

# Q4 | 2023

Grøntvedt AS | Group Quarterly Report  
31 December 2023





## Highlights for the fourth quarter 2023

- Refinancing strategy initiated in the fourth quarter and completed in January 2024
  - Exercise of call option on the former NOK 600 million bond
  - New bond of NOK 500 million
  - NOK 200 million equity issue
- Raw material volume of 27 360 tonnes (40 746 tonnes)
- Revenues of NOK 426.1 million (NOK 522.2 million)
- EBITDA of NOK 7.9 million (NOK 104.1 million)
- Agreement between Norway and the EU regarding market access and customs tariffs

## Consolidated key figures

Regarding alternative Performance Measures (APM)/ Non-IFRS Financial Measures, please refer to note 8.

NOK 1 000	IFRS		IFRS		Audited
	Q4 2023	Q4 2022	Full year 2023	Full year 2022	
<b>Revenues</b>	426 114	522 231	1 355 922	1 335 556	
<b>EBITDA</b>	<b>7 864</b>	<b>104 149</b>	<b>22 728</b>	<b>124 804</b>	
<b>EBITDA margin (%)</b>	2 %	20 %	2 %	9 %	
<b>EBIT</b>	- 8 463	85 849	- 46 698	63 060	
<b>Profit / loss before tax</b>	- 46 319	59 752	- 191 048	47 051	
<b>Working capital</b>	339 475	474 987	339 475	474 987	
<b>Net nominal interest-bearing debt</b>	1 159 721	1 148 153	1 159 721	1 148 153	
<b>Equity ratio</b>	28,1 %	35,6 %	28,1 %	35,6 %	
<b>Raw material FOOD (MT)</b>	27 360	40 746	82 564	87 348	



## Profit and loss

### Fourth quarter and full year 2023

**Volumes:** Raw material volumes for the FOOD segment were 27 360 tonnes for the quarter, down from 40 746 tonnes in the corresponding quarter in 2022. This is a decrease in volume of 33 %. The decrease in volume is due to liquidity challenges, as described further under the section “Important events in the fourth quarter”.

For the full year, the Raw material volume for the FOOD segment was 82 564 tonnes, down from 87 348 tonnes in the previous year. This is a decrease in volume of 5 %.

All Grøntvedt’s revenue generating activities have seasonal variations due to catch seasons, with the fourth and first quarters being peak seasons, and the second quarter being the period with lowest volumes.

**Revenues in the fourth quarter** amounted to NOK 426.1 million, reflecting a decrease of 18 % from NOK 522.2 million in the corresponding period in 2022.

Revenues from the FOOD segment declined from NOK 337.5 million to NOK 300.7 million, representing an 11 % decrease. This decline is primarily attributed to reduced sales volumes, partly resulting from customers delaying purchases in anticipation of the finalization of the customs agreement.

Revenues in the FEED segment decreased from NOK 184.7 million in the fourth quarter of 2022 to NOK 125.4 million in the fourth quarter of 2023, representing a 32 % decrease. The reduction in revenues is mainly related to disruptions in the production facilities for trimmings and lower raw material volumes.

**Revenues for the full year** amounted to NOK 1 355.9 million, reflecting a 2 % increase compared to NOK 1 335.6 million in 2022. Revenues from the FOOD segment decreased from NOK 1 000.7 million to NOK 965.7 million, reflecting a 3 % decline. Revenues from the FEED segment increased to NOK 390.2 million from NOK 334.9 million in 2022, reflecting an increase of 17 %.

The reduction in revenues in the FOOD segment is partly related to customers deferring purchases in anticipation of the finalization of the customs agreement. In addition, the shift from the landing of mackerel to herring in the third quarter has contributed to this decline in this segment. This is because the storage time of herring products is longer than for mackerel products. This shift resulted in higher volumes of trimmings in the third quarter, partially explaining the increase in full year revenues from the FEED segment, despite lower total landing volumes and disruptions in the production facilities. In addition, the rise in fish oil prices further increased the revenues from the FEED segment.

**Costs of goods sold** amounted to NOK 329.6 million in the fourth quarter compared to NOK 310.2 million in the corresponding quarter last year. The cost of goods sold was NOK 1 022.4 million for the full year, up from NOK 910.7 million in 2022. Costs of goods sold are expenses related to products produced and sold during the period and changes in inventory as a result of sales. In addition, costs of goods sold include a write-down of inventory of NOK 21.2 million for the full year.



**EBITDA** for the fourth quarter amounted to NOK 7.9 million, a decrease from NOK 104.1 million in the same period last year, representing a decline of 92 %. The decrease in revenue was mainly attributed to a reduction in fish meal and fish oil production within the FEED segment, coupled with the inability to fully pass on the increased cost of raw materials to the customers in the FOOD segment.

The decrease in catch volumes, in turn, was influenced by liquidity challenges hindering the procurement of raw materials essential for producing and selling trimmings. The company is actively addressing the underlying issues, including liquidity constraints, high raw material prices, and disruptions in production facilities, as outlined in the section "Important events in the fourth quarter".

**EBITDA for the full year** amounted to NOK 22.7 million, a decrease from NOK 124.8 million in 2022, representing a decline of 82 %. This decline is primarily attributed to reduced sales in the FEED segment, primarily arising from disruptions in the production facilities for trimmings, and lower catch volumes due to liquidity constraints affecting raw material procurement. In addition, a write-down of inventories negatively impacted the 2023 EBITDA by NOK 21.2 million.

**EBIT** came in at negative NOK 8.5 million for the fourth quarter and negative NOK 46.7 million for the full year.

**Net financial items** amounted to a negative NOK 37.9 million for the fourth quarter compared to negative NOK 26.1 million in the same quarter the previous year. Net financial items amounted to negative NOK 144.4 million for the full year, compared to negative NOK 110.1 million in 2022.

Interest expenses in the fourth quarter amounted to NOK 39.9 million compared to NOK 30.5 million in the same quarter in the previous year.

Interest expenses for the full year amounted to NOK 143.2 million compared to NOK 109.4 million in 2022.

Net financial items fluctuate with changes to interest rates as well as the seasonal pattern of the business and corresponding changes in working capital. A value adjustment related to shares in a listed company was made with a positive effect of NOK 3.2 million in the fourth quarter, and a negative effect of NOK 3.5 million for the full year.

**Tax expenses** amounted to negative NOK 52.0 million for the fourth quarter, and negative NOK 21.7 million for the full year. The high tax expense in the fourth quarter is a result of derecognition of the deferred tax asset due to uncertainty regarding the utilization of tax losses carried forward and forfeited interest deductions. This decision was made based on a principle of prudence. The tax losses carried forward and forfeited interest deductions still remain available to offset future profits.

**Net result** for the fourth quarter ended at a negative NOK 98.4 million, and a negative NOK 212.7 million for the full year.



## Financial position and liquidity

### Consolidated financial position

**Total assets** decreased from NOK 2 053.7 million on 31 December 2022, to NOK 1 837.9 million on 31 December 2023. This decline primarily relates to decreases in inventories, trade receivables, and the derecognition of deferred tax assets.

**Property, plant, right of use assets, and equipment** amounted to NOK 659.4 million on 31 December 2023, up from NOK 655.7 million at year-end 2022.

**Goodwill and other intangible assets** were NOK 610.7 million on 31 December 2023, down from NOK 635.4 million at the end of 2022.

**Inventories** were NOK 450.3 million on 31 December 2023, down from NOK 480.7 million at the end of 2022. The group experiences variations in its level of inventories, related to catch seasonality for mackerel and herring in Norway. The group typically experiences an accumulation of inventory during the peak production seasons, namely the fourth and first quarters of the year. However, by the end of 2023, inventory levels were lower compared to the previous year. This decrease can primarily be attributed to reduced raw material volumes during this quarter in 2023 compared to the preceding year, as elaborated in earlier sections.

**Trade receivables and contract assets** amounted to NOK 50.5 million on 31 December 2023, a decrease of NOK 114.7 million from NOK 165.2 million at year-end 2022. This decline is primarily attributed to reduced raw material volume and, consequently, less trimmings in the fourth quarter of 2023 compared to the corresponding period the previous year.

**Cash and cash equivalents** were NOK 35.1 million on 31 December 2023, compared to NOK 48.4 million at year-end 2022.

**Interest-bearing debt** amounted to NOK 1 159.7 million on 31 December 2023, compared to NOK 1 148.2 million at year-end 2022. This includes lease obligations of NOK 76.3 million by 31 December 2023, and a lease obligation of NOK 74.4 million by year-end 2022. It also includes “sale -leaseback” effects of two properties classified as “failed sale”, presented as a loan, which amounts to NOK 333.4 million on 31 December 2023, and NOK 323.8 million by year-end 2022. The increase in leasing obligations regarding the “failed sale” liabilities is explained by negative amortization and a strengthening of SEK vs. NOK, as part of the liabilities regarding “failed sale” is nominated in SEK.

**Net nominal interest-bearing debt**, which is calculated as interest-bearing debt, net of cash, amounted to NOK 1 124.6 million on 31 December 2023, compared to NOK 1 099.7 at year-end 2022.

**Working capital**, is calculated as the difference between Current Assets and Current Liabilities, where Current Assets is defined as current assets less cash and cash equivalents, and Current Liabilities is defined as current liabilities (excluding the revolving credit facilities, short-term portion of the bonds, and short-term leasing liabilities) including any Shareholder Support.

Working capital amounted to NOK 339.5 million on 31 December 2023, compared to NOK 475.0 million at year-end 2022.



**Consolidated cash flow** from operating activities amounted to NOK 11.8 million for the fourth quarter and NOK 166.9 million for the full year.

**Net cash flow from investing activities** amounted to negative NOK 8.9 million in the fourth quarter. This is related to investments in the ordinary course of business.

For the full year there was a net negative cash flow related to the investment activities of NOK 14.5 million. This is related to investments in the ordinary course of business.

**Cash flow from financing activities** for the fourth quarter was positive NOK 4.6 million. This includes interest payments of NOK 39.9 million, a downpayment of the principal portion of leasing liabilities of NOK 5.5 million, and an increase in the utilization of the group's revolving credit facilities (RCF) giving a positive effect of NOK 50 million.

Cash flow from financing activities for the full year was negative NOK 166.8 million. This includes interest payments of NOK 143.2 million and a downpayment of the principal portion of leasing liabilities which amounted to NOK 23.7 million.



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## Important events in the fourth quarter

The Board of Directors initiated a strategic refinancing in the fourth quarter, involving an equity issue and refinancing of the NOK 600 million bond. This was finalized in January 2024. For further information, please see the section "Important events after the balance sheet date".

As of 31 December 2023, the company was in breach of the interest coverage ratio and equity ratio covenants in the redeemed NOK 600 million bond. However, this issue was resolved in January through the refinancing and equity issue.

The raw material situation has been challenging in the fourth quarter. The availability of fish and the high prices paid for FEED purposes, driven by the restrictions in the anchoveta fisheries in South America, have both restricted access to volumes and increased the raw material prices. In addition, inadequate liquidity lead to constraints in raw material purchase.

Grøntvedt encountered disruptions in the production facility, adversely impacting the FEED segment. Grøntvedt is currently awaiting the final resolution of the insurance claim and has not included any insurance settlements in this quarterly report.

The high fish oil prices persist due to the low anchovy catch volumes in Peru caused by El Niño in the Pacific.

The official agreement between Norway and the EU regarding market access and customs tariffs was agreed in December 2023, but awaits final completion and implementation. The agreement will improve market access for Norwegian marinated herring products in the period from 2024 to 2028

Strategic initiatives to improve profitability has been endorsed by the Board of Directors.



## Important events after the balance sheet date

In January 2024, Grøntvedt AS successfully executed a comprehensive refinancing strategy, commencing with the issuance of new debt and equity. The company issued equity of NOK 200 million, issued a bond totaling NOK 500 million, and extended its existing NOK 250 million revolving credit facility in Handelsbanken.

At the same time, Grøntvedt exercised its call option to redeem all outstanding bonds, totaling NOK 600 million, at a price of 101.89 % of the nominal amount for each redeemed bond.

The proceeds from these refinancing activities were strategically allocated to address liquidity requirements crucial for sustaining optimal operations, particularly facilitating the purchase of raw material.

The newly issued NOK 500 million bond features a three-year maturity period with zero amortization, along with a floating interest rate linked to three-month NIBOR plus a margin of 8.00 %. The new bond was listed on the Euronext Oslo stock exchange on 28 February 2024. For further information regarding the bond, stakeholders are directed to visit the company's official website at [www.grontvedtgroup.no](http://www.grontvedtgroup.no).

Following the equity issuance, ownership of Grøntvedt AS is evenly distributed (50%/50%) between Frøy Kapital AS and Grøntvedt Invest AS.

Management has effectively secured an interim CFO (Roger Oddebug from the seafood advisory firm INAQ) to oversee responsibilities during the transitional phase until a permanent CFO is appointed. The process of recruiting a permanent CFO is currently in progress.





## Risk factors and outlook

The pelagic business is highly seasonal, driven by the size of fishery quotas and timing of fisheries for different species, mainly herring and mackerel. Further, the quota of other species used in fish meal and fish oil production, most notably the anchoveta fisheries outside South America, affect raw material prices in Norway. The pattern of the El Niño cycles indicates that there may be low anchoveta volumes also in 2024, i.e., that raw material prices in Norway may be at the same level in 2024 as in the last part of 2023.

Grøntvedt Pelagic holds a leading position as Europe's foremost producer of marinated herring, with the EU markets being of significant importance to the company. The agreement between Norway and the EU regarding market access and customs tariffs for the period 2024 to 2028, will significantly improve access for Norwegian herring products into the EU markets.

In the first half of 2024, Grøntvedt Nutri plan capacity investments of NOK 55 million in order to increase utilization of trimmings for fish oil and fish meal production.

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**Brekstad, Norway, 28 February 2024**

The Board of Directors and CEO

Grøntvedt AS

Helge Gåsø  
Chair

Thomas Brue  
Board member

Hege Veiseth  
Board member

Alexander Grøntvedt  
Board member

Anne-Sofie Utne  
Board member

Bjørnar Grøntvedt  
CEO/Board member



## Consolidated financial statements

Consolidated statement of income	Note	Q4 2023	Q4 2022	YTD 31.12.2023	2022
NOK 1 000		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>Audited</i>
Revenues	2	426 114	522 231	1 355 922	1 335 556
<b>Total revenues</b>		<b>426 114</b>	<b>522 231</b>	<b>1 355 922</b>	<b>1 335 556</b>
Cost of goods sold	2,5	-329 605	-310 233	-1 022 377	-910 689
Salaries and personnel expenses		-42 360	-45 837	-141 925	-133 298
Depreciation		-16 327	-18 301	-69 426	-61 744
Other operating expenses		-46 286	-62 011	-168 891	-166 765
<b>Operating profit (EBIT)</b>		<b>-8 463</b>	<b>85 849</b>	<b>-46 698</b>	<b>63 060</b>
<b>EBITDA</b>		<b>7 864</b>	<b>104 149</b>	<b>22 728</b>	<b>124 804</b>
Finance income		4 235	10 055	2 312	23 880
Finance expense		-42 091	-36 152	-146 662	-133 991
<b>Net finance</b>	6	<b>-37 855</b>	<b>-26 097</b>	<b>-144 350</b>	<b>-110 111</b>
<b>Profit before taxes</b>		<b>-46 319</b>	<b>59 752</b>	<b>-191 048</b>	<b>-47 051</b>
Income tax expense		-52 038	14 356	-21 657	11 074
<b>Net profit</b>		<b>-98 356</b>	<b>74 108</b>	<b>-212 705</b>	<b>-35 977</b>
<b>Other Comprehensive Income:</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		1 390	-10 712	-2 854	-4 381
Tax on comprehensive income		0	0	0	0
Other comprehensive income for the period, net of tax		1 390	-10 712	-2 854	-4 381
<b>Total comprehensive income for the period</b>		<b>-96 966</b>	<b>63 396</b>	<b>-215 559</b>	<b>-40 358</b>
<b>Profit/ loss attributable to:</b>					
Shareholders of the parent company		-96 966	63 396	-215 559	-40 358
<b>Total</b>		<b>-96 966</b>	<b>63 396</b>	<b>-215 559</b>	<b>-40 358</b>



## Consolidated statement of financial position

	Note	31.12.2023 <i>unaudited</i>	31.12.2022 <i>Audited</i>
NOK 1 000			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3	586 000	586 000
Other intangible assets	3	24 741	49 378
Deferred tax asset		0	21 657
Property, plant and equipment		550 265	554 224
Right - of - use assets		109 106	101 455
Investments in shares		17 754	21 102
Other receivables		2 475	11 331
<b>Total non-current assets</b>		<b>1 290 341</b>	<b>1 345 147</b>
<b>Current assets</b>			
Inventory	4	450 344	480 742
Trade receivables		50 481	155 924
Contract assets		0	9 254
Other short-term receivables		10 857	14 238
Derivatives		765	0
Cash and cash equivalents		35 144	48 422
<b>Total current assets</b>		<b>547 591</b>	<b>708 580</b>
<b>Total assets</b>		<b>1 837 932</b>	<b>2 053 727</b>



## Consolidated statement of financial position

	Note	31.12.2023 <i>unaudited</i>	31.12.2022 <i>Audited</i>
NOK 1 000			
<b>Equity</b>			
Share capital		76	76
Share premium		1 168 800	1 168 800
Other equity/Loss carried forward		-652 944	-437 385
<b>Total equity</b>		<b>515 932</b>	<b>731 491</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	6	0	588 911
Long term leasing liabilities		49 960	48 739
Other non-current liabilities		297 585	290 212
<b>Total non-current liabilities</b>		<b>347 545</b>	<b>927 863</b>
<b>Current liabilities</b>			
Borrowings		739 308	150 000
Trade and other payables		118 348	115 119
Lease liabilities		26 342	25 657
Sale-leaseback liabilities		35 833	33 544
Other current liabilities		54 623	70 052
<b>Total current liabilities</b>		<b>974 455</b>	<b>394 372</b>
<b>Total liabilities</b>		<b>1 322 000</b>	<b>1 322 235</b>
<b>Total equity and liabilities</b>		<b>1 837 932</b>	<b>2 053 727</b>

## Consolidated Statement of Changes in Equity

NOK 1 000	Share capital	Share premium	Retained earnings	Translation reserve	Total equity
<b>Total equity at 31.12.2022</b>	76	1 168 800	-437 385		<b>731 491</b>
Profit /(loss) for the period			-212 705		<b>-212 705</b>
Foreign currency translation differences				-2 854	<b>0</b>
<b>Total equity at 31.12.2023</b>	76	1 168 800	-650 090	-2 854	<b>515 932</b>



Consolidated statements of cash flows	IFRS	IFRS	IFRS
	Q4 2023	YTD 2023	2022
NOK 1 000	Unaudited	Unaudited	Audited
<b>Cash flows from operating activities</b>			-
Earnings before tax	-46 319	-191 048	-47 051
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Taxes paid	0	0	0
Depreciation of assets	16 327	69 426	61 744
Net finance	38 807	142 055	113 731
Net foreign exchange differences	2 203	-1 185	-3 620
Value adjustment of shares	-3 154	3 480	8 334
Value adjustment of derivatives	-765	-765	0
<b>Change in working capital:</b>			
- change in inventory	-31 339	30 398	-29 540
- change in trade and other receivables	44 214	127 331	-69 564
- change in trade and other payables, excl. corporate tax	-8 176	-12 816	-78 166
<b>Net cash flow from operating activities</b>	<b>11 797</b>	<b>166 875</b>	<b>-44 131</b>
<b>Cash flows from investment activities</b>			
Interest received	1 081	1 127	4 042
Purchase of property, plant, and equipment	-10 055	-16 747	-19 696
Change in non-current receivables	0	0	21 333
Sale of tangible assets	116	1 114	0
Long term receivables net of cash	0	0	0
<b>Net cash flow from investment activities</b>	<b>-8 857</b>	<b>-14 506</b>	<b>5 678</b>
<b>Cash flows from financing activities</b>			0
Payment of interest	-39 888	-143 182	-117 772
Proceeds from long-term borrowings	0	0	84 932
Proceeds from short-term borrowings	50 000	150 000	150 000
Payment of short-term borrowing	0	-150 000	-90 000
Payment of principal portion of lease liabilities	-5 511	-23 650	-27 975
Payment of principal portion of other-long term liabilities	0	0	-5 278
Proceeds from issuance of shares	0	0	65 017
Dividends	0	0	-1 500
<b>Net cash flow from financing activities</b>	<b>4 601</b>	<b>-166 832</b>	<b>57 423</b>
Net cash for the period	7 541	-14 463	18 970
Net foreign exchange difference	-2 203	1 185	3 620
Net cash for the period	5 338	-13 278	22 590
Cash and cash equivalents at beginning of period	29 806	48 422	25 833
<b>Cash and cash equivalents at end of period</b>	<b>35 144</b>	<b>35 144</b>	<b>48 422</b>



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## Notes

### Note 1 | Summary of accounting policies

#### General information

Grøntvedt is a group within production, sale and distribution of fish meal and fish oil, and pelagic fish for consumption. Grøntvedt is a significant party within the pelagic sector in the North Atlantic. The main office is located in Uthaug, Norway.

All amounts are in NOK 1 000 unless otherwise stated.

#### Accounting policy

This report has been prepared in accordance with the standard for interim reporting (IAS 34). The accounting policies adopted in preparing the financial statements for the quarter are consistent with those followed in preparing the group's annual financial statements for 2022. This interim report does not contain all the necessary information required by International Financial Reporting Standards (IFRS) in the financial statements and should therefore be read in conjunction with the group's financial statements for 2022.

The group has changed its accounting principles from NGAAP (Norwegian generally accepted accounting principles) to IFRS (International Financial Reporting Standards) for the financial statements of 2022. The changes in accounting principles are applied retroactively, hence the comparable 2022 numbers are restated to be in accordance with IFRS.

#### Going Concern

The quarterly report has been prepared under the going concern assumption. Grøntvedt was in breach with its ICR and equity ratio covenant terms per 31 December 2023. However, Grøntvedt exercised its call option to redeem all outstanding bonds in January 2024. For further information regarding the refinancing of the group, please refer to the section "Important events after the balance sheet date". The Board confirms that the basis for a going concern is in place.



## Note 2 | Sales revenues and segment information

### Segment information

Grøntvedt group's activities are currently reported in two segments: FOOD and FEED.

#### Consumption (FOOD)

The consumption activity involves landing, processing, and sales of pelagic fish for consumption. Pelagic fish for human consumption is fresh, frozen, or marinated. Pelagic species processed are herring, mackerel, and capelin.

#### Meal/oil (FEED)

The meal/oil activity contains production of fishmeal and fish oil, produced from trimmings available from the processing activity in the FOOD division.

#### FOURTH QUARTER 2023

NOK thousand	FOOD	FEED	Q4 Total
Revenues	300 723	125 391	426 114
Cost of goods sold	-229 069	-100 536	-329 605
Contribution margin	71 655	24 855	96 510
Operational cost excl. Depreciation	-83 171	-5 475	-88 646
EBITDA	-11 517	19 380	7 864

#### FOURTH QUARTER 2022

NOK thousand	FOOD	FEED	Q4 Total
Revenues	337 499	184 732	522 231
Cost of goods sold	-167 834	-142 399	-310 233
Contribution margin	169 665	42 333	211 998
Operational cost excl. Depreciation	-97 216	-10 633	-107 848
EBITDA	72 449	31 700	104 149

#### YEAR TO DATE 2023

NOK thousand	FOOD	FEED	YTD Total
Revenues	965 689	390 232	1 355 922
Cost of goods sold	-739 051	-283 326	-1 022 377
Contribution margin	226 638	106 906	333 544
Operational cost excl. Depreciation	-290 537	-20 219	-310 816
EBITDA	-63 959	86 687	22 728

#### YEAR TO DATE 2022

NOK thousand	FOOD	FEED	YTD Total
Revenues	1 000 652	334 904	1 335 556
Cost of goods sold	-663 276	-247 413	-910 689
Contribution margin	337 376	87 491	424 867
Operational cost excl. Depreciation	-277 441	-22 623	-300 064
EBITDA	59 935	64 868	124 803



### Note 3 | Goodwill and other intangible assets

Late June 2021 Grøntvedt acquired the Swedish herring specialist Klädesholmen Seafood AB. As a result of several transactions the Grøntvedt Group was established and Goodwill arose, with effect on the financial statements from 1 July 2021. The cash generating unit for goodwill and customer relations was Grøntvedt Nutri AS. The cash generating unit for other intangible assets (Brand) was Klädesholmen Seafood AB.

<b>NOK thousand</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Goodwill book value	586 000	586 000
Other intangible assets	24 741	49 378

Other intangible assets consist of customer relations and trademark. Customer relations is depreciated linearly over a three-year period. Trademark is not subjected to depreciation. Goodwill is impairment tested on a yearly basis.

### Note 4 | Inventory

<b>NOK thousand</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
FOOD	438 055	479 680
FEED	12 289	1 062
Total book value	450 344	480 742

### Note 5 | Transactions with related parties

Transactions with related parties take place at market conditions and include sales of raw materials, charging for management fee services, and intercompany lending between the group companies.





## Note 6 | Borrowings

<b>NOK thousand</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Bond Loan (book value)	589 308	588 911

### Nominal value Bond Loan

The Bond Loan as per 31 December 2023 had a nominal value of NOK 600 million. The difference between the nominal value and the book value represented remaining amortization of establishment cost. Grøntvedt exercised its call option to redeem all outstanding bonds in January 2024. For further information, please refer to the section "Important events after the balance sheet date".

### Interest terms

Grøntvedt's interest terms were NIBOR 3 month plus 5.25 %. The interest was calculated and paid quarterly on 23 March, June, September, and December respectively. The due date of the bond was 23 September 2024. There was an additional penalty fee of 2 % until the bond was publicly listed. The bond was publicly listed 9 August 2023.

### Covenants

The main covenant terms for the redeemed Bond Loan were that Grøntvedt should have an equity ratio above 35 per cent and an interest coverage ratio (EBITDA/ Net finance Charges) of no less than 2.0. Grøntvedt AS entered an amendment agreement with the bondholders on 12 July 2023. Grøntvedt was in breach with the ICR covenant terms and equity ratio per 31 December 2023. Grøntvedt exercised its call option to redeem all outstanding bonds in January 2024. For further information, please refer to the section "Important events after the balance sheet date".



## Note 7 | Financial risk

### Financial risk management

The group's activities expose it to a variety of financial risks, such as market risk, currency risk, inflation risk, credit risk and liquidity risk. For more detailed information we refer to the group's annual report of 2022.

### Market risk

The market prices of the group's products will be affected by the global supply and demand for seafood and other protein sources. 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.

### Currency risk

The group is exposed to currency risk in EUR, USD, and SEK. The group has devised a new currency hedging strategy, set to be implemented in the first half of 2024.

### Inflation risk

Grøntvedt is exposed to inflation risk. However, the main cost is raw material, which has its business specific price risk as described below.

### 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 sufficient access to financing during the season. During 2023 the business has experienced liquidity challenges. In order to address this, Grøntvedt has initiated a refinancing strategy. For further information, please see the section "Important events in the fourth quarter".



## Note 8 | Alternative performance measures / Non-IFRS Financial Measures

Our Alternative Performance Measures (APMs) present useful information which supplements the financial statements. These measures are not defined under IFRS and may not be directly comparable with APMs for other companies. The APMs represent important measures for how management monitors the company and its business activity. The APMs are not intended to be a substitute for, or superior to, any IFRS measures of performance.

Some of the financial information presented in our quarterly reports contains APMs. These include EBITDA, EBITDA margin, EBIT, Net nominal interest-bearing debt, and Equity ratio.

Below we describe these APMs.

### Definitions of Alternative Performance Measures/ Non-IFRS Financial Measures

EBIT is a non-IFRS financial measure, calculated by excluding from net result as set forth in our consolidated statement of income prepared in accordance with IFRS: Finance income, Finance expense, and Income tax expense.

EBITDA is a non-IFRS financial measure, calculated by excluding from EBIT as set forth in our consolidated statement of income prepared in accordance with IFRS: Depreciation of tangible assets, Amortization of intangible assets, and Impairment loss on goodwill.

EBITDA margin is a non-IFRS financial measure, calculated by dividing EBITDA over Revenues.

Net Nominal Interest-Bearing Debt is a non-IFRS financial measure, and consists of all interest-bearing debt, net of cash.

Working Capital is a non-IFRS financial measure and is calculated as the difference between Current Assets and Current Liabilities, where Current Assets is defined as current assets less cash and cash equivalents, and Current Liabilities is defined as current liabilities (excluding the revolving credit facilities, short-term portion of the bonds, and short-term leasing liabilities) including any Shareholder Support.

Equity Ratio is a non-IFRS financial measure, calculated by dividing the book value of equity over total assets.

### Limitations of Alternative Performance Measures/ Non-IFRS Financial Measures

EBIT, EBITDA, EBITDA margin, and Working Capital is used by management, analysts, rating agencies, investors, and others in assessing our performance. Accordingly, we believe that the presentation of EBIT, EBITDA margin, and working capital provides useful information to readers. EBIT, EBITDA and working capital have their limitations as analytical tools in comparison to other profit and loss measures prepared in accordance with IFRS.

Net Nominal Interest-Bearing Debt is used by management, analysts, rating agencies, investors, and others to assess our ability to meet our financial obligations and manage our debt effectively. We believe that the presentation of Net Nominal Interest-Bearing Debt provides useful information to readers. Net Nominal interest-bearing Debt has its limitations as an analytical tool in comparison to other measures prepared in accordance with IFRS.

Equity Ratio is used by management, analysts, rating agencies, investors, and others in assessing the solidity of our capital structure. We believe that the presentation of the Equity Ratio provides useful information to readers.

The readers of these APM measures are advised to read them in conjunction with the group's financial statements presented in this report.