As approved on the company's annual general meeting on March 19th 2021

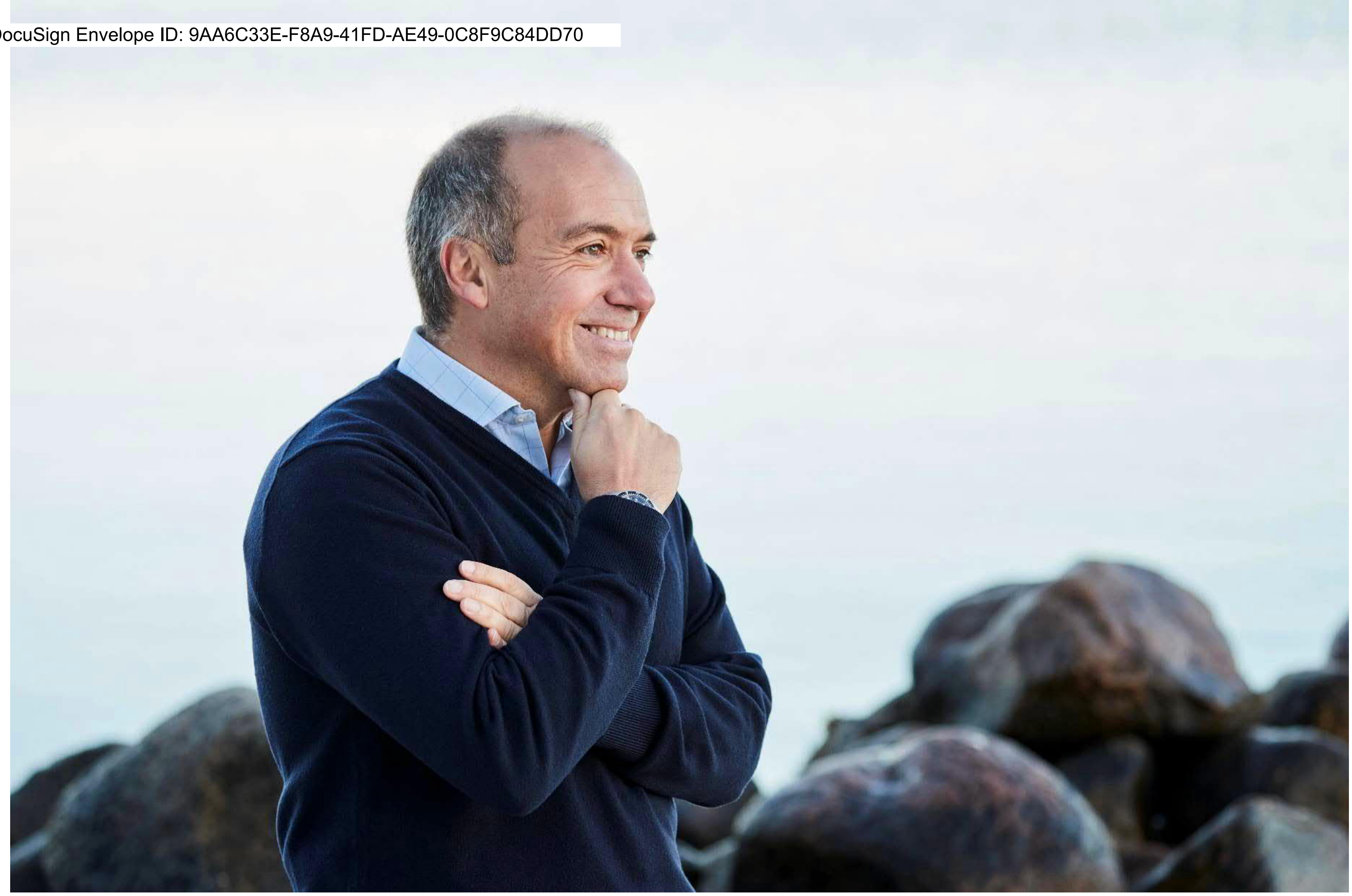
Claus Eskildsen
Chairman of the meeting

2020 Annual Report

BioMar Group A/S
Værkmestergade 25, 6.
8000 Aarhus C
Denmark

CVR no. 38 57 06 17

Content



Corporate Information

BioMar Group A/S
Værkmestergade 25, 6.
8000 Aarhus C
Denmark

Phone: (+45) 86 20 49 70
www.biomar.com

CVR-no.: 38 57 06 17
Financial year: January 1st – December 31st

Board of Directors

Jens Bjerg Sørensen (Chairman)
Asbjørn Reinkind (Deputy Chairman)
Jørn Ankær Thomsen
Anders Wilhjelm
Marianne Kirkegaard

Executive management

CEO Carlos Diaz

Shareholders

The Group is a 100% subsidiary of:
Aktieselskabet Schouw & Co.
Chr. Filtenborgs Plads 1
8000 Aarhus C
Denmark

Approval and publication

Annual general meeting at March 19th 2021

Management Statement

The Board of Directors and the Executive Management have considered and approved the annual report for 2020 for BioMar Group A/S.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at December 31st 2020 and of the results of the Group's and the parent company's operations and cash flows for the financial year ended December 31st 2020.

In our opinion, the management's report includes a fair review of the development and performance of the Group and the parent company, the financial results and cash flows for the year and of the financial position, together with a description of the principal risks and uncertainties that the Group and parent company face.

We recommend that the annual report is adopted by the shareholders at the annual general meeting.

Aarhus, March 2nd 2021

Executive Management:

DocuSigned by:
Carlos Diaz
2AE83AF8FE934B5...

Carlos Diaz
CEO

Board of Directors:

DocuSigned by:
Jens Bjerg Sørensen
E28E4E11F99E4D6...

Jens Bjerg Sørensen
Chairman

DocuSigned by:
3F6404282B9B4B4...

Asbjørn Reinkind
Deputy Chairman

DocuSigned by:
Jørn Ankær Thomsen
EDB6813066334D9...

Jørn Ankær Thomsen

DocuSigned by:
5BBA121A02204D7...

Anders Wilhjelm

DocuSigned by:
Marianne Kirkegaard
0F228D4F3685448...

Marianne Kirkegaard

Independent Auditor's Report

To the shareholders of BioMar Group A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of BioMar Group A/S for the financial year 1 January – 31 December 2020, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Independent Auditor's Report

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent 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 in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 as to 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 and additional requirements applicable in Denmark 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 the financial statements. As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 Group's and the Parent 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 in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

- 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.

Aarhus, March 2nd 2021

EY Godkendt Revisionspartnerselskab
CVR no.: 30 70 02 28

Claus Hammer-Pedersen
State Authorised
Public Accountant
mne21334

Søren Jensen
State Authorised
Public Accountant
mne34132

Management Review

BioMar at a glance

BioMar is one of the world's leading suppliers of high-performance quality feed for the aquaculture industry. Globally BioMar Group supplies aquaculture feed to more than 45 different fish species in more than 80 countries. The main products are feed made for salmon and trout, seabass and seabream as well as shrimp. The Group's activities are based on geography and business focus divided in to four operational divisions; SALMON, EMEA, LATAM and ASIA.

The SALMON division covering operations in Norway, Scotland, Chile and Australia. The division supplies high-yielding feed for Atlantic salmon, Pacific salmon and trout. The EMEA division covering the EMEA region and involving all operations other than salmon. The division has production facilities in Denmark, France, Spain, Greece and Turkey. The LATAM division covering Latin American shrimp and fish territories other than salmon, with a special focus on hatchery products. The division has production facilities in Ecuador and Costa Rica. The ASIA division covering a broad range of species relevant for this region including shrimp. The division has two production facilities in China.

In 2019 BioMar conducted a "Refresh Strategy Process" resulting in a finetuned path for the coming years. "Shaping our future" will guide our initiatives and actions for growth in both existing and new markets.

As a result of the refreshed strategy, the group divisions have been modified slightly from Q1 2020. BioMar has introduced a matrix organization combining business segments and geographies, as well as strengthened some global functions. This will contribute with more agile processes and global alignment.

SALMON division, comprising all salmon activities around the world continues as before, led by a VP. EMEA division also continues with the same geographies but the division furthermore assumes the global product responsibility for two new business segment "Fresh Water & Marine Fish" and "RAS" (Recirculating Aquaculture Systems) feed led by a VP. The former Emerging Market division was split into two divisions: LATAM, being responsible for shrimp and hatchery, led by the former VP for Emerging Markets and ASIA, for which management has not yet been defined.

In addition to this we have strengthened the leadership in our Executive committee adding a new role "VP for People, Purpose and Communications", which will ensure strategic focus and alignment around our purpose as well as fortifying our talent development for our growth plans.

The four operational divisions enable the most appropriate business models in the individual markets with the aim to achieve best practice and positive synergies across the geographical markets.

The Group employs more than 1,600 employees end of 2020 of which 223 employees are employed in the Group's joint ventures in China and Turkey. The share of employees employed abroad constitutes 90% of the total head count.

BioMar Group is head quartered in Aarhus and holds production facilities in the following countries divided by division:

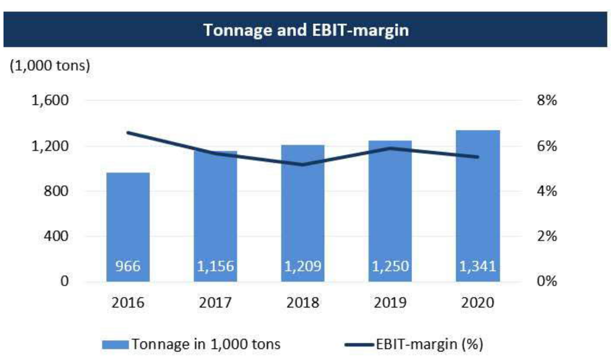
Group structure

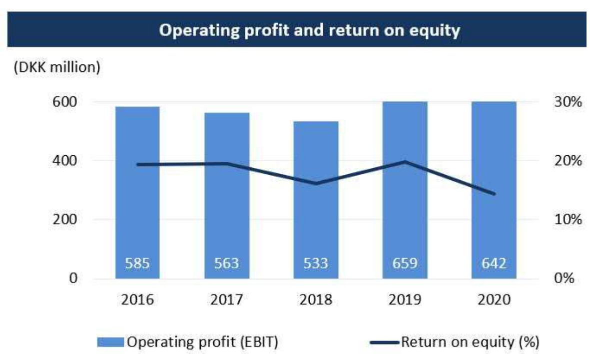
Reference is made to note 27

Financial Highlights and Key Ratios

	2020	2019	2018	2017	2016
Volume aqua feed					
Tonnage in 1,000 tons	1,341	1,250	1,209	1,156	966
(in million DKK)					
Profit and loss					
Revenue	11,649	11,180	10,328	9,955	8,867
Operating profit before depreciations (EBITDA)	972	966	713	712	722
Operating profit (EBIT)	642	659	533	563	585
Net financials	-68	-33	-35	14	-16
Profit before tax	538	676	574	615	581
Profit for the year	396	541	410	470	433
Invested capital					
Investments in property, plant and equipment	147	438	224	195	272
Non-current assets	3,816	4,260	3,161	2,973	1,821
Current assets	4,693	4,516	3,980	3,322	3,355
Total assets	8,509	8,776	7,141	6,295	5,176
Equity	2,664	2,857	2,583	2,489	2,343
Cash flows					
Cash flows from operating activities	1,028	328	365	296	884
Cash flows from investing activities	-131	-543	-217	-1,027	-376
Cash flows from financing activities	-845	198	-108	657	-634
Cash flows for the year	52	-17	40	-74	-125
Key ratios					
EBIT-margin (%)	5.5	5.9	5.2	5.7	6.6
Return on equity (%)	14.3	19.9	16.2	19.5	19.4
Solvency ratio (%)	31.3	32.6	36.2	39.5	45.3
ROIC excl.goodwill (%)	18.5	18.9	22.8	30.3	36.5

Comparative figures for 2016-2018 have not been restated to include IFRS 16.





Definitions of Key Ratios

Operating profit (EBIT-margin)	Operating profit / Revenue	5.5 %
Return on Equity (%)	Profit for the year / Average equity	14.3 %
Solvency rate (%)	Equity / Total assets	31.3 %

Business Development

In 2020 most of the world encountered the COVID-19, which has evolved to a world-wide pandemic. In accordance with government-imposed rules and recommendations, BioMar implemented a series of measures to protect its employees and their families while securing a stable production as part of a critical sector to ensure food supply to the world. Overall, the virus has not significantly impacted the consolidated group sales or production, but some markets were challenged more than others, among other Ecuador and the Mediterranean countries.

Despite the challenges brought by the COVID-19 virus BioMar managed to successfully commission significant new capacity into strategic aquaculture markets around the world.

In April 2020, BioMar and its Chinese partner Tongwei Co. Ltd. commissioned and started commercial production in the new fish feed factory in Wuxi near Shanghai. BioMar now holds the manufacturing footprint which will enable BioMar to start scaling up the commercial efforts to penetrate the important Chinese market by providing sustainable and high-yielding quality feed for fish farming.

In April 2020, BioMar has commissioned and started commercial production in the new factory in Tasmania, Australia. The new factory, completed in accordance with the plan, has enabled BioMar to serve its Australian customers even better and to expand its presence into yet another important aquaculture market.

In Denmark, BioMar commissioned a new line in Q1 dedicated to specialised larval and fry diets and RAS feed (Recirculating Aquaculture Systems).

In December 2020, BioMar completed the construction of an additional line for extruded feed in Ecuador, which has increased the capacity by further 40,000 tonnes. The new production line will increase BioMar's product offerings in the Ecuadorian market in 2021.

In Q2 2020 BioMar concluded a declaration of intent with a leading player in Vietnam's shrimp farming industry, Viet-UC, intended to pave the way for BioMar becoming a co-owner and taking operational charge of a relatively new feed factory owned by Viet-UC. The new partnership is expected to produce substantial synergies and to strengthen BioMar's global position in the shrimp feed business. The process to define the partnership has taken longer than originally expected due to the continuing travel restrictions, but the parties have collaborated constructively and the final agreement on the partnership has now been signed.

Business Development

In December 2019 Chile's National Economic Prosecutor's office, Fiscalia Nacional Económica (FNE), has indicted four Chilean fish feed producers, including BioMar Chile, for participation in concerted practices within the industry.

The charges are based on isolated circumstances related to the Chilean fish feed industry in the period 2003-2015. The case is still in its preliminary stage and presumably this will be a rather long-running case.

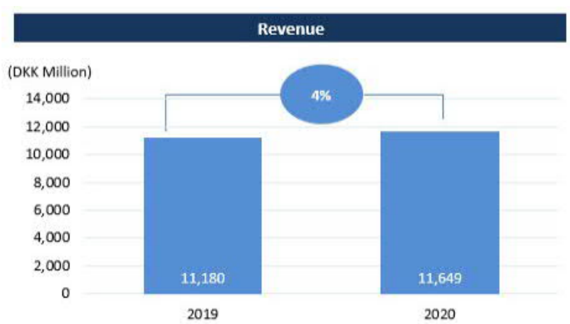
BioMar Chile does not acknowledge the charges brought by the FNE and has rebutted the charges that it has participated in concerted practices to restrict competition in the industry. Please refer to further elaboration in note 21 regarding contingent liabilities.

Financial Review

Income Statement

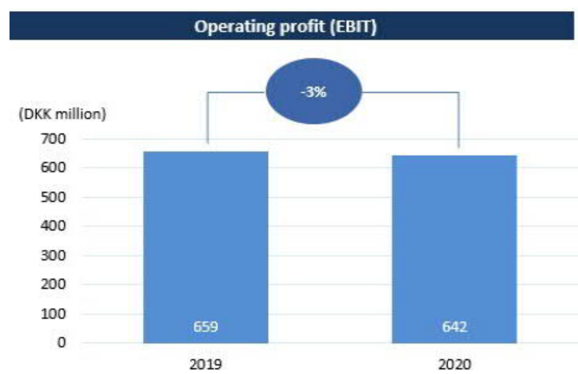
In 2020 revenue was 11,649m DKK, a 4% increase from 11,180m DKK in 2019, reflecting a 7% increase in volumes sold relative to 2019 while pressure on margins, down trading to less premium products and unfavourable currencies reduced the revenue.

The increase was driven by the SALMON division as the LATAM and EMEA divisions sales were impacted harder by the consequences of COVID-19. Developments in foreign exchange rates had a negative overall impact of 464m DKK on revenue



BioMar reported an EBITDA increase from 966m DKK in 2019 to 972m DKK in 2020. The result was driven positively by increased sales volume and cost savings while partially offset by unfavourable exchange rate effects compared to 2019 but also higher provision for bad debt risks and lower profit from fish sales have significantly impacted EBITDA. Significant cost savings from reduced travel and sales activities were achieved during 2020 however to a large extent offset with extraordinary cost related to COVID-19 for example testing, cleaning, extra shifts and supporting communities in some areas.

EBIT amounts to 642m DKK which is 17m DKK lower than 2019 significantly impacted by increased depreciations on newly employed investments which commercially have not yet fully realized its potential.



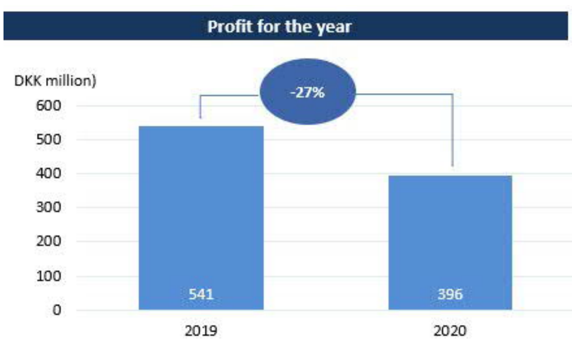
The 50%-owned feed businesses in Turkey and China, which are not consolidated, reported combined 2020 revenue (100% basis) of 682m DKK and EBITDA of 40m DKK compared to revenue of 676m DKK and EBITDA of 25m DKK in 2019. Volumes and revenue in Turkey decreased due to COVID-19 impacts while they increased in China as a result of the ramp up of production in the new factory near Shanghai. EBITDA was in 2019 impacted by a bad debt cost of 16m DKK for a specific customer in Turkey while in 2020 it was normalized.

Financial Review

The non-consolidated businesses also include the fish farming company Salmones Austral, LetSea, ATC Patagonia research centers and LCL Shipping. The non-consolidated companies are recognized in the 2020 consolidated financial statements with a loss of 44m DKK after tax, compared to a profit of 49m DKK in 2019. The significant decline is due to lower results in Salmones Austral in Chile, primarily as salmon prices in average for the year as well as the outlook for futures periods have been significantly lower compared to 2019, reflecting the COVID-19 situation.

Profit before tax ended at 538m DKK compared to 676m DKK the year before which is a decrease of 138m DKK. The decrease is driven by the significant change in earnings from associated companies combined with a one-off gain from equity divestment in 2019.

Profit after tax amounts to 396m DKK compared to 541m DKK in 2019.



Balance Sheet

Non-current assets amounted to 3,816m DKK end of 2020 compared to 4,260m DKK end of 2019, a decrease of 444m DKK. The decrease is driven by a lower investment level in 2020 but more important currency developments reduced non-current assets by 290m DKK.

Current assets amounted to 4,693m DKK end of 2020 compared to 4,516m DKK end of 2019, an increase of 177m DKK. Inventories decreased 8m DKK reducing stocks in some markets while building stocks in others. Receivables from customers decreased 61m DKK comprising an increase from changed sales phasing and market mix as well as some customers delaying payments however fully offset by currency developments at year-end.

Working capital decreased from 1,315m DKK end of 2019 to 955m DKK end of 2020. All components of net working capital contributed to the reduction in working capital, including reduced trade receivables and inventories at a total of 69m DKK, and an increase in other debt of 51m DKK that was mainly due to increased VAT balances from increased sales but also extended deadlines for the payment of employee income taxes, etc. due to the COVID-19 situation. Trade payables increased by 197m DKK due to increased activity in Q4 2020. The use of supply chain financing increased from 817m DKK at December 31st 2019 to 829m DKK at December 31st 2020. Changes in exchange rates had the overall effect of reducing working capital by 135m DKK.

BioMar Group facilitates a supply chain financing programme funded by credit institutes. The main purpose and benefits with the programme are to develop and further improve long-term relationship with our suppliers of raw materials in a commodity market. As a company we support long-term relationships towards customers, suppliers and other stakeholders. This is one of our guiding principles to support our Purpose Statement. A strong cooperation with suppliers enhances supply chain stability. The supply chain financing programme is reducing raw material cost and finance cost in our value chain. The programme funds growth and innovation for suppliers, which is an advantage for BioMar's product innovation, and it is securing our supply chain according to the strategy and future growth.

Non-current liabilities decreased by 154m DKK to 796m DKK end of 2020. The decrease relates to lease liabilities as well as a reduction in deferred taxes.

Financial Review

Equity amounted to 2,664m DKK end of 2020 equivalent to a solidity of 31% opposed to 33% end of 2019.

ROIC excluding goodwill decreased from 18.9% in 2019 to 18.5% in 2020 because of lower earnings (EBITA) in 2020 compared to 2019 caused by increased depreciations on the newly deployed capacity investments.

Cash Flow Statement

Cash flow from operating activities amounts to 1,028m DKK compared to 328m DKK in 2019. The significant improvement is due to working capital improvements in 2020 optimizing inventory and supplier management while balancing customer credit terms with risks.

Cash flow from investment activities amounts to -131m DKK compared to -543m DKK in 2019, a decrease of 412m DKK. The investment activities were in 2019 extraordinarily high with the acquisition of the remaining shares in Alitec Pargua and the construction projects.

Cash flow from financing activities amounts to -845m DKK compared to 198m DKK in 2019. The cash flow was impacted by substantial repayment on the group financing facilities as a result of the improved working capital management.

Financial Resources

Net interest bearing debt amounts to 1,532m DKK compared to 2,077m DKK end of 2019, a decrease of 545m DKK, mainly due to the repayment on the group financing facilities. BioMar is mainly financed through the parent company with committed facilities that exceed 12 months.

Outlook

The long-term demand for farmed fish and shrimp is generally developing favorably in many markets, and there are no immediate indications of any changes to this trend. However short-term,

COVID-19 has interrupted sales channels and imposed import/export restrictions which has resulted in volatility in supply and demand as well as prices.

The consolidated impact on sales volume has so far been limited, but in some markets, customers have traded down buying standard products over premium at lower prices. The outlook assumes a stable and slight improving return to a new normal in all main markets.

Despite the presence of COVID-19 BioMar expects to achieve an increase in volume sales in 2021 relative to the previous year driven by a general rebound and the strategic investments made in recent years.

Against this background, BioMar expects to generate full-year 2021 revenue of 12b DKK and EBITDA in the range of 950m-1,020m DKK. As always, however, changes in raw materials prices and foreign exchange rates may impact revenue and earnings performance.

Associates and joint ventures, which are recognized at a share of profit after tax, are expected to contribute with a profit of approximately 40m DKK in 2021. The outlook assumes a partial recovery of the Chilean salmon prices increasing the earnings in Salmones Austral.

Financial Review

Risk Management

The Board of Directors and management in BioMar assess and monitor on an ongoing basis the risks to which the company is exposed as well as management and mitigation of those risks. Risks are defined as the risk of the company not achieving its short- and long-term objectives. The risk management strategy comprises the implementation of a number of procedures and policies in order to identify measure and manage relevant risks. The group is among other exposed to strategical, operational and financial risks.

The strategical risks mainly relate to the risk of BioMar not achieving its long-term objectives but can also impact the fulfilment of short-term objectives. BioMar typically classifies the risk according to two criteria being the likelihood for a certain event to occur and the financial impact if that event occurs. Based on an overall assessment of each risk actions to mitigate the risks are prioritised and implemented. It is assessed that the risks BioMar are exposed to are common for the industry.

Research & Development and Knowledge Resources

It is BioMar's objective to be recognised as an innovative company which through research and development activities delivers competitive products and technical related services to its customers. BioMar invests annually an amount equal to 10-15% of the result from operations in research and development and has engaged highly educated and specialists in this field. In addition, BioMar has a long tradition for cooperating with research institutes in a number of countries as well as fish farmers are often involved in the development processes.

Corporate Social Responsibility

In accordance with the Danish Financial Statement Act § 99a BioMar has not published an individual report for corporate social responsibility as it has been incorporated in the consolidated report for the parent company Schouw & Co., to which reference is made.

Gender Composition

Reference is made to the section on gender composition presented in the financial statements for 2020 for the parent company, Schouw & Co., concerning policies and targets regarding gender composition in management functions.

Information about the account for corporate social responsibility and corporate governance in general can be retrieved from the parent company's website, at; https://www.schouw.dk/en/about-us/corporate-governance/

BioMar

Consolidated Financial Statements

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(DKK 1,000)

Note	INCOME STATEMENT	2020	2019
1	Revenue	11,648,669	11,180,096
2-5	Production costs	-10,185,127	-9,698,320
	Gross profit	**1,463,542**	**1,481,776**
7	Other operating income and expenses, net	-6,777	3,070
3,4	Distribution costs	-554,725	-555,672
3,4,6	Administration costs	-260,259	-269,909
	Operating profit (EBIT)	**641,781**	**659,265**
8	Share of profit after tax, associates	-43,761	48,569
8	Share of profit after tax, joint ventures	7,905	971
9	Financial income	14,069	46,005
10	Financial expenses	-81,716	-78,863
	Profit before tax	**538,278**	**675,947**
11	Tax on profit for the year	-142,048	-135,345
	Profit for the year	**396,230**	**540,602**
	Other comprehensive income		
	Items that have been or may subsequently be reclassified to the income statement;		
	Exchange rate adjustments, foreign entities	-287,816	79,802
	Value adjustments of hedging instruments:		
	- Value adjustments for the year	-8,168	2,043
	- Value adjustments tranferred to production costs	-2,043	-691
	Other comprehensive income in subsidiaries, associates and joint ventures	-872	120
	Tax on items that have been or may subsequently be reclassified to the income statement	1,016	137
	Other comprehensive income after tax	**-297,883**	**81,411**
	Total comprehensive income	**98,347**	**622,013**

The comprehensive income for the year is fully attributable to BioMar Group A/S.

BALANCE SHEET AT DECEMBER 31st

(DKK 1,000)

Note	ASSETS	2020	2019
	Goodwill	895,819	979,137
	Other intangible assets	283,347	334,447
	Assets under development	7,821	6,730
12	Intangible assets	1,186,987	1,320,314
	Land and buildings	756,102	616,921
	Plant and machinery	806,358	618,752
	Other plant, fixtures and operating equipment	39,857	41,392
	Assets under construction	22,275	468,432
13	Property, plant and equipment	1,624,592	1,745,497
8	Investments in associates	339,482	419,130
8	Investments in joint ventures	133,526	135,989
14	Right of use assets	465,831	541,259
	Securities	920	2,762
18	Deferred tax	36,866	44,104
16	Receivables	27,618	50,328
	Other non-current assets	1,004,243	1,193,572
	Total non-current assets	**3,815,822**	**4,259,383**
15	Inventories	1,516,400	1,524,498
16	Receivables	2,801,389	2,675,607
17	Income tax	69,248	22,483
	Prepayments	13,513	23,899
	Cash and cash equivalents	292,799	269,810
	Total current assets	**4,693,349**	**4,516,297**
	Total assets	**8,509,171**	**8,775,680**

BALANCE SHEET AT DECEMBER 31st

(DKK 1,000)

Note	EQUITY AND LIABILITIES	2020	2019
	Share capital	250,000	250,000
	Other reserves	(65,324)	231,687
	Retained earnings	2,129,440	2,075,342
	Proposed dividend	350,000	300,000
	Total equity	**2,664,116**	**2,857,029**
18	Deferred tax	129,480	164,126
19	Interest bearing debt	666,181	782,339
	Other liabilities	-	3,219
	Total non-current liabilities	795,661	949,684
19	Interest bearing debt	1,591,452	1,782,449
20	Trade payables and other debt	3,325,710	3,086,534
	Deferred income	4,807	10,742
17	Income tax	127,425	89,242
	Total current liabilities	5,049,394	4,968,967
	Total liabilities	**5,845,055**	**5,918,651**
	Total equity and liabilities	**8,509,171**	**8,775,680**

Notes without reference:

21	Contingent liabilities and guarantees
24	Financial risks
25	Acquisitions
26	Related party transactions
27	Group structure
28	New financial reporting regulations
29	Events after the balance sheet date
30	Group accounting policies
31	Significant accounting estimates and judgements

STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)

	Share capital	Hedge transaction reserve	Exchange rate adjustment reserve	Retained income	Proposed dividend	Total equity
Equity at December 31st 2019	**250,000**	**413**	**149,983**	**1,882,373**	**300,000**	**2,582,769**
Comprehensive income in 2019						
Profit for the year				240,602	300,000	540,602
Other comprehensive income						
Value adjustments of hedging instruments		1,352				1,352
Exchange rate adjustments of foreign entities			79,802			79,802
Other comprehensive income from associates and joint ventures				120		120
Tax on other comprehensive income		137				137
Other comprehensive income	-	1,489	79,802	120	-	81,411
Comprehensive income	-	1,489	79,802	240,722	300,000	622,013
Transactions with shareholders:						
Dividend distributed					-300,000	-300,000
Value adjustment of put option				-47,753		-47,753
Transactions with shareholders	-	-	-	-47,753	-300,000	-347,753
Equity at December 31st 2019	**250,000**	**1,902**	**229,785**	**2,075,342**	**300,000**	**2,857,029**
Equity at January 1st 2020	**250,000**	**1,902**	**229,785**	**2,075,342**	**300,000**	**2,857,029**
Comprehensive income in 2020						
Profit for the year				46,230	350,000	396,230
Other comprehensive income						
Value adjustments of hedging instruments		-10,211				-10,211
Exchange rate adjustments of foreign entities			-287,816			-287,816
Other comprehensive income in subsidiaries, associates and joint ventures				-872		-872
Tax on other comprehensive income		1,016				1,016
Other comprehensive income	-	-9,195	-287,816	-872	-	-297,883
Comprehensive income	-	-9,195	-287,816	45,358	350,000	98,347
Transactions with shareholders:						
Dividend distributed					-300,000	-300,000
Value adjustment of put option				8,740		8,740
Transactions with shareholders	-	-	-	8,740	-300,000	-291,260
Equity at December 31st 2020	**250,000**	**-7,293**	**-58,031**	**2,129,440**	**350,000**	**2,664,116**

SHARE CAPITAL

The share capital is unchanged and consists of 100,000 shares with a nominal value of 2,500 DKK. All shares carry equal rights. The Group does not hold own shares.

CASH FLOW STATEMENT

(DKK 1,000)

Note		2020	2019
	Profit before tax	538,278	675,947
	Adjustment for non-cash items:		
3	Depreciations and impairment losses	330,482	306,373
	Other operating items, net	1	-18,757
8	Share of profit after tax in associates and joint ventures	35,856	-49,540
9	Financial income	-14,069	-46,005
10	Financial expenses	81,716	78,863
	Cash flow from operations before changes in working capital	972,264	946,881
22	Changes in working capital	267,062	-403,530
	Cash flow from operations	1,239,326	543,351
	Interest received	13,582	13,087
	Interest paid	-70,766	-76,084
	Cash flow from ordinary activities	1,182,142	480,354
17	Income tax paid	-154,008	-152,193
	Cash flow from operating activities	**1,028,134**	**328,161**
23	Purchase of intangible assets	-14,165	-7,730
23	Purchase of property, plant and equipment	-138,751	-437,968
	Sale of property, plant and equipment	687	1,178
25	Acquisition of subsidiaries	-	-107,121
	Dividend from associates and joint ventures	-	10,670
	Addition/disposal of other financial assets	19,539	-2,263
	Investment in/sale of securities	1,801	-
	Cash flow from investing activities	**-130,889**	**-543,234**
19	Re-payment of long-term liabilities/proceeds from borrowings	-50,000	-50,000
19	Re-payment of lease debt	-116,223	-109,630
	Increase (re-payment) of intra-group balances	-436,605	227,004
19	Increase (re-payment) of debt to credit institutions	58,245	431,056
	Dividend distributed	-300,000	-300,000
	Cash flow from financing activities	**-844,583**	**198,430**
	Cash flow for the year	52,662	-16,643
	Cash, and cash equivalents at January 1st	269,810	284,398
	Exchange rate adjustments of cash and cash equivalents	-29,673	2,055
	Cash and cash equivalents at December 31st	**292,799**	**269,810**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note		2020	2019
1	**REVENUE**	**2020**	**2019**
	Revenue is split per geography as follows:		
	Norway	3,711,749	3,532,670
	Chile	3,008,023	2,816,966
	Other countries	4,928,897	4,830,460
	Total revenue	11,648,669	11,180,096
	Revenue is split per product type as follows:		
	Aqua feeds	11,469,598	11,018,690
	Other products	179,071	161,406
	Total revenue	11,648,669	11,180,096

In the above disaggrigation of revenue geographies and/or product types comprising 10% or more of the total revenue have been presented seperately.

Note		2020	2019
2	**PRODUCTION COSTS**	**2020**	**2019**
	Cost of goods sold	-9,335,745	-8,885,976
	Inventory write-downs	-149	-2,052

Note		2020	2019
3	**DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES**	**2020**	**2019**
	Amortisation of intangible assets	-36,091	-39,901
	Depreciation of property, plant and equipment	-171,067	-149,160
	Impairment of property, plant and equipment	-1,012	-
	Depreciation of lease assets	-122,312	-117,312
	Total depreciation, amortisation and impairment losses	-330,482	-306,373

Amortisations of intangible assets are included in distribution costs with 29m DKK in 2020 (2019: 30m DKK) and administration costs with 7m DKK in 2020 (2019: 10m DKK). Other depreciations are included in the respective cost types, mainly production and distribution costs.

Note		2020	2019
4	**STAFF COSTS**	**2020**	**2019**
	Wages and salaries	-462,586	-437,306
	Defined contribution pension plans	-26,065	-25,521
	Other social security costs	-44,829	-45,016
	Share-based payments	-3,743	-3,566
	Total staff costs	-537,223	-511,409
	Average number of employees	1,377	1,239
	Remuneration to Executive Board and Board of Directors		
	Wages and salaries	-4,679	-4,812
	Pension	-89	-93
	Bonus	-1,150	-2,236
	Share-based payments	-1,495	-1,507
	Total remuneration to Executive Board and Board of Directors	-7,413	-8,648

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

4 **STAFF COSTS (continued)**

BONUS SCHEMES

Executive management are covered by bonus schemes regarding achievement of a number of both financial and operational objectives. An amount corresponding up to 5 months of remuneration is paid out in case the objectives are achieved.

Share-based payments

Executive Management and executive committee management in BioMar Group are covered by the parent company Schouw & Co.'s share option programme. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at the time for granting (2020: 483,56 DKK) plus a premium (2020 allocation: 2%) from the date of grant until the date of exercise.

The costs related to the programme are calculated according to "Black & Scholes" and are expensed as staff costs linearly over the period of the option and settled to the parent company.

OUTSTANDING OPTIONS	Executive management	Others	Total	Average exercise price in DKK (1)	Fair value (DKK) per option (2)	Total fair value in DKK (2)	Exercisable from	Exercisable until
Granted in 2016	20,000	-	20,000	451	69.65	1,394	March 2019	March 2020
Granted in 2017	20,000	31,500	51,500	672	68.45	3,525	March 2020	March 2021
Granted in 2018	25,000	34,167	59,167	706	58.51	3,462	March 2021	March 2022
Granted in 2019	25,000	40,000	65,000	574	71.47	4,646	March 2022	March 2023
Total outstanding options at December 31st 2019	90,000	105,667	195,667					
Granted in 2020	27,000	52,000	79,000	523	44.10	3,484	March 2023	March 2024
Exercised (from 2016 grant)	-20,000		-20,000					
Lapsed (from 2017 grant)		-7,500	-7,500					
Lapsed (from 2018 grant)		-4,167	-4,167					
Total outstanding options at December 31st 2020	97,000	146,000	243,000					

(1) exercised after 4 years (at the latest possible date)

(2) at the date of grant

In 2020 20,000 options were exercised, from the 2016 grants. The options were exercised at an average price of 442,34 DKK.

Fair value assumptions:

	2020 grants	2019 grants	2018 grants	2017 grants
Expected volatility	22.21%	29.23%	21.10%	23.27%
Expected term	48 mo.	48 mo.	48 mo.	48 mo.
Expected dividend per share	13 DKK	13 DKK	12 DKK	10 DKK
Risk-free interest rate	-0.97%	-0.52%	-0.38%	-0.25%

The expected volatility is calculated as 12 months' historical volatility based on average prices. If the option holders have not exercised their share options within the specified period, the share options will lapse without any compensation to the holders. Exercise of the share options is contingent on the holder being in continuing employment during the above-mentioned periods. If the holder leaves the company before a share option vests, the holder may in some cases have a right to exercise the share option early during a four-week period following Schouw & Co.'s next stock announcement. In the event of early exercise the number of share options will be reduced proportionally.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

5	RESEARCH AND DEVELOPMENT COSTS	2020	2019
	Incurred research and development costs	-74,551	-75,262
	Research and development costs recognised in the income statement	-74,551	-75,262

6	FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING	2020	2019
	Fees to EY:		
	Statutory audit	-2,774	-2,484
	Other assurance engagements	-65	-200
	Tax and VAT advisory services	-304	-591
	Other services	-210	-140
	Total fees to EY	-3,353	-3,415
	Fees to other auditors:		
	Statutory audit	-	-13
	Tax and VAT advisory services	-143	-282
	Other services	-62	-
	Total fees to other auditors	-205	-295

7	OTHER OPERATING INCOME AND EXPENSES	2020	2019
	Profit on the disposal and sale of property, plant and equipment	314	293
	Profit biological assets	-	1,835
	Public grants	5,706	-
	Other operating income	758	1,210
	Total other operating income	6,778	3,338
	Losses on the disposal and sale of property, plant and equipment	-	-229
	Other operating costs	-13,555	-39
	Total other operating expenses	-13,555	-268
	Total other operating income and expenses, net	-6,777	3,070

Profit from biological assets relates to profit from harvest and fair value adjustment of biological assets in the sea. In December 2019 the accounting treatment was changed and conseqently profit and fair value from biological assets are since December 2019 recognized as revenue and cost of goods sold.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DKK 1,000)

Note
8 **INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND JOINT OPERATIONS**

The Group has the following investments in associates and joint ventures, all recognised to the Group's share of the net equity. The Group's equity interests are consistent with its voting rights.

		Equity interest	
Name	**Country and city of incorporation**	**2020**	**2019**
Salmones Austral S.A.	Puerto Montt, Chile	23%	23%
Aquaculture Technology Centre Patagonia S.A.	Lenca, Chile	30%	30%
LetSea AS	Dønna, Norway	33%	33%
LCL Shipping Ltd.	Grangemouth, Scotland	40%	40%
BioMar-Sagun TTK	Söke, Turkey	50%	50%
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Wuxi, China	50%	50%

Material associates
Financial information for associates that are considered material to the Group adjusted for different accounting practices.

	Salmones Austral S.A.	
	2020	**2019**
Revenue	1,088,559	1,605,347
Result after tax	-192,440	202,994
Current assets	1,177,289	1,381,945
Non-current assets	1,554,561	1,510,715
Current liabilities	618,584	676,522
Non-current liabilities	895,252	671,041
Share of profit	-44,088	46,506

Immaterial associates and joint ventures
Financial information for associates and joint ventures that individually are considered immaterial to the Group.

	2020	**2019**
Share of profit, associates	327	2,063
Share of profit, joint ventures	7,905	971

Carrying amount of investments in associates and joint ventures	**2020**	**2019**
The Group's share of equity in material associates	279,049	353,982
Goodwill regarding material associates	9,844	10,848
The Group's share of equity in individually immaterial associates	50,589	54,300
The Group's share of equity in individually immaterial joint ventures	130,270	132,733
Goodwill regarding immaterial joint ventures	3,256	3,256
Total carrying amount of investments in associates and joint ventures	473,008	555,119
Recognised as investments in associates	339,482	419,130
Recognised as investments in joint ventures	133,526	135,989
Total investments	473,008	555,119

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

8 **INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND JOINT OPERATIONS (continued)**

Joint operations

In addition to the associates and joint ventures the Group had the following joint operations during 2020:

Pro-rata consolidated enterprises in which BioMar Group holds a 50% equity share; BioMar Aquacorporation Products S.A. The investment in the enterprise is a joint arrangement, in which the BioMar Group in cooperation with an external partner shares control of the production capacity in the jointly operated enterprise. As both partners contribute and thus control a proportion of the assets and liabilities the constructions are, in accordance with IFRS 11, classified as joint operations, hence the rule of proportional consolidation applies.

Effective 7th June 2019 BioMar acquired the full ownership of Alitec Pargua S.A. and consequently the classification as joint operation ceased on that date from which the company is accounted for as a subsidiary to the Group.

Financial information for joint operations that individually are considered immaterial to the Group.

	Joint operations	
	2020	**2019**
Share of profit	-55	2,564

9 **FINANCIAL INCOME**

	2020	**2019**
Interest income etc.	13,326	11,200
Financial income from group enterprises	256	1,857
Exchange rate adjustments	487	2,920
Gains/loss on equity divestments	-	29,021
Fair value adjustments of financial assets measured through profit and loss	-	1,007
Total financial income	14,069	46,005

10 **FINANCIAL EXPENSES**

	2020	**2019**
Interest expenses etc.	-34,326	-33,816
Financial costs to group enterprises	-20,448	-26,061
Interests from lease liabilities	-15,993	-17,923
Exchange rate adjustments	-10,949	-1,063
Total financial expenses	-81,716	-78,863

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

Note	TAX ON PROFIT FOR THE YEAR	2020	2019
11	**TAX ON PROFIT FOR THE YEAR**	**2020**	**2019**
	Tax on profit for the year is specified as follows:		
	Tax on profit for the year	-142,048	-135,345
	Tax on other comprehensive income	1,016	137
	Total tax	-141,032	-135,208
	Tax on the profit for the year has been calculated as follows:		
	Current tax	-163,910	-175,952
	Deferred tax	15,187	34,773
	Change in deferred tax due to change in corporate tax rates	195	1,910
	Adjustments of prior periods tax charge	6,480	3,924
	Total tax recognised in the income statement	-142,048	-135,345
	Specification of tax on the profit for the year:		
	Calculated 22% tax on the profit for the year	-118,419	-148,707
	Adjustment of calculated tax in foreign subsidiaries relative to 22%	-11,248	-24,554
	Tax effect of:		
	Non-deductible costs and non-taxable income	-15,152	30,086
	Withholding taxes	-5,226	-
	Adjustments from change in corporate tax rates	195	1,910
	Adjustments of prior periods tax charge	6,480	3,924
	Use of tax assets not previously recognised	1,322	1,996
	Total tax recognised in the income statement	-142,048	-135,345
	Effective tax rate	26.4%	20.0%

Tax on other comprehensive income	**2020**		
	Before tax	Tax	After tax
Exchange rate adjustments of foreign entities	-287,816	-	-287,816
Value adjustments of hedging instruments	-10,211	1,016	-9,195
Other comprehensive income from associates and joint ventures	-872	-	-872
Total tax on other comprehensive income	-298,899	1,016	-297,883

	2019		
	Before tax	Tax	After tax
Exchange rate adjustments of foreign entities	79,802	-	79,802
Value adjustments of hedging instruments	1,352	137	1,489
Other comprehensive income from associates and joint ventures	120	-	120
Total tax on other comprehensive income	81,274	137	81,411

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

12 **INTANGIBLE ASSETS**

2020	Goodwill	intangible assets	Assets under development	Total
Cost at January 1st	979,137	497,693	6,730	1,483,560
Exchange rate adjustments	-83,318	-42,859	-172	-126,349
Additions	-	1,236	12,929	14,165
Transferred/reclassified	-	11,666	-11,666	-
Cost at December 31st	895,819	467,736	7,821	1,371,376
Amortisation and impairment at January 1st	-	-163,246	-	-163,246
Exchange rate adjustments	-	14,948	-	14,948
Amortisation	-	-36,091	-	-36,091
Amortisation and impairment at December 31st	-	-184,389	-	-184,389
Carrying amount at December 31st	895,819	283,347	7,821	1,186,987

By the end of 2020 BioMar Group has contractual obligations of 30m DKK (2019: 0m DKK) regarding purchase of intangible assets, not yet delivered. The contracted assets are mainly regarding an upgrade of an IT system.

2019	Goodwill	intangible assets	Assets under development	Total
Cost at January 1st	936,615	485,427	1,349	1,423,391
Exchange rate adjustments	20,713	11,169	-	31,882
Additions	-	1,097	6,633	7,730
Additions from acquisitions	21,809	-	-	21,809
Disposals	-	-	-1,252	-1,252
Cost at December 31st	979,137	497,693	6,730	1,483,560
Amortisation and impairment at January 1st	-	-120,842	-	-120,842
Exchange rate adjustments	-	-2,503	-	-2,503
Amortisation	-	-39,901	-	-39,901
Amortisation and impairment at December 31st	-	-163,246	-	-163,246
Carrying amount at December 31st	979,137	334,447	6,730	1,320,314

OTHER INTANGIBLE ASSETS

Other intangible assets are mainly acquired in connection with business combinations and comprise brand, customer contracts and know-how. The identified assets have an expected usefull life between 5 and 20 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

12 **INTANGIBLE ASSETS (continued)**

GOODWILL

The management of BioMar Group has tested the value in use of the carrying amounts against goodwill in the group companies. In the tests performed, the senior management of the respective companies has estimated the expected free cash flow for a five year budget period for the years 2021-2025. The free cash flow after tax has been applied to a discounted cash flow model (the "value in use" principle) for the purpose of assessing each company's value which subsequently is compared against the carrying amount recognised in the BioMar Group consolidated financial statements. As of December 31st 2020 BioMar Group has recognised goodwill at a total value of 895.8m DKK (2019: 979.1m DKK).

The required rate of return is based on a WACC consisting of a 10-year unit bond plus a premium reflecting industry/geography-specific risks, illiquidity premium and capital structure. The rate of growth used to extrapolate company cash flows in the terminal period was fixed at 2-3%, a rate not expected to exceed the long-term inflation rate.

Goodwill is ascribed to the EMEA Division and to the activities in Chile and Ecuador. BioMar Group operates in an expanding industry driven by global population growth, rising standards of living and sustainable fishery. Market research institutes expect a long-term market growth in feed for fish farming, driven by the increasing global demand for fish, including salmon for 2021-2022, of average 3-5%. Slightly higher growth rates are expected for the LATAM Division and lower market growth in the established fish farming markets.

The impairment test assumes an average growth in the revenue of 5% in EMEA 2% in Chile and 10% in Ecuador in the budget period 2021-2025. The assumed production capacity for the budget period will cover the expected increase in the business activities and no productivity enhancements and cost savings have been assumed for that period. BioMar's feed is mainly based on marine and vegetable raw materials for which a significant part of the price fluctuations are included in the price adjustment mechanism in the sales contracts.

In the budget period 2021-2025 earning margins, in line with the 2020 realised, have been applied.

2020	Key assumptions				Sensitivity analysis	
CGU specific assumptions:	Carrying amount of goodwill	Yearly growth in revenue	WACC after tax	WACC before tax	EBITDA margin allowed decrease	WACC allowed increase
EMEA	80,354	5.3%	6.0%	7.3%	6.0pp	16.8pp
Chile Group	270,864	1.7%	8.7%	11.9%	3.3pp	8.9pp
Ecuador	544,601	9.5%	10.8%	11.5%	4.0pp	2.4pp
	895,819					

The impairment tests made at December 31st 2020 did not result in a write-down of carrying amounts. Sensitivity analyses were performed as part of the test to determine when reduced cash flows or higher WACC would cause impairment write-down. The sensitivity anlyses showed that likely changes in the key assumptions would not result in a recoverable amount lower than the carrying amount of goodwill.

2019	Key assumptions				Sensitivity analysis	
CGU specific assumptions	Carrying amount of goodwill	Yearly growth in tonnage	WACC after tax	WACC before tax	EBIT allowed decrease	WACC allowed increase
EMEA	80,437	6.2%	6.1%	7.5%	78.5%	22.2pp
Chile Group	298,511	5.8%	10.2%	13.3%	30.0%	3.7pp
Ecuador	600,189	9.8%	13.0%	16.7%	10.4%	1.3pp
	979,137					

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

13 **PROPERTY, PLANT AND EQUIPMENT**

2020	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipments	Assets under construction	Total
Cost at January 1st	1,076,597	1,938,112	181,386	468,432	3,664,527
Exchange rate adjustments	-66,770	-106,067	-9,127	-14,386	-196,350
Additions	13,200	43,746	6,408	83,192	146,546
Disposals	-476	-5,098	-2,009		-7,583
Transferred/reclassified	207,279	298,237	9,447	-514,963	-
Cost at December 31st	1,229,830	2,168,930	186,105	22,275	3,607,140
Depreciation at January 1st	-459,676	-1,319,360	-139,994	-	-1,919,030
Exchange rate adjustments	23,742	70,211	7,420	-	101,373
Reversed depreciations on disposals	476	5,098	1,614	-	7,188
Impairment	-	-1,012	-	-	-1,012
Depreciation	-38,288	-117,492	-15,287	-	-171,067
Transferred/reclassified	18	-17	-1		-
Depreciation at December 31st	-473,728	-1,362,572	-146,248	-	-1,982,548
Carrying amount at December 31st	756,102	806,358	39,857	22,275	1,624,592

By the end of 2020 BioMar Group has contractual obligations of 21m DKK (2019: 73m DKK) regarding purchase of tangible assets, not yet delivered. The contracted assets are mainly regarding other efficiency facilities in the Salmon Division.

2.5m DKK interest costs have been capitalised on the construction projects as of December 31st 2020.

2019	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipments	Assets under construction	Total
Cost at January 1st	988,057	1,778,117	160,598	162,735	3,089,507
Exchange rate adjustments	15,568	28,527	2,012	4,363	50,470
Additions	15,355	52,729	11,638	358,246	437,968
Additions from acquisitions	79,945	99,020	3,041	22,968	204,974
Disposals	-	-268	-1,837	-405	-2,510
Disposals from divestments	-37,593	-64,104	-2,621	-11,564	-115,882
Transferred/reclassified	15,265	44,091	8,555	-67,911	-
Cost at December 31st	1,076,597	1,938,112	181,386	468,432	3,664,527
Depreciation at January 1st	-430,627	-1,237,628	-130,150	-	-1,798,405
Exchange rate adjustments	-5,752	-19,869	-1,283	-	-26,904
Reversed depreciations on disposals	-	198	1,198	-	1,396
Depreciation	-35,671	-101,615	-11,874	-	-149,160
Disposals from divestments	12,374	39,554	2,115	-	54,043
Depreciation at December 31st	-459,676	-1,319,360	-139,994	-	-1,919,030
Carrying amount at December 31st	616,921	618,752	41,392	468,432	1,745,497

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

14 **RIGHT OF USE ASSETS**

	2020			
	Ships	Land and buildings	Other lease assets	Total
Cost at January 1st	446,696	169,829	36,088	652,613
Exchange rate adjustment	-33,807	-11,592	-2,007	-47,406
Additions	-	6,159	5,166	11,325
Disposals	-	-937	-1,545	-2,482
Re-measure / modification of lease assets	69,938	-	6,860	76,798
Cost at December 31st	482,827	163,459	44,562	690,848
Depreciation at January 1st	-76,170	-24,552	-10,632	-111,354
Exchange rate adjustment	4,515	1,763	660	6,938
Depreciation	-84,465	-25,587	-12,260	-122,312
Depreciation and impairment of disposed assets	-	583	1,128	1,711
Depreciation at December 31st	-156,120	-47,793	-21,104	-225,017
Carrying amount at December 31st	**326,707**	**115,666**	**23,458**	**465,831**

Recognised in the profit and loss statement	Service	Small value assets	Short term leases	Total
Expensed in the year	177	390	5,696	6,263

By the end of 2020 BioMar Group has contractual obligations of 61m DKK (2019: 0m DKK) regarding lease of a ship, not yet delivered.

	2019			
	Ships	Land and buildings	Other lease assets	Total
Cost at January 1st	-	-	-	-
Effect at transition to IFRS 16	449,796	137,760	22,002	609,558
Cost at January 1st according to IFRS 16	449,796	137,760	22,002	609,558
Exchange rate adjustment	5,573	4,875	-100	10,348
Additions	42,792	27,408	14,523	84,723
Disposals	-51,465	-214	-234	-51,913
Re-measure / modification of lease assets	-	-	-103	-103
Cost at December 31st	446,696	169,829	36,088	652,613
Depreciation at January 1st	-	-	-	-
Exchange rate adjustment	2,065	-175	6	1,896
Depreciation	-82,136	-24,417	-10,759	-117,312
Depreciation and impairment of disposed assets	3,901	40	121	4,062
Depreciation at December 31st	-76,170	-24,552	-10,632	-111,354
Carrying amount at December 31st	**370,526**	**145,277**	**25,456**	**541,259**

Recognised in the profit and loss statement	Service	Small value assets	Short term leases	Total
Expensed in the year	-	273	6,202	6,475

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

15	**INVENTORIES**	**2020**	**2019**
	Raw materials	1,110,131	941,777
	Biological assets	39,605	60,184
	Finished goods	366,664	522,537
	Total inventories	1,516,400	1,524,498
	Carrying amount of inventories recognised at fair value less costs to sell	39,605	60,184

Biological assets comprise fish at sea in connection with R&D trial concessions and are according to IAS 41 and IFRS 13 measured at fair value less costs to sell. Biological assets measured at fair value are recognized on level 3 in the fair value hierarchy as valuation is based on factors not derived from observable markets.
The model applied by BioMar Group divides the fish into three weight categories and assumes the following:

Biological assets with an average live weight of more than 4 kg (ready for harvesting) are measured at fair value (net sale price), and biological assets between 1 and 4 kg in average live weight are measured at fair value less costs to sell including a proportionate expected net profit at harvest.

Other biological assets as fry, smolt and fish with an average live weight of less than 1 kg are likewise measured at fair value, but due to the limited biological transformation, hence the limited market and related observable prices, accumulated costs are deemed to be the best approximation of fair value at this biological stage.

Significant assumptions determining fair value of biological assets
The estimate of fair value of biological assets will always be based on uncertain assumptions. Estimates are applied to the following factors; biomass volume, the size distribution, the quality of the biomass and market prices.

	2020	**2019**
The value of biological assets is comprised of the following:		
Biological assets below 1 kg	3,554	-
Biological assets between 1 and 4 kg	27,267	60,184
Biological assets above 4 kg	8,784	-
Total value of biological assets	39,605	60,184

Total volume of biological assets as per December 31st 2020: 1,386 tons (2019: 1,723 tons).

Value adjustments of biological assets taken to profit and loss:		
Fair value adjustment of biological assets	-802	652
Profit on sale of biological assets	853	5,660
Total value adjustments	51	6,312

Value adjustments and income arising from biological assets are recognised as gross profit with 51t DKK.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

16 **RECEIVABLES**

RECEIVABLES	2020	2019
Trade receivables	2,300,836	2,362,083
Interest-bearing receivables	432,629	217,989
Other receivables	95,542	145,863
Total receivables	2,829,007	2,725,935
Non-current receivables	27,618	50,328
Current receivables	2,801,389	2,675,607
Total	2,829,007	2,725,935

Interest bearing receivables mainly comprise deposits on the parent company's cash pool facility.

Credit risks

The Group's credit risks are primarily related to trade receivables. According to the group policy all significant customer relations are continouosly credit rated. Credit insurances are taken out when deemed commercial rational compared to the credit risk. Of the trade receivables as per December 31st 2020 1,133m DKK (2019: 1,101m DKK) are covered by credit insurance.

As security for the trade receivables, the Group holds collateral as security for a total amount of 203m DKK (2019: 254m DKK). Collaterals primarily relates to securities in assets consisting of biological assets and fish farming equipment.

Provision for expected credit losses	2020	2019
Provision at January 1st	-146,086	-135,363
Exchange rate adjustments	6,808	-2,581
Provision for expected credit losses	-16,985	-8,930
Realised in the year	34,656	788
Provision at December 31st	-121,607	-146,086

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DKK 1,000)

Note
16 **RECEIVABLES (continued)**

The Group's trade receivables and expected losses are specified as follows:

	Maturity analysis				
2020	Not due	1-30 days	31-90 days	> 91 days	Total
Trade receivables	1,860,575	192,518	131,968	237,382	2,422,443
Impairment	-18,864	-1,741	-3,073	-97,929	-121,607
Trade receivables, net	1,841,711	190,777	128,895	139,453	2,300,836
Proportion of trade receivables expected to be settled					95.0%
Impairment ratio	1.0%	0.9%	2.3%	41.3%	5.0%

	Maturity analysis				
2019	Not due	1-30 days	31-90 days	> 91 days	Total
Trade receivables	1,994,456	195,156	100,112	218,445	2,508,169
Impairment	-23,127	-2,674	-7,179	-113,106	-146,086
Trade receivables, net	1,971,329	192,482	92,933	105,339	2,362,083
Proportion of trade receivables expected to be settled					94.2%
Impairment ratio	1.2%	1.4%	7.2%	51.8%	5.8%

The expected credit-losses and default rates are distributed as follows:

	Maturity analysis								
2020	Not due		1-30 days		31-90 days		> 91 days		Total
High-risk markets	-8,167	1.4%	-972	2.1%	-1,819	2.3%	-52,334	37,8%	-63,292
Medium-risk markets	-9,376	1.3%	-566	1.1%	-1,189	3.9%	-44,531	43,9%	-55,662
Low-risk markets	-1,321	0.3%	-203	0.3%	-65	0.3%	-1,064	49,8%	-2,653
Total expected credit-losses	-18,864		-1,741		-3,073		-97,929		-121,607

The risk assessments are based on a combination of a country and market credit rating and an entity specific risk assessment.

Low risk markets are mainly consisting of entities from the Salmon Division, whereas high risk markets mainly are related to the EMEA and LATAM Divisions. Medium risk markets are a combination of entities from all divisions.

	Maturity analysis								
2019	Not due		1-30 days		31-90 days		> 91 days		Total
High-risk markets	-6,354	1.8%	-809	2.5%	-4,725	10.8%	-43,287	52.2%	-55,175
Medium-risk markets	-15,825	1.5%	-1,802	1.6%	-2,453	4.5%	-68,681	51.6%	-88,761
Low-risk markets	-948	0.2%	-63	0.1%	-1	0.1%	-1,138	48.5%	-2,150
Total expected credit-losses	-23,127		-2,674		-7,179		-113,106		-146,086

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note		2020	2019
17	**INCOME TAX**	**2020**	**2019**
	Income tax January 1st, net	-66,759	-49,281
	Exchange rate adjustments	5,011	-2,900
	Current tax for the year	-163,910	-175,952
	Prior year adjustments	13,473	9,181
	Corporate income tax paid during the year	154,008	152,193
	Income tax December 31st, net	-58,177	-66,759
	Which is distributed as follows:		
	Income tax receivable	69,248	22,483
	Income tax payable	-127,425	-89,242
	Total income tax	-58,177	-66,759

Note		2020	2019
18	**DEFERRED TAX**	**2020**	**2019**
	Deferred tax January 1st, net	-120,022	-127,098
	Exchange rate adjustments	11,011	-2,592
	Adjustment from change in corporate tax rate	195	1,910
	Deferred tax for the year recognised in profit and loss statement	15,186	34,773
	Deferred tax for the year recognised in other comprehensive income	1,016	137
	Additions from acquisitions	-	-32,601
	Disposals from divestments	-	5,449
	Deferred tax at December 31st, net	-92,614	-120,022
	Deferred tax is recognised in the balance sheet as follows:		
	Deferred tax asset	36,866	44,104
	Deferred tax liability	-129,480	-164,126
	Deferred tax at December 31st, net	-92,614	-120,022
	Deferred tax pertains to:		
	Intangible assets	-60,335	-82,025
	Property, plant and equipment	-67,061	-66,245
	Current assets	5,572	-1,822
	Other liabilities	27,830	22,911
	Tax loss carry-forwards	1,380	7,159
	Total deferred tax	-92,614	-120,022

As per December 31st 2020 BioMar Group has unrecognised deferred tax assets of 5m DKK (2019: 5m DKK). Utilisation of the tax assets are not deemed virtually certain.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

18 **DEFERRED TAX (continued)**

2020	Balance at January 1st	Acquisitions/ divestments	Exchange rate adjustments	Recognised in the profit for the year	Recognised in equity	Balance at December 31st
Intangible assets	-82,025	-	7,554	14,136	-	-60,335
Property, plant and equipment	-66,245	-	5,786	-6,602	-	-67,061
Other current assets	-1,822	-	-143	7,537	-	5,572
Other liabilities	22,911	-	-2,143	6,046	1,016	27,830
Tax losses	7,159	-	-43	-5,736	-	1,380
Total changes in deferred tax	-120,022	-	11,011	15,381	1,016	-92,614

2019	Balance at January 1st	Acquisitions/ divestments	Exchange rate adjustments	Recognised in the profit for the year	Recognised in equity	Balance at December 31st
Intangible assets	-93,710	-	-2,228	13,913	-	-82,025
Property, plant and equipment	-45,215	-29,678	-1,132	9,780	-	-66,245
Other current assets	-8,977	305	234	6,616	-	-1,822
Other liabilities	15,666	2,221	396	4,491	137	22,911
Tax losses	5,138	-	138	1,883	-	7,159
Total changes in deferred tax	-127,098	-27,152	-2,592	36,683	137	-120,022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DKK 1,000)

Note

19 **INTEREST BEARING DEBT**

	2020	2019
Payable to affiliates (long-term)	300,000	350,000
Payable to affiliates (short-term)	919,424	1,147,401
Credit institutions (short-term)	559,317	518,594
Leasing debt (long-term)	366,181	432,339
Leasing debt (short-term)	112,711	116,454
Total interest bearing debt	2,257,633	2,564,788
Fair value of interest bearing debt	2,257,633	2,564,788

The Group's interest bearing debt is mainly taken out in DKK and NOK.

2020	Balance at January 1st	Cash flows	Acquisitions/ Divestment	Exchange rate adj.	Other	Balance at December 31st
Payable to affiliates (long-term)	350,000	-50,000	-	-	-	300,000
Payable to affiliates (short-term)	1,147,401	-189,815	-	-38,162	-	919,424
Credit institutions (short-term)	518,594	58,245	-	-17,522	-	559,317
Leasing debt (long-term)	432,339	-	-	-33,086	-33,072	366,181
Leasing debt (short-term)	116,454	-116,223	-	-9,512	121,992	112,711
Total interest-bearing debt	2,564,788	-297,793	-	-98,282	88,920	2,257,633

Short-term interest bearing payables from group enterprises comprise withdrawls on the parent company's cash pool facility. Movements in the category "other" comprise additions, disposals and re-measurements occured during the reporting period. For 2020 the Group has paid 132m DKK (2019: 128m DKK) regarding lease contracts of which 16m DKK (2019: 18m DKK) is related to interests and 116m DKK (2019: 110m DKK) related to re-payments of lease debt.

2019	Balance at January 1st	Cash flows	Acquisitions/ Divestment	Exchange rate adj.	Other	Balance at December 31st
Payable to affiliates (long-term)	400,000	-50,000	-	-	-	350,000
Payable to affiliates (short-term)	963,607	191,036	-	-7,242	-	1,147,401
Credit institutions (short-term)	51,223	431,056	33,218	3,097	-	518,594
Leasing debt (long-term)	-	-	-	11,499	420,840	432,339
Leasing debt (short-term)	-	-109,630	-	2,206	223,878	116,454
Total interest-bearing debt	1,414,830	462,462	33,218	9,560	644,718	2,564,788

INTEREST RATE RISKS

Due to the chosen funding of investments and the ongoing operations BioMar Group is exposed to fluctuations in the interest rates. In order to mitigate this risk the Group has taken out fixed rate, long-term debt with a remaining duration of up to 2 years. Fixed rate loans combined with the in 2020 capitalised leasing debt account for 37% in 2020 (2019: 37%) of the total interest bearing debt. For debt raised on floating terms fluctuations in the interest rates of +/- 100 bps will have a hypothetic impact on the profit for the year and equity of +/- 11.1m DKK in 2020 (2019: +/- 12.6m DKK).

	Re-payment		Interests		Carrying amount	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Maturity profile on interest bearing debt:						
Overdraft (no scheduled re-payment)	1,428,741	1,615,995	-	-	1,428,741	1,615,995
Below 1 year	180,578	187,972	17,867	21,518	162,711	166,454
Between 1 and 5 years	633,200	720,283	26,776	39,712	606,424	680,571
Over 5 years	66,431	111,419	6,674	9,651	59,757	101,768
Total	2,308,950	2,635,669	51,317	70,881	2,257,633	2,564,788

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

20	TRADE PAYABLES AND OTHER DEBT	2020	2019
	Trade payables	2,639,671	2,442,474
	Other debt	686,039	644,060
	Total trade payables and other debt	3,325,710	3,086,534

21 **CONTINGENT LIABILITIES AND GUARANTEES**

Contingent liabilities

Pending lawsuits

BioMar Group is currently a party to a small number of legal disputes. Management believes that the results of these legal disputes will not materially impact the Group's financial position other than the receivables and liabilities that have been recognised in the balance sheet as of December 31st 2020.

The Chilean competition authority, Fiscalia Nacional Económica ("FNE"), initiated an investigation of the Chilean fish feed industry in October 2016. As part of the investigation, BioMar Chile SA and other companies were subject to unannounced inspections. Naturally, BioMar Chile has been cooperative, responding to questions and providing documentation to the extent possible. Further to the industry investigation, the FNE indicted four Chilean fish feed producers, including BioMar Chile SA, on December 19th 2019 on charges of concerted practice, claiming that BioMar Chile SA be fined up to 30,000 annual tax units, which at December 31st 2020 corresponded to approximately 26m USD. The charges are based on isolated circumstances related to the Chilean fish feed industry during the 2003-2015 period. At the present time, the FNE has produced only a modest amount of information to support its claim, and the case is in the early stages of a process expected to last up to three years before it can be concluded.

BioMar Chile does not acknowledge the charges and has rebutted the charges that it has participated in concerted practices so as to restrict competition in the industry. Based on the Chilean lawyers' opinion in the matter and the information currently available, management believes it is not likely that BioMar will be convicted of participating in concerted practices. Accordingly, no provisions have been recognised at December 31st 2020 concerning claim submitted.

The statement of defense was filed to the Chilean Competition Court on May 19th 2020 by BioMar Chile. The whole process is delayed due to the COVID-19 pandemic, so there is no news since the statement of defense was filed. No new information has emerged up until the date of submitting the annual report of 2020.

Joint taxation liability

BioMar Group participates in a Danish joint taxation arrangement with Schouw & Co. (CVR no. 63965812) serving as the administration company, and is therefore jointly and severally liable for the corporation tax and also for obligations, if any, to withhold tax on dividends, interests and royalties. The total net liability to the Danish tax authorities is recognised in the annual report of Schouw & Co. Potential corrections to the jointly taxed income and tax at source may result in a higher liability for the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

21 **CONTINGENT LIABILITIES AND GUARANTEES (continued)**

Guarantees

BioMar Group is predominately financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities.

The parent company's source of financing is primarily composed of a syndicated banking facility, which in December 2020 was refinanced with a total facility framework of 3,275m DKK against the previous 2,100m DKK. The facility is for a three-year period with the possibility of a one-year extension after years one and two. In connection with the refinancing of the banking facility, the previous banking consortium, consisting of Danske Bank, DNB and Nordea, was expanded with the international bank Hong Kong & Shanghai Banking Corporation (HSBC).

In addition, in April 2019, Schouw & Co issued a Schuldschein issue totaling 136m EUR (1,012m DKK) with expiration in 2024 (80%) and 2026 (20%), and in April 2020, two committed bilateral facilities were established for a total of 1,000m DKK in order to ensure maximum financial freedom of action for the Group during the Corona crisis. The bilateral facilities expire in April 2021 but allow for a one-year extension.

BioMar Group, like other major subsidiaries in the Schouw & Co. Group, co-guarantees the aforementioned facilities as well as a number of other smaller facilities totaling 256m DKK established with the Schouw & Co. Group's global banker HSBC. In total, BioMar is a co-guarantor for facilities of 5,043m DKK of which 1,148m DKK has been deducted as of December 31st 2020.

In addition BioMar Group has provided corporate guarantees of 268m DKK towards banks and other financial partners.

The following assets have been pledged as security to credit institutions (carrying amount):	2020	2019
Land and buildings	-	-
Inventories	-	491,959
Receivables	-	319,392
Total pledged assets	-	811,351

In 2019 BioMar had pledged assets towards a part of the syndicated banking facility operated by the parent company of BioMar Group. In connection with the refinance in December 2020 the collaterals were restructured and conseqently BioMar Group has no longer pledged any of its individual assets.

22 **CHANGES IN WORKING CAPITAL**	2020	2019
Change in inventories	-67,749	-170,150
Change in receivables	-21,842	-198,488
Change in trade payables and other debt	356,653	-34,892
Total changes in working capital	267,062	-403,530

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

Note	ADJUSTMENT FOR NON-CASH TRANSACTIONS	2020	2019
23			
	Purchase/sale of intangible assets cf. note 12	14,165	7,730
	Amount paid regarding intangible assets	14,165	7,730
	Purchase/sale of property, plant and equipment cf. note 13	146,546	437,968
	Of which not yet paid at the balance sheet date/adjustment for the year	-7,795	-
	Amount paid regarding property, plant and equipment	138,751	437,968
	Incurring financial liabilities	11,325	694,281
	Of which lease debt	-11,325	-694,281
	Proceeds from borrowings	-	-

24 **FINANCIAL RISKS**

As a result of the Group's international activities, the Group is influenced by and exposed to a number of different financial risks i.e fluctuations in energy and raw material prices as well as interests, foreign exchange rates and liquidity risks. For the most significant areas Group management has formulated a risk policy, approved by the Board of Directors.

Energy prices

The Group is exposed to changes in energy prices (mainly gas, oil, electricity and environmental taxes) as energy is consumed in the production of aqua feed. Furthermore, the Group is also indirectly exposed as changes in the energy prices are reflected in the transportation costs. Changes in transportation costs are expected to be fully or partially passed on to the trading partners. BioMar Group does not have, and does therefore not actively hedge the risk of fluctuations in energy prices. Probable changes in energy prices are assessed not to have a significant impact on the Group's profit and

Raw material prices

The Group is exposed to changes in raw material prices (mainly sources of protein and different types of oils) used in the production of aqua feed. The Group does not actively hedge these risks as they are covered by update of list prices and incorporation of price adjustment mechanism in sales contracts. Probable changes in raw material prices are assessed not to have a significant impact on the Group's profit and loss or equity.

Liquidity risk/financial resources

The liquidity risk means that BioMar Group may not be able to fulfill its obligations as a result of a failure to release assets or obtain adequate financing. The Group activities are exposed to a relatively high degree of seasonal fluctuations requiring occasional oscillations in the need for liquidity. Historically, the working capital requirements are highest in the 3rd quarter. BioMar Group is predominantly financed by the parent company; partly through medium termed loans up to five years and a business credit through the parent company credit facility from a bank syndicate consisting of Danske Bank, DNB, Nordea and HSBC. The parent company Schouw & Co. ensures availability of sufficient operating liquidity and credit facilities for the ongoing operations and development.

The Group's interest bearing debt amounts to 2,258m DKK in 2020 (2019: 2,565m DKK), of which 666m DKK in 2020 (2019: 783m DKK) has a remaining loan period of more than one year. Cash and cash equivalents amount to 293m DKK in 2020 (2019: 269m DKK). Additionally, the Group has significant unutilised and comitted loan facilities per December 31st 2020, hence the available financial resources are deemed sufficient for the realisation of the Group's strategy.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DKK 1,000)

Note

24 **FINANCIAL RISKS (continued)**

	2020				
	Carrying amount	Contractual cash flows	< 1 year	1 - 5 years	> 5 years
Non-derivative financial instruments					
Banks and other credit institutions	559,317	559,317	559,317	-	-
Payable to affiliates	1,219,424	1,228,134	924,248	303,886	-
Lease debt	478,892	521,499	125,754	329,314	66,431
Trade payables	2,639,671	2,639,671	2,639,671	-	-
Other debt	638,577	638,577	638,577	-	-
Derivatives					
Derivative financial instruments	47,462	47,462	47,462	-	-
Recognised in balance sheet total	5,583,343	5,634,660	4,935,029	633,200	66,431
Contractual obligations to purchase intangible assets		30,179	15,429	14,750	-
Contractual obligations to purchase property, plant and equipment		21,411	21,411	-	-
Contractual obligations regarding lease agreements not yet commenced		60,937	10,156	40,625	10,156
Total		5,747,187	4,982,025	688,575	76,587

BioMar Group is predominantly financed by the parent company through both short- and long term credit facilities. Reference is made note 21.

The available financial ressources are deemed sufficient.

	2019				
	Carrying amount	Contractual cash flows	< 1 year	1 - 5 years	> 5 years
Non-derivative financial instruments					
Banks and other credit institutions	518,594	518,594	518,594	-	-
Payable to affiliates	1,497,401	1,512,086	1,153,376	358,710	-
Lease debt	548,793	604,989	131,997	361,573	111,419
Trade payables	2,442,474	2,442,474	2,442,474	-	-
Other debt	628,710	655,695	652,476	3,219	-
Derivatives					
Derivative financial instruments	18,569	18,569	18,569	-	-
Recognised in balance sheet total	5,654,541	5,752,407	4,917,486	723,502	111,419
Contractual obligations to purchase property, plant and equipment		73,621	73,621	-	-
Total		5,826,028	4,991,107	723,502	111,419

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

24 **FINANCIAL RISKS (continued)**

Foreign currency risks

A significant part of the Group's revenue is generated in the same currency as the functional currency for the respective enterprises, hence these are naturally hedged and limiting the foreign currency exposure.
As a main rule, the Group hedges all significant foreign currency risks regarding in- and out going payments in foreign currencies in accordance with the Group's policy for currency risk management.

The sensitivity analysis shows the impact on the income statement and equity from likely changes in exchange rates in main currencies.

2020

Currency	Cash and receivables	Financial liabilities (non-derivatives)	Derivatives to hedging of future cash flows	Likely change in exchange rate	Hypothetical effect on the profit for the year	Hypothetical effect on the equity
EUR / DKK	405,801	-241,343	-51,444	+0.3%	264	264
USD / DKK	453,157	-723,243	-19,131	+7.1%	1,218	-16,017
USD / GBP	1,781	-47,885	149,586	+10.2%	1,529	8,550
USD / NOK	191	-291,146	380,724	+11.3%	-259	7,912
CLP / USD	11,390	-24,634	53,032	+10.9%	-1,054	3,166
EUR / NOK	1,671	-228,518	298,176	+9.0%	146	5,007
EUR / USD	-	-44,015	-	+7.1%	-2,281	-2,281
USD / AUD	899	-82,396	49,636	+9.5%	-2,119	-2,119
Others	102,121	-78,078	-31,806	+4%/+15%	-419	13
	977,011	-1,761,258	828,773		-2,975	4,495

2019

Currency	Cash and receivables	Financial liabilities (non-derivatives)	Derivatives to hedging of future cash flows	Likely change in exchange rate	Hypothetical effect on the profit for the year	Hypothetical effect on the equity
EUR / DKK	282,345	-250,233	-	+0.4%	100	100
USD / DKK	394,826	-756,327	32,652	+8.2%	717	-21,033
USD / GBP	91,914	-58,200	-88,950	+9.7%	325	-4,447
USD / NOK	467	-301,964	477,106	+10.2%	-2,794	13,971
CLP / USD	6,122	-69,462	-	+10.0%	-4,624	-4,624
NOK / GBP	-	-15,995	42,845	+10.1%	976	2,251
Others	125,760	-259,190	143,654	+3%/+20%	-4,660	858
	901,434	-1,711,371	607,307		-9,960	-12,924

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DKK 1,000)

Note
24 **FINANCIAL RISKS (continued)**

Currency hedging agreements regarding future transactions
Net amounts outstanding for currency hedging agreements at December 31st for the Group, which satisfy the requirements for hedge accounting and which relate to future transactions.

	2020			
Currency	Notional principal	Accumulated capital gain/(loss) recognised in equity	Fair value	Maximum number of months to expiry
EUR	263,649	-1,112	-7,352	4
USD	560,816	-12,332	-39,435	6
RUB	-53,298	-	317	5
CLP	53,032	5,275	5,275	3
Others	4,575	1	831	4
Total	828,774	-8,168	-40,364	

	2019			
Currency	Notional principal	Accumulated capital gain/(loss) recognised in equity	Fair value	Maximum number of months to expiry
EUR	240,265	-1,710	-3,826	5
USD	420,808	4,277	4,046	11
RUB	-61,182	-	-3,617	4
GBP	-3,366	-	-44	2
Others	10,782	-524	-1,790	6
Total	607,307	2,043	-5,231	

Categories of financial instruments	**2020**	**2019**
Securities (fair value hierarchy level 1)	-	1,808
Securities (fair value hierarchy level 3)	920	954
Financial assets measured at fair value through profit and loss	920	2,762
Derivative financial assets (fair value hierarchy level 2)	10,239	12,968
Hedging instruments measured at fair value	10,239	12,968
Trade receivables	2,300,836	2,362,083
Other receivables	517,932	350,884
Cash and cash equivalents	292,799	269,810
Financial assets measured at amortised cost	3,111,567	2,982,777
Derivative financial liabilities (fair value hierarchy level 2)	47,462	18,569
Hedging instruments measured at fair value	47,462	18,569
Other long-term liabilities	-	3,219
Interest bearing debt	2,257,633	2,564,788
Trade payables and other debt	3,278,248	3,067,965
Financial liabilities measured at amortised cost	5,535,881	5,635,972

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

25 **ACQUISITIONS**

	2020	2019
Specification of acquired net assets at acquisition date		
Intangible assets		
Property, plant and equipment	-	204,974
Inventories	-	53,027
Receivables	-	317,337
Cash and cash equivalents	-	11,157
Deferred tax	-	-32,601
Trade payables	-	-305,623
Credit institutions	-	-66,436
Other debt	-	-53
Net assets acquired	-	181,782
Goodwill	-	21,809
Fair value of original ownership interest	-	-90,891
Acquisition costs	-	112,700
Of which cash and cash equivalent	-	-5,579
Total cash acquisition costs	-	107,121

BioMar has not acquired any companies during 2020.

Effective 7th June 2019, BioMar acquired the outstanding 50% of the shares in the fish feed factory Alitec Pargua S.A. for a consideration of 113m DKK. Prior to the acquisition, the company was owned and operated in conjunction with AquaChile and classified as a joint operation in accordance with IFRS. The acquisition of the shares marks an important increase of BioMar's production capacity in Chile's strategically important salmon market. Having full ownership of Alitec Pargua S.A. also strengthens BioMar's position in the Chilean market. BioMar is now able to serve a broader customer portfolio and to plan future factory upgrades and expansions for the benefit of a sustainable and innovative aquaculture industry, and to accommodate the growing demand for advanced feed solutions.

In accordance with IFRS, the company has measured all assets and liabilities, whether existing or acquired, at fair value for purchase price allocation purposes. In that connection, the company has identified property, plant and equipment at values that were 80m DKK higher and deferred tax of 22m DKK deriving from that amount. Goodwill has provisionally been calculated at 22m DKK.

The remeasurement of the company's existing 50% ownership interest resulted in an accounting gain of 29m DKK, which is recognised in "financial income".

Assets include trade receivables at a fair value of 317m DKK, of which 253m DKK represents a receivable from BioMar Chile. No provision has been made for losses or claims.

Had Alitec Pargua been acquired effective on January 1st 2019, revenue would have been 58m DKK higher and the full-year profit would have been 2m DKK higher. BioMar incurred total transaction costs of 0.5m DKK in connection with the acquisition.

Effective at 30th June 2019, Alitec Pargua S.A. merged with BioMar Chile S.A., BioMar's other sales and production company in Chile. The merger was made at book values and did not affect the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DKK 1,000)

Note
26 **RELATED PARTY TRANSACTIONS**

Schouw & Co. owns 100% of the shares in BioMar Group A/S.
Members of the Board of Directors, the Executive Management as well as their family members are considered related parties. Furthermore, related parties are companies in which the above-mentioned group of people has significant interests.

Transactions between BioMar Group and the other entities in the Schouw & Co. Group appear below:

	2020	2019
Management fee	-2,300	-2,175
Interest paid	-20,448	-26,061
Interest received	256	1,857
At December 31st the Group has the following debt and receivables:		
Receivables from group companies	406,910	170,786
Debt to group companies	-1,219,424	-1,497,401

In addition, related parties also comprise the associates and joint ventures cf. note 8, in which BioMar Group has either significant influence or joint control.

Transactions between BioMar Group and the associates and joint ventures appear below:

	Associates		Joint ventures	
	2020	2019	2020	2019
Sales	360,883	314,874	11,487	30,302
Purchases	58,460	79,028	-	-
Interest received	-	247	779	-
At December 31st the Group has the following debt and receivables:				
Receivables from associates and joint ventures	156,664	131,970	15,973	34,571
Debt to associates and joint ventures	4,146	52,288	898	663

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

27 **GROUP STRUCTURE**

Company name	Division	Domicile	BioMar Group's share in %
BioMar Group A/S	-	Aarhus, Denmark	
BioMar A/S	EMEA	Brande, Denmark	100,00
BioMar Spolka z.o.o.	EMEA	Zielona Gora, Poland	100,00
Oy BioMar AB	EMEA	Vanda Helsingfors, Finland	100,00
BioMar AB	EMEA	Malmø, Sweden	100,00
Bio mar OOO, Russia	EMEA	Ropsha, Leningrad, Russia	100,00
BioMar S.A.S.	EMEA	Nersac, France	100,00
BioMar Hellenic S.A.	EMEA	Volos, Greece	100,00
BioMar Iberia S.A.	EMEA	Dueñas, Spain	100,00
BioMar Sagun TTK (Joint venture)	EMEA	Söke, Turkey	50,00
BioMar AS	SALMON	Myre, Norway	100,00
LetSea AS	SALMON	Dønna, Norway	33,33
BioMar Ltd.	SALMON	Grangemouth, Scotland	100,00
LCL Shipping Ltd.	SALMON	Grangemouth, Scotland	40,00
BioMar Pty. Ltd.	SALMON	Hobart, Australia	100,00
BioMar A/S Chile Holding S.A.	SALMON	Puerto Montt, Chile	100,00
BioMar Chile S.A.	SALMON	Puerto Montt, Chile	100,00
Salmones Austral S.A.	SALMON	Puerto Montt, Chile	22,91
Aquaculture Technology Centre Patagonia S.A.	SALMON	Lenca, Chile	30,00
BioMar Aquaculture Corporation S.A.	LATAM	Cañas, Costa Rica	100,00
BioMar Aquacorporation Products S.A. (Joint operation)	LATAM	Cañas, Costa Rica	50,00
Alimentsa S.A.	LATAM	Guayaquil, Ecuador	70,00
BioMar Tongwei (Wuxi) Biotech Co., Ltd. (Joint venture)	ASIA	Wuxi, China	50,00
Zhuhai Haiwei Feed Co., Ltd	ASIA	Zhuhai, China	100,00

28 **NEW FINANCIAL REPORTING REGULATIONS**

As of the date of release of these financial statements, the IASB has issued a number of new and amended financial reporting standards and interpretations which are not mandatory for the BioMar Group in 2020. Approved, not yet effective standards and amendments are implemented when they become mandatory for BioMar Group as per the EU effective dates.

New standards, amendments and interpretations comprise:
- IFRS 17 Insurance contracts
- IAS 1 Presentation of Financial Statements - Amendments to IAS 1 Presentaion of Financial Statements: Classification of Liabilities as Current or Non-current
- IFRS 3 Busisness combinations - Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- IAS 16 Property, Plant and Equipment - Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended use
- IAS 37 Provisions, Contingent Liabilities and Contengent Assets - Amendments to IAS 37 Provision, Contingent Liabilities and Contingent Assets: Onerous Contracts - Costs of Fulfilling a Contract
- Annual improvements to IFRSs 2018-2020 Cycle.

It is the assessment that neither of the standards nor individually or collectively will have material impact on the financial statements of BioMar Group.

29 **EVENTS AFTER THE BALANCE SHEET DATE**

BioMar has concluded an agreement to purchase a shrimp feed factory in Vietnam with expected closing during the second quarter of 2021. No other material events have occurred after the balance sheet date.

Note 30

Accounting Policies

BioMar Group A/S is a private limited company domiciled in Denmark. The annual report for the period January 1st – December 31st, 2020 comprises both the consolidated accounts for the BioMar Group and its subsidiaries (the Group) and the annual accounts for the parent company, BioMar Group A/S.

The consolidated accounts for BioMar Group A/S are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements pursuant to the Danish Financial Statement Act applying for large class-C entities. The annual report also complies with the International Financial Reporting Standards (IFRS) issued by IASB.

Basic Principles

The annual report is presented in Danish kroner which is the presentation currency for the Group and the functional currency for the parent company. If not stated otherwise all amounts are presented in 1,000 DKK.

The annual report is presented on the basis of historical cost, except for share based remuneration, derivatives, financial instruments, biological assets and contingent consideration in connection with business combinations, which are measured at fair value.

The accounting policies, as stated below, are consistent with those applied last year.

The financial statements for the Parent are presented separately from the consolidated statements.

New and Amended IFRS Standards and Interpretations

BioMar Group applied for the first-time certain standards and amendments listed below, which are effective for annual periods beginning on or after 1 January 2020. BioMar Group has not early adopted any other standard, interpretation or amendment that has been issued and approved but is not yet effective

- Amendments to IFRS 3: Definition of a Business
- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 Definition of Material
- Conceptual Framework for Financial Reporting issued on 29 March 2018
- Amendments to IFRS 16 Covid-19 Related Rent Concessions

None of the standards, interpretations or amendments above have had a significant impact on recognition and measurement of the consolidated financial statements of BioMar Group.

Note 30

Accounting Policies

The consolidated financial statement

The consolidated financial statements comprise BioMar Group A/S and the subsidiaries controlled by BioMar Group. Control is achieved by directly or indirectly holding or having the disposal of more than 50% of the voting rights or otherwise exercising a controlling influence over the relevant enterprise.

Entities in which the Group exercises significant influence but not control are classified as associates. Significant influence is generally achieved by directly or indirectly holding or controlling 20% or more, but less than 50%, of the voting rights.

Factors used to determine whether or not BioMar Group has control include de facto control and potential voting rights exercisable at the balance sheet date.

Joint arrangements are activities or companies in which the Group has joint control through collaborative agreements with one or more parties. Joint control implies that unanimous decisions on the relevant activities are required by the parties sharing the controlling influence. Joint arrangements are classified either as joint ventures or joint operations. Joint operations refer to activities where the parties have direct rights to assets and liabilities, whereas joint ventures are activities for which the parties only have the rights to the net assets.

The consolidated financial statements have been prepared by aggregating the financial statements of the parent company, the individual subsidiaries and joint arrangements prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, dividends, balances and realised and unrealised gains on transactions between the consolidated entities are eliminated. Unrealised gains on transactions with associates and joint ventures are eliminated proportionate to the Group's share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

Business combinations

Newly acquired or established entities are recognised in the consolidated financial statements from the date of acquisition. Comparative figures are not adjusted to reflect acquisitions. Sold or liquidated entities are consolidated until the date of sale or liquidation. Discontinued operations are separately presented.

The purchase method is applied on acquisitions if the parent company gains control of the respective company. Identifiable assets, liabilities and contingent liabilities in the acquired company are measured at their fair value at the date of acquisition. Intangible assets are recognised if they can be separated or if they arise from a contractual right. Deferred tax on the revaluations are recognised.

Acquisition date is the date from which BioMar Group gains actual control of the acquired entity.

Note 30

Accounting Policies

Any excess of the consideration paid for the business over the fair value of the acquired assets, liabilities and contingent liabilities, is recognised as goodwill under intangible assets. Goodwill is not amortised but is annually tested for impairment. The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is allocated to the cash-generating units that will subsequently form the basis for the future impairment tests. Goodwill and fair value adjustments in connection with acquisition of a foreign entity with a different functional currency than the presentation currency of BioMar Group are treated as assets and liabilities belonging to the foreign entity and converted to the entity's functional currency with the rate of the transaction date. Negative discrepancies, negative goodwill, is recognised in the income statement at the acquisition date.

For put-options issued as part of the consideration for business combinations, put-options received by non-controlling shareholders are considered to be exercised at the take-over date (anticipated acquisition).

The non-controlling interest is reversed, and a liability is recognised at fair value on initial recognition and the difference is adjusted under equity. Fair value is determined as the present value of the exercise price of the option. The option is subsequently measured at amortised cost corresponding to the discounted value of the expected future cash flows. Value adjustments are recognised directly in equity. Dividend payments related to the put-option are considered a financial expense and recognised in the income statement.

Any gains or losses on the disposal of subsidiaries, associates and joint ventures are stated as the difference between the sales price or the proceeds from the winding-up and the carrying amount of net assets, including goodwill, at the date of disposal and the related cost for selling or winding-up.

Foreign currency translation

A functional currency is determined for each of the reporting entities in the Group. The functional currency is the currency in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate prevailing on the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognised in the income statement under financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date. The difference between the exchange rate prevailing at the balance sheet date and the rate from the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognised in the income statement under financial income or expenses.

Note 30

Accounting Policies

On consolidation of entities with functional currency different from Danish kroner (DKK), the income statements are translated at the exchange rates prevailing at the transaction date and the balance sheets are translated at the exchange rates prevailing at the balance sheet date.

The average exchange rate for each individual month is used as the transaction date exchange rate in case of no significant differences. Exchange rate differences arising from the translation of the opening equity of such entities at the exchange rate prevailing at the balance sheet date and on the translation of the income statements from the exchange rates prevailing at the transaction date to the exchange rate at the balance sheet date are recognised in other comprehensive income in the exchange rate adjustment reserve under equity.

Derivative financial instruments

Derivative financial instruments are measured at fair value and recognised in the balance sheet under other receivables and other debt, respectively. The fair value of derivative financial instruments is calculated on the basis of current market data and recognised valuation methods.

Changes in the fair value of the derivative financial instruments that effectively hedge the value of a recognised asset or liability are recognised in the income statement together with any changes in the value of the hedged asset or liability. Hedging of future cash flows according to contracts, except exchange rate hedging, are treated as hedging of the fair value of a recognised asset or liability.

Changes in the part of the fair value of derivative financial instruments that is classified as and qualifies for hedge accounting and that effectively hedge future cash flows are recognised in other comprehensive income in the hedge transaction reserve under equity. On realisation of the hedged transaction, any gains or losses relating to such transactions are transferred from other comprehensive income and recognised in the same item as the hedged item.

For derivative financial instruments that do not qualify for hedge accounting, changes in the fair value are recognised as interest income or expenses as they occur.

Some contracts imply conditions corresponding to derivative financial instruments. Such integrated financial instruments are recognised separately and are regularly measured to fair value, in case they deviate significantly from the respective contract unless the total contract is recognised and regularly measured at fair value.

Note 30

Accounting Policies

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods, which primarily relates to aqua feed, is recognised in the income statement if transfer of the risk to the customer has taken place before year-end and if the income can be reliably measured. The performance obligations in the contracts are to deliver aqua feed to the customers and each delivery is considered a separate performance obligation as each delivery is distinct. Due to the business model composition and types of sales contracts variable components and the related consideration are considered immaterial.

Revenue is measured excluding VAT and other indirect taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Production costs

Production costs corresponding to the year's revenue include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leasing, amortisation and impairment of intangible assets, depreciation and impairment of production equipment and impairment of inventory.

Distribution costs

Distribution costs comprise expenses incurred in connection with the distribution of goods sold during the year and in connection with sales campaigns etc. launched during the year. Included are also costs for sales and logistic staff, advertising and exhibitions costs as well as depreciation/amortisation.

Administrative costs

Administrative costs comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses and depreciation and impairment. Administrative expenses also include impairment on trade receivables.

Other operating income and expenses

Other operating income and expenses comprise activities secondary to the primary activities of the entities and consist mainly of the following:

- Gains or losses on the disposal of intangible assets and property, plant and equipment.

Note 30

Accounting Policies

- Government grants include grants and funding of development work and grants for investments etc. Grants for research and development costs recognised in the income statement are included in other operating income.

Investment grants in the form of certain tax-privileges schemes in individual countries are recognised in the balance sheet under receivables and as deferred income under liabilities. Grants are recognised in the income statement under other operating income as the underlying investment is depreciated. The receivable is reduced as the grant is received and the deferred income is reduced as the grant is recognised in the income statement.

Result from Subsidiaries, Associates and Joint Ventures

Subsidiaries, associates and joint ventures are recognised in the income statement at the proportionate share of the profit or loss and after elimination of the proportionate share of intra-group gains or losses.

Financial Income and Expenses

Financial income and expenses include interest and capital gains and losses on transactions in foreign currency and impairment losses on securities. Also included are amortisation of financial assets and liabilities, including lease assets, surcharges and refunds under the on-account tax scheme and changes in fair value of derivative financial instruments that do not qualify as hedge accounting.

Interest expenses relating to the construction of non-current assets are recognised as part of the cost of the asset.

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grants are related to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Taxation

BioMar Group is taxed jointly with the parent company's other Danish subsidiaries. The current Danish income tax liability is allocated among the companies of the tax pool in proportion to their taxable income. Companies that utilise tax losses from other companies pay a joint tax contribution to the parent company at an amount corresponding to the tax value of the tax losses utilised. Companies whose tax losses are utilised by other companies receive joint tax contribution from the parent company corresponding to the tax value of the utilised losses (full absorption). The jointly taxed companies pay tax under the Danish on-account tax scheme.

Note 30

Accounting Policies

Balance sheet

Goodwill

On initial recognition goodwill is recognised in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and the internal financial management.

Other intangible assets

Other intangible assets (e.g. software solutions) and intangible assets acquired in connection with business combinations are measured at cost less accumulated amortisation and impairment. Intangible assets are amortised on a straight-line basis over the expected useful life of the assets: 5-20 years.

Intangible assets with indefinite useful lives are not amortised but are subject to yearly impairment tests.

Property, plant and equipment

Land and buildings, plant and machinery, fixtures and fittings and tools and equipment are measured at costs less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. Cost is increased by the present value of estimated liabilities for the removal and disposal of the asset and restoration of the site where the asset was used. The total cost is de-composed for separate depreciations if the useful lives of the single components are deemed significant different.

Subsequent costs, such as the cost of replacing components of property, plant and equipment, are included in the asset's carrying amount when deemed likely that it will result in economic benefits. The replaced components are no longer recognised in the balance sheet and the carrying amount is transferred to the income statement. All other ordinary repair and maintenance costs are recognised in the income statement when incurred.

Note 30

Accounting Policies

Property, plant and equipment are depreciated on a straight-line basis over the expected useful-lives of the asset/component, which are expected to be as follows:

- Buildings 20-30 years
- Plant and machinery 8-15 years
- Other fixtures and fittings, tools and equipment 4-10 years
- Land are not depreciated

The basis for the depreciations is calculated with due considerations to the asset's scrap value, reduced by any impairment losses. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount depreciations are ceased.

In case of changes to the depreciation period or residual value the effect on depreciations going forward is recognised as a change of accounting estimates.

Depreciations are recognised in the income statement as production, distribution or administrative costs.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is 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 applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use-assets; the Group recognises right-of-use assets at the commencement date of the lease. Initially right-of-use assets are measured at the present value of the future lease payment plus the cost of obligations to refurbish the assets. Payments mainly consist of fixed payment and is adjusted for any remeasurement of lease liabilities. The leased assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows;

- Ships 2-15 years
- Land and buildings 2-40 years
- Other lease assets 2-6 years

Right-of-use assets are tested for impairment whenever there is an indication that the asset may be impaired.

BioMar Group's lease portfolio covers mainly ships and land and buildings.

Note 30

Accounting Policies

Lease liabilities; at the commencement date of the lease, the Group recognise lease liabilities measured at the present value of lease payment to be made over the lease term. The lease payments include fixed payments. In calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is reduced for the lease payments made and the carrying amount of the lease liability is re-measured if there is a modification, a change in the lease payments or a change in the assessment of an option to either extend or terminate the contract. The Group's lease liabilities are included in interest bearing debt.

Right-of use assets and lease liabilities are presented separately in the financial statement.

Short-term leases and leases of low value assets; the Group applies the recognition exemption to its short-term (lease term of less than 12 months that do not contain a purchase option) and low value asset leases. Lease payments on these contracts are recognised as expenses on a straight-line basis over the lease term.

Investments in Associates and Joint Ventures

Investments in associates and joint ventures are measured in the balance sheet at the proportionate share of the companies' net asset value (net equity method) calculated in accordance with the Group's accounting policies with deductions or addition of the proportionate share of unrealised intra-group gains or losses and with addition of the carrying amount of goodwill. Impairment test is performed when there is objective evidence of impairment.

Non-current Asset Impairment Test

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment, initially before the end of the year of acquisition.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit to which goodwill has been allocated and is written down over the income statement, as a separate line item, to the lower of the recoverable amount and the carrying amount. The recoverable amount is generally calculated as the present value of the future net cash flows expected to be derived from the business or activity (cash-generating unit) to which the goodwill relates.

Deferred tax assets are assessed on a yearly basis and are only recognised in case it's deemed likely that they will be utilised.

The carrying amount of other non-current assets are tested annually to determine whether there are any indications of impairment. If such indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less expected costs to sell and the value in use.

Note 30

Accounting Policies

A write-down is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Write-downs are recognised in the income statement as production or distribution costs or as administrative expense.

Impairment write-downs of goodwill are not reversed. Impairment of other assets is reversed to the extend changes have occurred to the assumptions and estimates leading to the impairment. Impairment is only reversed to the extend the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation, had the asset not been impaired.

Inventories

Inventories are measured at cost in accordance with the FIFO-method. Where the net-realisable value is lower than the cost, inventories are written down to this lower cost.

The cost of goods for resale, raw materials and consumables comprises the purchase price and delivery costs.

The cost of finished goods and work in progress comprise the cost of raw materials, consumables, direct labour and indirect production costs. Indirect production costs include indirect materials and labour as well as maintenance of and depreciation and impairment of the machines, factory buildings and equipment used in the manufacturing process as well as factory management and administrative expenses.

The net realisable value of inventories is calculated as the selling price less costs of conversion and costs incurred to execute the sale, and is determined in consideration of marketability, obsolescence and movements in the expected selling price.

Biological inventories are recognised at fair value less estimated selling costs. Gains and losses occurring on the recognition of biological assets at fair value less estimated selling costs are recognised in gross profit

Receivables

Receivables are measured at amortised cost less allowance for lifetime expected credit losses.

Provisions for impairment losses are calculated in accordance with the simplified expected credit-loss model, after which the total expected loss is immediately recognised in the income statement at the same time as the receivable is recognised in the balance sheet taking the total expected loss into consideration.

Expected credit-losses are calculated based on the expected default rate, determined per geographical location. The default rate is based on historic default rates adjusted for the effect of expected changes in relevant parameters.

Note 30

Accounting Policies

Securities

Security holdings which do not enable the Group to exercise control or a significant influence are measured at fair value.

Value adjustments of listed securities for which changes in fair value are regularly monitored, are recognised under financial items in the income statement when they occur.

Unlisted securities, for which the fair value is not regularly monitored, are classified as available for sale. The securities are measured at fair value and unrealised value adjustments are recognised directly in other comprehensive income, except for impairment losses which are recognised in the income statement under financial items. On realisation, the accumulated value adjustment recognised in other comprehensive income is reclassified as financials in the income statement.

Share Holders' Equity

Dividend

Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Exchange Adjustment Reserve

The exchange adjustment reserve in the consolidated financial statement comprise exchange differences arising from the translation of the financial statement of foreign enterprises from their functional currency into Danish kroner including exchange differences on financial instruments considered to be part of the investment or as hedging of the net investment.

On full or partly realisation of the net investment exchange rate adjustments are recognised in the income statement.

Hedge Transaction Reserve

The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that met the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

Note 30

Accounting Policies

Employee Benefits

Executive Management and senior managers in BioMar Group are covered by the parent company Schouw & Co.'s share option programme. The costs related to the programme are calculated according to "Black & Scholes" and are expensed as staff costs linearly over the period of the option and settled to the parent company.

Pension Obligations

BioMar Group has set up pension plans and similar with the majority of the Group's employees. Liabilities relating to defined contribution plans are recognised in the income statement in the period in which the benefits vest, and payments due are recognised in the balance sheet under other payables.

Tax and Other Liabilities

Payable and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Uncertain tax positions are assessed individually, either as a probable weighted average of possible scenarios or as the most probable scenario considering the approach that better predicts the resolution of the uncertainty, and recognised if it is probable than an amount will be paid or received.

Deferred tax is measured in accordance with the balance sheet liability method on all timing differences between the carrying amount and the tax base of the assets and liabilities. However, no deferred tax is recognised on timing differences regarding non-deductible goodwill and other items for which timing differences have arisen at the acquisition date without affecting the financial results or taxable income. In case the tax value can be measured according to multiple tax schemes, the deferred tax is measured on the basis of the management's planned utilisation, respective settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the expected value of their utilisation either as a set-off against tax on future income or as a set-off against tax liabilities within the same legal tax entity or jurisdiction.

Note 30

Accounting Policies

Deferred tax adjustments are made regarding eliminations of unrealised intercompany gains and losses. Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

Financial Liabilities

Debt to credit institutions is recognised at the raising of a loan at fair value less transaction costs. Debt relating to a put option for the purchase of non-controlling interests is initially measured at fair value. In subsequent periods, financial liabilities are measured at amortised costs, applying the “effective interest method” to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan.

Cash Flow Statement

The consolidated cash flow statement shows the cash flows for the year distributed on operating, investing, financing and discontinued activities, net changes for the year in cash as well as cash and cash equivalents at the beginning and end of the year.

The cash effect of acquisitions and divestments is shown separately under cash flows from investing activities. In the cash flow statement, cash flows concerning acquired companies are recognised from the date of acquisition, while cash flows concerning divesting companies are recognised until the date of divestment.

Cash flows from operating activities are calculated according to the indirect method as the profit for the year before tax is adjusted for non-cash operating items, changes in working capital, interest paid and income taxes paid.

Cash flows from investing activities comprise payments made in connection with the acquisition and divestment of companies and operations and the acquisition and disposal of intangible assets, property, plant and equipment as well as the purchase and sale of securities not recognised as under cash and cash equivalent. Dividends from associates are included in cash flows from investing activities.

Cash flows from financing activities include payments to and from shareholders and related expenses as well as the raising of loans, re-payments of interest bearing debt and the purchase and sale of treasury shares.

Cash and cash equivalents include cash at bank and in hand as well as securities with a maturity of less than three months at the time of acquisition that can immediately be converted into cash and that involve insignificant risk of value fluctuations.

Cash flows in currencies other than the functional currency are translated at average exchange rates unless these differ materially from the exchange rate ruling at the transaction day.

Note 30

Accounting Policies

Key Figures Glossary

EBITDA

Profit before interest, tax, depreciation and amortisation.

EBIT (Operating profit)

Profit before interest and tax.

EBIT-margin

Profit before interest and tax (EBIT) as a percentage of revenue.

Return on equity

Profit for the year as a percentage of the average equity.

Solvency ratio

Total assets as a percentage of equity.

EBITA

Profit before interest, tax and amortisations.

ROIC

(Return on invested capital excl. goodwill)

EBITA as a percentage of average invested capital.

Average invested capital

Quarterly average of shareholder equity, net financial debt and net tax liabilities less non-operational financial assets and goodwill.

.

Note 31 Significant Accounting Judgments and Estimates

Estimation Uncertainty

In preparing the financial statements, management makes a number of assessments, estimates and assumptions necessary for calculating the carrying amount of certain assets and liabilities. The estimates and assumptions applied are based on factors such as historical experience and other factors that management consider reasonable under the circumstances, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Due to the risks and uncertainties the Group is subject to, actual outcome may deviate from the estimates made. It may be necessary to revise previous estimates as a result of changes to the assumptions on which such estimates were based or due to new information or subsequent events. The notes provide information on bases and assumptions, on the future and other estimation uncertainties at the balance sheet date where there is a considerable risk of changes that may lead to significant adjustment of the carrying amount of assets and liabilities within the next financial year.

Judgments and estimates, deemed significant for the financial reporting are mainly related to impairment of trade receivables and goodwill. See further below.

Receivables

The allowance for expected credit losses for trade receivables is based on historical credit loss experience combined with forward-looking information on macroeconomic factors impacting the industry hence the credit risk. The expected loss rates are updated at every reporting date. As a consequence of the international financial situation the expected credit losses on some markets is deemed higher than in previous years. This has been taken into consideration in assessing the allowance at the balance sheet date as well as in the ongoing control of the Group's receivable portfolio.

Impairment of goodwill

At the yearly impairment test of goodwill, or if indications of impairment, judgments are applied to assess to which extend the cash generating units, that the goodwill is related to, are able to generate sufficient positive cash flows in the future to support the carrying amount of goodwill and the other net assets in the respective entities.

The impairment test and the particular sensitive circumstances relating to this is described in note 12 regarding intangible assets.

Tax

As the Group operates across many different countries, the calculation of the Group's total tax charge in the income statement inherently involves a degree of estimation and judgment. Tax and transfer pricing disputes with authorities in various countries may occur and management judgment is applied to assess to possible outcome of such disputes.

Parent Company Financial Statements

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(DKK 1,000)

Note	INCOME STATEMENT	2020	2019
1	Revenue	1,642,801	1,318,500
4	Cost of sales	-1,528,313	-1,255,723
	Gross profit	**114,488**	**62,777**
2.3	Distribution costs	-724	-671
2,3,5	Administration costs	-89,421	-77,961
	Operating profit (EBIT)	**24,343**	**-15,855**
	Share of profit after tax, subsidiaries	374,757	548,717
9	Share of profit after tax, joint ventures	7,905	971
6	Financial income	1,985	2,373
7	Financial expenses	-15,527	-12,875
	Profit before tax	**393,463**	**523,331**
8	Tax on profit for the year	-6,497	5,764
	Profit for the year	**386,966**	**529,095**
	Other comprehensive income		
	Items that have been or may subsequently be reclassified to the income statement;		
	Exchange rate adjustments, foreign entities	-253,072	71,502
	Other value adjustments in subsidiaries and joint ventures	-9,732	1,605
	Other comprehensive income after tax	**-262,804**	**73,107**
	Total comprehensive income	**124,162**	**602,202**

BALANCE SHEET AT DECEMBER 31st

(DKK 1,000)

Note	ASSETS	2020	2019
	Other intangible assets	10,175	291
	Assets under development	7,822	5,132
10	Intangible assets	17,997	5,423
	Land and buildings	169	244
	Other plant, fixtures and operating equipment	410	45
11	Property, plant and equipment	579	289
	Investments i subsidiaries	3,225,945	3,617,262
9	Investments in joint ventures	133,526	135,989
12	Right of use assets	10,737	9,570
18	Deferred tax	-	252
14	Receivables	6,360	9,346
	Other non-current assets	3,376,568	3,772,419
	Total non-current assets	**3,395,144**	**3,778,131**
14	Receivables	841,523	656,256
17	Income tax	-	1,509
	Prepayments	5,107	2,574
	Cash and cash equivalents	162	57
	Total current assets	**846,792**	**660,396**
	Total assets	**4,241,936**	**4,438,527**

Note	EQUITY AND LIABILITIES	2020	2019
	Share capital	250,000	250,000
	Reserve for net revaluation according to equity method	1,274,497	1,688,290
	Retained earnings	807,991	620,036
	Proposed dividend	350,000	300,000
	Total equity	**2,682,488**	**2,858,326**
18	Deferred tax	195	-
13	Interest bearing debt	306,448	355,468
	Total non-current liabilities	306,643	355,468
13	Interest bearing debt	725,413	724,821
15	Trade payables and other debt	524,994	499,912
17	Income tax	2,398	-
	Total current liabilities	1,252,805	1,224,733
	Total liabilities	**1,559,448**	**1,580,201**
	Total equity and liabilities	**4,241,936**	**4,438,527**

Notes without reference:

19 Financial risks

20 Contingent liabilities and guarantees

21 Related party transactions

22 Accounting policies

STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)

	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend	Total equity
Equity at January 1st 2019	**250,000**	**1,340,856**	**665,268**	**300,000**	**2,556,124**
Profit for the year		272,598	-43,503	300,000	529,095
Other comprehensive income					
Exchange rate adjustments of foreign entities		73,346	-1,844		71,502
Other valuation adjustments in foreign entities		1,490	115		1,605
Tax on other comprehensive income					-
Other comprehensive income	-	74,836	-1,729	-	73,107
Comprehensive income	-	347,434	-45,232	300,000	602,202
Transactions with shareholders:					
Dividend distributed				-300,000	-300,000
Transactions with shareholders	-	-	-	-300,000	-300,000
Equity at December 31st 2019	**250,000**	**1,688,290**	**620,036**	**300,000**	**2,858,326**
Equity at January 1st 2020	**250,000**	**1,688,290**	**620,036**	**300,000**	**2,858,326**
Profit for the year		-161,394	198,360	350,000	386,966
Other comprehensive income					
Exchange rate adjustments of foreign entities		-242,572	-10,500		-253,072
Other valuation adjustments in foreign entities		-9,827	95		-9,732
Tax on other comprehensive income					-
Other comprehensive income	-	-252,399	-10,405	-	-262,804
Comprehensive income	-	-413,793	187,955	350,000	124,162
Transactions with shareholders:					
Dividend distributed				-300,000	-300,000
Transactions with shareholders	-	-	-	-300,000	-300,000
Equity at December 31st 2020	**250,000**	**1,274,497**	**807,991**	**350,000**	**2,682,488**

Proposed dividend per share amounts to 3,500 DKK in 2020 (3,000 DKK in 2019).

CASH FLOW STATEMENT

(DKK 1,000)

Note		2020	2019
	Profit before tax	393,463	523,331
	Adjustment for non-cash items:		
2	Depreciations and impairment losses	4,636	4,697
	Other operating items, net	-287	117
	Share of profit after tax in subsidiaries	-374,757	-548,717
9	Share of profit after tax in joint ventures	-7,905	-971
6	Financial income	-1,985	-2,373
7	Financial expenses	15,527	12,875
	Cash flow from operations before changes in working capital	28,692	-11,041
16	Changes in working capital	-139,336	-66,611
	Cash flow from operations	-110,644	-77,652
	Interest received	1,985	1,998
	Interest paid	-14,411	-12,875
	Cash flow from ordinary activities	-123,070	-88,529
8,17	Income tax paid/received	-2,143	5,391
	Cash flow from operating activities	**-125,213**	**-83,138**
10	Purchase of intangible assets	-12,866	-5,035
	Sale of intangible fixed assets	-	1,252
11	Purchase of property, plant and equipment	-416	-
	Capital contribution in subsidiaries	-22,476	-
	Dividend from subsidiaries	536,151	276,119
	Repayment of loans - affiliates	15,969	2,337
	Issuance of loans - affiliates	-37,231	-
	Cash flow from investing activities	**479,131**	**274,673**
	Re-payment of long-term liabilities/proceeds from borrowings	-50,000	-50,000
	Re-payment of lease debt	-4,192	-4,087
	Increase (re-payment) of intra-group balances	379	162,537
	Dividend distributed	-300,000	-300,000
	Cash flow from financing activities	**-353,813**	**-191,550**
	Cash flow for the year	105	-15
	Cash and cash equivalents at January 1st	57	72
	Cash and cash equivalents at December 31st	**162**	**57**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

Note		2020	2019
1	**REVENUE**		
	Products	1,538,372	1,247,789
	Services	104,429	70,711
	Total revenue	1,642,801	1,318,500

Note		2020	2019
2	**DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES**		
	Amortisation of intangible assets	-292	-438
	Depreciation of property, plant and equipment	-126	-99
	Depreciation of lease assets	-4,218	-4,160
	Total depreciation, amortisation and impairment losses	-4,636	-4,697

Amortisations of intangible assets are included in administration costs with 0.3m DKK (2019: 0.4m DKK). Other depreciations are included in the respective cost types, mainly administration costs.

Note		2020	2019
3	**STAFF COSTS**		
	Wages and salaries	-49,142	-39,471
	Defined contribution pension plans	-2,727	-2,024
	Other social security costs	-205	-167
	Share-based payments	-3,743	-3,565
	Total staff costs	-55,817	-45,227
	Average number of employees	37	26
	Remuneration to Executive Board and Board of Directors		
	Wages and salaries	-4,679	-4,812
	Pension	-89	-93
	Bonus	-1,150	-2,236
	Share-based payments	-1,495	-1,507
	Total remuneration to Excecutive Board and Board of Directors	-7,413	-8,648

For more information on salaries, pensions and share-based payment to the Executive Management of BioMar Group, see note 4 to the consolidated financial statement.

Note		2020	2019
4	**COST OF SALES**		
	Cost of goods sold	-1,522,182	-1,245,062
	Research and development costs recognised in the income statement	-6,131	-10,661
	Total cost of sales	-1,528,313	-1,255,723

Note		2020	2019
5	**FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING**		
	Fees to EY:		
	Statutory audit	-627	-618
	Tax and VAT advisory services	-25	-
	Other services	-34	-4
	Total fees to EY	-686	-622

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

6 FINANCIAL INCOME	2020	2019
Interest income etc.	820	365
Financial income from group enterprises	1,165	1,633
Exchange rate adjustments	-	375
Total financial income	1,985	2,373

7 FINANCIAL EXPENSES	2020	2019
Interest expenses etc.	-11	-27
Financial costs to group enterprises	-14,273	-12,668
Interest expenses leasing	-127	-180
Exchange rate adjustments	-1,116	-
Total financial expenses	-15,527	-12,875

8 TAX ON PROFIT FOR THE YEAR	2020	2019
Tax on profit for the year is specified as follows:		
Tax on profit for the year	-6,497	5,764
Total tax	-6,497	5,764
Tax on the profit for the year has been calculated as follows:		
Current tax	-2,598	5,909
Deferred tax	-447	-165
Withholding taxes	-2,844	-
Adjustments of prior periods tax charge	-608	20
Total tax recognised in the income statement	-6,497	5,764
Specification of tax on the profit for the year:		
Calculated 22% tax on the profit for the year	-86,562	-115,133
Tax effect of:		
Non-deductible costs and non-taxable income	83,517	120,897
Adjustments of prior periods tax charge	-608	-
Withholding taxes	-2,844	-
Total tax recognised in the income statement	-6,497	5,764
Effective tax rate	1.7%	-1.1%

Tax on other comprehensive income		2020	
	Before tax	Tax	After tax
Exchange rate adjustments, foreign entities	-253,072	-	-253,072
Other value adjustments in subsidiaries and joint ventures	-9,732	-	-9,732
Total tax on other comprehensive income	-262,804	-	-262,804

		2019	
	Before tax	Tax	After tax
Exchange rate adjustments, foreign entities	71,502	-	71,502
Other value adjustments in subsidiaries and joint ventures	1,605	-	1,605
Total tax on other comprehensive income	73,107	-	73,107

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

9 **INVESTMENTS IN JOINT VENTURES**

Below is an overview of the parent company's investments in joint ventures, all recognised to the parent company's share of the net equity. The Group's equity interests are consistent with it's voting rights.

Name	Country and city of incorporation	2020	2019
BioMar-Sagun TTK	Söke, Turkey	50%	50%
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Wuxi, China	50%	50%

	2020	2019
Share of profit, joint ventures	7,905	971
The Group's share of equity in individually immaterial joint ventures	130,270	132,733
Goodwill regarding immaterial joint ventures	3,256	3,256
Carrying amount of investments in joint ventures	133,526	135,989

10 **INTANGIBLE ASSETS**

	2020		
	Other intangible assets	Assets under development	Total
Cost at January 1st	6,488	5,132	11,620
Additions	-	12,866	12,866
Transferred	10,176	-10,176	-
Cost at December 31st	16,664	7,822	24,486
Amortisation and impairment at January 1st	-6,197	-	-6,197
Amortisation	-292	-	-292
Amortisation and impairment at December 31st	-6,489	-	-6,489
Carrying amount at December 31st	**10,175**	**7,822**	**17,997**

By the end of 2020 BioMar Group A/S has contractual obligations of 30m DKK in 2020 (2019: 0m DKK) regarding purchase of intangible assets, not yet delivered. The contracted assets are mainly regarding an upgrade of an IT system.

	2019		
	Other intangible assets	Assets under development	Total
Cost at January 1st	6,488	1,349	7,837
Additions	-	5,035	5,035
Disposals	-	-1,252	-1,252
Cost at December 31st	6,488	5,132	11,620
Amortisation and impairment at January 1st	-5,759	-	-5,759
Amortisation	-438	-	-438
Amortisation and impairment at December 31st	-6,197	-	-6,197
Carrying amount at December 31st	**291**	**5,132**	**5,423**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
(DKK 1,000)

Note
11 **PROPERTY, PLANT AND EQUIPMENT**

2020	Land and buildings	Other plant, fixtures and operating equipments	Assets under construction	Total
Cost at January 1st	1,682	2,459	-	4,141
Additions	-	416	-	416
Cost at December 31st	1,682	2,875	-	4,557
Depreciation at January 1st	-1,438	-2,414	-	-3,852
Depreciation	-75	-51	-	-126
Depreciation at December 31st	-1,513	-2,465	-	-3,978
Carrying amount at December 31st	**169**	**410**	**-**	**579**

2019	Land and buildings	Other plant, fixtures and operating equipments	Assets under construction	Total
Cost at January 1st	1,682	2,459	-	4,141
Cost at December 31st	1,682	2,459	-	4,141
Depreciation at January 1st	-1,363	-2,390	-	-3,753
Depreciation	-75	-24	-	-99
Depreciation at December 31st	-1,438	-2,414	-	-3,852
Carrying amount at December 31st	**244**	**45**	**-**	**289**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
(DKK 1,000)

Note
12 **RIGHT OF USE ASSETS**

	2020		
	Land and buildings	Other lease assets	Total
Cost at January 1st	8,649	5,081	13,730
Additions	-	539	539
Re-measure / modification of lease assets	-	4,846	4,846
Cost at December 31st	8,649	10,466	19,115
Depreciation at January 1st	-1,730	-2,430	-4,160
Depreciation	-1,730	-2,488	-4,218
Depreciation at December 31st	-3,460	-4,918	-8,378
Carrying amount at December 31st	**5,189**	**5,548**	**10,737**

	2019		
	Land and buildings	Other lease assets	Total
Cost at January 1st	-	-	-
Effect at transition to IFRS 16	8,649	4,795	13,444
Cost at January 1st according to IFRS 16	8,649	4,795	13,444
Additions	-	215	215
Re-measure / modification of lease assets	-	71	71
Cost at December 31st	8,649	5,081	13,730
Depreciation at January 1st	-	-	-
Depreciation	-1,730	-2,430	-4,160
Depreciation at December 31st	-1,730	-2,430	-4,160
Carrying amount at December 31st	**6,919**	**2,651**	**9,570**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

13 **INTEREST BEARING DEBT**

	2020	2019
Payable to affiliates (long-term)	300,000	350,000
Payable to affiliates (short-term)	721,026	720,647
Leasing debt (long-term)	6,448	5,468
Leasing debt (short-term)	4,387	4,174
Total interest bearing debt	1,031,861	1,080,289
Fair value of interest bearing debt	1,031,861	1,080,289

2020	Balance at January 1st	Cash flows	Other	Balance at December 31st
Payable to affiliates (long-term)	350,000	-50,000	-	300,000
Payable to affiliates (short-term)	720,647	379	-	721,026
Leasing debt (long-term)	5,468	-	980	6,448
Leasing debt (short-term)	4,174	-4,192	4,405	4,387
Total interest-bearing assets and liabilities	1,080,289	-53,813	5,385	1,031,861

Biomar Group A/S' interest bearing debt is mainly taken out in DKK. Movements in the category "other" comprise additions, disposals and re-measurements occured during the reporting period on leasing debt. For 2020 the company has paid 4.4m DKK regarding lease contracts of which 0.1m DKK is related to interests and 4.3m DKK related to re-payments of lease debt.

2019	Balance at January 1st	Cash flows	Other	Balance at December 31st
Payable to affiliates (long-term)	400,000	-50,000	-	350,000
Payable to affiliates (short-term)	558,110	162,537	-	720,647
Leasing debt (long-term)	-	-	5,468	5,468
Leasing debt (short-term)	-	-4,087	8,261	4,174
Total interest-bearing assets and liabilities	958,110	108,450	13,729	1,080,289

INTEREST RATE RISKS

Due to the chosen funding of investments and the ongoing operations BioMar Group A/S is exposed to fluctuations in the interest rates. In order to mitigate this risk the company has taken out fixed rate, long-term debt with a duration of two years. Fixed rate loans account for 35% in 2020 (2019: 38%) of the total interest bearing debt. For debt raised on floating terms fluctuations in the interest rates of +/- 100 bps will have a hypothetic impact on the profit for the year and equity of +/- 5.2m DKK in 2020 (2019: +/- 5.2m DKK).

Maturity profile on interest bearing debt:

	Re-payment		Interests		Carrying amount	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Overdraft (without scheduled re-payment)	671,026	670,647	-	-	671,026	670,647
Below 1 year	59,342	60,273	4,955	6,099	54,387	54,174
Between 1 and 5 years	310,423	364,286	3,975	8,852	306,448	355,434
Over 5 years	-	34	-	-		34
Total	1,040,791	1,095,240	8,930	14,951	1,031,861	1,080,289

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

14 RECEIVABLES	2020	2019
Trade receivables	761,170	609,283
Interest-bearing receivables	63,020	26,320
Other receivables	23,693	29,999
Total receivables	847,883	665,602
Non-current receivables	6,360	9,346
Current receivables	841,523	656,256
Total	847,883	665,602

Credit risks

The parent company's credit risk relates primarily to receivables from subsidiaries.

15 TRADE PAYABLES AND OTHER DEBT	2020	2019
Trade payables	502,094	474,979
Payables to group enterprises	12,053	14,963
Other debt	10,847	9,970
Total trade payables and other debt	524,994	499,912

16 CHANGES IN WORKING CAPITAL	2020	2019
Change in receivables	-164,418	-166,904
Change in trade payables and other debt	25,082	100,293
Total changes in working capital	-139,336	-66,611

17 INCOME TAX	2020	2019
Income tax January 1st, net	1,509	971
Current tax for the year	-2,598	5,909
Prior year adjustments	-608	20
Corporate income tax received during the year	-701	-5,391
Income tax December 31st, net	-2,398	1,509

18 DEFERRED TAX	2020	2019
Deferred tax January 1st	252	417
Deferred tax for the year recognised in profit and loss statement	-447	-165
Deferred tax at December 31st, net	-195	252
Deferred tax pertains to:		
Intangible assets	-562	-64
Property, plant and equipment	232	316
Other liabilities	135	-
Total deferred tax at December 31st	-195	252

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
(DKK 1,000)

Note
19 **FINANCIAL RISKS**

The sensitivity analysis shows the impact on the income statement and equity from likely changes in exchange rates in main currencies.

	2020					
Currency	Cash and receivables	Financial liabilities (non-derivatives)	Derivatives to hedging of future cash flows	Likely change in exchange rate	Hypothetical effect on the profit for the year	Hypothetical effect on the equity
EUR / DKK	367,070	-209,602	-51,444	+0.3%	248	248
USD / DKK	455,005	-326,983	-102,131	+7.1%	1,434	1,434
Others	7,173	-4,557	-	+8%/9%	178	178
	829,248	-541,142	-153,575		1,860	1,860

	2019					
Currency	Cash and receivables	Financial liabilities (non-derivatives)	Derivatives to hedging of future cash flows	Likely change in exchange rate	Hypothetical effect on the profit for the year	Hypothetical effect on the equity
EUR / DKK	243,668	-218,449	-	+0.4%	79	79
USD / DKK	394,826	-344,960	-21,697	+8.2%	1,802	1,802
Others	21,648	-2,972	-14,333	+6%/9%	274	274
	660,142	-566,381	-36,030		2,155	2,155

Currency hedging agreements regarding future transactions

Net amounts outstanding for currency hedging agreements at December 31st for BioMar Group A/S, which satisfy the requirements for hedge accounting and which relate to future transactions.

	2020				2019			
Currency	Notional principal	Accumulated capital gain/(loss) recognised in equity	Fair value	Maximum number of months to expiry	Notional principal	Accumulated capital gain/(loss) recognised in equity	Fair value	Maximum number of months to expiry
USD	-102,131	-	3,578	5	-21,697	-	160	11
EUR	-51,444	-	45	3	-	-	-	-
CNY	-	-	-	-	-14,333	-	12	6
	-153,575	-	3,623		-36,030	-	172	

Categories of financial instruments	**2020**	**2019**
Derivative financial assets (fair value hierarchy level 2)	3,623	172
Hedging instruments measured at fair value	3,623	172
Receivables	844,260	665,430
Cash and cash equivalents	162	57
Financial assets measured at amortised cost	844,422	665,487
Interest bearing debt	1,031,861	1,080,289
Trade payables and other debt	524,994	499,912
Financial liabilities measured at amortised cost	1,556,855	1,580,201

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
(DKK 1,000)

Note
20 **CONTINGENT LIABILITIES AND GUARANTEES**

Guarantees
BioMar Group A/S is predominately financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities.

The parent company's source of financing is primarily composed of a syndicated banking facility, which in December 2020 was refinanced with a total facility framework of 3,275m DKK against the previous 2,100m DKK. The facility is for a three-year period with the possibility of a one-year extension after years one and two. In connection with the refinancing of the banking facility, the previous banking consortium, consisting of Danske Bank, DNB and Nordea, was expanded with the international bank Hong Kong & Shanghai Banking Corporation (HSBC).

In addition, in April 2019, Schouw & Co issued a Schuldschein issue totaling 136m EUR (1,012m DKK) with expiration in 2024 (80%) and 2026 (20%), and in April 2020, two committed bilateral facilities were established for a total of 1,000m DKK in order to ensure maximum financial freedom of action for the Group during the Corona crisis. The bilateral facilities expire in April 2021 but allow for a one-year extension.

BioMar Group A/S, like other major subsidiaries in the Schouw & Co. Group, co-guarantees the aforementioned facilities as well as a number of other smaller facilities totaling 256m DKK established with the Schouw & Co. Group's global banker HSBC. In total, BioMar is a co-guarantor for facilities of 5,043m DKK of which 1,148m DKK has been deducted as of December 31st 2020.

In addition BioMar Group A/S has provided corporate guarantees of 268m DKK towards banks and other financial partners.

Contingent liabilities
Pending lawsuits
BioMar Group A/S is not directly part of any pending legal disputes. Further reference is made to the comments in the consolidated financial statements

Joint taxation liability
BioMar Group A/S participates in a Danish joint taxation arrangement with Schouw & Co. (cvr.no 63965812) serving as the administration company, and is therefore jointly and severally liable for the corporation tax and also for obligations, if any, to withhold tax on dividend, interests and royalties. The total net liability to the Danish tax authorities is recognised in the annual report of Schouw & Co. Potential corrections to the jointly taxed income and tax at source may result in a higher liability for the Group.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

21 **RELATED PARTY TRANSACTIONS**

Schouw & Co. owns 100% of the shares in BioMar Group A/S.
Members of the Board of Directors, the Executive Management as well as their family members are considered related parties. Furthermore, related parties are companies in which the above-mentioned group of people has significant interests.

Transactions between BioMar Group A/S and the other entities in the Schouw & Co. Group appear below;

	2020	2019
Revenue	1,538,372	1,247,789
Management fee	82,135	57,929
Management fee	-2,300	-2,175
Interest paid	-14,273	-12,668
Interest received	1,165	1,633
At December 31st the company has the following debt and receivables:		
Receivables from group companies	798,776	605,667
Debt to group companies	-1,024,075	-1,084,967

Related parties also comprise the joint ventures in which BioMar has control or significant influence.

	Joint ventures	
At December 31st the company has the following debt and receivables:	**2020**	**2019**
Receivables from joint ventures	15,445	29,936
Payables to joint ventures	-898	-643

Note 22

Accounting Policies

BioMar Group A/S is a private limited company domiciled in Denmark.

General reference is made to the description of accounting policies provided in the consolidated financial statements. Matters particular to the parent company are described in the following.

BioMar Group A/S has implemented the standards and interpretations which are effective from January 1st 2020. The parent company accounting policies are consistent with those applied last year.

Investments in Subsidiaries and Joint Ventures

The proportionate share of the profit or loss from subsidiaries and joint ventures after tax and after elimination of the proportionate share of intra-group gains or losses is recognised in the income statement.

Investments in subsidiaries and joint ventures are, at first recognition, measured at cost and subsequently at the proportionate share of the companies' net assets calculated in accordance with the parent company's accounting policies with deductions or addition of the proportionate share of unrealised intra-group gains or losses and with addition of goodwill calculated according to the acquisition method.

Investments in entities with negative net assets are recognised at DKK nil, and receivables and loans from the entities, if any, are written down corresponding to the parent company's share of the negative net assets to the extend the amount is deemed irrecoverable. In case the negative accounting values of the net assets exceeds the receivable amounts the remaining amount is recognised as a liability in case the parent company has a judicial or actual obligation to cover the negative balance.

The net revaluations of investments in subsidiaries are transferred to the designated reserve under equity in case the carrying amount exceeds the acquisition price. Recently acquired or established companies are recognised in the financial statement from the date of acquisition. Sold or liquidated companies are likewise recognised until the date of the sale or liquidation.

Share Holders' Equity

Dividend

Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Reserve for net revaluation according to the equity method

Net revaluations of subsidiaries and joint ventures are recognised under equity as reserve for net revaluations to the extent that the carrying value exceeds the cost price of the investment.

Powered by Partnership
Driven by Innovation

BioMar Group A/S
www.biomar.com