HOFSETH

2026

Second Quarter

Content

THIS IS
HOFSETH

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. 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


Olav Holst-Dyrnes, Group CEO


Roger Hofseth, Group CCO


Svein Myhre, Group CFO


David Huggins, Group COO

Senior Management


Jan Are Remme, CHRO – Comms & Sustainability


Trond Valderhaug, Chief Sales Officer


André Skarbø, COO Farming


Svein Flølo, Chief Strategy Officer, Farming


Anders Hoff, SVP System & IT

Strategic Initiatives Summary

The "Sea Lilly" is operational

The "Sea Lilly" submersible pen was deployed at Vindsnes for testing and preparation in Q2. In early July, 130,000 salmon averaging 1.2 kg were transferred to the pen. The fish are showing good welfare and strong performance, with very low mortality. Harvesting is expected to take place in Q1 2027.

The "Egg" project – production underway

Production of the components for the first "Egg" commenced in Liepaja, Lithuania, in Q2. The project remains on schedule, with assembly in Norway expected to commence in Q4 2026 and the unit scheduled to be deployed at sea in Q1 2027.

Tafjord transition started

The first batch of salmon was stocked into the hatchery in Q2 2026, marking the start of the transition from trout to salmon at the Tafjord smolt production facility. It is progressing according to plan, with a test group of 200,000 salmon smolt reaching 40 grams and demonstrating strong biological performance.

Holst-Dyrnes joins as Group CEO

Olav Holst-Dyrnes started as Hofseth's first external CEO in August, marking an important leadership transition. Roger Hofseth will continue in the management group and turn his focus to the optimization of the sales and VAP operations.

Key Figures

HARVESTED VOLUME	PROCESSED VOLUME	ICEFRESH VOLUME
3,606 TONNES	7,290 TONNES	216 TONNES
REVENUE	**EBITDA**	**NET INCOME**
899.4 MILLION	113.7 MILLION	-99.4 MILLION

Financial Performance Summary

- Group revenue amounted to NOK 899.4 million (NOK 1,455.9 million), a decrease of approximately 38% year-on-year, driven primarily by lower volumes in the Processing segment following reduced contract intake.

- Group EBITDA amounted to NOK 113.7 million (NOK 168.6 million), while Net Profit/loss in the period of NOK -99.4 million (NOK -27.8 million). The result was supported by a USD 10.7 million US IEEPA tariff refund in the Processing segment.

- Group equity amounted to NOK 1,770 million (NOK 1,983 million), corresponding to a book equity ratio of 19.8% and a value-adjusted equity ratio of 26.5%.

- Cash flow from operating activities was NOK 262 million (NOK -269 million), impacted by working capital movements and lower operating performance.

Group Financial Review

Revenue and profitability

The Group generated total revenue of NOK 899.4 million in the quarter, compared with NOK 1,455.9 million in the same quarter last year, representing a decline of approximately 38%. 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 decreased by NOK 41.1 million (-13%) to NOK 269.2 million, mainly driven by lower sales prices. Revenue in the Processing segment declined by NOK 597.8 million (-44%) to 747.2 million, driven by the reduced activity levels in the period.

Group EBITDA amounted to NOK 113.7 million (NOK 168.6 million), a decrease of 33% year-on-year. The decline was primarily driven by weaker underlying performance in the Processing segment and weaker Farming segment EBITDA compared with the same period last year.

Group Net Profit After Tax was NOK -99.4 million (NOK -27.8 million). The reduction year-on-year is mainly driven by lower EBITDA, higher depreciation, higher net interest expenses and partially offset by positive net FX gains/losses in the period.

Segment performance

The Processing segment reported EBITDA of NOK 111.1 million, compared with NOK 146.3 million in the same quarter last year. The result includes a provision of USD 10.7 million related to the remaining reimbursement of US IEEPA tariffs.

The Farming segment delivered EBITDA of NOK 2.6 million (NOK 22.3 million), a decrease of NOK 19.7 million. The weaker result was partly driven by lower realized sales prices and higher cost per kg.

Financial Position

Total assets amounted to NOK 8,931 million at quarter-end, compared with NOK 7,801 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 World Heritage Salmon AS and Nye Icefresh AS following the acquisitions completed during the period.

Non-current assets amounted to NOK 5,584 million (NOK 4,084 million), while non-current interest-bearing liabilities totaled NOK 3,760 million (NOK 2,641 million) at quarter-end.

Group equity amounted to NOK 1,770 million (NOK 1,983 million), corresponding to a book equity ratio of 19.8%. On a value-adjusted basis for financial covenant reporting purposes, the adjusted equity is NOK 2,585 million with a ratio of 26.5%. 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 262 million in the second quarter, compared with NOK -269 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 -102 million (NOK -31 million). Cash flow from financing activities was NOK 31 million (NOK -504 million), mainly driven by a net increase in interest-bearing liabilities.

Net change in cash during the quarter was NOK 191 million (NOK -805 million), resulting in a cash position of NOK 309 million at quarter-end (NOK 251 million).

Farming Division Financial Review

Production

The Farming division harvested 3,606 tonnes HOG (3,738 tonnes), representing a decrease of 3.5% compared with the same quarter last year. Trout accounted for 35% of total harvested volume. Average harvest weight increased by 20% year-on-year and was flat versus the previous quarter, 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 Q2 2026 was 6,916 tonnes, representing an increase of 16.3% compared with the same period last year. As of quarter-end, utilization of ordinary licenses was 93%, while utilization of the R&D licenses was 82%. The first harvest from the new R&D licenses was carried out in the second quarter (466 tonnes).

Biological Performance

The Farming division continued to deliver strong biological performance, with 12-month mortality of 6.0% measured by fish count and quarterly mortality of 1.5%. A comprehensive spring de-licing operation was conducted in the fjord, with very good effects across all sites, lasting through the remainder of Q2 and into Q3. The first generation produced in the submerged pens at Bugane was completed in Q2, delivering positive results for salmon and slightly weaker-than-expected performance for trout. The Bugane site recorded a 70% reduction in delousing treatments compared with conventional surface-based farming.

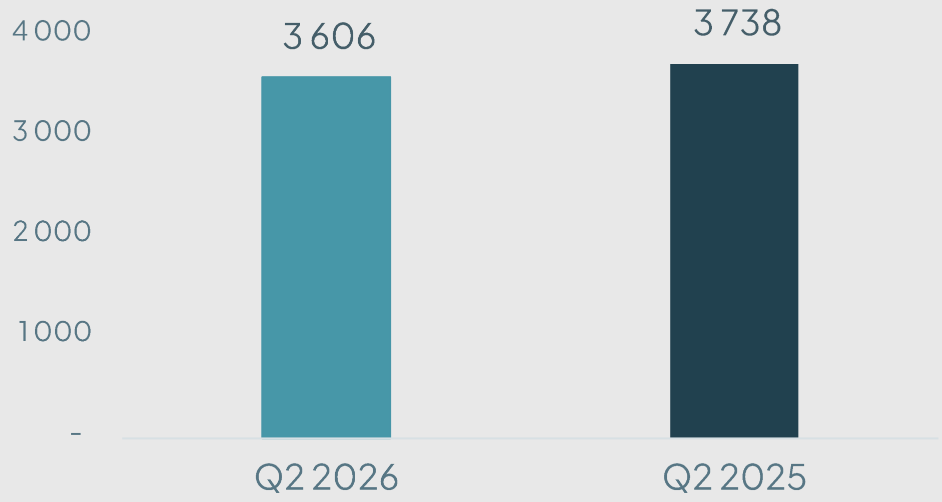
The superior share from harvest continues to increase and was 92.4% in the quarter, compared with 88.3% in the corresponding quarter last year. This compares with a superior share of 89.9% for the full year 2025, and 81.7% for the full year 2024.

Financial Results

The Farming division generated revenues of NOK 269.2 million (NOK 310.3 million) in the quarter, representing a decrease of 13.2% year-on-year, mainly driven by lower sales prices. EBITDA amounted to NOK 2.6 million (NOK 22.3 million). EBIT cost was NOK 81.2/kg, an increase of 3% year-on-year, while EBIT per kg was NOK -6.9/kg (NOK -0.7/kg).

The Group reports a rolling 12-month adjusted EBIT cost per kg of NOK 69.7, excluding interest expenses, and a rolling 12-month adjusted EBITDA cost per kg of NOK 63.0. (See note 1)

Total Farming Volume Harvested (tonnes)



Processing Division Financial Review

Production and Sales

The Processing segment sold a total volume of 9,353 tonnes (13,946 tonnes) in the second quarter, representing a decrease of 33% year-on-year. The decline reflects the materially lower contracted business for 2026.

Raw material prices decreased by approximately 7% compared with the previous quarter and increased by approximately 13% compared to the same quarter last year.

Financial Results

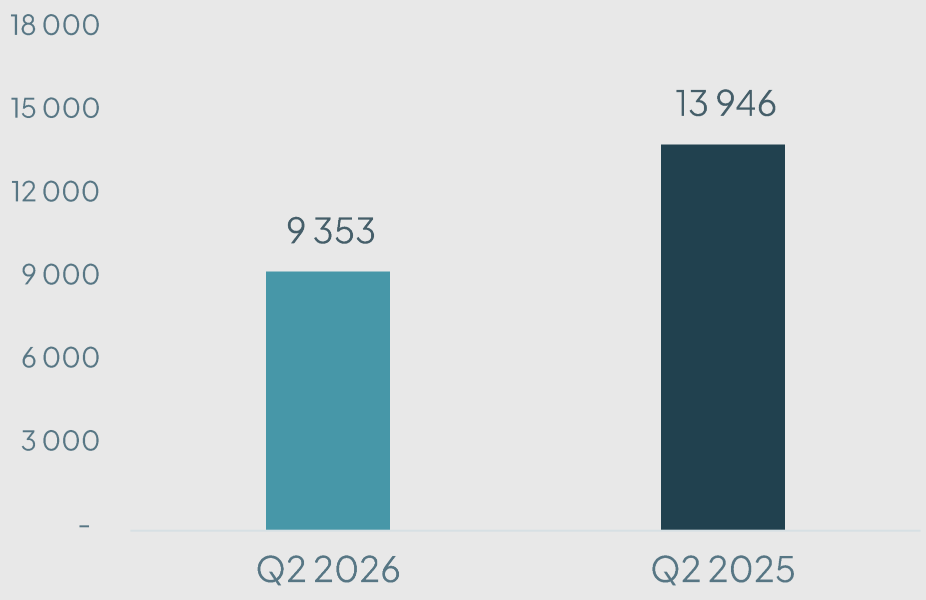
Average sales prices decreased by approximately 1% year-on-year but increased by 3% compared with the previous quarter. The Processing segment generated revenue of NOK 747.2 million (NOK 1,345.0 million), representing a decrease of 44% year-on-year, driven almost exclusively by lower sales volumes.

The US market continues to represent the largest end-market for the Group's main products, accounting for more than 30% of total Processing sales. US sales volumes over the last twelve months declined by 38% compared with the prior twelve-month period and by 62% compared with the same quarter last year.

The Processing segment EBITDA amounted to NOK 111.1 million (NOK 146.3 million) in the quarter, corresponding to a modest reduction in losses year-on-year. The Q2 EBITDA result includes the booking of a USD 10.7 million IEEPA tariff refund, supported by evidence of the tariff refund payments being received by Hofseth's US subsidiary since the quarter-end.

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.

Total Processing Volume Sold (tonnes)



Events After Reporting Date

Shortly after quarter-end, Hofseth LLC, the Group's wholly-owned US sales and distribution entity, received the remaining USD 19 million in tariff refunds. Norway now faces a 12.5% tariff rate into the US market which, although higher than the previous 10%, is aligned with Chilean salmon. The Group will continue to monitor the tariff situation with the United States through the balance of the year.

Additionally, within the Farming division one site has experienced a biological related issue arising in early Q3 which is expected to adjust the H2 harvest schedule slightly. Meanwhile, the Sea Lilly submersible pen concept has been stocked with its first fish, and feeding performance is in line with trend, as is biology.

Outlook

The outlook for the Group remains relatively unchanged versus the Q1 period.

Processing

Hofseth continues to navigate through a lower contracted volume period, but as previously indicated, in the second half volumes are still expected to rebound from H1's suppressed level. As the division rebuilds volumes, the various optimisation initiatives being implemented are starting to bear fruit. This is expected to translate into increased labour efficiency, higher yields, and lower processing costs. These together will drive increasing competitiveness for Hofseth in the marketplace.

Contract discussions for 2027 will commence during the next months with early indications that finished product prices will be higher compared to the current year. The late Q3 and early Q4 period will be key for the Processing division to secure more volume for the year ahead.

In addition to the division's increasing cost competitiveness, the IceFresh proposition is proving to be a differentiating feature in the marketplace with growing trial interest, particularly in the US. The Group now has multiple launches across both the US and Europe during the second half.

Farming

The cooler summer conditions and lower sea lice pressure in the fjords are expected to support favourable conditions through the rest of 2026. Q3 volumes will be somewhat higher than expected but with reduced harvest weights and anticipated lower average selling price, while Q4 volumes will be slightly reduced.

The revised production volume estimate for 2026 remains approximately 16,000 tonnes HOG. Regarding the Sea Lilly's first harvest volumes, the latest forecast suggests that this will now be harvested during early Q1 2027.

Capital

The Company continues to progress the private placement of approx. NOK 600 million with SB1 Markets as advisor. The Private Placement is now expected to close before the year end.

Capital Structure

As of the end of Q2 2026, total equity amounted to NOK 1,770 million, corresponding to an equity ratio of 19.8%.

Net interest-bearing debt amounted to NOK 4,808 million, compared with NOK 3,541 million in Q2 2025. The increase was primarily driven by the issuance of the senior secured EUR 300 million green bond and the NOK 1 billion Eksfin-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 15.1x (6.4x), reflecting higher net interest-bearing debt combined with a lower TTM EBITDA, impacted by salmon price volatility and challenging market conditions in the Processing segment over the past year.

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

Total cash amounted to NOK 308.5 million at the end of the quarter (NOK 251.5 million).

Consolidated Income Statement

(NOK 1 000)	Notes	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Total operating revenue	1	**899 405**	**1 455 895**	**1 889 022**	**2 893 996**
Cost of goods sold		572 458	1 009 026	1 274 341	2 140 599
Gross Profit		**326 947**	**446 868**	**614 681**	**753 396**
Payroll & social security expenses		116 538	109 355	240 385	296 256
Other operating costs		96 687	168 930	224 998	233 155
EBITDA		**113 722**	**168 583**	**149 298**	**223 985**
Depreciation and Amortization		76 755	55 731	141 324	110 675
Operating profit		**36 967**	**112 852**	**7 974**	**113 310**
Net interest expense		109 888	82 407	221 486	162 153
Net FX gains or losses		33 323	-5 718	-133 775	-9 721
Net other financial income and expenses		16 297	20 414	18 243	24 156
Unrealized gains or losses on listed securities		2 683	39 791	-3 577	-5 345
Net financial income and expenses	3	**162 190**	**136 895**	**102 378**	**171 243**
Profit before tax		**-125 223**	**-24 042**	**-94 404**	**-57 933**
Tax expense		-25 857	3 737	-28 284	-13 241
Net profit for the period		**-99 366**	**-27 780**	**-66 120**	**-44 692**

Consolidated Statement of Financial Position

(NOK 1 000)	Notes	30.06.2026	30.06.2025	31.12.2025
Assets				
Intangible non-current assets		2 153 615	1 243 100	1 691 948
Goodwill		74 932	80 999	81 210
Deferred tax assets		15 629	-	39 490
Tangible non-current assets		2 525 023	2 088 295	2 368 984
Other non-current financial assets		815 071	671 690	1 061 269
Total non-current assets		**5 584 270**	**4 084 084**	**5 242 901**
Inventories	4	1 306 740	1 347 771	1 553 511
Trade receivables		1 122 835	1 834 903	1 166 650
Other receivables		525 761	176 712	266 739
Securities and shares		82 746	106 308	79 169
Cash and cash equivalents		308 525	251 450	181 732
Total current assets		**3 346 607**	**3 717 144**	**3 247 801**
Total assets		**8 930 877**	**7 801 228**	**8 490 702**
Equity and liabilities				
Equity		1 709 702	1 958 936	1 674 122
Non-controlling interests		60 501	23 817	12 260
Total equity	5	**1 770 203**	**1 982 753**	**1 686 382**
Deferred Taxes		-	35 562	-
Non-current interest-bearing liabilities	6	3 759 916	2 641 473	3 942 975
Other non-current financial liabilities		50 097	-	-
Total non-current liabilities		**3 810 013**	**2 677 035**	**3 942 975**
Trade payables		1 824 087	1 830 495	1 620 030
Current interest-bearing liabilities	6	1 356 188	651 263	975 013
Current provisions and other liabilities		170 386	659 682	266 302
Total current liabilities		**3 350 661**	**3 141 441**	**2 861 345**
Total equity and liabilities		**8 930 877**	**7 801 228**	**8 490 702**

Consolidated Cash Flow Statement

(NOK 1 000)	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Profit/loss before income taxes	-125 223	- 24 042	-94 404	-57 933
Taxes paid in the period	-	-6 712	5 435	-27 299
Depreciation, amortizations and impairment	77 051	55 731	141 324	110 675
Loss or gain from sale of non-current assets	-	-	312	-373
Change in fair value of marketable securities	2 683	39 791	-3 577	-5 345
Change in inventory	38 608	28 911	246 771	238 026
Change in trade receivables	384 361	-49 880	43 815	-3 420
Change in trade payables	261 379	-237 547	204 057	-143 610
Changes in other accrual accounting entries	-376 448	-75 139	-535 654	-173 610
Net cash flow from operating activities	**262 410**	**-268 887**	**8 080**	**-62 888**
Proceeds from sale of fixed assets	-	-	5 312	11 202
Purchase of fixed assets and intangible assets	- 99 311	-31 450	-210 521	-151 691
Net proceeds from other investments	-2 870	-	-52 870	-
Net cash flow from investments activities	**- 102 180**	**- 31 450**	**-258 078**	**-140 490**
Net proceeds from non-current interest liabilities	-2 334	-40 384	-4 383	909 976
Net proceeds from current interest liabilities	89 462	-	310 953	-
Net change in bank overdraft facilities	-56 475	- 464 064	70 222	-498 918
Payment of dividend on preference shares	-	-	-	-
Cash paid refinancing	-	-	-	-46 662
Net cash flow from financing activities	**30 653**	**-504 448**	**376 792**	**364 396**
Net change in cash and cash equivalents	190 883	-804 786	126 793	161 018
Cash and cash equivalents, beginning of period	117 642	1 056 236	181 732	90 432
Cash and cash equivalents, end of period	**308 525**	**251 450**	**308 525**	**251 450**
Unused RCF	3 961	-	3 961	-
Liquidity reserve	**312 486**	**251 450**	**312 486**	**251 450**

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 rolling 12-month adjusted EBIT-/EBITDA cost per kilogram HOG. This is calculated as total EBIT-/EBITDA-related costs over the preceding twelve months divided by total production volume over the same period. This metric is intended to reflect the underlying production economics of the period, independent of harvest timing, changes in biomass and inventory levels, and the classification of interest expenses. Accordingly, the measure provides a more consistent basis for assessing operational performance over time and enhances comparability with IFRS-reporting peers, while capturing operational improvements and increased production efficiency on a more continuous basis. The differences described above primarily affect the timing and periodisation 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)	**Q2 2026**	**Q2 2025**	**YTD 2026**	**YTD 2025**
North America	250 156	647 805	616 618	1 389 208
Europe	260 590	470 727	530 052	859 332
Norway	134 130	172 596	333 465	321 899
Asia, Oceania	254 529	164 767	408 886	323 557
Total	**899 405**	**1 455 895**	**1 889 022**	**2 893 996**

Note 3 Financial income and expenses

(NOK 1 000)	**Q1 2026**	**Q1 2025**	**YTD 2026**	**YTD 2025**
Finance income				
Interest income	26 281	23 785	46 724	30 313
Foreign exchange items (agio)	-20 198	16 118	163 538	25 144
Change in fair value of marketable securities	-2 683	-39 791	3 577	5 345
Change in fair value of financial instruments	-12 651	-	-	-
Other financial income	3 293	3 909	4 035	16 332
Total finance income	**–5 957**	**4 021**	**217 873**	**77 134**
Finance expense				
Interest expenses	136 169	106 192	268 210	192 466
Loss on foreign exchange items (disagio)	13 125	10 400	29 763	15 423
Other finance expense	6 940	24 323	22 278	40 487
Total finance expense	**156 233**	**140 915**	**320 251**	**248 377**
Net finance income and expense	**162 190**	**136 895**	**102 378**	**171 243**

Note 4 Specification of inventories

(NOK 1 000)	**30.06.2026**	**30.06.2025**	**31.12.2025**
Raw materials	74 802	100 185	73 924
Finished goods	606 893	664 780	886 521
Biological assets	625 045	582 806	593 066
Total inventories	**1 306 740**	**1 347 771**	**1 553 511**

Note 5 Changes in equity

(NOK 1 000)	**30.06.2026**	**30.06.2025**	**31.12.2025**
Total equity opening balances 01.01.2026	**1 686 382**	**1 962 567**	**1 962 567**
Profit/loss for the period	-66 120	-44 692	-346 909
Other changes in equity	156 293	51 327	92 511
Foreign currency translation differences	-6 351	13 551	-21 788
Total equity, closing balance	**1 770 203**	**1 982 753**	**1 686 382**

Note 6 Specification of interest-bearing liabilities

(NOK 1 000)	**30.06.2026**	**30.06.2025**	**31.12.2025**
Bond loan	3 286 731	954 090	3 436 461
Bank loans	168 215	1 264 358	168 017
Leasing	269 902	221 811	298 848
Other loans	35 068	201 214	39 650
Total non-current interest-bearing liabilities	**3 759 916**	**2 641 473**	**3 942 975**
Credit facility (US)	360 149	360 446	289 927
Bank loan (RCF)/overdraft facility (Norway)	996 039	290 817	685 086
Total current interest-bearing liabilities	**1 356 188**	**651 263**	**975 013**

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