
Biomega Denmark A/S

CVR-no.: 41780355

Willemoesvej 26
9850 Hirtshals

Annual report
1 January 2022 - 31 December 2022

**The annual report has been presented and
approved on the company's general meeting
the**

09/06/2023

Stig Petersen
Chairman of general meeting

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**Reporting
company**

Biomega Denmark A/S

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9850 Hirtshals

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Reporting
period: 01/01/2022 - 31/12/2022

Statement by Management

The Board of Directors and the Executive Board has today considered and approved the annual report for the financial year 01. January 2022 - 31. December 2022 for Biomega Denmark A/S.

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 company's assets, liabilities and financial position and of the result.

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 01.01.2022-31.12.2022 as complied with.

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

Management considers the conditions for opting out of audit to be met.

Hirtshals, the 09/06/2023

Management

Stig Victor Petersen

Board of directors

Sten Estrup Nielsen

Espen Aarstad

Stig Victor Petersen

Management's Review

The board of directors' report 2022 for Biomega Denmark A/S

Operations and locations

Biomega Denmark A/S is part of the Biomega Group. Biomega Group AS (biomega®) is a producer of premium Norwegian salmon-based innovative ingredients, both for premium petfood and human nutrition. biomega®'s business model is fully sustainable and uses proprietary biotech to transform high quality raw material into premium food and petfood ingredients. In its modern food grade biorefineries, biomega® produces salmon oil and peptides using continuous enzymatic hydrolysis. biomega® continuously invests in R&D to ensure best-in-class technology and respond to customers' needs, including traceability and sustainability

Biomega Denmark A/S completed the construction of a new factory in Hirtshals, Denmark late 2022. The new facility will be producing both premium petfood as well products for human nutrition.

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

The Company is registered in Hirtshals, Denmark.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2023 and the Group's long-term strategic forecasts.

Comments related to the financial statements

2022 is the company's second financial year.

The Company had a net loss in 2022 of TDKK – 21 893 compared to net loss of TDKK -11 399 in 2021. Equity is as of 31.12.2022 TDKK -32 892, a reduction from TDKK -10 999 in 2021.

Total investments amounted to TDKK 80 753. Net cash and cash equivalents at December 31 2022 is TDKK 9 293, up from TDKK 2 569 in 2021.

Research and development

Biomega Denmark A/S received EUR 1 075 in prefinancing for the budgeted activities in the first 18 months of the LIFE CONQUER project. In 2022, the R&D focus was on the LIFE CONQUER project. Contract negotiations began in May for a project start date in September, with concomitant project management and coordination.

The working environment and the employees

The working environment is good, and efforts for improvements are made on an ongoing basis. Leave of absence due to illness in the Biomega Denmark A/S was 2.17 % in 2022.

Equal opportunities

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

At the end of the year, the Company had 17 employees, whereof 76 % was men and 24 % woman. The management group at Biomega Denmark A/S consisted of three men and one woman. The Board of Directors consists of two men. The BOD has not found it necessary to deploy specific measures relating to equal opportunities.

Future

The expectations for 2023 are positive with the completion of the factory in late 2022. There is a strong demand for the products produced and the expectations for 2023 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 other equity TDKK 21 893.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. There have been options of certain rules in reporting class C.

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 recognized 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.

Liability 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 measures reliably.

On initial recognition, asset and liabilities are measures 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 oncome, cost of raw material and consumables and external expenses.

Revenue

Revenue from 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 write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses fir 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 payable to group enterprises, payables and transaction in foreign currencies, amortization 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, cost 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 amortization of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent of each asset.

Estimated useful lives and residual values are reassessed annually.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs 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.

Income statement 1 Jan 2022 - 31 Dec 2022

	Disclosure	2022 DKK	2020/21 DKK
Gross profit (loss)		-12,973,425	-6,399,000
Employee expense		-6,756,889	-3,642,000
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		-53,939	
Profit (loss) from ordinary operating activities		-19,784,253	-10,041,000
Other finance income		4,547,730	404,000
Finance expenses arising from group enterprises		-6,537,937	
Sundry finance expenses		-118,247	-1,762,000
Profit (loss) from ordinary activities before tax		-21,892,707	
Profit (loss)		-21,892,707	-11,399,000
Proposed distribution of results			
Retained earnings		-21,892,707	-11,399,000
Proposed distribution of profit (loss)		-21,892,707	-11,399,000

Balance sheet 31 December 2022

Assets

	Disclosure	2022 DKK	2020/21 DKK
Land and buildings		3,657,086	
Property, plant and equipment in progress		147,011,510	69,915,000
Property, plant and equipment		150,668,596	69,915,000
Non-current assets		150,668,596	69,915,000
Raw materials and consumables		1,033,089	
Manufactured goods and goods for resale		691,877	
Inventories		1,724,966	
Trade receivables		2,890,735	
Other receivables		2,822,833	6,353,000
Receivables		5,713,568	6,353,000
Cash and cash equivalents		9,292,771	2,569,000
Current assets		16,731,305	8,922,000
TOTAL ASSETS		167,399,901	78,837,000

Balance sheet 31 December 2022

Liabilities and equity

	Disclosure	2022	2020/21
		DKK	DKK
Contributed capital		400,000	400,000
Retained earnings		-33,292,275	-11,399,000
Total equity		-32,892,275	-10,999,000
Mortgage debt		172,318,875	
Long-term liabilities		172,318,875	
Other provisions			369,000
Trade payables		4,322,241	10,252,000
Payables to group enterprises		13,829,447	78,514,000
Tax payables		518,847	
Other payables		9,302,766	701,000
Short-term liabilities		27,973,301	89,836,000
Liabilities		200,292,176	89,836,000
LIABILITIES AND EQUITY, GROSS		167,399,901	78,837,000

Statement of changes in equity 1 Jan 2022 - 31 Dec 2022

	Contributed capital	Retained earnings	Total
	DKK	DKK	DKK
Equity, beginning balance	400,000	-11,399,568	-10,999,568
Profit (Loss)		-21,892,707	-21,892,707
Equity, ending balance	400,000	-33,292,275	-32,892,275

Disclosures

1. Additional information about activities

Biomega Group AS, Thormøhlens gate 53D, 5006 Bergen, Norway, is the majority shareholder, and therefore has controlling interest.

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

2. Disclosure of uncertainties relating to 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 operation activities and to settle its financial obligations as they fall due until the date of publishing of the annual report for 2023.

3. Information on average number of employees

	2022
Average number of employees	8