

As approved on the company's
annual general meeting on
8 March 2024.

Claus Eskildsen
Chairman of the meeting



2023 Annual Report

BioMar Group A/S

Værkmestergade 25, 6.
8000 Aarhus C
Denmark

CVR no. 38 57 06 17

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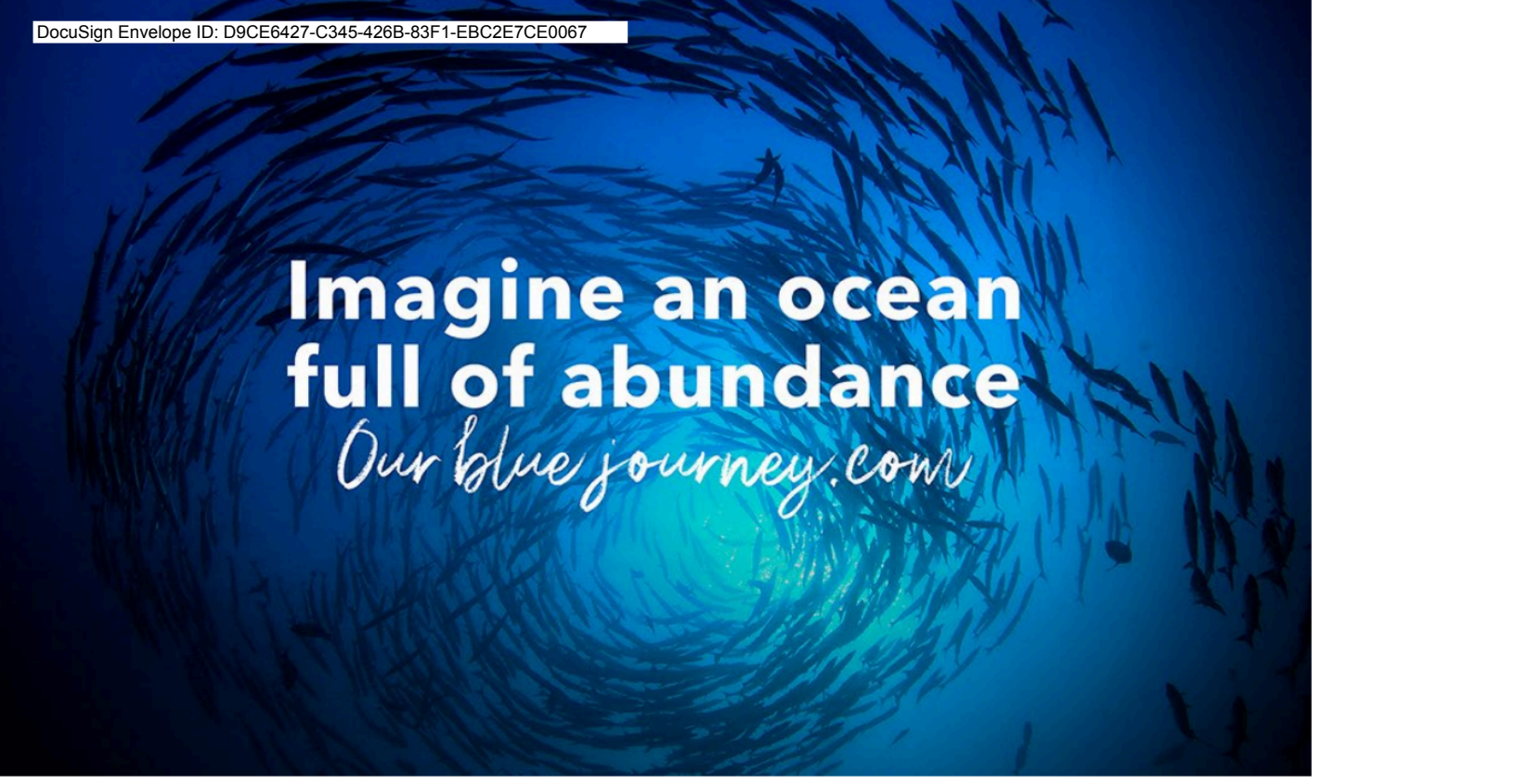
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Corporate Information

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: 1 January– 31 December

Board of Directors

Jens Bjerg Sørensen, Chairman
Asbjørn Reinkind, Deputy Chairman
Jørgen Dencker Wisborg
Anders Wilhjelm

Executive management

Carlos Diaz, CEO

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 on 1 March 2024.

Management’s Statement

The Board of Directors and the Executive Management have considered and approved the annual report for 2023 for BioMar Group A/S.

The consolidated and parent company financial statements have been prepared in line with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

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 financial position on 31 December 2023, and of the results of the Group’s and the parent company’s operations and cash flows for the financial year ended 31 December 2023.

In our opinion, the management’s review includes a fair view on 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 significant risks and uncertainties that the Group and parent company face.

We recommend the annual report to be adopted by the shareholders at the annual general meeting.

Aarhus, 1 March 2024

Executive Management:

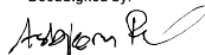
DocuSigned by:


Carlos Diaz
CEO

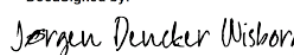
Board of Directors:

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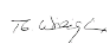

Jens Bjerg Sørensen
Chairman

DocuSigned by:


Asbjørn Reinkind
Deputy Chairman

DocuSigned by:


Jørgen Dencker Wisborg

DocuSigned by:


Anders Wilhelm

Independent Auditor’s Report

To the Shareholders of BioMar Group A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group’s and the Parent Company’s financial position at 31 December 2023 and of the results of the Group’s and the Parent Company’s operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

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 2023, which comprise statements of income and comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information for both the Group and the Parent Company (“financial statements”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in

Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management’s Review

Management is responsible for Management’s Review.

Our opinion on the financial statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether 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 Management’s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management’s Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in 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 IFRS Accounting Standards as adopted by the EU and further requirements in 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 over-ride 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.

Independent Auditor’s Report

- Evaluate the overall presentation, structure, and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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, 1 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

DocuSigned by:

Claus Lindholm Jacobsen

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Claus Lindholm Jacobsen

State Authorised Public Accountant
mne23328

DocuSigned by:

Rune Kjeldsen

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Rune Kjeldsen

State Authorised Public Accountant
mne34160

Management’s 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 and shrimp species in more than 80 countries. The main products are feed made for salmon and trout, seabass, and seabream as well as shrimp. In 2022, BioMar Group moved with the acquisition of AQ1 into an adjacent industry to the aquaculture business of Technology.

The Group’s activities are based on geography and business focus divided into five operational divisions: SALMON, EMEA, LATAM, ASIA and TECH.

The SALMON division covers operations in Norway, Scotland, Chile and Australia. The division supplies high-yielding feed for Atlantic salmon, Pacific salmon, and trout. The EMEA division covers the EMEA region and involves all operations other than salmon. The division has production facilities in Denmark, France, Spain, Greece, and Turkey. The LATAM division covers.

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 covers a broad range of species relevant for this region including shrimp. The division has two production facilities in China and one in Vietnam. The TECH division covers operations within farming technology in Latin America and Australasia.

The five 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 1,900 employees end of 2023 of which more than 200 are employed in the Group’s joint ventures in China and Turkey. The share of employees employed abroad constitutes approx. 90% of the total head count.

BioMar Global Production Facilities



Powered by Partnership. Driven by Innovation.

Financial Highlights and Key Ratios

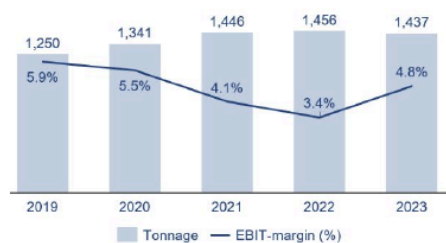
Financial highlights and key ratios

	2023	2022	2021	2020	2019
Volume aqua feed					
Tonnage in 1,000 tons	1,437	1,456	1,446	1,341	1,250
(in million DKK)					
Profit and loss					
Revenue	17,878	17,861	13,300	11,649	11,180
Operating profit before depreciations (EBITDA)	1,250	1,013	889	972	966
Operating profit (EBIT)	860	602	540	642	659
Net financials	-212	-23	-46	-68	-33
Profit before tax	654	709	539	538	676
Profit for the year	484	556	398	396	541
Invested capital					
Investments in property, plant and equipment	201	228	133	147	438
Non-current assets	4,288	4,542	4,290	3,816	4,260
Current assets	6,893	7,163	5,714	4,693	4,516
Total assets	11,181	11,705	10,004	8,509	8,776
Equity	3,125	3,190	2,917	2,664	2,857
Cash flows					
Cash flows from operating activities	665	299	241	1,028	328
Cash flows from investing activities	-207	-447	-336	-131	-543
Cash flows from financing activities	-562	156	50	-845	198
Cash flows for the year	-104	8	-46	52	-17
Key ratios					
EBIT-margin (%)	4.8	3.4	4.1	5.5	5.9
Return on equity (%)	15.3	18.2	14.3	14.3	19.9
Solvency ratio (%)	27.9	27.3	29.2	31.3	32.6
ROIC excl.goodwill (%)	22.1	16.1	15.9	18.5	18.9

Comparative figures for 2019-2020 have not been adjusted for changed accounting policies regarding the IFRIC agenda decision concerning configuration or customisation costs in a cloud computing arrangement and Put option over a non-controlling interest (IFRS 10).

Tonnage and EBIT-margin

(1,000 MT)

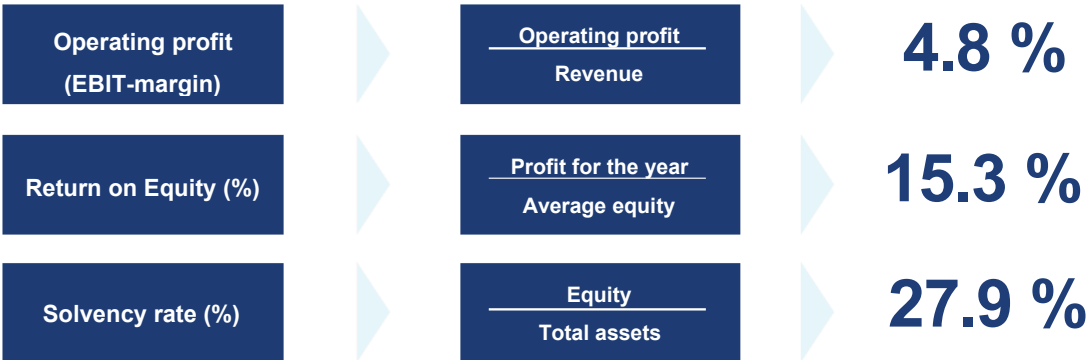


Operating profit and return on equity

(DKK Million)



Definitions of Key Ratios

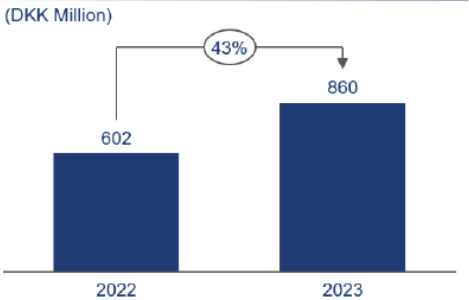


Financial performance

Income statement

BioMar Group realised record high earnings full year of 2023. Revenue was in line with last year due to reduced prices and exchange rate developments. By adding all the feed companies in the Group managed by BioMar, including joint ventures, BioMar ends with a record year surpassing the DKK 1 billion EBIT mark and a corresponding EBITDA of more than DKK 1.4 billion of which China and Turkey accounted for DKK 0.2 billion. A consolidated EBITDA for 2023 of DKK 1.25 billion is at a satisfactory level and above expectations.

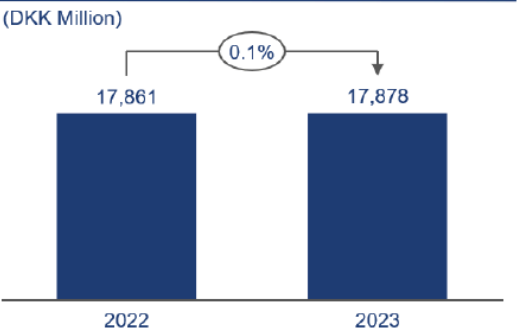
Operating profit (EBIT)



Sales volume for the full year of 2023 was marginally lower than 2022, equal to 1%. Full-year revenue for 2023 amounted to DKK 17,878 million, which is marginally higher than 2022, but based on a lower sales volume. Exchange rate developments

had a significant negative effect on the full-year revenue for 2023 of approximately DKK 1,100 million mainly due to a weakened NOK against DKK.

Revenue



SALMON division reported a combined deduction in sales volume driven by Norway, but also Chile. Operations in Australia and Scotland have reported an increase in sales volume compared to 2022. The lower sales volume reflected reduced contract positions, because BioMar has prioritised long-term relationships with fish farmers, but were also due to biological factors and earlier harvest of fish stock biomass. However, the market momentum was supported by a broad product offering and a focus on commercial excellence, so the division's earnings improved substantially.

LATAM division reported substantial improvements in sales volume compared to 2022. Earnings improved attributable to stronger contract positions in a market otherwise challenged by low prices on farmed shrimp. BioMar continues to strengthen its offering of products, concepts, and services mainly in the Ecuadorian market where the company has added new production capacity in 2023 by investing in two new extrusion lines, which are fully operational.

EMEA division reported sales volume slightly below the level of 2022, primarily driven by the markets of the Mediterranean region. Earnings increased significantly compared to 2022, primarily due to non-recurring provisions recognised in connection with the decision to stop all sales activities in Russia following the invasion of Ukraine in 2022.

ASIA division reported a combined volume increase compared to 2022, mainly driven by Chinese activities. The operation in Vietnam is still under development. Sales volume has increased but is still not satisfactory, and earnings are still impacted by costs incurred for market build-up purposes.

Operations in the Tech Division, which was established after the acquisition of AQ1, reported an increase in revenue. The division reported a slight drop in earnings, primarily reflecting investments in strategic initiatives, new people and competencies to bring further positive value to BioMar through high-quality product offerings and being able to further accelerate the growth both in current and new markets.

EBITDA for 2023 amounted to a record high DKK 1,250 million compared to DKK 1,013 million in 2022, which was better than the most recent guidance range provided after Q3 2023 and announced by the parent company Schouw & Co. Exchange rate developments had a negative effect of approximately DKK 74 million compared to 2022.

Shrimp farming in Vietnam has faced disease outbreaks and low settlement prices, combined with challenging competition from more efficient farming in Ecuador, all of which have severely impacted the anticipated developments following BioMar's acquisition of Viet-Uc feed activities. As a result, BioMar has written down the carrying amount of goodwill relating to Viet-Uc by DKK 36 million, which

amount has been recognised as depreciation and impairment.

BioMar manufactures fish feed in China and Turkey through two 50/50 joint ventures with local partners. These activities are not consolidated, but due to their large growth potential, being strongly represented in these markets, is very important to BioMar. The three factories reported a combined revenue of DKK 1,844 million (100% basis) and EBITDA of DKK 179 million for 2023, against revenue of DKK 1,665 million and EBITDA of DKK 120 million in 2022. The result was achieved through continuous expansion of the customer portfolio focusing on value creation and simultaneous cost control.

The associated businesses include the Chilean fish farming company Salmenes Austral and three minor businesses, LetSea, ATC Patagonia and LCL Shipping. These non-consolidated joint ventures and associates are recognised in the 2023 consolidated financial statements with a negative profit at DKK 38 million, against DKK 80 million profit after tax in 2022. The considerable decline was largely attributable to a fair value adjustment of the biomass in Salmenes Austral.

Balance Sheet

Working capital increased from DKK 1,977 million on 31 December 2022 to DKK 2,141 million on 31 December 2023, mainly driven by increased trade receivables, whereas inventories and trade payables were reduced. BioMar is experiencing an increasing demand from customers requesting longer credit terms and delays in payments as well. Inventories decreased substantially from structured inventory reductions, but also generally lower raw material prices despite record high fish oil prices. Supplier debt decreased despite focused credit term optimisation. Lower raw material prices, lower sales volume in Q4 2023 and exchange rate developments are the main reasons.

BioMar Group facilitates a factoring and reverse factoring (supply chain financing) program funded by credit institutions. The main purpose and benefits with the program are to reduce commercial risk and to develop and strengthen long-term relations with its suppliers of raw materials in a commodity market. As a company, BioMar supports long-term relationships with customers, suppliers,

and other stakeholders. This is one of the guiding principles of the business to support its Purpose Statement.

The use of supply chain financing program is reducing raw material costs and finance costs in BioMar's value chain. The program funds growth and innovation for suppliers, which is an advantage for BioMar's product innovation, and it secures the supply chain according to the strategy and future growth. Utilisation of supply chain financing fell from DKK 980 million on 31 December 2022 to DKK 764 million at 31 December 2023, primarily due to a change in few suppliers where the process of onboarding the new suppliers in the SCF facility has taken longer time than expected. Currency fluctuations impacted the net working capital positively by approximately DKK 90 million mainly due to lower USD and AUD against DKK.

ROIC excluding goodwill increased to 22.1% on 31 December 2023 from 16.1% at 31 December 2022 reflecting a significant increase in EBITA earnings, while average invested capital decreased.

Cash Flow Statement

Cash flow from operating activities amounts to DKK 665 million compared to DKK 299 million in 2022. The significant increase is due to higher earnings and reduced impact from working capital compared to 2022, however, partly offset by higher financial costs and tax payments.

Cash flow from investment activities amounts to DKK -207 million compared to DKK -447 million in 2022, an increase of DKK 240 million. The increase is mainly driven by the acquisition of AQ1 Systems in April 2022 and reduced investments in productions facilities and equipment during 2023 compared to 2022.

Cash flow from financing activities amounts to DKK -562 million compared to DKK 156 million in 2022. The development is mainly related to 2022 where BioMar made substantial drawdowns on the Group financing facilities to settle external finance facilities and higher investments.

Financial Resources

Net interest-bearing debt amounts to DKK 2,531 million compared to DKK 2,507 million end of 2022,

an increase of DKK 24 million, mainly due to the need for financing the increase in working capital. BioMar is partially financed through the parent company with committed facilities towards third-party financial institutions that exceed 12 months.

Business development

BioMar endeavours to be a strong long-term partner to all its stakeholders. BioMar will stay focused over the coming quarterly periods on taking advantage of the downwards trends in prices of raw materials where possible. In addition, BioMar will be strongly focused on delivering on the company's sustainability ambitions, which are demanded by customers and consumers, and which are essential for long-term value creation.

Sustainability efforts form an integral part of BioMar's strategy, which includes a focus on the use of alternative raw materials and on generally reducing the climate impact. BioMar's strategy also centres on a commercial excellence program intended to strengthen customer service and exploit earnings potential.

In August 2022, BioMar announced together with an Icelandic partner the ambition to construct a net-zero emission aquaculture feed production plant in Iceland. Exploration and negotiations have ended, and BioMar is looking into other ways of establishing a feed production plant in Iceland alone.

In December 2019, the Chilean competition authority indicted four Chilean fish feed producers, including BioMar Chile, on charges of concerted practice. The charges are based on isolated circumstances related to the Chilean fish feed industry during the 2003-2015 period. BioMar Chile does not acknowledge the charges, and the company intends to rebut the charges that it has participated in concerted practices to restrict competition in the industry. After a period with little progress, the process has accelerated although there is still no indication of a likely outcome. Reference is made to note 18 for further disclosure.

Outlook

The long-term demand for farmed fish and shrimp is generally developing favourably in many markets, and there are no immediate indications of any significant changes to this trend. BioMar is well positioned to take advantage of this trend both with high quality and ever more sustainable feed solutions, as well as cutting edge farming technology. In the short- to medium-term, the current significant price volatility in raw materials and energy markets, including the selling prices of farmed fish and shrimp worldwide, will impact short-term results. Specifically for shrimp markets, feed volume and value, and investments have been and will continue to be impacted negatively by the currently low shrimp prices.

BioMar is currently investing to upgrade its global ERP cloud-based platform and state-of-art manufacturing systems. The substantial investments made weighs on earnings both in 2023 and in the coming years but will also bring BioMar to a next level of digitalisation, higher efficiency, more transparency, live data interaction with customers, and global excellence processes.

BioMar expects to generate full-year 2024 revenue of about DKK 17.5-18.5 billion, but changing market conditions and volatile prices of raw materials may as always impact the revenue forecast substantially. Given the current outlook, BioMar expects 2024 EBITDA in the range of DKK 1,210-1,290 million.

The non-consolidated associates and joint ventures are recognized at a share of profit after tax. The share of profit after tax is expected to improve to around DKK 70 million in 2024.

Other statements

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 others, exposed to strategical, operational, and financial risks. Reference is made to note 21 for a more detailed description of the 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

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 in the level of 12-15% of the result from operations in research and development and has engaged highly educated specialists in this field. In addition, BioMar has a long tradition for cooperating with research institutes in several countries, as well as fish farmers are often involved in the development processes.

Corporate Social Responsibility

In accordance with section 99a of the Danish Financial Statements Act, 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

In accordance with the section 99b of the Danish Financial Statements Act and section 139c of the Danish Companies Act, BioMar Group has an individually defined policy for gender composition.

The diversity policy in BioMar Group

BioMar Group is an international company working across borders and cultures. In BioMar, we believe diversity, equity, and inclusion are fundamental factors releasing the full human potential of society. As a socially responsible company, we must facilitate underrepresented talent to thrive, experience development opportunities, and to be selected into relevant roles. As a part of our work, we have defined a diversity policy, which is published at our webpage:

<https://www.biomar.com/our-story/our-values/global-policies>.

The policy has as its purpose to increase and ensure value creation in BioMar Group by increasing focus on relevant diversity in the company and at the different management levels.

BioMar is committed to increasing and safeguarding value creation in the company through encouraged collaboration between people with different backgrounds. Focus on diversity in the employee composition is a supporting factor for breadth and variation of expertise and for enhancing innovation, engagement and qualified decision making.

BioMar strives to be an attractive and stimulating workplace with a culture that appeals to and retains the most qualified employees. It is our ambition to create equal career opportunities for all employees by promoting diversity in collaboration. A particular focus is set to promote the underrepresented

gender, as a factor driving general diversity and equity.

The purpose of the company's targets and efforts on diversity is to ensure a corporate culture supporting diversity. We strive to minimise barriers of conscious and unconscious bias which could potentially restrict diversity or counteract equal employment or career opportunities.

Actions to achieve equal gender distribution

In 2023, a female board member decided to leave the board, decreasing gender diversity at board level. The headhunting process for the open position has focus on increasing gender diversity to the level of 2022 through a targeted search for a female candidate with relevant experience.

To increase gender diversity at the other management levels, BioMar implemented a new diversity policy enhancing executive focus on gender diversity. In the policy it is stated that the underrepresented gender must be represented among the final candidates when recruiting for management positions.

Targets for gender distribution in management

As a long-term goal, BioMar Group A/S strives to achieve equal gender distribution on the company's Board of Directors and at other management levels. An equal gender distribution is to be understood as each gender making up at least 40 per cent of the managers at each management level.

The company's Board of Directors and other management levels consist of relatively few people and consequently, the proportion of men and women is easily influenced by few, and sometimes unforeseen, changes. The development in gender composition at the company's management levels should be viewed over an extended period of time. As this reporting is only targeted management employed in BioMar Group A/S, it does not fully represent the gender diversity at management level in BioMar Group or in the portfolio of consolidated companies in BioMar Group. Several of the management members are not employed directly in the Danish company BioMar Group A/S, but in other of the companies in the group.

2023	
Top Management	
Members	4
Underrepresented gender in %	0
Target %	40
Target year	2027
Other Management	
Members	7
Underrepresented gender in %	29
Target %	40
Target year	2027

In accordance with the Danish Business Authority's guideline on target figures, policies, and reporting on the gender composition of management, BioMar fulfils the equitable gender distribution at other management levels.

Data ethics

In accordance with section 99d of the Danish Financial Statements Act, BioMar Group has not published an individual policy for data ethics as it has been incorporated in the consolidated report for the parent company Schouw & Co., to which reference is made.

Information about the account for corporate social responsibility, gender composition and data ethics can be retrieved from the parent company's website at:

www.schouw.dk/en/responsibility/corporate-governance



Consolidated Financial Statements

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STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(DKK 1,000)

Note	INCOME STATEMENT	2023	2022
1	Revenue	17,878,356	17,860,745
2,4	Operating expenses	-16,628,697	-16,829,636
5	Other operating income	9,793	5,505
	Other operating expenses	-9,209	-24,062
	EBITDA	1,250,243	1,012,552
3	Depreciation and amortisation	-354,204	-354,748
3	Goodwill impairment	-35,797	-55,353
	EBIT	860,242	602,451
6	Share of profit after tax, associates	-38,407	79,682
6	Share of profit after tax, joint ventures	44,665	50,131
7	Financial income	64,951	140,668
8	Financial expenses	-277,250	-163,629
	Profit before tax	654,201	709,303
9	Tax on profit for the year	-170,670	-153,759
	Profit for the year	483,531	555,544
	Profit for the year attributable to:		
	Shareholders of BioMar	461,332	532,483
	Non-controlling interests	22,199	23,061
	Profit for the year	483,531	555,544
	Other comprehensive income		
	Items that have been or may subsequently be reclassified to the income statement:		
	Exchange rate adjustments, foreign entities	-168,239	73,535
	Value adjustments of hedging instruments:		
	- Value adjustments for the year	-1,643	14,052
	- Value adjustments transferred to production costs	-14,052	10,515
	Other comprehensive income in subsidiaries, associates and joint ventures	4,501	986
	Hyperinflation adjustment	8,600	-2,986
9	Tax on items that have been or may subsequently be reclassified to the income statement	4,546	-8,713
	Other comprehensive income after tax	-166,287	87,389
	Total comprehensive income	317,244	642,933
	Comprehensive income attributable to:		
	Shareholders of BioMar	307,868	595,492
	Non-controlling interests	9,376	47,441
	Total comprehensive income	317,244	642,933

BALANCE SHEET AT 31 DECEMBER

(DKK 1,000)

Note	ASSETS	2023	2022
	Goodwill	1,104,787	1,177,310
	Customer relations	52,453	77,890
	Brands	16,131	17,895
	Technology	154,397	180,940
	Other intangible assets	56,879	34,292
10	Intangible assets	1,384,647	1,488,327
	Land and buildings	797,080	789,337
	Plant and machinery	790,593	751,630
	Other plant, fixtures and operating equipment	51,155	39,183
	Assets under construction	76,718	163,088
11	Property, plant and equipment	1,715,546	1,743,238
6	Investments in associates	405,028	487,964
6	Investments in joint ventures	198,218	182,005
12	Right of use assets	372,200	390,484
	Securities	2,011	1,365
15	Deferred tax	56,271	70,993
14	Receivables	154,127	177,742
	Other non-current assets	1,187,855	1,310,553
	Total non-current assets	4,288,048	4,542,118
13	Inventories	2,227,836	2,853,441
14	Receivables	4,303,024	3,940,572
	Income tax	142,768	39,597
	Prepayments	35,471	30,814
	Cash and cash equivalents	183,770	298,852
	Total current assets	6,892,869	7,163,276
	Total assets	11,180,917	11,705,394

BALANCE SHEET AT 31 DECEMBER

(DKK 1,000)

Note	EQUITY AND LIABILITIES	2023	2022
	Share capital	250,000	250,000
	Other reserves	57,421	221,170
	Retained earnings	2,043,799	1,930,288
	Proposed dividend	350,000	350,000
	Share of equity attributable to the parent company	2,701,220	2,751,458
	Non-controlling interests	424,040	438,728
	Total equity	3,125,260	3,190,186
15	Deferred tax	157,202	208,719
16	Interest bearing debt	279,007	311,382
	Other debt	5,400	-
	Total non-current liabilities	441,609	520,101
16	Interest bearing debt	3,449,894	3,323,121
17	Trade payables and other debt	3,960,856	4,583,441
	Deferred income	-	399
	Income tax	203,298	88,146
	Total current liabilities	7,614,048	7,995,107
	Total liabilities	8,055,657	8,515,208
	Total equity and liabilities	11,180,917	11,705,394

Notes without reference:

- 18 Contingent liabilities and guarantees
- 21 Financial risk management
- 22 Acquisitions
- 23 Fees to auditors appointed by the general meeting
- 24 Related party transactions
- 25 Group structure
- 26 New financial reporting regulations
- 27 Material accounting policy information
- 28 Significant accounting estimates and judgements

STATEMENT OF CHANGES IN EQUITY
(DKK 1,000)

	Share capital	Hedge transaction reserve	Exchange rate adjustment reserve	Hyper- inflation reserve	Retained income	Proposed dividend	Total	Non- controlling interests	Total equity
Equity at 31 December 2021	250,000	-7,488	154,762	-	1,772,382	350,000	2,519,656	396,920	2,916,576
Change of accounting policy put option/NCI							-		-
Change of accounting policy SaaS							-		-
Restated equity at 1 January 2022	250,000	-7,488	154,762	-	1,772,382	350,000	2,519,656	396,920	2,916,576
Comprehensive income in 2022									
Profit for the year				11,056	171,427	350,000	532,483	23,061	555,544
Other comprehensive income									
Value adjustments of hedging instruments		24,567					24,567		24,567
Exchange rate adjustments of foreign entities			49,972				49,972	23,563	73,535
Other comprehensive income in subsidiaries, associates and joint ventures					169		169	817	986
Hyperinflation adjustment				-2,986			-2,986		-2,986
Tax on other comprehensive income		-8,713					-8,713		-8,713
Other comprehensive income	-	15,854	49,972	-2,986	169	-	63,009	24,380	87,389
Comprehensive income	-	15,854	49,972	8,070	171,596	350,000	595,492	47,441	642,933
Transactions with shareholders:									
Dividend distributed						-350,000	-350,000	-17,557	-367,557
Capital increase							-		-
Additions of non-controlling interest							-	11,924	11,924
Value adjustment of put option					-13,690		-13,690		-13,690
Transactions with shareholders	-	-	-	-	-13,690	-350,000	-363,690	-5,633	-369,323
Equity at 31 December 2022	250,000	8,366	204,734	8,070	1,930,288	350,000	2,751,458	438,728	3,190,186
Equity at 1 January 2023	250,000	8,366	204,734	8,070	1,930,288	350,000	2,751,458	438,728	3,190,186
Comprehensive income in 2023									
Profit for the year				-7,057	118,389	350,000	461,332	22,199	483,531
Other comprehensive income	250,000	8,366	204,734	1,013	2,048,677	700,000	3,212,790	460,927	3,673,717
Value adjustments of hedging instruments		-15,695					-15,695		-15,695
Exchange rate adjustments of foreign entities			-154,143				-154,143	-14,096	-168,239
Other comprehensive income in subsidiaries, associates and joint ventures							-		-
Hyperinflation adjustment				8,600			8,600		8,600
Other adjustment on equity					3,228		3,228	1,273	4,501
Tax on other comprehensive income		4,546					4,546		4,546
Other comprehensive income	-	-11,149	-154,143	8,600	3,228	-	-153,464	-12,823	-166,287
Comprehensive income	-	-11,149	-154,143	1,543	121,617	350,000	307,868	9,376	317,244
Transactions with shareholders:									
Dividend distributed						-350,000	-350,000	-24,064	-374,064
Capital increase							-		-
Additions of non-controlling interest							-		-
Value adjustment of put option					-8,106		-8,106		-8,106
Transactions with shareholders	-	-	-	-	-8,106	-350,000	-358,106	-24,064	-382,170
Equity at 31 December 2023	250,000	-2,783	50,591	9,613	2,043,799	350,000	2,701,220	424,040	3,125,260

SHARE CAPITAL

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

CASH FLOW STATEMENT

(DKK 1,000)

Note		2023	2022
	EBITDA	1,250,243	1,012,552
19	Changes in working capital	-190,090	-504,597
	Net interest paid	-207,723	-102,266
	Income taxes paid	-187,270	-106,966
	Cash flow from operating activities	665,160	298,723
20	Purchase of intangible assets	-30,741	-22,821
20	Purchase of property, plant and equipment	-201,482	-227,517
	Sale of property, plant and equipment	1,115	2,058
22	Acquisition of subsidiaries, net of cash	-	-210,989
	Dividend from associates and joint ventures	29,258	9,606
	Acquisition of associates	-1,175	-
	Loan to associates	-	-
	Loan to customers	-6,288	-
	Addition/disposal of other financial assets	3,455	3,576
	Investment in/sale of securities	-698	-413
	Cash flow from investing activities	-206,556	-446,500
20	Proceeds from borrowings	-	25,237
16	Re-payment of lease debt	-126,847	-130,872
	Increase (re-payment) of intra-group balances	-95,646	972,385
16	Increase (re-payment) of debt to credit institutions	34,153	-354,868
	Dividend distributed	-374,064	-367,557
	Capital increase non-controlling shareholders	-	11,924
	Cash flow from financing activities	-562,404	156,249
	Cash flow for the year	-103,800	8,472
	Cash, and cash equivalents at 1 January	298,852	261,708
	Exchange rate adjustments of cash and cash equivalents	-11,282	28,672
	Cash and cash equivalents at 31 December	183,770	298,852

Of the total cash and cash equivalents balance DKK 27.4 million is situated in Russia and consequently considered restricted cash as it is restricted for use only in the country in which it is held unless certain approvals of transfer internationally are obtained.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

1	REVENUE	2023	2022
	Revenue is split per reporting segment as follows:		
	Salmon	13,125,874	13,508,692
	EMEA	2,961,818	2,853,866
	Other segments	1,790,664	1,498,187
	Total revenue	17,878,356	17,860,745

Revenue is split per product type as follows:

Aqua feeds	17,165,488	17,255,797
Other products	712,868	604,948
Total revenue	17,878,356	17,860,745

In the above disaggregation of revenue segments and/or product types comprising 10% or more of the total revenue have been presented separately.

2	OPERATING EXPENSES	2023	2022
	Cost of sales, including write-down of inventories	-14,773,122	-14,931,178
	Staff costs	-711,893	-672,705
	Other costs	-1,143,682	-1,225,753
	Total operating expenses	-16,628,697	-16,829,636

Research and development costs included in operating expenses

-99,428	-97,158
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3	DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES	2023	2022
	Impairment of intangible assets	-36,949	-55,353
	Amortisation of intangible assets	-52,324	-46,379
	Depreciation of property, plant and equipment	-174,022	-176,474
	Depreciation of lease assets	-126,706	-131,895
	Total depreciation, amortisation and impairment losses	-390,001	-410,101

4	STAFF COSTS	2023	2022
	Wages and salaries	-604,862	-574,776
	Defined contribution pension plans	-39,356	-35,685
	Other social security costs	-60,206	-55,691
	Share-based payments	-7,469	-6,553
	Total staff costs	-711,893	-672,705

Average number of employees

1,613	1,589
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Remuneration to executive management and board of directors

Wages and salaries	-5,748	-5,209
Pension	-119	-103
Short term bonus	-2,290	-1,962
Long term bonus	-1,067	-
Share-based compensation	-2,633	-2,372
Total remuneration to executive management and board of directors	-11,857	-9,646

With reference to section 98 b (3) of the Danish Financial Statements Act remuneration to the Executive Board and Board of Directors is disclosed combined. Key management personnel is defined to be Executive Management.

Executive Management is part of a 3-year long-term incentive program, based on the achievement of certain targets. Sales volume, EBITDA and ROIC determine the amount of the incentive payout.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

4 STAFF COSTS (continued)**BONUS SCHEMES**

Executive Management is covered by short-term bonus schemes regarding achievement of a number of both financial and operational objectives. An amount corresponding to a maximum of 5 months of remuneration is paid out provided all 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 (2023: DKK 567.50) plus a premium (2023 allocation: 2%) from the date of grant until the date of exercise. The exercise price is adjusted less ordinary dividends, which, however, cannot exceed the accrued premium. 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 tDKK (2)	Exercisable from	Exercisable until
Granted in 2019	25,000	40,000	65,000	574.3	71.47	4,646	March 2022	March 2023
Granted in 2020	27,000	52,000	79,000	523.4	44.1	3,484	March 2023	March 2024
Granted in 2021	30,000	55,000	85,000	678.2	125.37	10,656	March 2024	April 2025
Granted in 2022	30,000	55,000	85,000	527.1	68.35	5,810	March 2025	April 2026
Total outstanding options at December 31 st 2022	112,000	202,000	314,000					
Granted in 2023	30,000	55,000	85,000	577.5	96.55	8,207	March 2026	April 2027
Lapsed from 2019 grant	-25,000	-40,000	-65,000					
Exercised from 2020 grant	-27,000	-22,000	-49,000					
Total outstanding options at December 31st 2023	90,000	195,000	285,000					

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

(2) at the date of grant

In 2023 49,000 options were exercised at an average price of DKK 513.33.

Fair value assumptions:

	2023 grants	2022 grants	2021 grants	2020 grants
Expected volatility	25.03%	24.82%	31.58%	22.21%
Expected term	47 mth	49 mth	49 mth	48 mth
Expected dividend per share	15 DKK	14 DKK	14 DKK	13 DKK
Risk-free interest rate	2.66%	-0.17%	-0.54%	-0.97%

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 OTHER OPERATING INCOME

In 2023, BioMar Group has received DKK 3.7 million in government grants (2022: DKK 1 million).

6 INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND JOINT OPERATIONS

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

Name	Country and city of incorporation	Equity interest	
		2023	2022
Salmones Austral S.A.	Puerto Montt, Chile	23%	23%
Aquaculture Technology Centre Patagonia S.A.	Lenca, Chile	30%	30%
LetSea AS	Dønna, Norway	34%	33%
LCL Shipping Ltd.	Grangemouth, Scotland	40%	40%
AQ1 Systems (Asia) company limited	Bangkok, Thailand	49%	49%
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.	
	2023	2022
Revenue	1,950,569	2,175,138
Result after tax	-189,495	296,915
Current assets	1,691,021	1,753,483
Non-current assets	2,088,143	2,262,858
Current liabilities	1,181,672	862,361
Non-current liabilities	1,108,155	1,327,955
Share of profit	-43,408	68,014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

6 INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND JOINT OPERATIONS (continued)**Immaterial associates and joint ventures**

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

	2023	2022
Share of profit from continuing operations, associates	5,001	11,668
Share of profit from continuing operations, joint ventures	44,665	50,131
Carrying amount of investments in associates and joint ventures	2023	2022
The Group's share of equity in material associates	341,164	418,289
Goodwill regarding material associates	10,960	11,329
The Group's share of equity in individually immaterial associates	52,904	58,346
The Group's share of equity in individually immaterial joint ventures	194,962	178,749
Goodwill regarding immaterial joint ventures	3,256	3,256
Total carrying amount of investments in associates and joint ventures	603,246	669,969
Recognised as investments in associates	405,028	487,964
Recognised as investments in joint ventures	198,218	182,005
Total investments	603,246	669,969

Joint operations

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 classified as joint operations.

Financial information for joint operations that individually are considered immaterial to BioMar Group:

	2023	2022
Share of profit	-4	-109

7 FINANCIAL INCOME

	2023	2022
Interest income etc.	35,453	24,898
Financial income from group enterprises	16,558	4,787
Exchange rate adjustments	12,935	16,692
Adjustment earnout	-	94,287
Fair value adjustments of financial assets measured through profit and loss	5	4
Total financial income	64,951	140,668

8 FINANCIAL EXPENSES

	2023	2022
Interest expenses etc.	-95,877	-61,897
Financial costs to group enterprises	-153,112	-65,413
Interests from lease liabilities	-10,745	-12,499
Exchange rate adjustments	-17,516	-23,820
Total financial expenses	-277,250	-163,629

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

9	TAX ON PROFIT FOR THE YEAR	2023	2022
	Tax on profit for the year is specified as follows:		
	Tax on profit for the year	-170,670	-153,759
	Tax on other comprehensive income	4,546	-8,713
	Total tax	-166,124	-162,472
	Tax on the profit for the year has been calculated as follows:		
	Current tax	-206,261	-159,316
	Deferred tax	29,108	1,530
	Change in deferred tax due to change in corporate tax rates	-1,168	2,010
	Adjustments of prior periods tax charge	7,651	2,017
	Total tax recognised in the income statement	-170,670	-153,759
	Specification of tax on the profit for the year:		
	Calculated 22% tax on the profit for the year	-143,507	-159,092
	Adjustment of calculated tax in foreign subsidiaries relative to 22%	-9,098	-23,555
	Tax effect of:		
	Share of profit/loss in associates and jv's	-1,246	36,520
	Other non-deductible costs and non-taxable income	-6,869	5,131
	Withholding taxes	-11,233	-9,357
	Adjustments from change in corporate tax rates	-2,462	2,010
	Adjustments of prior periods tax charge	6,052	2,017
	Use of tax assets not previously recognised	-	23
	Reassessments of recognised tax assets	123	-1,542
	Tax loss this year not recognised	-2,430	-5,914
	Total tax recognised in the income statement	-170,670	-153,759
	Specification of the tax on profit for the year		
	Profit before tax	654,201	709,303
	Share of profit in associates & JVs	6,258	129,813
	Profit before tax excluding share of profit in associates and JVs	647,943	579,490
	Corporate tax rate in Denmark	22.0%	22.0%
	Tax in foreign subsidiaries adjusted relative to 22%	4.3%	4.5%
	Weighted consolidated income tax rate	26.3%	26.5%
	Effective tax rate	26.1%	21.7%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

9 TAX ON PROFIT FOR THE YEAR (continued)

Tax on other comprehensive income	2023		
	Before tax	Tax	After tax
Exchange rate adjustments of foreign entities	-168,239	-	-168,239
Value adjustments of hedging instruments	-15,695	4,546	-11,149
Hyperinflation adjustment	8,600	-	8,600
Other comprehensive income in subsidiaries, associates and joint ventures	4,501	-	4,501
Total tax on other comprehensive income	-170,833	4,546	-166,287

	2022		
	Before tax	Tax	After tax
Exchange rate adjustments of foreign entities	73,535	-	73,535
Value adjustments of hedging instruments	24,567	-8,713	15,854
Hyperinflation adjustment	-2,986	-	-2,986
Other comprehensive income in subsidiaries, associates and joint ventures	986	-	986
Total tax on other comprehensive income	96,102	-8,713	87,389

The Pillar Two legislation was enacted in Denmark in December 2023 and the legislation will be effective for the Danish Group's financial year beginning 1 January 2024. The legislation implies that Schouw & Co. will be required to pay top-up tax on profits of its subsidiaries to the Danish tax authorities if these are locally taxed at an effective tax rate of less than 15% (minimum tax). If the relevant BioMar jurisdictions have enacted local top-up tax rules, the top-up tax will be paid locally and included in the BioMar Group annual report.

BioMar Group is in the process of assessing the potential exposure arising from the complex Pillar Two legislation. The assessment is based on the latest available tax filings and country-by-country reporting for 2022 and the latest financial information for 2023. The assessment is currently not completed.

The assessment carried out so far indicates that the main part of the jurisdictions should not be exposed to the Pillar Two legislation, because the effective tax rate is 15% or higher. Since the assessment is still in progress, exposure may exist in other jurisdictions. Hence, quantitative information to indicate potential exposure to Pillar Two income taxes is presently not known or reasonably estimable.

Schouw & Co. is engaged with tax specialists to assist with the assessment and expects to complete the assessment in the first of half of financial year 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

10 INTANGIBLE ASSETS

	2023					Total
	Goodwill	Customer relations	Brands	Technology	Other intangible assets	
Cost at 1 January	1,232,663	199,806	24,403	272,600	115,088	1,844,560
Exchange rate adjustments	-39,916	-6,526	-796	-8,900	-1,024	-57,162
Additions	-	-	-	-	30,741	30,741
Additions from acquisitions	-	-	-	-	-	-
Disposals	-	-	-	-	-126	-126
Transferred/reclassified	-	-	-	-	-	-
Cost at 31 December	1,192,747	193,280	23,607	263,700	144,679	1,818,013
Amortisation and impairment at 1 January	-55,353	-121,916	-6,508	-91,659	-80,796	-356,232
Exchange rate adjustments	3,190	4,196	236	3,298	1,101	12,021
Impairment	-35,797	-	-	-	-1,152	-36,949
Amortisation	-	-23,107	-1,204	-20,942	-7,071	-52,324
Amortisation and impairment of disposed assets	-	-	-	-	118	118
Transferred/reclassified	-	-	-	-	-	-
Amortisation and impairment at 31 December	-87,960	-140,827	-7,476	-109,303	-87,800	-433,366
Carrying amount at 31 December	1,104,787	52,453	16,131	154,397	56,879	1,384,647

Other intangible assets consists mainly of IT projects, but also includes various ongoing and completed development projects of which DKK 28.4 million (2022: DKK 11.6 million) is under development at the reporting date.

By the end of 2023 BioMar Group has contractual obligations regarding purchase of intangible assets of DKK 3 million, not yet delivered (2022: DKK 0 million).

Customer relations, brands and technology all comprise assets identified as part of a business combination. None of the assets are patented. The identified assets besides goodwill have an expected useful life between 5 and 20 years.

	2022					Total
	Goodwill	Customer relations	Brands	Technology	Other intangible assets	
Cost at 1 January	1,056,277	167,186	22,981	234,398	89,874	1,570,716
Change of accounting policy	-	-	-	-	-	-
Restated cost at 1 January	1,056,277	167,186	22,981	234,398	89,874	1,570,716
Exchange rate adjustments	45,086	8,321	1,422	12,352	1,916	69,097
Additions	-	-	-	-	22,821	22,821
Additions from acquisitions	131,300	24,299	-	25,850	-	181,449
Disposals	-	-	-	-	-192	-192
Transferred/reclassified	-	-	-	-	669	669
Cost at 31 December	1,232,663	199,806	24,403	272,600	115,088	1,844,560
Amortisation and impairment at 1 January	-	-95,750	-4,980	-67,715	-74,935	-243,380
Exchange rate adjustments	-	-5,421	-286	-3,767	-134	-9,608
Impairment	-55,353	-	-	-	-	-55,353
Amortisation	-	-20,745	-1,242	-20,177	-4,215	-46,379
Transferred/reclassified	-	-	-	-	-1,512	-1,512
Amortisation and impairment at 31 December	-55,353	-121,916	-6,508	-91,659	-80,796	-356,232
Carrying amount at 31 December	1,177,310	77,890	17,895	180,941	34,292	1,488,328

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

10 ASSETS**GOODWILL**

The management of BioMar Group has tested the value in use of the carrying amounts against goodwill in BioMar 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 2024-2028. 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 31 December 2023 BioMar Group has recognised goodwill at a total value of DKK 1,105 million (2022: DKK 1,177 million).

The discount rates are 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%, a rate not expected to exceed the long-term inflation rate.

Goodwill is ascribed to the EMEA Division and to the activities in Chile, Ecuador, and AQ1. BioMar Group operates in an expanding industry driven by global population growth, rising standards of living, sustainable fishery and technological development. Market research institutes expect a long-term market growth in feed for fish farming, driven by the increasing global demand for fish, including a mid-term growth for salmon for 2024, of average 4%. BioMar management expects higher growth rates for the shrimp markets in Ecuador and Technology market and lower market growth in the established fish farming markets especially in Europe. Where the expected CGU growth rates in the budget period 2024-2028 below are different from those for the whole market BioMar expects to capture market shares. 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. Net sales, earning margins, discount rate and future growth assumptions constitute the most important assumptions in the calculation for all the CGUs. In the budget period 2024-2028, earning margins are based on the assumptions behind the 2023 realised.

CGU specific assumptions:	2023				2022			
	Carrying amount of goodwill	Yearly growth in revenue	Growth rate in terminal period	Discount rate before tax	Carrying amount of goodwill	Yearly growth in revenue	Growth rate in terminal period	Discount rate before tax
EMEA	80,392	3.5%	2.0%	10.3%	80,346	6.2%	2.0%	8.6%
Chile	301,588	0.0%	2.0%	15.4%	311,758	1.1%	2.0%	16.7%
Vietnam	-	n/a	2.0%	13.5%	37,986	n/a	2.0%	15.0%
AQ1	116,433	22.0%	2.0%	13.2%	120,397	31.1%	2.0%	14.8%
Ecuador	606,374	12.1%	2.0%	17.2%	626,823	12.9%	3.0%	17.8%
	<u>1,104,787</u>				<u>1,177,310</u>			

The impairment tests made at 31 December 2023 resulted in a write down of of the remaining goodwill related to BioMar's activities in Vietnam. The write-down is a result of the country for some time having struggled with Covid-19 and the shrimp markets with low prices and diseases which has significantly delayed and altered the business plan.

The impairment tests did not result in other write-down of carrying amounts.

Sensitivity analysis

As part of the preparation of impairment tests, sensitivity analyses are prepared on the basis of relevant risk factors and scenarios that management can determine within reasonable reliability. Sensitivity analyses are prepared by altering the estimates with a range of probable outcomes in discount rate, revenue growth, earning margins and working capital employment. In total there is a large headroom for BioMar Group, however, the impairment tests for Chile and Ecuador are sensitive towards stress test of the assumptions.

With a calculated headroom in the impairment test for Ecuador of 8%, the test is sensitive towards changes in the key assumptions of earnings margin and revenue growth rate. For the Ecuador impairment test, the earnings margin can be reduced by 5% and the yearly growth in revenue can be reduced to 10.3% before there is a need for impairment. For Chile, the headroom in the impairment test is 6% with sensitivity towards the key assumptions of earnings margin and discount rate. For the Chile impairment test, the earnings margin can be reduced by 5% and the discount rate before tax increased to 15.9% before there is a need for impairment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

11 PROPERTY, PLANT AND EQUIPMENT

	2023				
	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipments	Assets under construction	Total
Cost at 1 January	1,359,107	2,388,017	201,027	163,088	4,111,239
Exchange rate adjustments	-47,566	-68,840	-7,243	-3,379	-127,028
Additions	48,519	66,632	22,255	64,076	201,482
Additions from acquisitions	-	-	-	-	-
Disposals	-947	-5,540	-3,534	-	-10,021
Transferred/reclassified	32,109	110,079	4,879	-147,067	-
Cost at 31 December	1,391,222	2,490,348	217,384	76,718	4,175,672
Depreciation at 1 January	-569,770	-1,636,387	-161,844	-	-2,368,001
Exchange rate adjustments	19,285	47,793	5,623	-	72,701
Reversed depreciations on disposals	799	4,981	3,416	-	9,196
Depreciation	-44,456	-116,142	-13,424	-	-174,022
Transferred/reclassified	-	-	-	-	-
Depreciation at 31 December	-594,142	-1,699,755	-166,229	-	-2,460,126
Carrying amount at 31 December	797,080	790,593	51,155	76,718	1,715,546

By the end of 2023 BioMar Group has contractual obligations of DKK 52 million (2022: DKK 44 million) regarding purchase of tangible assets, not yet delivered. The contracted assets are mainly regarding a new vessel in Australia.

	2022				
	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipments	Assets under construction	Total
Cost at 1 January	1,313,734	2,336,144	193,621	75,081	3,918,580
Exchange rate adjustments	-7,002	-19,860	-2,042	-430	-29,334
Additions	40,749	54,073	9,298	123,397	227,517
Additions from acquisitions	-	-	984	-	984
Disposals	-1,831	-1,567	-1,339	-	-4,737
Transferred/reclassified	13,457	19,227	505	-34,960	-1,771
Cost at 31 December	1,359,107	2,388,017	201,027	163,088	4,111,239
Depreciation at 1 January	-537,394	-1,547,760	-150,602	-	-2,235,756
Exchange rate adjustments	10,679	26,248	1,878	-	38,805
Reversed depreciations on disposals	201	1,580	1,029	-	2,810
Depreciation	-44,358	-117,967	-14,149	-	-176,474
Transferred/reclassified	1,102	1,512	-	-	2,614
Depreciation at 31 December	-569,770	-1,636,387	-161,844	-	-2,368,001
Carrying amount at 31 December	789,337	751,630	39,183	163,088	1,743,238

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

12 RIGHT OF USE ASSETS

2023				
	Ships	Land and buildings	Other lease assets	Total
Cost at 1 January	606,159	179,809	69,345	855,313
Exchange rate adjustment	-37,911	-5,231	-1,538	-44,680
Additions	-	1,103	9,375	10,478
Disposals	-	-268	-8,654	-8,922
Re-measure / modification of lease assets	73,210	33,150	14,249	120,609
Cost at 31 December	641,458	208,563	82,777	932,798
Depreciation at 1 January	-313,665	-103,117	-48,047	-464,829
Exchange rate adjustment	18,004	3,916	1,093	23,013
Depreciation	-81,870	-27,455	-17,381	-126,706
Depreciation and impairment of disposed assets	-	264	7,660	7,924
Depreciation at 31 December	-377,531	-126,392	-56,675	-560,598
Carrying amount at 31 December	263,927	82,171	26,102	372,200
	Variable lease payments	Service	Small value assets	Short term leases
Recognised in the profit and loss statement				
Expensed in the year	-	-	-	38,528
			Interest	Installment
IFRS 16 capitalised lease assets			10,745	126,847
Total cash outflows for leases				176,120

At the end of 2023 BioMar Group has no contractual obligations regarding leased assets (2022: DKK 0 million). For information about lease debt reference is made to note 16 and 21.

2022				
	Ships	Land and buildings	Other lease assets	Total
Cost at 1 January	558,642	185,164	60,021	803,827
Exchange rate adjustment	-27,492	-4,871	447	-31,916
Additions	-	360	8,656	9,016
Disposals	-	-294	-5,620	-5,914
Re-measure / modification of lease assets	75,009	-550	5,841	80,300
Cost at 31 December	606,159	179,809	69,345	855,313
Depreciation at 1 January	-241,649	-77,432	-36,490	-355,571
Exchange rate adjustment	15,363	2,016	30	17,409
Depreciation	-87,379	-27,917	-16,599	-131,895
Depreciation and impairment of disposed assets	-	216	5,012	5,228
Depreciation at 31 December	-313,665	-103,117	-48,047	-464,829
Carrying amount at 31 December	292,494	76,692	21,298	390,484
	Variable lease payments	Service	Small value assets	Short term leases
Recognised in the profit and loss statement				
Expensed in the year	-	-	364	30,044
			Interest	Installment
IFRS 16 capitalised lease assets			12,499	130,872
Total cash outflows for leases				173,779

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

13

INVENTORIES

	2023	2022
Raw materials	1,553,115	2,021,622
Biological assets	42,710	109,792
Finished goods	632,011	722,027
Total inventories	2,227,836	2,853,441
Carrying amount of inventories recognised at fair value less costs to sell	42,710	109,792

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 recognised at 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. Forward prices are based on prices on the recognised exchange fish pool as at 31 December 2023.

	2023	2022
The value of biological assets is comprised of the following:		
Biological assets below 1 kg	-	9,113
Biological assets between 1 and 4 kg	42,710	45,051
Biological assets above 4 kg	-	55,628
Total value of biological assets	42,710	109,792

Total volume of biological assets as at 31 December¹ 2023: 1,175 tons (2022: 2,777 tons).

Value adjustments of biological assets taken to profit and loss:

Fair value adjustment of biological assets	-18,453	13,589
Profit on sale of biological assets	23,053	48,555
Total value adjustments	4,600	62,144

Fair value adjustments and income arising from biological assets are recognised as gross profit with DKK 5 million (2022: DKK 62 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

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RECEIVABLES	2023	2022
Trade receivables	3,328,587	3,134,524
Interest-bearing receivables	1,014,273	829,143
Other receivables	114,291	154,647
Total receivables	4,457,151	4,118,314
Non-current receivables	154,127	177,742
Current receivables	4,303,024	3,940,572
Total	4,457,151	4,118,314

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

Credit risks

BioMar Group's credit risks are primarily related to trade receivables. According to the group policy all significant customer relations are continuously credit rated. Credit insurances are taken out when deemed commercial rational compared to the credit risk. Of the trade receivables as per 31 December 2023 DKK 1,059 million (2022: DKK 1,306 million) are covered by credit insurance.

Related to trade receivables, BioMar Group holds collateral for a total amount of DKK 270 million (2022: DKK 253 million). Collaterals primarily relates to securities in assets consisting of biological assets and fish farming equipment.

Provision for expected credit losses	2023	2022
Provision at 1 January	-125,022	-125,094
Exchange rate adjustments	13,654	-4,247
Provision for expected credit losses	-6,037	-44,705
Realised in the year	32,110	49,024
Provision at 31 December	-85,295	-125,022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

14 RECEIVABLES (continued)

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

2023	Maturity analysis				Total
	Not due	1-30 days	31-90 days	> 91 days	
Trade receivables	2,715,122	263,965	251,028	183,767	3,413,882
Impairment	-28,175	-2,059	-9,189	-45,872	-85,295
Trade receivables, net	2,686,947	261,906	241,839	137,895	3,328,587
Proportion of trade receivables expected to be settled					97.5%
Impairment ratio	1.0%	0.8%	3.7%	25.0%	2.5%

2022	Maturity analysis				Total
	Not due	1-30 days	31-90 days	> 91 days	
Trade receivables	2,785,263	164,170	97,612	212,501	3,259,546
Impairment	-27,266	-1,505	-826	-95,425	-125,022
Trade receivables, net	2,757,997	162,665	96,786	117,076	3,134,524
Proportion of trade receivables expected to be settled					96.2%
Impairment ratio	1.0%	0.9%	0.8%	44.9%	3.8%

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

2023	Maturity analysis								Total
	Not due		1-30 days		31-90 days		> 91 days		
High-risk markets	-9,477	1.1%	-776	1.1%	-4,622	11.2%	-32,612	28.3%	-47,487
Medium-risk markets	-16,669	1.3%	-1,197	0.7%	-4,455	2.4%	-13,206	23.5%	-35,527
Low-risk markets	-2,030	0.4%	-87	0.3%	-112	0.4%	-52	0.4%	-2,281
Total expected credit losses	-28,176		-2,060		-9,189		-45,870		-85,295

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

Low-risk markets mainly consist 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.

2022	Maturity analysis								Total
	Not due		1-30 days		31-90 days		> 91 days		
High-risk markets	-9,003	1.2%	-1,008	1.4%	-433	1.0%	-53,758	52.0%	-64,202
Medium-risk markets	-16,618	1.2%	-400	0.7%	-321	0.9%	-40,595	40.5%	-57,934
Low-risk markets	-1,644	0.3%	-97	0.3%	-71	0.3%	-1,074	12.1%	-2,886
Total expected credit losses	-27,265		-1,505		-825		-95,427		-125,022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

15	DEFERRED TAX	2023	2022
	Deferred tax 1 January, net	-137,726	-123,506
	Exchange rate adjustments	4,885	-6,627
	Adjustment from change in corporate tax rate	-1,168	2,014
	Transfer to or from income tax payable	-	1,749
	Deferred tax for the year recognised in profit and loss statement	28,532	2,893
	Deferred tax for the year recognised in other comprehensive income	4,546	-1,712
	Additions from acquisitions	-	-12,537
	Deferred tax at 31 December, net	-100,931	-137,726
	Deferred tax is recognised in the balance sheet as follows:		
	Deferred tax asset	56,271	70,993
	Deferred tax liability	-157,202	-208,719
	Deferred tax at 31 December, net	-100,931	-137,726
	Deferred tax pertains to:		
	Intangible assets	-56,433	-67,964
	Property, plant and equipment	-89,514	-91,640
	Current assets	13,194	-8,380
	Other liabilities	31,569	29,988
	Tax loss carry-forwards	253	270
	Total deferred tax	-100,931	-137,726

As per 31 December 2023 BioMar Group has unrecognised deferred tax assets of DKK 10 million (2022: DKK 9 million). It is assessed that it is not probable that the tax assets can be recovered through future taxable profits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

15 DEFERRED TAX (continued)

2023						
	Balance at 1 January	Acquisitions / divestments	Exchange rate adjustments	Recognised in the profit for the year	Recognised in equity	Balance at 31 December
Intangible assets	-67,964	-	2,046	9,485		-56,433
Property, plant and equipment	-91,640	-	2,466	-11	-329	-89,514
Other current assets	-8,381	-	1,697	18,564	1,314	13,194
Other liabilities	29,989	-	-1,307	-674	3,561	31,569
Tax losses	270	-	-17			253
Total changes in deferred tax	-137,726	-	4,885	27,364	4,546	-100,931

2022						
	Balance at 1 January	Acquisitions / divestments	Exchange rate adjustments	Recognised in the profit for the year	Recognised in equity	Balance at 31 December
Intangible assets	-53,381	-12,537	-2,847	801		-67,964
Property, plant and equipment	-85,861	-	-3,280	-2,499		-91,640
Other current assets	-5,856	-	-1,584	-941		-8,381
Other liabilities	17,034	-	718	13,949	-1,712	29,989
Tax losses	4,558	-	366	-4,654		270
Total changes in deferred tax	-123,506	-12,537	-6,627	6,656	-1,712	-137,726

BioMar Group has applied the temporary exception issued by IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, BioMar Group neither recognises nor discloses information about deferred tax assets and liabilities to Pillar Two income taxes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Note

16	INTEREST BEARING DEBT	2023	2022
	Payable to affiliates (short-term)	2,998,482	2,912,381
	Credit institutions (long-term)	25,358	28,189
	Credit institutions (short-term)	318,321	287,996
	Leasing debt (long-term)	253,649	283,193
	Leasing debt (short-term)	133,091	122,744
	Total interest bearing debt	3,728,901	3,634,503
	Fair value of interest bearing debt	3,728,901	3,634,503

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

2023	Balance at 1 January	Cash flows	Exchange rate adj.	Other	Balance at 31 December
Payable to affiliates (short-term)	2,912,381	95,387	-9,286	-	2,998,482
Credit institutions (long-term)	28,189	-	7	-2,838	25,358
Credit institutions (short-term)	287,996	34,153	-6,666	2,838	318,321
Leasing debt (long-term)	283,193	-	-15,760	-13,784	253,649
Leasing debt (short-term)	122,744	-126,847	-6,675	143,869	133,091
Total interest-bearing debt	3,634,503	2,693	-38,380	130,085	3,728,901
Other debt (long-term)	-	-	-	-	-

Short-term interest bearing payables to affiliates comprise withdrawals on the parent company's cash pool facility. Movements in the category "other" comprise additions, disposals and re-measurements occurred during the reporting period.

2022	Balance at 1 January	Cash flows	Exchange rate adj.	Other	Balance at 31 December
Payable to affiliates (short-term)	1,718,199	1,210,477	-16,295	-	2,912,381
Credit institutions (long-term)	6,372	25,237	-	-3,420	28,189
Credit institutions (short-term)	631,963	-354,868	7,481	3,420	287,996
Leasing debt (long-term)	333,118	-	-11,071	-38,854	283,193
Leasing debt (short-term)	130,335	-130,872	-4,208	127,489	122,744
Total interest-bearing debt	2,819,987	749,974	-24,093	88,635	3,634,503
Other debt (long-term)	75,191		11,237	-86,428	-

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 2022, BioMar has transferred the full risk management regarding interest rate risk to the parent company through which BioMar is financed - see also note 21. Consequently, fixed rate loans only account for 10% in 2023 (2022: 11%) of the total interest bearing debt. For debt raised on floating terms, fluctuations in the interest rates of +/- 100 bps will have a hypothetical impact on the profit for the year and equity of +/- DKK 26 million in 2023 (2022: +/-DKK 25 million). No further risk management policies are carried out related to interest rate risks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

17	TRADE PAYABLES AND OTHER DEBT	2023	2022
	Trade payables	3,136,290	3,746,536
	Payables to group enterprises	-	2,457
	Other debt	824,566	834,448
	Total trade payables and other debt	3,960,856	4,583,441

For a number of years, BioMar has facilitated a supply chain financing programme (reverse factoring) through banks. The purpose of the programme is to develop and ensure long-term relations with strategically important suppliers of raw materials. The supply chain finance programme contributes to ensuring low raw materials prices and financing costs in the value chain. Suppliers participating in the programme have the option of receiving early payment once BioMar has approved a delivery. Under the system, BioMar assigns approved invoices to the bank in a factoring arrangement without recourse. The bank then pays the supplier early while ensuring the best possible credit period for BioMar. Supply chain finance debt of 764m DKK is recognised in the balance sheet under trade payables (2022: 980m DKK).

In addition BioMar Group holds non-current debt of 5.4mDKK

18 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 at 31 December 2023.

The Chilean competition authority, Fiscalía 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 19 December 2019 on charges of concerted practice, claiming that BioMar Chile SA be fined up to 30,000 annual tax units, which at 31 December 2023 corresponded to approximately DKK 177 million. The charges are based on isolated circumstances related to the Chilean fish feed industry during the 2003-2015 period. The statement of defense was filed to the Chilean Competition Court on 19 May 2020 by BioMar Chile. The whole process has been delayed due to the COVID-19 pandemic, however, the final judgement is expected end of 2024 at the earliest.

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 it is not possible at this stage to anticipate the outcome of the case, neither to determine the probability and amount of a potential outcome. Accordingly, no provision has been recognised at 31 December 2023 concerning the claim submitted.

Joint taxation liability

BioMar Group participates in a Danish joint taxation arrangement with Aktieselskabet 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 Aktieselskabet 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

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18 CONTINGENT LIABILITIES AND GUARANTEES (continued)**Guarantees**

BioMar Group is partially financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities. BioMar Group, like other major subsidiaries in the Schouw & Co. Group, co-guarantees these facilities totaling DKK 8,165 million, of which DKK 5,542 million is utilised. In addition, a number of other smaller facilities totaling DKK 56 million established with Schouw & Co.'s global banker HSBC, of which DKK 48 million is utilised.

BioMar has provided collateral in land and buildings for mortgage loans with a booked value of DKK 35 million as well as corporate guarantees for a total of DKK 311 million.

19 CHANGES IN WORKING CAPITAL	2023	2022
Change in inventories	611,998	-864,995
Change in receivables	-170,872	-255,672
Change in trade payables and other debt	-631,216	616,070
Total changes in working capital	-190,090	-504,597

20 ADJUSTMENT FOR NON-CASH TRANSACTIONS	2023	2022
Purchase/sale of intangible assets cf. note 10	30,741	22,821
Amount paid regarding intangible assets	30,741	22,821
Purchase/sale of property, plant and equipment cf. note 11	201,482	227,517
Of which not yet paid at the balance sheet date/adjustment for the year	-	-
Amount paid regarding property, plant and equipment	201,482	227,517
Incurring financial liabilities	10,478	34,253
Of which lease debt	-10,478	-9,016
Proceeds from borrowings	-	25,237

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Note

21 FINANCIAL RISK MANAGEMENT

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 BioMar Group management has formulated a risk policy, approved by the Board of Directors.

Market risks

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 an official hedging policy regarding energy, and does therefore not actively hedge the risk of fluctuations in energy prices. Probable changes in energy prices are assessed not to have a long-term significant impact on the Group's profit and loss or equity.

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 long-term 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 of 2023.

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 DKK 3,275 million. The facility is for a three-year period with the possibility of a one-year extension after year one and two. The first extension option was utilised in December 2021 and the second extension option was utilised in December 2022. The banking consortium is consisting of Danske Bank, DNB, Nordea and the international bank Hong Kong & Shanghai Banking Corporation (HSBC).

In April 2019 and in November 2023, Schouw & Co. issued two Schuldschein EUR 136 million, (DKK 1,013 million), and EUR 225 million (DKK 1,677 million), respectively. The Schuldschein expires in April 2024, April 2026, November 2026, November 2028 and November 2030. In December 2021, a facility was established for a total of DKK 400 million with Nordic Investment Bank. The facility is for a seven-year period and issued for specific capacity and development investments in Denmark.

In addition, in 2022 and 2023, Schouw & Co. established a number of term loans with Danske Bank, Nordea Bank, HSBC, DNB, HSBC and Jyske Bank for a total of DKK 1,800 million. The loans are committed and expire in March 2024 (DKK 400 million) and in January 2025 (DKK 1,400 million).

BioMar Group, like other major subsidiaries in Schouw & Co., co-guarantees the aforementioned facilities totaling DKK 8.165 million. of which DKK 5.590 million is utilised. In addition, a number of other smaller facilities totaling DKK 58 million

BioMar Group's interest bearing debt amounts to DKK 3,729 million end of 2023 (2022: DKK 3,635 million), of which DKK 279 million end of 2023 (2022: DKK 311 million) has a remaining loan period of more than one year. Cash and cash equivalents amount to DKK 184 million end of 2023 (2022: DKK 299 million). Additionally, BioMar Group has significant unutilised and committed loan facilities available with its parent company Schouw & Co. per 31 December 2023, hence the available financial resources are deemed sufficient for the realisation of the Group's strategy. BioMar expects to repay its financial obligations with cash flow from operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

21 FINANCIAL RISKS MANAGEMENT (continued)

		2023			
	Carrying amount	Contractual cash flows	< 1 year	1 - 5 years	> 5 years
Non-derivative financial instruments					
Banks and other credit institutions	343,684	352,678	319,379	10,067	23,232
Payable to affiliates	2,998,482	2,998,482	2,998,482	-	-
Lease debt	386,740	412,507	142,598	242,851	27,058
Trade payables	3,063,590	3,063,590	3,063,590	-	-
Other debt	784,838	784,838	779,438	5,400	-
Derivatives					
Derivative financial instruments	45,128	45,128	45,128	-	-
Recognised in balance sheet total	7,622,462	7,657,223	7,348,615	258,318	50,290
Contractual obligations to purchase property, plant and equipment and intangible assets		55,592	55,592	-	-
Total		7,712,815	7,404,207	258,318	50,290

		2022			
	Carrying amount	Contractual cash flows	< 1 year	1 - 5 years	> 5 years
Non-derivative financial instruments					
Banks and other credit institutions	316,185	322,964	288,662	10,973	23,329
Payable to affiliates	2,912,381	2,912,381	2,912,381	-	-
Lease debt	405,937	437,329	133,467	257,656	46,206
Trade payables	3,748,993	3,748,993	3,748,993	-	-
Other debt	806,077	806,077	806,077	-	-
Derivatives					
Derivative financial instruments	28,368	28,368	28,368	-	-
Recognised in balance sheet total	8,217,941	8,256,112	7,917,948	268,629	69,535
Contractual obligations to purchase property, plant and equipment		44,833	44,833	-	-
Total		8,300,945	7,962,781	268,629	69,535

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

21 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 outgoing payments in foreign currencies in accordance with the Group's policy for currency risk management. Mostly the Group applies simple forward contracts to hedge probable forecast sales and purchase transactions and in some cases options can be used. The instruments are traded with the Groups primary financial partners.

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

2023						
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	615,491	-625,448	-	+0,5%	-39	-39
USD / DKK	526,908	-967,655	59,414	+5,0%	-774	-14,872
USD / GBP	-	-86,045	162,238	+10,0%	-6,970	6,172
USD / NOK	-	-521,784	783,809	+15,0%	-4,027	30,657
CLP / USD	3,426	-32,029	239,843	+15,0%	-3,132	23,131
EUR / NOK	-	-400,288	467,276	+10,0%	-5,366	5,225
NOK / GBP	-	-47,086	277,221	+10,0%	-3,814	18,641
NOK / DKK	112,232	-124,606	31,256	+10,0%	459	1,473
EUR / USD	7	-61,830	-	+5,0%	-2,411	-2,411
USD / AUD	29,088	-102,412	219,284	+10,0%	4,102	10,655
Others	101,628	-210,557	-18,606	+10,0%	-5,644	-5,107
	1,388,780	-3,179,740	2,221,735		-27,616	73,525

2022						
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	791,562	-555,318	-	+0,5%	921	921
USD / DKK	865,403	-1,018,852	-148,140	+7,0%	72	-16,467
USD / GBP	3,306	-112,676	94,936	+9,0%	-1,052	-1,052
USD / NOK	17,291	-806,197	1,095,475	+13,0%	-931	31,086
CLP / USD	1,666	-39,306	94,789	+14,0%	-3,847	5,841
EUR / NOK	1,953	-710,862	709,661	+10,0%	-15,387	59
NOK / GBP	-	-80,938	41,110	+11,0%	-3,549	-3,549
NOK / DKK	69,527	-80,625	54,986	+10,0%	505	3,423
EUR / USD	1,604	-30,677	-	+7,0%	-1,587	-1,587
USD / AUD	27,293	-117,819	119,362	+10,0%	1,453	2,105
Others	79,374	-136,613	-11,759	+10,0%	-4,698	-3,569
	1,858,979	-3,689,883	2,050,420		-28,100	17,211

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

21 FINANCIAL RISKS MANAGEMENT (continued)

Currency hedging agreements regarding future transactions

Net amounts outstanding for currency hedging agreements at 31 December 2023 for BioMar Group, which satisfy the requirements for hedge accounting and which relate to future transactions (cash flow hedges and non-realised fair value hedges).

2023				
Currency	Notional principal*	Accumulated capital gain/(loss) recognised in equity	Fair value	Maximum number of months to expiry
EUR	482,071	-3,212	-9,283	7
USD	1,224,745	-20,391	-45,639	12
PLN	-35,868	-	-823	4
CLP	239,843	12,139	12,139	12
NOK	308,476	9,766	10,857	4
Others	2,468	55	55	3
Total	2,221,735	-1,643	-32,694	

2022				
Currency	Notional principal*	Accumulated capital gain/(loss) recognised in equity	Fair value	Maximum number of months to expiry
EUR	722,244	765	16,138	6
USD	1,161,633	-4,651	-14,755	7
CLP	94,789	20,113	20,113	3
NOK	96,096	-1,367	-636	9
Others	-24,340	-808	-1,090	3
Total	2,050,422	14,052	19,770	

*Positive values reflect purchase of currency while negative values reflect sales of currency.

Categories of financial instruments	2023	2022
Securities (fair value hierarchy level 3)	2,011	1,365
Financial assets measured at fair value through profit and loss	2,011	1,365
Derivative financial assets (fair value hierarchy level 2)	12,434	48,138
Derivative financial liabilities (fair value hierarchy level 2)	45,128	28,368
Hedging instruments measured at fair value, net	-32,694	19,770
Trade receivables	3,328,587	3,134,524
Other receivables	1,116,130	935,652
Cash and cash equivalents	183,770	298,852
Financial assets measured at amortised cost	4,628,487	4,369,028
Interest bearing debt	3,728,901	3,634,503
Trade payables and other debt	3,915,728	4,555,073
Financial liabilities measured at amortised cost	7,644,629	8,189,576
Contingent consideration (fair value hierarchy level 3)	-	-
Financial liabilities measured at fair value through profit and loss	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

22 ACQUISITIONS

	2023	2022
Specification of acquired net assets at acquisition date		
Intangible assets	-	50,149
Property, plant and equipment	-	984
Leased assets	-	-
Other financial assets	-	157
Inventories	-	10,957
Receivables	-	43,278
Cash and cash equivalents	-	2,936
Deferred tax	-	-12,537
Trade payables	-	-3,682
Other debt	-	-3,438
Current tax	-	-6,179
Net assets acquired	-	82,625
Of which non-controlling interests	-	-
Goodwill	-	131,300
Acquisition costs	-	213,925
Contingent consideration	-	-
Of which cash and cash equivalent	-	-2,936
Total cash acquisition costs	-	210,989

No acquisitions in 2023.

23 FEES TO AUDITORS APPOINTED BY THE GENERAL MEETING

	2023	2022
Audit fees	1,915	2,718
Non-audit fees	601	-
Fees for tax- and VAT-related services	263	488
Fees for other services	503	164
Total fee	3,282	3,370

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

24 RELATED PARTY TRANSACTIONS

Aktieselskabet Schouw & Co. owns 100% of the shares in BioMar Group A/S.

Members of the Board of Directors, the key management personnel 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 parent company Aktieselskabet Schouw & Co. appear below:

	2023	2022
Management fee	-2,600	-2,500
Interest paid	-153,112	-65,413
Interest received	16,558	4,787
At 31 December BioMar Group has the following debt and receivables:		
Receivables from BioMar Group companies	830,513	651,977
Debt to BioMar Group companies	-2,998,482	-2,914,838

In addition, related parties also comprise the associates and joint ventures, cf. note 6, 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	
	2023	2022	2023	2022
Sales	652,280	740,341	5,818	5,267
Purchases	79,619	121,666	-	-
Interest received	-	433	3,450	1,268
Dividend received	29,258	9,606	-	-

At 31 December BioMar Group has the following debt and receivables:

Receivables from associates and joint ventures	215,367	236,266	49,796	38,420
Loan to associates and joint ventures	-	10,128	-	-
Debt to associates and joint ventures	5,717	5,646	200	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(DKK 1,000)

Note

25 GROUP STRUCTURE

Company name	Type	Domicile	BioMar Group's share in %
BioMar Group A/S	Parent company	Aarhus, Denmark	
BioMar A/S	Subsidiary	Brande, Denmark	100.00
BioMar Spolka z.o.o.	Subsidiary	Zielona Gora, Poland	100.00
Oy BioMar AB	Subsidiary	Vanda Helsingfors, Finland	100.00
BioMar AB	Subsidiary	Malmö, Sweden	100.00
BioMar OOO, Russia	Subsidiary	Ropsha, Leningrad, Russia	100.00
BioMar S.A.S.	Subsidiary	Nersac, France	100.00
BioMar Hellenic S.A.	Subsidiary	Volos, Greece	100.00
BioMar Iberia S.A.	Subsidiary	Dueñas, Spain	100.00
BioMar Sagun TTK	Joint venture	Söke, Turkey	50.00
BioMar AS	Subsidiary	Myre, Norway	100.00
LetSea AS	Associate	Dønna, Norway	33.99
BioMar Ltd.	Subsidiary	Grangemouth, Scotland	100.00
LCL Shipping Ltd.	Associate	Grangemouth, Scotland	40.00
BioMar Pty. Ltd.	Subsidiary	Hobart, Australia	100.00
BioMar A/S Chile Holding S.A.	Subsidiary	Puerto Montt, Chile	100.00
BioMar Chile S.A.	Subsidiary	Puerto Montt, Chile	100.00
Salmones Austral S.A.	Associate	Puerto Montt, Chile	22.91
Aquaculture Technology Centre Patagonia S.A.	Associate	Lenca, Chile	30.00
BioMar Aquaculture Corporation S.A.	Subsidiary	Cañas, Costa Rica	100.00
BioMar Aquacorporation Products S.A.	Joint operation	Cañas, Costa Rica	50.00
Alimentsa S.A.	Subsidiary	Guayaquil, Ecuador	70.00
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Joint venture	Wuxi, China	50.00
Zhuhai Haiwei Feed Co., Ltd	Joint venture	Zhuhai, China	100.00
Viet Uc Aqua Feed Company Limited	Subsidiary	An Hiep Village, Vietnam	67.50
Sensaq Investment Pty Ltd	Subsidiary	Hobart, Australia	100.00
AQ1 Systems Pty Ltd	Subsidiary	Hobart, Australia	100.00
AQ1 Systems JBO	Branch	Shimonoseki-city, Japan	100.00
AQ1 Systems S.A.	Subsidiary	Panama city, Panama	100.00
AQ1 Systems Co. Ltd	Associate	Bangkok, Thailand	49.00

26 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 2023. Approved, not yet effective standards and amendments are implemented when they become mandatory for BioMar Group as per the EU effective dates.

It is the assessment that neither of the standards, individually or collectively, will have material impact on the financial statements of BioMar Group.

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Material Accounting Policy Information

BioMar Group A/S is a private limited company domiciled in Denmark. The annual report for the period 1 January – 31 December 2023 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 IFRS accounting standards as adopted by the EU and additional Danish disclosure requirements pursuant to the Danish Financial Statements Act applying to large class-C entities.

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 DKK 1,000.

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 are, besides as stated below, consistent with those applied last year. Reference is also made to section 96 (3) of the Danish Financial Statements Act.

Changes in accounting policies and disclosures

Accounting policies and disclosures are unchanged from the 2022 Annual Report.

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Material Accounting Policy Information

The consolidated financial statement

The consolidated financial statements comprise BioMar Group A/S and its subsidiaries. Subsidiaries are entities controlled by BioMar. Control means that BioMar controls the company i.e. that BioMar is exposed to or has right to variable returns from the company and has the ability to affect the size of those returns through its power over the company. Control is usually achieved by directly or indirectly holding more than 50% of the voting rights or other rights such as agreements on management control.

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 BioMar Group has control include de facto control and potential voting rights exercisable at the balance sheet date.

Non-controlling interests are recognised in consolidated entities that are not wholly owned by BioMar Group. The proportionate share of the profit and equity of subsidiaries attributable to non-controlling interests are recognised as a separate item under equity.

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.

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Material Accounting Policy Information

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 acquisition 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 when BioMar gains actual control of the acquired entity.

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, where risk and rewards are preserved at NCI, are recognised as a financial liability measured at fair value on initial recognition and set off against the parent company share of 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 parent company equity.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value 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

Note
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Material Accounting Policy Information

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.

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.

The Turkish economy has been considered a hyperinflation economy effective from 30 June 2022. Accordingly, the Group's Turkish joint venture is recognised in accordance with IAS 29. The joint venture's financial statement has been inflation-adjusted prior to recognition in the consolidated financial statements.

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.

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Material Accounting Policy Information

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.

Income statement

Revenue

Revenue primarily relates to sale of aqua feed but does also comprise sale of commodities and other products and corporate services. Revenue is recognised in the income statement if transfer of the control 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.

Operating expenses

Operating expenses comprise costs incurred for the manufacture and sale of goods, primarily cost of sales, consumables, energy consumption and transportation of goods. Operating expenses furthermore comprise wages and salaries and expenses for the company's administration and management. Also recognised in operating expenses are estimated changes in the value of inventories and changes in bad debt provisions as well as product development and research costs.

Depreciation, amortisation and impairment losses

The item comprises depreciation and impairment of property, plant and equipment and lease assets and amortisation and impairment of intangible assets.

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.
- 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.

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Material Accounting Policy Information

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, earnout adjustments 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.

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Material Accounting Policy Information

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
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Material Accounting Policy Information

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 20-50 years
- Plant and machinery 8-15 years
- Other fixtures and fittings, tools and equipment 4-10 years
- Land is 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.

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 6-15 years
- Land and buildings 2-50 years
- Other lease assets 2-10 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
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Material Accounting Policy Information

Lease liabilities: at the commencement date of the lease, the Group recognises 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
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Material Accounting Policy Information

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 impairment.

Impairment write-downs of goodwill are not reversed. Impairment of other assets is reversed to the extent changes have occurred to the assumptions and estimates leading to the impairment. Impairment is only reversed to the extent 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 expected credit 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
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Material Accounting Policy Information

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
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Material Accounting Policy Information

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 that 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
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Material Accounting Policy Information

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
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Material Accounting Policy Information

Key Figures Glossary

EBITDA

Profit before interest, tax, depreciation and amortisation.

Return on equity

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

ROIC

(Return on invested capital excl. goodwill)
EBITA as a percentage of average invested capital.

EBIT (Operating profit)

Profit before interest and tax.

Solvency ratio

Equity as a percentage of total assets.

Average invested capital

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

EBIT-margin

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

EBITA

Profit before interest, tax and amortisations.

Net working capital (NWC)

Inventories, trade receivables, other receivables and other current operating assets less trade payables, other payables and other current operational liabilities.

Note
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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 (DKK 3,329 million)

The allowance for expected credit losses for trade receivables is subject to estimations as the allowance is based on a historical credit loss experience combined with forward-looking information on macroeconomic factors impacting the industry hence the credit risk.

Impairment of goodwill (DKK 1,105 million)

At the yearly impairment test of goodwill, or if indications of impairment, judgments and estimations are applied to assess to which extent 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 10 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



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65	Cash Flow Statement
66	Notes

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(DKK 1,000)

Note	INCOME STATEMENT	2023	2022
1	Revenue	3,164,561	4,098,531
3-4	Operating expenses	-3,112,974	-4,041,313
	EBITDA	51,587	57,218
2	Depreciation and amortisation	-10,695	-6,476
	EBIT	40,892	50,742
	Share of profit after tax, subsidiaries	474,326	404,564
8	Share of profit after tax, joint ventures	44,666	50,131
5	Financial income	6,059	97,291
6	Financial expenses	-111,928	-61,652
	Profit before tax	454,015	541,076
7	Tax on profit for the year	7,310	-8,592
	Profit for the year	461,325	532,484
	Other comprehensive income		
	Items that have been or may subsequently be reclassified to the income statement:		
	Exchange rate adjustments, foreign entities	-154,143	49,972
	Hyperinflation adjustment	8,600	-2,986
	Other value adjustments in subsidiaries and joint ventures	-7,921	16,023
	Other comprehensive income after tax	-153,465	63,009
	Total comprehensive income	307,860	595,493

BALANCE SHEET AT 31 DECEMBER

(DKK 1,000)

Note	ASSETS	2023	2022
9	Intangible assets	49,484	27,190
10	Property, plant and equipment	446	550
	Investments i subsidiaries	4,288,799	4,128,899
8	Investments in joint ventures	198,218	182,005
11	Right of use assets	8,965	2,936
17	Deferred tax	2,563	7,127
13	Receivables	-	2,440
	Other non-current assets	4,498,545	4,323,407
	Total non-current assets	4,548,474	4,351,147
14	Inventories	72,700	-
13	Receivables	1,321,763	1,743,577
	Income tax	16,312	1,259
	Prepayments	13,655	10,900
	Cash and cash equivalents	157	62
	Total current assets	1,424,587	1,755,798
	Total assets	5,973,061	6,106,945
	EQUITY AND LIABILITIES	2023	2022
	Share capital	250,000	250,000
	Hyperinflation	9,613	8,070
	Reserve for net revaluation according to equity method	1,986,231	1,826,331
	Retained earnings	501,518	705,094
	Proposed dividend	350,000	350,000
	Total equity	3,097,362	3,139,495
12	Interest bearing debt	4,620	621
	Other debt	3,800	-
	Total non-current liabilities	8,420	621
12	Interest bearing debt	2,363,464	2,208,256
15	Trade payables and other debt	503,815	758,573
	Income tax	-	-
	Total current liabilities	2,867,278	2,966,829
	Total liabilities	2,875,699	2,967,450
	Total equity and liabilities	5,973,061	6,106,945

Notes without reference:

- 18 Financial risks
- 19 Contingent liabilities and guarantees
- 20 Related party transactions
- 21 Material Accounting Policy Information

STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)

	Share capital	Hyper-inflation	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2022	250,000	-	1,538,542	755,460	350,000	2,894,002
Change of accounting policy SaaS						-
Restated equity at 1 January 2022	250,000	-	1,538,542	755,460	350,000	2,894,002
Profit for the year		11,056	208,616	-37,188	350,000	532,484
Other comprehensive income						
Exchange rate adjustments of foreign entities			61,461	-11,489		49,972
Other valuation adjustments in foreign entities		-2,986	17,712	-1,689		13,037
Other comprehensive income	-	-2,986	79,173	-13,178	-	63,009
Comprehensive income	-	8,070	287,789	-50,366	350,000	595,493
Transactions with shareholders:						
Dividend distributed					-350,000	-350,000
Transactions with shareholders	-	-	-	-	-350,000	-350,000
Equity at 31 December 2022	250,000	8,070	1,826,331	705,094	350,000	3,139,495
Equity at 1 January 2023	250,000	8,070	1,826,331	705,094	350,000	3,139,495
Profit for the year		-7,057	284,909	-166,520	350,000	461,332
Other comprehensive income						
Exchange rate adjustments of foreign entities			-117,088	-37,055		-154,143
Other valuation adjustments in foreign entities		8,600	-7,921	-		679
Other comprehensive income	-	8,600	-125,009	-37,055	-	-153,465
Comprehensive income	-	1,543	159,900	-203,576	350,000	307,867
Transactions with shareholders:						
Dividend distributed					-350,000	-350,000
Transactions with shareholders	-	-	-	-	-350,000	-350,000
Equity at 31 December 2023	250,000	9,613	1,986,231	501,518	350,000	3,097,362

Proposed dividend per share amounts to DKK 3,500 in 2023 (2022: DKK 3,500).

CASH FLOW STATEMENT

(DKK 1,000)

Note		2023	2022
	EBITDA	51,587	57,218
16	Changes in working capital	104,968	-408,550
	Other non-cash items	-	-
	Net interest paid	-146,079	-39,520
	Income tax paid	-3,179	-11,429
	Cash flow from operating activities	7,297	-402,280
9	Purchase of intangible assets	-28,074	-18,644
10	Purchase of property, plant and equipment	-86	-358
	Acquisition of subsidiaries	-	-213,925
	Capital contribution in subsidiaries	-	-23,637
	Dividend from subsidiaries	189,417	195,948
	Currency adjustment interest bearing debt	-260	-
	Repayment of loans - affiliates	40,370	9,630
	Issuance of loans - affiliates	-7,010	-24,197
	Cash flow from investing activities	194,355	-75,183
12	Re-payment of lease debt	-4,778	-4,625
12	Increase (re-payment) of intra-group balances	153,221	832,064
	Dividend distributed	-350,000	-350,000
	Cash flow from financing activities	-201,557	477,439
	Cash flow for the year	95	-25
	Cash and cash equivalents at 1 January	62	87
	Cash and cash equivalents at 31 December	157	62

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

1	REVENUE	2023	2022
	Commodities	3,003,520	3,952,546
	Management and corporate services	161,041	145,985
	Total revenue	3,164,561	4,098,531

2	DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES	2023	2022
	Impairment of intangible assets	-1,152	0
	Amortisation of intangible assets	-4,621	-1,688
	Depreciation of property, plant and equipment	-190	-206
	Depreciation of lease assets	-4,732	-4,582
	Total depreciation, amortisation and impairment losses	-10,695	-6,476

3	STAFF COSTS	2023	2022
	Wages and salaries	-82,752	-79,529
	Defined contribution pension plans	-4,220	-3,692
	Other social security costs	-402	-400
	Share-based payments	-7,469	-6,566
	Total staff costs	-94,843	-90,187
	Average number of employees	55	49
	Remuneration to executive management and board of directors		
	Wages and salaries	-5,748	-5,209
	Pension	-119	-103
	Short term bonus	-2,290	-1,962
	Long term bonus	-1,067	-
	Share-based compensation	-2,633	-2,372
	Total remuneration to executive management and board of directors	-11,857	-9,646

With reference to section 98 b (3) of the Danish Financial Statements Act, remuneration to the Executive Board and Board of Directors is disclosed combined. 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.

In the staff costs above, DKK 34 million (2022: DKK 36 million) is included regarding salaries to BioMar employees legally employed in BioMar subsidiaries but organisationally working solely for BioMar Group A/S. Those employees are not disclosed in the average number of employees.

4	OPERATING EXPENSES	2023	2022
	Cost of goods sold	-2,935,935	-3,876,649
	Staff costs	-94,843	-90,187
	Other operating expenses	-82,196	-74,477
	Total operating expenses	-3,112,974	-4,041,313
	Research and development costs recognised in operating expenses	-4,565	-3,940

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

5	FINANCIAL INCOME	2023	2022
	Interest income etc.	3,450	1,488
	Financial income from group enterprises	2,610	1,516
	Adjustment earnout	-	94,287
	Total financial income	6,059	97,291
6	FINANCIAL EXPENSES	2023	2022
	Interest expenses etc.	-426	-13
	Financial costs to group enterprises	-110,265	-37,399
	Interest expenses leasing	-51	-74
	Exchange rate adjustments	-1,186	-16,275
	Amortisation of debt	-	-7,891
	Total financial expenses	-111,928	-61,652
7	TAX ON PROFIT FOR THE YEAR	2023	2022
	Tax on profit for the year is specified as follows:		
	Tax on profit for the year	7,310	-8,592
	Total tax	7,310	-8,592
	Tax on the profit for the year has been calculated as follows:		
	Current tax	16,312	-2,541
	Deferred tax	-3,183	-725
	Withholding taxes	-8,512	-6,132
	Adjustments of prior periods tax charge	2,693	806
	Total tax recognised in the income statement	7,310	-8,592
	Specification of tax on the profit for the year:		
	Calculated 22% tax on the profit for the year	-99,883	-119,037
	Tax effect of:		
	Other non-deductible costs and non-taxable income	113,012	115,771
	Adjustments of prior periods tax charge	2,693	806
	Withholding taxes	-8,512	-6,132
	Total tax recognised in the income statement	7,310	-8,592
	Effective tax rate	-1.6%	1.6%

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

8 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 its voting rights.

Name	Country and city of incorporation	2023	2022
BioMar-Sagun TTK	Söke, Turkey	50%	50%
BioMar Tongwei (Wuxi) Biotech Co., Ltd.	Wuxi, China	50%	50%
		2023	2022
Share of profit from continuing operations, joint ventures		44,666	50,131
The Group's share of equity in individually immaterial joint ventures		194,962	178,749
Goodwill regarding immaterial joint ventures		3,256	3,256
Carrying amount of investments in joint ventures		198,218	182,005

9 INTANGIBLE ASSETS

	2023		
	Other intangible assets	Assets under development	Total
Cost at 1 January	23,777	11,590	35,367
Additions	-	28,074	28,074
Disposals	-	-8	-8
Transferred	11,288	-11,288	-
Cost at 31 December	35,065	28,368	63,434
Amortisation and impairment at 1 January	-8,177	-	-8,177
Impairment	-1,152	-	-1,151.70
Amortisation	-4,621	-	-4,621.40
Amortisation and impairment at 31 December	-13,950	-	-13,950
Carrying amount at 31 December	21,115	28,368	49,484

	2022		
	Other intangible assets	Assets under development	Total
Cost at 1 January	8,396	8,519	16,915
Change of accounting policy	-	-	-
Restated cost at 1 January	8,396	8,519	16,915
Additions	-	18,644	18,644
Disposals	-	-192	-192
Transferred	15,381	-15,381	-
Cost at 31 December	23,777	11,590	35,367
Amortisation and impairment at 1 January	-6,489	-	-6,489
Amortisation	-1,688	-	-1,688
Amortisation and impairment at 31 December	-8,177	-	-8,177
Carrying amount at 31 December	15,600	11,590	27,190

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

10 PROPERTY, PLANT AND EQUIPMENT

	2023		
	Land and buildings	Other plant, fixtures and operating equipments	Total
Cost at 1 January	1,682	1,463	3,145
Additions	-	86	86
Cost at 31 December	1,682	1,549	3,231
Depreciation at 1 January	-1,664	-931	-2,595
Depreciation	-18	-172	-190
Depreciation at 31 December	-1,682	-1,103	-2,785
Carrying amount at 31 December	-0.48	446	446

	2022		
	Land and buildings	Other plant, fixtures and operating equipments	Total
Cost at 1 January	1,682	1,105	2,787
Additions	-	358	358
Cost at 31 December	1,682	1,463	3,145
Depreciation at 1 January	-1,589	-800	-2,389
Depreciation	-75	-131	-206
Depreciation at 31 December	-1,664	-931	-2,595
Carrying amount at 31 December	18	532	550

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

11 RIGHT OF USE ASSETS

2023				
	Land and buildings	Other lease assets		Total
Cost at 1 January	8,649	11,489		20,138
Additions	1,103	-		1,103
Disposals	-	-		-
Re-measure / modification of lease assets	5,432	4,227		9,658
Cost at 31 December	15,184	15,716		30,899
Depreciation at 1 January	-6,920	-10,282		-17,202
Depreciation	-1,766	-2,966		-4,732
Depreciation and impairment of disposed assets	-	-		-
Depreciation at 31 December	-8,686	-13,248		-21,934
Carrying amount at 31 December	6,498	2,468		8,965
Recognised in the profit and loss statement	Service	Small value assets	Short term leases	Total
Expensed in the year	-	-	-	-
	Interest	Installment		Total
IFRS 16 capitalized lease assets	51	4,778		4,830
Total cash outflows for leases				4,830

For information about lease debt reference is made to note 12 and 17.

2022				
	Land and buildings	Other lease assets		Total
Cost at 1 January	8,649	11,008		19,657
Additions	-	730		730
Disposals	-	-393		-393
Re-measure / modification of lease assets	-	144		144
Cost at 31 December	8,649	11,489		20,138
Depreciation at 1 January	-5,190	-7,794		-12,984
Depreciation	-1,730	-2,852		-4,582
Depreciation and impairment of disposed assets	-	364		364
Depreciation at 31 December	-6,920	-10,282		-17,202
Carrying amount at 31 December	1,729	1,207		2,936
Recognised in the profit and loss statement	Service	Small value assets	Short term leases	Total
Expensed in the year	-	-	-	-
	Interest	Installment		Total
IFRS 16 capitalised lease assets	74	4,625		4,699
Total cash outflows for leases				4,699

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

12	INTEREST BEARING DEBT	2023	2022
	Payable to affiliates (short-term)	2,359,091	2,205,870
	Leasing debt (long-term)	4,620	621
	Leasing debt (short-term)	4,372	2,386
	Total interest bearing debt	2,368,084	2,208,877
	Fair value of interest bearing debt	2,368,084	2,208,877

	Balance at 1 January	Cash flows	Other	Balance at 31 December
2023				
Payable to affiliates (short-term)	2,205,870	153,221	-	2,359,091
Leasing debt (long-term)	621	-	3,999	4,620
Leasing debt (short-term)	2,386	-4,778	6,765	4,372
Total interest-bearing assets and liabilities	2,208,877	148,443	10,764	2,368,084

Biomar Group A/S' interest bearing debt is mainly taken out in DKK. Movements in the category "other" comprise additions, disposals and re-measurements occurred during the reporting period on leasing debt. For 2023 the company has paid 4.8m DKK (2022: 4.7m DKK) regarding lease contracts of which 0.1m DKK (2022: 0.1m DKK) is related to interests and 4.7m DKK (2022: 4.6m DKK) related to re-payments of lease debt.

	Balance at 1 January	Cash flows	Other	Balance at 31 December
2022				
Payable to affiliates (short-term)	1,373,806	832,064	-	2,205,870
Leasing debt (long-term)	2,250	-	-1,629	621
Leasing debt (short-term)	4,539	-4,625	2,472	2,386
Total interest-bearing assets and liabilities	1,380,595	827,439	843	2,208,877

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 2022 BioMar Group A/S transferred the full risk management regarding interest rate risk to the parent company through which BioMar Group A/S is financed - see also note 21. Consequently fixed rate loans account for 0% in 2023 (2022: 0%) 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 +/- DKK 18.4 million in 2023 (2022: +/- DKK 17.2 million).

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

13	RECEIVABLES	2023	2022
	Trade receivables	1,278,047	1,627,602
	Interest-bearing receivables	12,577	81,272
	Other receivables	31,139	37,143
	Total receivables	1,321,763	1,746,017
	Non-current receivables	-	2,440
	Current receivables	1,321,763	1,743,577
	Total	1,321,763	1,746,017
	Credit risks		
	The parent company's credit risk relates primarily to receivables from subsidiaries.		
14	INVENTORIES	2023	2022
	Raw materials	72,700	-
	Total inventories	72,700	-
15	TRADE PAYABLES AND OTHER DEBT	2023	2022
	Trade payables	486,737	731,270
	Payables to group enterprises	6,018	12,503
	Other debt	11,060	14,800
	Total trade payables and other debt	503,815	758,573
16	CHANGES IN WORKING CAPITAL	2023	2022
	Change in receivables	381,802	-369,205
	Change in trade payables and other debt	-239,730	-39,345
	Changes in inventories	-72,700	-
	Total changes in working capital	69,372	-408,550
17	DEFERRED TAX	2023	2022
	Deferred tax 1 January	7,127	6,104
	Deferred tax adjustment at 1 January	-1,382	-
	Restated deferred tax 1 January	5,745	6,104
	Deferred tax for the year recognised in profit and loss statement	-3,183	1,023
	Deferred tax at 31 December, net	2,563	7,127
	Deferred tax pertains to:		
	Intangible assets	-4,646	-3,433
	Property, plant and equipment	7,920	10,560
	Provisions	-1,548	-
	Other liabilities	836	-
	Total deferred tax at 31 December	2,563	7,127

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

18 FINANCIAL RISKS

	2023				
	Carrying amount	Contractual cash flows	< 1 year	1 - 5 years	> 5 years
Non-derivative financial instruments					
Payable to affiliates	2,365,109	2,365,109	2,365,109	-	-
Lease debt	8,993	9,207	4,496	4,712	-
Trade payables	486,737	486,737	486,737	-	-
Other debt	11,060	11,060	7,260	3,800	-
Recognised in balance sheet total	2,871,899	2,872,113	2,863,602	8,512	-
Contractual obligations to purchase intangible assets		3,345	3,345		
Total		2,875,459	2,866,947	8,512	-

BioMar Group A/S is predominantly financed by the parent company through short-term credit facilities. Reference is made note 21 in the consolidated financial statements for further information.

The available financial resources are deemed sufficient.

	2022				
	Carrying amount	Contractual cash flows	< 1 year	1 - 5 years	> 5 years
Non-derivative financial instruments					
Payable to affiliates	2,218,373	2,218,373	2,218,373	-	-
Lease debt	3,007	3,044	2,415	629	-
Trade payables	731,270	731,270	731,270	-	-
Other debt	14,800	14,800	14,800	-	-
Recognised in balance sheet total	2,967,450	2,967,487	2,966,858	629	-
Contractual obligations to purchase intangible assets		-	-	-	-
Total		2,967,487	2,966,858	629	-

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

18 FINANCIAL RISKS (continued)

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

2023						
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	589,616	-586,404	-	+0.5%	13	13
USD / DKK	545,599	-523,433	-	+5%	864	864
Others	137,010	-122,123	-	+5%/10%	950	950
	1,272,225	-1,231,960	-		1,827	1,827

2022						
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	747,498	-516,711	-	+0.5%	900	900
USD / DKK	880,433	-564,569	-296,928	+7%	1,034	1,034
Others	73,855	-67,482	-	+7%/10	442	442
	1,701,786	-1,148,762	-296,928		2,376	2,376

Currency hedging agreements regarding future transactions

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

2023					2022			
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	-	-	-	-	-296,928	-	17,053	6
EUR	-	-	-	-	-	-	-	-
	-	-	-	-	-296,928	-	17,053	-

Categories of financial instruments

	2023	2022
Derivative financial assets (fair value hierarchy level 2)	-	17,053
Derivative financial liabilities (fair value hierarchy level 2)	-	-
Hedging instruments measured at fair value, net	-	17,053
Receivables	1,321,763	1,728,964
Cash and cash equivalents	157	62
Financial assets measured at amortised cost	1,321,920	1,729,026
Interest bearing debt	2,368,084	2,208,877
Trade payables and other debt	507,615	758,573
Financial liabilities measured at amortised cost	2,875,699	2,967,450
Contingent considerations (fair value hierarchy level 3)	-	-
Financial liabilities measured at fair value through profit and loss	-	-

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

(DKK 1,000)

Note

19 CONTINGENT LIABILITIES AND GUARANTEES

Guarantees

BioMar Group is partially financed by resources of the parent company Schouw & Co. as well as a number of committed and to a lesser extent uncommitted credit facilities. BioMar Group, like other major subsidiaries in the Schouw & Co. Group, co-guarantees these facilities totaling DKK 8,165 million, of which DKK 5,542 million is utilised. In addition, a number of other smaller facilities totaling DKK 56 million established with Schouw & Co.'s global banker HSBC, of which DKK 48 million is utilised.

In addition, BioMar Group A/S has provided corporate guarantees of DKK 249 million towards banks and other financial

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, note 18.

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

20 RELATED PARTY TRANSACTIONS

Schouw & Co. owns 100% of the shares in BioMar Group A/S.

Members of the Board of Directors, the key management personnel 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;

	2023	2022
Revenue	3,003,520	3,952,546
Management fee received	134,320	120,151
Management fee paid	-2,600	-2,500
Interest paid	-110,265	-37,399
Interest received	2,610	1,516
At 31 December the company has the following debt and receivables:		
Receivables from BioMar Group companies	1,245,363	1,669,699
Debt to BioMar Group companies	-2,365,109	-2,218,373

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

	Joint ventures	
	2023	2022
At 31 December the company has the following debt and receivables:		
Receivables from joint ventures	44,709	36,097

Note
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Material Accounting Policy Information

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

The parent company 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 Statements Act applying to large class-C entities. 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 1 January 2023. 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 0, 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 extent the amount is deemed irrecoverable. In case the negative accounting values of the net assets exceed 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 statements 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.



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