

**Q4 | 2021**

**Grøntvedt Group**

**28 February 2022**





## Introduction to Grøntvedt Group

The Grøntvedt Group is one of the world's leading providers of pelagic fish, of which various herring and mackerel products account for most of the company's revenues. The group has four business units: Pelagic, VAP, Nutri, and Pharma (under development).

Grøntvedt Pelagic's main activity is processing of pelagic fish for human consumption, mainly herring from the Norwegian Sea and the North Sea. Grøntvedt VAP sells finished consumer products under the brand Klädesholmen, as well as private labels. Grøntvedt Nutri produces fishmeal and fish oil to the aquaculture industry and the pet food industry, and the activity of Grøntvedt Pharma, will be production of omega 3-rich refined fish oils for human consumption. In Pharma, product development is currently ongoing.

In 2020, Grøntvedt completed its investment in a new Grøntvedt Nutri plant, and in January 2021, the group invested in four new processing machines, significantly increasing its processing capacity. The investments position Grøntvedt Group for further growth, and the increased focus on value added products through VAP and Nutri, is expected to improve the group's profitability going forward.

Grøntvedt is majority owned by 62.2 per cent by the Grøntvedt family (through Grøntvedt Invest), 31.3 per cent owned by BEWI Invest (owned by the Bekken and Thoresen families) and 6.5 per cent by Klädesholmen Intressenter AB.

<p>Grøntvedt Pelagic™®</p>	<p>Grøntvedt VAP™®</p>	<p>Grøntvedt Nutri™®</p>	<p>Grøntvedt Pharma™®</p>
<p>1</p>	<p>2</p>	<p>3</p>	<p>4</p>
<p><b>Fresh, frozen and marinated herring, mackerel and roe</b></p> <p>Herring and mackerel is sourced through auctions and agreements with fish vessels and trawlers</p>	<p><b>Marinated herring, caviar and spread products</b></p> <p>Finished consumer products sold under the brand Klädesholmen and private label</p>	<p><b>Fishmeal and fish oil for fish feed and pet food industries</b></p> <p>Fishmeal and fish oil are produced from offcuts available from the processing in Grøntvedt Pelagic</p>	<p><b>Omega 3-rich refined fish oils for human consumption</b></p> <p>Ongoing product development to utilize crude oil coming from Nutri into refined omega-3 rich products</p>



## Highlights for the fourth quarter and full year 2021

- Revenues of NOK 318.1 million for fourth quarter and NOK 809.1 million for the full year 2021
- EBITDA of NOK 25.2 million and NOK 79.6 million for the fourth quarter and full year respectively
- Processing volumes have significant seasonal variations related to catch seasonality for mackerel and herring, whereas the fourth and first quarters of the year are normally peak season
- Revenues and EBITDA for 2021 were impacted by issues related to customs for marinated herring
- FOOD (Pelagic) raw material volume of 33,550 tonnes for the fourth quarter, 11% lower than for the fourth quarter last year, and 77,568 tonnes for the full year of 2021, an increase of 18% since 2020
- Acquisition of Swedish herring producer Klädesholmen Seafood AB completed late June 2021
- In September 2021, Grøntvedt successfully issued senior secured bonds of NOK 600 million

## Consolidated key figures<sup>1</sup>

<i>NOK thousands (except percentages and kg for volume)</i>	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>
Revenues	318 090	n/a	809 130	839 217
EBITDA	25 159	n/a	79 611	94 070
EBITDA margin (%)	8%	n/a	10%	11%
EBIT	2 032	n/a	13 605	77 090
Profit before tax	-8 555	n/a	-31 976	54 952
Net nominal interest bearing debt	739 942	n/a	739 942	482 907
Equity ratio	48%	n/a	48%	24%
Raw material volume FOOD	33 550	37 660	77 568	65 747

<sup>1</sup> Grøntvedt Group was established late June 2021, in relation to the acquisition of Klädesholmen Seafood AB and the restructuring of the companies prior to the bond issue in September 2021. Consequently, there are no comparable numbers for the corresponding periods of 2020.



## Financial review

The Grøntvedt Group comprises Grøntvedt AS, Grøntvedt Group AS, Grøntvedt Pelagic AS, Grøntvedt Nutri AS, Klädesholmen Seafood AS, Flexbase AS and Grøntvedt Eiendom AS. The accounting policies are in accordance with the Norwegian Accounting standard.

Grøntvedt Group was established late June 2021, in relation to the acquisition of Klädesholmen Seafood AB and the restructuring of the companies prior to the bond issue in September 2021. Consequently, there are no comparable numbers for the corresponding periods of 2020.

### Profit and loss

#### Fourth quarter of 2021

**Revenues** for the fourth quarter of 2021 amounted to NOK 318.1 million, of which NOK 280.1 million related to the Pelagic/food segment, NOK 50.7 million to the Nutri/feed segment and NOK 67.4 million from VAP/Klädesholmen.

Raw material volumes for the Pelagic/ food segment were 33,550 tonnes for the quarter, down from 37,660 tonnes in the corresponding quarter in 2020. The reduction is mainly explained by seasonal variations, but also an extra high priority on raw material purchases before 31 December 2020 due to the loss of MSC labelling.

All Grøntvedt's revenue generating activities have significant seasonal variations due to harvesting seasons, with the fourth and first quarters being peak seasons.

For the full year 2021, revenues came in at NOK 809.1 million. Raw material volumes ended at 77,568 tonnes, up from 65,747 tonnes for 2020, representing an increase of 18 per cent.

**EBITDA** came in at a positive NOK 25.2 million for the fourth quarter, and NOK 79.6 million for the full year of 2021. Since the group has invested in extra capacity for both Grøntvedt Pelagic and Grøntvedt Nutri, the EBITDA will be impacted when the facilities are not fully utilized – in a transition phase.

Margins in the food segment are considered stable. For the group, margins are expected to increase when revenues from the feed and VAP segments increases, due to higher margins in these segments.

The group expects increased costs in general. Both the price of herring and costs for other input factors have increased the last year, but the group's pricing

model compensates for increase in raw materials and other input factors. Going forward, the company expects shipping costs in particular to increase even more.

**Cost of goods sold** amounted to NOK 207.3 million for the fourth quarter and NOK 521.9 million for the full year 2021.

Inventories change according to seasons. The group will normally have a build-up of inventory in the peak production season, i.e., the fourth and first quarters of the year. All build-up of inventory are products already ordered by customers.

**EBIT** came in at NOK 2.0 million for the quarter. The result is affected by some adjustments made at 31 December 2021. For further comments on these changes, see notes to the financial statements (note 2,3 and 8).

For the full year of 2021, EBIT came in at NOK 13.1 million. Grøntvedt Nutri and Klädesholmen Seafood AB are included only for 6 months (since the time of acquisition).

**Net financial items** amounted to a negative NOK 10.6 million for the quarter. Going forward the group expects to have net finance cost of approximately NOK 11 to 13 million per quarter depending on the level of interest.

For the full year of 2021, financial items came in at a negative NOK 45.6 million. For 2022, the group expects to have financial costs of approximately NOK 50 to 52 million.

**Taxes** were recorded as tax income of NOK 0.7 million for the fourth quarter and NOK 0.4 million for the full year of 2021.

**Net result** ended at a negative NOK 9.3 million and NOK 32.4 million for the fourth quarter and full year of 2021 respectively.



## Financial position and liquidity

### Consolidated financial position

**Total assets** amounted to NOK 1 872.7 million on 31 December 2021, up from NOK 1 123.6 million on 31 December 2020. The increase mainly relates to goodwill booked at NOK 662.5 million.

Book equity has historically been calculated based on a continuation principle. Following the issuance of new shares related to the Klädesholmen acquisition late June, the group was required to reflect real values as an accounting principle. At the end of fourth quarter 2021, both Klädesholmen and Grøntvedt Nutri has been recognised at real values, but Pelagic (as the acquiring company) has been booked for continuity. At the end of the third quarter, the final allocation was not completed, and goodwill was assessed at NOK 882 million. The assessment was completed on 31 December 2021, at which goodwill was recognized at NOK 662.5 million

Property, plant, and equipment amounted to NOK 479.4 million on 31 December 2021, up from NOK 375.4 million at year-end 2020.

Inventories stood at NOK 589,4 million at the end of the year, up from NOK 556.7 million at the end of last year. As mentioned above, the group experiences variations in its level of inventories, related to catch seasonality for mackerel and herring in Norway.

At the end of 2021, the inventory level is high, due to several factors. Firstly, raw material prices have increased. Secondly, the processing volumes are higher than normal. Thirdly, a challenging transport situation, combined with tax-free quotas consumed early in the third quarter, caused reduced and/ or delayed shipments.

Further, compared to 2020, the group has increased its production of raw material, leading to higher inventories during the production season.

Accounts receivables amounted to NOK 103.9 million on 31 December 2021, up from NOK 91.4 million at year-end 2020. The fourth quarter is normally a peak quarter.

Total equity amounted to NOK 907.2 million on 31 December, representing an equity ratio of 48 per

cent, compared to NOK 267.9 million on 31 December 2020.

Net debt amounted to NOK 739.9 million on 31 December 2021, compared to NOK 482.9 million at year-end 2020. Grøntvedt's interest terms are NIBOR 3 months plus a 5.25 per cent margin. Covenants for the bond loan includes an equity ratio of more than 35 per cent, and interest coverage ratio (EBITDA/ Net financial charges) of 2 or more. For further details about the terms, see note 5.

Cash and cash equivalents were NOK 26,7 million at the end of 2021, compared to NOK 1.6 million at year-end 2020.

### Consolidated cash flow

**Cash flow from operating activities** amounted to a negative NOK 40.8 million for the fourth quarter, including an increase in the working capital of NOK 55.4 million, following normal seasonality. For the full year of 2021, cash flow from operating activities was a negative NOK 106.3 million.

**Cash flow used for investing activities** amounted to NOK 7.7 million and a negative NOK 70.9 million for the fourth quarter and the full year 2021 respectively, of which the latter includes NOK 75.0 million for the acquisition of Klädesholmen.

**Cash flow from financing activities** came in at a positive NOK 12.8 million for the quarter, mainly due to draw on the RCF facility of NOK 90.0 million. For the full year 2021, cash flow from financing activities was NOK 25.1 million. This includes the capital increase of NOK 75.0 million from the share issue in June related to the Klädesholmen transaction.

## Organisation

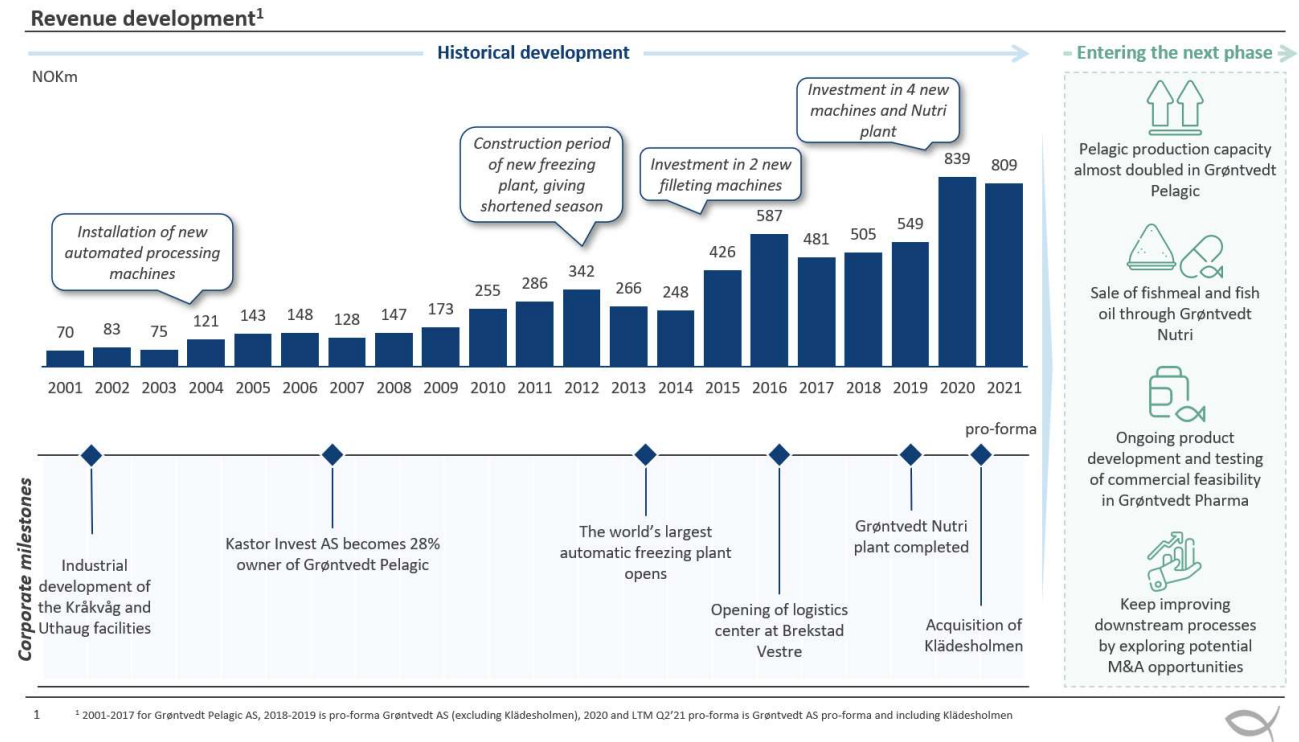
As of 31 December 2021, Grøntvedt Group had approximately 250 employees, the same as end of previous quarter. There are significant seasonal variations to the number of people working for the group, linked to the harvesting season.

The group is working to recruit additional people in both Grøntvedt and Klädesholmen to facilitate further growth going forward.

From 1 May 2022, the Group have strengthened the organisation for Grøntvedt Pharma by hiring an experienced resource within this segment.

## History and important events in the development of Grøntvedt

Below is a summary of important events and development of the Grøntvedt Group.



## Important events

### Acquisition of Swedish herring producer Klädesholmen Seafood AB

Late June 2021, Grøntvedt acquired the Swedish herring specialist Klädesholmen Seafood AB. The acquisition was in line with Grøntvedt's strategy to become a fully integrated company, with plans for further development of the company's product range towards the consumer market.

Through the acquisition of Klädesholmen Seafood AB, Grøntvedt expanded in the value chain, from purchase of herring from fishing boats off the Norwegian coast, via processing and storage in own facilities, transport, and now also all the way to the grocery shelves with the quality products from Klädesholmen.

Grøntvedt has been supplying herring to Klädesholmen Seafood AB for more than 30 years, which has further processed the product.

The acquisition was funded through a combination of NOK 75 million in new cash equity and NOK 75 million in Grøntvedt shares.

### Issuance of NOK 600 million bond loan

In September 2021, Grøntvedt AS, the holding company of Grøntvedt Group, issued a 3-year senior secured bond of NOK 600 million, under the framework of up to NOK 900 million.

The use of proceeds for the bond loan is repayment of debt, payment of transaction costs and general corporate purposes including acquisitions and working capital.



Following the issuance of the new bond loan, all material debt within the Grøntvedt Group is included in the bond loan and a senior secured revolving credit facility (SSRCF) of NOK 250 million. The SSRCF is provided by Handelsbanken and is a combination of a revolving credit facility and a guarantee facility.

The financing has an aligned covenant package, requiring an equity ratio of 35 per cent and an interest coverage ratio of >2.0x. No dividend distributions are allowed prior to an IPO. After an IPO, distributions will be maximum 50 per cent of adjusted net profit subject to a leverage ratio of 2.5x.

## Outlook

All Grøntvedt's revenue generating activities have significant seasonal variations due to harvesting seasons, with the fourth and first quarters being peak season.

During the autumn of 2020, Grøntvedt completed its investments in the new Nutri plant, becoming the world's first pelagic facility with both processing of food for human consumption, and animal feed, including fishmeal and fish oil to the aquaculture industry and the pet food industry. The combination allows the company to efficiently utilize 100 per cent of the raw material; No need for transport between facilities enable a unique freshness of the raw material, and thus high quality of the products from Nutri, as well as a low carbon footprint.

With the introduction of Grøntvedt Nutri, the group can utilize the fish trimmings from its raw material processing in Grøntvedt Pelagic, and thus take a larger part of the value creation across the value chain. Going forward, this, combined with start-up of commercial activities for Grøntvedt Pharma, is expected to improve the group's profitability.

### Brekstad, Norway, 28 February 2022

The Board of Directors and CEO  
Grøntvedt Group AS

Otto Gregussen  
Chair

Bernt Thoresen  
Board member

Christian Bekken  
Board member

Annika Fogelström Helmer  
Board member

Charlotte Knudsen  
Board member

Bjørnar Grøntvedt  
CEO



## Consolidated financial statements for the period ended 31 December 2021

### Consolidated statement of income

<i>NOK thousand</i>	Note	Q4 2021 (unaudited)	2021 (unaudited)	2020 (proforma)
Revenues	2	318 090	809 130	804 248
Other revenues				34 970
<b>Total revenues</b>		<b>318 090</b>	<b>809 130</b>	<b>839 217</b>
Cost of goods sold	2,4	-207 271	-521 883	-518 328
Salaries and personnell expenses		-31 392	-92 778	-93 532
Depreciation	3,8	-23 127	-66 006	-16 980
Other operating expenses		-54 268	-114 858	-133 287
<b>Operating profit (EBIT)</b>		<b>2 032</b>	<b>13 605</b>	<b>77 090</b>
Net finance	5,8	-10 587	-45 581	-22 138
<b>Profit before taxes</b>		<b>-8 555</b>	<b>-31 976</b>	<b>54 952</b>
Income tax expense		-739	-439	-4 275
<b>Net profit</b>		<b>-9 293</b>	<b>-32 415</b>	<b>50 677</b>
Profit/ loss attributable to: <b>Shareholders of the parent company</b>		<b>-9 293</b>	<b>-32 415</b>	<b>50 677</b>
<b>Total</b>		<b>-9 293</b>	<b>-32 415</b>	<b>50 677</b>




**Consolidated statement of financial position**

<i>NOK thousand</i>	<b>Note</b>	<b>31.12.2021</b> (unaudited)	<b>31.12.2020</b> (proforma)
<b>ASSETS</b>			
Brand		667	-
Goodwill	3	650 230	-
<b>Total intangible assets</b>		<b>650 897</b>	<b>0</b>
Land, buildings, and other real property		95 377	124 617
Machinery and equipment	8	384 055	250 765
<b>Total property, plant and equipment</b>		<b>479 432</b>	<b>375 382</b>
Loan to Group companies			
Investments in shares and units		118	94
Other receivables		7 353	30 976
<b>Total financial non-current assets</b>		<b>7 471</b>	<b>31 070</b>
<b>Total non-current assets</b>		<b>1 137 799</b>	<b>406 452</b>
<b>Current assets</b>			
Inventory	4	589 406	556 698
Accounts receivable		103 894	91 386
Other current receivables		14 860	67 474
Cash and cash equivalents		26 697	1 621
<b>Total current assets</b>		<b>734 856</b>	<b>717 178</b>
<b>TOTAL ASSETS</b>		<b>1 872 655</b>	<b>1 123 630</b>
<b>EQUITY</b>			
Share Capital		69	69
Share Premium		1 145 687	0
Other equity/Loss carried forward		-238 576	267 839
<b>Total equity</b>		<b>907 180</b>	<b>267 908</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred Tax Liabilities		32 928	28 834
Interest bearing debt		94 064	88 658
Bond Loan	5	582 575	0
Other Long-term Liabilities		0	26 174
<b>Total non-current liabilities</b>		<b>709 567</b>	<b>143 666</b>
Loans from Credit Institutions		90 000	395 870
Accounts payables		141 752	139 950
Current tax liabilities		-3755	1 312
Other Current liabilities		27 913	174 924
<b>Total current liabilities</b>		<b>255 909</b>	<b>712 056</b>
<b>Total liabilities</b>		<b>965 476</b>	<b>855 722</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 872 655</b>	<b>1 123 630</b>



### Consolidated statement of changes in equity

NOK thousand	Note	Share capital	Share premium	Translation reserves	Retained earnings	Total equity
Issue of shares 01.04.2021		30				30
Issue of shares 23.06.2021		39	947 030			947 069
Profit /(loss) for the period					-32 415	-32 415
Translation reserves				-7 504		-7 504
<b>Total Equity at 31.12.2021</b>		<b>69</b>	<b>947 030</b>	<b>-7 504</b>	<b>-32 415</b>	<b>907 180</b>

### Consolidated statements of cash flows

NOK thousand	Q4 2021	2021	31.12.2020
<b>Cash flows from operating activities</b>			
Earnings before tax	-8 555	-31 976	54 952
Depreciation of assets	23 127	66 006	16 980
Gains from sales of assets	0	0	-32 670
Change in working capital:			
- change in inventory	-40 393	-102 924	-116 244
- change in trade and other receivables	-47 811	-8 894	-25 580
- change in trade and other payables, excl. corporate tax	36 981	-24 743	41 294
Taxes paid	-4 173	-3 755	-565
<b>Net cash flow from operating activities</b>	<b>-40 824</b>	<b>-106 286</b>	<b>-61 834</b>
<b>Cash flow from investment activities</b>			
Acquisition of businesses, net of cash acquired	0	-75 000	0
Investment in tangible assets - net of cash	-12 745	-25 384	-63 634
Inflows from financial investments	20 434	29 503	0
<b>Net cash flow from investment activities</b>	<b>7 689</b>	<b>-70 881</b>	<b>-63 634</b>
<b>Cash flows from financing activities</b>			
Capital increase from issue of shares	0	75 000	0
Bond issue	0	600 000	0
Change in interestbearing debt	89 394	89 394	125 306
Settlement of other long-term debt	-28 916	-523 701	0
Dividends	14 531	-38 450	-3 199
<b>Net cash flow from financing activities</b>	<b>45 948</b>	<b>202 243</b>	<b>122 107</b>
Effects of exchange rate changes on cash and cash equivalents			0
<b>Net change in cash and cash equivalents</b>	<b>12 813</b>	<b>25 075</b>	<b>-3 361</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>13 884</b>	<b>1 621</b>	<b>4 982</b>
<b>Cash and cash equivalents at end of period</b>	<b>26 697</b>	<b>26 697</b>	<b>1 621</b>



## Notes to the financial statements

### Note 1 | Summary of accounting policies

#### General information

Grøntvedt Group is a producer of mainly herring and mackerel products. The group includes Grøntvedt AS, Grøntvedt Group AS, Grøntvedt Pelagic AS, Grøntvedt Nutri AS, Klädesholmen Seafood AB, Grøntvedt Eiendom AS and Flexbase AS.

Grøntvedt Group acquired Klädesholmen Seafood AB late June 2021, which means that figures presented as group figures for the fourth quarter of 2021 are representative for the Group's figures since the establishment. No comparable figures for the fourth quarter and the full year 2021 are included in the report since the group first emerged late June 2021. Comparable figures as of 31 December 2020 are proforma.

All amounts are in NOK 1 000.

#### Accounting policy

The quarterly report has been prepared in accordance with NGAAP.

#### Going Concern

The quarterly report has been prepared under the going concern assumption.

#### Revenue recognition

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

#### Inventory

Inventory is valued at the lower of cost and net sales value.

#### Receivables

Accounts receivables and other receivables are recorded in the balance sheet at nominal value less a provision for doubtful accounts.

#### Pension liabilities

Funded pension liabilities are not recognized in the balance sheet. The premium paid is regarded as the pension cost for the period and classified as wage cost in the profit and loss statement.

#### Leasing cost

Leasing costs are recognised as financial leasing.

#### Cash flow statement

The cash flow statement is presented using the indirect method.



## Note 2 | Sales revenues and segment information

### Segment information

Grøntvedt Group's activities are currently reported in three segments: Pelagic, Nutri and VAP (value added products). The fourth segment, Pharma, is under development.

#### Pelagic

The Pelagic activity involves receipt and processing of pelagic fish for consumption. Pelagic fish for human consumption is mainly fresh, frozen, and marinated herring, mackerel, and roe.

The production plant is located at Uthaug. The fish is mainly subject to global export.

#### Nutri

The Nutri activity contains production of fishmeal and fish oil, produced from offcuts available from the processing in Grøntvedt Pelagic.

#### VAP

The VAP activity contains finished consumer products sold under the brand Klädesholmen and private labels.

### Q4 2021

<i>NOK thousand</i>	<b>Pelagic</b>	<b>Nutri</b>	<b>VAP</b>	<b>Eliminations</b>	<b>Total</b>
Revenues	280 074	50 691	67 362	-80 034	318 090
Cost of goods sold	-198 659	-40 375	-48 080	79 844	-207 271
<b>Contribution margin</b>	<b>81 411</b>	<b>10 316</b>	<b>19 282</b>		<b>110 820</b>

### Full year 2021

<i>NOK thousand</i>	<b>Pelagic</b>	<b>Nutri*</b>	<b>VAP*</b>	<b>Eliminations</b>	<b>Total</b>
Revenues	720 166	82 791	93 162	-86 990	809 130
Cost of goods sold	-472 129	-68 061	-63 999	82 305	-521 884
<b>Contribution margin</b>	<b>248 037</b>	<b>14 730</b>	<b>29 163</b>		<b>287 246</b>

\*Grøntvedt Nutri and Klädesholmen Seafood AB are included with figures from late June 2021 when the Grøntvedt Group arose.

## Note 3 | Goodwill

Late June 2021, Grøntvedt acquired the Swedish herring specialist Klädesholmen Seafood AB. As part of several transactions, the Grøntvedt Group was established, and goodwill arose. The cash generating units for goodwill were both Grøntvedt Pelagic and Klädesholmen Seafood, but mainly Grøntvedt Nutri. At the end of the third quarter 2021 a preliminary goodwill was assessed to NOK 882 million and the final allocation of goodwill was not completed.

At the end of the fourth quarter the assessment of goodwill was completed and Grøntvedt Pelagic is to be regarded as the acquiring company from when the group was established. Goodwill previously allocated to Grøntvedt Pelagic has been reduced by approximately NOK 198 million. Since Grøntvedt Pelagic is regarded as the acquiring company, P/L is included in group figures at full year basis, while P/L from Klädesholmen and Grøntvedt Nutri are included from the end of June 2021. Klädesholmen and Nutri are to be regarded as transferring companies.



<i>NOK thousand</i>	<b>Net carrying value at 31.12.2021</b>	<b>Useful economic life</b>	<b>Amortization method</b>
Goodwill	650 230	10 years	Linear

#### Note 4 | Inventory

<i>NOK thousand</i>	<b>Pelagic</b>	<b>Nutri</b>	<b>VAP</b>	<b>Total</b>
Revenues	532 135	7 102	50 169	589 406

#### Note 5 | Financing

<i>NOK thousand</i>	<b>31.12.2021</b>	<b>31.12.2020</b>
Bond loan	600 000	0

#### Interest terms

Grøntvedt's interest terms are NIBOR 3 month plus 5.25 per cent. The interest is calculated and paid each quarter on the 23rd. (March, June, Sept, Dec). Due date of the bond is 23 September 2024.

#### Covenants

Equity ratio above 35 per cent and interest coverage ratio (EBITDA/ Net finance Charges) no less than 2.

#### Note 6 | Financial risk

##### Financial risk management

The group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

##### Market risk

###### Currency risk

Grøntvedt Group has only a minor currency risk since all raw materials are bought in NOK and almost all customers are invoiced in NOK.

###### Price risk

The market prices of the group's products will be affected by the global offer and demand for seafood.

The market prices of the group's raw material will be affected by the availability and numbers of buyers. Wild-caught fish is a renewable resource, whose quantity, will naturally fluctuate over time. The total legal catch will be limited to quotas set by the authorities, and the availability may change over time.

##### Credit risk

Pelagic industry is capital demanding due to natural seasonal fluctuations. The company's credit risk varies with the customers and the different sales agreements. This is a prioritized area for Grøntvedt, and the Group is working to establish good agreements to reduce risk for both buyer and seller.



### **Liquidity risk**

Natural seasonal fluctuations require a sufficient access to financing during season. To support this Grøntvedt Group has established a bond loan and a RCF Facility at Handelsbanken. The RCF facility was in place in October 2021.

### **Note 7 | Transactions with related parties**

Transactions with related parties take place at market conditions.

### **Note 8 | Leasing**

As of Q4 2021 leasing costs are recognised as financial leasing instead of operational leasing. The leased objects are classified as assets and the remaining payments as debt. The net value is recognized at 01.01.21 with an asset value of NOK 122 million and debt value at NOK 112 million, total NOK 10 million positive effect per 01.01.21.