



ANNUAL REPORT
PELAGIA HOLDING

2024



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BOARD OF DIRECTORS REPORT

ANNUAL REPORTING FOR 2024

In this annual report for 2024 there are significant changes in both content and structure compared to earlier reports. In 2024, the EU's "Corporate Sustainability Reporting Directive" was implemented, which requires us to include a sustainability statement and disclose information regarding different topics.

An overview of all published reports and presentations containing information can be found under the sub site "Investor" on Pelagia.com.

This report is compiled for Pelagia Holding AS (hereby referred to as "Pelagia") and its subsidiaries, including but not limited to Pelagia AS, Epax Norway AS, Hordafor AS and Karmsund Protein AS. A complete list can be found in note 1. Pelagia AS, Epax Norway AS, Hordafor AS and Karmsund Protein AS have their own financial annual reports.

OVERVIEW 2024

Business model and strategy

Pelagia Holding AS (Pelagia) is a group specializing in the production of consumer products derived from pelagic fish, along with fishmeal, protein concentrates, and fish oil sourced from pelagic fish, whitefish, and salmon. Moreover, the group manufactures dietary supplements and pharmaceutical products based on concentrated marine Omega-3. This diverse range of activities positions Pelagia as a significant player on the international stage, particularly within the pelagic sector, housing production facilities throughout the North Atlantic coast. A substantial portion of our products is designated for export, with the company's headquarters situated in Bergen, Norway. Pelagia operates wholly owned production facilities across Norway, the United Kingdom, Ireland, and Denmark. In 2024, including its fully owned foreign subsidiaries and associated companies, Pelagia processed approximately 1.3 million tons of raw materials through our own operations.

Innovation stands as a fundamental goal for Pelagia. Throughout 2024, the group engaged in numerous R&D projects in collaboration with entities such as the Research Council of Norway, Innovation Norway, the Fisheries and Aquaculture Research Fund, various equipment suppliers, and more. These initiatives aim to enhance value creation by developing new products from pelagic raw materials, focusing on maximizing the use of entire fish and reducing environmental footprints.

Pelagia's operations are segmented into three divisions. Pelagia Food acquires pelagic fish from the fishing fleet and processes these into consumer products primarily for export. Food operates nine production facilities across Norway and additional sites in Lerwick, Shetland, and Skagen, Denmark.

Pelagia Feed produces fishmeal, fish oil, and protein concentrates in Norway, the UK, and Ireland, and operates seven plants dedicated to fishmeal and fish oil production, alongside four plants focused on protein concentrates and oil. In 2024, Pelagia built a new tank facility in Skagen, Denmark to get better access also to Danish raw material. The group also operates a major storage facility in Egersund, approved as a border control station for importing proteins and oils from third countries.

Pelagia Health, represented by Epax Norway AS, manufactures highly concentrated Omega-3 oils for human consumption, sold under the Epax brand, to be included in dietary supplements and pharmaceuticals. This division operates a production facility in Ålesund.

Pelagia is amongst the largest players in the market for high-quality pelagic fish products and is committed to sustainability with a focus on 100% fish utilization.

A key component of Pelagia's business model is the integrated utilization of raw materials across its divisions. Within Pelagia Food, all fish is used in human food production at varying processing degrees. Any residual raw material from this process is transferred to Pelagia Feed, where it is used along with other non-human-consumable fish for fishmeal and fish oil production, which serve as essential feed ingredients for aquaculture and agriculture. Some oil products can be refined further for use in dietary supplements and pharmaceutical products within the Pelagia Health division. Many leftover products from these processes are again utilized as feed ingredients. Both directly and indirectly, almost everything Pelagia produces ends up as food for human consumption.

Furthermore, Pelagia possesses eight operational vessels collecting residual raw materials from the salmon industry. These residual materials are converted into protein concentrates and oil, used as feed ingredients for non-salmon animals. Raw materials unsuitable for feed are repurposed for technical oil production or biogas generation, ensuring full utilization of resources.

Pelagia considers its employees as an important intangible resource due to their skills, competence, and loyalty.

Pelagia has a highly diversified and global customer base, due to the global market dynamics and Pelagia's diversification across the three divisions. By 2024 revenue, Norway and Asia represented the most significant markets for Pelagia, followed by EU, and then the rest of Europe. The largest customers included aquaculture feed producers in Norway and leading B2C distributors of pelagic fish products. There were no significant changes in markets or products in 2024.

In 2024, our focus was on data collection and preparation of reporting according to CSRD. We therefore did not have specific sustainability-related goals related to significant groups of products, services, customers, relationships with stakeholders or geographical areas, as building a solid fundament is an important step in creating targets that are relevant and achievable. In 2025 our focus will be on using all the data and information we have gathered in 2024 to set sustainability-related goals, starts to assess a possible climate transition plan and setting a sustainability strategy.

Utilizing all the raw and residual raw materials generated in the industry in a way that generates the least level of emissions will be important. In 2024, Pelagia started working towards gaining both capacity and competency to handle sludge from the aquaculture industry. This work will continue in 2025. Other significant projects that happened in 2024 was the initiation of a heating pump project at one of our facilities, which is expected to reduce the need for generating heat from fossil fuels. If successful, the technology can significantly reduce the use of fossil fuels in Pelagia.

These and other projects are expected to make Pelagia better equipped to process more and different raw materials, in a more climate-friendly way. This is important both for Pelagia and its stakeholders.

FOOD



FIGURE 1: ILLUSTRATION FOOD PRODUCTION PROCESS

Food processes pelagic fish for human consumption. Our food production begins with acquiring wild-caught pelagic fish from the North-Atlantic pelagic fisheries. This mainly consists of mackerel, herring and capelin, caught in the Norwegian Sea and the North Sea, and bought through auctions or directly from fishing vessels and trawlers.

Our factories in Norway, the UK, and Denmark receive and process the fish before freezing it and shipping it to customers. Pelagia Food offers various qualities of pelagic fish for export, including fresh, frozen, and marinated options. Fish is packed whole round, filleted,

or frozen, and typically sold in 10 or 20kg cartons. Residual raw material from Food is delivered to our Feed factories, where it is used as raw material in production, ensuring that nothing goes to waste.

The Food-segment operates 11 modern production factories and 4 storage facilities located strategically close to key fishing groups along the Norwegian Coast, the UK, and Shetland, as well as a refining and marinating facility in Skagen, Denmark.

Food products are aimed at business customers who process further and sell to end consumers. Food has more than 500 customers located in over 60 countries, and 95% of the products are exported to the global market. Customers are mainly fish processors that procure marine raw material that gets processed, packed for wholesale and retail. Asia is the key market for mackerel, while Eastern Europe and the Middle East are important for herring. Around the world, hundreds of thousands of people will eat our fish every day.

In 2024 Pelagia acquired 100% of the shareholding in Ideal Foods Limited (Ideal Foods) and its subsidiaries. Ideal Foods works closely with fish processors and manufacturers to utilize seafood co-products in an innovative way that aims to utilize all material and ultimately add value.

FEED

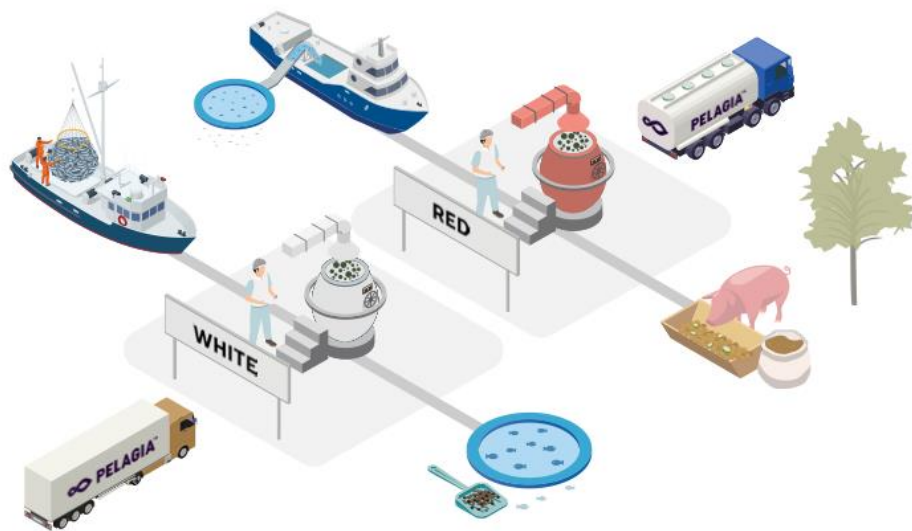


FIGURE 2: ILLUSTRATION FEED PRODUCTION PROCESS

Pelagia Feed's core business is production of fish meal, marine oils and protein concentrates suited for various feed and food applications, always ensuring responsible use of raw materials and prime quality.

The products are made from wild caught fish and trimmings from food production of pelagic, white fish and salmon. Production utilizes trimmings from filleting units in the Food production segment as raw material for production of feed ingredients, and it collects fresh and ensiled by-products from third parties. The raw material is collected either from aquaculture facilities using Pelagia's own vessels or from fish processing facilities using trucks. Raw material from wild caught fish is delivered to facilities directly by the vessel or by transporting the raw material from the vessel using trucks.

Feed production lines can be separated into two main production lines – the white and the red production line. By-products from both lines are used in the production of technical oil, carbon neutral fuel oil, or to produce biogas.

The white production line works with both wild caught fish not suitable for human consumption and trimmings and discards from fish processing. This production line generates fish meal and fish oil that are suitable as ingredients in feed for farmed fish, such as salmon and trout. Our main customers here are producers of feed for fish farming,

The red production line is using raw material from farming and processing of farmed fish. This production produces fish meal and fish oil that are suitable as ingredients in feed for other animals. Our main customers here are feed-producers for farmed animals or marine animals other than salmon and trout.

In addition, two of the feed factories have production lines that produce oil for human consumption.

Feed operates 15 production factories and 8 storage facilities located in Norway, the UK and Ireland, to ensure fresh and quality assured raw materials. Feed has a significant storage capacity in Egersund, Norway, which is approved as a border station for importation of protein and oils from third countries.

Feed has almost 800 customers located in 30 countries. Product offering includes two different oil types and six different meal types, mainly sold domestically to producers of fish- and animal feed. The Norwegian aquaculture industry is a significant customer market.

In 2024, Pelagia acquired all shares in C-fish, which use fish by-products to produce pet food.

Feed – services

Pelagia owns eight ships operating in the North Sea. Combined with four trucks, these have significant capacity for year-round 24/7 collection and handling of by-products, supporting both our suppliers and our own production facilities.



FIGURE 3: ILLUSTRATION VESSEL

The ships offer several services to fish processors and fish farmers to contribute to responsible handling of by-products. Together with the logistics of trimmings, they also supply equipment necessary for keeping the quality of the trimmings from production to pick up, and they provide emergency service to the aquaculture industry along the coast.

The by-products are categorized into different categories. Category 3 raw material consists of trimmings and cutoffs that occur mostly during processing. Category 2 raw material often occurs at fish farms if fish dies or gets too sick to be processed as food.

Both categories are grinded up and added formic acid to ensure that the pH-level is low enough that the material does not deteriorate. Pelagia offers equipment and competency in handling both category 2 and 3 raw materials in a safe and responsible manner.

Category 3 raw material

Category 3 raw material is processed at our factory in Salthella into H-Pro (salmon protein concentrate) and H-Oil (salmon oil). These products are used as ingredients in feed for different farmed animals.

Category 2 raw material

Category 2 raw material is produced at our factory in Djupvik into fish protein concentrate for energy or for fur animal feed. The fish oil is used either in rendering or as a certified climate neutral replacement fuel for heating oil.

Customers in this segment are primarily Norwegian salmon farmers and salmon processing facilities, where Feed uses the vessels to collect and handle by-products from salmon production or dead/sick salmon.



FIGURE 4: ILLUSTRATION COLLECTION CATEGORY 2 RAW MATERIAL

Sludge from aquaculture

A more recent area of business for Pelagia is handling and transportation of sludge generated in the fish farming industry. In 2024, we increased our focus on this by hiring several people to work with how we can handle this in the best possible manner.

Pelagia also acquired 100% of the shares in Blue Ocean Technology as a part of our work handling the sludge generated by the fish farming industry. Blue Ocean Technology design and produce equipment for collecting and storing sludge. We are working towards being able to provide solutions for handling, transporting, drying and using the sludge for energy or other potential purposes.

HEALTH



FIGURE 5: ILLUSTRATION HEALTH PRODUCTION PROCESS

Pelagia Health creates high-potency nutritional ingredients from crude fish oil, specializing in high-concentrate Omega-3. This is carried out under the brand name Epax, which is a leading global brand of premium Omega-3 ingredients for dietary supplements, and a manufacturer of pharmaceutical intermediate ingredients. Epax is at the forefront of developing new health supplements from quality North Atlantic pelagic raw materials.

Currently most of the oil is purchased externally, particularly from Omega-3 rich anchoveta from third parties in South America. However, the ambition is to increase the internal sourcing. The first Pelagia Feed factories have recently been approved to deliver high concentrate oils to Epax, with 8% now being sourced internally with oil from herring and mackerel. The raw material is delivered with container ships to Epax' factory in Ålesund, Norway, for refinement and concentration of fish oil. Healthy Omega-3 EPA and DHA fatty acids are extracted through this process. These high-quality oils are sold around the world as health supplements and pharmaceutical ingredients.

Epax products include Omega-3 rich oils for the pharmaceutical and nutrition industries. These are sold to more than 90 customers in 30 countries, to some of the most renowned retail brands in the world. Epax has a sales and marketing department in Oslo, Norway, and sells products through distribution partners across Europe, Asia and the United States. The main customers of these products are producers of dietary supplements and pharmaceutical intermediate ingredients.

There are little to no leftovers from production. Those fractions not used for human nutrition are utilized in other applications, including animal feed, biogas or fertilizer at local farms.

Value chain

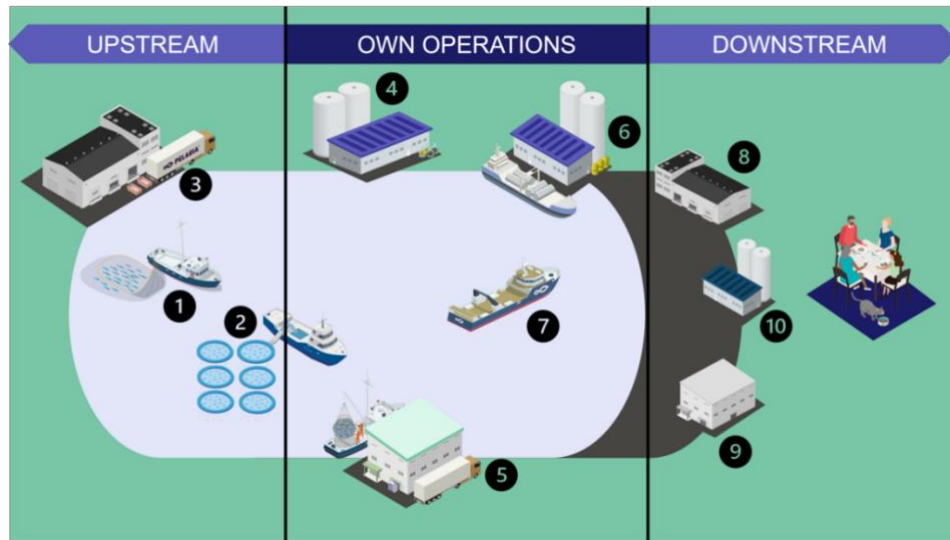


FIGURE 6: ILLUSTRATION MAIN ASPECTS OF VALUE CHAIN

Almost everything we do at Pelagia starts with marine raw materials. This raw material comes from different sources, and different qualities depending on the intended use.

1. Wild-caught fish play a crucial role as our raw materials. Depending on the species and quality, it is used either for food production or for making fish meal and oil. The fish come from fisheries in the North Atlantic Ocean.
2. Raw material from fish farming is collected to be used in production of meal, oil, and concentrates, depending on the quality and category of raw material.
3. Residual raw material is also a raw material that Pelagia sources as an input. Residual raw material consists of by-products and cut offs/trimmings from fish processing, including by-catch from wild caught fish.

Pelagia has three business areas that handle the raw material we procure: Feed, Food and Health. The facilities are spread along the coast of Norway, United Kingdom,

Ireland and Denmark. In addition, Pelagia owns eight vessels that are used to collect and distribute raw material.

4. The feed factories are constructed to handle different raw material such as by products and cut offs from fish processing and fish farming, as well as wild-caught fish not suitable for human consumption
5. The food factories receive wild caught fish directly from the vessels and process, pack and freeze the fish for storage and shipping to customers.
6. Epax, our factory in the health division, is procuring crude oil from fish oil facilities in South America and other countries and refines the oil.
7. Our vessels travel along the coast to collect and transport silage from fish farming plants and provide different services to the farms.

Almost everything Pelagia produces ends up as food either directly or through several steps of processing.

8. Customers process Pelagia's frozen raw materials to provide herring and mackerel products worldwide.
9. Most of our meal, oil, and protein concentrates are utilized as ingredients in feed for fish and other animals.
10. The refined oil from Epax is mainly used in dietary supplements.

PROFIT, BALANCE SHEET AND CASH FLOWS

Result

The group's sales revenues were NOK 15 038 million in 2024 (13 001 in 2023). EBITDA was NOK 1 402 million in 2024 (1 725 in 2023).

Depreciation of property, plant and equipment and intangible assets was NOK 431 million in 2024 (418 in 2023).

The operating profit was NOK 972 million in 2024 (1 266 in 2023).

Net financial expenses were NOK 407 million in 2024 (239 in 2023). The tax cost was NOK 113 million in 2024 (241 in 2023).

Profit after tax was NOK 451 million in 2024 (786 in 2023) and the total result was NOK 548 million in 2024 (787 in 2023).

Pelagia Holding AS EBITDA/operating profit was -4 million in 2024 (-5 in 2023). Profit after tax/total result 120 million in 2024 (545 in 2023).

Balance

The total balance was NOK 11 706 million in 2024 (10 044 in 2023). Total equity was NOK 4 296 million (37 %) in 2024 (4 145 in 2023 (41 %).

Net interest-bearing debt was NOK 5 917 million in 2024 (4 483 in 2023).

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 loan due in 2025 was refinanced with a new 1000 MNOK 5,5-year bond in January

2025. Pelagia bought back about 561 MNOK of the total 900 MNOK loan as a part of the transaction.

The group performs annual tests to assess the value of the company's assets. Impairment tests carried out at the end of 2024 show that there is no need for impairment. It is considered 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.

Pelagia Holding AS total balance 7648 million in 2024 (6498 in 2023). Total equity was NOK 1 437 million (19 %) in 2024 (1 518 in 2023 (23 %). Net interest-bearing debt was NOK 5 917 million in 2024 (4 483 in 2023).

Cash flow

Net cash flow from operating activities was NOK 739 million in 2024 (831 in 2023). Net cash flow from investing activities was NOK -1 272 million in 2024 (-561 in 2023). The investments in 2024 are related to acquisition of subsidiary of 166 million and purchase of property, plant and equipment of NOK 1 097 million. Net cash flow from financing activities was NOK 545 million in 2024 (-229 in 2023). The change from 2023 to 2024 mainly relates to rising of non-current debt, interest paid and dividends paid. Holdings of cash and cash equivalents were NOK 183 million in 2024 (171 in 2023).

Pelagia Holding AS, net cash flow from operating activities was NOK -111 million in 2024 (-81 in 2023). Net cash flow from investing activities was NOK 1 065 million in 2024 (616 in 2023). The investments in 2024 are related to dividends and group contribution and interest received. Cash and cash equivalents were NOK 0 million in 2024 (0 in 2023).

Going concern

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

CORPORATE GOVERNANCE

The role of the administrative, management and supervisory bodies

Board of directors

Pelagia has a highly competent board of directors consisting of five members: three from our owner companies (one woman and two men), and two employee representatives (one woman and one man). None of the members are independent.

The responsibilities of Pelagia's board of directors are quite comprehensive and crucial for the company's governance and strategic direction. They are responsible for overseeing the company's overall management and ensuring that it adheres to all relevant laws and regulations. This includes maintaining high standards of corporate governance and ethical conduct.

The board has a member with significant experience and competence within ESG (Environmental, Social, and Governance). If needed, the board also has access to several employees across the group's companies with extensive competence within ESG and different sustainability topics. The board members' areas of expertise and experience within different business areas and industries are well suited to cover Pelagia's material impacts, risks and opportunities (IRO).

Helge Singelstad – Chairman of the board

Helge serves on numerous boards of directors, is CEO of Laco AS, and chairman in companies like Sjøtroll Havbruk AS and Lerøy Norway Seafoods AS. He has extensive experience from various types of businesses such as oil and gas, and from the seafood sector. He possesses a degree in Computer Engineering from Bergen University College (HiB), a degree in Business Administration from the Norwegian School of Economics (NHH), and a first degree in Law from the University of Bergen (UiB).

Helge Karstein Moen – Board member

Helge is the CEO of Sortun Invest and a board member of Kverva AS. He has previous experience as CEO in Kverva AS, and manager in Central Klaveness AS, First Securities and Midt-Norge Fonds. He has a Bachelor in Finance from Trondheim Business School

and a Master of Science in Economics and Finance from Warwick business School. He holds and has held several positions in seafood companies.

Britt Kathrine Drivenes – Board member

Britt became the CFO of Austevoll Seafood ASA in 1996 after joining the company in 1991. She holds a Master of Strategy and Management degree from the Norwegian School of Economics (NHH), Master of Management Program in Internal audit, Risk Management and Corporate Governance and a Bachelor of Business Administration degree Norwegian Business School (BI). She has experience in finance and accounting, as well as both training and experience within ESG and sustainability reporting.

Karoline Bjoland – Board member

Karoline is 36 years old and is the Production Manager at Pelagia Karmsund Fiskemel. She is the employee elected representative for the union Styrke from the feed division. She has worked for over 18 years in Pelagia.

Endre Sekse – Board member

Endre has worked as warehouse worker and forklift operator at Pelagia Måløy since 1983. He is a representative for the union Norsk Nærings- og Nytelsesmiddel-arbeiderforbund (NNN) and a corporate union representative for the NNN food division. He has served as an employee representative on the boards of both Pelagia AS and Pelagia Holding AS for two terms, and he is also involved in Pelagia's working environment and pension committees.

Arne Myklebust and Ragnhild Skaara are elected as observers to the board by the employees and participate in the board meetings. Further, Helge Arvid Møgster, Arne Møgster and Gustav Witzøe regularly participates in the board meetings as observers. CEO Egil Magne Haugstad and CFO Rolf Andersen participate in the board meetings from the administration.

Executive management

Pelagia's executive management group consist of seven members, all men, that has a range of responsibilities that are crucial for the company's operations and sustainability efforts. They oversee processes to manage material impacts, risks, and

opportunities related to sustainability matters. The sustainability manager is responsible for ensuring that the management group is included in the process of determining material IROs and setting targets and actions. The management is informed of progress towards targets regularly throughout the year.

The members of the management group are overall responsible for overseeing and ensuring that IROs are managed responsibly. Dedicated controls and procedures related to the management of IROs have been assessed as not necessary as this is integrated in other procedures and controls.

Egil Magne Haugstad – Chief Executive Officer

Egil Magne joined the group in 2001 and holds an approximate 13.3% indirect shareholding in Pelagia Holding AS. He has previously held management positions at Felleskjøpet and Gartnerhallen. He holds a M.Sc. in Agriculture and Life Science from Norwegian University of Life Sciences (NMBU) and a M.Sc. in Business from Norwegian Business School (BI).

Rolf Andersen – Chief Financial Officer

Rolf joined the group in 2012. He has previously served as CFO in Egersund Fisk, CFO in AKVA Group, and Director in PwC. He holds the title of State Authorized Public Accountant and a M.Sc. in Business Administration from NHH.

Frode Vatne – Chief Information Officer

Frode joined the group in 2017. He has previously held management roles at GMC, Aibel, and Proserv. He holds a M.Sc. in Logistics (distinction) from the University of Hull, a M.Sc. in Management Accounting from Aalborg University, and was a visiting Scholar in Management Accounting at the University of Illinois.

Bjørn Refsum – Chief Operational Officer Health Division

Bjørn joined the group in 2018. He previously served as CEO of Epax and Nordic Pharma. He holds a M.Sc. in Chemical Engineering from the Norwegian University of Science and Technology (NTNU).

Arnt-Ove Blytt-Tøsdal Kolås – Chief Operational Officer Feed Division

Arnt-Ove joined Pelagia in 2016, with prior experience as a consultant at DNV. He has held various roles within the Pelagia group, including Technical Director and Chief Technical Officer, before being appointed as COO for the Feed Division in 2021. He holds a M.Sc. in Industrial Economics from NTNU.

Magnus Strand – Chief Operational Officer Food Division

Magnus joined the group in 1993 and has maintained various roles, including CEO at EMY Fish, before being appointed COO of the Food division in 2015. He holds a M.Sc. in Industrial Economics and Technology Management from NTNU.

Rolf Kristian Vaage – Chief Sales Officer

Rolf Kristian joined the organization in 2007, bringing previous experience from salmon sales. He held various sales roles within Pelagia before being appointed Chief Sales Officer in 2019. He holds a B.Sc. in International Marketing from NTNU.

Audit Committee

The audit committee at Pelagia has several important responsibilities. They oversee both financial and non-financial reporting, ensuring that all reports are accurate and comply with relevant standards. This includes external audits, risk management, and internal control related to ESG matters.

The audit committee plays a crucial role in maintaining transparency and accountability within the organization. They ensure that the company's financial practices are sound and that any potential risks are identified and managed according to the Audit Committee Policy approved by the Board of Directors.

Helge Karstein Moen – Chair of the committee

See description above

Helge Singelstad – Committee member

See description above

CEO Egil Magne Haugstad and CFO Rolf Andersen participate in the Audit Committee meetings from the administration.

TABLE 1: GENDER DISTRIBUTION GOVERNING BODIES

Management group	Male	Female
Board of directors	67%	33%
Audit committee	100%	-
Executive management	100%	-

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 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.

2) Price 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.

In common with many other companies, Pelagia has experienced higher costs related to energy, international freight, and logistics, and cost increases in general related to the operations during the last years. Most of these seems to stabilize, but we still see that the political situation could affect costs such as f.ex. international freight costs, trade tariffs and inflation in general also into 2025.

3) 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 uses derivatives to hedge this liquidity risk. Currently about 40% of the net interest-bearing debt is covered by a fixed rate until Sept 27. 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.

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, such as Eastern Europe and EU, it is necessary to sell shares of volume on credit in order to serve the markets. Pelagia utilises credit insurance for a large share of the customers but will in periods be exposed without credit insurance for some of the customers. To handle risks, 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.

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.

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 19 % per. 31.12.2024 (23 % as of 31.12.2023).

Allocation of the annual result in Pelagia Holding AS:

Annual result:	TNOK	119 519
Provisioned dividend:	TNOK	200 000
Transferred from other equity:	TNOK	80 481

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 2024.

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 since the beginning of the war. There is no material assets related to the activity in Ukraine in the balance sheet of the group.

Pelagia has much of its sales in foreign currency and has an extensive use of currency futures to hedge its currency positions. 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. Still, short-term there can be variations in quotas and the available raw material. The mackerel quota is down about 22% for 2025 compared to 2024. The long-term goal of Pelagia is to favor the sustainable management of the main fish stocks. At the moment, Pelagia do not see a significant climate impact affecting 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.

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 has no sales to the Russian market.

The markets have also been periodically affected by currency restrictions in some countries, which has also partly been a challenge in 2024. 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. Due to an increase in production in Peru, fish oil prices are significantly reduced during 2H 2024.

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.

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 has been appealed and will be heard again by the Court of Appeal in August. 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. The parties have agreed to meet in mid-May for judicial meditation to seek a voluntary resolution to the dispute.

In common with many other companies, Pelagia can also be impacted by changes in trade tariffs and other trading obstacles following the more uncertain economic and geopolitical environment developing into 2025.

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

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

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, more information can be found under social information on page 65.

The Transparency Act went into effect on July 1, 2022. Pelagia will publish an updated account of our due diligence in 2024 by 30.06.2025. This will be made available on the company's website.

SUSTAINABILITY STATEMENT

TABLE 2: CONTENTS

Contents	Page reference
General information	
Environmental information	34
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GENERAL INFORMATION

TABLE 3: LIST OF DISCLOSURE REQUIREMENTS

List of disclosure requirements	Page reference
ESRS 2 General disclosures	
BP – 1 General basis for preparation of sustainability statements	17
BP – 2 Disclosures in relation to specific circumstances	17
GOV – 1 The role of the administrative, management and supervisory bodies	18
GOV – 2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	19
GOV – 3 Integration of sustainability-related performance in incentive schemes	19
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SBM – 1 Strategy, business model and value chain	20
SBM – 2 Interests and views of stakeholders	20
SBM – 3 Material impacts, risks and opportunities and their interaction with strategy and business model	25
IRO – 1 Description of the process to identify and assess material impacts, risks and opportunities	22
IRO – 2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	32-33

A complete table of datapoint that derive from other EU legislations can be found on pages 32-33.

BASIS FOR PREPARATION ¹

Our sustainability statement has been prepared in compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). These statements are in line with the ESRS issued by the European Financial Reporting Advisory Group (EFRAG). Every data point included in the report within the environmental, social, and governance sections has been evaluated as material according to our double materiality assessment (DMA). For detailed information on the scope limitations and methodology of our DMA, please refer to page 22.

The sustainability statements are prepared at a consolidated level², in the same way as the financial statement. Some statements encompass our own operations as well as our upstream and downstream value chains. Regarding the material impacts, risks and opportunities it is specified for each IRO whether it is linked to own operations, up- and/or downstream value chains. This also applies to metrics and targets. If not specified, it is only related to own operations.

An overview of Pelagia's value chain can be found on page 9. For each disclosure on a material topic related to the value chain, the specific part of the value chain is specified. Pelagia has not chosen to omit some information due to it being classified and/or sensitive.

The report for 2024 is the first report in accordance with CSRD published by Pelagia.

Disclosures in relation to specific circumstances ³

The following information is incorporated by reference according to the information in table 2 to other parts of the management report.

¹ BP-1 General basis for preparation

² Table of subsidiaries included in this consolidated report can be found in the financial statement, note 1

TABLE 4: DISCLOSURES INCORPORATED BY REFERENCE

Disclosure requirement	Full name	Page
ESRS 2 BP-2 paragraph 10, 11	Disclosures in relation to specific circumstances, value chain estimation and sources of estimations and outcome uncertainty, only relevant related to scope 3 emissions	42-44
ESRS 2 SBM-1 paragraph 40 iii	Strategy, business model and value chain, number of employees	71
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	25-27
ESRS 2 GOV-4	Statement on due diligence, table	31

Estimates for value chain data and/or metrics are disclosed in relation to the relevant disclosure requirement throughout the statement. This includes information about the metrics, basis for preparation and description of the level of accuracy for scope 1, 2 and 3 emissions as well as the description of the value chain. Scope 3 has the most estimates and the highest level of uncertainty in the report. (ESRS 2 BP-2, paragraph 10, 11)

Use of phase-in provisions in accordance with Appendix C of ESRS 1

Pelagia has chosen to use these phase-in provisions

³ BP-2 Disclosures in relation to specific circumstances

TABLE 5: PHASE-IN PROVISIONS USED

Disclosure requirements	Full name of disclosure requirement
ESRS 2 SBM-1 paragraph 40(b)	Strategy, business model and value chain
ESRS 2 SBM-3 paragraph 48(e)	Material impacts, risk and opportunities and their interaction with strategy and business model
ESRS E1-9	Anticipated financial effects from material physical and transition risk and potential climate-related risk
ESRS E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities
ESRS E5-6	Anticipated financial effects from resource use and circular economy related impacts, risks and opportunities
ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce
ESRS S1-14	Partially health and safety non-employees
ESRS S1-15	Work-life balance

The role of the administrative, management and supervisory bodies ⁴

The composition and diversity of the administrative, management and supervisory bodies can be found on pages 11-13.

Pelagia has integrated sustainability from the top down to ensure that the entire group has the same focus on sustainability work. The sustainability governance structure includes the board of directors, audit committee, and executive management. The board and management have roles and responsibilities in

⁴ GOV-1 The role of the administrative, management and supervisory bodies

overseeing processes to manage material impacts, risks, and opportunities related to sustainability matters.

The executive management are responsible for approving targets related to the material impacts, risks and opportunities and are regularly updated on progress towards these.



FIGURE 7: HOW ESG RESPONSIBILITIES ARE ORGANIZED

The administrative, management and supervisory members have access to internal sustainability experts, as well as external specialists, including auditors and other third parties. All the administrative bodies are informed about new or updated regulations and the company's existing expertise to manage them, or how this expertise will be developed internally or sourced externally.

Addressing and handling of sustainability matters ⁵

The board bears the ultimate responsibility for ensuring that the sustainability statement is prepared and published in accordance with regulations. Strategic planning and efforts related to ESG and sustainability, including the execution of such strategies, are also components of the board's duties. Furthermore, the board is tasked with overseeing the process and ensuring that all material impacts, risks, and opportunities are appropriately managed. This includes but is not limited to the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets.

The assessment performed in 2024 concluded with 10 material impacts, risks and opportunities. This assessment was concluded and finalized during the second half of 2024 and was therefore not specifically used in major decisions prior to this. However, many of the material IROs, especially those related to climate change mitigation and energy consumption, are closely related to the vision and overall strategy of Pelagia. All material IROs have been presented and approved by the governing bodies. A complete list can be found on pages 26-27, under "materiality assessment process".

Due to the double materiality assessment being conducted in 2024, the frequency and matter of informing administrative and supervisory bodies are expected to change moving forward as processes and procedures are in development. This is also the case for implementation of due diligence, as well as results and effectiveness of policies, actions, metrics and targets adopted to address them.

The executive management is responsible for defining and following up the sustainability strategy and other matters. The responsibility is spread out between the different chief officers according to figure 1. The executive management group has

⁵ GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

⁶ GOV-3 Integration of sustainability-related performance in incentive schemes

been updated sporadically over the years, depending on the need. The communication process on sustainability will be developed and formalized in 2025.

2024 has been the year to conduct assessments, gather information and collect enough data to be able to ensure reporting according to CSRD. This means that 2024 is used as the base year for most sustainability matters and targets have not yet been set for some areas. This work will continue, and we plan to finalize this within 2025.

Integration of sustainability in remuneration ⁶

Pelagia offers potential incentives to members of the administrative, management and supervisory bodies, where bonuses and remuneration are evaluated based on overall company performance and achievements. Sustainability matters are considered in this holistic assessment, though no specific percentage of the remunerations are linked to climate related considerations. In 2024, no specific target for emissions has been set and therefore is not taken into consideration when discussing remuneration.

Statement on due diligence ⁷

The main aspects and steps of our due diligence process are incorporated by reference to other parts of the management report and can be found in several different parts of the statement. An overview of where the different parts are located can be found on page 31. (ESRS 2 GOV-4, paragraph 32)

Risk management and internal controls over sustainability reporting ⁸

Pelagia manages risks by identifying, reducing, and mitigating them, while also leveraging opportunities to enhance value from our processes. The board of directors shall annually review the company's key risk exposures and internal control arrangements, as stated in the Statement of Policy on Corporate Governance. Regular evaluations assess the management's and board's understanding of risks and internal controls. The audit committee is crucial in these evaluations, which also monitors

⁷ GOV-4 Statement on due diligence

⁸ GOV-5 Risk management and internal controls over sustainability reporting

financial reporting and ensures effective internal control and risk management systems.

The main risks identified in the materiality assessment are the access and cost of marine raw materials. These risks are due to uncertainties related to quotas and climate change affecting stocks, thus increasing the cost of raw material. The risk mitigation strategy is to ensure that we have different business areas relying on different raw materials. These risks were presented to the management as other material impacts, risks and opportunities. The different risks were prioritized according to the effect they can have on the group and the overall impact on various stakeholders.

Internal control of information related to sustainability reporting is to collect the data from the various departments and check and verify using random sampling before it is included in the report. The report draft is distributed to relevant members of the executive management for review. Any discrepancies are then checked and resolved before the final report is presented to the board for approval. This ensures that the report and the information it contains must go through several checkpoints before it is approved and published.

Strategy and business model

Disclosures related to strategy, business model and value chain can be found on page 3-9, under “business model, strategy and value chain”⁹. A breakdown of total revenues by operating segments can be found under note 4. An overview of headcount by geographical areas can be found on page 71 under social information, own workforce.

OUR STAKEHOLDERS¹⁰

In Pelagia we strive to maintain dialogue with our stakeholders to secure alignment between our business and strategy, and the views and interests of our stakeholders.

⁹ SBM-1 Strategy, business model and value chain

Stakeholders’ input is used as input in our decision-making, due diligence and materiality assessments. Management stays informed of stakeholders’ views and interests by getting updates each time there is a significant change to these. Information about this is made available and distributed so management and the board can get relevant input from stakeholders when needed.

Stakeholder views are considered when shaping our strategies and sustainability efforts, and when significant changes are being made. Per 2024, no major changes to either strategy or business areas have been conducted or planned based on the stakeholder dialogue. This is because the interests and views of stakeholders are aligned with both strategies and business areas.

Information on how the views and interests of the different stakeholder groups was included in the double materiality assessment can be found on page 22.

Employees

Our people are our most valuable resource. As an employer, Pelagia is committed to creating a meaningful and safe workplace, centered on collaboration and transparency. We engage with employees through various channels, including internal communication systems, general meetings, as well as councils at each location with employee representatives.

We have established channels where employees can provide feedback or raise concerns directly to the company. This includes our whistleblower system and annual employee surveys, which are detailed in the governance section. Employees’ views and interests are also conveyed by employee representatives in committees on various topics, such as HSE and work environment. These committees are detailed in the social information section. This engagement with our employees provides valuable knowledge and possibilities for improvement in the company.

Customers

Pelagia aspires to deliver premium products and services to build trust in our markets.

¹⁰ SBM-2 Interests and view of stakeholders

Engaging with our customers is essential, as their needs and preferences play an important role in developing our business model and value proposition. We engage with customers on an operational basis, in periodic reviews and due diligence processes. Their input and feedback are used to improve our products, and to optimize transport and logistics downstream.

Suppliers

We consider engaging with our suppliers as key to promoting responsible sourcing and ethical practices. Marine resources are our main input in production, and promoting sustainable sourcing from the ocean is paramount to Pelagia, as described in the Environmental information section. We continuously engage with suppliers through daily operations, due diligence assessments and audits, which enable informed decisions concerning our supply chain and possibilities to streamline logistics to reduce emissions where possible.

Owners

Owners of Pelagia are engaged in sustainability matters on a regular basis to ensure alignment with our strategy and performance. This includes regular briefings, annual general meetings, and other arenas where we discuss progress and challenges related to material topics. By keeping our owners informed and involved, Pelagia fosters a shared commitment to achieving our sustainability efforts and driving long-term success.

Local communities

Pelagia has close ties to local communities; most of our facilities are in smaller communities along the coasts of Norway, the UK, Ireland, and Denmark. We provide employment opportunities within these communities and support local businesses. We engage with communities regularly and value their feedback to ensure that we foster strong cooperation with all the communities where Pelagia operates.

PROCESS TO IDENTIFY IMPACTS, RISKS AND OPPORTUNITIES RELATED TO SPECIFIC TOPICS

Materiality assessment process ¹¹

Scope of the assessment

The process to identify material impacts, risks and opportunities (IROs) is an important step in preparing our sustainability statement. The process is based on the EFRAG guidelines and requirements in ESRS 1.

The scope and context of the assessment is defined as Pelagia's subsidiaries, business segments, and geographies that Pelagia or its tier one value chain operates in. Activities in our own operations, as well as in the value chain and through business relationships were mapped out, involving representatives from the various geographies and COOs.

Process of identifying impacts, risks and opportunities

To identify Pelagia's IROs, we performed desktop research and interviews with external stakeholders, customers and internal subject matter experts. Interviewees were selected based on background, relevance, or business relationship, to provide relevant input. The input from external stakeholders and experts is an important part of the data collection for the double materiality assessment. In the future, dialogues and collection of interests and views of external sources will be used to verify results stemming from updates in the materiality assessment.

In the process of identifying IROs, we also considered complaints, comments and other input from affected communities to see whether this provided relevant information to the IROs we had identified or if it provided a basis for new IROs. Pelagia has most of our facilities in close proximity to local communities and interact and communicate with these regularly either directly, through collaborations or from feedback provided from affected communities. This communication has been used as input for identifying IROs. We also used internal resources who had extended information on the views and interests of different stakeholder groups. More

information about data sources, estimations, scopes and other information can be found alongside the relevant IRO.

We considered dependencies between impacts, risks and opportunities, and related actions. When we identified an impact or a dependency, we always checked if this impact or dependency could pose either a risk or an opportunity. Three of the four material opportunities and risks arose either from a dependency or an impact. IROs related to specific facilities or divisions were disaggregated accordingly.

When considering significant IROs we investigated the different locations and the business activity conducted to evaluate if any actual or potential pollution, biodiversity or ecosystem impact in our own operations was discovered. We did the same for our value chain. For our own operations we have close contact with affected communities and used this as a basis for considering the potential IROs. We assessed dependencies and systemic risks on diversity and ecosystems of Pelagia, but not on a site-specific level. When doing this assessment for our value chain we grouped together locations and companies in the value chain with similarities. We did not use a biodiversity and ecosystems scenario analysis. We identified none of our own sites near a biodiversity sensitive area.

2024 was the first year Pelagia conducted a double materiality assessment. We plan to review the assessment in 2025 to ensure that it is still relevant, and that any changes in 2025 are considered in the assessment. If there are any changes to the assessment process, we will inform about this in our annual report.

There were not identified any negative impacts regarding E4 or E2, therefore no mitigation actions have been carried out.

Process of assessing impacts, risks and opportunities

To determine Pelagia's material topics, we mapped and assessed the identified IROs as described in ESRS 1. Negative impacts were scored based on severity, remediability and likelihood, while positive impacts were scored on scale, scope and likelihood.

¹¹ ESRS 2 IRO-1 Disclosures on the materiality assessment process

Risks and opportunities were scored against their likelihood and magnitude. Pelagia's financial team was involved in assessing financial materiality, bringing in key competence, an understanding of sustainability-related risks relative to other types of risks, and knowledge about the effect on the company. In addition to internal resources, Pelagia hired experts from third parties to participate in this to ensure that the process was conducted according to the regulations.

To rate each IRO, we assessed severity, likelihood, scale, scope and remedability on a 1-5 scale. For the impact assessment, the average of the scale, scope and remedability (if negative) was multiplied by its likelihood to get a final score for the impact. For risks and opportunities, their likelihood was multiplied by the magnitude of the financial effects to provide the risk or opportunity with a score. If the score was above 16, the IRO was determined to be material. When human rights were involved in the IRO the severity took precedence over the likelihood in the assessment.

Pelagia is a diversified company, consisting of many subsidiaries. It was therefore important to involve all divisions and COOs with their respective teams in the decision-making process and assessment of IROs. To ensure that we got a complete overview and could correctly assess the risk of adverse impacts, the assessment process included all significant activities and areas where we or our business partners operate. We did not focus on specific activities, business relationships, geographies or other factors, but strived to include and assess all that could be significant by getting all the information needed to make a good assessment available.

Impacts where Pelagia was involved through own operations or because of its business relationships are considered according to the impact it has or may have on nature, the environment and people. Remedability and likelihood are also taken into consideration.

Information on assessment of the different IROs in relation to different sustainability topics is found in the relevant chapter of the sustainability disclosure according to this table.

TABLE 6: IRO SPECIFIC INFORMATION IN DIFFERENT CHAPTERS

Disclosure requirement	Page
Description of the process to identify and assess material climate-related impacts risks and opportunities	37
Description of the process to identify and assess material water and marine resources related impacts, risks and opportunities	46
Description of the process to identify and assess material resource use and circular economy related impacts, risks and opportunities	48
Description of the process to identify and assess material own workforce related impacts risk and opportunities	66
Description of the process to identify and assess material governance related impacts risk and opportunities	76
Description of the process to identify and assess impacts, risks and opportunities related to other topics	29-30

Process for verifying assessment

Following the assessment, IROs were then calibrated with the general management, who discussed and verified the material topics. The double materiality assessment was then distributed to management to be considered in overall risk assessments.

Uncertainties were verified against the most relevant internal or external stakeholders to ensure that the assessment and collected information regarding the IRO was accurate, current and pertinent. This internal control process has several steps. First, data collected from different stakeholders is checked against relevant personnel. Then, the criteria thresholds used, and the assessment results are verified with general management. General management is final decision-maker and is responsible for deciding whether the results from the double materiality assessment are accepted and can be used. After detected discrepancies are addressed and corrected, the final materiality assessment is distributed.

Process of monitoring impacts, risks and opportunities

Management and other relevant personnel are informed when an impact, risk or opportunity is assessed as material. Pelagia has learned a lot from the process of conducting our first double materiality assessment in 2024. IROs that were assessed as material in 2024 are the first ones for Pelagia, and the process for monitoring these are yet to be completely finalized. As of now, the monitoring process is individually adapted to each IRO, which is handled according to how the responsible employee sees fit.

Material opportunities and impacts are monitored and are consulted when significant decisions that can affect these or lead to new material IROs are discussed. Risks assessed as material are handled in the same manner as other types of risks in the company. More about risk management can be found on pages 12-13 and 19. This process has not yet been formalized or made part of a procedure or policy. How sustainability risks versus other risks are prioritized is determined by the potential financial impact and the likelihood of it occurring after preventative measures have been implemented.

The material risks have not had any significant impact on the company's overall risk profile as these risks were known beforehand and preventative measures have already been implemented to mitigate the risks.

Results of the assessment

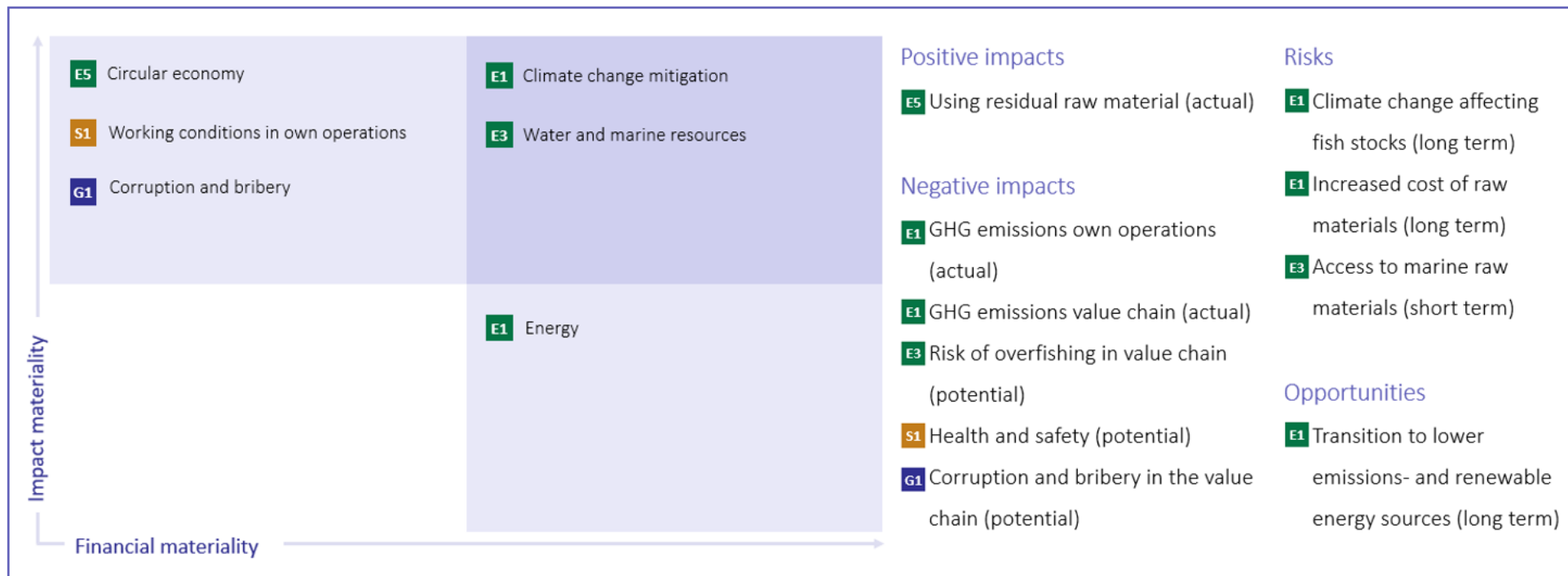


FIGURE 8: RESULTS OF THE ASSESSMENT

Material impacts, risks, and opportunities ¹²

Pelagia’s impacts, risks and opportunities resulting from the double materiality assessment are presented on the following pages.

More information on how the specific impacts, risks and opportunities are related and how they are handled in the strategy and business model can be found alongside the disclosure requirements for each individual IRO. None of the IROs are entity specific.

¹² SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

E1 Climate change

Climate change mitigation

<p>Negative impact <i>Actual</i> <i>Own operations</i></p>	<p>GHG emissions own operations Pelagia operates facilities, vessels, and vehicles that consume energy and generate GHG emissions which have a negative impact on climate. Emissions are concentrated in factories that produce fish meal and oil in Norway, Denmark, UK and Ireland.</p>
<p>Negative impact <i>Actual</i> <i>Up- and downstream</i></p>	<p>GHG emissions value chain Greenhouse gas emissions occur in the upstream and downstream value chain of Pelagia which causes a negative impact on climate both locally and globally. Emissions are primarily driven by fishing vessels, the production of other input factors used in our factories, and the transportation of products to customers mainly by road or sea.</p>
<p>Risk <i>Long term</i> <i>Own operations and upstream</i></p>	<p>Climate change affecting fish stocks Change in ocean acidity and rising temperatures affect swimming patterns and stocks of Pelagic fish in the North Atlantic. This poses a risk to Pelagia as it may impact the catch location from which raw materials for production are sourced.</p>
<p>Risk <i>Long term</i> <i>Own operations and upstream</i></p>	<p>Increased cost on raw materials Unpredictability of access to wild caught fish used as input in production at Pelagia’s factories may lead to increased cost of raw materials which will impact profitability where margins are slim.</p>
<p>Energy</p>	
<p>Opportunity <i>Long term</i> <i>Own operations</i></p>	<p>Transition to lower emissions- and renewable energy sources Increased use of lower emission technologies and renewable energy sources can reduce the environmental footprint of our products, which can be advantageous compared to other products. Some of these energy options are also more cost-effective than energy from fossil sources.</p>

E3 Water and marine resources

Extraction and use of marine resources

<p>Negative impact <i>Potential, short term</i> <i>Upstream</i></p>	<p>Overfishing in value chain The primary raw material used in our food production for human consumption is wild caught fish sourced from the North Atlantic where the risk of overfishing is present in our upstream value chain. The extraction of marine resources may impact future stocks and contribute to a decrease in the fish population of important fish stocks.</p>
<p>Risk <i>Short term</i> <i>Own operations and upstream</i></p>	<p>Access to marine raw materials Unstable political situations, uncertainties around quotas, reduction in fish stocks, and changes in regulations are all factors that contribute to a risk of accessing sufficient raw material. This risk is concentrated in Pelagia’s food production where wild caught fish is the primary input.</p>

E5 Resource use and circular economy

Resource inflows

<p>Positive impact <i>Actual</i> <i>Own operations and upstream</i></p>	<p>Using residual raw material Pelagia’s use of residual raw material that are discard from the fish farming and fish processing industry, decrease dependency on wild caught fish in production of fish meal and oil. This offers a sustainable alternative in raw material sourcing and has a positive impact on the environment. This also reduces the need for wild-caught fish to be used, increasing the pressure on fish stocks</p>
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S1 Own workforce

Working conditions

Negative impact	Health and safety
<i>Potential</i>	Many of our employees are located at facilities where there are
<i>Short-term</i>	chemicals, equipment and machinery that can cause physical harm to
<i>Own operations</i>	employees. It is a potential negative impact that can affect employees.

G1 Business conduct

Corruption and bribery

Negative impact	Corruption and bribery in the value chain
<i>Potential</i>	With numerous customers across various countries, there's a
<i>Downstream</i>	substantial risk of potential financial crimes like corruption, bribery, and money laundering in our downstream value chain. A large portion of our customers operate in high-risk regions, potentially posing a negative impact on people and challenging business relations across our facilities and divisions.

RESILIENCE ANALYSIS¹³

Introduction

The resilience analysis aims to evaluate the physical, transitional, social, and governance risks and opportunities to ensure that Pelagia's strategy and business model are compatible with different future scenarios. This analysis is crucial for decision-making related to investments and mitigating identified risks effectively. The analysis was performed in Q3 and Q4 2024 and finalized during Q4.

When the analysis was performed, we started by collecting data on our environmental, social and governance performance. We had already performed a climate scenario assessment and a double materiality assessment (DMA) that included a mapping of the value chain. These combined were used as a basis for the analysis.

We looked through the collected data for impacts, risks and opportunities as well as strengths, weaknesses and threats linked to our strategy and business model. We also looked through the information gathered from stakeholders during the stakeholder dialogue to see if any of this information could be useful in this analysis.

Scope and Focus

The analysis focuses on Pelagia's own operations and the first level of the value chain, both upstream and downstream. It includes both assets and our different business activities. The time horizons align with those used for the climate scenario analysis, with short term defined as 2025, medium term as 2030, and long term as 2050.¹⁴ The scenarios used in the resilience analysis are the same as for the climate scenario analysis.

Pelagia's strategy and business model depends on using both wild caught and residual raw material and utilizing all raw material depending on the quality and type. The facilities are spread along the coast to ensure that the raw material travel as short as

possible before being processed. Most Feed facilities are located near a Food facility to ensure efficient logistics of locally produced raw material.

Pelagia has different types of facilities and are dependent on qualified employees. Some factories are running throughout the year while others are only running during the high seasons when the fish is being landed. This leads to a varying need for employees depending on the seasons.

When assessing each physical, transitional, social, or governance risk, the most relevant time horizon for determining the materiality of the risk was considered. Not all transition risks were assessed to how it can affect business activities and assets, only the most significant risks mentioned below were assessed against this.

No GHG emissions targets are set per 31.12.2024

The anticipated financial effects from material physical and transition risks and mitigation actions and resources were estimated and considered as an integral part to determine the materiality. There is some uncertainty linked to the financial effects of raw material access going forward. The quotas are determined annually, and we do not have a secure overview of how they will be affected going forward.

This assessment has been used as an input in the double materiality assessment to ensure that no significant risks or opportunities have been excluded. No significant uncertainties were found in the analysis.

Key Risks and Opportunities

Changing Temperature and Acidification of the Oceans: This risk affects the availability and quality of marine resources, which are critical to Pelagia's operations.

Increased Cost of Raw Material: Unpredictability in the supply of wild-caught fish may lead to increased costs, impacting profitability.

¹³ ESRS 2, IRO-1, E1: Disclosures on the materiality assessment process

¹⁴ These time horizons are based on recommendation for time horizons found in the ESRS 1

Access to raw material: Unpredictability in the supply of wild-caught fish and quotas set for important fish stocks may lead to trouble accessing the quantity of raw material needed.

High Use of Residual Material: Utilizing residual raw materials from the fish farming and processing industry reduces dependency on wild-caught fish and offers a sustainable alternative.

Use of Lower-Emission and Renewable Sources of Energy: Transitioning to lower-emission technologies and renewable energy sources can reduce the environmental footprint and provide cost advantages.

Employee Well-being and Seasonal Employment: Ensuring the well-being of employees and managing the varied needs for labor during different seasons.

Mitigation Strategies

Diversification of Marine Resources: Pelagia relies on different marine resources to ensure resilience against changes in ocean conditions. Utilizing both wild caught and residual raw material from fish processing and fish farming.

Strategic Location of Facilities: Facilities are spread along the coast to minimize transportation distances and reduce emissions.

Investment in Renewable Energy: Pelagia plans to adopt lower-emission and renewable energy sources to mitigate transition risks. Several investments have already been made towards this.

Efficient Use of Residual Materials: The company focuses on maximizing the use of residual raw materials to reduce waste and improve sustainability.

Employee Training and Development: Investing in training to ensure a skilled workforce and address seasonal employment challenges.

Strengthening Governance Practices: Enhancing governance frameworks to ensure compliance with regulatory requirements and support sustainable business practices.

More information on how we mitigate these risks and how opportunities are handled can be found further in the report. The risks identified are not linked to a specific asset or business activity but are risks to Pelagia as a whole. They are taken into consideration when discussions on strategy and investments are taking place. Per 2024 we have no specific current or planned action connected to these risks.

Pelagia's strategy and business model are resilient due to reliance on different marine resources. This resilience is a crucial part in decision-making related to investments to mitigate identified risks effectively.

Conclusion

The resilience analysis concludes that Pelagia's strategy and business model are well-positioned to handle future challenges and opportunities. The company's reliance on different marine resources and focus on sustainability enhances its resilience and supports informed decision-making related to investments.

Pelagia's diverse business areas and competencies are being evaluated to prevent significant risks related to the necessity of an immediate and substantial shift in our product or service portfolio or the need for major workforce reskilling. Due to the overall assessment of the risks assessed concluded to be low, Pelagia has no specific plans to secure access to capital, shift our product or service portfolio or make other significant changes to our assets related to sustainability topics. This is due to no significant risks being identified that are not already mitigated.

IRO – 1, E2

When considering significant IROs we investigated the different locations and the business activity conducted to evaluate if any actual or potential pollution, biodiversity or ecosystem impact in our own operations was discovered. We did the same for our value chain. For our own operations we have close contact with affected communities and used this as a basis for considering the potential IROs.

IRO – 1, E3

In the process of identifying IROs, we also considered complaints, comments and other input from affected communities to see whether this provided relevant information to the IROs we had identified or if it provided a basis for new IROs. Pelagia has most of our facilities in close proximity to local communities and interact and communicate with these regularly either directly, through collaborations or from feedback provided from affected communities.

IRO – 1, E4

When considering significant IROs we investigated the different locations and the business activity conducted to evaluate if any actual or potential pollution, biodiversity or ecosystem impact in our own operations was discovered. We did the same for our value chain. For our own operations we have close contact with affected communities and used this as a basis for considering the potential IROs. We assessed dependencies and systemic risks on diversity and ecosystems of the company as a whole but not on a site-specific level. When doing this assessment for our value chain we grouped together locations and companies in the value chain with similarities. We did not use a biodiversity and ecosystems scenario analysis.

IRO – 1, E5

While identifying IROs, we considered complaints, comments, and input from affected communities to see if they supported our findings or suggested new IROs. Pelagia's facilities are near local communities, with whom we regularly interact and communicate directly, through collaborations, or via feedback.

IRO – 1, G1

When evaluating significant IROs, we assessed different locations and business activities to determine if any actual or potential pollution, biodiversity, or ecosystem impacts were found in our operations. We conducted similar evaluations for our value chain. For our own operations, we maintained close contact with affected communities to consider the potential IROs.

APPENDIX – SUSTAINABILITY STATEMENT

POLICIES

Statement of Policy on Corporate Governance

Pelagia's Statement of Policy on Corporate Governance was adopted in 2024. The policy applies to all companies in Pelagia Holding AS, to the extent reasonable. The policy outlines the company's legal structure, its divisions, departments and owner structure, and the national laws and regulations it is subject to, with a commitment to adhere to relevant laws and regulations, and recommendations for good corporate governance.

The policy further outlines company objectives, values, a commitment to contribute to sustainable development and a commitment to ensure that good corporate governance is an integral part of decision-making processes. It contains guidelines for equality and diversity, underlining our zero tolerance towards discrimination. It also outlines the responsibilities, tasks, purpose and composition of the board of directors and the audit committee, processes for monitoring and auditing, and strategy for information and communication. It provides an overview of the internal controls and risk management functions of the group, including roles and responsibilities, activities and reviews.

CFO is accountable for implementation of the policy. It is available through our intranet that are accessible to all employees, and to externals through [Pelagia.com](https://www.pelagia.com).

Statement on due diligence ¹⁵

TABLE 7: STATEMENTS ON DUE DILIGENCE

Core elements of due diligence	Sections in the sustainability statement	Page reference
a) Embedding due diligence in governance, strategy and business model	General information, ESRS 2 GOV-2	19
b) Engaging with affected stakeholders in all key steps of the due diligence	General information, ESRS 2 SBM-2 General information, ESRS 2 IRO-1 Social information, ESRS 2 MDR-P Governance information, ESRS 2 MDR-P	20 22 67, 73-74 76, 79
c) Identifying and assessing adverse impacts	General information, ESRS 2 IRO-1 General information, ESRS 2 SBM-3 Governance information, G1-1, G1-3	22 25 76-77
d) Taking actions to address those adverse impacts	Environmental information, MDR-A Social information, MDR-A Governance information, G1-1, G1-3	39, 47, 48-49 69-70 76-77
e) Tracking effectiveness of these efforts and communicating	Environmental information, MDR-M Social information, MDR-M Governance information, G1-1, G1-3, MDR-M	39, 49-50 72 76-78

¹⁵ GOV-4 Statement on due diligence

DATA POINTS THAT DERIVE FROM OTHER EU LEGISLATION¹⁶**TABLE 8: DATA POINTS THAT DERIVE FROM OTHER LEGISLATIONS**

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement	Page reference
ESRS 2 GOV-1 Board's gender diversity ¶ 21 (d)	x		x		Material	13
ESRS 2 GOV-1 Percentage of board members who are independent ¶ 21 (e)			x		Material	11
ESRS 2 GOV-4 Statement on due diligence ¶ 30	x				Material	19
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities ¶ 40 (d) i	x	x	x		Not material	-
ESRS 2 SBM-1 Involvement in activities related to chemical production ¶ 40 (d) ii	x		x		Not material	-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons ¶ 40 (d) iii	x		x		Not material	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco ¶ 40 (d) iv			x		Not material	-
ESRS E1-1 Transition plan to reach net zero climate neutrality by 2050 ¶ 14				x	Not relevant	-
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks ¶ 16 (g)		x	x		Not relevant	-
ESRS E1-4 GHG emission reduction targets ¶ 34	x	x	x		Not material	-
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) ¶ 38	x				Material	40
ESRS E1-5 Energy consumption and mix ¶ 37	x				Material	40
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors ¶ 40 to 43	x				Material	41
ESRS E1-6 Gross scope 1, 2, 3 and Total GHG emissions ¶ 44	x	x	x		Material	41
ESRS E1-6 Gross GHG emissions intensity ¶ 53 to 55	x	x	x		Material	41
ESRS E1-7 GHG removals and carbon credits ¶ 56				x	Not material	-
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks ¶ 66			x		Not material	-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk ¶ 66 (a); Location of significant assets at material physical risk ¶ 66 (c)		x			Not material	-
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes ¶ 67 (c)		x			Not material	-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities ¶ 69			x		Not material	-
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil, ¶ 28	x				Not material	-
ESRS E3-1 Water and marine resources ¶ 9	x				Material	46
ESRS E3-1 Dedicated policy ¶ 13	x				Not material	-
ESRS E3-1 Sustainable oceans and seas ¶ 14	x				Material	46
ESRS E3-4 Total water recycled and reused ¶ 28 (c)	x				Not material	-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations ¶ 29	x				Not material	-
ESRS 2- SBM 3 - E4 ¶ 16 (a)	x				Not material	-
ESRS 2- SBM 3 - E4 ¶ 16 (b)	x				Not material	-
ESRS 2- SBM 3 - E4 ¶ 16 (c)	x				Not material	-

¹⁶ IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page reference
ESRS E4-2 Sustainable land / agriculture practices or policies ¶ 24 (b)	x				Not material	-
ESRS E4-2 Sustainable oceans / seas practices or policies ¶ 24 (c)	x				Not material	-
ESRS E4-2 Policies to address deforestation ¶ 24 (d)	x				Not material	-
ESRS E5-5 Non-recycled waste ¶ 37 (d)	x				Not material	-
ESRS E5-5 Hazardous waste and radioactive waste ¶ 39	x				Not material	-
ESRS 2- SBM3 - S1 Risk of incidents of forced labour ¶ 14 (f)	x				Not material	-
ESRS 2- SBM3 - S1 Risk of incidents of child labour ¶ 14 (g)	x				Not material	-
ESRS S1-1 Human rights policy commitments ¶ 20	x				Material	67
ESRS S1-1 Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8, ¶ 21			x		Not material	
ESRS S1-1 Processes and measures for preventing trafficking in human beings ¶ 22	x				Not material	-
ESRS S1-1 workplace accident prevention policy or management system ¶ 23	x				Material	67
ESRS S1-3 Grievance/complaints handling mechanisms ¶ 32	x				Material	77
ESRS S1-14 Number of fatalities and number and rate of work-related accidents ¶ 88 (b) and (c)	x		x		Material	72
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness ¶ 88 (e)	x				Material	72
ESRS S1-16 Unadjusted gender pay gap ¶ 97 (a)	x		x		Not material	-
ESRS S1-16 Excessive CEO pay ratio ¶ 97 (b)	x				Not material	-
ESRS S1-17 Incidents of discrimination ¶ 103 (a)	x				Not material	-
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD ¶ 104 (a)	x		x		Not material	-
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain ¶ 11 (b)	x				Not material	-
ESRS S2-1 Human rights policy commitments ¶ 17	x				Not material	-
ESRS S2-1 Policies related to value chain workers ¶ 18	x				Not material	-
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines ¶ 19	x		x		Not material	-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8, ¶ 19			x		Not material	-
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain ¶ 36	x				Not material	-
ESRS S3-1 Human rights policy commitments ¶ 16	x				Not material	-
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines ¶ 17	x		x		Not material	-
ESRS S3-4 Human rights issues and incidents ¶ 36	x				Not material	-
ESRS S4-1 Policies related to consumers and end-users ¶ 1	x				Not material	-
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines ¶ 17	x		x		Not material	-
ESRS S4-4 Human rights issues and incidents ¶ 35	x				Not material	-
ESRS G1-1 United Nations Convention against Corruption ¶ 10 (b)	x				Not relevant	-
ESRS G1-1 Protection of whistle-blowers ¶ 10 (d)	x				Not relevant	-
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws ¶ 24 (a)	x		x		Not material	-
ESRS G1-4 Standards of anti-corruption and anti- bribery ¶ 24 (b)	x				Not material	-

ENVIRONMENTAL INFORMATION

Pelagia is committed to ensuring that 100% of our raw materials are utilized and thereby minimizing waste and maximizing value. We pride ourselves on maintaining the lowest possible environmental footprint possible throughout our production, while taking care to manage our material impacts, risks and opportunities.

TABLE 9: LIST OF DISCLOSURE REQUIREMENTS

List of disclosure requirements		Page reference
E1 Climate change		37
SBM – 3	Material impacts, risks and opportunities and their interaction with strategy and business model	37
E1 – 1	Transition plan for climate change mitigation	38-39
E1 – 2	Policies related to climate change mitigation and adaptation	38
E1 – 3	Actions and resources in relation to climate change policies	39
E1 – 4	Targets related to climate change mitigation and adaptation	39
E1 – 5	Energy consumption and mix	39
E1 – 6	Gross Scopes 1, 2, 3 and Total GHG emissions	41
E3 Water and marine resources		46
SBM – 3	Material impacts, risks and opportunities and their interaction with strategy and business model	46
E3 – 1	Policies related to water and marine resources	46
E3 – 2	Actions and resources related to water and marine resources policies	47
E3 – 3	Targets related to water and marine resources	47
E5 resource use and circular economy		48
SBM – 3	Material impacts, risks and opportunities and their interaction with strategy and business model	48
E5 – 1	Policies related to resource use and circular economy	48
E5 – 2	Actions and resources related to resource use and circular economy	48
E5 – 3	Targets related to resource use and circular economy	49
E5 – 4	Resource inflows	50
EU Taxonomy		52
Appendix		62



CLIMATE SCENARIO ANALYSIS ¹⁷

Pelagia have conducted an analysis to assess transition and physical risks and opportunities related to climate change. Different climate scenarios have been used to analyze how they impact our activities, as well as the resilience of the business. These scenarios align with state-of-the-art science and are compatible with climate-related assumptions made in the financial statements. These are compatible with the assumption that are mentioned in note 9, that the main risk for Pelagia is the effect climate change can have on the stocks and lead to an increased cost of marine raw material.

Scope and methodology

The analysis was informed by previous climate assessments as well as the double materiality assessment and was conducted by the sustainability team before it was discussed and qualified by representatives in the leadership group. Following the double materiality assessment, the scope of the analysis includes Pelagia's own operations as well as the first tier of value chain, and the time horizons define short term as 2025, medium term as 2030, and long term as 2050¹⁸. No material physical or transitional risks have been excluded from the analysis. Per 2024 the standard time horizons from CSRD was adopted with no link to specific expected lifetimes of its assets, strategic planning or capital allocation plans.

When assessing activities, we also looked for potential and actual sources of emissions, and when discussing plans for investments, this is also included in the discussion. This includes screening our activities and plans to identify actual and potential future GHG emission sources and, if applicable, drivers for other climate-related impacts (e.g., emissions of black carbon or tropospheric ozone or land-use change) in our own operations and along the value chain. Potential effects from GHG emissions on climate change include higher risk of climate hazards, higher temperatures affecting ecosystems, and rising sea levels, to name a few.

Scenarios

The analyses include scenarios from each side of the spectrum, released by the Network for Greening the Financial System (NGFS) in 2021. On one side, the "Net Zero 2050" scenario is consistent with the Paris Agreement limiting climate change to 1.5°C and assumes that climate policies are introduced early to enable immediate emission reduction, and that technology change is fast. This scenario represents a medium transition risk and low physical risk.

On the other side, the "Hot House World" high emission scenario describes warming of 3°C or above, with reduction policy at current level corresponding to a higher risk of physical climate hazards and lower transition risks. To analyze the impacts on facilities, corresponding projection data from the RCP 8.5 scenario by IPCC were used where available.

The key driver for using these scenarios to plan for the worst case and best case is to see how the outer point could affect our business model and activities. This approach helps us prepare for both extremes and everything in between. Considering energy usage, emissions, and the uncertain political situation in 2024 and 2025, using both outer points offers the best approach. We also assessed scenarios on a mainly national and regional level and assessed some specific locations. Both scenarios used are from the Network for Greening the Financial System (NGFS) in 2021.

Risk and opportunity assessment

To identify physical risks at site-level granularity, a climate risk and vulnerability assessment was conducted in 2023 of key facilities and activities in line with the EU Taxonomy criteria. Significant risks were assessed relative to the scope and expected lifespan of the activity. The assessment was refreshed and improved in 2024, where the overall impact was generally considered low. Here, climate related hazards such as extreme weather, heavy precipitation, sea level rise, storm surges and flooding are relevant for our coastal facilities, which were further assessed against the scenarios. These climate-related hazards could lead to significant damage to the equipment and lead to the need for significant investments to restore the facilities affected. Where

¹⁷ SBM-3 Material impacts, risks and opportunities and interaction with strategy and business model

¹⁸ These time horizons are based on recommendation for time horizons found in the ESRS 1

risks are assessed as medium, relevant adaptation measures are identified. We expect to expand this assessment to include more sites in 2025.

Emissions assessment

Additionally, we have assessed our actual and potential impacts on climate change (i.e., our total GHG emissions). This involves calculating GHG emissions in our own operations and along the value chain, using methodologies aligned with the methodology from CSRD. The process includes defining organizational boundaries, selecting appropriate emission factors, and setting a baseline year for comparability over time. Emissions are calculated in respective models and reported in line with regulatory standards set out by the CSRD.

Conclusion

The transition to a lower-carbon and resilient economy is expected to lead to increased costs for raw materials and energy, as well as changes in regulations and market dynamics. However, Pelagia's focus on high resource efficiency, the use of residual raw materials, and the adoption of lower-emission and renewable energy sources presents significant opportunities to mitigate these risks and enhance the company's resilience and competitiveness.

ESRS E1 - CLIMATE CHANGE

Materiality assessment in relation to climate change

To assess the impact Pelagia's own operation has in relation to carbon emissions we used the emissions calculated for 2024. We also screened all significant activities and plans by examining how these were linked to emissions and if future planned activities would affect the emissions or have any other climate-related impacts.

In relation to physical risks, we relied on the results from the climate scenario and resilience analysis to assess if there are any material climate related physical risks, either in our own operations or in tier one of our value chain. This assesses what risks are most relevant for our assets and business activities, and how these may be sensitive to climate change.

Increased cost of raw materials

Risk, long term (own operations and upstream)

The access to wild caught fish and other important raw materials in Pelagia's production may be subject to a changing market and regulatory landscape in response to climate, or nature risks such as overfishing. Unpredictability in supply and governmental measures are expected to raise prices of raw materials.

While material, this risk is not expected to have a significant effect on Pelagia's financial position, financial performance or cash flow over short term. Therefore, there have not been decided for a need for any material adjustments within the next financial reporting period. Pelagia is mitigating this risk by ensuring good capital resources and flexibility and having diverse business areas.

¹⁹ SBM-3 Material impacts, risks and opportunities and interaction with strategy and business model

Material impacts, risks and opportunities and their interaction with strategy and business model ¹⁹

GHG emissions

Negative actual impact, short term (own operations and value chain)

In our own operations, scope 1 and 2 emissions amounted to 96 511 (location based) / 181 884 (market based) tCO₂e in 2024 (see table 8) where emissions are concentrated in our factories that produce fish meal and oil. Efforts to reduce emissions at our facilities and improve energy efficiency is a continuous effort, where significant investments were made in 2023 and 2024.

In our value chain, emissions are particularly significant in the sourcing and production of input material used at our factories, and in transportation of products to customers mainly on road or by sea. The primary raw material that Pelagia source is pelagic stock, such as herring and mackerel, which have low CO₂ emissions relative to other seafood products ²⁰.

Climate changes are affecting every person on the planet, making it a critical issue to address. The short- or medium- term impact will not directly affect the business model or value chain. However, emissions and the following effects from both own operations and the value chain contributes to overall climate change. Pelagia is mitigating the impact by using new technology and testing how to get energy from more climate neutral and low emission sources.

²⁰ SINTEF – Greenhouse gas emissions of Norwegian seafood products in 2017 (dated 2020)

Climate change affecting fish stocks

Risk, long term (value chain)

As a consequence of global warming, change in ocean acidity and ocean temperatures affect swimming patterns, population and stocks of Pelagic fish. In the long run, under the high emission scenario with warming of +3°C, this may pose a significant risk to raw material supply. Pelagia's variety of business areas and geographies, high resource efficiency, and actions to reduce emissions, all demonstrate its resilience in this scenario.

This risk will likely impact both our operations and the fishing fleet by altering where fish can be caught. Pelagic species are swimming in schools in the open ocean and can move to different areas depending on access to food and other circumstances. A change of ocean acidity and ocean temperatures can change how the stock swims or in the worst case affect the size and survival of the fish stocks. Pelagia is mitigating this risk by both working towards reducing our own emissions and using different species as our raw material as well as residual raw material as an input factor in our production. We have not been able to calculate the effect this risk can and will have on the financial position, but we do not expect significant changes in the short or medium term or the need for material adjustments. Long term effects are uncertain, and we are not able to estimate financial effects for now.

Transition to lower-emission and renewable sources of energy

Opportunity, long term (own operations)

A climate-related opportunity for Pelagia lies in expanding the use of low-emission or renewable energy in our operations. As well as being more cost-efficient, a decrease in emissions will keep the footprint of our products low, and it may lead to a competitive advantage. Pelagia's focus on cost-effective and energy efficient solutions contributes to our ability to capture this opportunity.

This may give Pelagia the chance to transition from fossil fuels energy sources to low-emission and renewable energy sources. Pelagia made significant investments in technologies to further this transition in 2024. We predict the need for investments going forward to continue with this transition and we expect this to give us a long-term competitive advantage. It is also expected that successful transitions will reduce both the emissions, and the cost needed for energy.

Transition plan for climate change mitigation²¹

2024 is the first year Pelagia calculated its scope 3 emissions, and we have not created a climate transition plan yet. When we have sufficient data, we will work towards creating this and hope to present it in the 2025 annual report.

Policies²²

Responsible operations policy aims to enhance sustainability and minimize environmental impact by reducing carbon emissions, promoting resource efficiency, and ensuring ethical practices. This relates to all the material risks, opportunities and impacts mentioned in this chapter. The policy considers own operations as well as the value chain and is approved by the CEO and applied to all our facilities. The Sustainability Manager is accountable for its implementation. The policy aligns with

²¹ E1-1 Transition plan for climate change mitigation

²² E1-2 Policies related to climate change mitigation and adaptation

standards like the United Nations Sustainable Development Goals (SDGs). The policy is made available on Pelagia's intranet.

Actions and resources ²³

Pelagia's bond loan aims to provide capital for investments aligned with its strategy. This bond is not green or sustainable, nor linked to any specific sustainability objectives or targets. The first action mentioned below is a significant investment, all actions mentioned are financed using the bond. The bond secures access to capital to ensure that these and future planned actions mentioned can be conducted. More information about the bond can be found in note 3 in the financial statement. The ability to implement these actions rely on the use of the mentioned bond.

Implement energy efficiency technologies and equipment

In 2024, we installed an industrial-size heat pump at our feed facility in Måløy. This energy-efficient heat pump is expected to significantly reduce emissions. It has not yet been tested at full production, so we haven't determined the exact reduction. Testing will conclude in 2025, and results will be included in the next annual report.

Fuel switching by using certified carbon neutral fish oil

In 2024 our second factory was certified to produce climate neutral fish oil from category 2 raw material. This oil is planned to be used as a substitute for heating oil to run the factory. The use of low emission and climate neutral fish oil as a substitute has already reduced our emissions by 5 188 tCO₂e in 2024. We anticipate a greater reduction in 2025 due to increased production of certified fish oil. The oil that is certified under this scheme is produced climate neutral, and the only emissions are transportation when the oil is burned in another location than it was produced.

Supply chain decarbonization by focusing on effective logistics and transportation

Our Food and Feed facilities are typically strategically located in proximity to one another and suppliers limit the need for transportation. To further reduce emissions,

²³E1-3 Actions and resources in relation to climate change policies

²⁴ E1-1 Transition plan for climate change mitigation

there is a continuous focus on effective logistics through our value chain, preference of sea transport where feasible, and a growing share of electrical vehicles in our fleet.

Metrics and targets for climate change ^{24 25}

Pelagia has climate related metrics to measure emissions in own operations and in the value chain, in addition to metrics of energy consumption as detailed in below sections. These metrics are defined in ESRS and for associates and joint ventures are calculated using ESRS 1 paragraph 62 to 67. None of the metrics are assured by other parties.

After completing our emissions inventory for 2024, we will be more capable of measuring progress with metrics and set informed targets that we can affect with reduction levers. These targets will be integrated into a transition plan we plan to adopt and disclose in the 2025 report. Meanwhile, Pelagia is working on how to measure and track the effectiveness of our policies and actions.

Energy consumption ²⁶

Pelagia operates within the high climate impact sectors manufacture of food products and wholesale of grain, unmanufactured tobacco, seeds and animal feeds.

The energy consumption and mix for Pelagia are as shown in table 7.

Energy from renewable sources has been calculated using the energy mix per country according to the International Energy Agency (IEA). Electricity from biofuels, waste, hydro, geothermal, solar, wind and tide are considered renewable.

²⁵ E1-4 Targets related to climate change mitigation and adaptation

²⁶ E1-5 Energy consumption and mix

TABLE 10: ENERGY CONSUMPTION AND MIX

Energy consumption and mix (MWh)	2023	2024
Coal and coal products	0	0
Crude oil and petroleum products	185 430	162 592
Natural gas	213 666	204 966
Other fossil sources	0	0
Purchased or acquired electricity, heat, steam, and cooling from fossil sources	68 020	75 897
Total fossil energy consumption	467 117	443 455
Share of fossil sources in total energy consumption (%)	83%	81%
Consumption from nuclear sources	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0%	0%
Renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	93 384	106 867
Purchased or acquired electricity heat, steam, and cooling from renewable energy	0	0
Self-generated non-fuel renewable consumption	239	249
Total renewable energy consumption	93 623	107 116
Share of renewable sources in total energy consumption (%)	17%	19%
Total energy consumption	560 739	550 571

TABLE 11: GHG EMISSIONS

GHG emissions (tCO ₂ e)	2023 ²⁷	2024	% vs. LY
Scope 1 GHG emissions			
Gross Scope 1 GHG emission	96 285	88 040	-9%
% of Scope 1 GHG emissions from regulated emissions trading schemes	0%	0%	
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emission	4 958	8 471	71%
Gross market-based Scope 2 GHG emissions	53 406	93 844	76%
Significant Scope 3 GHG emissions			
Total Gross indirect (scope 3 categories)	-	1 887 359	-
Purchased goods and services (1)	-	1 576 315	-
Capital goods (2)	-	44 517	-
Fuel and energy-related activities (3)	-	19 873	-
Transportation and distribution (4&9)	-	181 418	-
Waste generated in operations (5)	-	19	-
Business traveling and commuting (6&7)	-	2 446	-
Leased assets (8&13)	-	20	-
Processing of sold products (10)	-	62 749	-
Total GHG emissions			
Total GHG emissions (location-based)	-	1 983 870	-
Total GHG emissions (market-based)	-	2 069 243	-

²⁷ Recalculation of scope 1 and 2, and calculations of scope 3 for 2023 with same methodology as for 2024.

TABLE 12: ENERGY INTENSITY PER NET REVENUE

Energy intensity per net revenue (MWh/NOK) ²⁸	2023	2024	% vs. LY
Total energy consumption per net revenue ²⁹	4,31	3,66	-15%

Greenhouse gas emissions³⁰

Pelagia’s scope 1 and 2 (market-based) emissions account for only 8% of total emissions. We continue to focus on reducing emissions and enhancing energy efficiency in our own operations, while working on understanding potential reduction within the value chain. As described earlier, the base year for measuring progress going forward will be 2024. Still, when 2023 numbers are available, they have been included for comparability. The calculation of the greenhouse gas emissions has all been used with emissions factors for CO2e that present the emission of other greenhouse gases such as CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3 converted into CO2 equivalents.

Scope 1 and 2 – emissions from own operations

To calculate scope 1 and 2 emissions, Pelagia have approached this according to the requirements from CSRD. This means that we account for all GHG emissions from companies and subsidiaries that are included in the consolidated report. A complete overview of these subsidiaries can be found in note 1. This method aligns with the method described in ESRS E1.

²⁸ Revenue can be found in note 4

²⁹ From activities in high climate impact sectors. We only operate in high climate sectors.

TABLE 13: GHG INTENSITY PER NET REVENUE

GHG intensity per net revenue (tCO2e/NOK) ³¹	2023	2024	% vs. LY
Total GHG emissions (located-based) per net revenue	-	1,32	-
Total GHG emissions (market-based) per net revenue	-	1,38	-

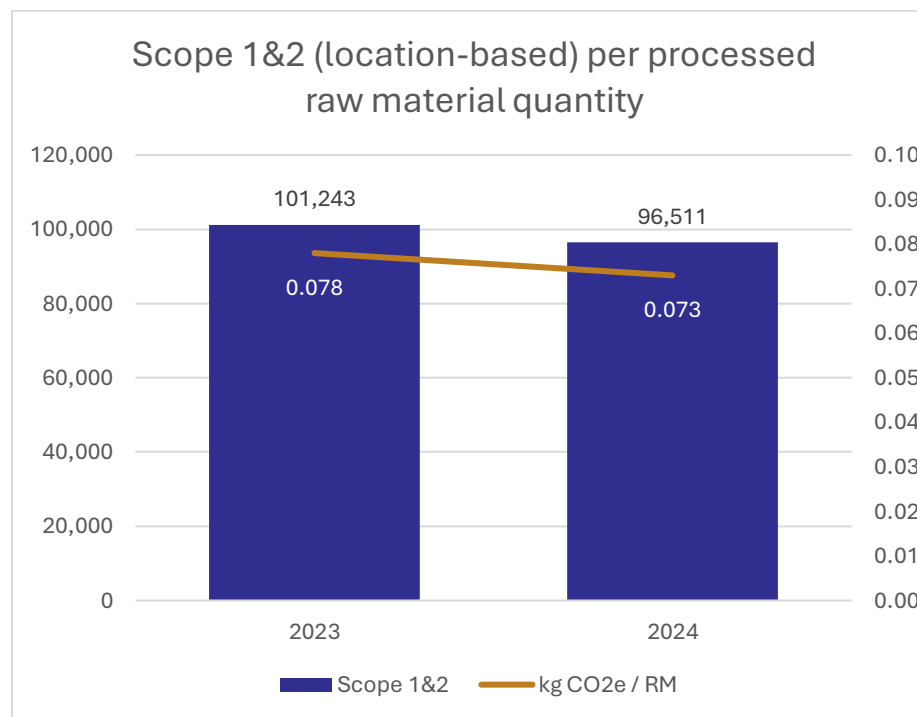


FIGURE 9: EMISSIONS PER PRODUCED KG

³⁰ E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

³¹ Revenue can be found in note 4

Scope 3 – emissions from the value chain

The most significant emission categories include Category 1 – Purchased goods and services, Category 4 – Upstream transportation and distribution, Category 10 – Processing of sold products and Category 2 – Capital goods, these accounts for 97% of the scope 3 emissions.

TABLE 14: SCOPE 3 EMISSIONS

Scope 3 emissions	% of total
Purchased goods and services (1)	83,5%
Capital goods (2)	2,4%
Fuel and energy-related activities (3)	1,1%
Transportation and distribution (4&9)	9,6%
Waste generated in operations (5)	0,0%
Business traveling and commuting (6&7)	0,1%
Leased assets (8&13)	0,0%
Processing of sold products (10)	3,3%
Total GHG emissions	100,0%

Category 1 – Purchased goods and services: Upstream emissions of Pelagia’s purchased goods and services such as raw materials, packaging materials and services. Main part of the emissions in this category is from procurement of marine raw materials. Due to the large amount of raw material purchased, even with pelagic fish and trimmings having low emissions, this is the largest scope 3 category. 90% of the emissions in this category is from purchases of fish and fish related products

Category 2 – Capital goods: Includes all asset acquisitions activated in the reporting year. Most of the emissions here are from investing in factories, equipment, vessels and other buildings.

Category 3 – Fuel- and energy-related activities: Covers emissions from fuel and energy production used by the company in the reporting year, not included in scope 1

or scope 2. We collected data from purchased fuel and energy as well as transmission and distribution losses.

Category 4 – Upstream transportation and distribution: Includes emissions from transporting and distributing purchased products in the reporting year between our suppliers and own operations using third-party vehicles (excluding fuel and energy products). It also covers third-party transportation and distribution services bought by Pelagia, such as inbound and outbound logistics and movement between our facilities.

Category 5 – Waste generated in operations: Emissions from disposing and handling waste from own operations.

Category 6 – Business travel: This category includes car, taxi, public transport and flights used for business travels.

Category 7 – Employee commuting: This category includes how our employees are getting to work.

Category 8 – Upstream leased assets: consists of emissions from the operation of assets leased by the reporting company during the reporting year, which are not included in the company's scope 1 or scope 2 inventories. Pelagia leases several buildings for housing, office space and storage.

Category 9 – Downstream transportation and distribution: We collect activity data for transportation of sold products where Pelagia is not main cost bearer (in vehicles not owned or controlled by Pelagia).

Category 10 – Processing of sold products: The products we sell are often minimally processed. Our food products are mainly canned, cooked or smoked, our feed products are used to produce feed, and our health products are used as ingredients in dietary supplements and pharmaceutical intermediates ingredients. Most of the emissions from this category are from the production of food to human consumption.

Category 13 – Downstream leased assets: Covers emissions from assets owned by the reporting company but leased to other entities and not included in scope 1 or scope 2. Pelagia has 4 assets that are leased to other entities.

Categories 11, 12, 14 and 15 are not included in our report due to it not being relevant, more information on why can be found on page 45.

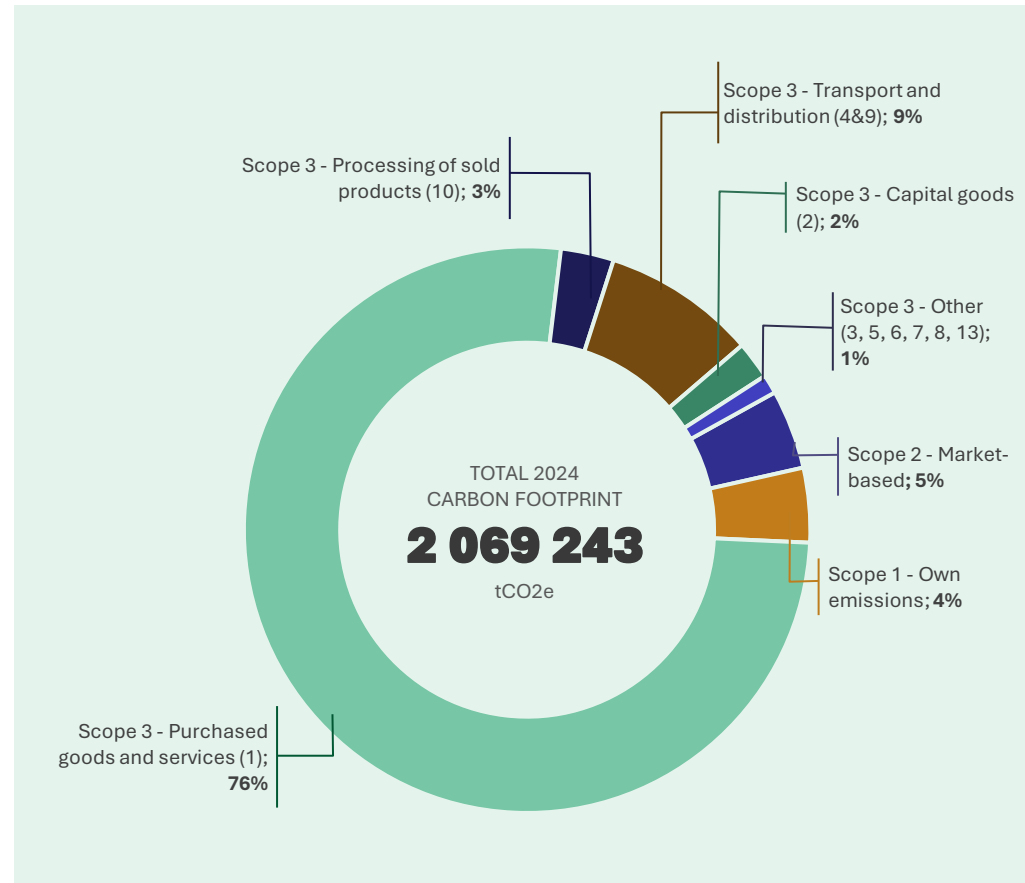


FIGURE 10: ALL EMISSIONS 2024

Basis for preparation | Accounting policy

Pelagia's scope 1, 2 and 3 emissions are calculated in accordance with the ESRS and are expressed in CO₂ equivalents³², and prepared at a consolidated level including subsidiaries, where reporting boundaries and operational control are set initially. Calculation tools used are excel and PowerBI, this is due to Pelagia has not committed to purchase a system for calculating emissions.

Scope 1 and 2

The main assumption for use of fossil fuels and electricity is that purchased information has the most accurate data. All purchase data is linked to financial vouchers and is easily documented. A small amount of data is handled manually due to missing or inaccurate data from the ERP system. Internal controls are in place to ensure accuracy and completeness. Emission factors are selected based on country, availability, and consistency³³. Pelagia and its subsidiaries included in the consolidated report are included in the calculation of emissions, a complete list of these can be found in note 1.

Scope 3

A screening of all scope 3 categories was conducted to prioritize efforts and ensure more precision to the most relevant categories. Boundaries for scope 3 calculations are tier one suppliers and tier one customers of all of Pelagia and its subsidiaries.

Value chain emissions rely on sector averages and proxies, with minimal primary data (near 0%). This is mainly due to challenges in obtaining specific information, leading to uncertainties in estimations. This is addressed by applying a conservative approach. Calculations are mostly based on

activity data from the ERP system, and we have strived to select appropriate and credible emission factors, ensuring certain accuracy. We aim to enhance data quality and prioritize primary data collection in significant areas.

Category 1 – Purchased goods and services

Calculated using an average-data method mainly for production-related items, and a spend based and supplier specific method for services and other products. Categorized by purchased products, raw materials have been calculated using mostly average-data method. Other products have been calculated using spend-based method. Obtaining more relevant emission factors and primary data for marine raw materials is a focus area, with current factors from Sintef (2020). Other sources used are Defra (2024) based on volumes, and DFØ (2021) based on spend.

Category 2 – Capital goods

Spend method was applied in calculating upstream emissions from Pelagia's fixed assets, using emission factors from Defra (2024) and DFØ (2021).

Category 3 – Fuel- and energy-related activities

Fuel- and energy related activities are calculated based on the same data as in scope 1 and 2, with factors capturing the upstream emissions and including transmission and distribution losses.

We have used data from purchased fuel and energy as well as transmission and distribution losses. Calculated using average-data method.

Category 4 – Upstream transportation and distribution

Collection of data for transportation of purchased products as well as purchased transportation services of sold products. This data includes information about volumes, transportation mode and routes. Transportation distances have been calculated, and emission factors were collected. Distance-based method was used for calculation

Pelagia collects transport data by obtaining activity data for volumes, mode of transport and distances, and applying an average-data method with Defra emission factors. Where data gaps exist, business rules have been mapped and qualified by representatives of divisions. The calculations include emissions from upstream transportation of Pelagia's purchased or sold products between tier 1 suppliers and own operations, and between own facilities.

Category 5 – Waste generated in operations

The waste generated in operations is estimated based on detailed waste data from suppliers in a representative subset of our locations including volumes, waste- and treatment type with Defra factors, and used as proxy to scale up.

Created specific spend-based emission factor for Pelagia using 8 locations are proxy providing details on volumes, spend,

³² Greenhouse Gas Protocol Corporate Standard (GHG Protocol). CO₂e include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) reflecting their global warming potential.

³³ Energy related emission factors are retrieved from sources such as Defra, Carbon Footprint, and NVE.

waste- and treatment type. This factor was used for the entire waste handling across all locations.

Category 6 – Business travel

Business travel emissions include cars, taxis, public transport and flights. Spend based method is used, with emission factors provided by our travel agency as well as Defra.

Category 7 – Employee commuting

Commuting was estimated based on average commuting patterns from the Norwegian Public Roads Administration.

Category 8 – Upstream leased assets

Pelagia is leasing several properties to use for housing, office space and storage. The emissions from these are calculated using average method and the square meters of each property. We used emission factors provided by Miljødirektoratet (Norwegian Environment Agency) to calculate these emissions.

Category 9 – Downstream transportation and distribution

We collect activity data for transportation of sold products where Pelagia is not the main cost bearer (in vehicles not owned or controlled by Pelagia). This data includes information about volumes, transportation mode and routes. Transportation distances have been calculated, and emission factors were collected. Distance-based method was used for calculation. The current activity data is based on transport legs where Pelagia have available information, which means uncertainties of transport and distribution further upstream or downstream remains.

Category 10 – Processing of sold products

Downstream processing emissions of Pelagia's intermediate products involves uncertainties. Estimates are based on processing profiles identified considering relevance and data availability. Estimated with emissions data from major customers or representative internal operations, these are used as proxies and scaled up to total sold volumes. Emissions beyond business customers are not considered.

Categorized based on selected product processing profiles. These profiles were estimated based on average-data method or on other available emission data from each case. The processing profiles were used as proxies to estimate total emissions. This category has high uncertainty and will be prioritized for data improvement.

Category 11 – Use of sold products:

Not calculated due to emissions from the use of Pelagia's products are not relevant considering Pelagia's intermediate products are used in finished goods that does not consume energy directly and are ultimately consumed.

Category 12 – End-of-life treatment of sold products:

Not calculated due to emissions from the use of Pelagia's products not relevant considering Pelagia's intermediate products are used in finished goods that are ultimately consumed.

Category 13 – Downstream leased assets

Pelagia is leasing out four assets to other entities. The emissions from these are calculated using average method and the square meters of each property. We used emission factors provided by Miljødirektoratet to calculate these emissions.

Category 14 – Franchises:

This category has been excluded from the calculation due to Pelagia not having any franchises.

Category 15 – Investments:

Not calculated due to the category only being relevant for investors (companies that make an investment with the objective of making a profit) and financial services. Neither of these are relevant for Pelagia, so this category is not relevant.

Biogenic emissions – out of scope emissions

Pelagia's biogenic CO₂ emissions from biomass combustion totaled 5 887 tCO₂e in own operations. In the value chain, biogenic emissions occur in cases where Pelagia sell biomass to facilities producing biogas (category 11), however they are assessed as insignificant. Biogenic CO₂ emissions are considered net-zero for scope 1 and reported separately, while other greenhouse gases from biomass combustion and lifecycle emissions are considered in reported scopes. We have calculated the scope 1 emissions to be 389 tCO₂e based on emission factor "Biodiesel ME (from tallow)" as shown in DEFRA.

ESRS E3 – WATER AND MARINE RESOURCES

As a major fish processor reliant on wild-caught fish, marine residual raw material and other marine materials, Pelagia depends on a sustainably managed ocean. Impacts, risks and opportunities related to marine resources were identified through the materiality assessment.

Material impacts, risks and opportunities and their interaction with strategy and business model³⁴

Overfishing in value chain

Potential negative impact, short term (upstream)

A potential negative impact is the event of overfishing. The primary raw material used in our food production is sourced from the North Atlantic. National regulations and control agencies closely monitor marine resources. The pelagic fisheries in the North Atlantic are strictly regulated by government bodies. In Norway, pelagic fish is bought through Norges Sildesalgslag, while in other countries we mainly buy directly from fishing vessels. All Pelagia products undergo strict quality control ensuring traceability from catch throughout the value chain.

This potential impact of overfishing that could lead to the reduction of raw material available could have a significant impact on Pelagia business model and strategy. We are mitigating this impact by only procuring fish through approved and regulated channels to ensure that we are not contributing to overfishing in the value chain. When procuring other products from marine sources we always need traceability to ensure that the raw material used are not from unregulated and illegal fisheries. . This impact could lead to the reduction of important fish stocks that are used for food and could have significant consequences both for people and the ecosystem. The impact is connected to our strategy and business model in how we rely on enough marine raw material to run our factories.

³⁴ SBM-3 Material impacts, risks and opportunities and interaction with strategy and business model

Access to marine raw materials

Risk, short term (own operations and upstream)

Pelagia's activities will depend on the availability of the necessary fish resources in the areas where Pelagia is established with its production facilities. Especially our food production relies on wild caught fish as input. Several factors contribute to the risk of accessing marine raw materials, such as changes in fish stocks, unstable political situations, uncertainties around quotas, and regulations.

Changes in access to marine raw materials can lead to changes in factory locations. The financial consequences could be significant and lead to relocation of facilities and/or employees and equipment. Some factories could be shut down or reduced volumes due to the lack of raw material.

This risk has been mitigated by having facilities placed on several locations along the coast of Norway, United Kingdom, Ireland and Denmark to ensure that we always have one or more factories close even if the fish are starting to move to different fishing areas. If we need to relocate or expand/reduce one or more of our facilities the cost could be significant, but for now this risk is not big enough in the short or medium term that we see this as likely.

Policies³⁵

Pelagia's 'Responsible Operations Policy' address use of water and marine resources in own operations. This policy is related to the potential impact of overfishing described above by including how we are sourcing marine raw materials only from

³⁵ E3-1 Policies related to water and marine resources

regulated fisheries. This includes ensuring that suppliers comply with regulations that prevent overfishing. The policy also requires complete traceability for marine raw materials from catch area, which helps in monitoring the sources of raw material. This policy is related to how Pelagia should run our own operations.

Our Responsible Sourcing and Procurement Policy considers the extraction of marine resources and outlines our commitment to only source marine resources that comply with national regulations and that have full traceability. This is related to the potential impact of overfishing in the value chain. The policy does not explicitly mention the preservation of marine resources, but it highlights that we are following national regulations and only purchase through proper channels, and as such the policy is promoting responsible procurement of marine resources. This is monitored by every procurement of raw material being logged in systems and suppliers of raw material are checked against internal procedures. This policy is related to how Pelagia procures and sources goods and services.

Our policies cover our own operation and formalize the demands from our suppliers. Information relevant for our suppliers is made available in our Code of Conduct published on our website.

Actions³⁶

Implement policy on responsible operations and responsible sourcing and procurement

In 2024 we formalized Pelagia's views on responsible operations, sourcing and procurement in the two policies described above. The expected outcome of this is to

make it easier for all employees to find information about what is expected regarding this topic and how to use these policies as a starting point for setting relevant targets and metrics. The scope of this initiative encompasses our business operations and our approach to responsible sourcing.

Promote transparency and traceability for marine raw material

Pelagia procures a significant amount of marine raw materials, and we demand traceability of all raw materials procured. The result is a comprehensive overview of all our raw materials, ensuring they are sourced from approved suppliers and can be fully traced back through our production process to their origin. The scope of this action is our own operations and what data and information we expect from participants in our value chain. This work has been ongoing for several years to ensure complete traceability for our marine raw materials, and we will remain committed to continuous improvement.

Targets³⁷

Pelagia has not set targets related to water and marine resources for 2024. We plan to set these in the next few years to ensure that we can monitor this potential impact and risk properly. The effectiveness of the policies is per 2024 not tracked, but we are working to improve our data continuously. We aim to get measurable outcome related targets and use 2025 as a base year for these.

³⁶ E3-2 Actions and resources in relation to water and marine resources policies

³⁷ E3-3 Targets related to water and marine resources policies

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Pelagia's business model and strategy are built on a foundation of circular economy and optimal resource use. Our double materiality assessment identified the following material impact related to resource use and circular economy.

Material impacts, risks and opportunities and their interaction with strategy and business model³⁸

Using residual raw material

Actual positive impact (own operations and upstream)

Pelagia's use of residual raw material that is discarded from the fish farming and fish processing industry, decrease dependency on wild caught fish in production of fish meal and oil. This offers a sustainable alternative in raw material sourcing and has a positive impact on resource use and circular economy. This also reduces the need for wild-caught fish to be used, decreasing the pressure on fish stocks.

Pelagia uses both category 3 (cutoffs from processing) and category 2 (sick or dead fish, not suitable for use in feed) residual raw material in its production.

This positive impact is located both upstream and in own operations.

Upstream – We procure residual raw material from external suppliers to use as a raw material in our productions. Own operations – We use all the trimmings and discards from our own food production as a raw material in our feed production.

This positive impact is one of the foundations for our business model and strategy. Pelagia aims to utilize all raw material in the most value adding and sustainable way possible, focusing especially on the use of residual raw material both from internal and external sources. We are continually working on being better and more efficient in the use of residual raw material.

³⁸ ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Policies³⁹

Our policy on responsible operations contains information about our commitment to using all our raw material in the most sustainable and cost-effective manner achievable. A key aspect of this policy is optimizing raw materials. Its objective is to ensure that all parts of the fish, including discards and trimmings, are used cost-effectively and sustainably.

Our responsible asset management policy outlines our commitment to efficient asset management. A key aspect of the policy is the incorporation of circularity and optimal asset utilization, and the policy details the waste hierarchy Pelagia is guided by. These aspects directly relate to the use of residual raw materials, for example through reducing waste, optimizing usage, and capture energy generation from items or biomass that cannot be reapplied into other production processes.

Our responsible sourcing and procurement policy affirms Pelagia's commitment to sustainable and ethical sourcing, and our aim to reduce the amount of virgin materials and increase the amount of recycled or by-products used in our supply chain and in sourced products. Sustainable sourcing can however be complicated due to misinformation and lack of information on how to determine if a purchase is sustainable, but when feasible and economically responsible, sustainable products should be chosen.

Actions and resources⁴⁰

Pelagia's bond aims to provide capital for investments aligned with its strategy. This bond is not green or sustainable, nor linked to any specific sustainability objectives or targets. The three first actions mentioned below are significant investments that are financed using the bond. More information about the bond can be found in note 3 in the financial statement.

³⁹ E5-1 Policies related to resource use and circular economy

⁴⁰ E5-2 Actions and resources related to resource use and circular economy

Construction of a new filleting factory in Egersund

When Pelagia is processing the fish by creating fillets, roe or other products, we can ensure that all the residual raw material from the production is stored and processed. In 2024, Pelagia started construction of a new factory for filleting mackerel, which is expected to be completed in 2025. This factory will produce mackerel fillets from some of the mackerel being landed in south of Norway and will increase the number of mackerel fillets Pelagia can put on the market. The expected outcome of this action is a higher amount of residual raw material available for use at our feed factories.

Investing in our factory in Ålesund to use fish oil from the north Atlantic

In 2024, we made a significant investment toward building a new plant for utilizing crude fish oil from the Atlantic. This investment will contribute to the use of fish oil produced from residual raw material fish in the north Atlantic, increasing circularity and locally production. The oil used in the new production can be both from our own facilities and from external sources. The project is expected to be finalized in 2025. This project is also expected to increase the use of oil according to the cascading principle (is used according to its highest economic and environmental added value), by using the highest quality fish oil for human consumption.

Procurement of companies that utilized residual raw material

In 2024, Pelagia purchased 100% of the shares in two new companies “C-Fish” and “Ideal Foods Limited”. Both these companies are utilizing residual raw material from salmon processing in new products such as for example food-ingredients or in pet foods and are placed in Ireland and England. The expected outcome of this is an increased amount of residual raw material procured and used in production. This investment can be found in note 21 in the financial statement.

Provide equipment and training on how to best manage residual raw material

Pelagia manufactures equipment to store residual raw material properly to ensure high quality for further processing. We offer guidance and information on how to use and handle the equipment in the best possible way. This service is offered for all our suppliers of category 2 or category 3 raw material from fish processing or fish farming. The expected outcome of this action is to increase the quality of the raw material. This service has been offered for several years, and we can see that the quality is increasing accordingly.

Using category 2 fish for generating climate neutral technical oil for heating

In 2024, our second factory was ISCC certified and produced climate neutral technical fish oil from raw material unsuitable for use as feed or food. This factory is in Bressay, Shetland. They are, along with our factory in Djupvik certified in 2023, producing oil used mainly for generating energy at our own factories, reducing the need for fossil fuels. We have already experienced that this action has increased the amount of climate neutral oil produced from residual raw material and reduced the emissions from factories that can use this oil as a source of energy.

Metrics and targets⁴¹

The targets Pelagia has set in relation to circular economy and resource use are linked to the material impact. None of the targets are required by legislation. The targets mentioned below were used for 2024 for the first time, and therefore we have not set a base year but a base value of zero recorded cases each year. Both targets are on an annual basis. None of these targets are related to environmental matters or sustainable sourcing, and input from the double materiality assessment where stakeholder input has been collected was used in setting these targets. None of the metrics are assured by other parties other than auditors.

Both these targets are monitored by reporting the incident in our non-conformance system.

⁴¹ E5-3 Targets related to resource use and circular economy

Zero recorded cases of residual raw material being discarded in our own food factories.

When handling residual raw material, situations can occur that lead to the material having to be discarded due to low quality or contamination. In these cases, it is logged, and we have a target of zero incidents. This target is related to the increased use of circular raw material by ensuring that all residual raw material is of high enough quality to be used in our feed factories and are not disposed of as waste due to mishandling or other issues, as well as the raw material being used according to the cascading principles. This is related to operations at all our food facilities.

Zero incidents of downgrading category 3 residual raw material to category 2 due to mishandling from Pelagia.

This target is set to ensure that the resource is used according to the cascading principle. This principle is defined as using the resources in the highest economic and environmental added value way possible. We are using this target to track the work and progress on the raw material received from processing and farming of salmon and trout. Pelagia aims to have no incidents where the raw material must be downgraded from category 3 to category 2. This target focuses on increasing the use of circular raw materials at our feed facilities and during the collection and handling of raw materials from suppliers. The goal is to avoid downgrading the residual raw materials so that they are used as feed ingredients rather than for energy production, in line with the cascading principles.

TABLE 15: TARGETS FOR E5 2024

Description	Target	2024
Zero recorded cases of residual raw material being discarded in our own food factories	0	0
Zero incidents of downgrading category 3 residual raw material to category 2 due to mishandling from Pelagia.	0	1

Resource inflows ⁴²

The resource linked to the material impact is residual raw material, this is used as an input factor at our factories. When looking at the resource inflows we must differentiate between procured raw material and processed raw material due to a significant amount of the raw material being processed in our feed division is residual raw material from our food division.

Procured raw material

When looking into the raw material being procured, we can differentiate between raw material and residual raw material. Residual raw material is a by-product coming from the production of other products.

Pelagia's divisions use different raw materials as described at the start of the report. In 2024, the overall weight of raw material procured can be found in table 13. The raw material is not being packed, and therefore packaging material is not an input factor. We have avoided double counting by only using raw material procured from external sources and not internally transferred raw material.

Pelagia has defined sustainably sourced as the raw material from fisheries being certified by MarinTrust (<https://www.marin-trust.com/>), Friend of the sea

⁴² E5-4 Resource inflows

(<https://friendofthesea.org/>) or MSC (<https://www.msc.org/>) or being a part of the fishery in progress (FIP) program in either of the certification schemes. Residual raw material is defined as sustainable if it's being used according to the cascading principle.

TABLE 16: SUSTAINABLY SOURCED RAW MATERIAL PER DIVISION

	Food	Feed	Health	Total
Total procured in ton	400 000	865 000	10 000	1 275 000
Percentage that is sustainably sourced	28%	94%	100%	73%

Processed raw material

The metric showing the percentage of residual raw material used is entity specific. Both our food and feed factories are using residual raw material in their production. In 2024 we processed approximately 1,3 mill tons of raw material, 38% of this was residual raw material. The residual raw material is either sourced from external sources or from our own factories.

The table below shows the percentage of residual raw materials used in our factories per division compared to other raw materials. Note that this is an overview of the total amount processed at all our factories; the proportion of residual versus other raw materials varies by factory.

TABLE 17: PROCESSED RESIDUAL RAW MATERIAL

	Food	Feed	Health
Percentage of processed raw material that is residual raw material	6%	49%	0%

EU TAXONOMY REPORT

Introduction

In 2023, the new Sustainable Finance Act came into effect for Norwegian companies, implementing the EU taxonomy. As part of EU's green initiative, the EU taxonomy was developed to classify and determine activities that are environmentally sustainable, to steer investments and help prevent greenwashing.

For an economic activity to be defined as environmentally sustainable, it must contribute significantly to at least one of the six environmental objectives below and not cause significant harm (DNSH) to the other objectives. Compliance with these requirements is determined by a set of screening criteria. In addition, minimum requirements for social and governance conditions must be met ("Minimum Social Safeguards").

1. Reducing and preventing greenhouse gas emissions
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to circular economy, waste prevention and recycling
5. Pollution prevention and control
6. Protect and restore biodiversity and ecosystems

The EU taxonomy is under development and will likely expand on activities covered under the objectives. This means that the number of economic activities relevant to Pelagia are likely to increase over time. As of today, none of Pelagia's core activities are included, but we follow developments closely.

For the reporting period, this report has been prepared in accordance with the EU Taxonomy Regulation (2020/852) and its complementary delegated acts⁴³. The report has been prepared at a consolidated level for Pelagia Holding AS (Pelagia) with its

⁴³ 'Climate Delegated Act' (2021/2139), 'Disclosure Delegated Act' (2021/2178), 'Environmental Delegated Act' (2023/2486).

subsidiaries, and the financial data is based on International Financial Reporting Standards® (IFRS) Accounting Standards.

All Pelagia's economic activities were reviewed and checked against the activities and criteria included in the EU Taxonomy, to determine which activities have the potential to be classified as sustainable (eligible) and which activities that also meet the criteria to be classified as sustainable (aligned).

Taxonomy-eligible and -aligned activities are expressed in financial KPIs as a proportion of Pelagia's turnover, investments (hereby CapEx) and operating expenses (hereby OpEx). Definitions of KPIs are according to the regulation and further described in the 'Accompanying information' chapter.

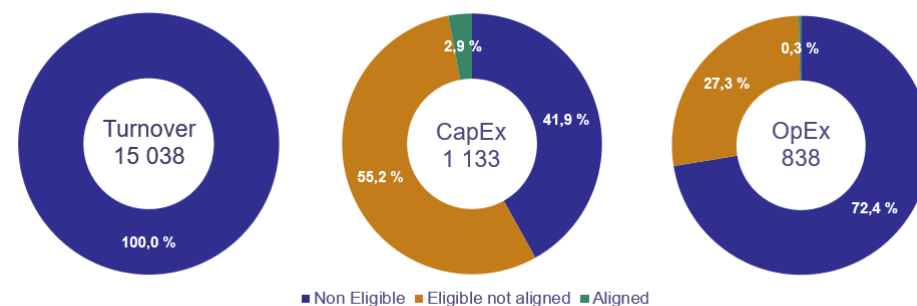


FIGURE 11: TAXONOMY KPI FOR TURNOVER, CAPEX AND OPEX

As a result of the review, we found that no part of our turnover is eligible or aligned with the EU Taxonomy because activities related to turnover don't match any of the Taxonomy activities as they are listed now. 55% of the CapEx are eligible but not aligned, and 3% are aligned with the screening criteria. 21% of the OpEx are eligible

but not aligned and 0,2% aligned. This is illustrated in Figure 5 above, the information given in tabular format can be found below.

Assessment of activities

To identify eligible activities under the EU Taxonomy, Pelagia screened its economic activities in the reporting period against all activities listed in the taxonomy in relation to the six environmental objectives.

To determine which economic activities were aligned, the list of eligible activities was further assessed to establish any substantial contribution to applicable environmental objectives, and whether the DNSH criteria of the other objectives were met.

The assessment of economic activities found that there was only substantial contribution to the environmental objective of climate change mitigation (CCM). In terms of climate change adaptation, documentation at this point was not sufficient to ensure compliance with all requirements of implementing adaptation solutions for the various facilities.

In 2024, a more comprehensive review led to updates in activity assessments compared to the previous period. This includes energy-related activities in Måløy and Lovund, where burners were modified to use technical fish oil as an alternative to fossil fuels. These activities, previously categorized under "4.23 Production of heat/cool from renewable non-fossil gaseous and liquid fuels" in 2023, were reclassified as non-eligible in 2024 due to also using fossil fuels. Other assessment changes are detailed in the sections below.

The assessment can be summarized in the following table:

TABLE 18: SUMMARY OF ACTIVITIES WITH ASSESSMENT AND AMOUNTS

Activity	KPIs	Eligible	Aligned
Energy			
4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids	OpEx	0,23	0,23
4.25 Production of heat/cool using waste heat	OpEx	0,60	0,60
4.16 Installation and operation of electric heat pumps	CapEx	33,09	33,09
	OpEx	1,02	1,02
Transport			
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CapEx	2,75	-
	OpEx	0,24	-
6.6 Freight transport services by road	CapEx	4,70	1,25
	OpEx	2,58	-
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CapEx	308,52	-
	OpEx	87,75	-
6.12 Retrofitting of sea and coastal freight and passenger water transport	CapEx	23,89	-
Real estate			
7.7 Acquisition and ownership of buildings	CapEx	240,36	-
	OpEx	88,58	-
7.2 Renovation of existing buildings	CapEx	46,34	-

4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids

ALIGNED

Pelagia's factory in Djupvik produces technical fish oil (bioliquids) from biomass collected from aquaculture that is used internally as substitute for 'heating oil'. The activity is eligible under CCM.

The alignment assessment found that the activity contributes substantially to CCM as the technical fish oil has climate-neutral production, meeting the criteria for greenhouse gas emissions savings.

Further, the activity complies with all DNSH criteria, referring to Pelagia's climate risk assessment as well as assessments of biodiversity and water. In terms of pollution, none of the criteria are applicable concerning biogas production and anaerobic digestion. The activity is assessed as aligned with the associated OpEx in the reporting period.

4.25 Production of heat/cool using waste heat

ALIGNED

Karmsund Protein AS operates a steam and condensate system that recovers and reuses energy and avoids emissions. The activity is eligible for CCM. The criterion for making a significant contribution for CCM is the production of heat/cool using waste heat, which is met conclusively.

The DNSH assessment found that the activity complies with criteria for CCA and biodiversity in appendices A and B respectively. Information provided by the supplier confirmed that the equipment meets circular economy and pollution prevention criteria, with high durability, recyclability, and compliance with eco-design requirements where applicable, while representing the best available technology.

The activity is assessed as aligned with the associated OpEx in the reporting period.

4.16 Installation and operation of electric heat pumps

ALIGNED

At our feed facility in Måløy, investments have been made in an industrial heat pump system to improve energy efficiency and reduce carbon emissions, as an alternative to fossil fuel-based solutions. The activity is eligible for CCM.

The heat pump contributes significantly to CCM with PFAS-free natural refrigerants that have negligible global warming potential (GWP), and with relevant criteria for energy efficiency. The applicable DNSH criteria are also met regarding climate- and water risk assessments, as well as components meeting circularity criteria of durability and recyclability. As the heat pump has a rated capacity above 12 KW, the pollution criteria does not apply. The activity is assessed as aligned with associated CapEx and OpEx.

6.6 Freight transport services by road

ALIGNED

Pelagia operates vehicles designated to transport goods to-and-from facilities. These vehicles are eligible under this activity, both for CCM.

While assessing substantial contribution to climate change, we found that some of the vehicles are low or zero emission heavy-duty vehicles, while most did not have available information to assess at this point. Insufficient information was also a challenge while assessing DNSH criteria, especially concerning pollution and tires used.

One of our heavy-duty vehicles passed all DNSH criteria. This includes climate change adaptation considerations, demonstrating circularity with EC-type approval and ensuring responsible end-of-life management, as well as complying with the tire specifications in the pollution prevention criteria. The activity and associated CapEx are therefore assessed as aligned.

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

ELIGIBLE

This activity refers to Pelagia's purchase, leasing and operation of vehicles used by employees or in relation to operations. The activity is eligible for CCM and has been assessed by vehicle.

Most Pelagia's vehicles in categories M1 (Passenger cars with no more than eight seats in addition to the driver's seat) and N1 (Light commercial vehicles with a maximum weight not exceeding 3.5 tons) do not meet the substantial contribution criteria, as they are fossil fuel based. A couple vehicles that are hybrid or electric have been assessed as low- and zero-emission vehicles. Of those, some vehicles do not have tires meeting the pollution criteria, and others did not have available information to assess the DNSH criteria.

6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities

ELIGIBLE

Pelagia operates a fleet of freight vessels. Among other things, these vessels transport fish that is not suitable for human consumption, from aquaculture to our facilities for further handling and utilization. The activity is eligible for CCM.

The alignment assessment concluded that none of the vessels met the criteria for substantial contribution. This is due to the vessels' age and use of fossil fuels, and they have not undergone refurbishment to align with standards set out and criteria for minimal or zero direct emissions. DNSH criteria have not been assessed.

The activity and associated OpEx and CapEx are therefore assessed as eligible non-aligned in the reporting period. Turnover was also considered but not relevant for this activity due to being predominately generated from the handling of raw material and not from transport.

6.12 Retrofitting of sea and coastal freight and passenger water transport

ELIGIBLE

In 2024, Pelagia had activities related to upgrading of vessels, in particular conversion from fishing to cargo activities in relation to freight of silage and other engagements from fishery or aquaculture. The activity is eligible for CCM.

The alignment assessment concluded that none of the identified activities meet criteria for substantial contribution, where their upgrade is not related to the fuel efficiency performance. DNSH criteria have not been assessed. The activity and associated CapEx are therefore assessed as eligible non-aligned in the reporting period.

7.2 Renovation of existing buildings

ELIGIBLE

This activity is relevant for major renovations of Pelagia's existing buildings, which in the reporting year involved only a factory building in Greenock. The building is not heated due to the processes taking place, and the energy used to condition the building is assumed to be low. This was the case prior and after the renovation works, which were completed in accordance with national regulations.

The substantial contribution criteria can be understood to promote improvement of energy performance in renovation works, and considering such a reduction in energy use is not documentable in this case. The activity and associated CapEx are therefore assessed as eligible non-aligned in the reporting period.

7.7 Acquisition and ownership of buildings

ELIGIBLE

Pelagia has economic activities related to the ownership or acquisition of buildings, including factories, residential and office buildings.

While commissioned buildings could be eligible for CCM under activity '7.1 / 3.1 Construction of new buildings', all of Pelagia's buildings and associated OpEx and CapEx are reported under '7.7' in accordance with official guidance⁴⁴. Still the substantial contribution criteria of '7.1' have been applied to the eligible buildings built after 30.12.2020.

In terms of assessing the substantial contribution criteria, most buildings built before 30.12.2020 lack an energy performance certificate (EPD) or estimated primary energy demand (PED) primarily due to their construction age or the nature of the building, such as unheated process buildings.

In 2024, Pelagia's largest building-related project was the construction of a new mackerel filleting factory in Egersund. While the building follows national requirements in TEK17, available documentation is insufficient to assess substantial contribution to climate change mitigation. Therefore, the building activities are eligible but not aligned with the requirements.

Climate Risk and Vulnerability Assessment

When evaluating the principle of "do no significant harm" (DNSH) for climate change adaptation, several activities must meet the criteria set forth in Appendix A to the EU Taxonomy. The criteria for climate change adaptation are generic for all activities, and Pelagia has conducted a climate risk and vulnerability assessment for the relevant activities. As described in Appendix A, the physical climate risks significant to the activity are assessed, relative to the scope and expected lifespan of the activity.

Pelagia identified extreme weather, heavy precipitation, sea level rise, storm surges and flooding as relevant risks for our coastal facilities, which were further assessed against current and a future pessimistic climate scenario (NFGS 'Hot House World' and IPCC5 RCP8.5). The vulnerability assessment indicated that the overall impact on the various economic activities was generally considered to be low. Where the risk assessment was considered medium, relevant adaptation measures have been identified, and more detailed adaptation plans are developed in future risk assessments where relevant.

Minimum social safeguards

For economic activities to be considered environmentally sustainable, they must also comply with the minimum social standards in Articles 3 and 18 in the Taxonomy Regulation. Pelagia follows the Platform on Sustainable Finance guidelines, an advisory body under the European Commission that identifies four categories where compliance is required: human rights, corruption, taxation, and fair competition. For each of these four categories, companies must meet a set of criteria to establish compliance with the minimum social safeguards.

Pelagia operates in different industries and geographic areas with numerous suppliers and customers in our value chain. We are committed to respect and protect the social and governance terms mentioned above throughout all our operations and value chain, and we follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Our commitment to respect human rights, anti-corruption, taxation and fair competition is further described in Pelagia's annual report and other governing policies, including our Code of Conduct, Ethical Guidelines, Corporate Due Diligence Policy, and Responsible Sourcing and Procurement Policy. The commitments outlined in these policies are further integrated into internal procedures, including due diligence procedures and whistleblowing routines.

Our policy commitment to comply with the minimum social safeguards related to human rights, taxation, corruption and fair competition applies throughout all our

⁴⁴ FAQ 107 of Commission Notice C/2023/267

operations and the value chain. All our employees, board members and everyone who acts on behalf of the company, as well as business partners, suppliers and customers, shall respect and safeguard these standards.

Based on our commitment to conduct due diligence, we have developed due diligence procedures for both suppliers and customers. The seller/purchaser responsible is responsible for following the relevant procedure, and all customers/suppliers shall be risk assessed. This assessment takes into consideration the risks related to corruption, human rights, sanctions, money laundering, terror financing, and conflict/fragile areas, and checks for criminal accusations or convictions, final beneficial owners, lack of information, lack of verification, and other concerns. If risks are identified related to any of these topics, further assessment involving the CSO and appropriate measures are implemented before we potentially proceed with the supplier/customer. Regardless of identified risks, all suppliers and customers shall, as a minimum, sign and commit to our Code of Conduct. Suspected breach of any of the minimum safeguards shall be reported through our whistleblowing system, whether the breach is by Pelagia, Pelagia management or employees, or any of our business partners, suppliers or customers. Whistleblower system and case handling is described in detail in the governance section.

To our knowledge, there are no signals that Pelagia did not adequately implement human rights due diligence or that there were any incidents of human rights or labor rights abuse, nor that the company, its senior management, or its subsidiaries, were convicted for or found in violation of competition or tax laws, or corruption during the reporting year.

Pelagia met all the defined criteria in the reporting year. Pelagia and its economic activities are therefore considered in compliance with the minimum social safeguards.

⁴⁵ IAS 38 Intangible assets, note 9 in the financial statement

⁴⁶ IAS 16 Property, plant and equipment, IFRS 16 Leases, note 18 in the financial statement

Accompanying information

Double counting

Our approach to calculating the KPIs involves assigning each financial transaction to only one relevant activity, thereby mitigating the risk of double counting. This approach ensures that the financial data accurately reflects the contribution of each activity without duplication or overlapping. Moreover, as explained before, the activities do not contribute to multiple environmental objectives.

Turnover

No economic activities under turnover covered by the taxonomy were identified; therefore, no data has been collected for the numerator. The denominator is the amount in Note 4 and 20 of the financial statements for Pelagia Holding AS.

Turnover related to Pelagia's internal consumption was considered as part of the activity assessment. However, no internal turnover was identified in connection to the relevant activities for this reporting period.

CapEx

The CapEx KPI is defined as the proportion of total capital expenditure that is associated with Taxonomy-eligible, or Taxonomy aligned activities.

The denominator comprises of investment expenditures including additions to intangible assets⁴⁵, property, plant and equipment⁴⁶, and right-of-use assets⁴⁷ as consolidated in the financial statements for Pelagia Holding AS.

The numerator is identified by reviewing all investment transactions related to the Taxonomy-eligible or aligned activities and extracting the related investment transactions within the reporting period.

⁴⁷ IFRS 16 Leases, note 18 in the financial statement

Specific CapEx initiatives related to Taxonomy activities have not been mapped and determined, and as such a management-approved CapEx plan is not included in this reporting period.

OpEx

In the Taxonomy regulation the OpEx KPI is defined as the proportion linked to Taxonomy-eligible or aligned activities (numerator) of total operating expenditure (denominator) related to:

- Maintenance and repairs (including cleaning) of buildings
- Building renovation
- IT cost related to maintenance
- Short-term lease⁴⁸
- Research and development excluding management cost

The activities relevant to Pelagia is categorized as building, energy or transport related. We have selected operational costs for maintenance, cleaning, research & development (R&D) and short-term leasing to calculate the numerator. To determine where we have eligible activities, we have collected cost data for maintenance and cleaning of buildings, vehicle and vessels, R&D cost for energy projects and short-term lease related to buildings and vehicles. Where there is lack of granularity in the associated cost accounts, estimates have been obtained from competent personnel to show a correct distribution of the costs.

⁴⁸ As defined in IFRS 16

TABLE 19: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

TABLE 20: TEMPLATE TURNOVER

TURNOVER				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')													
Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, year N (18)**	Taxonomy aligned proportion of turnover, year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)			
Text	Millions, NOK		%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T			
A. TAXONOMY-ELIGIBLE ACTIVITIES				0 %																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
N/A	0,00	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	-	-	-	-	-	-	-	0,0 %	0,0 %					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0,00	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	NA	NA	NA	NA	NA	NA	NA	0,0 %	0,0 %	0 %	0 %			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
N/A	0,00	0,0 %																0,0 %					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0,00	0,0 %																0,0 %					
Total (A.1+A.2)	0,00	0,0 %																0,0 %					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
Turnover of Taxonomy-non-eligible activities	15 037,53	100,0 %																					
Total (A+B)	15 037,53	100,0 %																					

TABLE 21: TEMPLATE CAPEX

CAPEX				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, year N (18)**	Taxonomy aligned proportion of turnover, year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Text	Millions, NOK		%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES				58 %																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology (CapEx A)	4.1	0,00	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,0 %	0,9 %		
Freight transport services by road (CapEx A)	6.6	1,25	0,1 %	100,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,1 %	0,0 %		T
Installation and operation of electric heat pumps (CapEx A)	4.16	32,09	2,8 %	100,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	2,8 %	0,0 %		
Production of heat/cool from renewable non-fossil gaseous and liquid fuels (CapEx A)	4.23	0,00	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,0 %	8,9 %		
Production of heat/cool using waste heat (CapEx A)	4.25	0,00	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,0 %	0,7 %		
Transport by motorbikes, passenger cars and light commercial vehicles (CapEx A)	6.5	0,00	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,0 %	0,1 %		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		33,34	2,9 %	2,9 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	2,9 %	10,6 %	0 %	0 %
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
Acquisition and ownership of buildings (CapEx A)	7.7	240,36	21,2 %															0,3 %		
Construction of new buildings (CapEx A)	7.1	0,00	0,0 %															6,1 %		
Freight transport services by road (CapEx A)	6.6	3,44	0,3 %															0,0 %		
Renovation of existing buildings (CapEx A)	7.2	46,34	4,1 %															1,7 %		
Retrofitting of sea and coastal freight and passenger water transport (CapEx A)	6.12	23,89	2,1 %															0,0 %		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities (CapEx A)	6.10	308,52	27,2 %															0,0 %		
Transport by motorbikes, passenger cars and light commercial vehicles (CapEx A)	6.5	2,75	0,2 %															0,8 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		625,29	55,2 %															9,0 %		
Total (A.1+A.2)		658,63	58,1 %															19,6 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of Taxonomy-non-eligible activities		474,81	41,9 %																	
Total (A+B)		1 133,45	100,0 %																	

Note: The CapEx figures calculated in 2023 reflected activated investment amounts instead of the actual posted costs in the reporting year, resulting in a discrepancy that has since been identified and addressed

TABLE 22: TEMPLATE OPEX

OPEX				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, year N (18)**	Taxonomy aligned proportion of turnover, year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Text	Millions, NOK	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES				28 %																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Installation and operation of electric heat pumps (OpEx A)	4.16	1,02	0,2 %	100,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,2 %	0,0 %		
Manufacture of biogas and biofuels for use in transport and of bioliquids (OpEx A)	4.13	0,21	0,0 %	100,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,0 %	0,0 %		
Production of heat/cool using waste heat (OpEx A)	4.25	0,60	0,1 %	100,0 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,1 %	0,0 %		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,83	0,3 %	0,3 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %	Y	Y	Y	Y	Y	Y	Y	0,3 %	0,0 %	0 %	0 %
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings (OpEx A)	7.7	88,58	13,5 %															13,2 %		
Freight transport services by road (OpEx A)	6.6	2,58	0,4 %															0,0 %		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities (OpEx A)	6.10	87,75	13,4 %															7,4 %		
Transport by motorbikes, passenger cars and light commercial vehicles (OpEx A)	6.5	0,24	0,0 %															0,0 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		179,15	27,3 %															20,5 %		
Total (A.1+A.2)		180,98	27,6 %															20,5 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		475,77	72,4 %																	
Total (A+B)		656,75	100,0 %																	

APPENDIX – ENVIRONMENTAL INFORMATION

POLICIES

Ethical Guidelines

Our Ethical Guidelines applies to all board members, employees and everyone who acts on behalf of Pelagia, who shall practice the guidelines in all their activities. The purpose of the guidelines is to ensure that our behavior is in line with Pelagia’s values.

The guidelines outline acceptable personal behavior, company values, and the obligation to comply with laws and regulations. They also detail our policy of no discrimination and anti-corruption, our focus on a safe work environment, and our commitment to respect and protect human rights, including our commitment to follow the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The guidelines affirm our commitment to take care of the environment and contribute to sustainable development.

CAO is responsible for implementation, while CEO is overall responsible for the policy. Managers are responsible for ensuring that activities within their area of responsibility are carried out in accordance with the guidelines. When setting the policy, consideration was given to the owners, represented through the board of directors, as key stakeholders’ interests. Owners’ ethical guidelines served as a model for our policy.

Compliance is monitored through our whistleblowing channels, employee interviews, and well-being surveys. Suspected violations and incidents shall be reported to management or through our whistleblowing channels. Reports will be handled according to our notification routines (see “Whistleblower system”, page 77). Violations provide a basis for disciplinary measures, and necessary disciplinary or preventive actions must be taken in cases of breach. Reprehensible matters must be terminated, and measures be implemented.

All employees have easy access to the guidelines through our internal systems, and all new employees receive the guidelines together with their employment agreement. The guidelines are also available for external stakeholders at [Pelagia.com](https://pelagia.com).

Code of Conduct

Our Code of Conduct outlines the expectations and principles we have for our business partners, including but not limited to suppliers, agents, and customers. This policy extends to these parties our corporate culture expectations to conduct business in an ethical and responsible manner. Pelagia requires business partners to operate in accordance with these guidelines and applicable laws and regulations. In selecting and evaluating business partners, acceptance of and adherence to our Code of Conduct is a criterion.

The Code is based on UN Global Compact’s ten principles, the International Labour Organization, and

the OECD Guidelines. This policy stipulates our expectation to business partners conduct due diligence in line with the OECD Guidelines and UN Guiding Principles. It also details the expectations we have for our business partners on topics such as privacy and data security, climate and environment, whistleblowing, human rights, discrimination and equality, labor standards, including HSE, freedom of association and collective bargaining, no forced or child labor, and decent pay and working hours, and business conduct, including anti-corruption, compliance with laws and regulations, fair competition, taxation and no money laundering, and avoiding conflict of interests.

The sustainability manager and CEO are overall responsible for the policy. Suspected violations or incidents of the Code by a party in our value chain should be reported using the [form available on our website](#). Incidents reported either from internal or external sources will be handled according to our whistleblowing procedure. Violations may result in termination of agreements and contracts and/or other forms of cooperation. Repeated breaches or lack of follow-up are considered breach of contract. Our Code of Conduct is distributed to all business partners and is available at [Pelagia.com](https://pelagia.com). Employees also have access through our intranet.

When setting this policy, consideration was given to our external stakeholders. In preparing the policy, we went through various external stakeholders’ own Code of

Conducts, and we verified our policy content against the results from our double materiality assessment and the input we got from external stakeholders, to ensure that our Code of Conduct was aligned with expectations from our stakeholders.

Corporate Due Diligence Policy

This policy was implemented in 2024 with the purpose of affirming our commitment to conduct due diligence to identify, prevent, mitigate and account for actual and potential adverse impacts related to workers' and human rights, corruption and bribery, taxation, and fair competition. The policy applies to all employees, board members and everyone who acts on behalf of Pelagia, as well as business partners, suppliers and customers, who are all expected to respect the social safeguards, ethical business practices and responsibility to conduct due diligence as outlined in the policy.

The policy details our commitment to comply with laws and regulations and conduct due diligence, our zero tolerance towards corruption or bribery, and our commitment to comply with tax and competition laws and regulations. A reference is made to national and European legislation and instruments Pelagia is subject to and follows, including Norwegian human rights and environmental due diligence legislation, the Transparency Act, the European Taxonomy Regulation, the Corporate Sustainability Reporting Directive, the upcoming Corporate Sustainability Due Diligence Directive, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for

Multinational Enterprises on Responsible Business Conduct.

The CFO is responsible for implementing the policy. Suspected violations of the policy should be reported immediately. Reporting is done to supervisors or through our whistleblower channels, and Pelagia does not tolerate retaliation against anyone who reports misconduct.

The policy is available to all employees through our intranet. It is communicated together with our Code of Conduct and Ethical Guidelines to third parties and shared externally as needed. When setting the policy, its content was verified against the results from our double materiality analysis and the input we got from that process to ensure that the policy is aligned with stakeholder expectations.

Sustainable Sourcing and Procurement Policy

The purpose of this policy is to ensure that all our procurement activities are conducted in a transparent, fair, and efficient manner. All our procurement activities are within the scope of the policy. It considers the extraction of resources and outlines our commitment to only source resources that comply with national regulations and have fully traceability. The policy applies to all employees, contractors, and agents engaged in procurement activities on behalf of the organization, encompassing acquisition of goods, services, and works.

The policy affirms our commitment to comply with applicable laws and regulations governing sourcing and

procurement activities. It further underlines our expectations that suppliers and partners adhere to ethical conduct, including respect for human rights, labor standards and anti-corruption practices, and that they confirm this by signing our Code of Conduct. It then outlines requirements for selecting suppliers, including ability to deliver in compliance with our HSE and quality requirements, ability to provide information about origin of materials and ensure traceability throughout production process, and an emphasis on supplier inclusion. It details our dedication to minimizing the environmental impact of our operations and include actions and goals to cover various aspects of our resources and operations, and a commitment to continuous improvement in our sourcing practices. Our suppliers are expected to share this dedication.

Sustainability manager is accountable for implementation. The policy is available for all our employees through our intranet. It is shared externally as needed.

In setting the policy, consideration was given to key stakeholders by verifying its content against our double materiality assessment and the responses we got during the process, to ensure that the policy is aligned with stakeholder expectations. We used the DMA process and feedback we got here to see if there were topics we had covered by existing policies, with the outcome that we implemented several new policies in 2024.

Responsible Asset Management Policy

Through our Responsible Asset Management Policy, we affirm our aim to reduce risks and costs while ensuring responsible use, maintenance, and end-of-life management of our assets, through incorporating circularity and optimal asset utilization. The policy applies to the whole organization and outlines principles for efficient asset management, to maximize value, align with strategic objectives, and ensure sustainable, cost-effective performance.

The policy recognizes the importance of identifying climate-related hazards and implement adaptation measures, before it sets out how we shall use and maintain our assets and their end-of-life management. It also outlines our waste management principles with five step waste hierarchy to ensure minimum amounts of waste are generated and that waste is handled correctly. The policy further asserts that all sites shall comply with waste management laws and regulations and make use of certified contractors for waste management services who also provides an annual report on the volume collected.

Sustainability manager is accountable for implementation. Policy is monitored through the collected data on waste generated and handled on an annual basis and each location should report this each year. Reprehensible conditions shall also be reported through our whistleblowing system. We used the DMA and responses from that process to ensure that the policy was aligned with the expectations of stakeholders. The policy is available for all our employees through our intranet and will be shared externally as needed.

Responsible Operations Policy

Our Responsible Operations Policy aims to enhance sustainability and minimize environmental impact by reducing carbon emissions, promoting resource efficiency, and ensuring ethical practices. Throughout our operations we are committed to supporting the Sustainable Development Goals, and the policy is aligned with these.

The policy affirms our commitment to managing our facilities and vessels with a focus on responsibility, cost-efficiency, and sustainability, and our goal to administer

operations that benefit the environment, individuals, and company alike. The policy also details how we shall responsibly, cost-efficient and sustainably source and use resources, water and energy, limit our impact on climate and environment, and focus on HSE.

The policy applies to all our divisions and facilities, considering both our own operations and our value chain. Consideration was given to key stakeholders by verifying policy content against the DMA process and responses we got from stakeholders through this, thus ensuring policy alignment with stakeholders' expectations. It is approved by the CEO, while the sustainability manager is accountable for its implementation. The policy is made available to all employees through our intranet and will be shared externally as needed. Reprehensible conditions shall be reported through our whistleblowing system, and we use reported cases and employees' feedback to monitor the policy.

SOCIAL INFORMATION

Our employees are our most important resource, along with our raw material. Through collaboration, we create results, ensure growth, and increase competitiveness. It is important to manage the social impacts, risks and opportunities on our own workforce.

TABLE 23: LIST OF DICLOSURE REQUIREMENTS

List of disclosure requirements		Page reference
S1 Own workforce		66
SBM – 3	Material impacts, risks and opportunities and their interaction with strategy and business model	66
S1 – 1	Policies related to own workforce	67
S1 – 2	Processes for engaging with own workforce and workers' representatives about impacts	68
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ESRS S1 – OWN WORKFORCE

Our approach

Human rights and a safe, secure work environment are fundamental to ensure dignity, freedom, and respect throughout our operations, partnerships, and communities we interact with.

Our business depends on our dedicated employees, enabling us to meet customer demands and maintain operational efficiency. We are committed to providing all employees with safe and healthy working conditions, aiming for zero workplace accidents.

Pelagia consists of companies and facilities in multiple countries. We continually strive to ensure that every employee has a safe place to work. Our operations involve processing raw materials upon arrival at our facilities, leading to variable workloads—intense during peak periods and lighter at other times.

Our facilities are in countries with regulated work environments that protect employees' rights. Pelagia ensures a safe workplace, where employee representatives are included in the board of directors and participates in decision-making regarding strategy and business models and how potential changes can affect employees.

Material impacts, risks and opportunities and their interactions with strategy and business model⁴⁹

Our materiality assessment identified one potentially negative impact related to own workforce – namely health and safety.

Other than those employees who may be at greater risk of negative impacts relating to health and safety due to the nature of their work and work environment, we have not identified particularly vulnerable groups of employees in our workforce. Employees that need special consideration will be handled individually, and we will adapt and facilitate as much as possible to the individual situation.

⁴⁹ SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Health and safety

Potential negative impact, short term (own operations)

Health and safety pose a potential negative impact on own workforce due to a lot of Pelagia's operations being conducted in facilities where there are chemicals, equipment and machinery that can cause harm to employees. It is particularly employees working in production facilities that may be at greater risk of harm due to the type of activities they take part in.

The understanding that certain segments of our workforce may be at greater risk of harm due to the nature of their work is based on reported cases throughout the years. We have implemented strict health and safety procedures adapted to the specific departments and operational contexts, and we provide occupational health services to ensure a safe work environment that aims to prevent negative impacts from occurring.

This potential impact is caused by the need for manufacturing goods using machinery and human labor. The identified impact will also not affect strategy and business model, as the impact was known prior to the assessment and already aligned with Pelagia's strategy and business model. The potential of employees getting harmed while at work is unfortunately a part of having industrial production, and Pelagia is working systematically on how we can reduce this negative impact.

Description of types of employees and non-employees

We categorize our employees into six different groups, consisting of all those employed by companies in Pelagia Holding AS. These are all part of the material topics in this section.

TABLE 24: CATEGORIES OF EMPLOYEES

Category	Description
A	Senior management
B	Professionals and managers
C	Administrative workers
D	Production workers
E	Seasonal and on-call workers
S	Workers at sea

It occurs that we have non-employees for shorter or longer assignments. We divide non-employees into two groups: those who are physically present at our locations, and those who are located at their employers’ site of work. The former group of non-employees are subject to material impacts by Pelagia’s operations, while the latter group is not.

Policies related to own workforce⁵⁰

Pelagia has policies addressing material impacts, risks and opportunities related to own workforce. To ensure workplace safety and manage material risks and potential negative impacts, we have strict HSE-policies in place. These policies cover the entire company, with additional specific procedures for each division and department. Pelagia prioritizes a safe environment for everyone, and these policies are crucial to achieve that. HSE-policy is related to the potential negative impact health and safety in own operations.

Our Ethical Guidelines details behavior that aligns with Pelagia’s values, and our approach to respect human rights and labor rights, prevent harassment and

discrimination and ensure decent working conditions and adequate wages. It also outlines that we shall have a continuous focus on ensuring a safe and injury-free workplace.

These two policies inform everyone about acceptable behavior and provide guidelines on how to act safely and ethically at work. See appendix for detailed information about the policies. The policies related to own workforce do not explicitly address trafficking, forced labor or compulsory labor and child labor, as these topics are covered by reference to our compliance with international standards such as the UN Guiding Principles and the OECD Guidelines.

All employees are covered by a management system that ensures that governing documentation is made available, and workplace accidents are recorded.

Human rights

Our commitment to respect and safeguard human rights and labor rights in our own workforce is detailed in our ethical guidelines. Pelagia follows the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and we carry out due diligence assessments according to these instruments to map and assess the risk of violations of human rights and labor rights. By following these instruments, our human rights commitment is aligned with these and other international instruments, including the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Compliance is monitored through reported cases, employee interviews, and well-being surveys. Employees are encouraged to report suspected violations through our whistleblowing channel. “Whistleblower system” on page 77 details the process to investigate reports, and actions in case of breach. In terms of providing or enabling remedies, we have routines in place. However, as we have had no identified cases of human rights abuse, we have not had the opportunity to test these routines.

⁵⁰ S1-1 Policies related to own workforce

Guidelines to prevent discrimination

Our ethical guidelines outline our policy on zero discrimination and harassment. These guidelines are also part of Pelagia's employee handbook and Pelagia's Statement of Policy on Corporate Governance. We do not currently have a specific policy promoting equal opportunities, but the topic is included in other governing documents.

Our working environment shall be free from discrimination and harassment based on religion, skin color, gender, sexual orientation, age, nationality, race, disability, and social, political or cultural background. We also consider inclusion and/or positive action for people from vulnerable groups at particular risk where this is appropriate.

Employees are encouraged to report any observed or experienced discrimination through our whistleblowing channel. The monitoring of the non-discrimination target is measured through reported cases, employee and manager reviews and well-being surveys conducted at least once a year.

Engagement with own workforce and employees' representatives ⁵¹

Employees are represented by the Pelagia Board of Directors, both as board members and observers. All employees in Norway have the possibility to be elected.

Employee representatives, safety representatives and management have quarterly meetings where both health and safety issues and other company issues are discussed. There is also a formal committee where employees are represented for pension-related issues, meeting as a minimum on an annual basis.

Each of Pelagia's departments have their own working environment committees (AMU) consisting of management representatives, elected representatives and safety delegates. They have regular meetings to discuss topics that concern the working environment at each department, including HSE, psychosocial working environment,

changes, energy and water consumption, routines and training, staffing, and local matters.

Employee representatives have two seats on the group's board. Pelagia also has a joint company, work environment and pension committee known as BAMPU, that focuses on health, safety, and environmental (HSE) objectives. The committee includes management representatives, employee representatives, and a representative from the occupational health service. The committee's primary role is to fulfil Pelagia's HSE objectives and statutory tasks, ensuring a safe and healthy work environment for all employees. AMU and BAMPU are formalized committees at our locations in Norway, and we are working on implementing these at our locations in UK and Ireland as well.

Impacts on own workforce that may arise from reducing carbon emissions and transitioning to greener and climate-neutral operations are topics that will be handled in BAMPU. BAMPU handles matters that concern the whole organization, and outcomes apply and should be implemented at all departments and facilities in the group. In addition, each facility has an HSE committee that handles such cases as they happen and takes care of the needs the individual facility and its employees have in terms of training and similar. Cases arising at the facility-level can also be lifted to BAMPU for organization-wide handling.

Various matters are put on the agenda in various committees for discussion and input, including from workers and workers' representatives. Workers' representatives then have their own processes for informing people in the workforce about the way in which their feedback has influenced company decisions. These processes are according to formal requirements in the Working Environment Act and "Hovedavtalen LO-NHO" (Basic Agreement LO-NHO). As of 2024, we did not have formal processes implemented for our locations in UK and Ireland but are working to formalize processes here as well.

⁵¹ S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Both non-employees and others have the same opportunity to whistleblow as employees. The possibility to whistleblow is an important positive measure for both employees and non-employees. The whistleblower system is described in detail under the Governance information section.

Engagement related to materiality assessment and topics

The assessment of material impacts, risks and opportunities were discussed with workers' representatives as well as representatives within divisions and departments. The representatives were involved with input both during the process and after the preliminary results were ready and before the materiality assessment was finalized.

This engagement was facilitated with meetings and dialogue directly with workers' representatives. It was included as part of the quarterly meetings with BAMPU. These meetings occur every quarter and sustainability, including material impacts, are part of the agenda every time.

The sustainability manager is responsible for ensuring that the committee is informed and included in the process. It has not been identified particularly vulnerable groups within the company, and therefore no extra effort to communicate with these has been implemented.

Channels for own workforce to raise concerns⁵²

Pelagia has a whistleblowing channel where all employees and non-employees can register complaints or raise concerns. The channel is distributed at all facilities and made available for all employees. It has been implemented by Pelagia, and responses are stored and handled internally. It is intended to be used both for employee matters and other grievances. Please refer to the governance section for a description of the whistleblowing system and policy of protection against retaliation.

⁵² S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Effectiveness and trust in these channels are evaluated e.g., through our annual employee well-being survey and based on cases reported.

ACTIONS⁵³

Pelagia has action plans on HSE and for the various departments. We do not have resources specifically allocated to managing material impacts. If resources are needed, this is discussed and allocated for each individual case, adjusted to the nature and needs of the case in question.

Based on information from employees and double materiality assessment, as well as general dialogue with workers' representatives, any negative impacts will be identified and handled.

Processes to remediate negative impacts and channels for own workforce to raise concerns

We have several channels where our own workforce can raise concerns. All our employees have access to our whistleblower system and are encouraged and regularly reminded to report reprehensible conditions. Whistleblower routines, including processes for handling, are described in detail on page 77.

We also conduct well-being surveys amongst all our employees and strive to offer individual employee interviews at least once a year. During these reviews, there is an opportunity for dialogue between the employee and its immediate manager.

Health and safety were identified as a potential negative impact, and how we handle this impact is described in the next part. Due to the lack of other actual negative impacts identified, we have not yet tested how we can remediate impacts. If additional negative impacts are identified, we have routines for reporting and handling of reports. The process for how to handle a specific negative impact will be identified, formalized and implemented across the company for each specific case as they arise.

⁵³ S1-4 Taking action on material impacts on own workforce

Health and safety

Due to the nature of our operations, health and safety poses a potential negative impact on our own workforce. We have implemented strict HSE policies and procedures that shall help prevent negative impacts from occurring and mitigate the risk of such impacts. Additionally, we have specific procedures for each division, adapted to each division's specific operations. The scope of health and safety actions is the whole group, all employees, including non-employees who are physically present at our locations, all their activities and locations.

Our focus on health and safety is a continuous and ongoing commitment, to ensure a safe work environment for our workforce and to achieve our goal of zero accidents, losses or injuries to people, materials and the environment. Since Pelagia has production facilities where dangerous situations occur due to machinery, equipment and people, there will always be a need for further improvement and facilitation. Health and safety work will therefore never be completed and there are no end dates to health and safety actions, but we do set targets on a year-to-year basis.

On the organizational level, BAMPU identifies actions and tracks and assesses effectiveness of these in delivering outcomes. When a negative impact does occur, we have routines that we follow. First, it is to help the employee(s) and then report to government authorities. The appropriate authority to report to depends on the severity of the impact. A deviation report is then filed, and the incident is discussed both locally in AMU and centrally in BAMPU to identify appropriate actions. Other potentially negative impacts will also be discussed here, and potential changes will also be implemented in other relevant parts of the organization. Where an incident repeats itself, specific actions are implemented with the expected outcome to hinder the incident from occurring. The effect of implemented actions is monitored by the decrease in the occurrence of the incident.

In all countries where we have facilities, there are strict national routines for handling HSE-related negative impacts. We act according to national laws and regulations to provide or enable remedy for negative impacts. In addition, we have arrangements such as disability insurance for employees that include both salary and pension. Specific insurance coverage varies, but most of our employees are covered.

Targets⁵⁴

We identified health and safety as our only potential negative impact on our own workforce. Targets for HSE are set through the BAMPU- and HSE- committees and apply to the entire company. Through BAMPU, HSE-targets are set in collaboration between management and employee representatives, and this group also tracks HSE-performance and implement actions. Additionally, each division and each facility have their own targets specific to their operations and workforce, with their own procedure for handling the targets. HSE targets are set on a yearly basis, and progress is measured from year to year. The scope of the targets is the whole group, including all our own employees, non-employees physically present at our locations, own activities and locations.

For 2024, we had a target for sick leave to be less than 3,5%, and HSE to have zero incidents, but many recorded safety observations, deviations and risks. This latter part relates to our approach to HSE and reducing the percentage of sick leave: we work systematically to be ahead of risks by addressing root causes through monitoring, observation and reporting. We want employees to report deviations and observations, and we systematically record the HSE-related work we do, which is then reviewed in departments and divisions. In 2024, sick leave was 0,2% above target. Although the target was not met, we are still pleased with this result, and it was an improvement from 2023. HSE targets were also not met. In an industry company like Pelagia with many processing facilities relying on people, machinery and heavy equipment, it is difficult to achieve the target of zero incidents. Nevertheless, we still strive to achieve this target and to continuously improve on HSE. Moving forward we

⁵⁴ S1-5 Targets related to managing impacts, advancing positive impacts, as well as to risks and opportunities

will focus on more measurable HSE actions among all employees. More information about HSE metrics is available below. The targets are a constant reminder that we also need to strive to ensure every employee is safe at work and that Pelagia as a company do what we can to prevent both injuries and sick leave as far as we can possibly do. The base year for these targets is set as 2024. None of the metrics are assured by other parties.

Characteristics of Pelagia employees ⁵⁵

TABLE 25: EMPLOYEES PER GENDER

Gender	Number of employees (head count)
Male	1266
Female	557
Not reported	0
Total employees	1822

TABLE 26: EMPLOYEES PER COUNTRY

Country	Number of employees (head count)
Norway	1524
Denmark	21
United Kingdom	216
Ireland	57
Ukraine	2
Iceland	1

⁵⁵ S1-6 Characteristics of the Undertaking's Employees

TABLE 27: FTE PER REPORTING PERIOD

Reporting period		
Female	Male	Total
Number of employees (FTE)		
292,24	867,53	1159,77
Number of permanent employees (FTE)		
106,08	652,32	758,4
Number of temporary employees (FTE)		
8,37	45,7	54,07
Number of non-guaranteed hours employees (FTE)		
177,79	169,01	346,8
Number of full-time employees (FTE)		
124,2	534,36	653,2
Number of part-time employees (FTE)		
9,38	14,22	23,6

The data was collected by counting all employees throughout the reporting period from January to December. Some employees were then subtracted for reasons such as too few hours, to get a more realistic number of employees. FTE equals a total of 1750 worked annual hours. No employees registered as "other".

Pelagia's food division is highly seasonal and dependent on seasonal workers due to seasonal fluctuations in the access to raw materials. For example, Pelagia has best access to Food raw materials from pelagic fish in the autumn/winter months, the premium catch period for mackerel is between September and November, while blue

whiting is mainly caught from February to April. Geographical catch areas also fluctuate for each raw material, resulting in peak periods at different times of the year for each of our facilities.

The feed and health divisions are highly automated, with production running 24/7 throughout the year. These divisions therefore require employees working shifts during the year.

During the reporting period, 151 employees left Pelagia, excluding seasonal workers. This constitutes a 14% employee turnover rate. This rate is calculated by dividing employees that left Pelagia in 2024 on headcount excluding seasonal workers.

Health and safety metrics ⁵⁶

TABLE 28: HEALTH AND SAFETY METRICS

Health and safety metrics	
Percentage of people in own workforce covered by HSE management system	100%
Number of fatalities in own workforce as a result of work-related injuries and work-related ill-health	0
Number of fatalities for other workers working on our sites as a result of work-related injuries and work-related ill-health	0
Recordable work-related accidents	51
Rate of work-related accidents per one million hours worked.	25,14
Recordable work-related ill-health	0
Days lost to work-related injuries from work-related accidents, work-related ill-health and fatalities from ill-health	369,47

At Pelagia we also have a high focus on anti-discrimination and equality in the

workplace, even though the topic did not reach the materiality threshold in the assessment. Information on how Pelagia works with this topic and statistics can be found in our annual report “aktivitet og redegjørelsesplikten 2024” This report is published on our website alongside the annual report.

⁵⁶ S1-14 Health and safety metrics

APPENDIX – SOCIAL INFORMATION

POLICIES

Ethical Guidelines

Our Ethical Guidelines applies to all board members, employees and everyone who acts on behalf of Pelagia, who shall practice the guidelines in all their activities. The purpose of the guidelines is to ensure that our behavior is in line with Pelagia’s values.

The guidelines outline acceptable personal behavior, company values, and the obligation to comply with laws and regulations. They also detail our policy of no discrimination and anti-corruption, our focus on a safe work environment, and our commitment to respect and protect human rights, including our commitment to follow the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The guidelines affirm our commitment to take care of the environment and contribute to sustainable development.

CAO is responsible for implementation, while CEO is overall responsible for the policy. Managers are responsible for ensuring that activities within their area of responsibility are carried out in accordance with the guidelines. When setting the policy, consideration was given to the owners, represented through the board of directors, as key stakeholders’ interests. Owners’ ethical guidelines served as a model for our policy.

Compliance is monitored through our whistleblowing channels, employee interviews, and well-being surveys. Suspected violations and incidents shall be reported to management or through our whistleblowing channels. Reports will be handled according to our notification routines (see “Whistleblower system”, page 77). Violations provide a basis for disciplinary measures, and necessary disciplinary or preventive actions must be taken in cases of breach. Reprehensible matters must be terminated, and measures be implemented.

All employees have easy access to the guidelines through our internal systems, and all new employees receive the guidelines together with their employment agreement. The guidelines are also available for external stakeholders at [Pelagia.com](https://www.pelagia.com).

HSE Policy

Health, safety and environment is an integrated mindset for us working in Pelagia, and we are committed to ensuring that our workplace and operations are safe and create safe products, with the least possible impact on the environment. We have a general HSE policy, and each division and department have additional specific procedures in place. The scope of HSE policy is the entire company, including all our own employees, activities and locations, and non-employees physically present at our locations.

Our operations shall be in accordance with applicable safety regulatory requirements, with a goal of zero accidents, losses or injuries to people, materials, and the environment. The policy outlines how we, through our awareness of HSE, shall ensure the best possible protection of people’s lives and health, as well as facilities and environment.

When setting the policy, consideration was given to employees and affected communities as key stakeholders. The team of HSEQ-managers are responsible for implementing the HSE policy, while the CEO is overall responsible for it. The policies are available for all employees through our intranet and quality management system.

Compliance is monitored through whistleblowing channels, employee well-being surveys, and employee interviews. Suspected violations and incidents shall be reported to management or through our whistleblowing channels and will be handled according to our whistleblowing routines.

Statement of Policy on Corporate Governance

Pelagia’s Statement of Policy on Corporate Governance was adopted in 2024. The policy applies to all companies in Pelagia Holding AS, to the extent reasonable. The policy outlines the company’s legal structure, its divisions, departments and owner structure, and the national laws and regulations it is subject to, with a commitment to adhere to relevant

laws and regulations, and recommendations for good corporate governance.

The policy further outlines company objectives, values, a commitment to contribute to sustainable development and a commitment to ensure that good corporate governance is an integral part of decision-making processes. It contains guidelines for equality

and diversity, underlining our zero tolerance towards discrimination. It also outlines the responsibilities, tasks, purpose and composition of the board of directors and the audit committee, processes for monitoring and auditing, and strategy for information and communication. It provides an overview of the internal controls and risk management functions of

the group, including roles and responsibilities, activities and reviews.

CFO is accountable for implementation of the policy. It is available to employees through our intranet, and to externals through [Pelagia.com](https://www.pelagia.com).

GOVERNANCE INFORMATION

At Pelagia, we are committed to conduct business with integrity across all our operations, ensuring compliance with laws and regulations in every country where we operate.

TABLE 29: LIST OF DISCLOSURE REQUIREMENTS

List of disclosure requirements		Page reference
G1 Business conduct		76
SBM – 3	Material impacts, risks and opportunities and their interactions with strategy and business model	77
G1.GOV	The role of the administrative, management and supervisory bodies	18
G1 – 1	Business conduct policies and corporate culture	76
G1 – 3	Prevention and detection of corruption and bribery	77
G1 – 4	Incidents of corruption or bribery	78

ESRS G1 – BUSINESS CONDUCT

Material impacts, risks and opportunities and their interactions with strategy and business model⁵⁷

Our materiality assessment identified one potential negative impact related to business conduct – namely corruption and bribery in the value chain.

Corruption and bribery in the value chain

Potential negative impact (downstream)

Pelagia has numerous customers across various countries, with a large portion of these operating in high-risk regions. It is therefore a substantial risk of challenging business relations and potential negative impacts occurring in our downstream value chain, including financial crimes like corruption, bribery and money laundering.

As part of our due diligence process, we conduct risk assessments for all our suppliers and customers. This risk assessment covers several topics, one of these being corruption and bribery. We have included internationally recognized corruption indexes, such as Transparency International's [Corruption Perceptions Index](#), to assess the risk of corruption in relation to our customers and suppliers. According to this index, many of our customers operate in countries across the world where there is a higher risk of corruption and bribery. It is primarily our Food-division that sell to such markets.

Business conduct policies and corporate culture⁵⁸

In Pelagia we have three main policies that provides guidelines to ensure that behavior is in accordance with our values, both across the organization and in our value chain.

Our ethical guidelines provide guidance to all employees on acceptable behavior in line with our values. Our policy on corporate due diligence underlines our commitment to human rights, anti-corruption, taxation, fair competition and conducting due diligence assessments. Our Code of Conduct extends our corporate culture expectations to third parties. The Code of Conduct and Policy on Corporate Due Diligence are related to the potential impact of corruption and bribery in the value chain. See the appendix for detailed descriptions of the policies.

New employees are required to confirm their acknowledgment of the ethical guidelines, and Pelagia continuously promotes corporate culture through internal communication systems such as publishing stories on the intranet, townhall meetings, teams' channels and frequent stories and reminders on information screens at the various facilities.

To evaluate corporate culture, Pelagia conducts an annual employee survey, which addresses topics such as job satisfaction and motivation, well-being, cooperation and communication, discrimination and harassment, and whistleblowing. There is also an opportunity for dialogue during each employee's annual interviews. In addition, confidential exit interviews with HR are encouraged for both permanent and seasonal employees, to enable feedback. These measures offer valuable insights to help improve the workplace and corporate culture.

If a business conduct incident were to occur, Pelagia has routines to investigate and follow up cases depending on their nature and whether they involve employees or external stakeholders. External cases are typically managed with the involvement of relevant business partners to ensure objective and independent handling.

Although we do not yet have a specific policy for training in business conduct, we increased our focus on business conduct matters in 2024, especially for our sales and procurement departments. Those working closest with our customers participated in training on a quarterly basis, and dialogue-based training was conducted to ensure

⁵⁷ SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

⁵⁸ G1-1 Business conduct policies and corporate culture

focus on business conduct topics. Routines for handling of customers were also updated, and this work will continue in 2025. Our ethical guidelines were also updated in 2024, and a related training was sent out to all employees.

Whistleblower system

At Pelagia, employees are encouraged and regularly reminded via information screens to report reprehensible conditions, including misconduct regarding company rules and guidelines. In 2024, training was offered to all employees, aiming to familiarize them with our updated ethical guidelines. Here, they were also reminded about the kind of reprehensible conditions that should be reported and how to report. All employees have easy access to the whistleblowing system and access codes are made widely accessible at all our facilities, including factories and offices, as well as through our intranet. External parties can alert Pelagia using the contact form on [Pelagia.com](https://pelagia.com).

Pelagia is committed to ensure confidentiality and avoid any retaliation. The identity of the whistleblower shall not be known to more than what is absolutely necessary for appropriate processing of the case, and whistleblowers shall be protected against retaliation in accordance with the Working Environment Act §2 A-4. The manager has the main responsibility to ensure that the whistleblower does not experience any retaliation. Our whistleblower system also offers the option to report anonymously.

All notifications are taken seriously and examined thoroughly regardless of the form it was submitted. In compliance with national whistleblowing laws, such as § 2 A-6 of the Working Environment Act in Norway, we have established internal procedures to ensure that allegations are properly investigated.

All cases and allegations are collected and handled using the same process. First HR is alerted that a complaint, case or allegation have been submitted and conduct preliminary investigations. We have two resources from HR that receive reports, who both have formal human resources training, including training in confidentiality. The relevant immediate manager then follows up and is always responsible for

investigating the notification. If the immediate manager is disqualified, the senior manager or HR will follow up and investigate. HR supports during the process.

The investigation will vary depending on the matter and seriousness of the case, but it could include individual conversations with parties and witnesses, and technical investigations such as review of documents. HR and finance will assist in serious matters. An external party may also be involved in the investigation. Allegations involving employees will first be assessed whether they are real, and if so, the person who has received a notice against him/herself will have the opportunity to defend him/herself.

If a reprehensible condition is found, the condition must be terminated, measures be taken to restore a fully safe working environment, and the effect of measures followed up to ensure lasting improvement. We do not have a defined threshold for when matters are reported upwards, but serious matters will always be reported to company management.

Prevention and detection of corruption and bribery ⁵⁹

Pelagia's commitment to respect social safeguards and ethical business practices is underlined in our Ethical Guidelines, Corporate Due Diligence Policy, and Code of Conduct. Together, these policies cover and emphasize a zero tolerance for corruption and bribery in our own operations and in our value chain.

To comply with our commitment and ensure that we identify, prevent and address potential matters of corruption and bribery, Pelagia has procedures for conducting due diligence on third parties including customers, suppliers and business partners. These procedures support employees to adequately perform due diligence assessments proportionate to the related risk, which include geographical considerations related to sanctions, anti-corruption, anti-money laundering, and human rights conditions.

⁵⁹ G1-3 Prevention and detection of corruption and bribery

Certain functions in Pelagia such as procurement, sales and logistics, face higher risks of corruption and bribery due to handling financial transactions and interacting with external stakeholders. In line with the Transparency Act, our procurement staff are particularly involved in due diligence concerning regions outside Europe. Training and onboarding are managed by relevant managers, as specific issues vary by role. While Pelagia does not have a general policy for training, we are in the process of implementing a formalized and standardized program to provide general training on topics such as business conduct, anti-corruption and bribery.

Corruption and bribery should be alerted through the whistleblowing system. Reports are followed up and handled according to the whistleblowing procedure described above. The whistleblowing system handles all allegations and cases both in Pelagia and the value chain.

Training in anti-corruption

To prevent corruption in our value chain, training and systematic work against corruption is carried out.

In 2024, we worked on improving KYC-procedures, where HR, sustainability and financial departments worked closely to improve and then implement the improved KYC-procedures. With a significant number of customers in countries where there is an increased risk of financial crimes such as corruption and bribery, it is important for Pelagia to recognize and mitigate the potential negative impact that incidents of corruption and bribery can have. We therefore prioritized quarterly training for our sales and logistics department on how to uncover risks amongst our customers, including corruption and other financial crimes. 100% of our functions-at-risk is covered by this training-program with extended focus on KYC.

In 2024 we also offered all employees a training in our Ethical Guidelines, covering also corruption and bribery. We do not have the total overview of who and which functions completed the training, but all employees were invited to complete it. Company management is part of setting and revising the Guidelines and was also invited to complete the training. This training-process will be further developed and prioritized in 2025.

Metrics and targets⁶⁰

None of the metrics are assured by other parties, and for 2024 we have set no other targets than having zero incidents of corruption and bribery.

Incidents of corruption or bribery⁶¹

There were no identified incidents of corruption or bribery during the reporting year, nor where there any convictions or fines for violations of anti-corruption or anti-bribery laws. Therefore, no actions have been taken to address breaches in procedures or standards.

The Transparency Act in Norway formalizes the need to report on the work Pelagia is doing in accordance with the OECD guidelines and Pelagia have implemented the same measures in relation to our customers to ensure that we are actively handling the potential negative impacts.

⁶⁰ ESRS 2 MDR section 5 Metrics and targets

⁶¹ G1-4 Incidents of corruption or bribery

APPENDIX – GOVERNANCE INFORMATION

POLICIES

Ethical Guidelines

Our Ethical Guidelines applies to all board members, employees and everyone who acts on behalf of Pelagia, who shall practice the guidelines in all their activities. The purpose of the guidelines is to ensure that our behavior is in line with Pelagia’s values.

The guidelines outline acceptable personal behavior, company values, and the obligation to comply with laws and regulations. They also detail our policy of no discrimination and anti-corruption, our focus on a safe work environment, and our commitment to respect and protect human rights, including our commitment to follow the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The guidelines affirm our commitment to take care of the environment and contribute to sustainable development.

CAO is responsible for implementation, while CEO is overall responsible for the policy. Managers are responsible for ensuring that activities within their area of responsibility are carried out in accordance with the guidelines. When setting the policy, consideration was given to the owners, represented through the board of directors, as key stakeholders’ interests. Owners’ ethical guidelines served as a model for our policy.

Compliance is monitored through our whistleblowing channels, employee interviews, and well-being surveys. Suspected violations and incidents shall be reported to management or through our whistleblowing channels. Reports will be handled according to our notification routines (see “Whistleblower system”, page 77). Violations provides a basis for disciplinary measures, and necessary disciplinary or preventive actions must be taken in cases of breach. Reprehensible matters must be terminated, and measures be implemented.

All employees have easy access to the guidelines through our internal systems, and all new employees receive the guidelines together with their employment agreement. The guidelines are also available for external stakeholders at [Pelagia.com](https://pelagia.com).

Code of Conduct

Our Code of Conduct outlines expectations and principles we have for our business partners, including but not limited to suppliers, agents, and customers. This policy extends to these parties our corporate culture expectations to conduct business in an ethical and responsible manner. Pelagia requires business partners to operate in accordance with these guidelines and applicable laws and regulations. In selecting and evaluating business partners, acceptance of and adherence to our Code of Conduct is a criterion.

The Code is based on UN Global Compact’s ten principles, the International Labour Organization, and

the OECD Guidelines. This policy stipulates our expectation to business partners to conduct due diligence in line with the OECD Guidelines and UN Guiding Principles. It also details the expectations we have for our business partners on topics such as privacy and data security, climate and environment, whistleblowing, human rights, discrimination and equality, labor standards, including HSE, freedom of association and collective bargaining, no forced or child labor, and decent pay and working hours, and business conduct, including anti-corruption, compliance with laws and regulations, fair competition, taxation and no money laundering, and avoiding conflict of interests.

Sustainability manager and CEO are overall responsible for the policy. Suspected violations or incidents of the Code by a party in our value chain should be reported using the [form available on our website](#). Incidents reported either from internal or external sources will be handled according to our whistleblowing procedure. Violations may result in termination of agreements and contracts and/or other forms of cooperation. Repeated breaches or lack of follow-up is considered breach of contract. Our Code of Conduct is distributed to all business partners and is available at [Pelagia.com](https://pelagia.com). Employees also have access through our intranet.

When setting this policy, consideration was given to our external stakeholders. In preparing the policy, we went through various external stakeholders’ own Code of Conducts, and we verified our policy content

against the results from our double materiality assessment and the input we got from external stakeholders, to ensure that our Code of Conduct was aligned with expectations from our stakeholders.

Corporate Due Diligence Policy

This policy was implemented in 2024 with the purpose to affirm our commitment to conduct due diligence to identify, prevent, mitigate and account for actual and potential adverse impacts related to workers' and human rights, corruption and bribery, taxation, and fair competition. The policy applies to all employees, board members and everyone who acts on behalf of Pelagia, as well as business partners, suppliers and customers, who are all expected to respect the social safeguards, ethical business practices and responsibility to conduct due diligence as outlined in the policy.

The policy details our commitment to comply with laws and regulations and conduct due diligence, our zero tolerance towards corruption or bribery, and our commitment to comply with tax and competition laws and regulations. A reference is made to national and European legislation and instruments Pelagia is subject to and follows, including Norwegian human rights and environmental due diligence legislation, the Transparency Act, the European Taxonomy Regulation, the Corporate Sustainability Reporting Directive, the upcoming Corporate Sustainability Due Diligence Directive, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines

for Multinational Enterprises on Responsible Business Conduct.

CFO is responsible for implementing the policy. Suspected violations of the policy should be reported immediately. Reporting is done to supervisor or through our whistleblower channels, and Pelagia do not tolerate retaliation against anyone who reports misconduct.

The policy is available to all employees through our intranet. It is communicated together with our Code of Conduct and Ethical Guidelines to third parties and shared externally as needed. When setting the policy, its content was verified against the results from our double materiality analysis and the input we got from that process to ensure that the policy is aligned with stakeholder expectations.

Bergen, 30 April, 2025



Helge Singelstad
Chairman of the Board



Egil Magne Haugstad
CEO



Endre Sekse
Board member



Britt Kathrine Drivenes
Board member



Karoline Bjoland
Board member



Helge Karstein Moen
Board member

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, 2024, 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.

We confirm that to the best of our knowledge that the 2024 sustainability statement has been prepared in accordance to and meets the information requirements of the Norwegian Accounting Act, the European Sustainability Reporting Standard (ESRS) and the EU Taxonomy (Article 8 of EU Regulation 2020/852).

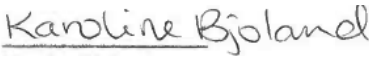
Bergen, 30 April, 2025



Helge Singelstad
Chairman of the board



Endre Sekse
Board member



Karoline Bjoland
Board member



Egil Magne Haugstad
CEO



Britt Kathrine Drivenes
Board member



Helge Karstein Moen
Board member

Pelagia Holding AS

**Financial Statements 2024
Group Accounts**

Pelagia Holding AS

Consolidated income statement

Amounts in NOK 1.000 (period 01.01. - 31.12.)	Note	2024	2023
Sales revenue	4, 20	15 037 534	13 000 715
Change in inventories of finished goods	11	302 660	993 375
Raw materials and consumables used	20	11 295 863	8 377 367
Salaries and personell expenses	5	1 086 453	974 379
Depreciation and amortisation	7, 8	430 643	417 723
Impairment	7, 9	-	41 355
Other operating expenses	5, 6	950 406	930 645
Operating profit		971 509	1 265 871
Finance income	17	-	16 548
Finance costs	17	407 406	255 365
Net finance		-407 406	-238 817
Profit before taxes		564 104	1 027 055
Income tax expense	16	113 017	240 661
Net profit		451 087	786 394
Profit is attributable to:			
Owners of Pelagia Holding AS		424 632	779 888
Non-controlling interests		26 456	6 506
Total		451 087	786 394

Consolidated statement of comprehensive income

Amounts in NOK 1.000 (period 01.01. - 31.12.)	Note	2024	2023
Profit for the period		451 087	786 394
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Currency translation differences		93 239	73 416
Hedging reserves, cash flow hedges	3	4 082	-93 550
Tax expense/(revenue)	3	898	-20 581
Total other comprehensive income for the period, net of tax		96 422	447
Total comprehensive income for the period		547 509	786 841
Total comprehensive income for the period is attributable to			
Owners of Pelagia Holding AS		522 514	772 893
Non-controlling interests		24 996	13 949
Total		547 509	786 841

Pelagia Holding AS

Consolidated balance sheet per 31.12.

Amounts in NOK 1.000	Note	2024	2023
Assets			
Non-current assets			
Other intangible assets	7, 9	98 361	91 021
Goodwill	7, 9	1 317 039	1 201 725
Total intangible assets		1 415 399	1 292 747
Land, buildings and other real property	8, 9, 19	1 428 900	1 776 131
Plant and equipment	8, 9, 19	2 475 335	1 678 273
Ships	8, 9, 19	557 907	222 414
Right-of-use leased assets	8, 18	105 499	102 073
Total property, plant and equipment		4 567 642	3 778 891
Investments in other shares		24 669	24 753
Other receivables	12	1 500	1 500
Total financial assets		26 169	26 253
Total non-current assets		6 009 210	5 097 891
Current assets			
Inventories	11, 19	3 904 123	3 601 463
Trade receivables	3, 12, 19, 20	1 485 273	965 827
Derivatives	3	31 897	99 225
Other current receivables	12, 19	92 717	108 482
Cash and cash equivalents	13	183 039	171 069
Total current assets		5 697 049	4 946 065
Total assets		11 706 259	10 043 956

Pelagia Holding AS

Consolidated balance sheet per 31.12.

Amounts in NOK 1.000	Note	2024	2023
Equity and liabilities			
Share capital	14	149 836	149 836
Share premium	14	1 347 615	1 347 615
Other equity		2 579 438	2 449 372
Non-controlling interests	15	218 766	198 610
Total equity		4 295 654	4 145 432
Liabilities			
Deferred tax liabilities	16	197 615	209 478
Employee benefit obligations		1 584	1 474
Derivatives	3	2 268	6 069
Total non-current liabilities		201 467	217 021
Liabilities to financial institutions	3, 17	2 553 444	2 427 385
Other long-term non interest bearing loan	3, 17	1 120	14 067
Bond loan	3, 17	989 584	895 860
Lease liabilities	3, 18	92 546	84 721
Total other non-current liabilities		3 636 693	3 422 032
First year's instalment non-current liabilities	3, 17, 18	1 139 862	257 222
Current portion of provisions for lease liabilities	3, 18	16 129	16 554
Current debt to financial institutions	17	1 417 590	1 073 851
Derivatives	3	68 922	4 638
Trade payables		489 469	398 859
Tax payable	16	35 063	157 093
Public duties owing		69 855	71 656
Other current liabilities	6	335 555	279 597
Total current liabilities		3 572 445	2 259 470
Total liabilities		7 410 605	5 898 524
Total equity and liabilities		11 706 259	10 043 956

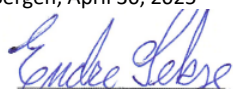


Helge Singelstad
Chairman of the board



Egil Magne Haugstad
CEO

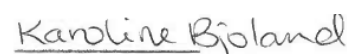
Bergen, April 30, 2025



Endre Sekse
Board member



Britt Kathrine Drivenes
Board member



Karoline Bjoland
Board member



Helge Karstein Moen
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 01.01.2023	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	786 840	
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	

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 01.01.2024	149 836	1 347 615	247 893	-3 183	2 204 662	3 946 823	198 610	4 145 432	
Result for the period	-	-	-	-	424 632	424 632	26 456	451 088	
Other comprehensive income	-	-	94 698	3 183	-	97 881	-1 460	96 421	
Total comprehensive income for the period	-	-	94 698	3 183	424 632	522 513	24 996	547 509	
Non-controlling interests on aquisition of subsidiary*	-	-	-	-	-	-	20 662	20 662	
Dividends paid	-	-	-	-	-400 000	-400 000	-3 427	-403 427	
Non-controlling interests buyout**	-	-	-	-	7 552	7 552	-22 075	-14 523	
Total transactions with owners and non-controlling interests	-	-	-	-	-392 448	-392 448	-4 840	-397 288	
Equity 31.12.2024	149 836	1 347 615	342 591	-	2 236 847	4 076 887	218 766	4 295 654	

*) Concerns Blue Ocean Technology See note 21.

**) Concerns Arctic Protein EHF and Blue Ocean Technology. See note 15 and 21.

Dividend of 200 MNOK has been proposed for 2024. Divident payments to Pelagia's shareholders are classified as liability from the date the dividend has been approved by the General Meeting.

Pelagia Holding AS

Consolidated statement of cash flows

All figures in NOK 1.000	Note	2024	2023
Cash flows form operating activities			
Result before tax expense		564 104	1 027 055
Adjusted for:			
- Depreciation and amortisation	7, 8, 18	430 643	417 723
- Impairment	7, 9	-	41 355
- Taxes paid	16	-247 807	-207 952
- Fair value adjustment derivatives	3	39 219	-
- Interest expenses net	17	476 386	246 574
Change working capital:			
- Change trade receivables		-479 386	280 959
- Change inventories		-255 858	-993 375
- Change trade payables		66 363	2 026
- Change other accruals		144 917	17 097
Net cash flow from operating activities		738 580	831 462
Cash flows from investing activities			
Acquisition of subsidiary	21	-166 173	-
Purchase of property, plant and equipment	8	-1 097 170	-546 594
Purchase of other intangible assets	7	-13 920	-18 381
Sale of property, plant and equipment	8	5 601	4 212
Net cash flows from investing activities		-1 271 661	-560 763
Cash flows from financing activities			
Raising of non-current liabilities	17	1 186 500	750 000
Repayment of non-current liabilities	17	-90 030	-116 653
Net change bank overdraft	17	343 739	-146 576
Repayment lease liabilities	17, 18	-16 554	-17 342
Interest paid	17	-475 179	-235 967
Cash flow from purchase of shares in other companies		-	-12 365
Dividends paid to parent company's shareholders		-400 000	-450 000
Dividends paid to non-controlling interests		-3 427	-
Net cash flows from financing activities		545 050	-228 902
Change in cash and cash equivalents net		11 969	41 797
Net cash and cash equivalents as at 1st of January		171 069	129 272
Net cash and cash equivalents per 31st of December		183 038	171 069

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 %
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 Danmark A/S	Denmark	Pelagia AS	100 %
Pelagia Ukraine LLC	Ukraine	Pelagia AS	100 %
Pelagia Feed (Ireland) Ltd. *)	Ireland	Pelagia AS	100 %
Charlie Vial Ltd	UK	Pelagia Feed (Ireland) Ltd.	100 %
Pelagia (UK) Ltd.	UK	Pelagia Feed (Ireland) Ltd.	100 %
Ideal Foods Ltd.	UK	Pelagia (UK) Ltd.	100 %
Ideal Nutritional Foods Ltd.	UK	Ideal Foods Ltd.	100 %
Ideal Pet Foods Ltd.	UK	Ideal Foods Ltd.	100 %
Pelagia (Greenock) Ltd.	UK	Pelagia (UK) Ltd.	100 %
Pelagia Shetland Ltd.	UK	Pelagia AS	77 %
Pelagia Bressay Ltd.	UK	Pelagia AS	100 %
Hordafor AS	Austevoll	Pelagia AS	100 %
Arctic Protein EHF	Iceland	Pelagia AS	100 %
Karmsund Protein AS	Avaldsnes	Pelagia AS	51 %

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, interest swaps and financial power contracts are 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 derivatives.

New and amended standards implemented in 2024

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 2024 financial statements:

- 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 16 - Subsequent measurement of the lease liability with sale and leaseback

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 21 - Assessment of whether a currency is exchangeable

Pelagia Holding AS

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 current political situation and the impact on the global economy, including international freight costs, trade tariffs 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, GBP and EUR. 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	9 345	35 958	60 021	26 332	973 984
Prepayments	-	-	-	-	-1 500 000
Forward exchange contracts / derivatives	-	-	-163 830	-50 914	1 500 000
Net withdrawal overdraft facility	-28 875	-143 338	-10 270	-49 081	-313 071
Total	-19 530	-107 380	-114 079	-73 663	660 913

Trade receivables per currency (NOK 1.000)	2024	2023
GBP	132 932	96 757
DKK	56 872	-
USD	681 439	416 024
EUR	310 582	188 880
JPY	70 453	24 700
NOK	232 996	239 466
Total	1 485 273	965 827

Carrying value of derivatives are all mainly connected to different currency derivatives, interest swaps 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)	2024	2023
USD	-60 529	70 044
JPY	-3 424	2 209
EUR	-168	26 274
Others	-	698
Total currency derivatives	-64 121	99 226

Pelagia Holding AS

Note 3 continues

If NOK in relation to the following foreign currency was 10% higher as of 31 December 2024 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	-27 782	-16 983	-129 518	-86 886	4 781

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 applies interest swaps 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.

Interest rate swaps	Start date	Maturity date	Nominal amount	Fair value	Change in fair value
DNB	29.08.2024	29.08.2027	1 200 000	16 529	16 529
Nordea	29.11.2024	29.08.2027	1 200 000	15 368	15 368
DNB	30.09.2024	30.09.2027	100 000	-	-
Total interest rate swaps				31 897	31 897

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 38,1 in 2024 as a result of floating interest rate on borrowings and deposits. Equity would have been reduced (increased) by approx MNOK 29,7 in 2024. Sensitivity analysis is based on net interest bearing debt and interest swaps 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	2024	2023
Trade receivables at nominal value	1 508 389	991 981
Covered by credit insurance and cash against documents	-1 195 130	-549 446
Credit exposure trade receivables	313 259	442 534

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 183,0 MNOK as of 31.12.2024.

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	2025	2026	2027	2028	2029	Later	Total
Bank loan	241 842	109 018	2 445 882	2 296	-	-	2 799 037
Bond loan	900 000	-	-	-	1 000 000	-	1 900 000
Bank overdraft	1 417 590	-	-	-	-	-	1 417 590
Interest payments related to above loans	407 618	238 949	231 994	75 946	75 800	-	1 030 307
Leasing payments	16 129	14 782	12 134	9 184	9 643	69 143	131 015
Long-term not interest bearing loan	155	155	155	155	155	345	1 120
Trade payables and other liabilities	929 942	-	-	-	-	-	929 942
Total	3 913 276	362 904	2 690 164	87 581	1 085 598	69 488	8 209 011

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 2 800. In addition a current multi-currency credit facility of MNOK 2 000 has been established, this has been drawn by MNOK 1 418. The covenants consist of demands to equity ratio above 30% and interest cover ratio (EBITDA / net finance charges) no less than 2.5x 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.

Pelagia Holding AS has a bond loan from 2020 of MNOK 900 with maturity in 2025. The loan bears interest 3M NIBOR + 3,25%. In addition the entity issued a new bond loan in 2024 of MNOK 1 000 with maturity in 2029. The same covenants as for the RCF apply to the new bond loan, equity ratio above 30% and interest cover ratio no less than 2.5x. For the bond loan due in 2025 the interest cover ratio is no less than 4.0x.

The covenants are met.

In January 2025 Pelagia issued a new unsecured 5,5-year 1000 MNOK bond. The bond had a coupon of 3m NIBOR + 2.75% p.a.

The main objective was to refinance the 900 MNOK bond loan due in Dec 2025. Pelagia bought back bonds with a value of about 561,6 MNOK and the remaining bonds held by investors has a value of about 338,4 MNOK.

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

Equity ratio	2024	2023
Booked equity	4 295 654	4 145 432
Total assets	11 706 259	10 043 956
Equity %	36,7 %	41,3 %

Interest cover ratio	2024	2023
EBITDA	1 402 152	1 724 949
Net interest expenses	338 785	246 574
Interest cover ratio	4,1	7,0

Financial instruments

31.12.2024	Amortised cost	Fair value through profit and loss	Fair value over comprehensive income	Total
<i>Assets</i>				
Other investments	-	24 669	-	24 669
Other receivables	1 500	-	-	1 500
Trade receivables and other current receivables*	1 552 488	-	-	1 552 488
Interest swaps	-	31 897	-	31 897
Cash and cash equivalents	183 039	-	-	183 039
Total	1 737 027	56 566	-	1 793 593
<i>Liabilities</i>				
Debt to credit institutions	4 210 895	-	-	4 210 895
Bond loan	1 889 584	-	-	1 889 584
Other long-term not interest bearing debt	1 120	-	-	1 120
Leasing liabilities	108 675	-	-	108 675
Currency derivatives and financial power contracts	-	71 189	-	71 189
Trade payables and other current liabilities	825 024	-	-	825 024
Total	7 035 298	71 189	-	7 106 488

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

Pelagia Holding AS

Note 3 continues

31.12.2023	Amortised cost	Fair value through profit and loss	Fair value over comprehensive income	Total
<i>Assets</i>				
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
<i>Liabilities</i>				
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.

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).

31.12.2024

Assets / (liabilities)	Level 1	Level 2	Level 3	Total
- Currency derivatives	-	-64 121	-	-64 121
- Interest rate swaps	-	31 897	-	31 897
- Financial power contracts	-	-7 068	-	-7 068
- Other investments	-	-	24 669	24 669
Total	-	-39 292	24 669	-14 623

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
Sum	-	88 518	24 753	113 271

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 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	2024				2023			
	Food	Feed	Health	Total	Food	Feed	Health	Total
External operating income	7 069 889	7 107 801	859 844	15 037 534	5 590 190	6 620 943	789 583	13 000 715
Other gains	-	-	-	-	-	-	-	-
Total operating income	7 069 889	7 107 801	859 844	15 037 534	5 590 190	6 620 943	789 583	13 000 715
Cost of goods	6 087 804	5 369 123	533 053	11 989 981	4 854 412	4 521 623	362 118	9 738 153
Contribution margin	982 085	1 738 678	326 791	3 047 553	735 778	2 099 320	427 465	3 262 562
Indirect wages	284 118	324 126	86 751	694 995	235 762	288 602	82 604	606 967
Indirect operating expenses ex. depreciation	256 920	620 430	73 056	950 406	242 014	619 496	69 135	930 645
Operating result before depreciation EBIT	441 047	794 122	166 984	1 402 152	258 002	1 191 221	275 726	1 724 949
Income recognition related to acquisition	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	41 355	-	41 355
Depreciation	137 926	262 613	30 103	430 643	148 135	241 169	28 419	417 723
Operating result EBIT	303 121	531 509	136 881	971 509	109 867	908 697	247 307	1 265 871
Net interest	408	-261 118	-48 668	-309 378	732	-208 258	-39 049	-246 574
Result from associated company	-	-	-	-	-	-	-	-
Other financial items	1 560	-39 529	-60 059	(98 028)	2 935	11 321	-6 497	7 759
Result before taxes	305 088	230 862	28 153	564 104	113 534	711 760	201 761	1 027 055

Sales revenues distributed

on geographical markets	Food	Feed	Health	Total	Food	Feed	Health	Total
Norway	86 174	3 843 570	201 545	4 131 288	115 546	3 629 187	157 574	3 902 307
Europe for the rest	498 608	2 005 192	81 583	2 585 382	428 901	1 572 706	28 273	2 029 880
Europe EU	2 485 824	827 478	217 502	3 530 804	1 980 162	847 236	159 242	2 986 640
Asia	3 107 643	392 671	113 567	3 613 881	2 231 703	529 810	90 781	2 852 294
Africa	538 545	4 450	-	542 994	565 545	2 377	105	568 027
North-Amerika	353 096	34 442	215 092	602 629	264 754	39 626	255 630	560 010
Other	-	-	30 556	30 556	3 580	-	97 977	101 557
Total	7 069 889	7 107 801	859 844	15 037 534	5 590 191	6 620 942	789 582	13 000 715

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 36,7 in 2024 (2023: MNOK 84,4) in the FOOD segment and MNOK 0,5 (2023: 0) in the FEED segment, there is no intersegment revenue in the HEALTH segment.

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	2024				2023			
	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)	94 586	849 304	3 454 370	7 612	91 021	822 017	3 141 268	7 485
Other countries*	3 775	467 735	1 113 272	18 557	-	379 708	637 623	18 768
Total	98 361	1 317 038	4 567 642	26 169	91 021	1 201 725	3 778 891	26 253

*Other countries mainly applies to the UK and Ireland

Major customers

No 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	2024	2023
Wages	852 252	791 437
Payroll tax	116 209	101 829
Pension costs	98 628	76 212
Other benefits	19 365	4 901
Total	1 086 453	974 379

Average number of full-time equivalents	1 159	1 118
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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 31.12.2024 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:	Wages	Bonus	Other benefits	Total
CEO - Egil Magne Haugstad	3 823	1 925	701	6 449

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. Board member Britt Kathrine Drivenes own shares indirectly through her owner interests in Lerkehaug AS. Lerkehaug AS has owner interests in Austevoll Seafood ASA.

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 2024 or 2023.

Auditor:

Auditor's fees exclusive of vat.	2024	2023
Statutory audit	7 907	6 177
Other certification services	984	301
Tax consultancy	562	1 150
Services other than audit	1 123	444
Total	10 576	8 071

Note 6

Specifications

Other operating expenses	2024	2023
Variable lease, short-term leasing agreements and lease of assets of minor value	40 663	23 405
Repair and maintenance	244 712	280 606
IT-expenses	49 053	39 955
Bad debts	1 256	-1 834
Other expenses	614 722	588 512
Total other operating expenses	950 406	930 645

Specification of other current liabilities	2024	2023
Wages and public duties owing	89 089	82 650
Prepayments received*	110 643	72 330
Incurred costs	85 241	91 491
Other current liabilities	50 583	33 126
Total other current liabilities	335 555	279 597

*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 2024				
Acquisition cost 01.01.2024	90 847	1 232 625	165 700	1 489 172
Translation differences	-	31 018	-	31 018
Additions	35 150	84 295	-	119 445
Acquisition cost 31.12.2024	125 996	1 347 938	165 700	1 639 635
Accumulated amortisation and impairment 01.01.2024	45 973	30 900	119 552	196 425
Amortisation	13 999	-	13 811	27 810
Impairment	-	-	-	-
Accumulated amortisation and impairment 31.12.2024	59 972	30 900	133 363	224 235
Book values 31.12.2024	66 024	1 317 039	32 337	1 415 399

Straight-line amortisation periods

5 years

	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

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 2024	Land, buildings and other real property	Plant and equipment	Right-of-use leased assets	Ships	Total
Acquisition cost 01.01.2024	2 447 664	3 229 249	178 098	288 452	6 143 462
Translation differences	21 876	145 334	-	-	167 210
Reclassification	-377 600	377 600	-	-	-
Additions	124 794	639 683	15 035	361 317	1 140 829
Disposal	-	-6 135	-1 248	-	-7 383
Acquisition cost 31.12.2024	2 216 733	4 385 730	191 885	649 769	7 444 117
Acc. depreciation and write down 01.01.2024	671 533	1 550 975	76 025	66 038	2 364 572
Translation differences	10 092	100 846	-	-	110 938
Depreciation	106 209	260 439	10 362	25 823	402 833
Depreciation on disposals	-	-1 866	-	-	-1 866
Acc. depreciation and write down 31.12.2024	787 834	1 910 394	86 387	91 861	2 876 476
Book values 31.12.2024	1 428 900	2 475 336	105 498	557 907	4 567 642
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 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

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	35 692	1 220 667	32 337	1 288 695
Food	25 556	96 372	-	121 928
Health	4 777	-	-	4 777
Total intangible assets	66 025	1 317 039	32 337	1 415 399

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 2025 and prognoses to and inclusive 2029. After 2029 the terminal value is calculated based on prognosis for 2029.

Impairment of goodwill and other intangible assets from 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 material impacts, risks and opportunities as described in Pelagia's CSRD reporting for 2024. The material risks related to climate and climate change are:

- Climate change affecting fish stocks: Changes in ocean acidity and rising temperatures affect swimming patterns and stocks of pelagic fish in the North Atlantic. This poses a risk to Pelagia as it may impact the catch location from which raw materials for production are sourced.

- Increased cost of raw materials: Unpredictability in access to wild-caught fish used as input in production at Pelagia's factories may lead to increased costs, impacting profitability where margins are slim.

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 responsible 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. The reduction in quotas could lead to an increased cost of raw materials. It is expected that even with a reduction there will be sufficient catch volumes available in relevant local areas for Pelagia's facilities, this assumption is included in the assessment of the facility's 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 because of more and harsher extreme weather is not expected.

Pelagia has no specific climate related goals today that will lead to material investments. Other goals and the work the Group does in relation to sustainability can be found under the sustainability statement in the annual report.

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.

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	0,84	0,84	0,84
EBITDA-margin in budget period (average)	11,0 %	5,6 %	22,5 %
EBITDA-margin in terminal	11,4 %	5,9 %	22,7 %

In total Pelagia Group purchased approx. 1.3 mill tons of raw materials for its activities in 2024 compared to 1.4 million tons in 2023. The volume expectations in the budget period is for Feed and Food reduced compared to 2024. Overall the volume in the budget period is reduced with 9% compared to 2024. Calculation of terminal value is based on a total volume of 1.3 million tons.

EBITDA-margin in the terminal value for the segment Feed is slightly higher than in the budget period, yet, for the two segments Food and Health, the margin used in the terminal is below the actual margin achieved in the period 2020-2024.

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%*

*The reduction in EBITDA-margin is applied using the same reduction in EBITDA-margin for all years in the budget period and terminal. The size of the reduction is calculated based on 10 % of the EBITDA-margin in the terminal

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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	31.12.2023	Profit share	Disposal	31.12.2024
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	2024	2023
Raw materials	769 603	477 692
Goods in progress	306 185	163 276
Packing and supplements	297 310	205 120
Finished goods	2 610 406	2 815 763
Impairment of finished goods to net realisable value	-79 381	-60 388
Total	3 904 123	3 601 463

Book value of inventory impaired to net realisable value	396 333	391 214
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Write-downs of inventories to net realisable value amounted to MNOK 19,0 (2023: MNOK -0,5). These were recognised as a expense during the year ended 31 December 2024 and included in cost of sales in the statement of profit and loss.

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Note 12

Trade receivables and other receivables

Trade receivables	2024	2023
Trade receivables at nominal value	1 508 389	991 981
Provision for bad debts on trade receivables	-23 116	-26 154
Trade receivables, net	1 485 273	965 827
Other current receivables	2024	2023
VAT receivable	-4 936	35 024
Prepaid expenses	30 438	66 008
Other receivables, loans etc.	67 215	7 449
Other current receivables	92 717	108 482
Total current receivables	1 577 990	1 074 309
Non-current receivables	2024	2023
Other loans	1 500	1 500
Total non-current receivables	1 500	1 500

Long-term loan is interest-bearing.

Age distribution trade receivables	2024	2023
Not due	1 302 164	272 481
< 30 days	171 953	170 442
30-60 days	28 754	393 473
> 60 days	5 518	155 585
Total	1 508 389	991 981

Age distribution of provision for bad debts	2024	2023
Not due	13 400	16 062
< 30 days	1 167	495
30-60 days	3 732	549
> 60 days	4 817	9 048
Total	23 116	26 154

Expected credit loss	2024	2023
Not due	1,03 %	5,89 %
< 30 days	0,68 %	0,29 %
30-60 days	12,98 %	0,14 %
> 60 days	87,29 %	5,82 %
Total	1,53 %	2,64 %

Change in provision for losses on trade receivables	2024	2023
Opening balance provision	26 154	57 434
Reduction due to losses finally recorded	4 551	-615
Reduction due to reversal of previous provisions	-25 887	-47 771
Increase due to new provisions	18 299	17 105
Per 31.12	23 116	26 154

Expensed losses on accounts receivable		
Established losses	-4 551	615
Received on previously lost claims	5 931	38 424
Change in provision loss receivables	-3 038	-31 281
Total	-1 658	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.

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Note 13

Restricted funds	2024	2023
Restricted tax deductions	36 795	37 432
Total restricted funds	36 795	37 432

Note 14

Share capital, premium and shareholders' information

Share capital and premium	2024	2023
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	2024	2023
Karmsund Protein AS	49 %	138 845	129 147
Pelagia Shetland Ltd.	23 %	77 040	65 825
Sirevåg Fryselager AS	33 %	2 882	2 701
Arctic Protein EHF	minority buy-out 2024	-	937
Total		218 766	198 610

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

Subsidiary	Profit/(loss)	OCI	2024
Karmsund Protein AS	15 875	-2 750	13 125
Pelagia Shetland Ltd.	10 426	789	11 215
Sirevåg Fryselager AS	155	25	180
Arctic Protein EHF	-	476	476
Total	26 456	-1 460	24 996

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

TNOK excluding any consolidation entries	Pelagia Shetland Ltd.		Karmsund Protein AS	
	2024	2023	2024	2023
Total revenue	1 123 771	820 379	596 903	527 875
Profit/(loss) for the year	45 329	19 618	32 431	31 114
Total assets	410 129	302 616	534 427	508 623
Total liabilities	-75 174	39 316	250 782	248 410
Net assets/(liabilities)	485 303	263 300	283 646	260 213

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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 came into effect from January 1, 2024. 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. Based on an internal review last year Pelagia concluded that all entities within the group had an effective tax rate that equalled or exceeded 15%, except for Pelagia Feed (Ireland) Ltd where the nominal tax rate at the time was 12,5%. Still, based on the new OECD regulation Ireland has implemented a top-up tax for entities in-scope, to reach the 15% effective rate. Based on this change Pelagia Feed (Ireland) Ltd has for 2024 provided for a tax expense based on an effective tax rate of 15% according to the new legislation in Ireland. The tax expense calculated for Pelagia Feed (Ireland) Ltd for 2024 was about 19,5 MNOK.

As all group entities therefore have calculated an effective tax rate of at least 15% there has been no provision for additional top-up taxes at group level as per the end of 2024. Due to the preliminary nature of the calculation's differences may occur when preparing the Pillar Two filing, however any such differences are not assumed to be material.

	2024	2023
Tax expense of the year		
Tax payable	34 165	157 093
Change in deferred tax	-11 862	37 155
Too much, too little accrued last year/ currency effect tax payable last year	90 714	46 413
Tax expense in P&L	113 017	240 661
Tax expense in OCI	898	-20 581
Tax expense total	113 915	220 080

Pelagia Holding AS

Note 16 continues

Reconciliation of statutory tax rate to effective tax rate	2024	2023
Profit before tax	564 104	1 027 055
Income tax at statutory tax rate 22%	124 103	225 952
Impact of lower effective tax rate abroad	-2 810	-1 868
Other differences	-8 276	16 577
Tax expense	113 017	240 661
Tax expense in OCI	898	-20 581
Tax expense total	113 915	220 080
Effective tax rate	20 %	23 %
Weighted nominal tax rate	22 %	22 %

Nominal tax rate for 2024 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:	2024	2023
Property, plant and equipment	192 264	216 448
Inventory	21 792	12 234
Receivables	-4 971	-9 534
Right-of-use leased assets	95 067	82 586
Lease liability	-95 222	-82 411
Pension liability	-211	-189
Other temporary differences	4 096	14 567
Losses carried forward	-15 199	-24 224
Total	197 615	209 478
Book value deferred tax	197 615	209 478

Losses carried forward relates mainly 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 and 2024 using almost two thirds 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:	2024	2023
Property, plant and equipment	-24 185	36 894
Inventory	9 557	-1 001
Receivables	4 564	3 101
Right-of-use leased assets	12 480	-3 533
Lease liability	-12 811	3 653
Pension liability	-22	107
Other temporary differences	-10 472	-16 516
Losses carried forward	9 026	14 448
Total	-11 862	37 154

Change in book value deferred tax	2024	2023
Opening balance 01.01.	209 478	172 323
Recognised in the income statement in the period	-11 862	37 154
Deferred tax asset from acquisition	119	-
Other changes	-120	1
Closing balance 31.12.	197 615	209 478

Tax payable in the balance sheet	2024	2023
Tax payable in the balance sheet 01.01.	157 093	155 546
Tax payable current year	34 165	157 093
Paid tax current year	-156 195	-155 546
Tax payable in the balance sheet 31.12.	35 063	157 093

Tax payable in the balance sheet 01.01.	157 093	155 546
Payment/ repayment of tax on advance	90 714	52 406
Total taxes paid in the cash flow statement	247 807	207 952

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Note 17

Borrowings

Non-current	2024	2023
Bank loan	2 553 444	2 427 385
Bond loan	989 584	895 860
Lease liability	92 546	84 721
Total	3 635 573	3 407 966

Current		
First year's instalment non-current liabilities	1 139 862	257 222
First year's instalment lease	16 129	16 554
Bank loan and current overdraft facilities	1 417 590	1 073 851
Total	2 573 580	1 347 627

*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 31.12.2024 (amount in 1000):

Currency	Currency amount	Exchange rate	
		31.12	NOK 31.12
NOK	-56 861	1,0000	-56 861
DKK	-143 338	1,5829	-226 890
EUR	-49 081	11,8026	-579 280
GBP	-28 875	14,2433	-411 282
JPY	-313 071	0,0726	-22 725
SEK	-3 986	1,0311	-4 110
USD	-10 270	11,3381	-116 441
Total deposit on corporate account			-1 417 589

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
2025	241 842	898 020	16 129	1 417 589	2 573 580
2026	107 142	-2 500	14 078	-	118 720
2027	2 444 006	-2 500	11 006	-	2 452 512
2028	2 296	-2 500	7 933	-	7 729
2029	-	-2 500	7 933	-	5 433
Later	-	999 583	51 596	-	1 051 179
Total	2 795 286	1 887 603	108 675	1 417 589	6 209 153

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
31.12.2022	2 051 260	893 700	83 375	1 220 427	4 248 762

Cash flow changes

Instalment leasing debt	-	-	-17 342	-	-17 342
Downpayment of debt	-118 333	-	-	-	-118 333
Raising of new debt	750 000	-	-	-	750 000
Transaction cost	-	-	-	-	0
Net change bank overdraft	-	-	-	-146 576	-146 576

Non cash changes

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

Cash flow changes

Instalment leasing debt	-	-	-16 554	-	-16 554
Downpayment of debt	-90 030	-	-	-	-90 030
Raising of new debt	200 000	1 000 000	-	-	1 200 000
Transaction cost	-1 000	-12 500	-	-	-13 500
Net change bank overdraft	-	-	-	343 739	343 739

Non cash changes

Raising of new leasing debt	-	-	23 954	-	23 954
Amortising of transaction costs	1 708	4 243	-	-	5 951
31.12.2024	2 795 285	1 887 603	108 675	1 417 590	6 209 153

Specification of financial income and financial expenses

	2024	2023
Agio	-	16 548
Total financial income	-	16 548
Interest expenses borrowings	340 077	244 896
Change in fair value of interest rate swap	-31 897	-
Interest expenses financial lease	1 199	1 678
Disagio	94 188	-
Other financial expenses	3 840	8 791
Total financial expenses	407 406	255 365
Total net financial items	-407 406	-238 817

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. Judgement 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	2024	2023
Property, including production facilities	105 499	102 073
Total	105 499	102 073
Lease liabilities	2024	2023
Current	16 129	16 554
Non-current	92 546	84 721
Total	108 675	101 275

Maturity structure lease liability

	Property, incl. Production facilities	Total lease liability
Discounted cash flows		
Less than 1 year (next year)	16 129	16 129
1-5 years	40 951	40 951
Over 5 years	51 595	51 595
Total lease liability	108 675	108 675

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	2024	2023
Property, including production facilities	10 362	16 483
Total depreciation	10 362	16 483

Interest expenses

Interest expense on lease liability	1 199	1 678
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Note 19

Mortgage- and guarantees	2024	2023
Book value of secured debt	4 210 895	3 758 458

Book value of mortgaged assets	2024	2023
Land, buildings and other real property	1 428 900	1 776 131
Plant and equipment	2 475 335	1 678 273
Ships	557 907	222 414
Receivables and other financial instruments	1 579 490	1 075 809
Inventory	3 904 123	3 601 463
Total	9 945 755	8 354 089

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:

	2024	2023
a) Sale of goods and services		
- Austevoll Seafood ASA and its related parties	34 085	80 736
- Kvefi AS and its related parties	76 090	44 100
Total	110 175	124 837
b) Purchase of goods and services		
- Austevoll Seafood ASA and its related parties	306 002	265 313
- Kvefi AS and its related parties	15 593	111 006
Total	321 594	376 319
c) Trade receivable and trade payable balances		
Trade receivables related parties		
- Austevoll Seafood ASA and its related parties	-	-
- Kvefi AS and its related parties	-	-
Total	-	-
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.

Pelagia Holding AS

Note 21

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity instruments issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. Non-controlling interests in the acquiree are measured either at their fair values or their share of the acquiree's net assets.

Acquisition-related costs are expensed as incurred.

If the acquisition is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interests in the acquiree is re-measured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration is recognised at fair value at the acquisition date. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. Other contingent consideration is measured continuously at fair value in profit or loss.

If the consideration (including any non-controlling interests and fair value of previously held equity) exceeds fair value of identifiable assets and liabilities acquired, it is recognised as goodwill. If the consideration (including any non-controlling interests and fair value of previously held equity) amounts to less than fair value of net assets in the subsidiary as a consequence of an acquisition on favorable terms, the difference is accounted for as gain in the income statement.

Acquisition Ideal Foods Ltd

Pelagia signed a Share Purchase Agreement to purchase 100% of the shares in Ideal Foods Ltd 6 March 2024.

The acquisition was made with an accounting effective date for the Group of 01.03.2024. The acquisition is made at fair value.

The table below shows the contribution divided on acquired assets and liabilities.

Contribution	GBP (1000)	NOK (1000)
	01.03.2024	01.03.2024
Cash contribution	11 219	149 994
Total contribution for new owner share (100%)	11 219	149 994
Carrying value of identifiable assets and liabilities as a result of the acquisition		
Deferred tax asset	9	119
Tangible fixed assets	182	2 429
Financial fixed assets	1	13
Trade receivables	2 408	32 197
Inventories	2 779	37 161
Other current receivables	1 776	23 745
Cash, bank and marketable securities	3 551	47 483
Accounts payable	-1 418	-18 956
Other current liabilities	-1 730	-23 136
Total identifiable net assets	7 559	101 056
Calculation of excess value		
Contribution for shares (100%)	11 219	149 994
Transaction value	11 219	149 994
Net interest bearing liabilities	-	-
Fair value of the operations	11 219	149 994
Book value of the equity at the acquisition	7 558	101 049
Identified Goodwill	3 358	44 901
Identified intangible assets	403	5 392
Deferred tax	-101	-1 348
Total	11 219	149 994

No material contingent contributions or contingent liabilities are connected to the acquisition.

Pelagia Holding AS

Note 21 continues

Acquisition Charlie Vial (Fish Merchant) Ltd

Pelagia signed a Share Purchase Agreement to purchase 100% of the shares in Charlie Vial (Fish Merchant) Ltd on 18 April 2024. The acquisition was made with an accounting effective date for the Group of 01.05.2024. The acquisition is made at fair value. The table below shows the contribution divided on acquired assets and liabilities.

Contribution	EUR (1000)	NOK (1000)
	01.05.2024	01.05.2024
Cash contribution	2 343	27 753
Total contribution for new owner share (100%)	2 343	27 753
Carrying value of identifiable assets and liabilities as a result of the acquisition		
Tangible fixed assets	1 367	16 190
Trade receivables	413	4 891
Inventories	237	2 806
Other current receivables	36	424
Cash, bank and marketable securities	262	3 100
Long-term liabilities, interest-bearing	-489	-5 790
Accounts payable	-225	-2 668
Other current liabilities	-40	-475
Total identifiable net assets	1 560	18 478
Calculation of excess value		
Contribution for shares (100%)	2 343	27 753
Transaction value	2 343	27 753
Net interest bearing liabilities	-489	-5 790
Fair value of the operations	2 832	33 543
Book value of the equity at the acquisition	1 560	18 478
Identified Goodwill	783	9 274
Total	2 343	27 753

No material contingent contributions or contingent liabilities are connected to the acquisition.

Pelagia Holding AS

Note 21 continues

Aquisition Blue Ocean Technology

Pelagia signed a Share Purchase Agreement to purchase 54,75% of the shares in Blue Ocean Technology 31 January 2024. As of 4 June 2024 Pelagia acquired the remaining 45,25% of the company from the minority owners. Blue Ocean Technology was merged with Pelagia AS in 2024.

The acquisition was made with an accounting effective date for the Group of 01.02.2024. The acquisition is made at fair value.

The table below shows the contribution divided on acquired assets and liabilities.

	NOK (1000)
Contribution	01.02.2024
Cash contribution	25 000
Total contribution for new owner share (54,75%)	25 000
Carrying value of identifiable assets and liabilities as a result of the acquisition	
Intangible assets	15 845
Tangible fixed assets	1 086
Financial fixed assets	323
Trade receivables	2 972
Inventories	6 835
Other current receivables	2 353
Cash, bank and marketable securities	514
Long-term liabilities, interest-bearing	-4 417
Accounts payable	-2 623
Other current liabilities	-4 510
Total identifiable net assets	18 376
Calculation of excess value	
Contribution for shares (54,75%)	25 000
Fair value of remaining shares / minority interests	20 662
Transaction value	45 662
Net interest bearing liabilities	-4 417
Fair value of the operations	50 079
Book value of the equity at the acquisition	18 376
Identified Goodwill	27 286
Total	45 662

No material contingent contributions or contingent liabilities are connected to the acquisition.

Increased ownership in Artic Protein EHF

Pelagia AS has in 2024 acquired the remaining 49% of the company Artic Protein EHF from the minority owners and as of 31.12.24 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.

Projekt Skagen AS and Norsildmel Hellas Ltd is liquidated in 2024. The results up until time of sale/liquidation are included in the consolidated financial statements for 2024.

Pelagia Holding AS

Note 22

Subsequent events

New bond issue

In January 2025 Pelagia has completed a new senior unsecured bond issue of 1 000 MNOK with a tenor of 5,5 years. The bond has a coupon of 3 mnd NIBOR + 2,75% p.a. The main objective was to refinance the 900 MNOK bond loan due in Dec 2025. Pelagia bought back bonds with a value of about 561,6 MNOK and the remaining bonds held by investors has a value of about 338,4 MNOK.

Note 23

Other matters

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 the last years. Most of these seems to stabilise, but we still see that the political situation could affect costs such as f.ex. international freight costs, trade tariffs and inflation also in 2025.

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 has been appealed and will be heard again by the Court of Appeal in August. 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. The parties have agreed to meet in mid-May for judicial meditation to seek a voluntary resolution to the dispute.

Pelagia Holding AS

Financial Statements 2024

Pelagia Holding AS

Income statement

Amounts in NOK 1.000	Note	2024	2023
Other operating expenses	2	4 543	4 556
Operating profit		-4 543	-4 556
Profit from investment in subsidiaries	3	244 000	735 000
Finance income	4	372 552	217 629
Finance costs	4, 5	471 001	305 520
Net finance		145 551	647 109
Profit before taxes		141 008	642 553
Income tax expense	6	21 488	97 416
Net profit		119 519	545 137
Statement of comprehensive income			
Profit for the period		119 519	545 137
Other comprehensive income		-	-
Total comprehensive income		119 519	545 137
Transfers:			
Allocated dividend		200 000	400 000
Transferred other equity		-80 481	145 137
Total transfers	7	119 519	545 137

Balance sheet per 31.12

Amounts in NOK 1.000	Note	2024	2023
Assets			
Non-current assets			
Investment in subsidiaries	3, 8	2 394 012	2 394 012
Loans to group companies	8, 9	682 572	643 936
Total financial assets		3 076 584	3 037 948
Total non-current assets		3 076 584	3 037 948
Current assets			
Other current receivables	8, 9	4 554 413	3 459 790
Derivatives	5	16 529	-
Cash and cash equivalents		-	-
Total current assets		4 570 942	3 459 790
Total assets		7 647 526	6 497 737

Balance sheet per 31.12

Amounts in NOK 1.000	Note	2024	2023
Equity and liabilities			
Share capital	7, 10	149 836	149 836
Share premium	7	1 222 878	1 222 878
Other equity	7	64 656	145 137
Total equity		1 437 370	1 517 851
Liabilities			
Deferred tax liabilities	6	7 625	2 328
Total non-current liabilities		7 625	2 328
Bond loan	8	987 603	895 860
Liabilities to financial institutions	8	2 494 268	2 343 560
Total other non-current liabilities		3 481 871	3 239 420
First year's instalment non-current liabilities	8	1 000 000	100 000
Current debt to financial institutions	8, 9	1 417 589	1 073 604
Trade payables		349	804
Tax payable	6	16 191	98 261
Dividend	7	200 000	400 000
Other current liabilities	8, 9, 11	86 530	65 470
Total current liabilities		2 720 660	1 738 138
Total liabilities		6 210 156	4 979 886
Total equity and liabilities		7 647 526	6 497 737



Helge Singelstad
Chairman of the board



Egil Magne Haugstad
CEO

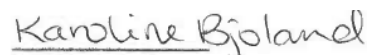
Bergen, April 30, 2025



Endre Sekse
Board member



Britt Kathrine Drivenes
Board member



Karoline Bjoland
Board member



Helge Karstein Moen
Board member

Statement of cash flows

All figures in NOK 1.000	Note	2024	2023
Cash flows form operating activities			
Result before tax expense		141 008	642 553
Adjusted for:			
- Taxes paid	6	-98 261	-69 838
- Dividends and group contribution recognised	3	-244 000	-735 000
- Interest expenses net	4	107 278	80 949
- Fair value adjustment derivatives	5	-16 529	-
- Change trade payables		-455	427
- Change other accruals		12	-11
Net cash flow from operating activities		-110 947	-80 920
Cash flows from investing activities			
Dividends and group contribution received	3	735 000	400 000
Interest received		330 472	216 250
Net cash flows from investing activities		1 065 472	616 250
Cash flows from financing activities			
Raising of non-current liabilities	8	1 200 000	750 000
Repayment of non-current liabilities	8	-57 549	-96 160
Net change bank overdraft	8	343 986	-148 156
Change net loans to subsidiaries	8	-1 563 368	-304 424
Interest paid	4	-477 593	-286 592
Dividends paid to shareholders		-400 000	-450 000
Net cash flows from financing activities		-954 525	-535 332
Change in cash and cash equivalents net		-	-2
Net cash and cash equivalents as at 1st of January		-	2
Net cash and cash equivalents per 31st of December		-	-

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 December 16th. 2024 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.

Derivatives

Derivatives are measured at fair value with value changes through profit or loss.

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.

New and amended standards implemented in 2024

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 company during the current financial year. Below we have listed the amendments in IFRS which have been applicable for the 2024 financial statements:

- 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 16 - Subsequent measurement of the lease liability with sale and leaseback

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 21 - Assessment of whether a currency is exchangeable

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.	2024	2023
Statutory audit	1 233	1 071
Other certification services	607	
Tax consultancy	105	734
Services other than audit	711	-
Total	2 655	1 805

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 %	3 319 937	437 466	2 394 012
Total					2 394 012

Profit from investment in subsidiaries	2024	2023
Dividend	44 000	200 000
Group contribution	200 000	535 000
Total profit from investment in subsidiaries	244 000	735 000

Note 4 Specification of financial income and financial expenses

Financial income	2024	2023
Interest income corporate account arrangement	330 472	179 801
Interest from group companies on long term receivables	38 636	36 449
Other financial income	3 444	1 379
Total	372 552	217 629

Financial expenses	2024	2023
Interest expenses borrowings and corporate account arrangement	486 863	305 273
Change in fair value of interest rate swap	-16 529	-
Other financial expenses	667	246
Total	471 001	305 520

Note 5 Financial instruments

Pelagia's debt is 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. In order to manage the interest rate risk Pelage use interest rate swap agreements. As of 31.12.2024 Pelagia has entered into the following interest rate swap, where the company pays a fixed interest rate of 3,53 % and receives a floating interest rate of 3-month NIBOR:

Instrument	Start date	Maturity date	Nominal amount	Fair value	Change in fair value
Interest rate swap	29.08.2024	29.08.2027	1 200 000	16 529	16 529

Note 6 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	2024	2023
Other temporary differences	34 658	10 580
Net temporary differences	34 658	10 580
Losses carried forward	-	-
Basis for deferred tax / (tax asset)	34 658	10 580
Deferred tax / (tax asset) 22 % in the balance sheet	7 625	2 328
Basis for tax expense, change in deferred tax and tax payable	2024	2023
Profit before taxes	141 008	642 553
Dividend received	-44 000	-200 000
Other permanent differences	17 196	246
Basis for this years tax expense	114 203	442 799
Change in temporary differences	-40 607	3 840
Change in losses carried forward	-	-
Basis for tax expense in the financial statement	73 597	446 639
÷ Group contribution	-	-
Taxable income (basis for tax payable in the balance sheet)	73 597	446 639
Specification of the tax expense	2024	2023
Tax payable from this years profit	16 191	98 261
Too much, too little accrued last year	-	-
Tax payable total	16 191	98 261
Change in deferred tax / (tax asset)	5 297	-845
Tax expense	21 488	97 416
Reconciliation of this years tax expense		
Profit before tax	141 008	642 553
Income tax at statutory tax rate 22 %	31 022	141 362
Tax expense in the financial statement	21 488	97 416
Difference	-9 533	-43 946
The difference consists of the following:		
22 % of non taxable dividend	-9 680	-44 000
22 % of other permanent differences	3 783	54
Other differences	-3 636	-
Total explained difference	-9 533	-43 946

Note 7 Equity

Movement in equity	Share capital	Share premium	Other equity	Total
Equity 01.01.	149 836	1 222 878	145 137	1 517 851
Result for the period	-	-	119 519	119 519
Dividend	-	-	-200 000	-200 000
Equity 31.12.	149 836	1 222 878	64 656	1 437 370

Note 8 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	2024	2023
Loan Pelagia AS	682 572	643 936

The loan is interest-bearing and instalment-free until 31.12.2028.

Liabilities

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

Non-current liabilities	2024	2023
Bond loan	987 603	895 860
Liabilities to financial institutions	2 494 268	2 343 560
Total	3 481 871	3 239 420

Current liabilities

First year's instalment non-current liabilities	1 000 000	100 000
Current debt to financial institutions	1 417 589	1 073 604
Total	2 417 589	1 173 604

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.

Note 8 continues**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 31.12.2024:

Currency	Currency amount	Exchange rate	
		31.12	NOK 31.12
NOK	-56 861	1,0000	-56 861
DKK	-143 338	1,5829	-226 890
EUR	-49 081	11,8026	-579 280
GBP	-28 875	14,2433	-411 282
SEK	-3 986	1,0311	-4 110
USD	-10 270	11,3381	-116 441
JPY	-313 071	0,0726	-22 725
Total deposit on corporate account			-1 417 589

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.

Repayment profile interest bearing debt

	Bank loan	Bond loan	Overdraft facility	Total
2025	100 000	900 000	1 417 589	2 417 589
2026	100 000	-	-	100 000
2027	2 400 000	-	-	2 400 000
2028	-	-	-	-
2029	-	1 000 000	-	1 000 000
Later	-	-	-	-
Total	2 600 000	1 900 000	1 417 589	5 917 589
Amortised transaction costs	-5 732	-12 397	-	-18 129
Total book value	2 594 268	1 887 603	1 417 589	5 899 461

Change in liabilities related to financing

	Bank loan	Bond loan	Overdraft facility	Total
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	4 413 023
Repayment of debt	-50 000	-	-	-50 000
Raising of new loan	200 000	1 000 000	-	1 200 000
Transaction costs	-1 000	-12 500	-	-13 500
Amortising of transaction costs	1 708	4 243	-	5 951
Net payment to corporate account	-	-	343 986	343 986
31.12.2024	2 594 267	1 887 603	1 417 589	5 899 461

Note 8 continues

The financing consists of rolling credit facility (RCF) of MNOK 2 800. In addition a current multi-currency credit facility of MNOK 2 000 has been established, this has been drawn by MNOK 1 418. The covenants consist of demands to equity ratio above 30% and interest cover ratio (EBITDA / net finance charges) no less than 2.5x 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.

Pelagia Holding AS has a bond loan from 2020 of MNOK 900 with maturity in 2025. The loan bears interest 3M NIBOR + 3,25%. In addition the entity issued a new bond loan in 2024 of MNOK 1 000 with maturity in 2029. The same covenants as for the RCF apply to the new bond loan, equity ratio above 30% and interest cover ratio no less than 2.5x. For the bond loan due in 2025 the interest cover ratio is no less than 4.0x.

The covenants are met.

In January 2025 Pelagia issued a new unsecured 5,5-year 1000 MNOK bond. The bond had a coupon of 3m NIBOR + 2.75% p.a. The main objective was to refinance the 900 MNOK bond loan due in Dec 2025. Pelagia bought back bonds with a value of about 561,6 MNOK and the remaining bonds held by investors has a value of about 338,4 MNOK.

	2024	2023
Book value of secured debt	4 911 857	3 517 164
<i>Book value of mortgaged assets</i>		
Investment in subsidiaries	2 394 012	2 394 012
Loans to group companies	682 572	643 936
Other receivables	4 554 413	3 459 790
Total	7 630 997	6 497 737

Note 9 Intercompany balances

	2024	2023
<i>Receivables from group companies</i>		
Non-current loans	682 572	643 936
Dividends and group contribution	244 000	735 000
Receivables from corporate account arrangement	4 310 238	2 724 603
Total	5 236 810	4 103 539
<i>Liabilities to group companies</i>		
Liabilities from corporate account arrangement	60 733	38 466
Total	60 733	38 466

*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 10 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/ voting share
Austevoll Seafood ASA	74 917 800	50 %
Kvefi AS	74 917 800	50 %
Total	149 835 600	100 %

Note 11 Specification of current liabilities

Other current liabilities	2024	2023
Incurred interest	25 796	27 004
Corporate account arrangement overdraft	60 733	38 466
Total	86 530	65 470

Note 12 Subsequent events

New bond issue

In January 2025 Pelagia has completed a new senior unsecured bond issue of 1 000 MNOK with a tenor of 5,5 years. The bond has a coupon of 3 mnd NIBOR + 2,75% p.a. The main objective was to refinance the 900 MNOK bond loan due in Dec 2025. Pelagia bought back bonds with a value of about 561,6 MNOK and the remaining bonds held by investors has a value of about 338,4 MNOK.



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 2024, the income statement, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Pelagia Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 2024, 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 2024, 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 Pelagia Holding AS for 12 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.

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 3 904 123, equivalent to 33% 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 emphasized in the assessment. A potential provision is also adjusted for uncertainty in expected sales prices, related to both market risk and turnover rates. A provision of TNOK 79 381 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.

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.

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
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

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-2024-12-31-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, 30 April 2025

PricewaterhouseCoopers AS

A handwritten signature in blue ink that reads 'Ole Martin Waage'.

Ole Martin Waage

State Authorised Public Accountant



To the General Meeting of Pelagia Holding AS

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Pelagia Holding AS (the «Company») included in Sustainability statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in the subsection "Process to identify impacts, risks and opportunities related to specific topics" in the General information section; and
- compliance of the disclosures in the subsection "EU Taxonomy Report" within the Environmental information section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.



Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the subsection "Process to identify impacts, risks and opportunities related to specific topics" in the General information section of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in the subsection "EU Taxonomy Report" within the Environmental information section of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:



- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the subsection "Process to identify impacts, risks and opportunities related to specific topics" in the General information section.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. 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.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in the subsection "Process to identify impacts, risks and opportunities related to specific topics" in the General information section.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
 - Obtaining an understanding of the Group's risk assessment process;



- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Bergen, 30 April 2025

PricewaterhouseCoopers AS

A handwritten signature in blue ink that reads 'Hanne S. Johansen'.

Hanne Sælemyr Johansen
State Authorised Public Accountant – Sustainability Auditor