



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	982 219 787
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	BIOMEGA GROUP AS
Forretningsadresse:	Skaganeset 5382 SKOGSVÅG

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Mørselskap 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:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Espen Aarstad
Dato for fastsettelse av årsregnskapet:	22.04.2021

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, 29.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	4,5	18 386 212	17 993 110
Sum inntekter		18 386 212	17 993 110
Kostnader			
Varekostnad		130 520	
Lønnskostnad	3,6	13 717 640	15 154 449
Avskrivning	7,8	1 782 596	3 711 252
Annen driftskostnad	3,10	21 569 158	22 389 822
Sum kostnader		37 199 914	41 255 523
Driftsresultat		-18 813 702	-23 262 413
Finansinntekter og finanskostnader			
Annen finansinntekt		7 013 893	64 386
Sum finansinntekter		7 013 893	64 386
Annen finanskostnad		3 354 175	115 040
Sum finanskostnader		3 354 175	115 040
Netto finans		3 659 718	-50 654
Ordinært resultat før skattekostnad		-15 153 984	-23 313 067
Ordinært resultat etter skattekostnad		-15 153 984	-23 313 067
Årsresultat		-15 153 984	-23 313 067
Overføringer og disponeringer			
Overføring til/fra annen egenkapital	12	15 153 984	23 313 067
Sum overføringer og disponeringer		15 153 984	23 313 067



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	8	8 360 978	3 132 464
Konsesjoner, patenter, lisenser, varemerker o.l.	8	4 178 937	
Goodwill	8	2 939 557	
Sum immaterielle eiendeler		15 479 472	3 132 464
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner	7	168 771	140 012
Sum varige driftsmidler		168 771	140 012
Finansielle anleggsmidler			
Investering i datterselskap	9	352 608 749	352 007 029
Lån til foretak i samme konsern	10	27 756 312	1 340 000
Investeringer i tilknyttet selskap	9		61 000
Investeringer i aksjer og andeler	9	1 336 000	75 000
Andre fordringer	10		
Sum finansielle anleggsmidler		381 701 061	353 483 029
Sum anleggsmidler		397 349 304	356 755 505
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	10	1 473 488	1 607 891
Andre fordringer	10	2 036 181	4 380 129
Sum fordringer		3 509 669	5 988 020
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	2	16 127 409	1 891 522
Sum bankinnskudd, kontanter og lignende		16 127 409	1 891 522
Sum omløpsmidler		19 637 078	7 879 542



Balanse

Beløp i: NOK	Note	2020	2019
SUM EIENDELER		416 986 382	364 635 047
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	13,14	10 863 036	10 762 850
Overkurs	13	303 791 355	315 545 525
Sum innskutt egenkapital		314 654 391	326 308 375
Annen egenkapital	9		
Sum egenkapital		314 654 391	326 308 375
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	10,11	80 290 522	
Sum annen langsiktig gjeld		80 290 522	
Sum langsiktig gjeld		80 290 522	0
Kortsiktig gjeld			
Leverandørgjeld	10	9 727 538	32 994 718
Skyldige offentlige avgifter	2	4 555 391	3 146 870
Annen kortsiktig gjeld	10	7 758 540	2 185 084
Sum kortsiktig gjeld		22 041 469	38 326 672
Sum gjeld		102 331 991	38 326 672
SUM EGENKAPITAL OG GJELD		416 986 382	364 635 047



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	277 788 705	226 904 280
Annen driftsinntekt	2,3	2 961 884	3 504 166
Sum inntekter	2	280 750 589	230 408 446
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	4	11 089 733	-11 984 143
Varekostnad		188 871 203	145 044 898
Lønnskostnad	5,13	36 344 258	41 854 933
Avskrivning	6,7,21	24 394 017	25 298 739
Annen driftskostnad	5	52 597 094	72 693 031
Sum kostnader		313 296 305	272 907 458
Driftsresultat		-32 545 716	-42 499 012
Finansinntekter og finanskostnader			
Annen finansinntekt	8	1 516 630	5 848 177
Sum finansinntekter	8	1 516 630	5 848 177
Annen finanskostnad	8	8 093 679	9 956 278
Sum finanskostnader		8 093 679	9 956 278
Netto finans	8	-6 577 049	-4 108 101
Ordinært resultat før skattekostnad		-39 122 765	-46 607 113
Skattekostnad på ordinært resultat	9		-2 787 249
Ordinært resultat etter skattekostnad		-39 122 765	-43 819 864
Årsresultat		-39 122 765	-43 819 864
Overføringer og disponeringer			
Overføring til/fra annen egenkapital	12	-38 920 621	-43 819 864
Sum overføringer og disponeringer		-38 920 621	-43 819 864



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Forskning og utvikling	7	39 689 208	25 524 475
Goodwill	7	232 073 040	228 681 244
Sum immaterielle eiendeler		271 762 248	254 205 719
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6	49 928 401	36 922 207
Maskiner og anlegg	6	63 401 567	74 496 592
Driftsløsøre, inventar, verktøy, kontormaskiner	6,21	18 054 419	5 238 536
Sum varige driftsmidler	6	131 384 387	116 657 335
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	16	1 261 000	61 000
Investeringer i aksjer og andeler	16	75 000	75 000
Andre fordringer			338 279
Sum finansielle anleggsmidler		1 336 000	474 279
Sum anleggsmidler		404 482 635	371 337 333
Omløpsmidler			
Varer			
Varer	4	25 628 867	36 718 599
Sum varer		25 628 867	36 718 599
Fordringer			
Kundefordringer	20	23 104 616	26 606 142
Andre fordringer	3	22 914 958	14 180 911
Sum fordringer		46 019 574	40 787 053
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	10	33 811 911	11 693 012
Sum bankinnskudd, kontanter og lignende		33 811 911	11 693 012
Sum omløpsmidler		105 460 352	89 198 664



Konsernets balanse

Beløp i: NOK	Note	2020	2019
SUM EIENDELER		509 942 987	460 535 997
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		10 863 036	10 762 850
Overkurs		283 526 486	280 126 672
Sum innskutt egenkapital	11,12	294 389 522	290 889 522
Opptjent egenkapital			
Annen egenkapital		-38 920 621	
Sum opptjent egenkapital		-38 920 621	
Sum egenkapital	11	255 468 901	290 889 522
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	131 244 573	61 023 744
Finansielle instrumenter	18,21	3 507 719	3 840 427
Sum annen langsiktig gjeld		134 752 292	64 864 171
Sum langsiktig gjeld		134 752 292	64 864 171
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		53 036 539	45 827 074
Leverandørgjeld		28 849 684	27 250 828
Skyldige offentlige avgifter		6 838 082	5 190 182
Annen kortsiktig gjeld		27 961 315	24 398 533
Finansielle instrumenter	18		846 977
Leasinggjeld	21	3 036 174	1 268 710
Sum kortsiktig gjeld		119 721 794	104 782 304
Sum gjeld		254 474 086	169 646 475



Konsernets balanse

Beløp i: NOK	Note	2020	2019
SUM EGENKAPITAL OG GJELD		509 942 987	460 535 997



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 23.04.2018	Vår dato 28.05.2018
Telefon 22078139	Deres referanse Trine Hansen Bjerkvik	Vår referanse 2018/598148

ERNST & YOUNG AS
Postboks 6163
5892 BERGEN

MOTTATT

31 MAI 2018



Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

— Vi viser til deres brev av 23. april 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Biomega Group AS	org.nr. 982 219 787
Biomega Norway AS	org.nr. 919 742 232

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Biomega Group AS er morselskap til Biomega Norway AS. Amerra Magni Lcc som er hjemmehørende i USA eier over 90 % av Biomega Group AS. Konsernet driver med produksjon av fiskeolje. De fleste kundene er utenlandske. Arbeidsspråket er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at majoritetseier er et utenlandsk selskap. Eierkretsen er begrenset. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Biomega Group AS

Annual report 2020

Board of directors' report

Annual accounts group

- Income statement
- Balance sheet
- Cash flow statement
- Notes

Annual accounts parent

- Income statement
- Balance sheet
- Cash flow statement
- Notes

Auditors' report



Biomega Group AS

The board of directors' report 2020 for Biomega Group AS

Operations and locations

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.

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

Biomega Group AS is registered in Øygarden, Norway.

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 2021 and the Group's long-term strategic forecasts, as well as recently completed equity emission and debt funding for upcoming new investments. The Group's economic and financial position is sound, and the Group has positive prospects for planned geographical expansions and homeland improvements.

Comments related to the financial statements

Group's revenues were TNOK 280 751. Net loss in 2020 was TNOK -39 123. Revenue for the parent Biomega Group AS was TNOK 18 386 and net loss was TNOK -15 154. Negative results in 2020 is due to significant investments in building the organization for future growth on a global scale and negative impact from contracted raw material import.

Biomega owns a human grade bio-refinery located at Skaganeset/Sotra outside of Bergen, established in 2012. The company produces high quality biomarine ingredients for various human applications and for the high-end pet food industry. More than 90 % of the production is exported to Europe, North-America and Asia.

Biomega is sourcing fresh raw material from the Norwegian salmon farming industry.

Total investments for the Group amounted to TNOK 62 053.

The Group net cash and cash equivalents at 31 December 2020 is TNOK 33 812. The short-term debt was 47,0 % of the total debt. The group has a negative working capital position as of 31 December 2020. Additional funding is secured during 1Q to support operations and future growth; see comment under "Future" section.

Total assets for the Group at year end amounted to TNOK 509 943 compared to TNOK 460 546 last year. The equity ratio was 50,1% as of 31.12.2020, compared to 63,2% the year before.



Biomega Group AS

For the parent Biomega Group AS, total assets at year-end amounted to TNOK 416 986 compared to TNOK 364 635 in 2019. The equity ratio was 75,5% as of 31.12.2020, compared to 89,5% the year before.

Research and development

Biomega Group AS has been engaged with R&D in 2 external research projects where grants have been received in 2020. Together, these R&D activities has generated TNOK 2 961 in external funding for 2020.

The main focus of the R&D activities have been to improve the enzymatic hydrolysis, both with respect to the rotating hydrolysing unit (the DRUM), but also by testing many different enzymatic conditions, as well as testing Biomega's proprietary novel taste enzyme. The common goal has been to generate knowledge to be implemented in the launch of the new, neutral Biomega salmon peptides, as well as preparing for novel biorefineries. Also, resources have been used on generating and maintaining Biomega's intellectual property rights.

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 Group increased to 8,0 % in 2020 (2,3 % adjusted for long term sickness) up from 6,0 % in 2019 (2,7 adj. for long term sickness).

Equal opportunities

The Group 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.

During the year the Group had 44 employees, whereof 73 % was men and 27 % women. Biomega Group AS had 12 employees during the year, of which 83 % was men and 17 % women. The management group consisted of 2 woman and 7 men. The Board of directors consist of 3 men and 1 woman. The BOD has not found it necessary to deploy specific measures relating to equal opportunities.

Environmental report

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

Future

The expectations for 2021 are positive with development of new human application markets and more effective production flow in the factory. The demand for the products is expected to continue even further in 2021, both for existing products and new product variations.

The company continues to monitor the impact of the Covid-19 outbreak. We have so far maintained our normal level of activity and we do not expect greater impact, but we continuously assess the impact on our employees, operations and finances and evaluate necessary actions to be taken.



Biomega Group AS

The group has subsequent in 2021 converted the shareholder loan of 9 MUSD and further additional equity has been committed in the total of additional MUSD 10,6 in 2021, whereby MNOK 40 has been received. Further a loan of 100 MNOK has been secured to support the planned business growth and the construction of new biorefinery in Hirtshals, Denmark in 2021 and 2022.

Financial risk

The Group uses financial instruments like bank loans to raise capital for investments necessary for group operations. In addition, the Group has financial instruments such as account receivables, accounts payables etc. which are directly linked to the everyday operation. The Group does not use financial instruments, including financial derivatives, for trading purposes.

The most significant financial risks for the Group are interest rate risk, credit risk and exchange rate risk. Management continuously evaluates these risks and determines policies related to how these risks are to be handled within the Group.

The Group uses financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations. The Group uses financial derivatives to reduce these risks in accordance with the Group's strategy for its interest-rate and exchange-rate exposure. The treatment of financial derivatives is described in Note 1.

i) Credit risk

The Group is exposed to credit risk primarily related to accounts receivable and other current assets. The Group limits the exposure to credit risk through credit evaluation of its customers before credit are given. In 2020 the group made an accrual for potential loss to an individual customer and realized loss to another. For 2021, no significant credit risk is linked to an individual customer or several customers that can be regarded as a group due to similarities in the credit risk.

ii) Currency risk:

Fluctuations in exchange rates entails both directly and indirectly an economic risk for the company. The Group uses FX-outright contracts to hedge parts of expected sales in EUR and USD, although not hedge accounting.

iii) Interest risk:

Interest rates on debt to credit institutions comprise NIBOR+margin.

Further on the company has agreed upon a 10-year interest rate swap on parts of the Group's long term loan exposure until 01.03.2022 and has an interest rate of 3,42 %. As of 31 December 2020 valuation of the agreement is negative TNOK 91. The interest swap is treated as hedging accounting.

Allocation of net profit/loss of the year

The Board of Directors has proposed the net profit of Biomega Group AS to be attributed to

Other equity	NOK -15 153 984
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Biomega Group AS

Skogsvåg, 22 April, 2021

Sten Estrup (15. Jun. 2021 16:47 GMT+8)

Sten Estrup Nielsen
Chairman

Craig Tashjian (15. Jun. 2021 10:17 EDT)

Craig Armen Tashjian
Board member

Liv Monica Stubholt (24. Jun. 2021 10:33 GMT+2)

Liv Monica B. Stubholt
Board member

Kjartan Sandnes (28. Jun. 2021 19:59 GMT+2)

Kjartan Sandnes
Board member

D A Barley (28. Jun. 2021 17:38 GMT+1)

David Barley
Board member

Stig Petersen (2. Jul. 2021 11:25 GMT+2)

Stig Petersen
CEO



Biomega Group AS - Group

Statement of total comprehensive income

	Note	2020	2019
Sales revenue	2	277 788 705	226 904 280
Other income	2,3	2 961 884	3 504 166
Total revenue		280 750 589	230 408 446
Changes in inventory	4	11 089 733	-11 984 143
Cost of materials		188 871 203	145 044 898
Payroll expenses	5,13	36 344 258	41 854 933
Other operating expenses	5	52 597 094	72 693 031
Operating expenses		288 902 288	247 608 719
Earnings before interests, taxes, depreciation and amortisation (EBITDA)		-8 151 699	-17 200 273
Depreciation of tangible and intangible fixes assets	6,7,21	24 394 017	25 298 739
Operating result (EBIT)		-32 545 716	-42 499 012
Financial income	8	1 516 630	5 848 177
Financial expenses	8	8 093 679	9 956 278
Net financial items		-6 577 049	-4 108 101
Ordinary result before tax		-39 122 765	-46 607 113
Tax on ordinary result	9		(2 787 249)
Net profit or loss for the year		-39 122 765	-43 819 864
Other comprehensive income		202 144	-
Total comprehensive income	11	-38 920 621	-43 819 864



Biomega Group AS - Group

Balance sheet

ASSETS	Note	2020	2019
Fixed assets			
Intangible assets			
Goodwill	7	232 073 040	228 681 244
Other intangible assets	7	39 689 208	25 524 475
Total intangible assets		271 762 248	254 205 719
Tangible assets			
Land, buildings and other real property	6	49 928 401	36 922 207
Machinery and plant	6	63 401 567	74 496 591
Asset under construction	6	9 119 783	0
Fixtures and fittings, tools, office machinery etc.	6	1 948 818	1 389 467
Right of use assets	21	6 985 816	3 849 070
Total tangible assets		131 384 386	116 657 335
Financial assets			
Investments in associated companies	16	75 000	75 000
Investments in shares and units	16	1 261 000	61 000
Financial instruments		0	338 278
Total financial assets		1 336 000	474 278
Total non-current assets		404 482 635	371 337 333
Current assets			
Inventory	4	25 628 867	36 718 599
Receivables			
Accounts receivables	20	23 104 617	26 606 142
Other receivables	3	15 504 607	13 842 633
Financial instruments	19	7 410 352	338 278
Total accounts receivables		46 019 575	40 787 053
Cash and cash equivalents	10	33 811 911	11 693 012
Total cash and cash equivalents		33 811 911	11 693 012
Total current assets		105 460 352	89 198 664
Total assets		509 942 987	460 535 997




Biomega Group AS - Group

Balance sheet

	Note	2020	2019
Paid-in capital			
Share capital		10 863 036	10 762 850
Share premium		283 526 486	280 126 672
Total paid-in capital	11,12	294 389 522	290 889 522
Retained earnings			
Accumulated losses		-38 920 621	-
Total retained earnings		-38 920 621	-
Total equity	11	255 468 901	290 889 522
Debt			
Other long-term debt			
Non current Interest bearing debt	14	131 244 573	61 023 744
Other long-term debt			1 916 170
Lease liabilities	21	3 418 525	1 779 647
Financial instruments	18	89 194	144 610
Total other long-term debt		134 752 292	64 864 171
Short-term debt			
Current interest bearing debt (credit facility)		53 036 539	45 827 074
Current lease liabilities	21	3 036 174	1 268 711
Accounts payable		28 849 684	27 250 828
Public duties payable		6 838 082	5 190 182
Financial instruments	18		846 977
Other short-term debt		27 961 315	24 398 533
Total short-term debt		119 721 795	104 782 305
Total debt		254 474 087	169 646 476
Total equity and debt		509 942 987	460 535 997



31 December 2020
Skogsvåg, 22 April 2021


Sten Estrup (15. Jun. 2021 16:47 GMT+8)

Sten Estrup Nielsen
Chairman


Liv Monica Stubholt (24. Jun. 2021 10:33 GMT+2)

Liv Monica B. Stubholt
Board member


D A Barley (26. Jun. 2021 17:39 GMT+3)

David Barley
Board member


Craig Tashjian

Craig Armen Tashjian
Board member


Kjartan Sandnes (28. Jun. 2021 19:59 GMT+2)

Kjartan Sandnes
Board member


Stig Petersen (2. Juli. 2021 11:25 GMT+2)

Stig Petersen
CEO



Biomega Group AS - Group

Cash flow statement

	Note	2020	2019
Profit/loss before tax		-39 122 765	-46 607 113
Depreciation and amortization	6,7,21	24 394 017	25 298 739
Changes in inventories, trade receivables and trade payables		16 190 114	-7 260 948
Other changes		-4 824 827	4 632 799
Net cash flow from operating activities		-3 363 462	-23 936 524
Cash flow from investing activities			
Sale of fixed assets			799 000
Purchase of fixed and intangible assets	6,7	-62 052 673	-17 776 649
Net cash effect business combination		-	405 477
Net cash flow from investing activities		-62 052 673	-16 572 172
Cash flow from financing activities			
Proceed from long term loans		88 159 194	-
Net change credit facility		7 209 465	31 939 837
Repayment of long term loans incl leasing		-7 833 626	-7 861 035
Net cash flow from financing activities		87 535 033	24 078 802
Net change in cash and cash equivalents		22 118 899	-16 429 894
Cash and cash equivalents at 01.01		11 693 012	28 122 906
Cash and cash equivalents at 31.12		33 811 911	11 693 012



Note 1 Summary of significant accounting policies

Biomega Group AS is a limited company, incorporated in Norway, headquartered in Skogsvåg.

Basis for preparation of the annual accounts

The Biomega Group's consolidated financial statements have been prepared in accordance with Norwegian Accounting Act § 3-9 and " forskrift om forenklet IFRS (2014) fastsatt av Finansdepartementet 3. november 2014". This implies using International Financial Reporting Standards (IFRS) which have been adopted by the EU for profit and loss and balance, and Norwegian disclosure requirements listed in the Norwegian Accounting Act

The consolidated financial statements are based on historical cost, with the exception of the following:

- Financial instruments at fair value through profit or loss, financial instruments recognised at fair value, and loans, receivables and other financial liabilities which are recognised at amortised cost.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

Functional currency and presentation currency

Functional currency

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognised continuously in the accounting period.

Presentation currency

The Group's presentation currency is NOK. This is also the parent company's functional currency.

Consolidation principles

The Group's consolidated financial statements comprise the parent company and its subsidiaries as of

December 31, 2020. An entity has been assessed as being controlled by the Group when the Group is exposed for or have the rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the Group's returns.

Thus, the Group controls an entity if and only if the Group has all the following:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of the Group's returns.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered as a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity. Including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements.

The assessments are done for each individual investment.



The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Business combinations are accounted for by using the acquisition method, see note 2. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests is presented separately under equity in the Group's balance sheet.

Change in ownership interest without loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the non-controlling interests is recognised at the equity attributable to the parent.

Loss of control

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets (including goodwill) and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognized at the date when the control is lost.

The fair value of the consideration received is recognised and any investment retained is recognised at fair value. Gain or loss is recognised in profit and loss at the date when the control is lost.

Investment in associates and joint ventures

The Group has investments in associates and joint ventures. Associates are entities over which the Group has significant influence, but not control or joint control over the financial and operating management.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether the Group has joint control or significant influence over an entity are similar to those necessary to determine control over subsidiaries.

Associates and joint ventures are accounted for using the equity method from the date when significant influence or joint control is achieved until such influence ceases.

Investments in associates or joint ventures are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.



If there are indication of that the investment in the associate or joint venture is impaired, the Group will perform an impairment test of the carrying amount of the investment. Any impairment losses are recognised as share of profit of an associate and a joint venture in the statement of profit or loss.

If the Group's share of the loss surpass the carrying amount of the associate, the carrying amount is set to zero and further loss is not recognised unless the Group has an obligation to make up for the loss.

Upon loss of significant influence over the associate or joint control over the joint venture, and as such the equity method ceases, the Group measures and recognises any retained investment at its fair value. It will not be performed a new measurement of remaining ownership interests if the equity method is still applicable, for example by transition from an associate to a joint venture.

The use of estimates and assessment of accounting policies when preparing the annual accounts

Estimates and assumptions

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities. This particularly applies to the depreciation of tangible fixed assets, evaluation of goodwill and evaluations related to acquisitions and pension commitments. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods.

Judgments

The management has, when preparing the financial statements; made certain significant assessments based on critical judgment when it comes to application of the accounting principles.

Revenue recognition

Revenue from contracts with customers is recognised when control are transferred to the customer at the amount that reflects the consideration the group expects to receive in exchange.

Revenues from the sale of goods are recognised in the statement of comprehensive income on delivery of the goods (i.e certain point in time). Revenues are presented net of value added tax and discounts.

Revenue from services if any are recognized when the service is delivered.

Dividend is recognised in the statement of comprehensive income when the shareholders' right to receive dividend has been determined by the general meeting.

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables:

A receivable represents the Group's right to an amount of consideration that is unconditional.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group fulfils the performance obligation (s) under the contract.



Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities, with the exception of:

- temporary differences linked to goodwill that are not tax deductible
- temporary differences related to investments in subsidiaries, associates or joint ventures when the Group controls when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

Deferred tax assets are recognised when it is probable that the company will have a sufficient profit for tax purposes in subsequent periods to utilise the tax asset. The companies recognise previously unrecognised deferred tax assets to the extent it has become probable that the company can utilise the deferred tax asset. Similarly, the company will reduce a deferred tax asset to the extent that the company no longer regards it as probable that it can utilise the deferred tax asset.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as non-current asset investments (long-term liabilities) in the balance sheet.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Research and development

Expenses relating to research activities are recognised in the statement of comprehensive income as they incur. Expenses relating to development activities are capitalised to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalised include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalised development costs are recognised at their cost minus accumulated amortisation and impairment losses.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life of the asset.

Tangible assets

Tangible assets, with the exception of investment property and buildings, are valued at their cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the carrying amount is derecognised and any gain or loss is recognised in the statement of comprehensive income.

Buildings are valued at their fair value less any accumulated depreciation and impairment losses. Any increase in a building's value is recognised in equity. An increase in value is recognised in the statement of comprehensive income to the extent that an impairment loss on the same building has been previously recognised in the statement of comprehensive income. An impairment loss is first recognised in the statement of comprehensive income against any previous increases in value/revaluations of the same building, following which the remaining amount is recognised in the statement of comprehensive income. When a building is disposed of, the share of the revaluation reserve which is linked to the asset disposed of is reclassified as other equity. The cost of tangible non-current assets is the purchase price, including taxes/duties and costs directly linked to preparing the asset ready for its intended use. Costs incurred after the asset is in use, such as regular maintenance costs, are recognised in the statement of comprehensive income, while other costs that are expected to provide future financial benefits are capitalised.

Depreciation is calculated using the straight-line method over the useful life (refer note 7)

The depreciation period and method are assessed each year. A residual value is estimated at each year-end, and changes to the estimated residual value are recognised as a change in an estimate.



Assets under construction are classified as non-current assets and recognised at cost until the production or development process is completed. Assets under construction are not depreciated until the asset is taken into use.

Leasing

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The group as a lessee

For contracts that constitute, or contain a lease, the Group separates lease components if it benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

At the lease commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognised at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss. The Group presents its lease liabilities as separate line items in the statement of financial position.



Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognised
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

The Group as a lessor

The Group presents assets it has leased to others as non-current assets in the balance sheet. The rental income is recognised as revenue on a straight line basis over the term of the lease. Direct costs incurred in establishing the operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the rental income.

Intangible assets

Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognised at their fair value in the Group's opening balance sheet. Capitalised intangible assets are recognised at cost less any amortisation and impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit. Intangible assets with an indefinite economic life are not amortised. The economic life is assessed annually with regard to whether the assumption of an indefinite economic life can be justified. If it cannot, the change to a definite economic life is made prospectively.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. For description of the measurement of non-controlling interest, see below. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received.

The consideration paid in a business combination is measured at fair value at the acquisition date and consist of cash.

When acquiring a business are all financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions at the acquisition date. The acquired assets and liabilities are accounted for by using fair value in the opening group balance (unless other measurement principles should be applied in accordance to IFRS 3).

The initial accounting for a business combination can be changed if new information about the fair value at the acquisition date is present. The allocation can be amended within 12 months of the acquisition date (provided



that the initial accounting at the acquisition date was determined provisionally). The non-controlling interest is set to the non-controlling interest's share of identifiable assets and liabilities. The measurement principle is done for each business combination separately.

When the business combination is achieved in stages, the previously held equity interest is re-measured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

Goodwill is recognised as the aggregate of the consideration transferred and the amount of any non-controlling interest, and deducted by the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not depreciated, but is tested at least annually for impairment. In connection with this, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the business combination.

If the fair value of the equity exceeds the acquisition cost in a business combination, the difference is recognised as income immediately on the acquisition date.

Government grants

Government grants are recognised when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognised systematically during the grant period. Grants are deducted from the cost which the grant is meant to cover. Investment grants are capitalised and recognised systematically over the asset's useful life. Investment grants are recognised either as deferred income or as a deduction of the asset's carrying amount.

Non - current assets held for sale and discontinued operations

Non-current assets and groups of non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sales transaction instead of through continued use. This is only regarded as having been fulfilled when a sale is highly probable and the non-current asset (or groups of non-current assets and liabilities) is available for immediate sale in its present form. The management must be committed to a sale and the sale must be expected to be carried out within one year after the classification date.

Non-current assets and groups of non-current assets and liabilities which are classified as held for sale are valued at the lower of their former carrying amount or fair value minus sales costs.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group's financial assets are: derivatives, receivables and cash and cash equivalents.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Group classifies its financial assets within 2 categories; financial assets at amortized cost and financial asset at fair value through profit and loss.

Financial assets at amortized cost:

The Group measures financial assets at amortized cost if both of the following conditions are met:

- 1) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- 2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding



Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Groups financial assets at amortized cost includes trade receivables and other short-term deposit. Our trade receivables do not contain a significant financing component and are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

Derivatives at fair value through profit and loss:

Financial assets at fair value through profit and loss include financial assets held for trading, financial assets designated through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified held for trading if they are acquired for the purpose of selling or repurchasing in the near terms. Derivatives, including separately embedded derivatives, are also classified as held for trading unless they are designed as effective hedging instruments.

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value in profit and loss.

Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as financial liabilities at fair value through profit and loss (derivatives), as appropriate. Derivatives are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.



Impairment

Financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Non-financial assets

Property, plant and equipment are reviewed at each reporting date for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss of fixed assets is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Inventories

Inventories are recognised at the lowest of cost or net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location. In-house produced goods include variable costs and fixed costs that can be allocated based on normal capacity utilisation.



Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

In the statement of cash flows, the overdraft facility is stated minus the balance of cash and cash equivalents.

Defined contribution plans

The Group have made contributions to local pension plans. These contributions have been made to the pension plan for full-time employees and equal 6% of the employee's salary. The pension premiums are charged to expenses as they are incurred.

Provisions

A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

A provision for a guarantee is recognised when the underlying products or services are sold. The provision is based on historical information on guarantees and a weighting of possible outcomes according to the likelihood of their occurrence.

Restructuring provisions are recognised when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Provisions for loss-making contracts are recognised when the Group's estimated revenues from a contract are lower than unavoidable costs which were incurred to meet the obligations pursuant to the contract.

Contingent liabilities and assets

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognised in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

Cash flow

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term highly liquid placement.

Events after the reporting period

New information on the company's financial position on the end of the reporting period which becomes known after the reporting period is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position on the end of the reporting period but which will affect the company's financial position in the future are disclosed if significant.



Biomega Group AS- Group

Notes to the accounts for 2020

Note 2 - Revenues

	2020	2019
Revenue from contracts with customers:		
Sale of goods and services	277 788 705	226 904 280
Other income		
Government grants	2 961 885	3 012 819
Other operating income	0	491 347
Total revenues	280 750 589	230 408 446
Geographical distribution sale of goods and services		
Norway	1 147 264	15 118 653
EU	128 137 225	81 993 170
North America	98 541 517	39 687 294
Turkey and Asia	49 962 699	67 695 304
Total	277 788 705	204 494 421

Note 3 - Government grants

The group has recognized in total income of TNOK 2 961 in grants from among other Innovasjon Norge and RFF for 2020 (TNOK 3013 in 2019).

Note 4 - Inventory

	2020	2019
Raw materials and purchased semi-finished goods	1 376 032	894 298
Finished goods	24 252 834	35 824 301
Total Inventory	25 628 867	36 718 599

Note 5 - Wage costs, remuneration etc.

	2020	2019
Salaries	30 545 686	35 181 952
Payroll tax	4 745 214	4 875 911
Pension costs	2 041 790	1 867 345
Other payments net transfer of cost to assets	-988 432	-70 275
Total	36 344 258	41 854 933
Number labour years in the company during the year	41	40

Management remuneration, see parent note 3

Audit	2020	2019
Audit fee	302 086	309 497
Other services	129 086	901 403
Other certification services	102 587	18 050
Tax services	-	160 382
Total	533 759	1 097 187

VAT is not included in the figures of auditor's fee.



Biomega Group AS- Group

Notes to the accounts for 2020

Note 6 - Tangible assets

	Land, buildings and other property	Machinery and plant	Assets under construction	Office, lab equipment, tools etc	Sum
Acquisition cost 1.1	54 576 774	212 316 816	0	3 706 600	270 600 190
Addition	15 497 004	10 734 640	9 119 783	1 273 435	36 624 862
	0	-2 738 933	0	0	-2 738 933
Disposals	0	0	0	0	0
Acquisition cost 31.12.	70 073 778	220 312 523	9 119 783	4 980 035	304 486 119
Acc.depreciation 1.1 reclass RoU	0	0	0	0	0
Acc.depreciation 31.12.	20 145 374	156 910 958	0	3 031 218	180 087 550
Net carrying amount at 31.12	49 928 404	63 401 565	9 119 783	1 948 817	124 398 569
Depreciation for the year	2 487 211	18 317 915	-	441 970	21 247 096
Write-downs for the year	-	-			

Useful economic life	10-20 years	5-15 years	5-10 years
Amortization plan	Linear	Linear	Linear

Note 7- Intangible assets

	Goodwill	R&D, Patents	It software	Sum
Acquisition cost 1.1	228 681 244	19 744 597	0	248 425 841
Addition	3 391 796	17 280 538	4 755 477	25 427 811
Disposals	-		0	0
Acquisition cost 31.12.	232 073 040	37 025 135	4 755 477	273 853 652
Acc.depreciation 31.12.	0	1 514 864	576 540	2 091 404
Net carrying amount at 31.12	232 073 040	35 510 271	4 178 937	271 762 248
Depreciation for the year	-	897 641	576 540	1 474 181

Useful economic life	0-20 years	3 years
Amortization plan	Linear	Linear

R D is not depreciated until project is completed.

Goodwill is not depreciated, but tested annually for impairment.

Biomega Group AS acquired 100% of Biomega Engineering AS established in 2020 for MNOK 3,9 in 2021 and subsequently merged it with the group. Based on evaluation the excess value was allocated to goodwill, relating to synergies and employees. The groups comparable revenues would be unchanged based on the acquisition. The Group performed an impairment test of the goodwill as of December 31, 2020. The recoverable amount was determined based on a value in use calculation using future cash flows projections. The cash flows was based on 4 year budget and a terminal value reflecting future steady state. The Group have used discount rate (WACC) of 9,65%. The future cash flow are subject to judgment and based on management best estimate through budget on future revenues, margins, capex and terminal growth.

With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the key assumptions would cause the carrying value to materially exceed its recoverable amount.

Note 8 - Financial items

Financial income	2020	2019
Other interest income	127 723	118 365
Net currency effects (agio)	0	833 614
Change of fair value derivatives	1 388 907	4 896 198
Total financial income	1 516 630	5 848 177

Financial expenses	2020	2019
Change of fair value derivatives	0	0
Net currency effects(disagio)	7 732 102	0
Interest expense	361 577	9 956 278
Total financial expenses	8 093 680	9 956 278



Biomega Group AS- Group

Notes to the accounts for 2020

Note 9 - Tax

Income tax expenses

	2020	2019
Tax payable		
Change deferred tax	-	-2 787 249
Total	-	-2 787 249

Tax base estimation:

Ordinary result before tax	-39 122 765	-46 607 113
Permanent differences	381 272	-2 600 691
Changes temporary differences	-13 246 705	20 219 042
Utilised loss carried forward	-52 013	-116 615
Tax base	-52 040 211	-29 105 377

Temporary differences outlined:

Fixed assets	27 522 443	36 840 020
Financial derivatives	14 202 858	-653 309
Deferred revenue	-13 615 258	-19 370 122
Other differences	-1 868 024	-2 743 356
Loss carried forward	-130 927 756	-78 887 545
Net temporary differences	-104 685 737	-64 814 312

22% (deferred tax asset)/deferred tax liability

-23 030 862 -14 259 149

Deffered tax assets not recorded

-23 030 862 -14 259 149

- -

Note 10 - Cash and cash equivalents

Restricted tax deposit as of 31.12.2020 is NOK 1 558 734

Note 11 - Equity

	Share capital	Share premium	Accumulated losses	Sum
Owners equity 01.01	10 762 850	280 126 672		290 889 522
Capital increase	100 186	3 399 814		3 500 000
Currency translation			202 144	202 144
Total comprehensive income	-		-39 122 765	-39 122 765
Owners equity 31.12.	10 863 036	283 526 486	-38 920 621	255 468 901

Note 12 - Share capital and shareholder information

See parent note 11

Note 13 - Pensions

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension. The company's defined contribution plan cover all employees. The company's pension scheme meets the requirements of that law.



Biomega Group AS- Group

Notes to the accounts for 2020

Note 14 - Interest bearing debt

	2020*	2019
Sekwi AS	2 247 911	2 177 970
DnB	52 500 000	59 500 000
Long term loan Amerra Magni LLC	76 793 400	
Amortized cost	-296 738	-654 226
Total interest bearing debt	131 244 573	61 023 744

Next year installement to DnB is 7 MNOK

No repayment agreed on loan from Sekwi AS (included from 2019 in group as part of PPA Alkymar AS)

Loan from Shareholder Amerra Magni LLC is 9 MUSD converted to NOK with rate 8,5326 at year end.

The loan matures in 2022, and is planned to be converted to shares in 2021.

Pledges

Biomega Norway AS has pledged security in fixed assets, inventoy and accounts receivables for all the debt listed above.

Biomega Group AS has pledged security in shares, receivables, inventory and fixed assets for debt that the subsidiary Biomega Norway AS has to a joint bank conneciton.

Note 15 - Intercompany balance group company and associate

See parent notes

Note 16- Investment in subsidiaries and associates

See parent notes



Biomega Group AS- Group

Notes to the accounts for 2020

Note 17- Financial market risk

The group uses financial instruments like bank loans to raise capital for investments necessary for group operations. In addition the Group has financial instruments such as cash, account receivables and accounts payables which are directly linked to the every day operation measured at amortised cost. The Group uses some financial derivatives for hedging purposes. These are measured at fair value through profit and loss, not using hedge accounting.

The most significant financial risks for the Group are interest rate risk, credit risk and exchange rate risk. Management continuously evaluates these risks and determines policies related to how these risks are to be handled within the Group.

The Group uses financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations. The Group uses financial derivatives to reduce these risks in accordance with the Group's strategy for its interest-rate and exchange-rate exposure. The treatment of financial derivatives is described in Note 1.

i) Credit risk

The Group are exposed to credit risk primarily related to accounts receivable and other current assets, refer also to note 20. The Group limits the exposure to credit risk through credit evaluation of its customers before credit are given. The Group has no significant credit risk linked to an individual customer or several customers that can be regarded as a group due to similarities in the credit risk.

ii) Currency risk:

Fluctuations in exchange rates entails both directly and indirectly an economic risk for the company.

The company has during 2020 to reduce this risk entered currency futures both in EURO and USD. As of 31.12.2020 the group holds foreign currency futures with total positive value of 7 410 TNOK (negative value 509 TNOK as of 31.12.2019).

iii) Interest risk:

Interest rates on debt to credit institutions comprise NIBOR margin.

Further on the company has agreed upon a 10-year interest rate swap until 01.03.2022 and has an interest rate of 3,42 %. As of 31.12.2020 valuation of the agreement is negative TNOK 89 (negative value 144 TNOK 31.12.2019). The interest swap is treated as hedge accounting.



Biomega Group- Group

Notes to the accounts for 2020

Note 18 Financial instruments

31.12.2020	Financial instruments at amortized cost	Financial instruments at fair value through profit and loss
Assets		
Shares		1 336 000
Non Current Currency and interest derivatives	7 410 352	
Accounts receivable	23 104 617	
Other receivables	15 504 607	
Cash and cash equivalents	33 811 911	
Total Financial assets	79 831 486	1 336 000
Liabilities		
Non Current Currency and interest derivatives		89 194
Non current interest bearing debt	131 244 573	
Current interest bearing debt	53 036 539	
Accounts payable	28 849 684	
Total financial liabilities	213 130 796	89 194

31.12.2019	Financial instruments at amortized cost	Financial instruments at fair value through profit and loss
Assets		
Shares		136 000
Non current Currency and interest derivatives		338 278
Accounts receivable	26 606 142	
Other receivables	14 180 911	
Cash and cash equivalents	11 693 012	
Total Financial assets	52 480 065	474 278
Liabilities		
Non Current Currency and interest derivatives		144 610
Current Currency and interest derivatives		846 977
Non current interest bearing debt	61 023 744	
Current interest bearing debt	45 827 074	
Accounts payable	27 250 828	
Total financial liabilities	134 101 646	991 587



Biomega Group- Group

Notes to the accounts for 2020

Note 19 Determination of fair value

The fair value of financial assets classified as financial assets at fair value through profit or loss is determined by reference to published price quotations in an active market. For unquoted financial assets the fair value has been estimated using a valuation technique based on assumptions that are not supported by observable market prices.

The fair value of forward exchange contracts is determined using the forward exchange rate at the end of the reporting period. The fair value of currency swaps is determined by the present value of future cash flows. The fair value of options is determined using option pricing models. For all the abovementioned derivatives, the fair value is confirmed by the financial institution with which the Group has entered into the contracts.

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and long-term debts.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on normal terms and conditions.

The fair value of financial assets and liabilities recognised at their carrying amount is calculated as the present value of estimated cash flows discounted by the interest rate that applies to corresponding liabilities and assets at the end of the reporting period. This applies to Liabilities resulting from finance leases.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments.

	2020		2019	
	Book value	Fair value	Book value	Fair value
<i>Financial assets</i>				
Cash	33 811 911	33 811 911	11 693 012	11 693 012
Trade receivables	23 104 617	23 104 617	26 606 142	26 606 142
Foreign exchange derivatives	7 410 352	7 410 352	338 278	338 278
Other non-current assets	8 094 255	8 094 255	14 180 911	14 180 911
Shares	474 278	474 278	136 000	136 000
Total financial assets	72 895 412	72 895 412	52 954 343	52 954 343
<i>Financial liabilities</i>				
Bank credit facility	53 036 539	53 036 539	45 827 074	45 827 074
Trade and other payables	63 649 082	63 649 082	56 839 543	56 839 543
Foreign exchange derivatives	-	-	846 977	846 977
Interest rate swaps	89 194	89 194	144 060	144 060
<i>Interest-bearing loans and borrowings:</i>				
Interest bearing debt	131 244 573	131 244 573	62 939 914	62 939 914
Lease liability	3 418 525	3 418 525	1 779 647	1 779 647
Total financial liabilities	251 437 913	251 437 913	168 377 215	168 377 215



Biomega Group- Group

Notes to the accounts for 2020

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For recurring level 3 measurements, transfers between the levels in the fair value hierarchy are evaluated when reassessing the categories of the financial instruments at the end of the period.

The following groups of financial instruments were measured at fair value as of 31.12.2020:

31.12.2020	Book value	Level 1	Level 2	Level 3
Financial instruments at fair value through profit or loss				
Interest rate swap liability	-89 194		-89 194	
Foreign exchange forward contracts liability				
Foreign exchange forward contracts assets	7 410 352		7 410 352	
Total	7 321 158		7 321 158	

During the reporting period there were no changes in the fair value measurement which caused transfers between level 1 and level 2, and no transfers to or from level 3.

Valuation technique

The valuation of financial instruments is done by the external advisors.

The valuation techniques used are individually adapted to each financial instrument and should take advantage of as much as possible of the available information in the market.

The valuation technique for financial instruments in level 2 and 3 are as follows:

Foreign exchange contracts - without a hedging relationship (level 2)

The Group's foreign exchange contracts have not been traded in an active market. The contracts have been evaluated based on observable spot rates, yield curve and expected development in the exchange rates.

Note 20 Account receivable

Provision for bad debt is 2 000 TNOK (2 200 TNOK in 2019)



Biomega Group AS- Group

Notes to the accounts for 2020

Note 21 - Leases

The group have used the practical expedient relating to contracts with low value and duration of less than 1 year. The group leases several assets such as offices, facilities and other assets

The Group's right of use asset is depreciated over the lease term unless option period or purchase options are evaluated likely to be used.

Right of use asset:

	Machinery and plant	
	2020	2019
1.1.	4 665 333	4 192 073
Additions	5 178 463	473 260
Disposals		
Acquisition cost 31.12.	9 843 796	4 665 333
Acc.depreciation 31.12.	2 857 979	816 262
Net carrying amount at 31.12	6 985 817	3 849 071
Depreciation for the year	2 041 717	816 262
Write-downs for the year	-	-

Useful economic life	3-10 years	3-10 years
Amortization plan	Linear	Linear

Lease liability

	2020	2019
1.1.	3 048 358	3065549
Additions	5 178 463	473 260
Payment	-1 772 122	-490 451
31.des	6 454 699	3 048 358

Estimated net present value of lease payments	2020	2019
Due within 1 year	3 036 174	1 268 711
1-5 years	3 418 525	1 737 011
After 5 year	-	42 636
Total	6 454 699	3 048 358

Lease liability booked as of 31.12	2 020	2 019
Current	3 036 174	1 268 711
Non current	3 418 525	1 779 647
Total	6 454 699	3 048 358



Biomega Group AS - Group

Notes to the accounts for 2020

Note 22- Subsequent events

The company continues to monitor the impact of the Covid-19 outbreak. We have so far maintained our normal level of activity and we do not expect greater impact, but we continuously assess the impact on our employees, operations and finances and evaluate necessary actions to be taken.

The group has subsequent in 2021 converted the shareholder loan of 9 MUSD and further additional equity has been committed in the total of additional MUSD 10,6 in 2021, whereby MNOK 40 has been received. Further a loan of 100 MNOK has been secured to support the planned business growth and the construction of new biorefinery in Hirtshals, Denmark in 2021 and 2022.



Biomega Group AS

Annual report 2020

Board of directors' report

Annual accounts

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Notes**

Auditors' report



Biomega Group AS

Income statement

	Note	2020	2019
Revenue			
Other operating income	4, 5	<u>18 386 212</u>	<u>17 993 110</u>
Operating expenses			
Cost of stocks		130 520	111 364
Payroll expenses	3, 6	13 717 640	15 154 449
Depreciation of tangible and intangible fixed assets	7, 8	1 782 596	3 711 252
Other operating expenses	3, 10	<u>21 569 158</u>	<u>22 278 458</u>
Total operating expenses		<u>37 199 914</u>	<u>41 255 523</u>
Operating result		<u>-18 813 702</u>	<u>-23 262 413</u>
Financial income and expenses			
Other financial income		7 013 893	64 386
Other financial expenses		<u>3 354 175</u>	<u>115 040</u>
Net financial items		<u>3 659 718</u>	<u>-50 654</u>
Ordinary result before tax		<u>-15 153 984</u>	<u>-23 313 067</u>
Net profit or loss for the year		<u>-15 153 984</u>	<u>-23 313 067</u>
Allocated as follows			
Transferred to other equity	13	<u>-15 153 984</u>	<u>-23 313 067</u>



Biomega Group AS

Balance sheet as of December 31

	Note	2020	2019
Fixed assets			
<i>Intangible assets</i>			
Research and development	8	8 360 978	3 132 464
IT software	8	4 178 937	0
Goodwill	8	2 939 557	0
Total intangible assets		<u>15 479 472</u>	<u>3 132 464</u>
<i>Tangible assets</i>			
Fixtures and fittings, tools, office machinery etc.	7	<u>168 771</u>	<u>140 012</u>
Total tangible assets		<u>168 771</u>	<u>140 012</u>
<i>Financial assets</i>			
Investments in subsidiaries	9	352 608 749	352 007 029
Investments in other shares	9	1 336 000	136 000
Other receivables	10	<u>27 756 312</u>	<u>1 340 000</u>
Total financial assets		<u>381 701 061</u>	<u>353 483 029</u>
Total fixed assets		<u>397 349 304</u>	<u>356 755 505</u>
Current assets			
<i>Receivables</i>			
Trade receivables	10	1 473 488	1 607 891
Other receivables	10	<u>2 036 181</u>	<u>4 380 129</u>
Total accounts receivable		<u>3 509 669</u>	<u>5 988 020</u>
Cash and cash equivalents	2	<u>16 127 409</u>	<u>1 891 522</u>
Total current assets		<u>19 637 078</u>	<u>7 879 542</u>
Total assets		<u>416 986 382</u>	<u>364 635 047</u>



Biomega Group AS

Balance sheet as of December 31

	Note	2020	2019
Equity			
<i>Paid-in capital</i>			
Share capital	13, 14	10 863 036	10 762 850
Share premium reserve	13	303 791 355	315 545 525
Total paid-in capital		<u>314 654 391</u>	<u>326 308 375</u>
Total equity		<u>314 654 391</u>	<u>326 308 375</u>
Liabilities			
<i>Other long-term liabilities</i>			
Other long-term liabilities	10, 11	80 290 522	0
Total other long term liabilities		<u>80 290 522</u>	<u>0</u>
<i>Current liabilities</i>			
Trade creditors	10	9 727 538	32 994 718
Public duties payable	2	4 555 391	3 146 870
Other short-term liabilities	10	7 758 540	2 185 084
Total current liabilities		<u>22 041 469</u>	<u>38 326 672</u>
Total liabilities		<u>102 331 991</u>	<u>38 326 672</u>
Total equity and liabilities		<u>416 986 382</u>	<u>364 635 047</u>

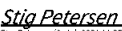
31 December 2020
Skogsvåg, 22 April 2021



Sten Estrup Nielsen (15. Jun. 2021 16:47 GMT+8)
Sten Estrup Nielsen
Chairman


Liv Monica Bargem Stubholt (24. Jun. 2021 10:33 GMT+2)
Liv Monica Bargem Stubholt
Board member


Kjartan Sandnes (28. Jun. 2021 19:59 GMT+2)
Kjartan Erik Sandnes
Board member

Craig Tashjian
Craig Armen Tashjian
Board member


Stig Victor Petersen (2. Jul. 2021 11:25 GMT+2)
Stig Victor Petersen
CEO


David Barley (28. Jun. 2021 17:38 GMT+2)
David Barley
Board member



Biomega Group AS

Cash flow statement

	2020	2019
Cash flow from operating activities		
Profit/(loss) before tax	-15 153 984	-23 313 067
Loss on sale of fixed assets	0	71 607
Depreciation and amortization	1 782 596	3 711 252
Changes in inventories, trade receivables and trade payables	-23 132 777	24 769 559
Other changes	1 421 682	-20 029 108
Net cash flow from operating activities	<u>-35 082 483</u>	<u>-14 789 757</u>
Cash flow from investing activities		
Proceeds from sale of tangible fixed assets	0	199 000
Purchase of intangible and tangible fixed assets	-10 652 797	-9 305 439
Purchase of investments in shares	-1 801 720	0
Addition cash from merger	30 005	0
Increase in long term IC loan	-26 416 312	-200 000
Net cash flow from investing activities	<u>-38 840 824</u>	<u>-9 306 439</u>
Cash flow from financing activities		
Proceeds from long term loans	88 159 194	0
Net cash flow from financing activities	<u>88 159 194</u>	<u>0</u>
Net change in cash and cash equivalents	14 235 887	-24 096 196
Cash and cash equivalents at 01.01	1 891 522	25 987 718
Cash and cash equivalents at 31.12	<u>16 127 409</u>	<u>1 891 522</u>



Biomega Group AS

Notes to the accounts for 2020

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles for small companies.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Research and development

Research and development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified. Otherwise, the costs are expensed as incurred. Capitalized research and development are amortized linearly over the economic lifetime.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be



Biomega Group AS

Notes to the accounts for 2020

utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Use of estimates

The preparation of the financial statements 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 can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as occurred.

Note 2 - Bank deposit

	2020
Restricted tax deposit	585 273

Note 3 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

<i>Wage costs</i>	2020	2019
Salaries	14 002 601	13 711 790
Payroll tax	1 788 992	1 851 925
Pension costs	628 634	541 061
Other payments incl wages capitalized	-2 702 587	-950 326
Total	<u>13 717 640</u>	<u>15 154 450</u>

The total number of employees in the company during the year(FTEs): 12 12

Management remuneration

The CEO during 2020 was employed by Biomega Netherlands BV and have not received any remuneration from Biomega Group AS.

There is paid 150 000 in remuneration to the Board of directors in 2020.



Biomega Group AS

Notes to the accounts for 2020

<i>Auditor fee as invoiced has been divided as follows</i>	2020	2019
Audit fee	118 000	97 375
Other services	58 113	860 484
Other attestations	33 200	18 050
Tax services	0	160 382
Total	209 313	1 136 291

VAT is not included in the figures of auditor's fee.

Note 4 - Other income

Other income consists of administration fees from the subsidiaries, as well as consulting fees and government grants.

Note 5 - Government grants

The company recognized income a total of TNOK 3 037 in 2020 (TNOK 1 972 in 2019) in grants from Innovasjon Norge and other.

The company will receive TNOK 0 in 2020 (TNOK 2 002 in 2019) in refunds through the tax settlement according to the Skattefunn scheme.

Note 6 - Pensions

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension. The company's pension scheme meets the requirements of that law.

The company's defined contribution plan cover all employees and contributions comprise 6% of salaries.



Biomega Group AS

Notes to the accounts for 2020

Note 7 - Tangible assets

	Office equipment	Total
Acquisition cost 01.01.2020	157 514	157 514
Addition through merger	113 769	113 769
Acquisition cost 31.12.2020	271 283	271 283
Acc.depreciation 31.12.	-102 512	-102 512
Net carrying amount at 31.12.2020	168 771	168 771
Depreciation for the year	85 010	85 010
Useful economic life	3 years	
Amortization plan	Linear	

Biomega Group AS merged with subsidiary Biomega Engineering AS in 2020.

Note 8 - Intangible assets

	Goodwill	R & D	It software	Total
Acquisition cost at 01.01.	0	3 627 554	0	3 627 554
Purchased intangibles	0	5 897 322	4 755 477	10 652 799
Addition through merger	3 391 796	0	0	3 391 796
Acquisition cost 31.12.	3 391 796	9 524 876	4 755 477	17 672 149
Acc.amortization at 31.12.	-452 239	-1 163 899	-576 540	-2 192 678
Net carrying amount at 31.12.	2 939 557	8 360 977	4 178 937	15 479 471
Amortization for the year	452 239	668 807	576 540	1 697 586
Useful economic life	5 years	4-8 years	3 years	
Amortization plan	Linear	Linear	Linear	

Biomega Group AS merged with subsidiary Biomega Engineering AS in 2020.



Biomega Group AS

Notes to the accounts for 2020

Note 9 - Investment in subsidiaries

Company	Acquisition year	Location	Share owners	Net profit 2020	Equity 31.12	Book value 31.12
				-31 488 05		
Biomega Norway AS	2001	Skogsvåg, Sund	100 %	7	42 373 873	331 310 534
Marine BioEnergy AS	2009	Skogsvåg, Sund	100 %	-53 084	-87 125	38 600
Alkymar AS	2019	Storebø	100 %	-673 358	-1 658 858	20 657 895
Biomega Netherlands B.V.	2019	Netherlands	100 %	-7 783	-855 868	0
Biomega Danmark	2020	Denmark	100 %	0	601 720	601 720
Total				-32 222 28	40 373 742	352 608 749
				2		

In addition, the company owns 10% of Ragn-Sells Havbruk AS, 17 % of Marine Support AS and 33,3 % of Innovafoods Chile.

Note 10 - Intercompany balance group company and associate

Receivables	2020	2019
Long term loan to Biomega Norway AS	26 416 312	0
Long term loan to Marine BioEnergy AS	1 340 000	1 340 000
Account receivable Alkymar AS	232 153	0
Account receivable Biomega Netherlands	0	760 422
Account receivable Marine BioEnergy AS		62 500
Total	<u>27 988 465</u>	<u>2 162 922</u>

There is per 31.12.2020 not set a repayment date on the loans to Marine BioEnergy AS and Biomega Norway AS

Payables	2020	2019
Trade payables to Biomega Norway AS	0	23 356 788
Trade payable Biomega Netherlands	7 241 930	0
Trade payable Marine BioEnergy AS	31 250	0
Shareholder loan Amerra Magni LLC	76 793 400	0
Total	<u>84 066 580</u>	<u>23 356 788</u>

Shareholder loan is 9 MUS\$ converted to NOK with rate 8,5326 at year end.
The loan matures in 2022, and is planned to be converted to shares in 2021.



Biomega Group AS

Notes to the accounts for 2020

Note 11 - Other long term liabilities

<i>Other long term liabilities</i>	2020	2019
Long term loan Amerra Magni LLC	76 793 400	0
Financing IT software	3 497 122	0
Other long term loans	80 290 522	0

For shareholder loan refer also to note 10

All long term liabilities matures within 1-5 years.

Note 12 - Income taxes

<i>Tax base estimation</i>	2020	2019
Ordinary result before tax	-15 153 984	-23 313 067
Permanent differences	29 830	-1 946 836
Change in temporary differences	-7 821 426	-56 881
Tax base	-22 945 580	-25 316 784

<i>Temporary differences outlined</i>	2020	2019
Tangible and intangible assets	-2 915 947	-3 855 673
Loan in foreign currency	6 881 700	0
Total	3 965 753	-3 855 673
Loss carried forward	-48 489 140	-25 543 560
	-44 523 387	-29 399 233
Differences not included in deferred tax liability / asset	-44 523 387	-29 399 233
Total	0	0

The company has not capitalized net deferred tax assets.

Note 13 - Owners equity

	Share capital	Share premium reserve	Total
Owners equity 01.01.2020	10 762 850	315 545 526	326 308 376
Profit for the year	0	-15 153 984	-15 153 984
Share issuance contribution in kind	100 186	3 399 814	3 500 000
Owners equity 31.12.2020	10 863 036	303 791 356	314 654 392

Biomega Group AS acquired subsidiary Biomega Engineering AS through contribution in kind in 2020, further a merger with the same was completed using continuity method.



Biomega Group AS

Notes to the accounts for 2020

Note 14 - Share capital and shareholder information

The share capital consist of 31 465 193 shares with face value of 0,345239766 giving a total book value of NOK 10 863 036.

Shareholders per 31.12:

	Ordinary shares
Amerra Magni LLC	27 812 500
Sekwi AS	1 612 500
Hams AS	1 500 000
Norprocess AS	250 000
Haugen Kapital AS	96 731
Elje Invest AS	96 731
Djupevåg Holding AS	96 731
Total	31 465 193

Note 15 - Subsequent events

The company continues to monitor the impact of the Covid-19 outbreak. We have so far maintained our normal level of activity and we do not expect greater impact, but we continuously assess the impact on our employees, operations and finances and evaluate necessary actions to be taken.

The group has subsequent in 2021 converted the shareholder loan of 9 MUSD and further additional equity has been committed in the total of additional MUSD 10,6 in 2021, whereby MNOK 40 has been received. Further a loan of 100 MNOK has been secured to support the planned business growth and the construction of new biorefinery in Hirtshals, Denmark in 2021 and 2022.













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Endelig revisjonsrapport

2021-07-02

Opprettet:	2021-06-15
Av:	Espen Aarstad (espen.aarstad@biomegagroup.com)
Status:	Signert
Transaksjons-ID:	CBJCHBCAABAAInUqulbEmMSObjoyU5LexKlk257glSEr


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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Biomega Group AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Biomega Group AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company comprise the balance sheets as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statement comprise the balance sheets as at 31 December 2020, the statement of total comprehensive income and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer are responsible for the other information. 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 management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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.

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In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 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 fair presentation;
- ▶ 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 those charged with governance 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 proposal for the 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 ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 4 July 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Trine Hansen Bjerkvik
State Authorised Public Accountant (Norway)

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TRINE HANSEN BJERKVIK

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