



Måsøval AS: Majority-owned Pure Norwegian Seafood has uncovered irregularities in the sale of frozen salmon

1.2.2024 10:00:24 CET | Måsøval AS | Non-regulatory press releases

In June 2021 Måsøval AS ("Måsøval") acquired a 65% stake in Pure Norwegian Seafood AS ("PNS"), a processing and sales company in Averøy. PNS provides primary processing services for Måsøval, and market export and sell Måsøval fish to its customers.

Måsøval, as a supplier to PNS, became suspicious of irregularities at PNS on October 20, 2023. Prior regulatory inspections, controls, and audits had not uncovered the issues. Through Måsøval's board representatives in PNS, immediate action was taken through board instructions to completely halt the irregular activity, freeze storage was sealed, and affected products were recalled. Organizational measures were taken promptly, and new and reinforced procedures were implemented at PNS. EY was then engaged to conduct an independent and thorough investigation. The Food Safety Authority (Mattilsynet) was notified in early November, and communication with the authority has been maintained throughout the investigation.

The investigation is now concluded, and the results have been handed over to the Food Safety Authority for any further investigations they may undertake. In brief, the investigation reveals that PNS has allowed certain customers to buy frozen salmon that, according to Norwegian regulations, is not suitable for human consumption. Sold fish includes fish that either should have been discarded/ensiled, or production graded fish that should be elaborated in secondary processing before export. The investigation estimates that this turnover of fish not suitable for human consumption constituted just under 1% of the total volume of fish and approximately 0.5% of PNS's revenue over the last three years. Måsøval, as a supplier to PNS, has not gained any profit or participated in any other earnings related to these activities at PNS.

The mentioned activities were halted in October 2023. After the investigation and other inquiries until now, there have been no indications that the irregularly traded products have affected people's health.

The revealed issues at PNS have no direct impact on Måsøval; they have a marginal financial effect on the group. As Måsøval assesses the consequences beyond this, they will primarily be related to potential public sanctions that may affect PNS.

PNS will inform further about the process and investigation in a separate press release. Out of respect for the authorities' ongoing investigations, both PNS and Måsøval will have to be cautious with more detailed information beyond what is currently disclosed.

For Måsøval, this is a serious and disappointing matter, both as a shareholder and supplier. Måsøval and PNS utmost priority is dialogue with the authorities and to facilitate government authorities' investigation activities, secondly Måsøval will also consider its own contractual legal rights and possible compensation matters. At the same time, it is crucial for Måsøval, as a responsible owner, to support PNS, its customers, and especially the employees as best as possible in this difficult situation. Despite the investigation, organizational changes, and new procedures and requirements, the production workers at PNS have delivered every day.

For further information, contact:

Helge Kvalvik

CEO, +47 97 97 97 72

Email: helge.kvalvik@masoval.no

Attachments

- [Download announcement as PDF.pdf](#)