

**Q1 | 2024**

**Grøntvedt AS | Group Quarterly Report**

**31 March 2024**





## Highlights for the first quarter 2024

- The refinancing strategy which was initiated in the fourth quarter of 2023 was 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
  - Frøy Kapital and Grøntvedt Invest own 50 % each of the company after the refinancing
- Raw material volume of 30 454 tonnes (35 000 tonnes)
- Revenues of NOK 456.0 million (NOK 369.4 million)
- EBITDA of NOK 29.4 million (NOK 49.7 million)
- Agreement between Norway and the EU regarding market access and customs tariffs agreed in December 2023 is still pending final ratification by the EU member states

## Consolidated key figures

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

NOK 1 000	IFRS Q1-2024	IFRS Q1-2023	IFRS Full year 2023
Revenues	456 042	369 368	1 353 072
EBITDA	29 356	49 711	13 942
EBITDA margin (%)	6 %	13 %	1 %
EBIT	12 051	30 356 -	55 539
Profit / loss before tax	- 41 370 -	5 419 -	200 113
Net working capital	304 975	532 088	333 583
Net interest-bearing debt	921 245	1 159 209	1 117 728
Equity ratio	35,6 %	35,5 %	27,6 %
Raw material FOOD (MT)	30 454	35 000	82 564



## Profit and loss

### First quarter 2024

**Volumes:** Raw material volumes for the FOOD segment were 30 454 metric tons for the quarter, down from 35 000 metric tons in the corresponding quarter in 2023. This is a decrease in volume of 13 %. The decrease in volume is due to natural fluctuations and the landed raw material volumes were in accordance with plans.

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 first quarter** amounted to NOK 456.0 million, reflecting an increase of 23 % from NOK 369.4 million in the corresponding period in 2023.

Revenues from the FOOD segment increased from NOK 232.0 million in the first quarter of 2023 to NOK 310.2 million in the first quarter of 2024, representing a 34 % increase.

Revenues in the FEED segment increased from NOK 137.4 million in the first quarter of 2023 to NOK 145.8 million in the first quarter of 2024, representing a 6 % increase.

**Costs of goods sold** amounted to NOK 347.3 million in the first quarter compared to NOK 241.8 million in the corresponding quarter last year. Costs of goods sold are expenses related to products produced and sold during the period and changes in inventory as a result of sales. This was increased from a combination of higher raw material prices in 2024 and higher sales in the period, as compared to the first quarter of 2023.

**EBITDA** for the first quarter amounted to NOK 29.4 million, a decrease from NOK 49.7 million in the same period last year, representing a decline of 41 %. The decrease in EBITDA is to a large degree

attributable to higher margins in the FOOD business in the first quarter of 2023.

**EBIT** came in at NOK 12.1 million for the first quarter, as compared to NOK 30.4 million in the first quarter of 2023.

**Net financial items** amounted to a negative NOK 53.4 million for the first quarter 2024 compared to negative NOK 35.8 million in the same quarter the previous year. The increase is mainly attributable to a one-off effect related to refinancing of the bond loan of NOK 22.9 million.

Interest expenses in the first quarter amounted to NOK 28.9 million compared to NOK 32.2 million in the same quarter in the previous year.

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 3.3 million in the first quarter.

**Tax expenses** amounted to NOK 0, as the Group has stopped recognizing any deferred tax asset due to uncertainty regarding the utilization of tax losses carried forward and forfeited interest deductions, 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 first quarter ended at a negative NOK 41.4 million.

## Financial position and liquidity

### Consolidated financial position

**Total assets** increased from NOK 1 849.7 million on 31 December 2023, to NOK 1 882.4 million on 31 March 2024. This increase primarily relates to changes in cash.

**Property, plant, right of use assets, and equipment** amounted to NOK 659.6 million on 31 March 2024, down from NOK 662.9 million at year-end 2023.



**Goodwill and other intangible assets** were NOK 604.6 million on 31 March 2024, down from NOK 610.7 million at the end of 2023.

**Inventories** were NOK 451.8 million on 31 March 2024, up from NOK 450.4 million at the end of 2023. The group experiences variations in its level of inventories, related to catch seasonality for mackerel, capelin 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 March 2024, inventory levels were lower compared to the end of March 2023. This decrease can primarily be attributed to reduced raw material volumes during the fourth quarter in 2023, giving a lower incoming balance in 2024 than 2023.

**Trade receivables** amounted to NOK 59.2 million on 31 March 2024, an increase from NOK 52.9 million at year-end 2023.

**Cash and cash equivalents** were NOK 74.1 million on 31 March 2024, compared to NOK 35.1 million at year-end 2023.

**Net interest-bearing debt** amounted to NOK 921.2 million on 31 March 2024, compared to NOK 1 159.7 million at year-end 2023. This includes lease obligations of NOK 73.7 million by 31 March 2024, as compared to a lease obligation of NOK 80.1 million by year-end 2023. It also includes "sale -leaseback" effects of two properties classified as "failed sale", presented as a loan, which amounts to NOK 334.1 million on 31 March 2024, as compared to NOK 333.5 million by year-end 2023. During the first quarter of 2024 the bond loan was refinanced, with a reduction of its nominal value from NOK 600 million by 31 December 2023 to NOK 500 million by 31 March

2024. Further, the utilization of the Revolving Credit Facility ("RCF") was reduced from NOK 150 million to NOK 100 million from 31 December 2023 to 31 March 2024.

**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 305.0 million on 31 March 2024, compared to NOK 333.6 million at year-end 2023.

**Consolidated cash flow** from operating activities amounted to NOK 57.1 million for the first quarter.

**Net cash flow from investing activities** amounted to negative NOK 7.8 million in the first quarter. This is related to investments in the ordinary course of business.

**Cash flow from financing activities** for the first quarter was negative NOK 7.9 million.

During the quarter the Group finalized its refinancing as further described in other sections of this report. This included a NOK 200 million share issue with a corresponding positive cash effect. NOK 100m of this was used to reduce the principal amount of the bond loan, and a further NOK 50 million was used to reduce the utilization of the RCF. NOK 24.9 million was used to pay a call premium of the prior bond and fees to financial advisors in connection with the new bond issue. Payment of interest for the period had a negative cash effect of NOK 27.2 million, whereas payment of principal on lease liabilities amounted to NOK 5.7 million.



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## Important events in the first quarter 2024

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.

The access to raw material has been satisfactory, and production has been performed according to plans in the first quarter. However, the raw material prices have remained high, still affected by the restrictions put on the anchoveta fisheries in South America due to El Niño.

Grøntvedt is currently awaiting the final resolution of an insurance claim and has not included any insurance settlements in this quarterly report.

## Important events after the balance sheet date

The agreement between Norway and the EU regarding market access and customs tariffs for marinated herring products, which was agreed in December 2023, is still pending final ratification by the EU member states. In May 2024, AICPE CEP, which represents EU national associations of fish processors and traders, applied for a so-called autonomous toll quota ("ATQ"). Based on information Grøntvedt has received, it is likely that such an ATQ will be approved prior to a final ratification. An ATQ will improve short-term market access for Norwegian marinated herring products, while the final ratification will improve the market access for the period up until and including 2028.

During May 2024 the installation and commissioning of the expanded Grøntvedt Nutri plant was executed as planned, including with respect to time and cost. So far, the results from the first productions are as expected, increased in-house processing capacity of trimmings will be successful, hence increase volumes and profits from the FEED business.

In May 2024, the North Sea Herring prices have been lower than in May 2023, impacted by, inter alia, increased anchoveta quotas and fisheries in the Pacific Ocean. The lower raw material prices are expected to give a favorable effect on liquidity and profitability for the FOOD business.

The Group has recruited a new permanent CFO. He will start in the position in August 2024.



## 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.

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 implementation of 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.

Grøntvedt is exposed to fluctuations in interest rates. As per now, leading banks such as Nordea and Handelsbanken, expect the Norwegian interest rates to remain at the same level as today for the remaining part of 2024.

The successful implementation of the strategy to process all trimmings in-house by use of the expanded Grøntvedt Nutri plant, is key for increased profits in the upcoming quarters and years.

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**Uthaug, Norway, 30 May 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	Q1-2024	Q1-2023	2023
NOK 1 000		<i>unaudited</i>	<i>unaudited</i>	<i>Audited</i>
Revenues	2	456 042	369 368	1 353 072
<b>Total revenues</b>		<b>456 042</b>	<b>369 368</b>	<b>1 353 072</b>
Cost of goods sold	2,5	-347 270	-241 813	-1 042 311
Salaries and personnel expenses		-42 894	-38 063	-143 157
Depreciation		-17 304	-19 354	-69 481
Other operating expenses		-36 523	-39 781	-153 661
<b>Operating profit (EBIT)</b>		<b>12 051</b>	<b>30 356</b>	<b>-55 539</b>
<b>EBITDA</b>		<b>29 356</b>	<b>49 711</b>	<b>13 942</b>
Finance income		11 562	2 347	1 181
Finance expense		-64 984	-38 122	-145 755
<b>Net finance</b>	<b>6</b>	<b>-53 422</b>	<b>-35 775</b>	<b>-144 574</b>
<b>Profit before taxes</b>		<b>-41 370</b>	<b>-5 419</b>	<b>-200 113</b>
Income tax expense		0	102	-21 657
<b>Net profit</b>		<b>-41 370</b>	<b>-5 317</b>	<b>-221 770</b>
<b>Other Comprehensive Income:</b>				
<i>Items that may be reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations		2 437	2 133	-8 055
Tax on comprehensive income		0	0	0
Other comprehensive income for the period, net of tax		2 437	2 133	-8 055
<b>Total comprehensive income for the period</b>		<b>-38 934</b>	<b>-3 184</b>	<b>-229 824</b>
<b>Profit/ loss attributable to:</b>				
Shareholders of the parent company		-38 934	-3 184	-229 824
<b>Total</b>		<b>-38 934</b>	<b>-3 184</b>	<b>-229 824</b>





## Consolidated statement of financial position

NOK 1 000	Note	31.03.2024 unaudited	31.03.2023 Unaudited	31.12.2023 Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	3	586 000	586 000	586 000
Other intangible assets	3	18 581	43 218	24 741
Deferred tax asset		0	35 955	0
Property, plant and equipment		550 464	549 699	550 265
Right - of - use assets		109 128	126 983	112 661
Investments in shares		21 081	16 646	17 754
Other receivables		1 853	4 721	2 475
<b>Total non-current assets</b>		<b>1 287 107</b>	<b>1 363 222</b>	<b>1 293 896</b>
<b>Current assets</b>				
Inventory	4	451 772	561 742	450 403
Trade receivables		59 237	123 773	52 887
Contract assets		0	0	0
Other short-term receivables		9 351	17 699	16 575
Derivatives		765	0	765
Cash and cash equivalents		74 148	8 318	35 144
<b>Total current assets</b>		<b>595 273</b>	<b>711 532</b>	<b>555 774</b>
<b>Total assets</b>		<b>1 882 381</b>	<b>2 074 754</b>	<b>1 849 672</b>

NOK 1 000	Note	31.03.2024 unaudited	31.03.2023 Unaudited	31.12.2023 Audited
<b>Equity</b>				
Share capital		98	76	76
Share premium		1 368 797	1 168 800	1 168 800
Other equity/Loss carried forward		-698 057	-432 775	-659 124
<b>Total equity</b>		<b>670 837</b>	<b>736 101</b>	<b>509 752</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	6	487 573	590 495	0
Long term leasing liabilities		47 230	66 960	53 528
Other non-current liabilities		298 262	296 167	297 621
<b>Total non-current liabilities</b>		<b>833 065</b>	<b>953 623</b>	<b>351 149</b>
<b>Current liabilities</b>				
Borrowings	6	100 000	150 000	739 308
Trade and other payables		118 945	144 171	122 819
Lease liabilities		26 458	29 467	26 582
Sale-leaseback liabilities		35 870	34 438	35 833
Other current liabilities		97 205	26 956	64 228
<b>Total current liabilities</b>		<b>378 479</b>	<b>385 031</b>	<b>988 770</b>
<b>Total liabilities</b>		<b>1 211 543</b>	<b>1 338 653</b>	<b>1 339 919</b>
<b>Total equity and liabilities</b>		<b>1 882 381</b>	<b>2 074 754</b>	<b>1 849 672</b>

NOK 1 000	Share capital	Share premium	Retained earnings	Translation reserve	Total equity
<b>Total equity at 31.12.2023</b>	<b>76</b>	<b>1 168 800</b>	<b>-641 112</b>	<b>-18 012</b>	<b>509 752</b>
Share issue	22	199 997			200 019
Profit /(loss) for the period			-41 370		-41 370
Foreign currency translation differences				2 437	2 437
<b>Total equity at 31.03.2024</b>	<b>98</b>	<b>1 368 797</b>	<b>-682 482</b>	<b>-15 575</b>	<b>670 837</b>





Consolidated statements of cash flows	IFRS Q1 2024 Unaudited	IFRS Q1 2023 Unaudited	IFRS 2023 Audited
NOK 1 000			
<b>Cash flows from operating activities</b>			-
Earnings before tax	-41 370	-5 419	-200 113
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Taxes paid	0	0	0
Depreciation of assets	17 304	19 354	69 480
Net finance	53 422	35 775	141 591
Net foreign exchange differences	2 437	2 133	268
Value adjustment of shares	-3 327	5 903	3 480
Value adjustment of derivatives	0	0	-765
Gains/losses on sales of non-current assets	0	0	-567
<b>Change in working capital:</b>			
- change in inventory	-1 369	-81 000	30 339
- change in trade and other receivables	874	37 200	118 811
- change in trade and other payables, excl. corporate tax	29 104	-13 575	17 582
<b>Net cash flow from operating activities</b>	<b>57 074</b>	<b>371</b>	<b>180 106</b>
<b>Cash flows from investment activities</b>			
Interest received	0	0	98
Purchase of property, plant, and equipment	-7 775	-3 468	-35 476
Change in non-current receivables	0	0	0
Sale of tangible assets	0	0	17 904
Long term receivables net of cash	0	0	0
<b>Net cash flow from investment activities</b>	<b>-7 775</b>	<b>-3 468</b>	<b>-17 475</b>
<b>Cash flows from financing activities</b>			0
Payment of interest	-27 216	-34 874	-142 007
Call premium prior bond and fees new bond	-24 917	0	0
Proceeds from long-term borrowings	500 000	0	0
Proceeds from short-term borrowings	0	0	0
Payment of short-term borrowing	-50 000	0	0
Payment of principal portion of lease liabilities	-5 744	0	-34 171
Payment of principal portion of other-long term liabilities	-600 000	0	0
Proceeds from issuance of shares	200 019	0	0
Dividends	0	0	0
<b>Net cash flow from financing activities</b>	<b>-7 858</b>	<b>-34 874</b>	<b>-176 178</b>
Net cash flow for the period, before foreign exchange difference	41 441	-37 971	-13 546
Net foreign exchange difference	-2 437	-2 133	268
<b>Net cash flow for the period</b>	<b>39 004</b>	<b>-40 104</b>	<b>-13 278</b>
Cash and cash equivalents at beginning of period	35 144	48 422	48 422
<b>Cash and cash equivalents at end of period</b>	<b>74 148</b>	<b>8 318</b>	<b>35 144</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, Ørland municipality, Norway.

The quarterly report was approved by the Board of Directors on 30 May 2024. The report has not been subject to audit.

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 2023. 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 2023.

#### Going Concern

The quarterly report has been prepared under the going concern assumption. Grøntvedt carried out a refinancing which was finalized in January 2024. The Group is compliant with the covenant terms as by 31 March 2024. For further information regarding the refinancing of the group, please refer to note 6. Further, we refer to the annual financial statements and The board of directors' report for 2023. 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.



## FIRST QUARTER 2024

NOK thousand		FOOD	FEED	Q1 Total
Revenues		310 208	145 834	456 042
Cost of goods sold	-	248 124 -	99 146 -	347 270
Contribution margin		62 083	46 689	108 772
Operational cost excl. Depreciation	-	73 055 -	6 362 -	79 417
EBITDA	-	10 971	40 327	29 356

## FIRST QUARTER 2023

NOK thousand		FOOD	FEED	Q1 Total
Revenues		232 002	137 366	369 368
Cost of goods sold	-	142 484 -	99 329 -	241 813
Contribution margin		89 517	38 038	127 555
Operational cost excl. Depreciation	-	73 662 -	4 182 -	77 844
EBITDA		15 855	33 856	49 711

### 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.

NOK thousand	31.03.2024	31.03.2023	31.12.2023
Goodwill book value	586 000	586 000	586 000
Other intangible assets	18 581	43 218	24 741

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

### Note 4 | Inventory

NOK thousand	31.03.2024	31.03.2023	31.12.2023
FOOD	439 720	552 741	438 114
FEED	12 052	9 001	12 289
Total book value	451 772	561 742	450 403

### 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

NOK thousand	31.03.2024	31.03.2023	31.12.2023
Bond Loan (book value)	487 573	590 495	589 308

### Nominal value Bond Loan

The Group completed a refinancing, including issuing a new Bond Loan, on 11 January 2024. The new Bond Loan has a nominal value of NOK 500 million. The difference between the nominal value and the book value of the Bond Loan represents remaining amortization of establishment cost. The new Bond Loan, combined with a share issue of NOK 200 million, was used to, inter alia, repay the prior bond loan of NOK 600 million. For further detailed information on the refinancing process, we refer to note 30 to the financial statements for 2023.

### Interest terms

Grøntvedt's interest terms are NIBOR 3 month plus 8.00%. The interest is calculated and paid quarterly on the 11th of each of the months April, July, October and January. The maturity date of the bond is on 11 January 2027.

### Covenants

The bond is subject to the following covenants:

- (i) Working capital: The Group shall maintain a working capital of minimum NOK 250 million,
- (ii) Book equity ratio: The Group shall maintain a book equity ratio of minimum 30 per cent, and
- (iii) Leverage ratio: The leverage ratio in respect of any relevant period shall not exceed 7.5 for the period starting with the fourth quarter of 2024 and including the third quarter of 2025, not exceed 6.0 the period starting with the fourth quarter of 2025 and including the third quarter of 2026 and 5.0 for any period thereafter and up to (but not including) the maturity date on 11 January 2027.

### Public listing

The bond was publicly listed on Oslo Stock Exchange on 28 February 2024.



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## Note 7 | Financial risk

### Financial risk management

The group's activities expose it to a variety of financial risks, such as market risk, credit risk and liquidity risk. For more detailed information we refer to the group's financial statements 2023.

#### 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 established a new foreign currency hedging strategy in 2024, which shall manage such risks in an adequate manner.

#### 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. To support this Grøntvedt Group has established a RCF Facility at Handelsbanken. The RCF facility was effective from October 2021 and renewed in January 2024. Further, as described in note 6, the company has established a new bond loan in January 2024. Under the terms of this bond loan, the shareholders can grant financial support in the form of guarantees for trade obligations in the ordinary course of business and short-term loans to cater for seasonal liquidity needs, adding further financial flexibility in order to manage, inter alia, liquidity risk.



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**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 are 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.