



**CREDO**

PARTNERS

Scaling up Businesses

# Portfolio Report 2020





*2020 proved just how  
fast businesses can  
implement change with  
the right ambitions,  
governance and tools.*



# About this Report

We are excited to share Credo's second annual portfolio report. Our intention with this report is to share the results of our quest to transform successful founder-led companies to scalable and sustainable businesses. This report takes a look at the overall results across the entire portfolio, explains our underlying investment philosophy, and gives our perspectives on the outlook for each company.

The data in the report have been compiled from the quarterly investor reportings, enriched with a more comprehensive narrative of last year's developments. Credo's sustainability reporting is also integrated into this document. For us, sustainability is at the core of what we do, and not a separate report. This document will describe Credo's sustainability strategy, processes and tools, as well as our structured set of operational KPIs with sustainability KPIs as an integral part.



*" This report takes a look at the overall results across the entire portfolio, explains our underlying investment philosophy, and gives our perspectives on the outlook for each company "*

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# Key developments 2020

- 2020 was a year of record growth and value creation in Credo's portfolio
- Sharp increase in growth and margins in several companies follow years of investments in scalable business systems, e.g. digitized services in Frisk Gruppen, managed services in SYSCO and a Scandinavian organization and supply chain set-up in Geia Food
- Overall, our portfolio proved high Covid robustness, with Made for Movement and Villa Paradiso as the two negative exceptions
- 14 add-on acquisitions completed, adding over 1 billion NOK in revenues to the portfolio
- Professionalization of Credo's external communication with a new web site, new portfolio report and more proprietary content
- The Credo team continues to growth with Stian Glendrange promoted to partner, and Ragnhild Stører and Mathias Wille hired as new associates

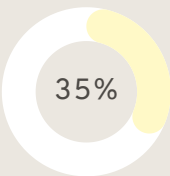
## KEY ESG KPIS FOR CREDO PARTNERS ACROSS THE PORTFOLIO

CARBON EFFICIENCY  
AVERAGE EMISSIONS/  
REVENUE 2020

0.6

TON CO2 EQUIVALENTS  
PER MNOK REVENUE

GENDER BALANCE\*  
% FEMALE EMPLOYEES



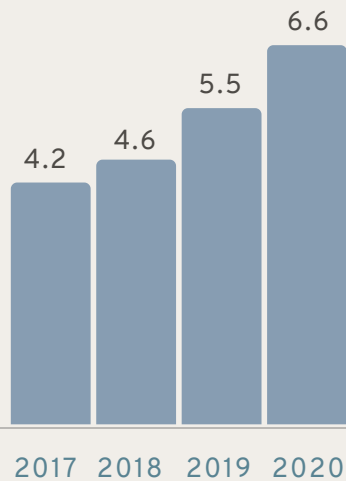
## SUSTAINABILITY FRAMEWORK ALIGNMENT

Signatory of:



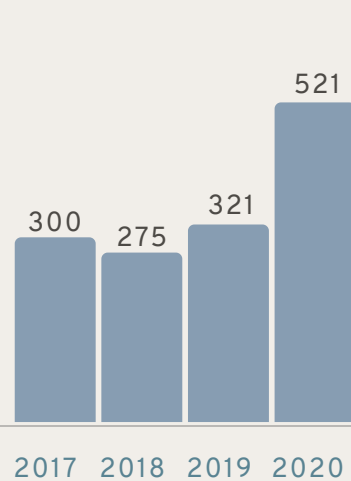
## PORTFOLIO REVENUE\*

IN BNOK



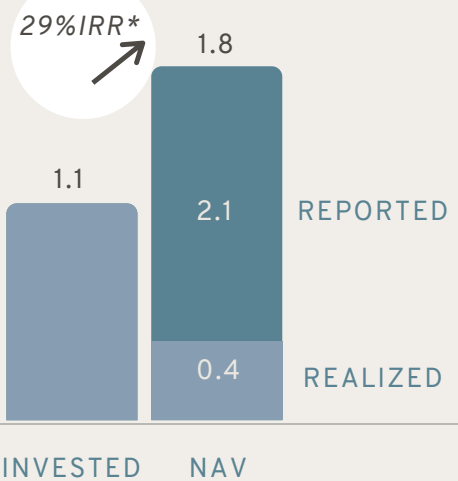
## PORTFOLIO EBITDA\*

IN MNOK



## PORTFOLIO INVESTED AND NAV SINCE 2012

IN BNOK



## CURRENT PORTFOLIO STATISTICS

10 COMPANIES      1900 EMPLOYEES      273 NET NEW JOBS

## GROSS PORTFOLIO IRR

30% EXITS      72% 2020      14% 2019

\*Historic figures include all current portfolio companies

\*Gross IRR



# Letter from the Managing Partner

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Credo's mission is to scale up businesses by sharpening strategic focus, adjusting business models and building management competencies. Skills and diligence in these areas create robustness to external shocks; and just as importantly: the ability to capture the really big growth opportunities. 2020 offered extreme market volatility, and we were happy to witness that our portfolio handled these unprecedented shifts in customer volumes well, protecting employees and underlying businesses, while winning new growth opportunities. Credo's value creation model is now truly battle-tested! The following topics gave 2020 its particular flavor:

## ADD-ONS

We conducted 14 add-on acquisitions in 2020. This represented in total NOK 1.2 billion in added revenues, and NOK 124 million in added EBITDA to our portfolio companies. In total, these acquisitions were conducted at a total Enterprise Value (EV) of NOK 426 million; at a weighted EV/EBITDA multiple of 4.1x. In comparison, end of year valuation of Credo's portfolio companies represents a weighted EV/EBITDA multiple of over twice this. Thus, these add-on acquisitions have created significant value to Credo's investors in 2020.

## SUSTAINABLE EQUITY

In the past year, we have developed a structured approach to integrating sustainability into our investment processes. Credo and the portfolio companies have integrated tangible and company-specific sustainability goals into their core strategies, as well as enhanced the data quality and transparency in our ESG programs. For instance, the portfolio companies have undergone a screening of economic activities based on the preliminary EU Taxonomy, and tracked greenhouse gas emissions using Normative's methodology. The companies have also become part of the S&P 500 Index, driving Credo's diversity agenda.

## COVID-19

Covid-19 continues to dominate markets. Credo's portfolio has proven quite robust, with only two of ten companies taking a hit on performance, while the other eight continue to outperform, with strong revenue growth. Villa Paradiso suffered the most, but the company is also using the down time to improve its internal organization and operational standards. In addition, the company has accelerated its cooperation with the online retailer Oda, becoming Oda's best-selling pizza in just a few weeks measured in revenues. Virus-related volatility and uncertainty will remain for quite some time, but the examples above show that this will represent opportunities, not just risks.

## TELLUS

Entering into 2021, Credo signed its next investment in the buy-and-build project Tellus. With Tellus, we are creating the #1 retailer/distributor of recreational vehicles in the Norwegian market. The starting platform constitute 1.6 billion NOK in revenues, in a market that has proven resilient through cycles and with clear underlying growth drivers. And as always, the group has clear potential for transforming a successful starting point into a true institution and scalable growth platform – Credo's sweet spot.

## POSITIVE OUTLOOK

Going forward, we will continue to refine our existing investment focus, i.e. partnering with owners of successful, but not fully institutionalized mid-sized businesses, focusing on the sectors we know: business services, industrials, consumer and health, and applying the battle-tested Credo framework. To strengthen our capital base, we will also be launching Credo's first committed fund structure, Credo II. This is good news for our ability to execute on the attractive deal flow we see. We will continue to include local investors in every deal, but on a somewhat more selective basis. 2020 proved the robustness of Credo's investment philosophy. Now we are accelerating.

Best regards,



**GUDMUND KILLI**

MANAGING PARTNER, CREDO PARTNERS



05



# Our Approach to Value Creation



## CREDO'S INVESTMENT PHILOSOPHY: SCALING UP BUSINESSES

At Credo we partner with investors and founders to transform mid-sized companies into scalable and sustainable business systems. The core of what we do is captured in our tagline *scaling up businesses*. This investment focus is distinct in terms of business maturity and partnership model, as well as the potential for high financial returns.

## UNPOLISHED GEMS

We focus exclusively on scaling up established, mid-sized companies. This is an attractive segment, because Scandinavia has many founder- and family-led companies with high potential for value creation, but few investors who commit to contributing before professionalization has already taken place.

## REAL PARTNERSHIPS

Founders and management are always large and active shareholders together with Credo as the lead investor. Close association with each individual investment for each individual owner increases commitment, alignment and the willingness to contribute to everyone's value creation.

## HIGH RETURNS

Both investors and entrepreneurs can create substantial value in our segment; professionalizing the business increases robustness and creates scalability, thereby increasing valuation multiples. Profitable growth combined with increased multiples yield high returns.

## REAL IMPACT

Our businesses are not perfect at the time of investment, and that is OK. Together we focus on creating real positive impact on the global sustainability challenges, not just allocating capital to already perfectly green businesses. As an active owner of smaller, agile and inspiring companies, we have an extraordinary opportunity for creating positive change.

## ESTABLISHED METHODOLOGY










Credo has a simple basic approach: we set high ambitions that force our businesses out of the small-cap zone. Then we build the foundation for scale and impact: (i) A focused strategy, (ii) a scalable business model, (iii) an organization for tomorrow, and (iv) effective governance. Simple, tried and tested – in the hands of an experienced team.

Attractive Segments	Tailored Model	Fulfilling Results
Many opportunities	Real partnerships	Positive impact
Few players	Established methodology	High returns





# Portfolio Overview

## CURRENT PORTFOLIO:

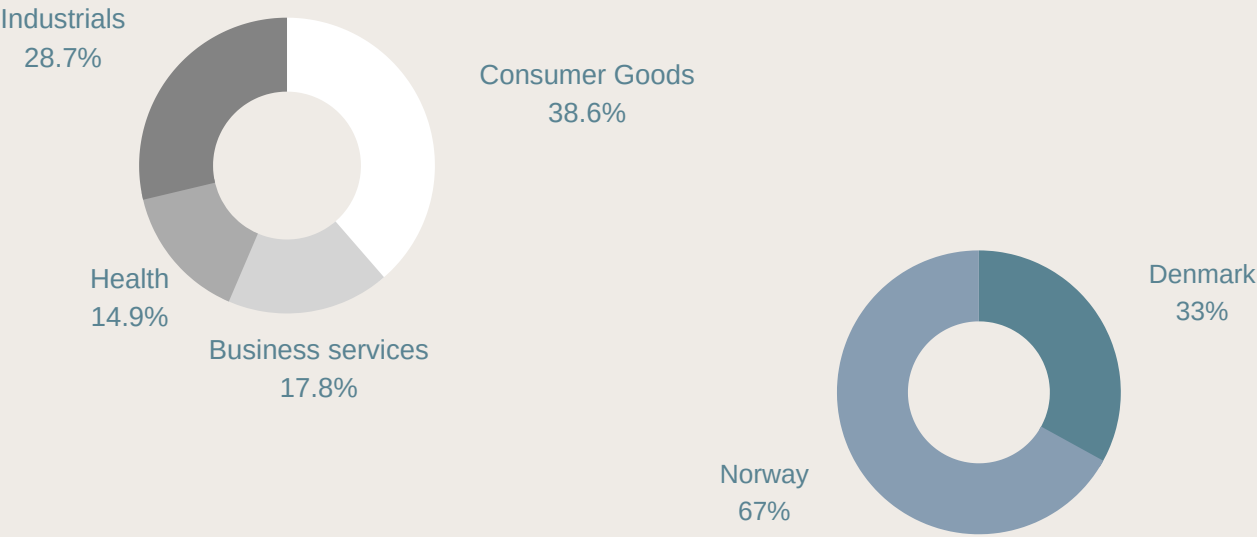
Portfolio Company	Investment year	EBITDA 2020 (MNOK)	2020 sales (MNOK)	Employees (Number)	Category	Country	Description
 MMC First Process	2019	44	536	168	Industrials	Norway	Solutions and equipment for handling of live fish
 mill	2019	9	126	15	Consumer	Norway	Electrical heating
 Elscoop	2019	81	777	530	Business services	Norway	Electrical installation group
 FRISK UTVIKLING	2018	77	547	500	Health	Norway	Work and health related services
◇ VILLA PARADISO ◇	2017	-4	179	216	Consumer	Norway	Italian restaurant chain and wholesaler of Italian food
 Geia Food <sup>1)</sup>	2017	138	2784	109	Consumer	Denmark	Food concept provider to Nordic grocery retail
 Globus Wine	2016	58	779	93	Consumer	Denmark	Partner for Danish/Nordic retail in the wine category
 Sysco	2016	74	490	233	Business services	Norway	IT services, with particular focus on energy utilities
 Made for Movement	2014	23	126	76	Health	Norway	Helping aids for severely disabled children
 Varier	2018	13	138	30	Consumer	Norway	Ergonomic design

1) Geia Food was exited in June 2021

## EXITS:

Portfolio Company	Investment year	EBITDA at exit (MNOK)	Sales at exit (MNOK)	Employees (# at exit)	Category	Country	Description
 Optimar	2012	142	1072	344	Fishery/ Aquaculture	Norway	Fish processing equipment
 Labflex	2015	-24	417	108	Construction	Denmark	Labratory furnishing

## BREAKDOWN OF INVESTED CAPITAL IN CURRENT PORTFOLIO



- Sector exposure designed for downside protection across portfolio, and proven through COVID-19
- Downside protection at portfolio level combined with high return potential for each investment case is highly attractive
- Denmark and Norway are similar markets in the small cap space, with many opportunities and relatively few qualified players

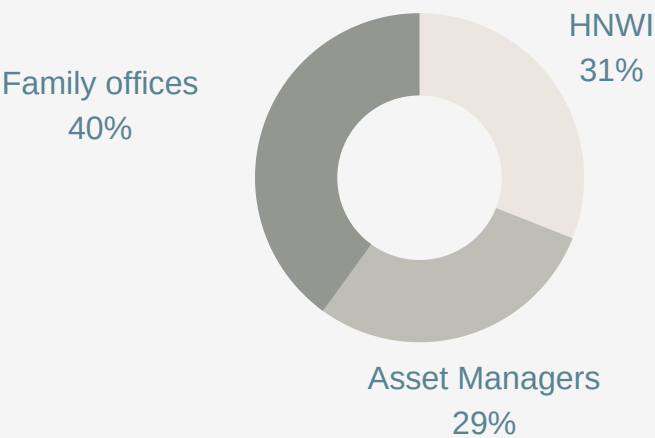




# Investor Overview

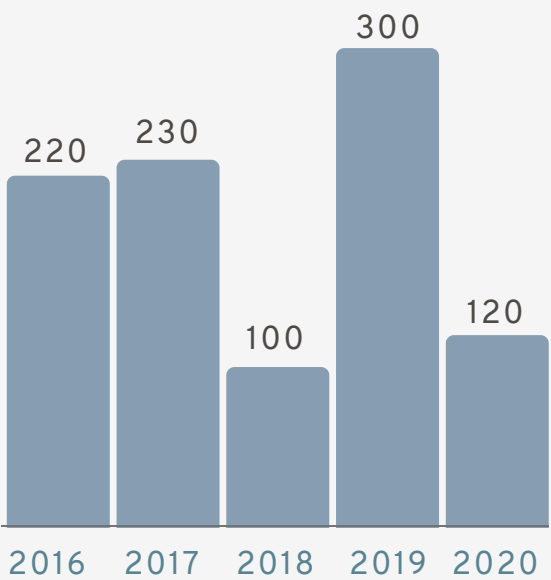
## SOURCES OF CAPITAL\*

\*Sum of capital invested since 2014



## COMMITTED CAPITAL PER YEAR

IN MNOK



Credo's investment model is well established with over 1 billion NOK invested. We have a unique and value driving combination of (i) the Credo team's own funds, (ii) access to solid sources of capital through family offices and asset managers, and (iii) over 100 individual investors (HNWI). Our individual investors invest with us case by case, each with their individual industrial and geographical networks that help drive our pipeline of investments, as well as help us make sound investment decisions.

To further increase our investment capacity, Credo has set up its first committed fund structure, Credo II, which going forward will represent the majority of Credo's capital and will invest side by side with our direct investors. This will significantly strengthen Credo's investment capacity.

200 MILLION NOK  
AVERAGE EQUITY INVESTED  
PER YEAR LAST THREE YEARS

100 INVESTING  
INDUSTRIAL  
ADVISORS

1 BILLION NOK  
INVESTED CAPITAL



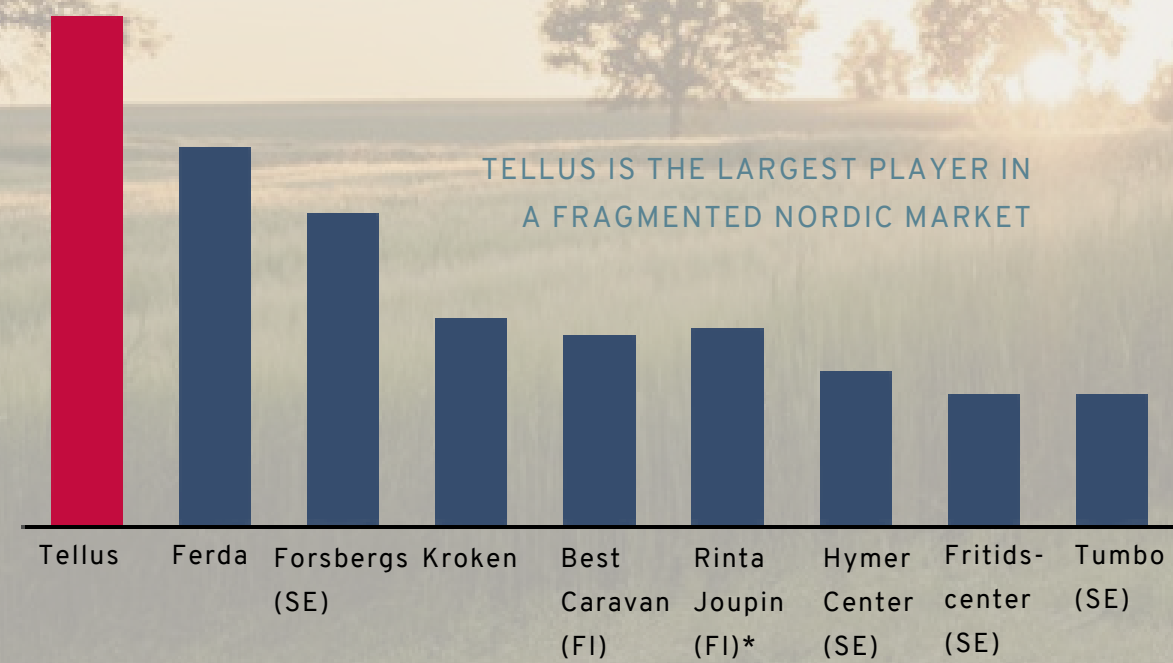


# NEW PORTFOLIO COMPANY

## LARGEST RECREATIONAL VEHICLE AND CARAVAN DEALER IN THE NORDICS

In April 2021 Credo Partners acquired majority share in Tellus Caravan & Fritid, a newly formed distributor of recreational vehicles (RV) in Norway. The group is the largest in the Nordics and initially comprise ten dealer and service outlets. In 2020, the group sold approximately 2,600 RVs and generated revenues of more than NOK 1.5 billion and EBITDA above NOK 45 million.

It took a full year to negotiate the right deal and establish a joint ambition between the founder dealers. Economies of scale, working capital efficiency and risk diversification were some of the rationales for the group formation, but also establishing a nationwide service network.



## PROFESSIONALIZING A FRAGMENTED INDUSTRY

Since closing the transaction, Credo has recruited a group CEO and CFO, and put together a competent board that will guide the execution of the business plan. All founders and key personnel will be actively involved in Tellus as both managers and owners.

We are now in the process of integrating and developing the new group with focus on quality and customer experience, including professionalizing systems and operations. Tellus will represent an attractive platform for other independent dealers to join.

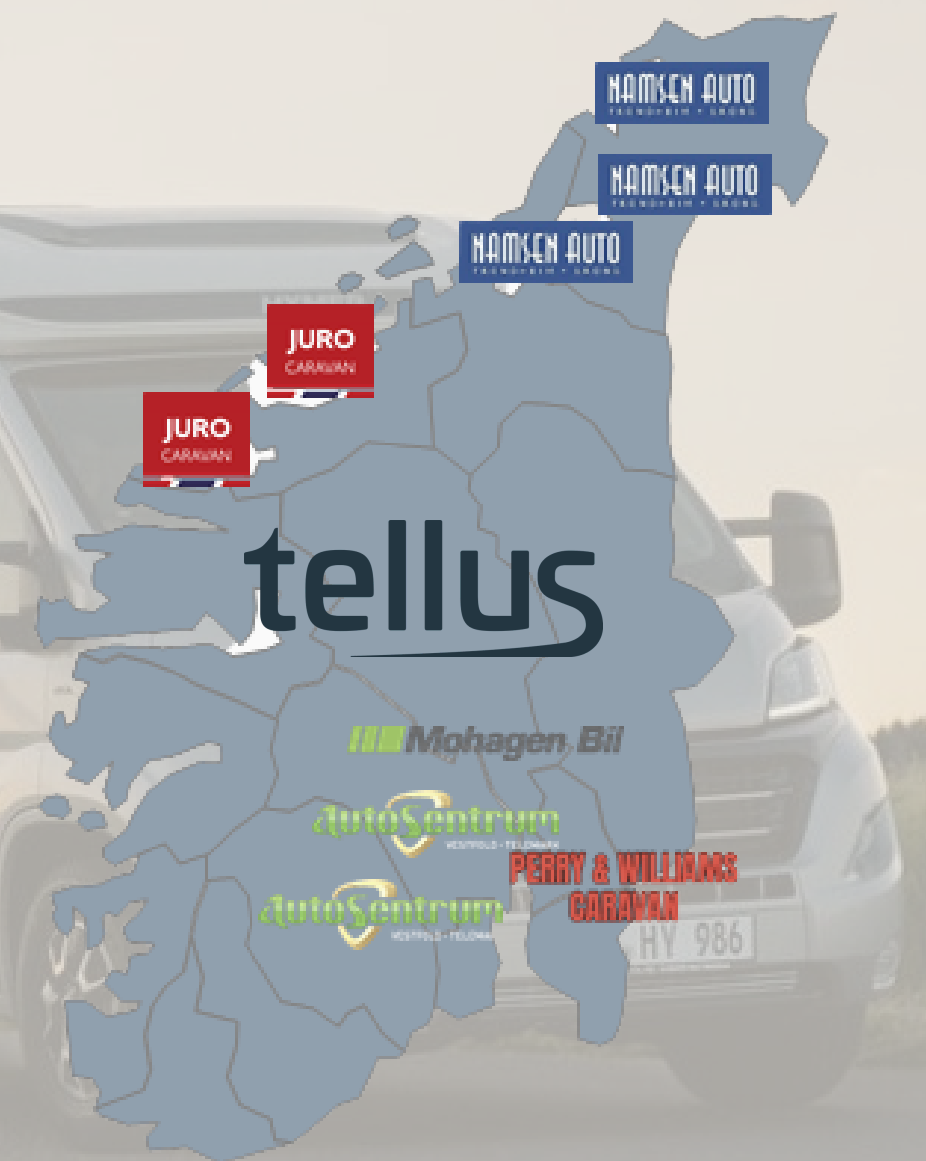
The market dynamics are changing across the Nordics, and consolidation is likely to accelerate. Tellus aims to be an active contributor towards further professionalization of the industry, including entertaining possible cross-border partnerships.

## SOUND START TO THE PARTNERSHIP

We are off to a good start, onboarding management and harmonizing operations and simultaneously working to ensure that we don't miss out on attractive inorganic opportunities. Although Tellus has been negatively affected by temporary periods of lockdown, the Covid-19 situation has also increased Norwegians' interest in motorhome and caravan vacationing.

2020 was a positive rebound from a challenging year in 2019 and the group expects further growth and margin improvement in 2021, whereas synergy- and professionalization effects will be noticeable at the earliest in 2022.

TELLUS – A NEWLY FORMED DISTRIBUTOR OF RECREATIONAL VEHICLES (RVS) IN NORWAY



1.6

REVENUE 2020  
IN BNOK

48

EBITDA 2020  
IN MNOK

120

EMPLOYEES  
2020



# Embedding Sustainability

## AN UNUSUALLY GOOD STARTING POINT

Entrepreneurial businesses and family companies have an unusually good starting point when it comes to pursuing the global sustainability agenda. They are used to the fact that resources are scarce, which means that responsible consumption is not an addition to their strategy, but an essential part of the company's competitiveness. Successful entrepreneurial companies often have an unusually good understanding of customers' needs and of the ecosystem in their industry, on which they depend to be successful. They also tend to have an inspirational purpose, and employees often feel that they are involved in something which can really improve people's lives through better products, better ways of making products or completely new services. Add to that the fact that smaller companies are often more agile than larger ones, and entrepreneurial and family companies are very well suited to pursue the world's sustainability agenda.

## PART OF OUR DNA

Working with entrepreneurial businesses and family companies, sustainability has always been an integral part of our investment philosophy.

Making a positive contribution to society is our responsibility both as investors and as individuals, and through our experience in working with SME's we have seen first-hand how sustainable business models generate superior risk-adjusted returns. Consequently, we have always looked for company owners and management teams with an honest commitment to ethical business practices, to treat employees well and to govern in a compliant and transparent way.

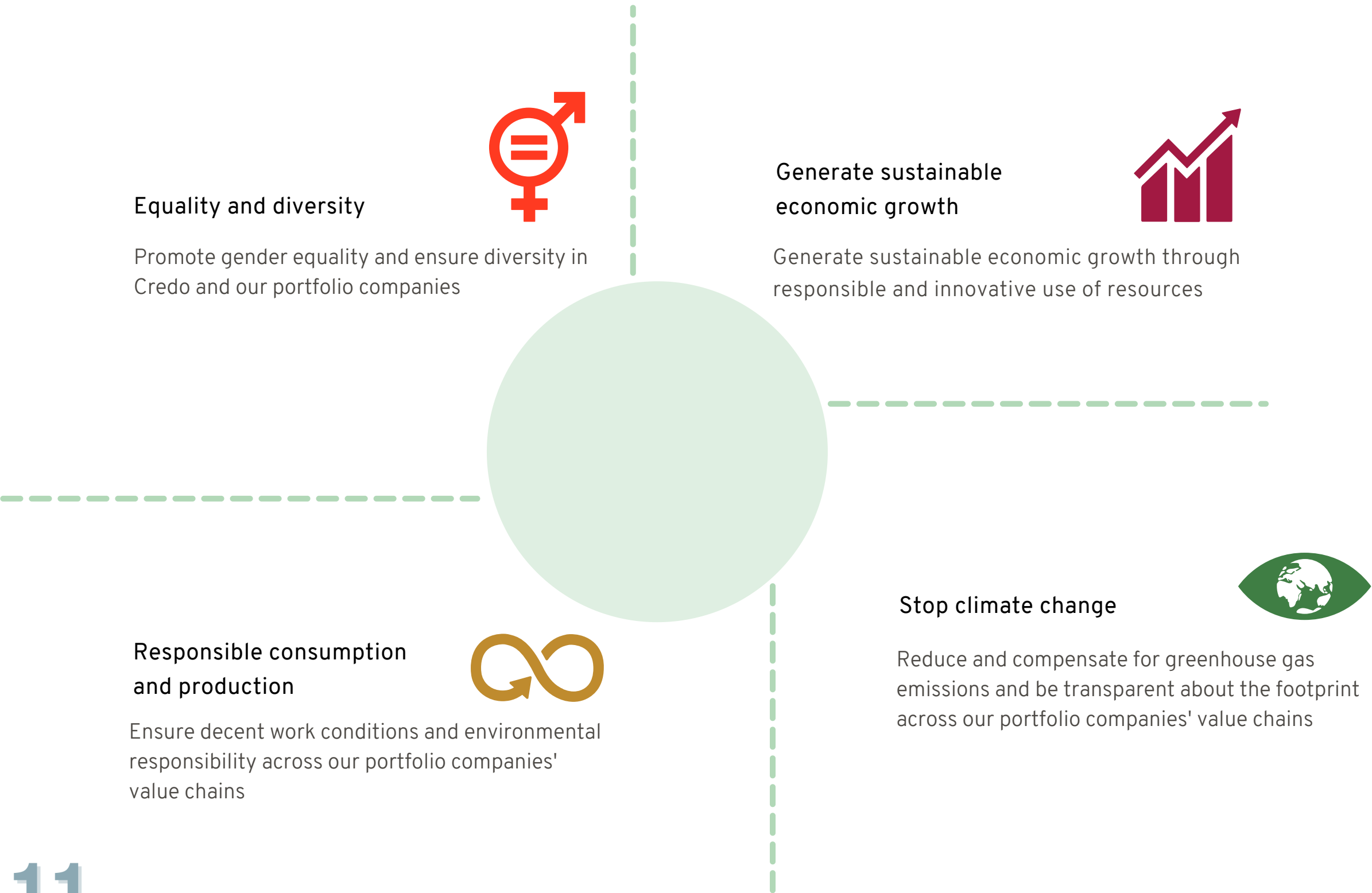
## ONE SIZE DOES NOT FIT ALL

There is no one size fits all in sustainability work, so to supplement these goals, each individual Credo investment will have their own sustainability agenda, with specific goals and KPIs. Going forward, we will be reporting on the progress on our joint goals as well as the progress of the portfolio companies on their individual goals. The resulting sustainability scorecard will help keep us honest and transparent, and hopefully demonstrate our positive contribution to the United Nations Sustainable Development Goals.





# Credo Sustainability Strategy



## IN A NUTSHELL

### Our central strategy

- Create tangible, significant, positive change in every company
- Focus on select few goals with substantial impact potential
- Leverage positive impact to drive financial returns
- 4 Prioritized sustainable development goals (SDGs)

### Our core beliefs

- Profitable and growing companies play a key role in creating a sustainable future
- We can create competitiveness and financial value by making better use of resources; energy, raw materials and people
- Credo has extraordinary influence through our partnership model, which represents a unique opportunity to create positive change
- Focusing on a limited number of specific sustainability goals in each portfolio company will have the biggest impact on the overall sustainability agenda



# Portfolio Impact and Financials

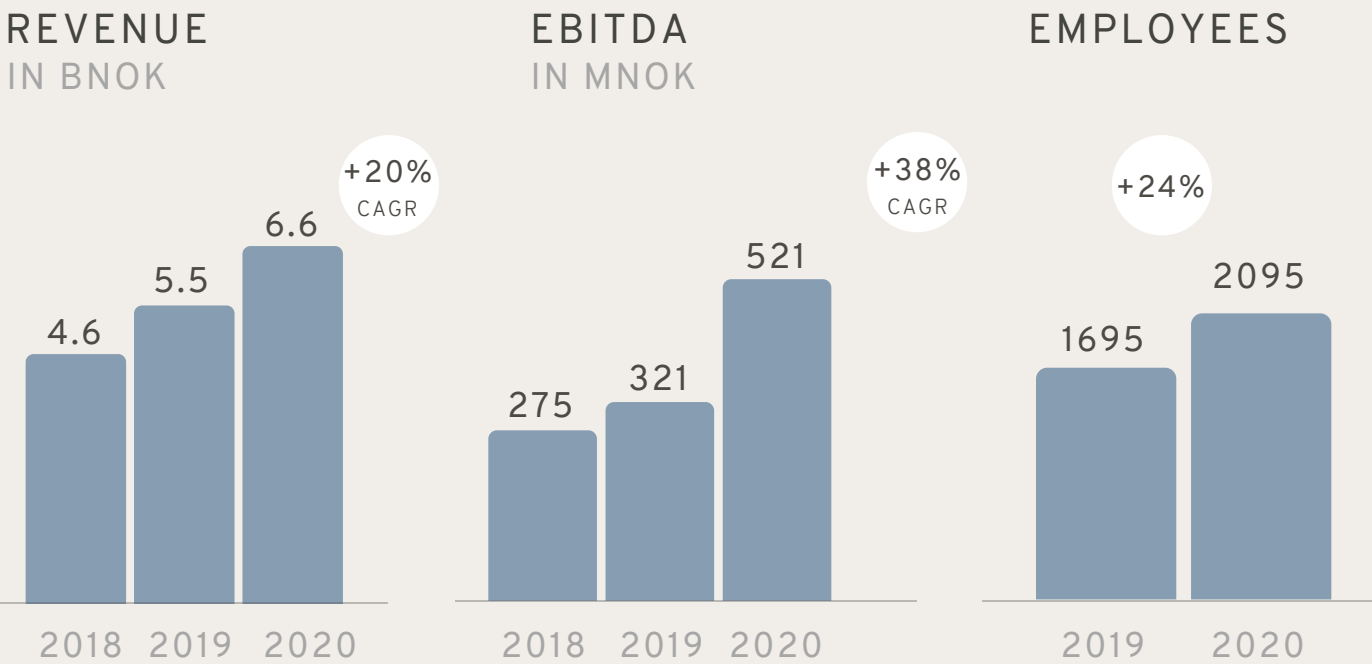
Credo's portfolio outperformed markets in 2020 on all accounts: growth in revenues and EBITDA, continued strengthening of strategic positions, and the resulting financial value creation. This is at the heart of what we do at Credo, i.e. creating high returns by establishing the foundations for scalable growth.

We firmly believe that healthy and growing companies with decent moral compasses will be key drivers of our planet's sustainability agenda. In 2020, we have invested into giving our companies the tools and direction they need to guide and measure their ESG work. We prefer to integrate sustainability goals into each company's strategic game plan, and our portfolio reporting therefore includes a holistic set of KPIs. While we are off to a good start, this is still early days, and we will continue to professionalized our ESG work across the portfolio.

### HOW WE MEASURE ESG IMPACT

The following pages will give an overview of portfolio developments in 2020. Key highlights for Credo Partners and the portfolio companies are shown in a scorecard on the right-hand side, with core metrics measuring developments related to prosperity, planet, governance, and people. The chosen metrics are aligned with World Economic Forum's Stakeholder Capitalism Metrics, which in turn is based on the sum of several well recognized standards such as the Global Reporting Initiative (GRI). We start out with the most relevant selection of metrics, and will year-by-year work towards a complete score card.

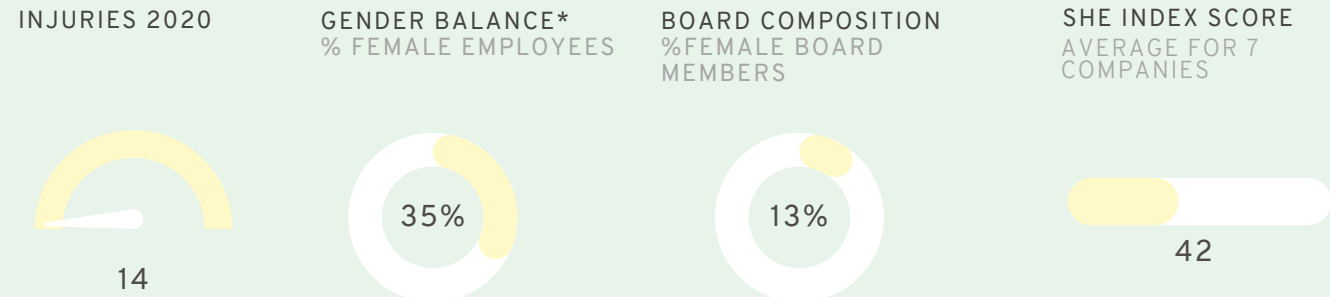
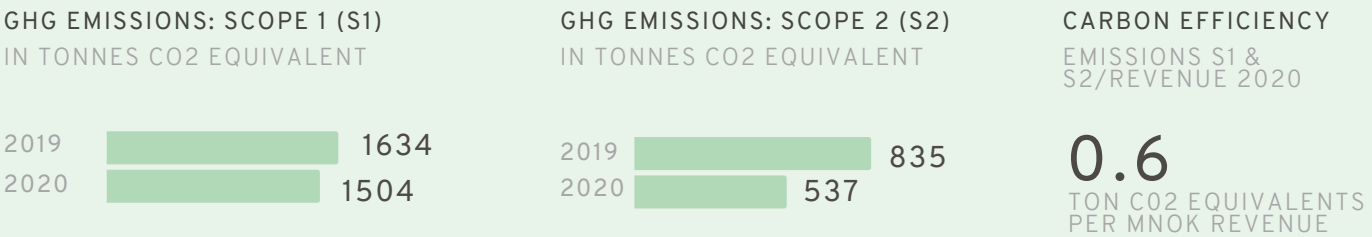
ESG has also become an integral part of our investment process and ownership. We use the United Nation's Sustainable Development Goals (UN SDGs) as a basis for assessing risk and opportunity in due diligence, and we require that our companies contribute substantially to at least one of Credo's core sustainability goals. To get there, we define company-specific policies and codes of ethics and establish mechanisms for implementing and measuring each company's performance and impact, while supporting with competence and resources.



PROSPERITY CONSOLIDATED FOR CREDO PARTNERS AND PORTFOLIO COMPANIES



PLANET CONSOLIDATED FOR CREDO PARTNERS AND PORTFOLIO COMPANIES EX. SYSCO AND GEIA



\*EX. GEIA

\*EX. MMC FIRST PROCESS, MADE FOR MOVEMENT & GEIA



# Our Portfolio Companies





# MMC FIRST PROCESS

## GLOBAL SEAFOOD EQUIPMENT PARTNER

MMC First Process (MMCFCP) is a frontrunner in the production of systems and equipment to the seafood industry, built on leading technical know-how. The Company is especially recognized for its expertise in handling live fish, which its market position in wellboat and land-based farming is built upon.

MMCFCP’s aim is to solve the seafood industry’s biggest challenges by bringing together handling, processing, and cooling expertise. The Company delivers custom-made and standardized solutions to many segments in the global seafood industry, commonly denominated by the need of advanced technology and high quality. MMCFCP is normally the system integrator, delivering the complete system for handling, processing, and/or cooling of fish.

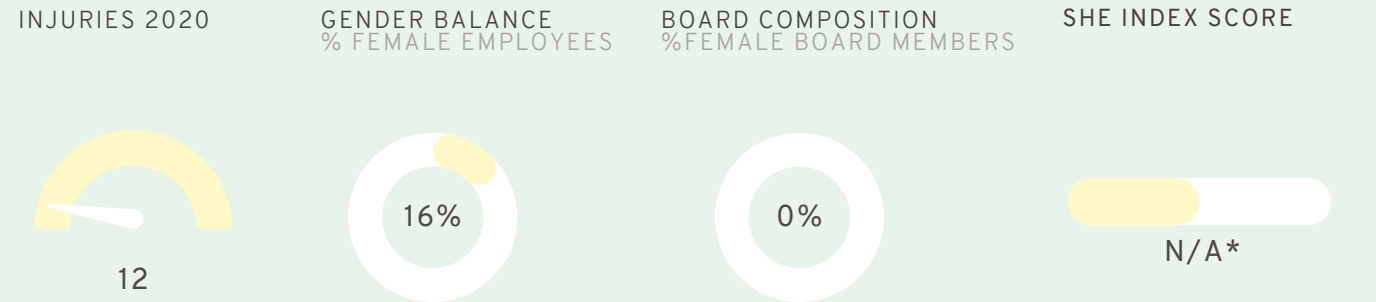
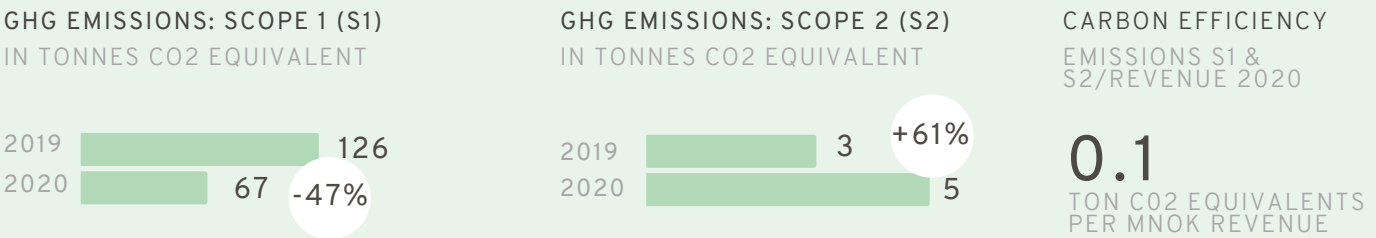
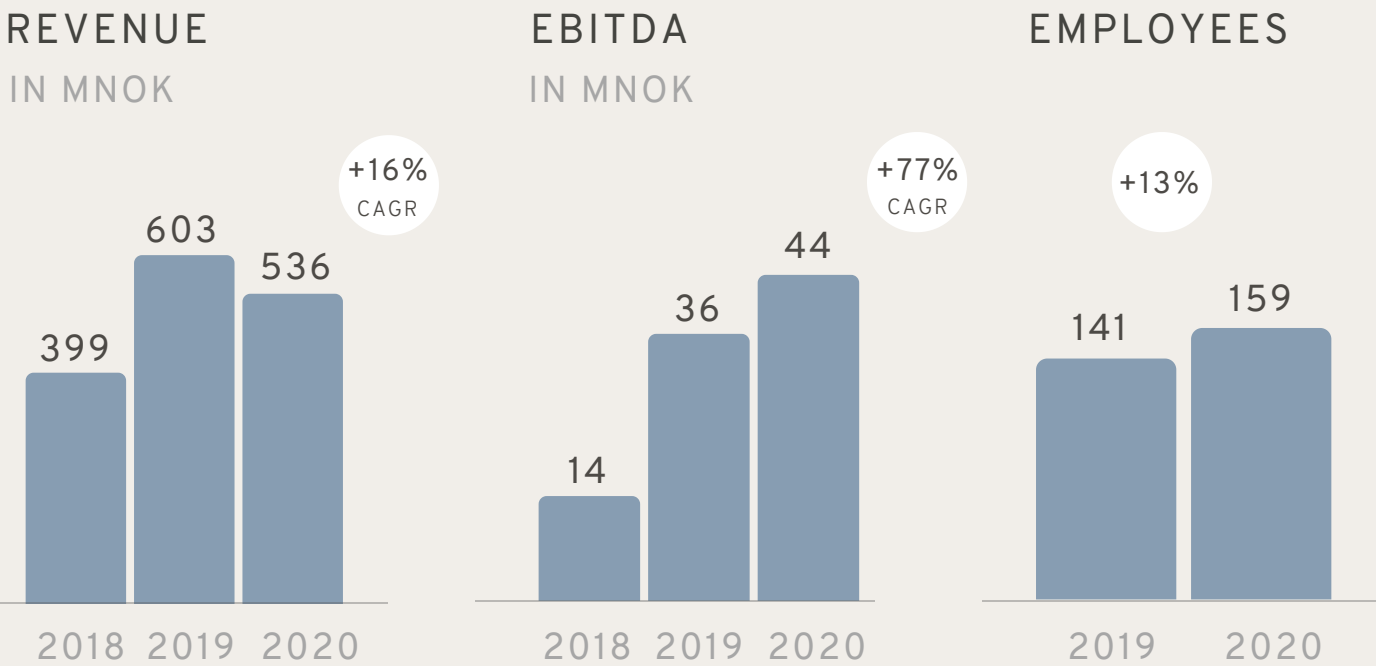
## UNIQUELY POSITIONED FOR A GROWING MARKET

Credo acquired MMCFCP from Havyard in 2019 in partnership with the founders and key employees. The value creation hypothesis was built on several pillars: improvement in competitive strength from removing vertical integration with a customer/boat builder, continued strong wellboat demand, and



potentially high value from growing land-based farming and pelagic investments.

MMCFCP is well ahead of plan with results exceeding initial base-case targets expected in 2021, driven by a strong wellboat market and a continuously strengthened position in land-based farming.



\*She Index not available at time of reporting

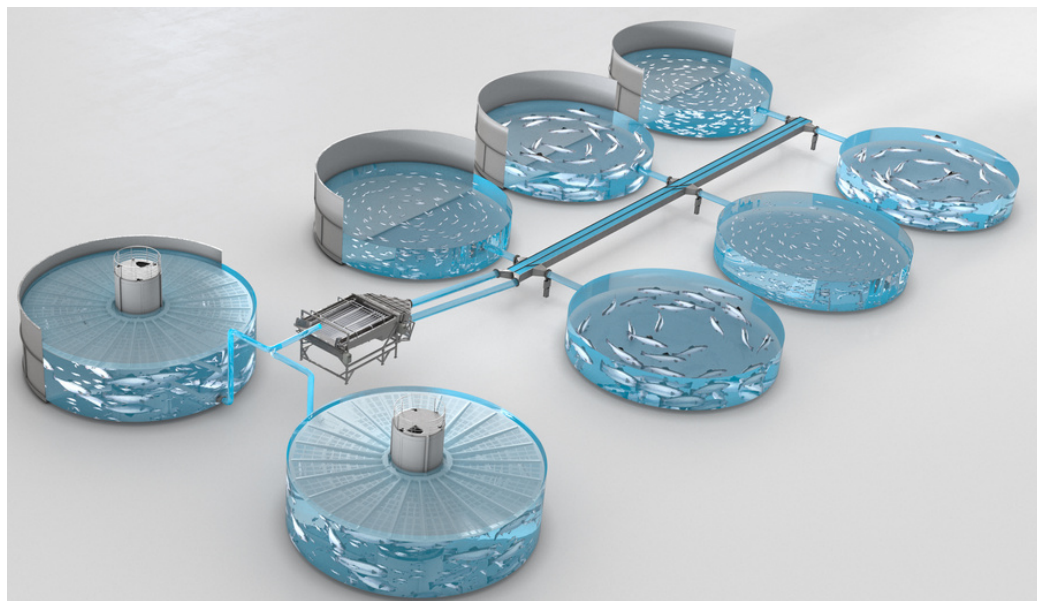


# MMC FIRST PROCESS



## CONTINUOUSLY CREATING AND REINVENTING VALUE

MMCFP's foundation is based on solid project execution while continually innovating and improving its solutions and products. In addition to delivering on its large order book, the Company is pursuing innovative solutions in digitalization, land-based farming, pelagic fishing and processing, as well as cooling technology. The Company is also concluding its ESG strategy process, which will focus on enabling sustainable and ethical management of seafood through best-in-class equipment.



## 2020: LAYING THE FOUNDATION

2020 was a busy year for Management: strategic goals were set for all the Company's segments and key operational areas, the organization was reorganized and streamlined, a sustainability strategy was defined and agreed upon, all while COVID-19 implications were handled on a day-to-day basis. The result has been a more coherent, effective and focused organization that has laid the foundation for future growth.

Financially, 2020 results were acceptable, with an EBITDA increase but slight fall in revenues. However, MMCFP also saw a record order intake, bringing the order book to NOK >1 billion at end of year and laying the groundwork for NOK >1 billion in revenues in 2021 with improved profitability, roughly doubling the Company's size.

## CONTINUED GROWTH TRAJECTORY

Strong order entry fuels continued growth expectations beyond 2021. In addition to wellboat contracting, the positive development in land-based farming in both size and position, as well as promising dialogues with players in other segments, position MMCFP well for the future.

## SUSTAINABILITY STRATEGY HEADLINES



### 1 FISH WELFARE AND FOOD PRODUCTION

MMC First Process is a key enabler of improved resource utilization through its products and solutions. MMC First Process aims to reduce fish mortality and improve quality on processed fish through continuous design improvements and adding digitalization solutions, which will increase transparency and allow improved insights to focus development efforts.

### 2 COMPETENCE AND SOCIETY

Improve industry competence and understanding of the importance of fish handling and processing equipment in maintaining fish welfare, product quality and reducing fish mortality. Key initiatives include the company's "Fish Welfare Academy".

### 3 SUSTAINABLE VALUE CHAIN

Continuously reduce MMC First Process' CO2 footprint. Key initiatives include improved material choices of materials in design, increase use of digital solutions for service and meetings, requirement for suppliers to sign a code of conduct and use of electric vehicles.



# MILL INTERNATIONAL

## KEEP WARM WITH STYLE

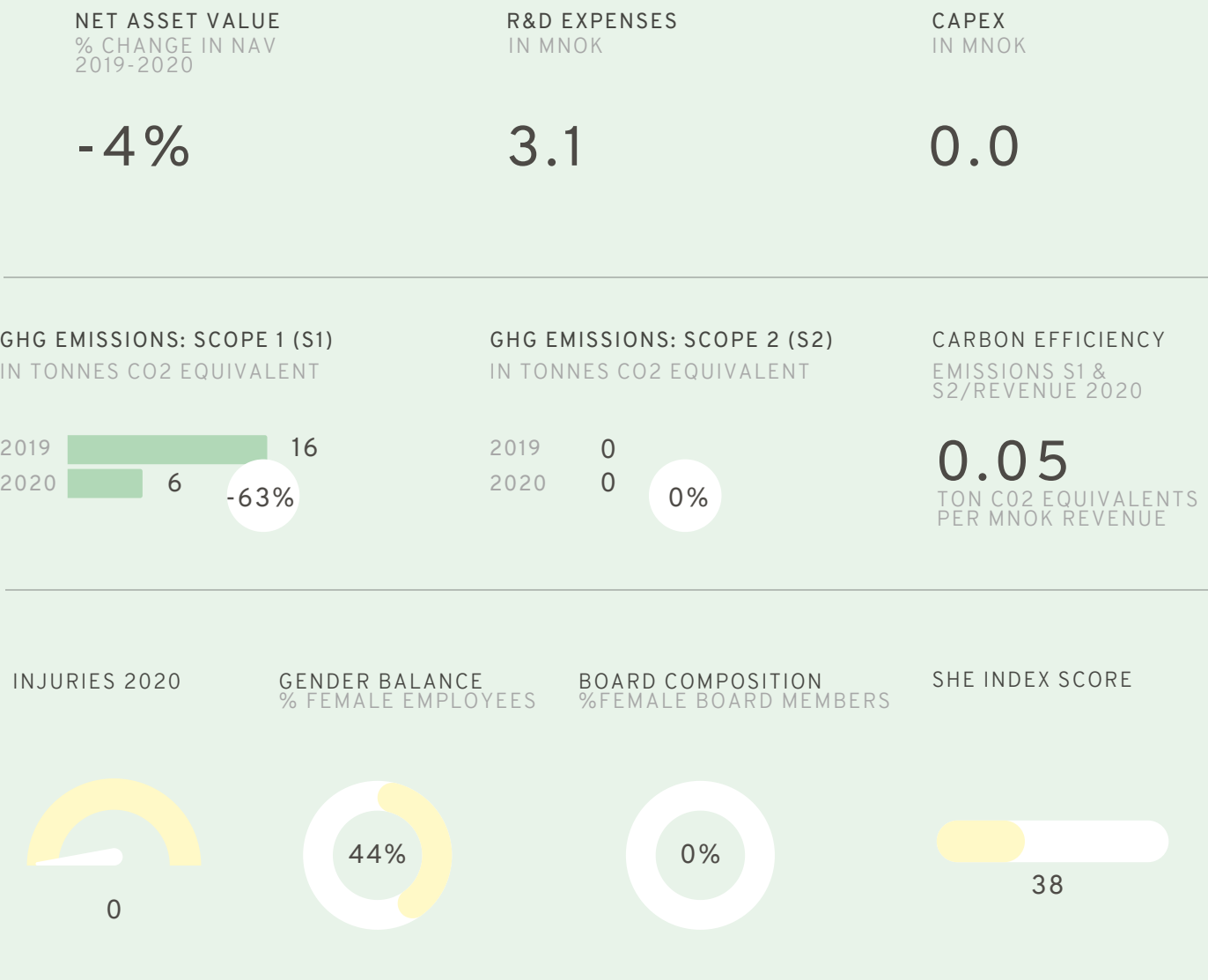
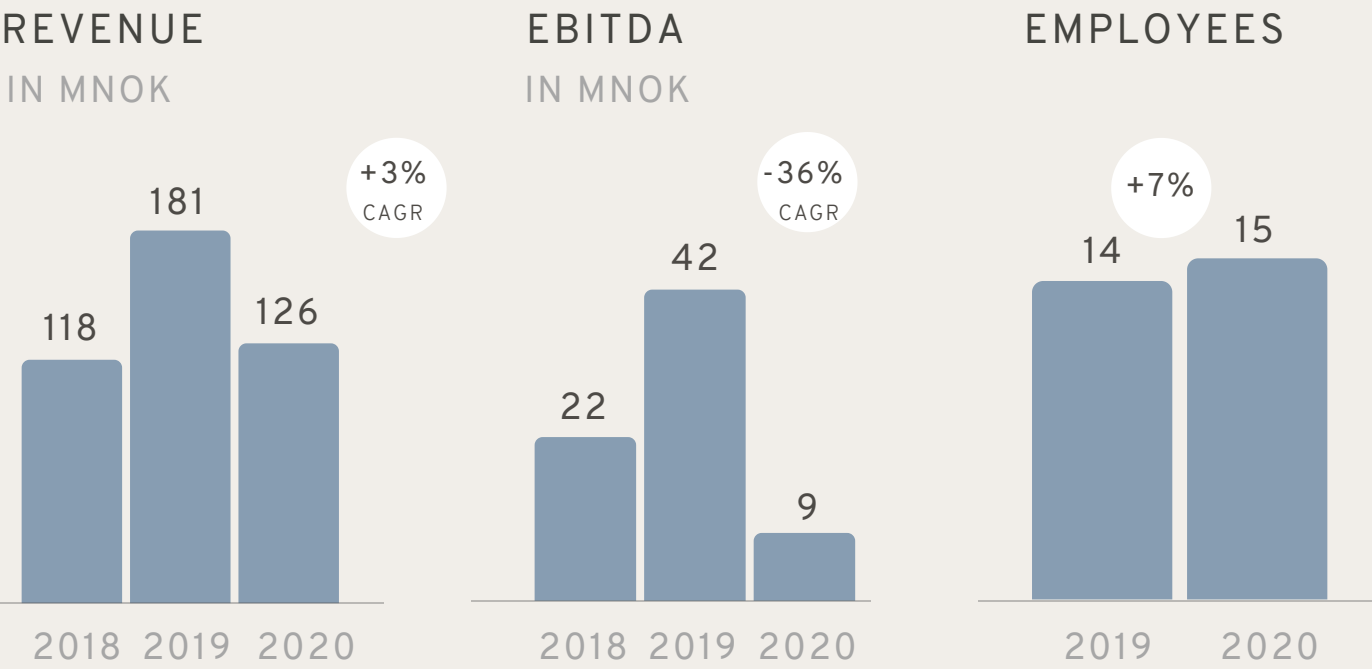
Mill is the leading supplier of electrical heaters in Norway with smart home solutions and award-winning Scandinavian design. Mill has a high-quality offering at affordable price points, and the efficient and highly customer-centric business model allows high innovation speed. The products are currently sold in 25 countries across Europe, Asia and North America.

## SCANDINAVIAN MARKET LEADER

Credo partnered with Mill in July 2019 to help the founding family leverage the growing international demand and potentially expand into adjacent products. With a high-quality offering, a position as the domestic market leader, and a winning business model characterized by a highly flexible and cost-efficient setup, Credo saw the opportunity for significant value creation and high potential investor returns.

Revenue and EBIT were lagging the base case in 2020, much explained by a record warm winter in Norway in Q1 2020 and high Covid-19 uncertainty

when customer orders for the 2020/2021 season were placed. However, out of store sales have been strong the last twelve months and record high sales figures are expected in 2021. The establishment of the new management team has proven successful, and the product development pipeline is ahead of base case, with the new air sensor launched in March 2021 and next generation of smart heaters set to be launched in fall 2021.





# MILL INTERNATIONAL



## DEVELOPING NEW MARKETS AND PRODUCTS

The strategic ambition at Mill is underpinned by five key pillars: Fortify the position in the home market, grow the position in export markets, maintain margins while building a scalable platform for the future, distance the competition by investing in core technology, and continue to develop new products. Of these initiatives, advances in international markets is expected to contribute the most substantial share of the company's future growth. In 2020 Mill developed a sustainability strategy with concrete immediate initiatives, and we believe it is both possible and natural for the company to take a leading position related to sustainability in the industry, supported by smartness.



## TEMPORARY SALES DROP IN 2020

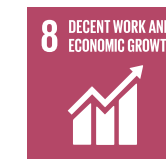
Despite a revenue decline of 30% in 2020 vs. 2019, as a result of low demand when customer orders were placed in March/April 2020, Mill managed to preserve a sound EBITDA margin and strong cash flow which reflects the robustness of its business model. End customer were strong in 2020 leading to a record high order reserve as of end 2020.

The Company's sustainability strategy is particularly focused on climate actions (UN goal 13), decent work (UN goal 8), and responsible consumption (UN goal 12). A key component of the Company's longer-term strategy is continuous development of smart heaters and the Mill app for more effective electricity usage. As part of the sustainability strategy, Mill developed packaging without styrofoam which is currently being tested, and CO<sub>2</sub> emissions are monitored and reported through Normative.

## ATTRACTIVE LONG-TERM GROWTH OPPORTUNITIES

Fundamentals remain solid and revenue is expected to increase significantly in 2021 on the back of the record high order reserve and strong orders in Q1 2021. With new product launches set for 2021 and further out, clearly defined plans for the prioritized export markets, and organizational development progressing well, Mill is well positioned for growth.

## SUSTAINABILITY STRATEGY HEADLINES



### 1 CUSTOMER ENABLEMENT

We develop attractive and smart products that enable consumers to engage in how they use energy for heating

### 2 CIRCULAR PRODUCT LIFECYCLE

We want to transform the way products are developed, produced, and recycled, and we aim to be a forerunner in sustainable production



# ELSCOOP

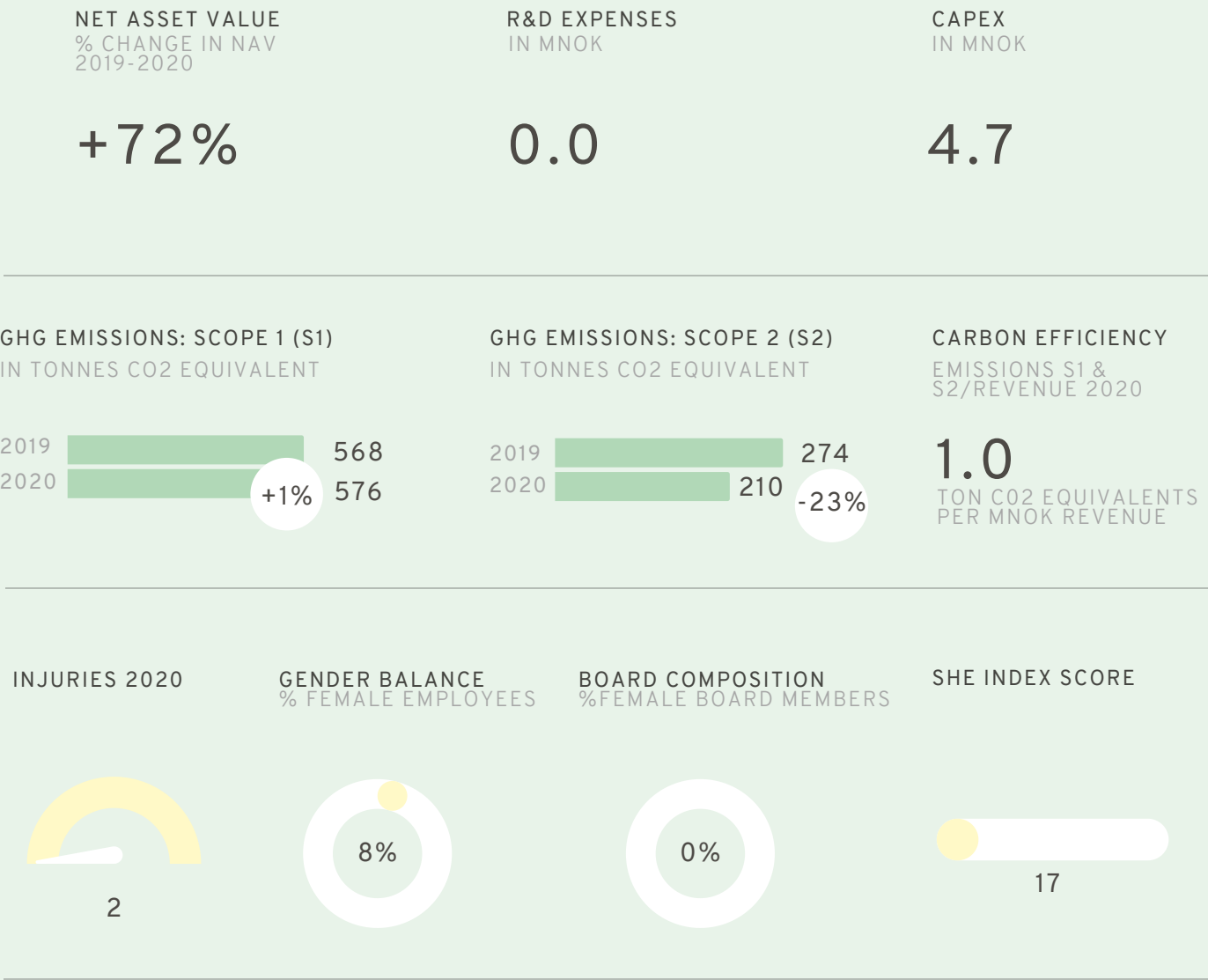
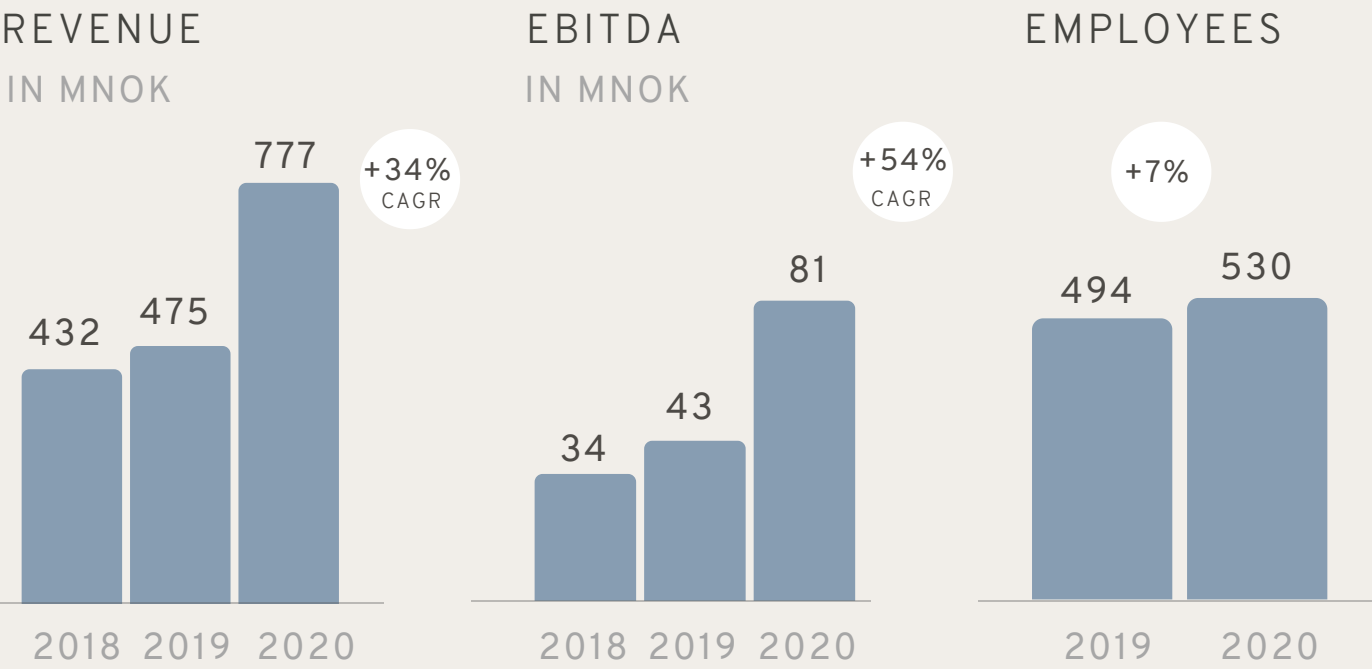
## LOCAL STARS, POWERED BY ELSCOOP GROUP

Elscoop Group comprises 18 electrical installation firms in Eastern Norway and Trøndelag and a supporting group function. The companies each represent household names in their local markets, and deliver solid financial performance by delivering service and small to mid-sized projects. The group creates value by combining the agility, flexibility, and local anchoring of a smaller company with the resources, bargaining power, community, and system value of a corporation. Among others, the electrical installation firms benefit from the Elscoop procurement platform and digital toolbox, access to best practices and a forum for sparring with like-minded enthusiasts.

## ATTRACTIVE GROWTH PLATFORM

Credo partnered with Elscoop in July 2019 to build the leading electrical installation group in Norway, to be achieved through organic growth initiatives and an attractive acquisition model. Since then, Elscoop Group has further strengthened the platform and value proposition as a consolidator in the highly fragmented electrical installation market.

Elscoop Group is ahead of original plan. Since Credo's entry, the group has grown from 11 to 18 electrical installation companies with total revenues of NOK 777m in 2020. Elscoop Group has appointed new CEO and CFO and strengthened finance, M&A, and IT capabilities. With a lean group function in place, the group has ramped up efforts on growth initiatives including digitization and sharing of best practices.





## BECOMING THE LEADING MULTI-LOCAL ELECTRICIAN

Elscoop Group aims to be the leading multi-local electrical installation group in Norway, with a distinct value proposition toward employees, clients, and partners. The group will build competitive advantage and contribute to the triple bottom line by prioritizing environmental and social conditions in the companies and the value chain. Furthermore, Elscoop Group's employees will enable the transition to an electric world by building competences within energy efficiency and renewable energy sources.

## STRONG DEVELOPMENT IN 2020 PROVING RESILIENCE IN SERVICE MIX

The group showed resilience with strong development in 2020. The multi-local business model is less exposed to risks from large scale individual projects and has a healthy exposure to the service and rehabilitation segment and projects. In sum, the group delivered 3.5% organic growth compared to 2019. Furthermore, six add-on acquisitions were closed in 2020, cementing Elscoop's position in Eastern Norway whilst establishing a cluster in Trøndelag. Overall, revenues increased by +60% YoY while maintaining solid EBITDA margins at +10%.

## HIGH SPEED AHEAD DESPITE COVID-19 EFFECTS IN MARKET

Elscoop Group eyes continued growth in 2021, albeit observed COVID-19 effects in the market. The group experiences some reduced activity related to postponed projects in the industrial segment and employee absence. However, the group is on budget per first quarter 2021. Going forward, Elscoop will welcome new companies to the group, while harvesting further synergies and ultimately developing the electrical installation companies of the future.



## SUSTAINABILITY STRATEGY HEADLINES

1

### RESPONSIBLE EMPLOYER



We are an inclusive workplace prioritizing employee health, safety and personal development

2

### FUTURE-PROOF OFFERING



We offer innovative solutions promoting energy efficiency and renewable energy sources

3

### RESPONSIBLE PARTNER



We take responsibility for social conditions and sustainable resource consumption in our value chain



# FRISK UTVIKLING

## A LEADING NORWEGIAN SOCIAL ENTREPRENEUR IMPROVING LABOR MARKET ATTENDANCE

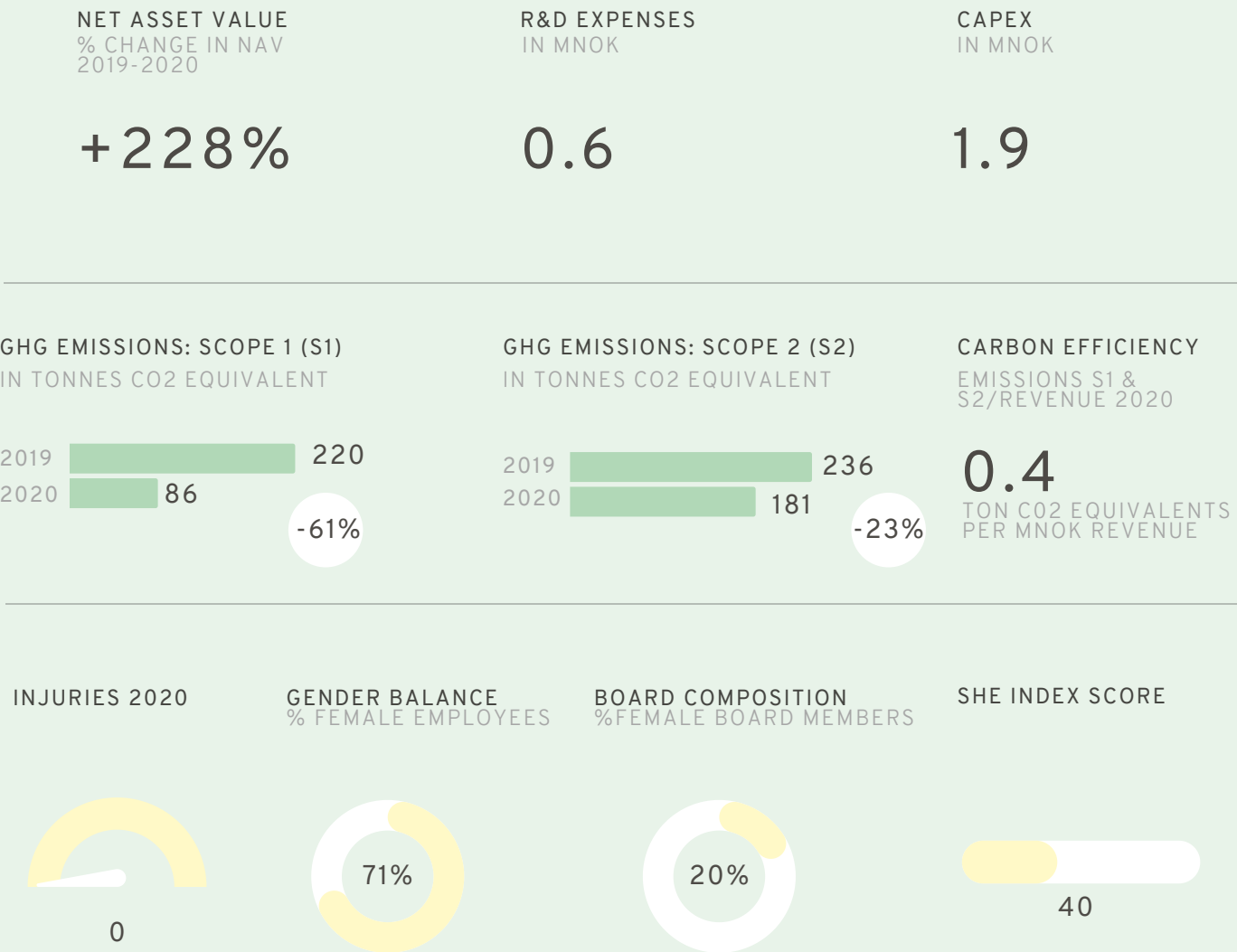
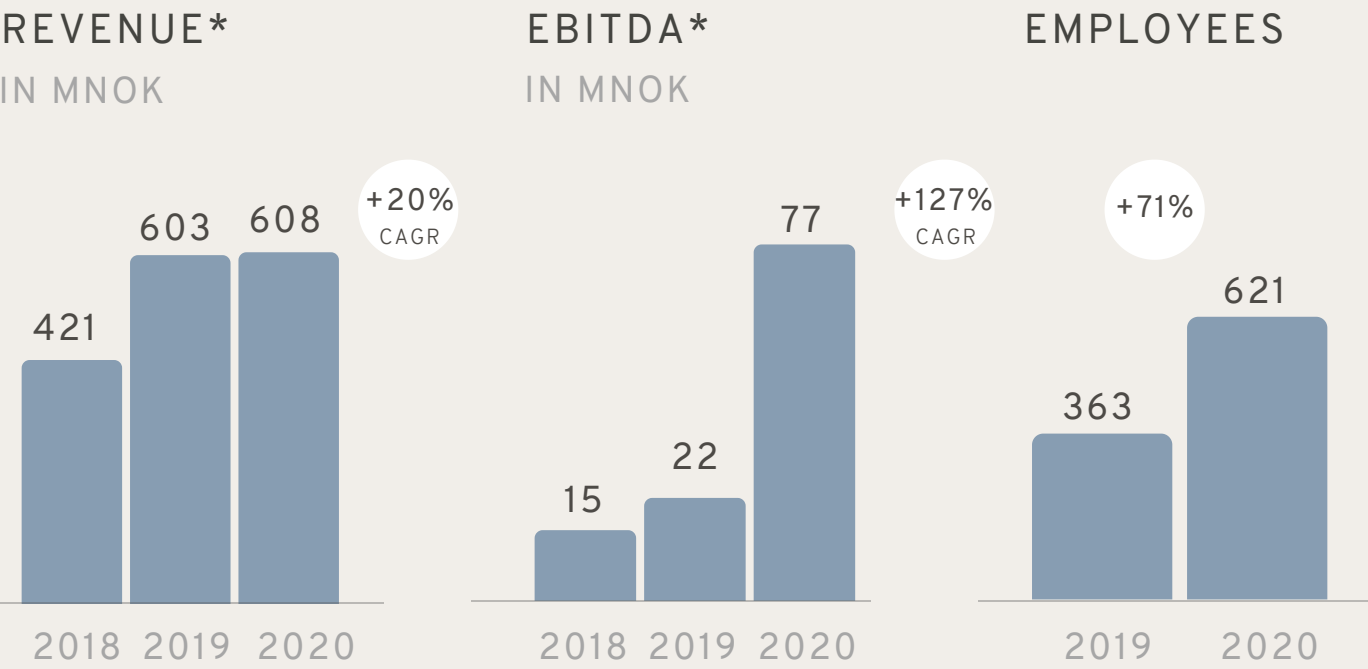
Frisk Gruppen AS takes a holistic approach to the complex societal challenge of labor market attendance. The group offers a range of labor market services, occupational health services, specialist healthcare and rehabilitation services. Customers are both individuals, corporations, NAV and regional health authorities. Frisk has close to 700 employees across approximately 90 locations.

## BACK ABOVE TRACK

Frisk was formed in 1Q2018 by Credo Partners through the merger of Din Utvikling AS, Oppfølgingsenheten Frisk AS and Frisk HMS AS. The group has since been transformed by an array of add-on acquisitions and a rigorous improvement program. It was recently restructured into three divisions. *Frisk Utvikling* now constitutes the group’s Labor Market Services division, and a leading supplier to NAV offering work ability assessment, work facilitation, follow-up and career guidance, vocational rehabilitation and labor market training. *Aktimed Helse* offers a comprehensive range of occupational health services, medical clinics and research, and health promotion services to public institutions and private companies.

Frisk Specialist provides rehabilitation services and specialist healthcare to private individuals through regional health authorities within psychology, obesity, chronic pain and vocational rehabilitation.

After a rough start, the group is currently tracking above the original business case, enjoying Covid-19 tailwind. Focus has shifted from operational improvement to business development and digitalization to further advance value proposition and enhance scalability.



\*2019 and 2020 financials are pro forma consolidated



# FRISK UTVIKLING



## SUSTAINABILITY AT THE CORE

As a leading provider of health and employment-related services, Frisk Gruppen actively contributes to a more sustainable society. Furthermore, increased labor market attendance and improved physical and mental health are important sources of cost savings for the general society. Being an important source of knowledge and insight, the group also seeks to take an active, fact-based role in discussions of labor market initiatives. Frisk aspires to be an ambitious, trusted and transparent partner to individuals, companies, health authorities and the general public. As such, the group publishes an annual social impact report, also including an overview of the group's resource consumption and CO2 emissions.



## EPIDEMIOLOGIC TRACTION

Covid-19 put all the group's divisions to the test, but operations suffered minimal disruption when society was shut down in March 2020. This was largely due to the heavy investments previously made into digitizing the operational platform. As unemployment rose, the need for Frisk Utvikling's services grew accordingly. Although Aktimed Helse initially struggled to access clients working from home, the reduced demand was soon compensated by testing services as well as mental health related services. The psychologists in Frisk Specialist have seen a reduction in no-shows and the pandemic has lessened the stigma of seeing a psychologist. Doing the first session via video shortens the doorstep mile for new patients.

## THE END OF THE BEGINNING

We remain positive to Frisk Gruppen's outlook and expect the current high demand for the group's services to sustain as we enter the end of the beginning of the pandemic.

## SUSTAINABILITY STRATEGY HEADLINES



# 1

### LABOR MARKET ATTENDANCE

- Improved mental health, quality of life and sense of achievement
- People at work – improved employment
- Competence development

# 2

### HEALTHY EMPLOYEES

Keeping as many people as possible employed, and return absentees efficiently to the labor market. We do this by offering services promoting health, preventing sickness and treatment of patients

# 3

### TAKING OUR OWN MEDICINE

Ensure a safe and stable working environment for our employees, e.g. through positive leadership and continuous cultivation of a culture for development and growth



# VILLA PARADISO

## LEADING ITALIAN FOOD PROVIDER

Villa Paradiso consists of six restaurants and an independent import business. The restaurants are recognized as a leading institution for true Neapolitan food, served with an authentic Italian ambiance, offering high quality dishes at affordable prices. The import business delivers Italian specialty food and ingredients to the Norwegian HoReCa segment direct from Italian suppliers, supported by in-house warehouse and logistics.

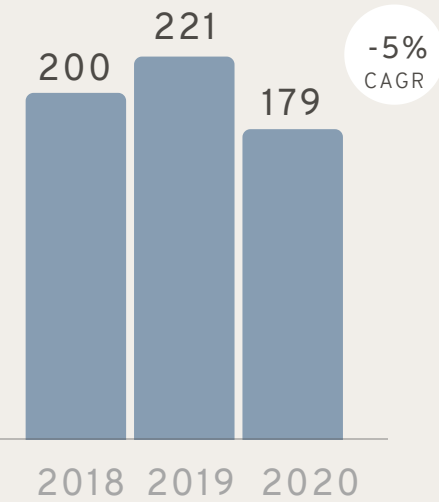
## ESTABLISH SIX NEW RESTAURANTS AND GROW IMPORT BUSINESS TO EXTERNAL CUSTOMERS

Credo Partners invested in Villa Paradiso in October 2017. At the time, there were two restaurants and an import business at same size as the restaurants. The company was led by the two Founders who were seeking a partner to professionalize operations and roll out new restaurants. Credo invested in the company with the ambition of establishing six new restaurants, steadily grow the import business with external customers, and make the company independent of the Founders.

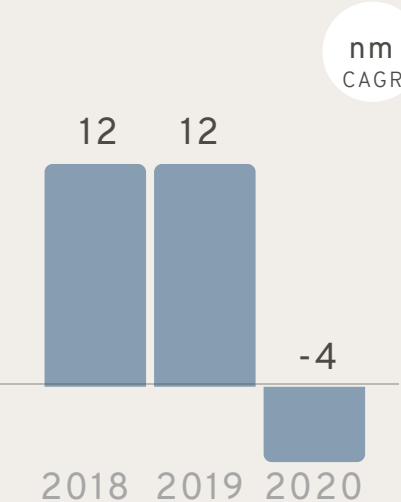
At the end of 2020, Villa Paradiso counted six restaurants, and Villa Import has developed new sales channels, and a light-footed organization with founder-independent teams leading each of the restaurant business and the food import business has been instituted. The Founders continue to contribute with their flair for the Villa experience alongside management.



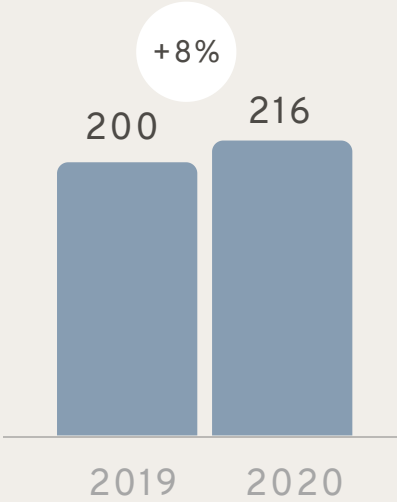
REVENUE  
IN MNOK



EBITDA\*  
IN MNOK



EMPLOYEES



NET ASSET VALUE  
% CHANGE IN NAV  
2019-2020

-44%

R&D EXPENSES  
IN MNOK

0.0

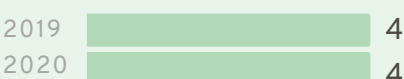
CAPEX  
IN MNOK

11.6

GHG EMISSIONS: SCOPE 1 (S1)  
IN TONNES CO2 EQUIVALENT



GHG EMISSIONS: SCOPE 2 (S2)  
IN TONNES CO2 EQUIVALENT



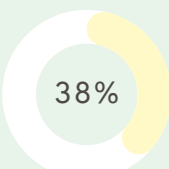
CARBON EFFICIENCY  
EMISSIONS S1 &  
S2/REVENUE 2020

0.2  
TON CO2 EQUIVALENTS  
PER MNOK REVENUE

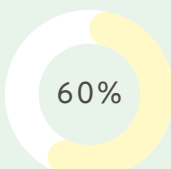
INJURIES 2020



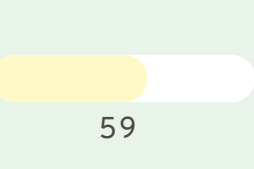
GENDER BALANCE  
% FEMALE EMPLOYEES



BOARD COMPOSITION  
% FEMALE BOARD MEMBERS



SHE INDEX SCORE



\* EBITDA excludes EBITDA-loss from new openings first 12 months, owner fees, EXIT-cost old mgmt. in Q3 2020



# VILLA PARADISO

## PRIORITY NO 1: REOPENING

Highest priority for Villa Paradiso is to ensure a successful rebound when markets reopen, including successful openings of two new restaurants in H1 2021.

Overall roll-out strategy remains unchanged (nine restaurants by 2023), but over the next twelve months operations of existing units will be the main focus. Villa Import continues to grow in new channels, while preparing for reopening.

Villa Paradiso has committed to be a sustainable company in line with Credo's expectations and will complete its sustainability strategy during 2021.

## NAVIGATING THROUGH COVID19 AND STRENGTHENING THE PLATFORM

COVID19 had a significant negative impact on Villa Paradiso in 2020. Key priorities have been to i) ensure adequate liquidity, ii) constantly adjust operations to changing governmental guidelines, iii) ensure basics in place in operation of both businesses, including increased standardization across the restaurants and iv) plan opening of two new restaurants in 2021.

Top management team has been fully reorganized and rightsized during 2020, with extraordinary focus on cost efficiency and high-quality operations. Most restaurants have been open during the pandemic and one restaurant was discontinued permanently in January 2021.



✧ **VILLA PARADISO** ✧



## POSITIVE OUTLOOK WHEN MARKET GETS BACK TO NORMAL

The outlook for Villa Paradiso is positive, but not until the lock-down period ends. Unlike many independent restaurants, Villa Paradiso has strengthened its platform during COVID19, in addition to open one new restaurant. However, we will not see normal financial results until 2022.



# GEIA FOOD

## THE LEADING SCANDINAVIAN FOOD CONCEPT PROVIDER

Geia Food is a leading independent food concept provider for Scandinavian grocery chains. Representing more than 250 suppliers globally, the Company provides food concepts from a broad product portfolio and offers one-point-of-entry to the major grocery chains in Scandinavia. Extensive product knowledge coupled with deep understanding of local customer needs, enable Geia to accelerate product innovation and continuously be on top of evolving trends in the food segment.

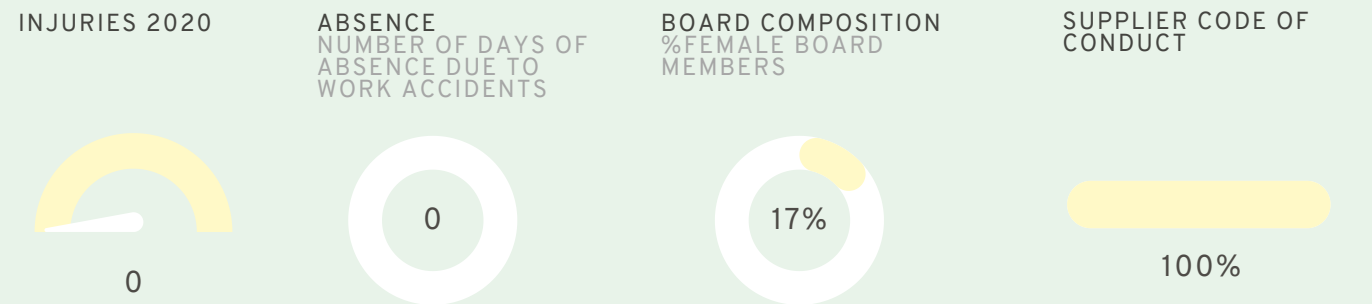
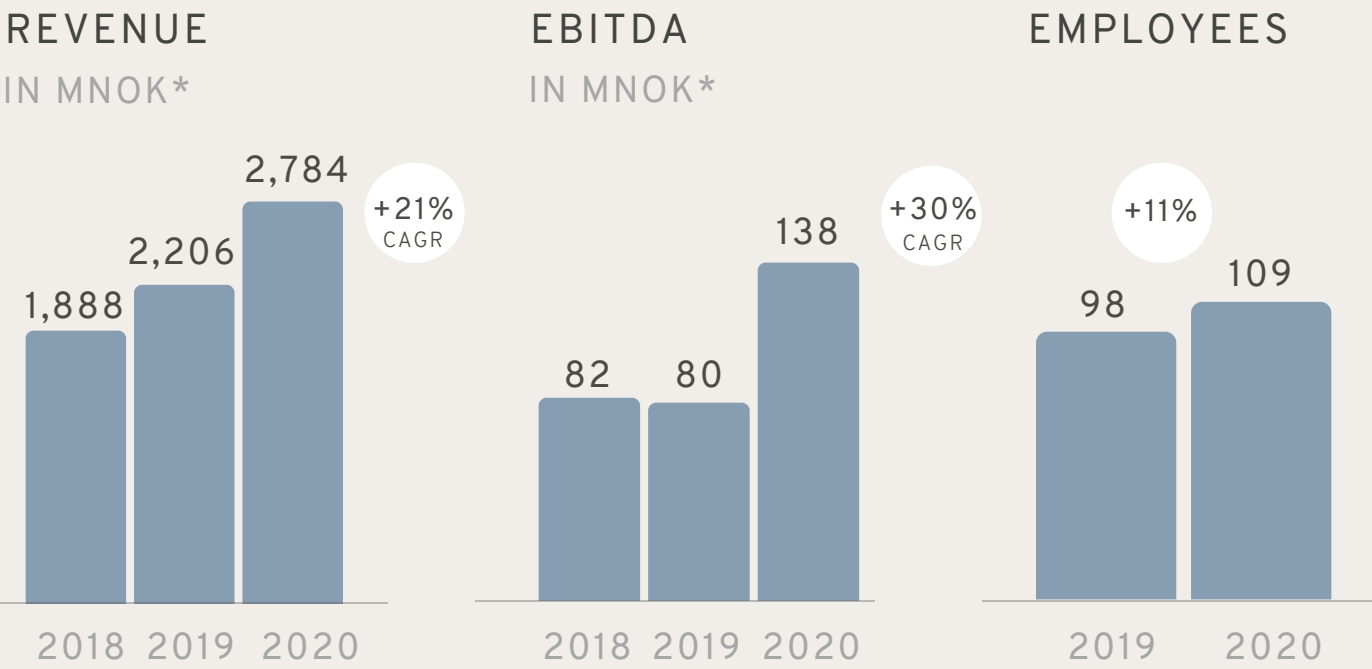
Geia’s product portfolio comprises more than 2,500 different products across ten food categories, which are marketed as a combination of private labels, controlled labels, suppliers’ brands and Geia’s own brands.

## FROM DANISH TRADER TO SCALABLE SCANDINAVIAN CATEGORY PARTNER

Credo invested in Geia in November 2017. The Company had experienced an impressive growth history in the Danish market, and established some presence in Norway and Sweden. The overall

investment thesis was to develop Geia from “a Danish company with subsidiaries in Norway and Sweden” to become a truly Scandinavian company, which would demonstrate the applicability of the Company’s business model, and fortify the value proposition through Scandinavian scale advantages.

The financial development in 2018-2020 has exceeded the original investment case. Sales in Norway and Sweden have tripled in the period, also supported by value-adding acquisitions.



\* Based on exchange rates year end each year



# GEIA FOOD

## LEVERAGING CREDO'S CORE SKILLS

Geia has since 2017 successfully carried out a Scandinavian growth strategy. A four-pillar organizational structure - sales, purchase, supply chain and quality – has been built in each market, supported by lean and effective Scandinavian support functions.

Strategic acquisitions of Tilab (Sweden), Danton (Denmark) and BM Food (Norway) have supported the expansion plan in 2018-2020. In addition, the acquisition of Østlandske Formidling AS (“ØFAS”) in December 2020 will further improve Geia’s position in Norway going forward (not included in reported 2020 figures).

Food safety and ESG are integrated parts of Geia’s daily operations. Annual sustainability reports are published which summarize the Company’s strategy, goals and KPI development. Geia has chosen three focus areas to guide the sustainable development – responsible assortment, responsible procurement and good governance – with each focus area comprising 3-4 subareas. In specific, Geia has chosen to work for UN Sustainable Development Goal number 3 (Good Health and Wellbeing) and optimize its own operations through goal number 12 (Responsible Consumption and Production) which are aligned with Geia’s position in the value chain.

## COVID RESILIENCE THROUGH OPERATIONAL EXCELLENCE

Geia has demonstrated an impressive delivery capacity during the pandemic, which has been praised by customers. Also, a high exposure towards the retail channel (vs. Foodservice) has contributed positively to sales in 2020. Revenue increased to DKK 1977 million with an EBITDA of 98 MDKK. The organizational build-up has continued, new digital tools and robotics have been implemented, and the acquired BM Food has been fully integrated in the existing Norwegian operations.

## JOB WELL DONE

Together, Geia and Credo have built a highly scalable business, that can leverage Geia's supplier base across the Scandinavian markets and retailers. This makes the company well positioned to continue its impressive growth track record in the years to come. The company was sold to the European private equity firm Triton in April 2021 through a structured sales process. Closing is expected by end of June 2021, and investor returns will exceed the latest reported NAV.



# GLOBUS WINE

## LEADING CATEGORY PARTNER TO DANISH RETAIL WITH LARGEST FILLING FACILITY IN THE NORDICS

Globus Wine is the leading wine category partner to Danish retail. The Company offers global sourcing of bulk wine, wine making, filling, design and concept making, and logistics. With the largest wine filling facility in the Nordics, Globus Wine creates sustainable value for wine producers, wine importers, and retailers, at industry-leading cost levels.

## FULL TRANSFORMATION COMPLETED

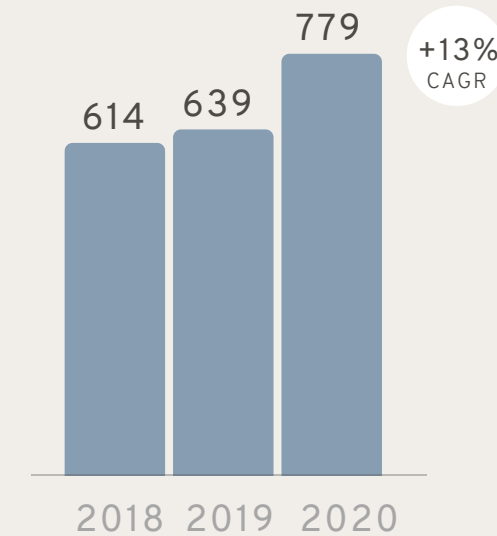
Credo Partners invested in Globus Wine in November 2016, a time when the Company had built a strong position in Danish retail, mostly based on private label and filler services. In partnership with the founders, Credo launched a five-year plan focused on: 1) Strengthen organization and capabilities, 2) build portfolio of own wine brands, and 3) transition operations to a new greenfield plant for capacity expansion and cost efficiency.

Globus Wine has now completed the transition to a professional and solid company:

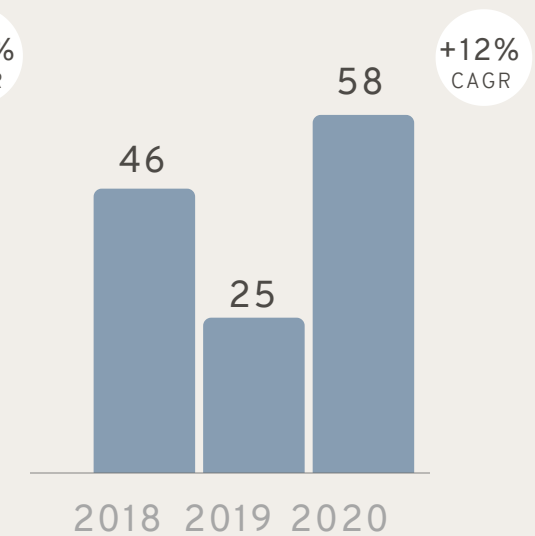
- New top management with extensive experience from retail and FMCG industry
- New state-of-the-art filling facility with more than double capacity representing significant economies of scale
- Significant portfolio and position of own brands (18% market share in Denmark within red wine Q1 2021) demonstrating category leadership in Danish retail
- Substantial growth outside Denmark.



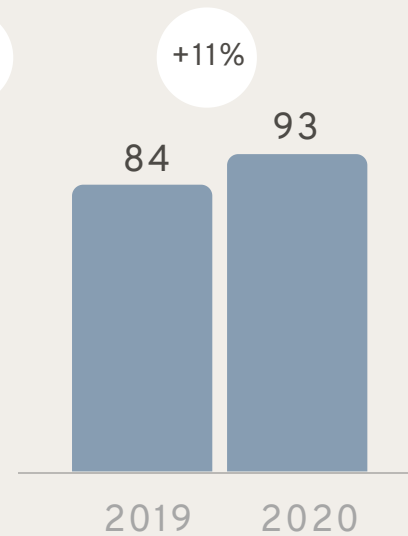
## REVENUE IN MNOK\*



## EBITDA IN MNOK\*



## EMPLOYEES



## NET ASSET VALUE % CHANGE IN NAV 2019-2020

+74%

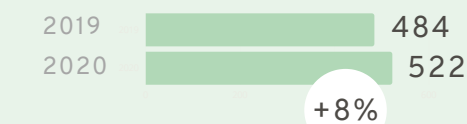
## R&D EXPENSES IN MNOK

3.0

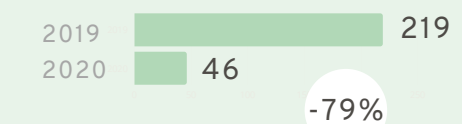
## CAPEX IN MNOK

6.8

## GHG EMISSIONS: SCOPE 1 (S1) IN TONNES CO2 EQUIVALENT



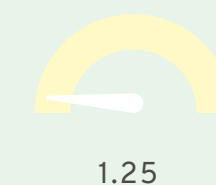
## GHG EMISSIONS: SCOPE 2 (S2) IN TONNES CO2 EQUIVALENT



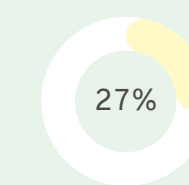
## CARBON EFFICIENCY EMISSIONS S1 & S2/REVENUE 2020

0.7  
TON CO2 EQUIVALENTS  
PER MNOK REVENUE

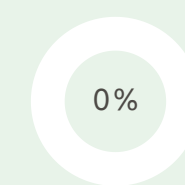
## INJURIES 2020 PER 100.000 WORK HOURS



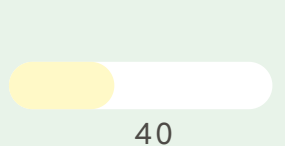
## GENDER BALANCE % FEMALE EMPLOYEES



## BOARD COMPOSITION % FEMALE BOARD MEMBERS



## SHE INDEX SCORE



\* Based on exchange rates year end each year



# GLOBUS WINE

## SUCCEEDING WITH OWN BRANDS OUTSIDE DENMARK

Globus Wine aims to succeed with growing its brands outside Denmark, while continuing growth in core businesses (Danish retail and Filler). EBITDA-margin should grow as scale-, scope- and productivity-benefits from high performance operations, volume growth, and own brands are increasingly captured.

Globus Wine represents a superior environmentally-friendly proposition from how it sources bulk wine, performs local filling, and offers the most sustainable packaging solutions for wine. The Company will during 2021 further sharpen its sustainability proposition with focus on five UN Sustainable Development Goals, including: Number 12 (responsible consumption and production) and Number 13 (climate actions).

## ATTRACTIVE ECONOMICS DEMONSTRATED AFTER STABILIZATION OF PRODUCTION

In 2020, the company increasingly demonstrated attractive economics as the year progressed and production in the new facility stabilized. 2020 revenues were DKK 553 mill. (+14% vs. 2019), and EBITDA DKK 41 mill. Key growth drivers were own brands in Danish retail (+26% vs. 2019), and filler business outside Denmark (+36% vs. 2019)

The market is increasingly interested in Globus Wine's sustainability proposition. The first CSR report was published in March 2021, and sustainability KPIs with higher targets for 2021 have been defined.


## STRONG OUTLOOK

Future outlook for Globus Wine remains solid, driven by a highly competent top management team, stabilized and effective production, favorable ESG-trends, and further market growth both within own brands and filler services. The warehouse is now expanded to provide broader logistic solutions, and enabling further margin expansion.




## SUSTAINABILITY STRATEGY HEADLINES

- 1 SOCIAL SUSTAINABILITY**  
As an important player in the wine industry we want to increase our support against substance abuse. In procurement, we work to ensure social sustainability in worker health and fairness.  

- 2 DIVERSITY**  
Globus Wine believes that diversity among employees and leaders contributes to a positive working environment and business success.  

- 3 CREATING GOOD CONDITIONS**  
Globus Wine wants to be an attractive workplace. We do this by generating decent jobs, and creating good conditions for our employees.  

- 4 RESPONSIBLE WINE PRODUCTION**  
As market leader, we take steps to support responsible wine production and want to support responsible consumption  

- 5 REDUCE CLIMATE IMPACT**  
We reduce our impact on the climate and the environment through concrete initiatives  


# SYSKO

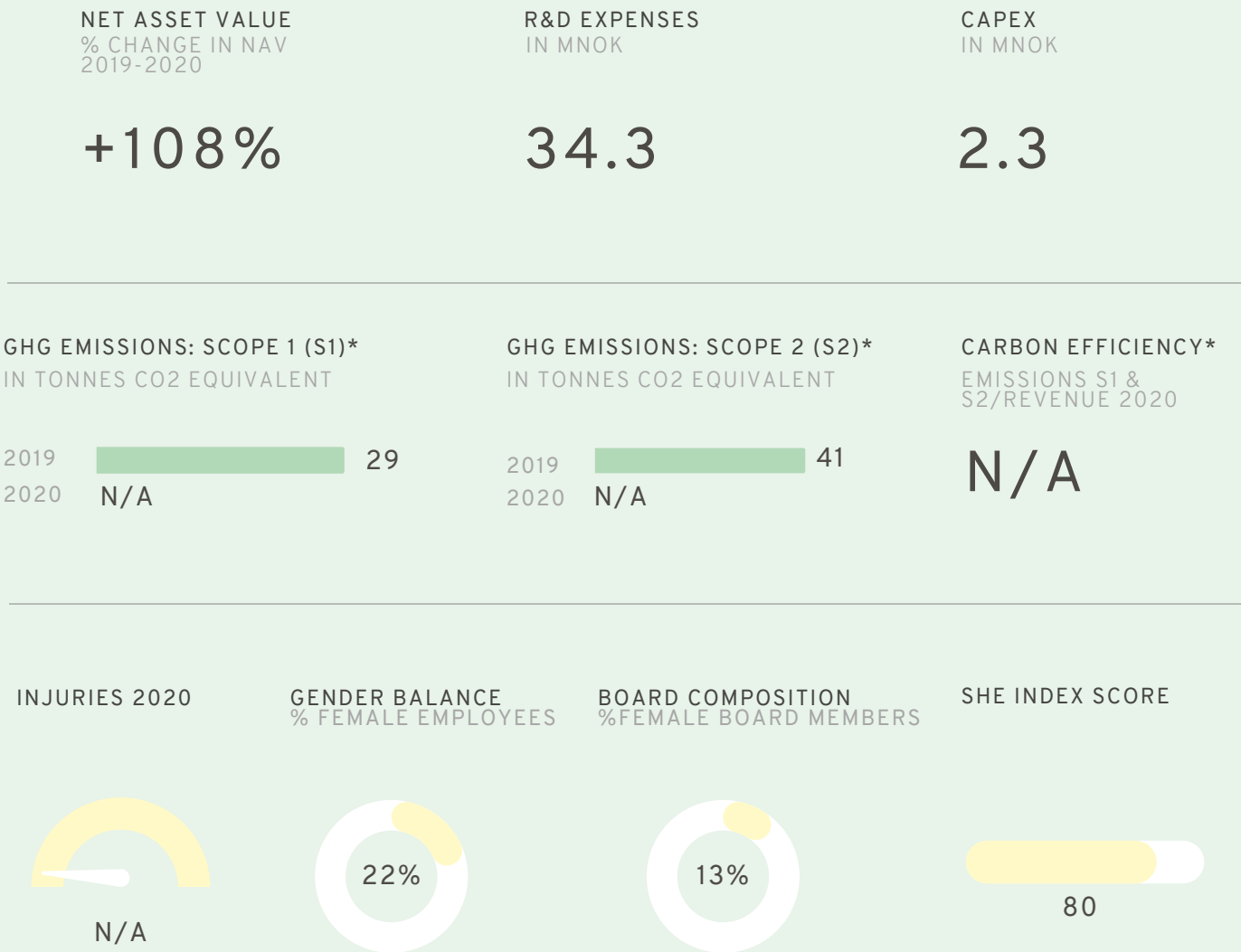
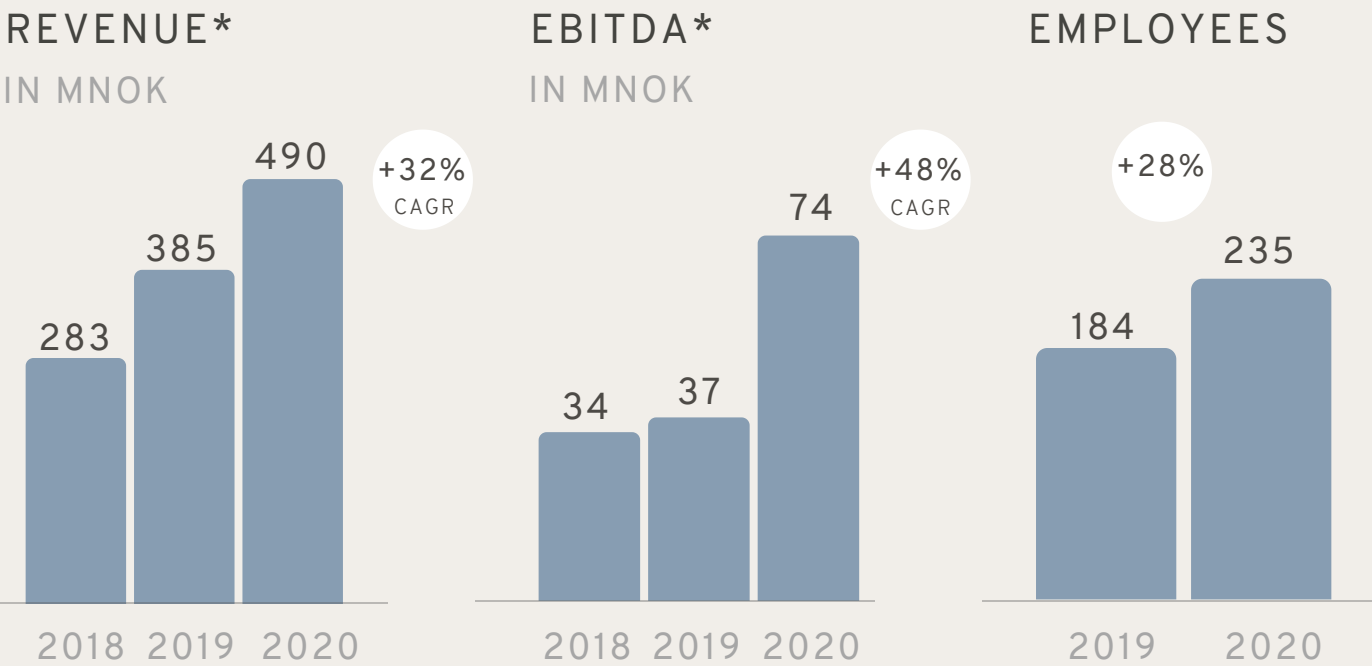
## FAST GROWING IT SERVICES COMPANY FOR ENERGY UTILITIES IN THE NORDICS

Sysco provides light-footed software solutions to energy utilities, managed services and consulting across the stack from database and infrastructure to analytics. With 250 employees from 20 countries, the company turns complex challenges into digital success stories from 8 offices across Scandinavia.

## SUCCESSFUL TRANSFORMATION

Credo invested in Sysco in 2016. The company had grown impressively since its inception in 2004, to generate revenues of NOK 180 million, with healthy margins. Founders and management saw high potential but needed a partner to help prioritize the menu of opportunities and develop a scalable institutional platform for further expansion. Adding complexity to the task, Sysco's clients within its focus vertical comprised a long list of smaller Norwegian utilities and power producers – a segment experiencing consolidation, subject to regulatory changes and increased industrial complexity from the massive influx of electricity from intermittent sources. Sysco's offering therefore had to be reworked to solve new challenges and suit a smaller universe of larger clients.

While revenue growth has outperformed the original business case, margins have been curbed by an extensive transformation program requiring controlled reduction of operating margins and significant investment. Rigged for playing in a higher league, margins are now starting to pick up as revenues continue to grow while opex growth is stabilizing at a healthy rate.



\*2019 and 2020 financials are pro forma consolidated \*Emissions scoping and injuries not available at time of reporting



## UPDATED LAZER FOCUSED GAMEPLAN

Having achieved its NOK 500 million revenue goal and ticked off most of the boxes in the original game plan, the company revamped its strategy during 2020 to become a leading next generation IT services player, eyeing NOK 1bn revenues by 2025.

## INHERENTLY ENVIRONMENTAL

Sysco helps power generation and transportation companies become more effective through digitalization. The company promotes green energy consumption by keeping electricity prices, transmission and distribution tariffs at a minimum. In addition, the company focuses on minimizing its own carbon footprint, for example by responsible energy efficient operation of its datacentres. Through the Oda network, Sysco is heavily engaged in recruiting more women to the field of computer science, and reducing the wage gap, promoting gender diversity in an industry traditionally dominated by men.

## THE GAS PEDAL REMAINS FLOORED

Although Covid-19 initially caused uncertainty, and a momentary speed reduction, the company soon reverted to plan and sustained its efforts to expend

within its business areas. During 2020 the company has continued to develop its new product – Sysco Connected Energy Hub, sharpened its managed service offering, and expanded its team of next generation cloud technology consultants.

## BRIGHT FUTURE

The market for Sysco's offering remains strong and is expected to continue to do so for the foreseeable future.



## SUSTAINABILITY STRATEGY HEADLINES

# 1

### CONTRIBUTE TO A BETTER ENVIRONMENT

- Digitalization and automation of processes for utilities and power generators
- Offer environmentally friendly solutions
- Optimization of energy efficiency at own data centres



# 2

### SOCIAL RESPONSIBILITY

- Meaningful work – equal pay policy and opportunities to engage in charitable work
- Diversity – increase share of female employees and reduce the average age



# 3

### RESPONSIBLE CORPORATION

Contribute to the global sustainability agenda by requiring high standards for openness and transparency from ourselves as well as our partners



# MADE FOR MOVEMENT

## ENABLING MOVEMENT

Made for Movement is a specialist producer and seller of movement-enabling products to patients with severe movement disabilities. With own sales force in four countries and distributor agreements in over ten countries, Made for Movement is a recognized therapeutic expert with international presence and unique products that produce high user benefits.

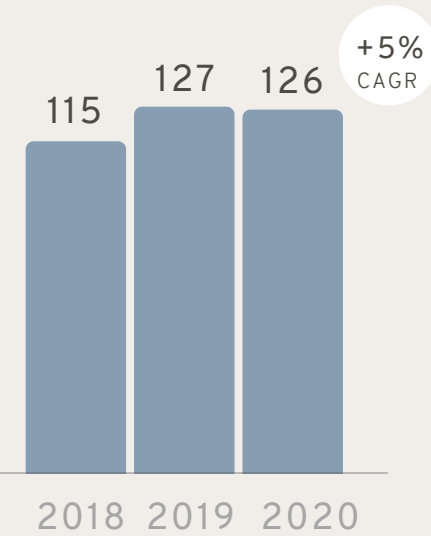
## INTERNATIONAL EXPANSION BASED ON INNOWALK

Credo partnered with Made for Movement in 2014 based on a plan to expand the business internationally, especially in Germany. The strong margins for the Company’s products would enable an attractive return on the sales platform, which is costly to sustain. Although sales in Germany has been growing, the development in this market has been significantly slower than expected in the business case, which to a large extent is a result of the business case assumption of significantly improved market access for the Innowalk in Germany has not yet materialized.

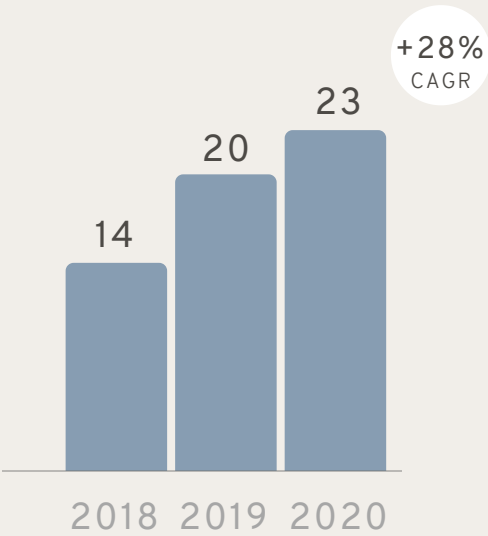
Alternative paths to growth were explored, with success in establishing own sales operations in UK and expanding setup in Sweden, based on the Innowalk. In June 2020, Made for Movement delivered the best last-twelve-months numbers in the Company’s history, demonstrating a strong growth trajectory and proven scalability in salesforce utilization (and profitability). The subsequent Covid-19 lockdowns severely impeded market access, with resulting revenue and profitability deterioration. Although the financials have been severely hampered by Covid-19, the Management has utilized 2020 to improve the organization in preparation for market reopening.



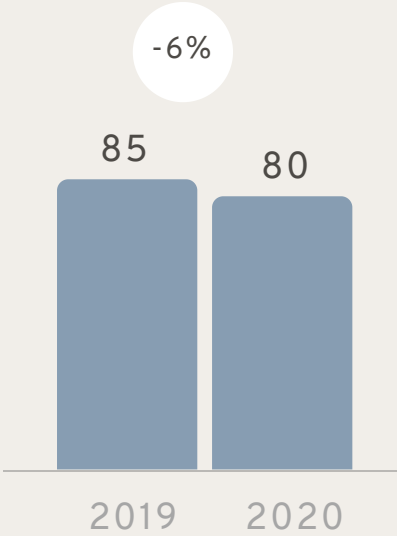
REVENUE  
IN MNOK



EBITDA  
IN MNOK



EMPLOYEES



NET ASSET VALUE  
% CHANGE IN NAV  
2019-2020

-2%

R&D EXPENSES  
IN MNOK

9.1

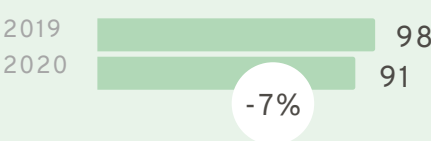
CAPEX  
IN MNOK

3.2

GHG EMISSIONS: SCOPE 1 (S1)  
IN TONNES CO2 EQUIVALENT



GHG EMISSIONS: SCOPE 2 (S2)  
IN TONNES CO2 EQUIVALENT



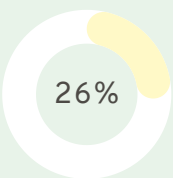
CARBON EFFICIENCY  
EMISSIONS S1 & S2/REVENUE 2020

2.2  
TON CO2 EQUIVALENTS  
PER MNOK REVENUE

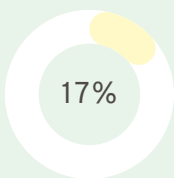
INJURIES 2020



GENDER BALANCE  
% FEMALE EMPLOYEES



BOARD COMPOSITION  
% FEMALE BOARD MEMBERS



SHE INDEX SCORE

N/A\*

\*She Index not available at time of reporting



# MADE FOR MOVEMENT

## BUILDING ON THE INNOWALK IN A POST-COVID WORLD

Top priority going forward is to regain momentum following reopening of markets, especially in Norway, which has been most severely hit by Covid-19 restrictions. Additional strategic initiatives will boost the growth outlook, all centered around the Innowalk technology: Introduction of upgraded Innowalk in the market, establishing independent institutional sales unit based on the Innowalk Pro, and potential R&D projects adapting the Innowalk to the elderly (and less impaired) segment.

ESG is embedded in Made for Movement's culture and products, which have major impact on the patients' welfare. An ESG strategy is in the process of being defined in the Management team, which will provide a holistic ESG strategy going forward.



## A YEAR OF INTERNAL DEVELOPMENT FOCUS

2020 financials ended roughly on par with 2019, which comprised an average of a record-breaking H1 2020 and a troubled H2 2020. However, considering the extent of market-lockdown, the result also shows great resilience in Made for Movement's sales team and model.

Behind the scenes, the organization has completed several important developments: Implementation of a new sales model, reorganization of the leadership team, development and use of digital tools, finished development of an updated Innowalk, and several successful tender wins and regulatory approvals.

## DEVELOPING PATIENCE AND RESILIENCE

Made for Movement continues to face large uncertainty as to when market access will return to normality, and financials will be challenged also in the first half of 2021. Management continues to keep the activity level as high as possible to improve effectiveness in the Company – to position Made for Movement for a forceful rebound to the previously demonstrated sales levels when Covid-19 restrictions eases and the Company regains normal market access.



# VARIER

## DESIGNER AND PRODUCER OF ERGONOMIC CHAIRS FOR THE GLOBAL CONSUMER MARKET

Varier is a furniture company based in Oslo, designing and producing high-quality ergonomic chairs that invite people to move when they sit. Since 1979, the products have led the innovation within their field, and inspired healthy sitting and creativity in workspaces and homes across the world. The products seek to balance ergonomic, functionality and beautiful design.

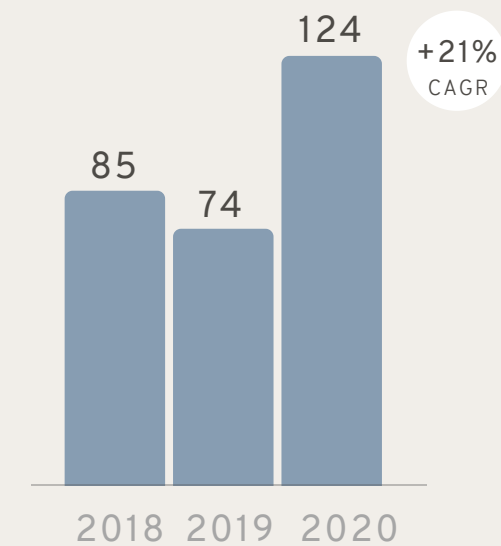
## ESTABLISH A GLOBAL FURNITURE COMPANY

Credo Partners has been invested in Varier since the company was divested from Stokke. In 2018, Varier was facing severe financial problems as a result of a non-performing supply chain and declining sales. The company was refinanced in 2019, and a new CEO was hired to lead the recovery and renewed development of Varier towards becoming a globally recognized furniture company focusing on ergonomics and design.

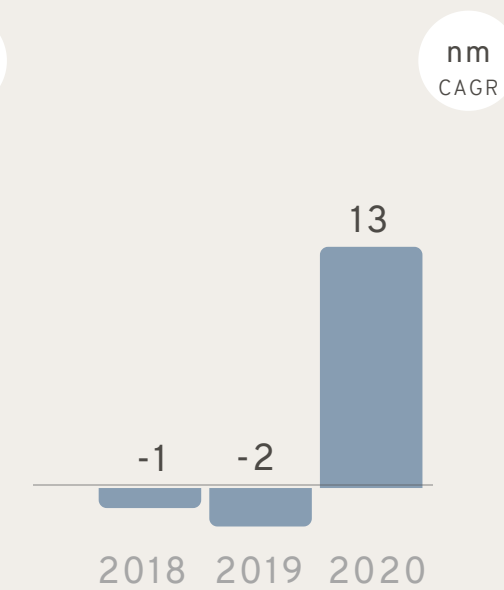
With a stabilized supply chain, and with new leadership, Varier experienced record high sales levels in 2020, helped by high demand for home office chairs resulting from the Covid19-pandemic situation.



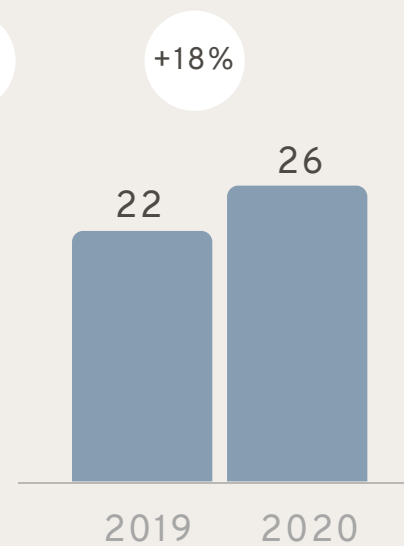
### REVENUE IN MNOK



### EBITDA IN MNOK



### EMPLOYEES



### ENTERPRISE VALUE % CHANGE IN EV 2019-2020

+186%

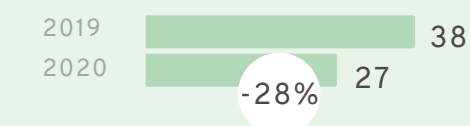
### R&D EXPENSES IN MNOK

2.4

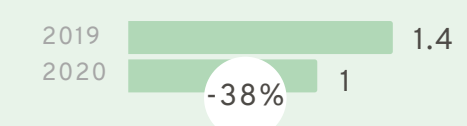
### CAPEX IN MNOK

2.1

### GHG EMISSIONS: SCOPE 1 (S1) IN TONNES CO2 EQUIVALENT



### GHG EMISSIONS: SCOPE 2 (S2) IN TONNES CO2 EQUIVALENT



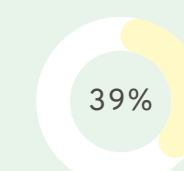
### CARBON EFFICIENCY EMISSIONS S1 & S2/REVENUE 2020

0.2  
TON CO2 EQUIVALENTS  
PER MNOK REVENUE

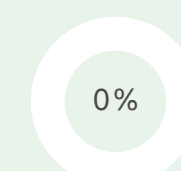
### INJURIES 2020



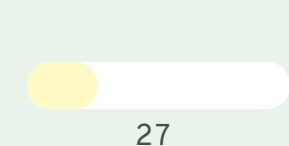
### GENDER BALANCE % FEMALE EMPLOYEES



### BOARD COMPOSITION % FEMALE BOARD MEMBERS



### SHE INDEX SCORE



\*Financials are group figures



## GOING GLOBAL AND DIGITAL

The strategic priorities for Varier are defined in four dimensions: Prioritize major international markets; market and sell products through digital channels and selected local distribution partners (supported by selected physical showroom presentation and service); focusing marketing efforts on inspiring and educational content in digital channels; driving continuous innovation and product development within the core offering of kneeling, sit-stand and multifunctional chairs for the home. Furthermore, Varier will during 2021 develop a sustainability strategy promoting healthy sitting, circular production, and sustainable supply chain based on four UN Sustainable Development Goals

## SUPPLY CHAIN SECURED, NEW CEO IN PLACE AND SALES REBOUND

During 2020 the financial situation to Varier has improved significantly from 2018. New CEO was onboard October 2019, at a time when supply chain finally was back to normal. Trust and relationships with key distribution partners were rebuilt and strengthened. In combination with high demand for chairs for home office, record high sales levels of NOK 124 mill. was achieved in 2020 with resulting EBITDA of NOK 13 mill.

## POSITIVE OUTLOOK DRIVEN BY LASTING INCREASED HOME OFFICE WORLDWIDE

Outlook for Varier is positive driven by lasting increased occurrence of home office, a reliable supply chain, increased digital presence and launch of two new chairs within the core offering. For 2021 Varier expects to grow revenues beyond the level realized in 2020.



## SUSTAINABILITY STRATEGY HEADLINES

1

### HEALTHY SITTING

Healthy seating is the fundamental driver of Varier's value proposition and DNA. By making Varier products available to more people. Varier directly support SDG #3 (Good health and well-being)



2

### CIRCULAR PRODUCTION & SUSTAINABLE SUPPLY CHAIN

#### 1. NEW PRODUCT DEVELOPMENT

Develop resource efficient products with minimal environmental impact and carbon footprint.

#### 2. OPTIMIZE EXISTING PRODUCT PORTFOLIO

Optimize existing product portfolio to minimize its carbon footprint.

#### 3. SUSTAINABLE SUPPLY CHAIN

Work with production partners to limit carbon footprint in our supply chain, to protect the environment and to ensure decent working conditions for employees.



# Covid-19 Impact and Response

34

Logo	Portfolio Company	COVID-19 market impact	Biggest challenge	Key actions	Government aid	Furlough
	MMC First Process	Postponement of project assembly, but no fundamental change	Project postponements	Used momentum to restructure underperforming unit	No	Yes
	Mill International	Limited impact. Results impacted by warm winter	Deliveries from China	Deliveries secured before lockdown	No	No
	Elscoop	Limited impact	Project shut downs and low local demand	Daily follow-up of furlough program. Accelerated improvement in control and reporting	No	Yes
	Frisk Utvikling	Reduced volume of physical consultations	Meeting clients	Launch of consultations by video on new digital platform	No	Yes
	Villa Paradiso	Severe impact on sales short and mid term	Shortfall of guests	Furlough program, accelerate program for operational excellence. New take-away offering	Yes	Yes
	Geia Food	Negative impact on food service, positive impact on retail	Supply of goods	Make use of existing contingency plans	No	No
	Globus Wine	Negative impact on food service, positive impact on retail	Managing risk of virus infection in production facility	Strict routines to protect workers health	No	No
	Sysco	Limited impact	Keep billable hours high	Extraordinary follow-up of consultants at home offices	No	No
	Made for Movement	Negative short term impact, but orders primarily postponed, not lost	Not able to meet patients	Furlough program. Product development initiatives to meet needs of health services	Yes	Yes
	Varier	Reduced impact on online direct to consumer sales	No customers for local retailers	Boost online sales on the back of trend for home office furniture, and use this to succeed in the US market	No	Yes



# Team



PÅL  
BRYNSRUD

PARTNER



VICTOR  
EVENSEN

PARTNER



STIAN  
GLENDRANGE

PARTNER



GUDMUND  
KILLI

MANAGING  
PARTNER



MARIE  
LETTING  
LARSEN

OFFICE  
ASSISTANT



SØREN  
TORP  
LAURSEN

HEAD OF  
DENMARK



WILHELM  
MOHN

PARTNER



HEDVIG  
NÆSS  
OLSTAD

ASSOCIATE



PÅL  
PRYDZ

DIRECTOR



RAGNHILD  
STØR

ASSOCIATE



JUN  
TAI-  
ANISDAHL

INVESTMENT  
MANAGER



HENRIK  
TØSTIE

INVESTMENT  
MANAGER





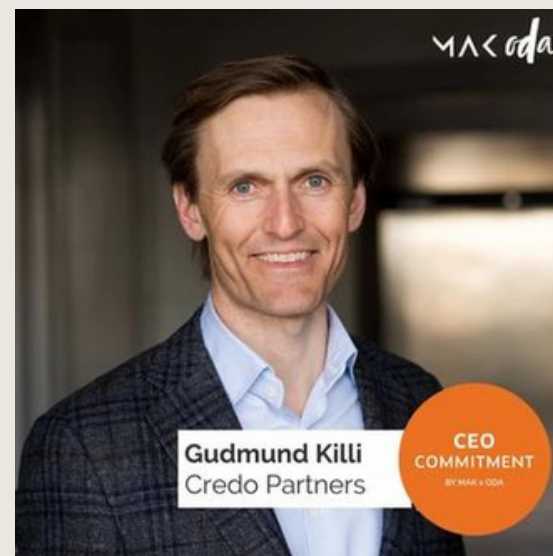
## Credo Partners buys a majority in the largest group of motorhome and caravan dealers in the Nordics

Credo Partners acquires majority share in Tellus Caravan & Fritid, a newly formed group of recreational vehicle (RV) dealers and service providers in Norway. The Group is the largest in the Nordics and consists of ten dealers and service outlets who offer the customers superior service whenever and wherever needed.

## Sysco kjøper svensk SQL-spesialist

Updated: a few seconds ago

Nå gjør Sysco enda et oppkjøp når de kjøper 100% av aksjene i svenske SQL Service, og fortsetter med det sitt oppkjøpsmoment med en ytterligere styrking av den internasjonale virksomheten.



## Gudmund signerer CEO Commitment

Vår Managing Partner Gudmund Killi har signert på initiativet til MAKxODA: CEO Commitment, og viser med det ønsket om å bidra til inkludering og mangfold på arbeidsplassen.



## Meet the team: Stian

Stian ble en del av Credo høsten 2013, og har vært med på å utvikle Credo fra en tidlig fase. I år tok han steget hele veien opp, og ble Partner i selskapet. Stian er kjent for et kvikt hode, være kjapp i replikken, og for å være en flink forhandler. Hvis du har låst deg fast i forhandlingene: ring Stian.

## Credo Partners selger Geia Food

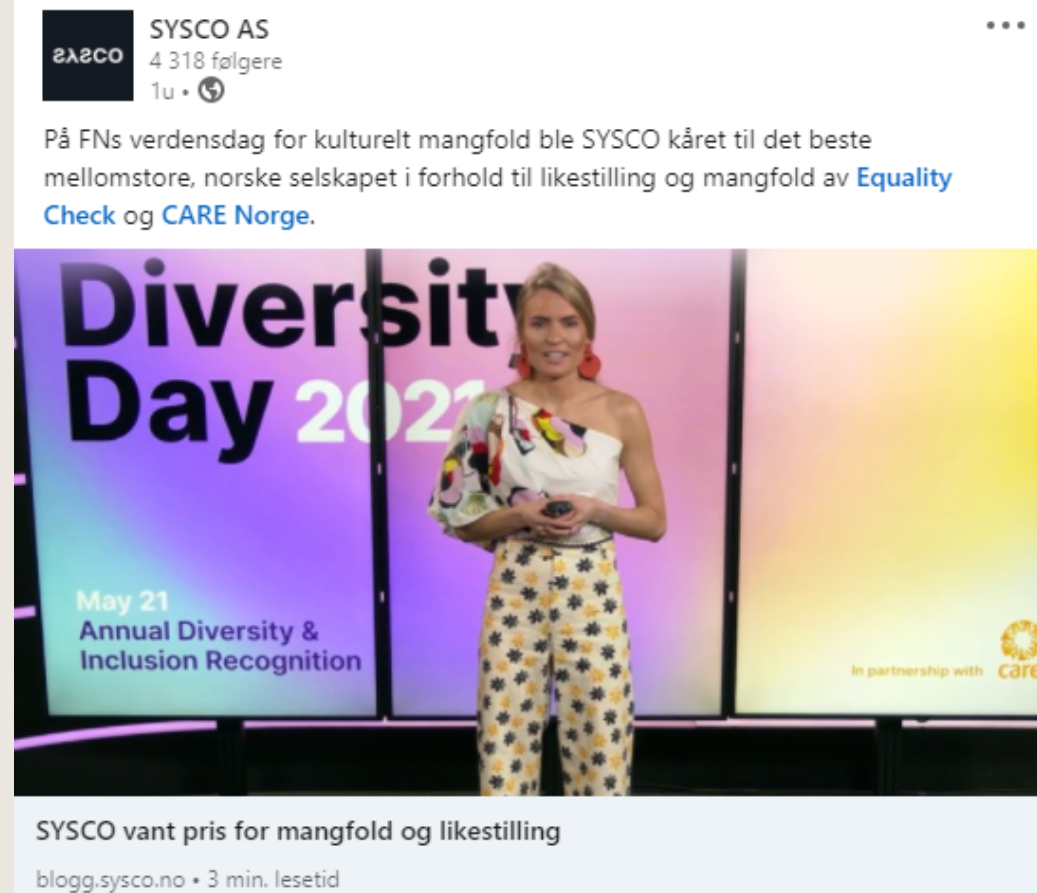
Updated: 3 days ago

Aalborg (Danmark)/ Oslo (Norge), 27 April 2021.

Etter 4 år som medeier i Geia Food, en ledende leverandør av dagligvareprodukter i Skandinavia, har Credo Partners nå inngått en avtale om å selge selskapet til det europeiske private equity-fondet Triton.



## Mill International wins prestigious design award for Sense Air

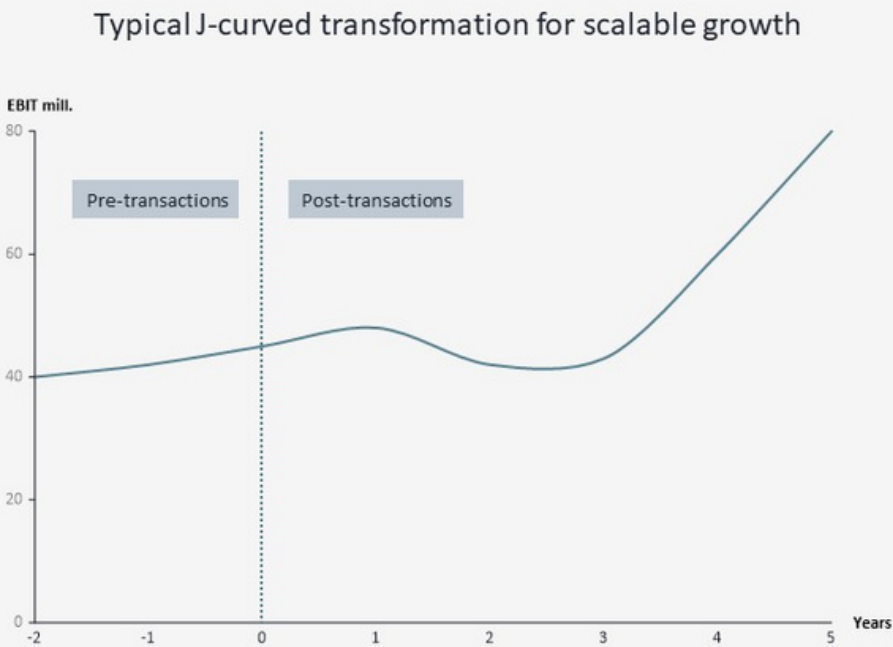




# Managing through the J-curve

At Credo Partners we take pride in our investment philosophy “Scaling up businesses”. *This aims to transform small/medium-sized companies to rapidly growing institutions where EBIT-results sustainably out-paces top line growth* by instituting a scalable platform and business model to take these companies beyond the scope and capabilities of typical owner-led companies. While this sounds easy in retrospective celebratory speeches, the reality of the matter is that from an owner’s perspective, scaling up successful smaller businesses requires a dedicated and profound approach with a replicable methodology that permeates all aspects of governance. This is true for all phases of the investment, but particularly relevant for the first few years of the holding period to ensure control through the typical “J-curve development” experienced when transforming high-potential companies to high-growth cases. The “J-curve challenge” represents the purgatory of events that smaller companies typically face 1-2 years into their transformation journey from a “know it all founder-led model” to a “scalable institution model”; ie the first 1-2 years in the holding period when investments into new competencies and leadership for longer term growth have been undertaken, but before these added costs have resulted in revenue growth and margin expansion.

This is the time that distinguishes good operators from bad ones, and experienced investors with a proven methodology from others. A typical J-curved transformation path is exemplified in the enclosed figure, although the actual shape of this curve will vary greatly from case to case.



Embarking on such a transformation journey requires a carefully thought through and executed plan for ensuring control through the J-curve. In addition to clarity on key risks and strategic choices, this includes sufficient financial capital to fund the journey, high quality leadership and human resources to execute, and a set of well-defined leading indicators/KPIs to proactively navigate and adjust speed and course through the journey. Well executed, such transformations for scalability and growth are very attractive for value creation.

Scaling up businesses is the hallmark of Credo’s core competence, which we apply with a mono-focal approach to our investments and value creation: *We partner with investors and founders to transform small and mid-sized companies into scalable and sustainable companies.*

This investment focus is distinct, and holds the potential for high value creation on the back of careful planning and executing for control through the transformation phase. However, to be successful and in control though the journey, a proven methodology, governance model, and execution need to be the pillars of such transformations. Therefore, Credo Partners applies a staged, three-steps model for managing through the J-curve when transforming companies for longer term growth and value creation:

- 1. *Design for transformation success up front*  
The prerequisites for success are defined at entry of a new investment. Credo typically partners with founders or family owners who have succeeded with developing their businesses thus far. However, typically they have under-invested in competencies and resources, and taken on a non-delegative leadership style. Thus, to realize their growth potentials, such businesses face a transformation journey to be scalable and grow beyond the capacity of the founder or dominant owner.

At time of entry, Credo Partners is adamant at ensuring the necessary platform for future success:

- *Structure transformation journeys as partnerships* with Credo as a small majority owner with control, while ensuring that key people (typically founder/owner/CEO) retain a large minority stake in the company (ideally 51-49%) to ensure aligned incentives for future ambitions and goals. In addition, we ensure an attractive management incentive program (MIP) as basis for recruiting future top

management, Board members and other potential select key people that are instrumental for achieving future success.

- *Spend sufficient time with founder/owner/CEO* to build joint ambitions for the next ownership era; and, dig into what it takes to achieve this ambition and document this in a short and crisp document outlining “Strategic guidelines” for the company going forward.
- *Conduct Commercial DD ourselves*: To prepare for a transformation journey, Commercial DD is far too important to be outsourced to outside advisors. This is the opportunity for us to get truly under the skin of the company, and start crafting hypotheses for strategic development, organizational development, cultural strengths and weaknesses, required BoD composition, and prioritized actions to build business going forward;
- *Prudent valuation*: Reflect missing costs and under-investments in the valuation. Good investment returns are easily spoilt from lack of realism in assessing what is required for a successful transformation for further growth in the company.



# Managing through the J-curve

## 2. *Use momentum of transaction*

Once ownership change has happened, Credo leverages the momentum brought about by the transaction as stakeholders expect new energy and changes to be conducted in the company:

- *We get pivotal people on board as quickly as possible* (but not everyone at the same time). If a new CEO is on the horizon: Recruit early to ensure the CEO gets a good opportunity to shape the team. Equally important for us is carefully composing and recruiting the BoD, with a view on ensuring deep industry insights and highly relevant experience around the table for the top management team to draw on through the ownership era;
- *We ensure “one frame of mind”* permeates everyone, and spend quality time crystalizing objectives and plans to ensure distributed ownership and shared ambitions throughout the organization. Such up-front time investments are prerequisites for installing a value-based culture built on performance ethics, shared values, and team identity, and represent invaluable intangible equity for the rest of the ownership era.
- *We stay close with the bank* to ensure that our plans and ambitions are well aligned with financial frames for the transformation journey. In this, we seek to set realistic progress expectations, and ensure sufficient back-up plans and resources so that there will be room to re-group to maneuver through all critical

phases of the transformation, well knowing that not all parts of a plan always come to fruition as anticipated.

## 3. *Execute for sustained control*

With these preparations in place, Credo is prepared to navigate with control through the typical J-curve development embedded in most transformations for building sustainable growth businesses. In this early execution phase (typically first 2 years of Holding period), we pay particular attention to complementing top management by taking on the following execution-reinforcing roles:

- *Ensuring a bifocal focus on progress and performance*; ie, being very close to short term KPI-performance and corrective actions, while maintaining and reinforcing long term ambitions and goals. This bifocal approach reinforces the links between current performance and progress with the ambitions for the company; thus, ensuring continued alignment and shared responsibility for strategy, progress and results;
- *Prioritizing, focus, and prioritizing again*: Coming successfully through the J-curve requires a univocal focus on execution and progress. Resources are scarce, and pressures on management on the downward side of the J-curve are high both in number of hours worked and mentally. This is the time for tough prioritizations: Only necessary “must do’s” should get attention. From our experience, this

is when management is most in need of both close support and follow up. From the inside of the pressure cooker, sufficiently stringent prioritization is tough, and we find ourselves in this phase frequently spending much of our time with supporting top management to prioritize only a very few but essential tasks, while ridding them from all other “nice to do tasks”;

- *Providing confidence and support to top management, while keeping very close to operations*. Credo provides management with a clear mandate to take on responsibility and accountability for effective execution. To control inherent risks, Credo in this phase remains extraordinary close with top management and operations. While we focus on coaching and enabling, we are also sufficiently close to gauge individual performance, and identify potential required rectifying actions if progress falls behind and before it goes off track.



*By Wilhelm Mohn- April 2021*





# CREDO PARTNERS

Credo Partners AS

Published in May 2021 by Credo Partners

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