



**HOFSETH  
INTERNATIONAL AS  
Q4 2025 Financial Report**

**HOFSETH**

# Quarterly Report: Q4 2025

Hofseth International AS

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## Q4 FINANCIAL PERFORMANCE SUMMARY

The Hofseth Group (Hofseth) is a leading Norwegian seafood company with a fully integrated value chain for salmon and trout, delivering responsible and profitable growth for more than 20 years. Hofseth's vision is to be a global leader in sustainable seafood production.

Hofseth is the sole aquaculture operator in Storfjorden in Sunnmøre, where over 14,000 tonnes of salmon and trout were produced across five sites in 2025. In Tafjord, smolt is hatched and produced for the nearby farming locations. The fish is transported by the company's own wellboat or harvest vessel to the harvest plant in Ålesund.

Hofseth processed more than 48,000 tonnes of salmon and trout at the Group's four processing plants in 2025. The company utilizes the whole fish, and the residual raw material from salmon processing is refined into high-value products for human consumption through its sister company Hofseth Biocare ASA.

Products are sold through the company's own sales entities and partners worldwide, with the largest markets being the United States and Europe.

## Q4 FINANCIAL PERFORMANCE SUMMARY

- Revenue of NOK 1,276m (NOK 1,570m) which is a 18.7% reduction compared to Q4 2024, due to lower sales in Processing
- EBITDA of NOK 89m (NOK 162m), representing a 45% reduction YoY mainly from a weak performance in the Processing division due to higher salmon prices. This was partially offset by a stronger Farming division performance
- Full year 2025 EBITDA of NOK 492m (NOK 636m), a 23% decline year-over-year
- Leverage (NIBD<sup>1</sup> / TTM EBITDA) at 9.0x and adjusted equity ratio at 27.4%<sup>2</sup>

## STRATEGIC INITIATIVES SUMMARY

- Successful completion of comprehensive debt refinancing with the issue of a EUR 300m senior secured green bond and a NOK 1bn Eksfin-backed RCF
- A comprehensive review of the Tafjord smolt facility took place which resulted in the decision to convert the from trout to salmon smolt production
- Egg project: composite mould construction started for the first E20000 Egg system
- Nekst project: continued rapid progress towards completion of the frame construction
- Acquisition of 95% of the shares in World Heritage Salmon AS
- World's first submersed farmed trout harvested in Q4 of over 500 tonnes

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<sup>1</sup>Net interest-bearing debt (NIBD) refers to interest-bearing debt excluding financial leases less cash and cash equivalents.

<sup>2</sup>Commercial aquaculture licenses are valued at NOK 247m per license for the purpose of the equity ratio calculation.

## GROUP FINANCIAL REVIEW

The Group delivered revenues of NOK 1,276m (NOK 1,570m), a reduction of 19% compared to the same quarter last year mainly driven by lower volumes sold in Processing. Farming revenue saw an increase of NOK 76m (+31.2%) YoY while Processing revenue was reduced by NOK 308m (-20.2%). Processing generated revenues of NOK 1,218m (NOK 1,526m), where the decrease is mainly driven by lower volume sold. Farming generated total revenue of NOK 318m (NOK 242m), driven by higher volumes and higher prices.

Group EBITDA was NOK 89m (NOK 162m), a 42% decrease YoY. Salmon prices increased into the fourth quarter, which benefited Farming and offset the weaker performance in Processing.

Processing delivered negative EBITDA of NOK -1m, a 101% decline compared to the same quarter last year and driven by an over 13% reduction in sales volume. Production was significantly reduced in the fourth quarter due to lower contracted volumes caused by higher salmon prices and relatively higher US tariffs.

The farming segment delivered an EBITDA of NOK 90m (NOK 91m), flat compared to the same quarter last year. Harvested volume was higher and margin lower YoY.

The Company reported a net loss of NOK -230m (NOK -59), including NOK 172m in non-recurring items related to the refinancing of debt and unrealised losses in the movement of HBC shares during the quarter. Excluding non-recurring items, the net loss was NOK -58m.

The total balance sheet of the Company was at NOK 8,569m (NOK 7,572m). The composition of the balance sheet has changed since the same period last year, impacted mostly by various strategic investments, issuance of the senior secured bond, as well as the full consolidation of both Hofseth Development AS (the Egg development project) and World Heritage Salmon AS, which together have contributed to the increase in assets during the quarter. Total non-current assets were at NOK 5,226m (NOK 3,708m) whilst non-current interest-bearing liabilities were at NOK 3,943m (NOK 1,919m) at the end of the quarter.

The total equity position of Hofseth is NOK 1,753m (NOK 1,963m), representing a -11% decline YoY mainly impacted by a negative net profit during the last 12 months along with the reclassification of the Hofseth Development AS B-shares from equity to debt, and its subsequent redemption with proceeds from the senior secured bond issue. The equity level corresponds to an adjusted equity ratio for the Group of 27.4%.

Cash flow from operations was negative at NOK -200m during the fourth quarter compared to NOK 342m in the year-ago period. Cash flow from investing activities was NOK -423m (NOK -220m) whilst cash flow from financing activities NOK 681m (NOK -118m) was largely driven by the net increase in interest-bearing liabilities. Net change in cash during the quarter was NOK 57m (NOK 4m), leading to a cash position at quarter-end of NOK 182m (NOK 90m).

## FARMING DIVISION FINANCIAL REVIEW

The Farming division harvested 3,754mt (3,293mt) during the quarter, which is 14% higher YoY. Trout represented 50.5% of the total volume harvested in the quarter. Average harvest-weight was 5% lower vs last quarter and 1% lower YoY. The increased harvest volume compared to the same quarter last year is a result of good biology and higher sea temperatures.

Biomass increased by 8% during the quarter, driven by biomass build-up on the two new R&D licenses. These R&D licenses increase the MAB by more than 25% and will lead to higher cost efficiency and profit.

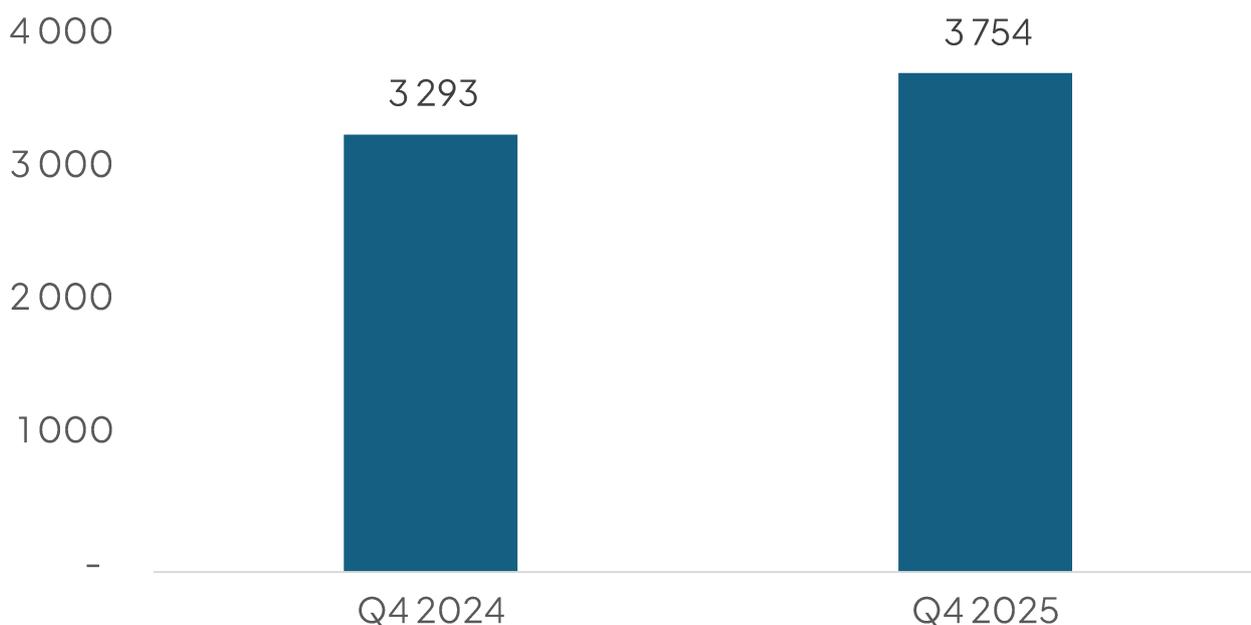
The Farming division is continuing the strong biological performance, with 12-month mortality of 4.3% (measured by fish count) and a quarterly mortality of 1.6%. Sea lice pressure was at approximately the same level as last year in traditional surface pens. The new submersible pens at the Bugane farming site started harvesting in the quarter. The overall experience so far is positive with a 70% decline in sea lice pressure and low mortality.

The superior share from harvest in the quarter was 92.7% (92.3%), compared with 89.9% (81.7%) for the full year.

The Farming division had full utilization of the commercial licenses and 46% utilization of the R&D licenses by the end of the fourth quarter.

The Farming division generated revenues of NOK 317.7m (NOK 242.1m) during Q4, which is a 31% YoY increase, driven by higher volumes. Q4 EBITDA was NOK 89.6m (NOK 90.6m) and a EBIT production cost of NOK 63.8/kg, an increase of 2% YoY. The EBIT/kg for Q4 was at NOK 15.9/kg (NOK 19.0).

Total Farming Volume Harvested (tonnes)



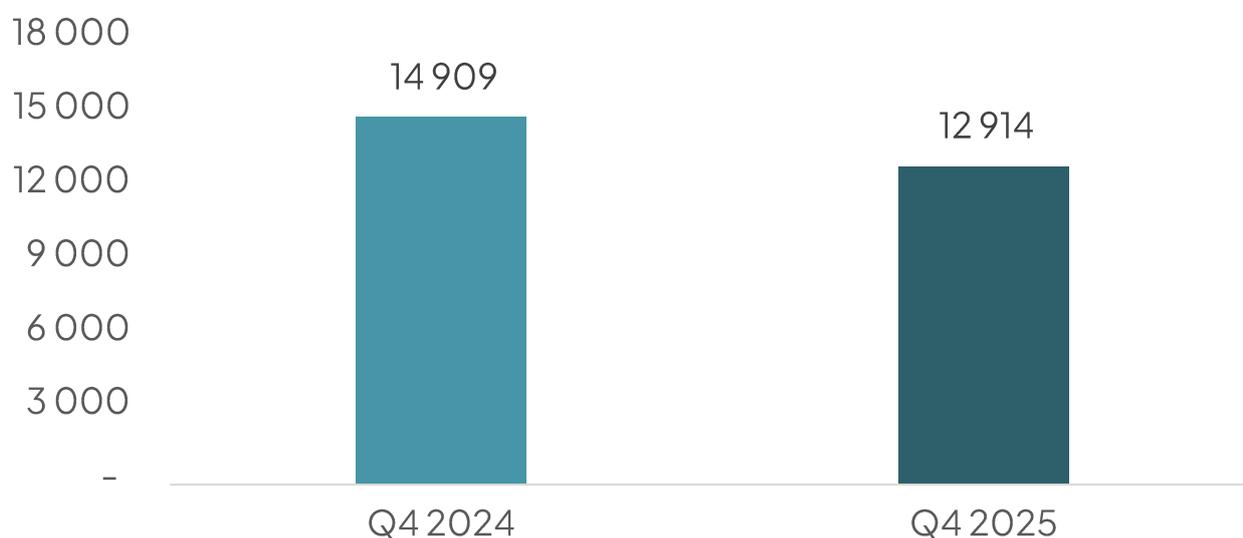
## PROCESSING DIVISION FINANCIAL REVIEW

The Processing segment sold a total volume of 12,914mt (14,909mt) during the Q4, -13% lower YoY reflective of lower sell-through of inventories versus the elevated comparison period last year. Raw material prices were on average 21% higher compared to the previous quarter and close to 9% higher than the same quarter last year. Production volumes in the fourth quarter were 11 416mt, a decrease of 20% compared to Q3 2025 and an decrease of 2% compared to the same period last year. Finished goods inventory was down 3% compared to the same period last year.

Average sales prices increased by nearly 3% YoY but were 1.0% lower compared to the previous quarter. The Processing segment generated revenue of NOK 1,218m (NOK 1,526m), representing a 20% YoY decrease, driven by lower volumes sold. The US market continues to account for the majority of sales of Hofseth's main products, representing more than 45% of total Processing main product sales. However, overall US sales volume declined by 12% compared to YTD 2024 and by 20% compared to the same quarter last year.

The Processing segment generated an EBITDA of NOK -0.8m (NOK 77.2m) during Q4 which is -101% lower than the same quarter last year.

Total Processing Volume Sold (tonnes)



## OUTLOOK

2026 marks a return to strong harvest volume growth for the Farming division, with an expected record production of approximately 16,000 tonnes HOG. This represents an increase year-over-year of 17% at the mid-point. The key driver is the contribution of first volumes from the two new R&D licenses which activated in August 2025. During the year ahead, Hofseth will now operate 7.17 commercial licenses, 1 tourist license, and the mentioned two R&D licenses.

The Nekst 'Sea Lilly' submersible pen development project (2 licenses) is expected to complete construction and the steel pen frame shall be placed at the Vindsnes farming location during Q1. Fish stocking will occur in June with first harvest volumes expected during Q1 2027. Capex and timeline remain in line with management expectations.

Meanwhile, the larger Egg closed containment development project (6 licenses) shall also make material progress in 2026 with the construction of the first large E20000 Egg system. Deployment of the first large Egg is now expected during Q1 2027 (previously Q4 2026).

Management has evaluated the optimal production mix for the Farming division going forward and will commence a transition plan away from trout in favour of salmon. Accordingly, during 2026 the Tafjord smolt facility will begin the switch to producing only salmon smolt.

Meanwhile, 2026 is expected to be a significantly more challenging period for the Processing division with very low contract coverage. Entering the year, Norwegian processors faced a 15% tariff into the USA versus Chile's 10%, which has pushed US buyers towards signing cheaper Chilean supply contracts for 2026. With the recent normalisation in tariffs to 10% for all salmon supplying countries, this may now contribute towards a stronger second half in terms of volumes sold.

The Processing division continues to progress the rollout of the patented IceFresh defrosting technology across key markets, particularly in the US. By the end of Q1, four defrosting hubs will be in operation, of which three are located in the USA plus the first defrosting hub in Germany. At least one major US retailer is now scheduled to launch an IceFresh refreshed program during the year, with a growing pipeline of potentially significant volume opportunities in the USA, Europe and Asia.

Processing volumes sold are expected to be as much as 30% lower in 2026. Management are taking this opportunity to focus on cost reduction and drive efficiency measures in readiness for a return to increasing volumes in H2 and heading into a more normalised 2027.

Hofseth enters 2026 with a significantly optimised capital structure, with the successful placement of the EUR 300m green senior secured bond and the NOK 1bn RCF. Further progress will be made towards strengthening Hofseth's balance sheet with a planned equity issue expected during the year, with the largest shareholders providing strong commitments in support.

## CAPITAL STRUCTURE

As of the end of Q4 2025, total equity amounted to NOK 1,753m, corresponding to an equity ratio of 20.5%. Net interest-bearing debt was NOK 4,736m, an increase from NOK 3,886m in Q4 2024. The main drivers of the increase in the net interest-bearing debt are the issuance of the senior unsecured bond and conversion of accounts payable from a key supplier into short-term interest-bearing debt of NOK 500m during Q2 2025. The leverage ratio (NIBD / TTM EBITDA) was 9.0x (6.1x), reflective of a higher lending base combined with somewhat lower TTM EBITDA impacted by the salmon market price volatility and market turmoil over the last year. The Group's main borrowings consist of a EUR 300m senior secured green bond, a NOK 1bn Eksfin-backed RCF and a USD 80m ABL for the US distribution entity. As at end Q4 2025 the Group's total cash was NOK 181.7m (NOK 90.4m).

## CONSOLIDATED INCOME STATEMENT

NOK thousands	Notes	Q4 2025	Q4 2024
<b>Revenue</b>		<b>1 276 226</b>	<b>1 569 710</b>
Cost of goods sold		872 170	1 143 245
<b>Gross Profit</b>		<b>404 056</b>	<b>426 465</b>
Salaries and wages		175 910	147 226
Other operating costs		139 358	117 414
<b>EBITDA</b>		<b>88 788</b>	<b>161 824</b>
Depreciation and Amortisation		64 638	56 574
<b>Operating profit</b>		<b>24 150</b>	<b>105 250</b>
Net interest expense		99 840	79 652
Net FX gains or losses		35 651	10 766
Net other financial income and expenses		148 035	7 841
Unrealised gains or losses on listed securities		26 825	54 639
Total financial expenses		310 352	152 898
<b>Profit before tax</b>		<b>- 286 202</b>	<b>- 47 648</b>
Tax expense		- 56 115	11 230
<b>Net profit for the period</b>		<b>- 230 087</b>	<b>- 58 878</b>

NOK thousands	Notes	YTD 2025	YTD 2024
<b>Revenue</b>	1	<b>5 745 396</b>	<b>6 488 028</b>
Cost of goods sold		4 066 949	4 650 946
<b>Gross Profit</b>		<b>1 678 447</b>	<b>1 837 082</b>
Salaries and wages		659 381	513 552
Other operating costs		527 398	687 120
<b>EBITDA</b>		<b>491 667</b>	<b>636 411</b>
Depreciation and Amortisation		235 949	212 555
<b>Operating profit</b>		<b>255 719</b>	<b>423 856</b>
Net interest expense		368 253	301 262
Net FX gains or losses		23 603	30 319
Net other financial income and expenses	3	182 400	60 283
Unrealised gains or losses on listed securities		22 276	54 639
Total financial expenses		596 532	446 504
<b>Profit before tax</b>		<b>- 340 813</b>	<b>- 22 648</b>
Tax expense		- 60 870	12 670
<b>Net profit for the period</b>		<b>- 279 943</b>	<b>- 35 318</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK thousands	Notes	YTD 2025	YTD 2024
<b>ASSETS</b>			
Intangible non-current assets		1 692 232	975 437
Tangible non-current assets		2 365 831	1 879 773
Goodwill		81 210	102 194
Other non-current assets		1 086 926	750 808
<b>Total non-current assets</b>		<b>5 226 199</b>	<b>3 708 212</b>
Inventory	4	1 553 511	1 585 797
Receivables		1 528 250	2 086 365
Securities and shares		79 169	100 963
Cash and cash equivalents		181 732	90 432
<b>Total current assets</b>		<b>3 342 662</b>	<b>3 863 557</b>
<b>TOTAL ASSETS</b>		<b>8 568 860</b>	<b>7 571 769</b>
<b>EQUITY AND LIABILITIES</b>			
Equity		1 746 705	1 958 036
Non-controlling interests		6 484	4 531
<b>Total equity</b>	<b>5</b>	<b>1 753 189</b>	<b>1 962 567</b>
Deferred Taxes		0	55 744
Non-current interest-bearing liabilities	6	3 941 943	1 862 964
Other long term liabilities		1 032	0
<b>Total non-current liabilities</b>		<b>3 942 975</b>	<b>1 918 708</b>
Trade payables		1 623 115	2 474 105
Current interest-bearing liabilities	6	975 013	1 010 845
Current provisions and other liabilities		274 566	205 544
<b>Total current liabilities</b>		<b>2 872 695</b>	<b>3 690 494</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8 568 860</b>	<b>7 571 769</b>

## CONSOLIDATED CASH FLOW STATEMENT

NOK thousands	Notes	Q4 2025	Q4 2024	YTD 2025	YTD 2024
Profit or loss before income taxes		- 286 202	- 47 648	- 340 813	- 22 648
Depreciation		64 638	56 574	235 949	212 555
Taxes paid in the period		- 1 022	- 3 674	- 28 321	- 3 696
Loss or gain from sale of non-current assets		- 1 937	- 9 558	- 2 310	-
Change in fair value of marketable securities		26 825	54 639	22 276	54 639
Change in inventory		- 62 117	- 12 828	32 286	197 977
Change in trade receivables		485 593	205 273	165 082	- 255 447
Change in trade payables		- 392 908	17 554	- 362 535	472 669
Change in other provisions		- 32 843	81 645	- 106 000	- 67 636
<b>Net cash flow from operating activities</b>		<b>- 199 972</b>	<b>341 977</b>	<b>- 384 387</b>	<b>588 412</b>
Purchase of fixed assets		- 203 975	- 196 583	- 518 730	- 333 001
Proceeds from sale of fixed assets		- 48 660	4 532	15 077	4 532
Purchase of shares in other companies		- 170 698	22 688	- 190 000	- 3 197
Proceeds from sale of shares in other companies		-	-	-	-
Net proceeds from other investments		-	50 351	-	50 351
<b>Net cash flow from investment activities</b>		<b>- 423 332</b>	<b>- 219 713</b>	<b>- 693 652</b>	<b>- 382 016</b>
Net proceeds from long term loans		1 039 737	- 23 690	1 932 492	- 15 411
Net proceeds from short term loans		685 086	-	685 086	-
Net change in bank overdraft		- 863 444	- 164 230	- 1 220 918	- 355 430
Payment of dividend on preference shares		- 12 606	-	- 12 606	-
Cash paid refinancing (incl. Break-fees)		- 168 053	-	- 214 715	-
Proceeds from sale of shares in own company		-	-	-	-
Net proceeds from equity transactions		-	69 549	-	2 966
<b>Net cash flow from financing activities</b>		<b>680 721</b>	<b>- 118 371</b>	<b>1 169 339</b>	<b>- 373 806</b>
<b>Net change in cash and cash equivalents</b>		<b>57 417</b>	<b>3 893</b>	<b>91 300</b>	<b>- 167 411</b>
Cash and cash equivalents, beginning of period		124 315	86 539	90 432	257 842
<b>Cash and cash equivalents, end of period</b>		<b>181 732</b>	<b>90 432</b>	<b>181 732</b>	<b>90 432</b>

## NOTES TO THE ACCOUNTS

### 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 2024 Annual Report.

The figures in the interim financial statements are unaudited.

### 2. Group revenue by region

NOK thousands	Q4 2025	Q4 2024	YTD 2025	FY 2024
North America	507 273	632 380	2 570 032	3 008 280
Europe ex Norway	410 803	569 528	1 638 777	1 631 073
Norway	206 813	247 574	830 245	1 085 971
Asia, Oceania	151 337	120 228	706 342	762 704
<b>Total revenue</b>	<b>1 276 226</b>	<b>1 569 710</b>	<b>5 745 396</b>	<b>6 488 028</b>

### 3. Specification of net other financial income and expenses

NOK thousands	31.12.2025	31.12.2024
Other financial income	15 227	2 380
Break fees and amortizations (settled bond-loan)	144 368	0
Other financial expenses	53 259	62 663
<b>Total other financial income and expenses</b>	<b>182 400</b>	<b>60 283</b>

### 4. Specification of inventory

NOK thousands	31.12.2025	31.12.2024
Raw materials	73 924	133 933
Finished goods	886 521	901 934
Biological assets	593 066	549 929
<b>Total inventory</b>	<b>1 553 511</b>	<b>1 585 797</b>

## 5. Changes in equity

<b>NOK thousands</b>	<b>31.12.2025</b>	<b>31.12.2024</b>
Total equity opening balance 01.01	1 962 567	2 066 504
Profit/loss of the year	-279 943	-35 318
Change of treasury shares	47 641	0
Share capital increase	60 512	0
Dividend	0	0
Capital reduction - preference shares	0	-79 011
Other changes in equity	-12 606	-2 147
Currency differences	-24 982	12 538
<b>Total equity, closing balance</b>	<b>1 753 189</b>	<b>1 962 567</b>

## 6. Specification of interest-bearing liabilities

<b>NOK thousands</b>	<b>31.12.2025</b>	<b>31.12.2024</b>
Bond loan	3 436 461	0
Bank loans	166 984	1 471 609
Leasing	298 848	234 027
Other non-current loans	39 650	157 329
Current interest bearing liabilities	975 013	1 010 845
<b>Total interest-bearing liabilities</b>	<b>4 916 956</b>	<b>2 873 809</b>