

Company update

15 December 2023



GRØNTVEDT GROUP

At the heart of the Norwegian fishing industry since 1830, with stable access to a perpetual source of pelagic fish

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Business overview



Market update



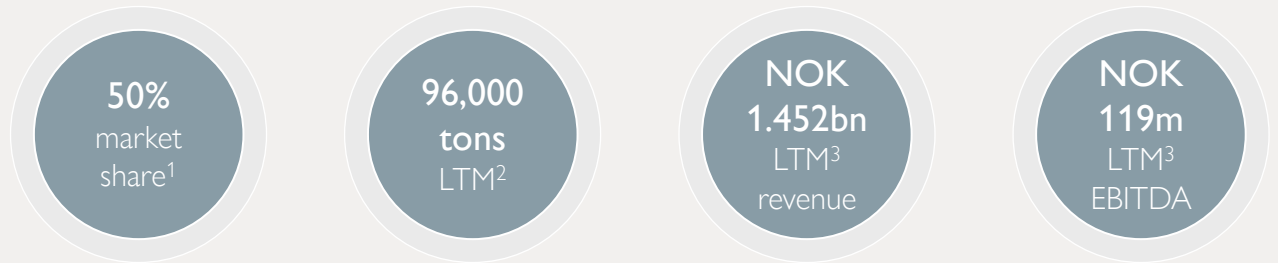
Financials

Grøntvedt is a major producer of pelagic fish products

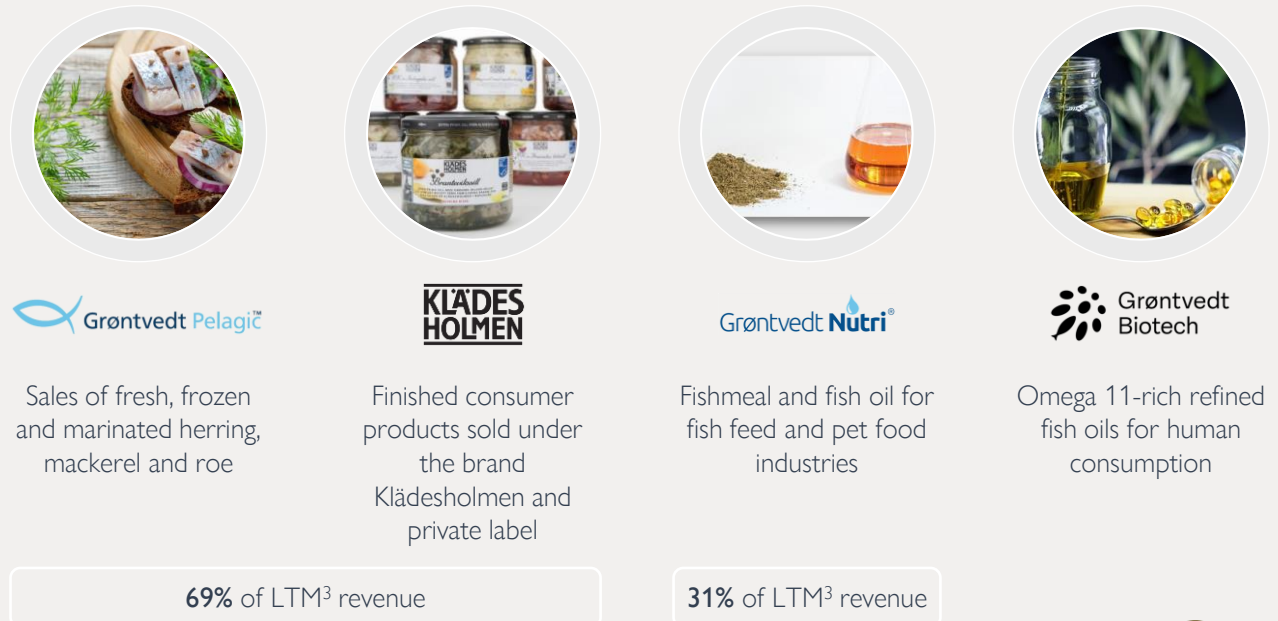


- Grøntvedt operates modern production facilities for producing herring, mackerel and other pelagic fish products, utilizing 100% of the fish
- The pelagic fish is sourced through auctions and agreements with fish vessels and trawlers, delivered to Grøntvedt's terminal at Uthaug, outside Trondheim in Norway
- The Company has been in the pelagic business since 1830 and is today managed by 7th generation family
- Significant investments in new production capacity with Grøntvedt today operating the largest processing terminal for pelagic raw material in Norway, and the Group controls a significant market share in marinated herring to the European market
- Strong growth in demand for fishmeal and fish oil products that Grøntvedt processes in Grøntvedt Nutri from its access to internally sourced pelagic fish trimmings
- Prior to the Transaction, Grøntvedt AS is controlled by the Grøntvedt family (57%, through Grøntvedt Invest), Frøy Kapital (37%) and Klädesholmen Interessenter AB (6%). Following the Transaction, Grøntvedt AS will be evenly controlled by the Grøntvedt family (50%) and Frøy Kapital (50%)

Grøntvedt in numbers



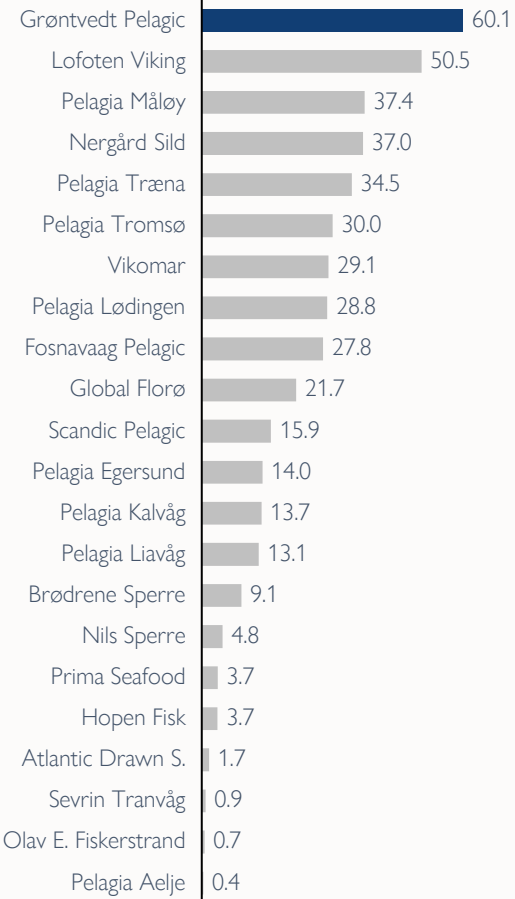
Grøntvedt's business divisions



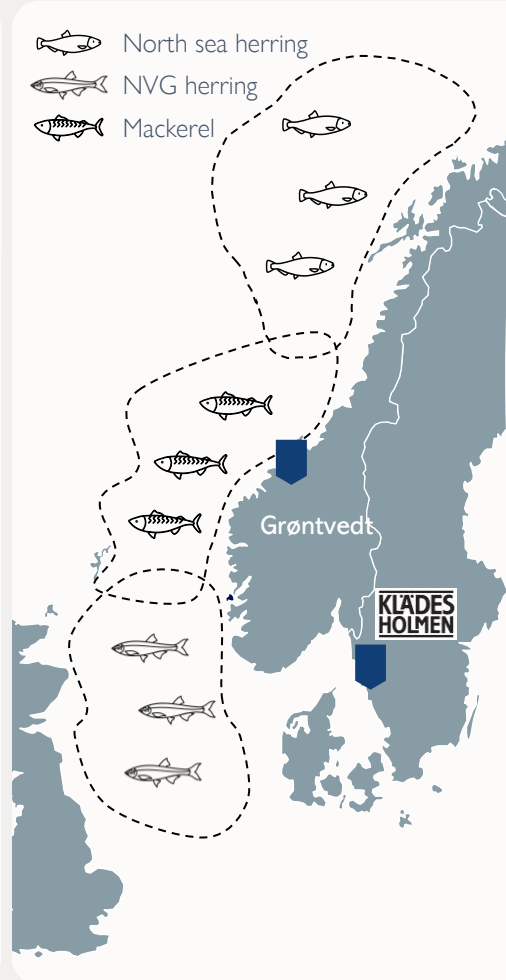
Notes: 1) market share in production and sales of marinated products, 2) raw material purchase all species as of 30 September 2023, 3) as of 30 September 2023

Situated at the heart of the Norwegian pelagic fishing industry

Largest herring and mackerel terminal in Norway¹...



...located in close proximity to prime fishing areas



Fishing vessels bring herring and mackerel bought at auction

The fish is immediately processed by Grøntvedt Pelagic

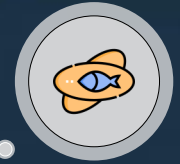


Herring is marinated and sold as finished consumer goods or as frozen product by Grøntvedt Pelagic

Finished products are distributed to customers worldwide



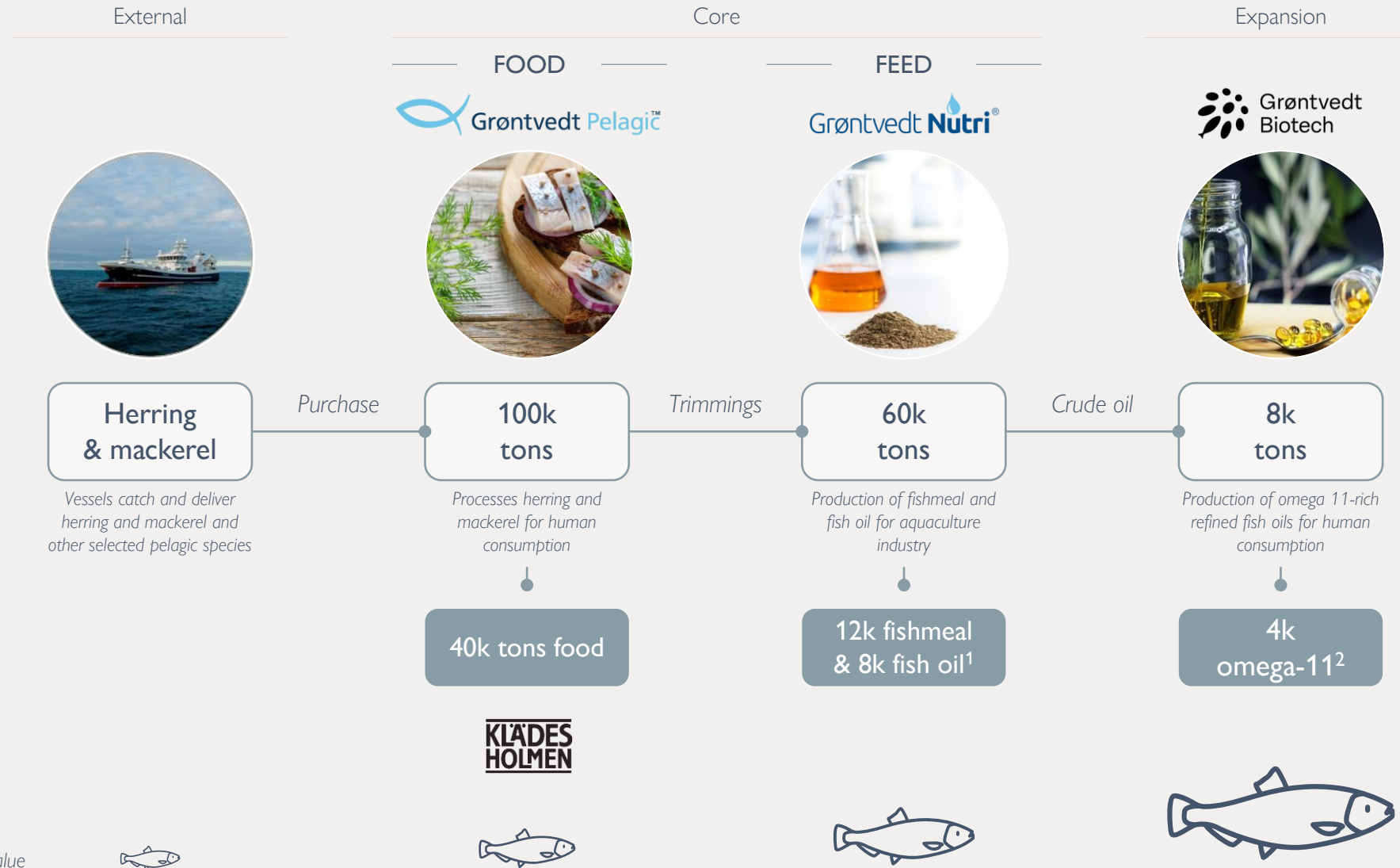
Fish oil can be refined into omega-3 and omega-11 by Grøntvedt Biotech



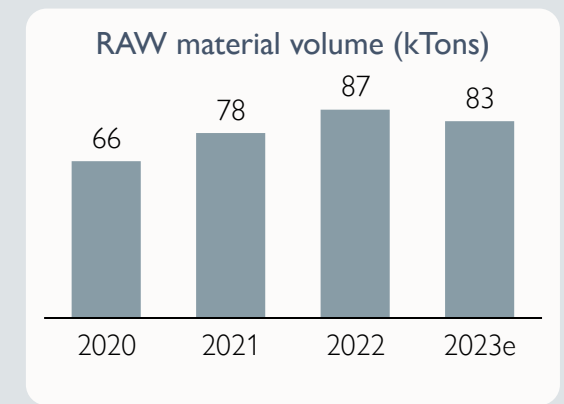
Byproducts are processed into fish oil and fishmeal by Grøntvedt Nutri and sold predominately to the salmon farming industry

Note: 1) Raw material purchase of NVG herring in 2022

Fully integrated value chain and the only large-scale processor for human grade products



- ### Unique competitive advantage
- ✓ Strategic raw material access, enabled to provide a stable source to market
 - ✓ Fully integrated value chain with flexibility to allocate volume based on offtake market pricing
 - ✓ 100% fish utilization

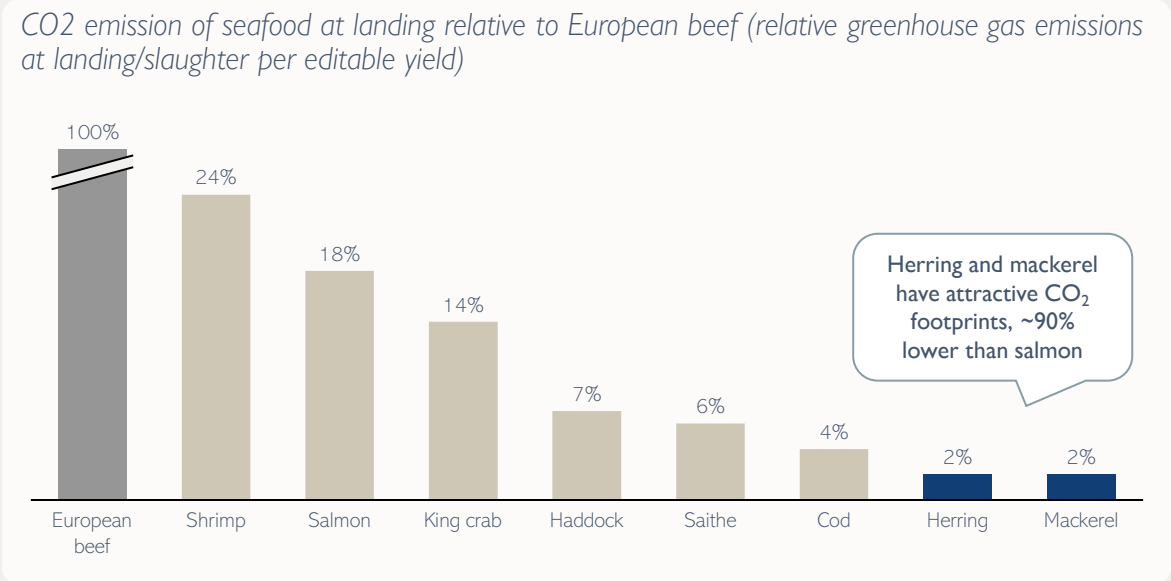


Value

Notes: 1) Remaining volume is water, 2) Remaining volume is by-product, which is returned to Nutri

Grøntvedt actively promotes a minimal carbon footprint and reduced waste generation by fully maximizing the utilization of raw materials

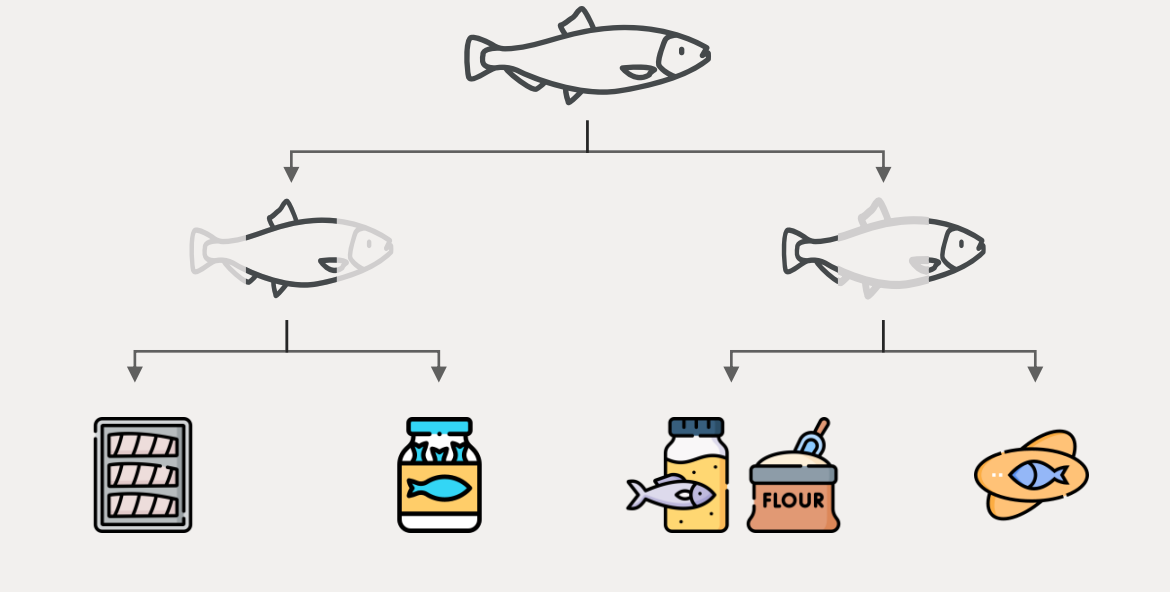
A low carbon footprint and limited waste generation



- Catch, production and transportation of pelagic fish is environmentally friendly relative to many other food sources with a low carbon footprint and efficient utilization of raw materials
- Fish products have low greenhouse gas emissions relative to other animal proteins, with products from pelagic fisheries having an especially attractive carbon footprint relative to other fish species
- Efficient raw material utilization as trimmings from production of fish for human consumption is used to produce fish oil and fishmeal. Grøntvedt utilize 100% of the fish, including trimmings for production of fishmeal and fish oil and in the FEED segment
- Co-located processing facilities for food and feed, ensuring high efficiency and no transport related emissions

100% fish utilization

Utilization of by products for fishmeal and fish oil coupled with optimal employment of production facilities ensures 100% utilization of the fish



Grøntvedt Pelagic and Klädesholmen utilize the fish fillet to produce herring and mackerel for human consumption

Grøntvedt Nutri and Grøntvedt Biotech utilizes the fish trimmings to produce fish oil, fishmeal and omega-11 fish oil

Modern production facilities

Uthaug



Capacity: 1,000 - 1,200 tons / day

Description

Reception facility for fresh raw material (NVG herring, NSS herring, mackerel and selected other species), working 24/7 during season

Built: 2001¹
(upgraded in '20-21¹)

✓ In operation

Kråkvåg



Capacity: 4,000 - 6,000 tons / year

Description

Production facility for all types of naturally matured herring with production all year round

Built: 2001²

✓ In operation

Brekstad Vestre



Storage capacity: ~250,000 barrels

Description

Logistics center consisting of 3 stores with 14,000 sqm combined cold storage

Built: 2017-2019²

✓ In operation

Grøntvedt Nutri (part of Uthaug)



Capacity: 240 - 480 tons / day

Description

The world's first food grade protein meal- and fish oil facility utilizing trimmings from Grøntvedt Pelagic. Capacity increase to 480 tons to be completed 2Q'2024

Built: 2020

✓ In operation

Klädesholmen



Capacity: 15,000 tons canned products / year

Description

Production facility for marinated herring, caviar and spread products with production all year round

Built: 2015

✓ In operation

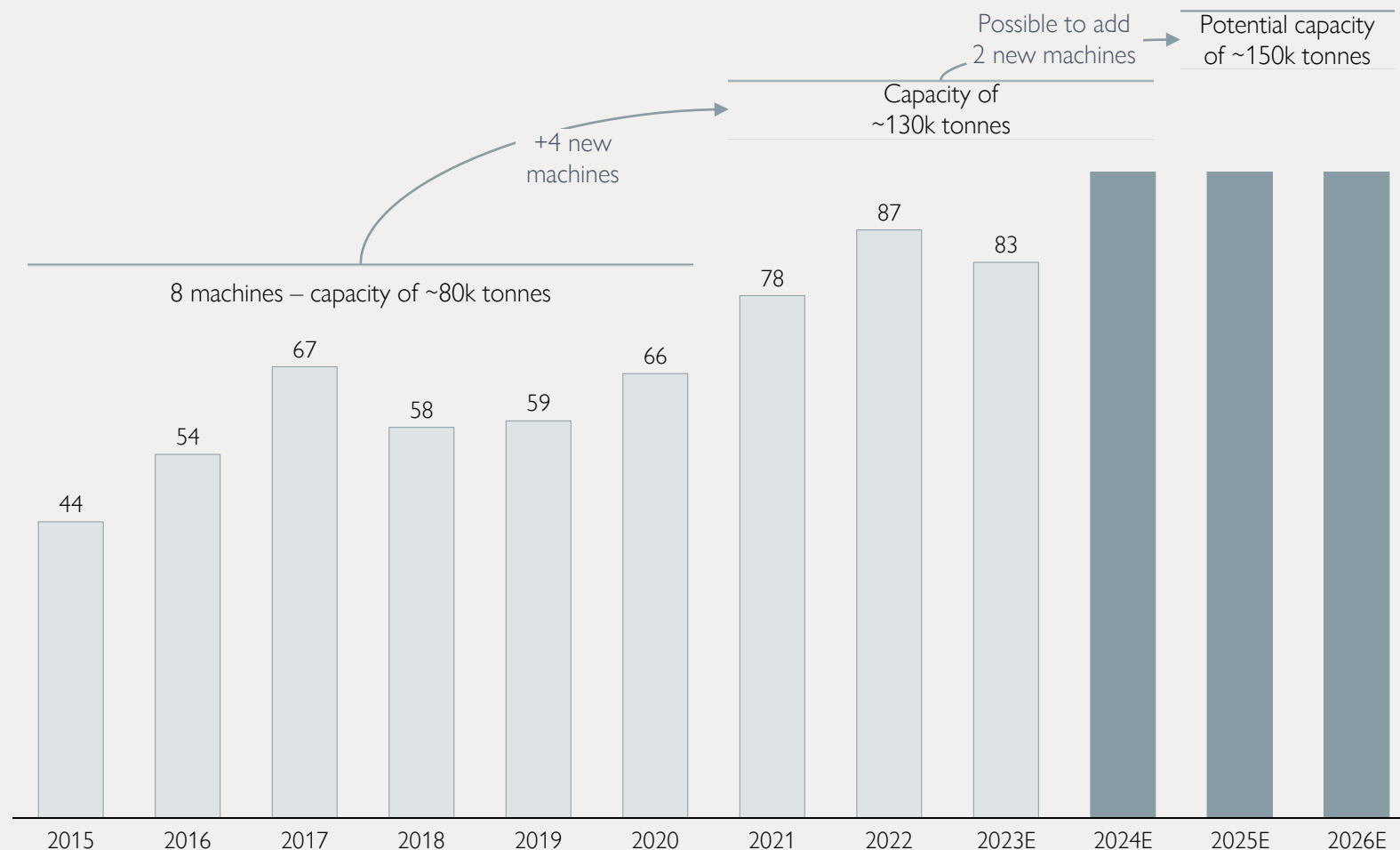
Notes: 1) Industrial structural development in 2001, investment in 4 new machines in 2020-2021, 2) 3 stores built in 2017, 2018 and 2019

Significant investments made to add processing volumes

Commentary

- The annual processing volume is a function of several parameters;
 - Number of machines
 - Available fish quota
 - Fish size
 - Numbers of fish per minute
 - Production hours per day
 - Production days
- Processing capacity is key to absorb volume in peak season
 - Increased processing capacity will also make additional raw material available for FEED production at Grøntvedt Nutri, which has a higher margin than FOOD production
- Grøntvedt has ramped up its daily processing capacity to ~1,000 tons of herring or ~800 tons of mackerel.
 - The main driver to further increase the processing capacity is to increase the number of production days

Grøntvedt Pelagic has successfully increased its processing capacity (kTons)



FOOD segment | Processing herring and mackerel for human consumption



Grøntvedt Pelagic

- Grøntvedt Pelagic acquires fish from North Atlantic pelagic fisheries, processes herring, mackerel, and capelin, and sells the processed products for human consumption
- Grøntvedt Pelagic specializes in herring products customized to customer preferences
- Product range includes marinated and frozen products, roe, and trimmings
- Products typically sold on cost-plus contracts

Marinated



Frozen



Roe



Customer examples



Grøntvedt VAP - Klädesholmen

- In 2021, Grøntvedt acquired Klädesholmen
- The VAP division acquires herring and mackerel from Grøntvedt Pelagic
- Produces a wide range of frozen and marinated products
- Finished consumer products are sold under the brand Klädesholmen and private labels

Herring



Caviar



Caviar - roe



Customer examples



FOOD segment in numbers

69%
of Group
LTM¹
revenue

5%
LTM¹
EBITDA
margin

~1,000MT
processing
capacity
per day

~250
employees

- Grøntvedt Pelagic is the world's largest producer of barrel marinated herring, with a capacity to process 1,000-1,200 tons raw material per day

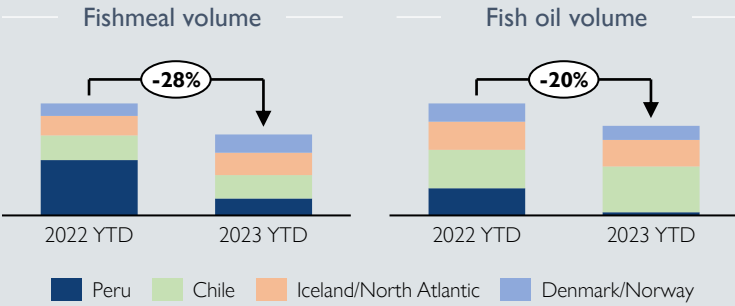
During 2023, the “cost plus” model in FOOD segment has been impacted due to disruptions in the feed markets

Fishmeal and fish oil comprise some ~30% of salmon feed



High quality feed to aquaculture is key to ensure fish growth and quality. Due to its strong qualities, about 30% of feed is from fish related products

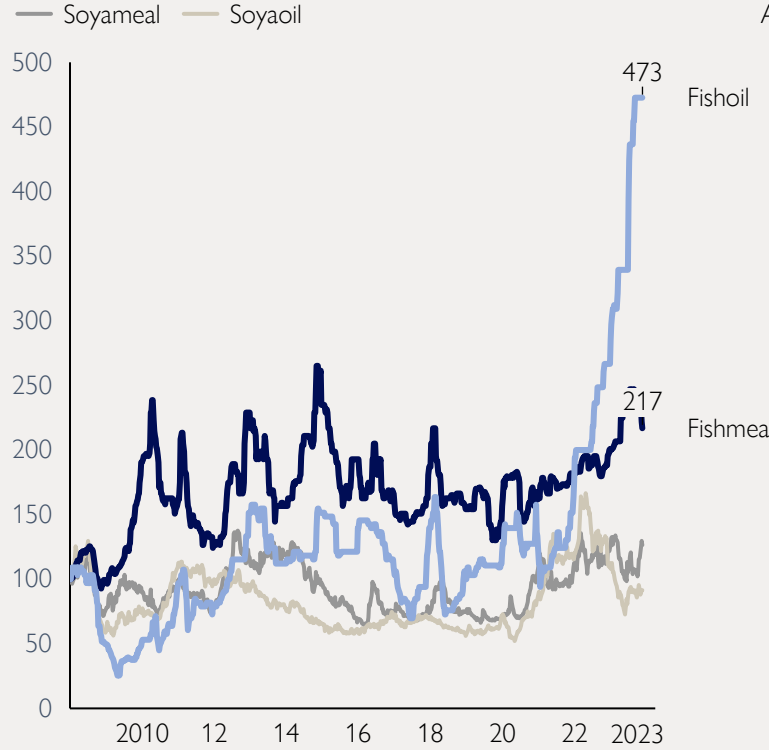
2023 volumes are significantly down due to cancellation of fishing in Peru



El Niño conditions caused the cancellation of the anchoveta fishing in Peru in 2023 (c. 20% of global volume), resulting in a massive drop in volumes

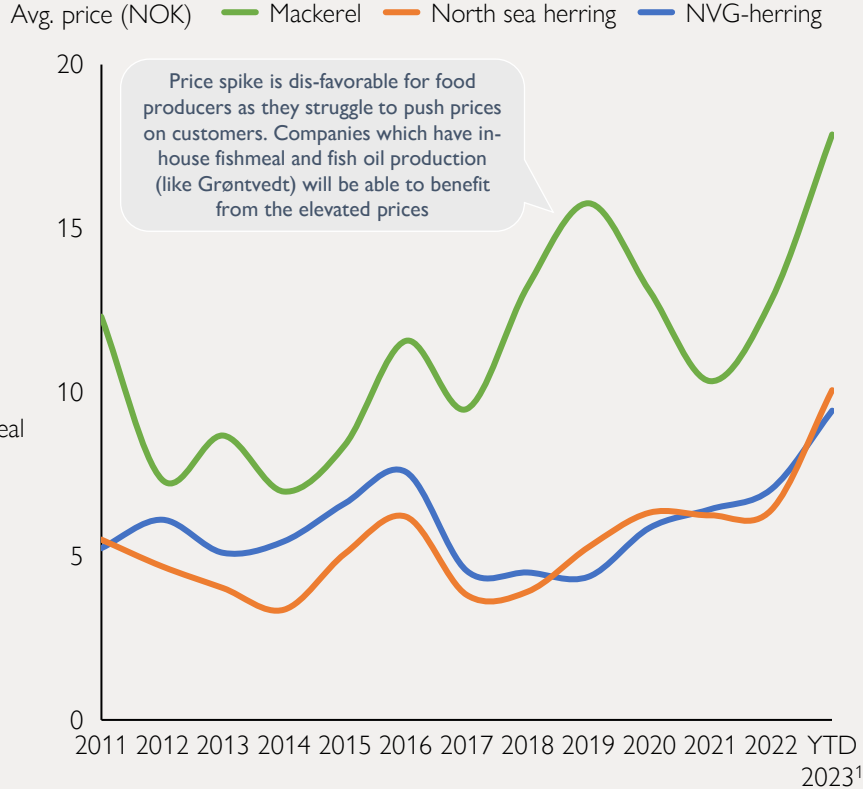
Sources: Arctic Securities Research, Kontali, Austevoll Seafood Q3 report, Norges Sildesalgslag
 Note: 1) Average prices as of December 5, 2023 (consumption)

Which has caused a massive spike in prices for fishmeal and fish oil (2008 = 100)...



Feed producers are scrambling to secure raw materials for its feed, driving up prices

... driving up prices for herring and mackerel, which has proven difficult for Grøntvedt’s FOOD customers to absorb in the short-term



Auction prices for herring and mackerel in Norway have increased by +44% on average from 2022-2023



FEED segment | Grøntvedt equipped to provide a stable source of fishmeal and fish oil to aquaculture feed industry

Grøntvedt Nutri

- World's first fully integrated fishmeal and fish oil plant
- Grøntvedt Nutri uses trimmings from raw material processing in Grøntvedt Pelagic to produce feed ingredients and ingredients for human consumption oils
- Placed at the same location as Grøntvedt Pelagic, enabling Grøntvedt Nutri to produce feed ingredients from fresh raw materials within minutes
- Products are used as high-energy input into feed production, mainly for farmed salmonid production in Norway

Fishmeal



Fish oil



Pet food



Customer examples



Unique feed attributes



Homogenous species

- Fishmeal and fish oil only made from herring and mackerel
- No mixing of species in production process



Fresh raw material

- Raw material directly from Grøntvedt Pelagic to Grøntvedt Nutri – No oxidation risk



No formic acid

- No use of formic acid in the trimmings
- 100% chemical free production



High-quality ecological products

- Unique, ecological and fresh fishmeal and –oil
- Very low levels of contaminates indicators



Eco-friendly

- Lower CO2 emissions
- Sustainable production

FEED segment in numbers

31%
of Group
LTM¹
revenue

22%
LTM¹
EBITDA
margin

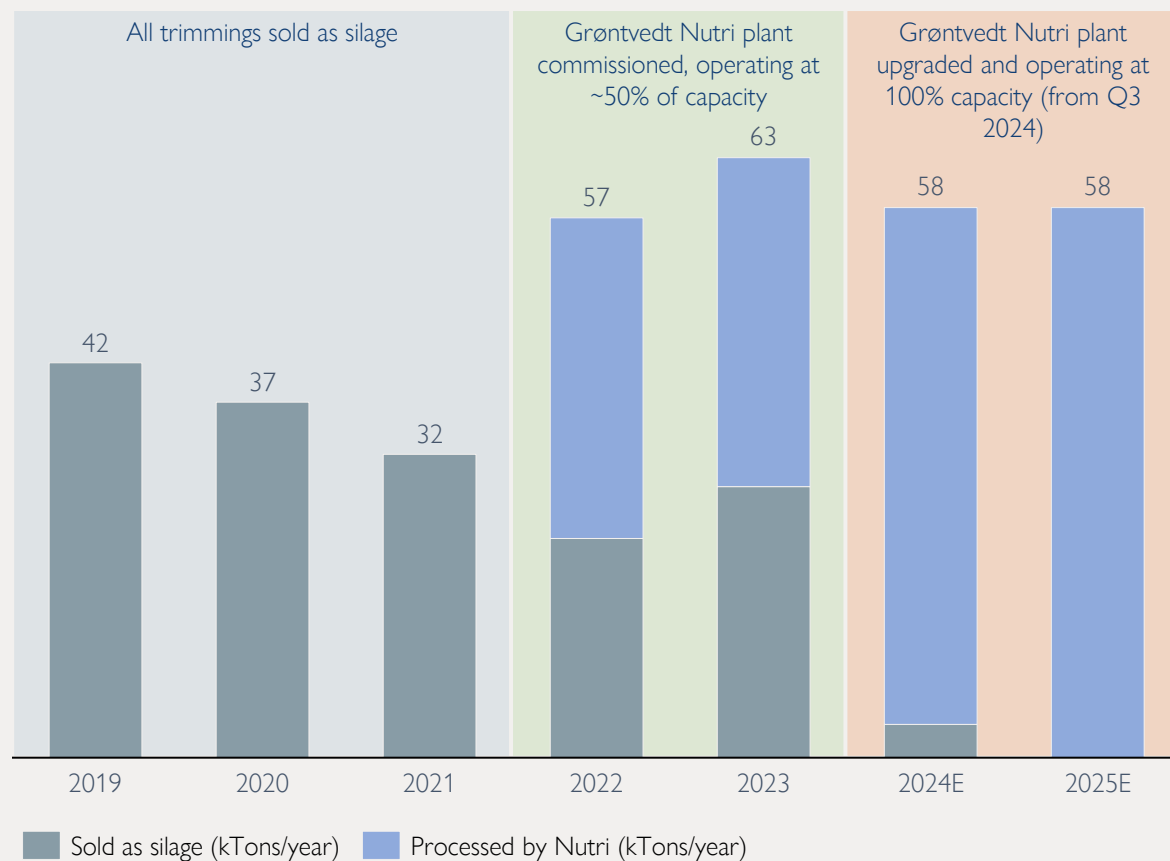
480MT
processing
capacity
per day from
2024

10
employees

- Grøntvedt Nutri's capacity to produce trimmings to increase from 240 tons per day in 2023 to 480 tons per day from 2024
- Investment in the area of NOK 50m needed to realize capacity increase (to be lease financed). Commissioning to take place in off-season period in Q2 2024

As Nutri capacity restrictions are resolved, Grøntvedt will unleash the complete value potential of its trimmings

Use of trimmings¹

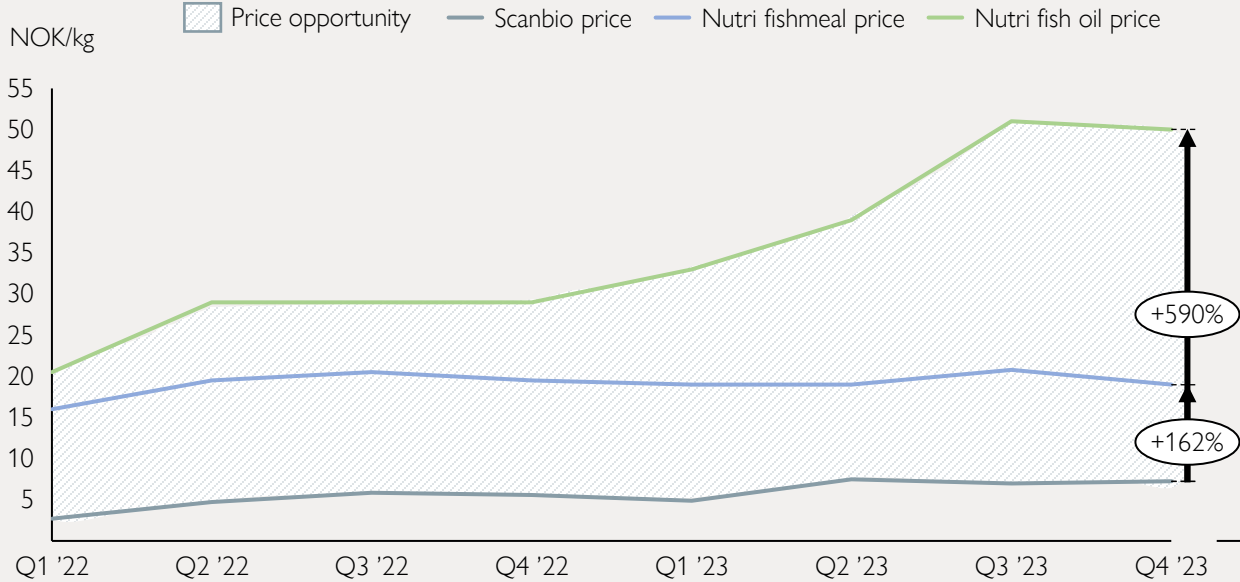


Commentary

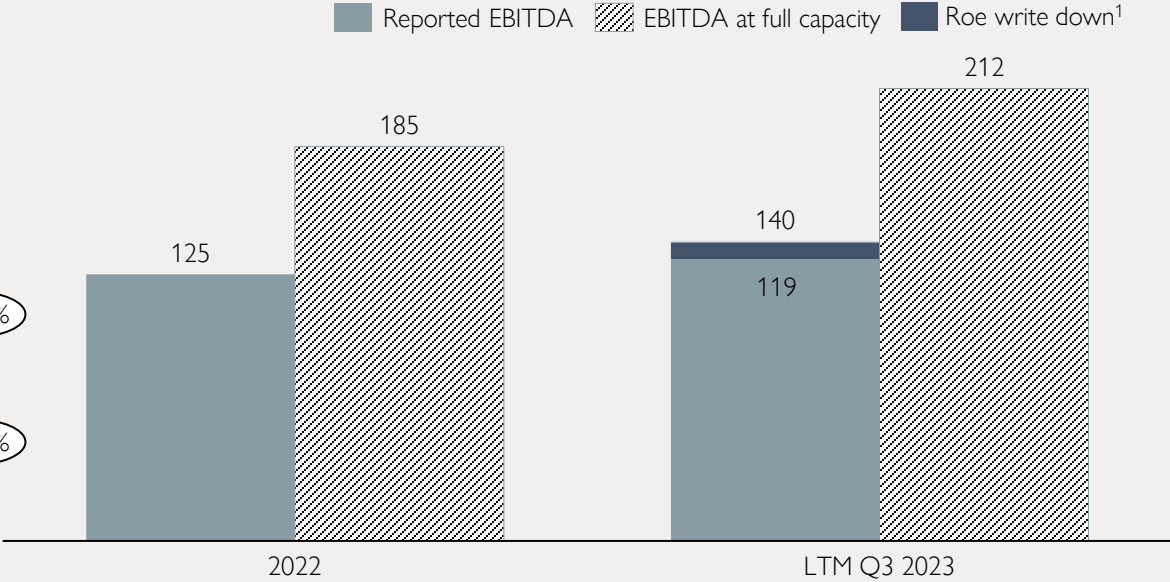
- The trimmings generated during filet production hold significant value, as they can be utilized to create premium fishmeal and fish oil, essential components for feed production
- Historically Grøntvedt was selling all trimmings to Scanbio at significantly lower prices than what the fishmeal and fish oil was worth in the market
- In 2020, Grøntvedt commissioned its own fishmeal and fish oil plant to capitalize on the significantly higher prices it could achieve from processing trimmings to fishmeal and fish oil inhouse and selling to the market
 - The plant was tested throughout 2021 and it was discovered that the drying machine could only reach ~66% of its planned capacity
 - Grøntvedt and the supplier of the dryer worked to fix the capacity issue, but they were unsuccessful
 - A NOK 10m settlement payment was made from the supplier to Grøntvedt and work started on finding a solution
- In first half of 2024, Grøntvedt will install a new dryer. The new dryer is of a more conventional technology and has a capacity of 20t per hour

Delay in Nutri capacity ramp-up has been key issue for profitability in 2023 given very strong market for FEED

FEED segment not able to capture current high prices



EBITDA with Nutri at full capacity (NOKm)



- Grøntvedt's overall performance has been consistent, except for 2023 when exceptionally high raw material prices exerted pressure on margins
- The rising raw material prices are attributable to the El Niño effect causing fish feed prices to increase and driving fish prices upwards. This has resulted in negative operating margins in the FOOD segment as it has proven difficult to fully pass on the spike in feedstock costs to customers
- The FEED segment has experienced challenges in achieving its expected capacity and consequently, Grøntvedt had to continue delivering excess trimmings to Scanbio in 2022 and 2023. This resulted in substantial lost EBITDA opportunity due to the differences between the values Nutri produces and the price Scanbio pays for the converted trimmings

- The drying machine in Nutri's production facility has only been able to reach ~66% of its planned capacity, causing significant production constraints and thus limiting Grøntvedt's earnings potential
- Converted trimmings sold to Scanbio earns significantly lower margin than selling oil and fishmeal produced internally by Nutri
- All else equal, had production been at maximum capacity and the trimmings volume been sold at market prices, the company would have generated an additional NOK 60m and NOK 72m EBITDA in 2022 and 2023, respectively²

Source: Grøntvedt.
 Note: 1) NOK 21m roe write down in Q3 2023. 2) Assuming a markup of ~3 NOK/kg for production of fishmeal and fish oil at Nutri rather than production of converted trimmings, and production volumes of ~23,000 tons and ~28,000 tons converted trimmings in 2022 and 2023, respectively

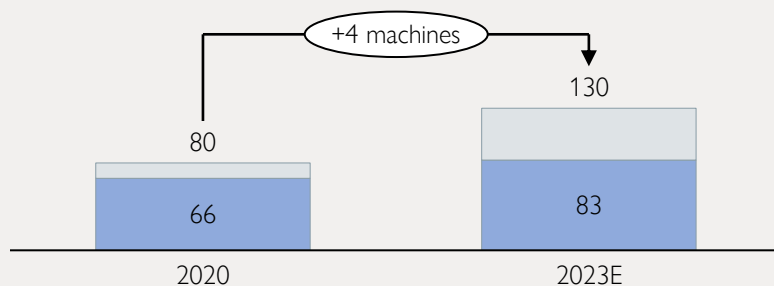
Capacity upgrades and processing trimmings in-house will position Grøntvedt for strong financial improvement once fully operational

Increased processing capacity



+63%
processing capacity

Raw material intake (kTons) Unused capacity



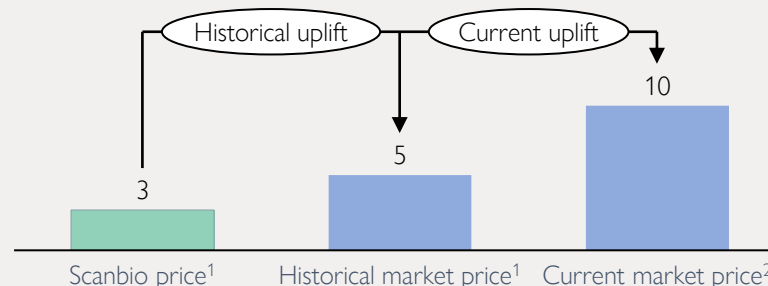
Expanded FOOD processing capacity by installing four new machines, resulting in (1) increased volume in FOOD and (2) more trimmings volume directed to high-margin FEED segment

Insourcing FEED production



Significant increase in value of trimmings³

Scanbio contract (NOK/kg) Market pricing (NOK/kg)



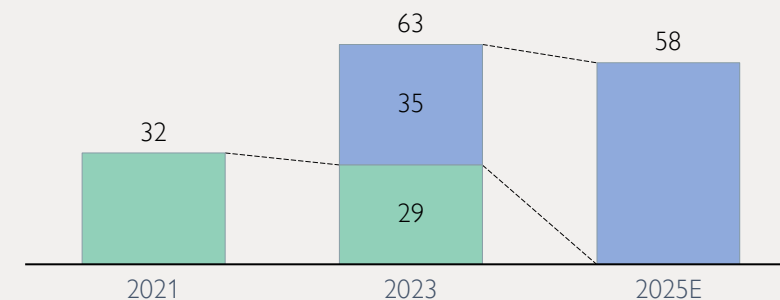
Processing all trimmings volumes in-house rather than selling to external entities exposes Grøntvedt directly to the fish feed market, where prices have surged in recent years. This results in a substantial uplift in sales price when processing internally at Nutri

Expanding FEED capacity



+81%
feed production capacity

Scanbio volume (kTons) Nutri volume (kTons)



After lapse of the Scanbio contract, all trimmings were made available for Nutri. An upgrade to the plant during 2024 will ensure Nutri can handle all trimmings volume, thereby fully capitalizing on the value uplift, rather than continuing to sell a portion of the trimmings to a third party like in 2023

Grøntvedt Biotech | High-quality herring and mackerel oil for human consumption



Grøntvedt Biotech to lift value of oils into supplement market

- Currently developing CETO3[®] oil and capsules for human consumption
- Grøntvedt Biotech receives fish oil from Grøntvedt Nutri for further processing
- After processing, 50% of the fish oil can be used for human consumption and the remaining by-product is returned to Grøntvedt Nutri
- First test batches have received very good feedback from the test panels
- Unique sensory quality gives opportunity to broad application forms; capsule, gummy bears and liquid formulations
- Very promising documentation¹ for cetoleic acid and effect of CETO3[®]
- Grøntvedt Biotech has access to other raw materials which can be utilized to new nutraceutical ingredients

Bulk



Capsules



Grøntvedt is uniquely positioned to produce omega-11 and omega-3

High cetoleic acid

- North Atlantic pelagic fish like Norwegian herring and mackerel are rich in Cetoleic acid, also known as Omega-11
- Cetoleic acid stimulates the EPA² and DHA² production in the human body, in addition to its own health benefits

Unique immediate processing

- Efficient production facility enables Grøntvedt to process fish into oil immediately after unloading, securing a fresh product
- Human grade production process without any solvent or chemicals



- CETO3[®] has no fishy smell or taste, and there is no reflux
- Can be taken as liquid, gummy bear or capsule
- Low on environmentally pollutants

100% traceability

- Herring from the North Atlantic sea, harvested and produced under Norwegian License
- 100% traceability to where the fish was harvested

Roll-out of Grøntvedt Biotech

- Grøntvedt has recently received necessary permits and certificates for global roll-out of CETO3[®]
- Value creating direct dialogue with key brands in the industry, i.e. no use of distributors
- Advanced dialogue with industry players in important global markets, giving high expected volume growth from second half of 2024

Experienced management team backed by competent and active owners

Management team



Bjørnar Grøntvedt
Co-founder and CEO



Ole Ronny Vekseth
CFO



Alexander Grøntvedt
COO / Managing Director, Grøntvedt Pelagic



Jonas Lundberg
Managing Director, Klädesholmen



Henrik Traaholdt
CCO, Grøntvedt Biotech



Kenneth Dingen
Head of Sustainability / Factory Manager, Grøntvedt Nutri

Board of Directors



Helge Gåsø
Chairman of the Board



Bjørnar Grøntvedt
CEO / Member of the Board



Hege Veiseth
Member of the Board



Alexander Grøntvedt
Member of the Board



Anne-Sofie Utne
Member of the Board



Thomas Brue
Member of the Board

Shareholders	Pro forma ownership ¹	Current Ownership
Grøntvedt Invest AS	50.0%	56.5%
Frøy Kapital AS	50.0%	37.6%
Klädesholmen Intressenter AB		5.9%
Total	100%	100%

Note: 1) On 29th November 2023, the Company announced that Frøy Kapital AS, a minority shareholder, intends to inject NOK 175m in equity conditional upon a satisfactory refinancing of the outstanding bonds and revolving credit facility (the "RCF"). Shareholders are planning to increase equity injection to NOK 200m, of which NOK 187.5m injected by Frøy Kapital AS and NOK 12.5m injected by Grøntvedt Invest AS. The equity is conditional on a satisfactory refinancing of outstanding bond and extension or refinancing of the existing NOK 250m RCF.



Business overview



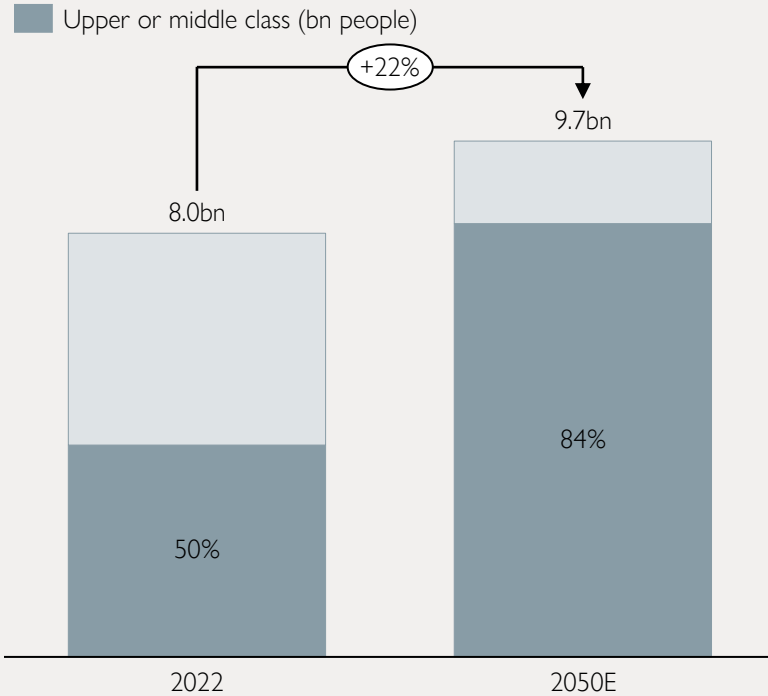
Market update



Financials

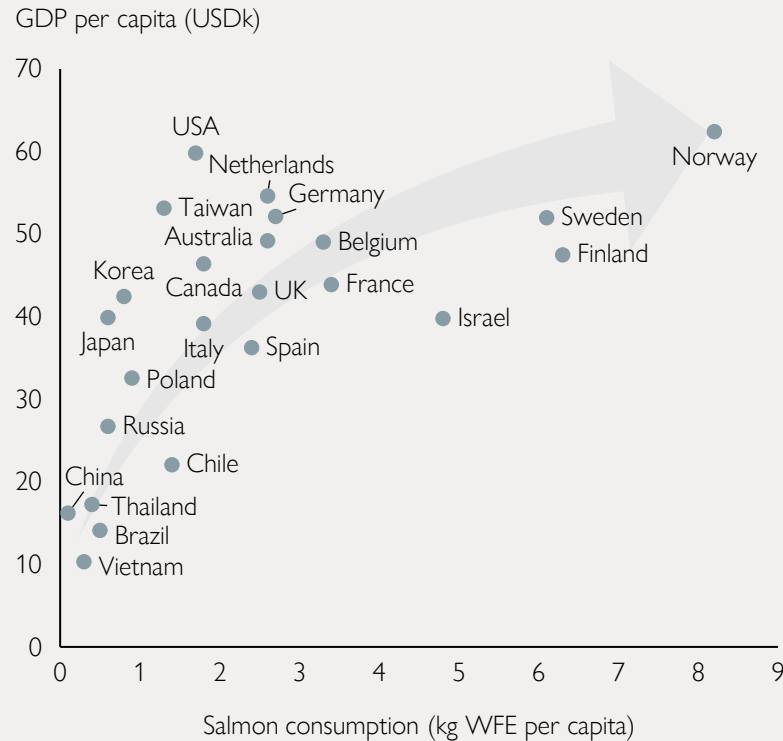
Global megatrends driving demand for all of Grøntvedt's products

Population growth...



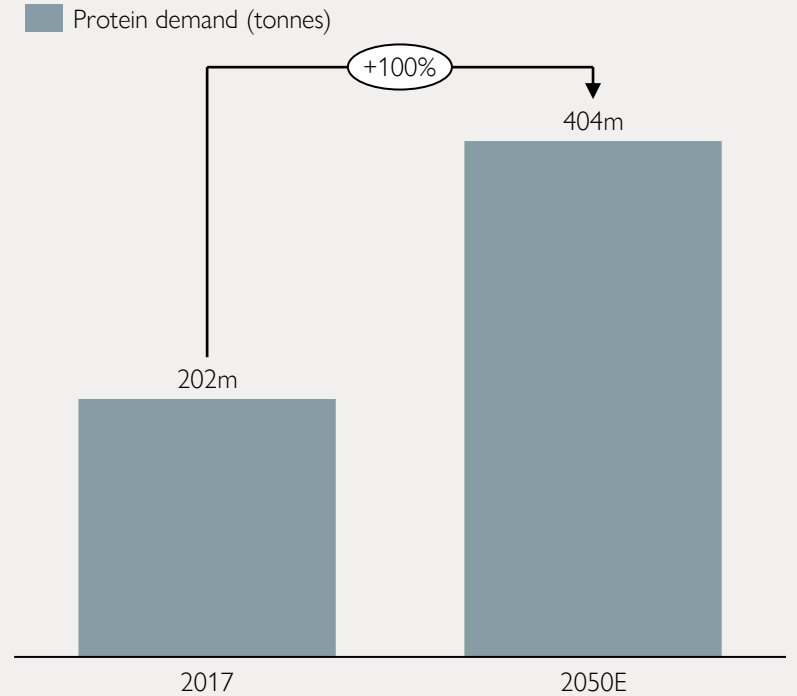
- Global population increase of 1.7bn will alone drive demand for protein
- Most population growth is expected from developing countries
- Developing countries are expected to experience high economic growth, an increased share of the population will therefore be middle-class

...and economic growth...



- Strong correlation with GDP per capita and salmon consumption, as proxy for general seafood demand
- Economic growth in developing countries expected to increase per capita consumption and drive demand for protein globally

...drive the demand for protein



- Demand for animal protein expected to increase by 100% by 2050 compared to 2017
- Increased demand for both marinated herring / mackerel products and for feed to salmon farming

Changing consumer preferences leads to increased fish consumption

Consumer preferences are changing



32% of consumers want to **increase their fish consumption**



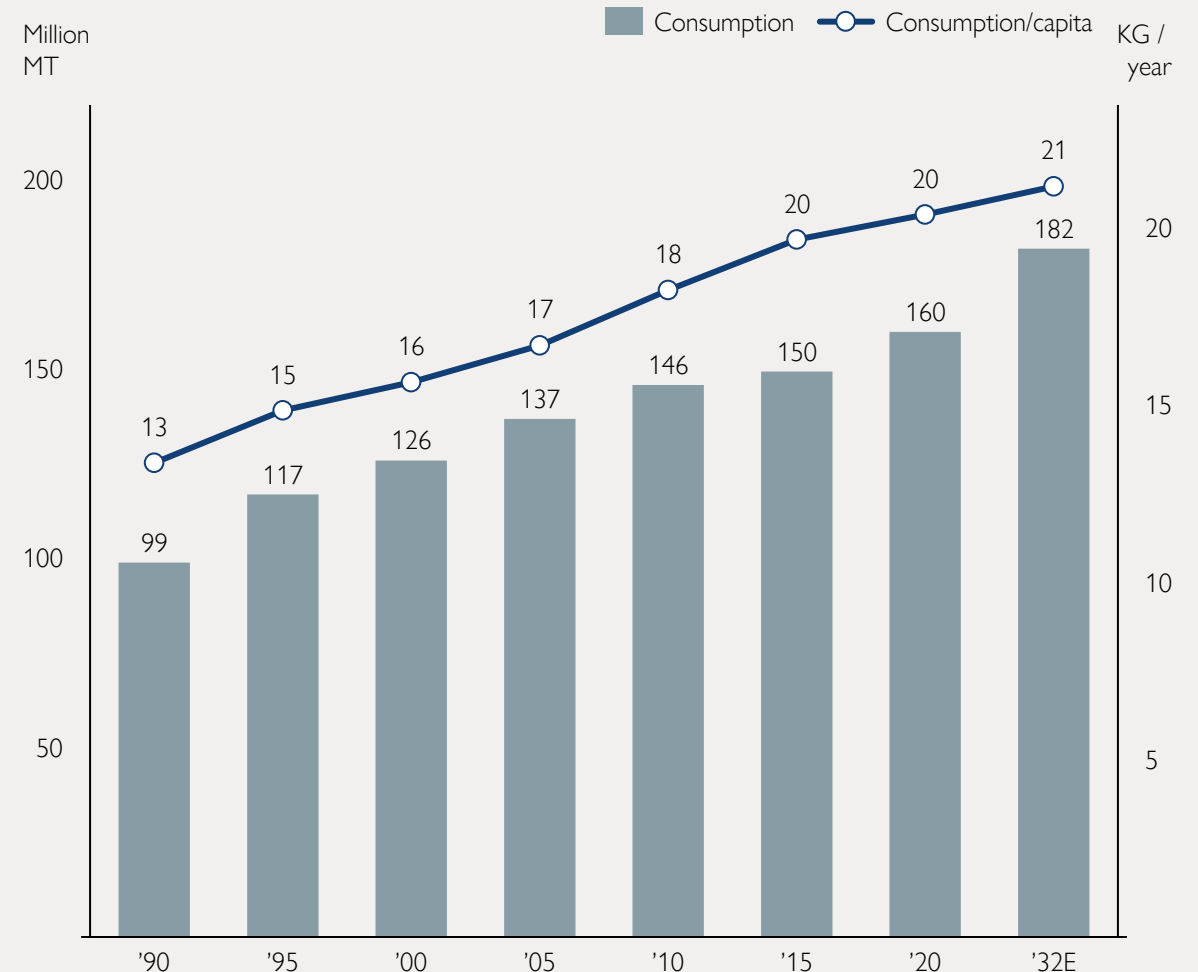
2 times / week is the recommended fish consumption by international Health Authorities



36% of consumers want to **reduce their meat consumption**

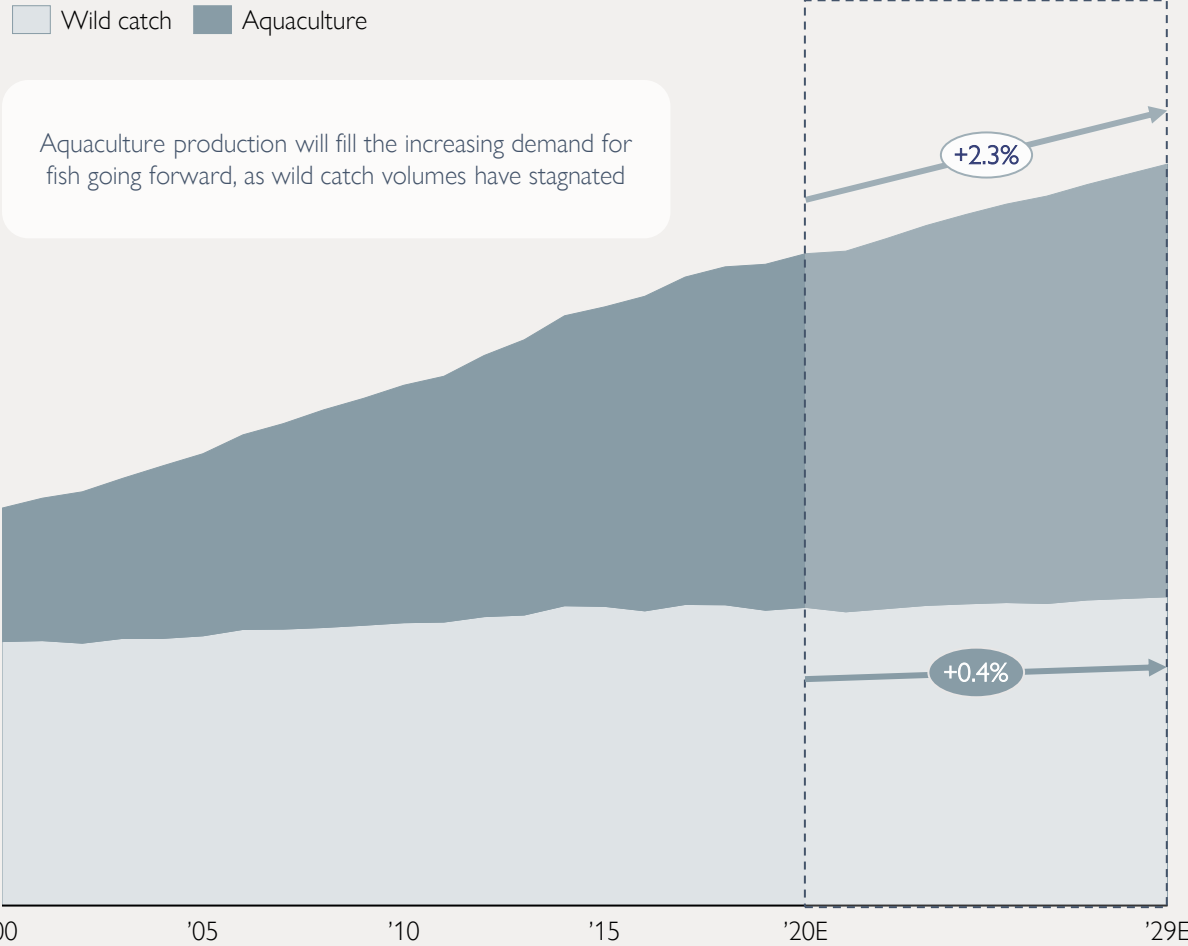
Significant societal changes are influencing consumers' decisions, such as (i) healthy eating becoming a dominant trend in food consumption, and (ii) increased focus of consumers and major distributors to the sustainability of aquatic food systems

Fish consumption is growing

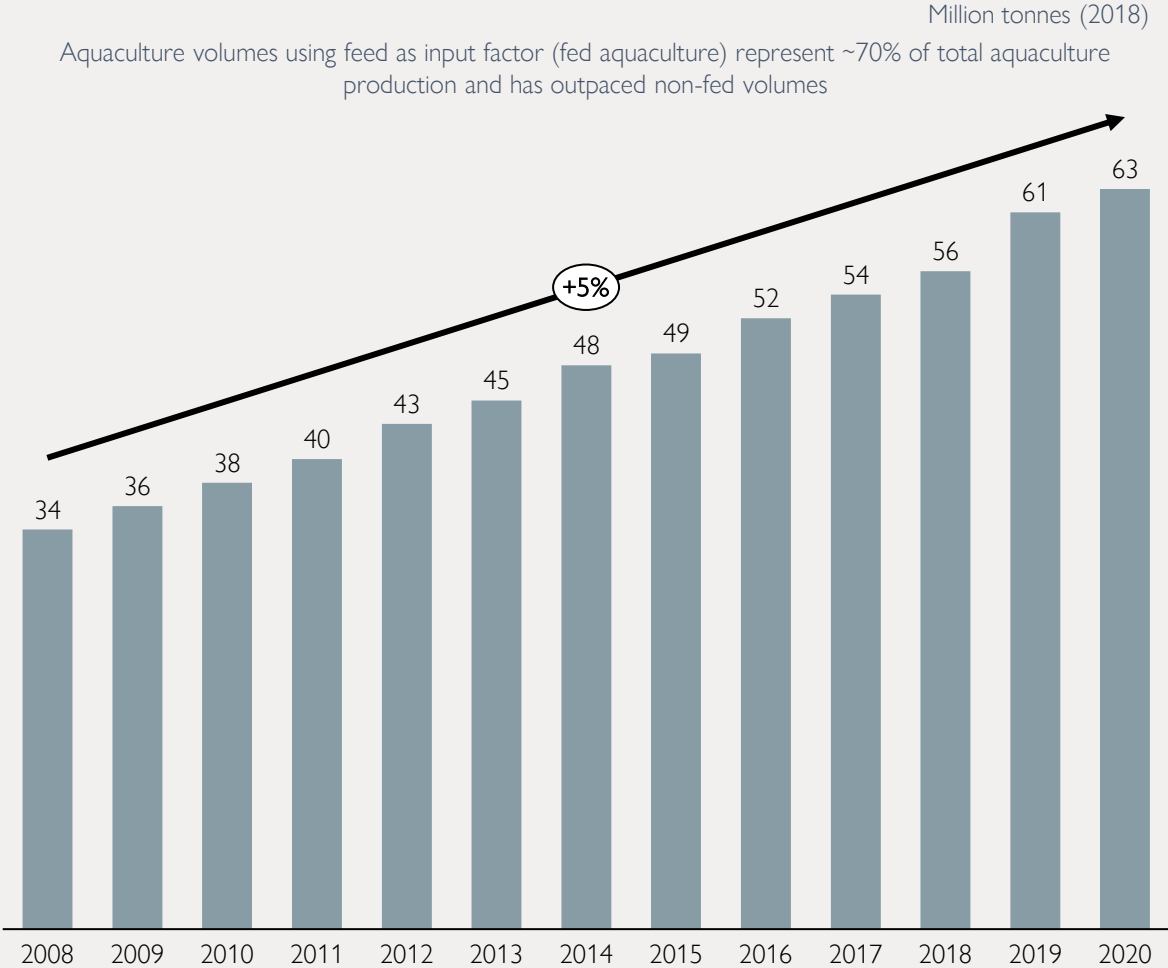


Increasing aquaculture production will fuel feed demand while fishmeal and fish oil supply is scarce

Aquaculture will outgrow wild catch¹



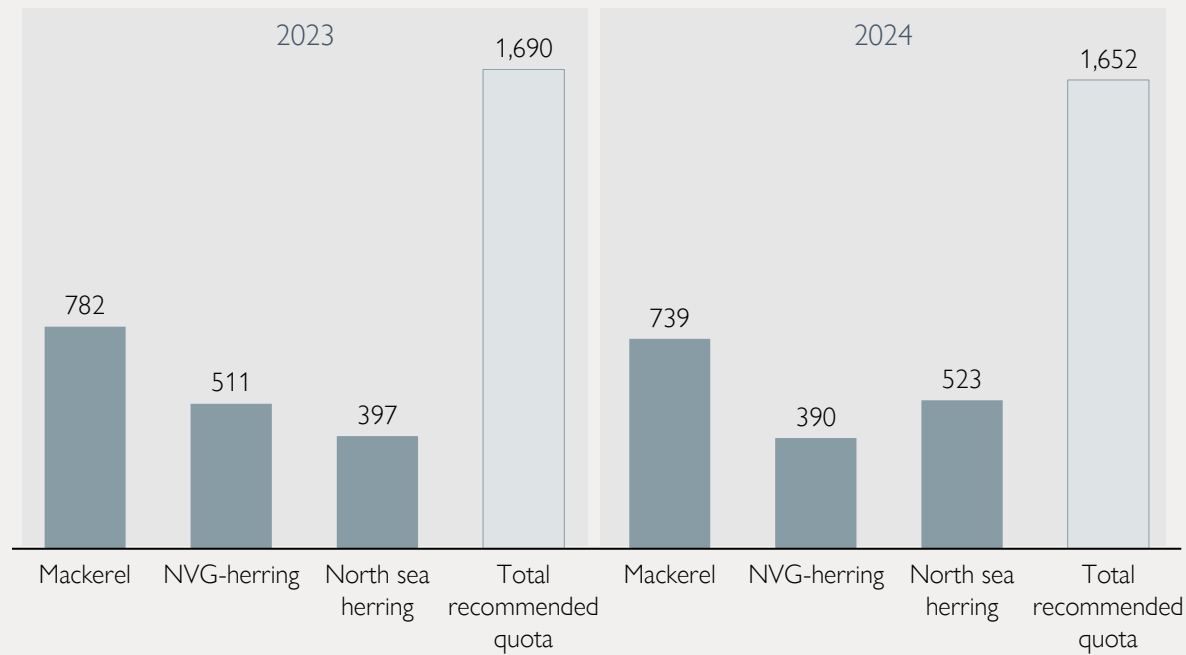
Increasing feed aquaculture production will create demand for feed ingredients



Sources: FAO
 Note: 1) Only includes wild capture volumes for human consumption

2024 herring/mackerel quota and new EU customs agreement

EU recommended quotas for key pelagic species (kTons)



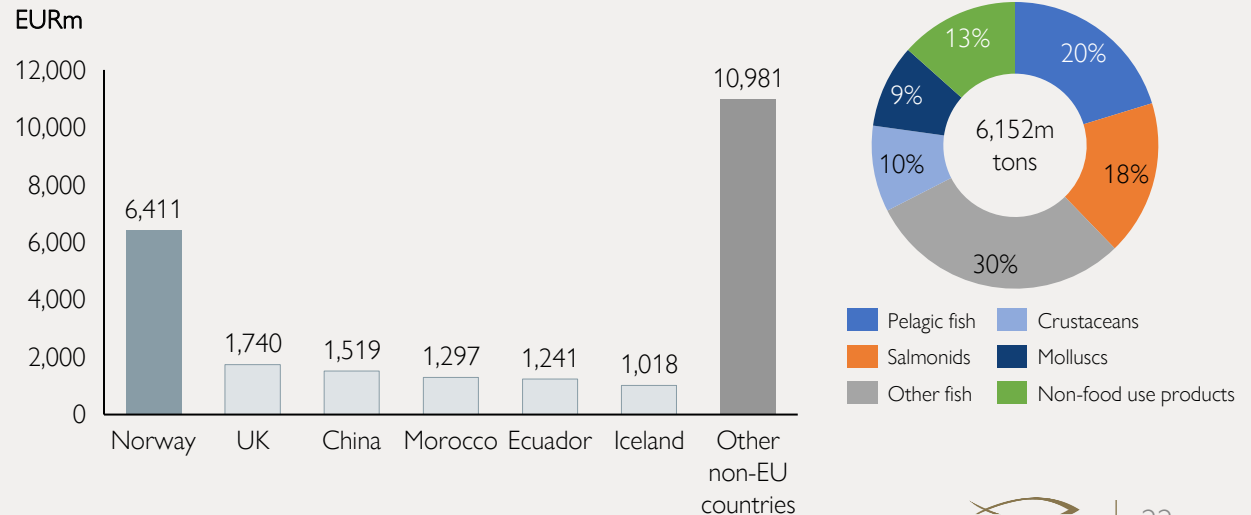
- The recommended quotas for 2024 provide a positive outlook for Grøntvedt's raw material volumes and the company is well-positioned to offset any potential losses on NVG-herring with North Sea herring
- The stability and adequacy of the quotas are crucial for Grøntvedt to ensure sufficient supply of raw materials
- As Norway is the main supplier of fish to the EU and pelagics represent 20% of the imported volume, the robust quotas combined with increased tariff-free quotas poise Grøntvedt for growth in 2024

Source: Institute of Marine Research, the European Commission

Tariff-free quota for marinated herring increased from 11,400 to 28,000 tons a year with new EU customs agreement

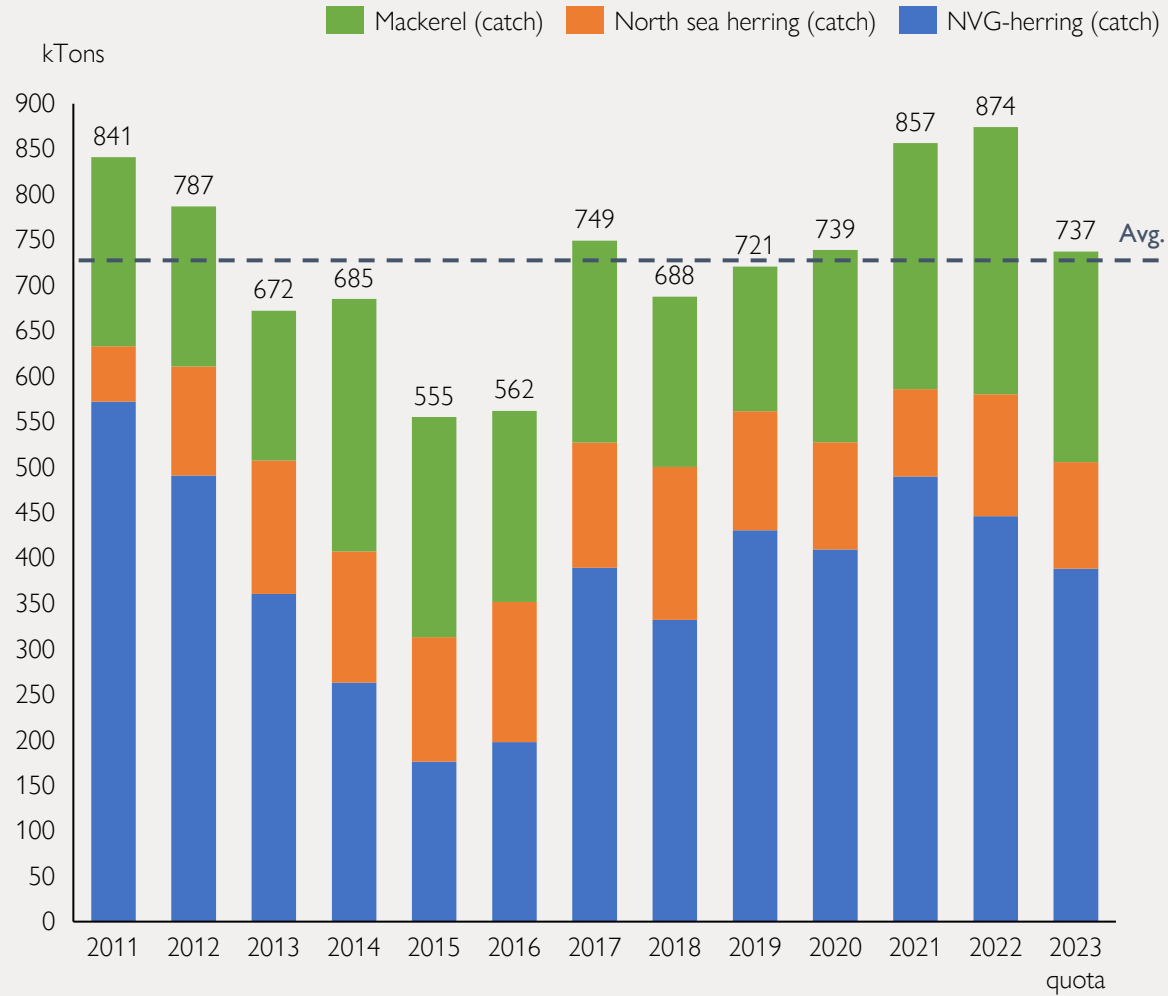
- Norway and EU negotiators have reached an agreement on a new period of EEA funds (EEA Financial Mechanism) for 2021-2028
- In addition, Norway and EU have agreed on a new 7-year deal for the export of Norwegian seafood to the EU, but the timing of implementation is still undecided
- The agreement includes yearly tariff-free quotas for key seafood products, enhancing export opportunities for the fisheries and aquaculture industries
- The tariff-free quota for marinated herring is increased from 11,400 to 28,000 tons a year

Norway is the main supplier of fish and aquaculture products to the EU, with pelagic fish representing the largest volume imported (2020)

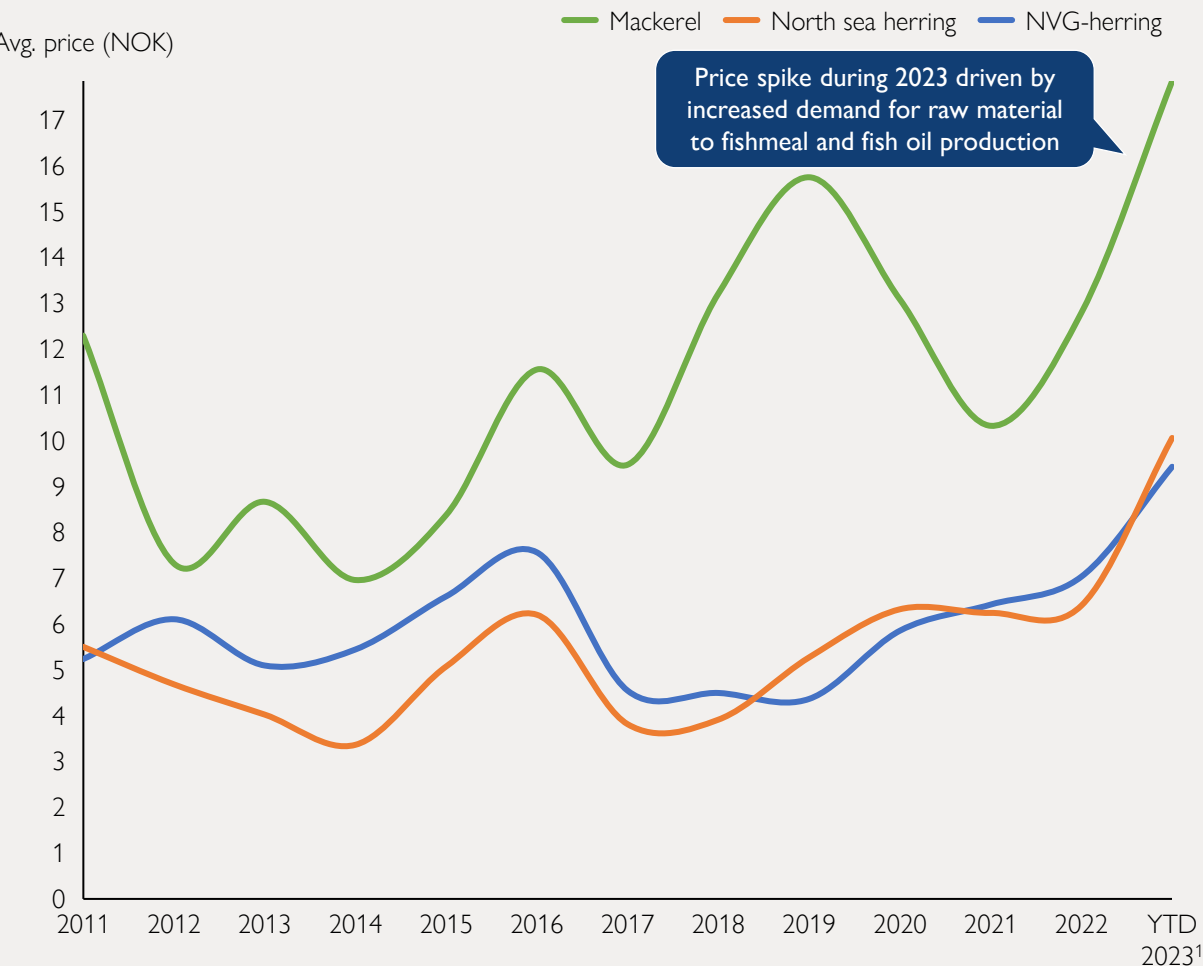


Annual catch volumes fluctuate due to variations in fish population and quota, prices follow a similar pattern

Annual pelagic catch volumes (Norwegian fisheries)



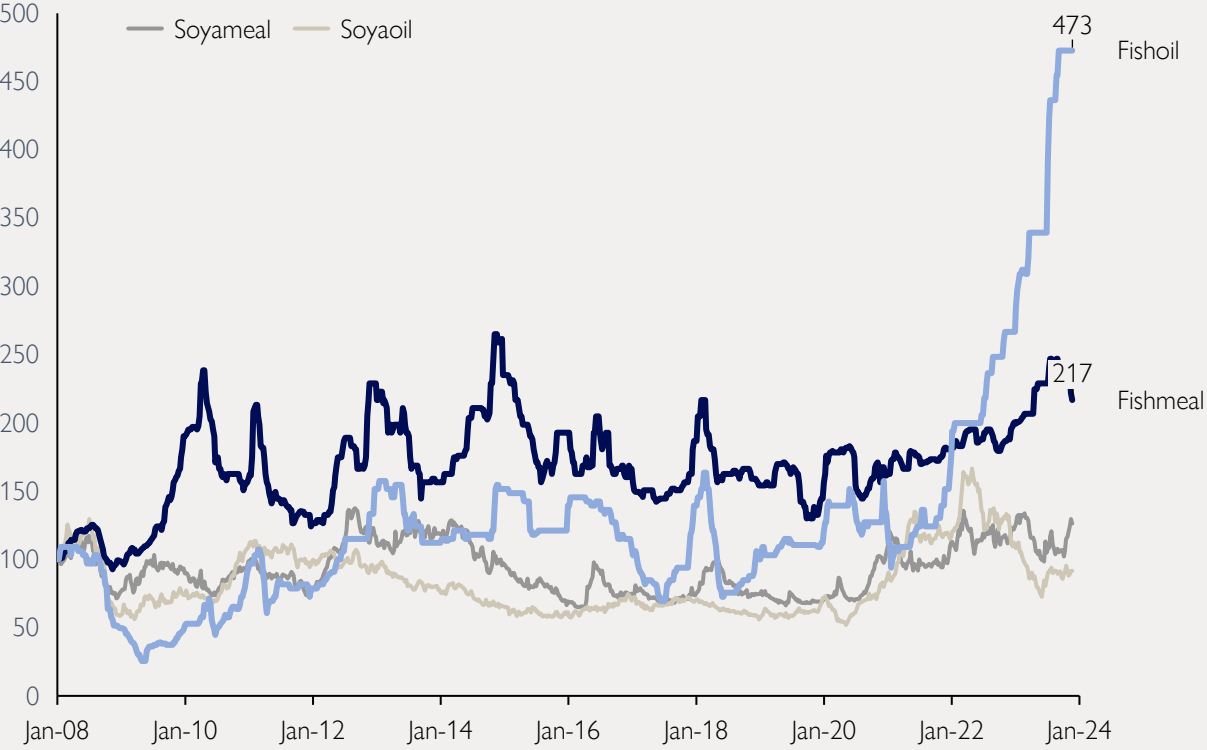
Annual average prices (Norwegian fisheries)



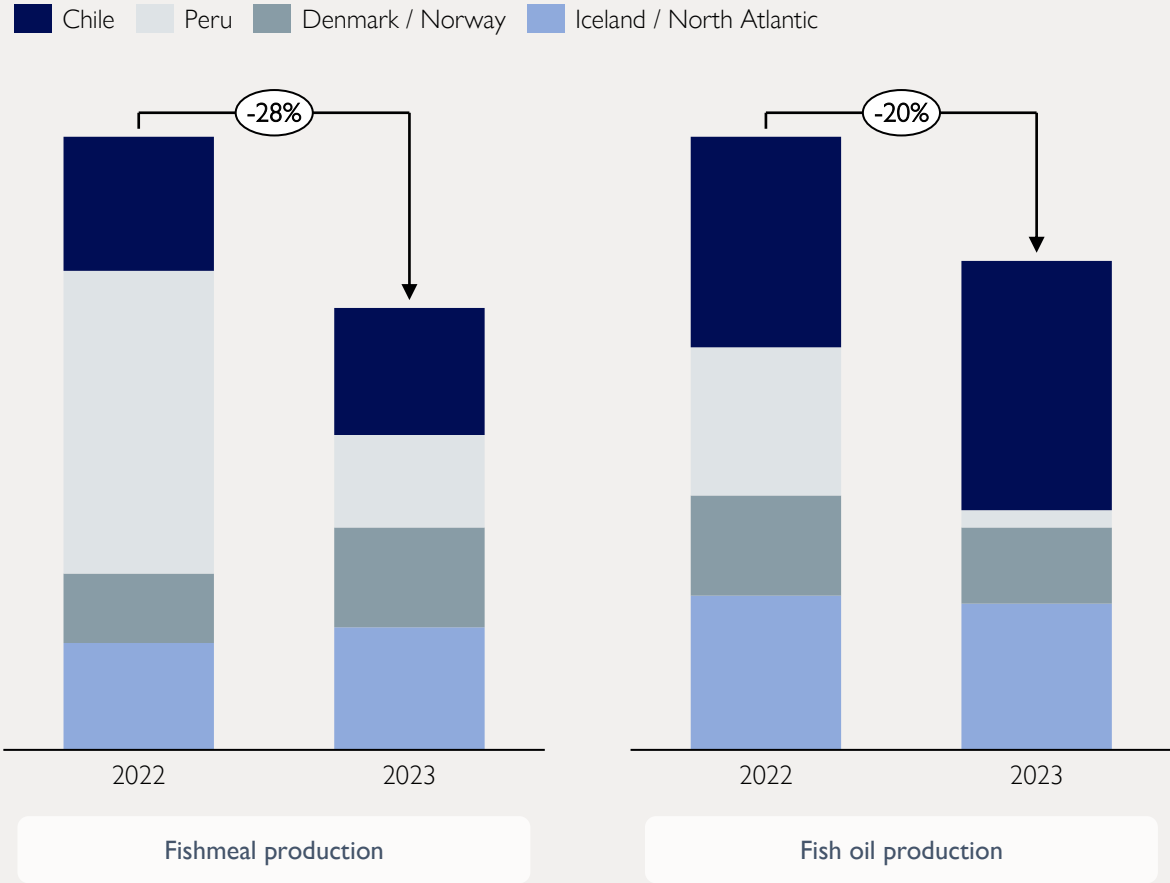
Source: NSS, Norwegian Directorate of Fisheries
 Note: 1) Average prices as of December 5, 2023 (consumption)

Fish oil and fishmeal prices continue to rise from already attractive levels as feed supply declines

Price development for fishmeal and fish oil (2008 = 100)



Fishmeal and fish oil production (YTD¹)



- Fishmeal and fish oil are important feed ingredients for the growing aquaculture industry
- The cancellation of the first anchoveta season in Peru has caused a shortage of fish oil, resulting in a significant spike in price

Sources: Kontali, Austevoll Seafood
 Note: 1) as of week 41



Business overview



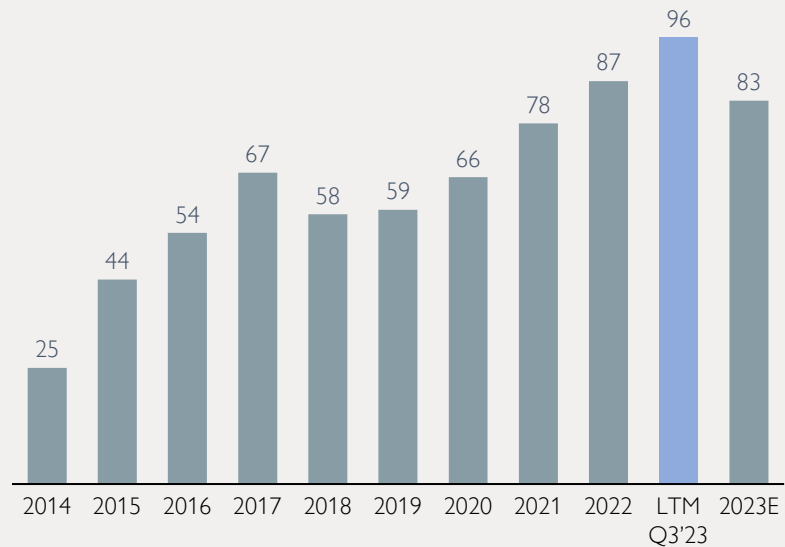
Market update



Financials

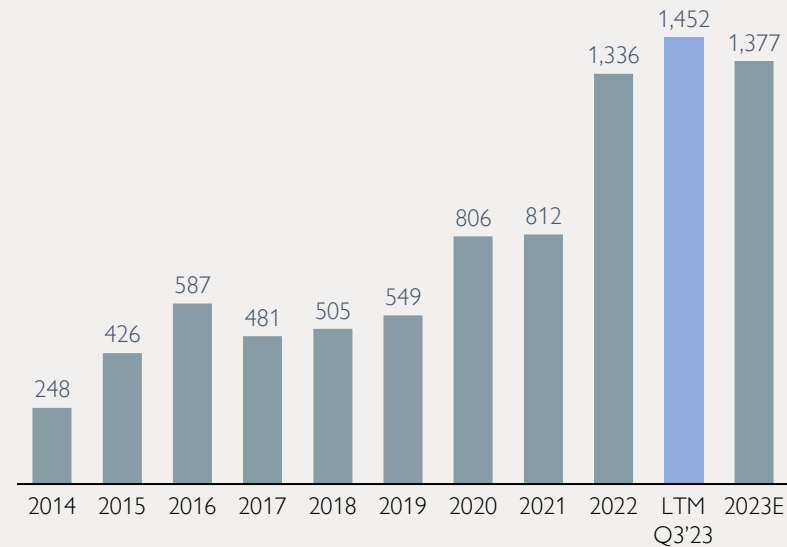
Financial performance

Processed volume (kT)



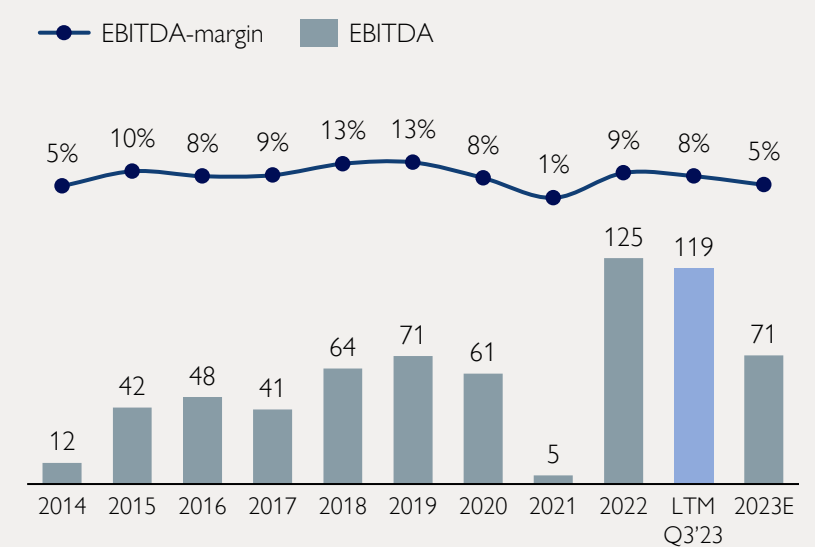
- Steady growth in processed volume over the years
- Reduced volume in Q4 2023E due to abruptions in production related to inter alia technical incidents and ongoing refinancing situation

Revenue (NOKm)



- Significant growth since 2014, with achieved CAGR of 22%
- Increase in revenue from 2021-2022 mainly explained by increased activity in the FEED segment, higher meal and oil prices, and the first full year of Klädesholmen Seafood AB as part of Grøntvedt Group

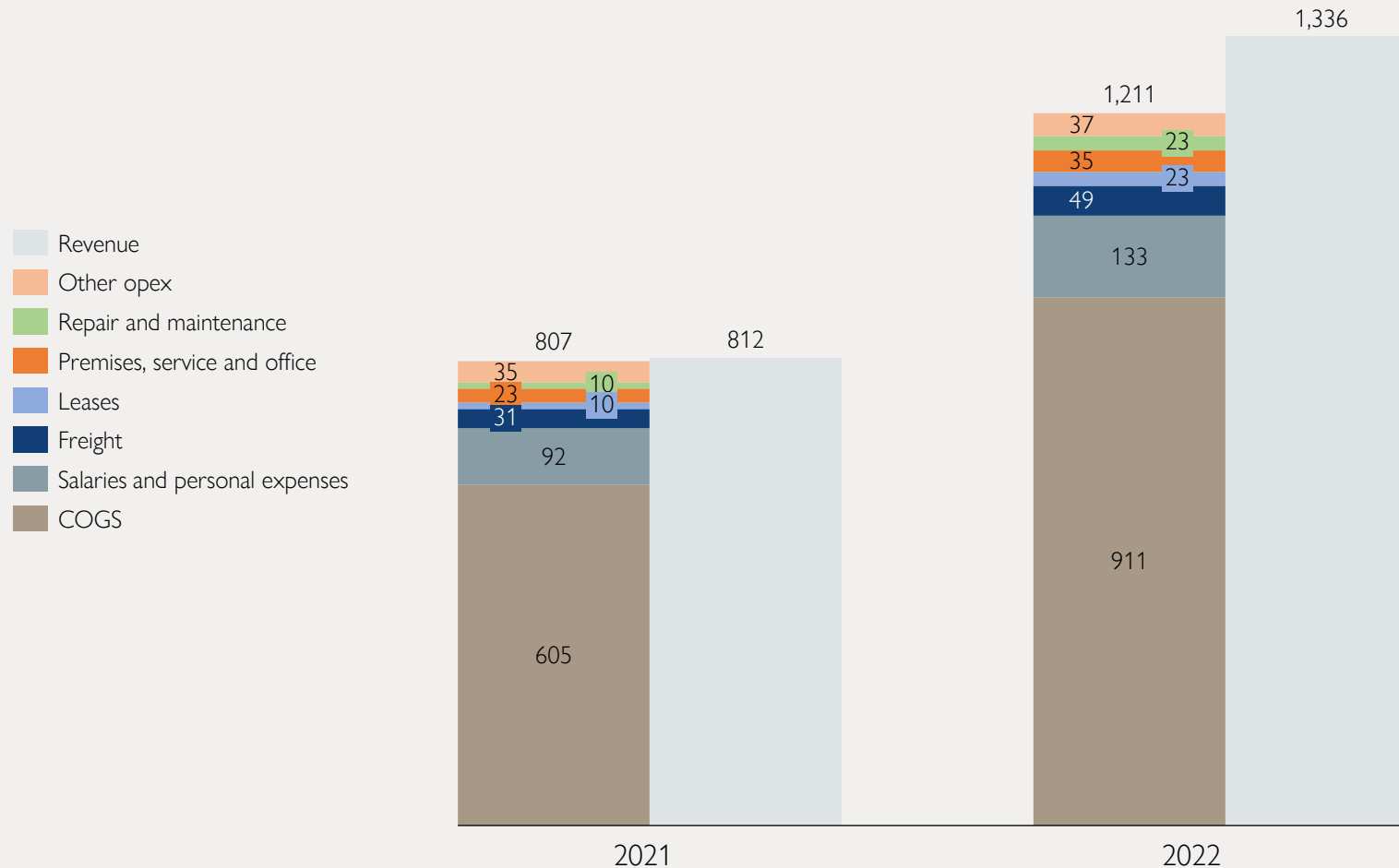
EBITDA and EBITDA-margin (NOKm)



- 2021 impacted by issues related to customs for marinated herring and investments in increased capacity affecting utilization degree
- Strong 2022 largely explained by higher contribution margin from sales of FEED products
- Decrease in 2023E mainly due to higher prices of raw material, technical incidents at Grøntvedt Nutri causing a stop in production, Nutri not being able to reach full capacity, and the group company taking a write-down of roe inventories in the third quarter this year

Overview of operating expenses

Full year operational cost base 2021-2022 (NOKm)¹



Comments

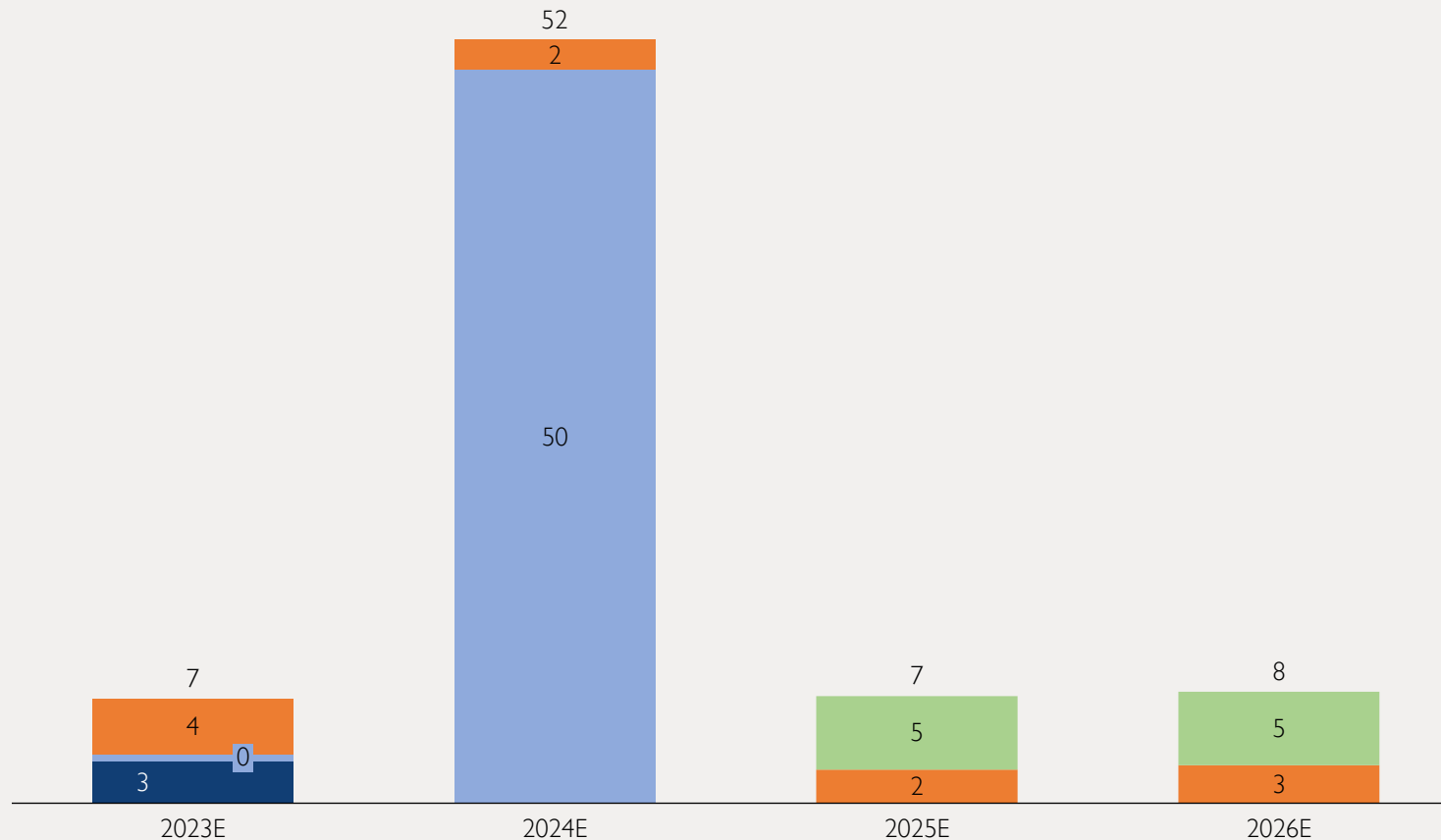
- Gross margin of 32% in 2022 compared to 25% in 2021
- COGS represent 75% of operational costs in both years
 - Highly variable costs and primarily include purchases of pelagic fish
 - Additionally, it includes inter alia packaging and other raw material such as vinegar, sugar and seasoning
- Salaries and personal expenses at 11% and 10% of revenues for 2021 and 2022, respectively
- Maintenance and repair costs expected to increase as ramp-up is completed and the company targets steady-state

Note: 1) Operational cost base excluding D&A

Planned capex investments with primary aim to improve drying capacity at Nutri

Planned capex development per segment (NOKm)

■ Pelagic
 ■ Nutri
 ■ Klädesholmen
 ■ Biotech



Capex description



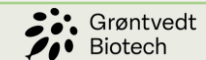
Capex of NOK 3m estimated for 2023



Expected leasing agreement of NOK 50m in 2024 towards new machine to improve drying capacity
Machine expected to be installed by Q2'24 with NOK 12m in yearly lease payments to lessor



Expected yearly capex of NOK 2.0-3.0m



Future capex related to financing of production line, however, capex is uncommitted

Key credit highlights

Leading Norwegian and Swedish producer of pelagic fish products with roots back to 1830



100% fish utilization through fully integrated value chain with flexibility to allocate volume based on offtake market pricing



Strong market position being the largest provider of marinated herring to European market



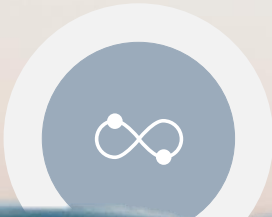
Significant capacity investments undertaken and plan to fully ramp up profitability long term



7th generation family operating the business, supported by leading seafood investor Frøy Kapital



Environmental and health megatrends driving strong seafood demand growth



Leading producer of pelagic raw material with access to – and delivery of – a critical, stable and perpetual source of fish