

The background of the slide is a photograph of several offshore wind turbines in a dark, stormy sea with white-capped waves. The sky is overcast and grey. The turbines are white with yellow bases. One turbine in the foreground has the number '83' visible on its tower. A semi-transparent light grey rectangle is overlaid on the left side of the image, containing the text.

CREDO
PARTNERS

Portfolio Report 2019

- Scaling up Businesses -

In the bottom left corner, there are two thin, dark lines: a vertical line and a horizontal line intersecting at a right angle.

About this Report

We are excited to share Credo's first annual portfolio report. Our intention with this report is to share the results of our quest to build 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 perspective on the outlook for each company.

The data in the report have been compiled from the quarterly investor reporting, 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. In this first edition, we will describe Credo's sustainability strategy, processes and key tools. Future reports will include full sets of sustainability strategies and KPIs for each portfolio company.

This year's edition includes financials from 2019 and the first half of 2020. Future reports will include one full fiscal year.



Report Outline

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Key Developments

Credo's portfolio has had a strong 2019 and first half of 2020. Overall revenues and operating profits continue solid double-digit growth, and many of our companies are now rewarded for years of investments in scalable business systems and strengthened management.

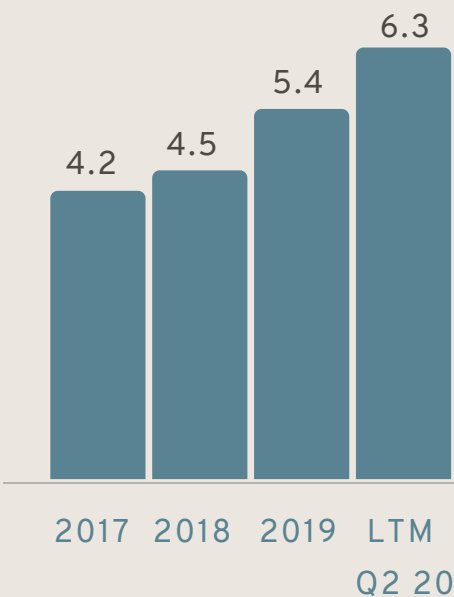
For example, Globus Wine has put two years of heavy investments in production facilities behind it, and is now filling wine at record volumes and record profitability. Similarly, Sysco has over the last year won several blue chip software and managed service contracts with top-tier energy utility customers, thereby substantially accelerating growth in recurring revenues.

Credo's mission is to transform successful mid-sized companies into scalable and sustainable business systems. It takes experience and tenacity to pull through the initial years of structuring and investing, but as our portfolio is now demonstrating, the rewards can also be substantial.

Covid-19 has had a limited effect on our portfolio, with Villa Paradiso as the obvious exception. Over time, Credo has built a resilient portfolio that can withstand external shocks, and that provides a balanced exposure to different sectors. Protecting downside while investing for extraordinary returns remains a core focus for us.

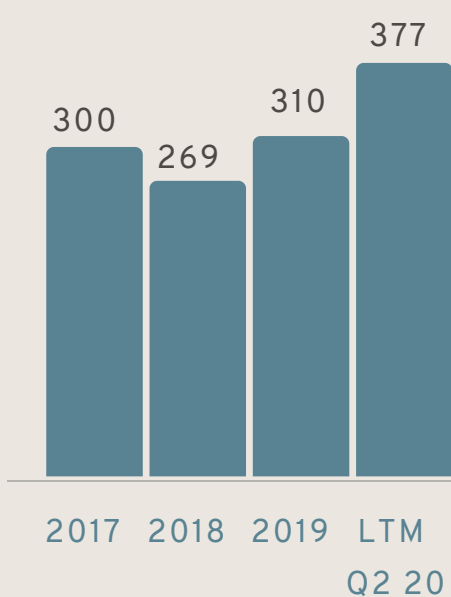
PORTFOLIO REVENUE*

IN BNOK



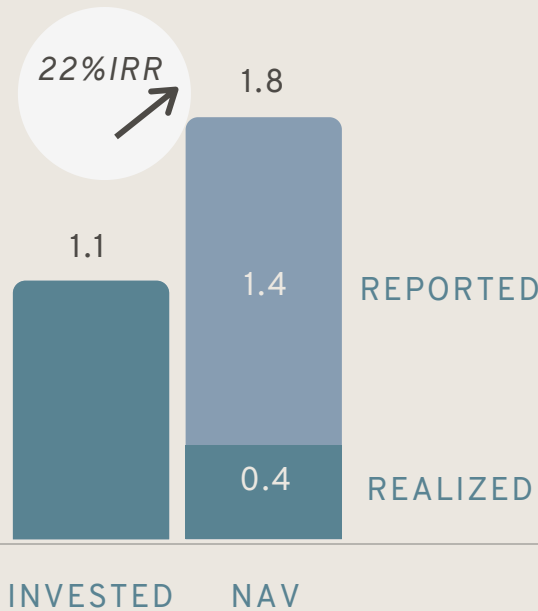
PORTFOLIO EBITDA*

IN MNOK



PORTFOLIO INVESTED AND NAV SINCE 2012

IN BNOK



CURRENT PORTFOLIO STATISTICS

10 COMPANIES
1 831 EMPLOYEES

GROSS PORTFOLIO IRR

30% EXITS
41% LTM Q2 2020
14% 2019

*Historic figures include all current portfolio companies

SUSTAINABILITY FRAMEWORK ALIGNMENT



Letter from the Managing Partner

2019 now seems far away. Pre-historic. Pre-COVID-19. But it was an important year for active owners such as Credo Partners. Last year, being a responsible investor finally matured from a compliance exercise into a core part of everyone's performance score card. This is a fundamental change where a company's responsibility is widened to serve not only shareholders, but also employees, communities and the environment. At Credo Partners, we welcome this development, and we applaud the European Union's efforts to set clear standards for sustainable economic activity. Credo is privileged to be in a position of extraordinary impact through our partnership model for scaling up small and mid-sized companies. Entering into 2020, we have had many inspiring workshops with our management teams to identify each company's specific high-impact contributions to our global challenges. I hope you will also find some inspiration in this report.

GROWING PORTFOLIO

Credo took big steps forward in 2019 as an investment firm. We invested in three new portfolio companies, proving our ability to execute multiple transactions in parallel, and our capacity to raise several hundred million NOK in equity in a few short weeks. The Credo team is also growing, with two new professionals added to the team, and with the share of women increasing from 10% to 27%.

OUR COVID-19 RESPONSE

While 2019 was about ESG and growth, 2020 has so far been about viruses and lockdowns, which have also provided some useful insights:

(I) Credo's investment model gravitates towards a relatively resilient portfolio – a real strength in troubled times. Given that the Credo team's personal savings are most at risk for each individual investment, we take an extra hard look at the downside for every investment. 9 out of our 10 current investments pulled through the lock-down period with limited negative, or even positive impact. Overall, the net asset value of the portfolio increased by 17% from Q4 2019 to the end of Q2 2020, with a similar increase of overall portfolio revenues in the same period.

(ii) Having a professional owner by your side during a crisis has real value. Navigating the crisis has been challenging. It requires experience and self-confidence to make right and quick decisions about cost cutting and other necessary actions, to secure adequate financing, and to process the government's aid packages.

(iii) Never waste a good crisis. Our companies will emerge from the lockdown situation with leaner and more profitable business models, and COVID-19 has been a powerful accelerator for change. See also the article "Winning over crises" attached on the last page.

POSITIVE OUTLOOK

At the time of writing, we see an investment community carefully returning to doing deals, and more importantly hundreds of companies in need of professional ownership in the transition from founder led to scalable and sustainable.

Best regards,



GUDMUND KILLI

MANAGING PARTNER, CREDO PARTNERS



Our Approach to Value Creation

CREDO'S INVESTMENT PHILOSOPHY: SCALING UP BUSINESSES

Credo's investment philosophy remains steadfast: 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 that are unpolished gems, with high potential for value creation, but few investors who commit to contributing before professionalization has already taken place and scalability is already established.

REAL PARTNERSHIPS

We keep founders, management and investors close to each investment, and we encourage all of these to be active co-owners, 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

The name of the game: 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 yields high returns.

REAL IMPACT

We share your ambition of making the world a better place. 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

Our basic approach is the same across industries and across financial and non-financial goals. Together with our partners, 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 oppurtunities	Real partnerships	Positive impact
Few players	Established methodology	High returns

Portfolio Overview

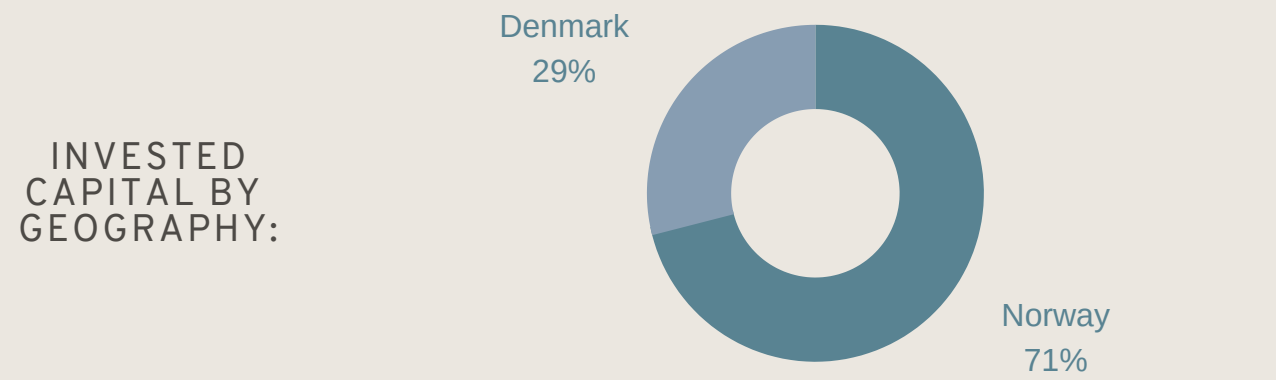
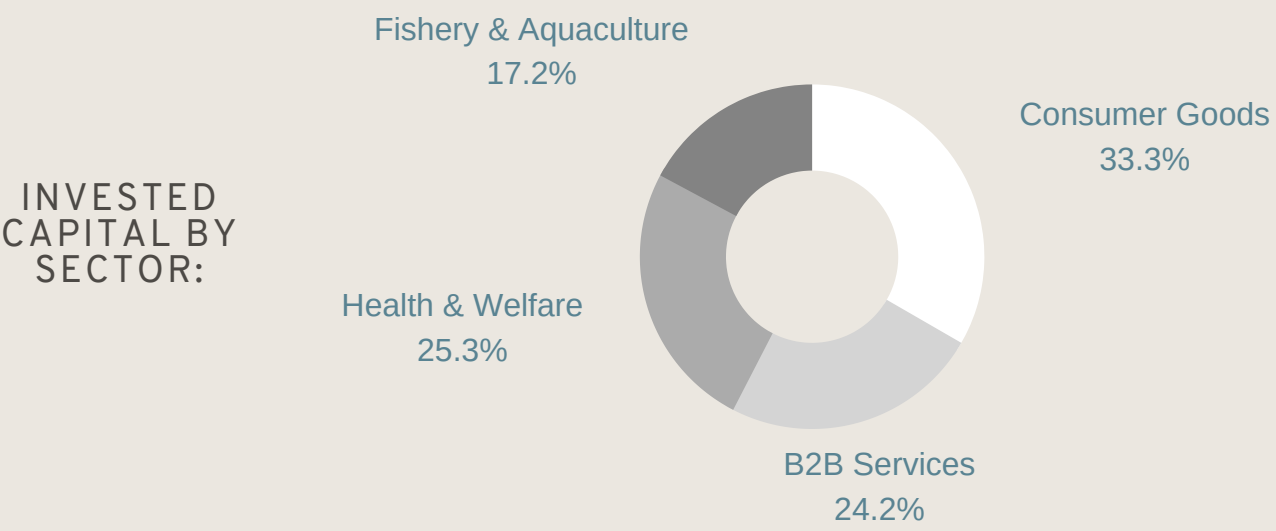
CURRENT PORTFOLIO:

Logo	Portfolio Company	Investment year	2019 sales (MNOK)	Employees (Number)	Category	Country	Description
	MMC First Process	2019	610	158	Fishery/ Aquaculture	Norway	Solutions and equipment for handling of live fish
	Mill International	2019	190	14	Consumer	Norway	Electrical space heaters
	Elscoop	2019	480	516	B2B Services	Norway	Electrical installation services
	Frisk Utvikling	2018	440	410	Health/ Welfare	Norway	Work and health related services
	Villa Paradiso	2017	230	200	Consumer	Norway	Italian restaurant chain and wholesaler of italian food
	Geia Food	2017	2210	110	Consumer	Denmark	Food concept provider to Nordic grocery retail
	Globus Wine	2016	640	97	Consumer	Denmark	Partner for Danish/Nordic retail in the wine category
	Sysco	2016	410	220	B2B Services	Norway	IT services, with particular focus on energy utilities
	Made for Movement	2014	130	76	Health	Norway	Helping aids for severely disabled children
	Varier	2018	80	30	Consumer	Norway	Ergonomic chairs

EXITS:

Logo	Company	Investment year	Sales (MNOK at exit)	Employees (# at exit)	Category	Country	Description
	Optimar	2012	1072	344	Fishery/ Aquaculture	Norway	Fish processing equipment
	Labflex	2015	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
- Varier is a special case: Inherited from Credo's early days as turnaround investors. This investment would have been too small for today's investment scope.



Investor Overview

200 MILLION
NOK
AVERAGE EQUITY INVESTED
PER YEAR LAST THREE YEARS

1 BILLION NOK
INVESTED CAPITAL

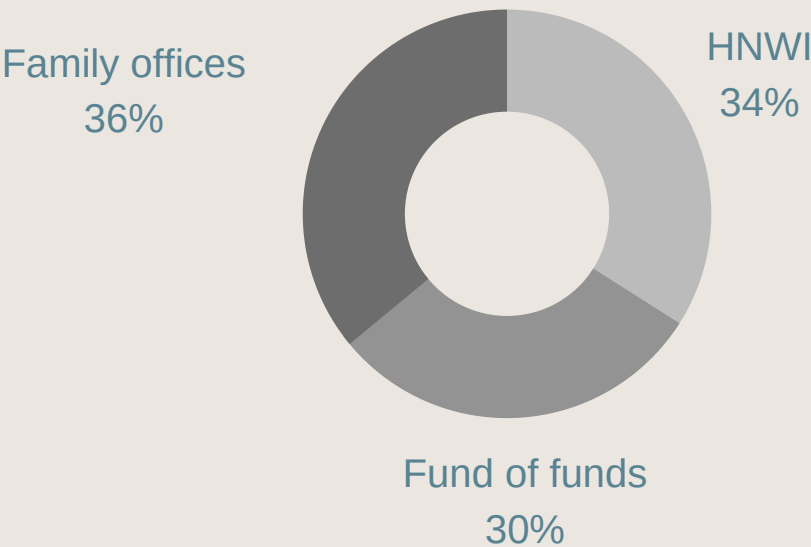
100 INVESTING
INDUSTRIAL
ADVISORS

Credo's direct investment model is now well established, with over 1 billion NOK invested, and it continues to grow with new equity investments in the range of 200 MNOK per year.

We have a unique and value driving combination of (i) access to solid sources of capital through family offices and fund of funds, and (ii) 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.

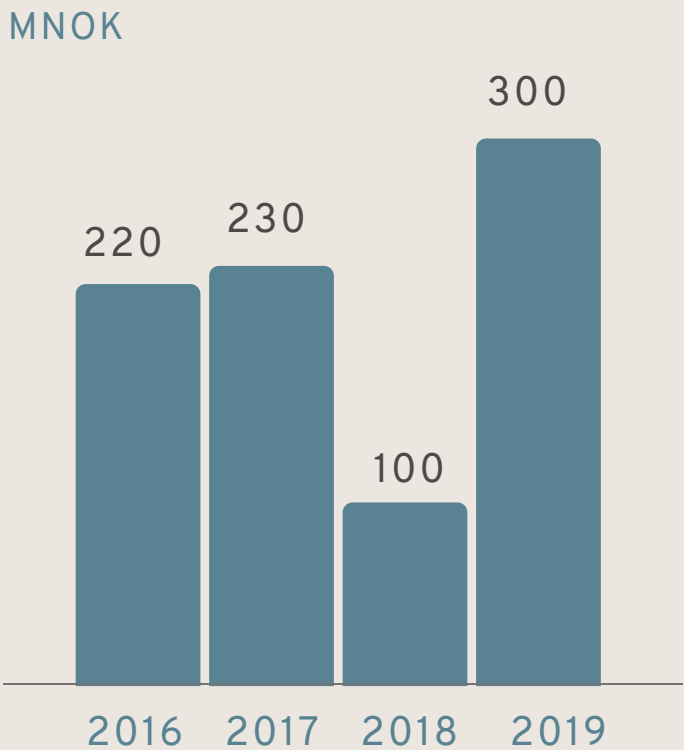
Going forward, we will continue to build on our existing model, while also continuing to refine our SPV structures to cater to larger, professional investors.

SOURCES OF CAPITAL*



*Sum of capital invested since 2014

COMMITTED CAPITAL PER YEAR



Covid-19 Impact and Response

09

Logo	Portfolio Company	EBITDA LTM Q2 vs. 2019 FY	COVID-19 market impact	Biggest challenge	Key actions	Government aid	Furlough
	MMC First Process	-42%	Postponement of project assembly, but no fundamental change	Project postponements	Used momentum to restructure underperforming unit	No	Yes
	Mill International	-24%	Limited impact. Results impacted by warm winter	Deliveries from China	Deliveries secured before lockdown	No	No
	Elscoop	+67%	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	+21%	Reduced volume of physical consultations	Meeting clients	Launch of consultations by video on new digital platform	No	Yes
	Villa Paradiso	-75%	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	+32%	Negative impact on food service, positive impact on retail	Supply of goods	Make use of existing contingency plans	No	No
	Globus Wine	+69%	Negative impact on horeca and Border sales, positive impact on retail	Managing risk of virus infection in production facility	Strict routines to protect workers health	No	No
	Sysco	+30%	Limited impact	Keep billable hours high	Extraordinary follow-up of consultants at home offices	No	No
	Made for Movement	+40%	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	From minus to plus	Positive 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

Credo Sustainability Strategy

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.

STEP-CHANGE REQUIRED

However, while sustainability has always been an implicit part of our process, we recognize the need for a step-change. The world is becoming ever more complex and the global sustainability challenges are severe and immediate. We have therefore decided to make sustainability an explicit part of our strategy, with a specific process, specific goals and KPIs. The following page outlines our chosen sustainability goals, the KPIs we will use to measure our progress and the related SDGs. We believe these goals are uniform enough to be relevant for our diverse investment universe and specific enough to make an impact. Once we have established a baseline, we will update the strategy with quantitative targets.

ONE SIZE DOES NOT FIT ALL

There is no one size fits all in sustainability work and 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.

IN A NUTSHELL

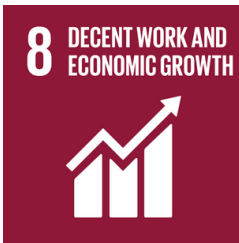


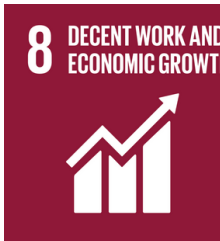

Our central strategy

- 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)
- (See next page)

Our core beliefs

- Profitable and growing companies play a key role in creating a sustainable future
- We can create competitiveness and financial value by 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

Credo Sustainability Strategy

Sustainability Goals		KPIs	SDGs	
0	Generate sustainable economic growth	Generate sustainable economic growth through responsible and innovative use of resources	<ul style="list-style-type: none">% of green activity in portfolio according to EU taxonomySustainable Growth: Revenue growth/growth in emissions	
1	Stop climate change	Reduce and compensate for greenhouse gas emissions and be transparent about the footprint across our portfolio companies' value chains	<ul style="list-style-type: none">% reduction in emissionsCarbon efficiency: Emissions/revenues	
2	Responsible consumption and production	Ensure decent work conditions and environmental responsibility across our portfolio companies' value chains	<ul style="list-style-type: none">% of suppliers with signed supplier code of conduct	 
3	Equality and diversity	Promote gender equality and ensure diversity in Credo and our portfolio companies	<ul style="list-style-type: none">SHE Index scoreAnnual diversity review	



SYSKO CEO NOMINATED FOR GENDER DIVERSITY AWARD

Dagfinn Ringås, CEO of Sysco, was one of three finalists nominated to receive the "ODA Award Man 2020" - a prize awarding work to increase gender balance and diversity in the tech sector.

Dagfinn has had diversity in tech on the agenda for many years, and has experienced the impact of diversity on results. In SYSKO, he has implemented ambitious diversity KPIs, doubled the number of female hires, added two women to top management, and leads a company with 20 nationalities. Dagfinn has shown true passion for diversity, proven by specific actions.
- ODA nomination committee



RELAUNCH OF THE YEAR - EKSTREM BY TERJE EKSTRØM FOR VARIÉR

BoBedre, Scandinavia’s leading design magazine, hosts an annual event celebrating Norwegian design where a total of nine prizes are awarded in different categories. Ekstrem was nominated in the category Relaunch of the Year. The prize is awarded to a product which represents the successful revitalization of an object from Norwegian design history, contributing to strengthening Norwegian design both at home and abroad.



HIGH PRAISE FOR VILLA PARADISO

The food and drinks speak for themselves at this renowned pizza restaurant concept, but it is the welcoming atmosphere, beautiful interior and high ceilings that make this newcomer a place well worth testing for most occasions.
- Dagsavisen

Dagsavisen: 5

Food	★ ★ ★ ★ ★
Menu	★ ★ ★ ★ ★
Environment	★ ★ ★ ★ ★
Service	★ ★ ★ ★ ★
Price level	★ ★ ★ ★ ★
Total	★ ★ ★ ★ ★



MILL AWARDED THE INTERNATIONAL RED DOT DESIGN AWARD

In 2019, Mill received the prestigious international Red Dot design award for their Convection SG1200 WIFI model. Red Dot is an international design competition aimed at those who want to distinguish their business activities through design. The Red Dot design award is based on the principle of selection and presentation. The distinction is awarded by competent expert juries in the areas of product design, communication design, and design concepts. The red dot has become established internationally as one of the most sought-after seals of quality for good design.



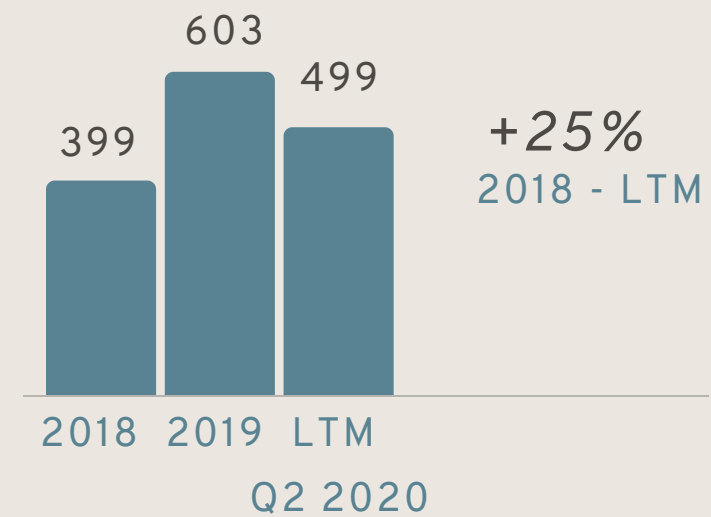
Our Portfolio Companies

MMC First Process

Creating an independent provider of handling, processing and cooling of fish to the global seafood industry

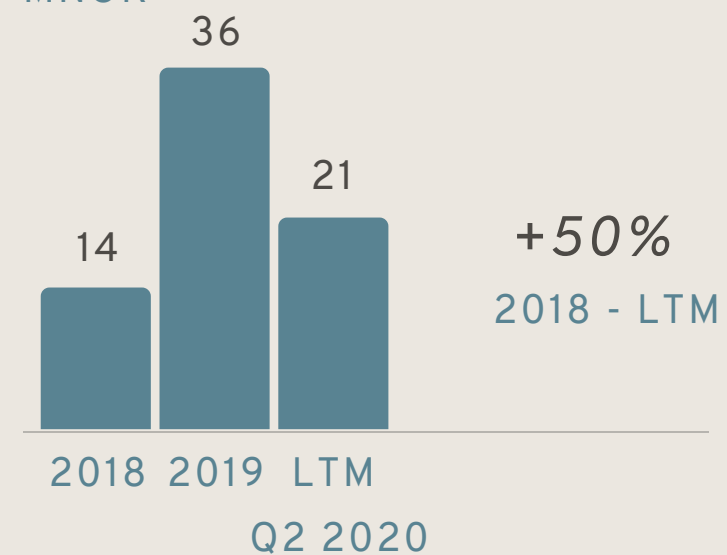
REVENUE

MNOK



EBITDA

MNOK



158

EMPLOYEES

NORWAY

LOCATION

LEADING SYSTEM SOLUTION PROVIDER

MMC First Process provides complete and sustainable systems for handling, processing and cooling of fish to the seafood industry. The complex solutions are supplied to both wildcatch and aquaculture customers all over the world, both onshore and onboard.

PROFESSIONALIZATION IN A GROWING INDUSTRY

Credo invested in MMC First Process in July 2019, as part of a management and employee buy-out. Prior to this, Credo had already formed a positive impression of MMC First Process from our work with Optimar and was able to act swiftly when its then-owner, Havyard, signaled interest in selling the business due to financial difficulties. Credo's investment thesis was built on several pillars: exposure to growth options in aquaculture; grow customer base from decreased conflicts of interest (some of MMC First Process' customers were direct competitors of Havyard); professionalization of a fast-growing organization; and improved incentives for key management.

STRENGTHENING POSITION WHILE CREATING COST FLEXIBILITY

MMC First Process enjoys a privileged position in its main markets; wellboat and pelagic onshore. The Company's unique interdisciplinary competence within pumping/handling, cooling and processing of fish enables a long-term strategy to fortify the position as a "go to" supplier and partner for wellboat and pelagic processing customers, while at the same time exploring opportunities in adjacent markets such as landbased aquaculture. Being a project organization, the strategy also includes cost-flexibility goals to ensure a flexible cost base in the face of fluctuating revenue streams.

REAFFIRMING FOCUS

Since Credo's entry, a strategic assessment of all MMC First Process' segments has been undertaken, reaffirming the strategic focus and identifying improvement potentials. Several initiatives are already in execution, including discontinuation of a previously strategic wildcatch segment in favor of land-based aquaculture subsystems. Furthermore, management has been strengthened through the hiring of a VP HR&HSEQ and VP Marketing & PR. They have already contributed with projects of strategic value within COVID-19 response management, sustainability and digitalization.

TEMPORARY SPEED BUMP

In the last twelve months to June 2020, both revenue and EBITDA are lagging 2019 full year. Due to a somewhat volatile revenue recognition model (based on cost of goods sold), large intra-year fluctuations are normal and to be expected. However, a slow order intake in H1 2020 due to postponements of major contracts (partly due to COVID-19) will translate to a weaker 2020, but also a very strong pipeline and order book for 2021. The sum of strong lead indicators, sustained high wellboat demand and opportunities in the booming onshore aquaculture market indicate a strong outlook for 2021.

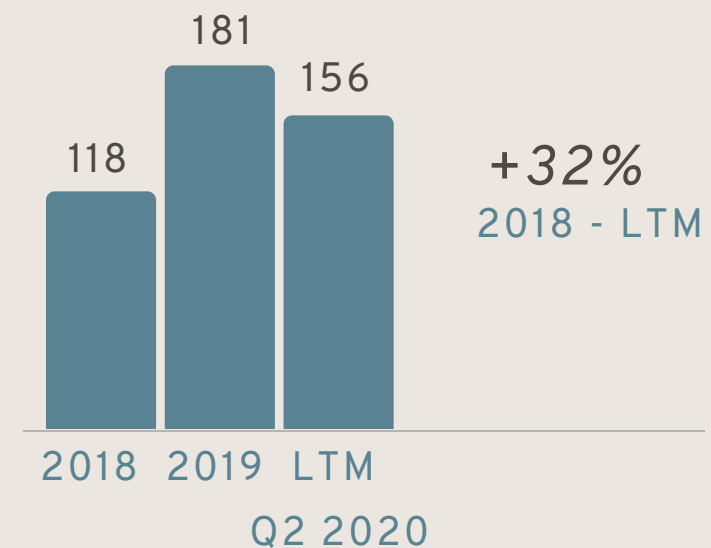


Mill International

Norwegian hardware brand positioned for international growth

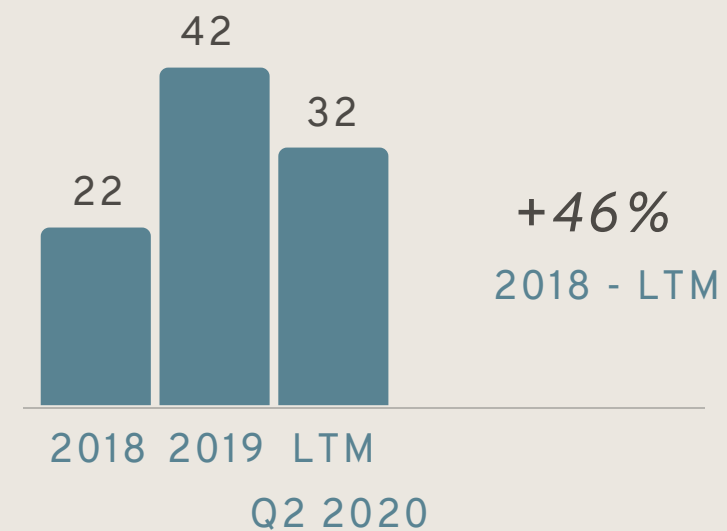
REVENUE

MNOK



EBITDA

MNOK



14

EMPLOYEES

NORWAY

LOCATION

KEEP WARM WITH STYLE

Mill International is a leading provider of electrical heaters with smart home solutions and award-winning Scandinavian design. The products are currently sold in 27 countries across Europe, Asia and North America, at several of the largest retailers globally.

SCANDINAVIAN MARKET LEADER

Credo invested in Mill in July 2019. At the time, Mill had grown significantly and achieved a market leading position in its home market, Norway. With the brand receiving increasing attention from international distributors and potential customers, the founding family was seeking a partner to help them leverage the growing international demand and potentially expand into adjacent products. With a high-quality offering, position as the domestic market leader and a winning business model, characterized by a highly flexible and cost-efficient setup, we saw the opportunity for significant value creation and high potential investor returns.

GOING GLOBAL

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 R&D, and continue to develop the technology. Of these initiatives, advances in international markets is expected to contribute the most substantial share of the company's future growth.

BUILDING A SCALABLE PLATFORM

A year into our ownership period, we have significantly strengthened the organization with three key hires. Per Robertson, CEO, brings fifteen years of experience within branded consumer goods. Andreas Krona, CFO, joined from Circle K, where he was the Senior Finance Director. Anne-Jorunn Bjoner has recently joined as the Head of Marketing, with over twenty years of experience from P&G and Orkla under her belt. With extensive, broad and highly relevant experience from some of the leading global companies within their fields, this team is ideally placed to spearhead the next phase of growth at Mill.

THE HEAT IS ON

In the last twelve months to June 2020, revenue is tracking behind the preceding year. This is a direct result of the unusually warm winter season in '19/'20, which caused lower than expected sell-out from stores and a subsequent inventory build at Mills customers. Consequently, high stock levels negatively impacted order levels in 2020. With a lean and highly flexible cost base, Mill can absorb such revenue declines and still generate solid profitability. While 2020 is set to deliver modest EBITDA contribution, fundamentals are strong and the position as the Scandinavian market leader within space heaters remains robust. Key hires have significantly strengthened the organization, and with a solid product development pipeline the outlook for 2021 looks promising.



Elscoop Group

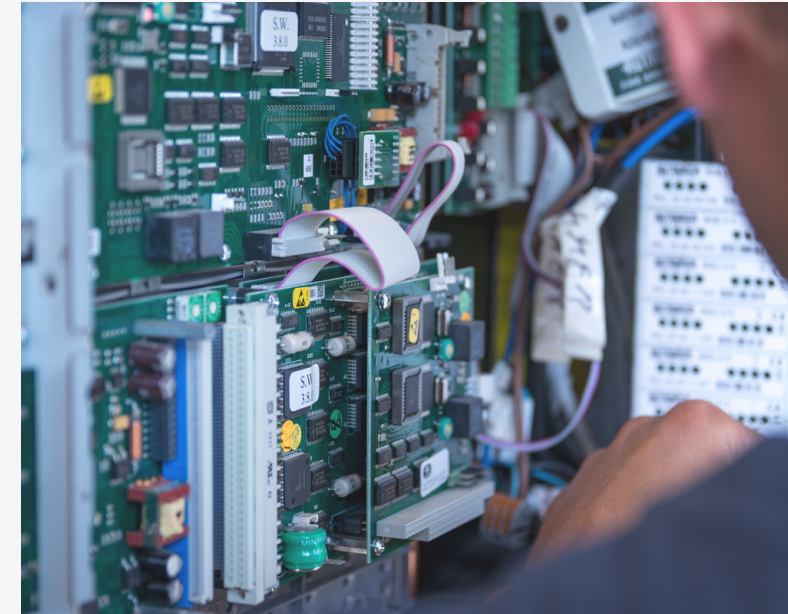
16

Building the leading “multi-local” electrical installation group in Norway

MANAGED LOCALLY, POWERED BY ELSCOOP GROUP

Elscoop comprises 17 locally managed electrical installation SMBs concentrated in Eastern Norway and Trøndelag. The companies each represent household names on their home turfs and are recognized for delivering quality services and projects as well as strong financial performance. The companies’ activities are skewed towards service contracts and smaller projects yielding an attractive risk profile for the group as a whole.

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 corporate. For example, the companies benefit from the Elscoop procurement platform and digital toolbox, access to best practices, and a forum for sparring with like-minded players. Group management is a lean, but effective team driving improvement programs, software development and digitalization efforts, joint negotiations towards suppliers and wholesalers, M&A processes, finance and reporting.



BUY AND BUILD

Elscoop aims to build the leading electrical installation group in Norway, achieved through an acquisition model with a strong value proposition to target company owners, enabling them to strengthen their business and take part in the Elscoop growth journey. Local managers and key persons become co-owners in Elscoop and thus incentivized to contribute to groupwide improvement. Simultaneously, local managers remain responsible for their “own” company and its results.

RIGGING FOR FURTHER VALUE CREATION

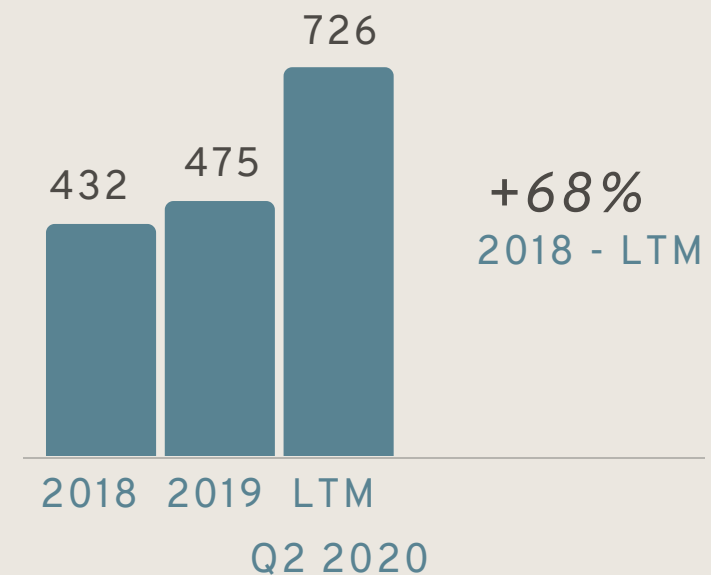
After Credo’s entry in July 2019, Elscoop has been rigged for further growth. Several additions to management have been recruited, including a new CEO and CFO. The extended group management team covers specialist functions such as controlling, IT and procurement. Five add-on acquisitions have been executed thus far, effectively doubling the size of the company, and the acquisition pipeline is extensive.

AHEAD OF SCHEDULE

Per June 2020, Elscoop is ahead of the original growth plan and has delivered solid financial performance despite the Covid-19 pandemic, demonstrating robustness. June LTM pro forma revenues are up 50% compared to FY 2019, driven primarily by four acquisitions closed in 1H20, with EBITDA margins slightly shy of 10%. Going forward, Elscoop will focus on adding new companies to the portfolio and ramp up efforts to deliver on its improvement programs related to digitalization, groupwide sharing of best practices, people development, marketing and sales.

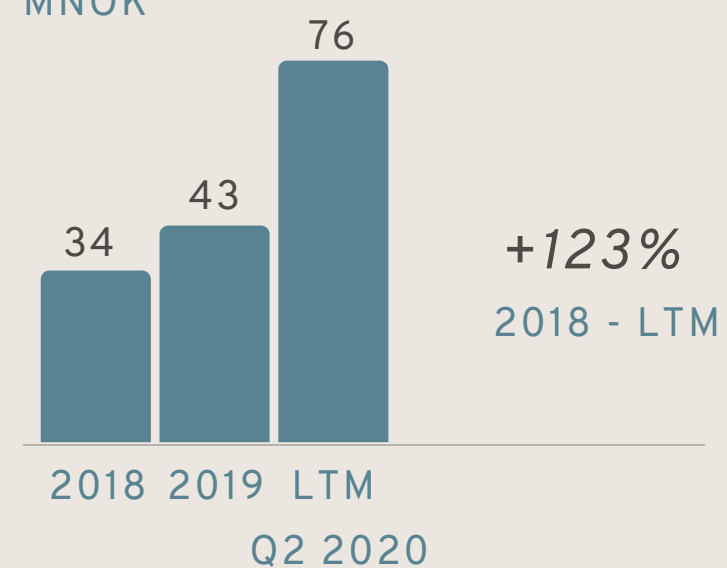
REVENUE

MNOK



EBITDA

MNOK



445

EMPLOYEES

NORWAY

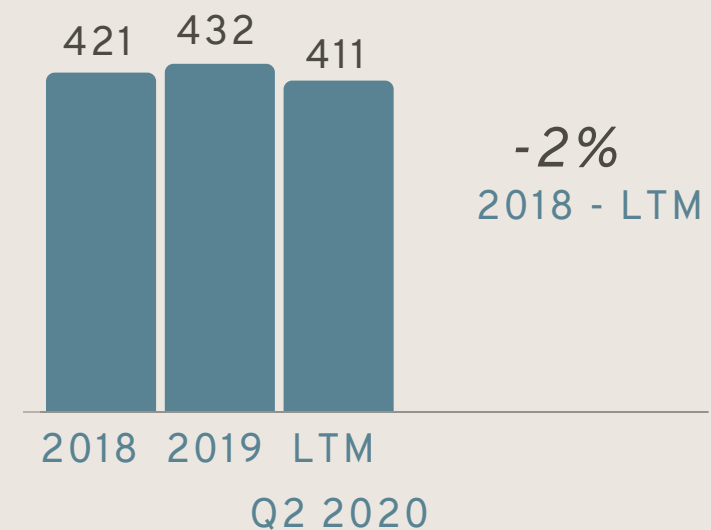
LOCATION

Frisk Utvikling

Creating the #1 Norwegian supplier of labor market programs, and #2 occupational and specialist health services

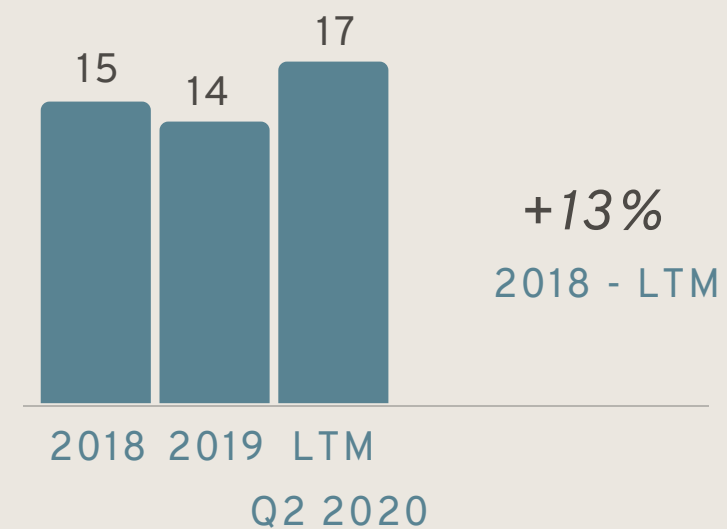
REVENUE

MNOK



EBITDA

MNOK



410
EMPLOYEES

NORWAY
LOCATION

THREE COMPANIES, SAME MISSION

Frisk Utvikling was formed in 1Q18 from the merger of Din Utvikling AS, Oppfølgingsenheten Frisk AS and Frisk HMS AS. While the companies provided different services, they shared the same mission: mitigating health-related workplace absenteeism.

Din Utvikling provides individual and group-based labor market programs contracted from NAV. Oppfølgingsenheten Frisk delivers specialist health services contracted from public regional health enterprises (RHF), such as daytime rehabilitation programs, psychologic- and physiotherapeutic treatment as well as health-, ability- and capacity evaluations contracted from NAV. Frisk HMS provides occupational and medical services from its clinics across eastern Norway.

OPERATIONS, OPERATIONS, OPERATIONS

Early 2018 Oppfølgingsenheten Frisk and Din Utvikling had assumed leading positions within their niches. Din Utvikling was generating strong margins with a flexible cost base, as most of its employees were independent consultants. Oppfølgingsenheten Frisk's operations involved higher medical complexity with good margin potential, which had not been realized due to absence of focus on operational efficiency.

The companies shared presence on several sites, thus with upside related to co-location. Shortly after Credo's entry, NAV issued a directive forcing its suppliers to convert external consultants to employees, practically fixing the companies' cost bases overnight. As a result, the companies had to re-engineer their operating models and upgrade IT systems, in parallel with replacing the order backlog which approached maturity in 2019-2020.

To reduce risk by skewing the group's topline towards B2B recurring revenues, Frisk HMS launched an expansive M&A strategy to grow from a humble beginning to the #2 player in the Norwegian occupational health services space behind Stamina.

THROUGH THE TROUGH

2.5 years post inception, after a challenging ERP implementation project, heavy investment in digitalization, several rounds of organizational rightsizing, reconstruction of the management team and a highly successful 2-year tender season, the group is well on its way in transforming to a professional company generating healthy margins. Frisk Utvikling has been highly praised by NAV and the RHF for its ability to maintain high quality operations throughout the Covid-19 crisis.



GROWTH

Out of intensive care, the group continues to focus on operational efficiency, with management gradually tilting focus towards executing growth options. Pilot projects are currently ongoing to deliver specialist health services direct to consumers, and Frisk HMS continues to look for M&A opportunities and sharpen its value proposition to enable organic growth.

CHECKING OFF BOXES

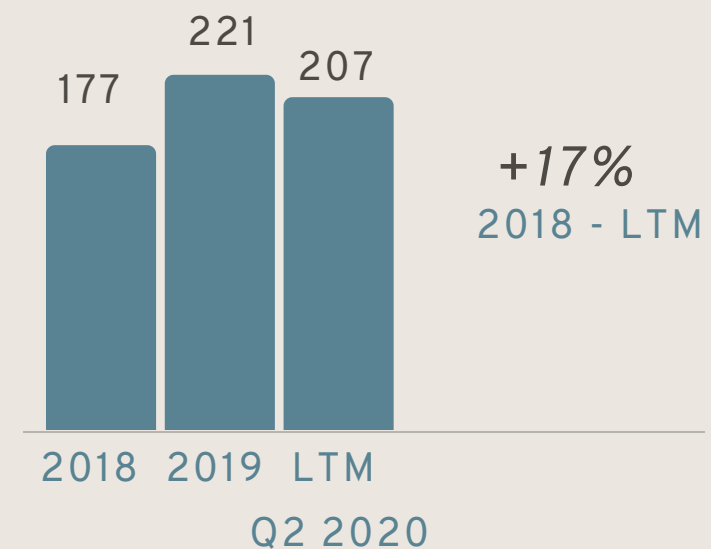
In 2Q20 Jon Sivert Nielsen stepped down as CEO, as the "turnaround" was deemed complete, to be replaced by Hilde Britt Mellbye. The acquisition of Aktimed was closed in August, bringing the group's revenues within occupational health to NOK ~180 million, up from NOK 35 million at entry. Year to date per August the group had generated EBITDA of NOK 39 million.

Villa Paradiso

Transforming two Italian restaurants and a local food importer into a scalable restaurant concept and national challenger in supply of Italian food to HoReCa.

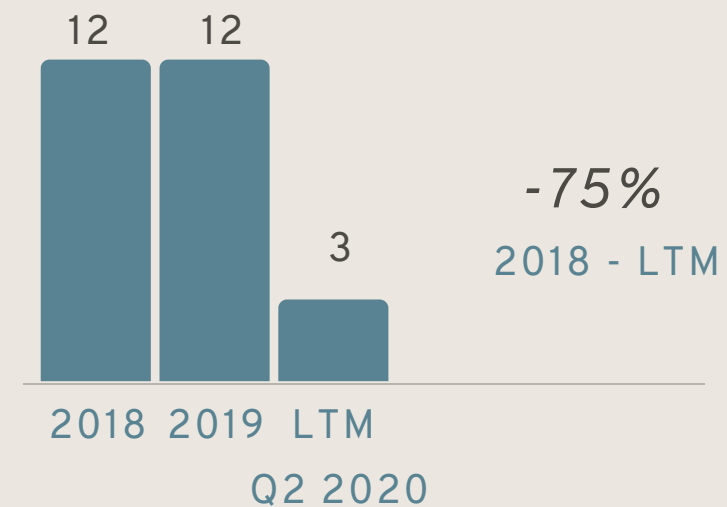
REVENUE

MNOK



EBITDA

MNOK



200
EMPLOYEES

NORWAY
LOCATION



AUTENTIC ITALIAN FOOD CONCEPT

Credo Partners invested in Villa Paradiso in October 2017. At the time, there were two restaurants in operation and an import business at same size as the restaurants. The company was led by the two founders who were seeking a partner to help them professionalize operations and roll out further restaurants across Norway. Based on a proven and non-cyclical restaurant concept, supported by own import business with several exciting growth avenues,

SCALING UP IS HARD

In 2020 we have invested most of our time and effort into (i) renewing and strengthening management, as well as (ii) improving execution excellence. Credo's focus this year has been to secure funding and to streamline operations to survive COVID-19 and emerge with a leaner and stronger business. Credo Partners invested in the company with the ambition of establishing six new restaurants within 2021 and steadily grow the import business with external customers each year.

ESTABLISHED FOUR NEW RESTAURANTS, AND PLATFORM FOR GROWTH UNDER DEVELOPMENT

Two and a half years into our ownership, four new restaurants have been opened, including one outside Oslo, and the company is more independent of the founders. Villa Paradiso is a leading provider of Italian food in Norway with 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 logistic set-up.

LAST YEAR: NEW RESTAURANTS, NEW MANAGEMENT AND COVID-19

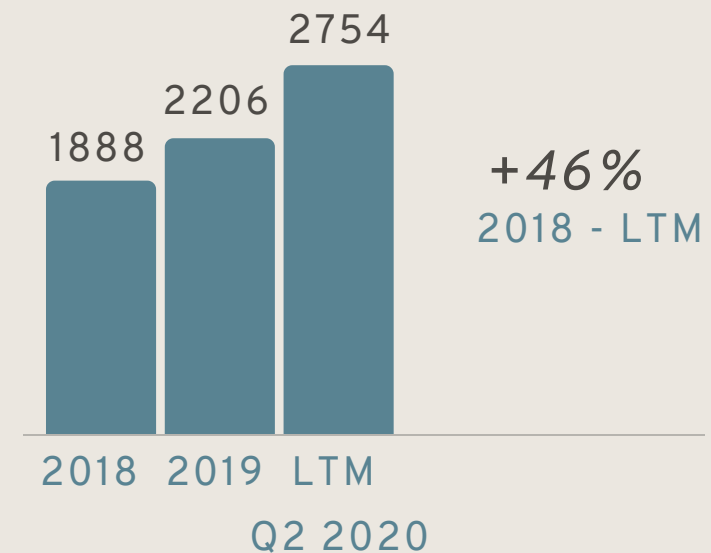
During the last twelve months, Villa Paradiso has opened one new restaurant in Oslo (Villa Tivoli at Lilleborg /Torshov) and signed 2 locations for opening in 2021 (Øvre Ole Bulls Plass in Bergen and Munch Bryge in Oslo). The company was severely affected by COVID-19 with three restaurants having to close temporarily and the import business losing substantial sales volumes. Interim CEO and interim CFO were appointed in June with extraordinary focus on cost efficiency and high-quality operations. LTM financials are heavily affected by COVID-19, including particular impact on the location in central Oslo.

Geia Food

Transforming a Danish trading operation to a food solution provider for Scandinavian retailers

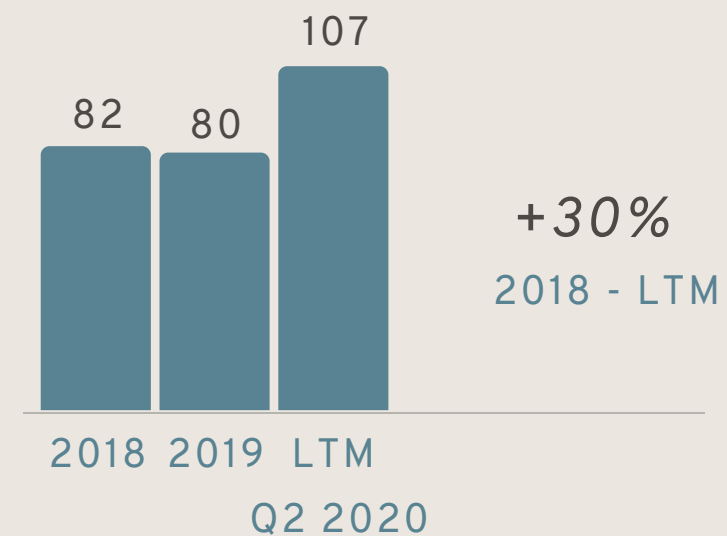
REVENUE

MNOK



EBITDA

MNOK



110

EMPLOYEES

DENMARK

LOCATION

GEIA FOOD GIVES GLOBAL FOOD SUPPLIERS ACCESS TO THE SCANDINAVIAN MARKET

Geia Food is a leading independent food solution provider, which leverages a global supplier base to deliver quality products at competitive prices to the Scandinavian markets.

Geia has extensive product knowledge coupled with deep understanding of local customer needs, allowing the company to serve as a single-point-of-entry to the Scandinavian food market for around 300 high quality suppliers around the world. For retailers, Geia accelerates product innovation and directs it toward fast-growing categories.

Geia's product portfolio comprises more than 2,500 different products across ten different categories, which are marketed under private labels, controlled labels, suppliers' brands, and Geia's own labels.

A HISTORY OF ROBUST AND PROFITABLE GROWTH IN DENMARK

Credo invested in Geia in November 2017. The Company had experienced ten years of profitable growth in Denmark, based on strong product knowledge, cost effective operations and speed in new product development.

In the years before 2017, the founders had hired professional management to initiate a transition from trading to value-add solutions for both suppliers and customers. Geia had a non-performing operation in Sweden, and a promising, but young setup in Norway.

Credo was highly impressed by management and the company's refined business model. With the right strategic guiding, we were convinced that we could create a true Scandinavian growth platform.

SCANDINAVIAN FOOD SOLUTION PLATFORM

Since Credo's entry, a full Scandinavian setup has been established, and combined revenues in Norway and Sweden exceeded DKK 600 million the last 12 months – also supported by one strategic acquisition in each market. In 2019, we invested heavily in establishing an effective Scandinavian organization, with Denmark as the hub and teams in Norway and Sweden for strong local execution and consumer insight.

DEVELOPMENT IS AHEAD OF INVESTMENT CASE

The investment case was to reach revenues of DKK 1800 million and an EBITA of 78 million in 2021, with both figures expected to be exceeded in 2020. Geia has established a very strong Scandinavian platform, with ample growth opportunities within existing core markets. The Company's M&A capabilities have been demonstrated, and further add-on acquisitions will continue to be on the strategic agenda.

STRONG OUTLOOK IN 2020 AND BEYOND

The Covid-19 lockdown has fueled the topline to some extent, but net effect on EBITDA is expected to be relatively neutral (due to e.g. extraordinary transportation costs). Geia has demonstrated an impressive delivery capacity during the crisis, which has been praised by customers. Continued positive financial development is expected going forward.

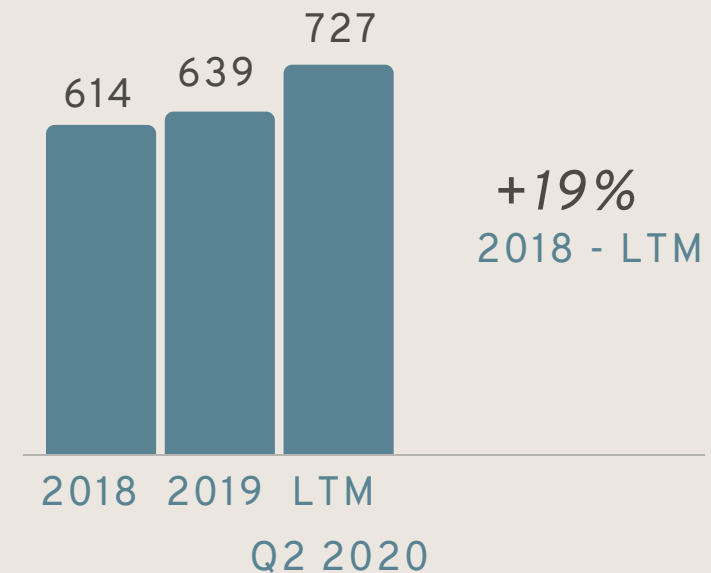


Globus Wine

Turn Danish wine traders into state of the art nordic wine solution partner

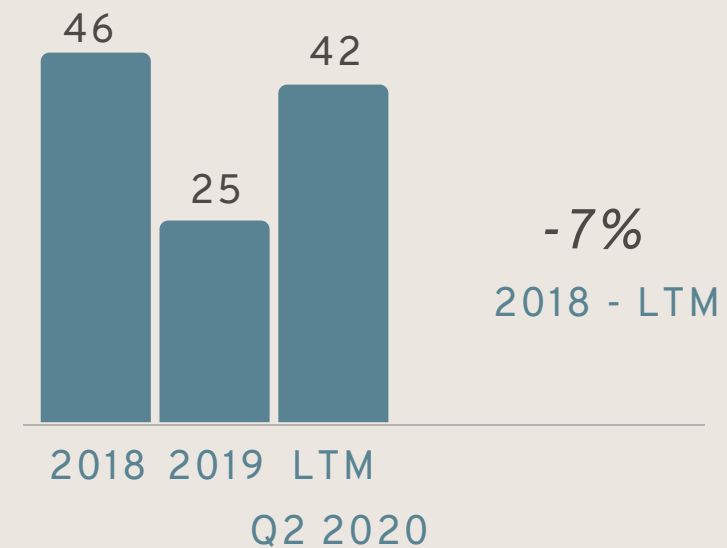
REVENUE

MNOK



EBITDA

MNOK



97

EMPLOYEES

DENMARK

LOCATION

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

Globus Wine is the leading wine category partner in the Danish retail market. The company offers global sourcing of bulk wine, local wine making, local filling, design and concept making and logistics. With the largest, and most modern, wine filling facility in the Nordics, Globus Wine creates sustainable value for global wine producers, local wine importers in Nordics, as well as Danish retailers.

MERGE FACILITIES AND PROFESSIONALIZE ORGANIZATION

Credo Partners invested in Globus Wine in November 2016. At the time, the company already had a strong position in Danish retail, primarily based on private label and filler services. This position was achieved from two rudimentary production facilities located 20km away from each other and an organization heavily dependent on the founders. The company was led by the founders who were seeking a partner to help them realize further growth opportunities within and beyond Denmark, in addition to strengthening the organization and operating model.

Together with the founders, Credo Partners created a five-year plan with three key initiatives: 1) Strengthen organization, 2) Clarify the strategy including strengthening own brands; and, 3) Merge the two facilities into one state of the art production facility.

FULL TRANSFORMATION COMPLETED WITH FURTHER GROWTH POTENTIAL

Over the last four years, Globus Wine has completed a transition from a successful founder-led company to a scalable, professional and solid company. Some of the milestones and achievements include:

- New top management with extensive experience from retail and FMCG industry
- Modern state-of-the-art filling facility with more than double production capacity increase representing significant economies of scale
- Strengthening own brands (16% market share in Denmark within red wine) demonstrating superior consumer- and wine know-how and category leadership in Danish retail
- Demonstrated substantial growth outside Denmark, in particular in Sweden



ATTRACTIVE ECONOMICS DEMONSTRATED AFTER STABILIZATION OF PRODUCTION

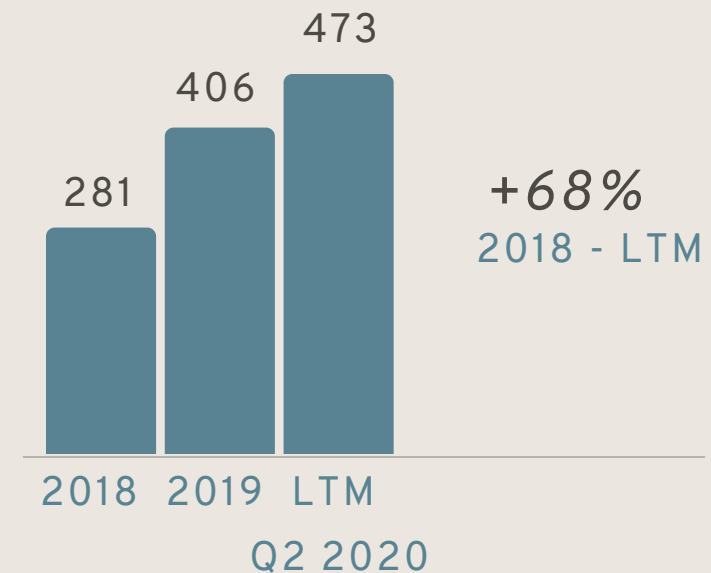
2019 was heavily affected by delayed and slow production start in Køge. However, during the first six months of 2020 production has stabilized and growth continued. In June 2020, Globus Wine realized all-time high numbers on sales, production volumes and EBITDA, thereby demonstrating the scalability of the new setup. High volume and strong financial results are expected also in H2 2020.

Even though COVID-19 is affecting all businesses, Globus Wine expects to report EBITDA in line with underlying business without extraordinary one-offs in its 2020 accounts. Globus Wines continues to make new contracts with global wine producers and local wine importers in the Nordics. Sales last six months have increased significantly to Danish retail (+18 % vs. 2019) and filler businesses outside Denmark (+23% vs. 2019).

Building a Nordic B2B IT solutions and services provider focused on power producers and utilities

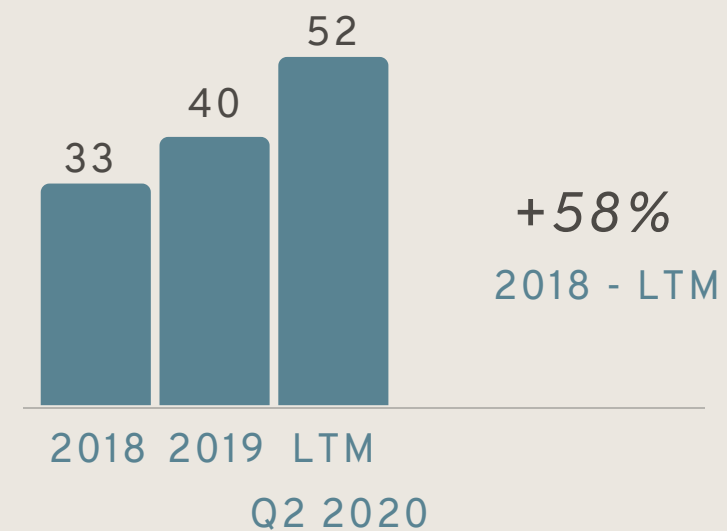
REVENUE

MNOK



EBITDA

MNOK



220
EMPLOYEES

NORWAY
LOCATION

ENERGY + IT = SYSCO

Sysco delivers smart, light-footed applications to electric utilities (generation/transmission/distribution), managed services and consultants with distinguished Oracle expertise. The company employs some 200 specialists from 20 countries, turning complex problems to digital success stories from 8 offices across Scandinavia.

UNDERDOG

Credo invested in Sysco during 2H 2016. The company had undergone impressive growth since inception in 2004, both organically and by M&A, to generate revenues of NOK 180 million, with healthy margins. Founders and management saw immense potential but needed a partner to help prioritize the vast menu of opportunities and develop a sound, scalable corporate platform on which to base further expansion. Adding complexity to the mission, Sysco's list of clients within its vertical comprised a long list of smaller Norwegian utilities and power producers – a segment experiencing massive consolidation, subject to regulatory changes and increased industrial complexity from ever-growing influx of electricity from intermittent sources. As such, Sysco's offering had to be reworked to solve new challenges and suit a smaller universe of larger clients.

THE PLAN

The simple, yet challenging game plan developed together with management and founders involved stepping up the vertical focus, recruit blue-chip utilities to the client base and leverage the Oracle dominance in Norway for Nordic expansion followed by a roll-out of the vertical offering.

PUNCHING ABOVE ITS WEIGHT

In late 2018, after having established Sysco in Sweden and Denmark, Frank Vikingstad stepped down as CEO to follow up the company's international efforts, with Dagfinn Ringås replacing him at the helm. With background from Microsoft and Schneider Electric, Dagfinn brought new perspectives to the team. During 2019 new talent was recruited to management, the game plan was sharpened, 4 acquisitions were closed and the company's profile and brand was refurbished. As a result of strong cross-divisional effort, Sysco won the Elhub managed services contract in competition with several IT blue chips, effectively making Sysco responsible for the digital spine of the Norwegian transmission and distribution grid for the next 6 years.



KNOCKOUT

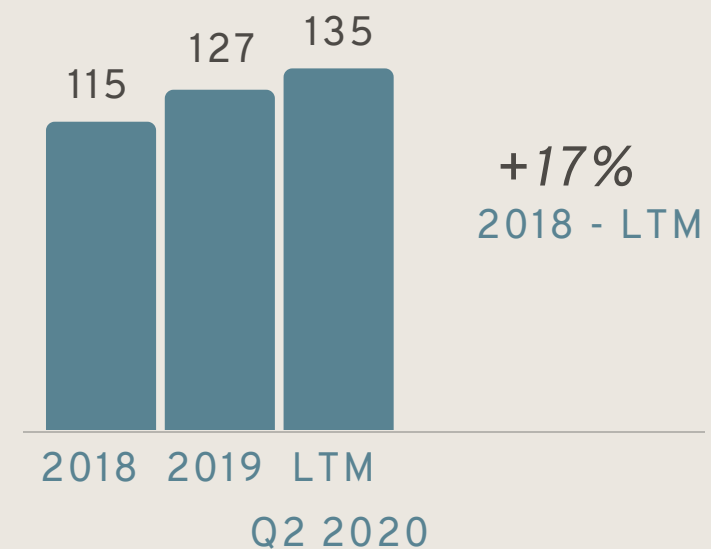
In an effort to revamp Sysco's software business, a decision was made in late 2019 to rebuild the solutions team under new divisional leadership. The new team hit the ground running during 1Q20 and made its first win in 2Q20 when the tender for delivering a new meter-to-cash software to Nettalliansen's 37 customers was won in competition with incumbents such as CGI and Hansen. The product is sold on a SaaS basis. 3 months after this announcement, further potential clients have signaled their interest in the new product, adding >NOK 100 million to the pipeline.

Made for Movement

Boost international growth for Norwegian provider of therapeutic helping aids to people with severe movement disabilities

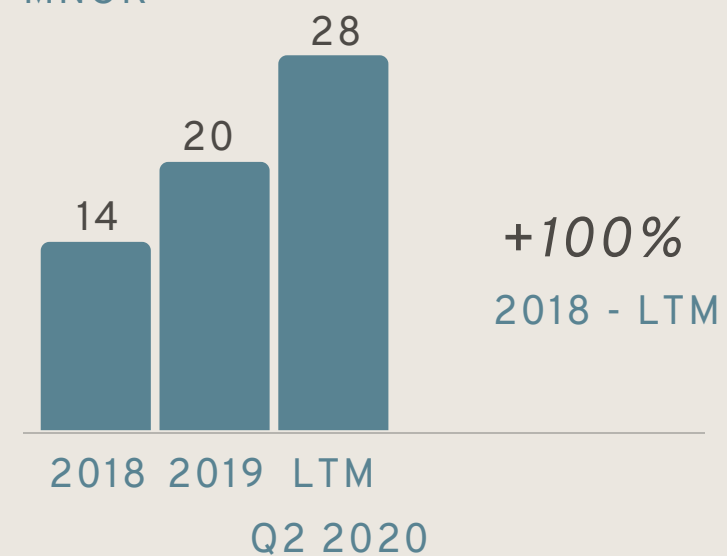
REVENUE

MNOK



EBITDA

MNOK



76

EMPLOYEES

NORWAY

LOCATION

EMPOWERING PEOPLE TO MOVE

Made for Movement is a leading producer of therapeutic helping aids for severely disabled people, primarily children and youth. The main products are the NF-Walker and the Innowalk, which are sold through its own operations in Norway, Germany, Sweden and UK, and distributed through partners in 15 additional countries.

INTERNATIONAL EXPANSION OF UNIQUE PRODUCTS

Credo invested in Made for Movement in December 2014. The Company had proven a profitable business model in Norway. Credo invested with an aim to accelerate growth in other European countries, with a particular focus on Germany, which today has grown to be equal in size with Norway. However, regulatory approval for Innowalk reimbursement in Germany has taken much longer time to materialize than anticipated, resulting in Made for Movement trailing the ambitions in the original business case. On the other side, take-off in the UK, where the company distributes its products outside of NHS, has shown a more rapid growth trajectory than anticipated.

INITIATIVES PAYING OFF

Although slower than planned, the international growth strategy is demonstrating growth and scalability, as operations are profitable and growing in all markets (Sweden, Germany and the UK), while the distributor markets also show profitable growth.

The company underwent a change in executive management in August 2019 when the founder, CEO since 2005, took on the role as Head of business development, and Michael Vieth, a seasoned executive with over 20 years in the healthcare sector, took on the role as CEO.

Initiatives launched over the past twelve months all focus on facilitating scalability of Made for Movement, including revamping of the sales model to increase sales efficiency, digitalization of marketing, implementation of a new management framework, and publishing of a first article in a peer-reviewed journal documenting the medical benefits of the products.

INCREASING SALES FORCE EFFICIENCY AND CREATING GROWTH OPTIONS

Creating further scalable sales growth remains the key strategy priority going forward.

Creating further scalable sales growth remains the key strategy priority going forward. Facilitating sales through technology, while improving the regulatory and reimbursement environment for Made for Movement's products, are key levers for strong financial results going forward.

STRONG FINANCIAL DEVELOPMENT

Made for Movement has shown very positive financial development over the last twelve months (per June 2020), with the strongest twelve-month results in the Company's history. Sweden and UK were the main drivers of this progress, along with strong growth in the distributor market. Although COVID-19 will impact the financial results negatively in the short run, the strong underlying momentum is expected to continue.



Varier

Focusing a furniture company on beautiful ergonomic chairs in a global niche

DESIGNER AND PRODUCER OF ERGONOMIC CHAIRS FOR THE GLOBAL CONSUMER MARKET

Varier is a furniture company based in Oslo, Norway. Varier designs and produces high-quality ergonomic chairs that invite people to move when they sit. Since 1979, its products have led the innovation within our field and inspired creativity in workspaces and homes across the world. Varier has sought the ideal balance between ergonomic, functionality and beautiful design in all the chairs we make. Varier, believes that we can live healthier and more sustainable lives by being in balance. Its versatile collection of chairs reflects its commitment to human-centered design.

ESTABLISH A GLOBAL FURNITURE COMPANY

Credo Partners has been invested in Varier from the very beginning when the company was divested from Stokke. During 2018 Varier was facing severe financial problems as a result of, among other things, non-performing supply chain leading to declining sales. A group of investors supported the company with sufficient capital, with the ambition to recover and resume the development of the company towards a globally recognized furniture company focusing on ergonometry and design.

GOING GLOBAL AND DIGITAL BASED ON ERGONOMETRY

The strategic priorities of Varier are defined in four dimensions; prioritize major international markets; market products through digital channels and 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.

SUPPLY CHAIN SECURED AND NEW CEO IN PLACE

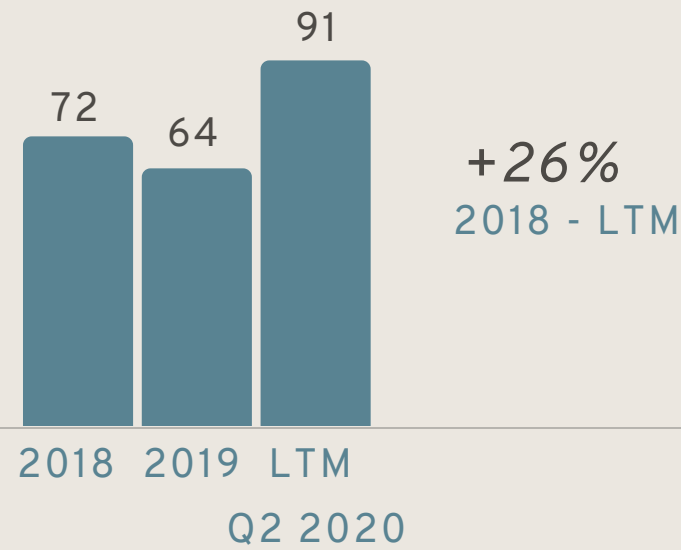
During the last 12 months, the financial situation of Varier has improved significantly from 2018. A new CEO joined on October 1st 2019, at a time when the supply chain finally was coming back to normal. Trust and relationships with key distribution partners have been rebuilt and strengthened.

POSITIVE OUTLOOK DRIVEN BY INCREASED HOME OFFICE WORLDWIDE

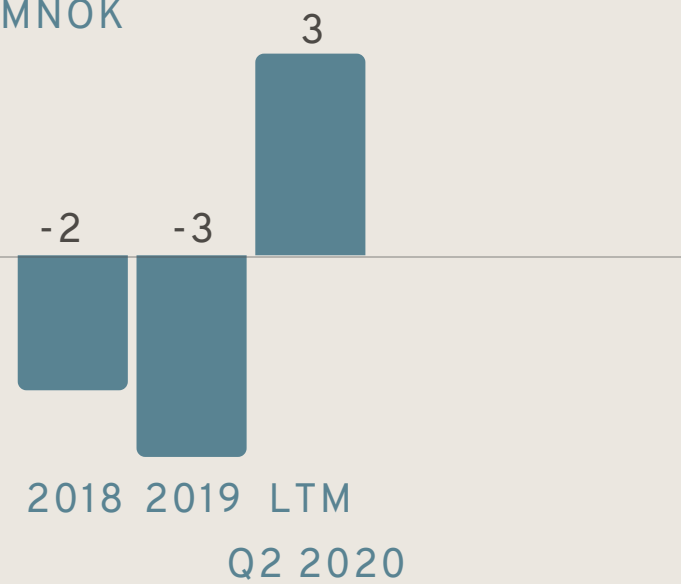
During the last months sales to the consumer market have accelerated in all major markets (in particular USA), driven by increased demand for home office equipment (due to COVID19), a reliable supply chain and increased digital presence. In the second half of 2020 high sales levels are expected to continue, leading to solid EBITDA levels and free cashflow.



REVENUE MNOK



EBITDA MNOK



30
EMPLOYEES

NORWAY
LOCATION



*- We have an extraordinary
opportunity for creating
positive change*

Team



ANTHEA ARFF-
PETTERSEN

ASSOCIATE



PÅL
BRYNSRUD

PARTNER



VICTOR
EVENSEN

PARTNER



STIAN
GLENDRANGE

DIRECTOR



GUDMUND
KILLI

MANAGING
PARTNER



MARIE
LETTING
LARSSEN

OFFICE
ASSISTANT



SØREN TORP
LAURSEN

HEAD OF
DENMARK



WILHELM
MOHN

PARTNER



HEDVIG NÆSS
OLSTAD

ASSOCIATE



PÅL PRYDZ

INVESTMENT
MANAGER



JUN TAI-
ANISDAHL

ASSOCIATE



HENRIK
TØSTIE

INVESTMENT
MANAGER

Winning over Crises

By Gudmund Killi - June 2020

Crises act to accelerate company performance – for the better or for the worse. Applying best practice approaches to managing unexpected crises has the potential to setting companies on a trajectory to emerge as winners when the dust settles. Thus, there is significant value to be gained, or lost, from how owners and managers approach adverse events when they occur.

True crises are unforeseen and hit unexpectedly. Each has its own DNA and strike companies differently. Thus, there is no “cure-all approach” to successful crisis management. What we have learnt in Credo Partners from managing our portfolio of companies successfully through several crises (including the financial crisis and Covid19) is that what really matters is how you approach and handle crises proactively, so you maintain freedom to navigate through the rough waters, and emerge as a stronger contender in your industry when the crisis recedes and normality is reinstated.

Our “Credo approach to winning over crises” can be summarized in the following operational guidelines:

1) Institute a very rapid response plan:

Time is of essence in a crisis; thus, rapid response is critical for staying in control of the unfolding events – better 75% correct quickly executed, than 90% correct later.

As Norway announced “closure” 12 March 2020 to mitigate the rapidly spreading Covid19 virus, we in Credo the same day requested all our 10 portfolio companies to come up with “Maximum response plans” ready to be launched within days. The response plans should adhere to the following guidelines:

- Taking care of the safety of all employees
- Identify scenarios for how demand likely would be impacted from a “Corona-frozen world” the next 6-9 months
- Address all costs and balance sheet items to meet identified scenarios
- Identify all programs available for alleviating effects of demand changes
- Proactively address banks and investors to align expectations and communicate content of response plans

2. Stay unusually close to business and execution throughout the crisis:

- Short-circuit regular governance process – institute (minimum) weekly follow-ups on actions and KPIs
- Act as coach and sparring partner to the CEO/C-suite – while relentlessly following up the “state of the nation” (ie actions, KPIs, motivation, morale and outlook)
- Leverage ownership role to assist companies with terms vs. banks and other key stakeholders
- Invest in keeping key people throughout the crisis

3. Ensure broad-based motivation throughout the company to succeed with response plan and emerge stronger from the crisis:

- Leaders lead by example: Ensure balanced contributions from everyone; e.g., pay-cuts from top management; fee cuts from Board members; specific contributions from owners, etc.
- Allow for entrepreneurship and out-of-the-ordinary initiatives – that will boost morale
- Occasionally, communicate broadly to the entire organization to recognize progress and contributions
- Show empathy and recognize efforts – people perform better when seen

4. Leverage momentum of crises to implement required strategic changes:

- Identify change imperative from the crisis: More online? Transition faster to online! More home office? Transition faster to home office! Etc.
- Similarly, take consequence of what will not revert to normal; eg, change sales and marketing structures and competences to reflect the “new normal”, eg more online/more home office, etc. – do not revert to “old” cost structure after the crisis!

5. Act fast and forcefully, but do not take short cuts:

- Be candid: People act better on realities than wishful thinking

- Be fair: Crises call for changes; changes require focus; focus requires priorities – be fair with those that fall outside due to change imperatives; how they are treated determines the morale of the organization
- Do not cheat; it will come back and haunt you ten-fold. If you do not qualify for state aid – do not pretend you do; if on furlough, do not work full time, etc.

We do not claim this to be a complete list, but sufficiently solid guiding principles for addressing an effective (and efficient) handling of unforeseen crises. We believe our approach to crises deliver results: As per 31 May 2020, ie three months into the Covid10-crisis, Credo Partners' ten portfolio companies demonstrate the following performance:

- Relative to EBITDA budgets for 2020: 5 companies are more than 10% ahead of their budgets, 3 within +/- 10 percent of budgets, and only 2 more than 10 percent behind their budgets;
- In total, EBITDA among the Credo portfolio companies in the period January-May 2020 is up 54% vs 2019; and total revenues are up by 8% vs the same period last year.

Although the current crisis is by no means over, and the outcome still unknown, we firmly believe that good crisis management improves a company's chances for survival and success. Crises represent a microcosm that accelerate different development trajectories in companies. Thus, applying best practices is particularly important in times of crisis – when new winners are born, and late responders easily perish.

Credo Partners AS

Published in October 2020 by Credo Partners.

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