

INTERIM REPORT
Q4 2024



Kaldvík





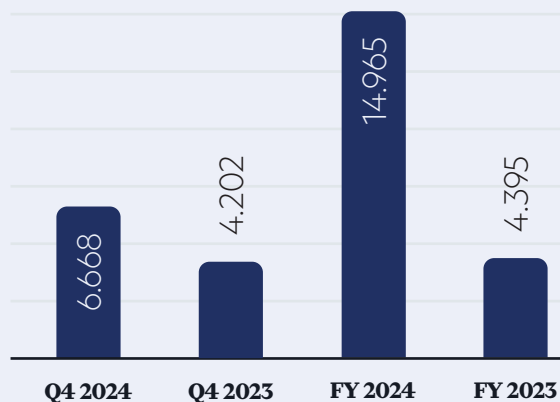
INTERIM REPORT

Q4 2024

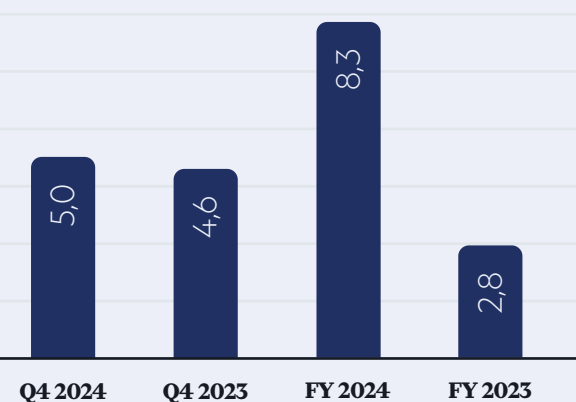


HIGHLIGHTS Q4 2024

**Harvested volume
(tonnes)**

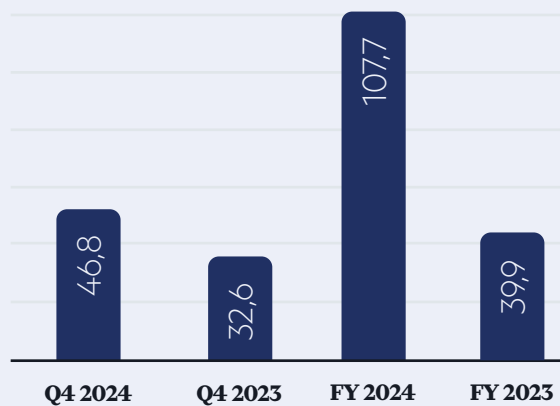


**Operational EBIT
(EURm)***



KEY FIGURES

**Revenue
(EURm)**



**Group EBIT/kg
(EUR)***



* Q4 2024 and FY 2024 figures adjusted for one-off biomass write-down



KALDVÍK Q4 HIGHLIGHTS

BIOLOGICAL INCIDENTS Q4

- Biomass write-down MEUR 23.1

ADJ. OPERATIONAL EBIT EURM 5.0

- 6 668 tonnes harvested in Q4
- Group EBIT adjusted for biomass write-down of 0,76 EUR/KG

OUTLOOK

- Harvest guidance 21 500 tonnes in 2025
- Q1 2025 guidance of 5 500 tonnes
- Smolt output of 7.5 million

STRATEGIC UPDATE

- Acquisition of strategic assets
- New license in Seyðisfjörður
- Refinancing process initiated

KALDVÍK

Kaldvik AS is a holding company within the Icelandic aquaculture sector, owning 100% of Kaldvík hf. (formerly Fiskeldi Austfjarða hf.) and holding a 66.7% share in Búlandstindur ehf. As a pioneer in the Icelandic salmon farming industry, Kaldvik AS stands out not only for its scale but also for its commitment to sustainability and quality.

The company boasts a well-developed, fully integrated value chain that spans from hatchery to sales. This comprehensive control over each step of the production process enables Kaldvik AS to deliver a sustainable, premium product to its customers, setting new standards for quality and environmental stewardship in the industry.

Rooted in the rich natural landscapes of Iceland, Kaldvik AS operates from its headquarters in Iceland. This strategic location not only provides access to pristine aquatic environments but also reinforces the company's commitment to leveraging Iceland's unique resources for sustainable salmon farming practices.

Q4 2024 FINANCIAL PERFORMANCE OVERVIEW

REVENUES AND OPERATING RESULTS

These Financial Statement are presented in Euro (EUR), which is the Group's functional currency. The Group's functional currency in previous years has been NOK. The transition of the functional currency from NOK to EUR was made as of 1 January 2024. All comparative figures for the previous year have been translated to EUR using the conversion rate at year-end 2023 which was EUR/NOK 11,2405, including financial information presented in the notes.

Kaldvik AS experienced a substantial revenue increase in the fourth quarter, reaching EUR 46.8 million, up from EUR 32.6 million in the same quarter of the previous year. Operating EBIT before fair value adjustment of biomass and production tax was negative EUR 18.1 million. When adjusted for a one-off biomass write-down the operational EBIT was positive of EUR 5.0 million. Compared to 4.6 million in the same quarter 2023. The harvested volume in Q4 2024 was 6 668 tonnes. Bringing total harvested volume for the year 2024 to 14 965 tonnes, compared to 4 395 tonnes for the full year 2023.

The average price achievement during the quarter decreased from the same quarter last year. Average price achieved in Q4 2024 was 6.9 EUR/kg compared to 7.1 EUR/kg in Q4 2023.

The Group EBIT per kg in Q4 2024 adjusted for biomass write-down was EUR 0.76, compared to EUR 1.09 in Q4 2023.

BALANCE SHEET

ASSETS OVERVIEW

By the end of Q4 2024, Kaldvik AS's total assets are at EUR 483 million, down from EUR 510 million at the end of Q3 2024. This is primarily driven by a decrease in biological assets, mainly due to a one-off biomass write-down of EUR 23.1 million.

The biological assets were reported at EUR 130 million, with EUR 17.5 million accounted for as fair value (FV) adjustment in Q4 2024, a decrease from EUR 155 million with EUR 18.4 million in FV adjustment in Q3 2024.

The book value of non-current assets experienced growth during Q4, with total investments in property, plant, and equipment (PP&E) reaching EUR 5.2 million.

EQUITY AND LIABILITIES INSIGHT

The balance sheet remains robust, with an equity ratio of 56,0% at the end of Q4 2024. Total liabilities decreased to EUR 212 million in Q4 2024, down from EUR 219 million in Q3 2024. Net interest-bearing debt, including lease liability, rose to EUR 166 million in Q4 2024 compared to EUR 158 million in Q3 2024.

INVESTMENTS

In the fourth quarter of 2024, Kaldvik AS committed EUR 5.2 million to capital expenditure (Capex) investments, primarily focusing on enhancements to our smolt facilities. Total capex investments in 2024 amounted to EUR 23.5 million. Compared to EUR 19.5 million in 2023.

OPERATIONAL INFORMATION

SMOLT PRODUCTION

The company boasts two land based facilities, one in the South coast and other on the North coast of Iceland.

We have implemented rigorous quality control measures, with third-party evaluations ensuring the robustness of our smolts. By focusing on optimal land-based conditions and maximizing production capacity, we are not only improving on-land operations but also ensuring better performance and survival rates at sea.

As of 2024 all our smolts benefit from an advanced vaccination program against *Moritella viscosa* and ISA (Infectious Salmon Anaemia), tailored specifically for Icelandic conditions. This proactive health management strategy is crucial for improving survival rates.

Looking ahead to 2025, we plan to release at least 7.5 million smolt, a significant increase from around 5.6 million in 2024. Our land-based production capacity is projected to be between 7 and 8 million smolt, with an average weight of 300-400 grams.



LAND SOUTH

In Land South we have both fresh water and post-smolt facilities. At Fiskalón and Bakki we have our freshwater facilities and at Laxabraut our saltwater post-smolt facility.

At the end of the quarter total number of fish in Land south amounted to roughly 4 million with average weigh of 45 g. Majority of the fish was in freshwater, 2.9 million, with average size of 18 g. Production in freshwater was stable with no major issues. Production in seawater has also been stable with total mortality around 2%.

Transport to sea faced a setback with increased mortality compared to last quarter. During the quarter the transfer mortality significantly affected by supersaturation in well boat and lower than averages sea temperatures.

Kaldvík managed to finish many improvement projects in our freshwater stations such as new drum filter in Bakki and new cleaning systems in all freshwater houses. Kaldvík finished the installation of new Co2 strippers and transfer tank in Laxabraut, post-smolt station. This improves production and enables handling of higher volume of biomass going forward.

LAND NORTH

In Land North, we have developed comprehensive aquaculture facilities with both freshwater and post-smolt capabilities. At Rifós, we operate our freshwater facility, while the Kópasker facility is dedicated to saltwater post-smolt production. Rifós underwent a complete rebuild in 2020, enhancing its operational efficiency and has been operational with ongoing constructions since then. The new post-smolt facility in Kópasker has been in operation since 2021.

At the end of the quarter total number of fish in Land North amounted to roughly 6 million with average weight of 37g. Majority was in freshwater (5.5 million) or hatchery (0.5 million). Production in both freshwater and post smolt was overall stable with low mortality.

A new grow-out freshwater facility was under construction during Q4 and is up and running as of February 2025. That facility includes 12 new tanks with total capacity of 2 400 m³ and four new start feeding tanks. This new facility makes it possible to implement “all in – all out” production strategy, increasing production safety and quality.

A new water treatment facility for our post-smolt in Kópasker is under construction. This includes new degassers, pump station and vacuum degassers. This addition will be up and running in Q1 2025.

Further drilling for new seawater wells is ongoing to secure additional seawater and prepare for further expansion in Kópasker. The drilling has been successful, with favourable temperature and full salinity seawater.



FARMING IN SEA

Our sea farming operations have never experienced such high growth, feeding, and biomass as they did at the beginning of the quarter (October).

Harvested volume reached 6 668 tonnes during the quarter, in line with Q4 guidance. Average harvest weight was 4.6 kg during the quarter with a 76% superior share.

Current generations in sea are the 2022 G in Reyðarfjörður, 2023 G in Berufjörður and the 2024 G in Fáskrúðsfjörður.

BIOLOGICAL INCIDENT

Kaldvík experienced difficulties in its sea operation during the quarter both related to smolt transport and winter wounds caused by lower-than-normal temperatures during the quarter.

Kaldvík had a goal to reduce transfer mortality to 3% for 2024 but has not succeeded in reaching this goal and ended with increased mortality in 2024 compared to previous years. At year-end 2024, there were 1.2 million fewer smolts in the sea than planned from the Q4 output.

The main reasons identified so far are supersaturation during smolt transportation combined with lower-than-normal sea temperature, and the decision to delay smolt release.

As reported in Q3, lower temperatures than anticipated, continued in Q4, led to a significant decline in fish health, worsened by a 3.5-degree drop in temperature over four weeks.

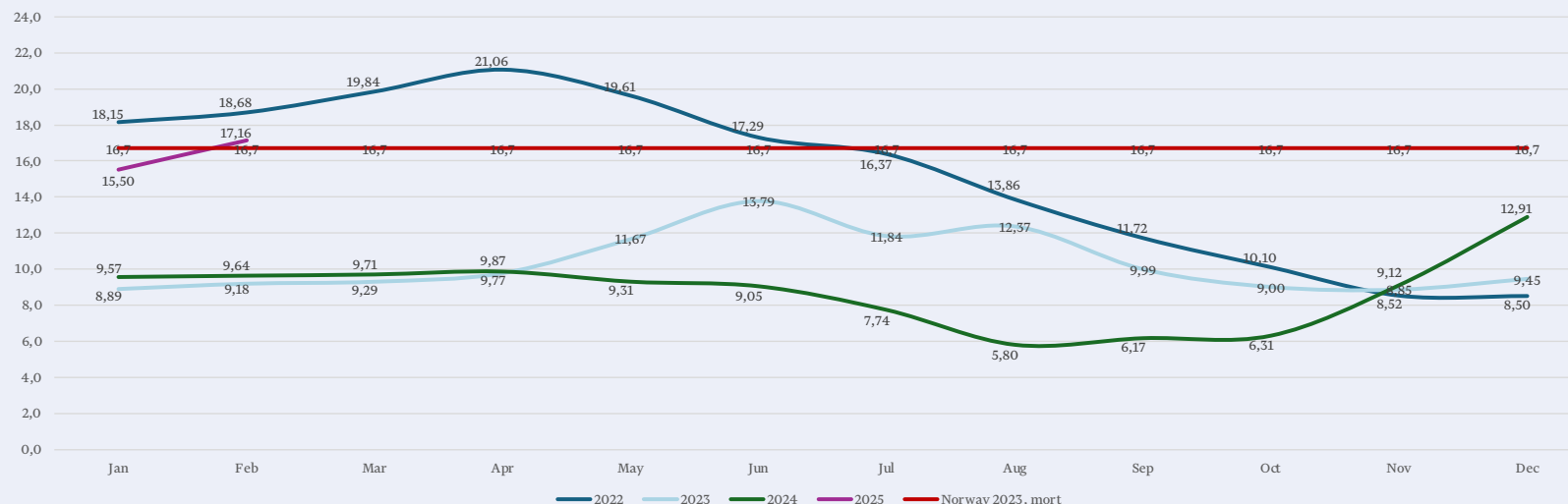
Additionally, strong northerly winds in late November and early December caused delays (10 days) in the harvest plan, resulting in abnormally high losses.

Financial effect from the biological incident in Q4 24 and expected for Q1 25 is reflected in Q4 numbers which include biomass write-down of EURm 23.1.

Due to increased mortality from winter wounds in the 2022 and 2023 generations and slower-than-expected growth caused by lower-than-normal temperatures during the period, the company reduced its 2025 harvest guidance by 3 500 tonnes to 21 500 tonnes.

The 12-month rolling mortality had been favorable up until Q4 2024, consistently staying below the industry standard in Norway. As demonstrated in the chart here below, the ratio reached around 6% in Q3 and the beginning of Q4 2024. However, due to the incident, we are now facing elevated mortality rates.

12 M Average mortality rate



ACTIONS TO REDUCE BIOLOGICAL RISK

In 2023 and 2024, significant improvements have been made to reduce biological risk and enhance operational security. A total of approximately EUR 28.0 million has been invested in expanding capacity through new housing, additional tanks, and enhanced water supply quality and control.

A new grow-out facility in Land North (Rifós) became operational in Q1 2025, further strengthening production capacity. Extensive improvement programs have been implemented within the facility to mitigate operational risks and increase security.

For the 2024 and 2025 fish generations, all fish have been vaccinated with a new winter-wound vaccine, specifically designed for the conditions on the east coast of Iceland. Additionally, all fish in these generations have been vaccinated against ISA, further reducing potential health risks.

To optimize the smolt release process, well-boat capacity has been increased, securing the early release of smolt for 2025. Furthermore, smolt sourcing agreements have been established to ensure annual smolt releases exceed 7.5 million moving forward.

Enhancements have also been made in harvesting and sea operations. The increased well-boat capacity allows for greater harvesting efficiency, contributing to improved flexibility, reduced mortality rates, and minimized downgrades in fish quality.

These strategic actions collectively strengthen biological risk management and ensure a more stable and secure production environment.



HARVESTING

Harvest volume in Q4 amounted to 6 668 tonnes, in line with Q4 guidance. We are seeing positive effects from improvement projects that finalised this summer which enable us to increase the harvest volume significantly in November and December to an average of between 700 and 800 tonnes per week.

SALES AND CERTIFICATIONS

Kaldvík has established an internal sales department which has been focusing on developing the US and Asia markets. China and Iceland maintain a strong partnership to enhance trade between the two countries. The long-term goal is to achieve an even distribution of trade across Asia, the US, and Europe. The Asian market grew by 12% in 2024 and is expected to continue its expansion in 2025. Additionally, air freight to China has become significantly more competitive due to the rise of e-commerce.

Kaldvík achieved 25% of sold volume on fixed sales contracts in the US that gave the company higher price achievement in the quarter. This is made possible by our unique certifications and environmentally friendly approach, ensuring the highest standards that our customers highly value.

LICENSE AND GOVERNMENT

Kaldvík is currently awaiting the processing of a license for operations in Seyðisfjörður, with a capacity of 10 000 tonnes (6 500 fertile).

Projected issuance of the license is during H1 2025. Should there be any delays, Kaldvík is prepared to utilize existing licenses to maintain its production and smolt output for 2025, ensuring operational continuity and flexibility.

Total licenses currently held by Kaldvík are 43 800 tonnes. Making Kaldvík the largest salmon farmer in Iceland in terms of licenses.





SHARES

Kaldvik AS has a total registered share capital of NOK 12,226,124.90, which is allocated across 122,261,249 shares. The company is publicly traded under the ticker KLDVK, ISIN: NO0010884794. For shareholder information, please refer to note 5 in the interim financial statement.

EVENTS SUBSEQUENT Q4 2024

Due to increased mortality from winter wounds in the 2023 generation and slower-than-expected growth caused by lower-than-normal temperatures during the period, the Company is reducing its 2025 harvest guidance by 3 500 tonnes to 21 500 tonnes. Due to the biological incidents in Q4 there are consequences linked to winter wounds that gives increased mortality in Q1. This expected mortality is included in the biomass write- down made in Q4 and reflected in the 2024 numbers.

Kaldvik AS is in discussions with its lenders regarding the refinancing of its financial structure. These discussions are ongoing.

Discussions regarding the acquisition of key assets in the fish farming value chain on Iceland's east coast are ongoing.

OUTLOOK

The harvest guidance for 2025 amounts to 21 500 tonnes, 3 500 tonnes decrease from previous guidance. Anticipated harvest of 5 500 tonnes in Q1 2025.

Sistranda, 26 February 2025







CONDENSED INTERIM FINANCIAL STATEMENT

FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

KALDVIK AS - Group

| (EUR 1000) | Note | Q4 2024 (01.10-31.12) | Q4 2023 (01.10-31.12) | FY 2024 | FY 2023 |
|--|------|--------------------------|--------------------------|----------------|---------------|
| Operating income salmon | | 45.732 | 29.766 | 102.160 | 31.256 |
| Other operating income | | 1.069 | 2.881 | 5.549 | 8.660 |
| Total revenue | | 46.801 | 32.647 | 107.709 | 39.917 |
| Cost of materials | | 50.062 | 16.754 | 68.360 | -9.262 |
| Employee benefit expenses | | 5.113 | 3.013 | 18.634 | 14.560 |
| Other operating expenses | | 6.827 | 5.345 | 24.434 | 20.430 |
| Depreciation, amortisation and impairment | | 2.858 | 2.935 | 11.090 | 11.405 |
| Operating EBIT before fair value adjustment of biomass and production tax | | -18.060 | 4.600 | -14.809 | 2.784 |
| Production tax | | -1.756 | -527 | -3.900 | -561 |
| Net fair value adjustment biomass | 2 | -832 | 9.354 | -1.516 | 15.242 |
| EBIT | | -20.648 | 13.427 | -20.224 | 17.465 |
| Finance income | | 107 | 143 | 167 | 175 |
| Finance costs | | -4.306 | -3.304 | -13.807 | -10.710 |
| Foreign exchange rate gain/ (-)loss | | -281 | 658 | -498 | -33 |
| Profit or loss before tax | | -25.127 | 10.924 | -34.362 | 6.896 |
| Income tax | | 3.668 | -1.837 | 5.515 | -1.032 |
| Profit or loss for the period | | -21.459 | 9.086 | -28.847 | 5.865 |
| Items that subsequently may be reclassified to profit or loss: | | | | | |
| Exchange differences on translation of foreign operations | | 0 | 1.298 | 0 | 16.840 |
| Total items that may be reclassified to profit or loss | | 0 | 1.298 | 0 | 16.840 |
| Other comprehensive income for the period | | 0 | 1.298 | 0 | 16.840 |
| Total comprehensive income for the period | | -21.459 | 10.385 | -28.847 | 22.704 |
| Profit or loss for the period attributable to: | | | | | |
| Equity holders of the parent | | -21.508 | 9.173 | -28.709 | 5.995 |
| Non-controlling interests | | 49 | -86 | -138 | -130 |
| Total | | -21.459 | 9.086 | -28.847 | 5.865 |
| Total comprehensive income for the period attributable to: | | | | | |
| Equity holders of the parent | | -21.508 | 9.603 | -28.709 | 22.776 |
| Non-controlling interests | | 49 | 781 | -138 | -72 |
| Total | | -21.459 | 10.385 | -28.847 | 22.704 |
| Earnings per share ("EPS"): | | | | | |
| - Basic and diluted | | -0,18 | 0,08 | -0,23 | 0,05 |
| Average number of shares | | 122.261.249 | 122.261.249 | 122.261.249 | 114.484.019 |

FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF

FINANCIAL POSITION

KALDVIK AS - Group

(EUR 1000)

| | Note | 31.12.2024 | 30.9.2024 | 31.12.2023 |
|--|------|----------------|----------------|----------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Licenses | | 174.483 | 174.483 | 174.411 |
| Other intangible assets | | 20.990 | 20.551 | 20.607 |
| Property, plant and equipment | | 135.599 | 133.216 | 123.158 |
| Total non-current assets | | 331.072 | 328.250 | 318.177 |
| Current assets | | | | |
| Biological assets | 2 | 130.409 | 155.827 | 116.541 |
| Inventories | | 5.951 | 5.863 | 5.976 |
| Trade and other receivables | | 12.775 | 8.552 | 7.691 |
| Cash and cash equivalents | | 2.549 | 11.980 | 1.170 |
| Total current assets | | 151.684 | 182.222 | 131.379 |
| TOTAL ASSETS | | 482.756 | 510.473 | 449.557 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | | 1.088 | 1.088 | 1.088 |
| Other equity | | 268.579 | 290.070 | 297.272 |
| Equity attributable to the parent | | 269.667 | 291.158 | 298.360 |
| Non-controlling interests | | 792 | 760 | 948 |
| Total equity | | 270.459 | 291.918 | 299.308 |
| Non-current liabilities | | | | |
| Non-current interest bearing liabilities | 4 | 153.766 | 154.644 | 110.931 |
| Deferred tax liabilities | | 3.405 | 7.073 | 9.165 |
| Total non-current liabilities | | 157.171 | 161.717 | 120.096 |
| Current liabilities | | | | |
| Current interest bearing liabilities | 4 | 14.802 | 14.864 | 4.910 |
| Trade and other payables | | 40.323 | 41.973 | 25.241 |
| Total current liabilities | | 55.126 | 56.837 | 30.151 |
| Total liabilities | | 212.297 | 218.554 | 150.247 |
| TOTAL EQUITY AND LIABILITIES | | 482.756 | 510.473 | 449.557 |

FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF

CASH FLOWS

KALDVIK AS - Group

| (EUR 1000) | Note | Q4 2024 (01.010-31.12) | Q4 2023 (01.010-31.12) | FY 2024 | FY 2023 |
|--|------|---------------------------|---------------------------|----------------|----------------|
| Cash flows from operating activities | | | | | |
| Profit or loss before tax | | -25.127 | 10.924 | -34.362 | 6.896 |
| Net fair value adjustment on biological assets | | 832 | -9.354 | 1.516 | -15.242 |
| Production tax | | 1.756 | 527 | 3.900 | 561 |
| Depreciation and impairment of property, plant and equipment and right-of-use assets | | 2.858 | 2.935 | 11.090 | 11.405 |
| Changes in inventories, trade and other receivables and trade and other payables | | 17.034 | -3.224 | -9.744 | -55.577 |
| Finance income | | -107 | -143 | -167 | -175 |
| Finance costs | | 4.306 | 3.304 | 13.807 | 10.710 |
| Foreign exchange rate gain/ (-)loss | | 281 | -658 | 498 | 33 |
| Net cash flows from/to operating activities | | 1.832 | 4.311 | -13.462 | -41.388 |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment | | -5.242 | -7.904 | -23.531 | -19.549 |
| Purchase of intangible assets | | -310 | -881 | -383 | -881 |
| Interest received | | 107 | 143 | 167 | 175 |
| Net cash flow to investing activities | | -5.445 | -8.642 | -23.747 | -20.254 |
| Cash flow from financing activities | | | | | |
| Proceeds from borrowings | | 4.121 | 4.221 | 70.321 | 119.474 |
| Repayment of borrowings | | -5.179 | - | -16.141 | -102.790 |
| Change in related parties liabilities and subordinated loans | | - | - | - | 9.433 |
| Payments for the principal portion of the lease liability | | -460 | -749 | -1.790 | -1.959 |
| Interest paid | | -4.306 | -3.304 | -13.807 | -10.710 |
| New shares issued | | - | - | - | 48.902 |
| Transaction costs on issue of shares | | - | 178 | - | -1.824 |
| Net cash flow from/to financing activities | | -5.823 | 346 | 58.583 | 60.525 |
| Net change in cash and cash equivalents | | | | | |
| Effect of change in exchange rate on cash and cash equivalents | | 5 | -39 | 5 | 1 |
| Cash and cash equivalents, beginning of period | | 11.980 | 5.194 | 1.170 | 2.288 |
| Cash and cash equivalents, end of period | | 2.549 | 1.170 | 2.549 | 1.170 |
| Non-cash investing and financing activities: | | | | | |
| New shares issued | | | - | | 26.567 |
| Shareholder loans | | | - | | -26.567 |

The consolidated statements of cash flows are prepared using the indirect method.

FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF

CHANGES IN EQUITY

KALDVIK AS - Group

| (EUR 1000) | Attributable to the equity holders of the parent | | | | | Non-controlling interests | Total Equity |
|-------------------------------|--|----------------|--------------------------------------|----------------|----------------|---------------------------|----------------|
| | Share capital | Share premium | Foreign currency translation reserve | Other equity | Total | | |
| At 30 September 2023 | 1.088 | 325.637 | 29.217 | -67.430 | 288.511 | 253 | 288.765 |
| Comprehensive income: | | | | | | | |
| Profit or loss for the period | | | | 9.173 | 9.173 | -86 | 9.086 |
| Conversion difference | | | 498 | | 498 | 781 | 1.279 |
| Transaction costs | | 178 | | | 178 | | 178 |
| At 31 December 2023 | 1.088 | 325.815 | 29.714 | -58.257 | 298.360 | 948 | 299.308 |
| Comprehensive income: | | | | | | | |
| Profit or loss for the period | | | | -2.000 | -2.000 | 49 | -1.951 |
| At 31 Mars 2024 | 1.088 | 325.815 | 29.714 | -60.257 | 296.360 | 997 | 297.357 |
| Comprehensive income: | | | | | | | |
| Profit or loss for the period | | | | -4.814 | -4.814 | -311 | -5.125 |
| At 30 June 2024 | 1.088 | 325.815 | 29.714 | -65.071 | 291.546 | 687 | 292.231 |
| Comprehensive income: | | | | | | | |
| Profit or loss for the period | | | | -386 | -386 | 74 | -313 |
| At 30 September 2024 | 1.088 | 325.815 | 29.714 | -65.457 | 291.160 | 760 | 291.918 |
| Comprehensive income: | | | | | | | |
| Profit or loss for the period | | | | -21.508 | -21.508 | 49 | -21.459 |
| At 31 December 2024 | 1.088 | 325.815 | 29.714 | -86.966 | 269.651 | 810 | 270.459 |





NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Corporate information

Kaldvik AS (the “Company”) and its subsidiaries (collectively “the Group”, or “Kaldvik”) is a publicly dual-listed company on both the Euronext Growth market and Nasdaq First North Iceland, with the ticker symbol KLDVK. The ultimate parent company is Heimstø AS.

Kaldvik is one of the leading salmon farmers in Iceland and the only salmon farmer in the world with AquaGAP certification which ensures environmentally-friendly production. The Group has a well-developed and fully integrated value-chain controlling all steps from hatchery to sales, enabling the group to provide its customer with a sustainable premium product.

The consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 26 April 2024.

Kaldvik AS is a Company incorporated in Norway with headquarters in Iceland. The address of its registered office is Nordfroyveien 413, 7260 Sistranda, Norway. Kaldvik’s headquarters are located at Strandgata 18, 735 Eskifjörður, Iceland.

Please refer to Annual Report 2023 for further information on accounting principles.

NOTE 2: BIOLOGICAL ASSETS

BIOLOGICAL ASSETS

The Group recognises a biological asset when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably

A biological asset is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, in accordance with IAS 41 Agriculture and Fair Value IFRS 13. Fair value of biological assets is calculated based on a present value model . The inputs to measure fair value is categorised as level 3 in the valuation hierarchy in IFRS 13 as the most important assumptions in the calculations are not observable in a market. The difference between the fair value of fish and the cost price is included in the fair value adjustment in the consolidated statement of comprehensive income.

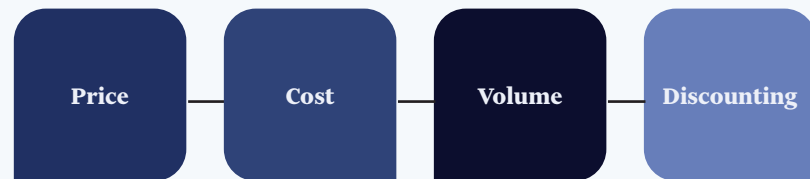
Transactions for the sale of live fish rarely incur, therefore the sales price is based on forward prices quoted by Fish Pool. The model uses the forward price for the month the fish is expected to be harvested and the prices are adjusted for estimated harvesting costs, packing and shipping costs to the market, as well as quality differences to arrive at the fair value less cost to sell.

The expected biomass (volume) is based on an estimated number of fish in the sea, adjusted for expected mortality up to the time of harvest and multiplied by the expected harvest weight.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group's biological assets comprise live fish in the sea (salmon), eggs, juveniles and smolt.

The valuation process of determining the fair value less cost to sell includes a number of different assumptions, many of which are not observable. The assumptions are grouped into four different categories:



PRICE

An important assumption in the valuation of fish is the expected sale price. This is also the assumption that historically has had the greatest fluctuations. In order to estimate the expected sales price, the future price quoted by external analyst estimates for superior Norwegian salmon (3-6 kg gutted) is used as a starting point. It is the Group's opinion that the use of observable prices increases the reliability and comparability of the price assumptions.

The starting point is the future price for the month the fish is planned to be harvested. In the event of biological challenges (which occur before the end of the reporting period), an additional price adjustment is made to reflect the impact of this event. Such price adjustment takes into account that the market price per kilo for small fish is less than for fish of normal size, the price is further adjusted for exporter-margin and clearing cost. Furthermore, adjustments are made for harvesting costs (well-boat, harvest and packaging), transportation costs and quality differences. Adjustments for harvesting costs, transportation costs and quality differences are based on the Group's historical costs, while the other adjustments are based on a discretionary assessment on historical data and the Group's expectation of future market developments.

COST

An adjustment is made for the costs associated with further farming the fish to be harvest-ready. Estimates related to future costs are based on the Group's forecasts for each site. There is uncertainty related to future feed prices, other costs and the biological development of the fish (growth, feed factor and mortality). If the estimated costs are higher than what a normal market participant would include, for example due to previously entered into long-term agreements with subcontractors which makes the costs deviate significantly from the market price, the cost estimate is adjusted to reflect the costs that a rational market participant would apply.

VOLUME

Expected harvest volume is calculated on the basis of the estimated number of fish (individuals) at the reporting date, minus expected future mortality, multiplied by the expected harvest weight. There is uncertainty related to the number of fish in the sea at the balance sheet date, remaining mortality and expected harvest weight. The actual harvest volume may therefore deviate from the expected harvest volume either as a result of a change in biological development, or if special events, such as mass mortality, occur. The estimate of the number of fish at the reporting date is based on the number of smolts released in the sea. The number of smolts is adjusted for expected uncertainty of counting and the actually registered mortality in connection with release.

DISCOUNTING

Every time a fish is harvested and sold, a positive cash flow arises. As a simplification, all the remaining expenses are allocated to the same period as the income, so that there is only one cash flow per site. The cash flow is attributed to the expected month of harvest. The sum of cash flows from all the sites where the Group has fish in the sea are distributed over the entire fish farming period. With the current size of the smolt being released, and the frequency of the smolt releases, this may take up to 24 months. The expected future cash flow is discounted monthly. The discount rate used has a large impact on the estimate of fair value. The monthly discount rate as at the end of the reporting period is estimated at 2,5% per month. The discount rate contains the following three main elements: (1) risk adjustment, (2) license rent and (3) time value.



1. Risk adjustment

The risk adjustment must reflect the price reduction that a hypothetical buyer would require as compensation for the risk assumed by investing in live fish rather than an alternative placement. As the time to harvest increases, the probability that an event occur that impacts the cash flow increases. There are three main factors that may occur, and impact the cash flow; a volume change, change in costs, and a change in price.

2. License rent

Salmon and trout farming do not take place in a market without competition and barriers to entry. Due to the limited access to fish farming licenses, these currently have a very high value. In order for a hypothetical buyer of live fish to be able to acquire and further farm the fish, it must be assumed that the buyer had a license, sea site and other permits required for such production. Currently it is not allowed to rent licenses, however, in a hypothetical market for buying and selling live fish, we assume that this would be possible. In this scenario, a hypothetical buyer would demand a significant discount in order to allocate a sufficient share of the return to own licenses, or alternatively to cover the cost of license rent.

Modeling a hypothetical annual license rent from prices of traded licenses is difficult, as the price curve will be based on expectations of future profit development in the industry. Furthermore, it is complex to derive a rental cost for shorter periods of time and ultimately per volume, given that the license restrictions are measured at different levels (location, region and Company).

3. Time value

Finally, the discount rate must reflect the time value of money for the committed capital allocated to the biomass. One must assume that a hypothetical buyer would require compensation for the opportunity cost of investing in live fish. The production cycle for salmon farming is currently up to 24 months, therefore the cash flow will cover a corresponding period. Given a constant selling price throughout the period, the cash flow will decrease for each passing month as costs are incurred to farm the fish to a harvest-ready weight. These costs increase for each month the fish is in the sea. This makes the effect of deferred cash flows lower than if the cash flows were constant, however, the component is still important due to the large total value of biological assets.

| Carrying amounts of biological assets | | | |
|--|----------------|----------------|----------------|
| Biological assets | 31.12.2024 | 30.9.2024 | 31.12.2023 |
| Fish at cost | 101.325 | 124.165 | 84.422 |
| Fair value adjustment on fish | 17.521 | 18.353 | 19.037 |
| Fair value of fish in the sea | 118.847 | 142.519 | 103.459 |
| Smolt | 11.563 | 13.308 | 13.082 |
| Carrying amount of biological assets | 130.409 | 155.827 | 116.541 |
| Total biological assets at cost | 112.888 | 137.474 | 97.504 |
| Total fair value adjustment on biological assets | 17.521 | 18.353 | 19.037 |
| Fair value of biological assets | 130.409 | 155.827 | 116.541 |

| | 31.12.2024 | 31.12.2023 | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Ordinary shares, par value 0,10 NOK per share | 12.226.125 | 12.226.125 | | |
| Total ordinary shares issued and fully paid | 12.226.125 | 12.226.125 | | |
| All shares are ordinary and have the same voting rights and rights to dividends. | | | | |
| | Number of shares | | Share capital | |
| Changes in share capital | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Beginning of period | 122.261.249 | 122.261.249 | 12.226.125 | 12.226.125 |
| End of period | 122.261.249 | 122.261.249 | 12.226.125 | 12.226.125 |

NOTE 3: SHARE CAPITAL AND SHAREHOLDER INFORMATION

ACCOUNTING POLICIES

Equity and liabilities

Financial instruments are classified as liabilities or equity in accordance with the underlying economic substance. Share capital and share premiums are classified as equity.

Costs related to equity transactions

Transaction costs are deducted from equity, net of associated income tax.

Distribution to shareholders

The Group recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

The Group's shareholders (Shareholders in Kaldvik AS):

| Overview of the 20 largest shareholders: | 31.12.2024 | |
|---|--------------------|---------------|
| Shareholder: | Number: | Ownership: |
| AUSTUR HOLDING AS | 67.595.359 | 55,29% |
| Krossey ehf. | 14.507.982 | 11,87% |
| Eggjahvita ehf. | 7.557.539 | 6,18% |
| Eskja Holding ehf. | 3.515.123 | 2,88% |
| J.P. Morgan SE* | 3.085.934 | 2,52% |
| Hregg ehf. | 3.026.745 | 2,48% |
| Laxar eignarhaldsfélag ehf. | 2.379.777 | 1,95% |
| CLEARSTREAM BANKING S.A. | 2.021.217 | 1,65% |
| Stefnir hf. | 1.780.160 | 1,46% |
| State Street Bank and Trust Comp | 1.485.000 | 1,21% |
| Grjót eignarhaldsfélag ehf. | 1.323.204 | 1,08% |
| VPF DNB NORGE SELEKTIV | 1.247.043 | 1,02% |
| Íslandsbanki hf.* | 1.108.424 | 0,91% |
| Skel fjárfestingafélag hf. | 1.020.837 | 0,83% |
| Áning Ásbrú ehf. | 842.593 | 0,69% |
| ABK HOLDING AS | 610.049 | 0,50% |
| FJØYRO HOLDING AS | 593.757 | 0,49% |
| MAXIMUM HOLDING AS | 561.412 | 0,46% |
| GIMLI HOLDING AS | 555.012 | 0,45% |
| VERDIPAPIRFONDET DNB SMB | 539.427 | 0,44% |
| Total of the 20 largest shareholders | 115.356.594 | 94,35% |
| Other shareholders | 6.904.655 | 5,65% |
| Total | 122.261.249 | 100% |

* Custodian of shares

NOTE 4: INTEREST BEARING LIABILITIES

| Non-current interest bearing loans and borrowings | 31.12.2024 | 30.9.2024 | 31.12.2023 |
|--|----------------|----------------|----------------|
| Loan from banks (principal) | 152.589 | 153.395 | 108.059 |
| Leasing liability | 1.177 | 1.249 | 2.873 |
| Total non-current interest bearing loans and borrowings | 153.766 | 154.644 | 110.931 |

| Current interest bearing loans and borrowings | 31.12.2024 | 30.9.2024 | 31.12.2023 |
|--|---------------|---------------|--------------|
| Loan from banks, due within 12 months | 12.957 | 12.629 | 2.968 |
| Leasing liability, due within 12 months | 1.845 | 2.235 | 1.941 |
| Current interest bearing loans and borrowings | 14.802 | 14.864 | 4.910 |

The Group has pledged assets as security for its loans and borrowings, presented in the table below:

| Assets pledged as security for interest bearing loans and borrowings | 31.12.2024 | 30.9.2024 | 31.12.2023 |
|--|----------------|----------------|----------------|
| Secured balance sheet liabilities: | | | |
| Non-current interest bearing liabilities | 153.766 | 154.644 | 110.931 |
| Current interest bearing liabilities | 14.802 | 14.864 | 4.910 |
| Total | 168.568 | 169.508 | 115.841 |

| Carrying amount of assets pledged as security for secured liabilities: | 31.12.2024 | 30.9.2024 | 31.12.2023 |
|--|----------------|----------------|----------------|
| Trade and other receivables | 12.775 | 8.552 | 7.691 |
| Inventories | 5.951 | 5.863 | 5.976 |
| Biological assets | 130.409 | 155.827 | 116.541 |
| Cash and cash equivalents | 2.549 | 11.980 | 1.170 |
| Right-of-use assets | 53.128 | 53.587 | 54.468 |
| Property, plant and equipment | 82.471 | 79.628 | 68.690 |
| Licenses | 174.483 | 174.483 | 174.411 |
| Total | 461.766 | 489.921 | 428.948 |

COVENANT REQUIREMENTS

The Group is obligated to adhere to the following covenant requirement for its interest bearing liabilities:

- Equity ratio >35%
- NIBD/EBITDA < 5,5 In effect from Q4 2024.
- Interest cover ratio < 3,0 In effect from Q4 2024.

Loans were in breach of covenants at the end of 2024. Lenders issued a waiver for certain loan covenants that might have otherwise led to a default on the loan agreements.

NOTE 5: SUBSEQUENT EVENTS

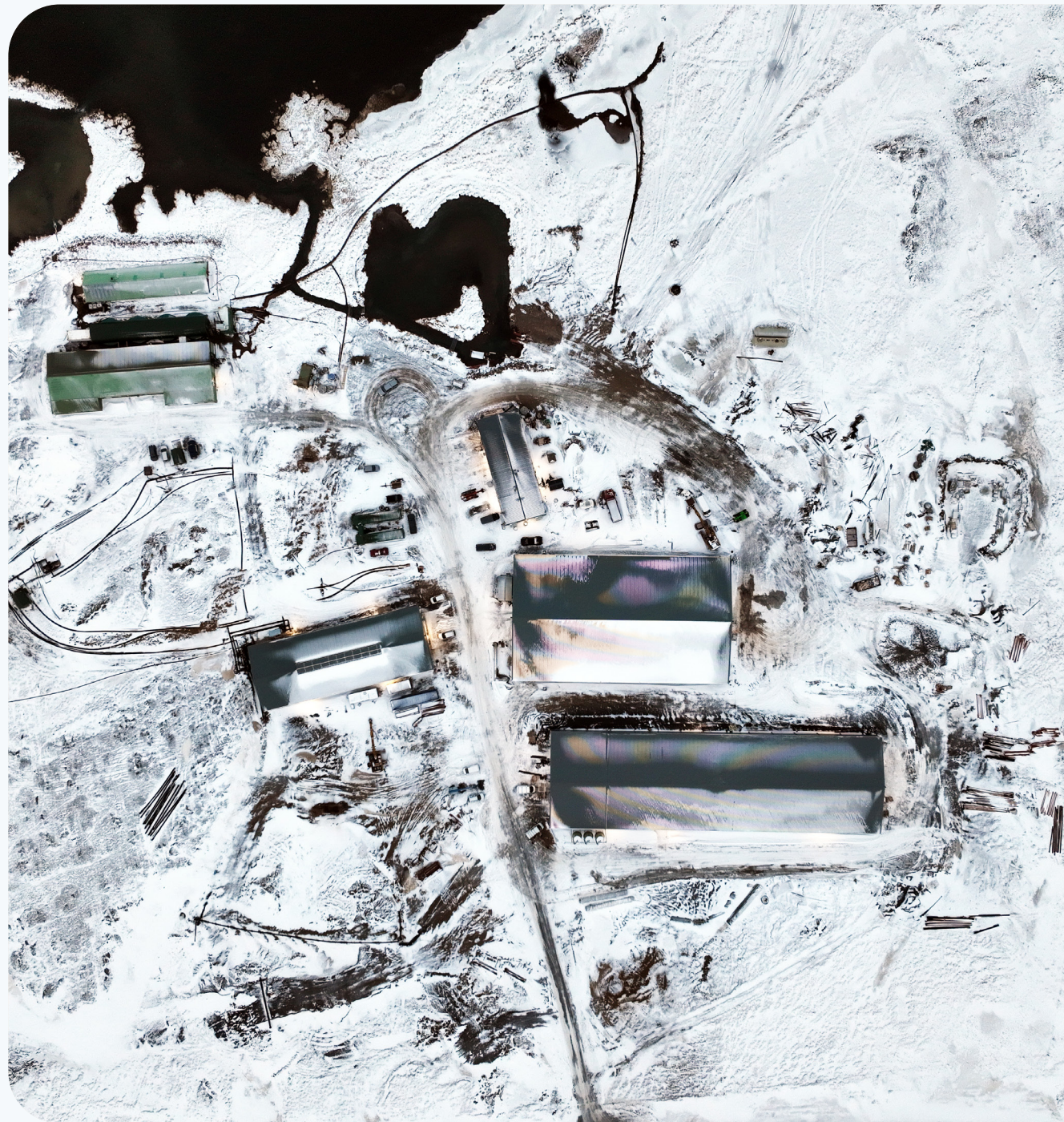
ACCOUNTING POLICIES

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognises in the Group's consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Due to increased mortality from winter wounds in the 2023 generation and slower-than-expected growth caused by lower-than-normal temperatures during the period, the Company is reducing its 2025 harvest guidance by 3 500 tonnes to 21 500 tonnes. In the recent months the Company has experienced higher mortality than expected in connection with the release of smolts to the site Einstigi. The main reasons identified so far are supersaturation during smolt transportation and temperatures lower than expected for the period.

Kaldvik AS is in discussions with its lenders regarding the refinancing of its financial structure. These discussions are ongoing.

Discussions regarding the acquisition of key assets in the fish farming value chain on Iceland's east coast are ongoing.



OPERATIONAL EBIT

Operational EBIT is operational profit before fair value adjustments. Operational EBIT is a major alternative performance measure in the salmon farming industry. A reconciliation from EBIT to Operational EBIT is provided below.

| (EUR 1000) | Q4 2024 | Q4 2023 | FY 2024 | FY 2023 |
|---|--------------|--------------|--------------|--------------|
| EBIT | -20.648 | 13.427 | -20.224 | 17.465 |
| Net FV adjustment biomass and production tax | 2.588 | -8.827 | 5.416 | -14.681 |
| Operational EBIT of salmon before fair value adjustment | -18.060 | 4.600 | -14.809 | 2.784 |
| Biomass write-down (one off) | 23.099 | 0 | 23.099 | 0 |
| Operational EBIT | 5.039 | 4.600 | 8.290 | 2.784 |

ALTERNATIVE PERFORMANCE MEASURES

Kaldvik's consolidated financial information is prepared in accordance with international financial reporting standards (IFRS).

In addition, the management's intention is to provide alternative performance measures, which are regularly reviewed by the management to enhance the understanding of the company's performance, but not replacing the financial statements prepared in accordance with IFRS.

The alternative performance measures presented may be determined or calculated differently by other companies.

OPERATIONAL EBIT PER KG

Operational EBIT per kg is Operational EBIT divided by harvested volumes.

| (EUR 1000) | Q4 2024 | Q4 2023 | FY 2024 | FY 2023 |
|--------------------------------|-------------|-------------|-------------|-------------|
| Operational EBIT | 5.039 | 4.600 | 8.290 | 2.784 |
| Total harvested volumes | 6.668 | 4.202 | 14.965 | 4.395 |
| Operational EBIT per kg | 0,76 | 1,09 | 0,55 | 0,63 |

EQUITY RATIO

Equity ratio measures the proportion of total assets that are financed by shareholders.

| (EUR 1000) | 31.12.2024 | 30.09.2024 | 31.12.2023 |
|---------------------|--------------|--------------|--------------|
| Total equity | 270.459 | 291.918 | 299.308 |
| Total assets | 482.756 | 510.473 | 449.557 |
| Equity ratio | 56,0% | 57,2% | 66,6% |

NET INTEREST BEARING DEBT

Net interest bearing debt includes loans from banks and lease liabilities less cash balance and cash equivalents.

| (EUR 1000) | 31.12.2024 | 30.09.2024 | 31.12.2023 |
|---|----------------|----------------|----------------|
| Total interest bearing loans and borrowings | 168.568 | 169.508 | 115.841 |
| Cash and cash equivalents | 2.549 | 11.980 | 1.170 |
| Net interest bearing debt | 166.019 | 157.527 | 114.671 |



REARED IN **PRISTINE ICELANDIC** NATURE

