination of internal profit on stock	(2 500)
Net change in inventories	**51 020**

Cost of goods sold before elimination of internal sales and internal profit	(161 933)
Elimination of cost of internal sales	13 542
Elimination of internal profit on stock	(2 500)
Cost of goods sold recognized in Profit and Loss	**(150 891)**

The total production value of goods manufactured in the years 2020, 2019 and 2018 can be specified as follows:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	2020	2019	2018
Salaries	**(34 559)**	(30 611)	(22 762)
Direct Production	**(10 150)**	(9 878)	(11 068)
Fuel	**(19 185)**	(19 042)	(18 450)
Consumables	**(4 307)**	(3 948)	(2 027)
R&M	**(2 541)**	(5 230)	(3 578)
Other	**(14 832)**	(14 473)	(9 181)
Nutra Freight	**(2 567)**	(1 556)	(1 794)
Capsulation	**(3 611)**	(4 603)	(6 230)
Contract manufacturing	**(5 995)**		
Depreciation	**(32 518)**	(25 109)	(16 273)
Consumption of krill raw materials	**(27 129)**	(19 057)	(18 190)
Total costs allocated to inventory	**(157 394)**	**(133 508)**	**(109 554)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 – TRADE RECEIVABLE AND OTHER CURRENT ASSETS

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Accounts receivable	**53 723**	37 393	20 438
Prepaid expenses	**33 775**	24 209	6 713
Other current receivables	**10 387**	12 662	8 072
Total	**97 885**	74 264	35 223

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. Further the milestones paid on the vessel currently under construction in China, Antarctic Provider, is classified prepaid expenses. Antarctic Provider installments amount to USD 21.1 million as per 31.12.2020 (2019: USD 14.4 million).

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.

Cash and cash equivalents comprise the following items:

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Cash and bank deposits	**9 094**	12 425	1 526
Restricted bank deposits	**1 584**	1 185	989
Cash and cash equivalents	**10 678**	13 610	2 515

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 2020, the Group had drawn USD 12.6 million (2019: USD 29.2 million, 2018: USD 13.6 million) out of a total of USD 40.0 million available in an overdraft facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

	As of 31 December,		
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Non-current liabilities			
Secured bank loans	**203 010**	279 509	132 995
Non-current NOK-denominated loan from Antarctic Harvesting Holding AS	**1 334**	1 334	1 334
Non-current USD-denominated debt to Aker ASA	-	73 795	37 295
Other secured debt	-	7 800	7 800
Leasing liabilities	**6 234**	10 035	
Book value total interest-bearing non-current liabilities	**210 578**	372 473	179 424
Current liabilities			
Current portion of secured loans	**12 010**	11 811	12 357
Overdraft facilities	**12 673**	29 135	13 587
Leasing liabilities	**7 539**	6 646	
Book value total interest-bearing current liabilities	**32 222**	47 591	25 944
Book value total interest-bearing liabilities	**242 799**	420 064	205 368

In 2019 the Group renewed one loan agreement and entered into two new loan agreements. The revolving credit facility (USD 135 million) was extended in 2018 and amended in 2019 to reflect the inclusion of a second bank into the agreement. The first new loan in 2019 was drawn to fund the acquisition of Lang and the second new loan to fund the take-out of Antarctic Endurance. The first new loan agreement is structured as an RCF, whereas the second loan is repaid through quarterly instalments over the next 12 years from the utilization date.

The Group paid in 2019 the loan from Naturex (seller credit Naturex) on maturity.

The entire loan from the owner, Aker ASA, was paid in July 2020 including outstanding interest and guarantee liabilities. At the same time a down-payment of USD 75 million was done on the secured bank loan from DNB (RCF-DNB/RABO).

The New Market Tax Credit (NMTC) loan in Aker BioMarine Manufacturing was settled in December 2020. This settlement had no cash effect as the loan was granted by community development entities (CDE) as a credit against federal income taxes for making Qualified Equity Investments QEIs in qualified CDEs. The loan settlement/forgiveness is recognized as financial income in the Income Statement per 31 December 2020, see Note 5 Financial income and expenses.

In December 2020 an additional USD 10 million was drawn on the DNB (RCF-DNB/RABO) loan agreement.

As of 31 December 2020, the Group had USD 93.0 million in available liquidity where unused credit facilities amounted to USD 82.3 million separated on overdraft facilities and revolving credit facilities. The Ingredients segment had USD 55.1 million and Brands USD 27.2 million. The credit facilities are with DNB/ RABO.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Terms and debt repayment schedule per 31 December 2020:

Loan	Currency	Amount in USD	Nominal interest rate	Year of maturity	Installments
Secured bank loan - CAT	USD	1 397	3 mths LIBOR + 3.95%	2022	Quarterly
Secured bank loan - RCF-DNB/RABO	USD	54 616	6 mths LIBOR + 3.4%	2023	Annual from 2020
Secured bank loan - RCF + TL NewRide - DNB/ RABO	USD	45 000	6 mhts LIBOR + 3,25 %	2023	In full upon termination
Secured bank loan - RCF + TL NewRide - DNB/ RABO	USD	7 919	6 mhts LIBOR + 2.5 %	2023	In full upon termination
Secured bank loan - DNB/GIEK/NEK	USD	95 995	3,13 % (fixed)	2031	Quarterly
Secured loan from Innovation Norway - 1	NOK	3 161	2,85% (floating)	2026	Semi-annual
Secured loan from Innovation Norway - 2	NOK	6 406	2,85% (floating)	2026	Semi-annual
Secured loan from Innovation Norway - 3	NOK	527	3.95% (floating)	2023	Semi-annual
Antarctic Harvesting Holding AS	NOK	1 334	7.0%	-	-
Overdraft facility with DNB	USD	4 910	LIBOR + 2.5%	n/a	n/a
Overdraft facility with DNB/RABO	USD	7 763	6 mhts LIBOR + 2.5 %	n/a	n/a
Leasing financing	NOK/USD	13 772	6.4 - 7.3%	< 2026	Mthly

LOAN TERMS AND CONDITIONS

All financial covenants presented below are the ones currently applied to the Group. The covenants compliance tests referred to below are all based on historical figures for the Group.

Secured USD-denominated bank loan covenants

The Caterpillar Finance loan agreement features covenants on equity and debt to equity ratio and minimum net worth in Aker BioMarine AS. The company complied with all covenants in 2020, 2019 and 2018.

Secured USD-denominated bank loan covenants

The DNB/Rabobank loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements. The Group is compliant with all loan covenants.

Term Loan and Guarantee facilities agreement

The vessel loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements, interest cover ratio requirements and a condition with regards to available liquidity. The Group is compliant with all loan covenants.

Term Loan and Guarantee facilities agreement

The vessel loan agreement features covenants on EBITDA. The loan covenants also have leverage ratio requirements and interest cover ratio requirements. The Group is compliant with all loan covenants.

Loans from Innovation Norway

The loans from Innovation Norway do not feature any restrictive covenants associated with key financial performance figures.

Overdraft facility

Total amount drawn on the overdraft facility from DNB shall not exceed the sum of:

1. 75% of external accounts receivable; and
2. 60% of total inventory

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's borrowings did not exceed the borrowing base in 2020, 2019 or 2018.

Debt secured by mortgage assets

	As of 31 December,		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Secured bank loans	215 020	291 319	145 352
Non-current NOK-denominated loan from Antarctic Harvesting Holding AS		7 800	7 800
Non-current USD-denominated debt to Aker ASA	12 673	29 135	13 587
Book value total interest-bearing non-current liabilities	**227 694**	**328 255**	**166 740**
Book value of assets pledged as security			
Operating assets	**563 752**	**382 439**	**285 071**

Asset pledged as security per company as of 31 December 2020:

Amounts in thousands of U.S. Dollars	Group total	Akbm AS	New Ride	Antarctic AS
Ships/Rigs	136 384			136 384
Machines	68 627			68 627
Shares	358 741	305 822	52 919	
Total	**563 752**	**305 822**	**52 919**	**205 011**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table reconciles the movements in liabilities to cash flow from financing activities in 2020:

Amounts in thousands of U.S. Dollars	Secured bank loans	Proceeds from owner	Long term Lease and NMTC	Bank overdraft	Short term leas	Share capital	Reserves	Retained earnings	Total
Balance at 1 January 2019	**283 401**	**75 129**	**25 754**	**29 135**	**6 646**				420 064
Reclassification	8 201		-8 201						-
Changes in Financing cash flows									
New loan from owner		23 000							**23 000**
Instalment loan from owner		(96 795)							**(96 795)**
Secured bank loan - RCF + TL NewRide - DNB/ RABO	(65 000)								**(65 000)**
Instalment Secured bank loan - DNB/ GIEK/NEK	(9 409)								**(9 409)**
Instalment Innovation Norway - 1	(377)								**(377)**
Instalment Innovation Norway - 2	(833)								**(833)**
Instalment Innovation Norway - 3	(151)								**(151)**
Instalment Caterpillar Finance	(932)								**(932)**
Lease payments					(7 045)				**(7 045)**
Overdraft facility with DNB/RABO				(9 472)					**(9 472)**
New/increase withdrawal overdraft facility- DNB				(7 000)					**(7 000)**
Proceeds from Trading admittance						7 850	216 328		**224 178**
Net cash flow from financing activities	(76 702)	(73 795)	-	(16 473)	(7 045)	7 850	216 328	-	**50 163**
Non-Cash changes									
Leasing financing (IFRS16)			(3 520)		7 795				**4 275**
NMTC loan settlement 1)			(7 800)						**(7 800)**
Other changes, liability related									
Interest/fees charged to loan	(53)								**(53)**
Effect of changes in foreign exchange rates	185		-		144				**329**
Total liability related changes	132	-	-	-	144	-	-	-	**275**
Balance at 31 December, 2020	215 031	1 334	6 233	12 662	7 539			-	**242 799**

1) The NMTC loan was forgiven and recognized as financial income in the Income statement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the movements in liabilities to cash flow from financing activities in 2019:

Amounts in thousands of U.S. Dollars	Secured bank loans	Proceeds from owner	Other long term loans	Bank overdraft	Other short term loans	Total
Balance at 1 January 2019	**135 337**	**38 629**	**17 815**	**13 587**		**205 368**
Overdraft facility from Lang acquisition				19 900		**19 900**
Changes in Financing cash flows						
New loan from owner- Aker ASA	-	36 500	-	-		**36 500**
Secured bank loan - RCF + TL NewRide - DNB/ RABO	45 000		7 919			**52 919**
Secured bank loan - DNB/GIEK/NEK	112 385					**112 385**
Instalment Secured bank loan - DNB/ GIEK/NEK	(7 033)					**(7 033)**
Instalment Innovation Norway - 1	(396)	-	-	-		**(396)**
Instalment Innovation Norway - 2	(818)	-	-	-		**(818)**
Instalment Innovation Norway - 3	(161)	-	-	-		**(161)**
Instalment Caterpillar Finance	(931)	-	-	-		**(931)**
Instalment Naturex	-	-	(10 015)	-		**(10 015)**
Leasepayments			(3 360)			**(3 360)**
Overdraft facility with DNB/RABO				14 763		**14 763**
Repayment of overdraft from Lang acquisition				(19 900)		**(19 900)**
New/increase withdrawal overdraft facility- DNB		-	-	785		**785**
Total changes in Financing cash flows	148 044	36 500	(5 456)	(4 353)	-	**174 735**
Non-Cash changes						
Loan converted to equity- Aker ASA	-	-	-	-		-
Leasing financing (IFRS16)			13 395		6 646	**20 041**
Other changes, liability related						
Interest/fees charged to loan	-	-	-	-		-
Effect of changes in foreign exchange rates	20	-	-	-		**20**
Total liability related changes	20	-	-	-	-	**20**
Balance at 31 December, 2019	283 401	75 129	25 754	29 135	6 646	**420 064**

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Reconciliation of the movements in liabilities to cash flow from financing activities in 2018:

Amounts in thousands of U.S. Dollars	Secured bank loans	Proceeds from owner	Other long term loans	Bank overdraft	Total
Balance at 1 January 2018	**139 031**	**101 690**	**19 960**	**14 453**	275 134
Changes in Financing cash flows					
New loanfrom owner- Aker ASA	-	62 000	-	-	**62 000**
Increase withdrawal overdraft facility- DNB		-	-	(866)	**(866)**
Instalment Innovation Norway - 1	(601)	-	-	-	**(601)**
Instalment Innovation Norway - 2	(834)	-	-	-	**(834)**
Instalment Innovation Norway - 3	(176)	-	-	-	**(176)**
Instalment -Caterpillar Finance	(931)	-	-	-	**(931)**
Naturex	-	-	(2 145)	-	**(2 145)**
Total changes in Financing cash flows	(2 542)	62 000	(2 145)	(866)	**56 447**
Non-Cash changes					
Loan converted to equity- Aker ASA	-	(125 061)	-	-	**(125 061)**
Other changes, liability related					
Effect of changes in foreign exchange rates	(1 152)	-	-	-	**(1 152)**
Total liability related changes	(1 152)	-	-	-	**(1 152)**
Balance at December 31, 2018	135 337	38 629	17 815	13 587	**205 368**

NOTE 16 – OTHER NON-CURRENT LIABILITIES

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Guarantee premium payable to Aker ASA	-	11 596	9 964
Interest payable to Aker ASA	-	12 185	7 626
Earn out and other non-current liabilities	**31 745**	41 732	-
Pension liabilities	**183**	106	67
Total	**31 928**	65 618	17 657

Aker ASA has issued a guarantee for the Group's secured bank loan with DNB. The Group pays a guarantee fee to Aker ASA of 5 percent of NOK 305 million (guarantee amount). The fee is payable quarterly. The interest payable to Aker ASA in 2019 and 2018 related to the interest-bearing long-term loans from Aker ASA which were repaid in 2020, See Note 15 Interest-bearing debt.

The earn-out period related to Lang Acquisition is from 2019 through 2022 and could, if certain financial targets, EBITDA, are met, result in a gross payment of USD 50 million over the next years, with the last payment in 2023. The payment will range between 0 and USD 50 million, depending on whether the financial targets are met or not. There is a gliding scale between the high and low end.

The fair value of the earn-out element of the contingent consideration arrangement was estimated calculating the present value of the future expected cash flows using on a discount rate of 11%. Of the USD 10.0 million change in Contingent consideration from 2019 to 2020, the Group recognized USD 8.0 million (2019: USD 3.3 million) as financial income to account for the fair value adjustments as per 31 December 2020. As per above this fair value adjustment was due to the discounting effect and lower EBITDA prognosis in the earn-out period. In addition to the earn-out there is a liability of USD 2 .0 million which will be released based on further employment of resources over the next 3 years.

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NOTE 17 – ACCOUNTS PAYABLE AND OTHER PAYABLES

Accounts payable and other payment liabilities comprise the following items:

		As of 31 December,	
Amounts in thousands of U.S. Dollars	**2020**	2019	2018
Accounts payable	**20 255**	23 340	11 469
Accrued expenses	**15 223**	26 311	11 332
Other current liabilities	**3 244**	2 342	4 136
Total	**38 721**	51 994	26 937

Foreign exchange and liquidity risks are described in Note 20.

NOTE 18 – LEASING

The Group implemented IFRS 16 Leases as of January 1, 2019 using the modified retrospective approach. The comparative information presented for 2018 is therefore not restated. At implementation ROU assets and financial lease liabilities in the amounts of USD 4 940 were recognized. The accounting policy for lease agreements prior to the implementation of IFRS 16 was regulated by IAS 17 Leases. For the accounting period January 1 – December 31, 2018 the Group's accounting for leases when acting as lessor is the same as under IFRS 16. When party to a lease agreement as lessee, all leases were recognized as operating leases and the lease payments were expensed as incurred in the profit or loss as an operating expense. IAS 17 did not require the lessee to recognize a right-of-use asset or financial liability in connection with the lease agreement.

The Group leases various types of assets, with the most significant monetarily being the leases for office buildings, warehouses and a tramper 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 to 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 initial measurement of the ROU asset includes the amount of lease liability recognized, any initial direct costs incurred, and the lease payments made at or before the commencement date less any lease incentives received. 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
- The leasing entity's incremental borrowing rate.

The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the ROU asset in a similar economic environment. 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.

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The Group's ROU asset as at 31 December 2020 include:

Amounts in thousands of U.S. Dollars	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2020	16 389	167	**16 557**
Depreciation for the year	(6 133)	(248)	**(6 382)**
Additions to ROU assets	2 595	611	**3 205**
Derecognition of ROU asset	(235)		**(235)**
Balance as of 31 December 2020	**12 616**	**530**	**13 145**

Additions to ROU assets relates to the new lease of the tramper vessel, an office contract in Shanghai, new employee housing lease contracts and the annual CPI adjustments in some of the lease payments. Derecognition of the asset in 2020 of USD 235 thousand relates to exiting from a housing apartment contract.

The Group's ROU asset as at 31 December 2019 include:

Amounts in thousands of U.S. Dollars	Buildings and vessel	Machinery and equipment	Total
Balance as of 1 January 2019	4 870	69	**4 940**
Depreciation for the year	(2 802)	(31)	**(2 833)**
Additions to ROU assets	18 268	129	**18 397**
Derecognition of ROU asset	(3 947)		**(3 947)**
Total	**16 389**	**167**	**16 557**

Derecognition of the ROU asset in 2019 relates mainly to the office relocation at the Fornebu building. The company moved to a larger area and as a result the initial contract was terminated and replaced with a new contract.

AMOUNTS RECOGNIZED IN PROFIT OR LOSS

Amounts in thousands of U.S. Dollars	2020	2019
Expenses related to short-term lease	(1 512)	(884)
Expenses related to low-value asset, excl. short-term	(100)	(40)
Leasing expenses related to variable payments not included in lease liabilities	(304)	(278)
Interest on ROU lease liabilites	(1 069)	(729)
Recognition of difference between lease liability and ROU asset per 1 Jan 2019 on derecognized asset	(1)	424
Effect of changes in foreign exchange rates	(144)	57
Total	**(3 130)**	**(1 450)**
ROU assets recognized in cash flow statement:	(7 045)	(3 360)

FUTURE LEASE LIABILITY PAYMENTS AS OF YEAR-END 2020 AND 2019 (IFRS 16)

Amounts in thousands of U.S. Dollars	2020	2019
Within one year	4 831	6 679
1-2 years	3 116	3 628
3-5 years	5 825	8 301
More than 5 years	-	1 049
Total	**13 772**	19 657

Lease liabilities as of December 31, 2010 totaled USD 13 773 thousand (December 31, 2019: USD 16 681 thousand) of which USD 7 539 thousand (December 31, 2019: USD 10 035 thousand) was classified as current and USD 6 234 thousand (December 31, 2019: USD 6 646 thousand) was classified as non-current. There are no lease liabilities as of December 31, 2018 as this was prior to the implementation of IFRS 16.

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2018 OPERATING LEASE PAYMENTS UNDER IAS 17

Amounts in thousands of U.S. Dollars	**2018**
Lease expense	(4 436)
Sub-lease income	319
Total	**(4 117)**

FUTURE OPERATING LEASE PAYMENTS AS OF DECEMBER 31, 2018, UNDER IAS 17

Amounts in thousands of U.S. Dollars	**Minimum lease payments**
Within one year	1 354
In 1-5 years	4 465
More than 5 years	626
Total	**6 445**

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NOTE 19 – FOREIGN EXCHANGE RATES

In preparing the Group's consolidated financial statements, the following exchange rates have been applied:

Country	Denomi-nation		Average rate year ended 31 December, 2020	Rate at 31 December, 2020	Average rate year ended 31 December, 2019	Rate at 31 December, 2019	Average rate year ended 31 December, 2018	Rate at 31 December, 2018
Norway	NOK	1	0,1064	0,1172	0,1136	0,1139	0,1230	0,1151
European Union (EU)	EUR	1	1,1405	1,2271	1,1192	1,1234	1,1803	1,1450

The monthly average exchange rates and the exchange rates as of 31 December 2020 have been used in translating profit or loss and consolidated statement of financial position items, respectively. If the monthly average fails to provide a reasonable approximation of the exchange rate to apply to the nominal transaction price, then the exchange rate on the date of the transaction will be applied.

NOTE 20 – 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 2017 the Group entered a currency contract with DNB for hedging of future currency risk against NOK in future payment obligations related to the construction of the vessel Antarctic Endurance. The last payment related to this contract was in 2019. In 2020 the company entered a fuel hedge contract with DNB, see further description of the contract below under iii) Fuel price risk.

The recent Covid-19 crisis inherently increases many of these risk factors; markets become more uncertain, operations become more vulnerable to interruptions and policy makers around the world may gravitate towards stricter regulations impacting international trade. As the Covid-19 virus develops across the world, Aker BioMarine is taking measures to mitigate the risk for operational disruptions and reduce risk of outbreaks and its consequences, both offshore and onshore on the production facility in Houston as well as in the offices. Even though the development is followed closely, a worst-case scenario with outbreak in the Houston facility or on the fishing vessels may have significant operational and financial impact. As the Covid-19 virus is having a growing impact on the world economy, including Aker BioMarine's main market, the negative financial impact is uncertain with an unclear ending.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	Gross trade receivable and bad debt provision		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Not at maturity	47 248	29 598	16 609
0-30 days overdue	6 326	7 387	3 255
31-120 days overdue	254	331	508
121- 365 days overdue	553	125	119
More than one year overdue	-	136	160
Total trade receivable	**54 381**	**37 577**	**20 651**
Bad debt provision	**(658)**	**(185)**	**(213)**

Movements in allocation to loss on trade receivable and contract assets

	2020	2019
Balance at 1 January under IFRS 9	(185)	(213)
Impairment loss (write-off) on trade and other receivables	(181)	316
Provision/reversal of impairment loss on trade and other receivables	(278)	41
Write off receivables not provisioned for	-	(329)
Effects of changes in foreign exchange rates	(14)	0
Allocation to loss on trade receivable and contract assets	**(658)**	**(185)**

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

The Group`s two most significant customers account for USD 16.7 million of the receivables carrying amount as of 31 December 2020 (2019: USD 9.8 million, 2018: USD 8.7 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 145 million as of 31 December 2020 (2019: USD 279 million, 2018: USD 192 million).

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

			2020 maturity structure — loans and interest				
Amounts in thousands of U.S. Dollars	Book value at 31 December, 2020	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	207 102	(233 239)	(9 599)	(14 515)	(22 229)	(131 998)	(54 898)
Other non-current interest bearing liabilities	7 919	(8 589)	(134)	(134)	(134)	(8 187)	-
Interest bearing debt, non-current, related parties	1 334	(1 801)	(93)	(93)	(93)	(93)	(1 427)
Overdraft facility	12 673	(12 662)	(12 662)	-	-		
Leasing liabilities (IFRS16)	13 772	(15 499)	(3 720)	(3 080)	(3 235)	(5 464)	-
Total 2020 maturity of loans and interest on interest-bearing debt	**242 799**	**(271 789)**	**(26 208)**	**(17 823)**	**(25 691)**	**(145 743)**	**(56 325)**
Derivatives	8 996	(8 996)	(8 067)	(929)			
Accounts payable and other current liabilities	38 721	(38 721)	(38 721)	-	-	-	-
Non-current non-interest-bearing liabilities	36 745	(36 562)	-			(31 745)	(4 817)
Total liabilities	**327 262**	**(356 068)**	**(72 996)**	**(18 752)**	**(25 691)**	**(177 488)**	**(61 142)**

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			2019 maturity structure — loans and interest				
Amounts in thousands of U.S. Dollars	Book value at 31 December, 2019	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	291 319	(352 221)	(13 631)	(18 482)	(31 805)	(216 273)	(72 029)
Other non-current interest bearing liabilities	7 800	-	-	-	-	-	-
Interest bearing debt, non-current, related parties	75 129	(95 330)	-	-	-	(93 903)	(1 427)
Overdraft facility	29 135	(29 125)	-	-	-	(29 125)	
Leasing liabilities (IFRS16)	16 681	(19 657)	(3 648)	(3 031)	(6 981)	(5 997)	-
Total 2019 maturity of loans and interest on interest-bearing debt	**420 064**	**(496 332)**	**(17 279)**	**(21 513)**	**(38 786)**	**(345 297)**	**(73 456)**
Accounts payable and other current liabilities	51 994	51 994	51 994	-	-	-	-
Non-current non-interest-bearing liabilities	65 618	(75 881)	-	-	(21 866)	(46 315)	(7 700)
Total liabilities	**537 676**	**(520 219)**	**34 714**	**(21 513)**	**(60 652)**	**(391 612)**	**(81 156)**

			2018 maturity structure — loans and interest				
Amounts in thousands of U.S. Dollars	Book value at 31 December, 2018	Nominal values	Up to 6 months	6-12 months	1-2 years	3-5 years	More than 5 years
Secured bank loans	135 337	172 414	5 320	5 305	10 533	145 261	5 995
Other non-current interest bearing liabilities	17 815	18 011	10 211	-	7 800	-	-
Interest bearing debt, non-current, related parties	38 629	47 589	1 483	1 483	2 967	41 656	-
Overdraft facility	13 587	13 587	13 587	-	-	-	-
Forward exchange contract	1 472	1 472	1 472	-	-	-	-
Total 2018 maturity of loans and interest on interest-bearing debt	**206 840**	**253 073**	**32 073**	**6 788**	**21 300**	**186 917**	**5 995**
Accounts payable and other current liabilities	26 937	26 937	26 937	-	-	-	-
Non-current non-interest-bearing liabilities	17 657	17 657	-	-	17 590	-	67
Total liabilities	**251 435**	**297 668**	**59 010**	**6 788**	**38 890**	**186 917**	**6 062**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Market risk

i) 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.

The Group used derivatives to hedge the currency risks related to the instalments on the construction of the vessel, Antarctic Endurance, see Note 7 and Note 9. The hedge was accounted for as a cash flow hedge, where upon reclassification from OCI, the amounts becomes a basis adjustment. The last instalments were paid in 2019. No ineffectiveness was recognized in the consolidated statement of profit and loss over the lifetime of the instrument.

The table below gives aggregated numbers related to the cash flow hedges for the period 2018-2020.

Amount in USD million	2020	2019	2018
Reclassified to expected fixed asset	-	(1.0)	-
Reclassified to related fixed asset from OCI during the year	-	-	0.5

As per 31 December 2018 a liability of USD 1.5 million was recognized and presented under "derivative liabilities" in the consolidated statement of financial position while there were no such instruments as of 31.12.2019. As of 31.12.2020 the Group recognized an asset of USD 7.7 million and a liability of USD 9.0 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 at year end.

	Year ended 31 December, 2020		Year ended 31 December, 2019		Year ended 31 December, 2018	
Amounts in thousands of U.S. Dollars	Euro	NOK	Euro	NOK	Euro	NOK
Accounts receivable	**2 856**	**7 228**	2 739	2 865	2 814	906
Cash	**555**	**(8 742)**	(5 086)	(10 237)	-	968
Secured bank loan	**(100)**	**(4 448)**	116	(15 426)	-	(14 634)
Accounts payable	**(2 272)**	**(7 591)**	(3 409)	(7 852)	(2 414)	(4 327)
Other balance sheet items	-	-	-	(9 424)	(284)	(3 269)
Gross balance sheet exposure	**1 039**	**(13 553)**	(5 640)	(40 074)	116	(20 356)
Currency forwards						
Net exposure	**1 039**	**(13 553)**	(5 640)	(40 074)	116	(20 356)

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 1.4 million related to NOK, respectively.

ii) 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 2020 would have affected the Group's profit before tax with USD 1.2 million. (2019: USD 3.6 million, 2018: USD 1.8 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:

Amounts in thousands of U.S. Dollars	Year ended 31 December, 2020	Effective interest rate year ended 31 December, 2020	Year ended 31 December, 2019	Effective interest rate year ended 31 December, 2019	Year ended 31 December, 2018	Effective interest rate year ended 31 December, 2018
Fixed-interest instruments						
Secured loans from Innovasjon Norge			(10 587)	5,27 %	(11 937)	5,45 %
Loan from Antarctic Harvesting Holding AS	**(1 334)**	7.00%	(1 334)	7.00%	(1 334)	7.00%
Secured bank loan - DNB/GIEK/NEK	**(95 994)**	3,1 %	(105 357)	6,4 %		
Net fixed interest instruments	**(97 328)**		(117 278)		(13 271)	
Floating-interest instruments						
Financial assets						
Cash and cash equivalents	**10 678**	variable *)	13 610	variable *)	2 515	variable *)
Financial liabilities						
Secured bank loan - RCF + TL - DNB/ RABO	**(52 919)**	3.11%	(52 919)	5,4 %		
Secured bank loan - DNB/GIEK/NEK						
cash and cash equivalents	**(527)**	3,95 %	(683)	5,27 %	(863)	4,92 %
Secured bank loan - Innovasjon Norge	**(3 161)**	2,85 %				
Secured bank loan - Innovasjon Norge	**(6 406)**	2,85 %				
Secured bank loan - Caterpillar Finance	**(1 397)**	4,21 %	(2 328)	6,44 %	(3 259)	6,15 %
Secured bank loan - DNB	**(54 616)**	3,66 %	(119 446)	6,02 %	(119 275)	6,61 %
Liquidity loan from Aker ASA	-		(73 795)	7,38 %	(37 295)	8,07 %
Seller Credit Naturex	-	-	-	-	(10 015)	3,70 %
New Market Tax Credit US (NMTC loan)	**Settled**		(7 800)	3,40 %	(7 800)	3,40 %
Overdraft facility	**(12 673)**	variable **)	(29 135)	variable **)	(13 588)	variable **)
Leasing liabilites (IFRS16)	**(13 772)**	variable **)	(16 681)	variable **)		
Net variable interest instruments	**(134 793)**		(289 176)		(189 582)	
Total net interest-bearing debt	**(232 121)**		(406 454)		(200 339)	

*) 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 calculated

iii) Fuel price risk

One of the Group's significant operating costs is the fuel cost. As such, the Group is exposed to fuel price fluctuations since the vessels use fuel while steaming and in production. The profitability and cash flow of the Group will therefore depend upon the market price of fuel. The Group did not hedge the fuel price in 2018 and 2019 but monitored movement in prices closely in order to implement other actions. In June 2020 Aker BioMarine Antarctic AS signed a contract to hedge MGO fuel by using call options for 2021-2024 to protect fuel cost. The four-year hedging program aims to reduce the risk of a potential sharp oil price rebound. Total volume over the four-year period is 137 665 MT of MGO. The options were bought at a premium of USD 9.0 million and will be settled as they are due as from Q1 2021. The purpose of the instruments is to secure the future cash-flows from operating the company's fleet, and as such the hedging object is the future fuel consumption.

The fuel hedge has the following carrying amount, notional amount and premiums per year.

Amounts in thousands of U.S. Dollars	2020
Carrying amount	
Derivative liability fuel options, non current	(8 996)
Derivative assets fuel options, non current	7 743
Total	**(1 253)**

Maturity date: January 2021 - December 2024

Amounts in thousands of U.S. Dollars	2021	2022	2023	2024	**Total**
Notional amount in MT	37 757	33 332	33 370	33 206	**137 665**
Weighted average strike rate for outstanding call options					**479**
Premiums from the trade-confirmations					
Deal 000622A	(812)	(931)	(699)	(873)	**(3 315)**
Deal 00062X	(794)	(788)	(497)	(634)	**(2 714)**
Deal 00062E	(717)	(832)	(634)	(785)	**(2 968)**
Total premium liability					**(8 996)**

The difference between the value of the derivative asset and the premium amounting to USD 1.3 million as of 31 December 2020 has been recognized as Other financial expense in the Consolidated statement of profit or loss.

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.

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Per 31 December 2020	Carrying amount											Fair value
	Fair value through P&L	Derivates (not hedge accounting)	Amortised cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts	**Total book value**	Level 1	Level 2	Level 3	**Total fair value**
Amounts in thousands of U.S. Dollars	Fair value through P/L			Qualified for hedge accounting								
											129	**129**
Other non-interest-bearing non-current assets	129							**129**				**0**
Accounts receivables			53 724					**53 724**				**7 743**
Other forward contracts							7 743	**7 743**		7 743		**0**
Other non-interest-bearing current receivables			10 388					**10 388**				**10 678**
Cash and cash equivalents			10 678					**10 678**		10 678		**18 550**
Total financial assets	**129**	**-**	**74 789**	**-**	**-**	**-**	**7 743**	**82 661**	**-**	**18 421**	**129**	**63 209**
Secured bank loans			195 091					**195 091**		195 091		**195 091**
Interest-bearing non-current liabilities			7 919					**7 919**		7 919		**7 919**
Interest-bearing current liabilities,external			12 010					**12 010**		12 010		**12 010**
Other interest free liabilities, non-current			31 745					**31 745**				**0**
Loan from Antarctic Harvesting Holding AS			1 334					**1 334**		1 334		**1 334**
Leasing liabilities			13 772					**13 772**		13 772		**13 772**
Other forward contracts							8 996	**8 996**		8 996		**8 996**
Overdrafts			12 673					**12 673**		12 673		**12 673**
Accounts payable and other interest free liabilities	-		35 476					**35 476**				**0**
Total financial liabilities		**-**	**310 019**	**-**	**-**	**-**	**8 996**	**319 015**	**-**	**251 795**	**-**	**251 795**

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Per 31 December 2019								Carrying amount				Fair value
	Fair value through P&L	Derivates (not hedge accounting)	Amortised cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts	**Total book value**	Level 1	Level 2	Level 3	**Total fair value**
Amounts in thousands of U.S. Dollars	Fair value through P/L			Qualified for hedge accounting								
Other non-interest-bearing non-current assets			145					**145**		145		**145**
Accounts receivables	133		49 454					**49 587**		49 454		**49 454**
Other non-interest-bearing current receivables			1 185					**1 185**		1 185		**1 185**
Cash and cash equivalents			12 425					**12 425**		12 425		**12 425**
Total financial assets	**133**	-	**63 209**	-	-	-	-	**63 342**	-	**63 209**	-	**63 209**
Secured bank loans			266 590					**266 590**		266 590		**266 590**
Interest-bearing non-current liabilities			7 919					**7 919**		7 919		**7 919**
Interest-bearing current liabilities,external			24 611					**24 611**		24 611		**24 611**
Loan from AKER ASA			73 795					**73 795**		73 795		**73 795**
Loan from Antarctic Harvesting Holding AS			1 334					**1 334**		1 334		**1 334**
Leasing liabilities			16 681					**16 681**		16 681		**16 681**
Overdrafts			29 135					**29 135**		29 135		**29 135**
Accounts payable and other interest free liabilities			89 390					**89 390**		89 390		**89 390**
Total financial liabilities	-	-	**509 454**	-	-	-	-	**509 454**	-	**509 454**	-	**509 454**

Per 31 December 2018								Carrying amount				Fair value
	Fair value through P&L	Derivates (not hedge accounting)	Amortised cost	Fair value through OCI	Interest rate swaps	Forward exchange contracts	Other derivate contracts	**Total book value**	Level 1	Level 2	Level 3	**Total fair value**
Amounts in thousands of U.S. Dollars	Fair value through P/L			Qualified for hedge accounting								
Other non-interest-bearing non-current assets	1 673		353					**2 026**		2 026		**2 026**
Accounts receivables			28 284					**28 284**		28 284		**28 284**
Other non-interest-bearing current receivables			1 526					**1 526**		1 526		**989**
Cash and cash equivalents			989					**989**		989		**989**
Total financial assets	**1 673**	-	**31 152**	-	-	-	-	**32 288**	-	**32 825**	-	**32 288**
Secured bank loans			132 995					**132 995**		132 995		**132 995**
Interest-bearing non-current liabilities			7 800					**7 800**		7 800		**7 800**
Interest-bearing non-current liabilities,external			12 357					**12 357**		12 357		**12 357**
Loan from AKER ASA			37 295					**37 295**		37 295		**37 295**
Loan from Antarctic Harvesting Holding AS			1 334					**1 334**		1 334		**1 334**
Forward exhange contracts						1 472		**1 472**		1 472		**1 472**
Overdrafts			13 587					**13 587**		13 587		**13 587**
Accounts payable and other interest free liabilities			25 846					**25 846**		25 846		**25 846**
Total financial liabilities	-	-	**192 585**	-	-	**1 472**	-	**194 057**	-	**194 057**	-	**194 057**

Capital management

One objective of the Group's asset management is to build and maintain financial flexibility to realize its strategic goals. The capital structure should reflect the Group's operational risk and offer flexibility for potential investments.

The Group manages its capital structure and makes any necessary modifications based on an ongoing assessment of the financial conditions under which the business operates, and short- to medium term projections. The Group is in a development and growth phase and thus subject to higher volatility in its net cash flows than a mature company in addition to re-investing any cash proceeds into further growth.

During the year the company's shares were admitted to trading on Euronext Growth (formerly Merkur Market). As part of the admission the Company raised USD 224 million from of a private placement. Part of the raised capital was used to pay debt to Aker ASA as well as down-payments on the Company's external debt. The remaining capital has been maintained to secure the funding of future development of the business, such as investments in a pilot plant for production of Protein (INVI). As of 31 December 2020, the Group had USD 93 million in available liquidity, see note 15.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 – 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 discussed in Note 4, the Group has been involved in a patent dispute regarding the Juvel production related assets during the reporting periods. The legal proceedings ended in July 2020 and the associated costs have been recognized in 'Other operating expenses' in the Statement of profit or loss. The Company is not aware of any such proceedings which are pending or threatened.
As per 31 December 2020, 31 December 2019 and 31 December 2018, no provisions were made for legal claims.

NOTE 22 – 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 23 for remuneration to key management.

Aker ASA is the controlling shareholder of the Group.

	As of 31 December,,		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Office rent, facilities services and IT	(1 513)	(1 404)	(1 084)
Interest expenses and guarantee fee	(4 631)	(6 292)	(6 555)
Total	**(6 144)**	**(7 696)**	**(7 639)**

The interest expense relates to the interest-bearing debt to Aker ASA which were repaid in August 2020. 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).

Director of the Board, Frank Reite, is the Chairman of the Board in Converto AS (earlier Converto Consulting AS) a consulting company assisting the Group in structuring of the Offshore organization and hiring new EVP of Offshore Supply chain. Total fee paid in 2020 is USD 65 thousand excl VAT.

David Lang is the former owner and current president of Lang Pharma Nutrition, Inc. The Group has a receivable due from David Lang of USD 236 thousand. Of that amount, USD 233 thousand, relates to a tax allocation per the stock purchase agreement and was repaid subsequently to year-end. The remaining amount consists of life insurance premiums and credit card charges (non-business related).

NOTE 23 – SALARIES AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Board remuneration

		As of 31 December,,		
Amounts in U.S Dollars	Board membership	2020	2019	2018
Ola Snøve	Chairman of the Board	-	56 794	91 129
Kjell-Inge Røkke*	Board member	-	-	-
Øyvind Eriksen*	Board member	-	-	-
Frank O. Reite*	Board member	10 638	-	-
Sindre Skjong**	Employee representative	-	-	-
Line Johnsen***	Employee representative	-	-	-
Total		**10 638**	**56 794**	**91 129**

* Elected at annual shareholder meeting February 2016
** Employee representative from August 2019
** Employee representative from June 2020

The fee paid to Frank O. Reite relates to second half of 2019. The fee paid to the Chairman of the Board in 2018 relates to both 2018 and 2017 and was paid in full in 2018. There is no remuneration paid to the Board members and Employee representative other than ordinary salaries. See also Note 22 Related parties.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 does not offer any share incentive programs for employees. However, in April 2019, Aker ASA sold 2% of the shares in the company to a holding company of the CEO and granted a loan for approx. 90% of the purchase price. The holding company accepted a 5-year lock-up period and will have a right to sell the shares in case of an IPO or a private sale (tag-along and drag-along). The sale was carried out at fair market value, and a future sale will be based on the same valuation methodology. External consultants were used to perform the valuation.

There is no bonus program for the employees. However, in relation to the admission to trading on Euronext Growth in July 2020, all employees received a bonus of NOK 15k each. Based on the company's performance in 2020, management team has been awarded a bonus totaling USD 1.2 million (2019: USD 0.7 million), the CEO is eligible to USD 0.2 million (2019: USD 0.2 million) of this bonus. The bonus was paid in 2020.

Salary and compensation to EMT

Amounts in U.S Dollars		2020				2019			
Name	Current position within the Company	Salary	Bonus	Pension	Total	Salary	Bonus	Pension	Total
Matts Johansen	Chief Executive Officer (CEO)	420	200	10	620	450	200	10	660
Katrine Klaveness	Chief Financial Officer (CFO)	240	180	10	430	240	30	10	280
Tim de Haas	EVP Human Health and Nutrition	200	130	10	340	210	40	10	260
Kristine Hartmann	EVP Transformation Jan-Sep 2020	140	60	10	210	200	50	10	260
Hege Spaun	EVP Transformation Oct-Dec 2020	30	-	-	30	-	-	-	-
Tone Lorentzen	EVP Supply Chain	230	140	10	380	240	60	10	310
Shauna McNeill	EVP Innovation	160	120	10	290	140	0	0	140
Sigve Nordrum	EVP Animal Health and Nutrition	190	130	30	350	200	50	30	280
Todd Norton	EVP Special Advisor	230	110	10	350	230	70	10	310
Webjørn Barstad	EVP Offshore (From Dec 2020)	20	-	-	20	-	-	-	-
Trond Atle Smedsrud	EVP Strategic Investments	250	150	10	410	270	50	10	330
Total		**2 110**	**1 220**	**110**	**3 430**	**2 180**	**550**	**100**	**2 830**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 – GROUP COMPANIES

As per 31 December 2019 Aker ASA owned 98% of the shares in the company. The remaining 2% were owned by the Group CEO through his wholly owned company KMMN Invest II AS. The total number of shares was 69 053 544 with par value of NOK 6.00 per share. There was no change in number of shares outstanding through 2018 and 2019. All shares had equal rights and obligations, except for restrictions as mentioned below under Assessment of non-controlling interests.

The Company was admitted to trading on Euronext Growth (previously Merkur Market) on 6 July 2020. As part of the admission to trading, Aker ASA reduced its ownership to 78% and KMMN Invest II reduced its ownership to 1.1%. The total number of shares was increased to 87 586 086 shares with par value NOK 6.00 each. Net capital contribution from the listing was USD 224 million.

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 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.

Presentation in the Group's statement of financial position:

The Group has assessed that the Company has a contractual obligation to deliver cash to AHH. It follows from IAS 32 AG6 that perpetual debt, a contractual right to receive interest on a fixed date extending into indefinite future, with or without a right to a return if the principal, is a financial liability and not equity. Based on this the Company has assessed that the share capital (with interest rate payment) should be treated as a liability in the Group's Statement of financial position. The NOK 11 million has therefore been treated as a liability as of 31 December in the reporting periods.

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the Group in 2020 included the following subsidiaries:

Company	Shareholding in %	Voting rights in %	Administrative headquarters Location	Administrative headquarters 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 AS has all voting rights except for certain fundamental matters which require consent from both shareholders

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the Group in 2019 included the following subsidiaries:

Company	Shareholding in %	Voting rights in %	Administrative headquarters 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 Inc	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India 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
Aker BioMarine New Zealand Ltd	100	100	Nelson	New Zealand

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the Group in 2018 included the following subsidiaries:

Company	Shareholding in %	Voting rights in %	Administrative headquarters Location	Country
Aker BioMarine Antarctic AS	40	100*	Lysaker	Norway
AKBM Antarctic S.A. (dormant)	100	100	Nueva Palmira	Uruguay
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 Inc	100	100	Wilmington	USA
Aker BioMarine (Thailand) Ltd	100	100	Bangkok	Thailand
Aker BioMarine India Ltd	100	100	Mumbai	India
NewRide LLC	100	100	Issaquah	USA
Epion Brands LLC	100	100	Issaquah	USA

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

AKER BIOMARINE GROUP ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 – EARNINGS PER SHARE

	As of 31 December,,		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Continued operations:			
Net profit (loss)	(5 463)	(23 750)	(1 022)
Minority interest	-	-	-
Profit (loss) from continued operations attributable to Equity holders of the parent	**(5 463)**	**(23 750)**	**(1 022)**
Number of shares			
Share outstanding as per 1 January	69 053 544	69 053 544	69 053 544
Change from Trading admittance	18 532 542		
Shares outstanding as per 31 December	**87 586 086**	**69 053 544**	**69 053 544**
Weighted average number of shares as per 31 December	78 062 419	69 053 544	69 053 544
Earnings per share			
Basic	(0,07)	(0,34)	(0,01)
Dilluted	(0,07)	(0,34)	(0,01)

NOTE 26 – EVENTS AFTER THE END OF THE REPORTING PERIOD

Delivery of Antarctic Provider

In February 2021, a Group company, Aker BioMarine Antarctic AS, took delivery of its new state-of-the-art supply vessel, The Antarctic Provider. Antarctic Provider was delivered at the CIMC Raffles yard in Yantai, China 5 February 2021 and is expected to be operational early Q2 2021. The vessel will immediately enter service, and fully replace La Manche, the Group's existing supply vessel, before its class expires in October 2021. Compared with La Manche, Antarctic Provider offers several improvements and efficiencies to the Group's offshore operation and is expected to generate savings for the years to come. Antarctic Provider was delivered on time, and on budget. Total project purchase price amounted to USD 75.0 million which was 80% debt financed, including a facility tranche from GIEK and Export Credit Norway.

First pharma partnership

On 11 January 2021, Aker BioMarine announced that the company has entered into a partnership with serial biotech entrepreneur Dr. Michael Davidson and his wholly owned company Medical Food Solutions Research. The agreement constituted development of pharmaceutical therapies for brain and eye health based on Aker BioMarine's product Lysoveta™, LPC bound EPA/DHA. This was the first commercial pharmaceutical agreement for the company's new Lysoveta™ business area. Under the terms of the agreement, a new company will be established to develop the therapies for treatment of brain and eye diseases.

Launch of INVI™, a novel protein for human consumption

Aker BioMarine expanded its ingredient portfolio with the launch of INVI™, as announced on 14 January 2021. INVI™ is a hydrolyzed protein isolate with a complete amino acid profile, and is also rich in minerals, including calcium and magnesium. INVI™ is ideal for incorporation into powder and ready-to-drink beverages, as well as broader food and beverage applications for brands looking to grow their product portfolio with a high quality and sustainable protein source. With INVI™, Aker BioMarine aims to penetrate the global retail protein market of USD 34 billion, with a focus on the sports segment.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

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. There need to be a defined launch period with a clear end date.
- 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 9 'Property, plant and equipment' under line items 'Depreciation for the year' and 'Impairment'.

AKER BIOMARINE GROUP ACCOUNTS

ALTERNATIVE PERFORMANCE MEASURES (APMS)

The following comprises the items included un Special Operating Items over 2020, 2019 and 2018.

	As of 31 December,		
Amounts in thousands of U.S. Dollars	2020	2019	2018
Net loss	**(5 463)**	**(23 751)**	**(1 022)**
Tax expense	6 151	415	(259)
Financial income	(16 794)	(1 604)	(257)
Financial expenses	22 827	26 626	14 393
Net foreign exchange gain/loss	279	1 075	(2 596)
Operating profit	**7 000**	**2 762**	**10 258**
Depreciation, amortization and impairment	49 644	42 931	22 860
EBITDA	**56 644**	**45 693**	**33 118**
Special operating items	21 462	7 346	5 901
Consisting of:			
Juvel gain and operating cost - 'Gains/ losses on sale of assets'/ 'Other'	(690)	2 620	4 495
Lang and Enzymotech transaction - 'Transaction related costs'	-	1 298	1 406
Kori national brand US launch - 'Launch cost'	17 016	3 428	-
Oslo Børs listing - 'Transaction related costs'	2 155	-	-
Private charter flights - 'Other'	1 519	-	-
Crew cost - 'Other'	1 462	-	-
Adjusted EBITDA	**78 106**	**53 039**	**39 019**

ALTERNATIVE PERFORMANCE MEASURES (APMS)

Juvel gain, operating cost and legal expenses:
In 2018 there was a fire in the superstructure when the vessel Juvel was docked in Montevideo. In 2019, the vessel had not in any way been used in the ordinary course of business as intended by management. As part of the repair work the Group incurred significant costs while in Montevideo. These costs are recognized in the Profit or loss and have been reimbursed from the Group's insurer. The vessel was sold in Q2 2020, yielding a net gain which has been adjusted out as a Special operating Item. For further details concerning the sale of the vessel, please refer to Note 2. In addition, during 2019 and 2020 the company has been in certain legal disputes regarding the Juvel production related assets. Given the complexity of the legal proceedings, costs have been material.

Lang and Enzymotec transaction:
On 1 March 2019 the Group acquired Lang Pharma. The transaction related costs have been booked as an operating expense and recognized in the Profit or loss under IFRS 3 'Business Combinations'. Given the complexity of the transaction and being cross-border, transaction related cost has been material. The amount is non-recurring, and no Lang acquisition costs are recognized after Q4 2019. For further detail on the Lang transaction see the annual financial statements from 2019.

In 2018 a subsidiary of the company, Aker BioMarine Antarctic AS, entered into an agreement to acquire the krill business from Enzymotec. The transaction was accounted for as an IFRS 3 transaction, implying that transaction related costs have been expensed as incurred.

Kori national brand US launch including start-up cost:
As part of the Lang transaction, the Group has launched its own national brand in the US. The incurred costs have been material (aggregated USD 17 million) from start date up until December 2020.. These costs include employment of Epion management team, R&D on specially designed packaging and capsules, general start-up cost, and significant market development costs.

Furthermore, the Group assesses the national brand launch to be a Special operating item as the Group has incurred significant costs to enter the largest retail chains in the US. These costs, which predominantly include marketing spend, has been a necessity for the Group to obtain shelf space for Kori krill oil with the retailers. The marketing spend has been used on TV, paper, digital and radio advertisements of Krill oil The purpose of the launch campaign was to quickly establish Kori brand awareness, that in turn would generate the necessary sales at the retailers to earn the given shelf space.

At 31 December 2020 the initial launch investment was finished. Epion is now evaluating the results from the initial investment and will use the data generated from the 2020 marketing activities to optimize marketing activities for 2021 and beyond.

Admission to Euronext Growth and preparatory work to be listed on Oslo Børs in 2021:
The company was admitted to trading on Euronext Growth (previous name: Merkur Market) on 6 July 2020 and is currently in the process of listing on Oslo Børs. Costs directly attributable to the admission on Euronext Growth has been netted against the raised amount and recognized in equity. Other substantial costs the company has incurred such as audit, investor presentations and roadshow in relation to the Euronext Growth admission or preparatory work to be listed on Oslo Børs has been considered a Special Operating Item.

Private charter flights:
The Group is dependent on getting crew in and out of Antarctica safely. With significant restrictions on global travel for large parts of 2020 limiting the availability of commercial flight options, the Group made extensive use of private charter flights from one specific vendor. This was done to ensure that the harvesting operation could continue as planned whilst maintaining the safety of the crew. In total, planes were chartered for 6 trips between Oslo and Montevideo and 3 trips between Moscow and Oslo, resulting in a cost of USD 2.1 million during the year. These costs were recorded as cost to inventory (i.e. no impact on Profit or loss in that period) as per the Group's accounting policy. The cost of flying the equivalent number of crew commercially is estimated at USD 0.25 million, resulting in an estimated net incremental cost of USD 1.85 million. The 'Cost of goods sold' impact after these expenses is estimated to USD 1.5 million and is as such considered material and non-recurring in nature compared to ordinary operational expenses. See Note 1 for further details.

Crew cost:
The Group's crew are entitled to overtime payments for any amount of time worked beyond their contractually defined shift duration. A challenging travel environment in 2020 meant that it was, in some cases, logistically impossible to get crew home from the Southern Ocean before their shift ended. This resulted in a total of USD 1.9 million in overtime payments during the year. The 'Cost of goods sold' impact after these expenses is estimated to USD 1.4 million and is as such considered material and non-recurring in nature compared to ordinary operational expenses. See Note 1 for further details.

2020

AKER BIOMARINE

FINANCIAL STATEMENT

AKER BIOMARINE AS ACCOUNTS

STATEMENT OF PROFIT OR LOSS

for the year ended December 31

Amounts in thousands of U.S. Dollars	Note	**2020**	2019
Operating revenues	2	**117**	224
Revenues from Group companies	12	**11 069**	11 299
Total revenues		**11 186**	11 523
Salaries and other payroll expenses	3, 14	**(7 774)**	(7 525)
Other operating expenses	4	**(7 415)**	(7 419)
Operating expenses Group companies	12	**(356)**	(473)
Operating profit/loss before depreciation, amortization and impairment		**(4 359)**	(3 895)
Depreciation, impairment, and amortization	7	**(136)**	(163)
Operating loss		**(4 495)**	(4 058)
Interest income from Group companies	12	**14 300**	15 924
Net foreign exchange gain / loss (-)		**303**	(309)
Other interest income and financial income	13	**5**	526
Interest and guarantee expenses to Group companies	12	**(6 714)**	(8 551)
Other financial expenses	13	**(5 089)**	(8 355)
Net financial items		**2 806**	(766)
Net loss before tax expense		**(1 689)**	(4 824)
Tax expense	6	**-**	-
Net loss		**(1 689)**	(4 824)
Allocation of loss for the year			
Loss for the year		**(1 689)**	(4 824)
Transferred to accumulated loss		**1 689**	4 824
Total		-	-

BALANCE SHEET

as of 31 December

Amounts in thousands of U.S. Dollars	Note	**2020**	2019
ASSETS			
Property, plant and equipment	7	**398**	562
Intangible assets	7	**-**	-
Shares in subsidiaries and other companies	8	**305 822**	305 464
Long-term receivables from Group companies	12	**226 352**	198 717
Total non-current assets		**532 572**	504 744
Accounts receivable and other non-interest-bearing receivables		**592**	334
Current receivables from Group companies	12	**38 978**	20 989
Cash and cash equivalents	11	**303**	361
Total current assets		**39 873**	21 684
Total assets		**572 444**	526 428
EQUITY AND LIABILITIES			
Share capital	5	**75 853**	68 003
Share premium	5	**472 718**	256 386
Total paid-in capital		**548 571**	324 389
Accumulated loss	5	**(41 665)**	(35 195)
Total equity		**506 906**	289 194
Interest-bearing loans	9	**54 616**	119 446
Pension liabilities	10	**183**	106
Other long term debt to Group companies and related parties	12	**-**	73 795
Total non-current liabilities		**54 798**	193 347
Current debt to related parties	12	**954**	24 744
Accounts payable and other current liabilities		**4 887**	4 656
Bank overdraft	9	**4 900**	14 487
Total current liabilities		**10 740**	43 887
Total liabilities		**65 539**	237 234
Total equity and liabilities		**572 444**	526 428

Fornebu, February 22, 2021
The Board of Directors and CEO of Aker BioMarine AS

Ola Snøve
Chair of the Board

Kjell Inge Røkke
Director

Øyvind Eriksen
Director

Sindre Skjong
Director, elected by the employees

Line Johnsen
Director, elected by the employees

Frank O. Reite
Director

Matts Johansen
CEO

AKER BIOMARINE AS ACCOUNTS

CASH FLOW FOR THE YEAR

for the year ended December 31

Amounts in thousands of U.S. Dollars	Note	**2020**	2019
Net loss before tax expense		**(1 690)**	(4 824)
Net expensed interest, interest paid and received	12,13	**(6 940)**	3 371
Depreciation, impairment, and amortization	7	**136**	163
Unrealized foreign exchange (gain) / loss and other non-cash-generating items		**61**	(47)
Changes unrealized position cash flow hedge	5, 13		1 472
Changes in ordinary operating items		**(39 576)**	(2 615)
Net cash flow from operating activities		**(48 009)**	(2 479)
Payments for fixed and intangible assets	7	**20**	(572)
Net cash flow from long term receivables	12	**(27 984)**	(34 084)
Net cash flow from investment activities		**(27 964)**	(34 656)
Capital Increase		**224 182**	
Proceeds, new short-term loans, related parties	12	**(138 795)**	36 500
Change in bank overdrafts	9	**(9 472)**	784
Net cash flow from financing activities		**75 915**	37 284
Net change in cash and cash equivalents		**(58)**	149
Effect of changes in foreign exchange rates on cash and cash equivalents			
Cash and cash equivalents as of January 1		**361**	213
Cash and cash equivalents as of December 31		**303**	361

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 AS has U.S. Dollars as functional currency and the financial statements are presented in U.S. 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 2020, 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 period. 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 2020 are distributed as follows:

Amounts in thousands of U.S. Dollars	Norway	EU	North America	Other	Total
Other revenue	117	-	-	-	**117**
Management fee from Group companies	11 034	-	18	16	**11 068**
Total operating revenues	11 151	-	18	16	**11 185**

Operating revenues in 2019 are distributed as follows:

Amounts in thousands of U.S. Dollars	Norway	EU	North America	Other	Total
Other revenue	224	-	-	-	**224**
Management fee from Group companies	11 265	-	18	16	**11 299**
Total operating revenues	11 489	-	18	16	**11 523**

NOTE 3 – SALARIES AND OTHER PAYROLL EXPENSES:

Salaries and payroll expenses comprise of the following:

Amounts in thousands of U.S. Dollars	2020	2019
Salaries	**(6 081)**	(5 495)
Other personnel costs	**(205)**	(605)
Employer's social security contribution	**(903)**	(796)
Pension expenses	**(585)**	(629)
Total	**(7 774)**	(7 525)
Average number of FTE	50	44

NOTE 4 – OTHER OPERATING EXPENSES

Other operating expenses comprise the following:

Amounts in thousands of U.S. Dollars	**2020**	2019
Professional services	**(3 330)**	(4 201)
Office rent	**(1 018)**	(920)
Travel	**(73)**	(562)
Other operating expenses	**(2 995)**	(1 736)
Total other operating expenses	**(7 415)**	(7 419)

Remuneration paid to the auditor is presented within other operating expenses[1]:

Amounts in thousands of U.S. Dollars	**2020**	2019
Ordinary auditing services	**213**	140
Other services	**8**	1
Tax advisory	**9**	-
Total	**229**	141

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 87 586 086 shares issued, each with a par value of NOK 6.00. All shares are equal in all respects.

As of December 31, 2020, Aker ASA owns 77.8% of the shares in the Company, 1.1% are owned by the Company's CEO through a holding company (ref. note 14), and the remaining 21% shares by other investors subsequent to the trade admittance in July 2020.

Changes in equity are set forth below:

Amounts in thousands of U.S. Dollars	Share capital	Share premium	Accumulated loss	Total equity
Equity as of December 31, 2017	63 684	135 644	(22 739)	176 588
Acturial gain (loss)			119	119
Cash Flow Hedges gain (loss)			(4 625)	(4 625)
Debt Conversion	4 319	120 742		125 061
Loss for the year			(4 489)	(4 489)
Equity as of December 31, 2018	68 003	256 386	(31 735)	292 654
Acturial gain (loss)			(106)	(106)
Cash Flow Hedges recycled to profit and loss			1 472	1 472
Loss for the year			(4 824)	(4 824)
Equity as of December 31, 2019	68 003	256 386	(35 193)	289 194
Acturial gain (loss)			(-80)	(79)
Capital Increase	7 850	216 332		224 182
Correction from last year			(-4 703)	(4 702)
Debt Conversion				-
Loss for the year			(-1 689)	(1 689)
Equity as of December 31, 2020	75 853	472 718	(41 665)	506 906

The 20 largest shareholders as per 31 December 2020:

Shareholder	Number of shares	Per cent
AKER CAPITAL AS	68 132 830	77,8
The Bank of New York Mellon SA/NV	948 797	1,1
J.P. Morgan Bank Luxembourg S.A.	941 950	1,1
KMMN INVEST II AS	920 714	1,1
J.P. Morgan Bank Luxembourg S.A.	894 423	1,0
DANSKE INVEST NORSKE INSTIT. II.	736 406	0,8
U.S. Bank National Association	712 117	0,8
VERDIPAPIRFONDET DNB NORGE	697 281	0,8
UBS AG	661 862	0,8
Danske Bank A/S	614 152	0,7
HSBC Bank Plc	551 258	0,6
BNP Paribas Securities Services	551 218	0,6
VERDIPAPIRFONDET ALFRED BERG GAMBA	508 447	0,6
Danske Invest Norge Vekst	435 870	0,5
Norron Sicav - Target	435 328	0,5
CENTRA INVEST AS	410 000	0,5
VPF DNB AM NORSKE AKSJER	365 539	0,4
State Street Bank and Trust Comp	307 954	0,4
DANSKE INVEST NORSKE AKSJER INST	307 100	0,4
VJ INVEST AS	272 656	0,3
Total	**79 405 902**	**90,7**

NOTE 6 – TAX EXPENSE AND DEFERRED TAX

Amounts in thousands of U.S. Dollars	**2020**	2019
Income tax expense		
Current tax on profits for the year (22%)	**-**	-
Change in deferred tax	**4 800**	4 798
Effect of change in tax rate	**-**	-
Unrecognized change in deferred tax assets	**(4 800)**	(4 798)
Income tax expense	**-**	-
Tax base		
Profit (loss) before tax	**(1 689)**	(4 824)
Currency translation from USD to NOK		
Tax base (statutory tax purposes)	**(1 689)**	(4 824)
Tax base (statutory tax purposes)	**(1 689)**	(4 824)
Expenses not tax deductible	**37**	57
Interest rate deductability	**-**	523
Change in deferred tax	**1 056**	1 811
Tax base	**(597)**	(2 433)
Tax loss carried forward	**597**	2 433
Tax base	**-**	-

Temporary differences	2020	2019
Property, plant and equipment and intangible assets	**115**	103
Gain and loss accounts	**87**	106
Post employment benefit liabilities	**(183)**	(106)
Net deferred tax assets	**19**	103
Tax losses carried forward	**(104 417)**	(100 182)
Interest rate deductability carry forward	**(17 044)**	(16 563)
Basis for deferred tax asset	**(121 442)**	(116 642)
Deferred tax asset (22%)	**(26 717)**	(25 661)
Unrecognized deferred tax assets	**26 717**	25 661

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.

Since 2008 Aker Biomarine AS has been involved in discussions with the tax authorities concerning deductibility of losses on receivables. The Norwegian Tax authorities concluded that losses of NOK 296 million was not deductible.

Aker Biomarine AS has appealed the decision to The Norwegian Tax Appeal Board ("Skatteklagenemnda") and are currently waiting for their conclusion. The appealed losses are not part of the tax losses carried forward as presented in the above table.

NOTE 7 – FIXED ASSETS AND INTANGIBLE ASSETS

Amounts in thousands of U.S. Dollars	Furnitures & fixtures	Develop-ment	Licence agreements	Total
Acquisition cost as of January 1, 2020	**659**	**0**	**(0)**	**659**
Investments	20			20
Retirement	(47)	-	-	(47)
Acquistion cost as of December 31, 2020	**632**	**0**	**(0)**	**632**
Accumulated amortization and impairment as of January 1, 2020	**(97)**	**0**	**(0)**	**(97)**
Depreciation for the year	(136)			(136)
Retirement		-	-	-
Accumulated amortization and impairment as of December 31, 2020	**(234)**	**0**	**(0)**	**(234)**
Book value as of December 31, 2020	**398**	**0**	**(0)**	**398**

Amounts in thousands of U.S. Dollars	Furnitures & fixtures	Develop-ment	Licence agreements	Total
Acquisition cost as of January 1, 2019	**652**	**2 059**	**17 086**	**19 797**
Investments	572			572
Retirement	(565)	(2 059)	(17 086)	(19 710)
Acquistion cost as of December 31, 2019	**659**	**0**	**(0)**	**659**
Accumulated amortization and impairment as of January 1, 2019	**(260)**	**(2 059)**	**(17 086)**	**(19 405)**
Depreciation for the year	(163)			(163)
Impairment				-
Retirement	326	2 059	17 086	19 471
Accumulated amortization and impairment as of December 31, 2019	**(97)**	**0**	**(0)**	**(97)**
Book value as of December 31, 2019	**562**	**0**	**(0)**	**562**

The CLA®/Tonalin patent portfolio and the related royalty agreements, was terminated in January 2019. All intangible assets are amortized using the straight-line method.

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

Operating lease expense amounted to USD 1.2 million in 2020 and USD 0.92 million in 2019. The Company's lease commitments under non-cancellable leases amounts to approx. USD 1.0 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 AS. 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%.

Amounts in thousands of U.S. Dollars	Ownership in % 1)	Head-quarter	Equity as of December 31, 2020	Profit/ loss before tax	Book value December 31, 2020
Aker BioMarine Antarctic AS	40	Bærum, Norway	76 766	(26 135)	305 447
Aion AS	100	Bærum, Norway	(18)	(22)	18
Complector Ship Management AS	100	Bærum, Norway	2	(9)	357
Shares in subsidiaries and other companies					305 822

1) Share of voting rights equals share of ownership.

Amounts in thousands of U.S. Dollars	Ownership in % 1)	Head-quarter	Equity as of December 31, 2019	Profit/ loss before tax	Book value December 31, 2019
Aker BioMarine Antarctic AS	40	Bærum, Norway	119 815	(8 965)	305 450

1) Share of voting rights equals share of ownership.

NOTE 9 – INTEREST-BEARING LOANS FROM EXTERNAL PARTIES:

Amounts in thousands of U.S. Dollars	**2020**	2019
Non-current liabilities		
Loan from DNB ASA	**54 616**	119 446
Current liabilities		
Working capital facility from DNB ASA	**4 900**	14 487
Total interest-bearing current liabilities	**59 515**	133 933

In January 2018, the Company extended the revolving credit facility of USD 120 million and the overdraft facility of USD 15 million. In March 2019 the agreement was amended and restated as to reflect a change in the syndicate, no extension of terms occurred. Reduction in debt after the Euronext Growth Oslo trade admittance in July 2020 (USD 75 million). New drawdown in December 2020 of USD 10 million.

LOAN TERMS AND CONDITIONS

The loan agreement features covenants on EBITDA ("Earnings Before Interest, Tax, Depreciation and Amortization"). For purposes of the DNB loan agreement, EBITDA is operating profit before depreciation, amortization, write downs and impairments, and Special Operating Items." The loan covenants also have leverage ratio requirements. The Company is compliant with all loan covenants.

Total amount drawn on the overdraft facility shall not exceed the sum of (on an Aker BioMarine Group consolidated level):
1. 75% of external accounts receivable; and
2. 60% of total inventory.

The Company's borrowings did not exceed the borrowing base in 2019 or 2020.

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 0.55 million and the assets were USD 0.37 million. The fair value of the net obligation has been calculated using an appropriate discount rate. During the year the Company expensed USD 0.3 million, net of settlements and curtailment, on the defined benefit plan (2019: 0.1 million). In addition, USD 0.1 million related to changes in actuarial assumptions is expensed in other comprehensive income (2019: USD 0.1 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 303 thousand in restricted funds associated with employee tax withholdings as of December 31, 2020 (2019: USD 245 thousand).

NOTE 12 – TRANSACTIONS WITH SUBSIDIARIES AND RELATED PARTIES

In 2020 and at year-end 2020, Aker BioMarine AS recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

Amounts in thousands of U.S. Dollars	Aker ASA	Aker BioMarine Antarctic AS	Lang Pharma Nutrition LLC	Other subsidiaries	Other related parties	**Total**
Transactions recorded in profit and loss						
Management fee (income)		11 034		34		**11 068**
Mangement fee (costs)	(81)				(275)	**(356)**
Office rent (income)						**-**
Interest income		14 273	27			**14 300**
Interest expenses	(2 994)					**(2 994)**
Guarantee fee	(1 637)	(2 082)				**(3 719)**
Transactions recognized in balance sheet at year-end						
Long-term interest bearing receivable		226 352				**226 352**
Current recivables		38 962		16		**38 978**
Accrued guarantee/interests fees, long-term						
Long term interest bearing debt						**-**
Current liabilities		955				**955**

In 2019 and at year-end 2019, Aker BioMarine AS recognized the following transactions in the statement of profit and loss and the balance sheet with other Group companies and related parties:

Amounts in thousands of U.S. Dollars	Aker ASA	Aker BioMarine Antarctic AS	Lang Pharma Nutrition LLC	Cognite	Other subsidiaries	Other related parties	**Total**
Transactions recorded in profit and loss							
Management fee (income)		11 265			34		**11 299**
Mangement fee (costs)	(217)					-249	**(473)**
Office rent (income)				111			**111**
Interest income		15 799	125				**15 924**
Interest expenses	(4 557)						**(4 557)**
Guarantee fee	(1 735)	(2 259)					**(3 994)**
Transactions recognized in balance sheet at year-end							
Long-term interest bearing receivable		195 713	3 004				**198 717**
Current receivables		20 403	9	435	108	34	**20 989**
Accrued guarantee/interest fees, long-term	23 780						**23 780**
Long-term interest bearing debt	73 795						**73 795**
Current liabilities		954				8	**962**

NOTE 13 – OTHER FINANCIAL INCOME AND EXPENSES

Other interest- and financial income

Amounts in thousands of U.S. Dollars	**2020**	2019
Interest income, bank	**5**	8
Other financial income	**0**	518
Total	**5**	526

Other financial expenses

Amounts in thousands of U.S. Dollars	**2020**	2019
Interest expenses	**(4 371)**	(7 926)
Other financial expenses	**(718)**	(429)
Total	**(5 089)**	(8 355)

NOTE 14 – SALARIES AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Remuneration paid to the Board of Directors for the year ended December 31:

Amounts in U.S Dollars	Board membership	2020	2019
Ola Snøve	Chairman of the Board	-	56 794
Kjell-Inge Røkke	Board member	-	-
Øyvind Eriksen	Board member	-	-
Frank O. Reite*	Board member	10 638	-
Sindre Skjong	Employee representative	-	-
Line Johnsen	Employee representative	-	-
Total		**10 638**	**56 794**

* The fee paid to Frank O. Reite relates to second half of 2019. There is no remuneration paid to the Board members and Employee representative other than ordinary salaries.

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 does not offer any share incentive programs for employees. However, in April 2019, Aker ASA sold 2% of the shares in the Company to a holding company of the CEO and granted a loan for approx. 90% of the purchase price. The holding company accepted a 5-year lock-up period and will have a right to sell the shares in case of an IPO or a private sale (tag-along and drag-along). The sale was carried out at fair market value, and a future sale will be based on the same valuation methodology. External consultants were used to perform the valuation.

There is no bonus program for the employees. However, in relation to the trade admittance on Euronext Growth Oslo in July 2020, all employees received a bonus of NOK 15 thousand each.

Based on the Company's performance in 2020, management team has been awarded a bonus totaling USD 1.2 million (2019: USD 0.7 million), the CEO is eligible to USD 0.2 million (2019: USD 0.2 million) of this bonus. The bonus is paid in 2020.

Payments to the CEO for the year ended December 31:

	As of 31 December,,	
Amounts in U.S. Dollars	2020	2019
Fixed salary	420 288	446 393
Bonus	197 373	204 293
Other remuneration	1 310	8 382
Net pension cost	8 210	9 793
Total	**627 181**	**668 861**

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To the General Meeting of Aker Biomarine AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker Biomarine AS, which comprise:

- The financial statements of the parent company Aker Biomarine AS (the Company), which comprise the balance sheet as of 31 December 2020, the statement of profit or loss, the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Aker Biomarine AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2020, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flow and the consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws and regulations, 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements 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 and using 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 or 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 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 February 2021
KPMG AS

Monica Hansen
State Authorised Public Accountant

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Sørkedalsveien 6
N-0306 Oslo

Telephone +47 04063
Fax +47 22 60 96 01
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Enterprise 935 174 627 MVA

Independent auditor's assurance report to Aker Biomarine AS

We have been engaged by the management of Aker Biomarine AS ('Aker Biomarine') to provide limited assurance in respect of the carbon emission data in the Annual Report of Aker Biomarine. Included in the scope is the following; table on carbon emission data on page 47 of the Annual Report 2020.

Our conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described below, nothing has come to our attention, to indicate that the carbon emission data on page 47 in the Annual Report 2020 is not presented, in all material respects, in accordance with the criteria as defined by the GRI Standard 305: Emission.

Management of Aker Biomarine's responsibility

The management of Aker Biomarine is responsible for the preparation and presentation of the carbon emission data for 2020 in accordance with the criteria as defined by the following GRI Standards; Disclosure 305-1, Disclosure 305-2 and Disclosure 305-3: Core option. It is important to view the information on the carbon emission data for 2020 in the context of these criteria.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the information on the carbon emission data for 2020 that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to provide a limited assurance conclusion on Aker Biomarine's preparation and presentation of the carbon emission data for 2020.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE 3410): "Assurance Engagements on Greenhouse Gas Statements ", issued by the International Auditing and Assurance Standards Board.

ISAE 3410 requires that we plan and perform the engagement to obtain limited assurance about whether the information of the carbon emission data for 2020 is free from material misstatement.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo, Alta, Arendal, Bergen, Bodø, Elverum, Finnsnes, Grimstad, Hamar, Haugesund, Knarvik, Kristiansand, Larvik, Mo i Rana, Molde, Narvik, Sandnessjøen, Stavanger, Stord, Straume, Tromsø, Trondheim, Tynset, Tønsberg, Ålesund

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Limited assurance on the carbon emission data for 2020

The procedures selected depend on our understanding of the carbon emission data for 2020 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. Our procedures for limited assurance on the carbon emission data for 2020 included, amongst others:

- Interviews with relevant staff at corporate level responsible for providing the information, carrying out internal control procedures and consolidating the carbon emission data for 2020;
- Reviewing relevant internal documentation, on a limited test basis, in order to determine the reliability of the carbon emission data for 2020;
- Reconciliation of relevant data input to the carbon emission data for 2020 against financial information and other documentation obtained during the audit of the 2020 financial statements.

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, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for Aker Biomarine for the purpose of assisting management in determining whether Aker Biomarine's limited assurance carbon emission data is prepared and presented in accordance with the GRI Standards; Disclosure 305-1, Disclosure 305-2 and Disclosure 305-3: Core option and for no other purpose or in any other context.

Oslo, 22 February 2021
KPMG AS

Monica Hansen	Anette Rønnov
State Authorized Public Accountant	Director

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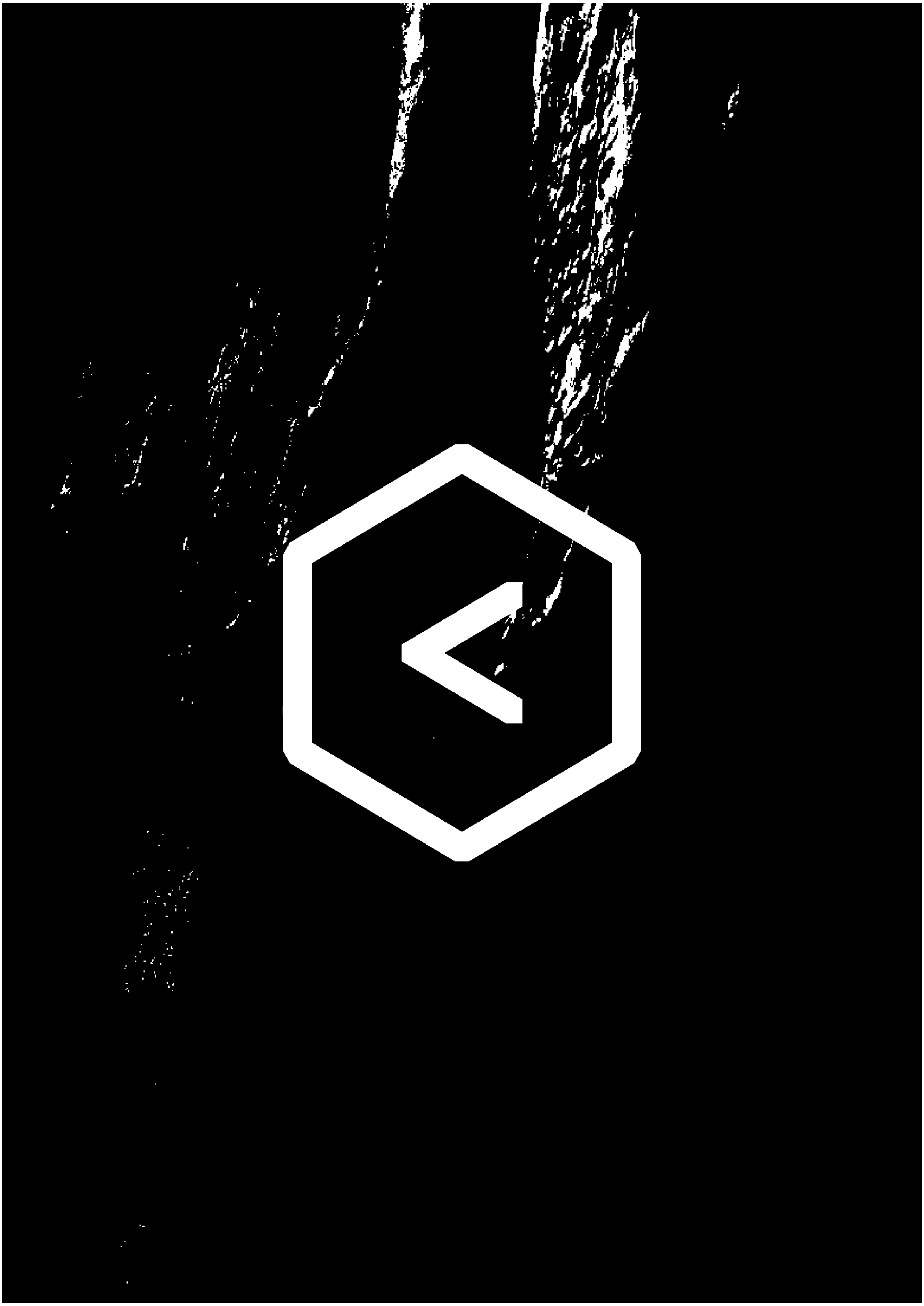

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Oslo, 22 February 2021
KPMG AS

Monica Hansen
State Authorized Public Accountant

Anette Rønnov
Director

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Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	23.02.2015	26.02.2015
Telefon	Deres referanse	Vår referanse
977 59 464	Martin H. Arnholdt	2013/952802

SUPERBA ASA
Postboks 1423 Vika
0115 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Superba ASA, org.nr. 913 915 062

Vi viser til deres brev av 23. februar 2014 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Superba ASA.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Superba ASA tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig, samt at selskapet gis tillatelse til å rapportere på engelsk til Oslo Børs i tilfelle børnotering.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Superba ASA ble stiftet 30. juni 2014 og var i desember 2014 overtakende selskap i en fisjon fra Aker BioMarine AS. Det fremgår av fisjonsplanen at fisjonen skjedde som ledd i restruktureringen av Aker BioMarine-gruppen, i forbindelse med en potensiell børsnotering. Suberba ASA et integrert bioteknologikonsern som gjennom en optimalisert verdikjede, utvikler og leverer høyverdige produkter til markeder for dyrefôr, kosttilskudd og farmasøytiske ingredienser. Konsernets kjerneaktiviteter er fangst, produksjon, salg og markedsføring av krillbaserte produkter. Konsernets kosttilskudd Superba™ krill olje selges til kunder primært i Europa, USA, Australia og Asia. Kun 0,35 % av selskapets omsetning gikk til norske kunder i 2012, mens det tilsvarende tallet pr. november 2013 var på 0,16 % relatert til salg av Superba™ krill olje. 99 % av selskapets aksjer er eid av Aker ASA og 1 % av selskapets ledelse. Akers hovedaksjonær Kjell Inge Røkke og hans familie eier 67,8 % av aksjene gjennom private selskaper i TRG. Superba ASA er et internasjonalt konsern med ansatte fra 20 ulike nasjonaliteter. Selskapets forretningsforbindelser hører også i all hovedsak til utenfor Norge. Mange av selskapets strategiske muligheter ligger utenfor Norges grenser og krever således korrespondanse og dokumentasjon på engelsk. Det bemerkes at konsernet for øyeblikket blant annet er i ferd med å etablere landbasert produksjon i Houston, Texas. Konsernets rapportering til selskapets ledelse er på engelsk, og dokumentasjon som oversendes til styret er i all hovedsak på engelsk. All intern dokumentasjon og presentasjoner utarbeides på engelsk. Konsernet har således engelsk som arbeidsspråk både internt, men også i stor grad eksternt mot kunder og andre.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk.*

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post: skatteetaten.no/sendepost	22 17 08 60

Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "*informative regnskaper for ulike grupper av regnskapsbrukere*". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et 99 % eid datterselskap av Aker ASA og at eierkretsen således er begrenset. Videre er det vektlagt at konsernets arbeidsspråk er engelsk og at konsernet er internasjonalt og i stor grad benytter engelsk mot kunder og andre.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer