

HOFSETH

2026

First Quarter



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## THIS IS **HOFSETH**

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Hofseth is a vertically integrated Norwegian seafood company. We offer a wide range of high-quality products from the Norwegian fjords and coastline and have first-hand knowledge and experience of the entire value chain through our responsible farming, high-tech processing, and global distribution network.

## Our value chain



### FARMING

Hofseth operates five farming sites in Storfjorden, where we are the only aquaculture operator. We run a smolt facility in Tafjord and a feeding facility in Stranda. The clear waters provide ideal conditions for fish welfare and premium seafood production. We are committed to protecting the fjord and ensuring sustainable production for future generations.



### PROCESSING

Hofseth operates four high-tech processing facilities in Sunnmøre, western Norway. Being of close proximity to our farming sites ensures fresh products and consistent quality. Food safety and traceability are top priorities, and all facilities hold leading industry certifications.



### PRODUCTS

We produce a wide range of shelf-ready products for leading international grocery and restaurant chains. This includes fresh and frozen fillets and portions, and cold smoked products.



### SALES & DISTRIBUTION

We have sales operations in-market across the globe. Our strategy is to be close to the end customer and help them solve their sourcing and supply chain challenges in seafood.

# Management

## Strategic Executive Committee



**Roger Hofseth, CEO & CCO**



**Svein Myhre, Group CFO**



**David Huggins, Group COO**

## Senior Management



**Trond Valderhaug, Chief Sales Officer**



**Robert de Boer, COO Processing**



**Andre Skarbø, COO Farming**



**Jan Are Remme, CHRO - Comms & Sustainability**

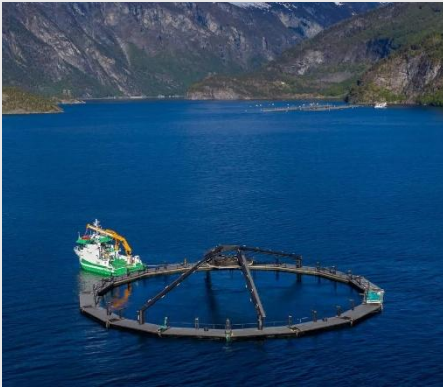


**Anders Hoff, SVP System & IT**



**Svein Flølo, Chief Strategy Officer Farming**

# Strategic Initiatives Summary



## Important Milestone for the «Sea Lilly»

The “Sea Lilly” development project remains on schedule and concluded the shipyard construction stage during the quarter. The submersible pen structure has since been deployed to the Vindsnes farming location.



## First Salmon Eggs Introduced at Tafjord

Initiated the transition from trout to salmon smolt production at the Tafjord facility as part of the optimization of the Farming division and the Group’s wider growth strategy, with the first batch of salmon eggs introduced to the hatchery in Q1 2026.



## Acquisition of Nye Icefresh AS

Completed the strategic acquisition of 87% of the ordinary shares in Nye Icefresh AS, which expands on the close partnership already in place. The patented IceFresh defrosting technology and hub network is set to play a critical role in accelerating Processing sales.



## Executive Management Changes

Olav Holst-Dyrnes was appointed as new CEO, marking an important leadership transition. Roger Hofseth takes on the role of Group Chief Commercial Officer to focus on the optimization of the Processing production facilities and global sales development.

## Key Figures

HARVESTED VOLUME

**2,818**  
**TONNES**

PROCESSED VOLUME

**5,478**  
**TONNES**

ICEFRESH VOLUME

**245**  
**TONNES**

REVENUE

**989.6**  
**MILLION**

EBITDA

**35.6**  
**MILLION**

NET INCOME

**33.2**  
**MILLION**

## Financial Performance Summary

- Group revenue amounted to NOK 990 million (NOK 1,438 million), a decrease of approximately 31% year-on-year, driven primarily by lower volumes in the Processing segment following reduced contract intake.
- Group EBITDA amounted to NOK 36 million (NOK 55 million), while Net Profit recovered to NOK 33 million (NOK -17 million). The result was supported by record Q1 Farming segment volumes and low mortality, as well as a USD 10 million US IEEPA tariff refund in the Processing segment.
- Group equity amounted to NOK 1,869 million (NOK 1,927 million), corresponding to a book equity ratio of 20.7% and a value-adjusted equity ratio of 27.3%.
- Cash flow from operating activities was NOK -254 million (NOK 206 million), impacted by working capital movements and lower operating performance.



# Group Financial Review

## Revenue and profitability

The Group generated total revenue of NOK 990 million in the quarter, compared with NOK 1,438 million in the same quarter last year, representing a decline of approximately 31%. The reduction was mainly attributable to lower volumes in the Processing facilities. This development is a consequence of the challenging contract market during the second half of 2025, which resulted in fewer contracts being secured compared with previous years.

Revenue in the Farming segment increased by NOK 6.4 million (+2.7%) to NOK 242 million, primarily driven by higher harvest volumes. Revenue in the Processing segment declined by NOK 485 million (-31.2%), driven by the reduced activity levels in the period. Group EBITDA amounted to NOK 36 million (NOK 55 million), a decrease of 36% year-on-year. The decline was primarily driven by weaker performance in the Processing segment, while the Farming segment showed a modestly lower result compared with the same period last year.

Group Net Profit After Tax recovered to a positive NOK 33 million (NOK -17 million) versus the year-ago period and from the prior quarter's result. Despite the lower year-on-year EBITDA in Q1, the NPAT recovery to a positive result is due largely to a NOK 155 million contribution from the depreciation of the EUR-denominated bond during the quarter.

## Segment performance

The Processing segment reported EBITDA of NOK -6 million, compared with NOK -13 million in the same quarter last year. The result includes a provision of USD 10 million related to the expected reimbursement of US IEEPA tariffs, representing approximately 50% of the total expected refund.

The underlying performance was negatively impacted by significantly lower activity levels in the quarter, driven by reduced contracted volumes. This led to higher unit costs and remained the main driver of the weak segment result.

The Farming segment delivered EBITDA of NOK 42 million (NOK 68 million), a decrease of NOK 26 million or 39% year-on-year. The lower result was driven by the absence of one-off effects recorded in the first quarter of the prior year, as well as a transitional increase in production costs.

## Financial Position

Total assets amounted to NOK 9,024 million at quarter-end, compared with NOK 8,432 million in the corresponding period last year. The increase was primarily driven by strategic investments, the issuance of the senior secured bond, and the full consolidation of Hofseth Development AS, World Heritage Salmon AS and Nye Icefresh AS following the acquisitions completed during the period.

Non-current assets amounted to NOK 5,524 million (NOK 3,762 million), while non-current interest-bearing liabilities totalled NOK 3,747 million (NOK 2,018 million) at quarter-end.

Group equity amounted to NOK 1,869 million (NOK 1,927 million), corresponding to a book equity ratio of 20.7%. On a value-adjusted basis for financial covenant reporting purposes, the adjusted equity is NOK 2,684 million with a ratio of 27.3%. The decrease in book equity compared with the same period last year was mainly driven by a net loss over the last twelve months, partly offset by increased equity related to acquisitions completed during the period.

### **Cash Flow**

Cash flow from operating activities was NOK -254 million in the first quarter, compared with NOK 206 million in the same period last year. The development reflects changes in working capital and operating performance in the period.

Cash flow from investing activities amounted to NOK -156 million (NOK -109 million). Cash flow from financing activities was NOK 346 million (NOK 966 million), mainly driven by a net increase in interest-bearing liabilities.

Net change in cash during the quarter was NOK -64 million (NOK 966 million), resulting in a cash position of NOK 118 million at quarter-end (NOK 1,056 million).

# Farming Division Financial Review

## Production

The Farming division harvested first quarter record 2,818 tonnes HOG (2,385 tonnes), representing an increase of 18.1% compared with the same quarter last year. Trout accounted for 44% of total harvested volume. Average harvest weight increased by 10% compared with the previous quarter and by 20% year-on-year, reflecting ongoing optimization of the production plan. Water temperatures and biological conditions were otherwise comparable to the corresponding periods.

Standing biomass at the end of Q1 2026 was 6,838 tonnes, representing an increase of 13.5% compared with the same period last year. As of quarter-end, utilization of ordinary licences was 95%, while utilization of the R&D licences was 70%. The first harvest from the new R&D licences is expected in the second quarter of 2026.

## Biological Performance

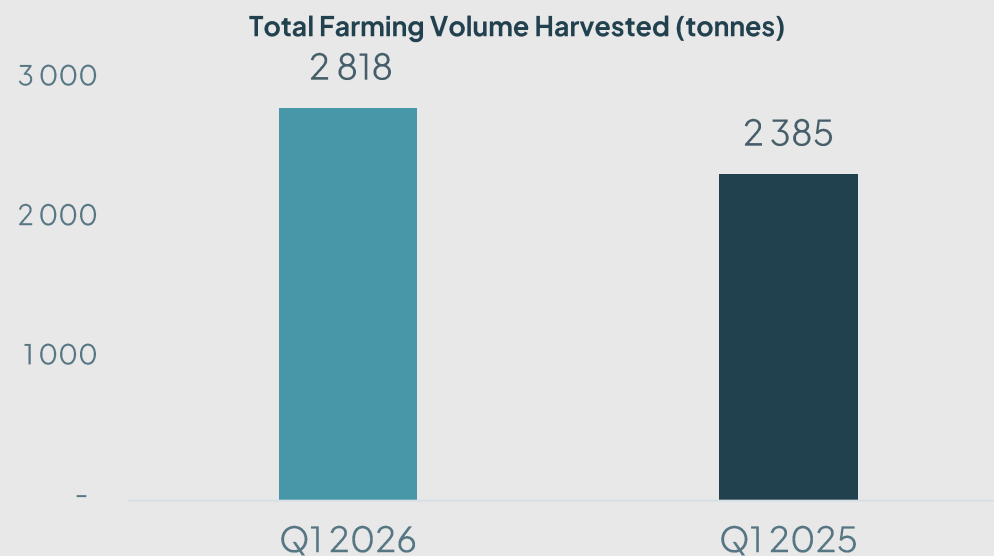
The Farming division continued to deliver strong biological performance during the quarter, with 12-month mortality of 6.2% measured by fish count and quarterly mortality of 1.8%. Sea lice pressure in traditional surface pens was at approximately the same level as last year. The submersible pens at the Bugane site continued to demonstrate positive operational performance, with low mortality and a 70% reduction in sea lice pressure.

The superior share from harvest continues to increase and was 93.4% in the quarter, compared with 88.3% in the corresponding quarter last year. This compares with a superior share of 89.9% for the full year 2025, and 81.7% for the full year 2024.

## Financial Results

The Farming division generated revenues of NOK 241.5 million (NOK 235.1 million) in the quarter, representing an increase of 2.7% year-on-year, primarily driven by higher harvest volumes. EBITDA amounted to NOK 41.6 million (NOK 68.2 million). The result for the first quarter of last year included a positive one-off effect of NOK 13.8 million related to capitalized costs. EBIT cost was NOK 78.8/kg, an increase of 17% year-on-year, while EBIT per kg was NOK 4.9/kg (NOK 15.6/kg).

The Group reports a rolling 12-month adjusted EBIT cost per kg of NOK 61.1, excluding interest expenses, and a rolling 12-month adjusted EBITDA cost per kg of NOK 55.9. (See note 1)



# Processing Division Financial Review

## Production and Sales

The Processing segment sold a total volume of 9,102 tonnes (12,802 tonnes) in the first quarter, representing a decrease of 29% year-on-year. The decline reflects lower sell-through of inventories compared with the elevated level in the corresponding period last year. Finished goods inventory nonetheless still decreased by 5% year-over-year.

Raw material prices increased by approximately 5% compared with the previous quarter and were essentially flat compared to the same quarter last year. Production grade raw material as a % of total raw material purchased during the first quarter was relatively stable, and largely in line with the prior year period.

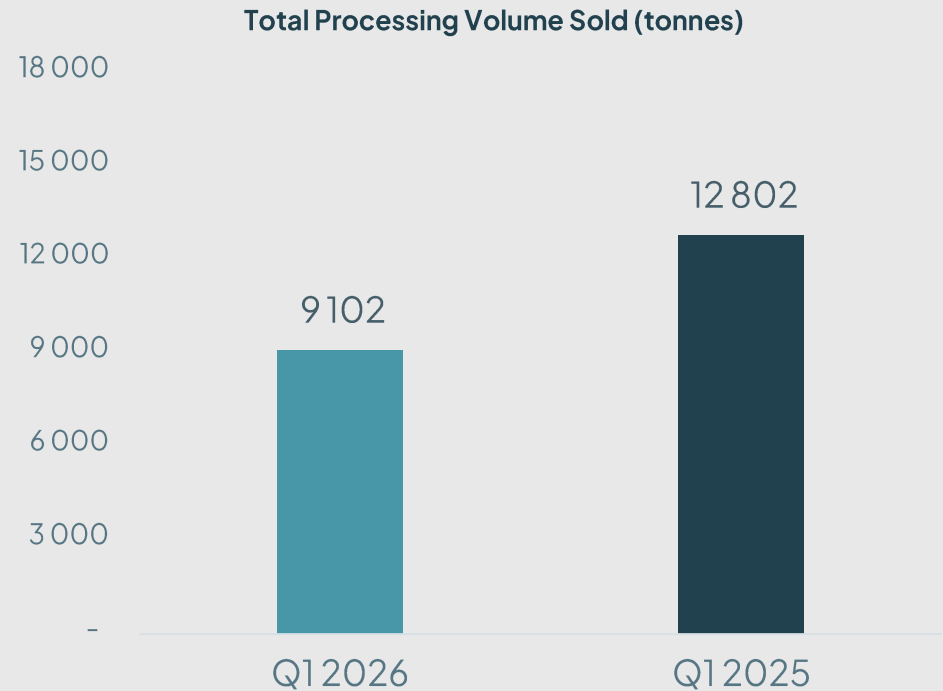
## Financial Results

Average sales prices decreased by approximately 5% year-on-year but increased by 1% compared with the previous quarter. The Processing segment generated revenue of NOK 855 million (NOK 1,340 million), representing a decrease of 36% year-on-year, driven by lower sales volumes.

The US market continues to represent the largest end-market for the Group's main products, accounting for more than 50% of total Processing sales. US sales volumes over the last twelve months declined by 26% compared with the prior twelve-month period and by 51% compared with the same quarter last year.

The Processing segment EBITDA amounted to NOK -6.0 million (NOK -12.9 million) in the quarter, corresponding to a modest reduction in losses year-on-year. The EBITDA result includes the booking of a USD 10 million IEEPA tariff refund, supported by evidence of the first tariff

refund payments being received by Hofseth's US subsidiary since the quarter-end. The underlying operating performance was negatively impacted by low activity levels and lower sales volumes, which resulted in higher unit costs due to reduced cost absorption.



## Outlook

Despite a difficult first quarter and a continued challenging market backdrop particularly for the Processing division since quarter-end, the outlook for the Group is brightening.

### Processing

The Norwegian salmon processing sector is facing a number of significant headwinds which has challenged Hofseth's Processing division recently. With the historic US tariff differential driving US buyers more towards signing Chilean contracts for the 2026 period, buyers in general having low expectations of future salmon prices, and multiple new salmon processing facilities coming online locally, the market for Norwegian salmon processors is tough today.

However, Hofseth is fortunate to have over 20 years of processing experience with a reputation in the market – particularly in the US – for quality, long term partnership mentality, and pioneering product development. Additionally, the Group has significantly strengthened the US sales team with two senior hires which is contributing to a growing sales pipeline for 2027.

Hofseth LLC, the Group's wholly-owned US sales and distribution entity, has received the first tariff refunds relating to the IEEPA tariffs which, in February 2026, the US Supreme Court deemed illegal. Accordingly, the Group has recorded a USD 10 million income during Q1. There remains a further approximately USD 12 million of tariff refund income due which is likely to be booked during Q2.

IceFresh, which Hofseth acquired a majority stake in during the quarter, is also playing a significant role in accelerating the Processing division's sales pipeline. In essence, the IceFresh patented defrosting technology

enables Hofseth to utilize its well-established and cost-efficient frozen value chain into the significantly larger fresh processed salmon markets, where the Group today has almost no presence except for in Europe. The Group already has two major US retailer trial launches in H2 which has the potential to significantly support Processing volumes sold in 2027. Acquiring this technology platform, which already has 3 operational hubs in the US and a fourth in Europe, therefore holds significant strategic potential for Hofseth's Processing division and materially differentiates its offering towards new and existing customers.

In summary, while the Group continues to expect 2026 Processing volumes sold to be 30% lower, the outlook into 2027 is growing increasingly promising.

### Farming

Biological performance continued to trend positively since quarter end, and accordingly the Group reiterates its 2026 harvest guidance of approximately 16,000 tonnes HOG. The main contributor to the increased harvest volume year-over-year is from the biomass growth related to the two new R&D licenses. The Sea Lilly project may contribute small harvest volumes towards year-end or into the Q1 2027 harvest period.

The Sea Lilly development project generally continues according to plan, with the submersible pen concept due to receive first fish before the end of Q2 2026. The Sea Lilly project remains within budget. Currently there remains no change to the approximate 77% ownership Hofseth holds in the project.

Meanwhile, the Egg development project is expected to finalize construction contracts shortly and commence the build of the first large scale Egg closed farming system. It is now expected that the first Egg will be deployed into one of the farming locations during Q2 2027, due to contractor negotiations taking longer than planned.

At the end of Q4 2025, the Group acquired 95% of World Heritage Salmon (WHS), a land-based salmon farming project located in the disused Raudbergvika mine adjacent to Hofseth Aqua's farming locations. While the license remains pending in its current form, Hofseth is reviewing the project and believes there is good potential for approval subject to revisions or even possible alternative uses.



## Capital Structure

As of the end of Q1 2026, total equity amounted to NOK 1,869 million, corresponding to an equity ratio of 20.7%.

Net interest-bearing debt amounted to NOK 4,952 million, compared with NOK 2,690 million in Q1 2025. The increase was primarily driven by the issuance of the senior secured EUR 300 million green bond and the NOK 1 billion Eksfn-backed RCF during Q3 2026, as well as the conversion and refinancing of accounts payable from a key supplier into interest-bearing debt of NOK 923 million during the period.

The leverage ratio (NIBD / TTM EBITDA) was 12.7x (5.0x), reflecting higher net interest-bearing debt combined with a lower TTM EBITDA, impacted by salmon price volatility and challenging market conditions over the past year.

The Group's main funding sources include a EUR 300 million senior secured green bond, a NOK 1 billion Eksfn-backed RCF, and a USD 80 million ABL facility for Hofseth LLC, the wholly-owned US distribution entity.

Total cash amounted to NOK 117.6 million at the end of the quarter (NOK 1,056.2 million).

## Consolidated Income Statement

(NOK1 000)	Notes	Q1 2026	Q1 2025
<b>Total operating revenue</b>	1	<b>989 617</b>	<b>1 438 101</b>
Cost of goods sold		701 883	1 131 573
<b>Gross Profit</b>		<b>287 734</b>	<b>306 528</b>
Payroll & social security expenses		123 847	142 912
Other operating costs		128 311	108 214
<b>EBITDA</b>		<b>35 576</b>	<b>55 402</b>
Depreciation and Amortization		64 570	54 944
<b>Operating profit</b>		<b>-28 993</b>	<b>458</b>
Net interest expense		111 599	79 746
Net FX gains or losses		-167 098	-4 003
Net other financial income and expenses	3	1 946	3 742
Unrealised gains or losses on listed securities		-6 259	-45 137
Net financial income and expenses		-59 812	34 348
<b>Profit before tax</b>		<b>30 819</b>	<b>-33 890</b>
Tax expense		-2 428	-16 978
<b>Net profit for the period</b>		<b>33 246</b>	<b>-16 912</b>

## Consolidated Statement of Financial Position

(NOK1 000)	Notes	31.03.2026	31.03.2025	31.12.2025
<b>Assets</b>				
Intangible non-current assets		2 165 042	990 228	1 691 948
Goodwill		76 257	90 972	81 210
Deferred tax assets		0	0	39 490
Tangible non-current assets		2 494 995	1 954 124	2 368 984
Other non-current financial assets		787 646	727 014	1 061 269
<b>Total non-current assets</b>		<b>5 523 939</b>	<b>3 762 339</b>	<b>5 242 901</b>
Inventories	4	1 345 348	1 376 682	1 553 511
Trade receivables		1 507 196	1 785 023	1 166 650
Other receivables		444 180	305 445	266 739
Securities and shares		85 428	146 100	79 169
Cash and cash equivalents		117 642	1 056 236	181 732
<b>Total current assets</b>		<b>3 499 793</b>	<b>4 669 486</b>	<b>3 247 801</b>
<b>Total assets</b>		<b>9 023 733</b>	<b>8 431 824</b>	<b>8 490 702</b>
<b>Equity and liabilities</b>				
Equity		1 806 744	1 920 905	1 674 122
Non-controlling interests		62 356	6 630	12 260
<b>Total equity</b>	5	<b>1 869 100</b>	<b>1 927 535</b>	<b>1 686 382</b>
Deferred Taxes		41 095	37 363	0
Non-current interest-bearing liabilities	6	3 746 832	2 770 390	3 942 975
Other non-current financial liabilities		32 940	0	0
<b>Total non-current liabilities</b>		<b>3 820 867</b>	<b>2 807 753</b>	<b>3 942 975</b>
Trade payables		1 562 708	2 568 043	1 620 030
Current interest-bearing liabilities	6	1 323 201	975 992	975 013
Current provisions and other liabilities		447 857	152 502	266 302
<b>Total current liabilities</b>		<b>3 333 766</b>	<b>3 696 536</b>	<b>2 861 345</b>
<b>Total equity and liabilities</b>		<b>9 023 733</b>	<b>8 431 824</b>	<b>8 490 702</b>

## Consolidated Cash Flow Statement

(NOK 1 000)

	Q1 2026	Q1 2025
Profit/loss before income taxes	30 819	- 33 890
Taxes paid in the period	5 435	-20 586
Depreciation, amortizations and impairment	64 273	54 944
Loss or gain from sale of non-current assets	312	- 373
Change in fair value of marketable securities	-6 259	-45 137
Change in inventory	208 163	209 115
Change in trade receivables	-340 546	46 460
Change in trade payables	- 57 322	93 937
Changes in other accrual accounting entries	-159 206	-98 472
<b>Net cash flow from operating activities</b>	<b>- 254 331</b>	<b>205 999</b>
Proceeds from sale of fixed assets	5 312	11 202
Purchase of fixed assets and intangible assets	- 111 210	-120 241
Net proceeds from other investments	-50 000	-
<b>Net cash flow from investments activities</b>	<b>- 155 898</b>	<b>- 109 039</b>
Net proceeds from non-current interest liabilities	-2 050	950 360
Net proceeds from current interest liabilities	221 491	-
Net change in bank overdraft facilities	126 697	- 34 854
Payment of dividend on preference shares	-	-
Cash paid refinancing	-	-46 662
<b>Net cash flow from financing activities</b>	<b>346 139</b>	<b>868 844</b>
Net change in cash and cash equivalents	-64 090	965 804
Cash and cash equivalents, beginning of period	181 732	90 432
<b>Cash and cash equivalents, end of period</b>	<b>117 642</b>	<b>1 056 235</b>
Unused RCF	93 423	-
<b>Liquidity reserve</b>	<b>211 064</b>	<b>1 056 235</b>

# Notes to the accounts

## Note 1 Accounting principles

The quarterly financial statements have been prepared in accordance with the Accounting Act and generally accepted accounting principles, including the standard for interim financial reporting (NRS 11). All significant accounting principles applied in the annual financial statements are described in the Group's published annual report.

A complete description of the accounting principles applied can be found in the 2025 Annual Report.

The figures in the interim financial statements are unaudited.

### **Biomass valuation - IFRS comparability**

The Group prepares its consolidated financial statements in accordance with NGAAP, while several comparable aquaculture companies report under IFRS. This results in certain significant differences in the timing of earnings recognition and presentation of financial performance within the Group's aquaculture segment,

particularly during periods of growth in biomass and production volumes.

Under NGAAP, biomass and finished goods inventories are measured at historical cost. The effects of improved production efficiency, increased volumes and lower unit costs are therefore recognized in profit or loss only upon harvest, when the costs are recognized as cost of goods sold (COGS). During periods of growth, a portion of the underlying operational improvements will consequently remain capitalized in inventory at the end of the reporting period.

Under IFRS, biological assets are measured at fair value. For aquaculture operations, this means that changes in expected margins and production efficiency are recognized continuously through fair value adjustments of biomass prior to harvest. Compared to IFRS, reporting under NGAAP will therefore generally result in a later recognition of underlying operational improvements in EBIT.

In addition, the Group capitalizes borrowing costs related to the financing of production as part of the cost of biomass and inventory in accordance with NGAAP. These costs are recognized through cost of goods sold upon harvest. Under IFRS, where biomass is measured at fair value, the effects of financing costs are generally reflected through finance expenses rather than through the carrying value of biomass and inventories.

The Group also applies specific allocation of production costs by site and generation. Due to variations in biological development, utilization of licensed production capacity and achieved volumes between sites, production cost per kilogram may vary significantly between generations and locations. This may result in material fluctuations in reported EBIT per kilogram between quarters, depending on which sites and generations are harvested during the period. The effect is reflected in the valuation of inventory and impacts the timing of earnings recognition under NGAAP.

### **Rolling 12-month adjusted EBIT/kg**

To provide a more current view of operational performance within the aquaculture segment, the Group also reports a rolling 12-month adjusted EBIT cost per kilogram HOG, calculated as total EBIT-related costs over the last twelve months divided by total production volume over the same period. This metric reflects the underlying production economics for the period independently of harvest timing and inventory build-up or reductions in biomass. Accordingly, the measure enhances comparability over time and relative to IFRS-reporting peers, while also reflecting operational improvements and increased production efficiency on a more continuous basis.

The differences described above primarily impact the timing and periodization of earnings recognition between NGAAP and IFRS and do not affect the Group's underlying cash flows or long-term value creation.

## Note 2 Group revenue by region

Geographical revenue breakdown (NOK 1 000)	Q1 2026	Q1 2025
North America	366 462	741 403
Europe	269 462	388 605
Norway	199 335	149 304
Asia, Oceania	154 358	158 790
<b>Total</b>	<b>989 617</b>	<b>1 438 101</b>

## Note 3 Financial income and expenses

(NOK 1 000)	Q1 2026	Q1 2025
<b>Finance income</b>		
Interest income	20 443	6 528
Foreign exchange items (agio)	183 735	9 026
Change in fair value of marketable securities	6 259	45 137
Change in fair value of financial instruments	12 651	0
Other financial income	742	12 423
<b>Total finance income</b>	<b>223 830</b>	<b>73 113</b>
<b>Finance expense</b>		
Interest expenses	132 042	86 274
Loss on foreign exchange items (disagio)	16 638	5 023
Other finance expense	15 338	16 164
<b>Total finance expense</b>	<b>164 018</b>	<b>107 461</b>
<b>Net finance income and expense</b>	<b>59 812</b>	<b>-34 348</b>

## Note 4 Specification of inventories

(NOK 1000)	31.03.2026	31.03.2025
Raw materials	79 798	97 469
Finished goods	639 203	661 382
Biological assets	626 347	617 831
<b>Total inventories</b>	<b>1 345 348</b>	<b>1 376 682</b>

## Note 5 Changes in equity

(NOK 1000)	31.03.2026	31.03.2025
<b>Total equity opening balances 01.01.2026</b>	<b>1 686 382</b>	<b>1 962 567</b>
Profit/loss for the period	33 246	-16 912
Other changes in equity	156 293	-7 470
Foreign currency translation differences	-6 820	-10 651
<b>Total equity, closing balance</b>	<b>1 869 100</b>	<b>1 927 535</b>

## Note 6 Specification of interest-bearing liabilities

(NOK 1000)	31.03.2026	31.03.2025
Bond loan	3 252 258	980 441
Bank loans	169 145	1 423 821
Leasing	288 958	233 210
Other loans	36 472	132 918
<b>Total non-current interest-bearing liabilities</b>	<b>3 746 832</b>	<b>2 770 390</b>
Credit facility (US)	416 624	323 102
Bank loan (RCF)/overdraft facility (Norway)	906 577	652 890
<b>Total current interest-bearing liabilities</b>	<b>1 323 201</b>	<b>975 992</b>

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