



**Q4  
2020**

**FINANCIAL REPORT 4Q &  
PRELIMINARY FIGURES FOR  
2020**



**PELAGIA<sup>®</sup>**

# Financial report

## 4Q and preliminary figures for 2020

- Revenues 4Q 2020 3.136 (Q4 2019: 2.442)
- Earnings before interests, taxes, depreciations, and amortizations (EBITDA) 271 MNOK (Q4 2019: 265 MNOK)
- Raw material volume 4Q FOOD 200.241 tons (4Q 2019: 174.855 t)
- Raw material volume 4Q FEED 131.301 tons (4Q 2019: 120.729 t)
- Profit before tax 4Q 198 MNOK (4Q 2019: 202 MNOK)
- Net interest bearing debt (NIBD) 3.468 MNOK (2019: 3.031 MNOK)
- Equity share 38,8% (2019: 40,0%)

Key group figures (Numbers in MNOK)	Q4-20	Q4-19	YTD 20	YTD 19
Revenues	3 136	2 442	8 814	6 881
EBITDA	271	265	654	871
EBIT	208	206	408	650
Profit before tax	198	202	314	626
NIBD*			3 468	3 031
Equity share			38,8 %	40,0 %

\* excluding leasing liabilities other than to credit institutions

Revenues were 3.136 MNOK in 4Q (4Q 2019: 2.442 MNOK) and 8.814 MNOK for 2020 in total (2019: 6.881 MNOK). EBITDA were 271 MNOK in 4Q (4Q 2019: 265 MNOK) and 654 MNOK for 2020 in total (2019: 871 MNOK). 2019 included a one-off gain of 105 MNOK in relation to the disposal of a non-operational asset. Profit before tax was 198 MNOK in 4Q (4Q 2019: 202 MNOK) and 314 MNOK for 2020 in total (2019: 626 MNOK).

The availability of raw material was largely according to the expectations for the FOOD division in 4Q. Raw material cost price trended somewhat down in the quarter partly affected by a stronger NOK through the quarter. Raw material volume for the FEED division was higher than expected mainly explained by an unexpected fishery of boar fish and anchovy outside Ireland towards the end of the year. Margins have been weak for the FEED division after a sharp drop in market prices for fish meal and fish oil during summer. Prices seems to increase at the moment mainly due to strong consumption in China. The market demand for the HEALTH division is expected to remain good through 2021 and we are currently increasing our production capacity. A stronger NOK could have some negative effect on margins.

The Group's ability to utilise its production capacities depends on the supply of raw materials in the North Atlantic and thus the size of the global quotas that are distributed between the countries which have a share of the fish resources. The prospects for the fisheries on which the group bases its operations in total seems reasonable stable going forward. In 1Q 2021, for the first time in several years there will be some quota of Capelin available for the Norwegian fishing fleet but in total this will not materially change the raw material available for the FOOD division. The FEED division will experience a reduction in the Blue Whiting quota.

As for many other companies the Covid-19 situation is challenging also for Pelagia. The employees of Pelagia have made a great effort to maintain normal operations in all our locations. Pelagia is a producer of food, health related ingredients and raw materials to fish and animal feed production and has so far not experienced a significant change in the demand for its products. We have experienced some challenges and higher costs in relation to our international freight and logistics in 2020 and so far in 2021.

Bergen, 26 February 2021

Board of Directors Pelagia Holding AS

## Condensed consolidated income statement

NOK 1 000	Note	Q4 2020	Q4 2019	2020	2019
Revenues	2	3 136 442	2 441 807	8 813 945	6 881 006
Other profits		-	-	-	105 385
Change in inventories of finished goods		349 956	688 127	181 642	441 833
Raw materials and consumables used		(2 942 645)	(2 564 531)	(7 322 514)	(5 609 445)
Salaries and personnel expenses		(171 406)	(182 802)	(617 704)	(583 523)
Depreciation		(63 633)	(59 005)	(246 371)	(221 148)
Other operating expenses		(100 948)	(117 529)	(400 490)	(364 094)
<b>Operating profit</b>		<b>207 766</b>	<b>206 065</b>	<b>408 507</b>	<b>650 014</b>
Share of net result using the equity method		5 341	15 450	28 551	49 530
Net finance		(15 244)	(19 588)	(122 725)	(73 062)
<b>Profit before taxes</b>		<b>197 863</b>	<b>201 928</b>	<b>314 334</b>	<b>626 482</b>
Income tax expense		(40 552)	(10 865)	(59 374)	(79 932)
<b>Net profit</b>		<b>157 310</b>	<b>191 063</b>	<b>254 960</b>	<b>546 550</b>
<b>Profit is attributable to;</b>					
Shareholders of the parent company		152 714	189 046	254 627	546 910
Non-controlling interests		4 597	2 017	332	(360)
<b>Total</b>		<b>157 310</b>	<b>191 063</b>	<b>254 960</b>	<b>546 550</b>

## Condensed consolidated statement of comprehensive income

NOK 1 000	Note	Q4 2020	Q4 2019	2020	2019
Result		157 310	191 063	254 960	546 550
Translation differences currency		-65 956	-4 885	24 630	11 334
<b>Comprehensive income</b>		<b>91 354</b>	<b>186 178</b>	<b>279 589</b>	<b>557 883</b>
<b>Allocation of comprehensive income:</b>					
Shareholders of parent company		89 279	183 903	279 822	554 405
Non-controlling interests		2 075	2 276	-232	3 479
<b>Total</b>		<b>91 354</b>	<b>186 178</b>	<b>279 589</b>	<b>557 883</b>

## Condensed consolidated balance sheet

NOK 1 000	Note	31.12.2020	31.12.2019
<b>Assets</b>			
<b>Non-current assets</b>			
Other intangible assets		36 622	31 172
Goodwill		814 247	805 907
<b>Total intangible assets</b>		<b>850 869</b>	<b>837 079</b>
Land, buildings and other real property		955 346	962 988
Machinery and plants		1 227 976	1 092 999
Operating movables, fixtures and fittings etc.		4 656	6 099
Right of use assets		46 582	61 389
<b>Total property, plant and equipment</b>		<b>2 234 559</b>	<b>2 123 474</b>
Investment in joint venture		322 518	323 967
Investments in shares and parts		1 855	1 563
Other receivables		9 476	5 942
<b>Total financial non-current assets</b>		<b>333 849</b>	<b>331 472</b>
<b>Total non-current assets</b>		<b>3 419 278</b>	<b>3 292 026</b>
<b>Current assets</b>			
Inventories	4	2 412 787	2 231 146
Trade receivables		854 428	782 061
Derivatives		86 011	30 921
Other current receivables		96 137	195 235
Cash and cash equivalents	5	171 249	93 463
<b>Total current assets</b>		<b>3 620 612</b>	<b>3 332 826</b>
<b>Total assets</b>		<b>7 039 890</b>	<b>6 624 852</b>
<b>Equity and liabilities</b>			
Share capital		149 836	149 836
Premium		1 347 615	1 347 615
Other equity		1 173 085	1 093 264
Non-controlling interests		59 072	59 304
<b>Total equity</b>		<b>2 729 608</b>	<b>2 650 018</b>
<b>Liabilities</b>			
Deferred tax		40 208	491
Pension liabilities		1 998	1 481
<b>Total provision for liabilities</b>		<b>42 206</b>	<b>1 972</b>
Debt to credit institutions	5	2 182 136	805 925
Other long-term, non-interest-bearing deb		3 162	-
Bond loan	5	889 380	-
Leasing liabilities	5	37 097	62 982
<b>Total other non-current liabilities</b>		<b>3 111 775</b>	<b>868 907</b>
First year's instalment non-current liability	5	154 633	615 500
Current part of leasing liabilities	5	30 498	29 234
Current liabilities to credit institutions	5	407 132	1 703 256
Trade payables		210 754	388 297
Payable tax		2 146	48 825
Public duties owing		49 328	43 086
Other current liabilities		301 812	275 757
<b>Total current liabilities</b>		<b>1 156 302</b>	<b>3 103 955</b>
<b>Total liabilities</b>		<b>4 310 283</b>	<b>3 974 834</b>
<b>Total equity and liabilities</b>		<b>7 039 890</b>	<b>6 624 852</b>

## Condensed statement of changes in equity

NOK 1 000	Share capital	Premium	Other equity	Retained earnings	Total	Non-controlling interests	Total Equity
<b>Equity 1 January 2019</b>	<b>149 836</b>	<b>1 347 615</b>	<b>788 498</b>	<b>-</b>	<b>2 285 948</b>	<b>41 592</b>	<b>2 327 540</b>
Result	-	-	546 910	-	546 910	-360	546 550
Comprehensive income for the year	-	-	7 855	-	7 855	3 479	11 334
<b>Total result</b>	<b>-</b>	<b>-</b>	<b>554 765</b>	<b>-</b>	<b>554 765</b>	<b>3 118</b>	<b>557 883</b>
Addition non-controlling owners through group establishment	-	-	-	-	-	14 594	14 594
Dividend paid	-	-	-250 000	-	-250 000	-	-250 000
<b>Total transactions with owners and non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-250 000</b>	<b>-</b>	<b>-250 000</b>	<b>14 594</b>	<b>-235 406</b>
<b>Equity per 31 December 2019</b>	<b>149 836</b>	<b>1 347 615</b>	<b>1 093 264</b>	<b>-</b>	<b>2 590 714</b>	<b>59 304</b>	<b>2 650 018</b>
<b>Equity 1 January 2020</b>	<b>149 836</b>	<b>1 347 615</b>	<b>1 093 264</b>	<b>-</b>	<b>2 590 714</b>	<b>59 304</b>	<b>2 650 018</b>
Result for the year	-	-	254 627	-	254 627	332	254 960
Comprehensive result for the year	-	-	25 194	-	25 194	-564	24 630
<b>Total result</b>	<b>-</b>	<b>-</b>	<b>279 822</b>	<b>-</b>	<b>279 822</b>	<b>-232</b>	<b>279 589</b>
Addition non-controlling interests through group establishment	-	-	-	-	-	-	-
Dividend paid	-	-	-200 000	-	-200 000	-	-200 000
<b>Total transactions with owners and non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-200 000</b>	<b>-</b>	<b>-200 000</b>	<b>-</b>	<b>-200 000</b>
<b>Equity per 31 December 2020</b>	<b>149 836</b>	<b>1 347 615</b>	<b>1 173 085</b>	<b>-</b>	<b>2 670 535</b>	<b>59 072</b>	<b>2 729 608</b>

## Condensed consolidated cash flow statement

NOK 1 000	Note	2020	2019
<b>Cash flows from operating activities</b>			
Result before tax expense		314 334	626 482
Adjusted for:			
- Depreciations		246 371	221 148
- Taxes paid		(80 624)	(38 763)
- Share of profit using the equity method		(28 551)	(49 530)
- Interest expenses net		61 632	58 285
- Profit from sale of property, plant and equipment		3 023	(7 093)
- Other profits		-	(105 385)
- Change in working capital		(366 972)	(123 276)
<b>Net cash flows from operating activities</b>		<b>149 212</b>	<b>581 869</b>
<b>Cash flows from investing activities</b>			
Cash flow impact of business combinations		-	(123 632)
Other profits		-	105 385
Purchase of property, plant and equipment		-337 773	(396 756)
Purchase of other intangible assets		-	(17 568)
Sale of property, plant and equipment		5 137	10 900
Interest received		25 376	27 445
Dividend received		30 000	15 000
<b>Net cash flows from investing activities</b>		<b>(277 260)</b>	<b>(379 226)</b>
<b>Cash flows from financing activities</b>			
Borrowings	5	2 442 722	243 744
Repayment on debt	5	(1 925 258)	(115 633)
Repayment lease liabilities	5	(24 623)	(34 037)
Interest paid		(87 008)	(85 730)
Dividends paid to parent company's shareholders		(200 000)	(250 000)
<b>Net cash flows from financing activities</b>		<b>205 834</b>	<b>(241 656)</b>
<b>Change in net cash and cash equivalents</b>		<b>77 786</b>	<b>(39 012)</b>
Net cash and cash equivalents per 1 January		93 463	92 481
Supply of cash from acquisition of subsidiary		-	39 995
<b>Net cash and cash equivalents per 31 March</b>		<b>171 249</b>	<b>93 463</b>

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## Note 1 - Summary of accounting policies

### General information

All amounts are in NOK 1 000 unless otherwise stated.

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

The quarterly report was approved by the Board of Directors on 26 February 2021. The interim report has not been subject to audit.

### Basis for preparation and policies used

This report has been prepared in accordance with standard for interim reporting (IAS 34). This interim report does not contain all necessary information required by International Financial Reporting Standards (IFRS) in the financial statements and should therefore be read in conjunction with the group's financial statements for 2019.

The accounting policies are in accordance with those of the consolidated financial statements of Pelagia Holding AS for 2019. The consolidated financial statements of Pelagia Holding AS have been prepared in accordance with international accounting standards (IFRS) and interpretations from the IFRS Interpretation Committee (IFRIC), as adopted by EU. For the presented consolidated financial statements there are no differences between IFRS as adopted by EU and IASB.

### Continued operations

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

### The use of estimates

In the preparation of this interim report the significant assessments made by management related to the group's accounting policies and uncertainty in key estimates have been the same as those applied in the consolidated financial statements for 2019.

## Note 2 - Sales revenues and segment information

### Segment information

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

#### Meal/oil (Feed)

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

#### Consumption (Food)

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

#### Epax (Health)

The activity involves production of highly concentrated omega-3 ingredients. The product is used as ingredients for leading brands within food supplement and pharmaceutical products. The production plant is located in Ålesund. The product is mainly subject to global export.

4th quarter 2020					
NOK 1 000	Food	Feed	Health	Other	Total
Operating revenues	1 913 061	1 101 629	121 752	-	3 136 442
Other profits	-	-	-	-	-
<b>Total operating revenues</b>	<b>1 913 061</b>	<b>1 101 629</b>	<b>121 752</b>	<b>0</b>	<b>3 136 442</b>
Cost of goods	1 573 036	1 036 377	59 662	-	2 669 074
<b>Contribution margin</b>	<b>340 025</b>	<b>65 252</b>	<b>62 090</b>	<b>0</b>	<b>467 367</b>
Indirect wages	64 319	9 818	20 883	-	95 021
Indirect operating expenses excl. depreciations	40 120	50 767	10 061	-	100 948
<b>Operating result before depreciations EBITDA</b>	<b>235 585</b>	<b>4 667</b>	<b>31 146</b>	<b>0</b>	<b>271 399</b>
Income recognition related to acquisition	-	-	-	-	-
Depreciations	34 802	27 655	1 176	-	63 633
<b>Operating result EBIT</b>	<b>200 783</b>	<b>(22 988)</b>	<b>29 970</b>	<b>0</b>	<b>207 766</b>
Share of net result using the equity method	-	5 341	-	-	5 341

4th quarter 2019					
NOK 1 000	Food	Feed	Health	Other	Total
Operating revenues	1 786 051	541 033	114 723	-	2 441 807
Other profits	-	-	-	-	-
<b>Total operating revenues</b>	<b>1 786 051</b>	<b>541 033</b>	<b>114 723</b>	<b>0</b>	<b>2 441 807</b>
Cost of goods	1 519 029	401 490	53 170	-	1 973 689
<b>Contribution margin</b>	<b>267 022</b>	<b>139 543</b>	<b>61 554</b>	<b>0</b>	<b>468 118</b>
Indirect wages	44 685	20 877	19 957	-	85 518
Indirect operating expenses excl. depreciations	46 836	61 645	9 048	-	117 529
<b>Operating result before depreciations EBITDA</b>	<b>175 501</b>	<b>57 021</b>	<b>32 548</b>	<b>0</b>	<b>265 071</b>
Income recognition related to acquisition	-	-	-	-	0
Depreciations	32 195	25 766	1 044	-	59 005
<b>Operating result EBIT</b>	<b>143 306</b>	<b>31 255</b>	<b>31 505</b>	<b>0</b>	<b>206 065</b>



**The year 2020**

NOK 1 000	Food	Feed	Health	Other	Total
Operating revenues	4 748 836	3 582 070	483 039	-	8 813 945
Other profits	-	-	-	-	0
<b>Total operating revenues</b>	<b>4 748 836</b>	<b>3 582 070</b>	<b>483 039</b>	<b>0</b>	<b>8 813 945</b>
Cost of goods	4 068 798	3 092 535	233 969	-	7 395 302
<b>Contribution margin</b>	<b>680 038</b>	<b>489 535</b>	<b>249 071</b>	<b>0</b>	<b>1 418 644</b>
Indirect wages	206 789	84 869	71 617	-	363 275
Indirect operating expenses excl. depreciations	146 146	219 514	34 830	-	400 490
<b>Operating result before depreciations EBITDA</b>	<b>327 104</b>	<b>185 152</b>	<b>142 623</b>	<b>0</b>	<b>654 879</b>
Income recognition related to acquisition	-	-	-	-	0
Depreciations	131 442	110 885	4 045	-	246 371
<b>Operating result EBIT</b>	<b>195 662</b>	<b>74 267</b>	<b>138 578</b>	<b>0</b>	<b>408 507</b>
Share of net result using the equity method	-	28 551	-	-	28 551

**The year 2019**

NOK 1 000	Food	Feed	Health	Other	Total
Operating revenues	3 969 846	2 491 505	419 654	-	6 881 006
Other profits	-	-	-	105 386	105 385
<b>Total operating revenues</b>	<b>3 969 846</b>	<b>2 491 505</b>	<b>419 654</b>	<b>105 386</b>	<b>6 986 391</b>
Cost of goods	3 362 776	1 807 530	240 292	-	5 410 598
<b>Contribution margin</b>	<b>607 070</b>	<b>683 976</b>	<b>179 362</b>	<b>105 386</b>	<b>1 575 793</b>
Indirect wages	180 423	92 116	67 998	-	340 537
Indirect operating expenses excl. depreciations	138 123	191 274	34 697	-	364 094
<b>Operating result before depreciations EBITDA</b>	<b>288 524</b>	<b>400 586</b>	<b>76 667</b>	<b>105 386</b>	<b>871 162</b>
Income recognition related to acquisition	-	-	-	-	-
Depreciations	128 073	90 273	2 802	-	221 148
<b>Operating result EBIT</b>	<b>160 451</b>	<b>310 313</b>	<b>73 865</b>	<b>105 386</b>	<b>650 014</b>
Share of net result using the equity method	-	49 530	-	-	49 530

**4th quarter 2020**

Sales revenues distributed on geographical markets	Food	Feed	Health	Other	Total
Norway	19 830	671 623	15 829	-	707 283
Europe Rest	61 809	337 383	5 491	-	404 682
Europe EU	519 487	65 250	12 701	-	597 438
Asia	981 528	19 934	33 299	-	1 034 762
Africa	270 801	-	-	-	270 801
North America	59 605	6 177	54 075	-	119 857
Other	1	1 261	357	-	1 619
<b>Total</b>	<b>1 913 061</b>	<b>1 101 628</b>	<b>121 752</b>	<b>0</b>	<b>3 136 442</b>

**4th quarter 2019**

Sales revenues distributed on geographical markets	Food	Feed	Health	Other	Total
Norway	28 292	402 978	27 699	-	458 968
Europe Rest	99 715	111 905	2 143	-	213 763
Europe EU	472 982	26 121	9 132	-	508 235
Asia	916 910	-	33 665	-	950 574
Africa	227 769	-	-	-	227 769
North America	40 383	-	40 961	-	81 344
Other	-	29	1 124	-	1 153
<b>Total</b>	<b>1 786 051</b>	<b>541 033</b>	<b>114 724</b>	<b>0</b>	<b>2 441 807</b>

<b>The year 2020</b>					
Sales revenues distributed on geographical markets	Food	Feed	Health	Other	Total
Norway	117 434	2 058 296	99 935	-	2 275 665
Europe Rest	359 758	799 730	24 635	-	1 184 123
Europe EU	1 650 549	633 732	58 755	-	2 343 036
Asia	1 745 072	59 518	132 854	-	1 937 445
Africa	735 419	0	-	-	735 419
North America	140 264	28 058	162 966	-	331 288
Other	338	2 735	3 895	-	6 968
<b>Total</b>	<b>4 748 834</b>	<b>3 582 069</b>	<b>483 040</b>	<b>0</b>	<b>8 813 945</b>

<b>The year 2019</b>					
Sales revenues distributed on geographical markets	Food	Feed	Health	Other	Total
Norway	78 183	1 734 645	78 811	-	1 891 639
Europe Rest	412 152	685 464	16 858	-	1 114 474
Europe EU	1 344 671	71 369	56 948	-	1 472 988
Asia	1 586 045	-	105 464	-	1 691 509
Africa	438 171	-	-	-	438 171
North America	110 619	0	158 387	-	269 006
Other	-	28	3 191	-	3 219
<b>Total</b>	<b>3 969 841</b>	<b>2 491 506</b>	<b>419 659</b>	<b>0</b>	<b>6 881 006</b>

## Note 3 - Financial risk

### Financial risk management

The group's activities expose it to a variety of financial risks: market risk (mainly currency risk, price risk, cash flow interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on minimising the potential adverse effects that unpredictable changes in the capital markets may have on the group's financial performance. To some extent, the group uses derivative financial instruments to hedge certain risk exposures. The risk management is carried out by a central treasury department under policies approved by the Board of Directors.

#### a) Market risk

##### i) Currency risk

Over time there is a correlation between market prices translated into the functional currency and the prices of raw materials for the individual entity. Changes in market prices translated into the functional currency will therefore over time be reflected in the prices of raw materials and eliminate parts of the currency risk. In order to manage the currency risk arising from future transactions and recognised assets and liabilities, entities in the group use forward exchange contracts. The company has some investments in foreign subsidiaries where net assets are exposed to currency risk by translation. The entities in the group have different functional currencies, the most important being NOK, EURO and GBP.

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

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

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

The Covid-19 situation may increase the risk around the group's operations among other things related to challenges with logistics and freight, availability of foreign seasonal labour, exchange rate changes and credit insurance costs. The situation

may also cause market related challenges, but so far these have been limited for the group. The company cannot rule out that there will be increased challenges related to this ahead.

### iii) Interest rate risk

Pelagia's bank deposits and debt are subject to floating rate of interest. This involves that Pelagia is exposed to liquidity risk as a result of changes in the market interest rates. Pelagia does not use derivatives to hedge from this liquidity risk. Pelagia's borrowings are to a large extent related to operations and vary in line with seasonal fluctuations and are differently drawn during the year.

### b) Credit risk

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

### c) Liquidity risk

Pelagic industry is capital demanding due to natural seasonal fluctuations. Pelagia is therefore focusing on having sufficient access to financing that ensures business opportunities and flexibility. See note 5 for repayment profile on interest bearing debt.

## Note 4 - Inventory

NOK 1 000	31.12.2020	31.12.2019
Raw materials	52 362	61 067
Goods in progress	221 938	164 769
Packaging and auxiliaries	54 403	58 477
Finished goods	2 172 866	2 042 079
Impairment of finished goods to net realisable value.	(88 781)	(95 245)
<b>Total</b>	<b>2 412 787</b>	<b>2 231 146</b>
Cost of inventory impaired to net realisable value	910 963	1 005 929

## Note 5 - Financing

NOK 1 000	31.12.2020	31.12.2019
<b>Non-current liability including first year's instalment</b>		
Bank loan	2 342 292	1 440 184
Bond loan	889 380	-
Bank overdraft	407 132	1 684 496
Leasing liabilities	67 594	92 217
<b>Total</b>	<b>3 706 398</b>	<b>3 216 897</b>
<i>Non-current portion in the balance sheet</i>	<i>3 116 295</i>	<i>868 907</i>
<i>Current portion in the balance sheet</i>	<i>590 103</i>	<i>2 347 990</i>
<b>Net interest bearing debt</b>		
Total interest bearing debt	3 706 398	3 216 897
Cash and cash equivalents	-171 249	-93 463
<b>Total net interest bearing debt</b>	<b>3 535 148</b>	<b>3 123 434</b>
Leasing liabilities	-67 594	-92 217
<b>Total net interest bearing debt exclusive of leasing liabilities</b>	<b>3 467 555</b>	<b>3 031 217</b>

### Interest terms

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

### Covenants

Equity ratio above 30% and interest coverage ratio (EBITDA/Net Finance Charges) no less than 4.

### Available overdraft facilities

1.500 MNOK

### Repayment profile interest bearing debt

NOK 1 000	Non-current bank loan	Bond loan	Bank overdraft	Leasing liabilities	Total
2021	154 633	-2 160	407 132	30 498	590 103
2022	2 091 658	-2 160	-	20 187	2 109 685
2023	24 000	-2 160	-	11 670	33 510
2024	24 000	-2 160	-	4 872	26 712
2025	24 000	898 020	-	367	922 387
After 2025	24 000	-	-	-	24 000
<b>Total</b>	<b>2 342 292</b>	<b>889 380</b>	<b>407 132</b>	<b>67 594</b>	<b>3 706 398</b>

### Change in liabilities related to financing

NOK 1 000	Non-current bank loan	Bond loan	Bank overdraft	Leasing liabilities	Total
<b>01.01.2020</b>	<b>1 421 425</b>	<b>-</b>	<b>1 703 256</b>	<b>92 216</b>	<b>3 216 897</b>
Cash flows	-	-	-	-24 623	-24 623
Repayment of debt	-629 134	-	-	-	-629 134
Raising of debt	1 550 000	889 560	-	-	2 439 560
Non-cash movement	-	-180	-	-	-180
Net repayment bank overdraft	-	-	-1 296 124	-	-1 296 124
<b>31.12.2020</b>	<b>2 342 291</b>	<b>889 380</b>	<b>407 132</b>	<b>67 594</b>	<b>3 706 398</b>

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## Note 6 - Transactions with related parties

Transactions with related parties take place at market conditions. Types of transactions are further described in the annual report for 2019.

It's all  
about  
the fish



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