

An underwater photograph showing a school of fish swimming in clear blue water. In the foreground, the leg of a diver wearing a black wetsuit and a metal mesh boot is visible, partially obscuring the view of the fish.

Q4 2024

Interim financial report

For the period ended December 2024



Nofitech

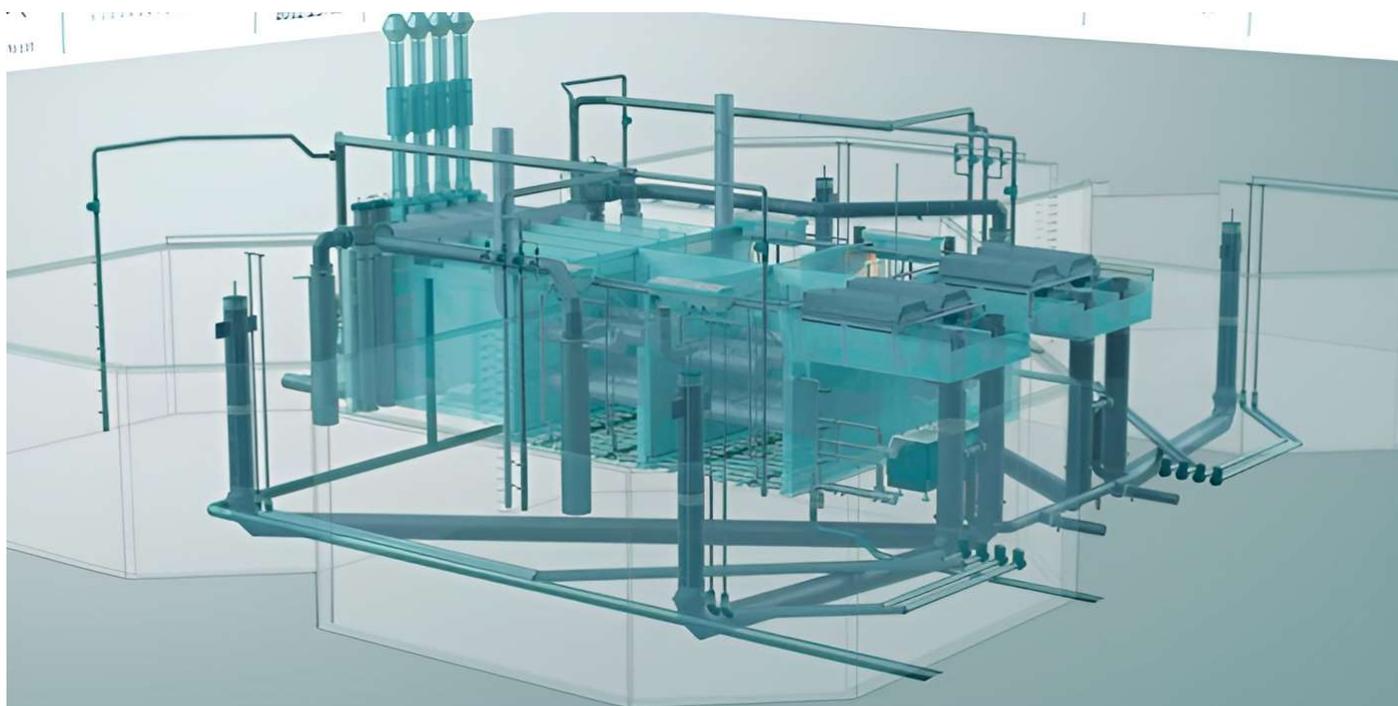
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About the Group

Nofitech was established in 2011 by founders with long operating experience from Norwegian smolt production and more than 10 years of experience in designing RAS (Recirculating Aquaculture Systems), with an ambition to develop the market's most cost-effective and compact RAS solution for the entire salmon production cycle.

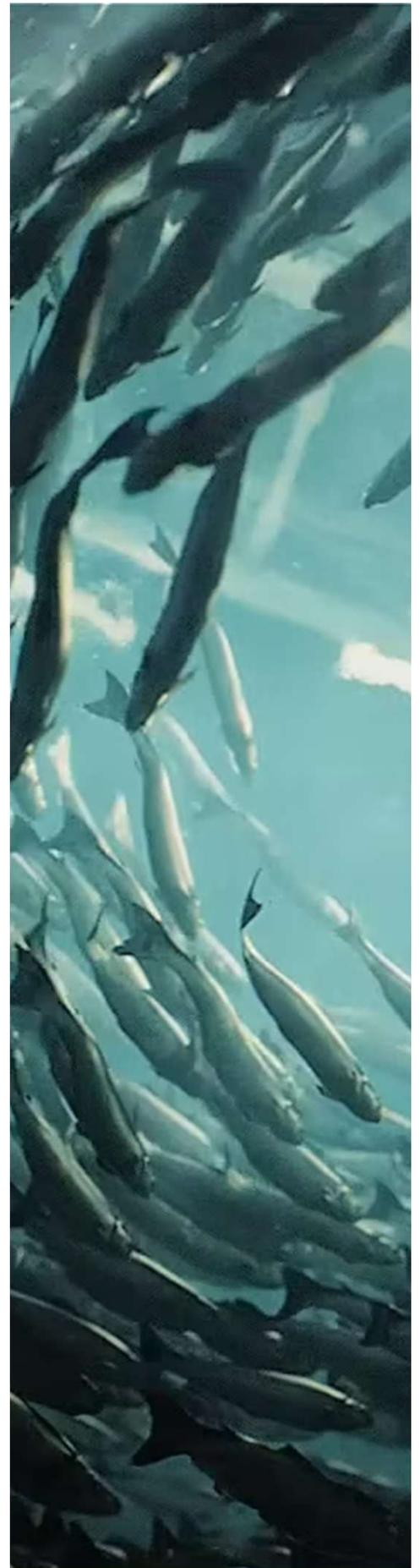
Nofitech's primary offering is the patented ModulRAS turn-key or process plant deliveries, with affiliated equipment and automation solutions. The ModulRAS is a compact and standardized solution for RAS which enables a rapid construction phase, market leading cost effectiveness, and a reliable operating performance.

The group is targeting the attractive smolt, post-smolt and grow-out markets with its mission critical solutions to improve license utilization, production cost, and environmental footprint for leading aquaculture farmers globally. The target markets are projected to have attractive double-digit growth going forward.

Nofitech has a track-record of successful RAS deliveries dating back to 2012 and has over the last decade continued strengthening its product and delivery capacity, including ancillary services such as market leading water treatment solutions, MIME - the company's proprietary digital twin and operational support tool, and lifecycle support services.

To date, Nofitech has delivered 22 modules across the globe, all with excellent operational results.

Nofitech is headquartered in Trondheim, Norway, and is backed by leading Nordic private equity investors Summa Equity and Longship.



Quarterly highlights

Business update

- The initial outlook for 2024 was marked by optimism and expectations of a return to normal levels of land-based investments, but the negative sentiment following the implementation of the Norwegian resource tax has proven to be more persistent than anticipated.
- However, we continue to see increasing activity on planning and early-works on new projects which provides renewed optimism for bettering investment-sentiment.
- To adapt to the temporary market situation and the prolonged decision-making cycles, we are strongly focused on restoring profitability based on the current activity levels - this includes streamlining operations and rightsizing costs to align with our current backlog in production.
- Toward the end of the quarter, CM Aqua (equipment subsidiary) received an all-time high equipment order of more than NOK 32 million, with further deliveries being planned.
- Looking ahead to 2025, we are strengthening our organization to secure delivery of our substantial backlog on time and budget. We are also preparing for managing an expected increase in activity. Under the current circumstances, delivery of the ongoing projects at planned margins is paramount and we have thus engaged Jan Arild Kingswick to head up this part of the organization. He brings extensive leadership- and project management experience to the company.

Backlog and pipeline

- The order backlog remains strong, with approximately NOK 1,080 million in projects under construction (phase 2) and NOK 2,919 million in projects at concept design or early-works level (phase 1) - this is a slight increase from last quarter, primarily due to an overestimation of progress on ongoing projects in Q3-24 backlog calculation, and variation orders.
- However, execution of phase 2 projects fell below expectations in both Q3-24 and Q4-24 due to previously reported project delays, as well as challenging weather conditions on-site at one of the facilities in the latter part of the quarter.
- Since Q3, we have seen a sharp increase in active project opportunities ("Project leads"), and we are in early-phase planning for several large-scale projects in Norway and abroad with expected contractual awards during 2025 and 2026.

Outlook

- There are clear signs of increased investment activity throughout the aquaculture value chain, but timing remains uncertain.
- While the growing list of project leads and ongoing dialogues signal a potential rebound, we anticipate that first half of 2025 will remain at status quo, with activity improving later in the year as planned projects transition into active deliveries.
- Our focus remains on efficiency, cost optimization, and delivery of ongoing projects on time and budget.
- While Nofitech has a satisfactory cash position, the owners remain committed to supporting the company if initiation of new projects is subject to further delays.

Q4 2024 key figures

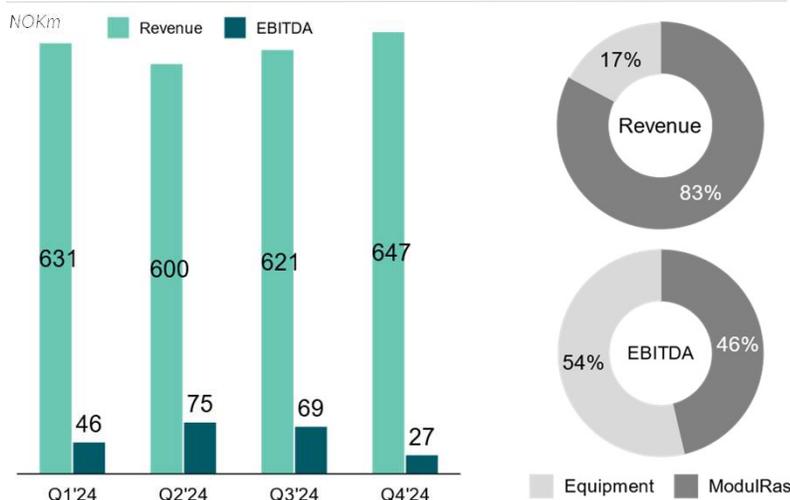
LTM sales
NOKm 647

LTM EBITDA
NOKm 27

Backlog
NOKm Phase 1: 2,919
Phase 2: 1,080

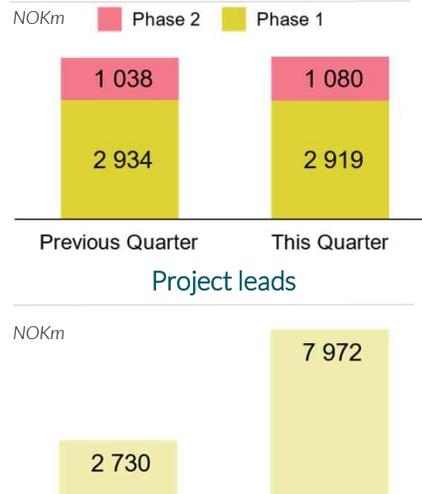
Cash balance
NOKm 51

LTM revenue and EBITDA



NOTE: Q1'24 EBITDA impacted by periodization differences compared to the Investor Presentation, with adjustments reflected in Q2'24 as part of the new Bidco group consolidation

Backlog



Financial performance

Quarterly group trading

- Revenue for Q4-24 was NOK 195.6 million, up from NOK 175.2 million in Q3-24, primarily driven by increased production on-site at our ModulRAS turnkey deliveries.
- EBITDA increased to NOK 0.9 million in Q4-24 up from NOK -8.7 million in Q3-24.
- Cost takeout initiatives were implemented during the quarter with expected NOK 12 million in annual savings.

Group YTD performance

- The full-year financial performance of the group is below expectations and a result of a continued soft investment climate and unforeseen delays in ongoing deliveries.
- Revenue declined to NOK 647 million from NOK 687 million in 2023, primarily due to net reduction in active project deliveries.
- EBITDA increased to NOK 27 million from NOK 15 million in FY23.
- The full-year earnings include certain one-offs accounting to NOK 36 million for the full-year, these are: i) write-down of inventory of biomedium (NOK 17m), ii) claims related to previous deliveries (NOK 15m), and iii) extraordinary 3rd party services (NOK 4m).

Business segment development

ModuleRAS – project development

- The most recent Skalavik and Hardingsmolt deliveries commenced in Q2-24, but did not gain significant momentum until Q4-24.
- The Applecross delivery in Scotland is proceeding according to plan towards a delivery in Q2-25. While this provides a steady revenue, no positive contribution margin is expected from this delivery, as it is in contractual maximum liability for Nofitech.
- Due to an issue with the ozone systems on two delivered ModulRAS, warranty claims were extraordinarily high in 2024 totalling NOK 15 million – this issue has been resolved in later deliveries.
- In Q3-24 we had to correct a large inventory post of biomedium from 2022 due to a delayed project initiation - this write-down had a NOK 17 million P&L effect.

Equipment sales and other ancillary

- The activity in CM Aqua was below expectation in 2024 due to the soft investment climate throughout the year – the business delivered NOK 190 million in revenue and NOK 11 million in EBITDA.
- The equipment business had an all-time-high order intake in Q4-24, but where the P&L effect first will materialize in late 2025.
- Aqua Innovasjon, the groups internal pipe engineering and production business, delivered revenue of NOK 33 million with NOK 5 million in EBITDA in 2024 – this is primarily intra-group business.

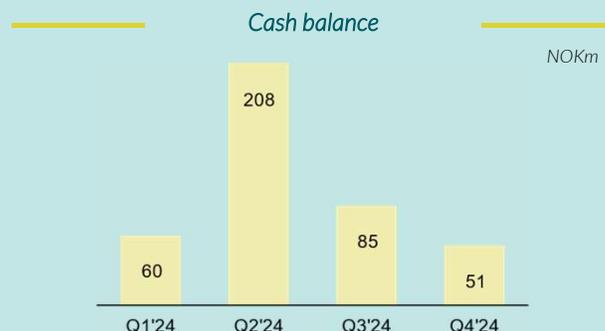
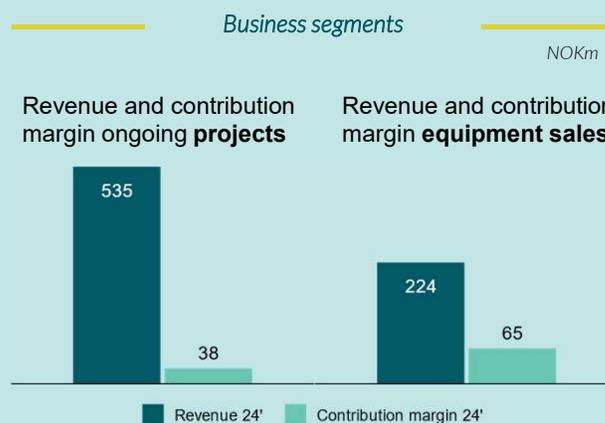
Cash balance development

- The cash balance remains negatively affected by the extraordinary working capital tie up in the Applecross delivery, giving a NWC of NOK 117 million per Q4-24.
- A subordinated shareholder loan of NOK 26 million was given in December pending larger incoming payments from customers.
- Nofitech has during the quarter established a RCF facility of NOK 40 million to support any future liquidity needs.

Covenant

- The group was compliant with the financial covenant per Q4-24.

NOTE: Q1'24 EBITDA impacted by periodization differences compared to the Investor Presentation, with adjustments reflected in Q2'24 as part of the new Bidco group consolidation



Interim consolidated financial accounts

The Neptune Bidco Group was for consolidation purposes established as a part of the bond issue completed in Q2-24 whereby a NOK 500 million bond were issued. Due to the new group establishment, the report for Q4-24 does not have any comparable figures. The presented figures for YTD is the pro forma figures for the Neptune Bidco Group as if the consolidated group were established at the beginning of the year.

PROFIT & LOSS

NOKm	Q3'2024	Q4'2024	YTD'2024
Revenue from sales and projects	175	196	647
Other income	0	0	0
Total operating revenues	175	196	647
Cost of materials	139	153	463
Salaries and personnel costs	32	32	113
Depreciation	7	7	14
Amortization of goodwill	30	30	119
Other operating expenses	14	10	44
Total operating expenses	220	231	754
Operating profit/loss	(45)	(36)	(106)
Income/loss from subsidiaries	0	0	0
Interest income from group companies	0	0	0
Other interest income	3	8	14
Other financial income	0	0	0
Interest expenses	(16)	(15)	(45)
Interest expenses to group companies	0	0	0
Other financial expenses	(11)	(15)	(34)
Net financial items	(24)	(21)	(65)
Profit/loss before tax	(69)	(57)	(171)
Tax	0	0	0
Profit after tax	(69)	(57)	(171)



Interim consolidated financial accounts

BALANCE SHEET

NOKm	Q3'2024	Q4'2024
ASSETS		
Intangible assets	58	45
Deferred tax assets	4	12
Goodwill	825	794
Total intangible assets	886	851
Machinery, equipment and other	6	13
Total tangible assets	6	13
Investment in subsidiaries	-	-
Other receivables	2	1
Total non-current financial assets	2	1
Total fixed assets	894	866
Inventories	50	43
Accounts receivables	44	71
Other receivables	173	201
Cash and cash equivalents	85	51
Total current assets	352	366
Total assets	1 246	1 231
EQUITY AND LIABILITIES		
Total paid-in equity	89	89
Retained earnings and minority interest	522	497
Total equity	611	586
Deferred tax liabilities	-	-
Total allowances for liabilities	-	-
Non-current interest-bearing liabilities	483	483
Other non-current debt	17	18
Total non-current liabilities	500	501
Short-term debt to financial institutions	-	-
Accounts payable	76	83
Current tax payables	5	6
Current value added tax	10	13
Other current liabilities	43	42
Total current liabilities	135	144
Total liabilities	635	645
Total equity and liabilities	1 246	1 231



Interim consolidated financial accounts

CASH FLOW

NOKm	Q3'2024	Q4'2024
Profit before tax	-69	-57
Taxes paid in the period	-	-
Prepaid tax in the period	-	-
Depreciation	7	7
Amortization of goodwill	30	30
Changes to inventory	-18	7
Changes in accounts receivables	67	-55
Changes to accounts payables	9	6
Changes to other short-term non-financial assets and liabilities	-23	11
Net cash flow from operating activities	3	-51
Incoming payments from sale of fixed assets	-	-
Outgoing payments from purchase of fixed assets	-1	-9
Outgoing payments from other loan receivables	-	-
Incoming payments from other loan receivables	-	1
Outgoing payments related to purchase of shares	-	-
Net cash flow from investment activities	-1	-9
Incoming payments from new long-term debt	-	-
Outgoing payments from downpayment of long-term debt	-	-
Incoming payments from new short-term debt	-	26
Outgoing payments from new short-term debt	-	-
Incoming payment of equity	-	-
Net payment on revolving credit	-	-
Net cash flow from financing activities	-	26
Net change in cash and cash equivalents	2	-34
Effect of change in foreign currency	-	-
Cash and cash equivalents at the start of the period	83	85
Cash and cash equivalents at the end of the period	85	51



Bernt Eivind Østhus

Chairperson

Robert Hundstad

CEO

Trondheim
31.03.2025



Notes to the financial accounts

Note 1: Accounting policies

Group Financial Statements

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Basis for consolidation

The Group's consolidated financial statements comprise Nofitech Holding AS and companies in which Nofitech Holding AS has a controlling interest. A controlling interest is normally obtained when the Group owns more than 50% of the shares in the company and can exercise control over the company. Non-controlling interests are included in the Group's equity. Internal shareholding and transactions, receivables and payables between group companies have been eliminated in the consolidated financial statement. The consolidated financial statements have been prepared in accordance with the same accounting principles for both the parent company and subsidiaries.

The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

As by the end of the financial year Nofitech Holding Group consists of the companies Nofitech Holding AS (Norway), Norwegian Fisfarming Technologies AS (Norway), Aqua Innovasjon AS (Norway), CM Aqua Technologies ApS (Denmark), Ratz Polymertechnik GmbH (Germany) and Hex Filter GmbH (Germany). The companies CM Aqua Technologies ApS, Ratz Polymertechnik GmbH and Hex Filter GmbH were acquired with effect from June 2020 and included in the consolidated financial statements from that period onwards.

Material accounting assessments, estimates and assumptions

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

The operations of the largest subsidiary of the Group, Norwegian Fishfarming Technologies AS, primarily consist of engineering, project planning, management and construction work related to Recirculating Aquaculture Systems ("RAS"). For the projects, The Group recognises revenue using the percentage of completion method, based on the anticipated final profit (final outcome) and stage of completion for each of the different phases of the projects. This means that income is recognised as work progresses. The percentage of completion method is based on estimates and assessments, entailing a degree of uncertainty in the accounting. For projects under construction, there is uncertainty associated with the progress of ongoing work, disputes, final outcome, etc. The final profit may therefore differ from the anticipated profit. For completed projects, there is uncertainty about hidden deficiencies, including guarantee work, and the outcome of possible disputes with the client. Provisions are made for guarantee work based on historical experience and commonly accepted methods for such assessments of uncertainty.

Revenue recognition

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

Revenues from the sale of services and long-term manufacturing projects are recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably, and as further described in the section "Material accounting assessments, estimates and assumptions".

Balance sheet classification

Current assets and current liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as non-current assets / non-current liabilities.

Current assets are valued at the lower of cost and fair value. Current liabilities are recognized at nominal value.

Non-current assets are valued at cost, less depreciation and impairment losses. Non-current liabilities are recognized at nominal value.

Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.



Notes to the financial accounts

Note 1: Accounting policies

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as a percentage of temporary differences and the tax effect of tax losses carried forward, using the applicable tax rate for the different jurisdictions. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

The tax effect of Group tax contribution is reversed, ensuring that the Group tax cost is not affected by such internal Group tax contribution transactions.

Pensions

The companies in the Group have pension agreements which comply with the applicable legal requirements in the different jurisdictions. The pension schemes are defined contribution plans. In such defined contribution plans the employer makes a contribution to the employee's pension savings. The future pension depends on the size of the contribution and the return on the pension assets. The pension cost for the Group is equal to the contributions for the year. Hence, no pension liability is recorded in the balance sheet.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Note 2: Segment information

Operating revenue is divided into two segments, **ModuleRAS** and **sale of equipments to the aqua industry through the fully owned subsidiaries CM Aqua and Aqua Innovasjon**.



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