Integrated Annual Report 2024

Powered by People, Driven by Purpose

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Powered by People, Driven by Purpose

ScaleAQ Group serves the global aquaculture industry and is a leading global technology partner, specializing in the development, supply, and manufacturing of turn-key fish farms, roe-sorting machines, vaccination machines, vessels, and digital solutions for the aquaculture industry across more than 40 countries. We provide comprehensive support to our customers from the roe stage to the point of fish slaughter. With a workforce of more than 900 skilled employees, we have established offices in Norway, Scotland, Poland, Iceland, Chile, Canada, Tasmania, and Vietnam.

Through our five divisions — Seabased, Software, Chile, Moen Marin, and Maskon — ScaleAQ Group is in a position to tailor our offering to different customer needs and covers a complete value chain of services and technology.

The expertise and dedication of our employees are the cornerstone of our brand, securing reliable products and the best service for our customers today and developing new solutions and technology for the years to come.

Our local presence is key to acquire necessary insights into customer needs, and address challenges effectively. Our goal is to ensure our customers have the license to operate and succeed in producing healthy, premium quality fish efficiently and sustainably. We strive daily to be the preferred partner for our customers.

Our integrated annual and sustainability report details our business operations, vision, ambitions, achievements, and areas for improvement in a transparent manner.

We are devoted to shaping the future of sustainable aquaculture. Our objectives include stimulating sector growth, optimizing production methods, and driving overall industry enhancement and advancement. With a global team, we are strategically positioned to make a significant impact on the aquaculture industry's future.

In essence, our mission is to foster a safe and sustainable aquaculture environment.

This is ScaleAQ

2024 at a Glance

2024 marked another record year for ScaleAQ Group where we achieved the second year in a row with double digit growth and significant improved financial performance. Further, an all-time order backlog was recorded end of the year reflecting high sales throughout the last trimester of 2024.

The commercial break through of our subsea solution for fish farming at sea, combined with high sales of vessels to the service segment were the main drivers. The achievements made, are a direct results of demanding, but supporting customers and our highly skilled and hard working employees. This bodes well for 2025 and onwards.

The current Group set-up was further honed in 2024, focusing on leadership skills and business culture. In August, we were happy to announce Audun Fjeldvær as the Group's new CEO, moving up the ranks and bringing more than a decade of experience from the industry to the table.

In 2024, ambitious goals and strategies were set towards 2030, where we embark on a strong growth journey built on a distinct agenda for innovations and improved products and solutions for the fish farmer.

930 employees

3.7 billion NOK revenues

2.8 billion NOK order backlog

33 locations in 8 countries

Key Figures

(Amounts in NOK million)	**2024**	2023	2022
Operating income	3 724	3 318	2 720
EBITDA	417	295	205
Operating profit (EBIT)	254	145	84
Operating profit (EBIT) margin	6.8 %	4.4 %	3.1 %
Profit before tax	200	61.3	73
Total assets	4 047	3 959	3 161
Net interest-bearing debt	1 012	786	886
Equity ratio	43.4 %	40.1 %	42.3 %
Order backlog	2 840	2 274	1 858

Five Strong Divisions – Tailoring Our Offering and Mirroring Customer Requirements

ScaleAQ Group consists of the following five divisions:

ScaleAQ Seabased

The sea-based operations in ScaleAQ Group consist of 650 employees and are headed by Sigurd Liljefjell. In ScaleAQ Group's sea-based operations, we find products and services that cover the totality of sea-based fish farming. The unique portfolio of products, technology and services is designed to work together and has been tested under the toughest standards and conditions. ScaleAQ Seabased has also been a key player in designing industry standards within its product segments.

ScaleAQ Chile

Division Chile is headed by CEO Carlos Arenas. In Chile we deliver a broad range of products and services primarily to fish farms at sea, including steel pens, cameras, feeding equipment and after-market service. We are also a niche player for land-based fish farming, where we over the last years have introduced the Maskon fully automated vaccination machines. Chile represents a large market, and we actively seek to exploit synergies across divisions striving to be the best partner for the Chilean fish farmer.

Moen Marin

Moen Marin is the world's largest supplier of work vessels to the aquaculture industry. Moen Marin has clear ambitions to lead the way in sustainable development of the industry. Moen Marin mainly delivers hybrid vessels and is now developing the industry's first hydrogen-powered workboat in collaboration with SalMar (SalmoNor) and Moen Gruppen. Group CEO Audun Fjeldvær is currently acting as interim CEO of Moen Marin.

Maskon

Maskon is led by Jon Anders Leikvoll and is a global market leader in fully automated vaccination machines. The company sold its first egg sorting machine in 2006, and its first automatic vaccination machine to Salmar in 2011. Maskon was acquired in February 2023 and broadened the offering of the Group into the first parts of the fish farming value chain. We see clear synergies with the rest of the Group, first and foremost in utilizing the existing world-wide sales and service network.

ScaleAQ Software

In 2023, ScaleAQ Software was established as a separate division. This division will cultivate its deliveries towards an even larger market and is headed by Jon Arild Tørresdal. The Division offers market leading software including the Mercatus suite. The Software division is well positioned to take part in the ongoing digitalization of the industry and to offer necessary competence and support to the other divisions.

Group Management

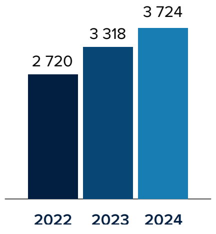
The Group Management of ScaleAQ Group has the overall strategic responsibility for securing the totality and consists of Group CEO Audun Fjeldvær, Group CFO Svein Vestermo, Chief Sustainability Officer Hanne Digre, Chief Strategy & People Officer Nina Olufsen and Chief Digital Officer Thomas Wiig. In addition, Division Managers are included in the Group management team.

Reporting Segments

For reporting purposes, we have combined the business directly related to the fish farmers value chain in the Fish farming technology segment and the business related to working boats for fish farming and other customers into the Vessel segment. Consequently, Fish farming technology comprises the financial performance of ScaleAQ Seabased, ScaleAQ Chile, Maskon and Scale AQ Software, and Vessels comprises the financial performance of Moen Marin.

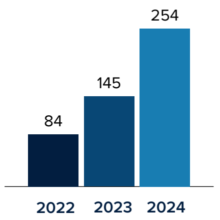
Operating Income

Amounts in NOK million



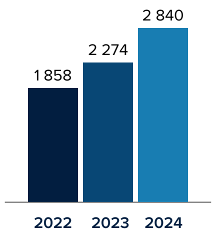
Operating Profit (EBIT)

Amounts in NOK million



Order Backlog

Amounts in NOK million



Segment Information

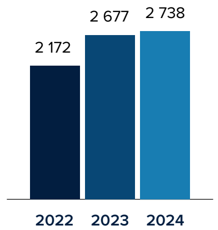
Fish Farming Technology

Key Figures

(Amounts in NOK million)	2024	2023	2022
Operating revenues	2 738	2 677	2 172
Operating profit (EBIT)	230	158	55
EBIT margin	8.4 %	5.9 %	2.5 %
Order backlog	954	837	915

Operating Revenues

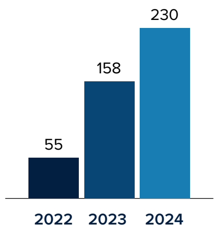
Amounts in NOK million



Fish farming technology delivered another strong performance, with a notable improvement in earnings. While revenue growth was more modest, driven in part by a softer market for barges, this was offset by higher revenues across other key product segments. A key highlight was the successful commercial breakthrough of our subsea pen, which had a significant positive impact. EBIT reached NOK 230 million, up from NOK 158 million the previous year, resulting in an EBIT margin of 8.4% (up from 5.9%). The increase in earnings was primarily driven by higher gross margins, which were supported by a favorable product mix.

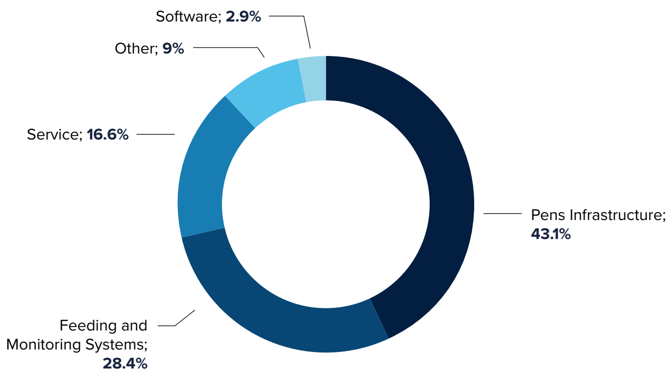
Operating Profit (EBIT)

Amounts in NOK million



Revenue per Product Line

Fish Farming Technology



Segment Information

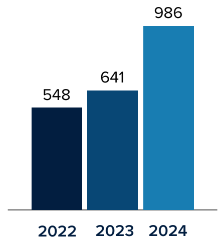
Vessels

Key Figures

(Amounts in NOK million)	2024	2023	2022
Operating revenues	986	641	548
Operating profit (EBIT)	62	29	41
EBIT margin	6.3 %	4.5 %	7.5 %
Order backlog	1 886	1 437	915

Operating Revenues

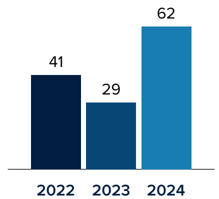
Amounts in NOK million



The vessels segment continued its growth trajectory in 2024, achieving total operating revenues of NOK 986 million, a robust increase of 54% compared to 2023. This growth was largely attributable to a strong order backlog, which allowed for a higher number of vessel deliveries than the previous year. EBIT for the segment reached NOK 62 million, up from NOK 29 million in 2023, reflecting an EBIT margin of 6.3% (up from 4.5%). The improvement in earnings was driven by a combination of higher revenues and economies of scale, following several years of strategic investments in structural capacity. The order backlog at year-end stood at NOK 1.886 billion, marking an increase of NOK 449 million from the previous year and setting a new all-time high.

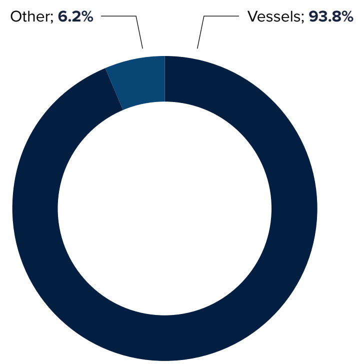
Operating Profit (EBIT)

Amounts in NOK million



Revenue per Product Line

Vessels



Our Brand

Purpose

Shaping safe and sustainable aquaculture

Mission

Enable our customers' **license to operate**, and succeeding in making healthy salmon and high-value species of premium quality, at low cost, in a sustainable manner

Vision

Leading and preferred partner to the global aquaculture industry

Values

Our values are based on three simple concepts providing guidelines for how we want to act internally and externally. Together, they permeate everything that we do and help to clarify our identity and our goal, which is to ensure sustainable growth in the aquaculture of the future.

build trust
Employees mandated to make their own decisions are crucial for an organization that is dependent on close customer relationships and quick actions. Trust creates a strong ScaleAQ Group team.

take responsibility
We take responsibility for both our own work and our collective responsibility for the environment. We create sustainable solutions that are based on insights from our customers and partners.

go beyond
We must dare to be clear, vigorous, curious, visionary and innovative on behalf of the entire aquaculture community. We will share our knowledge to make a difference in the aquaculture industry.

Milestones

1980s

1980 Launched first pen

1985 Launched first central feeding system

1990s

1996 First delivery of underwater cameras

1999 Delivered first feeding barge

2000s

2008 Opened office in Chile and Moen Marin delivered first vessel

2009 Developed the world's first thermal delicer

2010s

2010 Opened office in Scotland

2011 Maskon delivered first automated vaccination machine

2012 Collaboration with Marintek to test pen systems

2013 Launched Midgard®, the world's first escape-proof net pen

2014 Opened new factory in Vietnam and office in Tasmania

2015 Opened office in Canada

2018 Opened 120 decare facilities at Frøya and an office in Iceland

2019 Launched ScaleAQ at AquaNor, acquired Moen Marin and delivered first hybrid vessel

2020s

2020 Launched hybrid feed barges for reducing fuel consumption and emissions

2021 Launches: Cameras, Water feeding, Mercatus, SmartSpreader

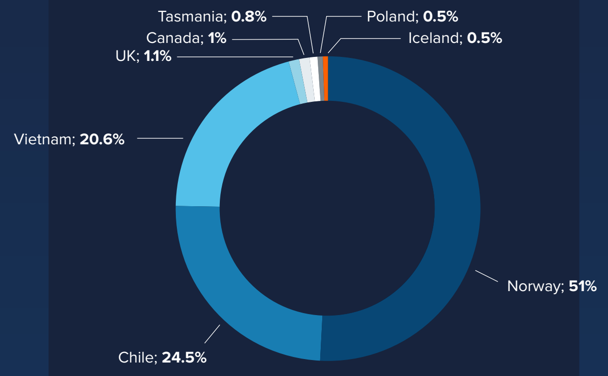
2022 New production, stock and service hub opened at Bømlo, in addition increased production capacities with new sites in Scotland and Rørvik, established service center at Finnsnes

2023 Acquired Maskon, launched Vortex® and Subsea systems

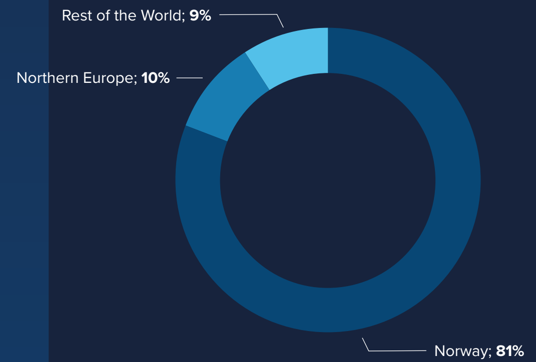
2024 Opening of ScaleAQ Circular at Frøya

Global Market

Employees by Geography



Revenue by Geography



CEO Letter

Navigating New Horizons in Aquaculture

I am truly honored that I was given the trust and opportunity to become CEO of ScaleAQ Group in August 2024. ScaleAQ Group has played a key role in the aquaculture industry for decades, an industry which has been a big part of my life from childhood throughout my professional career. Reflecting on a transformative year, I am both humbled and excited by the progress we have made. ScaleAQ Group's commitment to innovation, excellence, and sustainability has enabled us to collaborate with some of the world's most demanding customers while leveraging the deep expertise of our team.

A Year of Remarkable Performance and Further Ambitions

As we celebrate a year of records in terms of revenues and profits, we have also set ambitious goals to drive further growth and innovation, propelling both our company and the industry forward. These results and ambitions reflect our relentless pursuit of high-quality products and the highest standard of service for our customers, which clearly could be seen through improved gross margins and economies of scale.

Our improved financial performance has laid a solid foundation for further investments, and we have given priority to initiatives that will allow farmers to improve fish health and feed consumption, which both are crucial to achieving more sustainable farming.

This year, we advanced our seabased farming solutions including a commercial break-through of our submerged system, in parallel with full scale testing of Vortex®, a semi-closed system, and engineering of a brand-new closed aquaculture system at sea.

Further, our unique position providing fully automated vaccination, with more than 430 mill salmon vaccinated in 2024, offers opportunities to gather data and provide the fish farmers with unique insight. This data is empowering our customers to make more informed decisions and optimizing overall operational efficiency.

ESG – What We Do Creates Substantial Impact

Sustainability is woven into the fabric of ScaleAQ Group. It is in what we do, how we work, and it is also visible in the results that our customers achieve with our support. Our ESG initiatives extend throughout the value chain, ensuring that every decision we make supports environmental stewardship, social responsibility, and sound governance. Here are some examples:

In 2024, we opened our first fully industrialized set-up for re-circulating plastics at Frøya – a significant milestone that will lower our environmental footprint by reducing waste and promoting recycling.

We have also developed a new fully battery electric personnel vessel. This development has taken place in close cooperation with some of our valuable partners representing the forefront of batteries and efficient hulls.

> *We anticipate continued growth supported by initiatives designed to tackle the industry's most pressing challenges. With ambitions to more than double our activity by 2030, we rely on our exceptional team and our ongoing commitment to attract fresh talent and new ideas.*

Our Core Values in Action

At ScaleAQ Group, our core values – to build trust, take responsibility, and go beyond – are not mere words, but a call to action that drives us to continuous improvement and innovation. We seek to foster an environment where curiosity is rewarded and new ideas are celebrated, building a more sustainable aquaculture industry that benefits our customers, our people, the fish, and the ocean.

Our leadership philosophy is anchored in listening closely to our customers and understanding their needs. By remaining connected to those we serve, we address critical challenges related to fish health, operational efficiency, and sustainability.

At the same time, we are committed to attracting and retaining top talent. We should be the most attractive place to work in the industry. Our employees are our greatest asset, and their dedication and creativity empower us to overcome challenges and seize new opportunities.

Our Successes Have Sparked Our Ambitions

Looking ahead, our vision for ScaleAQ Group is as bold as it is clear. We anticipate continued growth supported by initiatives designed to tackle the industry's most pressing challenges. With ambitions to more than double our activity by 2030, we rely on our exceptional team and our ongoing commitment to attract fresh talent and new ideas.

Our strategy centers on leveraging new technologies and innovative operational solutions to enhance fish welfare and reduce costs for fish farmers. We are investing in advanced monitoring systems to gather comprehensive data on fish behavior and health. By deepening our understanding of each salmon's journey – from hatchery to harvest – we empower our customers to make smarter, more sustainable decisions.

Additionally, our initiatives extend to expanding production systems that minimize environmental impact while maximizing productivity. These initiatives set the stage for a new era in sustainable aquaculture technology.

Embracing Change and Taking Responsibility

Our success hinges on our ability to introduce innovative solutions that empower fish farmers to achieve profitable growth in an ever-evolving market. Every initiative we pursue is rooted in our unwavering commitment to the fish, our understanding of their needs, and our responsibility to care for the ocean.

Transformation begins with taking responsibility, not only for our own success but also for the broader impact we have on the industry and the environment. Our commitment to "go beyond" is evident in every project we undertake and every decision we make. We actively invest in research and development, foster a culture of collaboration, and keep our customers' needs at the forefront of our efforts.

While we celebrate our successes, we remain mindful of the challenges ahead. Our ambition is to continually set new benchmarks for innovation on the premises of the fish and the ocean. We are determined to push the boundaries of what is possible, ensuring that our efforts today pave the way for a better tomorrow.

A Call to Action for a Sustainable Aquaculture Industry

The journey toward a sustainable aquaculture industry is paved with innovation, collaboration, and a shared commitment to excellence, and should challenge ourselves, our leadership teams, our employees, and our partners to continue pushing boundaries and challenging conventional wisdom.

Our mission is to develop solutions that enable fish farmers to achieve profitable growth while safeguarding the health of the fish and the ocean. Every innovation, improvement, and idea are steps toward a brighter future for our industry. With advanced technology and sustainable practices, we are not only addressing today's challenges but also laying the groundwork for long-term success.

We have clear priorities for 2025:

- Stepping up innovation and deliver on our distinct innovation agenda.
- Expand our suit of operational concepts to combat sea lice – piloting our closed aquaculture system
- Finish and open our brand-new net innovation center
- Provide our customers with better data driven insight – better understanding of the fish
- Improve employment branding – retain and attract the best talents.
- Continue to build a strong ScaleAQ Group culture well routed in our core values.

Demanding Customers, Best Partners and Talented People

Our achievements so far and a successful future would not be possible without the trust and collaboration of our customers. Working with visionary partners has challenged us to drive innovation and develop cutting-edge technology, directly addressing the most critical needs of the industry.

We also recognize the importance of our network of partners that offers expertise, technology and ideas that puts us in a position to develop solutions meeting the needs of the industry.

I also wish to recognize our 930 dedicated employees. Their expertise, dedication, and forward-thinking spirit are the driving force behind our success. Each member of the ScaleAQ Group family plays a crucial role in our collective achievements, and I am immensely proud of the positive impact we are making together.

I sincerely thank you all for your continued trust and partnership. Let us move forward together, turning challenges into opportunities and building a future where sustainable aquaculture is not just an aspiration, but a reality.

Audun S. Fjeldvær

CEO, ScaleAQ Group

ScaleAQ Group:

Investing in Research and Technology

Dr. Ida Strand has devoted 13 years of her career to finding the best way to establish a closed fish farm. ScaleAQ Group is now ready to test its first prototype in open waters.

“Far too little research has been done on this, and I feel fortunate to work in a place that prioritizes investment in research and development. The model experiments we’ve conducted have been both fun and crucial, offering significant learning opportunities”, says Ida Strand.

ScaleAQ Group continues to address the largest challenges for our customers and we have a broad innovation agenda establishing a mosaic of sustainable and efficient fish farming technology.

In 2025, the first full-scale closed pen prototype will be tested at site with a Norwegian customer. For Ida, this journey began back in 2013 when she embarked on her PhD: *Sea Loads on Closed Flexible Fish Cages*. After years of research, she can now take her knowledge into open waters.

“In February we spent 2 weeks with the Marintek testing facility at Sintef, investigating how various environmental changes affected the pen. Here Ida led the probably most advanced testing and research ever done on aquaculture equipment “ shares Ben Øksnes, general manager for the new company in ScaleAQ Group, and head of Closed Aquaculture Systems.

"At the same time, we’ve collaborated effectively across the organization, utilizing the strength and knowledge within ScaleAQ Group."

ScaleAQ Group’s innovations in subsea technology, including semi-closed and fully closed containment systems, aim to revolutionize fish farming by addressing critical issues such as sea lice infestations and environmental impact.

“I’ve come to understand how vital it is to connect people from different disciplines and perspectives to tackle these challenges. Testing the prototype at SINTEF revealed surprises – things we expected to happen didn’t, and things we didn’t expect did. That’s research in practice! And to our surprise we found very positive things related to our design, where similar designs have had limitations” says Ida Strand.

Developing new operational technologies comes with its challenges. The process involves gathering information, leveraging expertise, and applying hands-on experience to create viable products. There are many requirements, making it essential to strike a balance between them.

“For instance, how do we design a closed pen that prioritizes fish welfare while minimizing material usage and operational costs like energy? These are the kinds of questions we’re working hard to answer”, says Ida.

ScaleAQ Group’s commitment to research, dedication, and cooperation underscores its mission to transform aquaculture for the better – both for the environment and for fish health.

ScaleAQ Group is poised to play a crucial role in shaping the future of sustainable aquaculture and customers should put trust in products from ScaleAQ Group – our people make the difference.

From Waste to Valuable Resources:

SirkAQ's Aquaculture Recycling Breakthrough

Recycling plastic materials from decommissioned fish farming equipment ensures tackling one of the industry's largest waste streams.

The SirkAQ project represents a groundbreaking shift from a linear to a circular economy in aquaculture technology. Through reusing, repairing, extending the life of, and recycling decommissioned fish farming equipment, we are working to manage the industry's environmental footprint.

During 2024, significant milestones were achieved with ScaleAQ Circular, opening a brand new facility for decommissioned equipment and plastics in Hammervika, Frøya.

"I'm truly happy that we have been able to hire and attract competent personnel at Frøya. In total we are now 6 employees. There is a lot of enthusiasm for this activity, because in addition to being business and sales it is also about making a bigger impact", says production manager Jesper Furberg.

The long term goal is to reduce greenhouse gas emissions and combat ocean pollution. We also strive to achieve new value from discarded materials and create new jobs locally.

To ensure impact and bring together the best technology and minds, ScaleAQ Group is working closely with selected partners, among these Hallingplast.

While ScaleAQ Circular is transforming decommissioned plastic equipment into flakes, Hallingplast processes the flakes into granulates. These granulates are then used to produce PE pipes for the fish farming industry – circular economy in action.

"You can definitely call it a paradigm shift", says Sverre Tragethon, CEO of Hallingplast who expresses pride in the partnership.

The SirkAQ project is a collaborative effort which also includes Sinkaberg, Oceanize, and research institutions like Sintef, Norner, Oslo Met and the catapult center Future Materials.

"We are aiming for a fully circular value chain in the production of plastic pens", says Hanne Digre, project manager for SirkAQ.

To get there, it is crucial that recycled material can be used in load-bearing structures – this is where the volume is and the raw material price is high enough to make it profitable throughout the value chain.

As the aquaculture industry continues to evolve, ScaleAQ Group and its partners are setting new standards for sustainability and circular economy practices, paving the way for a more environmentally responsible future in fish farming – we take care of the ocean.

Revolutionizing the Aquaculture Industry:

Smarter Data, Healthier Fish

ScaleAQ Group is transforming aquaculture industry with technology and data analysis of each individual fish, empowering better operational decisions.

By leveraging insights from advanced vaccination machines and other innovative equipment, producers can now enhance fish welfare and quality like never before. Jon Ivar Hammeren, Head of Development at Maskon, highlights the significance of these technological advancements: “At Maskon, we believe that understanding fish health is essential for sustainable aquaculture. Our solutions empower farmers with actionable insights to improve both productivity and fish welfare”.

Maskon’s flagship digital platform, MSKY, provides detailed data on fish populations, enabling farmers to monitor development throughout the lifecycle. Morten Lund, Head of Digital at Maskon, explains: “Through the vaccination process, we gather unique data by scanning each individual fish. MSKY represents a transformative leap in aquaculture technology”.

Collaboration remains a cornerstone of Maskon’s success. In partnership with InPhase Solutions, the company recently established SoniFish, a joint venture focused on developing ultrasound-based gender sorting technology. This innovation enables selective fish grouping to accelerate growth while optimizing feeding and prioritizing fish welfare. Jørgen Skevik, Managing Director of SoniFish, notes: “This technology not only enhances production efficiency but also aligns with our mission to improve fish welfare”.

As Maskon continues to push the boundaries of aquaculture technology, it remains committed to reducing costs and minimizing waste. Morten Lund adds: “Our goal is to integrate seamlessly with major industry platforms like Mercatus, providing farmers with real-time operational insights”.

Jon Ivar Hammeren concludes: “We are dedicated to driving innovation in aquaculture to ensure responsible and sustainable growth for the industry. Understanding the fish is key to achieving this vision”.

Moen Marin's Zero-Emission Vessel:

A Team Achievement That Exceeded Expectations

Moen Marin is breaking new ground in the aquaculture industry with its Nabcrew Zero Airblu – a brand new zero-emission crew vessel.

"Seeing the boat perform faster than we had even hoped is the best moment for me the last 12 months. That moment validated all the hard work and collaboration that went into this project", says project manager Damian Steinke at Moen Marin.

Nabcrew Zero is a lightweight electrical boat designed to ensures maximum travel distance without sacrificing performance, making it a practical solution for operators looking to reduce their environmental impact while maintaining efficiency.

The vessel was made possible by Pascal Technologies' AirHull design, which creates an air pocket between the hull and the water, reducing resistance and boosting efficiency. As a result, the vessel can travel up to 40 nautical miles on a single charge, with speed up to 30 knots – key features for aquaculture operators looking to modernize their fleets.

Nabcrew Zero Airblue is built on "spec", meaning without guaranteed buyers, reflecting Moen Marin's courage to invest in untested technology. Mariell Ulla Toven, Chief Business Development Officer at Moen Marin, is confident that the market will welcome their innovation. But she emphasizes that launching new technology comes with its own challenges.

"Since this is new technology, customers will naturally question the vessels' ability to meet the performance on distance, speed and efficiency. We are proud to say that we have overcome the challenges, and I know we will be having many orders in the coming months", says Ulla Toven.

The Nabcrew Zero Airblue is set to make its big debut at NorFishing 2025 in Trondheim, where it will be demonstrated to potential buyers. With hundreds of aging vessels in aquaculture needing replacement, this zero-emission alternative is coming at a good time.

Partnerships with Pascal Technologies and funding from Enova, have been crucial to launch the project.

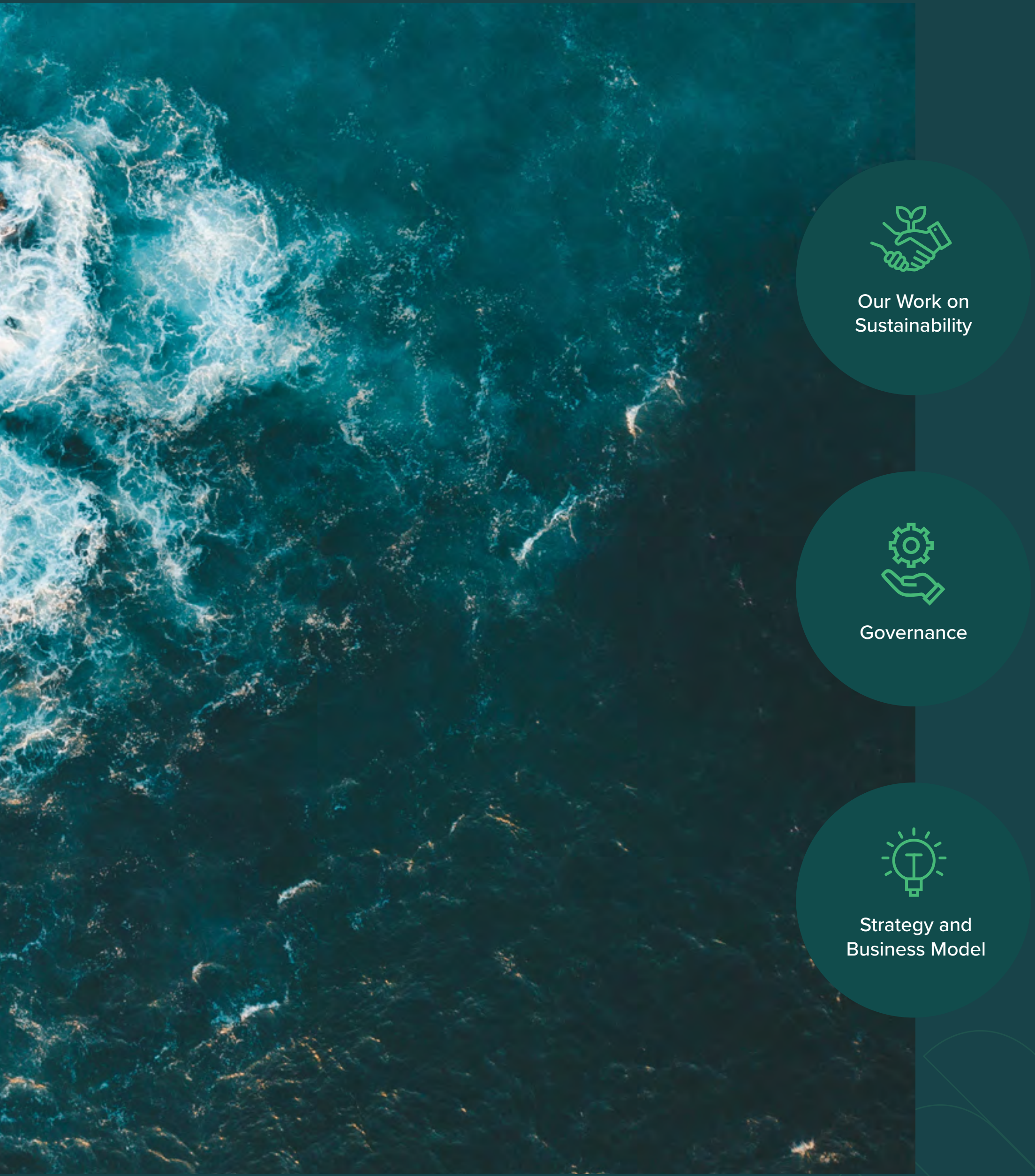
"This has been about teamwork from day one. Engineers, designers, and partners worked together to solve challenges and push boundaries. Everyone played a part in making this happen", says Steinke.

He himself joined the company only 18 months ago and was given a lot of responsibility early on into a project which is promising lower emissions of both noise and pollution.

By eliminating emissions and reducing noise pollution, the vessel minimizes disturbances to marine life. Unlike diesel-powered boats, which release exhaust gases and vibrations into the water, this electric vessel operates silently, ensuring a cleaner environment both above and below the surface.

With this vessel, Moen Marin is proving that sustainability doesn't have to come at the cost of functionality or innovation—it can drive progress forward.

Sustainability Report



General Information

Our Work on Sustainability

This report provides stakeholders with updated information on ScaleAQ Group's performance and efforts related to material environmental, social, and governance (ESG) topics. We aim to communicate our commitment to long-term sustainability through a transparent presentation of our initiatives and progress. This year, we will present a double materiality assessment (DMA) across all divisions of the ScaleAQ Group, in line with the EU Corporate Sustainability Reporting Directive (CSRD).

Since 2021, we have been reporting on our sustainability efforts, covering the required information and disclosures under the Accounting Act and the World Economic Forum (WEF) 'Measuring Stakeholder Capitalism' framework, which focuses on four key themes: People, Planet, Prosperity, and Principles of Governance. However, starting this year, while we will continue reporting in accordance with the WEF framework, we are gradually transitioning our reporting towards the CSRD and the European Sustainability Reporting Standards (ESRS). However, we are not totally aligning with the requirements of CSRD in this years report.

In this report, our sustainability statements are structured according to the four main sections of the European Sustainability Reporting Standards (ESRS): General, Environment, Social, and Governance. All figures are based on the financial year 2024.

As a global company, ScaleAQ Group's operations span across the world, and this report reflects that international scope. Ensuring the accuracy and quality of the data we report is a continuous improvement area for ScaleAQ Group. While our goal is to provide complete and correct information, some of the data presented in this report will be based on estimates.

Hanne Digre
Chief Sustainability Officer

ScaleAQ Group's Sustainability Commitments:

ScaleAQ Group are focusing on our long-term ESG targets, which were established in 2022, centred around three pillars: *Circular Economy*, *Technology for Net-Zero Emissions and Good Animal Welfare,* and *People and Interaction*.

We continue our commitment to the principles of the United Nations' Global Compact and strive to maximize our impact toward achieving the Sustainable Development Goals (SDGs).

Our Own Value Chain

We will limit our own environmental footprint and strive towards increased circularity throughout our value chain.

Our Customers

We will help our customers to become more sustainable through our new and existing products and solutions, as well as by providing advice.

Our Industry and Society

We will assume a clear industry role and drive sustainability in the aquaculture industry.

ESG Performance Highlights 2024

Circular Economy

Proportion of amount (tons) with recycled materials / Proportion of the total amount produced

Goal 2030	100%
Goal 2025	>50%
Results 2024	25%
Results 2023	23%

Proportion of waste that goes to material recycling / Proportion of total waste

Goal 2030	>90%
Goal 2025	>70%
Results 2024	63%
Results 2023	60%

Technology for Zero Emissions and Good Animal Welfare

Environmental declarations on our products (EPD)

Goal 2030	ALL
Goal 2025	10
Results 2024	5
Results 2023	2

Number of notified and registered escapes incidents that can be traced back to equipment / Delivery errors

Goal 2030	0
Goal 2025	0
Results 2024	0
Results 2023	0

Number of lice treatments in ScaleAQ Group's new production systems such as Vortex® and Subsea

Goal 2030	0
Goal 2025	<3 Per production
Results 2024	3
Results 2023	<3

Health and Safety

TRIF: A combined total injury frequency derived from the number of LTI (lost-time-injury) and WRI (Work-Related Injuries)

Goal 2030	3
Goal 2025	5
Results 2024	15,7
Results 2023	22

Diversity, Equity and Inclusion

Number of women in leading positions

Goal 2030	40%
Goal 2025	30%
Results 2024	22%
Results 2023	15%*

Sustainable Procurement

Proportion of responses to Questionnaire / 100 prioritized suppliers

Goal 2030	100%
Goal 2025	100%
Results 2024	100%
Results 2023	47%

*Results 2023 have been readjusted due to a calculation error in 2023 report. The correct percentage is 15%.

Our Approach to the CSRD EU Directive in the Coming Years

In the coming years, ScaleAQ Group is committed to fully integrate the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) into our operations and reporting practices. While we will structure this year's reporting in reference to the CSRD, we will focus on selected key performance indicators (KPIs) that are most relevant to us.

As we approach the 2025 financial year, we are actively preparing to meet the new sustainability reporting standards. Currently, we anticipate full implementation of the CSRD requirements once they become mandatory for us, expected in 2027. While the reporting obligation will be consolidated with our parent company, Kvarv AS, we will continue to produce our own report in compliance with CSRD. We acknowledge the European Commission's recent proposals to simplify and streamline sustainability reporting. The first Omnibus package introduces measures to enhance accessibility and efficiency, targeting the largest companies with the most significant environmental, social and governmental impacts.

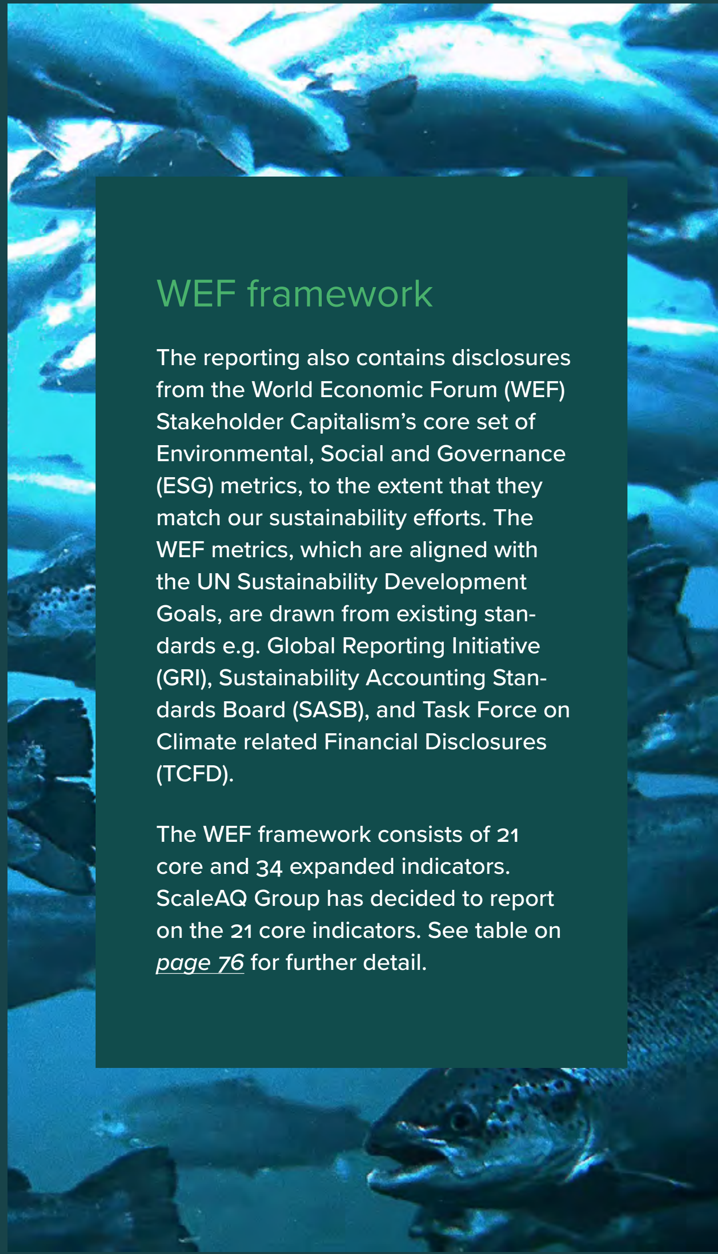
As these proposals progress through the European Parliament and Council, we will remain adaptable, ensuring that our reporting processes are both compliant and optimized. This approach reinforces our dedication to transparency, accountability, and sustainable growth.

This year, we will present ScaleAQ Group's double materiality analysis which was conducted in 2024. This assessment will identify and evaluate the most significant environmental, social, and governance (ESG) factors that impact our business and stakeholders. The results will shape our strategy and ensure that our sustainability efforts are aligned with both regulatory requirements, stakeholder expectations and the overall transition to a greener / more sustainable economy.

The CSRD is a core component of the European Green Deal, which seeks to reduce greenhouse gas emissions by at least 55% by 2030 and achieve climate neutrality by 2050. In addition, complementary legislation such as the EU Taxonomy Regulation and the Sustainable Finance Disclosure Regulation, already part of Norwegian law, will guide our sustainability efforts and investment decisions.

At ScaleAQ Group, we view the evolving regulatory landscape as an opportunity to lead with integrity and innovation. The Commission's objective to reduce administrative burdens by 25% will allow us to direct more resources toward impactful sustainability initiatives rather than excessive paperwork.

By embedding sustainability into our corporate strategy and creating a culture of continuous improvement, we aim to create long lasting value for our employees, potential talent, customers, suppliers and investors. Our commitment to proactive ESG management will not only ensure compliance with the CSRD but will also enhance our reputation as a responsible and forward-thinking industry leader.



WEF framework

The reporting also contains disclosures from the World Economic Forum (WEF) Stakeholder Capitalism's core set of Environmental, Social and Governance (ESG) metrics, to the extent that they match our sustainability efforts. The WEF metrics, which are aligned with the UN Sustainability Development Goals, are drawn from existing standards e.g. Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate related Financial Disclosures (TCFD).

The WEF framework consists of 21 core and 34 expanded indicators. ScaleAQ Group has decided to report on the 21 core indicators. See table on page 76 for further detail.

Governance

The Role of the Administrative and Management Bodies

Board of Directors

The Board is the highest governing body for sustainability. It approves the strategic direction and goals, oversees performance on material sustainability impacts, risks, and opportunities (IROs), and annually approves the results of the DMA. The Board is presented with a progress update annually across material IROs and strategic priorities and objectives, and engages in in-depth discussions on sustainability themes, when necessary.

Group Management

Group Management sets and approves the strategic sustainability direction and oversees performance on material IROs. The ScaleAQ Group Chief Sustainability Officer (CSO) has overall responsibility for ensuring that the business delivers on our sustainability objectives and actions. The Groups Chief Financial Officer (CFO) is responsible for our sustainable financial reporting (EU taxonomy), while the CSO has overall responsibility for our sustainability statement.

Material IROs are planned to be discussed twice a year, with Group Management approving strategic sustainability goals and performance targets. These meetings include an in-depth analysis of governance elements and a review of material IROs. The main goal is to ensure that the company's strategic sustainability goals and performance targets align with the overarching vision and strategy. In 2024 our double materiality assessment was reviewed and assessed by the Group management before Board approval, alongside progress on key sustainability KPIs. Material IROs addressed throughout the year are detailed in the following chapters.

Insights From Our Ambassadors:
Why is Working on Sustainability Important for ScaleAQ?

“We have a responsibility to contribute to more sustainable development. Through the work we do, we reduce our environmental impact and inspire others to make good, environmentally conscious choices”.

Cilje Fredagsvik
Customer Service, ScaleAQ

“It is crucial for us to contribute to a positive development for the industry and the environment”.

Øyvind Refsnes
Project Manager Mooring, ScaleAQ

“As a leading supplier of high-quality vessels for aquaculture, we have a responsibility to involve more people in sustainability efforts. We want to inspire both customers and suppliers to make good choices”.

Heidi Feren Eggen
Administrations Coordinator, Moen Marin

Read the full statements on scaleaq.com

Information Flow and Sustainability Matters in Governance Bodies

Performance on material sustainablilty topics / matters are regularly communicated to ScaleAQ Group’s administrative and management bodies. The Board of Directors and Group Management receive updates twice a year that include performance reports, key performance indicators (KPIs), and the results of our annual DMA. These updates help ensure that sustainability is integrated into decision-making processes in the organization.

Strategic decisions related to our sustainability work are made at the highest levels within the company, aligning with ScaleAQ Group’s overall business strategy.

ScaleAQ Group’s sustainability governance emphasizes the importance of performance monitoring and evaluation. We track progress toward established sustainability targets and key indicators, ensuring transparency and accountability in our reporting. Three of our divisions are certified according to ISO 9001, ISO 14001, or both. We are currently assessing whether to implement a unified strategy for these certifications at the ScaleAQ Group level, further reinforcing our commitment to quality and environmental management. To support informed decision-making, we conduct sustainability competence development for our board members, executives, and employees. This includes online courses, presentations, and updates on our sustainability efforts. We closely monitor regulatory changes, ensuring we stay compliant and ahead of industry trends.

ScaleAQ Group has a dedicated ESG team that focuses specifically on climate, environmental impact, animal welfare, and health and safety. This team consists of experts across multiple disciplines, including biology, environmental documentation, aquaculture technology, health and safety, and emergency preparedness. The team is tasked with a wide range of responsibilities, which are outlined in a dedicated mandate. They actively engage in development projects and ensure that strategies and sustainability goals are effectively followed up on. Their work ensures that ScaleAQ Group meets national and international HSEQ and ESG regulations. In addition to the ESG team, other key functions within the group hold primary responsibility for human resources, ensuring a comprehensive approach to sustainability throughout our operations. Furthermore, in 2022, we introduced our own Sustainability Ambassadors program — a multidisciplinary group representing various parts of our business and locations. This group, which now includes seven dedicated employees, stays updated on sustainability initiatives, shares knowledge, and promotes these efforts across the ScaleAQ Group organization. Through this program, we aim to integrate sustainability awareness and action across the entire company.

Risk Management and Internal Controls Over Sustainability Reporting

In preparation for new reporting requirements, the Corporate Sustainability Reporting Directive (CSRD), we will implement a plan to assess and improve our internal controls over sustainability reporting. This process, which will begin in 2025, includes in-depth reviews to reassess existing controls and identify areas for improvement. Initially, our double materiality analysis will be reviewed by our auditor. These reviews, focused on material sustainability topics, are facilitated by our ESG team in collaboration with relevant functions. We prioritize risks related to data completeness, accuracy and timeliness, to ensure that our sustainability reports meet the highest standards.

Risk management

Corporate risk management is an integrated part of annual board and management reporting cycles. The purpose is to identify, document and handle critical risks and opportunities. For 2024 and under our work with our Double Materiality Assessment, risk and opportunities have been identified in accordance with the CSRD. Details are depicted in the chapter *Material Impacts, Risks and Opportunities*. Furthermore, business-critical risk and opportunities are assessed and described in chapter *Governance*. Last year we started to use Task Force on Climate-related Financial Disclosures (TCFD) recommendations as a foundation for building our climate risk assessments. These assessments are now integrated into the chapter *Climate Change*. During 2025, we will work aligning the sustainability risk assessment between the DMA and enterprise risk framework.

Strategy and Business Model

Strategy, Business Model and Value Chain

ScaleAQ Group is shaping the future of safe and sustainable aquaculture, with a vision to be the leading and preferred partner to the global aquaculture industry.

Value Creation and Key Resources

We create value by developing and assembling advanced technology while providing high-quality service to ensure optimal performance for our customers. Our business model relies on several key resources:

- **Natural Resources:** To deliver our technology, we depend on materials such as plastic, steel, aluminum, and concrete. These resources are secured through agreements with critical suppliers.
- **Human and Financial Capital:** Our 930 skilled employees are essential to our value creation, working in alignment with our core values. Additionally, we depend on financial capital provided by our owners to drive growth and innovation.
- **Stakeholder Relationships:** We collaborate with customers, suppliers, seafood organizations, research institutions, and policymakers to support the long-term sustainability and political backing of the aquaculture industry.

Key Outputs and Stakeholder Benefits

Our business model generates value for multiple stakeholders:

- **Customers:** We act as a trusted partner and advisor, ensuring that our customers have the necessary tools and expertise to produce high-quality, sustainable salmon at a competitive cost. Our durable solutions withstand harsh marine conditions and provide farmers with the safety, data, and control needed to maintain an optimal environment for fish welfare.
- **Communities:** We develop technology that minimizes the aquaculture industry's environmental footprint while creating long-lasting employment opportunities in coastal regions.
- **Shareholders:** We focus on value-driven growth and cost-effective operations to generate sustainable returns for our shareholders.
- **Employees:** We prioritize a safe and inclusive workplace, fostering employee development and well-being to ensure long-term engagement and innovation.

Our business model is built on sustainable principles, ensuring long-term success for both our company and the aquaculture industry as a whole.

Addressing the UN SDGs

At ScaleAQ Group, our sustainability efforts are closely aligned with the UN Sustainable Development Goals (SDGs). We focus on the goals where we can make the greatest impact, particularly through technology innovations and solutions that support more sustainable aquaculture. As part of the blue economy, we recognize our responsibility to protect marine ecosystems and manage natural resources wisely. In addition to our environmental focus, we contribute to broader social and economic development through job creation, tax contributions, and cross-sector collaboration. The SDGs highlighted here reflect the areas most relevant to our business and operations.

Figure: ScaleAQ Group UNs Sustainability Goals

We're Shaping a Sustainable Aquaculture Industry for the Future

	Circular Economy ESRS E1 and E5	Technology for Net-Zero Emissions and Good Animal Welfare ESRS E1, E4 and G1	People and Interaction ESRS S1, S2 and G1
SDGs	12 Responsible consumption and production; 9 Industry, innovation and infrastructure	14 Life below water; 13 Climate action	3 Good health and well-being; 5 Gender equality; 8 Decent work and economic growth
Ambition	We will become circular in order to reduce climate emissions, the use of virgin raw materials, and increase value creation.	We shall contribute to reducing emissions, protect biological diversity, ecosystems and ensure animal welfare.	People at the center – we will work long-term and systematically with our sustainability commitments.
Goal	• Contribute to reducing the amount of waste from the aquaculture industry • Contribute to promoting reuse in the aquaculture industry • Increase the proportion of plastic products (PE) containing recycled materials or non-fossil raw materials to 100% by 2030 • Take a leadership role in "Rethink and redesign" • Reduce our climate emissions	• Contribute to reducing climate emissions from the aquaculture industry • Protect biological diversity, ecosystem and animal welfare	• Ensure a safe, inclusive, developing and diverse workplace • Take a leadership role in making industry safer • Control of the value chain and compliance with requirements

Table: Strategic Priorities Within Sustainability

Strategy

To shape the future of safe and sustainable aquaculture, our sustainability strategy is central. Our goal is becoming circular by accelerating reuse and recycling in the aquaculture industry, while also reducing climate emissions through the development of technology and innovation. We are committed to protecting biodiversity, ecosystems, and animal welfare, while also fostering a safe, inclusive, and diverse workplace for our employees. Our strategy includes taking a leadership role in making the aquaculture industry safer, maintaining full control of the value chain, and ensuring compliance with all relevant requirements.

The results of our DMA confirmed these priorities (see the table above), highlighting their strategic value in our business model and their positive impact on nature and society. For each of these three pillars, specific targets, key performance indicators (KPIs), and measures have been established to enhance the group's sustainability efforts.

Focus Areas	Ambition	Goal	What We're Working On	KPI	Results 2023	Results 2024	Goal 2025	Goal 2030
Circular Economy	We will become circular in order to reduce climate emissions, the use of virgin raw materials, and increase value creation	Contribute to reducing the amount of waste from the aquaculture industry	Waste management at all our locations	Proportion of waste that goes to material recycling / Proportion of total waste	60 %	63 %	>70 %	>90 %
		Contribute to accelerating re-use in the aquaculture industry	Material recycling and return systems for our equipment	Amount of returned plastic pipes gone through circular life (recirculatexd, reused, repurposing) / Amount of virgin plastic pipes put on marked	Ongoing 2024 – Scale Circular*	42 %	>50 %	80 %
		Increase the proportion of plastic products (PE) containing recycled materials or non-fossil raw materials to 100% by 2030	Plastic products (PE) containing recycled materials or non-fossil raw materials (non-bearing structures)	Proportion of amount (tons) with recycled or non-fossil raw materials / Proportion of the total amount produced	23 %	25 %	>50 %	100 %
			Plastic products (PE) containing recycled materials or non-fossil raw materials (bearing structures)	Proportion of amount (tons) with recycled or non-fossil raw materials / Proportion of the total amount produced	0 %	0 %	>10 %	100 %
		Take a leadership role in "Rethink and redesign"	Circular product development	Share of our customers who experience ScaleAQ Group as a driver for circular product development (1=disagree, 10=fully agree)	7.4	7.4	8.0	9.0
		Reduce our climate emissions	Get a climate statement in place for the entire company	Measure scope 1 (direct emissions, scope 2 (energy) and scope 3 (indirect emissions) for the entire ScaleAQ Group	All divisions are included	All divisions are included	All is included	
			Setting climate targets in terms of science-based targets	Set specific targets for scope 1, 2 and 3	Ongoing	Ongoing	Target is defined	
Technology for Zero Emissions and Good Animal Welfare	We will contribute to reducing emissions, protect biological diversity, ecosystems and ensure animal welfare	Contribute to reducing climate emissions from the aquaculture industry	Investment in "green" development projects	% of development costs	94 %	48 %	60 %	80 %
			Environmental declarations on our products (EPD)	Number of products	2	5	10	All
			Zero emission vessel	Share of zero-emission vessels / Total share of units sold	Today: hybrid vessels	Today: hybrid vessels	20 %	70 %
		Protect bio-diversity, ecosystem and animal welfare	Prevent escapes as a result of equipment faults or deficiencies (not because of usage)	Number of notified and registered incidents that can be traced back to equipment / delivery errors	0	0	0	0
			Reduce the number of lice treatments	Number of lice treatments in ScaleAQ Group's new production systems such as Vortex® and Subsea	< 3	0–3	< 3 per production	0
			Reduce the use of biocide in nets	% amount of biocide-free new nets put out on the market	33 %**	71 %	> 70 %	> 90 %

Table: Overview of our goals, key performance indicators (KPI) and our performance for our three focus areas

* This KPI is changed (KPI 2023: Discarded plastic products used to material recycling / Total share of plastic products)
**The KPI is changed (KPI 2023: Amount of copper impregnation used at our service station / Total impregnation used)

Focus Areas	Ambition	Goal	What We're Working On	KPI	Results 2023	Results 2024	Goal 2025	Goal 2030
People and Interaction	People at the center – we will work long-term and systematically with our sustainability commitments	Ensure a safe, inclusive, developing and diverse workplace	Build a common and solid HSE culture	% of employees who completed mandatory HSE courses	Ongoing 2024 (Group)	63 %	100 %	100 %
			A combined Total Injury Frequency (TRIF) derived from the number of LTI (Lost-Time-Injury) and WRI (Work-Related Injuries)	TRIF global	22 (Group)	15,7	5	3
			Sick leave	Total sick leave, long and short term	*See table in last year's report (page 49) for short/long*	*See table page 60 for short/long*	< 3.5 %	< 3 %
			Gender distribution in leading positions	Number of women in leading positions	15 % (Group)*	22 %	30 %	40 %
			Gender distribution among employees	Number of women/ total number of employees	17 % (Group)	17 % (Group)	25 %	35 %
		Take a leadership role in making the industry safer	Design of products that to a greater extent safeguard the safety of people throughout the product's entire life cycle – production, use and disposal	% of our deliveries that are sold with our safety package	Ongoing 2024	N/A**	25 %	50 %
			In dialogue with stakeholders - bring the industry together and develop common good practices and raised standards on safety	Joint industry initiatives on safety that are implemented in ScaleAQ Group	Ongoing 2024	N/A***	3	5
		Control of the value chain and compliance with requirements	Compliance with regulations	Number of compliance breaches	2 (Group)	5	0	0
			Recognized certification scheme (i.e ISO/ Global GAP, etc...)	Proportion of locations certified / or working in accordance to certification	Production Vietnam, HQ, Production Frøya/Hammarvika & Hitra, Moen Marin	Production Vietnam, HQ, Production Frøya/Hammarvika & Hitra, Moen Marin	HQ & selected production sites across ScaleAQ Group	All production sites within ScaleAQ Group
			Compliance with our Code of Conduct for employees	% of employees who have completed the course within CoC	Ongoing 2024 (Group)	58 %	100 %	100 %
			The Transparency Act – Secure information about the value chain	Proportion of responses to questionnaire from prioritized suppliers****	47 %	100 %	100 %	100 %

Table: Overview of our goals, key performance indicators (KPI) and our performance for our three focus areas.

*Results 2023 have been readjusted due to a calculation error in 2023 report. The correct percentage is 15%.

**This KPI is chosen taken out as it does not fully reflect the level of safety. Replaced by a more qualitative approach in terms of monitoring of key integrated safety design aspects and activities during product development.

***This KPI is chosen taken out and now surveyed in more qualitative terms measured as per our participation and involvment in joint efforts, studies, project and research on the topic of safety, See chapter *Social*.

****The KPI "Proportion of responses to Questionnaire/ 100 prioritized suppliers" has been changed to "Proportion of responses to Questionnaire from prioritized suppliers". As it suggests the KPI we have used for the last years has given valuable input and helped us create the needed structure and get initial status on and feedback from our supply chain. However our supplier base changes over time and as we get regular information from more sources than the Questionnaire itself, we find a reference to a specific number of suppliers (100) not needed hence changed.

Value Chain

Our success depends on our ability to build trust and maintain an open and transparent dialogue with our stakeholders. In 2024, we conducted a comprehensive stakeholder analysis involving a wide range of stakeholders as the foundation for our double materiality assessment (details in the table on the following page).

As part of this process, we mapped our entire value chain, identifying key activities across divisions. We assessed impacts, risks, and opportunities across the upstream and downstream value chain, as well as within our own operations. This analysis was based on interviews with key personnel from various divisions.

The insights gained from this assessment will be incorporated into next year's report, ensuring that our sustainability strategy aligns with the most material issues affecting our business and stakeholders.

Upstream Value Chain (e.g., Suppliers)

- Suppliers provide critical products and services used in our operations.
- Operations are geographically dispersed, with a significant presence in high-risk countries (explained in our statement for the Due Diligence Assessment for the Transparency Act 2023).
- We are highly dependent on our supply chain, with several divisions relying on key suppliers.
- The degree of control over activities, processes, and production is crucial.

Own Operations

- Diverse activities with a high degree of service.
- Primarily assembling finished components rather than producing from raw materials.
- Operations spread across multiple locations in mostly all salmon producing countries (Norway, Scotland, Iceland, Canada, Chile, Tasmania).
- Standardization of technology plays a key role.

Downstream Value Chain (e.g., Customers)

- Our primary customers operate in the aquaculture industry.
- The industry's reputation is closely linked to sustainability, particularly environmental impact and animal welfare.
- Climate change directly affects the sector.
- The industry is highly adaptable but faces fundamental challenges.
- Producing healthy and sustainable food is a core focus.
- Subject to evolving regulatory requirements.

Value Chain Mapping

ScaleAQ Group carried out a mapping of the identified material aspects throughout our value chain, to find where our impact is significant, and where our attention should be directed.

ESRS Topic	Sub-Topic	Raw Materials	Our Suppliers	ScaleAQ Group Production	Freight and Logistics	Customers	End of Life
E1 Climate Change	Climate change adaptation	Low	Medium	High	Low	High	Low
E1 Climate Change	Climate change mitigation	Low	Medium	High	Medium	High	Low
E4 Biodiversity and Ecosystems	Direct impact drivers of biodiversity loss	Low	Low	Low	Low	High	Low
E4 Biodiversity and Ecosystems	Impact on the state of species	Low	Low	Medium	Low	High	Medium
E5 Resource Use and Circular Economy	Resource inflows, including resource use	High	High	High	Low	Low	Low
E5 Resource Use and Circular Economy	Resource outflows related to products and services	Low	Low	High	Medium	High	High
S1 Own Workforce	Working conditions – Working time	Low	Low	Medium	Low	Low	Low
S1 Own Workforce	Working conditions – Health and safety	Low	Low	High	Low	Low	Low
S1 Own Workforce	Equal treatment and opportunities for all – Gender equality	Low	Low	Medium	Low	Low	Low
S1 Own Workforce	Equal treatment and opportunities for all – Training and skills development	Low	Low	High	Low	Low	Low
S1 Own Workforce	Equal treatment and opportunities for all – Diversity	Low	Low	Medium	Low	Low	Low
S2 Workers in the Value Chain	Working conditions – Secure employment, working time, adequate wages, social dialogue, freedom of association and collective bargaining	Low	High	Low	Low	Low	Low
S2 Workers in the Value Chain	Working conditions – Health and safety	Low	High	Low	Low	High	Low
S2 Workers in the Value Chain	Other work related rights – Basic human rights	Low	High	Low	Low	Low	Low
G1 Business Conduct	Animal welfare	Low	Low	High	Low	High	Low
G1 Business Conduct	Management of relationships with suppliers including payment practices	Low	High	Medium	Low	Low	Low

Table: ScaleAQ Group Material aspects impacting different parts of our value chain

Impact: ● High level of materiality ● Medium level of materiality ○ Low level of materiality

Stakeholders' Engagement

In 2024 we carried out a thorough stakeholder analysis involving multiple stakeholders. Throughout the year, we have engaged in continuous dialogue with both internal and external stakeholders. The insights gained from these interactions have been incorporated into our efforts to identify and assess the materiality of impacts, risks, and opportunities.

A summary of the key findings in our stakeholder dialogue are shown in the table.

Table: Stakeholder Dialogue

Stakeholders	Key Topic	Methodology and Areas for Dialogue
Own Employees	Working conditions, taking care of employees, safety, diversity, competence, suppliers / value chain, business culture, environment, climate change, lower emissions, microplastics, our products and contribution to the aquaculture industry, circular economy.	Employee survey and double materiality survey for all the divisions. Information on intranet and webinars.
Customers	Animal welfare by far the most important, various environmental and climate issues, reducing climate emissions, circular economy, supplier follow-up, safety, compliance with laws and regulations, IT security.	One-on-one meetings, double materiality survey, workshops, joint projects.
Business Partners	Requirements for suppliers and products (Code of Conduct), circular economy, environmental documentation, business culture, equality, diversity, skills development, animal welfare issues.	Dialogue via purchasing and those who have the closest contact with these, double materiality survey and interview with a few selected people, joint projects.
Authorities	Extended Producer Responsibility scheme on plastic equipment from the aquaculture industry, biological documentation and risk assessments.	The Norwegian Directorate of Fisheries, the Norwegian Food Safety Authority and the Norwegian Environment Agency.
Finance	Measuring and reporting greenhouse gas emissions, ESG reporting.	Double materiality survey, meetings.
Industry Associations	Plastics strategy for the industry, EPD at product level, fish health, and welfare issues, standards for circular design of aquaculture equipment.	The Norwegian Seafood Federation – member in the working group “Handling of plastics in the aquaculture value chain”. Membership in NCE Aquatech, Ocean Autonomy and Stiim Aqua. Member in several comitees developing standard for the aquaculture industry. Member in Klimapartner.
NGOs	Avoid marine littering, electrification of vessels, sludge collection and utilization.	One-on-one meetings, workshops.
Local Communities	Dialogue concerning the impact on society, nature, climate and animal welfare, avoiding marine littering.	Dialogue and participation in forums with business and local people, contributing to cleaning ocean and beaches.
Media	Animal welfare, lice, aquaculture technology, digitalisation, service vessels, climate change, regulations, HSE and ESG-issues relevant for the aquaculture industry.	ScaleAQ Group follows closely the aquaculture industry in the media both nationally and globally. We continue to have initiatives addressing sustainability issues for the aquaculture industry.
R&D Partners	Innovation and technological solutions for sustainable aquaculture, circular economy, digitalization, animal welfare .	Close collaboration with several universities. Student work including different thesis, internships and part-time positions. R&D collaboration with several R&D institutes, both national and international. Testing of our aquaculture constructions in the marine technical laboratories at Tyholt.

Figure: ScaleAQ Group Double Materiality Assessment

Material Impacts, Risks and Opportunities

We have conducted a double materiality assessment (DMA) in accordance with the criteria defined in ESRS 1 and EFRAG's implementation guidance IG 1. Through this assessment, we have identified and evaluated our environmental, social and governance impacts, as well as the sustainability-related financial risks and opportunities we face.

A total of 41 impacts, risks, and opportunities (IROs) have been identified as material, including 7 positive impacts, 12 negative impacts, 9 risks, and 16 opportunities. The results of our DMA are presented in a materiality matrix per ESRS topic. Fifteen ESRS topics are material to ScaleAQ Group, with eleven of these classified as having "double materiality", meaning they involve both material impacts and financial risks or opportunities. Our most material sustainability topics are *E1 Climate Change, E4 Biodiversity and Ecosystems, E5 Resource Use and Circular Economy, S1 Own Employees, S2 Employees in the Value Chain* and *G1 Animal Welfare and Supplier Relationship*. We have omitted all the disclosure requirements in the topical standards *ESRS E2 Pollution, ESRS E3 Water and Marine Resources, ESRS S3 Affected Communities* and *ESRS S4 Consumers and End-Users*, as these topics were deemed immaterial in our DMA.

The IROs within these topics are closely aligned with our strategic ambition to become the world's leading technology provider for the aquaculture industry.

Description of the DMA Process

In compliance with the CSRD Sustainability Reporting Directive, we have conducted a DMA to identify and evaluate material impacts, risks, and opportunities (IROs). This ensures that our sustainability reporting aligns with regulatory requirements while providing a comprehensive understanding of both our external impacts and financially relevant risks and opportunities. Our DMA follows a systematic approach, including stakeholder engagement, scoping of IROs, assessment of IROs, validation and calibration of results, and final review, approval and assurance from third-party. Our work in mapping our sustainability-related impacts builds on the approach we have used in previous years to assess the materiality of sustainability-related matters. Additionally, our daily work with sustainability is supported by benchmark reports, studies, and both internal and external projects, including regulatory landscape analysis, media monitoring etc.

Stakeholders' Engagement

Stakeholder dialogue is central to our materiality assessment. Throughout the year, we have engaged with internal and external stakeholders to identify and evaluate material impacts, risks, and opportunities. This ongoing exchange helps us understand our influence, as well as the expectations and requirements placed on us, which may create financial risks and opportunities. By maintaining transparency and active dialogue, we ensure that our assessment reflects both stakeholder priorities and regulatory expectations.

Scope

To define the scope of our impacts, risks, and opportunities, we have mapped relevant sustainability topics based on stakeholder input and industry best practices. We have considered all the sub-sub-topics listed in ESRS 1 when identifying our impacts, risks, and opportunities (IROs). Each impact is assessed in terms of its scale, scope, and likelihood. Negative impacts was also assessed based on their irremediability. Each impact is assessed and considers both positive and negative impacts, which can be both actual and potential.

In our financial assessment, we assessed potential sustainability-related risks that could cause a negative financial effect on our business and opportunities that could benefit our business positively. We considered activities within our own operations as well as from our business relationships and value chain.

Scoring of impacts

To define the scope of identified impacts, we apply a structured scoring system that evaluates:

- **Scale:** The severity of the impact on nature, ecosystems, or people (scoring from 1 insignificant impact to 5 critical impact).
- **Scope:** The geographical reach or people impacted (scoring from 1 local area / 0–10% people impacted to 5 global area / 70–100% of the people impacted).
- **Irremediability:** For negative impacts, the difficulty of reversing or mitigating the impact (scoring from 1 Relatively easy to remediate impact/short term to 5 Not remediable/reversible impact).
- **Likelihood:** The probability that a potential impact occur (scoring 1 very unlikely to 5 very likely).

Scoring of Risks and Opportunities

When assessing sustainability risks and opportunities, we focused on magnitude (potential financial effects - revenue) and likelihood (the probability of occurrence scoring system from 1 (very unlikely) to 5 (very likely)). This dual approach allowed us to evaluate the potential financial implications. Where quantitative assessment was not feasible, qualitative evaluations were used to inform the overall assessment.

For each impact, risk and opportunity we also considered time horizon, categorizing them into short-term (year 0–1), medium-term (1–5 years), and long-term (over 5 years) categories.

Process

Workshops were conducted with leadership teams in all the five divisions in ScaleAQ Group (Seabased, Chile, Maskon, Moen Marin and Software) and key personnel to review and refine the predefined IROs. As part of the workshop preparations, meetings were held with all leadership teams across the companies, as well as key personnel responsible for environmental, social, and governance (ESG) matters. Additionally, previous materiality assessments, internal impact reports, internal risk assessments, and stakeholder findings were reviewed to scope and pre-define relevant matters for each ESRS sub-topic and sub-sub-topic. This comprehensive list of IROs served as the starting point for verification and assessment during the workshops. During the workshops, each IRO was assessed, and scoring rationales were discussed. Lastly, sustainability experts were introduced to the assessment criteria to ensure a consistent approach and a shared understanding of the scoring methodology (described above).

Validation and Approval of the Results

Results from the workshops were systematically captured and aggregated using a scoring tool to calculate the degree of materiality for each IRO. The tool was designed to clearly link the ESRS topics, sub-topics, and sub-sub-topics to each identified and assessed IRO. It provided an overview of the scores, which formed the preliminary results. Workshop participants were consulted again to validate these preliminary results. If any adjustments were needed, the relevant expert provided a rationale for the changes to ensure proper documentation. As the next validation step, sustainability experts — including the Chief Sustainability Officer, HSEQ Director, Environmental Advisor, and HR Director — calibrated the preliminary results before the final review and approval stage. Finally, the results were reviewed and approved by group management, with some adjustments made before the final approval by the Board of Directors.

Key Achievements in 2024

Sustainability

This year's report is focusing on our achievements and performance around Environment including Climate Change (E1), Biodiversity and Ecosystems (E4), Resource Use and Circular Economy (E5), Social Including Own Workers (S1) and Workers in the Value Chain (S2) and Governance (G1).

ScaleAQ Group management and board are both committed to concentrate our improvement, development and reporting efforts around these selected topics, as they are of the highest strategic importance to the company and our stakeholders. In the following pages, actions and performance related to each of these topics are presented in further detail.

	Focus Areas	Reported On: Way Forward 2024	Actions Taken in 2024
Environment	Climate Change	• Improve data quality in climate accounting across all divisions. • Implement a reduction plan. • Integrate nature-related risks into risk assessments using TNFD recommendations.	• New climate accounting tool, tested in 2023 for ScaleAQ Chile, are implemented across the entire ScaleAQ Group. • Reduction plan delayed to align with Science Based Targets and CSRD transition plan. • TNFD implementation set to begin this year.
Environment	Biodiversity and Ecosystems	• Reduced impact on wild salmon populations. • Reevaluate risks of using tralopyrile based biocide net coating. • Reduce the use of biocide containing net coatings.	• A considerable production increase in low-sealice systems (Subsea, semi-closed Vortex® System and closed systems) along with zero escapee incidents. • Abandonement of using tralopyrile containing net coatings and >70% biocide free nets put on market in 2024.
Environment	Resource Use and Circular Economy	• Reduce waste from own operations. • Improve data quality and management of waste streams. • Implement results from SirkAQ. • Ensure success of ScaleAQ Circular. • Increase recycled material use in own equipment	• Increased plastic waste sent directly to pipe producers by 62.5% compared to last year. • Established full traceability with proof of concept and digital product passport. • Published EPDs for multiple products as a result of SirkAQ. • Successfully launched ScaleAQ Circular, recirculating several hundreds tons of plastic and repurposing multiple floating collars. • Increased use of recycled materials in own equipment by 25%.
Social	Own Workers	Better HSEQ visibility for better performance.	In 2024, the organization has successfully implemented (for large parts of the business) its new management system ScaleQA. The system and its use have already provided better visibility in terms of deviations, lessons- learned and improvement suggestions. The reporting rate has drastically increased yielding a fair amount of valuable information for specific and targeted actions.
Social	Own Workers	Raised HSE and Ethical awareness and reward of good HSE performance.	ScaleAQ Group has made available and delivered for the entire organization, on its new LMS (Learning Management System) platform, its first set of Global courses on HSE and CoC. Pathway for more courses to come and general greater awareness on topics of materiality. We've also launched our own Group Safety Award to reward HSE excellence.
Social	Own Workers	High employee satisfaction.	The report from the Working Environment Survey in 2024 shows high employee commitment and satisfaction, and a marginal improvement from 2023.
Social	Workers in the Value Chain	Go beyond Safety and our contribution to the industry.	We have in 2024 participated in several industry initiatives and research projects on the topic of safety. To mention in particular our participation among other suppliers to the industry into the Norwegian Maritime Authorities 0-injury vision work and in collaboration and with SINTEF Ocean into their work on HSE in Aquaculture – risk management in different production forms.
Governance	Animal Welfare	Continue to document and improve animal welfare in technologies, equipment and methods that we offer. Reduce the need for sealice treatments in new production systems.	Welfare documentation programme for Subsea systems completed. No sealice treatements in Subsea systems, less than 3 pr year in Vortex® systems in 2024.
Governance	Governance and Management of Relationships with Suppliers	Continue our due-diligence work towards our supply chain and ensure full compliance.	The launch of a mandatory CoC Group training course – supporting the existing Code of Conduct is ongoing.

Table: Key Achievements in 2024

Environment

Climate Scenario Analysis

As our goal is to contribute to building a sustainable aquaculture industry for the future, climate scenario analysis is directly related to our business model and strategy. As a leading global technology partner, we are committed to integrating climate-related considerations into our decision-making processes, ensuring resilience and long-term value creation.

The analysis was conducted in 2023 and utilised the latest climate projection data. Two scenarios were chosen to assess two significantly different pathways; one where measures are put in place to limit global warming (SSP1-1.9) and one where the environmental destruction and GHG emissions keep increasing (SSP3-7.0). All in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

Our analysis focused on all our divisions. The analysis was also performed for our key suppliers, and customers. As there are geographical and regulatory differences in different parts of the world, the risks are mapped and

Table: Climate Scenario Analysis

SSPS3-7.0	SSP1-1.9
Own Operations	
Flood Air temperature increase Rising sea level	CO_2-efficiency requirements Circular economy requirements Zero emission requirements Credit requirements Technology breakthrough Rising sea level
Key Suppliers	
Storms and strong winds Floods and landslides Air temperature increase Air heatwaves Circular economy requirements Drought	Zero emission requirements Green tax reforms Requirements for circularity Credit requirements Increasing air temperature Air heatwaves Flood
Customers	
Flood Rising sea Increasing water temperature and marine heatwaves Zero emission requirements Decreased access to feed ingredients	Rising sea level Increasing water temperature and marine heatwaves CO_2 efficiency requirements Circular economy requirements Zero emission requirements Credit requirements Technology breakthrough Changing raw material prices Decreased access to feed ingredients Stigmatization

evaluated for each country where we operate, as well as for key supplier countries, using publicly available sources.

As the table shows, the different scenarios pose different future challenges. Climate change poses physical risks that could impact not just our own operations, but also our suppliers and our customers. Increasingly extreme weather events and shifting ocean conditions may affect the durability and performance of our products, necessitating continuous innovation in materials and design. Additionally, regulatory developments aimed at reducing greenhouse gas emissions and promoting sustainability introduce transitional risks that could influence market dynamics and customer expectations. We actively monitor these changes to adapt our product offerings and operational strategies accordingly.

The transition to a low-carbon economy also presents significant opportunities for ScaleAQ Group. Our focus on circular economy principles, resource efficiency, and product development positions us to meet evolving industry standards and customer demands.

According to recently published data[1], heating in the ocean has continued in 2024 in response to increased greenhouse gas concentrations in the atmosphere, despite the transition from an El Niño to neutral conditions. In 2024, both global sea surface temperature (SST) and upper 2000 m ocean heat content (OHC) reached unprecedented highs in the historical record. Regionally, increased surface temperatures were most marked in the Northern parts of Norway during late summer. This resulted in classification as a marine heatwave[2] with >2°C higher temperatures than normal. As illustrated by our physical climate risk analysis for 2023, temperatures did not reach critical limits for salmon per se. However, the accelerated reproduction of sealice at high temperatures, combined with a lack of treatment capacity, created a very acute sealice infection pressure situation. This event illustrates the complex impact marine heatwaves may have, even below critical survival thresholds for salmon. Furthermore, adapting production strategies to this new reality is part of our mission

ScaleAQ Group remains dedicated to being a proactive and responsible industry leader, shaping a future where aquaculture thrives in balance with the environment. We will continue to develop our methodology, to ensure more location-specific assessment with in-depth insight and accuracy. To further enhance the risk assessment, we have begun working with nature-related risks and will incorporate them into our risk assessment using the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Additionally, we are exploring different ways to integrate climate change considerations into our processes.

Please see the chapter "Climate-related risks" in the ScaleAQ Integrated Annual Report from 2023 for more information on climate-related risks, our methodology and analysis.

[1] Record High Temperatures in the Ocean in 2024 | Advances in Atmospheric Sciences
[2] Risikorapport norsk fiskeoppdrett 2025 | Havforskningsinstituttet

Highlights

Why It Matters
As a global technology supplier to the aquaculture industry, we have a responsibility to minimise negative environmental impacts, and we are facing our duty to contribute to decarbonise the global value chain we are a part of.

Ambition
We will limit our own environmental footprint and create a positive impact by enhancing the resilience of the aquaculture industry through technology development, data insight and decision support systems.

Targets

2025
Validated science-based targets

2030
Aligned with Science Based Targets initiative 1.5 degree pathway

Climate Change

Why It Matters

2024 has been confirmed as the warmest year on record globally and marks the first time the average global temperature has exceeded 1.5°C above pre-industrial levels[3].

Human-induced climate change is the primary driver of extreme air and sea surface temperatures. Over the past decade (2015–2024), each year has ranked among the warmest on record, emphasising the urgent need for action. At the same time, we must find solutions to global food security and resource scarcity. Salmon farming can play a crucial role in this context, contributing to both food production and improved human nutrition.

Climate change mitigation and adaptation are central to our business and among the key topics identified in our double materiality analysis.

As a global technology supplier to the aquaculture industry, we recognize our responsibility to reduce emissions across the entire value chain, including within our own operations. We work across all our divisions to enhance

[3] 2024 is the first year to exceed 1.5°C above pre-industrial level | Copernicus

resilience and minimize environmental impact, ensuring that our technology supports a more sustainable aquaculture industry.

The table provides an overview of our material impacts, risks, and opportunities, which are closely linked to our climate risk analysis and strategic efforts to transform our business. While technological development, data-driven insights, and informed decision-making are essential for the transition to a more sustainable aquaculture industry, we acknowledge the associated greenhouse gas (GHG) emissions resulting from increased production. That is why one of our most critical strategic priorities is decarbonizing our supply chain and reducing emissions from our own technology. This aspect is explored further in the chapter *Resource Use and Circular Economy*.

According to our climate risk analysis, the aquaculture industry requires robust equipment to withstand a changing environment. Additionally, regulatory strengthening to mitigate climate change – particularly in Norway and the EU – are driving companies toward low- and zero-emission solutions. Achieving our ambitions will require effective collaboration across the value chain.

While our double materiality analysis did not classify energy as a material topic under E1 Climate Change, it remains an important factor in our efforts to reduce emissions. Lowering emissions — both from our own operations and the user phase of our equipment — continues to be a key priority, with energy playing a crucial indirect role in achieving these reductions.

What We're Doing

We strive to become one of the leading suppliers of tomorrow's technology in aquaculture, including solutions with reduced emissions throughout its life cycle, and promoting a more sustainable approach to aquaculture.

Table: Our Material Impacts, Risks and Opportunities Related to ESRS E1 Climate Change

	Positive Impacts	Negative Impacts	Opportunities	Risks
Climate change adaption	Enhancing the resilience of the aquaculture industry through technology development, data insight and decision support systems. (US, OO, DS)		Rising demand for proteins will drive future demand for aquaculture production and thus increased demand for ScaleAQ Group technology and equipment. (OO, DS)	Physical chronic and acute climate related risks throughout our entire value chain. (US, OO, DS)
Climate change mitigation	Offer equipment with lower CO_2 emissions through circular product development, electrification, efficient transport, to an industry that contributes to increased food production. (US, OO, DS)	An overall negative impact on the climate through GHG emissions, dominated by Scope 3 emissions. (US, OO, DS)	Help the industry to reduce emissions through the use of our equipment and solutions. (OO, DS)	Transition climate risk related to potential political enforcement. (US, OO, DS)

(US) Upstream value chain | (OO) Own Operations | (DS) Downstream value chain

* Green projects are initiatives that contribute to reduce emissions, promote resource efficiency, protect ecosystems, improve animal welfare, and support the transition to a low-carbon economy

On this topic we are tracking our performance through the following KPIs:

- Investment in "green*" development projects / of the total development costs
- Number of products with environmental declarations (EPD)
- Share of net-zero-emission vessels/total share of units sold
- Measure scope 1 (direct emissions), scope 2 (energy) and scope 3 (indirect emissions) for the entire ScaleAQ Group
- Set specific targets for scope 1, 2 and 3 for the entire ScaleAQ Group

Enhancing the Resilience of the Aquaculture Industry

Enhancing the resilience of the aquaculture industry, require providing robust equipment that can withstand a changing climate to the more extreme, that at the same time has a lower carbon footprint throughout the entire life cycle of the product. This demands a long-term commitment to research and development, within our own operations but also in close collaboration with our entire value chain.

This chapter highlights some of the key initiatives from 2024 aimed at enhancing the resilience of the aquaculture industry. Through collaboration with suppliers, improvements within our value chain, proper documentation, and targeted projects, we drive sustainable progress. These efforts strengthen both climate adaptation and emission reduction across our operations.

Supply Chain Decarbonisation

To mitigate the environmental impact of our value chain, we actively collaborate with some key suppliers to develop low-emission solutions. The majority of our upstream emissions come from the procurement and transportation of key materials such as steel, aluminium, concrete, and plastic. To address this, we have identified and implemented strategic initiatives to reduce emissions across our supply chain, including:

- **Integration of Environmental Product Declarations (EPDs):** Engaging with suppliers to incorporate EPDs into their operations, enhancing transparency and driving lower-carbon material choices.
- **Circular use of High Density Polyethylene (HDPE):** Each year, we deliver several thousand tons of plastic-based equipment to the aquaculture industry. Partnering with our pipe supplier to send recycled HDPE from our production site (ScaleAQ Circular) directly to them for reuse in new pipe manufacturing. This reduces reliance on virgin HDPE, significantly lowering emissions.
- **Sustainable Shipping:** Establishing a long-term agreement with Kuehne + Nagel to use biofuel for over 90% of ScaleAQ Seabased sea freight. Through this agreement, we reduce our emissions from sea transport with Kuehne+Nagel by 94% compared to freight by conventional marine fuel.
- **Supplier Oversight and Transparency:** As part of our due diligence under the Norwegian Transparency Act, we integrate environmental assessments into supplier evaluations, including:
  - Measurement and reporting of GHG emissions
  - Implementation of emission reduction targets
  - Recyclability of products and materials
- **Strategic Climate-Focused Partnerships:** We are working on a system to prioritize suppliers who share our commitment to sustainability by setting clear climate-related requirements in procurement processes.

By embedding climate considerations into our supplier relationships, we drive continuous improvement and contribute to a more sustainable aquaculture industry.

R&D Investment

Research and development are the basis for what we do at ScaleAQ Group, and essential for our value creation. It is similarly essential for achieving our ambitions in sustainability. Research and development involve a broad spectrum of activities, from basic research work, experimental development and testing, and documentation of acquired knowledge and results. Our starting point is our role as a company that designs, builds and installs the infrastructure and technology necessary for establishing and expanding sustainable and resource-efficient food production in our oceans.

In 2024 we invested 32 MNOK (48% of our total development costs), on R&D activity which we define as “green”. Overall, we increased our investment in R&D by 42% from 2023 to 2024, with a strong focus on “green” projects aligned with our key strategic priorities – circular economy, zero-emission technologies, and enhanced animal welfare.

Illustration of the NabWork 2612 Hybrid

Environmental Documentation (EPDs)

As a supplier of technology and equipment to the aquaculture industry, environmental documentation is becoming more and more relevant and is a prerequisite for the work we do to limit the environmental footprint of both our own activities and our customers.

In 2024 three more EPDs were published on equipment from our division ScaleAQ Seabased. Our feed pipes, both *wet* and *dry feeding* were published by our supplier Hallingplast, and our own EPD on recirculated HDPE flakes from our facility *ScaleAQ Circular*. An EPD is a concise document describing the environmental impact of a product or service. This documentation provides essential insight into a product’s life cycle, helping us identify where in the cycle we can implement measures to reduce emissions and resource use. It not only presents the total Global Warming Potential (measured in kg CO_2-eq) but also includes a broad range of environmental indicators, such as the depletion potential of the stratospheric ozone layer, acidification potential, accumulated exceedance, and eutrophication potential, among others. It further establishes a basis for decision-making both for our own processes related to product development and adjustment, as well as for our customers’ procurement. Our long-term goal is to have EPDs on each product category throughout the entire ScaleAQ Group.

Pioneering Hybrid Vessels for a Sustainable Future

Moen Marin is the leading provider of service vessels to the aquaculture industry, being a pioneer and leading the way in electric vessels. Since 2019 there has been delivered, or are currently constructing, nearly 100 hybrid electric vessels, boasting an average battery capacity of 70 MWh.

In 2024 we presented our newest flagship, the NabWork 2612 Hybrid, with a possibility for more than 2 MWh of battery storage. Representing a pinnacle in technological advancement, this vessel features state-of-the-art design tailored for round-the-clock operation, complex operations and crew comfort.

Table: Overview of ScaleAQ Group's Greenhouse Gas Emissions

Greenhouse Gas (GHG) emissions	ScaleAQ Seabased		ScaleAQ Software		ScaleAQ Chile		Moen Marin		Maskon		ScaleAQ Group	
Data point (tonne CO_{2e})	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Direct GHG emissions (Scope 1)												
Total scope 1 GHG emissions	1 413	1 099	Not detected	Not detected	793	1 669	98	14	65	14	2 369	2 796
Indirect GHG emissions (Scope 2)												
Location-based	583	708	1	3	74	87	3	8	6	23	667	834
Market-based	1 990	2 042	32	11	159	173	109	53	132	98	2 442	2 444
Indirect GHG emissions (Scope 3)	**110 710**	**124 803**	**573**	**445**	**2 983**	**3 895**	**44 936**	**23 555**	**1 737**	**3 291**	**161 665**	**156 222**
C1: Purchased goods and services	102 787	120 698	230	376	2 656	3 081	40 982	21 800	1 528	2 811	148 802	148 889
C3: Fuel and energy related emissions	461	–	0	–	209	373	22		15		707	373
C4: Upstream transport and distribution	5 276	2 121	1,2	0,1	69	43	3 637	1 258	76	191	9 060	3 614
C5: Waste generated in operations	1 088	835	–	–	13	355	2	1	1	4	1 104	1 195
C6: Business travel	775	595	328	56	22	31	260	434	85	253	1 577	1 455
C8: Upstream leased assets	323	555	14	13	14	12	33	62	32	31	416	695
Total GHG emissions Location-based	**112 706**	**126 610**	**574**	**448**	**3 850**	**5 651**	**45 037**	**23 577**	**1 808**	**3 328**	**164 701**	**159 852**
Total GHG emissions Market-based	**114 113**	**127 944**	**605**	**456**	**3 935**	**5 737**	**45 143**	**23 622**	**1 934**	**3 403**	**166 476**	**161 462**

ScaleAQ Group emissions for the period 1. Jan. 2024 – 31. Dec. 2024. Direct energy consumption (Scope 1) comes from the use of fossil fuels, such as diesel and fuel oil. Indirect GHG emissions calculated in Scope 2 originate from electricity consumption and indirect heating. Scope 3 originates mainly from the purchase of goods and services. The reporting tool used for carbon accounting for all divisions in ScaleAQ Group, is Morescope, providing a reporting tool with emission factors from vetted sources.

Greenhouse Gas (GHG) Emissions

This year's climate report has undergone significant changes compared to previous years. In 2023, our international business units were only partially included in our climate accounting. For 2024, we have achieved 100% coverage across the entire ScaleAQ Group.

Despite this milestone, we recognize that there is still work to be done to improve data quality. A significant portion of our calculations still relies on spend-based data. While financial data is sufficient for certain items, we aim to integrate high-quality, activity-based data wherever appropriate. Currently, 17.55% of our total GHG emissions are based on activity data.

Our GHG emissions are quantified in accordance with the Greenhouse Gas Protocol (GHG Protocol), the most widely recognized standard for corporate carbon footprint accounting. Emissions are measured in metric tonnes of CO_2-equivalents using emission factors from our reporting tool.

Scope 1

Scope 1 emissions decreased by 15% from 2023 to 2024, primarily due to reduced fossil fuel consumption in production at our division ScaleAQ Chile. These emissions remain closely tied to production volumes, as it will increase if the production volume increases until further initiatives are taken to change the production process to greener options.

Currently, 51% of our Scope 1 emissions in ScaleAQ Group are based on activity data, while the rest rely on spend-based data. Our goal is to achieve 100% activity-based data coverage for Scope 1.

Scope 2

Location-based Scope 2 emissions decreased by 20% from 2023 to 2024, driven by an overall reduction in electricity consumption across our divisions. Additionally, our switch to a new reporting tool this year has resulted in updated emission factors, leading to lower reported emissions for some business units.

Our investment at Hestnes Innovation Center, as described more detailed in chapter *Social*, is expected to significantly reduce electricity consumption in the coming years. Our own calculations indicate a potential 80% reduction in electricity usage compared to 2023 levels, which is a crucial step in addressing the anticipated electricity shortage the coming years.

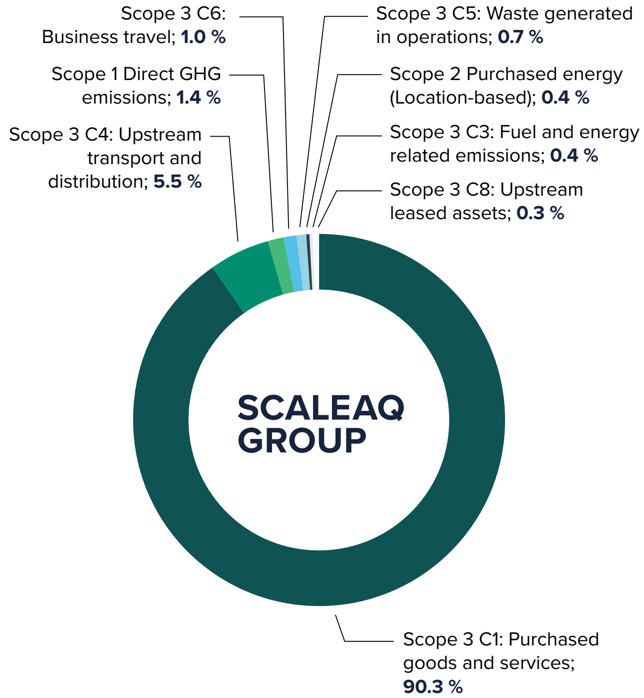
We are close to reaching our goal of 100% activity-based data for Scope 2, with 95.2% coverage this year. The remaining gap is due to leased locations where obtaining electricity consumption data has been challenging, requiring us to rely on spend-based estimates. Resolving this issue is a key focus for 2025.

Scope 3

Scope 3 emissions cover upstream emissions from purchased goods and services, as well as downstream emissions from sold products and services. Scope 3 emissions increased by 3% from 2023 to 2024, primarily due to higher reported emissions from upstream transport and distribution. Transport is often included in supplier invoices for purchased goods and services; this year, we separated these costs into transport and purchases, enabling more accurate reporting. Accordingly, a slight decrease can be observed in emissions reported under purchased goods and services. Currently, our Scope 3 reporting only includes upstream emissions, but we are preparing to incorporate downstream emissions in future reports.

Scope 3 accounts for the vast majority (98.2%) of our total emissions, with purchased goods and services alone contributing 90.3%. To improve accuracy, we have prioritized activity-based data collection for our largest product categories, including plastic, steel, aluminium, and concrete, reporting emissions based on the kilograms of raw materials purchased. This year, 45.1% of our Scope 3 emissions are based on activity data.

We are particularly proud to utilize Environmental Product Declarations (EPDs) to obtain precise emission data. This year we have used our EPD on floating collars to determine emissions from HDPE, and our EPD on PE-HD recycled flakes from ScaleAQ Circular to calculate emissions from our own recycling site. These EPDs provide



Emissions in tonnes of CO_2e

Scope 1 (1.44 %)	
Scope 1 Direct GHG emissions	2 369
Scope 2 (0.40 %)	
Scope 2 Purchased energy (Location-based)	667
Scope 3 (98.16 %)	161 665
Scope 3 C1: Purchased goods and services	148 802
Scope 3 C4: Upstream transport and distribution	9 060
Scope 3 C6: Business travel	1 577
Scope 3 C5: Waste generated in operations	1 104
Scope 3 C3: Fuel and energy-related emissions	707
Scope 3 C8: Upstream leased assets	416
Total	164 701

Figure: GHG emissions for ScaleAQ Group

the highest quality emission factors available, as they are derived from our own life cycle assessments (LCA). More details on our EPDs can be found earlier in this chapter.

Way Forward

The work with increasing the quality and consistency in our climate accounting is a continually process in the work on enhancing data quality for all our divisions, going from spend-based to activity-based data.

The Science Based Targets initiative (SBTi) is a framework for setting corporate climate targets in line with the 2015 Paris agreement, limiting global temperature to rise to 1,5 degrees. As a widely adopted framework for an increasing number of companies, it has been on our agenda to align our emission reduction targets with this framework. In accordance with CSRD a transition plan is under work (completed during 2025/2026), and we see this as a good time to include Science Based Targets. The work on aligning the transition plan with Science Based Targets will be important to create a path that will be ambitious and challenging, but an important path for the company to future prof our business.

Highlights

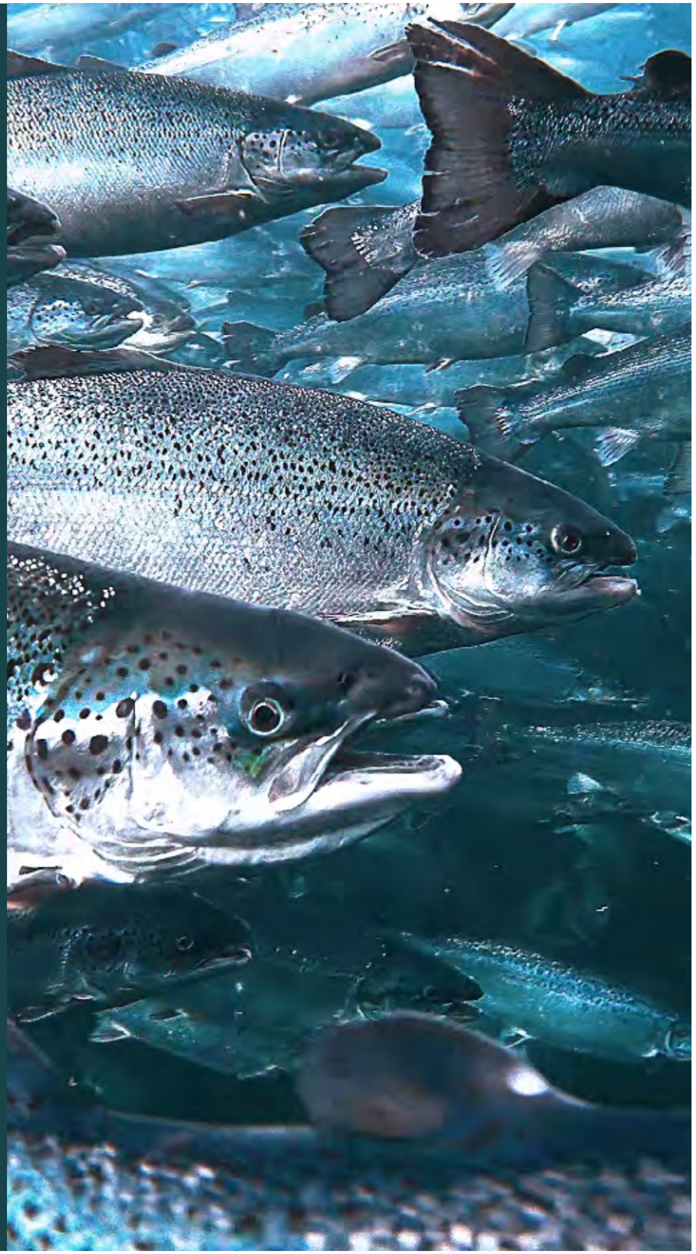
Why It Matters
As a global technology supplier to the aquaculture industry, we have a responsibility to minimize negative environmental impacts while ensuring our ability to produce healthy food in a sustainable environment.

Ambition
We will reduce our environmental footprint and enhance aquaculture resilience by developing technology and data solutions that protect biodiversity, prevent escapes, reduce sealice production and sealice treatments, and minimize biocide use.

Targets

2025
- Zero escapes due to equipment faults or deficiencies
- Max 3 lice treatments in ScaleAQ Group's new production systems (e.g., Vortex® and Subsea)
- Over 70% of new nets on the market are biocide-free

2030
- Zero escapes due to equipment faults or deficiencies
- Zero lice treatments in ScaleAQ Group's new production systems
- Over 90% of new nets on the market are biocide-free



Biodiversity and Eco-systems

Why It Matters
Our industry relies heavily on functioning ecosystems and biodiversity. The threats to wild salmon and related species by aquaculture activities must be curtailed to maintain our license to operate, and the ecosystem services provided at production sites, such as absorbing our organic and nutrient releases, must not be overutilized. Maximizing feed conversion, preventing fish escapes and reducing sealice production and release of sealice to the environment, as well as vaccination of fish are key issues to ScaleAQ Group as a technology developer and provider. Vaccination of fish strengthens fish health and ensures biosecurity, preventing the spread of disease to other species. Developing systems to reduce these types of environmental impact are continuously high on

our agenda. Furthermore, reducing emissions of biocides and other pollutants is essential to ensure our capacity to produce healthy food in a healthy environment.

The table provides an overview of our material impacts, risks, and opportunities related to biodiversity and ecosystems. The impacts primarily originate from the use of our technology in the aquaculture industry.

What We're Doing

We are tracking our performance through the following KPIs:

- Number of notified and registered escape incidents that can be traced back to equipment / Delivery errors
- Number of lice treatments in ScaleAQ Group's new production systems such as Vortex® and Subsea
- % amount of biocidfree new nets put on market

Escapees from aquaculture may negatively impact wild salmon populations mainly through genetic introgression. National monitoring in Norwegian rivers indicate reduced numbers of escapees and lower overall risk[4]. Nonetheless, several episodes are reported annually, indicating potential risk. Internationally, risk assessments also have to take into account larger genetic differences between the (mainly) Norwegian origin broodstock[5] and wild populations, or invoke requirements to use broodstock of a local origin (e.g. Eastern Canada, Tasmania). For 2024, no registered escape incidents were reported due to equipment or delivery failures on our products world-wide. We

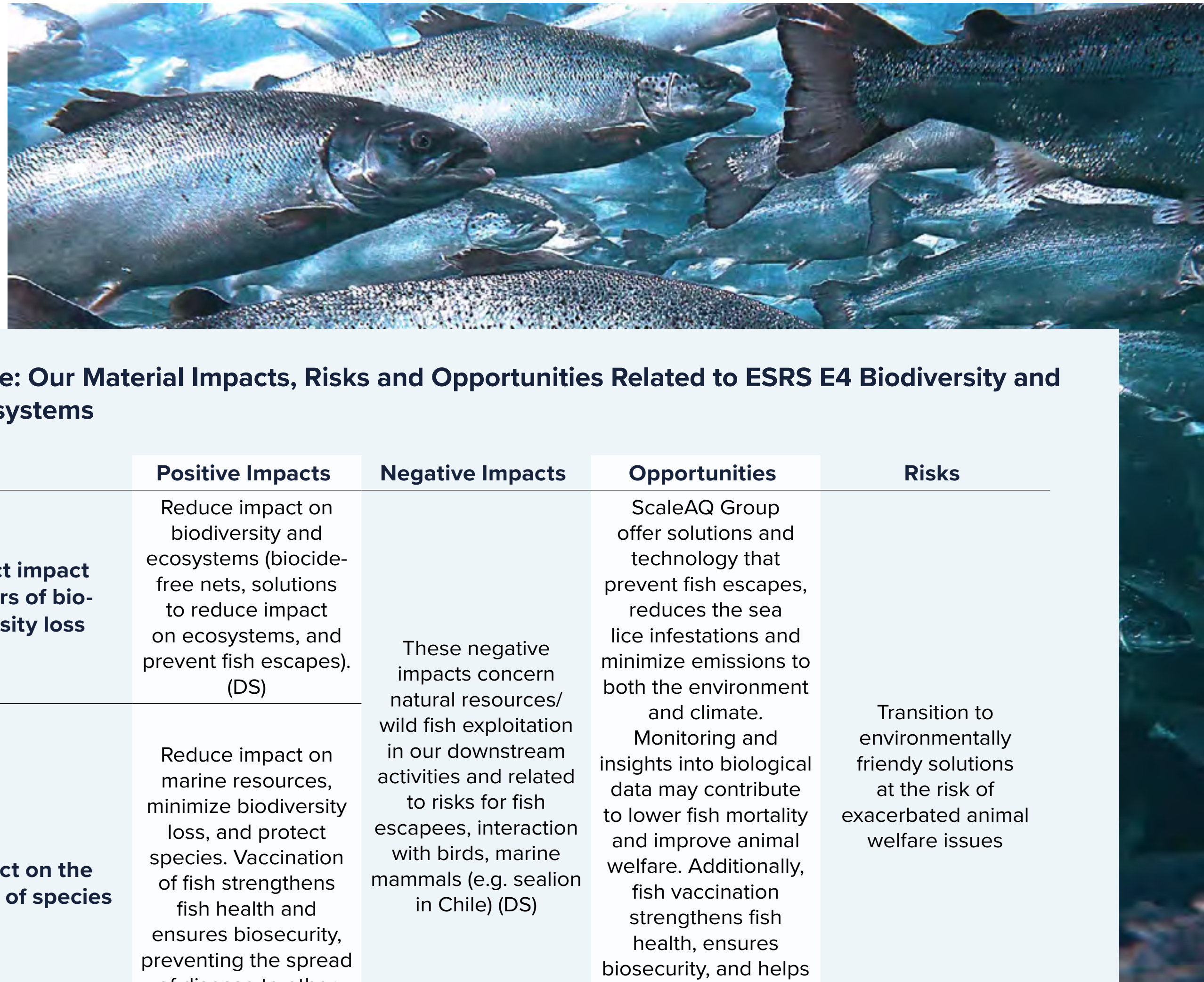


Table: Our Material Impacts, Risks and Opportunities Related to ESRS E4 Biodiversity and Ecosystems

<table>
<tr><th></th><th>Positive Impacts</th><th>Negative Impacts</th><th>Opportunities</th><th>Risks</th></tr>
<tr><td>Direct impact drivers of biodiversity loss</td><td>Reduce impact on biodiversity and ecosystems (biocide-free nets, solutions to reduce impact on ecosystems, and prevent fish escapes). (DS)</td><td rowspan="2">These negative impacts concern natural resources/ wild fish exploitation in our downstream activities and related to risks for fish escapees, interaction with birds, marine mammals (e.g. sealion in Chile) (DS)</td><td rowspan="2">ScaleAQ Group offer solutions and technology that prevent fish escapes, reduces the sea lice infestations and minimize emissions to both the environment and climate. Monitoring and insights into biological data may contribute to lower fish mortality and improve animal welfare. Additionally, fish vaccination strengthens fish health, ensures biosecurity, and helps prevent the spread of diseases to other species. (DS)</td><td rowspan="2">Transition to environmentally friendy solutions at the risk of exacerbated animal welfare issues</td></tr>
<tr><td>Impact on the state of species</td><td>Reduce impact on marine resources, minimize biodiversity loss, and protect species. Vaccination of fish strengthens fish health and ensures biosecurity, preventing the spread of disease to other species. (DS)</td></tr>
</table>

(US) Upstream value chain | (OO) Own Operations | (DS) Downstream value chain

[4] Risikorapport norsk fiskeoppdrett 2025 | Havforskningsinstituttet
[5] Risk of intrusion of farmed Atlantic salmon into Icelandic salmon river

New Nets Put on the Market in 2024

Amounts in %

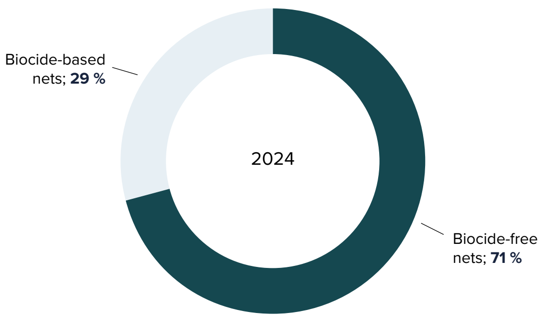


Figure: Biocide-free and biocide-based ratio, based on new nets put on the market in 2024

A major milestone in May 2024, marking the first release of fish into our Subsea System.

aim at maintaining this positive result through continued systematic focus and rigorous product testing, while also Investing time in regulatory development processes in collaboration with governments and stakeholders.

Infestations with sealice (Lepeophtheirus salmonis) produced by, and dispersed from aquaculture, remain the single largest threat to wild populations of salmonid fish in Norway[6]. This issue is also considered a major sustainability issue in most salmon producing regions, with some variations in relevant sealice species. Our production systems for reducing sealice infections, namely the semi-closed Vortex® System and the Subsea System both contributed to substantial reductions in sealice infection levels at the locations where they are deployed, and thus reducing the need for medicinal or non-medicinal treatments in line with our short term KPI of < 3 treatments in 2024. We are expecting to put a large number of Subsea systems in the sea going forward, and by end of 2024, no treatments were required. We do recognize that, in most cases, treatments will be necessary during a complete production cycle, and we aim to improve, together with our customers, towards our end-goal of zero sealice treatments.

As indicated in the 2023 report, we introduce a change in our reporting scheme on the KPI for net coatings, by including all biocide-containing coatings in our reporting from 2024. We indicated in our sustainability reporting for 2023 concerns regarding the human health and environmental impact uncertainties of tralopyrile-containing biocide coatings. During 2024, we have transitioned away from using such coatings altogether, while continuing to offer copper oxide coatings. 71% of our new nets put on the market in 2024 were biocide-free nets. The increased use of biocide free HDPE nets contributed to this result, with an added benefit of reduced microplastic emissions that we hope to quantify during 2025 in collaboration with the scientific community. While we acknowledge that the best numbers should be related to the amount of biocides left in the environment by equipment use, our KPI nonetheless allow us to estimate our progress in transitioning to biocide-free equipment. This transition is not trivial, as we do not wish to impose further threats to animal welfare from biofouling on nets. Our strategic work going forward will therefore focus on the development and increased use of more biofoulant-resistant net materials in combination with more gentle net cleaning technologies. Together, we believe these priorities will enable a further reduction in the use and release of biocides to the environment.

Way Forward

Going forward, a growing proportion of fish will be produced using sealice-reducing and sealice-eliminating technologies developed by ScaleAQ Group and others. Hopefully, this may help reduce impacts on wild salmonids to a point where further growth in production is feasible both in Norway and elsewhere. This development also implies an increased focus on other issues that have been put in the background for a while. We expect issues such as resource utilization and climate adaptation to gradually move into focus, and we stand ready to take on these and all other challenges the industry faces going forward.

[6] About The Norwegian Scientific Advisory Committee for Atlantic Salmon

Highlights

Why It Matters
As a leading global technology supplier to the aquaculture industry, we rely heavily on natural resources. Transitioning to a circular business model is essential for reducing our environmental impact, securing resource availability, and ensuring long-term sustainability in our industry.

Ambition
ScaleAQ Group aims to integrate circular principles across all divisions, reducing reliance on virgin materials while increasing repurposing and recycling. This will lower carbon emissions and contribute to a more sustainable aquaculture industry.

Targets

2025
- 50 % of our non-bearing structures (PE) containing recycled materials or non-fossil raw materials
- 10 % of our bearing structures (PE) containing recycled materials or non-fossil raw materials
- 70 % of own operation waste goes to material recycling
- 50 %: amount of returned plastic pipes gone through circular life (recirculated, reused, repurposing) / amount of virgin plastic pipes put on the market

2030
- 100 % of our non-bearing and bearing structures (PE) containing recycled materials or non-fossil raw materials
- 90 % of own operation waste goes to material recycling
- 80 %: amount of returned plastic pipes gone through circular life (recirculated, reused, repurposing) / amount of virgin plastic pipes put on the market

Resource Use and Circular Economy

Why It Matters
The UN's Global Resource Outlook 2024[7] highlights that excessive resource exploitation stands as the primary driver behind the world's environmental crises. Without more efficient and sustainable resource utilization, global natural resource extraction could increase by 60 percent by the year 2060.

There is growing global awareness of marine litter caused by plastic from aquaculture activities. Norwegian authorities are currently developing national regulations to comply with the EU Directive on Single-Use Plastics (EU 2019/904), which introduces extended producer responsibility for plastic equipment used in aquaculture and fisheries. The directive aims to reduce pollution, promote circular practices, and improve traceability. ScaleAQ Group supports the directive's objectives but emphasizes the need for efficient and balanced implementation. Furthermore, the Norwegian government has taken steps to promote a circular economy through new legislation on sustainable products and value chains[8]. The purpose

[7] GRO24 Summary for Policymakers
[8] Lov om bærekraftige produkter og verdikjeder

Table: Our Material Impacts, Risks and Opportunities Related to ESRS E5 Resource Use and Circular Economy

	Positive Impacts	Negative Impacts	Opportunities	Risks
Resource use in technology development / Resource inflow	Impacts the resource efficiency by increasing circularity in the value chain through material reuse, product repurposing, and waste reduction in production. By driving demand for recycled and reused raw materials, we influence our suppliers to adopt more circular practices. (US, OO)	We use a lot of raw materials into our production, with material inflows mainly sourced from virgin materials. Limited control over waste streams and end-of-life handling of products can cause challenges in resource efficiency and transformation to more circular products (US, OO, DS)	Larger market and demand for ScaleAQ Group technology, circular solutions, and initiatives. (US, OO, DS)	Regulatory pressure may increase production costs and lead to higher expenses. (US, OO)
Technology adapted to circular economy / Resource outflows		As an equipment supplier, we introduce a significant number of products to the market, leading to resource outflows both from production waste and from the equipment sold. While waste is generated during manufacturing, the main outflows occur when products reach the end of their life cycle (DS)	Opportunity to become the first provider offering full scale take-back and circular solutions (OO, DS)	Additionally, extended producer responsibility (EPR) regulations could raise costs due to necessary partnerships or take-back solutions. (US, OO)

(US) Upstream value chain | (OO) Own Operations | (DS) Downstream value chain

of this legislation is to encourage more resource-efficient and sustainable production and consumption patterns, with requirements to ensure that products are designed for longer lifespans, easier repair and recycling, reduced waste, and lower greenhouse gas emissions and pollution.

Circular economy is about using resources more efficiently, turning waste into a valuable resource and designing products for multiple life cycles. A 2023 report from Systemiq, Handelens Miljøfond, and Mepex[9] outlines key measures for improving circularity in Norway's plastic system, including better waste collection, improved product design, new business models, and increased recycling. If successfully implemented, these measures could achieve 77% circularity and reduce greenhouse gas emissions by 90% by 2040. Technology plays a crucial role in this transition, enabling innovative solutions that enhance resource efficiency.

As a global technology supplier to the aquaculture industry, we recognize our responsibility in optimizing natural resource use. The main share of our upstream carbon emissions is from the extraction and processing of materials for our assets (90,3 %). To reach our future science-based net-zero targets, incorporating circular principles across all our divisions are crucial to reduce our carbon emissions, at the same time ensuring responsible resource use and thus waste management.

The table above provides an overview of our material impacts, risks, and opportunities related to ESRS E5 - Resource Use and Circular Economy. Resource use in technology development and technology adapted to circular economy are central to our operations and were identified as key topics in our double materiality assessment. While waste, as a subtopic of E5, was not identified as a material topic, it remains a focus as it is closely related to our circularity efforts.

Our circular economy initiatives are also closely linked to our climate strategy, as reducing natural resource

[9] Systemiq, Handelens Miljøfond, and Mepex (2023). Achieving Circularity for Durable Plastics: a low-emissions circular plastic economy in Norway

Table: Goal achievement of KPIs

KPI	Results 2024	Goal 2025	Goal 2030
Proportion of waste that goes to material recycling / Proportion of total waste	**63 %**	>70 %	>90%
Amount of returned plastic pipes gone through circular life (recirculatexd, reused, repurposing) / Amount of virgin plastic pipes put on the market	**42 %**	>50 %	80 %
Proportion of amount (tons) with recycled or non-fossil raw materials /Proportion of the total amount produced (Non-bearing structures)	**25 %**	>50 %	100 %
Proportion of amount (tons) with recycled or non-fossil raw materials / Proportion of the total amount produced (Bearing structures)	**0 %**	>10 %	100 %
Share of our customers who experience ScaleAQ Group as a driver for circular product development (1=dis-agree, 10=fully agree)	**7.4**	8.0	9.0

consumption directly contributes to lower emissions. By taking a holistic approach to both ESRS E1 (Climate Change) and ESRS E5 (Resource Use and Circular Economy), we are strengthening our strategy for a more sustainable aquaculture industry.

To systematically transition toward a more circular business model and reduce climate emissions, ScaleAQ Group is committed to reducing the use of virgin raw materials while increasing value creation. Our circularity strategy is built on three key levers:

- Reduction of natural resource emissions
- Product design, material use and circularity
- Reduction of greenhouse gas emissions

With this, a focus on circular principles for our products, we can improve our technology adaption to a circular economy and ensure that some materials are recovered within the value chain. This contributes to a more circular resource use in our technology development, reducing reliance on virgin materials. As a result, we minimize both material inflows and outflows, lowering waste and emissions – advancing to a more sustainable aquaculture industry.

What We're Doing

ScaleAQ Group's strategic focus on circular economy is fundamental both to reduce our footprint and to position the company for future growth and competitiveness. Several projects and initiatives have had progress the last year within this focus area.

We are tracking our performance through the following KPIs:

- Proportion of waste that goes to material recycling / Proportion of total waste
- Amount of returned plastic pipes gone through circular life (recirculated, reused, repurposing) / Amount of virgin plastic pipes put on the market
- Proportion of amount (tons) with recycled or non-fossil raw materials /Proportion of the total amount produced (Non-bearing structures
- Proportion of amount (tons) with recycled or non-fossil raw materials / Proportion of the total amount produced (Bearing structures)
- Share of our customers who experience ScaleAQ Group as a driver for circular product development (1=disagree, 10=fully agree)

We are making good progress on our KPIs linked to increasing circularity in our value chain, until now mainly focusing on plastic materials. The proportion of recycled material for non-bearing structures have increased to 25% in 2024. We also received a good score (7.4 out of a maximum of 10) from our stakeholders who perceive us as a driver of circular product development.

SirkAQ meeting at Norner in June 2024. The partners gained insight into advanced measurement methods, microscopy and chemical recycling. Norner specialists demonstrated technologies and methods that are crucial for understanding and improving the properties and durability of plastics.

Transition to a Circular Business Model

Green Platform Project SirkAQ – Circular Solutions for the Aquaculture Industry

The *SirkAQ* project, funded by the Research Council of Norway, Innovation Norway, and SIVA through the Green Platform programme, began in January 2023. Now, in its third year, the project continues to drive the transition from a linear to a circular economy in the aquaculture industry by establishing and implementing sustainable circular value chains for plastics from discarded equipment. Through reuse, repair, life extension, and the use of recycled material in new products, we aim to optimize the use of resources and reduce the environmental and climate footprint of aquaculture. The project is a collaboration between eight partners: Hallingplast AS, Sinkaberg-Hansen AS, Oceanize AS, OsloMet, Norner Research AS, SINTEF Ocean AS, and Future Materials AS, with ScaleAQ Group leading the project.

Over the past year, we have made significant progress. Our efforts have focused on sustainable resource utilization, innovation, and collaboration. Key achievements include:

Reuse and Recycling Initiatives

- Reuse of ropes and feed pipes, including extensive testing and cleaning of various materials.
- Early testing of antifouling agents on nets and documentation of the condition of used pipes.
- Recycling of HDPE nets and the production of new products utilizing recycled materials.

Environmental Documentation and Traceability

- Development of environmental documentation, including Environmental Product Declarations (EPDs) for equipment and recycled materials.
- Implementation of traceability throughout the value chain, with proof of concept and the successful delivery of a digital product passport.

Material Testing and Qualification

- Testing and qualification of PE pipes, including fatigue testing conducted at Norner.
- Planning for further testing in SINTEF Ocean's marine tank in 2025.

ScaleAQ Circular, our recycling station at Hammarvika, Frøya.

Infrastructure and Capacity Building at ScaleAQ Group and our partners

- Opening of ScaleAQ Circular at Frøya, a dedicated reception facility for decommissioned equipment.
- Establishment of a new recycling plant at Hallingplast, enabling the use of recycled materials in new equipment production.
- Implementation of a new granulation line for ropes at Oceanize, further advancing their recycling capabilities.

Engagement with Academia and Knowledge Sharing

- Active involvement of students in the project, including master's students from OsloMet, summer interns from NTNU, and a part-time student at ScaleAQ Group contributing to eco-design and testing.
- Presentation of findings and results at multiple seminars and conferences, both nationally and internationally.

Through dedicated efforts, strong partnerships, and a clear vision, we have taken meaningful steps toward this necessary transformation. We look forward to continuing our work in the coming year, further advancing sustainability and innovation in the industry.

You can read more about the project on its own webpage, *sirkaq.com*.

ScaleAQ Circular – Pioneering Investment in Sustainability

In the fall of 2024, we had the official opening of ScaleAQ Circular at Frøya, Norway. This marked a significant step towards a more sustainable future for the aquaculture technology industry. The new 800-square-meter facility is a statement on our commitment to becoming a circular business, with repurposing and recycling of equipment to optimize our resource usage and reducing the environmental impact.

A circular business model builds on the principles of the Waste Management Pyramid. Our process ensures that decommissioned equipment always undergoes an inspection to determine whether it can be reused. Only if reuse is not feasible is the equipment considered for recycling.

ScaleAQ Circular is equipped with advanced technology that enables us to collect used equipment for drying, grinding, and shredding, ensuring efficient repurposing and recycling. By maintaining control throughout the value chain, we have found that the quality of recycled materials is equal to that of virgin plastic. Various analyses confirm that pipes made from recycled materials exhibit excellent homogeneity and purity, making recycled HDPE a strong and viable option for the industry.

Our goal is to integrate as much recycled material as possible into our equipment. Floating collars and sinker tubes, for example, contain materials that are highly suitable both for recycling and reuse in aquaculture equipment. This enables us to offer aquaculture equipment made from recycled PE material.

We work to influence regulations and standards to enable more reuse and recycling in the industry. Currently, NS 9415 limits the use of recycled materials in floating collars due to strict safety and strength requirements. Through the SirkAQ project and ScaleAQ Circular, we are actively addressing these challenges.

As part of our commitment to sustainability, ScaleAQ Circular actively contributes to achieving the UN Sustainable Development Goals, particularly those related to responsible consumption and production, as well as climate action.

With the ScaleAQ Circular, we position us as a pioneer in sustainable practices in the aquaculture industry. We see this as only a start on our work on becoming the leading driver for circular product development in our industry,

Table: Repurposing of Floating Collars in 2024 and Recirculated Equipment (tons)

Purchase of plastics (tCO_2e)	33 794
Reduction (tCO_2e)	2 542,00
Reduction (%)	7.5 %

AQS Troll is now hybridized, which reduces both emissions, diesel consumption and noise on board.

leading the way towards a more sustainable and responsible future for the aquaculture industry.

Repurposing of Floating Collars
ScaleAQ Seabased offers repurposing of floating collars. This process involves reusing plastic components such as PE-pipes, handrails, and walkways while replacing the load-bearing system and wear parts – such as steel clamps and bracing systems – with new, improved versions. The renewed floating collars are delivered with a product certificate and a design lifespan of 20 years, in compliance with NS 9415:2021 and NYTEK23.

In 2024, repurposed floating collars accounted for approximately 25% of new sales, representing an increase from the previous year. This is a key contribution to the circular economy, reducing the need for virgin plastic and subsequently lowering greenhouse gas emissions. By carrying out these, we reduced our CO_2 emissions by 2 542 tCO_2e, accounting for 7.5% of our emissions from plastic procurement (activity based plastic procurement data).

Life-Extension of Vessels
Moen Marin offers several alternatives for life extension of vessels, such as the installation of an eBox (power bank) on deck, which is the easiest retrofit of all. The eBox eliminates idling on main engines when operating on location, which extends the life of main engines by 50 % (estimated number). Or installation of diesel electric propulsion system and batteries when doing engine replacement to prolong vessel lifetime.

In 2024, Moen Marin completed a retrofit project on AQS Troll, installing batteries with a total capacity of 540 kWh. AQS Troll is now hybridized, reducing diesel consumption by 30% and thereby reducing GHG emissions during operations. The retrofit also contributes to lowered noise levels on board and eliminate idling during 24/7 operations. This is one of several similar projects carried out by

Moen Marin to improve the environmental performance of the vessels.

Reducing Waste in Our Production Facilities
By introducing circular economy principles, we are changing our approach to waste management – viewing waste as a resource rather than waste output. More effective waste handling reduces overall waste generation while increasing reuse and material recycling.

The overview of solid waste in our production facilities includes Maskon and ScaleAQ Seabased facilities located in Norway, same as reported in 2023.

In 2024 we had an increase in production waste compared to 2023. This increase aligns with a higher production volume. At the same time, material recycling improved from 60% to 63%, closely linked to our ScaleAQ Circular site, and the key initiative in our pen production where we return plastic waste directly to our pipe producer for reuse in new pipes. Our own plastic calculator provides us with valuable insights into these efforts, revealing that we returned 14.4 tons of plastic from pen production to our supplier in 2024, 62.5% more than last year. However, as the table show, we also report an increase in waste sent to landfill. We are actively analysing waste reports from our production sites to identify the causes of this increase. Reducing landfill waste is a priority, and implementing measures to minimize it will be a focus area going forward. The amount of sludge and inorganic waste from our net service station was 173.8 ton (not included in the table to the right).

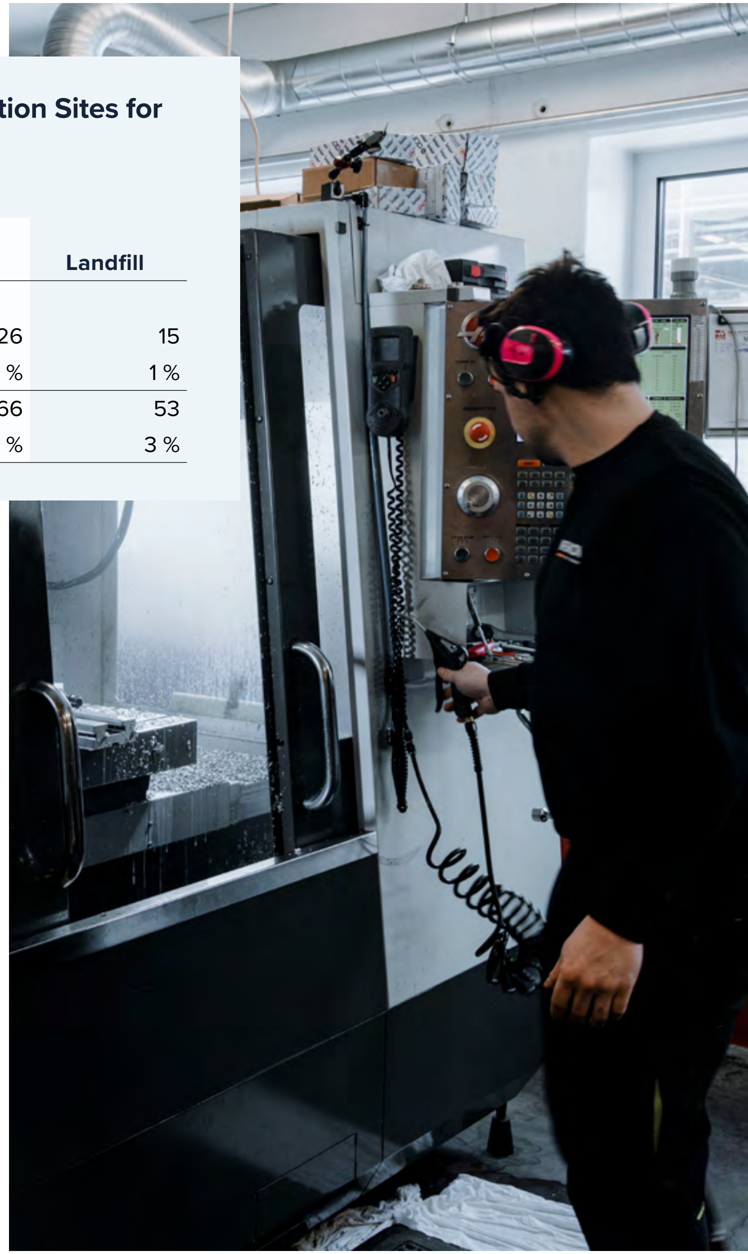
Way Forward
Our focus remains on continuously reducing production waste and ensuring that all recyclable materials are properly sorted for material recovery. Strengthening our dialogue with waste handlers is key, with a focus on establishing a more comprehensive agreement to ensure that reusable materials are viewed as resources rather than waste.

The SirkAQ project is still ongoing, as is implementing of its findings into our transition to a circular business model. As we have entered a year where ScaleAQ Circular is fully operational, we anticipate increased repurposing and recycling of used equipment, while we work to influence regulations and standards to enable more reuse and recycling in the industry.

Integrating circular principles into product design through eco-design is a priority, ensuring sustainability from the start. Moving forward, traceability and value chain control will remain critical to maintaining high-quality standards. Sharing insights across divisions will be essential for transitioning ScaleAQ Group to a circular business.

Table: Overview of the Solid Waste at Our Production Sites for ScaleAQ Seabased NO and Maskon

Year	Total amount (tonne)	Material recycling	Energy recycling	Landfill
2023	1 093	653 60 %	426 39 %	15 1 %
2024	1 656	1 036 63 %	566 34 %	53 3 %



Our Own Workers

Workers In the Value Chain

Social

Highlights

Why It Matters
Recognizing that a company sustained responsible growth fundamentally depends on an injury-free work environment, with people – their well-being and development – at the center.

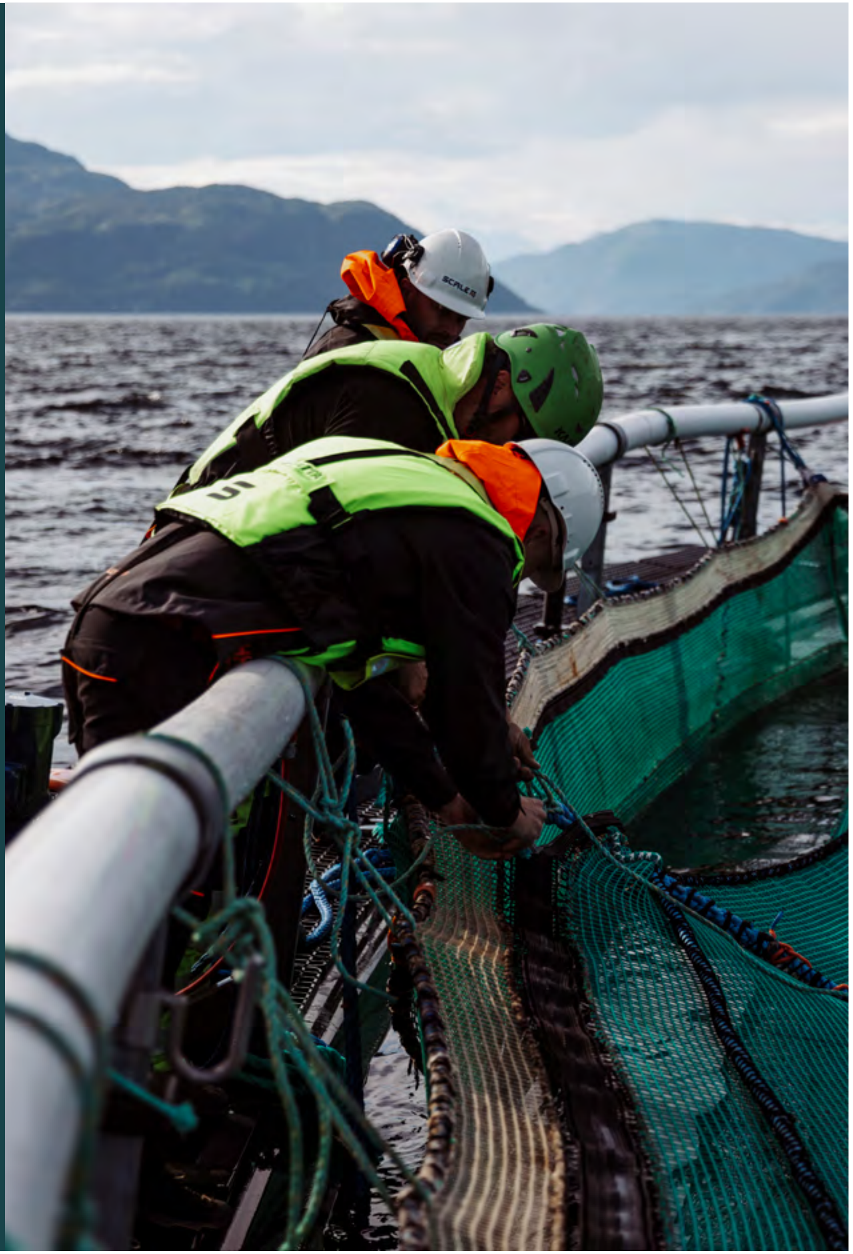
Ambition
We are set to being the safest and most attractive workplace in the industry.

Targets

2025
- TRIF* at 5 or a 30% annual decrease
- 30% women in leadership positions

2030
- TRIF at 3
- 40% women in leadership positions

*TRIF: Total Recordable Injury Frequency



Our Own Workers

Why It Matters
Recognizing that a company sustained responsible growth depends at its core on an injury-free work environment with people and their well-being and development at the center. A diverse but equal and skilled body of people and expertise is primordial to achieve our strategic objectives. Combined with a compliant business model and value-chain, we are set to be the safest and most attractive workplace in the industry.

The table on the following page provides an overview of our material impacts, risks, and opportunities, which are closely linked to people in our own organization and our efforts to attract, retain and develop a diverse, skilled and trained employee force thriving in a physical and psycho-social safe environment. Also, from an ethical point of view it is unacceptable to injure people, that is why some of the most critical strategic priorities are around the safety of our own workforce.

Table: Our Material Impacts, Risks and Opportunities Related to ESRS S1 Own Workforce

	Positive Impacts	Negative Impacts	Opportunities	Risks
Training and skills	As a company, highly dependant on an up-to-date set of skills on an individual and corporate level in order to deliver the solutions of the future. (OO)		Opportunities around training and skills to maintain the competence we have today and attract the competence we need (more systematic approach to competence development in general, new LMS (Learning Management System) and Scale School are tools being evaluated). (OO)	
Working time		General activity level and company rigg-up mean we are in some cases in breach of working time regulations. (OO)		That we as a company do not reach compliance on that topic. That excessive working time also becomes a factor into high sick-leave and injury rate. (OO)
Health and safety		The nature itself of our operational business creates a potensial and real safety hazard to our people. These risks are systematically being managed but still injury rate in our company and business at large is too high. (OO)	Adress and mitigate risk in a more systematic matter, to reduce direct costs associated with the injuries themselves. Opportunity for HSE as a differentiator and promote ScaleAQ Group as a responsible company with subsequent easier recruitment, better retention and motivated employees. (OO)	More injuries (ethically unacceptable) with associated direct costs. Higher turnover and sick leave. Lower probability of success with recruitment and reputational challenges that can also affect contract award and volume. (OO)
Gender equality and equal pay		No policy on that topic and a gender ratio on the lower side, including at management position level. (OO)	Increase the gender ratio and promote on management level. (OO)	
Diversity			Search and seize the opportunities that lie in diversity. Different type of expertise and experience from other industries are probably the closest to explore. Supported by our People and culture strategy. (OO)	

(US) Upstream value chain | (OO) Own Operations | (DS) Downstream value chain

What We're Doing

We are tracking our performance through the following KPIs:

- % of employees who completed mandatory HSE courses
- TRIF global
- Total sick leave, long and short term
- Number of women in leading positions
- Number of women / Total number of employees

A Positive Trend in Injury Statistics

In 2024 we see an overall positive decline trend for ScaleAQ Group in the number of recordable injuries from 38 in 2023 to 28 in 2024 (26% decrease) and overall a decrease of approximately 28% of the Global Total Recordable Injury Frequency (TRIF).

Particular attention towards risk assessment on most operational sites combined with increased use of reporting systems and raised awareness have all contributed to that.

We see a particular large decline in the injury rate in our Fish Farming Technology branch, mainly driven by the performance of our Chilean operations (about half of the number of injuries) and a slight decline in severity, with some type/categories of injuries de-risked hence not showing on statistics anymore. A Chilean national benchmark puts us as median in terms of injury frequency but on a positive trend.

The vessel and holding parts of our operations remain injury-free.

For our Norwegian operations the overall number of injuries increased from 2023 to 2024. We do not believe that reflects a higher risk level but rather a better and more

Table: Overview of Employment, Gender Balance, Age Distributions and Health and Safety

Category	Holding	Fish Farming Technology	Vessels
Employment			
Total number of employees	42	849	74
Number of temporary employees	6	24	4
Total management positions	11	90	11
Number of Full Time Employment (FTE)	37	841	54
Gender Balance			
Number (and percentage) of women	24 (57%)	128 (15%)	13 (18%)
Number (and percentage) of women in management positions	6 (54%)	16 (18%)	3 (27%)
Age Distributions			
Age <30	8	190	26
Age 30–50	22	523	37
Age >50	12	136	11
Sick Leave			
Short-term	1.26%	0 – 4.46%*	0.83%
Long-term	3.12%	0 – 3.20%*	1.07%
Health and Safety			
Number of Work Related Injuries (WRI), incl. LTI	0	28	0
Fatalities	0	0	0
Training Offered			
Global HSE training	79 %	61 %	80 %
Global Code of Conduct training	76 %	55 %	75 %
Corporate Governance			
Number and type of compliance breaches	0	5	0

*Range among divisions/locations.

correct reporting from av overall huge increase in reports into the quality management system. Near-misses as a KPI has been introduced in 2024.

Continuing our good track record we remain committed to work risk-based, proactively and systematically and with better visibility towards our stretched target for 2025, that being said we still anticipate it will be challenging to achieve it.

The safety of our workers at large remains a topic of materiality according to our double-materiality assessment, meaning our efforts and focus on that topic will continue.

Moving Towards More Structure and a Common System

In 2024, the organization successfully implemented (for large parts of the business) its new quality management system ScaleQA. The system and its use have already provided better visibility in terms of deviations, lessons-learned and improvement suggestions. The reporting rate has multiplied × 7 from 2023 to 2024 yielding a fair amount of valuable information for specific and targeted actions.

We Train Our People

Training schemes and training budgets are allocated and locally followed up. A common and Global HSE course was established in late 2024 and now launched early 2025 to all our employees, sharing common expectations on the do's and dont's. At this stage we see too low participation.

In addition, particular training for Group Executive Management was carried out as part of upcoming more mandatory safety centered training for leaders and safety representatives. Training and skills at large remain a topic of materiality according to our double materiality assessment and in combination with our strategic focus it will be

Employees celebrate the start of construction at Hestnes.

a topic of increasing importance. The new Learning Management System structure is in place. It allows us to easily make available our own training material, track progress down to individuals and ensure that learning within critical topics has been carried out to a larger degree.

We Take the Lead in Promoting the Importance of HSE – Go Beyond

We have in 2024 participated in several industry initiatives and research projects on the topic of safety. In particular our participation among other suppliers to the industry should be highlighted. We actively contribute in the Norwegian Maritime Authorities 0-injury vision work and in collaboration and with SINTEF Ocean into their work on HSE in Aquaculture – risk management in different production forms.

We've also pursued our Podcast channel initiative on sharing and broadcasting some of the business's key sustainability topics to a broader audience, hence ensuring a larger commitment to these.

We Show Our Commitment to Our People

During 2024/2025 we have consolidated and increased our HSE organization by recruiting additional key-competency on topics such as quality, safety, emergency preparedness and training. We hence increase our capacity to meet our HSE targets.

Group Safety Award

In 2024, the Group Safety Award has been allocated to Hestnes. Our work and investments at Hestnes Innovation Centre are clear indicators towards our belief and commitment to good HSE performance. Over the past year Hestnes Innovation Centre with team has worked in a targeted manner that has yielded significant positive results for the company and its employees. Through systematic efforts, they have succeeded in improving both safety, the working environment and the company's reputation.

One of the cornerstones of the HSE work has been the establishment of good reporting routines, which have contributed to improving safety work at the location. In

The new Innovation Centre at Hestnes, Hitra.
Left: Illustration showing the finished building.
Right: Status of the build, the turn of the year 24/25.

Havet in Rørvik

parallel, the company has placed emphasis on involving employees in important decisions regarding the "new Hestnes", which has created an inclusive and engaging work culture. Organizational aspects have also been reviewed. ScaleAQ Innovation Center at Hestnes is also in the process of implementing Industrial Safety, which will provide the basis for good emergency procedures that take into account future requirements and needs. At the same time, they have succeeded in reducing work-related sick leave through targeted measures, which have yielded positive results for both employees and the company. We expect a further reduction in injury rate and sick leave through the construction of the new facility. In addition, in line with modern environmental requirements, they have taken important steps to phase out impregnation chemicals that are hazardous to employees' health. This initiative has not only improved the working environment internally but also has the potential to strengthen the environmental profile of the entire aquaculture industry in the long term.

Looking Ahead to Mid-2025 and the New Hestnes Innovation Centre – A Game Changer

We foresee the new facilities such as a canteen, warm and airy work areas with balanced ventilation, and proper lighting will definitely contribute to greater well-being at work. In addition, a larger extent of material handling equipment is provided such as cranes/traverses and winches to minimize heavy lifting needs introducing a more secure working environment.

The energy requirement for drying nets in a closed system will be reduced by 90% through a state-of-the-art CO_2 cooling and heat pump system. All residual heat from this process will be recycled into the heating of the building, which is heated with water-borne heat that exchanges with the sea. The upcoming building is an Energy Class A building, which in turn will reduce energy consumption.

Overall, the development of "New Hestnes" together with our systematic HSE approach have contributed to a positive trend in the number of applications for vacant positions, evidence that our efforts have yielded results far beyond the internal improvements.

Joining Forces for Maximum Knowledge Sharing

ScaleAQ Seabased and Moen Marin have moved in to "Havet" in Rørvik. ScaleAQ Seabased have their production facilities and Moen Marin a larger reception for their vessels. "Havet" will serve as a hub for knowledge sharing, innovation, and sustainability in the aquaculture industry. Sharing facilities with other companies in the same industry enables collaboration and sustainable development across the supply chain. As partners, we are

proud to be part of this exciting development and look forward to contributing to the growth and progress of the region.

Working Environment

Good working conditions are of crucial importance for a safe and including workspace. In ScaleAQ Group we believe that value-based leadership, trust, freedom with responsibility, a diverse competence environment and a good work life balance builds strong motivated employees who enable us to achieve our overall goals.

Leadership is a key factor, and in 2024 we established a platform of leadership principles in ScaleAQ Group – based on our grounded values. Our leadership principles clarify what is expected of leaders at ScaleAQ Group, and set a standard for what constitutes good leadership in our organization. Good leadership is essential for us to continuously improve and develop a safe and sound working environment, and for us to achieve our business objectives. We therefore also started out with a more structured leadership program in 2024, supporting the implementation of our long-term business strategy. Developing a culture based on shared values is still high on our agenda, and we will continue with leadership training and development in 2025.

Furthermore, we are convinced that cooperation is a catalyst to solving the industry's HSE challenges and grasping its opportunities. From our side this will provide safer solutions and products, which will be a strong contribution to a sustainable industry. Overall, ScaleAQ Group has a low rate of sick leave to be an industrial company.

We have a structured follow-up through closer dialogue in our departments with the highest sickness absence. We offer physical adaptation and training in departments with sickness absence. Sickness absence in Norway was in total close to 4,5 % in 2024, which means a reduction from more than 5 % in 2023. The goal is to keep sickness absence Norway below 4,5 % in 2025.

Employee Satisfaction

Our annual employee survey was distributed to all our employees in Norway in November 2024. 381 of around 500 employees responded, which means a response rate of 77 % (compared to 80 % in 2023).

In the survey, 14 areas with different statements are subject to ranking on a scale from 1 – 5, whereof 5 is the top score. The total report across the divisions in ScaleAQ Group shows very positive results;

- 12 of the 14 areas are rated at an average score above 4, while two of the areas score right below 4.
- All the areas except from one were in average rated higher in 2024 than in 2023. The total average score in 2024 was 4,17, compared to 4,11 in 2023.

As in 2023, we get the highest score for our work with customers and our work to build a good and safe working environment and culture, meaning employees experience a fair and free from harassment working environment and a strong empowerment to stop hazardous situations.

Further, the feedback from our employees paints a picture of a company that is strongly committed to the development of Norwegian aquaculture. Engagement and loyalty scores are at the upper end of the scale, and so are the pride and belief in our company's positive image, as well as the perception of ScaleAQ Group as an attractive workplace.

However, we continuously focus on maintaining and improving different aspects that may have an impact on the working environment. One example is that we emphasize increased involvement and participation in

internal processes. The union affiliation is relatively low in ScaleAQ Group, and consequently there have been quite a few employee representatives in the company. Late 2024 ScaleAQ Group requested the employee side to elect employee representatives for all locations and different groups of employees in Norway. Now we have 11 employee representatives (plus deputy trustees) representing their colleagues in issues regarding general working conditions, and also assisting members of their group in individual cases. In addition, we have established a Collaborative Forum consisting of all these employee representatives, HR and the CEO of ScaleAQ Group.

In general, all divisons and departments in ScaleAQ Group have defined one or two focus areas in 2025 based on the results of the working environment survey.

Equality and Diversity

We believe that a good gender repartition combined with skilled, trained and motivated people is the key to our sustainability success. Our personnel policy states the following:

In our business, there should be real equality, and we want diversity among our employees. This means that women, men and employees from other cultures or with functional impairments should have the same rights and opportunities for development and good working conditions in their jobs. We value diversity and work actively towards a better gender balance and more women in leading positions. We expect equal pay for equal work. Gender equality and diversity shall apply in all aspects of the employment relationship:

- *Recruitment*
- *Tasks*
- *Training and further development*
- *Wage- and working conditions*
- *Downsizing*

As a leader, you will work actively to create positive attitudes towards gender equality and diversity. Part-time work, parental leave or other absences pursuant to legislation and internal guidelines shall not be an obstacle to employment, advancement or development in pay and working conditions. All employees must be made aware of our attitude to gender equality and diversity".

Further, we emphasize that the working environment and collegial relations in ScaleAQ Group shall be based on mutual respect, and that we have absolutely no tolerance for harassment, sexual harassment, gender-based violence or other unacceptable/disrespectful behavior. We measure how well we succeed in our safe and secure working environment goals through the annual employee surveys. The Working Environment Committees are also an important tool for us.

For ScaleAQ Group, it is a goal to achieve a work life balance, where employees can combine an active professional life with an active family life. Leaders have been involved in this work to create a structure and a culture

that encourages good work-life balance. This is also part of the management development training in ScaleAQ Group.

We value diversity and continuously seek out the best talents to contribute to our common goal of leading in aquaculture technology. Our organization's success relies on our ability to attract and retain skilled and engaged employees. Our successful student internships, project-based work in collaboration with academia and university lecturing, are all valued means to seek out new perspectives and provide in collaboration with future workforce the solutions of tomorrow.

Way Forward

In 2024, ScaleAQ Group established a long-term business strategy towards 2030. Our strategic ambitions require structured and prioritized work along several dimensions, not least within HR and HSE. Therefore, we supported and supplemented the overall strategy with a separate strategy for People & Culture, which sets key premises for us to achieve our long-term business goals. The most prominent common denominator for both HR and HSE is centered around people – people's everyday life and what we achieve together with our customers. That makes it natural to have a joint strategy for people and culture.

Our ambition is creating a leading employee engagement in the safest and most attractive workplace in the industry. We have identified four strategic priorities which are essential in achieving this ambition, where each of them are outlined in the strategy document. The prioritized strategic areas are further detailed in a roadmap with activities, responsibilities and milestones. Status and progress are regularly reported to the management team and board of directors.

One of the main priorities in 2025 is to continue improving and professionalizing frameworks within HR- and HSE related areas, hereunder systems, policies, processes, routines and structures. This is essential to ensure efficient workflows and "best practice" in all aspects, and will also be of importance for our further work with strengthening culture and leadership.

We will also continue to de-risk our operations and sites (technically and through systems) so fewer get injured and the severity of the incidents continues its downward trend. To support that we will continue to implement common HSE minimum requirements across companies and focus more on risk management training and awareness for employees and leaders. We still will support the topic of Safety in the industry and add to the industries best safety practices.

Highlights

Why It Matters
We are part of a global and integrated value chain, meaning how our suppliers perform highly impact our own performance. Basic human rights and decent working conditions are part of that equation. Furthermore, we do impact on our product users experience meaning our focus on inherently safe products and solutions development will contribute to a better user experience and to reduced risks in the industry at large.

Ambition
- Partner with the best and most responsible suppliers and track their performance on social topics.
- ScaleAQ Group solutions with a track record of safety improvement in use.

Targets
2025
Proportion of responses to questionnaire from prioritized suppliers 100% (with satisfactory outcome on findings)

Workers in the Value Chain

Why It Matters
We are as a company part of a global integrated and geographically spread value chain, as such we are highly relying on our suppliers' goods, services and the way they perform. We source from regions with various standard for labour rights and social protection, and therefore need to monitor our compatibility on social agenda and requirements. In addition, the type of work and production industry we source from has a medium to high potential for injuries. With that in mind, the safety of workers in the value chain as well as their basic rights is therefore of our outermost concern and a topic of materiality.

As a leading service and goods provider to the aquaculture industry, we understand the importance of ensuring that our solutions not only meet biological needs but are also safe and secure for the people using them. Therefore, we are committed to developing and producing technologies and solutions that are inherently safe. From a design perspective, we systematically address the technical safety aspects of our product development, ensuring – through studies, simulations, and testing – that our products meet these standards.

The table provides an overview of our material impacts, risks, and opportunities, which are closely linked to people in our value chain, meaning both suppliers and customers. Our efforts and priorities are two-folded. Some efforts directed towards supply chain management – ensuring that basic human rights and decent working conditions are in place, and some efforts towards customers and users of our solutions to ensure innovative products meets the safety requirements of tomorrow.

What We're Doing

We are tracking our performance through the following KPIs:

- Proportion of responses to questionnaire from prioritized suppliers – 100%

Requirements for compliance with human rights and decent working conditions are laid down in our own ethical guidelines and those that apply to our suppliers. Furthermore, both an internal and external channel for reporting have been established, where unethical conditions can be reported with a high degree of anonymity – whistleblowing. Decent working conditions are a natural part of our supplier selection process, purchasing processes and a natural part of our regime around supplier follow-up supported by auditing scheme

Parts of the Group are ISO 9001/14001 and Global Gap certified, which places strict requirements on both continuous supplier follow-up and auditing. This includes audit plans, routines and systems that support our dialogue with

Table: Our Material Impacts, Risks and Opportunities Related to ESRS S2 Workers in the Value Chain

<table>
<tr><th></th><th>Positive Impacts</th><th>Negative Impacts</th><th>Opportunities</th><th>Risks</th></tr>
<tr><td>Working conditions</td><td></td><td rowspan="2">As a large and global company we do heavily rely on our supply chain, that also is global and complex. That supply chain needs to be trusted both in terms of delivery capabilities but also on the way they deliver, social aspects requires more attention. (US,DS)</td><td>Opportunity to strengthen the social agenda of our existing suppliers through our contractual conditions and general follow-up (incl. CoC) which in turn provides the "best suppliers and products". (US)</td><td></td></tr>
<tr><td>Health and safety</td><td></td><td>Opportunity to strengthen the health, safety and environment agenda at our existing suppliers facilities to take down their injury rate. (US) Opportunity through our de-risked solutions to improve the safety for our customers in their use of our products. (DS) Product development in ScaleAQ Group enhancing inherently safe design. (DS)</td><td></td></tr>
<tr><td>Human rights</td><td></td><td>No double standards on values. We share and comply with recognized international standards on Human Rights and Child Labour, our reputation is linked to that commitment, if we fail to impact. (US)</td><td></td><td>Potential legal and reputation risks to be associated with suppliers that do not share our/customers requirements on basic human rights and our corporate social agenda. (US)</td></tr>
</table>

(US) Upstream value chain | (OO) Own Operations | (DS) Downstream value chain

suppliers. In addition, the follow-up of our value chains is closely supported by our own structures in different countries in the form of our own personnel or agents who, on our behalf, monitor the conditions we believe are important.

In addition to this, we conduct ongoing risk assessments (and annual ones as a minimum) that help us prioritize which companies we choose to focus on. We have therefore established a structured supplier follow-up program. All our suppliers are assessed at an overall level, against four criteria:

- purchase value
- geography
- delivery risk
- prioritized product areas

Based on this assessment, suppliers with the highest risk profile receive a self-assessment form where they document their work and status around important areas such as governance principles, HSEQ, sustainability work and which processes they work according to in their own value chain.

The answers are evaluated, and the individual supplier receives an updated risk profile. Depending on the risk profile, customized follow-up is implemented where we can either require additional documentation or implement special measures and more detailed follow-up. We use system support from recognized IT platforms such as Cemasys.

In 2024, as part of our annual survey, we have chosen to continue our risk-based approach by focusing on a select number of suppliers regarding specific critical topics. For the survey, this means the number and type of questions have been revised, and the selection of suppliers has been limited to the top 100 with significantly increased spending, as well as those who have previously failed to respond satisfactorily or have not met our requirements during regular supplier management interactions.

Findings are displayed as part of our Transparency Act reporting which will be published by June 2025.

Way Forward

Develop tighter and more systematic supplier and customer interaction (systematics and meeting points) on the topic of safety and social agenda in general. On the product development track, constantly review the HSE-risk profile on our products from a user's perspective and supply adequate training and documentation for proper use.

Animal Welfare

General Governance, Business Conduct and Management of Relation-ships with Suppliers

Governance

Highlights

Why It Matters
Good animal welfare is fundamental to sustainable animal protein production. While animal welfare is defined in many different ways, most agree that animals experience good welfare when they are in good health, can adapt to their surroundings, and are able to perform natural behaviours.

Ambition
Our responsibility is to ensure that all technologies, equipment and methods we offer are tried, tested and documented in terms of animal welfare.

Targets

2025
< 3 lice treatments in ScaleAQ Group's new production systems

2030
Zero lice treatments in ScaleAQ Group's new production systems

Animal Welfare

Why It Matters
Good animal welfare is pivotal in any sustainable animal protein production, and our industry is continuously scrutinized and encouraged to improve. Our responsibility as a technology provider is to ensure that all technologies, equipment and methods we offer are tried, tested and documented in terms of animal welfare. All our technological development is, implicitly or explicitly, driven by the need to improve aspects of animal welfare in production.

The table on the following page provides an overview of our material impacts, risks, and opportunities connected to ESRS G1 Business Conduct – Animal welfare.

What We're Doing
We are tracking our performance through the following KPIs:

- Number of lice treatments in ScaleAQ Group's new production systems such as Vortex® and Subsea.

Table: Our Material Impacts, Risks and Opportunities Related to ESRS G1 Business Conduct

	Positive Impacts	Negative Impacts	Opportunities	Risks
Animal welfare	Improved animal welfare through the technology we develop and deliver to our customers. (DS)	Technologies used in animal production will impact the animal to some extent (DS)	Technologies and solutions that reduce lice and associated treatment mortality. Improved vaccination procedures. Feeding optimizations and animal welfare monitoring, to mention some. (DS)	Risk associated with equipment failure/wrong use of equipment, poor compatibility between location and equipment provided. (DS)

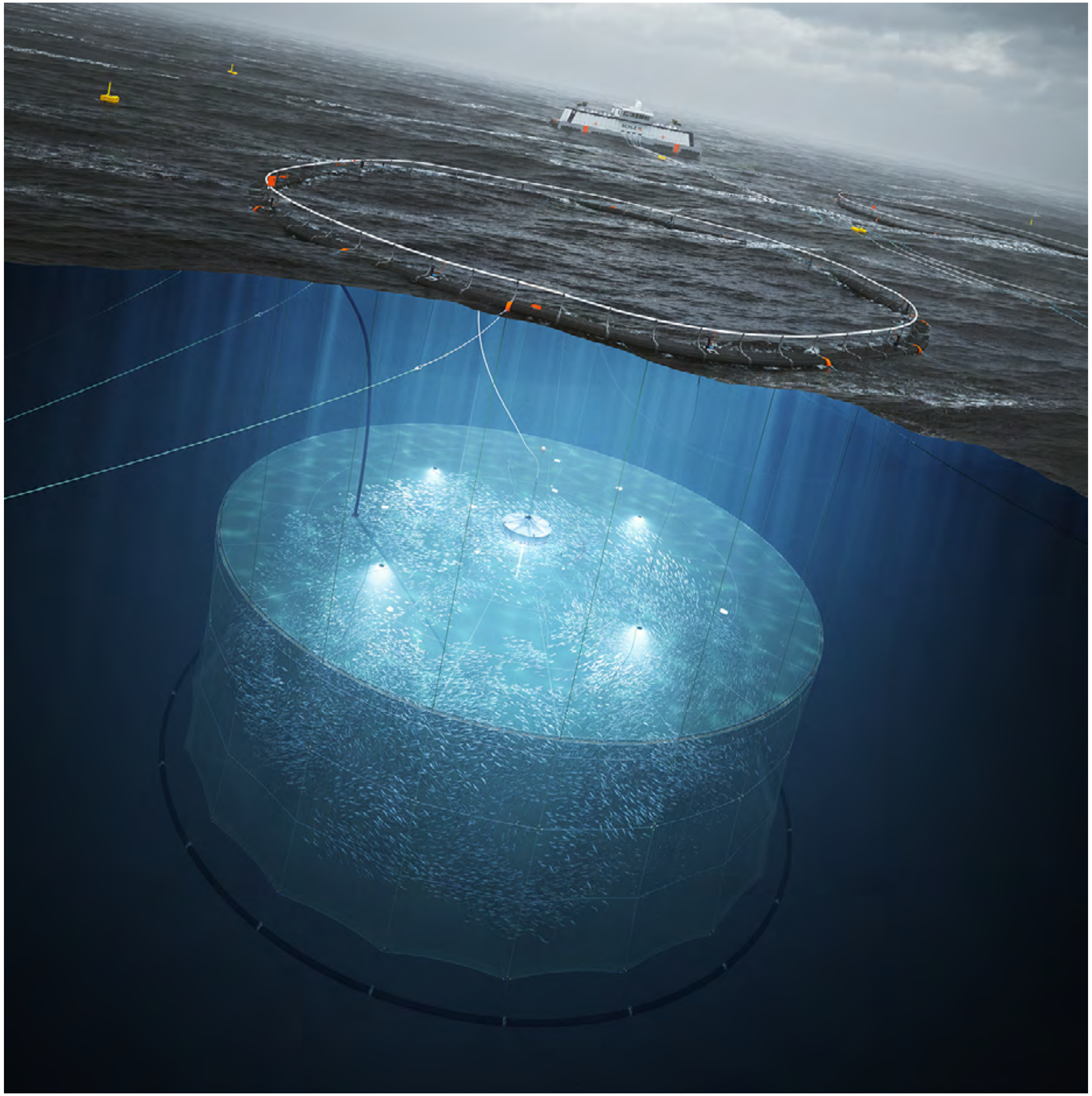
(US) Upstream value chain | (OO) Own Operations | (DS) Downstream value chain

Fish being vaccinated

There is a need for improved data resolution to enable forecasting at regional and production site levels. Our sensor systems measure and store (at the discretion of the client) relevant data such as temperature, oxygen and salinity. An estimated 500 units are deployed already and more will come as the older systems are phased out. This represents high resolution data collected where the fish actually live. If shared, data will be of great value to the scientific community capable of developing forecasting tools, and ultimately to the producers and the fish themselves.

Effective vaccines and a vaccination procedure that ensures good animal welfare is a central premise for industrial aquaculture practices. Maskon is our division in charge of manufacturing and developing our vaccination machines. When introduced, automated vaccination represented a major improvement for animal welfare, and further developments are continuously improving results while expanding opportunities and flexibility. Combining the vaccination process with AI-based health assessments and gender identification, as well as health-promoting bath treatments, allows for massive opportunities to tailor specific fish groups for various production strategies. This work also represents a first step towards individual-based health and welfare monitoring throughout the production cycle. In 2024, we initiated development of XL machines to allow for larger size at vaccination and an integrated gender identification system. We expect these investments in R&D to benefit animal welfare and production performance in the very near future.

With the advent of non-medicinal treatments against sealice infections about 10 years ago, a major problem with resistance development against the existing medicinal treatments was alleviated. In addition, the issue of releases of these chemicals to the environment was



abated. While effective in removing sealice and environmentally benign, repeated treatments and associated handling operations have resulted in an undesired animal welfare situation. During 2024, we started our work on developing and documenting sequential treatment methods to alleviate this. Increased flexibility and the ability to reduce the intensity of each treatment method, while maintaining or improving treatment efficacy, are expected to improve fish welfare during operations.

We want to take our share of the responsibility of developing technology with animal welfare in focus, such as technologies for reduced sealice infestations (subsea systems, semi-closed and closed systems) and improved water quality and rearing environment. We contribute by developing good and relevant solutions in close collaboration with customers and documenting good animal welfare in our work. We are therefore committed to delivering technological solutions that safeguard animal welfare and to investing in R&D projects that promote the green shift both at ScaleAQ Group and with our customers.

We continue to improve our submerged cameras and to expand the use of cameras and camera functions to monitor fish behaviour in new and exciting production systems to ensure optimal production environment for the fish.

Way Forward

The only feasible way forward for our industry is growth through improved animal welfare. This is a focal point for our technological development going forward. The Norwegian government's parliamentary note on animal welfare signals ambitions to reduce mortalities in salmon aquaculture substantially, and we at ScaleAQ Group welcome this challenge. We aim at systematically documenting improvements in our own equipment and development processes, and through customer collaboration achieves substantial improvements in the years to come.

Highlights

Why It Matters
We are part of a global and integrated value chain and operate internationally, that calls for strong common ethical ground, sustained efforts on internal and external auditing to stay on top of our compliance obligations and ensure no breaches.

Ambition
Partner with the best and most responsible suppliers and track their performance on social topics.

Targets

2025
- Compliance breaches at 0
- Participation in CoC course at 100%.

2030
- Compliance breaches at 0
- Participation in CoC course at 100%.

General Governance, Business Conduct and Management of Relationships with Suppliers

Why It Matters
As a company, we are committed to compliance in all its forms and motivated to go beyond. As a global player, our strength lies in our local presence alongside our customers worldwide. We address diverse practices and regulations by upholding strong minimum common expectations and providing training on internationally recognized ethical standards.

The table on the following page provides an overview of our material impacts, risks, and opportunities connected to ESRS G1 Business Conduct – Management of relationships with suppliers.

What We're Doing
We are tracking our performance through the following KPIs:

- Number of compliance breaches
- Proportion of locations certified/or working in accordance to certification
- % of employees who have completed course within CoC

We Train Our People

The launch of a mandatory CoC (Code of Conduct) Group training course – supporting the existing Code of Conduct – is ongoing to support our effort into a common ground

Compliance Breaches

We have registered five issues during 2024; two in Norway and three in Chile. All have been handled according to procedures and are settled going into 2025. The issues are mostly around the topic of excessive use of and/or non-registered working hours.

We Work Beyond Compliance

Many external audits have been carried out by both customers and certification bodies. The feedback received from these audits has overall been positive, with findings of less criticality. Any comments made by the audit team last year have been included in improved processes and tools. We have in 2024 successfully retained our voluntary ISO 9001/14001 and Global GAP* certification scheme and plan on expanding in 2025 according to targets. We will evaluate the need and the benefits from a more Group approach to certification.

Risk Management

Close follow-up and de-risking of our value chain ambitions actions and targets are described in previous chapter *Workers in the Value Chain*.

Our internal risk management process is set to identify, document and manage ScaleAQ Group business-critical risk and opportunities. For 2024, the following topics are highlighted:

- **Geopolitical Risk and Global Value Chain Exposure:** Geopolitical instability – including armed conflict, financial sanctions, or trade restrictions – may impact production sites, supply chains, and customer relationships. We are actively assessing our global value chain

Table: Our Material Impacts, Risks and Opportunities Related to ESRS G1 Business Conduct

	Positive Impacts	Negative Impacts	Opportunities	Risks
Management of relationships with suppliers			Push for a more socially sustainable agenda through supplier selection, contractual requirements, and tighter auditing schemes. (US)	Lack of compliance with ethical guidelines and poor supplier management in a central and critical value chain for ScaleAQ Group, characterized by many suppliers in high-risk countries. (US)

(US) Upstream value chain | (OO) Own Operations | (DS) Downstream value chain

*GLOBALG.A.P. is certification of agriculture, aquaculture, and floriculture

to identify vulnerabilities and opportunities related to critical input factors and our ability to deliver in line with timelines, customer expectations, and our code of conduct.

- **Regulatory Changes and Tax Policy:** The aquaculture industry is subject to a wide range of regulatory frameworks, which are continuously evolving. Changes to legislation and delays in the implementation of proposed regulations may have significant implications for our operations. Additionally, the introduction of the resource rent tax and a revised tax regime could lead to substantial costs for the industry and increased uncertainty around long-term operating conditions.
- **Reputational Risk and Biological Challenges:** Biological risks, especially those related to animal welfare, continue to challenge industry growth and put our license to operate under pressure. Increasing attention from customers, the media, and other stakeholders makes this both a reputational and commercial risk. Addressing this is a core part of our newly established vision and strategy.
- **Access to Talent and Employer Attractiveness:** Our ability to attract, develop, and retain skilled employees is essential to meeting future demands. A safe, inclusive, and growth-oriented working environment is key to success in a time of rapid change and an increasing need for diverse, cross-functional expertise.
- **Climate Change and Biological Impact:** Climate change affects aquaculture conditions through, for example, rising sea temperatures and new disease challenges. These factors may impact both production methods and site suitability. Insights from our climate risk assessment are now integrated into innovation and product development to mitigate such effects.
- **Technological Disruption and New Business Models:** The emergence of disruptive technologies and evolving business models presents new opportunities while also reshaping our risk landscape. We respond to this by strengthening quality control across product development and delivery, and by fostering a mindset open to collaboration and investment in new solutions.

Way Forward

We will continue to work on our scheme of voluntary certification and emphasize attention and structured work around corporate risk management to stay ahead.

World Economic Forum (WEF) Matrix

WEF Index:
A table summarizing the WEF-metrics and completeness.

Governance

Theme	Metric	WEF Criteria	Reference
Governing purpose	**Setting purpose**	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	*CEO Letter, This is ScaleAQ* *BoD Report, Chair Letter*
Quality of governing body	**Board composition**	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	*This is ScaleAQ, BoD Report* *Our team, Board Composition,* *Our Values and Principles*
Stakeholder engagement	**Impact of material issues on stake-holders**	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	*Stakeholder Engagement* *Material Impacts, Risks and Opportunities*
Ethical behaviour	**Anti-corruption**	1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region; a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; b) Total number and nature of incidents of corruption confirmed during the current year, related to this year; 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	*Chapter: General Governance, Business Conduct and Management of Relationships With Suppliers*
	Protected ethics advice and reporting mechanism	A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	*Chapter: General Governance, Business Conduct and Management of Relationships With Suppliers*
Risk and opportunity oversight	**Integrating risk and opportunity into business processes**	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	*Chapter: Risk Management* *BoD Report* *Annual Accounts* *Material Impacts, Risks and Opportunities*

WEF Matrix

Planet

Theme	Metric	WEF Criteria	Reference
Climate change	**Greenhouse gas (GHG) emissions**	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tons of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	*Chapter: Environment – Climate change*
	TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most 3 years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Climate risks are described in *chapter: Climate Scenario Analysis.* TCFD is not fully implemented and the work is still on-going.
Nature loss	**Land use and ecological sensitivity**	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or Key Biodiversity Areas (KBA).	Considered insignificant
Fresh water availability	**Water consumption and withdrawal in water-stressed areas**	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Considered insignificant
Solid waste	**Impact of solid waste disposal**	1. Report wherever material along the value chain: estimated metric tons of single-use plastic consumed. Disclose the most significant applications of single-use plastic identified, the quantification approach used and the definition of single-use plastic adopted. 2. Report wherever material along the value chain, the valued societal impact of solid waste disposal, including plastics and other waste streams.	*Chapter: Environment – Resource Use and Circular Economy*

WEF Matrix

People

Theme	Metric	WEF Criteria	Reference
Dignity and equality	**Diversity and inclusion (%)**	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	*Chapter: Social – Our Own Workers*
	Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Not reported on
	Wage level (%)	1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	Not reported on
	Risk of incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to a) type of operation (such as manufacturing plant) and type of supplier or b) countries or geographic areas with operations and suppliers considered at risk.	*Chapters: Social - Workers in the Value Chain* and *General Governance, Business Conduct and Management of Relationships with Suppliers*
Health and well-being	**Health and safety (%)**	1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	*Chapter: Social – Our Own Workers* *BoD Report*
Skills for the future	**Training provided (#,$)**	1. Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of trainings provided to employees divided by the number of employees). 2. Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	*Chapter: Social – Our Own Workers.* The mandatory corporate training is reflected in two KPIs – mandatory HSE and mandatory CoC training

WEF Matrix

Prosperity

Theme	Metric	WEF Criteria	Reference
Employment and wealth creation	**Absolute number and rate of employment**	1. Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. 2. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	*Chapter: Social – Our Own Workers* Not explicitly reported on
	Economic contribution	1. Direct economic value generated and distributed (EVG&D) – on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: • revenues, • operating costs, • employee wages and benefits, • payments to providers of capital, • payments to government, and • community investment. 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	*BoD Report* *Annual Accounts*
	Financial investment contribution	1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	*BoD Report* *Annual Accounts*
Innovation of better products and services	**Total R&D expenses ($)**	Total costs related to research and development.	*Chapter: Environment: R&D Investment* *BoD Report* *Annual Accounts*
Community and social vitality	**Total tax paid**	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	*BoD Report* *Annual Accounts*

Board and Management

Board of Directors

Torgeir Johan Svae

Chair of the Board of Directors

- Investment Director at Kverva responsible for the seafood portfolio
- Holds several director positions within aquaculture
- Former CEO of OS ID AS
- Extensive global experience from finance and investments though different leading positions
- Holds an MSc in Industrial Economics and Tech management from NTNU

Mads Andersen

Member of the Board

- Oilfield service industry veteran who started his career as international field engineer in Schlumberger (SLB) in 1989
- Has been the CEO of Aibel ASA since 2017
- Has held executive positions since 2002 in AkerSolutions, Cameron International and One-Subsea, now part of SLB
- Degree in engineering from the University of Glasgow and an associate degree from the Norwegian School of Management

Geir Furberg

Member of the Board

- Special advisor in ScaleAQ
- Shareholder in Frøyaringen AS which holds 9.9 % of the shares in Scale Aquaculture Group AS
- Extensive experience from the fish farming industry both as fish farmer and supplier of equipment
- In 1997 he founded Frøyaringen which subsequently acquired Aqualine, and was sold to Kverva in 2018

Morten Kristoffer Nordstad

Member of the Board

- Industry consultant working with technology development for aquaculture
- Previously CEO of PHARMAQ and Vice President Manufacturing and Facility Design, overseeing fish health product production in Norway, The US, Germany, and France
- Member of the International Executive Leadership Team of Zoetis
- Extensive international experience from establishing and operating commercial activities in over 20 countries

Board of Directors

Tor Jakob Ramsøy

Member of the Board

- Founder and chairperson of Arundo Analytics
- Previously a senior partner in McKinsey & Company's Business Technology Office (BTO) – led McKinsey's technology service lines in the Global Energy and Material Practice and the EMEA Big Data / Advanced Analytics
- Was also country manager for McKinsey Norway and led the BTO office in Scandinavia.
- Prior to joining McKinsey, Ramsøy worked as a senior partner in Accenture

Trine Lotherington Danielsen

Member of the Board

- CEO of Stiim Aqua Cluster and previously CEO and CCO of BluePlanet Academy
- Extensive experience from global aquaculture industry
- Has held public offices as mayor of Hjelmeland kommune (2011–2015), and Deputy Minister in the Ministry of Industry and Fisheries (2020-2021
- Master of Science in Zoology from NTNU, the Norwegian University of Science and Technology

Kjerstin Kleyne Braaten

Member of the Board

- Leading the Electrification Program in Kongsberg Maritime
- Started within the Oil&Gas sector, spending 20 years in TechnipFMC leading operational business units and large project portfolios, including international assignments in Brazil and Singapore.
- Holds an MSc in Bio Technology from Trondheim
- Responsible for building up the Aquaculture segment in Aker Solutions beside holding the Offshore Wind position

Management

Group Level

Audun Fjeldvær

Chief Executive Officer

- Wide experience with sales, innovation and technology- and product development for the aquaculture sector
- Led ScaleAQ Seabased from April 2023 to August 2024
- Extensive biological and technical knowledge from practical experience in seabased farming
- Joined ScaleAQ in 2013

Svein Vestermo

Chief Financial Officer

- Broad experience from both finance and line management
- Saferoad, Lade Metall, Mo Industripark
- Master of Science business & adm (Siviløkonom), Nord University
- Joined ScaleAQ in 2020

Nina Olufsen

Chief Strategy & People Officer

- Broad experience from various commercial roles in the private sector
- Credo, Broadnet, Norrøna, Mestergruppen
- Master of Business Administration from BI, several years of law studies from UiO
- Joined ScaleAQ in 2022

Hanne Digre

Chief Sustainability Officer

- Broad experience from various positions within the fisheries and aqua-culture sector for more than 25 years, research, development and project management
- PhD Biotechnology / Aquaculture from NTNU
- Joined ScaleAQ in 2020

Thomas Wiig

Chief Digital Officer

- Broad experience in technology management and product development across various roles and sectors
- ATEA, ABB and PwC
- Master of Science Informatics at UiO, Bachelor in Communication Technology from HVL, and Foundation Programme Business Administration at BI
- Joined ScaleAQ in 2019

Management

Business Areas

ScaleAQ Seabased

Sigurd F. Liljefjell

- Broad experience from Finance, Management, Production- and Organization development.
- Former Financial Analyst and CFO with extensive experience from various corporate leader positions, and the Armed Forces.
- Educated in the Norwegian Armed Forces and holds a MSc in Business and Economics.
- Joined ScaleAQ in 2019

ScaleAQ Software

Jon Arild Tørresdal

- Extensive practical and theoretical understanding of Agile software development, Cloud and DevOps
- Led the cloud platform initiatives at Sparebanken Vest, and Former Chief Software Architect at Frende Forsikring
- Bachelor in Computer Science from University of Technology Sydney and University of Bergen.
- Joined ScaleAQ in 2021

ScaleAQ Chile

Carlos Arenas

- Strong background in technology and innovation
- Wide experience in the aquaculture in Chile collaborating to enhance production processes
- Extended experience in sales, introducing Norwegian technology in Chile
- Civil Engineer in Information Technology
- Joined ScaleAQ in 2006

Moen Marin
A PART OF SCALEAQ

INTERIM:

Audun Fjeldvær

- Wide experience with sales, innovation and technology- and product development for the aquaculture sector
- Led ScaleAQ Seabased from April 2023 to August 2024
- Extensive biological and technical knowledge from practical experience in seabased farming
- Joined ScaleAQ in 2013

MASKON
PART OF SCALEAQ

Jon Anders Leikvoll

- Central driver of innovation and development of Maskon products to the aquaculture industry for the last 15 years
- Extensive experience with automation, robotization and development
- CEO of Maskon since the beginning of the year 2000

Report of the Board of Directors

Scale Aquaculture Group (ScaleAQ or the **Group)** achieved several milestones in 2024, building on the momentum established in 2022 and 2023. The company exceeded industry growth rates, delivering improvements in both earnings and operational performance.

The Group recorded an operating income of NOK 3.724 million, reflecting a 12% year-on-year increase. Furthermore, operating profit increased by 75%, reaching NOK 254 million. These results underscore ScaleAQ's commitment to innovation, and margin optimization. In addition, the company's order backlog reached a new record of NOK 2.840 million, up from NOK 2.272 million in 2023, positioning ScaleAQ for sustained growth in 2025.

A key factor in these results is ScaleAQ's customer-centric culture and ability to position ourself as the preferred technology partner for global fish farming, leveraging cutting-edge solutions to meet the evolving needs of our customers.

Key Technology Achievements in 2024

- **Subsea System Breakthrough:** The commercial success of ScaleAQ's Subsea System marked a pivotal development in the company's product offering.
- **Vortex® Semi-Closed System:** The full-scale piloting of the Vortex® System further solidified ScaleAQ's role in advancing aquaculture solutions for better fish welfare.
- **mSky Development:** Collection of data for each individual fish through the vaccination process, providing valuable insight for the fish farmer.

Sustainability Initiatives

In 2024, ScaleAQ achieved a significant milestone with the opening of our first fully industrialized set-up for re-circulating plastics at Frøya. This project, which is a part of the company's broader Green-platform initiative SirkAQ, aims to reduce the environmental footprint of the aquaculture industry by promoting recycling and waste reduction. The next key milestone for this project is the qualification and approval of re-circulated plastics into load-bearing constructions, advancing towards a fully circular value chain for pens.

Through 2024, the Group has also developed a new fully battery electric personnel vessel. The Nabcrew Zero is a lightweight electrical boat designed to ensure maximum travel distance without sacrificing performance, making it a practical solution for operators looking to reduce their environmental impact while maintaining efficiency. This development has taken place in close cooperation with some of our valuable partners representing the forefront of batteries and efficient hulls.

Organizational and Strategic Developments

The divisional set-up launched in 2023, backed by strong cross divisional competences was further honed throughout 2024. In ScaleAQ, the customers come first, and the structure is tuned to be able to offer better service and to align the Group to better understand our customers' needs. Clear roles and responsibilities, common leadership principles and strong involvement of our employees, are ingrained in our core values, namely build trust, take responsibility and go beyond. We are continuously building a strong business culture, which is a clear prerequisite to successful achieve our ambitious goals.

The Business

ScaleAQ offers a comprehensive range of products, services, and technology along the entire value chain to the international aquaculture industry. Through its five divisions – Seabased, Chile, Software, Moen Marin, and Maskon – ScaleAQ positions ourself as a partner to fish farmers, delivering integrated solutions from roe to harvest.

The aquaculture industry faces several challenges, including fish welfare, rising production costs, and the impact of regulatory changes. However, ScaleAQ believes that new innovative concepts and technological advancements will be key to address and tacle these issues.

Long-Term Vision and Growth Strategy

For decades, ScaleAQ has been a trustworthy supplier to and supporter of the aquaculture industry, and our commitment will only deepen moving forward. We possess expertise, knowledge, and foresight into current and future technologies. By understanding the needs of our customers, we ensure that the products and solutions are well adapted to their intended use, allowing farmers to concentrate on their core. A key strength of ScaleAQ is our team of more than 900 dedicated and passionate employees who work every day to build a robust and thriving aquaculture industry worldwide.

Well rooted in a strong belief in the long term positive sustainable growth of the fish farming industry, we have set ambitious targets towards 2030. The expected underlying growth in the industry combined with the development of new operational technologies at sea, improved data driven insight and new more sustainable concepts, offer a wide range of opportunities for further growth. We strive to make sure that our products exceed our customers' expectations through extensive engineering and testing.

In essence, this implies a distinct innovation agenda where we in close cooperation with the most demanding and leading customers are well positioned to find optimal ways to improve both fish welfare and productivity. Further, to be successful we are reliant to team up with partners, be it research institutions or players offering niche competence and technology.

Financial Performance

Going Concern

The consolidated financial statements for the Group and the separate financial statements for Scale Aquaculture Group AS, have been prepared and presented based on the going concern assumption, and in accordance with section 3 of the Accounting Act. The Board of Directors confirms that the use of the going concern assumption is appropriate.

Consolidated Income Statement

The Group generated operating income of NOK 3.724 million in 2024, compared to NOK 3.318 million in 2023. This represents an increase of 12 per cent. The increase is mostly attributed to the expected growth in the Vessel segment which had a solid order backlog entering 2024.

The Group had payroll costs of NOK 565 million in 2024, compared with NOK 503 million in 2023. The increase was mainly a result of higher activity. Overall, payroll costs relative to operating income where unchanged at 15,2 %. The number of full-time equivalents (FTEs) in the Group increased by 5,8 per cent in 2024, from 881 at the close of 2023 to 932 at the close of 2024.

The Group had other operating expenses of NOK 232 million in 2024 which was in line with 2023, implying lower operating expenses relative to operating income, a reduction of 0.8 %-points from 7,0 % in 2023 to 6,2 % in 2024.

The group made an operating profit of NOK 254 million in 2024 compared to NOK 145 million in 2023. The increase in operating profit is a result of better performance in both segments, driven by a combination of higher revenues and better margins through product mix.

In 2024, net financial items amounted to NOK 54 million, a decrease from NOK 84 million in 2023. This decrease primarily stemmed from lower interest expenses and positive effects related to the fair value of financial instruments (hedging of currency).

Specifically, total interest expenses had a reduction from NOK 69 million in 2023 to NOK 60 million in 2024. The reduction is predominantly attributed to lower average net interest bearing debt (NIBD) during the year and higher net margins from the rental business, whereas NIBD increased from NOK 786 million in 2023 to NOK 1,012 million in 2024.

In 2024, fair value changes in financial instruments resulted in a gain of NOK 19 million, contrasting an expense of NOK 20 million in 2023. In 2024 a net currency loss (ex fair value of financial instruments) of NOK 15 million was recorded, whereas the net currency gains totaled NOK 3 million in 2023.

The group's profit before tax in 2024 totaled NOK 200 million, up from NOK 61 million in 2023. A tax expense of NOK 43 million has been calculated for 2024, up from NOK 18 million in 2023. The Group's net profit for the year totaled NOK 157 million in 2024, compared to NOK 43 million in 2023.

Consolidated Statement of Cash Flows

In 2024, the Group had positive cash flow from operating activities of NOK 56 million, which was a decrease from 2023 where the Group had a positive cash flow of NOK 319 million.

Increased profit was off-set by increased working capital, driven among other things by an increase in operational working capital in the Fishfarming Technology segment in 2024.

Cash flow from investing activities was minus NOK 24 million in 2024, compared to minus NOK 409 million in 2023. Decrease in receivables related to rental business in 2024 and acquisition of the shares in Maskon AS in 2023 explains a major part of the positive change in cash flow from investing activities.

Net cash flow from financing activities totaled minus NOK 202 million in 2024, compared to NOK 293 million in 2023. Decrease in non-current borrowings and reduced bank overdraft in 2024 together with capital increase in 2023 explains the change. In total, this results in a negative cash flow for 2024 of minus NOK 169 million, which reduced ScaleAQ's cash and cash equivalents to NOK 87 million as of 31 December 2024.

Consolidated Statement of Financial Position

As of 31 December 2024, ScaleAQ had a total balance of NOK 4.047 million, an increase of NOK 88 million since the close of 2023. The total booked equity at 31 December 2024 was NOK 1,758 an increase of NOK 164 million, leaving a healthy equity ratio of 43,4 per cent.

At the close of the year, the value of the Group capitalized intangible assets stood at NOK 1,483 million.

The book value of the group's property, plant and equipment was NOK 189 million on 31 December 2024, up from NOK 168 million at year end 2023.

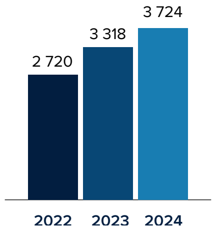
The right of use assets was NOK 303 million at the end of 2024, up from NOK 239 million in 2023. The lease liability has increased from NOK 256 million to NOK 328 million.

The total net interest bearing debt increased from NOK 786 million to NOK 1,012 million. Increase in borrowings and lease liability together with reduced cash explain the change.

Other current assets and liabilities have increased mainly as a result of increased activity. Current assets increased from NOK 1,820 to NOK 1,932 million, and current liabilities are reduced from NOK 1,279 million to NOK 1,141 million. The decrease in current liabilities is mainly a result of an increase in operating working capital.

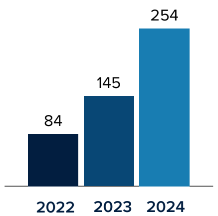
Operating Income

Amounts in NOK million



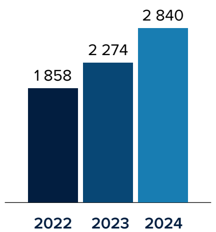
Operating Profit (EBIT)

Amounts in NOK million



Order Backlog

Amounts in NOK million



The Parent Company

Income Statement
Other operating expenses of NOK 103 million in 2024 show an increase from NOK 60 million in 2023. The increase is explained by the new organizational model, moving the group functions to the parent company, of which NOK 59 million is recharged to other group companies through management fee represented as operating revenue.

Net finance items of NOK 265 million in 2024 against NOK -39 million in 2023, show an increase in net finance income of NOK 304 million. The increase is mainly due to a net NOK 306 million reversal of write-down of financial assets due to a creditor substitution and offsetting of group contributions provided to subsidiaries in 2023. Net interest expenses increased by NOK 4 million. As a result of the changes above, net profit after tax increased from a NOK 72 million loss in 2023 to a profit of NOK 233 million in 2024.

Statement of Cash Flows
The company achieved a negative cash flow from operating activities of NOK 30 million in 2024. In the same period the company made a negative operating profit of NOK 38 million. The differences are related to lower provisions of operating items compared to 2023.

The net positive cash flow from financing activities in 2024 was mainly driven by a new term loan of NOK 331 million; offset by repayment of borrowings of NOK -175 million, and changes in intercompany balances of net NOK –122 million. In total, this resulted in a positive cash flow for 2024 of NOK 5 million.

Statement of Financial Position
As of 31 December 2024, the company had a total balance of NOK 2,724 million, an increase of NOK 311 million since the close of 2023. The total booked equity at 31 December 2024 was NOK 1,354 million, an increase of NOK 83 million, leaving an equity ratio of 50 per cent. The increase in equity is due to the distribution of this years' profit of NOK 83 million.

Allocation of Net Profit and Dividends
Scale Aquaculture Group AS made a profit for the year of NOK 233 million for the year ending 31 December 2024. The Board of Directors proposes to pay a dividend of NOK 150 million for 2024, and the remaining NOK 83 million to be distributed to other equity.

Reporting Segments

Vessels
In 2024, the segment Vessels recorded operating revenues of NOK 986 million, an increase of NOK 344 million (54 per cent). The growth was mostly based on a good starting point, entering 2024 with a substantial order backlog. This resulted in a higher number of vessels delivered compared to 2023. Strong sales at the tail-end of the year pushed order backlog at 31 December 2024 to a new all time high of NOK 1.7 billion.

Operating profit (EBIT) for 2024 was NOK 62 million, an increase of NOK 33 million compared to 2023 resulting in an EBIT margin of 6.3 per cent up from 4,5 per cent in 2023. The increase in profitability is mostly due to economics of scale, with a under proportional growth in personnel and other operating expenses relative to revenues.

Fish Farming Technology
The segment Fish Farming Technology had total operating revenues of NOK 2,738 million in 2024 up from NOK 2,677 million in 2023. Revenues increase across most product groups which more than compensated lower revenues from barges.

EBIT for 2024 was NOK 230 mill, NOK 73 mill higher than in 2023. Higher revenues and better achieved margins due to product mix combined with some positive effects which in its nature were non-recurring, were the main reasons for the increase in operating performance.

Risk and Risk Management
The Board and executive management are continuously monitoring the Group's risk exposure and the Group constantly strives to improve its internal control processes. The Group has systems and routines in place to monitor important risk factors in all business areas.

Risk management is a priority for the board and a key function of the management team. The Board has given the CEO the overall responsibility to ensure that the Group operates in compliance with all relevant legislation and operating guidelines for group entities. Follow-up and control of risk factors, as well as compliance with the Group's values and code of conduct, are carried out in the line organization as part of day-to-day operations and reported to the Board on a regular basis.

The Group is subject to several risks, including operational and financial risks, which are summarized below.

Operational Risk
Like other companies in the aquaculture sector, ScaleAQ is exposed to market risks, as the industry experiences certain cyclical trends. To mitigate these risks, the Group diversifies our products and technologies across various geographical regions and focuses on increasing revenue from recurring services and after-sales activities.

The Group faces risks related to fluctuations in the cost and availability of raw materials for key products, which can affect margins on fixed-price contracts, delay delivery timelines, and cause shortages of critical components.

Relatively recent examples of such risks materializing include the COVID-19 pandemic and the war in Ukraine. Further, the new regime of trade tariffs following changes in policies from the US government, could also yield similar effects.

The Group carefully manages these risks by closely monitoring them, fixing raw material costs with suppliers soon after customer contracts are signed, and including contractual provisions to pass on cost inflation caused by extraordinary events like pandemics or conflicts.

The Group is also exposed to demand fluctuations influenced by the economic conditions of fish farmers. Factors such as market prices for farmed fish, rising production costs, and changes in taxation directly impact fish farmers' capacity to invest in new equipment or expand production. As an example, a resource tax on sea-based fish farming was approved in 2023. The effects have so far been limited for ScaleAQ and we do not expect long term major negative effects. Anyhow, management continues closely to monitor investment trends in the fish farming sector.

ScaleAQ is subject to environmental and climate-related risks. These are further elaborated in the *Sustainability Report chapter.*

Financial Risk

The Group faces key risks in its operations, including credit risk, liquidity risk, and market risk, particularly interest rate and foreign exchange risks. Management continuously assesses these risks and implements appropriate risk management processes. A summary of these risks is provided below, with further details available in *Note 24*.

Credit risk arises from the possibility of a counterparty defaulting. The Group primarily sells its products and services to other businesses on credit terms, exposing it to this risk. The maximum exposure to credit risk at the balance sheet date is represented by the carrying value of trade and other receivables.

Liquidity risk is managed through maintaining sufficient reserves, banking facilities, and borrowing arrangements. The Group monitors forecasted and actual cash flows while aligning the maturity profiles of financial assets and liabilities. Liquidity management ensures the Group can meet financial obligations without incurring significant losses or reputational damage.

The Group is exposed to interest rate fluctuations due to its floating-rate borrowings. Currently, no hedging arrangements have been implemented to mitigate this risk.

Operating across multiple countries exposes the Group to exchange rate fluctuations in currencies such as USD, EUR, GBP, PLN, AUD, CAD, CLP, and VND. Foreign exchange risk stems from operational transactions and financial positions in foreign currencies. Transactions within subsidiaries are typically conducted in the same currency to minimize exposure. For larger contracts in non-functional currencies where natural hedging is not possible, the Group establishes hedging arrangements to protect margins.

The Group aims to maintain sufficient liquidity in cash and equivalents to support operations and obligations while ensuring flexibility for investment opportunities. Capital management strategies are adapted based on economic conditions and business developments.

Research & Development

The Board of Directors believes the aquaculture industry is positioned for significant growth in the coming years. This outlook is supported by the industry's recent focus on innovative production methods, including farming in more exposed areas, closed systems both at sea and on land, and advancements in technology. The Company's R&D efforts are particularly concentrated on these areas, reflecting its commitment to innovation. In addition, the Group continues to invest in data driven insight and solutions that carry a lower environmental footprint.

Corporate Responsibility

ScaleAQ is required to report on its corporate responsibility and selected related issues under chapter 2 of the Norwegian Accounting Act. Detailed reporting on all relevant topics can be found in the Sustainability report, which is included in this Annual Report on *page 18*. In 2024 a full double materiality assessment in accordance with the Corporate Sustainability Reporting Directive has been made and approved by the Board of Directors. The Group's priorities, actions and reporting will gradually transform into the CSRD regime over the coming years and in accordance with requirements set by the regulators. At the date of this report the timing and content of this is still pending given the proposed Omnibus changes and adjustments recently submitted by the European Commission in February 2025.

The Group publishes our work according to the Norwegian Transparency Act at the Group's web site on a yearly basis. The 2024 report will be published at latest 30 June 2025.

Equality and Anti-Discrimination

ScaleAQ is dedicated to fostering an inclusive work environment that ensures equal opportunities for all employees. We value and respect the unique qualities and abilities of each individual, recognizing their importance in creating a thriving workplace. The company maintains a zero-tolerance policy against harassment or discrimination based on gender, religion, ethnicity, cultural background, social group, disability, sexual orientation, marital status, age, political opinion, or any other characteristic.

We are committed to fair treatment of employees and job applicants alike, supported by robust policies and practices. These include our Code of Conduct, Human Rights policy, and guidelines covering recruitment, compensation and benefits, working conditions, career development opportunities, and protection against harassment.

In compliance with §26-a of Norway's "Equality and Anti-discrimination Act," ScaleAQ submits an annual statement detailing its efforts to promote equality. This report is included in the Sustainability Report on *page 64* of this integrated annual report. Through these initiatives, ScaleAQ continues to uphold its commitment to diversity, inclusion, and fairness in the workplace.

Employees, Health, and Safety

At the end of 2024, the Group had the equivalent of 932 full time employments (965 employees) in Norway, Chile, Vietnam, Canada, Oceania, UK, Poland and Iceland, of which 17% are women.

In 2024 we saw an overall positive decline trend for ScaleAQ Group in the number of recordable injuries from 38 in 2023 to 28 in 2024 (26% decrease), which implies an overall decrease of approximately 28% of the Global Total Recordable Injury Frequency (TRIF). Particular attention towards risk assessment on most operational sites combined with increased use of reporting systems and raised awareness have all contributed to that. We remain committed to work risk-based, proactively and systematically, and with better visibility towards our stretched target for 2025. That being said, we anticipate it will be challenging to achieve our target of TRIF 2025 at 5.

In 2024, ScaleAQ established a long-term business strategy for Scale AQ towards 2030. Our strategic ambitions require structured and prioritized work along several dimensions, inclduing within HR and HSE. Therefore, we supported and supplemented the overall strategy with a distinct strategy for People & Culture, which sets key premises for us to achieve our long-term business goals. Key aspects are systems, training and leadership..

Overall, ScaleAQ has a relatively low rate of sick leave. However, the sick leave rate is higher in the operational units than for the office based functions. We are constantly working proactively to ensure a safe and sound working environment, and we have improved our routines, training and practices related to following up employees on sick leave.

A detailed overview of employment statistics, gender balance, age distribution, and health and safety are included in the 2024 Sustainability Report.

Shares and Shareholders

As at the end of 2024, Scale Aquaculture Group AS has 15,084,122 shares outstanding at NOK 2 nominal value per share. The shares are held by Kverva Industrier AS, Frøyaringen AS and Board of Directors and management, holding 13,404,654, 1,501,081 and 178,387 shares, respectively.

Corporate Governance

The Board of Directors of Scale Aquaculture Group AS is elected by shareholders at the general meeting and shall consist of two to seven members. Currently, the board comprises seven (7) members elected. Two of the board members are women.

The Board of Directors of the company comprises the following members: Torgeir Svae, Chair (elected for the term of two years, Tor Jakob Ramsøy (two years), Trine Lotherington Danielsen (two years), Morten Nordstad (two years), Mads Andersen (two years), Kjerstin Bråten (two years) and Geir Furberg (two years).

The management team consists of Audun Fjeldvær (Group CEO), Svein Vestermo (Group CFO), Hanne Digre (Chief Sustainable Officer) , Nina Olufsen (Chief Strategy & People Officer) and Thomas Wiig (Chief Digital Officer). In addition, Group Division Managers are included in the management team.

The Board of Directors and management are presented on *page 80–84* of this Annual Report.

The company has a board liability insurance which applies to the entire board and leading officers including the CEO related to the execution of their board and management responsibilities. The insurance is covered through an international insurance company with a solid rating on market terms.

Outlook

The growing demand for healthy food with a minimal carbon footprint is expected to remain strong in the coming decades, benefiting the aquaculture industry broadly and fish farming specifically. To meet this demand, the industry must address key challenges related to fish welfare. In ScaleAQ, we believe innovative technologies and operational solutions will contribute to solve this.

ScaleAQ is strategically well positioned to develop these highly sought solutions and contribute to shaping the future of sustainable aquaculture. The company aims to stimulate sector growth while optimizing production methods grounded in animal welfare and biological principles. With a global team, ScaleAQ is well-equipped to make a substantial impact on the aquaculture industry's evolution and sustainability.

More specifically, we expect higher investments from the fish farmers in new production concepts including sub-sea, semi-closed and closed systems. In addition, new concepts for farming at more exposed sites is also expected to fuel growth towards 2030 and beyond. The key drivers are lowering production costs, better fish welfare and overall growth in production volume.

A key enabler for better fish welfare, health and improved productivity is better knowledge and insight about the fish and other important parameters for optimal farming. The Group expect new digital solutions including AI to be a great asset for the fish farmers going forward.

As a result, demand for the Group's products is anticipated to remain strong and grow over time. ScaleAQ's products and solutions are highly regarded and sought after by some of the most demanding customers in the aquaculture industry. By collaborating closely with our customers to develop innovative solutions for the future, ScaleAQ is well-positioned to grow alongside our clients and expand our market share.

In the short-term perspective, a record high order backlog entering 2025 bodes well for continued good performance. The recent introduction of wide-reaching trade tariffs by the US government could hamper demand for salmon and other farmed fish. Further, it might also impact sourcing costs for some key components. The full implications for the global economy, the fish farming industry and ScaleAQ are too early to establish. Management and the board are closely monitoring the situation.

The board would like to emphasize that there is significant uncertainty associated with assessments of future conditions and projections, including evolving market and economic conditions, and potential regulatory changes.

Declaration by the Board of Directors and CEO

We hereby confirm that, to the best of our knowledge, the consolidated annual financial statements for 1 January to 31 December 2024 have been prepared in accordance with applicable accounting standards and that the information in the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. We confirm that the financial statements give an accurate and fair view of the development, profit, and position of the company, as well as a description of the principal risks and uncertainties it is facing.

Trondheim, April 28, 2025

The Board of Directors and
CEO of Scale Aquaculture Group AS

Torgeir Johan Svae
Chair of the Board

Geir Furberg
Member of the Board

Mads Andersen
Member of the Board

Morten Kristoffer Nordstad
Member of the Board

Tor Jakob Ramsøy
Member of the Board

Trine Lotherington Danielsen
Member of the Board

Kjerstin Kleyne Braaten
Member of the Board

Audun S. Fjeldvær
CEO, ScaleAQ Group

Annual Financial Statements

SCALE AQUACULTURE GROUP AS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December

Amounts in NOK '000	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Revenue	27	3 584 639	3 248 962
Other operating income		139 695	69 333
Operating income	6, 12	**3 724 333**	**3 318 294**
Cost of materials	12, 17	2 510 814	2 287 133
Salaries and personnel cost	8	564 897	503 365
Depreciation and amortisation	7, 13, 14, 15	158 399	138 142
Impairment losses	7, 15	3 993	12 009
Other operating expenses	9, 12, 27	231 909	232 327
Operating expenses		**3 470 013**	**3 172 974**
Operating profit (loss)		**254 321**	**145 320**
Finance income	10, 27	72 561	76 726
Finance expense	10, 27	127 021	160 787
Profit (loss) before tax		**199 860**	**61 259**
Income tax expense	11	42 704	17 802
Profit (loss) for the year		**157 156**	**43 457**
Other comprehensive income for the year			
Items that may be reclassified subsequently through profit or loss:			
Foreign currency translation		6 744	776
Other comprehensive income for the year, net of tax		**6 744**	**776**
Total comprehensive income for the year		**163 900**	**44 232**
Profit (loss) for the year attributable to:			
– Owners of the parent company		149 346	39 553
– Non-controlling interest		7 810	3 903
Total comprehensive income attributable to:			
– Owners of the parent company		6 744	776
– Non-controlling interest		0	0

SCALE AQUACULTURE GROUP AS

Consolidated Statement of Financial Position

As at 31 December

Amounts in NOK '000	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Goodwill	13	912 098	912 036
Other intangible assets	14	477 499	505 422
Deferred tax assets	11	93 437	102 216
Total intagible assets		**1 483 034**	**1 519 675**
Property, plant and equipment	15	189 101	167 735
Right-of-use assets	7	302 572	239 126
Non-current financial assets	12, 16, 21, 27	140 285	212 324
Total tangible assets		**631 958**	**619 185**
Total non-current assets		**2 114 992**	**2 138 860**
Current assets			
Inventories	17	902 524	790 813
Contract assets	6, 28	81 719	59 985
Trade receivables	12, 18, 21	709 339	496 333
Other current receivables	12, 21	151 170	217 344
Cash and cash equivalents	19, 21	87 259	255 246
Total current assets		**1 932 011**	**1 819 721**
Total assets		**4 047 003**	**3 958 581**

Amounts in NOK '000	Notes	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	20	30 168	30 168
Share premium		1 375 732	1 375 732
Currency translation reserve		16 622	9 878
Retained earnings		283 555	134 209
Non-controlling interest		52 249	44 439
Total equity		**1 758 327**	**1 594 426**
Liabilities			
Non-current liabilities			
Borrowings	21, 22, 23, 27	823 825	832 368
Deferred tax liabilities	11	38 745	35 422
Lease liability	7, 21	284 890	217 411
Other non-current liabilities	12	120	120
Total non-current liabilities		**1 147 580**	**1 085 321**

Amounts in NOK '000	Notes	31 December 2024	31 December 2023
Current liabilitites			
Borrowings	21, 22, 23	63 541	151 254
Provisions	26	63 908	59 443
Contract liabilities	6, 28	172 284	191 130
Trade payables	12, 21, 25	136 420	182 417
Income tax payable	11	34 372	13 121
Lease liability	7, 21	42 744	38 445
Other current liabilities	12, 21, 25, 28	627 827	643 022
Total current liabilities		**1 141 097**	**1 278 833**
Total liabilities		**2 288 677**	**2 364 154**
Total equity and liabilities		**4 047 003**	**3 958 581**

Trondheim, April 28, 2025

The Board of Directors and
CEO of Scale Aquaculture Group AS

Torgeir Johan Svae
Chair of the Board

Geir Furberg
Member of the Board

Mads Andersen
Member of the Board

Morten Kristoffer Nordstad
Member of the Board

Tor Jakob Ramsøy
Member of the Board

Trine Lotherington Danielsen
Member of the Board

Kjerstin Kleyne Braaten
Member of the Board

Audun S. Fjeldvær
CEO, ScaleAQ Group

SCALE AQUACULTURE GROUP AS

Consolidated Statement of Cash Flows

For the Year Ended 31 December

Amounts in NOK '000	Notes	Year Ended 31 December 2024	Year Ended 31 December 2023
Cash flows from operating activities			
Profit/(loss) before tax		199 860	61 259
Income tax paid	11	-9 877	-698
Gain (loss) from sale of assets	15	-4 347	-1 058
Share in earnings from associated companies	16	-1 130	-2 013
Net interest expense	10, 27	87 681	100 003
Interest received	10, 27	-26 702	-30 925
Depreciation and amortisation	7,13,14,15	158 399	138 142
Impairment losses	7	3 993	12 009
Change in inventories	17	-105 773	22 125
Change in trade receivables	18	-224 554	-60 925
Change in trade payables	25	-46 055	-86 280
Change in contract assets and contract liabilities	6, 28	-40 581	79 055
Change in other receivables and payables	18, 25, 26	64 750	88 390
Net cash flow from operating activities		**55 667**	**319 083**

Amounts in NOK '000	Notes	Year Ended 31 December 2024	Year Ended 31 December 2023
Cash flow from investing activities			
Receipts from sale of property, plant and equipment	14, 15	5 602	3 108
Payments for property, plant and equipment	15	-60 313	-50 924
Payment for aquisition of subsidiaries, net of cash	5	0	-304 285
Payment for development of intangible assets	14	-42 276	-52 882
Change in non-corrent financial assets		73 402	-3 706
Net cash flow from investing activities		**-23 584**	**-408 689**
Cash flow from financing activities			
Receipts from borrowings	22, 23, 27	242 160	366 304
Repayment of borrowings	22, 23, 27	-263 136	-84 823
Change in bank overdraft and short-term borrowings	22, 23, 27	-75 215	-66 678
Principal elements of lease payments	7	-44 412	-40 187
Issue of ordinary shares	20	0	163 090
Receipt from non-controlling interest		0	24 176
Interest paid	10, 27	-60 979	-69 078
Net cash flow from financing activities		**-201 582**	**292 804**
Net change in cash and cash equivalents	19	-169 499	203 199
Net foreign currency translation difference		1 513	-1 038
Cash and cash equivalents as at 1 January		255 245	53 084
Bank deposits, cash and equivalents as at 31 December		**87 258**	**255 245**

SCALE AQUACULTURE GROUP AS

Consolidated Statement of Changes in Equity

For the Year Ended 31 December

Amounts in NOK '000	Share capital	Share premium	Currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2023	**27 723**	**1 215 087**	**9 102**	**84 064**	**1 335 975**	**0**	**1 335 977**
Profit (loss) for the year				39 553	39 553	3 903	**43 457**
Other comprehensive income for the year, net of income tax			776		776	0	**776**
Total comprehensive income for the year	**0**	**0**	**776**	**39 553**	**40 329**	**3 903**	**44 232**
Issue of ordinary shares	2 445	160 645			163 090		**163 090**
Group contribution				10 593	10 593		**10 593**
Equity effect divestment of non-controlling interest					0	40 535	**40 535**
Balance at 31 December 2023	**30 168**	**1 375 732**	**9 878**	**134 209**	**1 549 988**	**44 439**	**1 594 428**
Balance at 1 January 2024	**30 168**	**1 375 732**	**9 878**	**134 209**	**1 549 988**	**44 439**	**1 594 428**
Profit (loss) for the year				149 346	149 346	7 810	**157 156**
Other comprehensive income for the year, net of income tax			6 744		6 744	0	**6 744**
Total comprehensive income for the year	**0**	**0**	**6 744**	**149 346**	**156 090**	**7 810**	**163 900**
Balance at 31 December 2024	**30 168**	**1 375 732**	**16 622**	**283 555**	**1 706 077**	**52 249**	**1 758 327**

Reference is made to Note 20 for information related to share capital.

Notes to the Financial Statements

For the Period Ended 31 December 2024

NOTE 1 General Information

Scale Aquaculture Group AS is a limited liability company founded in 2017, which controls the shares in Scale Aquaculture AS, Steinsvik Group AS, Moen Marin AS, Scale Aquaculture Rental AS, Maskon Holding AS, Scale Aquaculture Software AS and subsidiaries. Scale Aquaculture Group AS is incorporated and domiciled in Norway, and the address of the registered office is Nordskag, 7266 Kverva, Norway.

These consolidated financial statements were approved for issue by the Board of Directors on date. Minor rounding differences may exist and the total may deviate from the total of the individual amounts. This is due to the rounding of whole amounts to thousands for presentation purposes.

The Group provides technology and equipment to customers in the aquaculture industry globally.

The Group's subsidiaries as at 31 December 2024 are listed below:

Company name	Owned by	Location	Ownership and voting share interest
Moen Marin AS	Scale Aquaculture Group AS	Kolvereid, Norway	100%
Moen Marin Inc	Moen Marin AS	Campbell River, Canada	100%
Scale Aquaculture AS	Scale Aquaculture Group AS	Frøya, Norway	100%
Aqualine Chile LTD	Scale Aquaculture AS	Puerto Varas, Chile	100%
Aqualine Australasia Pty Ltd	Scale Aquaculture AS	Tasmania, Australia	100%
Aqualine AS	Scale Aquaculture AS	Trondheim, Norway	100%
Scale AQ Iceland ehf	Scale Aquaculture AS	Hafnarfjörður, Iceland	100%
Scale Aquaculture North America Inc.	Scale Aquaculture AS	Campbell River, Canada	100%
Scale Aquaculture Poland Sp. Z.O.O	Scale Aquaculture AS	Gdynia, Poland	100%
Steinsvik Oceania Pty Ltd	Scale Aquaculture AS	Huonville, Australia	100%
Scale Aquaculture UK Ltd	Scale Aquaculture AS	Fort William, Scotland	100%
Scale Aquaculture Circular AS	Scale Aquaculture AS	Frøya, Norway	100%
ScaleAQ Chile SPA	Scale Aquaculture AS	Puerto Varas, Chile	100%
Scale Aquaculture Rental AS	Scale Aquaculture Group AS	Trondheim, Norway	100%
Scale Aquaculture Software AS	Scale Aquaculture Group AS	Bergen, Norway	100%
Panlogica Pty Ltd	Scale Aquaculture Software AS	Tasmania, Australia	100%
Maskon Holding AS	Scale Aquaculture Group AS	Frøya, Norway	81%
Maskon AS	Maskon Holding AS	Stjørdal, Norway	100%
Steinsvik Group AS	Scale Aquaculture Group AS	Trondheim, Norway	100%
Steinsvik AS	Steinsvik Group AS	Trondheim, Norway	100%
Steinsvik Mediterranean Ltda	Steinsvik AS	Alicante, Spain	100%
ScaleAQ CO Ltd	Steinsvik Group AS	Cam Lam, Vietnam	100%
Aquaoptima Holding AS	Steinsvik Group AS	Trondheim, Norway	100%
Aquaoptima AS	Aquaoptima Holding AS	Trondheim, Norway	100%

NOTE 2 Summary of Significant Accounting Policies

2.1 Basis for Preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the European Union ("IFRS"). The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The going concern basis for accounting has been adopted in preparing these consolidated financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Group's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The consolidated financial statements have been prepared on a going concern basis. The recent introduction of wide-reaching trade tariffs by the US government could hamper demand for salmon and other farmed fish. Further, it might also impact sourcing costs for some key components. The full implications for the global economy, the fish farming industry and the Group are too early to establish. Management and the board are closely monitoring the situation. Nevertheless, this could have a negative impact for the Group for the coming year.

The presentation currency for the consolidated financial statements is Norwegian kroner (NOK), which is also the functional currency of the Company.

2.2 Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved when the Group has power over the investee, is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control noted above. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company and consistent accounting policies are applied. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the date when control is obtained and until control ceases, respectively. Intercompany transactions, balances, revenues, expenses and unrealised Group internal gains or losses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation are initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group ceases to consolidate an investee because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit or loss. The fair value of the retained interest becomes the initial carrying amount for the purposes of subsequent accounting for the investment.

2.3 Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred and all the identifiable assets and liabilities of acquired entities are measured at fair values at the date of acquisition, except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured at the amount by which the total consideration transferred exceeds the net fair value of assets acquired. Goodwill is not amortised, but its value is tested for impairment at least annually, or more frequently when there is an indication that the cash-generating unit to which goodwill has been allocated, may be impaired. Goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangements, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments recognised in goodwill. Measurement period adjustments arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are retrospectively adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.4 Revenue Recognition

The Group provides technology and equipment to aquaculture customers globally. The Group has subsidiaries in Norway, Iceland, UK, Poland, Canada, Chile, Vietnam, and Oceania (Australia). Additionally, the Group has a distributor in Turkey. The Group divides its business into two segment; Fishfarming Technology (73.5 % of total revenue) and Vessel (26.5 % of total revenue).

Revenue is recognised when goods and services are rendered and measured based on the consideration to which the Group expects to be entitled in a contract with a customer net of discounts and sales related taxes. The Group recognises revenue when it transfers control of a product or service to a customer.

The goods and service rendered are split into the following groups:

Type of good or service	Performance obligation and timing of recognition	Measurement of revenue
Project sale within Fishfarming Technology	Project sales include the product lines Thermolicer, Seaculture equipment, nets, feeding systems, mooring, barge and pens. Under this type of contracts, The Group offers seabased project sale that are customised to meet the customer's needs. To be able to make these projects available to other customers this will create significant costs that the Group would otherwise not have incurred in relation to that contract. Revenue from sale of projects are recognised over time on a monthly basis over the contract period.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Sale of products within Fishfarming Technology, including short-term small projects	The Group promises to transfer products to the customer including short-term small projects, as sale of camera, feeding systems, pumps and vaccine machines that are standardised products. Revenue from sale of these products and projects is recognised at point in time when control is transferred.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Service agreement contracts – full-service or standard service agreements	The Group offers both full-service agreements and standard agreements on equipment. Included in these service agreements are free use of support, help desk, software upgrade and remote assistance. Revenue from these service agreement contracts are recognised over time, on a monthly basis over the contract period.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Services on demand	The Group delivers services for customers on demand. This service include maintenance, help desk services etc. Revenue from sale of service on demand is recognised as the services are performed.	The revenue is based on the price specified in the contract, net of discount and value added tax.
Software/Digital	The Group offers software and digital solutions for mostly sea-based aquaculture facilities. These digital solutions include registration and analysis of biological data, environmental data, production data, digital infrastructure for remote operations centres and local area networks. Revenue from sale of right to access the software is satisfied over time and is recognised on a monthly basis.	The revenue is based on the price specified in the contract, net of discount and value added tax.

Vessel	The Group offers supply working boats to the aquaculture industry. All vessels are standardised and can easily be sold to another customer. Revenue from contracts for sale of vessels including any added equipment or software, sale of stand-alone equipment, software sale and sale of spare parts are recognised at point of time.	The revenue is based on the price specified in the sales contract, net of discounts and value added tax

Contract Assets
If recognised revenue exceeds amounts received or receivable from a customer, a contract asset is recognised.

Contract Liabilities
When a customer pays consideration in advance, or an amount of consideration is due contractually before transferring of the services, the amount received in advance is presented as a liability. Contract liabilities represent prepayment from clients for partially satisfied performance obligation in relation to subscription and maintenance services.

2.5 Leases
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as separate line items (current and non-current) in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group has made such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described under ”Impairment of non-financial assets” in section 2.12 below.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other operating expenses” in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

2.6 Foreign Currency Translation

In preparing the financial statements of the Group entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.7 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognised as a reduction of the expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is presented on the statement of financial position by deducting the grant to the carrying amount of the asset. The grant is recognised in the income statement over the useful life of a depreciable asset as a reduced depreciation expense.

2.8 Employee Benefits

The Group operates defined contribution plans for the majority of the group companies. A defined contribution plan is a pension plan under which the Group pays fixed contributions to separate entity (insurance company). The Group has no legal or constructive obligations to pay further contributions to the pension plan for benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.9 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current Tax and Deferred Tax for the Year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 Intangible Assets

Goodwill
Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible Assets Acquired in a Business Combination
Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination that have definite estimated useful lives are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Separately Acquired Intangible Assets
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent to initial recognition, separately acquired intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

Internally Generated Intangible Assets
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development of the Group's technical platforms and software is recognised if, and only if, all the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

2.11 Property, Plant and Equipment
Property, plant and equipment are initially recognised at cost, which includes the purchase price (including duties and non-refundable purchase taxes) and any directly attributable costs of bringing the asset to the location and condition necessary for it to be able to operate in the intended manner. Property, plant and equipment are subsequently recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised so as to reduce the cost of assets less their residual values over their useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

Estimated useful life, depreciation method and residual values are reviewed at least annually. The straight-line depreciation method is used as this best reflects the consumption of the assets, which often is the passage of time. Residual value is estimated to be zero for each of the assets.

Repair and maintenance are expensed as incurred. If new parts are capitalised, replaced parts are derecognised and any remaining net carrying amount is recognised in operating profit (loss) as loss on disposal.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued used of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is presented as other income or other expenses in the income statement.

2.12 Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Goodwill is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Goodwill has been allocated to a group of cash generating units that constitute an operating segment and is tested for impairment at this level.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Restructuring

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

2.13 Financial Instruments

Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not have a significant financing component, and which are measured at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The categorisation of financial instruments (financial assets and liabilities) for measurement purposes is based on the nature and purpose of the financial instrument and is determined on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial asset. Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets, which primarily consist of trade receivables and other current receivables are measured at amortised cost.

Impairment of Financial Assets
The Group always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of Financial Assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities and Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial Liabilities
The Group does not have financial liabilities held-for-trading or liabilities designated as at fair value through profit or loss.

Trade and other payables include trade payables and other current and non-current financial liabilities. Borrowings (long term and short term) include loans from financial institutions and bank overdrafts. These liabilities are initially recognised in the statement of financial position at fair value (net of any transaction costs), and subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. Any difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable is recognised in profit or loss.

2.14 Cash and Cash Equivalents
Cash and cash equivalents include cash and bank deposits

2.15 Cash Flow Statement
The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Interest received and paid, and dividends distributed are reported as a part of financing activities. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities.

NOTE 3 Adoption of New and Revised International Financial Reporting Standards and Interpretations

3.1 Standards and Interpretations Affecting Amounts Reported in the Current Period

All relevant new and revised IFRSs and IFRIC interpretations that are mandatory for periods commencing 1 January 2024 and earlier have been adopted for all periods presented in these consolidated financial statements.

3.2 Standards and Interpretations in Issue but Not Yet Adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations had been issued by the IASB but were not effective for the financial year ended 31 December 2024.

Management anticipates that these Standards and Interpretations will be adopted in the Group's financial statements for the period beginning 1 January 2025 or later. Management considers that the impact of the adoption of these new and revised/amended Standards and Interpretations on the Group will not be significant.

Standard/ Interpretation	Title	Date of issue	Applicable to accounting periods commencing on
Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates	*Lack of Exchangeability*	August 2023	1 January 2025

The standard/revised standard/amendment has as at the date of issue of these financial statements not yet been adopted by the EU. Applicable accounting periods are IASB effective dates.

NOTE 4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In applying the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant including expectations of future events that are deemed to be reasonable under the current circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates, assumptions and management judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Leases

The Group has entered into a number of lease arrangements as a lessee. Judgement has been applied in assessing the lease terms and the discount rates used in determining the right-of-use assets and lease liability. Estimates have been made by management with regards to the interest rate level as well as the probability of whether the group companies are reasonably certain to exercise the options. Refer to Note 7 for further information

Amortisation of Intangible Assets

The Group's most significant accounting estimates are related to amortisation of intangible assets, the most significant being capitalised technology, customer relationships and trade names identified and valued in business combinations. Management estimates the useful life of technology to be 10 years based on the expected technical obsolescence of such assets. Customer relationships are also estimated to have a useful life of 10 years, based on historical experience of customer retention and best estimate. However, the actual useful life may be shorter or longer, depending on e.g. technical innovations and competitor actions. Trade names are considered to have an indefinite useful life and are not amortised, but subject to impairment testing at least annually. More information on intangible assets can be found in Note 14.

Impairment of Goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2024 and 2023 reporting periods, the recoverable amount of the operating segments (group of cash-generating units) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and business plans approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 13. These growth rates are consistent with industry growth expectations.

Revenue from Contracts with Customers

When the Group transfers control of a good or service over time, revenue is recognised by measuring the progress towards complete satisfaction of that performance obligation. The Group applies a single method of measuring progress to depict its performance in transferring control of goods or services, using an input method. The Group uses cost incurred as a percentage of expected total costs and estimate the total expected inputs that will be needed to satisfy the performance obligation. This requires that estimates are made by management and actual outcome may differ from these esitmates. More information on revenue from contracts with customers can be found in Note 6.

Deferred Tax Assets

Management judgment is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. The Group is also subject to income taxes in various jurisdictions. Judgement is required in determining the Group's provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liability and expense in the period in which such determination is made.

NOTE 5 Business Combinations

(Amounts in NOK'000)

Maskon Holding AS

In January 2023, the Group acquired Maskon Holding AS. Maskon Holding AS is a holding company. 81% of the voting equity interest of the company was acquired by Scale Aquaculture Group AS. In February 2023, Maskon Holding AS acquired Maskon AS.

Total consideration paid comprises the following:

	Maskon Holding AS
Cash consideration	79
Total consideration	**79**

Identifiable assets and liabilities recognised on the date of the business combination:

Current receivables	79
Total identifiable net assets	**79**

Maskon AS

Maskon AS is a global leader of a fully automated vaccination machines. 100 % of the voting equity interest of the company was acquired by Maskon Holding AS on 17 February 2023, and the Group thus has an ownership interest of 81%. A purchase price allocation has been performed as of this date. The non-controlling interest is based on the fair value of the identifiable net assets of the acquiree.

Total consideration paid comprises the following:

	Maskon AS
Cash consideration	399 301
Locked-box interest	6 284
Earn-out	0
Deferred cash consideration	0
Total consideration	**405 585**
Cash and cash equivalents in acquired business	101 379
Total cash flow	**304 206**

Assets assumed in connection with the business combination of Maskon AS have been recognised at the estimated fair value on the date of the business combination. Management has identified customer relationships and technology as major intangible assets.

Identifiable assets and liabilities recognised on the date of the business combination:

Customer relationships	95 417
Technology	53 928
Property, plant and equipment *	7 913
Right-of-use assets *	22 500
Inventories *	657
Trade receivables *	8 381
Other current receivables *	1 468
Cash and cash equivalents *	101 379
Deferred tax liabilities	(34 092)
Lease liability non-current	(20 355)
Provisions *	(14 390)
Trade payables *	(8 071)
Income tax payable *	(6 736)
Lease liability current *	(2 145)
Other current liabilities *	(21 441)
Fair value of identifiable net assets acquired	**184 414**

Goodwill

Consideration transferred	405 585
Fair value of identifiable net assets acquired	(184 414)
Goodwill	**221 171**

*Fair value of other assets and liabilities acquired approximates their carrying value.

Goodwill originating from the business combination is related to anticipated synergies from on-going operations. No impairment has been recognised subsequent to the business combination. Goodwill that has arisen as part of the business acquisition is not tax deductible.

Acquisition related expenses of NOK 2 426 are recognised as other operating expenses in 2023.

The acquired unit has from the date of acquisition in 2023 contributed to the Group's operating income and profit before tax by NOK 141 809 and NOK 36 171 respectively.

If the acquisition had occurred in the beginning of 2023, operating income for 2023 and profit before tax for the Group would have been NOK 155 406 and NOK 38 979 respectively.

NOTE 6 Revenue

(Amounts in NOK'000)

The Group derives its revenue from contracts with customers for the transfer of goods and services as described in the table provided in Note 2 to the financial statements.

Revenue per segment and by timing year ended 31 December 2024

	Fishfarming Technology	Vessel	Total
Project sale	1 567 512	0	1 567 512
Service	440 742	0	440 742
Software	82 523	0	82 523
Services transferred over time	**2 090 777**	**0**	**2 090 777**
Sale of products	648 013	985 543	1 633 556
Services transferred at a point in time	**648 013**	**985 543**	**1 633 556**
Total	**2 738 790**	**985 543**	**3 724 333**

Revenue per segment and by timing year ended 31 December 2023

	Fishfarming Technology	Vessel	Total
Project sale	1 707 195	0	1 707 195
Service	363 465	0	363 465
Software	54 886	0	54 886
Services transferred over time	**2 125 546**	**0**	**2 125 546**
Sale of products	553 489	639 259	1 192 748
Services transferred at a point in time	**553 489**	**639 259**	**1 192 748**
Total	**2 679 035**	**639 259**	**3 318 294**

Revenue by Geographical distribution	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Norway	3 019 352	2 647 118
Chile	183 598	220 823
UK	166 890	32 250
Canada	75 726	210 937
Iceland	189 753	162 589
Oceania	55 958	29 138
Rest of world	33 056	15 439
Total	**3 724 333**	**3 318 294**

Assets and liabilities related to contracts with customers
The Group has recognised the following assets and liabilities related to contracts with customers:

	31 December 2024	**31 December 2023**
Contract assets – accrued income	81 719	59 985
Contract liabilities – prepaid customer contracts	172 284	191 130

Revenue recognised in the period from:	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Amounts included in the contract liability at the beginning of the period	191 130	175 758

The Group receives payments from customers based on a billing schedule, as established in our contracts. Contract liability relates to payments received in advance of performance under the contract. Contract liabilities are recognised as revenue as (or when) the Group perform under the contract.

NOTE 7 Leases

(Amounts in NOK'000)

Set out below are the carrying amount of right-of-use assets recognised and the movements during the period.

Right-of-use assets

Year ended 31 December 2024	Land and buildings	Vehicles	Equipment	Sum
Cost at 1 January 2024	221 489	7 191	10 447	239 126
Additions in the year	102 780	7 849	5 588	116 217
Depreciation in the year	-40 083	-3 763	-8 789	-52 636
Exchange rate differences	11	0	-147	-135
Net carrying amount at 31 December 2024	**284 197**	**11 276**	**7 099**	**302 572**

Year ended 31 December 2023	Land and buildings	Vehicles	Equipment	Sum
Cost at 1 January 2023	218 530	5 085	14 777	238 392
Additions in the year	16 287	4 537	2 890	23 714
Additions through business combinations	22 500	0	0	22 500
Depreciation in the year	-35 804	-2 432	-7 220	-45 456
Exchange rate differences	-24	0	0	-24
Net carrying amount at 31 December 2023	**221 489**	**7 191**	**10 447**	**239 126**
Lower of remaining lease term or useful life				
Depreciation method	Straight-line	Straight-line	Straight-line	

We have entered into a new long term lease agreement in Nærøysund and Finnsnes with the amount of NOK 39 464 and NOK 9 327 and an adjustment of excisting lease agreement in Frøya, Stjørdal and Bergen with the amount of NOK 7 124, NOK 15 118 and NOK 1 538 respectively. Other addidions consist mainly of rental of boat, cars and excercise of lease options in Norway.

Lease liabilities

Maturity analysis of lease liabilities	31 December 2024	31 December 2023
Within 1 year	42 744	38 445
1–4 years	129 369	121 977
Over 5 years	155 521	95 434
Total	**327 634**	**255 857**

Amounts recognised in profit and loss	Year ended 31 December 2024	Year ended 31 December 2023
Deprecation expense on right-of-use assets	52 636	45 456
Interest expense on lease liabilities	17 449	16 061
	70 084	**61 516**

Carrying amounts of lease liabilities and the movements during the period:

	Year ended 31 December 2024	Year ended 31 December 2023
Lease liability as at 1 January	255 857	249 854
Additions during the year	116 114	45 990
Repayments during the year	-61 786	-56 047
Interest	17 097	15 173
Currency effects	352	887
Lease liability as at 31 December	**327 634**	**255 857**

Extension and purchase options

The Group's lease of land and buildings have lease terms that vary from 2 to 15 years, and some agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses at the commencement date whether it is reasonably certain to exercise the renewal right. The Group's potential future lease payments not included in the lease liabilities related to extension options are NOK 90 556 at 31 December 2024 (2022: NOK 15 609).

One of the leased properties is a leasehold land ("festekonktrakt"). This is included with a 10 year duration.

Sensitivity analysis

The below table summarises the impact a change in discount rates of 1 percentage point would have on the lease liability as at 31 December 2024.

		Sensitivity (increase/ decrease percentage point)	Sensitivity (increase) amount in NOK	Sensitivity (decrease) amount in NOK
Lease liability at 31 December 2024	327 634	+/- 1%	-9 621	10 304
Interest	17 097	+/- 1%	2 006	-2 188

NOTE 8 Payroll and Related Expenses

(Amounts in NOK'000)

Salaries and personnel costs	**Year ended 31 December 2024**	**Year ended 31 December 2023**
Salaries	486 537	443 576
Director's remuneration	1 180	829
Social security tax	63 231	50 705
Pension costs	25 580	16 386
Other allowances	20 268	20 698
Own work capitalised	(31 899)	(28 829)
Total	**564 897**	**503 365**
Number of FTE	932	881
Average number of FTE	907	868

Severance packages in 2024 totaling NOK 2 996 (2023: 13 135) are included in Salaries. See Note 26 Provisions and contingent liabilites for further information.

The pension plans in the Group comply with the pension legislation enacted in respective countries. The pension plans require that the Group pays premiums to public or private administrative pension plans on a mandatory, contractual or voluntary basis. There are no further obligations once the annual premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Pre-paid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

Remuneration to key Group employees during the year ended 31 December 2024

Key Group employees are defined as employees who are part of Group management.

Year Ended 31 December 2024

Salary	**Pension contribution**	**Other benefits**	**Total**
30 582	**1 302**	**697**	**32 582**

Year Ended 31 December 2023

Salary	**Pension contribution**	**Other benefits**	**Total**
29 495	**1 055**	**11 005**	**41 555**

Other benefits consist of severance packages in 2024 totaling NOK 0 (2023: 9 989).

Remuneration to Board of Directors during the year ended 31 December 2024

Remuneration has been paid to the Board of Directors of Scale Aquaculture Group AS in 2024 totaling NOK 1 180 (2023: 829).

NOTE 9 Other Operating Expenses

(Amounts in NOK'000)

	Year ended 31 December 2024	Year ended 31 December 2023
Maintenance expenses	12 909	13 396
Equipment expenses	12 803	12 558
External services	51 670	61 104
Rental of machinery, fixtures, fittings, premises	32 010	20 197
Travel expense	29 230	31 777
Licenses	36 078	30 986
Marketing	10 772	14 973
Insurance	9 232	7 253
Impairment of trade receivables	4 847	-510
Other operating expenses	32 358	40 593
Total other operating expenses	**231 909**	**232 327**

Auditor's fees
The remuneration breakdown (excl. VAT) paid to the Group's auditor is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Statutory auditing services	2 716	2 511
Other attestation services	442	88
Tax advisory services	1 669	288
Other services	1 798	1 946
Total fee to auditor	**6 625**	**4 833**

NOTE 10 Finance Income and Finance Expense

(Amounts in NOK'000)

	Year ended 31 December 2024	Year ended 31 December 2023
Finance income		
Interest income	9 619	10 205
Interest income on other financial assets	17 083	20 720
Realised currency gains	20 380	29 518
Unrealised currency gains	3 541	13 136
Fair value change in financial instruments (Note 21)	19 419	0
Income from investments in associated companies (Note 16)	1 436	1 080
Other financial income	1 083	2 067
Total	**72 561**	**76 726**
Finance expense		
Interest expense	26 073	28 771
Interest expense on debt to financial institutions	61 608	71 232
Realised currency losses	20 812	37 167
Unrealised currency losses	18 089	2 451
Fair value change in financial instruments (Note 21)	0	19 727
Other financial expense	439	1 439
Total	**127 021**	**160 787**

Interest income on other financial assets include primarily interest income on financial assets related to sale and forward lease.

Interest expense include primarily interest expense on leasing liability and financial liability related to sale and forward lease.

NOTE 11 Deferred Tax and Tax Expense

(Amounts in NOK'000)

Specification of income tax expense

The tax benefit/(expense) is calculated based on income before tax and consists of current tax and deferred tax.

	Year ended 31 December 2024	Year ended 31 December 2023
Current income tax payable	57 884	10 921
Change in deferred tax	-15 179	6 881
Income tax expense	**42 704**	**17 802**
The foreign part of the tax expense amounts to	1 423	4 938

Income tax payable (balance sheet)

The income tax payable on this year's result is calcuated as follows:

	2024	2023
Profit before tax	199 860	61 259
Permanent and temporary differences	61 854	-18 032
Basis for tax payable	261 714	43 227
Total tax payable on the year's result	57 884	10 921
Group contribution	-23 540	0
Other	28	2 200
Income tax payable	34 372	13 121

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax expense attributable to loss before income tax was as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Profit/(loss) before income tax	199 860	61 259
Statutory income tax rate	22 %	22 %
Expected income tax expense/(benefit)	43 969	13 477
Tax effect non deductible expenses	1 494	8 426
Tax effect non-taxable income	-2 091	-2 041
Difference in tax rules and rates	-21	1 079
Change in deferred tax asset not recognised	-647	-3 138
Income tax expense/income for the year	**42 704**	**17 803**
Effective tax rate	21 %	29 %

Deferred tax asset are not recognized for carry forward of unused tax losses when the Group cannot demonstrate that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Tax losses carried forward

Tax effect of losses carried forward in selected countries expire as follows:

	Expires within 5 years	Expires within 5–10 years	More than 10 years	Indefinite	Total
Norway	0	0	0	45 111	**45 111**
Chile	0	0	0	17 714	**17 714**
UK	0	0	0	3 318	**3 318**
Canada	0	0	9 116	0	**9 116**
Iceland	4	0	0	0	**4**

Specification of the tax effect of temporary differences and losses carried forward

The tax effects of temporary differences and tax losses carried forward at 31 December are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Non-current assets	0	-12
Property, plant and equipment	-50 100	-38 643
Trade receivables	1 361	510
Inventory	21 619	7 779
Other temporary differences	38 233	279
Current assets	-19 588	2 929
Tax losses carried forward	45 111	75 160
Tax losses carried forward abroad	30 152	34 416
Total	**66 788**	**82 418**
Deferred tax assets / Deferred tax liabilities		
Deferred tax assets / Deferred tax liabilities not recognized	-12 096	-15 623
Recognized Deferred tax assets / Deferred tax liabilities	54 692	66 795

NOTE 12 Transactions With Related Parties

(Amounts in NOK'000)

Balances and transactions between Scale Aquaculture Group AS and its subsidiaries, which are related parties of Scale Aquaculture Group AS, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

During the year, the Group entered into the following trading transactions with related parties:

	Sale		Purchase	
	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Arnarlax Ehf	32 950	110 947	0	0
Kverva Industrier AS	0	3	0	0
Kvarv AS	0	0	176	234
Kverva AS	151	0	449	448
Kverva Eiendom AS	0	350	0	0
Ocean Farming AS	180	219	0	0
Salmar AS	379	2 728	0	0
Salmar Farming AS	404 110	362 063	86	897
Salmar Settefisk AS	18 756	20 717	0	0
Salmar Aker Ocean AS	16	0	0	0
Refsnes Laks AS	1 841	365	0	0
Hitramat AS	0	98	0	0
Osan Settefisk AS	1 261	643	0	0
SalMar Finnmark AS	0	13 380	0	0
SalMar Namdal AS	0	44 919	0	58
Eidisstødin Isthor Ehf	27	0	0	0

Most of the sales to group companies relate to operating equipment for the aquaculture industry.

At 31 December, the Group had the following outstanding balances with related parties:

	Amounts owed by related parties (included in other receivables)		Amounts owed to related parties (included in other current liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Arnarlax Ehf	760	21 336	0	0
Kverva Industrier AS	0	3	0	0
Salmar AS	14	203	0	0
Salmar Farming AS	92 690	50 653	10 500	10 500
Salmar Settefisk AS	0	785	0	0
SalMar AkerOcean AS	20	56	0	0

NOTE 13 Goodwill

(Amounts in NOK'000)

31 December 2024	Goodwill
Carrying value at 1 January 2024	912 036
Additions in the year	0
Disposals in the year	0
Exchange rate differences	62
Impairment loss during the year	0
Carrying value at 31 December 2024	**912 098**

31 December 2023	Goodwill
Carrying value at 1 January 2023	690 757
Additions in the year	221 171
Disposals in the year	0
Exchange rate differences	108
Impairment loss during the year	0
Carrying value at 31 December 2023	**912 036**

Goodwill originating from the business combinations during the year are primarily related to anticipated growth prospects for the acquired businesses.

Goodwill is not amortised but tested for impairment on an annual basis at a cash generating unit level, and more frequently if there are indications that amounts may be impaired. In accordance with IAS 36 Impairment of assets, the carrying amount of the cash-generating unit (CGU) to which the goodwill has been allocated is compared with the recoverable amount of the cash generating unit. The recoverable amount is determined based on value-in-use calculations. These calculations use cash flow projections approved by management covering a five year period. Subsequently a growth rate of 1% is used for the purpose of determining the terminal value. The pre-tax discount rates applied to the cash flows for both CGUs is calculated based on the weighted average cost of capital (WACC) is 9.9% (2023: 9.3%).

A sensitivity analysis has been performed for key assumptions, which are the terminal growth rate and the discounts rates. Any reasonable possible change in the key assumptions (1% increase in discount rate or 1% decrease in the terminal growth rate) would not cause a requirement for an impairment charge.

Based on the calculations referred to above, it has been concluded that the recoverable amount exceeds the carrying amount of the CGUs. Consequently, no impairment charge has been recognised for 2024, nor in 2023.

Goodwill has been allocated to relevant operating segments (groups of CGUs) as included in the table below:

	31 December 2024	31 December 2023
Fishfarming technology – Seabased	610 951	610 889
Fishfarming technology – Landbased	221 171	221 171
Fishfarming technology	832 122	832 060
Vessel	79 976	79 976
Total	**912 098**	**912 036**

NOTE 14 Intangible Assets

(Amounts in NOK'000)

31 December 2024	Customer relationships	Customer contracts	Technology	Trade name	Capitalized development cost	Other intangible assets	Total
Cost at 1 January 2024	400 617	12 500	102 680	89 501	133 450	41 650	780 398
Additions in the year	0	0	0	0	37 939	4 337	42 276
Exchange rate differences	0	0	0	0	156	255	411
Cost at 31 December 2024	**400 617**	**12 500**	**102 680**	**89 501**	**171 545**	**46 242**	**823 085**
Accumulated amortisation and impairment at 1 January 2024	190 608	12 500	33 573	0	26 390	11 904	274 975
Amortisation in the year	36 881	0	8 471	0	15 374	5 642	66 368
Impairment loss in the year	0	0	0	0	3 993	0	3 993
Exchange rate differences	0	0	0	0	156	94	250
Accumulated amortisation and impairment at 31 December 2024	**227 489**	**12 500**	**42 044**	**0**	**45 913**	**17 640**	**345 586**
Net carrying amount at 31 December 2024	**173 128**	**0**	**60 636**	**89 501**	**125 632**	**28 602**	**477 499**

31 December 2023	Customer relationships	Customer contracts	Technology	Trade name	Capitalized development cost	Other intangible assets	Total
Cost at 1 January 2023	305 200	12 500	48 752	89 501	71 913	50 969	578 835
Additions in the year	0	0	0	0	52 501	381	52 882
Additions through business combinations	95 417	0	53 928	0	0	0	149 345
Reclassifications	0	0	0	0	9 036	-9 036	0
Exchange rate differences	0	0	0	0	0	401	401
Disposals in the year	0	0	0	0	0	-1 065	-1 065
Cost at 31 December 2023	**400 617**	**12 500**	**102 680**	**89 501**	**133 450**	**41 650**	**780 398**
Accumulated amortisation and impairment at 1 January 2023	154 257	12 500	25 402	0	7 934	7 396	207 489
Amortisation in the year	36 351	0	8 171	0	6 447	5 602	56 571
Impairment loss in the year	0	0	0	0	12 009	0	12 009
Exchange rate differences	0	0	0	0	0	-29	-29
Disposals in the year	0	0	0	0	0	-1 065	-1 065
Accumulated amortisation and impairment at 31 December 2023	**190 608**	**12 500**	**33 573**	**0**	**26 390**	**11 904**	**274 975**
Net carrying amount at 31 December 2023	**210 009**	**0**	**69 107**	**89 501**	**107 060**	**29 746**	**505 423**

Estimated useful life and amortisation plan is as follows:						
Estimated useful life	10–15 years	1 year	10–15 years	Indefinite	5–10 years	5–10 years
Amortisation plan	Straight-line	Straight-line	Straight-line	Not amortised	Straight-line	Straight-line

Customer relationships
Customer relationships identified and valued in business combinations are expected to have a useful life of 10–15 years. This estimate is made by management based on prior experience related to customer attrition.

Technology
For technology acquired through business combinations the amortisation period is 10–15 years based on an evaluation of the type of technological solution.

Trade name
Trade names acquired through business combinations are considered to have an indefinite useful life and are not amortised. Trade names are subject to impairment testing at least annually, or more frequently if there are indicators of impairment. Reference is made to Note 13 for details of impairment testing. No impairment losses have been incurred in relation to trade names.

Capitalized development cost

Capitalized development cost comprises mainly of internally generated intangible assets arising from development of the Group's technical platforms and software. Capitalized development cost are subject to impairment testing at least annually, or more frequently if there are indicators of impairment. Referance is made to Note 13 for details of impairment testing. In 2024 an impairment loss of NOK 3 993 (2023: 12 009) have been incurred in relation to capitalized development cost.

Other intangible assets

The carrying amount of other intangible assets comprises mainly of software of NOK 24 704. The Group has implemented an ERP system in 2022 and activated NOK 28 497 in 2022. The Group has made an assessment that these costs meets the requirements regarding intangible assets related to Cloud Computing Arrangement according to IFRIC.

Business combination

In February 2023 the Group acquired Maskon AS. See Note 5 for further details.

NOTE 15 Property, Plant and Equipment

(Amounts in NOK'000)

31 December 2024	**Land and buildings**	**Plant and machinery**	**Total**
Cost at 1 January 2024	138 346	270 142	408 488
Additions in the year	6 596	53 717	60 313
Reclassifications	-2 652	2 652	0
Exchange rate differences	1 455	3 579	5 034
Disposals in the year	-7313	-20 496	-27 809
Cost at 31 December 2024	**136 432**	**309 594**	**446 026**
Accumulated depreciation and impairment at 1 January 2024	53 575	187 178	240 753
Depreciation in the year	8 953	30 415	39 368
Reclassifications	-679	679	0
Exchange rate differences	1 042	2 287	3 329
Disposals in the year	-7 061	-19 465	-26 526
Accumulated depreciation and impairment at 31 December 2024	**55 830**	**201 094**	**256 924**
Net carrying amount at 31 December 2024	**80 602**	**108 500**	**189 102**

31 December 2023	**Land and buildings**	**Plant and machinery**	**Total**
Cost at 1 January 2023	132 758	206 879	339 637
Additions in the year	2 408	48 516	50 924
Additions/disposal through business combinations	2 620	17 452	20 072
Exchange rate differences	560	2 694	3 254
Disposals in the year	0	-5 399	-5 399
Cost at 31 December 2023	**138 346**	**270 142**	**408 488**
Accumulated depreciation and impairment at 1 January 2023	44 464	150 158	194 622
Depreciation in the year	8 778	27 314	36 092
Exchange rate differences	62	1 166	1 228
Additions/disposal through business combinations	271	11 889	12 160
Disposals in the year	0	-3 349	-3 349
Accumulated depreciation and impairment at 31 December 2023	**53 575**	**187 178**	**240 753**
Net carrying amount at 31 December 2023	**84 771**	**82 964**	**167 735**

Estimated useful life and depreciation plan is as follows:		
Useful life	25–50 years	3–10 years
Depreciation plan	Straight-line	Straight-line

Right-of-use assets are presented separately in Note 7 – Leases.

Land, property, plant and equipment is pledged as security for liabilities, refer to Note 27 – Collateral and Guarantees.

NOTE 16 Non-Current Financial Assets

(Amounts in NOK'000)

Non-current financial assets	31 December 2024	31 December 2023
Investments in associated companies	10 782	9 529
Investments in shares	103	103
Sublease to end customer	99 954	170 826
Other non-current financial assets	29 446	31 866
Total	**140 285**	**212 324**

The sale and leaseback transaction within the Group against the financing institutions is treated as a financing agreement, and not a sale with regards to IFRS 15 and a lease(back) with reference to IFRS 16. The sublease to end customer is a financial lease for lessors, and a manufacturing lessor, where the normal revenue is recorded for the sale.

Other non-current financial assets consists of receivables.

As at 31 December 2024 the Group has investments in the following associated companies:

Company name and location	Ownership share	Shares owned by
Marine Globe d.o.o. (Sibenik, Croatia)	40,0 %	Moen Marin AS
Rørvik Marina AS (Rørvik, Norway)	33,3 %	Scale Aquaculture AS

All associated companies are recognised according to the equity method.

Investments in associated companies	Rørvik Marina AS	Marine Globe d.o.o	Total
Book value at 1 January 2024	7 096	2 433	9 529
Share of profit after tax 2024	1 250	185	1 435
Currency adjustments	0	123	123
Dividend	-306	0	-306
Book value at 31 January 2024	**8 040**	**2 741**	**10 781**
Book value at 1 January 2023	6 024	1 604	7 628
Share of profit after tax 2023	1 245	768	2 013
Currency adjustments	0	61	61
Dividend	-173	0	-173
Book value at 31 January 2023	**7 096**	**2 433**	**9 529**

NOTE 17 Inventories

(Amounts in NOK'000)

Inventory	**31 December 2024**	**31 December 2023**
Raw materials and work in progress	700 640	577 562
Finished goods	201 884	213 251
Total	**902 524**	**790 813**
Inventories at cost	935 196	810 988
Inventory write-down to net realisable value	-32 673	-20 175
Total	**902 523**	**790 813**
Carrying amount as at 1 January	790 813	812 938
Purchase of inventory	2 635 023	2 264 557
Recognised as expense	-2 510 814	-2 287 133
Impairment of obsolete inventory	-32 673	-20 175
Reversal of impairment of obsolete inventory	20 175	20 626
Carrying amount as at 31 December	**902 524**	**790 813**

There are securities pledged over inventories.

NOTE 18 Trade and Other Receivables

(Amounts in NOK'000)

	31 December 2024	31 December 2023
Trade receivables	715 855	497 629
Allowances for impairment (analysed below)	6 516	1 296
Total trade receivables	**709 339**	**496 333**
Prepayments	41 058	118 081
Accrued revenue	49 250	16 816
Value Added Tax (VAT) to be reclaimed	6 854	20 372
Financial instruments	2 345	0
Sublease to end customer	38 069	46 808
Other receiveables	13 594	15 267
Total other receivables	**151 170**	**217 344**
Total trade and other receivables	**860 509**	**713 677**

Ageing of trade receivables	31 December 2024	31 December 2023
Not past due date	494 834	408 348
0–30 days	181 654	55 495
31–60 days	29 915	13 416
61–90 days	-1 454	1 723
Over 90 days	10 906	18 647
Total	**715 855**	**497 629**

Movements in the provisions for impairment of trade receivables	31 December 2024	31 December 2023
Opening balance provision for bad debt as at 1 January	1 296	15 476
Change in provision for the year	4 774	-2 390
Receivables written off during the year	446	-11 790
Closing balance provision for bad debt as at 31 December	**6 516**	**1 296**

NOTE 19 Cash and Cash Equivalents

(Amounts in NOK'000)

	31 December 2024	31 December 2023
Bank deposits, cash and cash equivalents	**87 259**	**255 246**
of which restricted cash	*22 449*	*19 315*

Cash and cash equivalents include amounts that is restricted due to regulatory requirements.

NOTE 20 Share Capital and Shareholders

(Amounts in NOK'000)

The share capital of Scale Aquaculture Group AS consisted of 15 084 122 shares as at 31 December 2024, each with a nominal value of NOK 2 (amount in whole NOK). All shares have equal voting rights. There were no movements in the number of shares during the year.

Ownership structure

The largest shareholders in % per 31 December 2024:	Organization number	Ordinary	Owner	Share of votes
Kverva Industrier AS	990 996 830	13 404 654	88,9 %	88,9 %
Frøyaringen AS	977 374 677	1 501 081	10,0 %	10,0 %
Board of Directors and management		178 387	1,2 %	1,2 %
Total numbers of shares		**15 084 122**	**100,0 %**	**100,0 %**

NOTE 21 Categories of Financial Assets and Liabilities

(Amounts in NOK'000)

Financial assets	Amortised cost	Fair value Level 3	Fair value Level 2	Fair value Level 1	31 December 2024
Financial assets at amortised cost:					
Cash and equivalents (Note 19)	87 259	0	0	0	87 259
Trade receivables	709 339	0	0	0	709 339
Sublease to end customer	138 023	0	0	0	138 023
Other financial assets	150 984	103	0	0	151 087
Total	**1 085 605**	**103**	**0**	**0**	**1 085 708**
Financial assets at fair value:					
Financial instruments	0	2 345	0	0	2 345
Total financial liabilities at fair value	**0**	**2 345**	**0**	**0**	**2 345**

Financial liabilities	Amortised cost	Fair value Level 3	Fair value Level 2	Fair value Level 1	31 December 2024
Financial liabilities at amortised cost:					
Debt to financial institutions	887 367	0	0	0	887 367
Trade payables	136 420	0	0	0	136 420
Lease liability (Note 7)	327 634	0	0	0	327 634
Accrued project expense	60 649	0	0	0	60 649
Other liabilities	567 298	0	0	0	567 298
Total financial liabilities at amortised cost	**1 979 367**	**0**	**0**	**0**	**1 979 367**
Financial liabilities at fair value:					
Financial instruments	0	0	0	0	0
Total financial liabilities at fair value	**0**	**0**	**0**	**0**	**0**

(Amounts in NOK'000)

Financial assets	Amortised cost	Fair value Level 3	Fair value Level 2	Fair value Level 1	31 December 2023
Financial assets at amortised cost:					
Cash and equivalents (Note 19)	255 246	0	0	0	255 246
Trade receivables	496 333	0	0	0	496 333
Sublease to end customer	217 634	0	0	0	217 634
Other financial assets	211 931	103	0	0	212 034
Total	**1 181 144**	**103**	**0**	**0**	**1 181 247**
Financial assets at fair value:					
Financial instruments	0	0	0	0	0
Total financial liabilities at fair value	**0**	**0**	**0**	**0**	**0**

Financial liabilities	Amortised cost	Fair value Level 3	Fair value Level 2	Fair value Level 1	31 December 2023
Financial liabilities at amortised cost:					
Debt to financial institutions	983 622	0	0	0	983 622
Trade payables	182 417	0	0	0	182 417
Lease liability (Note 7)	255 857	0	0	0	255 857
Accrued project expense	18 913	0	0	0	18 913
Other liabilities	606 638	0	0	0	606 638
Total financial liabilities at amortised cost	**2 047 448**	**0**	**0**	**0**	**2 047 448**
Financial liabilities at fair value:					
Financial instruments	0	17 591	0	0	17 591
Total financial liabilities at fair value	**0**	**17 591**	**0**	**0**	**17 591**

Most of the financial assets held by the Group are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances. There are some minor investments in shares that are measured at fair value through profit or loss (see Note 16).

Most of the financial liabilities are measured at amortised cost. The Group does not have financial liabilities held-for-trading or designated at fair value through profil or loss, except for financial instruments that are measured at fair value through profit or loss.

The carrying amounts of financial assets and liabilities approximate their fair value as at 31 December 2024. Arrangements with financial institutions are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

The levels in the fair value hierarchy are based on the extent to which fair values are observable:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable input).

Fair value of the arrangements with financial institutions fall within level 3 of the fair value hierachy.

NOTE 22 Borrowings

(Amounts in NOK'000)

Interest-bearing liabilities are measured at amortised cost

	31 December 2024	31 December 2023
Non-current financial liabilities		
Debt to financial institutions	723 871	661 542
Financial liability related to sale and forward lease	99 954	170 826
Total borrowings	**823 825**	**832 368**
Current liabilities		
Debt to financial institutions*	25 472	104 446
Financial liability related to sale and forward lease	38 069	46 808
Total borrowings	**63 541**	**151 254**

*Installments falling due within 12 months after the reporting date are classified as current.
This includes capitalised interest.

The Group’s interest bearling liabilities consists of:

	Maturity	Interest rate terms	Currency	Nominal value	31 December 2024	31 December 2023
DNB (Revolving Credit Facility)	15.03.2027	NIBOR + 2.00 % margin	NOK	425 000	425 000	450 000
DNB (Term Loan)	15.03.2027	NIBOR + 2.00 %	NOK	300 000	300 000	212 000
DNB (Overdraft Facility)*	20.07.2025	NOWA + 1,50 % margin	NOK	250 000	25 455	100 687
DNB (Financial liability related to sale and forward lease)	01.10.2025 – 01.10.2030	Nibor + variable margin	NOK		103 192	150 734
Nordea (Financial liability related to sale and forward lease)	18.03.2025 – 28.07.2028	Nibor + variable margin	NOK		34 831	66 900
Banco Santander 3 USD	15.05.2024	10,56 %	USD	1 361 000	0	3 759
Other					17	0
Total					888 495	984 080
Unamortised portion of loan cost					1 128	458
Total borrowings					**887 367**	**983 622**

* The Overdraft Facility is renewed annually.

The Group has entered into a renewal and prolongation of the excisting financing agreement with DNB in 2024 for 3 years. This is adapted to the Group's financial goals and strategies. The effective interest rates of selected facilities with DNB are dependent on the leverage ratio and sustainability KPI's.

The amendment and restatement agreement with DNB was signed and executed in March 2024 pursuant to which the total commitments were increased to NOK 725,000 and the maturity date extended to 2027. Interests in respect of the long-term debt are payable throughout the year. The Overdraft Facility are reduced to NOK 250 000 in 2024.

The table below shows the cash and non-cash changes in liabilities arising from financing activities during the year.

2024	1 January 2024	Net cash flows	New liabilities	Currency effect	Disposals	31 December 2024
Borrowings	983 622	-340 543	244 352	-64	0	887 367
Lease liabilities (Note 7)	255 857	-44 337	116 114	0	0	327 634

2023	1 January 2023	Net cash flows	New liabilities	Currency effect	Disposals	31 December 2023
Borrowings	767 826	-151 501	366 304	993	0	983 622
Lease liabilities (Note 7)	249 854	-39 987	45 990	0	0	255 857

Debt covenants as of 31 December 2024
The Group has entered into a renewal and prolongation of the excisting financial agreement with DNB in the first quarter of 2024, with the following financial loan covenants:

The Group has a NIBD/EBITDA and Equity Ratio covenant on its loan agreements and a minimum Liquidity requirement.

In addition the Group has sustainability reqirements linked to the amendment and restatement agreement with DNB.

The effective interest rate of borrowings are dependent if the Groups leverage ratio is above 3.00, less than 3.00, less than 2.25 or greater than 1.50 or less than 1.50 and the Groups achievement of selected sustainability KPI's.

The Group was in compliance with its loan covenants as of 31 December 2024.

NOTE 23 Maturity Analysis Financial Liabilities

(Amounts in NOK'000)

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities except for overdraft facility. The overdraft faciltiy is renewed annually, but follows the maturity of the loan agreement in the maturity analyses. The amount disclosed in the table are the contractual undiscounted cash flows. The maturity profile of the Group's leasing liabilities can be found in Note 7.

As at 31 December 2024	Total cash flow	Carrying value	Current		Non-current		
			1–6 months	6–12 months	1–2 years	2–5 years	Later than 5 years
Debt to financial institutions	1 013 872	887 367	46 706	44 955	85 609	826 200	10 402
Trade payables and other payables	764 367	764 367	640 137	124 230	0	0	0
Total liabilities	**1 778 239**	**1 651 733**	**686 843**	**169 185**	**85 609**	**826 200**	**10 402**

As at 31 December 2023	Total cash flow	Carrying value	Current		Non-current		
			1–6 months	6–12 months	1–2 years	2–5 years	Later than 5 years
Debt to financial institutions	1 174 542	983 622	56 978	52 693	103 052	932 467	29 352
Trade payables and other payables	825 559	825 559	666 759	151 800	3 500	3 500	0
Total liabilities	**2 000 101**	**1 809 181**	**723 737**	**204 493**	**106 552**	**935 967**	**29 352**

The sale and leaseback transaction within the Group against the financing institutions is treated as a financing agreement, and not a sale with regards to IFRS 15 and a lease(back) with reference to IFRS 16. The sublease to end customer is a financial lease for lessors, and a manufacturing lessor, where the normal revenue is recorded for the sale.

NOTE 24 Financial Instruments Risk Management Objectives and Policies

This note explains the Group's exposure to financial risks and how these risks could affect the group's future financial performance. Through its operations the most significant risks that the Group is exposed to are credit risk, liquidity risk and market risk as it relates to interest rate risk and foreign exchange risk. Management evaluates these risks and related risk management processes on an on-going basis.

Credit risk

Credit risk is the risk of a counterparty defaulting. The Group sells the vast majority of services and products to other businesses on credit terms and is hence exposed to credit risk. In 2024, the company expensed bad debts corresponding to approximately 0.01% of revenue (2023: 0.4%) and has made impairment allowances for approx. 0.9% of total accounts receivable (2023: 0.3%)."

The carrying value of trade and other receivables represent the group's maximum exposure to credit risk at the balance sheet date.

Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group has debt service obligations and depends on continuous cash conversion of its revenue. The Group seeks to manage liquidity to ensure that it has sufficient liquidity to meet its financial obligations under any circumstances without incurring unacceptable losses or risk damage to its reputation. We refer to Note 22 and 23 for information regarding borrowings.

Interest rate risk

The Group is exposed to interest rate risk, as its interest-bearing borrowings carry floating interest rates. The Group has not entered into hedge arrangements at this time (both 2024 and 2023).

The sensitivity analysis below is based on the exposure to changes in interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount outstanding at reporting date was outstanding for the whole year. An increase/decrease of one percentage point represents management's assessment of the reasonably possible change in interest rates.

Amounts in NOK '000	**2024** Effect on income (loss) after tax/equity if 1% increase in interest rate	**2023** Effect on income (loss) after tax/equity if 1% increase in interest rate	**2024** Effect on income (loss) after tax/equity if 1% decrease in interest rate	**2023** Effect on income (loss) after tax/equity if 1% decrease in interest rate
Interest bearing liabilities	-6 921	-7 672	6 921	7 672
Interest on cash and cash equivalents	681	1 991	-681	-1 991
Sublease to end customer	1 077	1 134	-1 077	-1 134
Other non-current financial assets	230	249	-230	-249

Foreign exchange rate risk

The Group undertakes business across the global in foreign currencies and is consequently exposed to fluctuations in exchange rates, particularly EUR, GBP, PLN, AUD, CAD, CLP and VND. Foreign exchange risk arises from transactions related to operations conducted, and financial assets and financial liabilities arising in foreign currencies. Revenue and cost transactions within foreign subsidiaries are normally carried out in the same currency, which reduces the currency risk.

However, as the Group's overall financial reporting is presented in NOK, changes in foreign exchange rates in relation to NOK affect the Group's overall revenue, profit or loss and financial position. Based on exposure throughout the year and balances at the year-end, the Group assesses that fluctuations in CLP/NOK, VND/NOK and GBP/NOK have the most significant impact on the financial reporting of financial assets and liabilities. The table below summarises the impact a change in these currencies will have on profit after tax and on equity as at 31 December 2024 and 31 December 2023. The analysis is based on the assumption that the foreign exchange rates increase or decrease by 10%, all other variables held constant. Positive numbers indicate an increase in profit and other equity where NOK strengthens against the relevant currency and negative numbers indicate a decrease. For a weakening of NOK against the relevant currency there would be a reverse impact.

	31 December 2024			**31 December 2023**		
Amounts in NOK '000	**CLP/NOK impact**	**VND/NOK impact**	**GBP/NOK impact**	**CLP/NOK impact**	**VND/NOK impact**	**GBP/NOK impact**
Trade receivables	4 774	122	291	3 935	149	461
Trade payables	-1 890	-651	-45	-1 421	-109	-9
Borrowings	-184	0	0	-475	25	0

Capital management

The Group's objectives for capital management is to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. The Group manages its capital in light of changes in the economic conditions and developments in the underlying business.

There were no changes to objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2024.

NOTE 25 Trade Payables and Other Liabilities

(Amounts in NOK'000)

	31 December 2024	31 December 2023
Trade payables	136 420	182 417
Total trade payables	**136 420**	**182 417**
Payroll tax, social security, VAT	133 943	67 916
Liabilities to related parties	10 500	10 500
Salary	72 146	62 564
Advance payment from customers	240 944	279 010
Accrued project expense	60 649	18 913
Accrued other expense	111 175	165 778
Financial instruments	516	17 591
Other current liabilities	-2 046	20 750
Total other current liabilities	**627 827**	**643 022**

The Group has changed payment terms within Vessel segment in 2023 and these amounts are reflected in Advance payment from customers.

Accrued other expense consist of provision for remaining costs for delivered boats totaling NOK 22 698 (2023: 121 894)

NOTE 26 Provisions and Contingent Liabilities

(Amounts in NOK'000)

In 2023 a final settlement related to a land-based project delivered prior to 2023 was reached.

The Group has recognised the following provisions:

Provisions 2023	Restructuring	Warranties	Other	Total
Balance as of 1 January, 2023	1 170	42 144	0	43 313
Provisions acquired	0	14 390	0	14 390
Provisions changed during the year	7 533	-7 151	1 300	1 683
Currency translation differences	0	57	0	57
Balance as of 31 December 2023	8 703	49 440	1 300	59 443
Current portion	8 703	49 440	1 300	59 443
Non-current portion	0	0	0	0
Total	**8 703**	**49 440**	**1 300**	**59 443**

Provisions 2024	Restructuring	Warranties	Other	Total
Balance as of 1 January, 2024	8 703	49 440	1 300	59 443
Provisions changed during the year	-7 713	13 541	-1 300	4 528
Currency translation differences	0	-64	0	-64
Balance as of 31 December 2024	990	62 918	0	63 908
Current portion	990	62 918	0	63 908
Non-current portion	0	0	0	0
Total	**990**	**62 918**	**0**	**63 908**

NOTE 27 Collateral and Guarantees

(Amounts in NOK'000)

Liabilities secured by mortgages etc.	31 December 2024	31 December 2023
Non current liabilities to financial institutions	823 825	832 368
Current liabilities to financial institutions	63 541	151 254
Total	**887 367**	**983 622**

Book value of assets that form the basis of issued security	31 December 2024	31 December 2023
Shares in subsidiaries	1 899 952	1 783 712
Intra Group receivables	1 059 100	954 434
Land and buildings	32 545	51 215
Fixtures and office machinery	52 117	40 425
Inventories	793 470	654 595
Contract assets	81 719	59 985
Trade receivables	627 680	510 999
Cash and cash equivalents	1 391	139 036
Hedging claims	2 345	0

All the Group's shares in any material subsidiary which have acceded as Guarantor to the cash-pool and loan agreement are held as collateral.

All the Guarantor's inventory, operating assets and trade receivables, bank account claims, intra-group loans and shareholder loans made to an obligor, hedging claim and insurance claims are held as collateral.

As security for the loans and credit lines (limit NOK 2 335 000 (2023: NOK 1 550 000)) the Group has the following mortgages per asset type with a total limit of NOK 3 500 000 per material subsidiary defined as Guarantor to the cash-pool and loan agreement.

The amendment and restatement agreement with DNB was signed and executed in March 2024, refer to Note 22 for further information. The maximum secured amount in respect of the securitites (other than in respect of inventory, operating assets and trade receivable) is NOK 3 500 000.

Company	Mortgages	Priority	Amount
Guarantor	Bank account claims	First	3 500 000
Guarantor	Hedging claims	First	3 500 000
Guarantor	Insurance claims	First	3 500 000
Guarantor	Intercompany claims	First	3 500 000
Guarantor	Operating assets	First	1 750 000
Guarantor	Inventory	First	1 750 000
Guarantor	Trade Receivables	First	1 750 000
Steinsvik AS	Intercompany claims	First	3 500 000
Kverva Industrier AS	Shareholder claims		
Scale Aquaculture Group AS	Shares in Scale Aquaculture AS, Scale Aquaculture Rental AS, Moen Marin AS, Maskon Holding AS and Steinsvik Group AS	First	3 500 000
Maskon Holding AS	Shares in Maskon AS	First	3 500 000

Guarantees secured by mortgages
The Group optains bank guarantees given to their customers, primarily for long-term projects and rental guarantees. As of 31 December 2024 the amount of guarantees is NOK 4 813 (2023: NOK 0).

NOTE 28 Events After the Reporting Date

The Group is also exposed to changes in demand driven by the overall economic climate for the fish farmers. Changes in market prices for the farmed fish, increased production costs and changes in taxation, are examples of drivers that directly impact the willingness and ability for the fish farmers to renew the equipment and increase production capacity.

The introduction of substantial change in trade tariffs by the US government has led to major unrest among investors globally. The short and long term effects on the economy as such, are still challenging to predict, but there is risk for lower growth and in worst case recession on a global scale.

As of now, no tariffs have been proposed impacting the cost on imports to the Group. Tariffs on import of salmon to the US will potentially have a negative impact for the fish farmers, which could lead to lower growth, earnings and consequently lower investments. Thus, management closely monitor potential indirect and direct implications.

The Norwegian government has, through the recently proposed aquaculture white paper, announced that regulations will be strengthened with the aim of improving animal welfare and lowering the environmental impact of the industry. These regulatory developments are expected to influence both innovation and technology development within the industry, and may have implications for our activities as a supplier to the aquaculture sector.

An agreement to acquire 100 % of the shares in PMH Norway AS was signed January 7, 2025. This acquisition is in line with our vision to strengthen and promote sustainable and cost effective maritime solutions.

Parent Company Accounts

Scale Aquaculture Group AS

Organization number: 919 178 086

SCALE AQUACULTURE GROUP AS

Revenue Statement

Amounts in NOK '000	Notes	2024	2023
Operating income and operating expenses			
Revenue		64 714	21 416
Total income		**64 714**	**21 416**
Employee benefits expense	1	59 109	43 857
Depreciation and amortisation expenses	2	39	5
Other expenses	1	43 507	16 318
Total expenses		**102 655**	**60 180**
Operating profit		**-37 941**	**-38 763**
Financial income and expenses			
Income from subsidiaries	3	254	0
Interest income from group companies	4	67 371	65 138
Other interest income		38 564	6 813
Other financial income		112	77
Write-down of long-term investments	3, 4	5 700	49 900
Write-down of financial assets	4	-262 105	0
Other interest expenses	5	97 849	60 297
Other financial expenses		92	682
Net financial items		**264 766**	**-38 850**
Net profit before tax		226 825	-77 614
Income tax expense	6	-6 555	-5 955
Net profit after tax		**233 380**	**-71 658**
Net profit or loss	7	**233 380**	**-71 658**
Attributable to			
Ordinary dividend		150 000	0
Other equity		83 380	-71 658
Total		**233 380**	**-71 658**

SCALE AQUACULTURE GROUP AS

Balance Sheet

Amounts in NOK '000	Notes	2024	2023
ASSETS			
Non-current assets			
Intangible assets			
Concessions, patents, licences, trademarks, and similar rights	2	71	50
Deferred tax assets	6	20 418	13 863
Total intangible assets		**20 489**	**13 913**
Non-current financial assets			
Investments in subsidiaries	3, 5	1 752 108	1 635 815
Loan to group companies	4, 5, 8	743 588	693 500
Loan to other companies	8	18 701	17 614
Total non-current financial assets		**2 514 397**	**2 346 928**
Total non-current assets		**2 534 887**	**2 360 841**
Current assets			
Debtors			
Accounts receivables group companies	4, 5	13 732	23 032
Other short-term receivables		4 246	2 151
Receivables from group companies	4	158 047	18 747
Total receivables		**176 025**	**43 930**
Cash and cash equivalents	9	12 834	8 226
Total current assets		**188 859**	**52 156**
Total assets		**2 723 746**	**2 412 997**

Amounts in NOK '000	Notes	2024	2023
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	10	30 168	30 168
Share premium reserve		1 375 732	1 375 732
Other paid-in equity		364 079	364 079
Total paid-in equity		**1 769 979**	**1 769 979**
Retained earnings			
Other equity		-416 097	-499 477
Total retained earnings		**-416 097**	**-499 477**
Total equity	7	**1 353 882**	**1 270 502**

Amounts in NOK '000	Notes	2024	2023
Liabilities			
Other non-current liabilities			
Liabilities to financial institutions	5, 8	725 000	662 000
Total non-current liabilities		**725 000**	**662 000**
Current liabilitites			
Liabilities to financial institutions		352 752	259 919
Trade payables		3 988	1 841
Trade payables to group companies	4	155	4 180
Public duties payable		4 515	4 010
Dividends		150 000	0
Liabilities to group companies	4	116 294	187 544
Other current liabilities		17 161	23 001
Total current liabilities		**644 864**	**480 495**
Total liabilities		**1 369 864**	**1 142 495**
Total equity and liabilities		**2 723 746**	**2 412 997**

Trondheim, April 28, 2025

The Board of Directors and
CEO of Scale Aquaculture Group AS

Torgeir Johan Svae
Chair of the Board

Geir Furberg
Member of the Board

Mads Andersen
Member of the Board

Morten Kristoffer Nordstad
Member of the Board

Tor Jakob Ramsøy
Member of the Board

Trine Lotherington Danielsen
Member of the Board

Kjerstin Kleyne Braaten
Member of the Board

Audun S. Fjeldvær
CEO, ScaleAQ Group

SCALE AQUACULTURE GROUP AS

Indirect Cash Flow

Amounts in NOK '000	Notes	2024	2023
Cash flows from operating activities			
Profit/loss before tax		226 825	-77 614
Ordinary depreciation	2	39	5
Change in accounts receivable		9 300	-23 032
Change in accounts payable		-1 878	5 656
Items classified as investment or financing activities	3	-256 405	24 000
Change in other accrual items		-7 431	69 242
Net cash flows from operating activities		**-29 550**	**-1 742**
Cash flows from investment activities			
Payments to buy intangible assets	2	60	55
Proceeds from sale of shares and participations in other companies	3	0	10 127
Payments to buy shares and participations in other companies	3	0	195 589
Net cash flows from investment activities		**-60**	**-185 517**
Cash flows from financing activities			
Proceeds from the issuance of new long-term liabilities	5	63 000	162 000
Net change in bank overdraft		92 833	97 647
Changes in group receivables/liabilities		-121 614	-227 253
Proceeds from equity	7	0	163 090
Net cash flows from financing activities		**34 218**	**195 485**
Net change in cash and cash equivalents		4 609	8 226
Cash and cash equivalents at the start of the period		8 226	0
Cash and cash equivalents at the end of the period		**12 835**	**8 226**

Notes to the Parent Company Accounts

Scale Aquaculture Group AS

Organization number: 919 178 086

Accounting Principles
The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

Use of Estimates
In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Foreign Currency
Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated to NOK using the exchange rate on the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated to NOK using the exchange rate on the measurement date. Exchange rate fluctuations are posted to the profit and loss account as they arise under other financial items.

Revenues
Income from the sale of goods is recognised on the date of delivery. Services are posted as income as they are delivered. Income from the sale of services and long-term manufacturing projects (construction contracts) are posted to the profit and loss account in line with the project's degree of completion, when the outcome of the transaction can be estimated in a reliable manner. When the transaction's outcome cannot be estimated reliably, only income corresponding to a projects' incurred costs can be posted as revenue. At the time when it is identified that the project will give a negative result, the estimated loss on the contract is posted in full to the profit and loss account.

Tax
The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

Classification and Valuation of Fixed Assets
Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Plant and equipment is capitalised and appreciated over the economic lifetime of the asset. Significant items of plant and equipment that consist of several material components with different lifetimes are broken down in order to establish different depreciation periods for the different components. Direct maintenance of plant and equipment is expensed on an ongoing basis under operating costs, while additions or improvements are added to the asset's cost price and depreciated in line with the asset. Plant and equipment is written down to the recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the higher of the net sales value and the value in use. Value in use is the present value of future cash flows related to the asset. The write-down is reversed when the basis for the write-down is no longer present.

Classification and Valuation of Current Assets
Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Subsidiaries and Associated Companies
Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/ group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

Receivables
Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

Cash Flow Statement
The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

NOTE 1 Salary Costs and Benefits, Renumeration to the Chief Executive, Board and Auditor

(Amounts in NOK'000)

Salary costs	2024	2023
Salaries	46 262	37 700
Employment tax	9 044	4 773
Pension costs	2 371	528
Other benefits	1 432	857
Total	**59 109**	**43 857**
Number of FTEs employed in the year	37	36

Pension liabilities
The Company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The Company's pension schemes satisfy the requirements of this Act.

Renumeration of leading personnel	Chief Executive	Board
Salaries	4 396	1 100
Pension costs	195	0
Other renumeration	251	0
Total	**4 842**	**1 100**

Auditor
Audit fees expensed for 2024 amount to NOK 498 excl. VAT. In addition there is a fee for other services of NOK 153 excl. VAT and fees related to leadership management program for the Group of NOK 1 326 excl. VAT.

NOTE 2 Intangible Assets

(Amounts in NOK'000)

	Patents and licenses	Total
Cost at 01.01.2024	55	55
Additions in the year	60	60
Cost at 31.12.2024	**115**	**115**
Accumulated depreciations 31.12	44	44
Accumulated write-downs 31.12	0	0
Reversed write-downs 31.12	0	0
Net book value at 31.12.2024	**71**	**71**
Acc. depreciations and write-downs 01.01.2024	5	5
Depreciation in the year	39	39
Write-downs in the year	0	0
Acc. depreciations and write-downs at 31.12.2024	**44**	**44**
Economic lifetime	3 years	
Depreciation plan	Linear	

NOTE 3 Subsidiaries, Associates, Joint Ventures

(Amounts in NOK'000)

	Municipality	Owner interest	Book value	Share of equity	Share of net profit
Moen Marin AS	Nærøysund	100 %	284 819	199 148	36 372
Scale Aquaculture AS	Frøya	100 %	1 071 199	402 681	111 238
Scale Aquaculture Rental AS	Trondheim	100 %	2 452	20 218	7 984
Steinsvik Group AS	Trondheim	100 %	153 258	26 093	-14 555
Maskon Holding AS	Frøya	80,99%	174 665	176 484	1 870
Scale Aquaculture Software AS	Bergen	100 %	65 716	2 285	-9 313
Total			**1 752 108**	**826 909**	**133 596**

In 2024 group contributions without tax effect have been given to subsidiaries, increasing the book value of Scale Aquaculture AS by NOK 116 294.

Historically the investment in Steinsvik Group AS has been written down by NOK 245 000.

Based on the overall impairment assessment for the year ending 31.12.2024 there are no indications of any additional need of write-down of other investments.

NOTE 4 Intercompany Items Between Companies Within the Group

(Amounts in NOK'000)

	2024	2023
Receivables		
Loans to companies within the Group	734 588	693 500
Customer receivables within the Group	13 732	23 032
Other short-term receivables withing the Group	158 047	18 747
Total	**915 367**	**735 278**
Liabilities		
Loans from companies within the Group	0	0
Debt to suppliers within the Group	155	4 180
Other short-term liabilities within the Group	116 294	187 544
Total	**116 449**	**191 723**

Due to a creditor substitution and offsetting of group contributions in 2023 group contributions provided to Aquaoptima AS in 2023, the previous years' impairment of long-term receivables was reversed from NOK 262 105 to NOK 0 in 2024.

	2024	2023
Transactions with companies within the Group		
Revenue	65 744	22 116
Other expenses	366	3 987

NOTE 5 Other Long-Term Liabilities

(Amounts in NOK'000)

The Company has entered into a renewal and prolongation of the existing financing agreement with DNB in 2024 for 3 years. This is adapted to the Company's financial goals and strategies. The effective interest rates of selected facilities with DNB are dependent on the leverage ratio and sustainability KPI's.

The amendment and restatement agreement with DNB was signed and executed in March 2024 pursuant to which the total commitments were increased to NOK 725 000 and the maturity date extended to 2027. Interests in respect of the long-term debt are payable throughout the year. The Overdraft Facility is reduced to NOK 250 000 in 2024.

The Company and certain other Group companies defined as Guarantor, have granted security in favour of DNB over shares in Group companies defined as Guarantor, intra-group loans and shareholder loans made to a Guarantor, operating assets, inventory, trade receivables, bank account claims, monetory claims under any derivative product agreement and certain insurances. Pursuant to the amendment and restatement agreement, the maximum secured amount in respect of the securities (other than in respect of inventory, operating assets and trade receivables) is NOK 3 500 000. The maximum secured amont of the securities related to inventory, operating assets and trade receivables is NOK 1 750 000.

Book value of assets held as collateral for the Group`s financing agreement:

	Mortgage	Book value 31 December 24	Book value 31 December 23
Shares in Group companies defined as Guarantor	3 500 000	1 686 393	1 570 099
Loans to Guarantor	3 500 000	364 067	461 346
Other intercompany receivables as Guarantor	3 500 000	139 557	6 000
Trade receivables, including intercompany	1 750 000	13 732	23 032
Total		**2 203 748**	**2 060 477**

NOTE 6 Tax

(Amounts in NOK'000)

This year's tax expense	2024	2023
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	-6 555	-5 955
Tax expense on ordinary profit/loss	**-6 555**	**-5 955**
Taxable income:		
Result before tax	226 825	-77 614
Permanent differences	-256 621	50 544
Taxable income	**-29 796**	**-27 069**
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	**0**	**0**
Calculation of effective tax rate:		
Profit before tax	226 825	-77 614
Calculated tax on profit before tax	49 901	-17 075
Tax effect of permanent differences	-56 457	11 120
Total	**-6 555**	**-5 955**
Effective tax rate	-2.9 %	7.7 %

The tax effect of temporary differences and losses carried forward which have formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2024	2023	Difference
Accumulated loss to be brought forward	-92 808	-63 012	29 796
Basis for deferred tax assets	**-92 808**	**-63 012**	**29 796**
Deferred tax assets (22 %)	**-20 418**	**-13 863**	**6 555**

NOTE 7 Equity Capital

(Amounts in NOK'000)

	Share capital	Share premium	Other paid-in equity capital	Other equity	Total equity capital
Per 31.12.2023	30 168	1 375 732	364 079	-499 477	1 270 502
Result of the year	0	0	0	233 380	233 380
Dividend	0	0	0	-150 000	-150 000
Per 31.12.2024	**30 168**	**1 375 732**	**364 079**	**-416 097**	**1 353 882**

NOTE 8 Receivables and Liabilities

(Amounts in NOK'000)

	2024	2023
Receivables with a maturity later than one year		
Other short-term receivables	0	0
Other long-term receivables	762 289	711 114
Total	**762 289**	**711 114**
Long-term debt with a maturity later than 5 years		
Debt to credit institutions	0	0
Other long-term debt	0	0
Total	**0**	**0**

NOTE 9 Bank Deposits

(Amounts in NOK'000)

Restricted funds are NOK 2 412.

The Company is included in the group account scheme.

NOTE 10 Shareholders

(Amounts in NOK'000)

The share capital in Scale Aquaculture Group AS pr. 31.12:

	Total	Face value	Entered
Ordinary shares	15 084	0.002	30 168
Total	**15 084**		**30 168**

Ownership structure

The largest shareholders in % pr. 31.12:

	Ordinary	Owner interest	Share of votes
Kverva Industrier AS	13 405	88.9 %	88.9 %
Frøyaringen AS	1 501	10.0 %	10.0 %
Board members and management	178	1.2 %	1.2 %
Total number of shares	**15 084**	**100 %**	**100 %**

Independent Auditor's Report

PricewaterhouseCoopers AS,
Brattørkaia 17B, 7010 Trondheim

T: 02316, org. no.: 987 009 713 MVA
www.pwc.no

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

To the General Meeting of Scale Aquaculture Group AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Scale Aquaculture Group AS, which comprise:

- the financial statements of the parent company Scale Aquaculture Group AS (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Scale Aquaculture Group AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Trondheim, 28 April 2025
PricewaterhouseCoopers AS

Marius Fevaag Larsen
State Authorised Public Accountant
(This document is signed electronically)

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Figures and Tables

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