



**Q3  
2024**

# **FINANCIAL REPORT Q3**



**PELAGIA<sup>®</sup>**

# Financial report

## Summary Q3 2024

- Revenues Q3 2024 4.199 (Q3 2023: 3.236)
- Earnings before interests, taxes, depreciations and amortisations (EBITDA) Q3 2024 515 MNOK (Q3 2023: 565 MNOK)
- Raw material volume Q3 2024 FOOD 120.006 t (Q3 2023: 84.001 t)
- Raw material volume Q3 2024 FEED 176.792 t (Q3 2023: 195.610 t)
- Profit before tax Q3 2024 327 MNOK (Q3 2023: 379 MNOK)
- Net interest bearing debt (NIBD) Q3 2024 5.549 MNOK (Q3 2023: 4.160 MNOK)
- Equity share Q3 2024 34,1% (Q3 2023: 38,9%)

Key group figures (Numbers in MNOK)	Q3-24	Q3-23	YTD-24	YTD-23	FY 2023
Revenues	4 199	3 236	10 072	8 794	13 001
EBITDA	515	565	1 110	1 282	1 725
EBIT	410	427	794	948	1 266
Profit before tax	327	380	523	755	1 027
NIBD*	5 549	4 160	5 549	4 160	4 483
Equity share	34,1 %	38,9 %	34,1 %	38,9 %	41,3 %

\* excluding leasing liabilities other than to credit institutions

Revenues for Q3 24 were 4.199 MNOK (Q3 2023: 3.236 MNOK). EBITDA was 515 MNOK in Q3 24 (Q3 2023: 565 MNOK). Profit before tax was 327 MNOK in Q3 24 (Q3 2023: 380 MNOK). YTD revenues were 10.072 MNOK as per Q3 24 (YTD Q3 2023: 8.794 MNOK). EBITDA were 1.110 MNOK as per Q3 24 (YTD Q3 2023: 1.282 MNOK). Profit before tax was 523 MNOK as per Q3 24 (YTD Q3 2023: 755 MNOK).

In Q3 24 Pelagia had an increase in raw material volume in the FOOD division compared to Q3 2023. The main explanation for the increase is a higher volume of both mackerel and north-sea herring vs last year. For mackerel the better availability in the Norwegian fishing zone explains the increase. Less mackerel will therefore be caught in Q4 in the UK fishing zone by the Norwegian fishing fleet. This is therefore mostly a timing issue. The demand seems to be good for the FOOD products through the current main season. The FOOD stock values have increased significantly through the high season due to very high prices especially for mackerel. The FOOD working capital will be reduced from a Q3 high season peak gradually towards the end of 2024 and into 2025. Based on the ICES recommendations it is expected that the mackerel quota in the North Atlantic will be reduced about 22% next year.

Pelagia generates revenue worldwide and, for the FOOD division in particular, Eastern Europe remains an important market. The current war in Ukraine increase the risk related to the operations in the FOOD division somewhat. As per today Pelagia has no material assets related to Ukraine recorded in the balance sheet. Further, due to the world economy challenges in 2024 it still seems to be a challenge in several countries to have access to f.ex USD for international payments. Following the landing obligations introduced in UK/Scotland a part of the raw material historically landed in Norway by UK/Scottish vessels now partly must be landed in UK/Scotland.

This increases the competition between the Norwegian bidders for raw material. Pelagia is present with factories in both markets.

The FEED division has a small decrease in raw material volume in Q3 24 vs Q3 23. This is explained by a scheduled maintenance in one of the FEED factories. Coming out of the El Niño situation in the Pacific the last anchovy fishing season in Peru gave a more normalised volume and a high oil yield. Due to the better production of oil, market prices for fish oil have weakened somewhat but we expect the price to stabilise into 2025. The current demand for fish meal is high and stocks are limited. We expect the FEED working capital to normalise further through Q4 with the delivery of the feed stock. The anchovy

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fishing quota in Peru is set at 2,51 million tons for the next season which is somewhat higher than expected. Still, there remains some uncertainty about the quota actually being caught. The potential impact on meal and oil prices are therefore also uncertain.

The market demand for the HEALTH division products has remained sound, also during 2024. With the increased catch and improved oil yields in Peru this last season we see lower raw material prices for oil to the Omega-3 market. With the reduction in prices we also see some uncertainty about price level in the Omega-3 market. With the 2021/2022 upgrade of the factory in Ålesund the HEALTH-division should be well prepared for the competition in the Omega-3 market. Further, the factory is also being prepared to produce oil-products based on North-Atlantic raw material which will broaden the market for the facility. With more raw material being available from Peru the stock level has increased significantly vs last year. A reduction is expected gradually until Q3 next year.

The Group's ability to utilise its production capacities depends on the supply of raw materials in the North Atlantic and thus the size of the global quotas that are distributed between the countries which have a share of these fish resources. The prospects for the fisheries on which the group bases its operations in total remain stable going forward. Still, short-term there can be variations in quotas and the available raw material. The long-term goal of Pelagia is to favour the sustainable management of the main fish stocks. At the moment Pelagia do not see a significant climate risk that should affect the fisheries and the related value of its assets. Still, long-term it could be a risk that the fisheries in the North Atlantic are impacted by climate changes.

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 have stabilised, but we still see that the political situation could affect costs such as f.ex. international freight costs and inflation also in 2024.

In March 2024 Pelagia issued a new unsecured 5-year 1000 MNOK bond. The bond had a coupon of 3m NIBOR + 2.75% p.a.

Pelagia paid out a dividend of 400 MNOK in May 2024 to the shareholders.

In January 2024 Pelagia participated in a share issue in Blue Ocean Technology AS and became the majority shareholder in the company. Blue Ocean Technology AS has developed technical solutions for dewatering, concentration and drying of sludge for the aquaculture industry. In June 2024 Pelagia took over 100% of the shares in Blue Ocean Technology.

Further, in March Pelagia acquired Ideal Foods Ltd. Ideal Foods is a specialist supplier of fish, shellfish and co-products. Ideal Foods works closely with fish processors and manufacturers to utilise seafood co-products in an innovative way that aims to utilise all material and ultimately add value. Also, Pelagia acquired Charlie Vial Ltd in April 2024. Charlie Vial Ltd specialise in manufacturing fish by-products into ingredients for the pet food industry.

In October, the group lost a court case in the District Court related to the delivery of wastes and by-products from production in the HEALTH division. Due to the development of the product portfolio, a smaller volume has been sold under contract to the buyer of by-products. Due to the reduction in the delivered volume under the contract, the company has been sentenced to pay the customer a compensation of NOK 53 million including costs and interest. Pelagia strongly disagrees with the verdict, which will be appealed. Pelagia will normally take full provisions for potential losses, but due to, in our opinion, several fact-based errors in this verdict our provisions do not cover the cost of the temporary verdict.

No other events have occurred after the balance sheet date that have material impact on the presented quarterly report.

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Bergen, 13 November 2024

Board of Directors and General Manager  
Pelagia Holding AS

Helge Singelstad  
Chairman of the Board

Arne Møgster  
Board Member

Helge Møgster  
Board Member

Gustav Witzøe  
Board Member

Helge Karstein Moen  
Board Member

Karoline Bjoland  
Board Member

Endre Sekse  
Board Member

Egil Magne Haugstad  
CEO

## Condensed consolidated income statement

NOK 1 000	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Revenues	2	4 198 820	3 236 387	10 072 426	8 793 525	13 000 715
Change in inventories of finished goods		-759 249	-1 134 337	-999 584	-720 085	-993 375
Raw materials and consumables used		-2 389 161	-1 145 767	-6 489 290	-5 539 487	-8 377 367
Salaries and personnell expenses		-297 725	-161 003	-773 498	-601 400	-974 379
Depreciation of fixed assets and intangible assets		-105 501	-97 120	-315 309	-292 237	-417 723
Impairment of fixed assets and intangible assets		-	-41 355	-	-41 355	-41 355
Other operating expenses		-237 216	-229 991	-700 482	-650 569	-930 645
<b>Operating profit</b>		<b>409 967</b>	<b>426 813</b>	<b>794 263</b>	<b>948 393</b>	<b>1 265 871</b>
Net finance		-83 444	-47 231	-271 525	-193 450	-238 817
<b>Profit before taxes</b>		<b>326 523</b>	<b>379 582</b>	<b>522 739</b>	<b>754 943</b>	<b>1 027 055</b>
Income tax expense		-74 671	-95 200	-115 374	-174 738	-240 661
<b>Net profit</b>		<b>251 852</b>	<b>284 382</b>	<b>407 365</b>	<b>580 205</b>	<b>786 394</b>
<b>Profit is attributable to;</b>						
Shareholders of the parent company		233 176	283 422	378 251	563 306	779 888
Non-controlling interests		18 676	960	29 114	16 899	6 506
<b>Total</b>		<b>251 852</b>	<b>284 382</b>	<b>407 365</b>	<b>580 205</b>	<b>786 394</b>

## Condensed consolidated statement of comprehensive income

NOK 1 000	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Result		251 852	284 382	407 365	580 205	786 394
Translation differences currency		43 418	-47 083	80 103	77 607	73 416
Gains on cashflow hedges net of tax		-	-25 264	-	-69 786	-72 969
<b>Comprehensive income</b>		<b>295 270</b>	<b>212 035</b>	<b>487 468</b>	<b>588 026</b>	<b>786 841</b>
<b>Allocation of comprehensive income:</b>						
Shareholders of parent company		273 165	214 037	460 403	564 801	772 892
Non-controlling interests		22 105	-2 003	27 065	23 225	13 949
<b>Total</b>		<b>295 270</b>	<b>212 035</b>	<b>487 468</b>	<b>588 026</b>	<b>786 841</b>

## Condensed consolidated balance sheet

NOK 1 000	Note	30.09.2024	30.09.2023	31.12.2023
<b>Assets</b>				
<b>Non-current assets</b>				
Other intangible assets		111 492	460 773	91 021
Goodwill		1 321 483	819 464	1 201 725
<b>Total intangible assets</b>		<b>1 432 976</b>	<b>1 286 993</b>	<b>1 292 747</b>
Land, buildings and other real property		1 537 113	1 769 356	1 776 131
Plant and equipment		2 510 486	1 564 117	1 678 273
Ships		204 224	229 883	222 414
Right of use assets		93 592	71 264	102 073
<b>Total property, plant and equipment</b>		<b>4 345 414</b>	<b>3 638 248</b>	<b>3 778 891</b>
Investments in shares and parts		25 663	18 669	24 753
Other receivables		1 500	-	1 500
<b>Total financial non-current assets</b>		<b>27 163</b>	<b>18 669</b>	<b>26 253</b>
<b>Total non-current assets</b>		<b>5 805 553</b>	<b>4 943 910</b>	<b>5 097 891</b>
<b>Current assets</b>				
Inventories	4	4 601 046	3 109 031	3 601 463
Trade receivables		1 852 891	1 804 150	965 827
Derivatives		10 829	-	99 225
Other current receivables		145 190	133 622	108 482
Cash and cash equivalents	5	48 454	164 947	171 069
<b>Total current assets</b>		<b>6 658 410</b>	<b>5 211 750</b>	<b>4 946 065</b>
<b>Total assets</b>		<b>12 463 963</b>	<b>10 155 660</b>	<b>10 043 956</b>

## Condensed consolidated balance sheet

NOK 1 000	Note	30.09.2024	30.09.2023	31.12.2023
<b>Equity and liabilities</b>				
Share capital		149 836	149 836	149 836
Share Premium		1 347 615	1 347 615	1 347 615
Other equity		2 529 577	2 247 823	2 449 372
Non-controlling interests		224 262	201 345	198 610
<b>Total equity</b>		<b>4 251 289</b>	<b>3 946 618</b>	<b>4 145 432</b>
<b>Liabilities</b>				
Deferred tax		248 735	289 882	209 478
Pension liabilities		1 613	1 947	1 474
Other provision for liabilities		-	-	6 069
<b>Total provision for liabilities</b>		<b>250 347</b>	<b>291 829</b>	<b>217 021</b>
Debt to credit institutions	5	2 595 838	1 672 532	2 427 384
Other long-term, non-interest-bearing debt		11 520	12 642	14 067
Bond loan	5	1 886 438	895 320	895 860
Leasing liabilities	5	70 331	44 006	84 721
<b>Total other non-current liabilities</b>		<b>4 564 127</b>	<b>2 624 499</b>	<b>3 422 032</b>
First year's instalment non-current liability	5	65 201	323 250	257 222
Current part of leasing liabilities	5	25 668	23 871	16 554
Current liabilities to credit institutions	5	1 049 998	1 434 095	1 073 851
Trade payables		1 842 869	1 093 644	398 859
Payable tax		45 821	82 824	157 093
Public duties owing		56 209	74 018	71 656
Other current liabilities		312 433	261 012	284 235
<b>Total current liabilities</b>		<b>3 398 199</b>	<b>3 292 714</b>	<b>2 259 470</b>
<b>Total liabilities</b>		<b>8 212 674</b>	<b>6 209 042</b>	<b>5 898 523</b>
<b>Total equity and liabilities</b>		<b>12 463 963</b>	<b>10 155 660</b>	<b>10 043 956</b>

## Condensed statement of changes in equity

NOK 1 000	Share capital	Premium	Other equity	Total	Non-controlling interests	Total Equity
Equity 1 January 2023	149 836	1 347 615	2 133 022	3 630 473	178 119	3 808 592
Result for the year	-	-	779 888	779 888	6 506	786 394
Comprehensive result for the year	-	-	-6 996	-6 996	7 443	447
<b>Total result</b>	-	-	<b>772 892</b>	<b>772 892</b>	<b>13 949</b>	<b>786 841</b>
Reduction non-controlling interests through acquisition	-	-	-6 542	-6 542	6 542	-
Dividend paid	-	-	-450 000	-450 000	-	-450 000
<b>Total transactions with owners and non-controlling interests</b>	-	-	<b>-456 542</b>	<b>-456 542</b>	<b>6 542</b>	<b>-450 000</b>
Equity per 31 December 2023	149 836	1 347 615	2 449 372	3 946 823	198 610	4 145 432
Equity 1 January 2024	149 836	1 347 615	2 449 372	3 946 823	198 610	4 145 432
Result for the year	-	-	378 251	378 251	29 114	407 365
Comprehensive result for the year	-	-	82 402	82 402	-2 050	80 353
<b>Total result</b>	-	-	<b>460 653</b>	<b>460 653</b>	<b>27 065</b>	<b>487 718</b>
Non-controlling interests on acquisition	-	-	-	-	20 662	20 662
Reduction non-controlling interests through acquisition	-	-	19 552	19 552	-22 075	-2 523
Dividend paid	-	-	-400 000	-400 000	-	-400 000
<b>Total transactions with owners and non-controlling interests</b>	-	-	<b>-380 448</b>	<b>-380 448</b>	<b>-1 413</b>	<b>-381 861</b>
Equity per 30 September 2024	149 836	1 347 615	2 529 577	4 027 028	224 262	4 251 289



## Condensed consolidated cash flow statement

NOK 1 000	Note	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
<b>Cash flows from operating activities</b>						
Result before tax expense		326 523	379 582	522 739	754 943	1 027 055
Adjusted for:						
- Depreciations and impairment		105 501	138 475	315 309	333 592	459 078
- Taxes paid		-25 548	-20 690	-169 446	-79 531	-207 952
- Interest expenses net		85 874	63 535	250 696	173 800	246 574
- Profit from sale of property, plant and equipment		-	-	-	-	-
- Change in working capital		-431 274	-516 074	-333 091	-354 857	-693 293
<b>Net cash flows from operating activities</b>		<b>61 076</b>	<b>44 828</b>	<b>586 206</b>	<b>827 947</b>	<b>831 462</b>
<b>Cash flows from investing activities</b>						
Cash flow from purchase of shares in other companies		-12 000	-	-152 090	-	-
Purchase of property, plant and equipment		-322 617	-95 608	-808 298	-311 165	-546 594
Purchase of other intangible assets		-20 537	-	-31 126	-	-18 381
Sale of property, plant and equipment		8	-	2 253	-	4 212
Interest received		-	52 796	-	137 637	-
<b>Net cash flows from investing activities</b>		<b>-355 146</b>	<b>-42 813</b>	<b>-989 261</b>	<b>-173 529</b>	<b>-560 763</b>
<b>Cash flows from financing activities</b>						
Net change non-current liabilities	5	396 436	-601 675	967 011	-55 477	633 347
Net change current liabilities	5	-107 158	654 665	-23 853	213 668	-146 576
Repayment lease liabilities	5	-4 007	-4 717	-12 023	-15 499	-17 342
Interest paid		-85 874	-116 331	-250 696	-311 437	-235 967
Reduction non-controlling interests through acquisition		-	-	-	-	-12 365
Dividends paid to parent company's shareholders		-	-	-400 000	-450 000	-450 000
<b>Net cash flows from financing activities</b>		<b>199 397</b>	<b>-68 057</b>	<b>280 440</b>	<b>-618 744</b>	<b>-228 902</b>
<b>Change in net cash and cash equivalents</b>		<b>-94 673</b>	<b>-66 041</b>	<b>-122 615</b>	<b>35 674</b>	<b>41 797</b>
Net cash and cash equivalents per beginning of period		143 127	230 988	171 069	129 272	129 272
<b>Net cash and cash equivalents per end of period</b>		<b>48 454</b>	<b>164 947</b>	<b>48 454</b>	<b>164 947</b>	<b>171 069</b>

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## Note 1 - Summary of accounting policies

### General information

All amounts are in NOK 1 000 unless otherwise stated.

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 located in Bergen.

The quarterly report was approved by the Board of Directors on 13 November 2024. The interim report has not been subject to audit.

### Basis for preparation and policies used

This report has been prepared in accordance with standard for interim reporting (IAS 34). This interim report does not contain all necessary information required by International Financial Reporting Standards (IFRS) in the financial statements and should therefore be read in conjunction with the group's financial statements for 2023.

The accounting policies are in accordance with those of the consolidated financial statements of Pelagia Holding AS for 2023. The consolidated financial statements of Pelagia Holding AS have been prepared in accordance with international accounting standards (IFRS) and interpretations from the IFRS Interpretation Committee (IFRIC), as adopted by EU. For the presented consolidated financial statements there are no differences between IFRS as adopted by EU and IASB.

### Continued operations

The interim report has been prepared under the going concern assumption. This assumption is based on an assessment of all available information about the future. This involves information about net cash flows from existing customer contracts, debt service and other liabilities. Based on this assessment the management has concluded that the preparation of the financial statements can be based on the going concern assumption.

### The use of estimates

In the preparation of this interim report the significant assessments made by management related to the group's accounting policies and uncertainty in key estimates have been the same as those applied in the consolidated financial statements for 2023.

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## Note 2 - Sales revenues and segment information

### Segment information

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

#### Meal/oil (Feed)

The meal- and oil activity involves production of fish meal, fish oil and fish protein concentrate. The products are mainly sold to FEED production for fish farming industry.

#### Consumption (Food)

The consumption activity involves receipt and processing of pelagic fish for consumption. Pelagic fish for human consumption is mainly frozen mackerel, herring and capelin caught with 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 involves production of highly concentrated omega-3 ingredients. The product is used as ingredients for leading brands within food supplement and pharmaceutical products. The activity has production plant in Ålesund. The product is mainly subject to global export.

## Note 2 - Sales revenues and segment information (continued)

3rd quarter 2024

NOK 1 000	Food	Feed	Health	Total
Operating revenues	1 487 597	2 521 073	190 150	4 198 820
<b>Total operating revenues</b>	<b>1 487 597</b>	<b>2 521 073</b>	<b>190 150</b>	<b>4 198 820</b>
Cost of goods	1 200 589	1 917 163	146 446	3 264 197
<b>Contribution margin</b>	<b>287 008</b>	<b>603 911</b>	<b>43 704</b>	<b>934 623</b>
Indirect wages	73 415	85 098	23 424	181 938
Indirect operating expenses excl. depreciations	69 151	148 371	19 694	237 216
<b>Operating result before depreciations EBITDA</b>	<b>144 442</b>	<b>370 442</b>	<b>585</b>	<b>515 469</b>
Income recognition related to acquisition	-	-	-	-
Depreciations	33 772	64 190	7 539	105 501
<b>Operating result EBIT</b>	<b>110 669</b>	<b>306 252</b>	<b>-6 954</b>	<b>409 967</b>

3rd quarter 2023

NOK 1 000	Food	Feed	Health	Total
Operating revenues	948 880	2 095 410	192 096	3 236 387
Other profits	-	-	-	-
<b>Total operating revenues</b>	<b>948 880</b>	<b>2 095 410</b>	<b>192 096</b>	<b>3 236 387</b>
Cost of goods	796 903	1 389 662	93 541	2 280 105
<b>Contribution margin</b>	<b>151 978</b>	<b>705 749</b>	<b>98 556</b>	<b>956 283</b>
Indirect wages	66 680	73 172	21 152	161 003
Indirect operating expenses excl. depreciations	62 392	152 132	15 466	229 991
<b>Operating result before depreciations EBITDA</b>	<b>22 905</b>	<b>480 445</b>	<b>61 938</b>	<b>565 289</b>
Income recognition related to acquisition	-	-	-	-
Depreciations	36 173	95 223	7 079	138 475
<b>Operating result EBIT</b>	<b>-13 268</b>	<b>385 221</b>	<b>54 860</b>	<b>426 813</b>

## YTD 2024

NOK 1 000	Food	Feed	Health	Total
Operating revenues	3 895 847	5 492 169	684 410	10 072 426
Other profits	-	-	-	-
<b>Total operating revenues</b>	<b>3 895 847</b>	<b>5 492 169</b>	<b>684 410</b>	<b>10 072 426</b>
Cost of goods	3 321 246	4 061 206	398 976	7 781 428
<b>Contribution margin</b>	<b>574 601</b>	<b>1 430 963</b>	<b>285 434</b>	<b>2 290 998</b>
Indirect wages	197 587	221 552	61 804	480 944
Indirect operating expenses excl. depreciations	191 075	455 195	54 213	700 482
<b>Operating result before depreciations EBITDA</b>	<b>185 939</b>	<b>754 216</b>	<b>169 417</b>	<b>1 109 572</b>
Income recognition related to acquisition	-	-	-	-
Depreciations	101 883	190 876	22 550	315 309
<b>Operating result EBIT</b>	<b>84 056</b>	<b>563 340</b>	<b>146 867</b>	<b>794 263</b>

## YTD 2023

NOK 1 000	Food	Feed	Health	Total
Operating revenues	3 282 377	5 031 655	479 493	8 793 525
Other profits	-	-	-	-
<b>Total operating revenues</b>	<b>3 282 377</b>	<b>5 031 655</b>	<b>479 493</b>	<b>8 793 525</b>
Cost of goods	2 867 353	3 359 126	206 584	6 433 063
<b>Contribution margin</b>	<b>415 024</b>	<b>1 672 529</b>	<b>272 909</b>	<b>2 360 462</b>
Indirect wages	168 257	203 769	55 883	427 909
Indirect operating expenses excl. depreciations	184 183	421 681	44 705	650 569
<b>Operating result before depreciations EBITDA</b>	<b>62 584</b>	<b>1 047 079</b>	<b>172 321</b>	<b>1 281 984</b>
Income recognition related to acquisition	-	-	-	-
Depreciations and impairment	110 566	202 073	20 953	333 592
<b>Operating result EBIT</b>	<b>-47 981</b>	<b>845 006</b>	<b>151 368</b>	<b>948 393</b>

## Note 2 - Sales revenues and segment information (continued)

### 3rd quarter 2024

Sales revenues distributed on geographical markets	Food	Feed	Health	Total
Norway	15 550	1 606 627	46 152	1 668 329
Europe Rest	41 233	627 035	24 294	692 562
Europe EU	580 428	185 511	49 535	815 474
Asia	656 363	95 685	22 749	774 797
Africa	115 603	-	-	115 603
North America	78 420	6 216	40 262	124 897
Other	-0	-	7 157	7 157
<b>Total</b>	<b>1 487 597</b>	<b>2 521 073</b>	<b>190 150</b>	<b>4 198 820</b>

### 3rd quarter 2023

Sales revenues distributed on geographical markets	Food	Feed	Health	Total
Norway	12 384	1 236 492	41 012	1 289 889
Europe Rest	64 209	474 474	8 423	547 106
Europe EU	472 759	273 785	50 820	797 364
Asia	316 776	103 953	19 235	439 965
Africa	33 111	-13	-0	33 097
North America	49 357	6 720	40 669	96 746
Other	285	-	31 936	32 221
<b>Total</b>	<b>948 880</b>	<b>2 095 410</b>	<b>192 096</b>	<b>3 236 387</b>

### YTD 2024

Sales revenues distributed on geographical markets	Food	Feed	Health	Total
Norway	55 179	2 915 084	149 123	3 119 386
Europe Rest	290 407	1 627 887	64 577	1 982 871
Europe EU	1 762 578	610 143	165 136	2 537 856
Asia	1 301 313	315 184	96 560	1 713 057
Africa	245 765	-	-	245 765
North America	240 606	23 872	180 266	444 744
Other	-0	-	28 748	28 747
<b>Total</b>	<b>3 895 847</b>	<b>5 492 169</b>	<b>684 410</b>	<b>10 072 426</b>

### YTD 2023

Sales revenues distributed on geographical markets	Food	Feed	Health	Total
Norway	93 042	2 780 892	123 524	2 997 457
Europe Rest	294 734	1 140 123	22 730	1 457 586
Europe EU	1 346 263	685 417	122 277	2 153 956
Asia	999 886	397 620	57 505	1 455 010
Africa	379 794	2 374	105	382 273
North America	165 168	25 230	102 475	292 872
Other	3 490	-	50 879	54 369
<b>Total</b>	<b>3 282 377</b>	<b>5 031 655</b>	<b>479 493</b>	<b>8 793 525</b>

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## Note 3 - Financial risk

### Financial risk management

The group's activities expose it to a variety of financial risks: market risk (mainly currency risk, price risk, cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on minimising the potential adverse effects that unpredictable changes in the capital markets may have 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

Over time there is a correlation between market prices translated into the functional currency and the prices of raw materials for the individual entity. Changes in market prices translated into the functional currency 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. 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, EURO and GBP.

##### ii) Price risk and other operational risk

The group is operating in a globalized market where a significant part of the products is subject to export. The market prices of the group's products will therefore be affected by the global offer and demand for seafood.

Wild-caught fish is a renewable resource, whose quantity, however, will naturally fluctuate over time. The total legal catch will be limited to quotas set by the authorities in Norway, UK and Ireland (EU) and the availability may geographically change over time. Variations in biomass and quotas may therefore also cause unexpected variations in production volume and the price of raw materials.

The Covid-19 situation may increase the risk around the group's operations among other things related to challenges with logistics and freight, availability of foreign seasonal labor, exchange rate changes and credit insurance costs. The situation may also cause market related challenges, but so far these have been limited for the group. The company cannot rule out that there will be increased challenges related to this ahead.

##### 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 use 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.

#### b) Credit risk

The degree of credit risk varies based on the market segment in which Pelagia 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.

### 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. See note 5 for repayment profile on interest bearing debt.

## Note 4 – Inventory

NOK 1 000	30.09.2024	30.09.2023	31.12.2023
Raw materials	835 313	216 465	477 692
Goods in progress	346 695	207 655	163 276
Packaging and auxiliaries	275 437	136 977	205 120
Finished goods	3 234 826	2 621 166	2 815 763
Impairment of finished goods to net realisable value.	-91 225	-73 232	-60 388
<b>Total</b>	<b>4 601 046</b>	<b>3 109 031</b>	<b>3 601 463</b>
Cost of inventory impaired to net realisable value	428 482	18 169	391 214

## Note 5 – Financing

NOK 1 000	30.09.2024	30.09.2023	31.12.2023
<b>Non-current liability including first year's instalment</b>			
Bank loan	2 661 039	1 995 782	2 684 606
Bond loan	1 886 438	895 320	895 860
Bank overdraft	1 049 998	1 434 095	1 073 851
Leasing liabilities	95 999	67 876	101 275
<b>Total</b>	<b>5 693 474</b>	<b>4 393 073</b>	<b>4 755 592</b>
<i>Non-current portion in the balance sheet</i>	<i>4 568 162</i>	<i>2 625 768</i>	<i>3 308 850</i>
<i>Current portion in the balance sheet</i>	<i>1 125 312</i>	<i>1 767 305</i>	<i>1 446 742</i>
<b>Net interest bearing debt</b>			
Total interest bearing debt	5 693 474	4 393 073	4 755 582
Cash and cash equivalents	-48 454	-164 947	-171 069
<b>Total net interest bearing debt</b>	<b>5 645 020</b>	<b>4 228 126</b>	<b>4 584 523</b>
Leasing liabilities	-95 999	-67 876	-101 275
<b>Total net interest bearing debt exclusive of leasing liabilities</b>	<b>5 549 021</b>	<b>4 160 250</b>	<b>4 483 248</b>



## Interest terms

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

## Covenants

Equity ratio above 30% and interest coverage ratio (EBITDA/Net Finance Charges) no less than 2,5. Bond due in 2025 has an ICR no less than 4.

## Available overdraft facilities

1.850 MNOK

### Repayment profile interest bearing debt

NOK 1 000

	Non-current bank loan	Bond loan	Bank overdraft	Leasing liabilities	Total
2024	65 201	-1 165	1 049 998	11 278	1 125 312
2025	243 875	895 520	-	14 390	1 153 784
2026	107 142	-2 500	-	12 643	117 285
2027	2 242 525	-2 500	-	9 570	2 249 595
2028	2 296	-2 500	-	6 498	6 294
After 2028	-	999 583	-	41 620	1 041 204
<b>Total</b>	<b>2 661 039</b>	<b>1 886 438</b>	<b>1 049 998</b>	<b>95 999</b>	<b>5 693 475</b>

### Change in interest-bearing debt

NOK 1 000

	Non-current bank loan	Bond loan	Bank overdraft	Leasing liabilities	Total
30.06.2024	2 265 768	1 885 273	1 157 156	98 167	5 406 364
Cash flows	-	-	-	-12 023	-12 023
Change in current debt	-	-	-107 158	9 854	-97 304
Change in non-current debt	395 271	-	-	-	395 271
Non-cash movement	-	1 165	-	-	1 165
Net repayment bank overdraft	-	-	-	-	-
30.09.2024	2 661 039	1 886 438	1 049 998	95 999	5 693 474

## Note 6 - Transactions with related parties

Transactions with related parties takes place at market conditions. Types of transactions are further described in the annual report for 2023.



It's all  
about  
the fish



**PELAGIA<sup>®</sup>**