

Q4 | 2024

Grøntvedt AS | Group Quarterly Report

31 December 2024





Highlights for the fourth quarter 2024

- Raw material volume of 26 811 tons (27 360 tons)
- Revenues of NOK 499.5 million (NOK 423.3 million)
- EBITDA of NOK 6.1 million (NOK -0.9 million)
- The Group was not able to meet the financial covenants under its financing agreements as of 31 December 2024. However, the Group has secured the necessary waivers, which will suspend testing of these financial covenants until 9 May 2025
- The Group is working on raising new capital in the region of NOK 300-500 million to, among other things, reduce the overall debt

Consolidated key figures

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

NOK 1 000	IFRS	IFRS	IFRS	IFRS	IFRS
	Q4-2024	Q4-2023	YTD 31.12.2024	YTD 31.12.2023	Full year 2023
Revenues	499 549	423 265	1 385 397	1 353 072	1 353 072
EBITDA	6 086	-922	-27 441	13 942	13 942
EBITDA margin (%)	1,2 %	-0,2 %	-2,0 %	1,0 %	1,0 %
EBIT	-4 552	-17 304	-83 644	-55 539	-55 539
Profit / loss before tax	-49 113	-55 384	-255 123	-200 113	-200 113
Net working capital	138 282	333 583	138 282	333 583	333 583
Net interest-bearing debt	927 047	1 117 728	927 047	1 117 728	1 117 728
Equity ratio	27,4 %	27,6 %	27,4 %	27,6 %	27,6 %
Raw material FOOD (MT)	26 811	27 360	73 400	82 564	82 564



Profit and loss

Fourth quarter 2024

Volumes: Raw material volumes for the FOOD segment were 26 811 metric tons for the quarter, down from 27 360 metric tons in the corresponding quarter in 2023. This is a decrease in volume of 2 %. The decrease in volume is due to fluctuations in catching volumes and access to raw materials.

Revenues in the fourth quarter amounted to NOK 499.5 million, reflecting an increase of 18 % from NOK 423.3 million in the corresponding period in 2023.

Revenues from the FOOD segment increased from NOK 297.9 million in the fourth quarter of 2023 to NOK 390.8 million in the fourth quarter of 2024, representing a 31% increase. The main reason for this is increased sales volumes.

Revenues in the FEED segment decreased from NOK 125.4 million in the fourth quarter of 2023 to NOK 108.7 million in the fourth quarter of 2024, representing a 13% decrease. Lower oil prices in the fourth quarter contributed to pulling down revenues.

Costs of goods sold amounted to NOK 399.6 million in the fourth quarter compared to NOK 349.5 million in the corresponding quarter last year. The costs of goods sold are expenses related to products produced and sold during the period, and changes in inventory as a result of sales. These costs increased because of higher sales in the period compared to the fourth quarter of 2023.

The absence of a customs agreement for marinated herring exports from Norway to the EU significantly impacted the Company's margins in 2024.

EBITDA for the fourth quarter amounted to NOK 6.1 million, compared to negative NOK 0.9 million in the same period last year. The increase in EBITDA is mainly due to higher sales volumes compared to the fourth quarter of 2023.

EBIT came in at NOK -4.5 million for the fourth quarter, as compared to NOK -17.3 million in the fourth quarter of 2023.

Net financial items amounted to negative NOK 44.6 million for the fourth quarter 2024 compared to negative NOK 38.1 million in the same quarter the previous year.

Interest expenses in the fourth quarter amounted to NOK 39.6 million compared to NOK 39.9 million in the same quarter in the previous year.

Net financial items fluctuate with changes in interest rates as well as the seasonal pattern of the business and corresponding changes in working capital.

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.

Profit before taxes for the fourth quarter ended at a negative NOK 49.1 million, compared to negative NOK 55.4 million in the corresponding quarter last year.

Financial position and liquidity

Consolidated financial position

Total assets increased from NOK 1 849.7 million on 31 December 2023, to NOK 1 851.3 million on 31 December 2024.

Property, plant, right of use assets, and equipment amounted to NOK 644.3 million on 31 December 2024, down from NOK 662.9 million at year-end 2023. Investments in 2024 are mainly related to the capacity investments in Grøntvedt Nutri.

Goodwill and other intangible assets were NOK 599.3 million on 31 December 2024, down from NOK 610.7 million by year-end 2023.

Inventories were NOK 356.5 million on 31 December 2024, down 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.

Trade receivables amounted to NOK 93.2 million on 31 December 2024, an increase from NOK 52.9 million by the end of 2023.

Cash and cash equivalents were NOK 143.1 million on 31 December 2024, compared to NOK 35.1 million by the end of 2023.

Net interest-bearing debt amounted to NOK 927.0 million on 31 December 2024, compared to NOK 1.159.7 million at year-end 2023. This includes lease obligations of NOK 43.6 million by 31 December 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 335.6 million on 31 December 2024, as compared to NOK 333.4 million by year end 2023. The bond loan amounted to NOK 490.9 million by 31 December compared to NOK 589.3 million by year-end 2023.

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 138.3 million on 31 December 2024, compared to NOK 333.6 million by the end of 2023.

Consolidated cash flow from operating activities amounted to positive NOK 65.8 million for the fourth quarter.

Net cash flow from investing activities amounted to negative NOK 0.0 million in the fourth quarter.

Cash flow from financing activities for the fourth quarter was positive NOK 14.2 million.

Payment of interest for the period had a negative cash effect of NOK 28.2 million, whereas payment of principal on lease liabilities amounted to NOK 7.6 million.



Important events in the fourth quarter 2024

Access to raw material has been challenging also this quarter, and production has therefore been lower compared to plans for the fourth quarter. Raw material prices have remained high, driven by the size of fishery quotas.

In the fourth quarter of 2024 we saw a lower oil price. This was expected as a consequence of the second catching season for anchoveta.

In the fourth quarter we finalized a merger between Grøntvedt Nutri AS and Grøntvedt Pelagic AS with effect from January 2024. The purpose is to be a more streamlined and efficient organization.

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 effective for the period 2025 to 2030 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 decrease moderately in 2025.

The Group was not able to meet the financial covenant requirements under its bond loan and RCF and guarantee facilities as of 31 December 2024. The applicable remedy periods for the financial covenants were set to expire on 28 March 2025. Additionally, the RCF and guarantee facilities were set to expire on 31 March 2025. On 28 March 2025, the Group successfully obtained the relevant waivers and extensions which suspends the financial covenant testing, and extend the relevant maturity dates, to 9 May 2025. The waiver and extension period will be used by the Group to raise the necessary capital to strengthen its liquidity position and reduce its overall debt. Grøntvedt expects to raise between NOK 300 and NOK 500 million. Failure to raise new capital and/or failure to meet or further extend the financial covenants and/or relevant maturity dates could impact the Group's operations and trigger an enforcement event under the Group's financing arrangements.

A due diligence process has been initiated with a prospective third-party investor regarding the shares of Grøntvedt Swedish subsidiary, Klädesholmen Seafood AB. This investment is anticipated to have a positive effect on the Group's working capital and liquidity.



Uthaug, Norway,

28 March 2025

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	Q4-2024	Q4-2023	YTD 31.12.2024	2023
NOK 1 000		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>Audited</i>
Revenues	2	499 549	423 265	1 385 397	1 353 072
Total revenues		499 549	423 265	1 385 397	1 353 072
Cost of goods sold	2,5	-399 591	-349 538	-1 114 002	-1 042 311
Salaries and personnel expenses		-45 995	-43 593	-145 583	-143 157
Depreciation		-10 639	-16 382	-56 204	-69 481
Other operating expenses		-47 877	-31 056	-153 253	-153 661
Operating profit (EBIT)		-4 552	-17 304	-83 644	-55 539
EBITDA		6 086	-922	-27 441	13 942
Finance income		4 361	-3 818	9 417	1 181
Finance expense		-48 922	-34 261	-180 896	-145 755
Net finance	6	-44 561	-38 080	-171 479	-144 574
Profit before taxes		-49 113	-55 384	-255 123	-200 113
Income tax expense		0	-52 038	0	-21 657
Net profit		-49 113	-107 422	-255 123	-221 770
Other Comprehensive Income:					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		4 239	-3 810	3 196	-8 055
Tax on comprehensive income		0	0	0	0
Other comprehensive income for the period, net of tax		4 239	-17 041	3 196	-8 055
Total comprehensive income for the period		-44 874	-111 232	-251 927	-229 824
Profit/ loss attributable to:		0	0		
Shareholders of the parent company		-44 874	-111 232	-251 927	-229 824
Total		-44 874	-111 232	-251 927	-229 824



Consolidated statement of financial position

	Note	31.12.2024 <i>unaudited</i>	31.12.2023 <i>Audited</i>
NOK 1 000			
ASSETS			
Non-current assets			
Goodwill	3	586 000	586 000
Other intangible assets	3	13 306	24 741
Property, plant and equipment		563 349	550 265
Right - of - use assets		80 923	112 661
Investments in shares		13	17 754
Other receivables		3 017	2 475
Total non-current assets		1 246 608	1 293 896
Current assets			
Inventory	4	356 546	450 403
Trade receivables		93 223	52 887
Other short-term receivables		11 849	16 575
Derivatives		0	765
Cash and cash equivalents		143 075	35 144
Total current assets		604 693	555 774
Total assets		1 851 301	1 849 672

Consolidated statement of financial position

	Note	31.12.2024 <i>unaudited</i>	31.12.2023 <i>Audited</i>
NOK 1 000			
Equity			
Share capital		98	76
Share premium		1 368 797	1 168 800
Other equity/Loss carried forward		-861 052	-659 124
Total equity		507 843	509 752
LIABILITIES			
Non-current liabilities			
Long term leasing liabilities		21 400	53 528
Other non-current liabilities		299 178	297 621
Total non-current liabilities		320 578	351 149
Current liabilities			
Borrowings	6	640 962	739 308
Trade and other payables		229 873	122 819
Lease liabilities		22 187	26 582
Sale-leaseback liabilities		36 395	35 833
Other current liabilities		93 463	64 228
Total current liabilities		1 022 880	988 770
Total liabilities		1 343 458	1 339 919
Total equity and liabilities		1 851 301	1 849 672



Consolidated Statement of Changes in Equity

NOK 1 000	Share capital	Share premium	Retained earnings	Translation reserve	Total equity
Total equity at 31.12.2023	76	1 168 800	-641 112	-18 012	509 752
Share issue	22	199 997			200 019
Convertible loan classified as equity			50 000		50 000
Other adjustments previous years (Tax)					0
Profit /(loss) for the period			-255 123		-255 123
Foreign currency translation differences				3 196	3 196
Total equity at 31.12.2024	98	1 368 797	-846 235	-14 816	507 843

Consolidated statements of cash flows

NOK 1 000	IFRS	IFRS	IFRS
	Q4-2024	YTD 2024	2023
	Unaudited	Unaudited	Audited
Cash flows from operating activities			-
Earnings before tax	-49 114	-255 123	-200 113
Adjustments to reconcile profit before tax to net cash flows:			
Taxes paid	0	0	0
Depreciation of assets	10 639	56 204	69 480
Net finance	55 890	182 808	141 591
Net foreign exchange differences	-5 769	-6 811	268
Value adjustment of shares	0	-4 519	3 480
Value adjustment of derivatives	0	0	-765
Gains/losses on sales of non-current assets	0	0	-567
Change in working capital:			
- change in inventory	31 216	93 857	30 339
- change in trade and other receivables	-37 004	-35 610	118 811
- change in trade and other payables, excl. corporate tax	59 970	50 029	17 582
Net cash flow from operating activities	65 828	80 834	180 106
Cash flows from investment activities			
Interest received	0	0	98
Purchase of property, plant, and equipment	0	-37 428	-35 476
Sale of tangible assets	0	20 854	17 904
Net cash flow from investment activities	0	-16 574	-17 475
Cash flows from financing activities			0
Payment of interest	-28 185	-113 712	-142 007
Call premium prior bond and fees new bond	0	-24 917	0
Proceeds from long-term borrowings	0	500 000	0
Proceeds from short-term borrowings	50 000	100 000	0
Payment of short-term borrowing	0	-50 000	0
Payment of principal portion of lease liabilities	-7 596	-24 530	-34 171
Payment of principal portion of other-long term liabilities	0	-600 000	0
Proceeds from issuance of shares	0	250 019	0
Net cash flow from financing activities	14 219	36 860	-176 178
Net cash flow for the period, before foreign exchange difference	80 047	101 120	-13 547
Net foreign exchange difference	5 769	6 811	268
Net cash flow for the period	85 816	107 931	-13 279
Cash and cash equivalents at beginning of period	57 259	35 144	48 422
Cash and cash equivalents at end of period	143 075	143 075	35 143



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 of the North Atlantic. The main office is located in Uthaug, Ørland municipality, Norway.

The quarterly report was approved by the Board of Directors on 28 March 2025. 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 assumption of going concern. The Group has secured the necessary waivers and extensions under its secured financing agreements to continue uninterrupted operations aimed at raising new capital to strengthen its liquidity situation and reduce its overall debt. The liquidity position is expected to remain constraint until new capital is raised.

The agreement between Norway and the EU on the main terms for customs regulation regarding the sale of marinated herring products from Norway to countries within the EU, is now finally in place from 1 January 2025. The lack of this agreement has affected the Group's liquidity and profit in 2024. Shareholders can provide support to address liquidity needs through guarantees for trade obligations and short-term loans. This offers flexibility, enabling the business to operate effectively during peak seasons.

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 2024

NOK thousand	FOOD	FEED	Q4 Total
Revenues	390 810	108 740	499 549
Cost of goods sold	-302 838	-96 753	-399 591
Contribution margin	87 972	11 987	99 959
Operational cost excl. Depreciation	-90 812	-3 061	-93 872
EBITDA	-2 840	8 926	6 086

FOURTH QUARTER 2023

NOK thousand	FOOD	FEED	Q4 Total
Revenues	297 874	125 391	423 265
Cost of goods sold	-249 002	-100 536	-349 538
Contribution margin	48 872	24 855	73 727
Operational cost excl. Depreciation	-69 174	-5 475	-74 649
EBITDA	-20 302	19 380	-922

YEAR TO DATE 2024

NOK thousand	FOOD	FEED	YTD Total
Revenues	1 027 272	358 125	1 385 397
Cost of goods sold	-822 342	-291 660	-1 114 002
Contribution margin	204 931	66 465	271 395
Operational cost excl. Depreciation	-276 099	-22 736	-298 836
EBITDA	-71 169	43 728	-27 441
Gross margin	20 %	19 %	20 %
EBITDA margin	-7 %	12 %	-2 %

YEAR TO DATE 2023

NOK thousand	FOOD	FEED	YTD Total
Revenues	962 840	390 232	1 353 072
Cost of goods sold	-758 985	-283 326	-1 042 311
Contribution margin	203 856	106 906	310 761
Operational cost excl. Depreciation	-276 600	-20 219	-296 819
EBITDA	-72 744	86 687	13 942
Gross margin	21 %	27 %	23 %
EBITDA margin	-8 %	22 %	1 %

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. From November Nutri is a part of Grøntvedt Pelagic AS. The cash generating unit for other intangible assets (brand) was Klädesholmen Seafood AB.



NOK thousand	31.12.2024	31.12.2023
Goodwill book value	586 000	586 000
Other intangible assets	13 306	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	31.12.2024	31.12.2023
FOOD	355 328	438 055
FEED	1 218	12 289
Total book value	356 546	450 344

Note 5 | Transactions with related parties

Transactions with related parties take place in 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	31.12.2024	31.12.2023
Bond Loan (book value)	490 962	589 308
Revolving credit facility	150 000	150 000
Bond Loan (book value)	640 962	739 308

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.

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 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.

Grøntvedt was not able to meet these financial covenants as of 31 December 2024. The testing dates have however been extended to 9 May 2025. Please see sections "Risk factors and outlook" and Note 1 for further details.

Public listing

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

Revolving credit facility

The company's Revolving credit facility at Handelsbanken was reduced by NOK 50 million to NOK 100 million in mid-February.

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.

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

The pelagic industry is a capital demanding industry 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 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.

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.