

Biomega Denmark A/S

Willemoesvej 26
9850 Hirtshals
CVR No. 41780355

Annual report 25.09.2020 - 31.12.2021

The Annual General Meeting adopted the
annual report on 10.06.2022

Espen Aarstad

Espen Aarstad

Chairman of the General Meeting

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Entity details

Entity

Biomega Denmark A/S

Willemoesvej 26

9850 Hirtshals

Business Registration No.: 41780355

Date of foundation: 25.09.2020

Registered office: Hirtshals

Financial year: 25.09.2020 - 31.12.2021

Board of Directors

Espen Aarstad

Sten Estrup Nielsen

Stig Victor Petersen

Executive Board

Stig Victor Petersen

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Biomega Denmark A/S for the financial year 25.09.2020 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 25.09.2020 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We consider the preconditions for not auditing the financial statements for the financial year 25.09.2020 - 31.12.2021 as complied with.

We recommend to the Annual General Meeting that the financial statements for the next financial year should not be audited.

We recommend the annual report for adoption at the Annual General Meeting.

Hirtshals, 10.06.2022

Executive Board


Stig Petersen (Jun 19, 2022 16:46 GMT+2)

Stig Victor Petersen

Board of Directors



Espen Aarstad


Sten Estrup (Jun 19, 2022 19:26 GMT+8)

Sten Estrup Nielsen


Stig Petersen (Jun 19, 2022 16:46 GMT+2)

Stig Victor Petersen

Management commentary

Primary activities

Biomega Denmark A/S is part of the Biomega Group. The Biomega Group aspires to become the leading partner for innovative high-quality ingredients to the health & nutrition industry. Biomega's business model is fully sustainable and uses proprietary biotech to transform high-quality raw material into premium food and feed ingredients. In its modern food grade biorefinery in Norway, Biomega produces hydrolyzed salmon proteins (salmon peptides), salmon meal and salmon oil. Biomega invests continuously in R&D to ensure best-in-class technology and respond to customers' needs, including traceability and sustainability.

Biomega Denmark A/S is in the process of building a factory in Hirtshals, Denmark with an expected start-up during the Summer of 2022. The construction of the factory is funded and supported by the parent company, Biomega Group A/S.

The Group also includes the subsidiaries Biomega Norway AS, Biomega Denmark A/S, Biomega Netherlands BV and Marine Bioenergy AS.

The Company is registered in Hirtshals, Denmark.

Comments related to the financial statements

2020/21 is the company's first financial year.

The Company had a net loss in 2020/21 of TDKK -11 399 and an equity of TDKK -10 999.

Total investments amounted to TDKK 69 915. Net cash and cash equivalents at December 31 2021 is TDKK 2 569.

Research and development

Biomega Denmark A/S has not received any government grants in 2020/21.

The working environment and the employees

The working environment is good, and efforts for improvements are made on an ongoing basis. There was no leave of absence due to illness in the Biomega Denmark A/S in 2020/21.

Equal opportunities

The Company aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion and recruiting. The Group has traditionally recruited from environments equally dominated by both men and women.

2020/21 was the first financial year.

Future

The expectations for 2022 are positive with the start-up of the factory during the Summer of 2022. There is a strong demand for the products being produced and the expectations for the later part of 2022 and beyond are good.

Environmental report

Waste from production facilities, including waste considered harmful to the environment, is within regulatory limitations. The Company is working continuously to reduce its environmental footprint.

Allocation of net profit/loss of the year

The Board of Directors has proposed the net loss of Biomega Denmark A/S be attributed to
Retained earnings TDKK -11 399

Events after the balance sheet date

The company continues to monitor the impact of the Covid-19 outbreak and lately, the impact of the war in Ukraine. Sharp increases in prices and reduced availability for a wide range of materials may potentially cause both challenges and opportunities and Biomega continuously assess the impact on our suppliers, operations, and customers and evaluate necessary actions to be taken.

The group has subsequently in 2022 increased their capital with 45.95 MNOK, where 14.1 MNOK has been received in 2020/21. The group started in March 2022 drawing down on the MNOK 100 loan that was secured last year related to the construction of a new biorefinery in Hirtshals, Denmark.

Income statement for 2020/21

	Notes	2020/21 DKK'000
Gross profit/loss		(6,399)
Staff costs	2	(3,642)
Operating profit/loss		(10,041)
Other financial income	3	404
Other financial expenses	4	(1,762)
Profit/loss for the year		(11,399)
Proposed distribution of profit and loss		
Retained earnings		(11,399)
Proposed distribution of profit and loss		(11,399)

Balance sheet at 31.12.2021

Assets

	Notes	2020/21 DKK'000
Property, plant and equipment in progress		69,915
Property, plant and equipment	5	69,915
Long-term assets		69,915
Other receivables		6,353
Receivables		6,353
Cash		2,569
Short-term assets		8,922
Assets		78,837

Equity and liabilities

	Notes	2020/21 DKK'000
Contributed capital		400
Retained earnings		(11,399)
Equity		(10,999)
Other provisions		369
Trade payables		10,252
Payables to group enterprises		78,514
Other payables	6	701
Current liabilities other than provisions		89,836
Liabilities other than provisions		89,836
Equity and liabilities		78,837
Going concern	1	
Related parties with controlling interest	7	
Group relations	8	

Statement of changes in equity for 2020/21

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	400	0	400
Profit/loss for the year	0	(11,399)	(11,399)
Equity end of year	400	(11,399)	(10,999)

Notes

1 Going concern

Biomega Group A/S, being the parent company, has informed that they will support Biomega Denmark A/S to the extent necessary to finance the company's operating activities and to settle its financial obligations as they fall due until the date of publishing of the annual Report for 2022.

2 Staff costs

	2020/21
	DKK'000
Wages and salaries	3,254
Pension costs	375
Other social security costs	11
Other staff costs	2
	3,642

3 Other financial income

	2020/21
	DKK'000
Exchange rate adjustments	404
	404

4 Other financial expenses

	2020/21
	DKK'000
Financial expenses from associates	1,195
Other interest expenses	4
Exchange rate adjustments	563
	1,762

5 Property, plant and equipment

	Property, plant and equipment in progress
	DKK'000
Additions	69,915
Cost end of year	69,915
Carrying amount end of year	69,915

6 Other payables

	2020/21
	DKK'000
Wages and salaries, personal income taxes, social security costs, etc payable	701
	701

7 Related parties with controlling interest

Biomega Group A/S, Skaganeset, 5382 Skogsvåg, Norway, is the majority shareholder, and therefore has controlling interest.

8 Group relations

At the time of the approval of the annual report, it is expected that the parent company, Biomega Group A/S, will prepare and publish consolidated financial statements in which the Company is included as a subsidiary.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B micro enterprises with addition of a few provisions for reporting class C.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet**Property, plant and equipment**

Plant and machinery are measured at cost. Plant and machinery are not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Estimated useful lives and residual values are reassessed annually.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.









Annual report 2020 - 2021 Biomega Denmark AS-for signatures

Final Audit Report

2022-06-19

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