



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	912 040 305
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	PELAGIA HOLDING AS
Forretningsadresse:	Bradbenken 1 5003 BERGEN

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Rolf Andersen
Dato for fastsettelse av årsregnskapet:	14.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 03.08.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	2	4 556 000	2 146 000
Sum kostnader		4 556 000	2 146 000
Driftsresultat		-4 556 000	-2 146 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	3	735 000 000	400 000 000
Annen finansinntekt	4	217 629 000	87 251 000
Sum finansinntekter		952 629 000	487 251 000
Annen finanskostnad	4	305 520 000	146 386 000
Sum finanskostnader		305 520 000	146 386 000
Netto finans		647 109 000	340 865 000
Ordinært resultat før skattekostnad		642 553 000	338 719 000
Skattekostnad på ordinært resultat	5	97 416 000	74 541 000
Ordinært resultat etter skattekostnad		545 137 000	264 178 000
Årsresultat		545 137 000	264 178 000
Overføringer og disponeringer			
Ordinært utbytte		400 000 000	450 000 000
Overføringer til/fra annen egenkapital		145 137 000	-185 822 000
Sum overføringer og disponeringer	6	545 137 000	264 178 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	3,7	2 394 012 000	2 394 012 000
Lån til foretak i samme konsern	7,8	643 936 000	607 487 000
Sum finansielle anleggsmidler		3 037 948 000	3 001 499 000
Sum anleggsmidler		3 037 948 000	3 001 499 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	6,8	3 459 790 000	2 902 923 000
Sum fordringer		3 459 790 000	2 902 923 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende			2 000
Sum bankinnskudd, kontanter og lignende			2 000
Sum omløpsmidler		3 459 790 000	2 902 925 000
SUM EIENDELER		6 497 738 000	5 904 424 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6,9	149 836 000	149 836 000
Annen innskutt egenkapital	6	1 222 878 000	1 222 878 000
Sum innskutt egenkapital		1 372 714 000	1 372 714 000
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2023	2022
Annen egenkapital	6	145 137 000	
Sum opptjent egenkapital		145 137 000	
Sum egenkapital		1 517 851 000	1 372 714 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5	2 328 000	3 172 000
Sum avsetninger for forpliktelser		2 328 000	3 172 000
Annen langsiktig gjeld			
Obligasjonslån	7	895 860 000	893 700 000
Gjeld til kredittinstitusjoner	7	2 343 560 000	1 691 880 000
Sum annen langsiktig gjeld		3 239 420 000	2 585 580 000
Sum langsiktig gjeld		3 241 748 000	2 588 752 000
Kortsiktig gjeld			
Første års avdrag langsiktig gjeld	7	100 000 000	100 000 000
Kortsiktig gjeld til kredittinstitusjoner	7,8	1 073 604 000	1 221 759 000
Leverandørgjeld		804 000	377 000
Betalbar skatt	5	98 261 000	69 838 000
Utbytte	6	400 000 000	450 000 000
Annen kortsiktig gjeld	7,8,10	65 470 000	100 983 000
Sum kortsiktig gjeld		1 738 139 000	1 942 957 000
Sum gjeld		4 979 887 000	4 531 709 000
SUM EGENKAPITAL OG GJELD		6 497 738 000	5 904 423 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4,20	13 000 715 000	11 281 526 000
Sum inntekter		13 000 715 000	11 281 526 000
Kostnader			
Endring i beholdning av varer under tilvirkning og ferdig tilvirkede varer	11	993 375 000	676 677 000
Varekostnad	20	8 377 367 000	7 333 708 000
Lønnskostnad	5	974 379 000	844 693 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	7,8	417 723 000	354 688 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7,9	41 355 000	
Annen driftskostnad	5,6	930 645 000	735 845 000
Sum kostnader		11 734 844 000	9 945 611 000
Driftsresultat		1 265 871 000	1 335 915 000
Finansinntekter og finanskostnader			
Annen finansinntekt	17	16 548 000	
Sum finansinntekter		16 548 000	
Annen finanskostnad	17	255 365 000	175 748 000
Sum finanskostnader		255 365 000	175 748 000
Netto finans		-238 817 000	-175 748 000
Ordinært resultat før skattekostnad		1 027 054 000	1 160 167 000
Skattekostnad på ordinært resultat	16	240 661 000	257 046 000
Ordinært resultat etter skattekostnad		786 393 000	903 121 000
Årsresultat		786 393 000	903 121 000
Omregningsdifferanser		73 416 000	12 198 000
Kontantstrømsikring		-93 550 000	89 469 000
Skattekostnad		20 581 000	-19 683 000
Sum resultatkomponenter for IFRS-foretak		447 000	81 984 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
Totalresultat		786 840 000	985 105 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		786 841 000	985 105 000
Sum overføringer og disponeringer		786 841 000	985 105 000



Konsernets balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	7,9	91 021 000	104 605 000
Goodwill	7,9	1 201 725 000	1 203 485 000
Sum immaterielle eiendeler		1 292 746 000	1 308 090 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	8,9,19	1 776 131 000	1 588 927 000
Maskiner og anlegg	8,9,19	1 678 273 000	1 649 616 000
Bruksrettseiendeler	8,18	102 073 000	83 627 000
Skip, rigger, fly og lignende	8,9,19	222 414 000	248 117 000
Sum varige driftsmidler		3 778 891 000	3 570 287 000
Finansielle anleggsmidler			
Investeringer i aksjer og andeler		24 753 000	5 891 000
Andre fordringer	12	1 500 000	9 676 000
Sum finansielle anleggsmidler		26 253 000	15 567 000
Sum anleggsmidler		5 097 890 000	4 893 944 000
Omløpsmidler			
Varer			
Varer	11,19	3 601 463 000	2 608 088 000
Sum varer		3 601 463 000	2 608 088 000
Fordringer			
Kundefordringer	3,12,1 9,20	965 827 000	1 246 786 000
Andre fordringer	12,19	108 482 000	128 244 000
Sum fordringer		1 074 309 000	1 375 030 000
Investeringer			
Andre finansielle instrumenter	3	99 225 000	139 059 000
Sum investeringer		99 225 000	139 059 000



Konsernets balanse

Beløp i: NOK	Note	2023	2022
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	13	171 069 000	129 272 000
Sum bankinnskudd, kontanter og lignende		171 069 000	129 272 000
Sum omløpsmidler		4 946 066 000	4 251 449 000
SUM EIENDELER		10 043 956 000	9 145 393 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	14	149 836 000	149 836 000
Annen innskutt egenkapital	14	1 347 615 000	1 347 615 000
Sum innskutt egenkapital		1 497 451 000	1 497 451 000
Opptjent egenkapital			
Annen egenkapital		2 449 372 000	2 133 022 000
Sum opptjent egenkapital		2 449 372 000	2 133 022 000
Minoritetsinteresser	15	198 610 000	178 119 000
Sum egenkapital		4 145 433 000	3 808 592 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser		1 474 000	1 919 000
Utsatt skatt	16	209 478 000	172 323 000
Derivater	3	6 069 000	
Sum avsetninger for forpliktelser		217 021 000	174 242 000
Annen langsiktig gjeld			
Obligasjonslån	3,17	895 860 000	893 700 000
Gjeld til kredittinstitusjoner	3,17	2 427 385 000	1 821 756 000
Annen langsiktig rentefri gjeld	3,17	14 067 000	12 661 000
Leasing forpliktelse	3,18	84 721 000	60 984 000
Sum annen langsiktig gjeld		3 422 033 000	2 789 101 000



Konsernets balanse

Beløp i: NOK	Note	2023	2022
Sum langsiktig gjeld		3 639 054 000	2 963 343 000
Kortsiktig gjeld			
Første års avdrag langsiktig gjeld	3,17,1 8	257 222 000	229 504 000
Kortsiktig gjeld til kredittinstitusjoner	17	1 073 851 000	1 220 427 000
Leverandørgjeld		398 859 000	396 834 000
Betalbar skatt	16	157 093 000	155 546 000
Skyldige offentlige avgifter		71 656 000	58 150 000
Første års avdrag leasing forpliktelse	3,18	16 554 000	22 391 000
Derivater	3	4 638 000	8 549 000
Annen kortsiktig gjeld	6	279 597 000	282 059 000
Sum kortsiktig gjeld		2 259 470 000	2 373 460 000
Sum gjeld		5 898 524 000	5 336 803 000
SUM EGENKAPITAL OG GJELD		10 043 957 000	9 145 395 000



Pelagia Holding AS

Financial Statements 2023 Group Accounts



Board of Directors' Report 2023

The business

Pelagia Holding AS (Pelagia) is a group that produces consumer products of pelagic fish and fishmeal, protein concentrate and fish oil from both pelagic fish, whitefish and salmon. In addition, the group produce dietary supplements and pharmaceutical products based on concentrated marine Omega-3. With its combined activity, the group is a key international player particularly in the pelagic sector, with production facilities along the coast of the North Atlantic. Most of the products are for export.

Pelagia's head office is located in Bergen, Norway. The group has wholly owned production facilities in Norway, the United Kingdom, Ireland and Denmark.

Pelagia AS, including its foreign wholly owned subsidiaries and associated companies, has acquired approx. 1.4 million tons of raw material for its operations in 2023.

An important foundation and goal for Pelagia is innovation. In 2023, Pelagia was involved in several R&D projects in collaboration with the Research Council of Norway, Innovation Norway, the Fisheries and Aquaculture Research Fund, equipment suppliers and others. The aim of the projects is to increase value creation by developing new products from the pelagic raw material. The focus is on utilizing and creating value from the entire fish, as well as reducing the footprint of the finished products.

The group has divided its operations into three segments.

Pelagia Food buys pelagic fish from the fishing fleet and produces and packs consumer products, mainly for export. The group has nine production facilities in Norway from Tromsø in the north to Egersund in the south. The company has also a similar production facility in Lerwick, Shetland, and a facility for marinating in Skagen, Denmark. Pelagia has sales activity in Ukraine through the fully owned company Pelagia Ukraina LLC though the activity is significantly reduced after the Russian invasion in 2022.

Pelagia Feed produces fishmeal, fish oil and protein concentrate in Norway, the UK and Ireland. The group has seven production plants for fishmeal and fish oil and four plants for protein concentrates and oil. The group also has a significant storage facility in Egersund, which is also approved as a border control station for the import of proteins and oils from third countries. Production is based on both pelagic fish, white fish and salmon raw material.

Pelagia Health through Epax Norway AS manufactures highly concentrated Omega-3 oils for human consumption. These concentrates are sold under the Epax brand to be used as ingredients in dietary supplements and pharmaceutical products. The production facility is located in Ålesund. The Health activity is not represented in Pelagia AS.



The cooperation and utilization of raw materials across divisions is an integral part of Pelagia's business model.

In practice, all activities in Pelagia are linked to the exploitation of renewable fish raw materials. In Food, all fish goes into the production of food for humans with a varying degree of processing. To the extent that there is processing in Food in the form of production of fish fillets or other products, the residual raw material will go on to our Feed division where it will be included as a raw material in the production.

The residual raw material is used together with other fish that are less suitable for human consumption in the production of fishmeal and fish oil. Today, fishmeal and fish oil are widely used as a feed ingredient for fish farming or agriculture.

Some of the oil products can be further refined so that individual products from this raw material can be used in specialized products, for example, ingredients in dietary supplements and pharmaceutical products in the Pelagia Health division. The residual products from the production will again be included as an ingredient in feed production.

With its seven ships in operation, Pelagia collects residual raw materials from the salmon industry. In 2023, a new vessel was purchased, which will be commissioned during 2024. From this residual raw material, protein concentrates, and oil are made. These finished products are used as ingredients in feed for animals other than salmon. From the part of the raw material that is not suitable for feed ingredients, this is used, for example, in the production of technical oil for fuel or to produce biogas. All the raw material is thus put to use.

Profit, balance sheet and cash flow

Result

The group's sales revenues were NOK 13 001 million in 2023 (11 282 in 2022). EBITDA was NOK 1 684 million in 2023 (1 691 in 2022).

Depreciation of property, plant and equipment and intangible assets was NOK 418 million in 2023 (355 in 2022).

The operating profit was NOK 1 266 million in 2023 (1 336 in 2022).

Profit share from equity method accounted investments was NOK 0 million in 2023 (0 in 2022). Net financial expenses were NOK 239 million in 2023 (176 in 2022). The tax cost was NOK 241 million in 2023 (257 in 2022).

Profit after tax was NOK 786 million in 2023 (903 in 2022) and the total result was NOK 787 million in 2023 (985 in 2022).

Balance

The total balance was NOK 10 044 million in 2023 (9 145 in 2022). Total equity was NOK 4 145 million (41 %) in 2023 (3 809 in 2022 (42 %)).



Net interest-bearing debt was NOK 4 483 million in 2023 (4 119 in 2022).

The group is in compliance with all covenants at the end of the year.

The group's interest rate terms are NIBOR plus a margin. The margin may vary somewhat depending on the equity ratio and profit-dependent ratios for the group. The group established a new 5-year long financing agreement in November 2022. A bond loan of NOK 900 million was issued in December 2020 maturing in December 2025. Further, a new 1000 MNOK 5-year bond loan was issued in March 2024.

The group performs annual tests to assess the value of the company's assets. Impairment tests carried out at the end of 2023 show that there is no need for impairment. It is taken into account that available raw material in the form of the size of global quotas affects the future sales of pelagic fish and thus also the group's activity.

Cash flow

Net cash flow from operating activities was NOK 831 million in 2023 (611 in 2022). Net cash flow from investing activities was NOK -561 million in 2023 (-523 in 2022). The investments in 2023 are related to purchase of property, plant and equipment of NOK 547 million. Net cash flow from financing activities was NOK -229 million in 2023 (-174 in 2022). The change from 2022 to 2023 mainly relates to debt repayments and dividends paid. Holdings of cash and cash equivalents were NOK 171 million in 2023 (129 in 2022).

Going concern

The financial statements have been prepared using the going concern assumption. The board confirms that the prerequisites for going concern are present.

Report on corporate governance

Risk management and internal control

The Board complies with the Norwegian Code of Practice for Corporate Governance to the extent relevant for companies with a listed unsecured bond loan. The board is of the opinion that Pelagia is appropriately organized and that the business is carried out in accordance with current legislation and regulations and in accordance with the company's purpose and articles of association. For more information on corporate governance, we refer to www.pelagia.com.

Financial risk

Market risk

1) Currency and price risk

The group is exposed to currency risk by having cash flows in foreign currency. Normally, approx. 80 % of the turnover is in foreign currency, while the costs are mainly in Norwegian kroner (mainly GBP and EUR in foreign subsidiaries). There is a substantial correlation between market prices converted to Norwegian kroner based on current exchange rates, and corresponding commodity prices, especially for goods with a high turnover rate. Changes in market prices converted to Norwegian kroner will therefore over time be reflected in the commodity price and reduce parts of the currency risk. Current turnover in foreign currency is hedged on an ongoing basis through derivatives.



2) Interest rate risk

The group's long-term interest-bearing debt is in Norwegian kroner. The group's overdraft is a multicurrency agreement. The group's debt financing is largely linked to operations and varies in line with seasonal fluctuations and is therefore only drawn upon during parts of the year. In order to maintain this flexibility, essentially all debt in the group is based on floating interest rates.

Credit risk

The degree of credit risk will vary depending on the market segment in which the group operates. All credit will, as a general rule, be secured through credit insurance or other instruments. On a day-to-day basis the group monitors the risk associated with each individual customer and outstanding receivable and has recorded allowance for doubtful accounts that, at all times, are considered sufficient.

Liquidity risk

In the opinion of management and the board, the group has sufficient access to financing that safeguards business opportunities and freedom of action.

Equality and diversity

In its recruitment policy, Pelagia seeks to attract the best applicants for key positions, and we provide women and men equal opportunities for career development. The board emphasizes that there is to be no discrimination on the grounds of gender in matters such as salary, promotion, continuing education and recruitment.

Statement of social responsibility

The business of Pelagia mainly consists of three different business areas, Pelagia Food, Pelagia Feed and Pelagia Health. In practice all operations in Pelagia are connected to utilizing renewable raw material from fish. Pelagia's business model is designed with a circular economy and optimal utilisation of the raw material in mind. With the increased focus on sustainability and circularity we are continuing the work on developing new circular processes and improving the existing ones.

As seen in the illustration below all the divisions are working together to ensure the utilisation of all the raw material we collect.

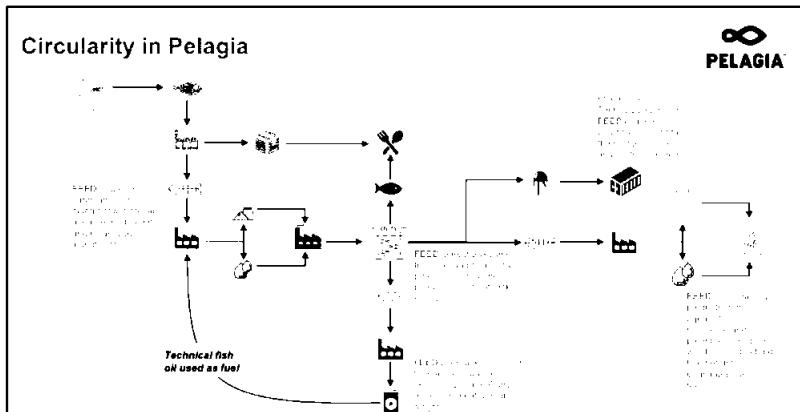


Figure 1: Illustration of some of the circular processes in Pelagia

External environment, climate risk and sustainability

Pelagia's operations involve handling and processing wild-caught fish and are dependent on a sustainably managed ocean. As a major player in fish processing, Pelagia has a responsibility to use this raw material in a sustainable and appropriate manner. Pelagia's vision is to use 100% of the fish.

To ensure access to the necessary raw materials in the future, Pelagia's focus is on adequately regulated and sustainable fishing. Pelagia buys all pelagic raw materials for Norwegian facilities through Norges Sildesalgslag while the factories in other countries mainly buy directly from the fishing vessels.

Pelagia is actively working to reduce emissions by targeting the use of fossil fuels at our meal and oil factories, and other projects. The work is threefold; increase process' energy efficiency, reuse energy, and use low emission fuel. The work to increase energy efficiency is a continuous effort.

Emissions

To understand and evaluate the emissions over time they are divided into four different business areas.

- Food – emissions related to the food division of Pelagia
- Feed – emissions related to the feed division of Pelagia
- Health – emissions related to the health division of Pelagia
- Vessels – emissions related to the boats owned by Pelagia

Table 1: Overview of GHG emissions in 2023

GHG emissions	Total tCo2e	Feed	Food	Health	Vessels
Direct Scope 1	96 182	79 680	183	137	16 182
Indirect Scope 2, market based	76 454	25 900	40 603	9 952	0
Indirect Scope 2, location based	6 755	3 415	2 964	377	0
Total Scope 1 and 2, market based	172 637	105 580	40 786	10 089	16 182
Total Scope 1 and 2, location based	102 938	83 095	3 147	514	16 182

High energy production of fishmeal and fish oil rely on fossil fuels and naturally allocate most emissions. This is also shown in the usage of different energy products across the areas. While Food and Health divisions mainly rely on electricity to run the production, Feed are consuming oil, propane, and gas. Pelagia has invested significant amounts in 2023 and the following years to reduce the use of fossil energy sources.

Table 2: Emissions per energy product for 2023.

Energy product	Total tCo2e	Feed	Food	Health	Vessels
Oil for heat/production	34 433	34 289	10	134	
Propane production process	19 367	19 367	-	-	-
Gas for heating/production	25 216	25 216	-	-	-
MGO fuel boats	16 182	-	-	-	16 182
Electricity (location-based)	6 755	3 415	2 964	377	-
Fuel cars/trucks	985	809	173	3	-
Total Scope 1 and 2 (location-based method)	102 938	83 095	3 147	514	16 182

In 2023 the Feed factories processed significantly more raw materials than 2022, while the quantities processed by Food was lower than in 2022. This change is visible in the emissions per kg of raw material in 2023 vs 2022 for. Food factories had higher emissions per kg in 2023 due to less raw material. Feed started several projects to reduce emissions, and combined with a higher quantity of raw material it has resulted in lower emissions per kg.

Division Health transitioned to relying mostly on electricity and has reduced their emissions per kg drastically.

The average emission per kg raw material in Pelagia is the same, this is due to the allocation of raw material between the divisions in 2023.

Pelagia's vessels have 0,039 kgCO₂e/kg transported materials in 2023. Due to lack of 2022 transport data it's not possible to compare with 2023.

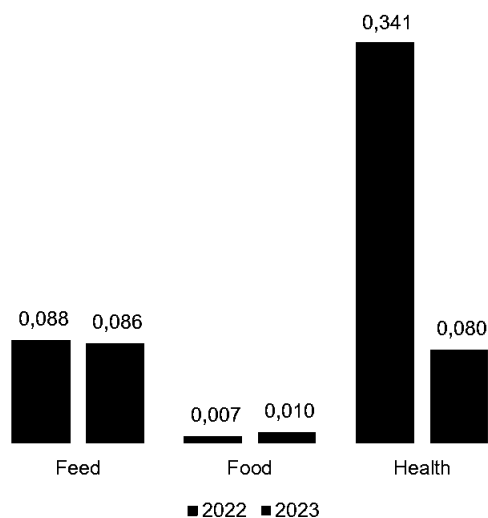


Figure 2: kgCO₂e per kg raw material

Table 3: Scope 1 and 2 emissions per processed kg raw material, calculated using location-based method.

Emissions per kg of processed raw material	Total	Feed	Food	Health
KgCO ₂ e per kg in 2023	0,067	0,086	0,010	0,080
KgCO ₂ e per kg in 2022	0,067	0,088	0,007	0,341

The emissions for 2022 are adjusted due to better data quality then reported in the 2022 annual report. The changes are mainly due to corrected conversion factors for some of the locations.

Table 5: Adjusted GHG-emissions for 2022

GHG emissions	Reported 2022	Adjusted 2022
Direct Scope 1	91 084	91 084
Indirect Scope 2, market based	63 646	64 376
Indirect Scope 2, location based	5 104	5 543
Total Scope 1 and 2, market based	154 730	155 460
Total Scope 1 and 2, location based	96 634	96 627

Pelagia is continuously working on its drying technology where it can make a real difference in the carbon footprint. The aim is to reuse energy and Pelagia has several projects ongoing, for example installing heat pumps to reuse energy. It is challenging to reach the high temperature necessary to dry raw material, but industrial heat pumps are increasingly becoming commercially interesting. Enova has made an important contribution to the work with testing and development of new technology. CO₂ neutral fuels are also being considered, including Pelagia's own technical fish oil that is not suitable for human consumption or animal feed (category 2 raw material). Several furnaces have already been rebuilt for this purpose.

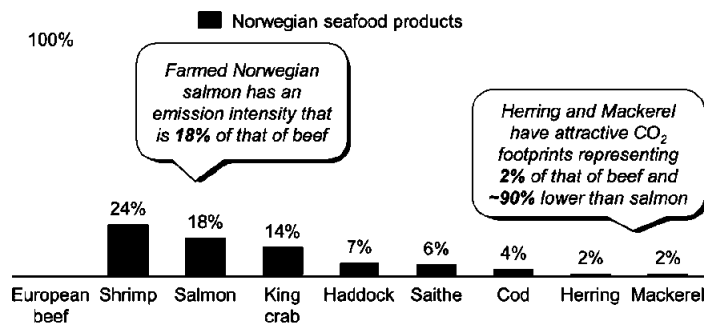
In 2023, the Djupvik location was ISCC certified for producing technical fish oil and concentrate from category 2 raw material. Several of the plants have already started transitioning from burning fossil fuel to climate neutral fish oil and will be able to reduce emissions. The energy intensive process of making fish meal and oil causes significant emissions, and switching to renewable energy sources for this process will reduce the emissions and have a positive impact on climate change.

Pelagia is working on an overall strategy for sustainability and wants to highlight where it can contribute. We have started measuring the company's carbon footprint for scope 1 and 2 and have implemented routines and systems for data collection.

Pelagia's level of activity will depend on the availability of necessary fish resources in the areas where the factories are located. Pelagia is also dependent on regulation of fisheries stock that can maintain sustainable and long-term quotas in the North Atlantic. This requires cooperation between coastal states to ensure sustainable utilization of fish resources in these areas.

The pelagic stocks have low CO₂ emissions when landing at Pelagia's facilities and we take responsibility for keeping this emission as low as possible all the way to the customer.

CO₂ emission of seafood at landing relative to European beef (relative greenhouse gas emissions at landing/slaughter per edible yield)



Source: SINTEF – Greenhouse gas emissions of Norwegian seafood products in 2017 (dated 2020)



Pelagia participates in the EU's PEFCR group for fish for human consumption (<https://www.marinefishpefcr.eu/about-us>). The group has developed a tool for calculating the environmental footprint at product level, and Pelagia has been testing the framework. The aim of the analysis is to test how the methodology can be used in our value chain and what needs to be revised for further use/standardization. The goal is that the environmental footprint will gradually become part of the competitive area for market participants, and that the information can be used in marketing/labelling to consumers when it has been implemented. It is of great importance to Pelagia that pelagic fish are competitive in the market compared to competitors, other fish species and aquaculture. Pelagia invests internal resources in this process both in the form of its own employees and consultancy services and has involved several of our partners to ensure good and correct information sharing in the future.

The Board also emphasizes that the Group has established environmental management and control systems so that the authorities' and the market's requirements for environmental standards are met at all times. Work is in process to stimulate environmental awareness among employees through training and information.

Although Pelagia's activity is linked to a renewable resource and is environmentally friendly compared to other food production, the company is ready to contribute to increased sustainability in its field, including reducing overall greenhouse gas emissions. In connection with this, Pelagia has specifically selected four of the UN's sustainability goals where the company wants to set specific operational goals for its activity. These four SDGs are Life in the Ocean (14), Responsible consumption and production (12), Decent work and economic growth (8) and Gender equality (5). The company will continue to work on concretizing measures related to these main goals.

In 2023 Pelagia conducted an internal double materiality assessment to determine where Pelagia has the greatest impact and what factors will be critical for Pelagia and its stakeholders. In 2024 this assessment will be improved with input from external stakeholders and finalized to be published in the 2024 annual report. This will also provide a better basis for creating KPIs and targets to show how Pelagia works with sustainability.

Pelagia has an ambition to put in place measurable, realistic, and timed goals for both long and short term. It's important to verify that the development is proceeding as desired and that measures have the intended effects. We are in the initial phase of this work and see the importance of continuously and prioritized effort.

Social conditions

Pelagia is focused on the social conditions in the company and has therefore chosen to commit to two of the sustainability goals that cover this area; Decent work and economic growth (8) and Gender equality (5).

Our production depends on access to raw materials, which are mainly wild-caught pelagic fish. Pelagic fishing is a seasonal activity.

Our food division is highly seasonal and dependent on workers willing to work on a seasonal basis. This means that the number of employees from one month to the next month will vary considerably at the



factories. The feed and health division on the other hand is highly automated and production runs throughout the year on a 24/7 basis. This requires employees working shift during the year.

Pelagia had 1.118 full-time man-hours in 2023 (1.130 full-time equivalents in 2022). The work relationship is controlled through national and local union agreements for more than 50% of our employees. The union agreements regulate both wages and guide the relationship between management and employee representatives.

One of the agreements between Pelagia and its labor unions is that Pelagia AS does not have a corporate assembly. The Board of Directors of Pelagia AS is therefore directly responsible to the General Meeting.

Work environment

Work environment and safety is an integrated mindset with us working in Pelagia. We are committed to ensuring that Pelagia and our workplace create health-safe products while we carry out our work operations safely. We are working systematically to ensure a safe work environment. There is established a risk mapping (risk analysis) of activities and work carried out and on the basis of this implemented measures to reduce risk where risk conditions are not acceptable.

Examples of risk reducing measures are requirement for protective gear for certain operations and jobs, change of tasks during a workday both for variety and reduction of exposure to certain environment risk. On the job training and awareness of health and safety measures are conducted minimum on an annual basis at our production facilities.

We have a target of zero accidents in Pelagia, but unfortunately we are not there yet. We are committed to continuous improvement within health and safety. Focus on awareness and to follow procedure are important preventive measures. The number of incidents in the table below:

	Target	2023	2022
Number of First Aid Injuries	-	31	23
Number of Medical Treatment Injuries	-	12	23
Number of Lost Time Injuries	-	16	31

We are pleased to see that the numbers of incidents have declined in 2023 compared to 2022. Absence due to sick leave has a small decrease from 3,71% in 2023 compared to 3,78% in 2022. In 2023 there was a factor of lost time injuries of 7,34 in Pelagia compared to 14,06 in 2022. The relative low level of sickness absence compared with other business sectors must partly be seen in conjunction with seasonal fluctuations in production.

The annual well-being survey gives Pelagia an overview of how the employees experience the workplace. The working environment in Pelagia is good. The survey revealed focus areas where measures have been followed up during 2023. Focus on communication both on a corporate level with information and corporate tools have been improved. In addition, there has been an extra focus towards the follow up between managers and their employees through reviews and interviews.



Gender and equality

The Board of Directors has adopted a code of conduct setting out standards of conduct for the company and its employees, last revised in June 2022. The ethical guidelines describe, among other things, what the Group believes constitutes proper behavior towards both employees and external parties. Pelagia, for example, will not accept conduct that discriminates against people on gender, ethnicity, religion or sexual orientation. The aim of the guidelines is to highlight the company's zero tolerance for discrimination on the basis of, for example, age, gender and educational and occupational background. Our report on Equality and Anti-Discrimination Act is published on our website (www.pelagia.com).

Of the proportion of employees, 30% were women and 70% were men in 2023. The proportion of women is 20% among senior personnel, and the top management group consists of men only. There is not set a target to increase the level of female proportion of the senior personnel. However, where qualifications are equal, the sex with lowest representation will be chosen.

In its recruitment policy, Pelagia wishes to attract the best applicants to key positions and we give all genders equal opportunities to develop their careers. The Board emphasizes that there shall be no discrimination on the basis of gender in matters such as salary, promotion, continuing education and recruitment. Measures to improve more female applicants are taken by attending educational fairs where we can market the many opportunities for all genders in different positions in Pelagia.

The board consists of seven people – one woman and six men.

Ensuring compliance with human rights and combating corruption and discrimination

Pelagia has many suppliers and customers in different industries and parts of the world. As part of the work in connection with the Transparency Act, new procedures have been adopted for dealing with both new and existing suppliers. It sets even stricter requirements for how relevant companies must document and sign that they adhere to Pelagia's "Code of Conduct", which is based on the OECD's guidelines. Suppliers will also be categorised according to risk, in order to identify which suppliers require closer follow-up. From there, Pelagia will work structured to research suppliers from those categorized as highest risk to lowest.

The Transparency Act went into effect on July 1, 2022. Pelagia has begun mapping value chains, categorization is being worked on, and new procedures have been produced for dealing with third parties. Due diligence will be carried out in connection with our value chains. Pelagia will publish an updated account of our due diligence in 2023 by 30.06.2024. This will be made available on the company's website alongside the report for 2022 www.pelagia.com.

In addition, new guidelines have been drawn up and implemented to review both new and existing customers based on given risk factors. A more detailed description of these guidelines can be found in the account of our due diligence.

A risk assessment is also made based on industry, product and location to ensure that we clarify relevant risks and handle this in a good way to help ensure that human rights violations, corruption, or bribery do not take place in Pelagia's value chain.

It is based on the ethical guidelines that Pelagia has a zero-tolerance policy towards corruption and bribery, these are available on the website and distributed to all employees upon employment.



Information about Pelagia's guidelines in this area is also included in the Code of Conduct intended for partners.

EU-Taxonomy

On the 1st of January 2023, a new Norwegian law on sustainable finance entered into force and with this the taxonomy regulation (EU) 2020/852 developed by the EU. The report has been prepared at a consolidated level for Pelagia Holding AS with its subsidiaries, corresponding to the rest of the information in the annual report and will be published on Pelagia.com in its own document.

Disposition of results

The disposition of results below applies to Pelagia Holding AS which is the holding company in the Pelagia Group. Net financial results mainly consist of recognized dividends and group contributions from subsidiaries, as well as interest expenses. In addition to shares in subsidiaries and the group's financing, assets and liabilities mainly consist of receivables and liabilities to subsidiaries. The equity was 23,3 % per. 31.12.2023 (23,2 % as of 31.12.2022).

Allocation of the annual result in Pelagia Holding AS:

Annual result:	TNOK	545 137
Provisioned dividend:	TNOK	400 000
Transferred to other equity:	TNOK	145 137

The Board is not aware of any events after the closing of the annual accounts that have a significant impact on the assessment of the accounts for 2023.

The company's prospects

Pelagia has its own operations in Ukraine through the subsidiary Pelagia Ukraine LLC. Because of Russia's brutal invasion and warfare in Ukraine, the activity in the Ukrainian subsidiary is reduced to a minimum through 2022 and 2023. There are no material assets related to the activity in Ukraine in the balance sheet of the group.

In February 2024 Pelagia participated in a private placement in Blue Ocean Technology AS making Pelagia the largest shareholder in the company with 54,75% of the shares. Blue Ocean Technology AS has developed technical solutions for dewatering, concentration and drying of sludge, which the aquaculture industry has adopted. The company has also come a long way in developing technology for further downstream value creation of sludge.

In March 2024 Pelagia acquired 100% of the shareholding in Ideal Food Limited ("Ideal Foods") and its subsidiaries. Ideal Foods is an established trader, specialising in the production of fish, shellfish and co-products to a global market. In addition, Ideal Nutritional Foods, a subsidiary of Ideal Foods, is a dedicated B2B supplier of fish products for a number of leading baby food producers.

In April 2024 Pelagia acquired 100% of the shareholding in Charles Vial Ltd.



Pelagia has much of its sales in foreign currency and has an extensive use of currency futures to hedge its currency positions. With significant changes in the value of the Norwegian krone against e.g. USD, Euro and JPY can have significant accounting effects in the short term.

The group's ability to utilize its production capacities will depend on raw material supply in the North Atlantic, and hence the size of the global quotas that are distributed between the countries that have a share in the fishery resources. Overall, the outlook for the fisheries on which the group bases its operations is reasonably stable.

Demand for pelagic fish is relatively good, but the group has experienced challenges related to the fact that the traditionally largest herring markets such as Russia and Ukraine are gone or heavily reduced. The group is still banned from the Russian market. The markets have also been periodically affected by currency restrictions in some countries, which has also been a challenge in 2023. For fishmeal and fish oil, demand in the markets is also good, but prices and margins are affected by varying raw material quotas in South America.

The group buys all its raw materials at variable prices and sells finished goods on the world market. Thus, the company's finances are not directly linked to the development in market prices, but to the margin achieved through production. The challenges of achieving good margins are normally highest when prices in the market fall, as there is normally a long lead time from production to market.

The company has not entered into an agreement on board liability insurance.

The board emphasizes that there is uncertainty associated with assessments of future conditions.



Bergen, April 29th 2024

Helge Singelstad
Chairman of the Board

Arne Møgster
Board member

Helge Møgster
Board member

Gustav Witzøe
Board member

Helge Kårstein Moen
Board member

Arne Myklebust
Board member

Ragnhild Skåra
Board member

Egil Magne Haugstad
CEO



Statement from the Board of Directors and CEO

We declare, to the best of our knowledge, that the annual accounts for the period from January 1 to December 31, 2023, have been prepared in accordance with applicable accounting standards, and that the information in the accounts provides a true and fair view of the assets, liabilities, financial position, and overall results of the company and the group. We also declare that the annual report provides a true and fair overview of the development, results, and position of the company and the group, along with a description of the most significant risks and uncertainties facing the company and the group.

Bergen, April 29, 2024



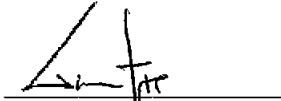
Helge Singelstad
Chairman of the Board



Arne Møgster
Board Member



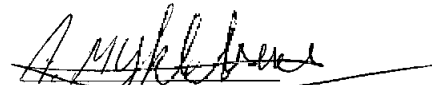
Helge Møgster
Board Member



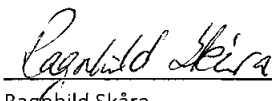
Gustav Witzøe
Board Member



Helge Karstein Moen
Board Member



Arne Myklebust
Board Member



Ragnhild Skåra
Board Member



Egil Magne Haugstad
CEO



Pelagia Holding AS

Consolidated income statement

Amounts in NOK 1.000 (period 01.01. - 31.12.)	Note	2023	2022
Sales revenue	4, 20	13 000 715	11 281 526
Change in inventories of finished goods	11	993 375	676 677
Raw materials and consumables used	20	8 377 367	7 333 708
Salaries and personell expenses	5	974 379	844 693
Depreciation	7, 8	417 723	354 688
Impairment	7, 9	41 355	-
Other operating expenses	5, 6	930 645	735 845
Operating profit		1 265 871	1 335 915
Finance income	17	16 548	-
Finance costs	17	255 365	175 748
Net finance		-238 817	-175 748
Profit before taxes		1 027 055	1 160 167
Income tax expense	16	240 661	257 046
Net profit		786 394	903 121
Profit is attributable to:			
Owners of Pelagia Holding AS		779 888	823 093
Non-controlling interests		6 506	80 028
Total		786 394	903 121

Consolidated statement of comprehensive income

Amounts in NOK 1.000 (period 01.01. - 31.12.)	Note	2023	2022
Profit for the period		786 394	903 121
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Currency translation differences		73 416	12 198
Hedging reserves, cash flow hedges	3	-93 550	89 469
Tax expense/(revenue)	3	-20 581	19 683
Total other comprehensive income for the period, net of tax		447	81 984
Total comprehensive income for the period		786 841	985 105
Total comprehensive income for the period is attributable to			
Owners of Pelagia Holding AS		772 893	907 614
Non-controlling interests		13 949	77 491
Total		786 841	985 105



Pelagia Holding AS

Consolidated balance sheet per 31.12.

Amounts in NOK 1.000	Note	2023	2022
Assets			
Non-current assets			
Other intangible assets	7, 9	91 021	104 605
Goodwill	7, 9	1 201 725	1 203 485
Total intangible assets		1 292 747	1 308 090
Land, buildings and other real property	8, 9, 19	1 776 131	1 588 927
Plant and equipment	8, 9, 19	1 678 273	1 649 616
Ships	8, 9, 19	222 414	248 117
Right-of-use leased assets	8, 18	102 073	83 627
Total property, plant and equipment		3 778 891	3 570 287
Investments in other shares		24 753	5 891
Other receivables	12	1 500	9 676
Total financial assets		26 253	15 567
Total non-current assets		5 097 891	4 893 944
Current assets			
Inventories	11, 19	3 601 463	2 608 088
Trade receivables	3, 12, 19, 20	965 827	1 246 786
Derivatives	3	99 225	139 059
Other current receivables	12, 19	108 482	128 244
Cash and cash equivalents	13	171 069	129 272
Total current assets		4 946 065	4 251 449
Total assets		10 043 956	9 145 393



Pelagia Holding AS

Consolidated balance sheet per 31.12.

Amounts in NOK 1.000	Note	2023	2022
Equity and liabilities			
Share capital	14	149 836	149 836
Share premium	14	1 347 615	1 347 615
Other equity		2 449 372	2 133 022
Non-controlling interests	15	198 610	178 119
Total equity		4 145 432	3 808 592
Liabilities			
Deferred tax liabilities	16	209 478	172 323
Employee benefit obligations		1 474	1 919
Derivatives	3	6 069	-
Total non-current liabilities		217 021	174 242
Liabilities to financial institutions	3, 17	2 427 385	1 821 756
Other long-term non interest bearing loan	3, 17	14 067	12 661
Bond loan	3, 17	895 860	893 700
Lease liabilities	3, 18	84 721	60 984
Total other non-current liabilities		3 422 032	2 789 101
First year's instalment non-current liabilities	3, 17, 18	257 222	229 504
Current portion of provisions for lease liabilities	3, 18	16 554	22 391
Current debt to financial institutions	17	1 073 851	1 220 427
Derivatives	3	4 638	8 549
Trade payables		398 859	396 834
Tax payable	16	157 093	155 546
Public duties owing		71 656	58 150
Other current liabilities	6	279 597	282 059
Total current liabilities		2 259 470	2 373 459
Total liabilities		5 898 524	5 336 801
Total equity and liabilities		10 043 956	9 145 393

Bergen, April 29, 2024

Helge Singelstad
Chairman of the board

Arne Møgster
Board member

Gustav Witzøe
Board member

Egil Magne Haugstad
CEO

Helge Arvid Møgster
Board member

Helge Karstein Moen
Board member

Arne Myklebust
Board member

Ragnvald Skåra
Board member



Pelagia Holding AS

Consolidated statement of changes in equity

Amounts in NOK 1.000	Equity to owners of Pelagia Holding AS						Non-controlling interests	Total equity
	Share capital	Share premium	Currency translation differences accumulated	Hedge reserve	Retained earnings	Total		
Equity 01.01.2022	149 836	1 347 615	167 185	-	1 321 516	2 986 153	181 765	3 167 918
Result for the period	-	-	-	-	823 093	823 093	80 028	903 121
Other comprehensive income	-	-	14 735	69 786	-	84 521	-2 537	81 984
Total comprehensive income for the period	-	-	14 735	69 786	823 093	907 614	77 491	985 105
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	85 570	85 570
Dividends paid	-	-	-	-	-250 000	-250 000	-	-250 000
Non-controlling interests buyout	-	-	-	-	-13 293	-13 293	-166 707	-180 000
Total transactions with owners and non-controlling interests	-	-	-	-	-263 294	-263 294	-81 137	-344 431
Equity 31.12.2022	149 836	1 347 615	181 920	69 786	1 881 316	3 630 473	178 119	3 808 592

Amounts in NOK 1.000	Equity to owners of Pelagia Holding AS						Non-controlling interests	Total equity
	Share capital	Share premium	Currency translation differences accumulated	Hedge reserve	Retained earnings	Total		
Equity 01.01.2023	149 836	1 347 615	181 920	69 786	1 881 316	3 630 473	178 119	3 808 592
Result for the period	-	-	-	-	779 888	779 888	6 506	786 394
Other comprehensive income	-	-	65 973	-72 969	-	-6 996	7 443	447
Total comprehensive income for the period	-	-	65 973	-72 969	779 888	772 892	13 949	786 841
Dividends paid	-	-	-	-	-450 000	-450 000	-	-450 000
Non-controlling interests buyout*	-	-	-	-	-6 542	-6 542	6 542	-
Total transactions with owners and non-controlling interests	-	-	-	-	-456 542	-456 542	6 542	-450 000
Equity 31.12.2023	149 836	1 347 615	247 893	-3 183	2 204 662	3 946 823	198 610	4 145 432

*) Concerns Pelagia Ukraine LLC. See note 15 and 21.

Dividend of 400 MNOK has been proposed for 2023. Dividend payments to Pelagia's shareholders are classified as liability from the date the dividend has been approved by the General Meeting.



Pelagja Holding AS

Consolidated statement of cash flow

All figures in NOK 1.000	Note	2023	2022
Cash flows from operating activities			
Result before tax expense		1 027 055	1 160 167
Adjusted for:			
- Depreciations	7, 8, 18	417 723	354 688
- Impairment	7, 9	41 355	-
- Taxes paid	16	-207 952	-86 919
- Interest expenses net	17	246 574	132 269
Change working capital:			
- Change trade receivables		280 959	-236 057
- Change inventories		-993 375	-676 678
- Change trade payables		2 026	64 390
- Change other accruals		17 097	-101 363
Net cash flow from operating activities		831 462	610 497
Cash flows from investing activities			
Acquisition of subsidiary	21	-	-47 754
Purchase of property, plant and equipment	8	-546 594	-450 361
Purchase of other intangible assets	7	-18 381	-25 141
Sale of property, plant and equipment	8	4 212	-
Net cash flows from investing activities		-560 763	-523 257
Cash flows from financing activities			
Raising of non-current liabilities	17	750 000	2 869 164
Repayment of non-current liabilities	17	-116 653	-2 440 620
Net change bank overdraft	17	-146 576	-34 493
Repayment lease liabilities	17, 18	-17 342	-16 819
Interest paid	17	-235 967	-120 837
Dividends paid to non-controlling interests		-	-180 000
Cash flow from purchase of shares in other companies		-12 365	-
Dividends paid to parent company's shareholders		-450 000	-250 000
Net cash flows from financing activities		-228 902	-173 606
Change in cash and cash equivalents net		41 797	-86 366
Net cash and cash equivalents as at 1st of January		129 272	215 638
Net cash and cash equivalents per 31st of December		171 069	129 272



Pelagia Holding AS

Note 1

Accounting policies

General information

All amounts are in NOK 1,000 unless otherwise stated.

Pelagia Holding Group ("Pelagia") is a group within production, sale and distribution of fish meal/fish oil and pelagic fish for consumption. Pelagia is an important party within pelagic sector in the North Atlantic. The main office is in Bergen, Norway.

Group structure

The consolidated financial statements comprise the parent company Pelagia Holding AS and the following subsidiaries and associated companies:

Subsidiary	Registered office	Parent Company	Owner share
Pelagia AS	Bergen	Pelagia Holding AS	100 %
Sirevåg Fryselager AS	Sirevåg	Pelagia AS	67 %
Mat Miljølaboratoriet AS	Måløy	Pelagia AS	100 %
Pelagia Technologies AS	Bergen	Pelagia AS	100 %
Pelagia Innovation AS	Bergen	Pelagia AS	100 %
Norsildmel Innovation AS	Bergen	Pelagia AS	100 %
Norsildmel Hellas Ltd	Athens	Norsildmel Innovation AS	100 %
Epax Norway AS	Ålesund	Pelagia AS	100 %
Epax Pharma Holding UK Unlimited	UK	Pelagia AS	83 %
Epax Pharma Holding UK Unlimited	UK	Epax Norway AS	17 %
Pelagia Denmark AS	Denmark	Pelagia AS	100 %
Pelagia Ukraine LLC	Ukraine	Pelagia AS	100 %
Pelagia Feed (Ireland) Ltd. *)	Ireland	Pelagia AS	100 %
Pelagia (UK) Ltd.	UK	Pelagia AS	100 %
Pelagia (Greenock) Ltd.	UK	Pelagia (UK) Ltd.	100 %
Pelagia Shetland Ltd.	UK	Pelagia AS	77 %
Pelagia Bressay Ltd.	UK	Pelagia AS	100 %
Projekt Skagen AS	Denmark	Pelagia AS	100 %
Hordafor AS	Austevoll	Pelagia AS	100 %
Arctic Protein EHF	Iceland	Pelagia AS	51 %
Karmsund Protein AS	Avaldsnes	Pelagia AS	51 %
Husøy Eiendom Karmøy AS	Kopervik	Karmsund Protein AS	100 %

Associated companies and joint venture	Registered office	Financial interest
TD Moreproduct	Ukraine	50 %

*) Pelagia Feed (Ireland) Limited, included in the consolidated financial statements of Pelagia Holding AS, has made use of the right to omit publication of the company accounts to «Registrar of Companies» in accordance with Section 357 i «the Companies Act 2014». The company has meets the requirements in section 357(a) to 357(h).



Pelagia Holding AS

Note 1 continues

Basis for preparation

Below are stated the principal accounting policies used in the preparation of the consolidated financial statements.

Framework for the preparation of the financial statements

The consolidated financial statements of Pelagia Holding AS have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU. For the presented consolidated financial statements there are no differences between IFRS® Accounting Standards as adopted by EU and IASB.

Assets and liabilities are measured at cost to the extent that other measurement bases are not required by accounting standards.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. Areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2 to the financial statements.

The consolidated financial statements have been prepared under the going concern assumption.

Revenue recognition

Revenue is measured at fair value of the consideration, net after deduction of discounts and value added tax. Revenue is recognised when it can be reliably measured, it is probable that the transactions will generate future economic benefits that will accrue to the company and the criteria described below have been fulfilled. Revenues from the sale of goods are recognised in the income statement when control have been transferred to the buyer. No special discounts are granted, the prices vary and are agreed for each individual delivery. Standard payment terms are used to the largest extent possible but may vary based on delivery terms and instrument of payment. Pelagia uses different Incoterms delivery terms to various customers. Recognition of revenue takes place at the time of delivery as defined in Incoterms for the actual delivery terms.

Sales orders for both pelagic fish for consumption and meal and oil are mainly transported by sea and by truck. Delivery terms most used are CIF (Cost Insurance Freight) and FOB (Free On Board). For both cases, transfer of risk and control ordinarily takes place as soon as the goods have been loaded on board the ship.

Consolidation and investment in associated companies

Subsidiaries

Subsidiaries are all entities over which Pelagia has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates

Associates are all entities over which Pelagia has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. The investment is recognised at acquisition cost on the date of acquisition. The carrying amount includes any implicit goodwill identified on acquisition. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.



Pelagia Holding AS

Note 1 continues

Foreign currency translation

The consolidated financial statements are presented in NOK, which is the functional currency of the parent company and the Group's presentation currency. All subsidiaries use local currency as their functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Share of result from associates are translated at average rate of exchange. Share of equity (including goodwill and excess values) are translated at the exchange rate prevailing on the balance sheet date. Translation differences are recognised in other comprehensive income.

Derivatives and hedging

Pelagia uses derivatives for hedging purposes. Forward exchange contracts are mainly used for such purposes. Derivatives are measured at fair value with value changes through profit or loss. The group does not apply hedge accounting for forward exchange contracts.

Derivatives designated as hedging instruments at fair value through other comprehensive income - hedge accounting

The Company designates certain financial power contracts as hedges of a specified risk associated with the cash flows of highly probable future power purchase transactions (cash flow hedges). At the inception of the hedge relationship, the company documents the financial relationship between the hedging instrument and the hedged item, including whether changes in cash flows of the hedging instruments are expected to offset changes in the cash flows of the hedged items. The entity documents its risk management objectives and strategy for undertaking its hedging transactions.

The effective part of changes in the fair value of derivatives that are designated and qualify as hedging instruments in cash flow hedges is recognised in the cash flow hedge reserve in equity. Unrealized gains or losses relating to the ineffective part are recognised immediately in the income statement and the net effect is included in other operating expenses.

Amounts accumulated in the hedging reserve in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss. When a hedging instrument expires, is sold or terminated, or when a hedging relationship no longer meets the criteria for hedge accounting, any accumulated deferred gain or loss and deferred hedging costs remain in the cash flow reserve until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred hedging costs are immediately reclassified from the cash flow reserve to profit or loss.

Realised gains and losses on derivatives designated as hedging instruments are included in other operating expenses in the income statement.



Pelagia Holding AS

Note 1 continues

New and amended standards implemented in 2023

The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to IFRS which have been implemented by the Group during the current financial year. Below we have listed the amendments in IFRS which have been applicable for the Group's 2023 financial statements:

- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 - International tax reform - pillar two model rules
- Amendments to IAS 1 - Disclosure of Accounting Policies and IFRS Practice Statement 2

These amendments have not had a material impact on the Group's consolidated financial statements in the current reporting period.

New standards and interpretations not yet adopted

The Group has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective. The Group will adopt new amendments and interpretations, if relevant, when they become effective. Below is a list of new amendments not yet effective:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.



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Note 2

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Inventories

Inventories are stated at the lower of acquisition cost and net realisable value. The prices of the Group's products are sensitive due to currency conditions, changes in purchase price, quotas and catch volume and other market related circumstances.

An estimate of net realisable value on the balance sheet date is performed by the sales department and is to a large extent based on realised prices in the market close to the balance sheet date. Factors like age and product quality are also emphasized in the assessment of net realisable value. A potential provision is also adjusted for uncertainty in expected sales prices, related to both market risk and turnover rates. See note 11 for information about impairment made at the balance sheet date.

Trade receivables

Trade receivables require use of judgements in the assessment of provision for bad debts. Provision is made when there are objective indicators that the Group will not receive settlement in accordance with original terms. See note 12 for further information about trade receivables.

Intangible assets and goodwill

Pelagia performs impairment tests for goodwill annually. Recoverable amounts from cash generating units have been determined based on calculations of assumed value in use. These calculations require the use of estimates and are further described in note 9.

Cash generating units

Pelagia has several production facilities in the consumption activity. Due to variations in quotas and seasonal production there may be excess capacity in production plants compared to the supply of raw materials. As number of plants and sites are of strategic importance for the supply and pricing of raw materials, the value of the plants has to be considered as a whole (and as part of a portfolio). Impairment tests of pelagic consumption plants at value in use are therefore made based on a portfolio mind of thinking. The plants are assessed as part of groups based on given criteria. The groups are considered separate cash generating units.

Goodwill is monitored at segment level, involving a group of cash generating units. Pelagia has identified three segments: FOOD, FEED and HEALTH for which annual impairment tests for goodwill is performed, see note 9.



Pelagia Holding AS

Note 3

Financial instruments and risk management

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. To some extent, the group uses derivative financial instruments to hedge certain risk exposures. The risk management is carried out by a central treasury department under policies approved by the board of directors.

a) Market risk

i) Currency risk

Currency risk arises when future commercial transactions or carrying assets and liabilities are denominated in a currency which is not the entity's functional currency.

The group is exposed to currency risk through cash flows in foreign currency. A substantial part of the turnover will normally be in foreign currency, while the expenses are mainly in Norwegian Kroner.

The war in Ukraine and the impact on the global economy, including on energy prices and inflation, may increase volatility and risk associated with currency sales.

Over time there is a correlation between market prices translated into Norwegian Kroner and the price of raw materials. Changes in market prices translated into Norwegian Kroner will therefore over time be reflected in the prices of raw materials and eliminate parts of the currency risk. In order to manage the currency risk arising from future transactions and recognised assets and liabilities, entities in the group use forward exchange contracts. Pelagia Group aims for all currency exposure arising from receivables and liabilities in foreign currency to be hedged 100%. For inventories, an assessment is made of the currencies in which future sales will be made, and around 50% of the estimated exposure is hedged from the time the goods are in stock. No direct cash flow hedges are made, other than for committed sales orders. The company has some investments in foreign subsidiaries where net assets are exposed to currency risk by translation.

The entities in the group have different functional currencies, the most important being NOK and GBP. Changes in foreign exchange rates that affect trade receivables, other receivables, and liabilities in currencies other than the entity's functional currency will have direct impact on the income statement at year end.

Currency position 31.12.	GBP (1000)	DKK (1000)	USD (1000)	EUR (1000)	JPY (1000)
Trade receivables	7 481	-	40 897	16 803	343 529
Prepayments	-	-	-	-	-1 000 000
Forward exchange contracts / derivatives	-6 000	-	-102 796	-68 566	-300 000
Net withdrawal overdraft facility	-33 196	-64 965	-30 833	-23 764	182 286
Total	-31 715	-64 965	-92 732	-75 526	-774 186

Trade receivables per currency (NOK 1.000)	2023	2022
GBP	96 757	103 054
DKK	-	29 364
USD	416 024	774 513
EUR	188 880	260 361
JPY	24 700	35 104
NOK	239 466	44 390
Total	965 827	1 246 786

Carrying value of derivatives are all mainly connected to different currency derivatives and financial electricity derivatives. Principally it concerns currency derivatives where the company sells currency. The group recognises currency derivatives at fair value with value change through profit or loss.

Currency derivatives (fair value in TNOK)	2023	2022
USD	70 044	36 357
JPY	2 209	1 022
EUR	26 274	-8 047
Others	698	-502
Total currency derivatives	99 226	28 830



Pelagia Holding AS

Note 3 continues

If NOK in relation to the following foreign currency was 10% higher as of 31 December 2023 and all other variables were constant, it would lead to the following effects on profit before tax:

10 % increase in NOK equals:	GBP	DKK	USD	EUR	JPY
Net impact on result before tax	-41 021	-9 798	-94 330	-84 895	-5 567

The impact is calculated based on Pelagia's exposure to foreign currency on working capital and derivatives. 10 % weakening in NOK against the same currencies will give the opposite impact on the pre-tax result.

Corresponding changes in foreign currency rates at year-end on other currencies have been estimated not to have material impact on the result.

ii) Price risk

Pelagia Group is exposed to price changes for its sold products. Pelagia Group is also exposed to risk related to prices of pelagic raw materials. The group does not apply raw material derivatives to reduce the price risk. Financial electricity derivatives are applied to reduce the price risk related to power, see separate section on cash flow hedges of forecast power purchase transactions.

iii) Interest rate risk

Pelagia's bank deposits and debt are subject to floating rate of interest. This involves that Pelagia is exposed to liquidity risk as a result of changes in the market interest rates. Pelagia does not apply derivatives to hedge from this liquidity risk. Pelagia's borrowings are to a large extent related to operations and vary in line with seasonal fluctuations and are differently drawn during the year. In order to maintain this flexibility Pelagia's debt is mainly based on floating rate of interest. Pelagia also has acquisition financing.

If the interest rates had been 1% higher (lower) during the year, with all other variables held constant, the pre-tax result would have been reduced (increased) by approx. MNOK 47,6 in 2023 as a result of floating interest rate on borrowings and deposits. Equity would have been reduced (increased) by approx MNOK 37,1 in 2023. Sensitivity analysis is based on net interest bearing debt at year-end. The simulation is only carried out for debt items that represent the main part of Pelagia's interest positions.

b) Credit risk

The degree of credit risk varies based on the market segment in which Pelagia Group operates. The main part of the sales to Japan and Far East and Africa is based on prepayment and other forms of guaranteed settlement, the counterparty risk is therefore low. In other markets, as Eastern Europe and EU it is necessary to sell shares of volume on credit in order to serve the markets. Pelagia has credit insurance with own risk for a large share of the customers, but will in periods be exposed without credit insurance for some of the customers. To handle risk, Pelagia has routines and systems for close follow-up of outstanding receivables. Internal credit limits have been established for customers where receivables are not secured through credit insurance. The internal limits are assessed based on the customer's financial position, history and any other factors. Pelagia's total credit exposure is mainly related to trade receivables. For further information, see note 12.

The group's credit risk at the balance sheet date can be summarized as follows:

Credit risk	2023	2022
Trade receivables at nominal value	991 981	1 304 221
Covered by credit insurance and cash against documents	-549 446	-1 137 771
Credit exposure trade receivables	442 534	166 450

Counterparty risk related to credit insurance company and banks that have provided Letter of Credit is considered to be low. There is a minimal credit risk associated to cash and cash equivalents of 171,1 MNOK as of 31.12.2023.

c) Liquidity risk

Pelagic industry is capital demanding due to natural seasonal fluctuations. Pelagia is therefore focusing on having sufficient access to financing that ensures business opportunities and flexibility.

The table below specifies Pelagia's financial liabilities that are not derivatives classified pursuant to the maturity structure. The amounts in the table are non-discounted contractual cash flows (including interests based on the current interest rate level).

Maturity profile financial liabilities	2024	2025	2026	2027	Later	Total
Bank loan	258 902	105 513	105 513	2 155 234	65 885	2 691 047
Bond loan*	-	900 000	-	-	-	900 000
Bank overdraft	1 073 851	-	-	-	-	1 073 851
Interest payments related to above loans	307 736	229 557	149 602	142 818	4 236	833 950
Leasing payments	16 554	12 643	12 476	9 237	160 348	211 258
Long-term not interest bearing loan	-	14 067	-	-	-	14 067
Trade payables and other liabilities	907 205	-	-	-	-	907 205
Total	2 564 248	1 261 779	267 592	2 307 289	230 469	6 631 377

*The bond loan has maturity in total in 2025.



Pelagia Holding AS

Note 3 continues

Capital management

Pelagia's objectives when managing capital is to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and other stakeholders and to maintain an optimal capital structure to reduce the capital costs. The group's current capital structure and key figures are considered to be at an acceptable level in relation to Pelagia's goals.

In order to improve the capital structure, Pelagia may adjust the level of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to repay borrowing.

The financing consists of rolling credit facility (RCF) of MNOK 2 450. In addition a current multi-currency credit facility of MNOK 1 700 has been established, this has been drawn by MNOK 1 074. The covenants consist of demands to equity ratio (30%) and interest cover ratio (4.0x) in the consolidated financial statements of Pelagia Holding AS. The multi-currency agreement is short term by nature, otherwise committed until 2027 as part of the same financing agreement as the RCF, renewed in November 2022 with maturity in 2027.

In addition the parent company in 2020 entered into a bond loan of MNOK 900 with maturity in 2025. There are covenants in the bond agreement related to equity ratio (30%) and interest coverage ratio (4.0x). The loan bears interest 3M NIBOR + 3,25%.

For the bank loan an adjustment of the covenant demand to interest cover ratio has been agreed in 2024. With effect from the date of change the demand to interest cover ratio is 2.5x.

Booked equity ratio and interest cover ratio are shown in the table below:

Equity ratio	2023	2022
Booked equity	4 145 432	3 808 592
Total assets	10 043 956	9 145 393
Equity %	41,3 %	41,6 %

Interest cover ratio	2023	2022
EBITDA	1 724 949	1 690 603
Net interest expenses	246 574	132 269
Interest cover ratio	7,0	12,8

Financial instruments

31.12.2023	Amortised cost	Fair value through profit and loss	Fair value over comprehensive income	Total
Assets				
Other investments	-	24 753	-	24 753
Other receivables	1 500	-	-	1 500
Trade receivables and other current receivables*	973 276	-	-	973 276
Currency derivatives	-	99 225	-	99 225
Cash and cash equivalents	171 069	-	-	171 069
Total	1 145 845	123 979	-	1 269 824
Liabilities				
Debt to credit institutions	3 758 458	-	-	3 758 458
Bond loan	895 860	-	-	895 860
Other long-term not interest bearing debt	14 067	-	-	14 067
Leasing liabilities	101 275	-	-	101 275
Financial derivatives - hedge accounting	-	-	4 638	4 638
Financial derivatives	-	6 069	-	6 069
Trade payables and other current liabilities	678 456	-	-	678 456
Total	5 448 116	6 069	4 638	5 458 823

*Trade receivables and other current receivables excl. of prepayments and public duties owing, cf. note 12.



Pelagia Holding AS

Note 3 continues

31.12.2022	Amortised cost	Fair value through profit and loss	Fair value over comprehensive income	Total
Assets				
Other investments	-	5 891	-	5 891
Other receivables	9 676	-	-	9 676
Trade receivables and other current receivables*	1 259 352	-	-	1 259 352
Currency derivatives	-	28 841	-	28 841
Financial derivatives - hedge accounting	-	-	101 669	101 669
Cash and cash equivalents	129 272	-	-	129 272
Total	1 398 300	34 732	101 669	1 534 701
Liabilities				
Debt to credit institutions	3 271 686	-	-	3 271 686
Bond loan	893 700	-	-	893 700
Other long-term not interest bearing debt	12 661	-	-	12 661
Leasing liabilities	83 375	-	-	83 375
Trade payables and other current liabilities	678 893	-	-	678 893
Total	4 940 315	-	-	4 940 315

*Trade receivables and other current receivables excl. of prepayments and public duties owing, cf. Note 12.

Assessment of fair value

The table below shows financial instruments at fair value according to valuation method. The various levels have been defined as follows:

- Level 1: Listed price in an active market for an identical asset or liability.
- Level 2: Valuation based on other observable factors than noted priced (used in level 1), either directly (price) or indirectly (derived from prices) for the asset or the liability.
- Level 3: Valuation based on factors not provided from observable markets (non-observable prerequisites).

31.12.2023

Assets / (liabilities)	Level 1	Level 2	Level 3	Total
- Currency derivatives	-	99 225	-	99 225
- Financial power contracts	-	-10 708	-	-10 708
- Other investments	-	-	24 753	24 753
Total	-	88 518	24 753	113 271

31.12.2022

Assets / (liabilities)	Level 1	Level 2	Level 3	Total
- Currency derivatives	-	28 841	-	28 841
- Financial power contracts	-	101 669	-	101 669
- Other investments	-	-	5 891	5 891
Sum	-	130 510	5 891	136 401

There were no transfers from level 1 to level 2 during the year.

The fair value of financial instruments traded in active markets is based on market prices at the balance sheet date. A market is regarded as active if the market prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The market price used for financial assets held by the group is the current bid price, for financial liabilities the current selling price is used. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, forward exchange contracts) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, then the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. For amortized cost assets and liabilities, the book value is considered to be approximately equal to the fair value.



Pelagia Holding AS

Note 3 continues

Cash flow hedges of forecast power purchase transactions

The group designates certain derivatives as hedges of a particular risk associated with the cash flows of highly probable forecast power purchase transactions (cash flow hedges).

Pelagia Group hedges its exposure to the variability of a future transaction of electricity by entering into financial contracts with the electricity supplier for a predetermined delivery price of an agreed volume of electricity in the future.

The Nordic system price is the main reference price in the Nordic electricity market, with area prices to a varying degree correlating to the system price. Management has considered the market structure and concluded that the system price can be characterized as an identifiable and measurable component of the power price. In general, a change in the system price will cause a change in the price in all price areas and will also impact the pricing of long-term contracts in all areas. In addition, most market participants develop expectation of future prices estimating future system price and area differentials individually. This implies that the system price is an identifiable risk component in the future purchase of electricity. The hedged item is the market price of the total expected power purchases, which exposes the company to profit risk from changes in future cash flows.

Pelagias hedging instrument is forward contracts on power mainly on NASDAQ's Nordic Power Market, and some bilaterally. The forward contracts are both system hedges, which intends to hedge the system price component of the total expected power purchase, and area hedges, which intends to hedge the area price of expected power purchases in the relevant price area.

Gains/losses on hedging of consumed electricity are settled monthly on electricity invoices at the hedging rate against the Nord Pool rate. The value of future power hedges are measured based on the market price on NASDAQ.

The Group aims to have a hedge ratio of between 60-80% of expected consumption per year, actual power purchase volume will therefore always be significantly higher than the total volume in the hedging instruments, due to this there will be no consumption effects causing inefficiencies.

Hedge effectiveness is measured by comparing the relationship between the change in value of the hedging instrument (the power hedge) and the change in value of the hedged item (the power price), where there should be an expectation that the value of the hedging instrument and the value of the hedged item will systematically change in opposite directions as a result of changes in the hedged risk. This is measured by comparing the change in the average market price against the change in the hedging gain/loss in the same year. The change in market price should have a negative correlation with the hedging gain/loss. The company has calculated an average hedge effectiveness of 88% over the last two years, which is used as a basis for recognition as at 31.12.2023. The effective portion of the change in value is recognized as a separate component of equity, while the ineffective portion is recognized in the income statement on an ongoing basis. Unrealized loss on open hedging transactions as of 31.12.2023 is MNOK 4,6, where the change in the effective part (88%), loss of MNOK 93,5 is recognised in OCI and change in the ineffective part (12%) loss of MNOK 12,7 is recognised in the income statement. Average hedged price is 52,82 EUR/mwh as of 31.12.2023 (31.12.2022: 61,41 EUR/mwh).

The accounting implications of hedge accounting for the period is summarized in the table below. As of 31.12.2023 hedged volume consists of contracts entered before 01.01.2023, with the last part of the remaining contracts expiring in 2024, and thereby closing out the remaining OCI positions.

Fair value of hedging instruments where hedge accounting is applied

	Fair value hedge instrument	Effective portion in OCI	Ineffectiveness in P&L	Hedged volume 2024*	Hedged volume 2025*
31.12.2023					
Cash flow hedge of highly probable power purchase	-4 638	-4 082	-557	25	-

	Fair value hedge instrument	Effective portion in OCI	Ineffectiveness in P&L	Hedged volume 2023*	Hedged volume 2024*
31.12.2022					
Cash flow hedge of highly probable power purchase	101 669	89 469	12 200	88	98

* Volum in GWh

Change in fair value of hedging instruments where hedge accounting is applied

	2023	2022
Cash flow hedge of highly probable power purchase		
Ineffective portion, recognised in P&L, total	-12 757	12 200
Effective portion, recognised in OCI, total	-93 550	89 469
Change in fair value, total	-106 307	101 669
Deferred tax effective portion, recognised in OCI	-20 581	19 683
Effective portion, recognised in OCI, net of tax	-72 969	69 786

Reconciliation hedging reserves in other comprehensive income

	2023	2022
Opening balance 1 January	69 786	-
Effective portion of unrealised change in fair value of hedging instruments	-80 589	116 665
Realised (gains) and losses reclassified to profit or loss	-12 961	-27 197
Deferred tax (income)	-20 581	19 683
Closing balance 31 December	-3 184	69 786



Pelagia Holding AS

Note 4

Sales revenues/segment information

Operating segments

Pelagia's activities are divided into three segments; meal/oil (Feed), consumption (Food) and omega-3 (Health). The segment reporting is followed up by the Board of Directors as the top decision-maker.

Meal/oil (Feed)

The meal- and oil activity comprises production of fish meal, fish oil and concentrate of fish protein. The products are mainly sold to the aquaculture industry nationally.

Consumption (Food)

The consumption activity consists of receipt and processing of pelagic fish for consumption. Pelagic fish for human consumption is mainly frozen mackerel, herring and capelin caught with closing net or trawl in the Norwegian Sea and the North Sea. The company has production plants spread along the Norwegian coast. The fish is mainly subject to global export.

Epax (Health)

The activity consists of production of high-concentrate omega-3 ingredients. The product is used as ingredient for leading brands within food supplements and pharmaceutical products. Production plant for the activity is located in Ålesund. The product is mainly subject to global export.

Segment information	2023				2022			
	Food	Feed	Health	Total	Food	Feed	Health	Total
External operating income	5 590 190	6 620 943	789 583	13 000 715	5 563 573	5 075 736	642 217	11 281 526
Other gains	-	-	-	-	-	-	-	-
Total operating income	5 590 190	6 620 943	789 583	13 000 715	5 563 573	5 075 736	642 217	11 281 526
Cost of goods	4 854 412	4 521 623	362 118	9 738 153	4 687 719	3 364 098	301 251	8 353 068
Contribution margin	735 778	2 099 320	427 465	3 262 562	875 854	1 711 638	340 966	2 928 458
Indirect wages	235 762	288 602	82 604	606 967	198 250	226 018	77 743	502 010
Indirect operating expenses ex. depreciation	242 014	619 496	69 135	930 645	216 353	468 271	51 222	735 845
Operating result before depreciation EBIT	258 002	1 191 221	275 726	1 724 949	461 251	1 017 349	212 002	1 690 603
Income recognition related to acquisition	-	-	-	-	-	-	-	-
Impairment	-	41 355	-	41 355	-	-	-	-
Depreciation	148 135	241 169	28 419	417 723	128 287	202 928	23 472	354 687
Operating result EBIT	109 867	908 697	247 307	1 265 871	332 964	814 421	188 530	1 335 915
Net interest	732	-208 258	-39 049	(246 575)	-878	-106 409	-24 938	(132 224)
Result from associated company	-	-	-	-	-	-	-	-
Other financial items	2 935	11 321	-6 497	7 759	-20 261	-4 726	-18 536	(43 523)
Result before taxes	113 534	711 760	201 761	1 027 055	311 825	703 286	145 056	1 160 167

Sales revenues distributed

on geographical markets	Food	Feed	Health	Total	Food	Feed	Health	Total
Norway	115 546	3 629 187	157 574	3 902 307	231 030	2 081 549	163 445	2 476 024
Europe for the rest	428 901	1 572 706	28 273	2 029 880	344 133	1 459 855	28 597	1 832 585
Europe EU	1 980 162	847 236	159 242	2 986 640	1 572 068	950 963	94 198	2 617 229
Asia	2 231 703	529 810	90 781	2 852 294	2 153 888	533 061	102 700	2 789 649
Africa	565 545	2 377	105	568 027	981 397	-	-	981 397
North-Amerika	264 754	39 626	255 630	560 010	280 180	46 534	234 880	561 594
Other	3 580	-	97 977	101 557	878	3 774	18 396	23 048
Total	5 590 191	6 620 942	789 582	13 000 715	5 563 574	5 075 736	642 216	11 281 526

Segment allocation

Raw material is either from external suppliers or internal transactions of cut-off from the FOOD segment. Internal transactions are reallocation of cost of goods and does not generate revenue, these internal transactions are valued based on minimum price from Norges Sildesalgslag. Intersegment revenue and related costs are eliminated in the above table. Intersegment revenue is MNOK 84,4 in 2023 (2022: MNOK 148,6) in the FOOD segment, there is no intersegment revenue in the other segments.

Group cost is allocated to the different segments by share of budgeted revenue, based on the assessment that revenue reflects the size of the segments and therefore is a fair indication of use of resources from the administration.

Non-current assets by geographical area	2023				2022			
	Other intangible assets	Goodwill	Property, plant and equipment	Other financial assets	Other intangible assets	Goodwill	Property, plant and equipment	Other financial assets
Home country (Norway)	91 021	822 017	3 141 268	7 485	94 150	822 017	3 095 026	15 515
Other countries*	-	379 708	637 623	18 768	10 455	381 468	475 261	52
Total	91 021	1 201 725	3 778 891	26 253	104 605	1 203 485	3 570 287	15 567

*Other countries mainly applies to the UK and Ireland

Major customers

One customer accounts for 13% of the consolidated sales, MNOK 1.743,2, all in the FEED segment. No other individual customer accounts for revenue that exceeds ten percent of consolidated sales.



Pelagia Holding AS

Note 5

Wage costs, full-time equivalents, remunerations etc.

Specification of wage costs	2023	2022
Wages	791 437	686 406
Payroll tax	101 829	86 371
Pension costs	76 212	61 565
Other benefits	4 901	10 351
Total	974 379	844 693

Average number of full-time equivalents	1 118	1 130
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Pension obligations

The pension schemes are generally financed through payments to an insurance company or pension funds determined by periodic actuary estimates. The Group has defined contribution plans. Per 31.12.2023 the Group has a defined benefit pension scheme of immaterial size. This scheme relates to entities entering the Group in 2019.

Remunerations for executive employees:	Other		
	Wages	Bonus	benefits
CEO - Egil Magne Haugstad	3 913	1 815	192
			5 919

The CEO has a profit-based bonus scheme calculated from the group's pre-tax result. Bonus is 0.5 % of pre-tax result reduced by MNOK 100. The bonus is limited upward to 50 % of ordinary annual salary including holiday pay. In case of notice the CEO is entitled to a severance pay corresponding to 6 months fixed salary. Mutual notice period for the CEO is 6 months.

No loan or other security has been granted to the board, the CEO or other related parties. There are no other profit sharing or options for the board or other related parties.

Shares owned by Board members and executive employees

The Board:

The Chairman of the Board, Helge Singelstad, owns shares indirectly through his ownership in Austevoll Seafood ASA. The Board members Helge Møgster and Arne Møgster own shares indirectly through their owner interests in Laco AS. Laco controls Austevoll Seafood ASA. Board member Gustav Witzøe owns shares indirectly through his ownership in Kvarv AS.

Executive employees:

CEO Egil Magne Haugstad owns shares indirectly through his ownership in Egersund Fiskeri Investering AS. Egersund Fiskeri Investering AS owns 26,63% of the shares in Kvefi AS.

Remuneration paid to the members of the Board of Directors

No Board of Directors' fee has been paid in 2023 or 2022.

Auditor:

Auditor's fees exclusive of vat.	2023	2022
Statutory audit	6 177	5 885
Other certification services	301	454
Tax consultancy	1 150	816
Services other than audit	444	526
Total	8 071	7 681

Note 6

Specifications

Other operating expenses	2023	2022
Variable lease, short-term leasing agreements and lease of assets of minor value	23 405	20 910
Repair and maintenance	280 606	184 788
IT-expenses	39 955	32 107
Bad debts	-1 834	7 758
Other expenses	588 512	490 283
Total other operating expenses	930 645	735 845

Specification of other current liabilities	2023	2022
Wages and public duties owing	82 650	79 860
Prepayments received*	72 330	112 119
Incurred costs	91 491	86 145
Other current liabilities	33 126	3 934
Total other current liabilities	279 597	282 059

*Concerns received prepayments from customers in the consumption segment (Food).



Pelagia Holding AS

Note 7

Intangible assets and goodwill

Intangible assets are recognised in the balance sheet if it can be demonstrated that probable future economic benefits may be generated that can be assigned to the asset that is owned by the Group and the cost price of the asset can be reliably estimated. Intangible assets are recognised in accordance with the cost method of IAS 38. Intangible assets whose useful life is indefinite are not subject to depreciation but can be written down if recoverable amount is lower than cost price. Intangible assets with limited useful life are depreciated using the straight-line method over their estimated useful lives. The depreciation estimate and depreciation method are subject to an annual review based on the economic realities.

Goodwill arises on the acquisition of an entity and constitutes consideration transferred less Pelagia's share of fair value of net identifiable assets and liabilities in the acquired entity. In addition goodwill may arise on acquisition if non-controlling interests are measured at fair value at the date of acquisition.

	Other intangible assets	Goodwill	Customer portfolio	Total
Intangible assets 2023				
Acquisition cost 01.01.2023	69 178	1 203 485	165 700	1 438 364
Translation differences	-	29 140	-	29 140
Additions	21 669	-	-	21 669
Acquisition cost 31.12.2023	90 847	1 232 625	165 700	1 489 172
Accumulated amortisation 01.01.2023	27 780	-	102 492	130 273
Amortisation	7 738	-	17 060	24 798
Impairment	10 455	30 900	-	41 355
Accumulated amortisation and impairment 31.12.2023	45 973	30 900	119 552	196 425
Book values 31.12.2023	44 873	1 201 725	46 148	1 292 746

Straight-line amortisation periods 5 years

	Other intangible assets	Goodwill	Customer portfolio	Total
Intangible assets 2022				
Acquisition cost 01.01.2022	58 054	1 197 752	165 700	1 421 507
Translation differences	-	5 733	-	5 733
Additions	11 124	-	-	11 124
Acquisition cost 31.12.2022	69 178	1 203 485	165 700	1 438 364
Accumulated amortisation 01.01.2022	17 860	-	80 379	98 239
Amortisation	9 920	-	22 113	32 034
Accumulated amortisation 31.12.2022	27 780	-	102 492	130 273
Book values 31.12.2022	41 398	1 203 485	63 208	1 308 090

Straight-line amortisation periods 5 years

Value of customer portfolio identified in the acquisition analysis in 2021 is based on expected earnings and estimated customer exit. This is reflected in the depreciation profile, which is degressive over a 10 year period.



Pelagia Holding AS

Note 8

Property, plant and equipment

Property, plant and equipment are recognised in accordance with the cost method of IAS 16. When assets are sold or disposed of any loss or profit resulting from the realisation are recognised in the income statement.

The carrying amount of replaced parts is recognised in the income statement. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

Plant in progress is classified as property, plant and equipment and recognised at incurred costs related to the asset. The plants are not depreciated before they are ready for use.

Depreciation period and depreciation method are reviewed annually to ensure that the method and period used are in accordance with the economic realities related to the asset. The same applies for scrap value. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Property, plant and equipment 2023	Land, buildings and other real property	Plant and equipment	Right-of-use leased assets	Ships	Total
Acquisition cost 01.01.2023	2 118 807	2 906 499	143 168	289 112	5 457 585
Translation differences	18 306	110 668	-	-	128 974
Additions	310 551	228 814	34 930	-	574 296
Disposal	-	-16 733	-	-660	-17 393
Acquisition cost 31.12.2023	2 447 664	3 229 249	178 098	288 452	6 143 462
Acc. depreciation and write down 01.01.2023	529 880	1 256 882	59 542	40 994	1 887 299
Translation differences	8 023	86 343	-	-	94 366
Depreciation	133 630	217 768	16 483	25 044	392 925
Depreciation on disposals	-	-10 018	-	-	-10 018
Acc. depreciation and write down 31.12.2023	671 533	1 550 975	76 025	66 038	2 364 572
Book values 31.12.2023	1 776 131	1 678 273	102 073	222 413	3 778 891
Straight-line depreciation periods:	10 - 50 years	2 - 20 years	4 - 8 years	20 years	



Pelagia Holding AS

Note 8 continues

Property, plant and equipment 2022	Land, buildings and other real property	Plant and equipment	Right-of-use leased assets	Ships	Total
Acquisition cost 01.01.2022	1 720 561	2 496 104	76 047	199 700	4 492 412
Translation differences	4 907	20 398	-	-	25 305
Additions	200 887	217 272	67 121	89 412	574 693
Acquisition business combination	192 450	171 839	-	-	364 290
Disposal	-	886	-	-	886
Acquisition cost 31.12.2022	2 118 807	2 906 499	143 168	289 112	5 457 585
Acc. depreciation and write down 01.01.2022	445 104	1 039 324	45 328	19 464	1 549 221
Translation differences	1 530	14 582	-	-	16 112
Depreciation	83 246	203 664	14 214	21 530	322 654
Depreciation on disposals	-	-689	-	-	-689
Acc. depreciation and write down 31.12.2022	529 880	1 256 882	59 542	40 994	1 887 299
					-
Book values 31.12.2022	1 588 926	1 649 617	83 626	248 117	3 570 287
Straight-line depreciation periods:	10 - 50 years	2 - 20 years	4 - 8 years	20 years	

Note 9

Impairment of non-financial assets

The recoverable amount is the higher of an asset's net selling price and value in use. The value in use is calculated by discounting expected future cashflows to present value by using pre-tax discount rate, reflecting the market's price setting of the time value of money and the risk related to the specific asset.

Recoverable amount at the balance sheet date is calculated annually for goodwill and assets whose useful life is indefinite. An impairment loss is recognised when carrying value of an asset or cash generating unit exceeds its recoverable amount. Impairment loss is recognised in the income statement.

For assets that are not mainly generating independent cash flows the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment calculated for cash generating units is divided so that carrying value of any goodwill in cash generating units is reduced first. Subsequently, the remaining impairment is distributed on the other assets in the unit proportionally based on carrying values.

The management assesses profitability within the segments consume (food) and meal/oil (feed) and omega-3 (health).

The following is a statement of allocation of book value of intangible assets.

Segment	Other intangible assets	Goodwill	Customer portfolio	Total
Feed	36 133	1 153 125	46 148	1 235 406
Food	-	48 600	-	48 600
Health	8 741	-	-	8 741
Total intangible assets	44 874	1 201 725	46 148	1 292 746

Goodwill is monitored at segment level, involving a group of cash generating units. Recoverable amount is calculated based on value in use, i.e. on budgeted future cash flows based on the budget for 2024 and prognoses to and inclusive 2028. After 2028 the terminal value is calculated based on prognosis for 2028.

Impairment of goodwill and other intangible assets in 2023 relates to Distral SA, a subsidiary sold in 2023.



Pelagia Holding AS

Note 9 continues

Climate risk

For Pelagia and Pelagia's value chain there are several relevant impacts, risks and opportunities related to the external environment, climate and sustainability. In the fall of 2023, the first phase of a double materiality analysis was carried out, to give insight in which impacts, risks and opportunities are relevant. Large parts of Pelagia's operations are handling and processing of wild caught fish and this makes the Group dependent on a sea that is managed in a sustainable manner. Pelagia's activities will depend on the availability of the necessary fish resources in the areas where Pelagia is established with its production facilities. Pelagia is also dependent on a regulated fishery stock that can maintain sustainable fishing quotas in the North Atlantic in the long term. It also requires sensible cooperation between coastal states to maintain sustainable exploitation of fisheries resources in these areas as well.

Changes in sea temperature can lead to changes in the swimming patterns of fish stocks, pelagic stocks swim in the open ocean and can move when necessary. This makes them more adaptable, but entirely dependent on the stocks being managed in a sensible way that does not lead to overfishing. To ensure that there is access to the necessary raw materials in the future, it is important to focus on sufficiently regulated and sustainable harvest. Pelagia buys practically all pelagic raw material through Norges Sildesalgslag, their supply is quota regulated to ensure sustainable harvest. The impairment test includes a reduction in expected volume as a result of sustainable harvest. It is expected that there will be sufficient catch volumes available in relevant local areas for Pelagia's facilities, this assumption is included in the assessment of the facilities useful life.

We have seen more and harsher extreme weather in recent years, and this may have an impact on Pelagias facilities. The risk due to extreme weather is closely monitored and preliminary indicators show that the risk of significant damage is low. Material investments as a consequence of more and harsher extreme weather is not expected.

Pelagia has no climate goals today that will lead to material investments.

There are no indications of regulatory requirements or climate risks that are expected to significantly affect the Group's financial position in the near future.

For a description of the Group's climate and sustainability work, see the Board of Directors' annual report.

Key assumptions used in the calculation of value in use:

	Feed	Food	Health
Budget period (year)	5	5	5
Growth rate terminal calculation	2,0 %	2,0 %	2,0 %
Required rate of return after tax (WACC)	8,2 %	8,2 %	8,2 %
Asset Beta	0,81	0,81	0,81
EBITDA-margin in budget period (average)	13,0 %	6,3 %	29,0 %
EBITDA-margin in terminal	13,0 %	6,7 %	32,9 %

In total Pelagia Group purchased approx. 1.4 mill tons of raw materials for its activities in 2023 compared to 1.3 million tons in 2022. The volume expectations in the budget period is for Feed reduced compared to 2023, for Food the budget period is at 2023 level. Overall the volume in the budget period is reduced compared to 2023. Calculation of terminal value is based on a total volume of 1.1 million tons.

EBITDA-margin in the terminal value is slightly higher than in the budget period, yet, for the two segments Feed and Food, the margin used in the terminal is below the actual margin achieved in the period 2019-2023.

Sensitivity analysis:

Estimated value in use is sensitive to changes in the assumptions, of which required rate of return and EBITDA-margin are the most important. The conclusion of the sensitivity analysis is that no impairment is needed in Feed, Food or Health based on an isolated change of assumptions, by:

- increase in required rate of return by 1% - point or
- reduced EBITDA-margin by 10%



Pelagia Holding AS

Note 10

Shares in associated companies - the equity method

Pelagia's share of profit or loss in associates is recognised in the income statement and is added to the carrying value of the investment. Pelagia's share of other comprehensive income in the associate is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables) Pelagia does not recognise further losses, unless Pelagia has incurred legal or constructive obligations or made payments on behalf of the associate.

Pelagia determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount adjacent to "Income from investment in associate" in the income statement.

Dilution gains and losses arising from investments in associates are recognised in the income statement.

Company	Classification	Business address	Owner- / voting share
TD Moreproduct	Associated	Nikolajev, Ukraina	50 %

Overview of profit share and book value	31.12.2022	Profit share	Disposal	31.12.2023
TD Moreproduct	-	-	-	-
Total	-	-	-	-

Note 11

Inventories

According to IAS 2, Inventories are stated at the lower of acquisition cost and net realisable value. Acquisition cost is determined using specific assignment. Pelagia does not consider the various production batches of fish or fish meal and fish oil to be directly interchangeable, because of the production date being an important characteristic for the product. Due to significant fluctuations in the market for raw materials this accounting principle involves that acquisition cost for different consignments has corresponding variability.

For finished goods and goods in progress acquisition cost consists of expenses for purchase of raw material, direct wage costs, other direct costs and indirect production costs (based on normal capacity). Borrowing costs are not included. Net realisation value is estimated selling price less variable costs for completion and sale.

Inventories	2023	2022
Raw materials	477 692	103 757
Goods in progress	163 276	209 103
Packing and supplements	205 120	136 880
Finished goods	2 815 763	2 219 293
Impairment of finished goods to net realisable value	-60 388	-60 946
Total	3 601 463	2 608 088
Book value of inventory impaired to net realisable value	391 214	105 903

Write-downs of inventories to net realisable value amounted to MNOK -0,5 (2022: MNOK 4,9). These were recognised as a reduction of expense during the year ended 31 December 2023 and included in cost of sales in the statement of profit and loss.



Pelagia Holding AS

Note 12

Trade receivables and other receivables

Trade receivables	2023	2022
Trade receivables at nominal value	991 981	1 304 221
Provision for bad debts on trade receivables	-26 154	-57 434
Trade receivables, net	965 827	1 246 786

Other current receivables	2023	2022
VAT receivable	35 024	76 733
Prepaid expenses	66 008	38 946
Other receivables, loans etc.	7 449	12 565
Other current receivables	108 482	128 244

Total current receivables	1 074 309	1 375 030
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Non-current receivables	2023	2022
Other loans	1 500	9 676
Total non-current receivables	1 500	9 676

Long-term loan is interest-bearing.

Age distribution trade receivables	2023	2022
Not due	272 481	950 997
< 30 days	170 442	216 102
30-60 days	393 473	54 798
> 60 days	155 585	82 324
Total	991 981	1 304 221

Age distribution of provision for bad debts	2023	2022
Not due	16 062	14 163
< 30 days	495	1 710
30-60 days	549	14 089
> 60 days	9 048	27 473
Total	26 154	57 434

Expected credit loss	2023	2022
Not due	5,89 %	1,49 %
< 30 days	0,29 %	0,79 %
30-60 days	0,14 %	25,71 %
> 60 days	5,82 %	33,37 %
Total	2,64 %	4,40 %

Change in provision for losses on trade receivables	2023	2022
Opening balance provision	57 434	60 414
Reduction due to losses finally recorded	-615	-12 343
Reduction due to reversal of previous provisions	-47 771	-20 598
Increase due to new provisions	17 105	29 962
Per 31.12	26 154	57 434

Expensed losses on accounts receivable	2023	2022
Established losses	615	12 343
Received on previously lost claims	38 424	-1 605
Change in provision loss receivables	-31 281	-2 980
Total	7 758	7 758

Trade receivables are partly secured through credit insurance and other types of insurance (letter of credit, goods against documents etc.) The management assesses monthly the risk in outstanding receivables and makes provision for any receivables exposed to loss. The provision for losses on trade receivables mainly comprises receivables that have become due and have not been secured through credit insurance or in any other way. Separate assessments are made of the risk related to each individual customer. In addition a general provision is made for risk in the accounts receivable.

See note 3 for specification and distribution of trade receivables in different currencies and further about credit risk.



Pelagia Holding AS

Note 13

Restricted funds	2023	2022
Restricted tax deductions	37 432	33 329
Total restricted funds	37 432	33 329

Note 14

Share capital, premium and shareholders' information

Share capital and premium	2023	2022
Number of shares	149 835 600	149 835 600
Nominal value (NOK)	1	1
Share capital	149 836	149 836
Premium	1 347 615	1 347 615
Total paid-in equity	1 497 451	1 497 451

Shareholder structure 31.12

	Holdings	Holdings
Austevoll Seafood ASA	74 917 800	74 917 800
Kvefi AS	74 917 800	74 917 800
Total	149 835 600	149 835 600

Note 15

Non-controlling interests

Equity - non-controlling interests

Subsidiary	Minority share	2023	2022
Karmsund Protein AS	49 %	129 147	112 450
Pelagia Shetland Ltd.	23 %	65 825	55 902
Sirevåg Fryselager AS	33 %	2 701	2 440
Artic Protein EHF	49 %	937	280
Distral S.A.	sold 2023	-	13 901
Pelagia Ukraine LLC	minority buy-out 2023	-	-6 542
P/F Biotech	sold 2023	-	-1 253
Lyngen Fabrikker AS	sold 2023	-	941
Total		198 610	178 119

Total comprehensive income for the year attributable to non-controlling interests

Subsidiary	Profit/(loss)	OCI	2023
Karmsund Protein AS	15 294	1 402	16 696
Pelagia Shetland Ltd.	4 512	5 411	9 923
Sirevåg Fryselager AS	369	-108	261
Artic Protein EHF	540	117	657
Distral S.A.	-14 210	309	-13 901
P/F Biotech	-	1 253	1 253
Lyngen Fabrikker AS	-	-941	-941
Total	6 506	7 443	13 949

Financial information related to the Group's subsidiaries with material non-controlling interests

TNOK excluding any consolidation entries

	Pelagia Shetland Ltd.		Karmsund Protein AS	
	2023	2022	2023	2022
Total revenue	820 379	560 108	527 875	391 193
Profit/(loss) for the year	19 618	9 316	31 114	-10 125
Total assets	302 616	255 267	508 623	533 440
Total liabilities	39 316	31 660	248 410	304 340
Net assets/(liabilities)	263 300	223 607	260 213	229 099



Pelagia Holding AS

Note 16

Current and deferred income tax

The tax expense comprises current and deferred tax. Tax is recognised in the income statement, unless it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by Pelagia and it is probable that they will not be reversed in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

OECD Pillar Two model rules

Pelagia Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation will come into effect from January 1, 2025. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the group is liable to pay a top-up tax for the difference between their effective tax rate per jurisdiction and the 15% minimum rate. All entities within the group have an effective tax rate that exceeds 15%, except for Pelagia Feed (Ireland) Ltd that operates in Ireland where the nominal tax rate is 12,5%.

For 2023, the average effective tax rate (calculated in accordance with paragraph 86 of IAS 12) of Pelagia Feed (Ireland) Ltd is 5%. Pelagia Feed (Ireland) Ltd has a profit before tax in 2023 of TEUR 1.753.

The group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment indicates for Pelagia Feed (Ireland) that the average effective tax rate based on accounting profit is 5% for 2023. However, although the average effective tax rate is below 15%, the group might not be exposed to paying Pillar Two income taxes due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with paragraph 85 of IAS 12. Also Ireland is expected to implement a top-up tax for entities in-scope, to reach the 15% effective rate.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there may still be Pillar Two tax implications. The entity is currently engaged with tax specialists to assist them with applying the legislation.

Tax expense of the year	2023	2022
Tax payable	157 093	155 546
Change in deferred tax	37 155	123 373
Too much, too little accrued last year/ currency effect tax payable last year	46 413	-
Tax liability from acquisition	-	-21 873
Tax expense in P&L	240 661	257 046
Tax expense in OCI	-20 581	19 683
Tax expense total	220 080	276 729



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Note 16 continues

Reconciliation of statutory tax rate to effective tax rate	2023	2022
Profit before tax	1 027 055	1 160 167
Income tax at statutory tax rate 22%	225 952	255 237
Impact of lower effective tax rate abroad	-1 868	2 952
Other differences	16 577	-1 143
Tax expense	240 661	257 046
Tax expense in OCI	-20 581	19 683
Tax expense total	220 080	276 729
Effective tax rate	23 %	22 %
Weighted nominal tax rate	22 %	22 %

Nominal tax rate for 2022 is 22% in Norway and Denmark, in UK and Ireland 19% and 12.5% respectively.

Specification of tax impact from temporary differences/losses carried forward:	2023	2022
Property, plant and equipment	216 448	179 554
Inventory	12 234	13 235
Receivables	-9 534	-12 636
Right-of-use leased assets	5 496	9 029
Lease liability	-5 321	-8 974
Pension liability	-189	-296
Other temporary differences	14 567	31 083
Losses carried forward	-24 224	-38 672
Total	209 478	172 323

Book value deferred tax	2023	2022
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Losses carried forward relates entirely to subsidiary Karmsund Protein AS, which is 51% owned and not in tax group with the rest of the group. The entity has taxable income in 2023 using one third of the loss carried forward, remaining loss carried forward is expected to be applied against future taxable income.

Specification of changes in deferred tax in the income statement:	2023	2022
Property, plant and equipment	36 894	115 467
Inventory	-1 001	4 321
Receivables	3 101	4 058
Right-of-use leased assets	-3 533	2 315
Lease liability	3 653	813
Pension liability	107	-3
Interests carried forward	-	4 020
Other temporary differences	-16 516	9 109
Losses carried forward	14 448	-16 726
Total	37 154	123 373

Change in book value deferred tax	2023	2022
Opening balance 01.01.	172 323	66 772
Recognised in the income statement in the period	37 154	123 373
Deferred tax asset from acquisition	-	-21 873
Other changes	1	4 050
Closing balance 31.12.	209 478	172 323

Tax payable in the balance sheet	2023	2022
Tax payable in the balance sheet 01.01.	155 546	113 828
Tax payable current year	157 093	155 546
Paid tax current year	-155 546	-113 828
Tax payable in the balance sheet 31.12.	157 093	155 546

Tax payable in the balance sheet 01.01.	155 546	113 828
Payment/ repayment of tax on advance	52 406	-26 909
Total taxes paid in the cash flow statement	207 952	86 919



Pelagia Holding AS

Note 17

Borrowings

Non-current	2023	2022
Bank loan	2 427 385	1 821 756
Bond loan	895 860	893 700
Lease liability	84 721	60 984
Total	3 407 966	2 776 440

Current

First year's instalment non-current liabilities	257 222	229 504
First year's instalment lease	16 554	22 391
Bank loan and current overdraft facilities	1 073 851	1 220 427
Total	1 347 627	1 472 322

*Bank loan and bond loan are recognised at amortised cost. Transaction costs are accrued according to the effective interest rate-method.

See note 3 for further information about financial risk management.

Carrying value and fair value of non-current borrowings:

Carrying value of Pelagia's borrowings is approximately equal to fair value, as the interest level reflects market conditions.

Interest terms:

Pelagia's interest terms are NIBOR plus margin. Margin is calculated based on equity ratio and the ratio between EBITDA divided on net interest expenses (interest coverage ratio).

Currency:

Pelagia's long-term debt is in NOK.

Corporate account arrangement:

Most companies in the group participate in a multi-currency corporate account arrangement where the parent company Pelagia Holding AS is the main account holder. All participants are jointly and severally liable for the outstanding at the corporate account arrangement at any time. The corporate account arrangement is a multi-currency drawing facility. Net deposits are presented as cash and cash equivalents. Any bank overdrafts at the balance sheet date are classified as current liabilities to credit institutions.

The group had the following currency exposure connected to the corporate account arrangement per 31.12.2023 (amount in 1000):

Currency	Currency amount	Exchange rate	
		31.12	NOK 31.12
NOK	26 036	1,0000	26 036
DKK	-64 965	1,5146	-98 396
EUR	-23 764	11,2915	-268 328
GBP	-33 196	13,0059	-431 743
JPY	182 286	0,0721	13 151
USD	-30 833	10,2025	-314 572
Total deposit on corporate account			-1 073 851

The balance on the group account is presented net in the balance sheet as a result of the net deduction on the group account scheme being considered to be a single financial instrument originating in a contract.



Pelagia Holding AS

Note 17 continues

Repayment profile interest bearing debt

	Bank loan	Bond loan	Lease liability	Overdraft facility	Total
2024	257 222	-	16 554	1 073 851	1 347 627
2025	103 833	895 860	12 643	-	1 012 336
2026	103 833	-	12 643	-	116 476
2027	2 153 833	-	9 570	-	2 163 403
2028	65 886	-	6 498	-	72 384
Later	-	-	43 367	-	43 367
Total	2 684 607	895 860	101 275	1 073 851	4 755 593

For further description of the group's financing, see note 3.

For summary of assets pledged as security and guarantees, see note 19.

Change in liabilities related to financing

	Bank loan	Bond loan	Lease liability	Overdraft facility	Total
31.12.2021	1 624 875	891 540	33 074	990 715	3 540 204
<i>Cash flow changes</i>					
Instalment leasing debt	-	-	-16 820	-	-16 820
Downpayment of debt	-2 437 500	-	-20 362	-	-2 457 862
Raising of new debt	2 869 164	-	-	-	2 869 164
Net change bank overdraft	-	-	-	229 712	229 712
Transaction cost	-8 400	-	-	-	-8 400
<i>Non cash changes</i>					
Raising of new leasing debt	-	-	87 483	-	87 483
Amortising of transaction costs	3 121	2 160	-	-	5 281
31.12.2022	2 051 260	893 700	83 375	1 220 427	4 248 762
<i>Cash flow changes</i>					
Instalment leasing debt	-	-	-17 342	-	-17 342
Downpayment of debt	-118 333	-	-	-	-118 333
Raising of new debt	750 000	-	-	-	750 000
Net change bank overdraft	-	-	-	-146 576	-146 576
<i>Non cash changes</i>					
Raising of new leasing debt	-	-	35 242	-	35 242
Amortising of transaction costs	1 680	2 160	-	-	3 840
31.12.2023	2 684 607	895 860	101 275	1 073 851	4 755 593

Specification of financial income and financial expenses

	2023	2022
Agio	16 548	-
Total financial income	16 548	-
Interest expenses borrowings	244 896	130 369
Interest expenses financial lease	1 678	1 857
Disagio	-	33 928
Other financial expenses	8 791	9 595
Total financial expenses	255 365	175 748
Total net financial items	-238 817	-175 748



Pelagia Holding AS

Note 18

Leases

Leases where the company has control of an identified asset when determining the use and receiving the financial benefits, are recognised in the balance sheet from the time the company gains control of the asset in accordance with IFRS 16. The lease liability is measured at the present value of future fixed lease payments corresponding to the associated right of use of the asset. The discount rate used is equal to the company's marginal borrowing rate. As basis for determining the lease term is used the irrevocable lease term adjusted for extension options that are reasonably certain that the company will exercise. Judgment is applied in assessing the discount rate and the probability of exercise of extension options. Each lease payment is allocated between interest expense and liability instalment. See note 3 for information about undiscounted lease payments.

Depreciation period for the right of use of assets is determined based on estimated useful life of the asset and the lease term and in accordance with Pelagia's other depreciation policies. Pelagia has chosen to make use of the recognition exceptions for short-term leases and leases where the underlying asset has low value. Leases with lease term twelve months or less have not been recognised in the balance sheet but recognised as expense directly in the income statement. The same applies for leases where the underlying asset has value lower than NOK 50 000. See note 6 for cost of short-term and low value leases. Pelagia's right of use assets are related to long term rental of offices and production facilities.

Carrying amount

The following amounts have been recognised in the company's balance sheet:

Right of use leased assets	2023	2022
Property, including production facilities	102 073	83 627
Total	102 073	83 627

Lease liabilities	2023	2022
Current	16 554	22 391
Non-current	84 721	60 984
Total	101 275	83 375

Maturity structure lease liability

Discounted cash flows	Property, incl.	
	Production facilities	Total lease liability
Less than 1 year (next year)	16 554	16 554
1-5 years	41 353	41 353
Over 5 years	43 368	43 368
Total lease liability	101 275	101 275

Items in the income statement - Depreciation and interest expenses

The income statement presents the following amounts related to the lease liabilities:

Depreciation related to right of use assets	2023	2022
Property, including production facilities	16 483	14 214
Total depreciation	16 483	14 214

Interest expenses

Interest expense on lease liability	1 678	1 857
-------------------------------------	-------	-------

Note 19

Mortgage- and guarantees	2023	2022
Book value of secured debt	3 758 458	3 271 686

Book value of mortgaged assets	2023	2022
Land, buildings and other real property	1 776 131	1 588 927
Plant and equipment	1 678 273	1 649 616
Ships	222 414	248 117
Receivables and other financial instruments	1 075 809	1 384 706
Inventory	3 601 463	2 608 088
Total	8 354 089	7 479 455



Pelagia Holding AS

Note 20

Transactions with related parties

Pelagia is owned 50% by Austevoll Seafood ASA and 50% by Kvefi AS (Pelagia is considered a joint venture between the two owners). The majority of transactions between Pelagia and its owners relate to purchase and sale of fish.

The following transactions were accomplished between related parties:

	2023	2022
a) Sale of goods and services		
- Austevoll Seafood ASA and its related parties	80 736	274 665
- Kvefi AS and its related parties	44 100	18 780
Total	124 837	293 446
b) Purchase of goods and services		
- Austevoll Seafood ASA and its related parties	265 313	151 387
- Kvefi AS and its related parties	111 006	-
Total	376 319	151 387
c) Trade receivable and trade payable balances		
Trade receivables related parties		
- Austevoll Seafood ASA and its related parties	-	-
- Kvefi AS and its related parties	-	60
Total	-	60
Trade payables to related parties		
- Austevoll Seafood ASA and its related parties	-	-
- Kvefi AS and its related parties	-	-
Total	-	-

There have been no material transactions with related parties other than those stated in the table above.

Note 21

Increased ownership in Pelagia Ukraine LLC

Pelagia AS has in 2023 acquired the remaining 28% of the company Pelagia Ukraine LLC from the minority owners and as of 31.12.23 owns 100% of the company. The acquisition has been made at fair value and no assets or liabilities have been identified that differ from the book value of the assets.

Sale of subsidiaries

Subsidiaries are deconsolidated from the date that control ceases. Any amounts previously recognised in other comprehensive income in respect for that entities are accounted for as if Pelagia had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

In 2023 Pelagia has sold its shares in Distral SA and Lyngen Fabrikker AS. P/F Biotech is liquidated in 2023. The results up until time of sale/liquidation are included in the consolidated financial statements for 2023. Shares in Distral were sold for a symbolic fee, goodwill and other intangible assets related to Distral SA is impaired in 2023, see note 7 and note 9. Shares in Lyngen Fabrikker AS were sold for MNOK 1,8.



Pelagia Holding AS

Note 22

Subsequent events

Acquisition of Ideal Food Limited

In March 2024 Pelaga has acquired 100% of the shareholding in Ideal Food Limited ("Ideal Foods") and its subsidiaries. Ideal Foods is an established trader, headquartered in Cornwall, United Kingdom, specialising in the production of fish, shellfish and co-products to a global market. In addition, Ideal Nutritional Foods, a subsidiary of Ideal Foods, is a dedicated B2B supplier of fish products for several leading baby food producers. The purchase price of the transaction is 11 MGBP, the purchase price allocation has not yet been completed.

Pelagia expects to account for this acquisition as a business combination under IFRS 3.

Investment in Blue Ocean Technology AS

Pelagia becomes the majority shareholder in Blue Ocean Technology following a private placement of 25 MNOK in January 2024. Pelagia will after the share issue in Blue Ocean Technology AS own 54,75% of the shares in the company. Blue Ocean Technology has developed technical solutions for dewatering, concentration and drying of sludge, which the aquaculture industry has adopted. The company has also come a long way in developing technology for further downstream value creation of sludge. The purchase price allocation has not yet been completed.

Pelagia expects to account for this investment as a business combination under IFRS 3.

New bond issue

In March 2024 Pelagia har completed a new senior unsecured bond issue of 1 000 MNOK with a tenor of 5 years, from March 2024 to March 2029. The bond has a coupon of 3 mnd NIBOR + 2,75% p.a.

Note 23

Other matters

Pelagia has its own operations in Ukraine through the company Pelagia Ukraina LLC. In 2021 Pelagia Ukraina had sales of approx. 85 MNOK. Due to Russia's brutal invasion and warfare in Ukraine, the activity in Ukraine is significantly reduced. At the end of 2023, there are no significant book assets in the company and there is thus no risk of loss related to the activity in Ukraine.

In common with many other companies, Pelagia has experienced higher costs related to energy, international freight, logistics and cost increases in general related to the operations during 2022 and 2023. Most of these seems to stabilize, but we still see that the political situation could affect costs such as f.ex. international freight costs and inflation also in 2024.



Pelagia Holding AS

Financial Statements 2023



Pelagia Holding AS

Income statement

Amounts in NOK 1.000	Note	2023	2022
Other operating expenses	2	4 556	2 146
Operating profit		-4 556	-2 146
Profit from investment in subsidiaries	3	735 000	400 000
Finance income	4	217 629	87 251
Finance costs	4	305 520	146 386
Net finance		647 109	340 865
Profit before taxes		642 553	338 719
Income tax expense	5	97 416	74 541
Net profit		545 137	264 179
Statement of comprehensive income			
Profit for the period		545 137	264 179
Comprehensive income		-	-
Total comprehensive income		545 137	264 179
Transfers:			
Allocated dividend		400 000	450 000
Transferred other equity		145 137	-185 822
Total transfers	6	545 137	264 179



Balance sheet per 31.12

Amounts in NOK 1.000	Note	2023	2022
Assets			
Non-current assets			
Investment in subsidiaries	3, 7	2 394 012	2 394 012
Loans to group companies	7, 8	643 936	607 487
Total financial assets		3 037 948	3 001 499
Total non-current assets		3 037 948	3 001 499
Current assets			
Other current receivables	6, 8	3 459 790	2 902 923
Cash and cash equivalents		-	2
Total current assets		3 459 790	2 902 925
Total assets		6 497 737	5 904 424

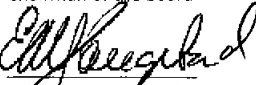


Balance sheet per 31.12


Amounts in NOK 1.000	Note	2023	2022
Equity and liabilities			
Share capital	6, 9	149 836	149 836
Share premium	6	1 222 878	1 222 878
Other equity	6	145 137	-
Total equity		1 517 851	1 372 714
Liabilities			
Deferred tax liabilities	5	2 328	3 172
Total non-current liabilities		2 328	3 172
Bond loan	7	895 860	893 700
Liabilities to financial institutions	7	2 343 560	1 691 880
Total other non-current liabilities		3 239 420	2 585 580
First year's instalment non-current liabilities	7	100 000	100 000
Current debt to financial institutions	7, 8	1 073 604	1 221 759
Trade payables		804	377
Tax payable	5	98 261	69 838
Dividend	6	400 000	450 000
Other current liabilities	7, 8, 10	65 470	100 983
Total current liabilities		1 738 138	1 942 957
Total liabilities		4 979 886	4 531 710
Total equity and liabilities		6 497 737	5 904 424



Helge Singelstad
Chairman of the board

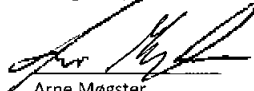


Egil Magne Haugstad
CEO

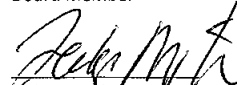


Arne Myklebust
Board member

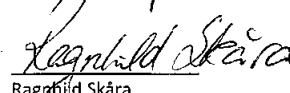
Bergen, April 25, 2024



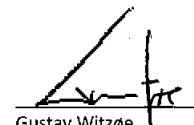
Arne Møgster
Board member



Helge Arvid Møgster
Board member



Ragnhild Skåra
Board member



Gustav Witzøe
Board member



Helge Karstein Moen
Board member



Statement of cash flow

All figures in NOK 1.000	Note	2023	2022
Cash flows form operating activities			
Result before tax expense		642 553	338 719
Adjusted for:			
- Taxes paid	5	-69 838	-49 340
- Dividends and group contribution recognised	3	-735 000	-400 000
- Interest expenses net	4	80 949	51 145
- Change trade receivables		427	208
- Change other accruals		-11	-117
Net cash flow from operating activities		-80 920	-59 385
Cash flows from investing activities			
Dividends and group contribution received		400 000	302 000
Interest received		216 250	85 877
Net cash flows from investing activities		616 250	387 877
Cash flows from financing activities			
Raising of non-current liabilities	7	750 000	2 796 881
Repayment of non-current liabilities	7	-96 160	-2 437 500
Net change bank overdraft	7	-148 156	296 612
Change net loans to subsidiaries	7	-304 424	-613 915
Interest paid	4	-286 592	-125 591
Dividends paid to shareholders		-450 000	-250 000
Net cash flows from financing activities		-535 332	-333 513
Change in cash and cash equivalents net		-2	-5 021
Net cash and cash equivalents as at 1st of January		2	5 023
Net cash and cash equivalents per 31st of December		0	2



Note 1 Accounting policies

General information

All amounts are in NOK 1,000 unless otherwise stated.

Pelagia Holding AS is the parent company in Pelagia Group. Pelagia is a group within production, sale and distribution of fish meal/fish oil and pelagic fish for consumption. Pelagia is an important party within pelagic sector in the North Atlantic. The main office is in Bergen.

Framework for the preparation of the financial statements

The financial statements of Pelagia Holding AS have been prepared in accordance with Regulation of January 21st 2008 on simplified application of International Financial Reporting Standards (simplified IFRS), hereunder the latest amendments to this regulation, Regulation of February 7th. 2022 with effect from January 1st 2022.

In accordance with the exception in §3-1 no 3 of the regulations, dividends and group contributions from subsidiaries are recognized in the same year in which the subsidiary allocates the amount. Statement of changes in equity is not included, note information of changes in equity is provided in accordance with the rules of the Norwegian Accounting Act.

The financial statements have been prepared under the going concern assumption.

Revenue recognition

Services are recognised as they are earned.

Classification of balance sheet items

Assets intended for permanent ownership or use are classified as non-current assets. Assets related to the supply chain are classified as current assets. Other receivables are classified as current assets if they are repayable within one year. Similar criteria are applied to liabilities.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include bank deposits and other short-term liquid investments that are readily convertible to known amounts of cash at an insignificant risk and have a remaining maturity of less than three months from the date of acquisition.



Note 2 Remuneration and other benefits

The company has no employees. The CEO is employed by the subsidiary Pelagia AS and receives a salary from there. No loans/guarantees have been granted to the CEO or Chairman of the Board. No Board of Directors' fee has been paid.

Auditor:

Auditor's fees exclusive of vat.	2023	2022
Statutory audit	1 071	1 070
Tax consultancy	734	45
Services other than audit	-	-
Total	1 805	1 115

Note 3 Subsidiaries

Investment in subsidiaries

The cost method is used for investments in subsidiaries. The cost price is increased when funds are added through a capital increase or when a group contribution is made to a subsidiary. Distributions received are initially recognized as income. Distributions that exceed the share of retained earnings after the acquisition are recognized as a reduction of the acquisition cost. Dividends/group contributions from subsidiaries are recognized in the same year in which the subsidiary allocates the amount.

Subsidiary	Registered office	Owner share	Equity (100 %)	Net profit (100 %)	Book value
Pelagia AS	Bergen	100 %	3 063 512	774 476	2 394 012
Total					2 394 012

Profit from investment in subsidiaries	2023	2022
Dividend	200 000	-
Group contribution	535 000	400 000
Total profit from investment in subsidiaries	735 000	400 000

Note 4 Specification of financial income and financial expenses

Financial income	2023	2022
Interest income corporate account arrangement	179 801	56 948
Interest from group companies on long term receivables	36 449	28 929
Other financial income	1 379	1 374
Total	217 629	87 251

Financial expenses	2023	2022
Interest expenses borrowings and corporate account arrangement	305 273	146 284
Other financial expenses	246	103
Total	305 520	146 386



Note 5 Tax

The tax expense in the income statement includes both the tax payable for the period and the change in deferred tax. Deferred tax is calculated at the current tax rate on the basis of the temporary differences that exist between accounting and tax values, as well as any tax losses carried forward at the end of the financial year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are offset. The recognition of deferred tax assets on net tax-reducing differences that have not been settled and losses carried forward is justified on the basis of expected future earnings. Deferred tax and tax assets that can be capitalised are recorded net in the balance sheet.

Tax on any group contribution received that is recognized as a reduction of cost or directly against equity is recognized directly against tax in the balance sheet (against tax payable if the group contribution effects tax payable and against deferred tax if the group contribution effects deferred tax).

The recognition of deferred tax assets on net unrecognized tax losses and tax losses carried forward is justified on the basis of expected future earnings. Deferred tax and tax assets that can be capitalized are recognized net in the balance sheet.

Deferred tax

Temporary differences	2023	2022
Interest carried forward	-	-
Other temporary differences	10 580	14 420
Net temporary differences	10 580	14 420
Losses carried forward	-	-
Basis for deferred tax / (tax asset)	10 580	14 420

Deferred tax / (tax asset) 22 % in the balance sheet

	2 328	3 172
--	-------	-------

Basis for tax expense, change in deferred tax and tax payable	2023	2022
Profit before taxes	642 553	338 719
Dividend received	-200 000	-
Other permanent differences	246	102
Basis for this years tax expense	442 799	338 822
Change in temporary differences	3 840	-21 377
Change in losses carried forward	-	-
Basis for tax expense in the financial statement	446 639	317 445
÷ Group contribution	-	-
Taxable income (basis for tax payable in the balance sheet)	446 639	317 445

Specification of the tax expense	2023	2022
Tax payable from this years profit	98 261	69 838
Too much, too little accrued last year	-	-
Tax payable total	98 261	69 838
Change in deferred tax / (tax asset)	-845	4 703
Tax expense	97 416	74 541

Reconciliation of this years tax expense		
Profit before tax	642 553	338 719
Income tax at statutory tax rate 22 %	141 362	74 518
Tax expense in the financial statement	97 416	74 541
Difference	-43 946	23

The difference consists of the following:

22 % of non taxable dividend	-44 000	-
22 % of other permanent differences	54	23
Total explained difference	-43 946	23

Note 6 Equity

Movement in equity	Share capital	Share premium	Other equity	Total
Equity 01.01.	149 836	1 222 878	-	1 372 714
Result for the period	-	-	545 137	545 137
Dividend	-	-	-400 000	-400 000
Equity 31.12.	149 836	1 222 878	145 137	1 517 851



Note 7 Receivables and liabilities

Receivables

Other receivables, both current and non-current, are stated at the lower of nominal value and fair value. Fair value is the present value of expected future cash flows. No discounting is applied when the effect of discounting is immaterial to the financial statements.

Receivables due in later than one year	2023	2022
Loan Pelagia AS	643 936	607 487

The loan is interest-bearing and instalment-free until 31.12.2025.

Liabilities

Liabilities, except of certain provisions for liabilities, are capitalized at the nominal amount of the liability.

Non-current liabilities	2023	2022
Bond loan	895 860	893 700
Liabilities to financial institutions	2 343 560	1 691 880
Total	3 239 420	2 585 580

Current liabilities

First year's instalment non-current liabilities	100 000	100 000
Current debt to financial institutions	1 073 604	1 221 759
Total	1 173 604	1 321 759

Liabilities to financial institutions and bond loan are accounted for at amortized cost. Transaction costs are accrued using the effective interest method.

Book value and fair value of non-current liabilities:

Book value of non-current liabilities is approximately equal to fair value, as interest rates reflect market conditions.

Interest rate:

Pelagia Holdings interest rate terms are NIBOR plus margin. Margin is calculated based on equity ratio and the ratio of EBITDA over net interest cost (interest coverage ratio).

Currency

Pelagia Holdings non-current liabilities are nominated in NOK.

Corporate account arrangement:

Most companies in the group participate in a multi-currency corporate account arrangement where the parent company Pelagia Holding AS is the main account holder. All participants are jointly and severally liable for the outstanding at the corporate account arrangement at any time.

The group had the following currency exposure connected to the corporate account arrangement per 31.12.2023:

Currency	Currency amount	Exchange rate	
		31.12	NOK 31.12
NOK	26 283	1,0000	26 283
DKK	-64 965	1,5146	-98 396
EUR	-23 764	11,2915	-268 328
GBP	-33 196	13,0059	-431 743
USD	-30 833	10,2025	-314 572
JPY	182 286	0,0721	13 151
Total deposit on corporate account			-1 073 604

The balance on the group account is presented net in the balance sheet as a result of the net deduction on the group account scheme being considered to be a single financial instrument originating in a contract.



Note 7 continues

Repayment profile interest bearing debt

	Bank loan	Bond loan	Overdraft facility	Total
2024	100 000	-	1 073 604	1 173 604
2025	100 000	900 000	-	1 000 000
2026	100 000	-	-	100 000
2027	2 150 000	-	-	2 150 000
Later	-	-	-	-
Total	2 450 000	900 000	1 073 604	4 423 604
Prepaid interest	-6 440	-4 140	-	-10 580
Total book value	2 443 560	895 860	1 073 604	4 413 024

Change in liabilities related to financing

	Bank loan	Bond loan	Overdraft facility	Total
31.12.2021	1 434 659	891 540	925 147	3 251 346
Repayment of debt	-2 437 500	-	-	-2 437 500
Raising of new loan	2 800 000	-	-	2 800 000
Transaction costs	-8 400	-	-	-8 400
Amortising of transaction costs	3 121	2 160	-	5 281
Net payment to corporate account	-	-	296 612	296 612
31.12.2022	1 791 880	893 700	1 221 759	3 907 339
Repayment of debt	-100 000	-	-	-100 000
Raising of new loan	750 000	-	-	750 000
Transaction costs	-	-	-	-
Amortising of transaction costs	1 680	2 160	-	3 840
Net payment to corporate account	-	-	-148 156	-148 156
31.12.2023	2 443 560	895 860	1 073 603	4 413 024

The financing consists of rolling credit facility (RCF) of MNOK 2 450. In addition a current multi-currency credit facility of MNOK 1 700 has been established, this has been drawn by MNOK 1 074. The covenants consist of demands to equity ratio (30%) and interest cover ratio (4.0x) in the consolidated financial statements of Pelagia Holding AS. The multi-currency agreement is short term by nature, otherwise committed until 2027 as part of the same financing agreement as the RCF, renewed in November 2022 with maturity in 2027.

In addition the parent company in 2020 entered into a bond loan of MNOK 900 with maturity in 2025. There are covenants in the bond agreement related to equity ratio (30%) and interest coverage ratio (4.0x). The loan bears interest 3M NIBOR + 3,25%.

For the bank loan an adjustment of the covenant demand to interest cover ratio has been agreed in 2024. With effect from the date of change the demand to interest cover ratio is 2.5x.

The covenants are met.

	2023	2022
Book value of secured debt	3 517 164	3 013 639
Book value of mortgaged assets	2023	2022
Investment in subsidiaries	2 394 012	2 394 012
Loans to group companies	643 936	607 487
Other receivables	3 459 790	2 902 923
Total	6 497 737	5 904 422



Note 8 Intercompany balances

Receivables from group companies	2023	2022
Non-current loans	643 936	607 487
Dividends and group contribution	735 000	702 000
Receivables from corporate account arrangement	2 724 603	2 200 747
Total	4 103 539	3 510 234

Liabilities to group companies	2023	2022
Liabilities from corporate account arrangement	38 466	84 586
Total	38 466	84 586

*Pelagia Holding AS is the main account holder for the corporate account arrangement. Group companies bank overdraft and deposits included in the corporate account arrangement are presented accordingly as current receivables and other current liabilities.

Note 9 Share capital

The share capital of NOK 149 835 600 is composed of 149 835 600 shares of NOK 1.

Shareholder structure 31.12	Holdings	Owner share
Austevoll Seafood ASA	74 917 800	50 %
Kvefi AS	74 917 800	50 %
Total	149 835 600	100 %

Note 10 Specification of current liabilities

Other current liabilities	2023	2022
Incurred interest	27 004	16 397
Corporate account arrangement overdraft	38 466	84 586
Total	65 470	100 983

Note 11 Subsequent events

There are no subsequent events that could have a material impact on the financial statements presented.



To the General Meeting of Pelagia Holding AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pelagia Holding AS, which comprise:

- the financial statements of the parent company Pelagia Holding AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Pelagia Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 11 years from the election by the general meeting of the shareholders on 31 May 2013 for the accounting year 2013.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Inventory has the same characteristics and risks as last year and continues to be a focus area this year.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Key Audit Matters	How our audit addressed the Key Audit Matter
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Valuation of Inventory

The Group's inventory comprises mainly products for consumption, fish meal and concentrated oils produced from pelagic fish. The inventories are distributed throughout multiple locations and countries, of which some are administered by independent third parties. At the balance sheet date, the book value of the Group's inventories was TNOK 3 601 463, equivalent to 36% of the Group's total assets.

The Group measures its inventories according to IAS 2 Inventories. Measurement according to IAS 2 implies valuation of inventories at the lower of acquisition cost and net realisable value. The Group's assessment of net realisable value is mainly based on realised prices in the market close to the balance sheet date. Factors like age and product quality are also emphasised in the assessment. A potential provision is adjusted for uncertainty in expected sales prices, related to both market risk and turnover rates. A provision of TNOK 60 388 was recognised at the balance-sheet date.

We focused on valuation of inventory because inventory is a substantial item in the balance sheet, and due to management's use of judgement in measuring its net realisable value.

See notes 2 and 11 to the consolidated financial statements for further information on management's valuation of inventory.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and

We obtained an understanding of the Group's policies and internal controls related to determining net realisable value of inventories, including assessing the need for provisions. We also examined whether the principles for calculating the provisions were applied consistently year-on-year.

We obtained and reviewed management's documentation of recognised provision. We tested the mathematical accuracy of the model. The reasonableness of key assumptions for net realisable value was evaluated by comparison to actual sales prices in the market close to the balance sheet date. Through discussions with management, we challenged their use of judgement relating to uncertainty of expected sale prices, because of market risk and turnover rates. Consistent use of principles year-on-year was also an important part of our discussions with management.

Our audit procedures did not uncover material misstatements relating to valuation of inventories.

We read the notes to the financial statements and found that the disclosures given were sufficient and appropriate.



- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, 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. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves 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 the Board of Directors 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Pelagia Holding AS, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name pel-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 29 April 2024

PricewaterhouseCoopers AS

Ole Martin Waage

State Authorised Public Accountant



Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
03.04.2024	04.03.2024	Lars Waalorp
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no	03597516/T006	90833418
Org.nr	Vår referanse	Postadresse
974761076	2024/5109833	Postboks 9200 Grønland 0134 OSLO

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS
Att.Kristoffer Gjøstein Sundal
Postboks 748 Sentrum
0106 OSLO
Norge

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Pelagia Holding AS, org.nr. 912 040 305

Vi viser til deres brev av 4. mars 2024 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Pelagia Holding AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Pelagia Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Pelagia Holding AS er eid av to norske selskaper, hvorav det ene er børsnotert og har en større andel utenlandske aksjonærer. Pelagia Holding AS er konsernspiss i et konsern som har virksomhet i blant annet Norge, Europa, Asia, Afrika og Nord-Amerika.

Konsernets kjernevirksomhet er produksjon av konsumprodukter av pelagisk fisk, i tillegg til produksjon av fiskemel, proteinkonsentrat og olje av både pelagisk fisk, hvitfisk og laks. Konsernet retter seg hovedsakelig mot bedriftsmarkedet, og det meste av norske produkter eksporteres til utlandet. Konsernets arbeidsspråk er en kombinasjon av norsk og engelsk.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:



"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet har profesjonelle eiere og er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.